



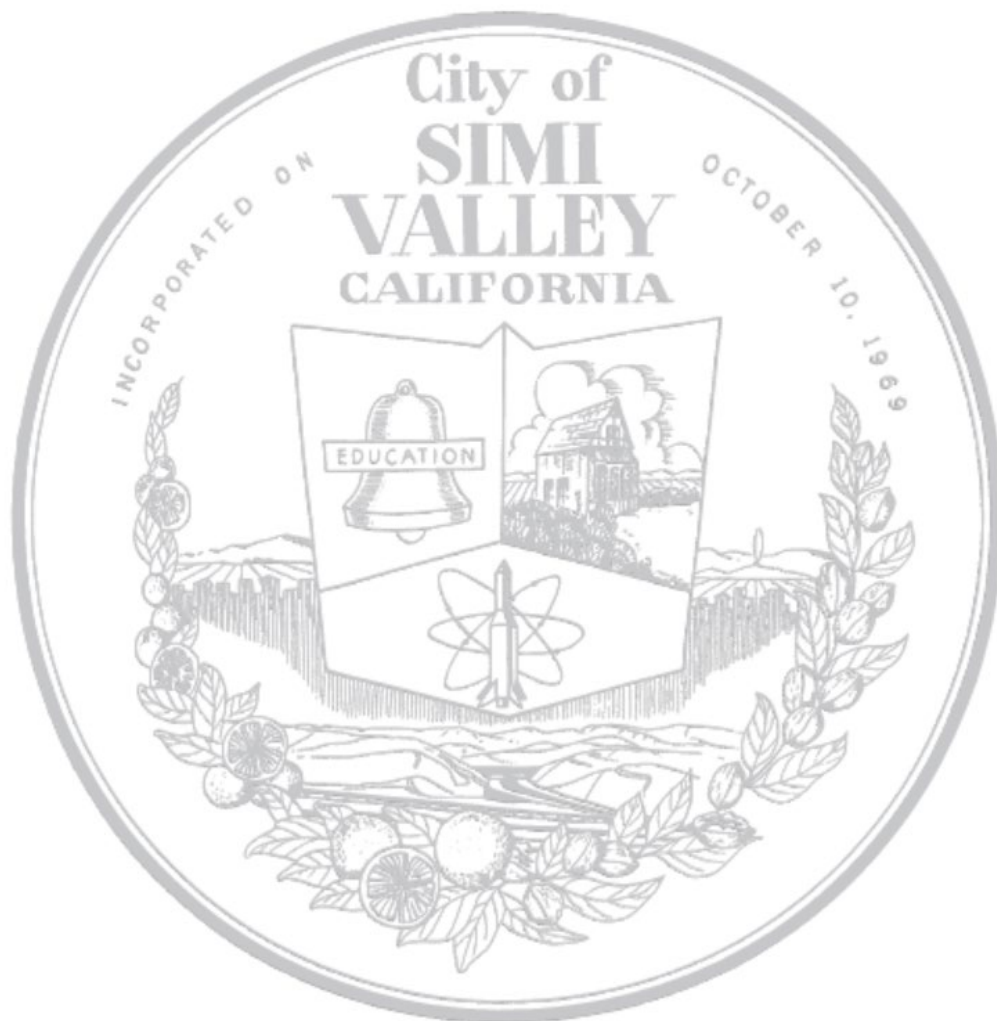
**CITY OF SIMI VALLEY
ANNUAL COMPREHENSIVE
FINANCIAL REPORT 2021-22**

FISCAL YEAR ENDED JUNE 30, 2022



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ANNUAL COMPREHENSIVE
FINANCIAL REPORT 2021-22**

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COMPREHENSIVE ANNUAL FINANCIAL REPORT
FISCAL YEAR ENDED JUNE 30, 2022

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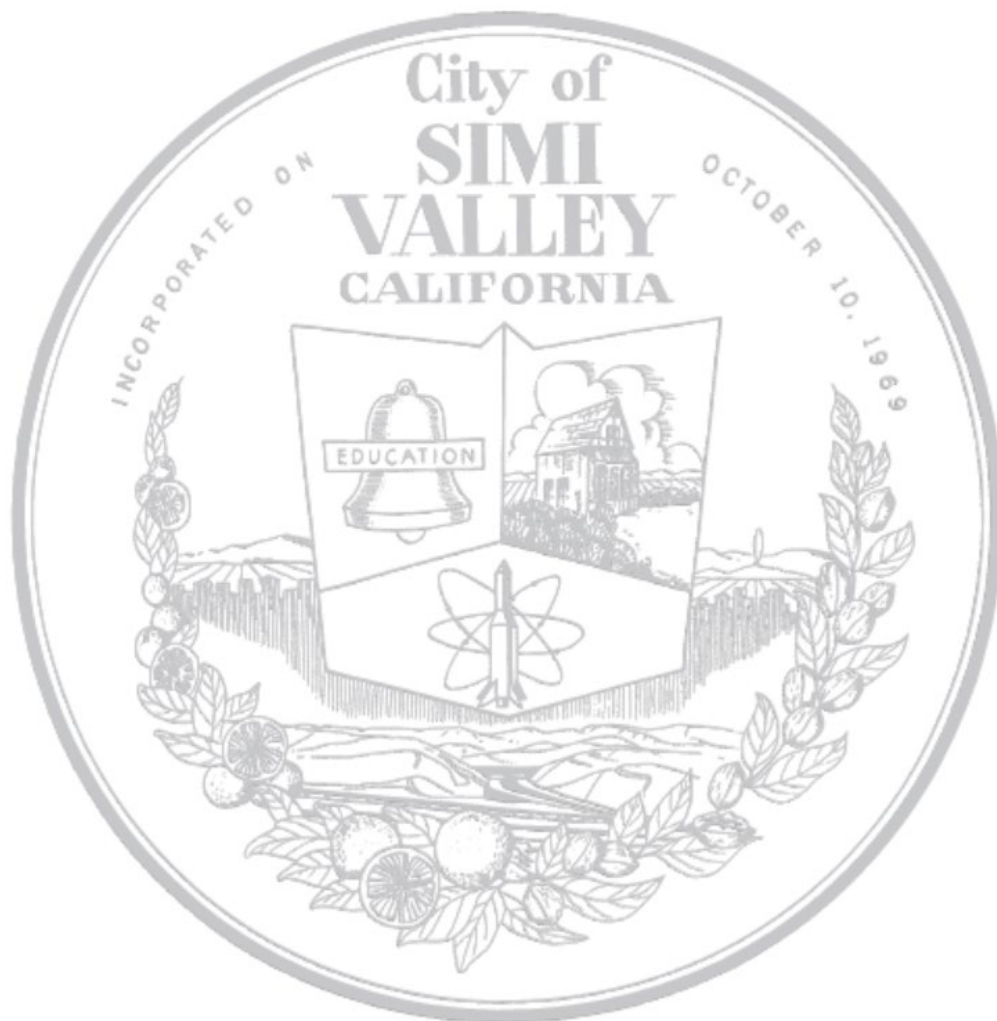
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INTRODUCTORY SECTION



April 26, 2023

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 annual comprehensive financial report of the City of Simi Valley (City) for the fiscal year ended June 30, 2022.

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 fiscal year ended June 30, 2022, 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, 2022, are fairly presented in conformity with GAAP. The independent auditor's 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 126,944 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 by District to staggered four-year terms. This election system divides the City into four geographic sections. Voters in each District select one Council representative who also lives in that District. The District election process began with the November 2020 election for District 1 and 3; Districts 2 and 4 followed in 2022. Prior to the November 2020 election, Council Members were elected at large to staggered four-year terms. The City’s Mayor is elected at-large every two years. The Mayor presides over Council meetings and has one vote. The Mayor and 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 February. The City Manager's Office conducts a series of budget review meetings with departments and agencies in late March. The City Manager then provides 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 that 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 within a fund and between departments within that fund.

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 (mid-year) 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 best understood when it is considered from the broader perspective of the specific environment within which the City operates.

Local Economy. Fiscal year 2021-22 locally generated revenues from property, sales, franchise, business, and other taxes increased by \$4.6 million or 6.7% over the prior fiscal year, primarily driven by an increase in property and sales taxes.

As with the rest of the world, the City was greatly impacted by the pandemic. Fortunately, the City does not depend on elastic revenue sources and is mostly funded through property and sales taxes. These revenue sources, coupled with the conservative budget practices of the City Council has allowed the City to remain in a strong and stable condition.

The local unemployment rate as of June 30, 2022 was 3.0%, which is a 3.1% decrease from the 6.1% unemployment rate reported in the previous fiscal year. The year over year decrease directly relates to the COVID-19 pandemic recovery, which has steadily improved from the height of the pandemic. 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.

The City has experienced a rise in residential development for fiscal year 2021-22, with an estimated 209 new housing units built compared to the previous evaluation period of 85 new units built. Contributing factors toward the rise in housing production include the City gradually emerging from the prolonged COVID-19 pandemic, a strong housing demand despite high housing cost and a rise in mortgage rates, and new state legislation aimed at expediting housing production by removing development constraints and offering of various funding mechanisms to help developers fund multifamily housing projects. While the City continues to have modest additions to its property tax roll through the ongoing development, the region is experiencing slow economic growth in terms of jobs in retail and services as they are restricted by the lack of labor force reinforcements, lack of attainable housing, rising interest rates, and persistence of inflation.

The State's recent response to the housing crisis mandates the City, and all local municipalities, to zone and stimulate housing production. As a result, development revenues could continue to increase through housing production. Major projects that were recently approved and/or are currently under construction include the Santa Susana mixed-use project with 280 apartment units and 4,750 square feet of commercial retail space, the Tapo-Alamo Street mixed-use project with 278 apartment units and 8,000 square feet of commercial retail space, the Landing at Arroyo and Vintage at Sycamore with a total of 311 rental units, and the Enclave Community with 164 townhomes and 6,000 square feet of commercial space. Furthermore, growing demand for accessory dwelling units (ADU) throughout the City further contributes to the variety the City's

housing stock, with an estimated 47 ADUs built compared to the previous evaluation period of 31 ADUs built.

Long-term Financial Planning. The City's population has remained steady reflecting a slight decrease over the prior reporting year. Turnover in the real estate market is continuing, but at a slower pace, thus further additions to the City's property tax roll are anticipated over time. The net impact of this resulted in an increase of property tax revenue of approximately \$1.2 million, or 3.1%.

The City continues to implement projects funded by the State SB2 and Local Early Action Planning (LEAP) grant programs. The State's SB2 grant provides funding for the Permanent Local Housing Allocation (PLHA), which is an annual allocation intended to provide financial assistance to local governments to help implement plans to facilitate housing affordability, particularly for low- to moderate-income households. In 2022, the City Council adopted a resolution amending the PLHA five-year plan and establishing a Homebuyer Assistance Program as an investment tool to retain, grow, and invigorate local workforce. Additionally, the state grant programs allows the City to implement a Specific Plan encompassing the Los Angeles Avenue and Tapo Street corridor to help repurpose underutilized and underperforming commercial retail centers. Furthermore, the City is in its final stage of updating its General Plan Housing Element. The Housing Element serves as the primary planning guide to meet the existing and projected jobs and housing needs of Simi Valley residents through 2029. After multiple comment opportunities and revisions, the City's draft Housing Element was readopted by City Council on February 27, 2023, for resubmittal to the California State Department of Housing and Community Development (HCD) for certification.

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 fiscal year 2022-23 budget continued the City's trend of adopting a structurally balanced budget.

The City weathered the pandemic better than originally anticipated and revenues are beginning to return to pre-pandemic levels. For example, the travel and hospitality industry is recovering from the COVID-19 pandemic and the City's transient occupancy tax revenues have returned to normal levels. Similarly, the City's sales tax revenue is projected to be strong in fiscal year 2022-23, as the economy recovers from the pandemic and unemployment declines. Vehicles remain in high demand and the sale of general consumer goods is strong. The City continues to be cautious about the significant shift to on-line sales, as on-line sales result in the City receiving only a share of sales taxes paid. This could result in lower sales tax revenue and City staff continue to monitor this phenomenon.

Furthermore, activity in the housing and the commercial real estate market has increased to levels not seen since before the Great Recession. Because there is a year lag in real

estate transactions converting to increases in property tax revenue, the fiscal year 2022-23 Adopted Budget includes a property tax growth assumption of 8.2%.

The City's forecast includes projections for most revenue types with a 2.0% - 3.0% per year inflationary growth. Projections on the expenditure side include 3.0% growth in personnel costs, 2.0% growth in materials and supplies based on a combination of past experience and an inflationary growth, and inflationary growth for most other expenditure types. These estimates result in small surpluses and structurally balanced budgets going forward.

While these revenue increases are welcomed, they are not assumed as a long-term trend and a softening is on the horizon. The Federal Reserve has initiated a series of interest rate increases intended to slow the economy and address inflation, Federal COVID-19-related stimulus funds that flowed to consumers has ended, and labor and supply chain issues remain albeit to a lesser degree. Additionally, the Simi Valley housing market is experiencing a lack of inventory of existing homes, driving up the median home price and limiting the flow of families migrating to the community. With an eye on these issues, as well as other short-term impacts, staff continues to monitor the national, state, and regional economies.

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 17.0% of the General fund expenditure budget. Overall, the City has a total ending General fund balance of \$76.7 million, a very healthy and stable position.

The total debt of the City is currently \$67.3 million, decreasing from \$69.9 million in the prior fiscal year. The decrease is attributed to \$2.6 million of debt service payments made throughout this fiscal year.

The total debt of the Successor Agency to the CDA, reported in the fiduciary funds, is \$15.1 million, with debt service requirements of approximately \$1.4 million per year (principal and interest), which are now paid through the County Redevelopment Property Tax Trust Fund (RPTTF).

Financial Policies. Actuals for the fiscal year resulted in a General fund operating surplus of \$6.4 million. The City intends to develop structurally balanced budgets that will put the organization on a strong financial foundation. Programs and services will need to be analyzed and prioritized in order to maintain balance. The most significant fiscal issues include but are not limited to aging infrastructure, unfunded pension liability, deferred maintenance, and replacement of the aging radio system. The City's landscape assessment districts continue to be subsidized by the General Fund.

Major Initiatives

- Continue process improvements in the delivery of services internally and externally to ensure sound fiscal management of the City and transparency to the public.
- Implement the “PEAK” Agenda Management to improve the efficiency of the internal workflow for agenda management.
- Collaborate with community partners including Rancho Simi Recreation and Park District, Ventura County Area Agency on Aging, and the Simi Valley Public Library to expand on educational and social offerings at the Senior Center.
- Expand the Arts Recovery Grant to encourage use of the Cultural Arts Center (CAC) by local arts organizations and non-profits through rental subsidies.
- Negotiate and award contract and begin installation of Citywide radio system infrastructure and device upgrade and replacement.
- Expand the use of the City’s Enterprise Information Management System (EnerGov) to establish an online Planning application and review process, and further expand search and display functions of land use and zoning-related data for staff and public use.
- Establish a homebuyer’s assistance program with shared appreciation through the State’s Permanent Local Housing Allocation to increase homeownership opportunities.
- Design, bid, and construct four new water conservation/turf reduction projects within the City. These projects will result in significant savings in utilities and contract efforts once completed.
- Significantly increase the lifetime of residential and local streets by fully implementing and expanding the annual Crack Seal, Crack Fill, and Slurry programs. A full implementation and expansion of these pavement maintenance methods will greatly reduce premature street deterioration and thus significantly reduce future general fund expenditures for such repairs.
- Restore Community Policing Programs, by staffing the Community Policing Bureau with Neighborhood Resource Officers, School Resource Officers, a Vulnerable Population Detective, and Community Services Specialist.
- Manage and implement Quality Assurance program for 9-1-1 calls and radio dispatching with newly purchased Frontline Quality Assurance tracker.

Recent and Planned Changes

- Launched the Biannual Economic Update e-Newsletter to provide key economic data to the business community and quarterly economic development updates to the City Council.
- Coordinated a cross-departmental team to update and launch a redesigned City website that improves communication to residents and businesses, provides an enhanced user experience, easier ADA compliance, and provides for translation to multiple languages.
- Secured a \$349,000 Shuttered Venues Operators Grant to aid in COVID-19 recovery for the Cultural Arts Center.

- Engaged with a grant management firm to seek out revenue opportunities on behalf of the City, potentially leading to millions more in funding for community needs.
- Adopted the City's Housing Element of the General Plan and submitted it to the California Department of Housing and Community Development for review. Also, adopted updates to the Community Development Element, and Safety and Noise Element of the General Plan.
- Implemented instant issuance permits for simple residential mechanical, electrical and plumbing projects via the City's customer self-service website.
- Maintained a Class 5 rating in the FEMA Community Rating System that provides a 25% flood insurance rate discount for a total \$300,000 in annual savings for the community.
- Designed and constructed two water conservation projects within the City's Landscape Zones (Los Angeles Avenue & Erringer Road and along Galena Avenue north of the 118 Freeway).

Gann Appropriations Limitation. Article XIIIB 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, 2022, was \$86,767,833. 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 Annual Comprehensive Financial Report (ACFR) for the fiscal year ended June 30, 2021. This was the 42nd consecutive year (fiscal years ended 1980-2021) 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 ACFR. 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 ACFR 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. I 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 cursive script that reads "Carolyn Johnson". The signature is written in black ink and is positioned above the printed name and title.

Carolyn Johnson
Administrative Services Director

OFFICIALS OF THE CITY OF SIMI VALLEY
(as of June 30, 2022)

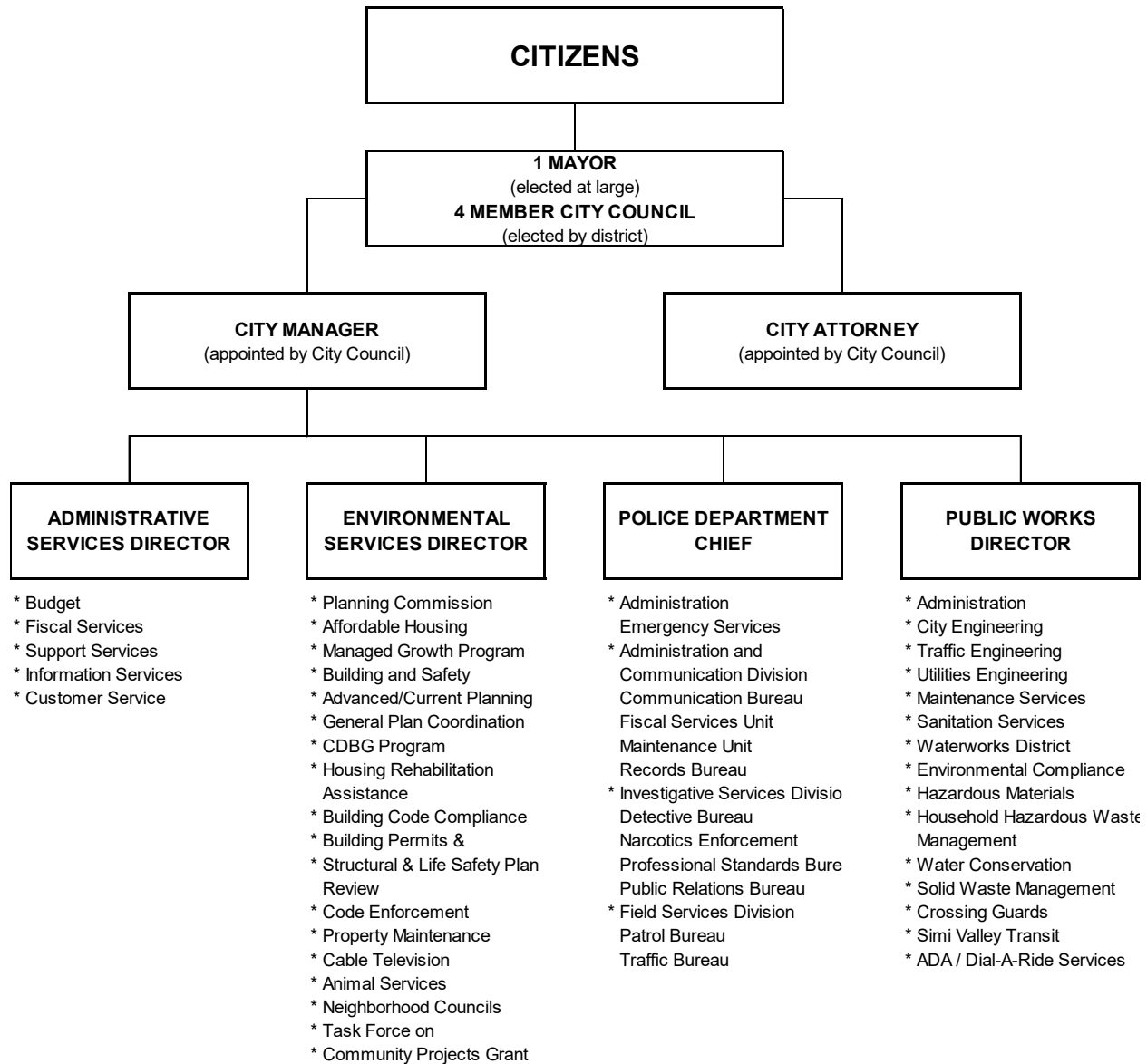
Members of the City Council

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. GablerCity Manager
David L. Caceres City Attorney
Carolyn Johnson.....Acting Administrative Services Director
Stratis Perros Environmental Services Director
Ron FuchiwakiPublic Works Director
David Livingstone.....Chief of Police

ORGANIZATION OF THE CITY OF SIMI VALLEY





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Simi Valley
California**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2021

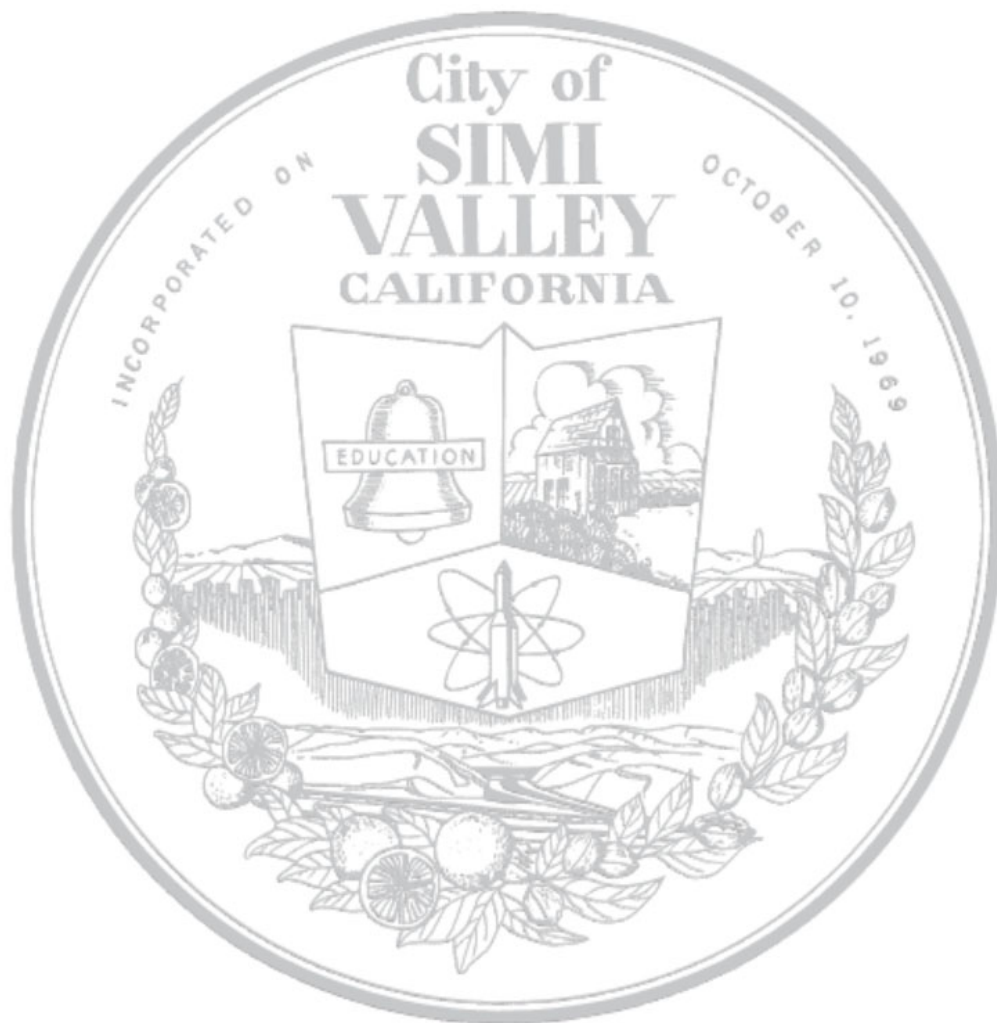
Christopher P. Morill

Executive Director/CEO

FINANCIAL SECTION



Independent Auditor's Report





Independent Auditor's Report

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

Report on the Audit of the Financial Statements

Opinions

We have audited the 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, 2022, and the related notes to financial statements, which collectively comprise the City's basic financial statements, as listed in the table of contents.

In our opinion, the accompanying 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, 2022, and the respective changes in financial position, and where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.



Emphasis of Matter

As discussed in Notes I-D, III-D and III-H, the City implemented the provisions of Governmental Accounting Standards Board Statement No. 87, *Leases*, during the fiscal year ended June 30, 2022. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.



- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

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 22 and the required supplementary information on pages 103 through 112 be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 GAAS, 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 Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual fund financial statements and budgetary comparison schedules 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.



Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 GAAS. In our opinion, the supplementary information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and the statistical section but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 26, 2023, on our consideration of the City'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
April 26, 2023

Management's Discussion and Analysis (UNAUDITED)

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

The management of the City of Simi Valley (City) provides this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2022. 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 \$422.8 million.
- The City's total net position increased by \$37.3 million. This increase was comprised of a \$3.2 million decrease in net investment in capital assets, an \$11.7 million increase in restricted net position, and a \$28.9 million decrease in unrestricted net deficit. The decrease in net investment in capital assets is a result of accumulated depreciation in excess of additional asset purchases during the fiscal year. The increase in restricted net position is primarily due to \$10.0 million of funds put into the Streets and Roads fund during the year for upcoming street projects. The large decrease in unrestricted net deficit is primarily due to the annual change in the City's net pension and other post employment benefits (OPEB) liability valuations.
- The City's total program and general revenues decreased by \$4.6 million. With the conclusion of the COVID pandemic and the related fiscal stimulus response from the U.S. Government, grant revenues decreased this fiscal year by approximately \$6.9 million. Meanwhile, City tax revenue sources, including property, sales, franchise, business, and other taxes held strong, resulting in a combined increase this year of approximately \$4.6 million. Charges for services also increased this year by approximately \$0.4 million, primarily driven by the City's business-type activities, discussed further within the business-type activities section. Lastly, interest in investments revenue decreased by \$3.0 million resulting from the book loss recorded during the fair market adjustment of City investments at year end.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$140.6 million, an increase of \$18.3 million in comparison with the prior fiscal year. Of the ending fund balance, approximately 4.2% or \$5.9 million is Non-spendable in form for long-term receivables; 30.9% or \$43.4 million is Restricted for housing programs, public improvements, streets and transportation, debt service obligations, special programs, and law enforcement; 34.2% or \$48.2 million is Committed to street projects, retiree benefits, special programs, equipment replacement, economic recovery, and prudent reserve; 31.5% or \$44.3 million is Assigned to capital; and -0.8% or negative \$1.2 million is Unassigned.

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

- At the end of the current fiscal year, the *Prudent Reserve* established by the City Council totaled \$14.1 million. This portion of Committed fund balance for the General fund is equal to 17.0% of budgeted General fund expenditures.

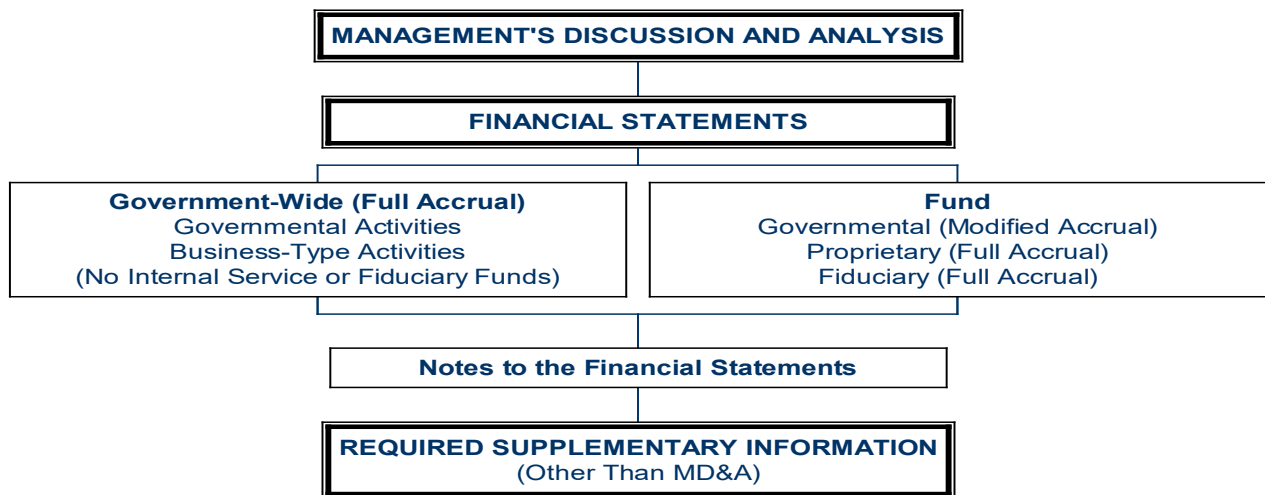
Overview of the Financial Statements

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

**CITY OF SIMI VALLEY • MANAGEMENT'S DISCUSSION AND ANALYSIS
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related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned, but unused, vacation leave).

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

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 four major and 23 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 Housing Agency (SHA) to Community Development Agency Housing Administration fund, the Development Related Fees fund, and the Streets and Roads fund. Data from the other 23 governmental funds is combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is

**CITY OF SIMI VALLEY • MANAGEMENT'S DISCUSSION AND ANALYSIS
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provided in the form of *combining statements* in the *Supplementary Information* section of this report.

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

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 system and permitting system 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 three fiduciary fund-types, Pension and Other Post Employment Benefits (OPEB) Trust funds, Private-Purpose Trust fund, and the Custodial funds. Custodial funds account for the collected assessments of the City in an agent capacity for the property owners for the payment of principal and interest amounts due to assessment district bondholders, and initiating foreclosure proceedings, if appropriate. The Private Purpose Trust fund accounts for the assets, deferred outflow of resources, and liabilities of the Successor Agency to the former Community Development Agency and its allocated revenue to pay estimated installment payments of enforceable

**CITY OF SIMI VALLEY • MANAGEMENT'S DISCUSSION AND ANALYSIS
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obligations until obligations of the former redevelopment agency are paid in full and assets have been liquidated. The Pension and OPEB Trust funds account for the assets related to the City's Public Agency Retirement Services (PARS) Retirement plan and for the assets, contributions, administration expenses, and benefit payments related to the City's OPEB plan.

Notes to the basic financial statements

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

Other information

In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the City's progress in funding its obligation to provide pension and OPEB 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, assets and deferred outflows exceeded liabilities and deferred inflows by \$422.8 million at the close of the most recent fiscal year.

A significant portion of the City's net position (79.0%) 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 (23.6%) 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) (-2.6%) 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 Statement No. 68 and GASB Statement No. 75, all local governments must now recognize on their statements of net position the full impact of the local government's unfunded pension and OPEB 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, 2022 and 2021**

	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
Current and other assets	\$ 202,598,516	\$ 174,784,131	\$ 123,005,826	\$ 112,668,213	\$ 325,604,342	\$ 287,452,344
Capital assets	236,074,636	238,372,884	151,302,937	148,000,879	387,377,573	386,373,763
Total assets	438,673,152	413,157,015	274,308,763	260,669,092	712,981,915	673,826,107
Deferred outflows	37,199,550	32,484,992	5,841,452	5,191,915	43,041,002	37,676,907
Long-term liabilities outstanding	190,827,776	221,480,111	58,619,859	68,255,364	249,447,635	289,735,475
Other liabilities	7,752,633	12,785,281	7,723,050	10,462,572	15,475,683	23,247,853
Total liabilities	198,580,409	234,265,392	66,342,909	78,717,936	264,923,318	312,983,328
Deferred inflows	56,408,791	12,452,861	11,855,189	561,460	68,263,980	13,014,321
Net position:						
Net investment in capital assets	200,958,735	203,826,589	133,253,370	133,644,109	334,212,105	337,470,698
Restricted	87,578,328	78,265,866	12,266,569	9,843,643	99,844,897	88,109,509
Unrestricted	(67,653,561)	(83,168,701)	56,432,178	43,093,859	(11,221,383)	(40,074,842)
Total net position	\$220,883,502	\$198,923,754	\$201,952,117	\$186,581,611	\$422,835,619	\$385,505,365

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 accounting requirements for all local governments to now recognize their liability for unfunded pension and OPEB. 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, 2022 and 2021**

	Governmental Activities		Business-Type Activities		Total	
	FY 2021-22	FY 2020-21	FY 2021-22	FY 2020-21	FY 2021-22	FY 2020-21
Revenues:						
Program Revenues:						
Charges for services	\$ 11,820,544	\$ 11,767,698	\$ 75,204,015	\$ 74,860,453	\$ 87,024,559	86,628,151
Operating grants and contributions	19,932,730	22,170,916	3,459,938	6,923,917	23,392,668	29,094,833
Capital grants and contributions	546,707	505,218	2,484,089	3,745,985	3,030,796	4,251,203
General Revenues:						
Property taxes	39,173,353	37,990,791	-	-	39,173,353	37,990,791
Other taxes	34,677,486	31,217,155	-	-	34,677,486	31,217,155
Interest on investments	(292,256)	699,790	(2,166,729)	(156,009)	(2,458,985)	543,781
Other	295,538	-	179,195	155,039	474,733	155,039
Total revenues	106,154,102	104,351,568	79,160,508	85,529,385	185,314,610	189,880,953
Expenses:						
General government	22,292,284	25,475,510	-	-	22,292,284	25,475,510
Community services	5,764,129	6,249,470	-	-	5,764,129	6,249,470
Planning	5,522,741	6,613,359	-	-	5,522,741	6,613,359
Public ways and facilities	17,753,088	19,861,510	-	-	17,753,088	19,861,510
Public safety	35,758,204	37,445,831	-	-	35,758,204	37,445,831
Interest on long-term debt	1,285,332	1,356,832	-	-	1,285,332	1,356,832
Indirect expense allocation	(7,576,038)	(8,033,300)	7,576,038	8,033,300	-	-
Sanitation	-	-	12,320,909	15,702,385	12,320,909	15,702,385
Waterworks District No. 8	-	-	41,466,529	45,207,672	41,466,529	45,207,672
Transit	-	-	5,875,642	6,515,024	5,875,642	6,515,024
Total expenses	80,799,740	88,969,212	67,239,118	75,458,381	148,038,858	164,427,592
Change in net position before transfers and contributions	25,354,362	15,382,357	11,921,390	10,071,004	37,275,752	25,453,361
Transfers	(3,449,116)	1,115,388	3,449,116	(1,115,388)	-	-
Contributions from Successor Agency	54,502	51,484	-	-	54,502	51,484
Change in Net Position	21,959,748	16,549,229	15,370,506	8,955,616	37,330,254	25,504,845
Net position - beginning of the year	198,923,754	182,374,525	186,581,611	177,625,995	385,505,365	360,000,520
Net Position - ending	\$ 220,883,502	\$ 198,923,754	\$ 201,952,117	\$ 186,581,611	\$ 422,835,619	\$ 385,505,365

During the current fiscal year, City-wide revenues decreased by \$4.6 million and expenses decreased by \$16.4 million as compared to the prior fiscal year. The combination of these amounts provided a net increase of \$11.8 million in net position. Revenue categories with increases from the prior fiscal year consisted of charges for services (\$0.4 million), property tax (\$1.2 million) and other taxes (\$3.4 million), and other revenues (\$0.3 million) offset by decreases in the categories of operating and capital grants and contributions (\$6.9 million), and investment earnings (\$3.0 million).

**CITY OF SIMI VALLEY • MANAGEMENT'S DISCUSSION AND ANALYSIS
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Governmental Activities. Governmental activities increased the City's net position \$22.0 million as compared to an increase of \$16.5 million in the prior year. This is an increase of \$5.5 million from the prior fiscal year.

For governmental activities, total revenues increased by 1.7% (\$1.8 million) from the prior fiscal year.

Program revenues decreased by 6.2% (\$2.1 million) from the prior fiscal year. This is primarily due to:

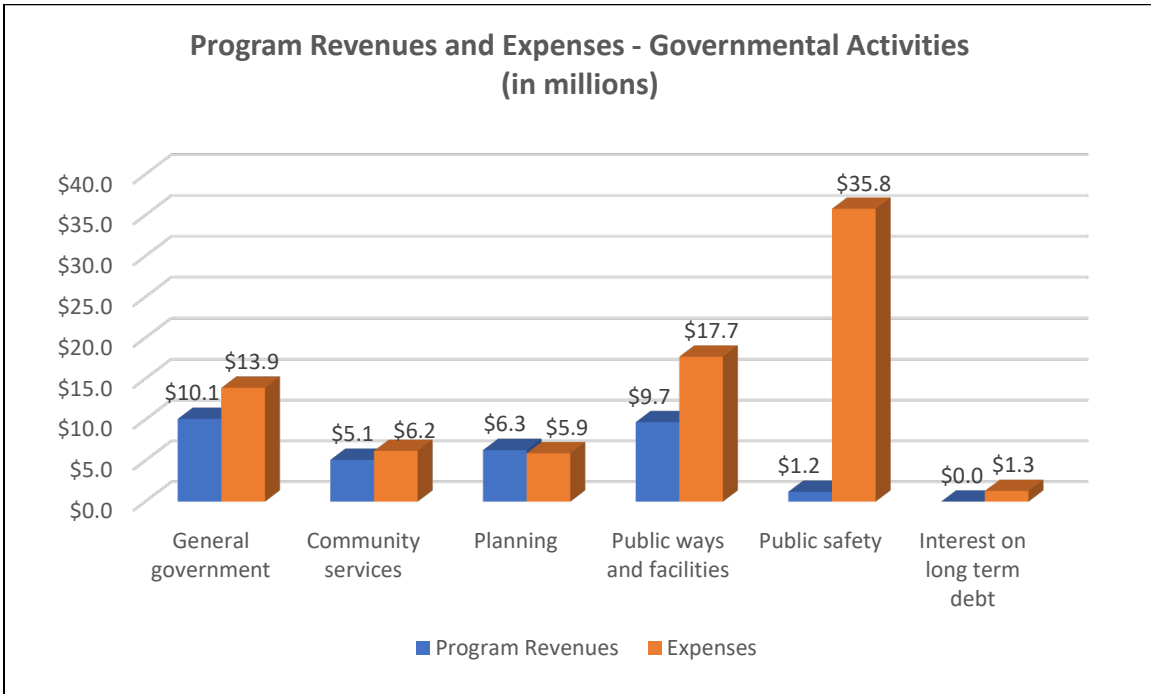
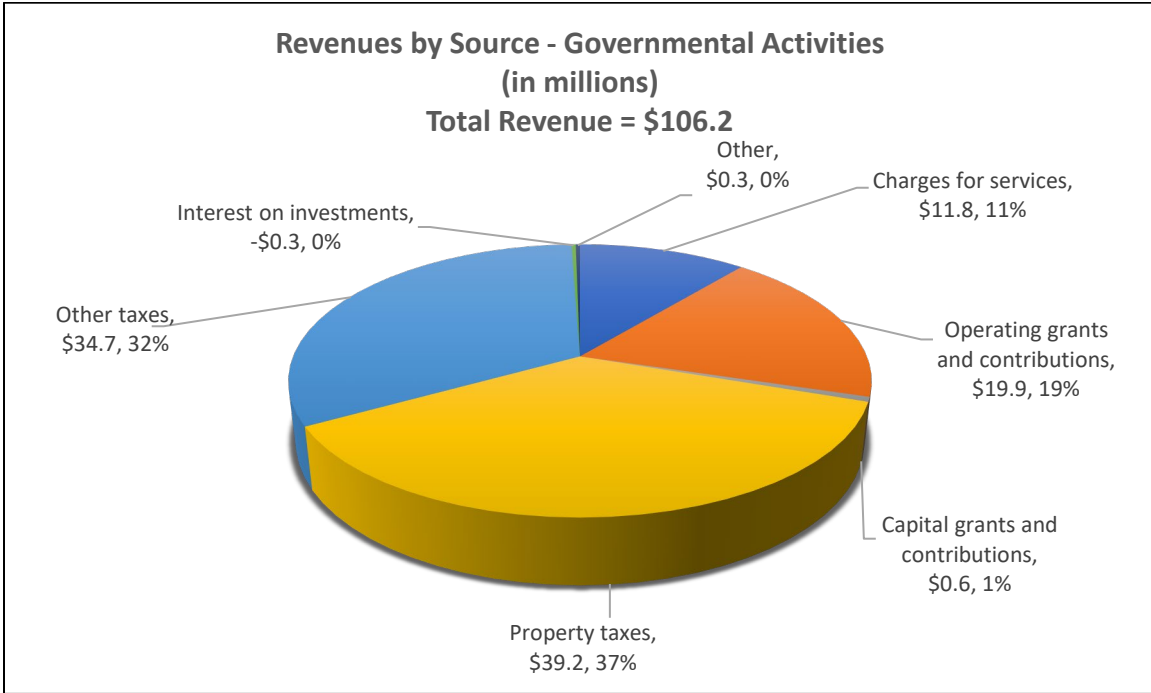
- Operating grants and contributions posted a decrease of 10.1% (\$2.2 million) due to exhaustion of federal financial assistance related to the COVID pandemic.
- Capital grants and contributions increased by 8.2% (\$0.1 million) due to an increase in reimbursable capital project expenditures.

General revenues increased 5.6% (\$3.9 million) primarily due to:

- Property tax revenue increased by 3.1% (\$1.2 million) as property taxpayers recovered from the pandemic and resumed payments, property values held strong and even continued to increase, and property sales occurred.
- Other taxes increased by 11.1% (\$3.5 million) primarily driven by an increase in sales tax (\$2.3 million) and transient occupancy tax (\$0.7 million).
- Investment earnings decreased by 141.8% (\$1.0 million) primarily due to the decrease in fair market value of the securities in which the City invests (\$1.7 million). This fair market value adjustment is required per the Government Accounting Standards Board, however, it is important to note that this loss is not realized unless the City's securities (e.g., bonds) are sold prior to their maturity, which is unlikely.
- Other general revenue increased 100.0% (\$0.3 million) primarily due to the commencement of the Kaiser building lease next to the Civic Center.

For governmental activities, total expenses decreased 9.2% (\$8.2 million) primarily due to the updated valuation of the City's net pension liability (-\$12.4 million) offset by the updated valuation of the City's net OPEB liability (\$7.2 million).

**CITY OF SIMI VALLEY • MANAGEMENT’S DISCUSSION AND ANALYSIS
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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 \$15.4 million as compared to a \$9.0 million increase in the prior year. Key elements for the changes in net position during the fiscal year are as follows:

In comparison to the prior fiscal year, overall revenue, before transfers, decreased by 7.4% (\$6.4 million). This is primarily due to:

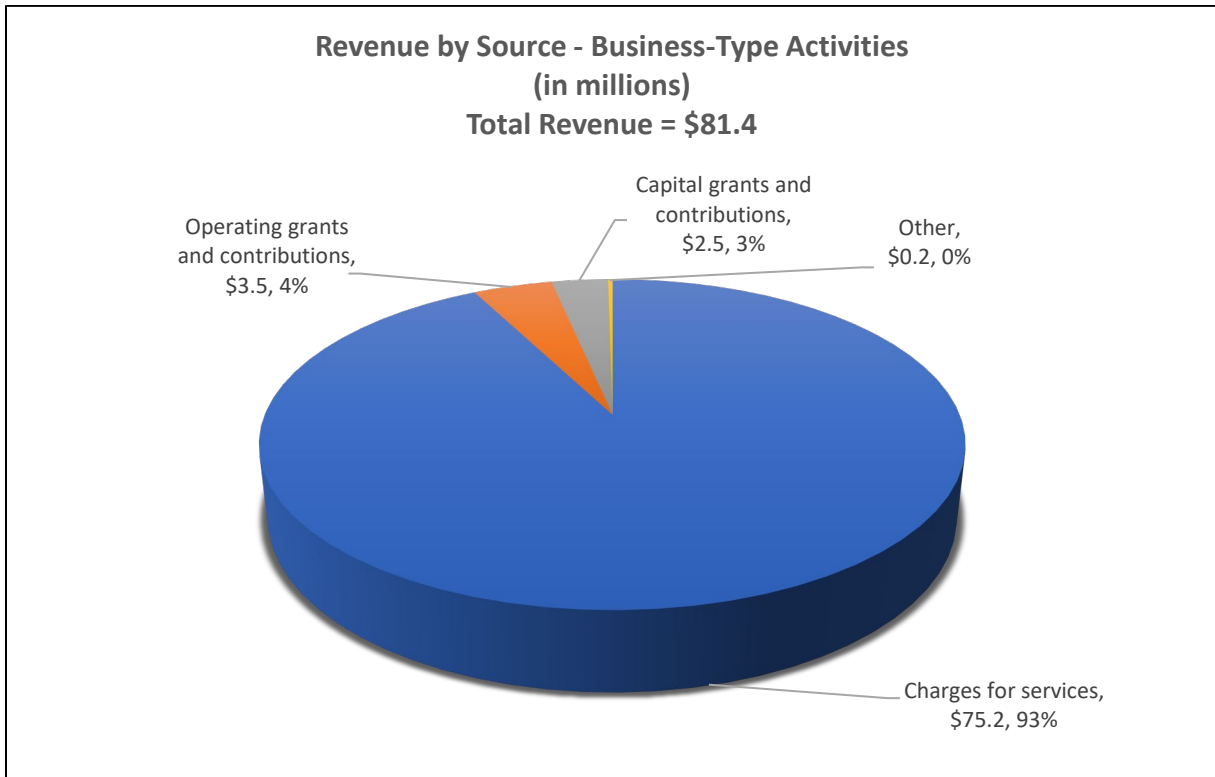
- Charges for services increased by 0.5% (\$0.3 million) primarily driven by a \$2.2 million increase of Sanitation service charges resulting from rate increases, offset by a \$2.1 million decrease of Waterworks District No. 8 service charges driven by drought related reduced water usage. The City's Transit operation also showed a \$0.2 million increase in service charges as the City resumed the collection of bus fares this fiscal year, which were suspended as a result of the COVID pandemic.
- Operating grants and contributions decreased by 50.0% (\$3.5 million) due to the reduction of available COVID related operating grants for the Transit division, specifically the American Rescue Plan Act (ARPA) funds received through the Federal Transit Administration's 5307 formula grant. See additional information below.
- Capital grants and contributions decreased 33.7% (\$1.3 million) due to a decrease in reimbursable capital project expenditures within the Transit division.
- Interest on investments decreased 1,288.8% (\$2.0 million) resulting from the book loss recorded during the fair market adjustment of City investments at fiscal year-end. As discussed above, this fair market value adjustment is required per the Government Accounting Standards Board, however, it is important to note that this loss is not realized unless the City's securities (e.g., bonds) are sold prior to their maturity, which is unlikely.

Expenses decreased 10.9% (\$8.2 million) as compared to the prior fiscal year. This is primarily due to:

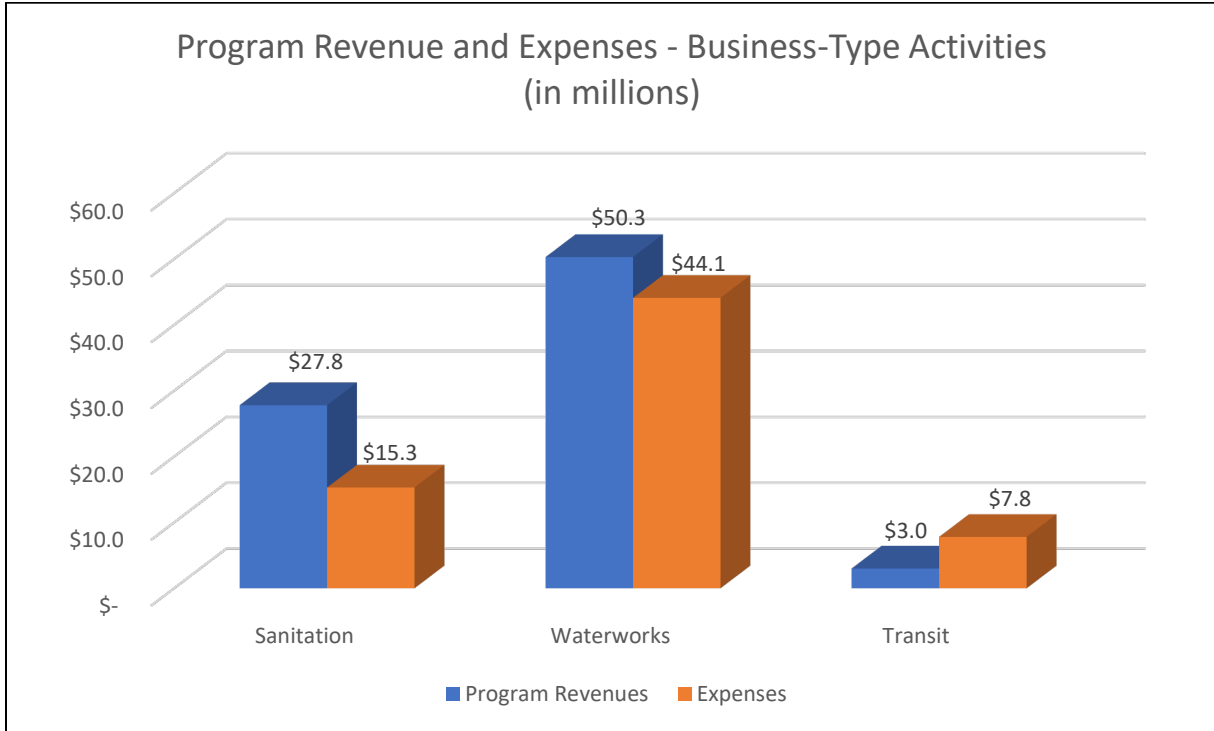
- Waterworks program expenses decreased by 8.3% (\$3.7 million) due to a decrease in overall demand for water stemming from drought restrictions, and the reduction of the City's net pension liability.
- Sanitation program expenses decreased by 21.5% (\$3.4 million) due to a decrease in maintenance projects and the reduction of the City's net pension liability.
- Transit program expenses decreased 9.8% (\$0.6 million) due to the reduction of the City's net pension liability.
- Business-type activities also experienced a combined decrease of 5.7% (\$0.5 million) in indirect costs based on City needs and the annual analysis of indirect costs.

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The Transit operation is primarily funded by Federal and State grants. During the prior fiscal year, additional funding was provided through the Federal Transit Administration's (FTA) Coronavirus Aid, Relief, and Economic Security (CARES) Act 5307 grant (\$4.2 million) and ARPA 5307 grant (\$2.2 million). This substantially reduced State funding used in the prior fiscal year, which is received and recorded in the Transportation special revenue fund until it is needed and transferred to Transit. The additional COVID related FTA grant funds were exhausted in the prior fiscal year and regular funding sources were utilized in the current fiscal year.



**CITY OF SIMI VALLEY • MANAGEMENT’S DISCUSSION AND ANALYSIS
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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 as established 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
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- *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 \$140.6 million, an increase of \$18.3 million when compared to the prior fiscal year balance of \$122.3 million. Of this total amount, 4.2% (\$5.9 million) is *Non-spendable* in form, comprised of long-term receivables; 30.9% (\$43.4 million) is *Restricted* for specific activities including housing programs (\$12.0 million), public improvements (\$7.9 million), streets and transportation (\$16.0 million), debt service (\$1.3 million), special programs (\$4.8 million), and law enforcement programs (\$1.4 million); 34.2% (\$48.2 million) is classified as *Committed* for activities such as streets (\$15.6 million), retiree benefits (\$0.5 million), special programs (\$0.8 million), equipment (\$6.1 million), economic recovery (\$11.1 million), and prudent reserve (\$14.1 million); 31.5% (\$44.3 million) is classified as *Assigned* comprised of capital; and -0.8% (negative \$1.2 million) of the fund balance is *Unassigned*.

The fund balance of the City's General fund increased by \$6.4 million during the current fiscal year, for a total ending balance of \$76.7 million. In comparison to last fiscal year, overall revenues in the General fund increased by \$3.0 million primarily due to an increase in taxes of \$4.6 million. This increase was driven by an increase in sales tax (\$2.3 million), property tax (\$1.2 million), and transient occupancy tax (\$0.7 million). In addition, there was an increase in license and permit revenue of \$1.3 million from increased building permit activity. These increases were offset by a decrease in COVID related grants of \$2.5 million. Expenditures and net transfers out increased by \$14.6 million primarily due to an increase in transfers out of \$12.4 million into the Streets and Roads fund for various street repair projects and regular year over year increases to current expenditures totaling \$3.0 million in general government (\$0.5 million), community services (\$0.4 million), planning (\$0.4 million), public ways and facilities (\$0.7 million), and public safety (\$1.0 million).

The fund balance of the SHA to Community Development Agency Housing Administration fund decreased by \$0.3 million for a total ending balance of \$5.1 million. In comparison to last fiscal year, overall revenues in the fund revenue decreased by \$0.1 million primarily due to a reduction of first time home buyer loan payoffs. In comparison to last fiscal year, expenditures and net transfers increased by \$0.5 million primarily due to a decrease in transfers in of \$0.4 million, driven by the 20.0% set aside for the repayment of the loan

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

agreement between the City and former Community Development Agency. This fiscal year included the final payment on the loan balance which was significantly smaller than the payments made in prior fiscal years.

The Development Related Fees fund was classified under Nonmajor Governmental funds in the prior fiscal year. The fund balance of the Development Related Fees fund increased by \$0.8 million during the current fiscal year for a total ending balance of \$14.4 million. In comparison to last fiscal year, overall revenues in the fund decreased \$1.6 million primarily due to a decrease in other revenue of \$1.0 million. The prior fiscal year other revenues amount included the last of four developer agreement payments (\$1.0 million) made by Runkle Canyon, LLC, for its related development project. In addition, there was a decrease in service charges of \$0.6 million also stemming from the absence of revenues (program participation fees of \$0.8 million) related to the Runkle Canyon, LLC development. In comparison to last fiscal year, overall expenditures and net transfers out decreased \$1.1 million primarily due to a decrease in net transfers out of \$1.1 million resulting from reduced capital project developer agreements funding needs to both the Public Facility Improvements and Streets and Roads funds.

The fund balance of the Streets and Roads fund increased by \$12.5 million during the current fiscal year for a total ending balance of \$15.6 million. In comparison to last fiscal year, overall revenues in the fund increased by \$0.4 million primarily due an increase of \$0.5 million in other revenue from trust fund releases processed to fund the Arroyo Simi Greenway Phase II and Phase III projects. In comparison to last fiscal year, overall expenditures and net transfers out decreased \$11.6 million primarily due to an increase in transfers in of \$13.8 million related to one time street funding from the General fund (\$12.4 million), and Road Maintenance and Rehabilitation Account fund (\$2.0 million), offset by reduced funding from the Transportation fund (\$0.2 million) and Development Related Fees fund (\$0.2 million). In general, budgeted projects in this fund are pre-funded with transfers from various funds and/or funded from reimbursement basis grants.

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 the current fiscal year, the Sanitation and Waterworks funds showed increases in net position of \$9.6 million and \$5.9 million, respectively, and the Transit fund showed a decrease in net position of \$0.9 million. Restricted net position for the Sanitation and Waterworks funds was \$11.1 million and 1.1 million, respectively; Unrestricted net position of the Sanitation, Waterworks, and Transit funds was \$40.0 million, \$21.1 million, and a negative \$5.1 million, respectively. Other factors concerning the finances of these funds have 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 \$83.2 million was \$8.3 million greater than the original expenditure budget of \$74.9 million. The primary contributors of the increase are briefly summarized as follows:

- \$5.0 million was appropriated for administrative services and City-wide support resulting from the American Rescue Plan Act grant funds, which is also the primary driver of the increased revenue budget for grants.
- \$0.7 million was appropriated for community services primarily for the carry forward of unused funds appropriated in the prior fiscal year for animal services provided by the County of Ventura (\$0.3 million), and for the use of Shuttered Venue Operators Grant funds received by the Cultural Arts Center (\$0.3 million).
- \$1.2 million was appropriated for public ways and facilities primarily for the carry forward of unused funds appropriated in the prior fiscal year for various items.
- \$0.4 million was appropriated for public safety for the carry forward of unused funds appropriated in the prior fiscal year for various items, and for additional overtime costs related to and reimbursed by the Officer Traffic Safety grant program.

The final amended transfers out budget of \$16.7 million was \$12.0 million greater than the original budget of \$4.7 million, primarily driven by an \$11.8 million transfer appropriation to the Streets and Roads fund for various major street rehabilitation projects.

Actual expenditures of \$70.1 million were \$13.1 million less than the General fund final amended expenditure budget of \$83.2 million primarily due to the following:

- \$5.6 million savings in administrative services and City-wide support from unused emergency funds.
- \$1.5 million savings in community services from salary savings (\$0.4 million), animal service costs (\$0.6 million), and Cultural Arts Center expenses (\$0.4 million).
- \$0.8 million savings in planning from salary savings (\$0.5 million), professional services (\$0.1 million), and other contract services (\$0.1 million).
- \$2.6 million savings in public ways and facilities from salary savings (\$1.1 million) and contract services (\$1.2 million).
- \$2.0 million savings in public safety from salary savings (\$1.5 million), uniform costs (\$0.2 million), and equipment maintenance costs (\$0.1 million).

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

Actual revenues of \$88.8 million were \$5.8 million more than the General fund final budgeted amount of \$82.9 million primarily due to the following factors, combined with conservative budgeting practices:

- \$3.7 million of sales tax collections over the budgeted amount due to strong economic activity and prices increases due to inflation.
- \$1.6 million of building permit fee collections over the budgeted amount due to stronger than expected building permit activity.

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, 2022, amounts to \$387.4 million (net of accumulated depreciation). This is an increase of \$1.0 million as compared to the prior year.

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

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

- \$2.5 million in street projects were completed.
- \$1.6 million in stormwater rehabilitation projects were completed.
- \$1.4 million in water tank replacement projects were completed.
- \$1.0 million in sewer line rehabilitation projects were completed.
- \$1.0 million in a water tank repair project was completed.

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

**City of Simi Valley’s Capital Assets
(net of accumulated depreciation)
June 30, 2022 and 2021**

	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
Land	\$ 10,621,811	\$ 10,621,811	\$ 1,216,994	\$ 1,216,994	\$ 11,838,805	\$ 11,838,805
Buildings and improvements	31,466,898	33,033,641	5,945,209	6,221,938	37,412,107	39,255,579
Furnishings and equipment	3,285,627	3,712,718	3,215,293	3,303,814	6,500,920	7,016,533
Computers	455,106	276,565	-	-	455,106	276,565
Vehicles	1,541,377	1,890,552	2,713,065	3,882,176	4,254,442	5,772,728
Infrastructure	167,765,523	172,494,649	116,237,285	114,103,484	284,002,808	286,598,133
Intangibles	2,862,182	3,122,501	-	3,371	2,862,182	3,125,872
Right-of-use asset	2,519,910	-	-	-	2,519,910	-
Construction-in-progress	15,556,202	13,220,445	21,975,091	19,269,105	37,531,293	32,489,550
Total	\$ 236,074,636	\$ 238,372,883	\$ 151,302,937	\$ 148,000,882	\$ 387,377,573	\$ 386,373,765

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

Long-term debt. At the end of the current fiscal year, the City had total bonded debt outstanding of \$67.3 million. This entire amount represents bonds secured solely by specified revenue sources (e.g., revenue bonds).

City of Simi Valley’s Outstanding Bonded Debt at June 30, 2022 and 2021:

	Governmental and Business-Type Activities	
	2022	2021
2014A lease revenue refunding bond	\$ 14,845,000	\$ 15,645,000
2016 New Clean Renewable Energy Bonds (NCREBs)	7,511,274	7,883,943
2016 NCREBs tax exempt	589,602	621,707
2017 lease agreement	4,841,363	5,260,532
2018 lease agreement	5,034,290	5,331,146
2019 lease agreement	33,236,284	33,816,566
Bond premium (discount)	1,199,049	1,297,687
Total	\$ 67,256,862	\$ 69,856,581

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

Economic Factors and Next Year’s Budgets and Rates

In June 2022, the City Council adopted the fiscal year 2022-23 annual budget. The adopted budget is structurally balanced with a funding level that begins to address long-term funding deficiencies with one-time dollars. Due to the many years of well-managed budgetary decisions, the City continues to experience revenue growth at a slightly faster rate than expenditures. The City is in a strong financial position and this will allow the City Council to make strategic decisions for the foreseeable future.

In light of the year-end surpluses, staff evaluated the infrastructure and other budgetary needs of the City, as well as the City’s pension and OPEB liability, while weighing the continued growth of the City’s General fund balance. In April 2022, the City Council approved a fund balance policy for the General fund that will strategically allocate prior year-end General fund surplus dollars. Included with the fiscal year 2022-23 adopted budget is the reallocation of the fiscal year 2020-21 surplus funds into three specific use “holding” funds. In accordance with the fund balance policy, \$3.2 million will be placed in the Infrastructure Investment fund, \$3.2 million will be placed in the Retirement Obligation fund, and \$1.6 million will be placed in a Contingency fund.

The City’s economic development efforts continue to demonstrate success in reducing vacancy rates and attracting new business to the community. With historically low vacancy rates in the industrial sector, the City’s vacancy rates for the office and retail sectors continue to decline from 2020 and 2021 rates and show strength in relationship to the region. The City’s “business friendly” and “film friendly” reputations are among the leading reasons for the City’s success. To prepare for the future, the City is in the midst of preparing an Economic Development Strategic Plan that will help guide the City’s efforts for the next 5 years.

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

The City is forecasting strong sales tax revenue in fiscal year 2022-23 as the economy recovers from the pandemic and unemployment declines. Vehicles remain in high demand and the sale of general consumer goods is strong. The City is cautious however with the significant shift to on-line sales. In brick-and-mortar purchases, the City receives its full share of sales taxes paid on each transaction. On-line sales result in the City receiving only a share of sales taxes paid. This could result in lower sales tax revenue and City staff continue to monitor this phenomenon.

According to the California Employment Development Department, the unemployment rate in Simi Valley has consistently remained below that of Ventura County, an indicator of the strength of the local economy. The final unemployment rate for June 2022 was 3.0%, as compared to 3.2% for Ventura County, and 4.0% for California.

The City's gross assessed property values increased by 3.9% in fiscal year 2021-22 from the prior fiscal year and has an average increase of 4.2% year-over-year for the last four years, demonstrating strong property values and positive growth for the local economy.

The City is overall in a good financial position, with a General Fund spendable fund balance of \$70.8 million, which will allow the City Council to continue to make strategic decisions directed at improving the services we provide to our citizens.

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, 2022**

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current assets:			
Cash and investments (note III A)	\$ 156,141,364	\$ 97,425,940	\$ 253,567,304
Accounts receivable (net of allowance for uncollectibles) (note III C)	2,127,937	6,124,477	8,252,414
Taxes receivable	6,475,184	355,121	6,830,305
Grants receivable	692,488	3,748,431	4,440,919
Lease receivable	259,373	445,291	704,664
Interest receivable	461,200	271,906	733,106
Internal balances (note I E 2)	1,720,405	(1,720,405)	-
Inventories	-	1,533,589	1,533,589
Restricted cash and investments (note III A):			
Customer deposits	-	1,113,744	1,113,744
Connection fees	-	11,152,825	11,152,825
Total current assets	<u>167,877,951</u>	<u>120,450,919</u>	<u>288,328,870</u>
Noncurrent assets:			
Lease receivable	9,734,097	2,554,907	12,289,004
Loans receivable (note III B)	24,986,468	-	24,986,468
Capital assets (note III E):			
Capital assets not being depreciated	26,178,013	23,192,085	49,370,098
Capital assets being depreciated, net	<u>209,896,623</u>	<u>128,110,852</u>	<u>338,007,475</u>
Total noncurrent assets	<u>270,795,201</u>	<u>153,857,844</u>	<u>424,653,045</u>
Total assets	<u>438,673,152</u>	<u>274,308,763</u>	<u>712,981,915</u>
DEFERRED OUTFLOWS OF RESOURCES			
Related to loss on debt refunding	156,740	-	156,740
Related to pensions (note IV D)	14,285,999	2,997,094	17,283,093
Related to other post employment benefits (note IV E)	<u>22,756,811</u>	<u>2,844,358</u>	<u>25,601,169</u>
Total deferred outflows of resources	<u>37,199,550</u>	<u>5,841,452</u>	<u>43,041,002</u>
LIABILITIES			
Current liabilities:			
Accounts payable	3,278,333	5,469,036	8,747,369
Salaries and benefits payable	2,911,957	410,791	3,322,748
Accrued interest payable	395,643	255,051	650,694
Deposits	1,166,700	-	1,166,700
Liabilities payable from restricted assets	-	1,127,679	1,127,679
Unearned revenues	-	460,493	460,493
Current portion of long-term obligations (note III H)	<u>5,814,799</u>	<u>1,694,154</u>	<u>7,508,953</u>
Total current liabilities	<u>13,567,432</u>	<u>9,417,204</u>	<u>22,984,636</u>
Noncurrent liabilities (note III H):			
Noncurrent portion of long-term obligations	<u>185,012,977</u>	<u>56,925,705</u>	<u>241,938,682</u>
Total liabilities	<u>198,580,409</u>	<u>66,342,909</u>	<u>264,923,318</u>
DEFERRED INFLOWS OF RESOURCES			
Related to leases	9,542,108	2,899,499	12,441,607
Related to pensions (note IV D)	35,114,331	7,595,192	42,709,523
Related to other post employment benefits (note IV E)	<u>11,752,352</u>	<u>1,360,498</u>	<u>13,112,850</u>
Total deferred inflows of resources	<u>56,408,791</u>	<u>11,855,189</u>	<u>68,263,980</u>
NET POSITION			
Net investment in capital assets	200,958,735	133,253,370	334,212,105
Restricted for:			
Capital projects	37,363,525	-	37,363,525
Community development	36,817,239	-	36,817,239
Other purposes	13,397,564	-	13,397,564
Sewer connection fees and water capital improvement charges	-	12,266,569	12,266,569
Unrestricted	<u>(67,653,561)</u>	<u>56,432,178</u>	<u>(11,221,383)</u>
Total net position	<u>\$ 220,883,502</u>	<u>\$ 201,952,117</u>	<u>\$ 422,835,619</u>

See accompanying notes to the basic financial statements.

**CITY OF SIMI VALLEY
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

				<u>Program Revenues</u>	
	<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	\$ 22,292,284	\$ (8,402,110)	\$ 13,890,174	\$ 1,618,424	\$ 8,270,077
Community services	5,764,129	439,876	6,204,005	836,307	4,240,545
Planning	5,522,741	386,196	5,908,937	5,011,362	1,241,303
Public ways and facilities	17,753,088	-	17,753,088	3,940,427	5,510,749
Public safety	35,758,204	-	35,758,204	414,024	670,056
Interest on long term debt	1,285,332	-	1,285,332	-	-
Total governmental activities	<u>88,375,778</u>	<u>(7,576,038)</u>	<u>80,799,740</u>	<u>11,820,544</u>	<u>19,932,730</u>
Business-type activities:					
Sanitation	12,320,909	3,002,957	15,323,866	26,077,946	335,334
Waterworks District No. 8	41,466,529	2,661,328	44,127,857	48,945,484	624,190
Transit	5,875,642	1,911,753	7,787,395	180,585	2,500,414
Total business-type activities	<u>59,663,080</u>	<u>7,576,038</u>	<u>67,239,118</u>	<u>75,204,015</u>	<u>3,459,938</u>
Total primary government	<u>\$ 148,038,858</u>	<u>\$ -</u>	<u>\$ 148,038,858</u>	<u>\$ 87,024,559</u>	<u>\$ 23,392,668</u>

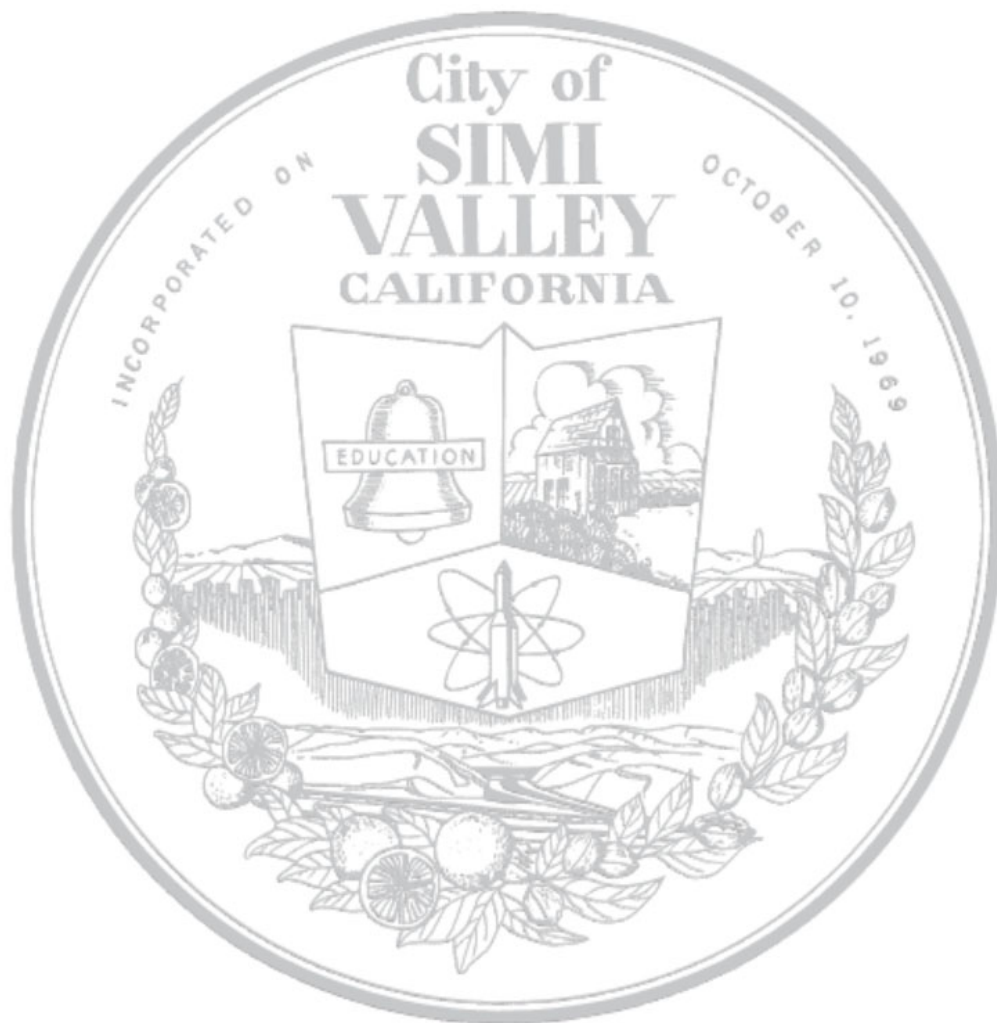
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**CITY OF SIMI VALLEY
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Program Revenues	Net (Expense) Revenue and Changes in Net Position			Total	
	Primary Government				
	Grants and Contributions	Governmental Activities	Business-type Activities		
\$ 182,108	\$ (3,819,565)	\$ -	\$ (3,819,565)		Primary government:
-	(1,127,153)	-	(1,127,153)		Governmental activities:
-	343,728	-	343,728		General government
289,599	(8,012,313)	-	(8,012,313)		Community services
75,000	(34,599,124)	-	(34,599,124)		Planning
-	(1,285,332)	-	(1,285,332)		Public ways and facilities
					Public safety
					Interest on long term debt
<u>546,707</u>	<u>(48,499,759)</u>	<u>-</u>	<u>(48,499,759)</u>		Total governmental activities
1,401,609	-	12,491,023	12,491,023		Business-type activities:
742,370	-	6,184,187	6,184,187		Sanitation
340,110	-	(4,766,286)	(4,766,286)		Waterworks District No. 8
					Transit
<u>2,484,089</u>	<u>-</u>	<u>13,908,924</u>	<u>13,908,924</u>		Total business-type activities
<u>\$ 3,030,796</u>	<u>(48,499,759)</u>	<u>13,908,924</u>	<u>(34,590,835)</u>		Total primary government
	39,173,353	-	39,173,353		General revenues:
	23,631,522	-	23,631,522		Property taxes
	5,393,386	-	5,393,386		Sales taxes
	2,343,050	-	2,343,050		Franchise taxes
	3,309,528	-	3,309,528		Business tax
	(292,256)	(2,166,729)	(2,458,985)		Other taxes
	295,538	179,195	474,733		Investment earnings
	(3,449,116)	3,449,116	-		Miscellaneous
	54,502	-	54,502		Transfers
	<u>70,459,507</u>	<u>1,461,582</u>	<u>71,921,089</u>		Contributions from Successor Agency
	21,959,748	15,370,506	37,330,254		Total general revenues, contributions and transfers
	<u>198,923,754</u>	<u>186,581,611</u>	<u>385,505,365</u>		Change in net position
					Net position-beginning
	<u>\$ 220,883,502</u>	<u>\$ 201,952,117</u>	<u>\$ 422,835,619</u>		Net position-ending

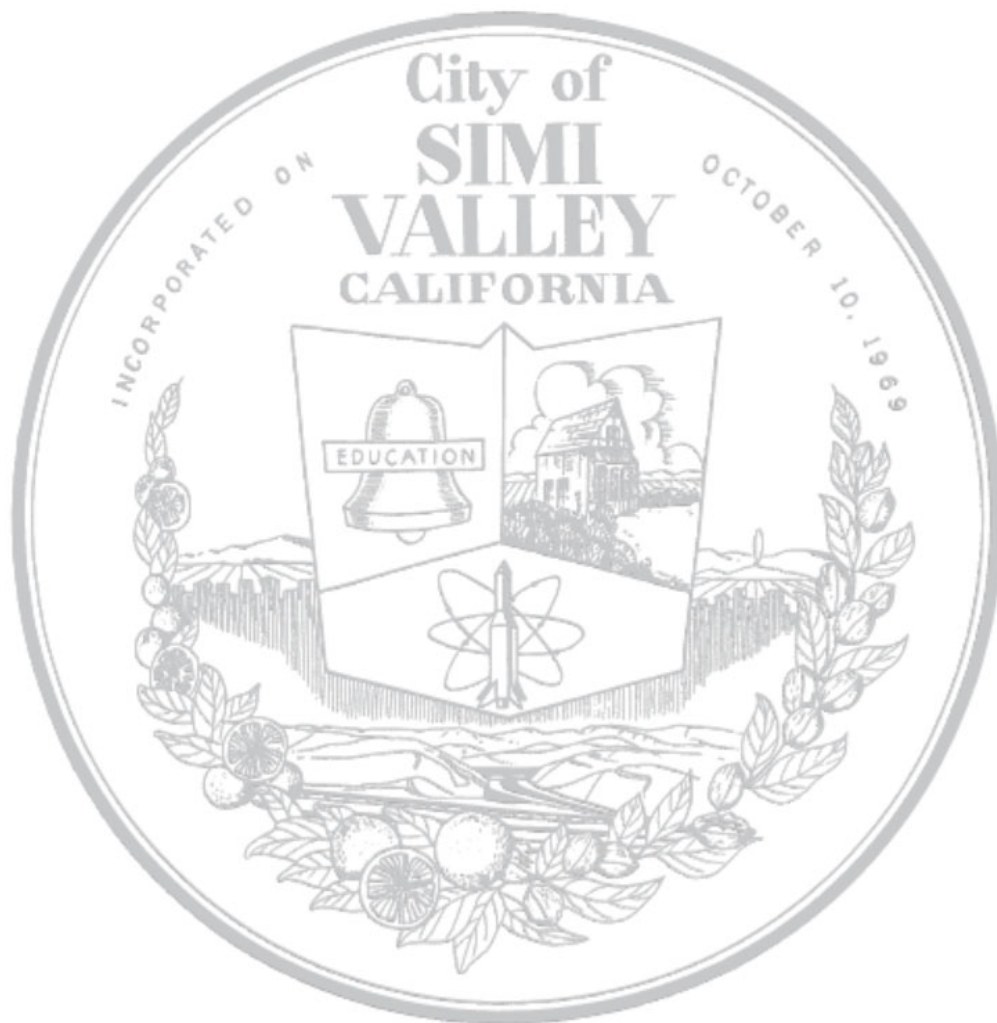
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See accompanying notes to the basic financial statements.





Fund Financial Statements



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**CITY OF SIMI VALLEY
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2022**

	General	Special Revenue	
		SHA to Community Development Agency Housing Administration	Development Related Fees
ASSETS			
Cash and investments:			
Held by City	\$ 64,960,148	\$ 5,152,123	\$ 14,414,886
Held by bond trustee	-	-	-
Accounts receivable (net of allowance for uncollectibles) (note III C)	1,144,169	56,524	-
Taxes receivable	6,402,613	-	-
Grants receivable	-	-	-
Lease receivable	9,993,470	-	-
Interest receivable	295,688	14,902	26,759
Due from other funds (note III G)	3,719,317	303	-
Loans receivable (note III B)	227,882	15,401,744	5,682,503
Advances to other funds (note III G)	5,692,380	-	-
TOTAL ASSETS	\$ 92,435,667	\$ 20,625,596	\$ 20,124,148
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
LIABILITIES			
Accounts payable	\$ 1,896,526	\$ 77,781	\$ 11,256
Salaries and benefits payable	2,871,652	15,215	-
Due to other funds (note III G)	1,769	-	-
Advances from other funds (note III G)	-	-	-
Deposits	1,166,700	-	-
TOTAL LIABILITIES	5,936,647	92,996	11,256
DEFERRED INFLOWS OF RESOURCES			
Leases	9,542,108	-	-
Unavailable revenue-housing programs	-	15,401,743	5,682,502
Unavailable revenue-public safety	-	-	-
Unavailable revenue-community services	255,916	-	-
TOTAL DEFERRED INFLOWS OF RESOURCES	9,798,024	15,401,743	5,682,502
FUND BALANCES (note III I)			
Nonspendable			
Long-term receivables	5,920,262	-	-
Restricted			
Housing programs	-	5,130,857	5,182,396
Public improvements	-	-	7,389,967
Streets and transportation	-	-	1,858,027
Debt service	-	-	-
Special programs	-	-	-
Law enforcement	-	-	-
Committed			
Streets	-	-	-
Retiree benefits	509,729	-	-
Special programs	764,872	-	-
Equipment	-	-	-
Economic recovery	11,084,838	-	-
Prudent reserve	14,139,864	-	-
Assigned			
Capital	44,281,431	-	-
Unassigned	-	-	-
TOTAL FUND BALANCES	76,700,996	5,130,857	14,430,390
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 92,435,667	\$ 20,625,596	\$ 20,124,148

See accompanying notes to the basic financial statements.

**CITY OF SIMI VALLEY
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2022**

Capital Projects

Streets & Roads	Nonmajor Governmental	Total Governmental Funds	
			ASSETS
\$ 16,035,559	\$ 31,721,785	\$ 132,284,501	Cash and investments:
-	1,324,129	1,324,129	Held by City
14,794	911,643	2,127,130	Held by bond trustee
-	72,571	6,475,184	Accounts receivable (net of allowance for uncollectibles) (note III C)
-	692,488	6,475,184	Taxes receivable
-	-	692,488	Grants receivable
-	57,893	9,993,470	Lease receivable
-	10,670	395,242	Interest receivable
-	3,674,339	3,730,290	Due from other funds (note III G)
-	-	24,986,468	Loans receivable (note III B)
-	-	5,692,380	Advances to other funds (note III G)
\$ 16,050,353	\$ 38,465,518	\$ 187,701,282	TOTAL ASSETS
			LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES
			LIABILITIES
\$ 439,658	\$ 791,886	\$ 3,217,107	Accounts payable
-	8,471	2,895,338	Salaries and benefits payable
-	1,596,395	1,598,164	Due to other funds (note III G)
-	3,348,380	3,348,380	Advances from other funds (note III G)
-	-	1,166,700	Deposits
439,658	5,745,132	12,225,689	TOTAL LIABILITIES
			DEFERRED INFLOWS OF RESOURCES
-	-	9,542,108	Leases
-	3,866,722	24,950,967	Unavailable revenue-housing programs
-	107,371	107,371	Unavailable revenue-public safety
-	-	255,916	Unavailable revenue-community services
-	3,974,093	34,856,362	TOTAL DEFERRED INFLOWS OF RESOURCES
			FUND BALANCES (note III I)
		5,920,262	Nonspendable
-	-	5,920,262	Long-term receivables
			Restricted
-	1,700,332	12,013,585	Housing programs
-	459,521	7,849,488	Public improvements
-	14,150,013	16,008,040	Streets and transportation
-	1,324,129	1,324,129	Debt service
-	4,762,883	4,762,883	Special programs
-	1,444,284	1,444,284	Law enforcement
			Committed
15,610,695	-	15,610,695	Streets
-	-	509,729	Retiree benefits
-	-	764,872	Special programs
-	6,073,233	6,073,233	Equipment
-	-	11,084,838	Economic recovery
-	-	14,139,864	Prudent reserve
			Assigned
-	-	44,281,431	Capital
-	(1,168,102)	(1,168,102)	Unassigned
15,610,695	28,746,293	140,619,231	TOTAL FUND BALANCES
			TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES
\$ 16,050,353	\$ 38,465,518	\$ 187,701,282	

See accompanying notes to the basic financial statements.

CITY OF SIMI VALLEY
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF POSITION – GOVERNMENTAL ACTIVITIES
JUNE 30, 2022

Fund balances - total governmental funds	\$	140,619,231
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.		236,074,636
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.		7,826,791
Some liabilities are not due and payable in the current period and therefore are not reported in the funds:		
Accrued interest payable		(395,643)
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.		25,314,254
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	\$ 14,208,326	
Related to other post employment benefits	<u>22,711,415</u>	36,919,741
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	(34,910,285)	
Related to other post employment benefits	<u>(11,727,907)</u>	(46,638,192)
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	(5,995,276)	
Net OPEB liability	(54,832,413)	
Net pension liability	(81,569,597)	
2014A Lease Revenue Refunding	(14,845,000)	
2016 New Clean Renewable Energy Bonds	(7,511,274)	
2016 NCREBs Tax Exempt	(589,602)	
2017 Lease agreement	(4,841,363)	
2018 Lease agreement	(5,034,290)	
Right-of-use lease liability	(2,576,192)	
Unamortized bond premium	(1,199,049)	
Unamortized bond payable deferred on refunding	<u>156,740</u>	<u>(178,837,316)</u>
Net position of governmental activities	\$	<u><u>220,883,502</u></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, 2022**

	General	Special Revenue	
		SHA to Community Development Agency Housing Administration	Development Related Fees
<u>REVENUES</u>			
Taxes	\$ 71,205,623	\$ -	\$ -
Licenses and permits	5,116,843	-	-
Fines and forfeitures	275,599	-	-
Use of money and property	(171,102)	578,263	412,919
From other governments	483,175	-	-
Grants	7,965,088	-	-
Service charges	1,597,621	13,861	1,037,695
Other revenues	2,279,942	-	100,000
Total revenues	88,752,789	592,124	1,550,614
<u>EXPENDITURES</u>			
Current:			
General government	9,891,262	-	-
Community services	3,749,095	-	-
Planning	5,301,683	861,132	-
Public ways and facilities	15,121,987	-	132,401
Public safety	36,056,175	-	-
Total current expenditures	70,120,202	861,132	132,401
Capital outlay:			
Streets and roads	-	-	-
Other capital projects	-	-	-
Total capital outlay	-	-	-
Debt service:			
Principal	-	-	-
Interest	-	-	-
Other	-	-	-
Total debt service	-	-	-
Total expenditures	70,120,202	861,132	132,401
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	18,632,587	(269,008)	1,418,213
<u>OTHER FINANCING SOURCES (USES)</u>			
Transfers in (note III G)	4,051,364	10,221	121,657
Transfers out (note III G)	(16,374,403)	-	(777,118)
Contributions from Successor Agency	54,502	-	-
Total other financing sources (uses)	(12,268,537)	10,221	(655,461)
NET CHANGE IN FUND BALANCES	6,364,050	(258,787)	762,752
FUND BALANCES - BEGINNING	70,336,946	5,389,644	13,667,638
FUND BALANCES - ENDING	\$ 76,700,996	\$ 5,130,857	\$ 14,430,390

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, 2022**

<u>Capital Projects</u>				
Streets & Roads	Nonmajor Governmental	Total Governmental Funds		
				<u>REVENUES</u>
\$ -	\$2,645,216	\$ 73,850,839		Taxes
-	-	5,116,843		Licenses and permits
-	1,629	277,228		Fines and forfeitures
-	453,599	1,273,679		Use of money and property
71,975	9,698,664	10,253,814		From other governments
190,272	1,214,247	9,369,607		Grants
-	791,556	3,440,733		Service charges
575,797	105,001	3,060,740		Other revenues
838,044	14,909,912	106,643,483		Total revenues
				<u>EXPENDITURES</u>
				Current:
-	542,734	10,433,996		General government
-	2,399,367	6,148,462		Community services
-	603,965	6,766,780		Planning
-	1,520,745	16,775,133		Public ways and facilities
-	236,999	36,293,174		Public safety
-	5,303,810	76,417,545		Total current expenditures
				Capital outlay:
2,580,817	-	2,580,817		Streets and roads
-	2,760,824	2,760,824		Other capital projects
2,580,817	2,760,824	5,341,641		Total capital outlay
				Debt service:
-	1,920,799	1,920,799		Principal
-	1,385,192	1,385,192		Interest
-	4,801	4,801		Other
-	3,310,792	3,310,792		Total debt service
2,580,817	11,375,426	85,069,978		Total expenditures
(1,742,773)	3,534,486	21,573,505		EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES
				<u>OTHER FINANCING SOURCES (USES)</u>
14,337,354	4,519,701	23,040,297		Transfers in (note III G)
(121,657)	(9,059,035)	(26,332,213)		Transfers out (note III G)
-	-	54,502		Contributions from Successor Agency
14,215,697	(4,539,334)	(3,237,414)		Total other financing sources (uses)
12,472,924	(1,004,848)	18,336,091		NET CHANGE IN FUND BALANCES
3,137,771	29,751,141	122,283,140		FUND BALANCES - BEGINNING
\$ 15,610,695	\$ 28,746,293	\$ 140,619,231		FUND BALANCES - 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, 2022**

Net change in fund balances - total governmental funds \$ 18,336,091

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 (This amount includes other current capitalizable expenditures of \$1,202,783 net of \$362,510 disposition)	6,181,914	
Depreciation expense	<u>(11,086,965)</u>	(4,905,051)

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	800,000	
Principal payment on 2016 New Clean Renewable Energy Bonds	372,669	
Principal payment on 2016 New Clean Renewable Energy Bonds (Tax Exempt)	32,105	
Principal payment on 2017 lease agreement	419,169	
Principal payment on 2018 lease agreement	296,856	
Principal payment on SV library lease	<u>30,611</u>	1,951,410

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)	14,073	
Amortized premium on bonds	98,638	
Amortized deferral on refunding	(12,851)	
Pension-related expenses	12,280,442	
OPEB-related expenses	(7,158,492)	
Compensated absences (net)	<u>260,559</u>	5,482,369

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. (189,484)

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.

1,284,413

Change in net position of governmental activities \$ 21,959,748

**CITY OF SIMI VALLEY
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES</u>				
Taxes:				
Sales	\$ 19,929,619	\$ 19,929,619	\$ 23,631,522	\$ 3,701,903
Property	35,962,298	35,962,298	36,528,137	565,839
Franchise	4,800,000	4,800,000	5,393,386	593,386
Business and other	4,742,500	4,742,500	5,652,578	910,078
Licenses and permits	2,887,000	2,887,000	5,116,843	2,229,843
From other governments	323,278	323,278	483,175	159,897
Grants	229,300	7,892,518	7,965,088	72,570
Service charges	2,319,400	2,319,400	1,597,621	(721,779)
Fines and forfeitures	580,200	580,200	275,599	(304,601)
Use of money and property	892,215	892,215	(171,102)	(1,063,317)
Other revenues	2,261,360	2,610,411	2,279,942	(330,469)
Total revenues	<u>74,927,170</u>	<u>82,939,439</u>	<u>88,752,789</u>	<u>5,813,350</u>
<u>EXPENDITURES</u>				
Current:				
City administration	4,661,771	4,690,079	4,396,882	293,197
Attorney	1,450,994	1,456,464	1,172,957	283,507
Administrative services and city-wide support	4,071,473	9,913,931	4,321,423	5,592,508
Community services	4,558,233	5,293,958	3,749,095	1,544,863
Planning	5,961,180	6,066,052	5,301,683	764,369
Public ways and facilities	16,529,699	17,684,099	15,121,987	2,562,112
Public safety	<u>37,635,569</u>	<u>38,071,087</u>	<u>36,056,175</u>	<u>2,014,912</u>
Total expenditures	<u>74,868,919</u>	<u>83,175,670</u>	<u>70,120,202</u>	<u>13,055,468</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>58,251</u>	<u>(236,231)</u>	<u>18,632,587</u>	<u>18,868,818</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers in	4,570,389	4,722,992	4,051,364	(671,628)
Transfers out	(4,652,177)	(16,704,030)	(16,374,403)	329,627
Contributions from Successor Agency	54,502	54,502	54,502	-
Total other financing sources (uses)	<u>(27,286)</u>	<u>(11,926,536)</u>	<u>(12,268,537)</u>	<u>(342,001)</u>
NET CHANGE IN FUND BALANCE	30,965	(12,162,767)	6,364,050	18,526,817
FUND BALANCES - BEGINNING	<u>70,336,946</u>	<u>70,336,946</u>	<u>70,336,946</u>	<u>-</u>
FUND BALANCES - ENDING	<u>\$ 70,367,911</u>	<u>\$ 58,174,179</u>	<u>\$ 76,700,996</u>	<u>\$ 18,526,817</u>

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, 2022

	<u>Budgeted Amounts</u>		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>REVENUES</u>				
Use of money and property	\$ 305,000	\$ 305,000	\$ 578,263	\$ 273,263
Service charges	17,000	17,000	13,861	(3,139)
Total revenues	<u>322,000</u>	<u>322,000</u>	<u>592,124</u>	<u>270,124</u>
<u>EXPENDITURES</u>				
Planning (ES):				
Materials, supplies and services	<u>1,406,750</u>	<u>1,409,692</u>	<u>861,132</u>	<u>548,560</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(1,084,750)</u>	<u>(1,087,692)</u>	<u>(269,008)</u>	<u>818,684</u>
<u>OTHER FINANCING SOURCES</u>				
Transfers in	<u>131,687</u>	<u>131,687</u>	<u>10,221</u>	<u>(121,466)</u>
Total other financing sources	<u>131,687</u>	<u>131,687</u>	<u>10,221</u>	<u>(121,466)</u>
NET CHANGE IN FUND BALANCES	(953,063)	(956,005)	(258,787)	697,218
FUND BALANCES - BEGINNING	<u>5,389,644</u>	<u>5,389,644</u>	<u>5,389,644</u>	<u>-</u>
FUND BALANCES - ENDING	<u>\$ 4,436,581</u>	<u>\$ 4,433,639</u>	<u>\$ 5,130,857</u>	<u>\$ 697,218</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, 2022**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES</u>				
Use of money and property	\$ 355,857	\$ 355,857	\$ 412,919	\$ 57,062
Service charges	225,500	225,500	1,037,695	812,195
Other revenues	-	-	100,000	100,000
Total revenues	<u>581,357</u>	<u>581,357</u>	<u>1,550,614</u>	<u>969,257</u>
<u>EXPENDITURES</u>				
Public ways and facilities (PW):				
Materials, supplies and services	<u>114,000</u>	<u>174,600</u>	<u>132,401</u>	<u>42,199</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>467,357</u>	<u>406,757</u>	<u>1,418,213</u>	<u>1,011,456</u>
<u>OTHER FINANCING SOURCES</u>				
Transfers in	-	-	121,657	121,657
Transfers out	<u>(776,457)</u>	<u>(777,512)</u>	<u>(777,118)</u>	<u>394</u>
Total other financing sources	<u>(776,457)</u>	<u>(777,512)</u>	<u>(655,461)</u>	<u>122,051</u>
NET CHANGE IN FUND BALANCES	(309,100)	(370,755)	762,752	1,133,507
FUND BALANCES - BEGINNING	<u>13,667,638</u>	<u>13,667,638</u>	<u>13,667,638</u>	<u>-</u>
FUND BALANCES - ENDING	<u>\$13,358,538</u>	<u>\$13,296,883</u>	<u>\$14,430,390</u>	<u>\$ 1,133,507</u>

See accompanying notes to the basic financial statements.

**CITY OF SIMI VALLEY
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2022**

	Business-type Activities - Enterprise Funds				Internal Service Funds
	Simi Valley Sanitation	Ventura County Waterworks District No. 8	Simi Valley Transit System	Total	
ASSETS					
Current assets:					
Cash and investments	\$ 68,567,685	\$ 28,465,297	\$ 392,958	\$ 97,425,940	\$ 22,532,734
Customer receivable	167,039	4,688,417	-	4,855,456	807
Other receivable	889,075	373,324	6,622	1,269,021	-
Taxes receivable	355,121	-	-	355,121	-
Grants receivable	-	-	3,748,431	3,748,431	-
Lease receivable	-	3,000,198	-	3,000,198	-
Inventories	685,436	665,644	182,509	1,533,589	-
Interest receivable	182,330	89,576	-	271,906	65,958
Restricted cash and investments:					
Customer deposits	-	1,113,744	-	1,113,744	-
Connection fees	11,138,890	13,935	-	11,152,825	-
Total current assets	<u>81,985,576</u>	<u>38,410,135</u>	<u>4,330,520</u>	<u>124,726,231</u>	<u>22,599,499</u>
Noncurrent assets:					
Capital assets (net of accumulated depreciation) (note III E):					
Land	765,660	451,334	-	1,216,994	-
Buildings and improvements	3,538,512	664,703	1,741,994	5,945,209	-
Furnishings and equipment	1,367,365	1,376,417	471,511	3,215,293	-
Vehicles	363,706	477,713	1,871,646	2,713,065	-
Distribution system	64,809,947	51,427,338	-	116,237,285	-
Construction-in-progress	16,242,424	4,003,770	1,728,897	21,975,091	-
Total noncurrent assets	<u>87,087,614</u>	<u>58,401,275</u>	<u>5,814,048</u>	<u>151,302,937</u>	<u>-</u>
TOTAL ASSETS	<u>169,073,190</u>	<u>96,811,410</u>	<u>10,144,568</u>	<u>276,029,168</u>	<u>22,599,499</u>
DEFERRED OUTFLOWS OF RESOURCES					
Related to pensions	1,241,054	1,098,966	657,074	2,997,094	77,673
Related to other post employment benefits	1,479,531	650,062	714,765	2,844,358	45,396
Total deferred outflows of resources	<u>2,720,585</u>	<u>1,749,028</u>	<u>1,371,839</u>	<u>5,841,452</u>	<u>123,069</u>
LIABILITIES					
Current liabilities:					
Accounts payable	2,177,976	3,106,973	184,087	5,469,036	61,226
Salaries and benefits payable	196,077	123,584	91,130	410,791	16,619
Interest payable	255,051	-	-	255,051	-
Lease agreement	1,561,098	-	-	1,561,098	-
Compensated absences	68,872	33,544	30,640	133,056	2,545
Due to other funds (note III G)	-	-	2,132,126	2,132,126	-
Unearned revenue	67,535	-	392,958	460,493	-
Claims and legal services payable (note IV B)	-	-	-	-	3,072,645
Current liabilities payable from restricted assets:					
Water service prepayments	-	1,113,744	-	1,113,744	-
Accounts payable restricted	-	13,935	-	13,935	-
Total current liabilities	<u>4,326,609</u>	<u>4,391,780</u>	<u>2,830,941</u>	<u>11,549,330</u>	<u>3,153,035</u>
Noncurrent liabilities:					
Advances from other funds (note III G)	-	-	-	-	2,344,000
Lease agreement	31,675,185	-	-	31,675,185	-
Compensated absences	619,849	301,900	275,764	1,197,513	22,907
Claims and legal services payable (note IV B)	-	-	-	-	8,315,048
Net pension liability	7,307,686	5,796,131	3,588,788	16,692,605	318,588
Net other post employment benefits liability	3,601,318	1,898,643	1,860,441	7,360,402	101,987
Total noncurrent liabilities	<u>43,204,038</u>	<u>7,996,674</u>	<u>5,724,993</u>	<u>56,925,705</u>	<u>11,102,530</u>
TOTAL LIABILITIES	<u>47,530,647</u>	<u>12,388,454</u>	<u>8,555,934</u>	<u>68,475,035</u>	<u>14,255,565</u>
DEFERRED INFLOWS OF RESOURCES					
Leases	-	2,899,499	-	2,899,499	-
Related to pensions	3,387,634	2,353,573	1,853,985	7,595,192	204,046
Related to other post employment benefits	710,541	303,229	346,728	1,360,498	24,445
Total deferred inflows of resources	<u>4,098,175</u>	<u>5,556,301</u>	<u>2,200,713</u>	<u>11,855,189</u>	<u>228,491</u>
NET POSITION					
Net investment in capital assets	69,038,047	58,401,275	5,814,048	133,253,370	-
Restricted for:					
Sewer connection fees and water capital improvement charges	11,138,890	1,127,679	-	12,266,569	-
Unrestricted	39,988,016	21,086,729	(5,054,288)	56,020,457	8,238,512
TOTAL NET POSITION	<u>\$ 120,164,953</u>	<u>\$ 80,615,683</u>	<u>\$ 759,760</u>	<u>\$ 201,540,396</u>	<u>\$ 8,238,512</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds					
Beginning adjustment to unrestricted net position				(339,373)	
Current adjustment to unrestricted net position				<u>751,094</u>	
Net position of business-type activities				<u>\$ 201,952,117</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, 2022

	<u>Business-type Activities - Enterprise Funds</u>				<u>Internal Service Funds</u>
	<u>Simi Valley Sanitation</u>	<u>Ventura County Waterworks District No. 8</u>	<u>Simi Valley Transit System</u>	<u>Total</u>	
<u>OPERATING REVENUES</u>					
Charges for sales and services	\$ 26,077,946	\$ 48,945,484	\$ 180,585	\$ 75,204,015	\$6,555,420
<u>OPERATING EXPENSES</u>					
Salaries and benefits	6,321,569	3,833,464	3,572,646	13,727,679	326,204
Materials and supplies:					
Water purchases	-	31,604,563	-	31,604,563	-
Utilities	816,005	1,093,245	35,193	1,944,443	-
Chemicals	489,177	-	-	489,177	-
Other	165,473	1,369,222	468,680	2,003,375	-
Services:					
Maintenance projects	474,401	212,705	286,328	973,434	-
Other	1,428,452	1,682,803	297,725	3,408,980	52,435
Insurance	454,676	247,250	381,915	1,083,841	-
Claims and legal expenses	-	-	-	-	3,206,149
General administration	3,089,671	2,661,328	1,911,751	7,662,750	478,028
Depreciation	2,403,025	1,628,766	1,060,179	5,091,970	-
Total operating expenses	<u>15,642,449</u>	<u>44,333,346</u>	<u>8,014,417</u>	<u>67,990,212</u>	<u>4,062,816</u>
OPERATING INCOME (LOSS)	<u>10,435,497</u>	<u>4,612,138</u>	<u>(7,833,832)</u>	<u>7,213,803</u>	<u>2,492,604</u>
<u>NONOPERATING REVENUES AND EXPENSES</u>					
Grants	335,334	624,190	2,500,414	3,459,938	-
Interest	(2,151,544)	(15,185)	-	(2,166,729)	(299,897)
Other	314	99,181	79,700	179,195	-
Total nonoperating revenues (expenses)	<u>(1,815,896)</u>	<u>708,186</u>	<u>2,580,114</u>	<u>1,472,404</u>	<u>(299,897)</u>
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	<u>8,619,601</u>	<u>5,320,324</u>	<u>(5,253,718)</u>	<u>8,686,207</u>	<u>2,192,707</u>
<u>CONTRIBUTIONS AND TRANSFERS</u>					
Capital contributions	1,401,609	742,370	340,110	2,484,089	-
Transfers in (note III G)	-	-	4,006,390	4,006,390	-
Transfers out (note III G)	(372,882)	(143,225)	(41,167)	(557,274)	(157,200)
Total contributions and transfers	<u>1,028,727</u>	<u>599,145</u>	<u>4,305,333</u>	<u>5,933,205</u>	<u>(157,200)</u>
CHANGE IN NET POSITION	<u>9,648,328</u>	<u>5,919,469</u>	<u>(948,385)</u>	<u>14,619,412</u>	<u>2,035,507</u>
NET POSITION-BEGINNING	<u>110,516,625</u>	<u>74,696,214</u>	<u>1,708,145</u>		<u>6,203,005</u>
NET POSITION - ENDING	<u>\$ 120,164,953</u>	<u>\$ 80,615,683</u>	<u>\$ 759,760</u>		<u>\$ 8,238,512</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds					
Current adjustment				<u>751,094</u>	
Change in net position of business-type activities				<u>\$ 15,370,506</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, 2022**

	Business-type Activities - Enterprise Funds				
	Ventura County		Simi Valley		Internal Service Funds
	Simi Valley Sanitation	Waterworks District No. 8	Transit System	Totals	
<u>CASH FLOWS FROM OPERATING ACTIVITIES:</u>					
Cash received from service charges and other revenues	\$ 26,134,507	\$ 50,674,745	\$ 259,410	\$ 77,068,662	\$ 6,555,420
Cash paid for salaries and benefits	(7,091,541)	(4,454,966)	(4,134,875)	(15,681,382)	(382,655)
Cash paid for supplies and materials	(2,260,953)	(34,497,727)	(660,668)	(37,419,348)	-
Cash paid for general administration	(3,002,957)	(2,661,328)	(1,911,753)	(7,576,038)	(455,705)
Cash paid for services	(2,101,242)	(2,548,763)	(763,504)	(5,413,509)	(1,050,733)
Cash paid for insurance premiums and claims	-	-	-	-	(4,310,192)
Net cash provided (used) by operating activities	<u>11,677,814</u>	<u>6,511,961</u>	<u>(7,211,390)</u>	<u>10,978,385</u>	<u>356,135</u>
<u>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</u>					
Cash transfers from (to) other funds	(372,882)	(143,225)	4,006,389	3,490,282	(157,200)
Cash received from grants and other governments	335,334	624,190	10,873,870	11,833,394	-
Cash received from interfund borrowing	-	-	(7,455,339)	(7,455,339)	-
Net cash provided (used) by noncapital financing activities	<u>(37,548)</u>	<u>480,965</u>	<u>7,424,920</u>	<u>7,868,337</u>	<u>(157,200)</u>
<u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</u>					
Sewer connection fees and water capital improvement charges	1,213,812	500,070	-	1,713,882	-
Cash received from issuance of bonds payable	-	-	-	-	-
Cash paid for issuance of bonds payable	(580,283)	-	-	(580,283)	-
Acquisition of capital assets	(6,238,202)	(1,460,421)	(197,118)	(7,895,741)	-
Net cash used by capital and related financing activities	<u>(5,604,673)</u>	<u>(960,351)</u>	<u>(197,118)</u>	<u>(6,762,142)</u>	<u>-</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES:</u>					
Interest on investments	(3,163,913)	(94,359)	2,914	(3,255,358)	(314,216)
NET INCREASE (DECREASE) IN CASH AND INVESTMENTS	2,871,680	5,938,216	19,326	8,829,222	(115,281)
CASH AND INVESTMENTS, BEGINNING OF YEAR	76,834,895	23,654,760	373,632	100,863,287	22,648,015
CASH AND INVESTMENTS, END OF YEAR	<u>\$ 79,706,575</u>	<u>\$ 29,592,976</u>	<u>\$ 392,958</u>	<u>\$ 109,692,509</u>	<u>\$ 22,532,734</u>
Cash and investments	\$ 68,567,685	\$ 28,465,297	\$ 392,958	\$ 97,425,940	\$ 22,532,734
Restricted cash and investments	11,138,890	1,127,679	-	12,266,569	-
Cash and investments, end of year	<u>\$ 79,706,575</u>	<u>\$ 29,592,976</u>	<u>\$ 392,958</u>	<u>\$ 109,692,509</u>	<u>\$ 22,532,734</u>
<u>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:</u>					
Operating income (loss)	\$ 10,435,497	\$ 4,612,138	\$ (7,833,832)	\$ 7,213,803	\$ 2,492,604
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation	2,403,025	1,628,766	1,060,179	5,091,970	-
(Increase) decrease in prepaid expenses	261,445	-	119,895	381,340	225,738
(Increase) decrease in accounts receivable	56,561	1,689,772	23,077	1,769,410	37,234
(Increase) decrease in inventory	(28,899)	31,978	(6,743)	(3,664)	-
Increase (decrease) in accounts payable	(418,400)	(868,680)	52,411	(1,234,669)	-
Increase (decrease) in accrued payroll	60,791	35,450	9,984	106,225	10,436
Increase (decrease) in compensated absences	27,128	26,157	(2,183)	51,102	(5,852)
Increase (decrease) in unearned revenue	-	39,489	-	39,489	-
Increase (decrease) in water service prepayments	-	-	-	-	-
Increase (decrease) in claims and legal services payable	-	-	14,579	14,579	(2,117,252)
Increase (decrease) in net pension liability	(636,723)	(553,311)	(409,542)	(1,599,576)	(269,732)
Increase (decrease) in net other postemployment benefits liability	(482,611)	(129,798)	(239,215)	(851,624)	(17,041)
Adjustment for revenues and expenses classified as nonoperating	-	-	-	-	-
Total adjustments	<u>1,242,317</u>	<u>1,899,823</u>	<u>622,442</u>	<u>3,764,582</u>	<u>(2,136,469)</u>
Net cash provided (used) by operating activities	<u>\$ 11,677,814</u>	<u>\$ 6,511,961</u>	<u>\$ (7,211,390)</u>	<u>\$ 10,978,385</u>	<u>\$ 356,135</u>
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES:					
Capital additions	\$ (187,800)	\$ (242,300)	\$ -	\$ (430,100)	-
Capital contributions	187,800	242,300	-	430,100	-
Services to be provided from settlement agreement	67,535	-	-	-	-

See accompanying notes to the basic financial statements.

**CITY OF SIMI VALLEY
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2022**

	Private- Purpose Trust	Pension and Other Post Employment Benefits (OPEB) Trust	Custodial Funds
<u>ASSETS</u>			
Cash and investments:			
Held by City (note III A)	\$ 2,740,428	\$ -	\$ 7,481,244
Held by bond trustee (note III A)	2,101,982	-	1,028,664
Restricted cash and investments held with Pension Trust (note III A)	-	1,348,052	-
Restricted cash and investments held with OPEB Trust (note III A)	-	3,736,541	-
Accounts receivable	-	-	3,662
Interest receivable	3,696	-	-
Capital assets not being depreciated (note V C)	1,124,174	-	-
TOTAL ASSETS	5,970,280	5,084,593	8,513,570
<u>DEFERRED OUTFLOWS OF RESOURCES</u>			
Deferred loss on refunding (note V D)	46,741	-	-
TOTAL DEFERRED OUTFLOWS OF RESOURCES	46,741	-	-
<u>LIABILITIES</u>			
Accounts payable and accrued liabilities	-	-	63,941
Accrued interest payable	249,021	-	-
Deposits	-	-	5,980,488
Due to bondholders	-	-	2,070,542
Long-term debt (note V E):			
Due within one year	1,366,306	-	-
Due in more than one year	13,689,600	-	-
TOTAL LIABILITIES	15,304,927	-	8,114,971
<u>FIDUCIARY NET POSITION (DEFICIT)</u>			
Held in trust for other purposes	(9,287,906)	-	-
Net position restricted for individuals	-	-	398,599
Net position restricted for pensions	-	1,348,052	-
Net position restricted for OPEB	-	3,736,541	-
TOTAL FIDUCIARY NET POSITION (DEFICIT)	\$ (9,287,906)	\$ 5,084,593	\$ 398,599

See accompanying notes to the basic financial statements.

**CITY OF SIMI VALLEY
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	Private- Purpose Trust	Pension and Other Post Employment Benefits (OPEB) Trust	Custodial Funds
<u>ADDITIONS</u>			
Property taxes	\$ 2,512,484	\$ -	\$ -
Other taxes	-	-	402,521
Contributions	-	3,248,909	-
Investment earnings	10,813	552,119	9,541
Transfers in	2,180,270	-	-
TOTAL ADDITIONS	4,703,567	3,801,028	412,062
<u>DEDUCTIONS</u>			
Administrative expenses	7,250	938,351	13,368
Benefit payments	-	2,299,733	-
Interest and fiscal agency expenses of former Simi Valley Community Development Agency	775,556	-	359,991
Contributions to other governments	54,502	-	-
Transfers out	2,180,270	-	-
TOTAL DEDUCTIONS	3,017,578	3,238,084	373,359
CHANGE IN FIDUCIARY NET POSITION	1,685,989	562,944	38,703
FIDUCIARY NET POSITION (DEFICIT) - BEGINNING	(10,973,895)	4,521,649	359,896
FIDUCIARY NET POSITION (DEFICIT) - ENDING	\$ (9,287,906)	\$ 5,084,593	\$ 398,599

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, 2022

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CITY OF SIMI VALLEY ● LISTING OF NOTES TO THE BASIC FINANCIAL STATEMENTS
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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 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,

CITY OF SIMI VALLEY ● NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2022

- 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,
- 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 functions 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, 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, 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 (SHA) 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.

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 (e.g., 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 (e.g., percentage rates by class of employee applied against related payroll costs).

Geographical Information System (GIS)/Permits Operations fund accounts for operational costs associated with the City's GIS and permitting computer systems. It is financed through contributions paid by each operating program based on allocated use of the systems.

Financial Information System (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 Custodial fund accounts for assets held by the City in a trustee capacity, or as an agent for individuals, private organizations, or other governments. Such trust funds are used to report resources held and administered by the City and are reported on the accrual basis of accounting.

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.

Pension and Other Post Employment Benefits (OPEB) Trust funds account for the assets related to the City's Public Agency Retirement Services (PARS) Retirement plan and for the assets, contributions, administration expenses, and benefit payments related to the City's OPEB plan.

D. Implementation of new accounting pronouncements

The requirements of the following accounting standards are effective for the purpose of implementation, if applicable to the City, for the year ended June 30, 2022. The financial statements included herein apply the requirements and provisions of these statements, including necessary retroactive adjustments to financial statement classifications and presentations.

GASB Statement No. 87

In June 2017, GASB issued Statement No. 87, *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-of-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The implementation of this new accounting standards resulted in recognition of lease receivable and deferred inflows of

resources and lease payable and right-of-use lease asset in the City's June 30, 2022, financial statements. See also Notes III.D, III.E, and III.H.

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.

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 2021-22.

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.

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

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

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

7. Compensated absences

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

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. Post employment 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 outflows/inflows of resources

In addition to assets, the statements of net position and governmental funds balance sheets will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to future periods 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 assets that applies to future periods 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 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 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 the fiscal year ended June 30, 2022, expenditures exceeded appropriations in the Transportation (non-major) special revenue fund by \$49,362. The necessary budget amounts were underestimated when completing the budget for this fund in the fiscal year 2022.

C. Deficit fund equity

The Planning Grant Fund Special Revenue Fund, Community Development Block Grant Fund, Landscape Maintenance District No. 1 Fund and Private Purpose Trust Fund had negative net positions of \$184,568, \$25,384, \$958,150 and \$9,287,906, respectively as of June 30, 2022. The City expects to eliminate deficits from future revenues or transfers from the General Fund. See Note V.F for the details on the Private Purpose Trust Fund.

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, 2022 are classified as follows:

Statement of net position:

Cash and investments	\$ 253,567,304
Restricted cash and investments	12,266,569
Fiduciary funds:	
Cash and investments	10,221,672
Cash and investments held by bond trustee	3,130,646
Restricted investments held by Pension Trust	1,348,052
Restricted investments held by OPEB Trust	3,736,541
Total cash and investments	<u>\$ 284,270,784</u>

Cash and investments at June 30, 2022 consisted of the following:

Cash on hand	\$ 6,400
Deposits with financial institutions	40,216,306
Investments	244,048,078
Total cash and investments	<u>\$ 284,270,784</u>

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The following table identifies the investment types that are authorized by the California Government Code (or the City’s investment policy or debt agreements, whichever is more restrictive) subject to the prohibitions and limitations set forth in section 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.

<u>Investment Type</u>	<u>State Code Limits</u>		<u>City Portfolio Limits</u>	
	<u>Max</u>	<u>Authorized</u>	<u>Max</u>	<u>Authorized</u>
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.

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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:

<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	\$ 31,129,750	\$ 9,940,350	\$ 17,365,541	\$ 3,823,860
U.S. Treasuries	8,773,445	1,977,180	3,910,640	2,885,625
U.S. Corporates	26,641,026	5,454,249	14,950,908	6,235,870
Money market mutual funds	5,146,686	5,146,686	-	-
LAIF	164,141,931	164,141,931	-	-
<u>Held by bond trustees:</u>				
Money market mutual funds	3,130,647	3,130,647	-	-
<u>Restricted investments held by Pension and OPEB Trusts:</u>				
Money market mutual funds	146,981	1,468,981	-	-
Mutual Funds	4,937,612	4,937,612	-	-
Total	\$ 244,048,078	\$ 196,197,636	\$ 36,227,089	\$ 12,945,355

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</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	\$ 31,129,750	N/A	\$ 31,129,750	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
U.S. Treasuries	8,773,445	N/A	8,773,445	-	-	-	-	-	-	-
U.S. Corporates	26,641,026	A3	999,500	-	3,885,890	2,005,800	5,797,264	8,005,244	5,947,329	-
Money market mutual funds	5,146,686	N/A	-	-	-	-	-	-	-	5,146,686
LAIF	164,141,931	N/A	-	-	-	-	-	-	-	164,141,931
<u>Held by bond trustees:</u>										
Money market mutual funds	3,130,647	N/A	3,130,647	-	-	-	-	-	-	-
<u>Restricted investments held by Pension and OPEB Trusts:</u>										
Money market mutual funds	146,981	AAA	146,981	-	-	-	-	-	-	-
Mutual Funds	4,937,612	AAA	4,937,612	-	-	-	-	-	-	-
Total	\$ 244,048,078		\$ 49,117,935	\$ -	\$ 3,885,890	\$ 2,005,800	\$ 5,797,264	\$ 8,005,244	\$ 5,947,329	\$ 169,288,617

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 an NRSRO at the time of purchase. No more than 5% of the portfolio shall be 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 an 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 the Local Agency Investment Fund (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.

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Pursuant to California Government Code Section 53653, the City Treasurer may waive the collateral requirement for deposits that are fully insured up to \$250,000 by the FDIC. To protect investments against custodial credit risk caused by the collapse of individual securities dealers, all securities owned by the City are held by the City’s custodial bank, a third party bank trust department, acting as agent for the City under the terms of a custody agreement.

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

<u>Issuer</u>	<u>Investment Type</u>	<u>Reported Amount</u>
Federal National Mortgage Association	U.S. Agencies	\$ 8,666,660
Federal Farm Credit Bank	U.S. Agencies	11,676,170
Federal Home Loan Bank	U.S. Agencies	7,338,165
Federal Home Loan Mortgage Corporation	U.S. Agencies	3,448,755

As of June 30, 2022, 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 LAIF that is regulated by California Code Sections 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 (GASB) Statement No. 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;

CITY OF SIMI VALLEY ● NOTES TO THE BASIC FINANCIAL STATEMENTS
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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, 2022:

Investment Type	Amount	Fair Value Hierarch Category		
		Level 1	Level 2	Level 3
U.S. Agencies	\$ 31,129,750	\$ -	\$ 31,129,750	\$ -
U.S. Treasuries	8,773,445	-	8,773,445	-
U.S. Corporates	26,641,026	-	26,641,026	-
<u>Held by bond trustees:</u>				
Money market mutual funds	3,130,647	-	3,130,647	-
<u>Restricted investments held by Pension and OPEB Trusts:</u>				
Money market mutual funds	146,981	-	146,981	-
Mutual Funds	4,937,612	4,937,612	-	-
Total investments measured at fair value:	74,759,461	\$ 4,937,612	\$ 69,821,849	\$ -
Investments measured at amortized cost:				
Money market mutual funds	5,146,686			
LAIF	164,141,931			
Total investments	\$ 244,048,078			

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 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, L.P., 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 7th year following the commencement of bond amortization. Repayment of the note is to be made from residual receipts and begins in the 8th 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.

- 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 18th 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.

- Simi Vintage Sycamore 650 LP (Vintage at Sycamore Senior Apartments)

In February 2020, the City entered into an affordable housing agreement with Simi Vintage Sycamore 650 LP. (developer) to provide a loan in the amount of \$3,500,000 as financial assistance towards the development of a 99-unit multifamily senior apartment project on an approximately 2.98 acre parcel of land. The rental of 10 apartment units will be restricted to very low-income senior households, and 38 apartment units will be restricted to low-income senior households. The loan is due and payable 55 years from issuance of the promissory note, dated February 25, 2020, and bears 3% annual interest for the term of the note.

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.

First Time Homebuyer Program

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 (FTHB) 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 1994-95 and 1995-96 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 1990-91 through 1992-93 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 % to be repaid in 10 years. The Cemetery fell into financial hardship and was unable to repay this loan. In fiscal year 1995-96, 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 the dissolution of redevelopment agencies. 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, 2022, no action has been taken.

CITY OF SIMI VALLEY ● NOTES TO THE BASIC FINANCIAL STATEMENTS
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Loans receivable (net of allowance for uncollectibles) balances at June 30, 2022, 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>
Affordable Housing Program:						
Casa de Paz Apartments	0.0%	50	2052	\$ 122,551	\$	\$ 122,551
ARC Vista Del Monte Rental Condominiums	0.0%	55	2057	175,000		175,000
Vintage Paseo Apartments	3.0%	55	2059	882,410		882,410
Plaza del Sol Apartments	3.0%	55	2060	1,900,000	491,595	2,391,595
La Rahada Apartments	3.0%	55	2063	250,000	105,292	355,292
Peppertree Apartments	3.0%	55	2068	575,000	150,051	725,051
Camino Esperanza Senior Apartments	3.0%	55	2071	500,000		500,000
Camino Esperanza Amendment #1	0.0%	65	2083	186,279		186,279
Vintage at Sycamore Senior Apartments	3.0%	55	2075	3,500,000	230,425	3,730,425
Affordable Housing Program				<u>8,091,240</u>	<u>977,363</u>	<u>9,068,603</u>
				Principal Due	Interest Due	Total
First Time Homebuyer Program:						
FTHB - Successor Housing Agency				9,804,512		9,804,512
FTHB - LHF				1,766,200		1,766,200
FTHB - CalHome				60,000		60,000
FTHB - HOME				607,700		607,700
FTHB - CDBG				20,800		20,800
First Time Homebuyer Program	Equity Share			<u>12,259,212</u>	-	<u>12,259,212</u>
				Principal Due	Interest Due	Total
Home Rehabilitation Program:						
Home Rehab - Successor Housing Agency				217,120	41,934	259,054
Home Rehab - LHF				170,085	15,793	185,878
Home Rehab - CalHome				835,505	129,329	964,834
Home Rehab - HOME				1,342,861	116,372	1,459,233
Home Rehab - CDBG				203,428	48,872	252,300
Home Rehab Earthquake. - HOME				183,306	42,992	226,298
Home Rehab Earthquake - CDBG				63,980	19,194	83,174
Home Rehabilitation Program	0.0 - 3.0%			<u>3,016,285</u>	<u>414,486</u>	<u>3,430,771</u>
Housing loans receivable				<u>23,366,737</u>	<u>1,391,849</u>	<u>24,758,586</u>
Other City loans receivable:						
Cultural Arts Center Foundation	0.0%			153,485	-	153,485
Cemetery District	0.0%			74,397	-	74,397
City loans receivable				<u>227,882</u>	-	<u>227,882</u>
Total loans receivable				<u>\$23,594,619</u>	<u>\$1,391,849</u>	<u>\$ 24,986,468</u>

CITY OF SIMI VALLEY ● NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2022

Loan receivable – Successor Agency to the former Community Development Agency:

As of June 30, 2022, the advances to the Successor Agency to the former Community Development Agency (CDA) from the City has been fully settled. 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 Successor Agency to 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 Successor Agency to the CDA 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).

The composition of loans between the City and the Successor Agency to the CDA for the year ended June 30, 2022, is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Balance June 30, 2021</u>	<u>Debt Incurred</u>	<u>Debt Retired</u>	<u>Balance June 30, 2022</u>
General Fund	Successor Agency - Merged Tapo Canyon and West End tax increment	\$51,103	\$ -	(\$51,103)	\$ -

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>
General Fund	\$ 1,448,143	\$ (303,974)	\$ 1,144,169
Special Revenue - SHA to CDA Housing Administration	56,524	-	56,524
Streets and Roads	14,794	-	14,794
Nonmajor Governmental Funds	911,643	-	911,643
Subtotal	<u>2,431,104</u>	<u>(303,974)</u>	<u>2,127,130</u>
Internal Service Funds	807	-	807
Total	<u>\$ 2,431,911</u>	<u>\$ (303,974)</u>	<u>\$ 2,127,937</u>

D. Lease Receivable

On February 15, 2018, the City entered into a 14-year lease agreement with Kaiser Permanente for property located at 3855 A Alamo St. with the option to extend 2 times for 5 years each. The initial payment schedule includes a 37-month rent holiday with the

first monthly payment beginning March 2022; Kaiser pays a monthly lease fee of \$39,250, increasing 2% annually.

On April 24, 2012, the City entered into an amendment to the lease agreement of May 1990 with the Boys and Girls Club for property located at 2850 Lemon Dr.; the term of this amendment is 50 years. The Boys and Girls Club pays a monthly lease fee of \$2,486, increasing the lesser of 5% or the change in the consumer price index for the Los Angeles/Long Beach area annually.

On April 7, 2014, the City entered into a 5-year license agreement with AT&T for property located at the Walnut Ave. water tank with the option to extend 3 times for 5 years each. The initial license term was retroactively applied to a date of January 1, 2012. AT&T pays an annual license fee of \$58,640, increasing 5% annually.

On December 19, 2004, the City entered into a 5-year license agreement with AT&T for property located at the First St. water tank with the option to extend 3 times for 5 years each. AT&T pays an annual license fee of \$41,256, increasing 5% annually.

On December 19, 2004, the City entered into a 5-year license agreement with AT&T for property located at the Stearns St. water tank with the option to extend 3 times for 5 years each. AT&T pays an annual license fee of \$41,256, increasing 5% annually.

On April 8, 2019, the City entered into a 5-year license agreement with AT&T for property located at the Hilltop Rd. water tank with the option to extend 1 time for 5 years. AT&T pays an annual license fee of \$58,709, increasing 5% annually and 12.5% at the license renewal date.

On May 16, 2003, the City entered into a 5-year license agreement with Sprint for property located at the First St. water tank with the option to extend 3 times for 5 years each. In August 2020, Sprint was acquired by Crown Castle which succeeds Sprint in maintaining this license agreement. Crown Castle pays an annual license fee of \$45,485, increasing 5% annually.

On December 2, 2019, the City entered into a 5-year license agreement with T-Mobile for property located at the Madera Rd. water tank with the option to extend 1 time for 5 years. T-Mobile pays an annual license fee of \$58,709, increasing 5% annually and 12.5% at the license renewal date.

On October 4, 2019, the City entered into a 5-year license agreement with T-Mobile for property located at the First St. water tank with the option to extend 1 time for 5 years. T-Mobile pays an annual license fee of \$58,709, increasing 5% annually and 12.5% at the license renewal date.

CITY OF SIMI VALLEY ● NOTES TO THE BASIC FINANCIAL STATEMENTS
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On June 18, 2018, the City entered into a 5-year license agreement with Phoenix Tower International for property located at Walnut Ave. water tank with the option to extend 1 time for 5 years. T-Mobile pays an annual license fee of \$60,777, increasing 3% annually.

On May 16, 2003, the City entered into a 5-year license agreement with Sprint for property located at the Stearns St. water tank with the option to extend 3 times for 5 years each. In August 2020, Sprint was acquired by Crown Castle which succeeds Sprint in maintaining this license agreement. Crown Castle pays an annual license fee of \$45,485, increasing 5% annually.

At June 30, 2022, the lease receivable and deferred inflows of resources for the above leases were \$12,993,668 and \$12,441,607, respectively.

CITY OF SIMI VALLEY ● NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2022

E. Capital assets

Capital asset activity for the year ended June 30, 2022, was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 10,621,811	\$ -	\$ -	\$ 10,621,811
Construction-in-progress	13,220,445	2,335,757	-	15,556,202
Total capital assets, not being depreciated	<u>23,842,256</u>	<u>2,335,757</u>	<u>-</u>	<u>26,178,013</u>
Capital assets, being depreciated:				
Buildings and improvements	61,066,552	-	-	61,066,552
Furnishings and equipment	11,540,133	142,570	(22,284)	11,660,419
Computers	4,270,784	297,317	(20,108)	4,547,993
Vehicles	7,290,012	239,587	(320,118)	7,209,481
Infrastructure	351,557,028	3,296,155	-	354,853,183
Total capital assets being depreciated	<u>435,724,509</u>	<u>3,975,629</u>	<u>(362,510)</u>	<u>439,337,628</u>
Capital assets, being amortized:				
Intangibles	11,043,042	233,036	-	11,276,078
Right-of-use asset	-	2,606,803	-	2,606,803
Total capital assets being amortized	<u>11,043,042</u>	<u>2,839,839</u>	<u>-</u>	<u>13,882,881</u>
Less accumulated depreciation for:				
Buildings and improvements	(28,032,910)	(1,566,744)	-	(29,599,654)
Furnishings and equipment	(7,827,415)	(569,661)	22,284	(8,374,792)
Computers	(3,994,220)	(115,383)	16,716	(4,092,887)
Vehicles	(5,399,454)	(574,565)	305,915	(5,668,104)
Infrastructure	(179,062,381)	(8,025,279)	-	(187,087,660)
Total accumulated depreciation	<u>(224,316,380)</u>	<u>(10,851,632)</u>	<u>344,915</u>	<u>(234,823,097)</u>
Less accumulated amortization for:				
Intangibles	(7,920,541)	(493,355)	-	(8,413,896)
Right-of-use asset	-	(86,893)	-	(86,893)
Total accumulated amortization	<u>(7,920,541)</u>	<u>(580,248)</u>	<u>-</u>	<u>(8,500,789)</u>
Total capital assets, being depreciated/amortized, net	<u>214,530,630</u>	<u>(4,616,412)</u>	<u>(17,595)</u>	<u>209,896,623</u>
Governmental activities capital assets, net	<u>\$ 238,372,886</u>	<u>\$ (2,280,655)</u>	<u>\$ (17,595)</u>	<u>\$ 236,074,636</u>

CITY OF SIMI VALLEY ● NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2022

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 1,216,994	\$ -	\$ -	\$ 1,216,994
Construction-in-progress	19,269,105	7,903,454	(5,197,468)	21,975,091
Total capital assets, not being depreciated	<u>20,486,099</u>	<u>7,903,454</u>	<u>(5,197,468)</u>	<u>23,192,085</u>
Capital assets, being depreciated:				
Buildings and improvements	14,950,026	-	-	14,950,026
Furnishings and equipment	8,715,000	224,615	-	8,939,615
Vehicles	13,721,529	-	(575,278)	13,146,251
Distribution system	218,950,813	5,463,426	-	224,414,239
Total capital assets being depreciated	<u>256,337,368</u>	<u>5,688,041</u>	<u>(575,278)</u>	<u>261,450,131</u>
Less accumulated depreciation for:				
Buildings and improvements	(8,728,088)	(276,729)	-	(9,004,817)
Furnishings and equipment	(5,407,814)	(316,508)	-	(5,724,322)
Vehicles	(9,839,353)	(1,169,111)	575,278	(10,433,186)
Distribution system	(104,847,332)	(3,329,622)	-	(108,176,954)
Total accumulated depreciation	<u>(128,822,587)</u>	<u>(5,091,970)</u>	<u>575,278</u>	<u>(133,339,279)</u>
Total capital assets, being depreciated/amortized, net	<u>127,514,781</u>	<u>596,071</u>	<u>-</u>	<u>128,110,852</u>
Business-type activities capital assets, net	<u>\$ 148,000,880</u>	<u>\$ 8,499,525</u>	<u>\$ (5,197,468)</u>	<u>\$ 151,302,937</u>

CITY OF SIMI VALLEY ● NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2022

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

Governmental activities:

General government	\$ 7,805,359
Community services	438,838
Planning	23,712
Public ways & facilities	2,420,103
Public safety	743,868
Total depreciation/amortization expense - governmental activities	\$ 11,431,880

Business-type activities:

Sanitation	\$ 2,403,025
Waterworks	1,628,766
Transit	1,060,179
Total depreciation/amortization expense - business-type activities	\$ 5,091,970

F. Construction commitments

The City has active construction projects as of June 30, 2022. The commitments for governmental fund projects are included in the restricted fund balances. The material project commitments for enterprise funds at year end are as follows:

Project Name	Contract Amount*	Expenditures to date as of June 30, 2022	Remaining Commitments*
Easy-Arroyo Simi Sewer Line Rehabilitation	\$ 4,595,016	\$ -	\$ 4,595,016
Design and Construction of Energy-Related Projects (ESCO)	33,711,566	18,773,107	14,938,459
Waterline Replacement: Peppertree, Wells, Ehlers, My, Larson, Dennis, Rollins	1,178,577	-	1,178,577
CNG Fueling System Upgrade	1,303,762	-	1,303,762
Total commitments	\$ 40,788,921	\$ 18,773,107	\$ 22,015,814

* Amount includes possible contingency.

G. Interfund receivables, payables, and transfers

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

The composition of interfund receivables and payables for the fiscal year ended June 30, 2022, is as follows:

Due to / from other funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>2022</u>
General	Simi Valley Transit System	\$ 2,132,126
	Nonmajor governmental	1,587,191
SHA to CDA Housing Administration	General	303
Nonmajor governmental	General	1,466
Nonmajor governmental	Nonmajor governmental	9,204
Total		<u>\$ 3,730,290</u>

Advances to / from other funds:

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

CITY OF SIMI VALLEY ● NOTES TO THE BASIC FINANCIAL STATEMENTS
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The composition of interfund transfers for the fiscal year ended June 30, 2022, 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	\$ 10,221	Fund housing programs
	Street & Roads	12,377,908	Fund street and road programs
	Nonmajor governmental funds	<u>3,986,274</u>	Fund Landscape zones, scheduled debt service, and contributions to replacement funds
		<u>16,374,403</u>	
Development related fees fund	General fund	370,000	Fund projects impacted by new development
	Nonmajor governmental funds	<u>407,118</u>	Fund debt service and contributions to replacement and capital project funds
		<u>777,118</u>	
Streets and roads fund	Development related fees fund	<u>121,657</u>	Return of unused street project funds
Nonmajor governmental funds	General fund	3,092,790	Fund gas tax, development agreements, and State Supplemental Law Enforcement Services
	Streets and roads	1,959,446	Fund street projects
	Proprietary fund	4,006,390	Fund transit operations
	Nonmajor governmental funds	<u>409</u>	Contributions to replacement funds and capital project funds
		<u>9,059,035</u>	
Total governmental funds		<u>26,332,213</u>	
<u>Transfers From</u>	<u>Transfers To</u>	<u>Amount</u>	<u>Purpose</u>
Proprietary funds	General fund	588,574	Contributions for pension costs
	Nonmajor governmental funds	<u>125,900</u>	Contributions to replacement funds and fund capital project funds
		<u>714,474</u>	
Total proprietary funds		<u>714,474</u>	
Total transfers		<u>\$27,046,687</u>	

H. Long-term debt

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

- City of Simi Valley 2014A Lease Revenue Refunding Bonds (LRRB):

Original issue amount \$18,795,000; interest rates at 2.00% to 3.75%, fully maturing October 1, 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 SVPFFA 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, 2022, total interest and principal remaining on the bonds is \$18,914,631.

- City of Simi Valley Lease Revenue Bonds, Series 2016 New Clean Renewable Energy Bonds (NCREB) 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 NCREBs was received by the City for \$9,226,619, interest rates at 1.5% - 2.5%, fully maturing September 1, 2036. The tax exempt solar component consisted of \$740,459 of bond proceeds also fully 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, 2022, total interest and principal remaining on the 2016 NCREBs and tax exempt bonds is \$9,723,609 and \$702,434, respectively.

- 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 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, 2022, the total interest and principal remaining on the issuance is \$5,641,943.

- 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, 2022, total interest and principal remaining on the lease agreement is \$6,811,653.

- 2019 Taxable Equipment Lease/Purchase Agreement:

On December 10, 2019, the City entered into a lease arrangement with Banc of America Leasing & Capital, LLC to provide financing for the acquisition and installation of certain equipment at the Water Quality Control Plant. The project provides enhanced electrical functions for energy savings as well as replacement and rehabilitation of outdated and worn out equipment. The stated acquisition amount for this transaction is \$33,816,566. The type of debt instrument for this private placement financing is certificates of participation/leases with a stated interest rate of 2.309% and maturity date of September 1, 2039. 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, 2022, total interest and principal remaining on the lease agreement is \$40,589,492.

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Annual debt service requirements to maturity

The annual requirements to amortize the bonds and advances as of June 30, 2022, including interest, are as follows:

2014A Lease Revenue Refunding Bonds

Year Ending June 30:	Principal	Interest	Total
2023	\$ 845,000	\$ 625,650	\$ 1,470,650
2024	890,000	582,275	1,472,275
2025	935,000	536,650	1,471,650
2026	980,000	488,775	1,468,775
2027	1,035,000	438,400	1,473,400
2028-2032	5,975,000	1,162,181	7,137,181
2033-2036	4,185,000	235,700	4,420,700
	<u>\$ 14,845,000</u>	<u>\$ 4,069,631</u>	<u>\$ 18,914,631</u>

2016 New Clean Renewable Energy Bonds

Year Ending June 30:	Principal	Interest	Total
2023	\$ 386,122	\$ 264,187	\$ 650,309
2024	400,061	249,997	650,058
2025	414,503	235,294	649,797
2026	429,467	220,060	649,527
2027	444,971	204,277	649,248
2028-2032	2,477,722	763,951	3,241,673
2033-2037	2,958,428	274,569	3,232,997
	<u>\$ 7,511,274</u>	<u>\$ 2,212,335</u>	<u>\$ 9,723,609</u>

2016 New Clean Renewable Energy Bonds (Tax Exempt)

Year Ending June 30:	Principal	Interest	Total
2023	\$ 32,904	\$ 14,271	\$ 47,175
2024	33,723	13,442	47,165
2025	34,563	12,592	47,155
2026	35,424	11,720	47,144
2027	36,306	10,827	47,133
2028-2032	195,547	39,944	235,491
2033-2037	221,135	10,036	231,171
	<u>\$ 589,602</u>	<u>\$ 112,832</u>	<u>\$ 702,434</u>

CITY OF SIMI VALLEY ● NOTES TO THE BASIC FINANCIAL STATEMENTS
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2017 Equipment Lease (Tax Exempt)

Year Ending June 30:	Principal	Interest	Total
2023	\$ 431,839	\$ 142,002	\$ 573,841
2024	444,893	128,949	573,842
2025	458,340	115,501	573,841
2026	472,194	101,647	573,841
2027	486,467	87,374	573,841
2028-2032	2,204,937	217,396	2,422,333
2033	342,693	7,711	350,404
	<u>\$ 4,841,363</u>	<u>\$ 800,580</u>	<u>\$ 5,641,943</u>

2018 Equipment Lease/Purchase Agreement

Year Ending June 30:	Principal	Interest	Total
2023	\$ 312,342	\$ 255,296	\$ 567,638
2024	328,635	239,003	567,638
2025	345,777	221,860	567,637
2026	363,814	203,824	567,638
2027	382,792	184,846	567,638
2028-2032	2,235,137	603,052	2,838,189
2033-2035	1,065,793	69,482	1,135,275
	<u>\$ 5,034,290</u>	<u>\$ 1,777,363</u>	<u>\$ 6,811,653</u>

Business-type Activities

2019 Equipment Lease/Purchase Agreement

Year Ending June 30:	Principal	Interest	Total
2023	\$ 1,561,098	\$ 758,302	\$ 2,319,400
2024	1,597,343	722,056	2,319,399
2025	1,634,431	684,969	2,319,400
2026	1,672,380	647,020	2,319,400
2027	1,711,209	608,190	2,319,399
2028-2032	9,170,789	2,426,208	11,596,997
2033-2037	10,286,037	1,310,961	11,596,998
2038-2041	5,602,997	195,502	5,798,499
	<u>\$ 33,236,284</u>	<u>\$ 7,353,208</u>	<u>\$ 40,589,492</u>

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

- Right-of-use Lease Liability

The City has entered into an agreement to lease the library building from the County of Ventura which commenced on December 31, 2011, for a term of 50 years. The lease liability is measured at a discount rate of 1.57%. As a result of the lease, the City has recorded a right-of-use asset with a net book value of \$2,519,910 as of June 30, 2022.

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2022, were as follows:

<u>Year Ending June 30:</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 33,238	\$ 40,446	\$ 73,684
2024	35,971	39,924	75,895
2025	38,811	39,360	78,171
2026	41,767	38,750	80,517
2027	44,837	38,095	82,932
2028-2032	274,625	178,882	453,507
2033-2037	371,339	154,400	525,739
2038-2042	487,746	121,729	609,475
2043-2047	627,333	79,216	706,549
2048-2051	620,525	24,917	645,442
	<u>\$ 2,576,192</u>	<u>\$ 755,719</u>	<u>\$ 3,331,911</u>

- Claims and legal services payable of \$11,387,693, consisting of general liability and workers' compensation liability. These liabilities are estimates based on the requirements of GASB Statement No. 10 and include actuarially estimated claims incurred but not yet reported as of June 30, 2022.
- Compensated absences liability of \$7,351,299 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 (80%) is attributable to the General fund.
- Southern California Edison (SCE) on-bill financing (OBF) liability of \$2,576,192. The City enrolled in the SCE OBF program to help finance the Civic Center parking lot lighting LED retrofit project. SCE finances qualify energy efficiency projects for zero interest and no fees.
- Other Post Employment Benefits (OPEB) liability of \$62,294,802. 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

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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 \$98,580,790. 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 IV.D for additional detail regarding this debt.

Changes in long-term liabilities

Long-term liability activity for the year ended June 30, 2022, was as follows:

	Balances June 30, 2021	Debt Incurred	Debt Retired	Balances June 30, 2022	Due Within One Year
Governmental activities:					
2014A lease revenue refunding bond	\$ 15,645,000	\$ -	\$ (800,000)	\$ 14,845,000	\$ 845,000
2016 New Clean Renewable Energy Bonds (NCREBs)	7,883,943	-	(372,669)	7,511,274	386,122
2016 NCREBs tax exempt	621,707	-	(32,105)	589,602	32,904
2017 lease agreement	5,260,532	-	(419,169)	4,841,363	431,839
2018 lease agreement	5,331,146	-	(296,856)	5,034,290	312,342
Add (less) deferred amounts:					
Bond premium	1,297,687	-	(98,638)	1,199,049	98,636
Total bonds payable	36,040,015	-	(2,019,437)	34,020,578	2,106,843
Claims and legal services	13,504,945	1,054,005	(3,171,257)	11,387,693	3,072,645
Compensated absences	6,287,142	2,265,982	(2,532,396)	6,020,728	602,073
SoCal Edison on-bill financing	-	2,606,803	(30,611)	2,576,192	33,238
Net OPEB liability	42,224,014	15,343,171	(2,632,785)	54,934,400	-
Net pension liability	129,467,967	-	(47,579,782)	81,888,185	-
Governmental activity long-term liabilities	<u>\$ 227,524,083</u>	<u>\$ 21,269,961</u>	<u>\$ (57,966,268)</u>	<u>\$ 190,827,776</u>	<u>\$ 5,814,799</u>
Business-type activities:					
2019 lease agreement	\$ 33,816,566	\$ -	\$ (580,282)	\$ 33,236,284	\$ 1,561,098
Compensated absences	1,279,468	244,479	(193,379)	1,330,568	133,056
Net OPEB liability	6,579,288	1,248,560	(467,446)	7,360,402	-
Net pension liability	27,288,272	-	(10,595,667)	16,692,605	-
Business-type activity long-term liabilities	<u>\$ 68,963,594</u>	<u>\$ 1,493,039</u>	<u>\$ (11,836,774)</u>	<u>\$ 58,619,859</u>	<u>\$ 1,694,154</u>

For governmental activities, pension, other post employment benefits (OPEB), and compensated absences obligations are generally liquidated by the General fund.

Lines of Credit

The City has no available, unused lines of credit.

I. Fund balance designations

Fund balance is categorized as Nonspendable, Restricted, Committed, Assigned, or Unassigned. The City Council adopts and amends committed fund balance amounts through an ordinance. The City Manager authorizes assigned amounts for specific purposes pursuant to the policy-making powers granted to him through a resolution. Sometimes the City will fund outlays for a particular purpose from both restricted and unrestricted resources. In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial

statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

J. Assessment district bonds

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

The outstanding assessment district bonds at June 30, 2022, consisted of the following:

Community Facilities District (District No. 04-1)	\$ 5,490,000
Madera Royal (District No. 98-1)	675,000

K. Conduit debt obligations

The City has been associated with the issuance of several housing, mortgage and commercial development debt issues. These debt obligations were issued under provisions of State and Federal laws that explicitly state that they do not constitute any indebtedness of the City. The total amount of conduit debt outstanding at June 30, 2022 was \$9,850,000. 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, 2022, is \$7,870,000.
- 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, 2022, is \$1,980,000.

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, 2022, no such amounts were due.

B. Risk management

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

Under this program, the City is self-insured for up to \$1.0 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 fiscal years are as follows:

	Year ended June 30, 2022	Year ended June 30, 2021
Unpaid claims beginning of fiscal year	\$ 13,504,945	\$ 13,110,604
Incurred claims (including IBNRs and adjusted claims expense)	1,054,005	2,529,376
Claims payments	(3,171,257)	(2,135,035)
Unpaid claims, end of fiscal year	\$ 11,387,693	\$ 13,504,945

C. Deferred compensation plans

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

perform the investing function for these plans, the assets and related liabilities are not recorded in the City's financial statements.

D. Pension plans

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

California Public Employees' Retirement System

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

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

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The Plan's provisions and benefits in effect at June 30, 2022, are summarized as follows:

	Miscellaneous	
	Prior to	On or after
Hire date	January 1, 2013	January 1, 2013
Benefit formula	2.00% @ 55	2.00% @ 62
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	50-63	52-67
Month benefits, as a % of eligible compensation	1.40% to 2.40%	1.00% to 2.50%
Required employee contribution rates	7.00%	7.00%
Required employer contribution rates	35.49%	35.49%

	Safety	
	Prior to	On or after
Hire date	January 1, 2013	January 1, 2013
Benefit formula	3.00% @ 55	2.70% @ 57
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	50-55	50-57
Month benefits, as a % of eligible compensation	2.40% to 3.00%	2.00% to 2.70%
Required employee contribution rates	9.60%	12.75%
Required employer contribution rates	55.24%	55.24%

At June 30, 2022 reporting date, the following employees were covered by the benefit terms for each Plan.

	Miscellaneous	Safety
Inactive employees or beneficiaries currently receiving benefits	679	170
Inactive employees entitled to but not yet receiving benefits	226	20
Active employees	367	121
	1,272	311

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 between 7.00% and 12.75% depending on their employee group and hire date. Except for members of the General Unit, the City makes a portion of the contributions on behalf of City employees hired before January 1, 2013. General Unit employees hired before January 1, 2013, are

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required to contribute the full 7.00% of their covered salary. General Unit employees hired on or after January 1, 2013, are required to contribute the full 7.00% of their covered salary. Non-sworn management hired prior to July 1, 2010 are required to contribute 4.00% of their covered salary and the City contributes 3.00%. Non-sworn management hired after July 1, 2010, but before January 1, 2013, are required to contribute the full 7.00 % of their covered salary. Non-sworn management hired on or after January 1, 2013, are required to contribute 7.00% of their covered salary. Sworn employees hired before January 1, 2013, are required to contribute 9.60% of their covered salary. Sworn employees hired on or after January 1, 2013, are required to contribute 12.75% of their covered salary.

The City is also required to contribute an employer’s cost share at an actuarially determined rate; the rate is 35.49% for miscellaneous (non-safety) employees. Non-sworn management employees hired prior to July 1, 2010, are required to contribute 3.00% of this cost. For police (safety) employees, the employer rate is 55.24% of annual covered payroll for the year ended June 30, 2022. Sworn employees hired prior to July 1, 2010 are required to contribute 3.00% 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, 2021, using an annual actuarial valuation as of June 30, 2020 rolled forward to June 30, 2021 using standard update procedures. A summary of principal assumptions and methods used to determine the net pension liability is shown below:

	Miscellaneous	Safety
Valuation Date	June 30, 2020	June 30, 2020
Measurement Date	June 30, 2021	June 30, 2021
Actuarial Cost Method	Entry-Age Normal Cost Method	
Actuarial Assumption:		
Discount Rate	7.15%	7.15%
Inflation	2.500%	2.500%
Projected Salary Increase	Varies by Entry Age and Service	
Investment Rate of Return	7.00% (1)	7.00% (1)
	Derived using CalPERS' Membership Data	
Mortality	for all Funds	
Payroll Growth	2.750%	2.750%

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

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

CITY OF SIMI VALLEY ● NOTES TO THE BASIC FINANCIAL STATEMENTS
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7.15% 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% 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:

<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)	\$ 218,451,235	100%	7.15%	\$ 15,619,263
Net Plan to Plan Resource Movement	-	50%	7.15%	-
Employer Contributions	8,648,934	50%	7.15%	309,199
Employee Contributions	1,952,798	50%	7.15%	69,813
Benefit Payments, including Refunds of Employee Contributions	(15,934,383)	50%	7.15%	(569,654)
Administrative Expense	(308,434)	50%	7.15%	(11,027)
Other Miscellaneous Income/(Expense) (2)	-	50%	7.15%	-
Total Projected Earnings				<u>\$ 15,417,594</u>

(1) Includes any beginning of year adjustment. Contribution receivables for employee service buybacks, totaling \$334,574 as of June 30, 2019, were excluded for purposes of calculating projected earnings on pension plan investments.

(2) The increase/(decrease) in contribution receivables for employee service buybacks, totaling (\$41,780) during fiscal year 2019-20, were excluded for purposes of calculating projected earnings on pension plan investments.

<u>Safety Plan</u>	Amount for Period (a)	Portion of Period (b)	Projected Rate of Return (c)	Projected Earnings (a) x (b) x (c)
Beginning Plan Fiduciary Net Position excluding Receivables (1)	\$ 132,320,715	100%	7.15%	\$ 9,460,931
Net Plan to Plan Resource Movement	-	50%	7.15%	-
Employer Contributions	6,159,600	50%	7.15%	220,206
Employee Contributions	1,552,725	50%	7.15%	55,510
Benefit Payments, including Refunds of Employee Contributions	(9,415,716)	50%	7.15%	(336,612)
Administrative Expense	(186,710)	50%	7.15%	(6,675)
Other Miscellaneous Income/(Expense) (2)	-	50%	7.15%	-
Total Projected Earnings				<u>\$ 9,393,360</u>

(1) Includes any beginning of year adjustment. Contribution receivables for employee service buybacks, totaling \$120,896 as of June 30, 2019, were excluded for purposes of calculating projected earnings on pension plan investments.

(2) The increase/(decrease) in contribution receivables for employee service buybacks, totaling \$20,366 during fiscal year 2019-20, were excluded for purposes of calculating projected earnings on pension plan investments.

CalPERS adheres to an asset allocation strategy which establishes asset class allocation policy targets and ranges and manages those asset class allocations within their policy ranges. CalPERS Investment Belief No. 6 recognizes that strategic asset allocation is the dominant determinant of portfolio risk and return. On 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.

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The asset allocation shown below reflect the allocation of PERF in its entirety as of June 30, 2020. The assets for the City’s Miscellaneous and Safety Plans are part of the PERF and are invested accordingly.

Asset Class	Actual Allocation	Policy Target Allocation
Public Equity	53.0%	50.0%
Private Equity	6.3%	8.0%
Global Fixed Income	28.3%	28.0%
Liquidity	11.3%	13.0%
Real Assets	0.9%	1.0%
Inflation Sensitive Assets	0.0%	0.0%
Other	0.2%	0.0%
Total	100.0%	100.0%

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

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all of the funds’ asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11+ years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the rounded single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equal to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses.

The table below reflects long-term expected real rate of return by asset class.

Asset Class (a)	New Strategic Allocation	Real Return Years 1-10 (b)	Real Return Years 11 (c)
Public Equity	50.00%	4.80%	5.98%
Fixed Income	28.00%	1.00%	2.62%
Inflation Assets	0.00%	0.77%	1.81%
Private Equity	8.00%	6.30%	7.23%
Real Assets	13.00%	3.75%	4.93%
Liquidity	1.00%	0.00%	-0.92%
	100.00%		

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- (a) In CalPERS' Annual Comprehensive Financial Report, Fixed Income is included in Global Debt Securities; Liquidity is included in Short-term Investments; Inflation Assets are included in both Global Equity Securities and Global Debt Securities.
 (b) An expected inflation of 2.00% used for this period.
 (c) 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:

<u>Miscellaneous Plan:</u>	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Balance at June 30, 2021 (measured as of June 30, 2020)	\$ 317,462,448	\$ 224,032,165	\$ 93,430,283
Changes for the year:			
Service Cost	4,452,761	-	4,452,761
Interest on Total Pension Liability	22,203,551	-	22,203,551
Differences between Expected and Actual Experience	(473,007)	-	(473,007)
Contributions - Employer	-	9,426,555	(9,426,555)
Contributions - Employees	-	1,904,773	(1,904,773)
Net Investment Income	-	50,582,412	(50,582,412)
Benefit Payments, Including Refunds of Employee Contributions	(17,353,295)	(17,353,295)	-
Administrative Expenses	-	(223,794)	223,794
Net changes	8,830,010	44,336,651	(35,506,641)
Balance at June 30, 2022 (measured as of June 30, 2021)	<u>\$ 326,292,458</u>	<u>\$ 268,368,816</u>	<u>\$ 57,923,642</u>

<u>Safety Plan:</u>	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Balance at June 30, 2021 (measured as of June 30, 2020)	\$ 200,492,917	\$ 137,166,961	\$ 63,325,956
Changes for the year:			
Service Cost	3,799,517	-	3,799,517
Interest on Total Pension Liability	14,034,283	-	14,034,283
Differences between Expected and Actual Experience	(1,268,164)	-	(1,268,164)
Contributions - Employer	-	6,812,946	(6,812,946)
Contributions - Employees	-	1,325,192	(1,325,192)
Net Investment Income	-	31,233,327	(31,233,327)
Benefit Payments, Including Refunds of Employee Contributions	(9,681,675)	(9,681,675)	-
Administrative Expenses	-	(137,021)	137,021
Other Miscellaneous Income/(Expense)	-	-	-
Net changes	6,883,961	29,552,769	(22,668,808)
Balance at June 30, 2022 (measured as of June 30, 2021)	<u>\$ 207,376,878</u>	<u>\$ 166,719,730</u>	<u>\$ 40,657,148</u>

CITY OF SIMI VALLEY ● NOTES TO THE BASIC FINANCIAL STATEMENTS
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Sensitivity of the Net Pension Liability to Changes in the Discount Rate – The following presents the net pension liability of the City for each Plan, calculated using the discount rate for each Plan, as well as what the City’s net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	1% Decrease (6.15%)	Current Discount Rate (7.15%)	1% Increase (8.15%)
Miscellaneous Plan	\$ 95,956,674	\$ 57,923,642	\$ 25,928,556
Safety Plan	\$ 67,791,639	\$ 40,657,148	\$ 18,197,059

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, 2021, the City recognized total pension expense of \$2,936,801. The Miscellaneous Plan portion of pension expense was \$72,549, and Safety Plan portion of pension expense was \$2,864,252. At June 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Miscellaneous	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension Contributions Subsequent to Measurement Date	\$ 9,976,069	\$ -
Changes of Assumptions	-	-
Differences between Expected and Actual Experience	-	(639,352)
Net Difference between Projected and Actual Earnings on Pension Plan Investments	-	(25,355,054)
Total	<u>\$ 9,976,069</u>	<u>\$ (25,994,406)</u>

	Safety	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension Contributions Subsequent to Measurement Date	\$ 7,101,836	\$ -
Changes of Assumptions	-	(3,471)
Differences between Expected and Actual Experience	205,188	(1,116,743)
Net Difference between Projected and Actual Earnings on Pension Plan Investments	-	(15,594,903)
Total	<u>\$ 7,307,024</u>	<u>\$ (16,715,117)</u>

CITY OF SIMI VALLEY ● NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2022

\$205,188 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 fiscal year ending June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Measurement Period Ending June 30:	Deferred Outflows/(Inflows) of Resources	
	Miscellaneous	Safety
2022	\$ (7,021,748)	\$ (4,166,275)
2023	(5,947,682)	(3,987,970)
2024	(6,063,650)	(4,056,537)
2025	(6,961,326)	(4,299,147)
2026	-	-
Thereafter	-	-

At June 30, 2022, the City reported a payable of \$0 for the outstanding amount of contributions to the pension plan required for the fiscal year ended June 30, 2022. 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

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 2.0% 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 \$ 148,678. Plan assets held in trust at June 30, 2022, totaled \$1,348,052. 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

CITY OF SIMI VALLEY ● NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2022

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, 2020.

Employees covered – At June 30, 2022 the following employees were covered under PARS:

Inactive employees or beneficiaries currently receiving benefits	11
Inactive employees entitled to, but not yet receiving, benefits	6
Active employees	3
	20
	20

Net Pension Liability – PARS

The total pension liability was determined by an actuarial valuation as of the valuation date of June 30, 2020, calculated based on the discount rate and actuarial assumptions below, and was then projected forward to the measurement date of June 30, 2022. Any significant changes during this period have been reflected as prescribed by GASB Statement No. 67 and GASB Statement No. 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 Non-Industrial rates used to value CalPERS Miscellaneous Public Agency Pension Plans after June 30, 2017.
Post-Retirement:	Consistent with Non-Industrial rates used to value CalPERS Miscellaneous Public Agency Pension Plans after June 30, 2017.

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, 2022. The target allocation and best estimates of the real rates of return for each major asset class are summarized in the following table:

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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	10.90%	0.21%	0.20%
US Core Fixed Income	Bloomberg Barclays Aggregate	62.22%	1.95%	1.84%
US Broad Equity Market	Russell 3000 TR	21.12%	5.70%	4.10%
Foreign Developed Equity	MSCI EAFE NR	2.98%	6.99%	5.25%
Emerging Markets Equity	MSCI EM NR	1.79%	9.44%	5.97%
US REITs	FTSE NAREIT Equity REIT	0.99%	6.27%	4.11%
		100.00%		
Assumed Inflation - Mean			2.35%	2.35%
Assumed Inflation - Standard Deviation			1.25%	1.25%
Portfolio Real Mean Return			2.88%	2.70%
Portfolio Nominal Mean Return			5.23%	5.12%
Portfolio Standard Deviation				4.92%
Long-Term Expected Rate of Return				6.50%

Discount Rate

As of June 30, 2022, 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)		
	Plan Fiduciary Net		
	Total Pension Liability (a)	Position (b)	Net Pension Liability (a) - (b)
Miscellaneous Plan:			
Balances as of 6/30/2021	\$ 1,688,544	\$ 1,481,169	\$ 207,375
Changes for the year:			
Interest on total pension liability	105,902	-	105,902
Effect of economic/demographic gains or losses	-	-	-
Benefits payments	(120,449)	(120,449)	-
Contributions - Employer	-	148,678	(148,678)
Net Investment Income	-	(160,472)	160,472
Administrative Expenses	-	(874)	874
Balances as of 6/30/2022	\$ 1,673,997	\$ 1,348,052	\$ 325,945

CITY OF SIMI VALLEY ● NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2022

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	\$ 1,841,162	\$ 1,673,997	\$ 1,530,747
Fiduciary net position	1,348,052	1,348,052	1,348,052
Net pension liability	\$ 493,110	\$ 325,945	\$ 182,695

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.

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.

Non-sworn management, Sworn (police) management, and Sworn (police) employees’ retiree health benefits are provided per resolution numbers 2018-03, 2018-05 and 2018-05, and 2017-35, respectively. The benefits vary depending upon a retiree’s years of service and employee bargaining unit. The City currently contributes up to \$1,500 per month for Management employees for employee only or employee plus one dependent. The City currently pays 100% 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.

CITY OF SIMI VALLEY ● NOTES TO THE BASIC FINANCIAL STATEMENTS
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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 (POA) for the purposes of funding dental and/or vision benefits for retired Sworn employees who retire on or after July 1, 2005.

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

	Less Than 10 Years Service	10 or More Years Service		
Management employees:*				
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
Police Managers' Association (PMA):***				
Employee only	PEMHCA	10 years	20 years	lifetime coverage
Employee plus one dependent	Minimum**	5 years	20 years	lifetime coverage
Police Officers' Association (POA):***				
Employee only	2 years	10 years	20 years	lifetime coverage
Employee plus one dependent	1 year	5 years	20 years	lifetime coverage
	Less Than 10 Years Service	10 Years Service	More Than 10 Years Service	
General Unit employees:****				
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 \$34.00 in 2019 and \$41.70 in 2020.

*** POA employees hired on or after January 1, 2010 or PMA employees 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 2019: \$698.49 (Employee Only)/\$1,396.97 (Employee plus dependent); and for 2020: \$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.

CITY OF SIMI VALLEY ● NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2022

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.

At June 30, 2021 (the census date), the following employees were covered by the benefit terms:

Category	Management	PMA	POA	General Unit
Active employees	128	8	101	244
Inactive employees or beneficiaries currently receiving benefit payments	179	48	78	73
Inactive employees entitled to, but not yet receiving benefit payment	-	-	-	-
Total	<u>307</u>	<u>56</u>	<u>179</u>	<u>317</u>

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, 2021. The same date was used as measurement date for the Plan's assets, liabilities, and expenses.

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, 2021, 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 unfunded actuarial assumed liability (UAAL) is amortized using a closed amortization period of thirty years. Since the June 30, 2021, actuarial valuation is being used, the City has not made an election with respect to an asset smoothing formula, or method.

CITY OF SIMI VALLEY ● NOTES TO THE BASIC FINANCIAL STATEMENTS
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The total OPEB liability for the June 30, 2021 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	5.50%
Assumed Payroll Growth	2.750%
Healthcare Trend Rates	7.00%, trending down to 4.04%
Rate of Return on Assets	6.00%
Mortality Rate	CalPERS Rates
Retirement Rates	CalPERS Rates

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 CI Z	2%	2.25%
Ishares Core SP Small Cap ETF	2%	7.56%
Ishares Core SP Mid Cap ETF	3%	7.31%
Ishares Edge MSCI USA Quality ETF	3%	7.06%
Vanguard Total International Stock Index	19%	7.69%
Vanguard Total Stock Market Index	29%	7.06%
Vanguard Total Bond Market Index	42%	3.56%
Total/Average	100%	5.62%

Discount rate – The discount rate used to measure the total OPEB liability is 6.0%. 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.

CITY OF SIMI VALLEY ● NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2022

Change in the Net OPEB Liability:

<u>General Unit Employees (GU)</u>	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
Balance as of Report Date June 30, 2021	\$ 14,192,593	\$ 1,145,966	\$ 13,046,627
Changes for the year:			
Service Cost	\$ 492,755	\$ -	\$ 492,755
Interest	869,842	-	869,842
Changes of Benefit Terms	-	-	-
Differences between Expected and Actual Experience	(4,346,826)	-	(4,346,826)
Changes of Assumptions	2,390,856	-	2,390,856
Net Investment Income	-	268,796	(268,796)
Contributions			
Employer - City's Expected Contribution	-	251,426	(251,426)
Employer - Implicit Subsidy	-	124,536	(124,536)
Expected Benefit Payments	(251,426)	(251,426)	-
Implicit Rate Subsidy Fulfilled	(124,536)	(124,536)	-
Administrative Expenses	-	(6,231)	6,231
Other Changes	-	-	-
Net changes	(969,335)	262,565	(1,231,900)
Balance as of Report Date June 30, 2022	<u>\$ 13,223,258</u>	<u>\$ 1,408,531</u>	<u>\$ 11,814,727</u>

<u>Non-Sworn Management (NSM)</u>	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
Balance as of Report Date June 30, 2021	\$ 16,618,906	\$ 1,102,391	\$ 15,516,515
Changes for the year:			
Service Cost	\$ 444,886	\$ -	\$ 444,886
Interest	986,295	-	986,295
Changes of Benefit Terms	-	-	-
Differences between Expected and Actual Experience	1,267,162	-	1,267,162
Changes of Assumptions	2,756,061	-	2,756,061
Net Investment Income	-	258,619	(258,619)
Contributions			
Employer - City's Expected Contribution	-	823,388	(823,388)
Employer - Implicit Subsidy	-	427,682	(427,682)
Expected Benefit Payments	(823,388)	(823,388)	-
Implicit Rate Subsidy Fulfilled	(427,682)	(427,682)	-
Administrative Expenses	-	(5,994)	5,994
Other Miscellaneous Income/(Expense)	-	-	-
Net changes	4,203,334	252,625	3,950,709
Balance as of Report Date June 30, 2022	<u>\$ 20,822,240</u>	<u>\$ 1,355,016</u>	<u>\$ 19,467,224</u>

CITY OF SIMI VALLEY ● NOTES TO THE BASIC FINANCIAL STATEMENTS
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<u>Police Officers' Association (POA)</u>	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
Balance as of Report Date June 30, 2021	\$ 16,446,569	\$ 706,871	\$ 15,739,698
Changes for the year:			
Service Cost	\$ 441,563	\$ -	\$ 441,563
Interest	982,614	-	982,614
Changes of Benefit Terms	-	-	-
Differences between Expected and Actual Experience	4,300,696	-	4,300,696
Changes of Assumptions	2,049,138	-	2,049,138
Net Investment Income	-	165,662	(165,662)
Contributions			
Employer - City's Expected Contribution	-	789,129	(789,129)
Employer - Implicit Subsidy	-	233,344	(233,344)
Expected Benefit Payments	(789,129)	(789,129)	-
Implicit Rate Subsidy Fulfilled	(233,344)	(233,344)	-
Administrative Expenses	-	(3,843)	3,843
Other Miscellaneous Income/(Expense)	-	-	-
Net changes	6,751,538	161,819	6,589,719
Balance as of Report Date June 30, 2022	<u>\$ 23,198,107</u>	<u>\$ 868,690</u>	<u>\$ 22,329,417</u>

<u>Police Managers' Association (PMA)</u>	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
Balance as of Report Date June 30, 2021	\$ 4,585,714	\$ 85,252	\$ 4,500,462
Changes for the year:			
Service Cost	\$ 39,594	\$ -	\$ 39,594
Interest	263,997	-	263,997
Changes of Benefit Terms	-	-	-
Differences between Expected and Actual Experience	3,800,180	-	3,800,180
Changes of Assumptions	548,979	-	548,979
Net Investment Income	-	19,514	(19,514)
Contributions			
Employer - City's Expected Contribution	-	315,341	(315,341)
Employer - Implicit Subsidy	-	135,385	(135,385)
Expected Benefit Payments	(315,341)	(315,341)	-
Implicit Rate Subsidy Fulfilled	(135,385)	(135,385)	-
Administrative Expenses	-	(462)	462
Other Miscellaneous Income/(Expense)	-	-	-
Net changes	\$ 4,202,024	\$ 19,052	\$ 4,182,972
Balance as of Report Date June 30, 2022	<u>\$ 8,787,738</u>	<u>\$ 104,304</u>	<u>\$ 8,683,434</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 Asset Management, LLC which may be obtained by writing to PFM Asset Management, LLC, 50 California Street, Suite 2300, San Francisco, CA 94111.

CITY OF SIMI VALLEY ● NOTES TO THE BASIC FINANCIAL STATEMENTS
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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 using a discount rate that is one percentage lower (5.00%) or one percentage point higher (7.00%) for general unit employees (GU), non-sworn management (NSM), sworn employees (SE), and sworn management (SM) follows:

	1% Decrease (5.00%)	Current Discount Rate (6.00%)	1% Increase (7.00%)
GU	\$ 13,162,036	\$ 11,814,727	\$ 10,659,053
NSM	21,488,681	19,467,224	17,717,674
SE	25,501,275	22,329,417	19,718,939
SM	9,792,864	8,683,434	7,769,559

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 (6.00%) or one percentage point higher (8.00%) than current healthcare cost trend rates follows:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
GU	\$ 10,974,805	\$ 11,814,727	\$ 12,766,846
NSM	17,985,071	19,467,224	19,467,224
SE	19,457,580	22,329,417	25,847,884
SM	7,723,317	8,683,434	9,838,202

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

For the fiscal year ended June 30, 2022, the City recognized OPEB expense of \$11,447,349. At June 30, 2022, 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	SE	SM
Differences Between Actual and Expected Experience	\$ 797,133	\$ 1,163,618	\$ 4,195,030	\$ -
Changes of Assumptions	5,903,850	3,979,971	6,351,565	-
Net Difference Between Projected and Actual Earnings on OPEB Plan Investments	-	-	-	-
City Contributions subsequent to the Measurement Date*	487,264	1,118,169	1,128,838	475,731
Total	<u>\$ 7,188,247</u>	<u>\$ 6,261,758</u>	<u>\$ 11,675,433</u>	<u>\$ 475,731</u>

*Based on expected benefit payments per the City’s actuary.

CITY OF SIMI VALLEY ● NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2022

	Deferred Inflows of Resources			
	GU	NSM	SE	SM
Differences Between Actual and Expected Experience	\$ (4,028,240)	\$ (146,468)	\$ (6,876,826)	\$ -
Changes of Assumptions	(413,635)	(358,831)	(791,496)	(59,781)
Net Difference Between Projected and Actual Earnings on OPEB Plan Investments	(170,392)	(158,802)	(98,861)	(9,518)
City Contributions subsequent to the Measurement Date	-	-	-	-
Total	<u>\$ (4,612,267)</u>	<u>\$ (664,101)</u>	<u>\$ (7,767,183)</u>	<u>\$ (69,299)</u>

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	SE	SM
2023	\$ 649,862	\$ 1,969,407	\$ 149,066	\$ (29,011)
2024	651,538	1,084,676	150,796	(28,663)
2025	662,068	765,855	226,970	(8,653)
2026	668,306	659,550	249,116	(2,972)
2027	82,630	-	530,896	-
Thereafter	(625,688)	-	1,472,568	-

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.

Subsequent Events

The City has evaluated events subsequent to June 30, 2022, to assess the need for potential recognition or disclosure in the financial statements. Such events were evaluated through April 26, 2023, the date the financial statements were available to be issued. Based upon this evaluation, it was determined that no subsequent events occurred that require recognition or additional disclosure in the financial statements.

G. Governmental Accounting Standards Board

The Governmental Accounting Standards Board (GASB) has issued several pronouncements prior to June 30, 2022, 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. 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, 2021.

GASB Statement No. 93

In March 2020, the Governmental Accounting Standards Board issued Statement No. 93, "Replacement of Interbank Offered Rates." The requirements of this Statement, except for paragraphs 11b, 13, and 14 are effective for reporting periods beginning after June 15, 2020. The requirement in paragraph 11b is effective for reporting periods ending after December 31, 2021. The requirements in paragraphs 13 and 14 are effective for fiscal years periods beginning after June 15, 2021.

GASB Statement No. 94

In May 2020, the Governmental Accounting Standards Board issued Statement No. 94, "Public-Private and Public-Public Partnerships and Availability Payment Arrangements." The requirements of this Statement are effective for reporting periods beginning after June 15, 2022.

GASB Statement No. 96

In May 2020, the Governmental Accounting Standards Board issued Statement No. 96, "Subscription-Based Information Technology Arrangements." The requirements of this Statement are effective for reporting periods beginning after June 15, 2022.

GASB Statement No. 97

In June 2020, the Governmental Accounting Standards Board issued Statement No. 97, "Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plan – an amendment of GASB Statements No. 14, 84, and a suppression of GASB Statement No. 32." The requirements of this Statement, except for Paragraphs 4 and 5 which are effective immediately, are effective for reporting periods beginning after June 15, 2021.

GASB Statement No. 98

In October 2021, the Governmental Accounting Standards Board issued Statement No. 98, "The Annual Comprehensive Financial Report." The requirements of this Statement are effective for fiscal years ending after December 15, 2021.

GASB Statement No. 99

In April 2022, the Governmental Accounting Standards Board issued Statement No. 99, "Omnibus 2022." The requirements related to extension of the use of LIBOR, accounting for SNAP distributions, disclosures of nonmonetary transactions, pledges of future revenues by pledging governments, clarification of certain provisions in Statement 34, as amended, and terminology updates related to Statement 53 and Statement 63 are

effective upon issuance. The requirements related to leases, PPPs, and SBITAs are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. The requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 are effective for fiscal years beginning after June 15, 2023.

GASB Statement No. 100

In June 22, the Governmental Accounting Standards Board issued Statement No. 100, "Accounting Changes and Error Corrections - an amendment of GASB Statement No. 62." The requirements of this Statement are effective for fiscal years ending after June 15, 2023.

GASB Statement No. 101

In June 22, the Governmental Accounting Standards Board issued Statement No. 101, "Compensated Absences." The requirements of this Statement are effective for fiscal years ending after December 15, 2023.

V. Successor Housing 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 (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 former redevelopment agency have been paid in full and all assets have been liquidated.

CITY OF SIMI VALLEY ● NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2022

B. Cash and investments

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

	2022
Cash and investments pooled with the City	\$ 2,740,427
Cash and investments with fiscal agent	2,101,982
Total cash and investments	\$ 4,842,409

C. Capital assets

Capital asset activity for the year ended June 30, 2022, was as follows:

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

D. Deferred outflows of resources

In accordance with GASB Statement 63, in addition to assets, the statement of financial position reports a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and 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, 2022:

	Beginning Balance	Amortization	Ending Balance
Fiduciary activities:			
2003 tax allocation bonds			
Deferred loss on refunding	\$ 75,223	\$ 28,482	\$ 46,741

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, 2022, 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%, fully maturing September 1, 2030. The bonds are payable in annual installments ranging from \$360,000 to \$2,000,000. These bonds were issued to fully refund the 1993 Revenue Bond issue with a carrying amount of \$30,245,000. They were issued at a premium, which has been added to the new debt and is being amortized over the 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 \$18,515,813, payable through September 2030. For the current fiscal year, principal and interest paid was \$2,067,856, and the Redevelopment Property Tax Trust Fund revenue received was \$2,512,484.

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

Year Ending	Principal	Interest	Total
June 30			
2023	\$ 1,350,000	\$ 713,688	\$ 2,063,688
2024	1,420,000	642,750	2,062,750
2025	1,490,000	570,000	2,060,000
2026	1,565,000	493,625	2,058,625
2027	1,645,000	413,375	2,058,375
Thereafter	7,445,000	767,375	8,212,375
	\$ 14,915,000	\$ 3,600,813	\$ 18,515,813

CITY OF SIMI VALLEY ● NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2022

Fiduciary fund long-term liability activity for the year ended June 30, 2022, was as follows:

	Balances June 30, 2021	Debt Incurred	Debt Retired	Balances June 30, 2022	Due Within One Year
Fiduciary activities:					
2003 tax allocation bonds	\$ 16,200,000	\$ -	\$ (1,285,000)	\$ 14,915,000	\$ 1,350,000
Add (less) deferred amounts:					
Bond premium	157,212	-	(16,306)	140,906	16,306
Fiduciary long-term liabilities	<u>\$ 16,357,212</u>	<u>\$ -</u>	<u>\$ (1,301,306)</u>	<u>\$ 15,055,906</u>	<u>\$ 1,366,306</u>

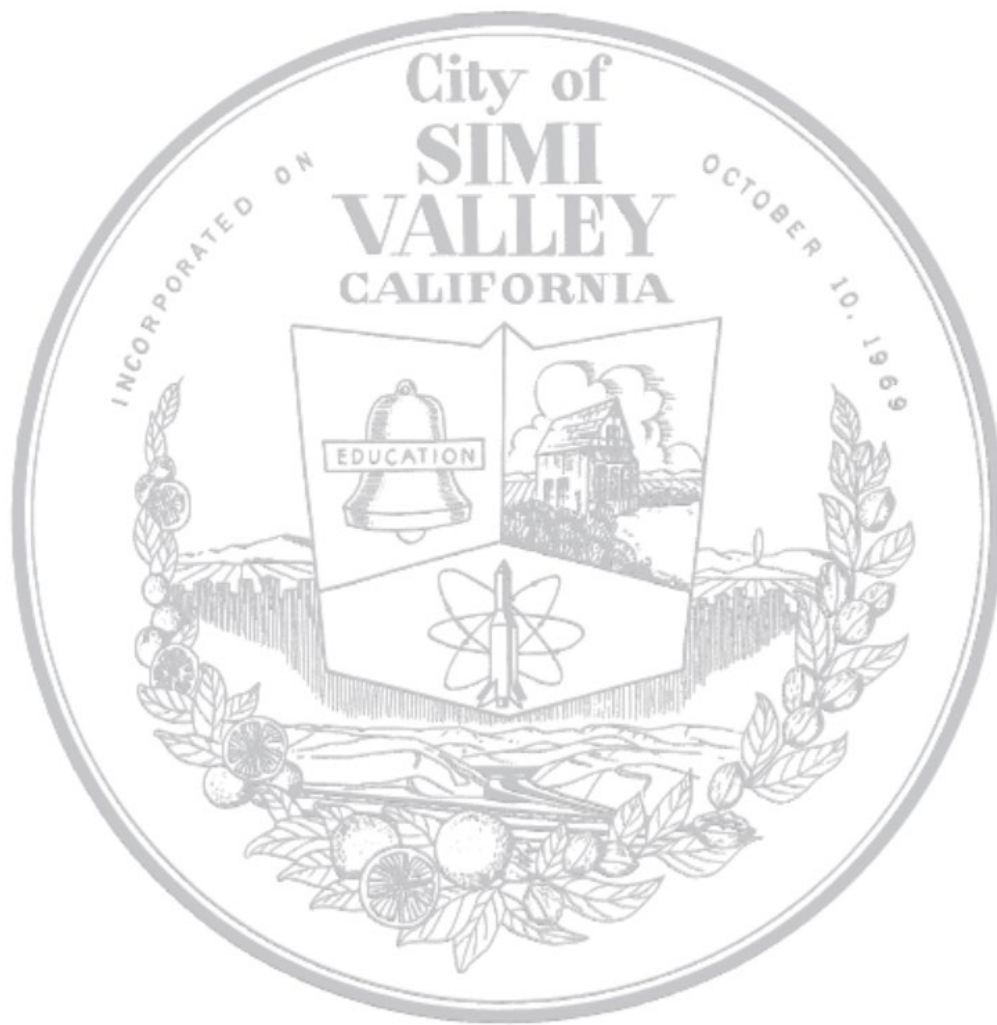
F. Deficit Net Position

As of June 30, 2022, the Private Purpose Trust, a component of the City's Fiduciary funds, has a negative net position of \$9,287,906. Below is a summary of the net position.

	2022
Net Position - Beginning Balance	<u>\$ (10,973,895)</u>
Total additions for the year	4,703,567
Total deductions for the year ended	<u>(3,017,578)</u>
Change in net position	<u>1,685,989</u>
Net Position - Ending Balance	<u><u>\$ (9,287,906)</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)

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CITY OF SIMI VALLEY ● REQUIRED SUPPLEMENTARY INFORMATION
FISCAL YEAR ENDED JUNE 30, 2022

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>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
TOTAL PENSION LIABILITY:				
Service Cost	\$ 4,452,761	\$ 4,550,099	\$ 4,813,212	\$ 4,910,925
Interest on Total Pension Liability	22,203,551	21,563,745	20,976,007	20,191,587
Changes of Assumptions	-	-	-	(1,963,446)
Difference Between Expected and Actual Experience	(473,007)	(2,231,998)	(302,371)	163,365
Benefit Payments, including Refunds of Employee Contributions	(17,353,295)	(15,934,383)	(14,476,731)	(13,083,973)
Net Change in Total Pension Liability	\$ 8,830,010	\$ 7,947,463	\$ 11,010,117	\$ 10,218,458
Total Pension Liability - Beginning	317,462,448	309,514,985	298,504,868	288,286,410
Total Pension Liability - Ending (a)	<u>\$ 326,292,458</u>	<u>\$ 317,462,448</u>	<u>\$ 309,514,985</u>	<u>\$ 298,504,868</u>
PLAN FIDUCIARY NET POSITION				
Contributions - Employer	\$ 9,426,555	\$ 8,648,934	\$ 7,638,807	\$ 6,722,128
Contributions - Employee	1,904,773	1,911,018	1,985,804	2,010,460
Net Investment Income ²	50,582,412	10,929,221	13,913,484	16,753,819
Benefit Payments, including Refunds of Employee Contributions	(17,353,295)	(15,934,383)	(14,476,731)	(13,083,973)
Net Plan to Plan Resource Movement	-	-	-	(488)
Administrative Expense	(223,794)	(308,434)	(149,770)	(309,112)
Other Miscellaneous Income/(Expense) ¹	-	-	488	(587,009)
Net Change in Fiduciary Net Position	\$ 44,336,651	\$ 5,246,356	\$ 8,912,082	\$ 11,505,825
Plan Fiduciary Net Positions - Beginning ²	224,032,165	218,785,809	209,873,727	198,367,902
Plan Fiduciary Net Positions - Ending (b)	<u>\$ 268,368,816</u>	<u>\$ 224,032,165</u>	<u>\$ 218,785,809</u>	<u>\$ 209,873,727</u>
Plan Net Pension Liability/(Asset) - (a) - (b)	<u>\$ 57,923,642</u>	<u>\$ 93,430,283</u>	<u>\$ 90,729,176</u>	<u>\$ 88,631,141</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	82.25%	70.57%	70.69%	70.31%
Covered Payroll ³	\$27,418,481	\$27,983,387	\$ 28,537,793	\$ 30,206,209
Plan Net Pension Liability (Asset) as a Percentage of Covered Payroll	211.26%	333.88%	317.93%	293.42%

(Continued)

¹ During Fiscal Year 2017-18, as a result of Governmental Accounting Standards Board (GASB) Statement No. 75, Accounting and Financial Reporting for Post Employment Benefit Plans Other than Pensions (GASB Statement No. 75), CalPERS reported its proportionate share of activity related to post employment 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 Statement No. 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 Statement No. 68).

² Includes any beginning of year adjustment.

³ Includes one year's payroll growth using 2.75% payroll growth assumption for Fiscal Years 2018-21; 3.00% payroll growth assumption for Fiscal Years 2014-17.

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

Benefit Changes: The figures above generally include any liability impact that may have resulted from voluntary benefit changes that occurred on or before the Measurement Date. However, offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes) that occurred after the Valuation Date are not included in the figures above, unless the liability impact is deemed to be material by the plan actuary.

Changes of Assumptions: None in Fiscal Years 2019-21. In 2018, demographic assumptions and inflation rate were changed in accordance to the CalPERS Experience Study and Review of Assumptions December 2017. There were no changes in the discount rate. In 2017, the discount rate was reduced from 7.65% to 7.15%. In 2016, there were no changes. In 2015, amounts reported reflect an adjustment of the discount rate from 7.50% (net of administrative expense) to 7.65% (without a reduction for pension plan administrative expense). In 2014, amounts reported were based on the 7.50% discount rate.

* Fiscal Year 2014-15 was the first year of implementation, therefore, only eight years are shown.

See independent auditor's report.

CITY OF SIMI VALLEY ● REQUIRED SUPPLEMENTARY INFORMATION
FISCAL YEAR ENDED JUNE 30, 2022

California Public Employees' Retirement System (CalPERS)
Miscellaneous Plan
Last Ten Years*

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

See independent auditor's report.

CITY OF SIMI VALLEY ● REQUIRED SUPPLEMENTARY INFORMATION
FISCAL YEAR ENDED JUNE 30, 2022

California Public Employees' Retirement System (CalPERS)
Miscellaneous Plan
Last Ten Years*

Miscellaneous Plan - Schedule of Plan Contributions for the Fiscal Years Ended June 30¹

Employer Fiscal Year	2022	2021	2020	2019
Actuarially Determined Contribution ²	\$9,976,069	\$9,426,555	\$8,648,934	\$ 7,602,813
Contributions in Relation to the Actuarially Determined Contribution ²	(9,976,069)	(9,426,555)	(8,648,934)	(7,602,813)
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll ³	\$29,543,636	\$27,418,481	\$27,983,387	\$ 28,537,793
Contributions as a Percentage of Covered Payroll ³	33.77%	34.38%	30.91%	26.64%

(Continued)

¹ As prescribed in GASB Statement No. 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.

² 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.

³ Includes one year's payroll growth using 2.75% payroll growth assumption for Fiscal Year 2018-19; 3.00% payroll growth assumption for Fiscal Years 2014-17.

Notes to Schedule of Plan Contributions:

The actuarial methods and assumptions used to set the actuarially determined contributions for Fiscal Year 2021-22 were derived from the June 30, 2019, funding valuation report.

Actuarial Cost Method	Entry Age Normal
Amortization Method/Period	For details, see June 30, 2019 Funding Valuation Report.
Asset Valuation Method	Fair Value of Assets. For details, see June 30, 2019 Funding Valuation Report.
Inflation	2.50%
Salary Increases	Varies by Entry Age and Service
Payroll Growth	2.75%
Investment Rate of Return	7.00% Net of Pension Plan Investment and Administrative Expenses; includes Inflation.
Retirement Age	The probabilities of Retirement are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015.
Mortality	The probabilities of mortality are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015. Pre-retirement and Post-retirement mortality rates include 15 years of projected mortality improvement using 90.00% of Scale MP-2016 published by the Society of Actuaries.

* Fiscal Year 2014-15 was the first year of implementation, therefore, only eight years are shown.

CITY OF SIMI VALLEY ● REQUIRED SUPPLEMENTARY INFORMATION
FISCAL YEAR ENDED JUNE 30, 2022

California Public Employees' Retirement System (CalPERS)
Miscellaneous Plan
Last Ten Years*

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

See independent auditor's report.

CITY OF SIMI VALLEY ● REQUIRED SUPPLEMENTARY INFORMATION
FISCAL YEAR ENDED JUNE 30, 2022

California Public Employees' Retirement System (CalPERS)
Safety Plan
Last Ten Years*

Schedule of Changes in Net Pension Liability and Related Ratios

Measurement Period	2021	2020	2019	2018
TOTAL PENSION LIABILITY				
Service Cost	\$ 3,799,517	\$ 3,652,512	\$ 3,770,076	\$ 3,852,227
Interest on Total Pension Liability	14,034,283	13,570,955	13,042,846	12,408,410
Changes of Assumptions	-	-	-	(72,863)
Difference Between Expected and Actual Experience	(1,268,164)	(252,858)	974,638	(891,044)
Benefit Payments, including Refunds of Employee Contributions	(9,681,675)	(9,415,716)	(8,814,575)	(7,827,368)
Net Change in Total Pension Liability	6,883,961	7,554,893	8,972,985	7,469,362
Total Pension Liability - Beginning	200,492,917	192,938,024	183,965,039	176,495,677
Total Pension Liability - Ending (a)	<u>\$ 207,376,878</u>	<u>\$ 200,492,917</u>	<u>\$ 192,938,024</u>	<u>\$ 183,965,039</u>
PLAN FIDUCIARY NET POSITION				
Contributions - Employer	\$ 6,812,946	\$ 6,159,600	\$ 5,442,227	\$ 5,016,294
Contributions - Employee	1,325,192	1,573,091	1,255,565	1,288,167
Net Investment Income	31,233,327	6,595,085	8,313,422	10,040,177
Other Miscellaneous Income/(Expense) ¹	-	-	294	(350,228)
Benefit Payments, including Refunds of Employee Contributions	(9,681,675)	(9,415,716)	(8,814,575)	(7,827,368)
Net Plan to Plan Resource Movement	-	-	-	(294)
Administrative Expense	(137,021)	(186,710)	(90,155)	(184,426)
Net Change in Fiduciary Net Position	29,552,769	4,725,350	6,106,778	7,982,322
Plan Fiduciary Net Position - Beginning ²	137,166,961	132,441,611	126,334,833	118,352,511
Plan Fiduciary Net Position - Ending (b)	<u>\$ 166,719,730</u>	<u>\$ 137,166,961</u>	<u>\$ 132,441,611</u>	<u>\$ 126,334,833</u>
Plan Net Pension Liability/(Asset) - (a) - (b)	<u>\$ 40,657,148</u>	<u>\$ 63,325,956</u>	<u>\$ 60,496,413</u>	<u>\$ 57,630,206</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	80.39%	68.41%	68.64%	68.67%
Covered Payroll ³	\$13,341,001	\$12,744,285	\$ 12,535,238	\$ 13,397,653
Plan Net Pension Liability (Asset) as a Percentage of Covered Payroll	304.75%	496.90%	482.61%	430.15%

(Continued)

¹ During Fiscal Year 2017-18, as a result of Governmental Accounting Standards Board (GASB) Statement No. 75, Accounting and Financial Reporting for Post Employment Benefit Plans Other than Pensions (GASB Statement No. 75), CalPERS reported its proportionate share of activity related to post employment 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 Statement No. 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 Statement No. 68).

² Includes any beginning of year adjustment.

³ Includes one year's payroll growth using 2.75% payroll growth assumption for Fiscal Year 2018-19; 3.00% payroll growth assumption for Fiscal Years 2014-17.

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

Benefit Changes: The figures above generally include any liability impact that may have resulted from voluntary benefit changes that occurred on or before the Measurement Date. However, offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes) that occurred after the Valuation Date are not included in the figures above, unless the liability impact is deemed to be material by the plan actuary.

Changes of Assumptions: None in Fiscal Years 2019-21. In 2018, demographic assumptions and inflation rate were changed in accordance to the CalPERS Experience Study and Review of Assumptions December 2017. There were no changes in the discount rate. In 2017, the discount rate was reduced from 7.65% to 7.15%. In 2016, there were no changes. In 2015, amounts reported reflect an adjustment of the discount rate from 7.50% (net of administrative expense) to 7.65% (without a reduction for pension plan administrative expense). In 2014, amounts reported were based on the 7.50% discount rate.

* Fiscal Year 2014-15 was the first year of implementation, therefore, only eight years are shown.

See independent auditor's report.

CITY OF SIMI VALLEY ● REQUIRED SUPPLEMENTARY INFORMATION
FISCAL YEAR ENDED JUNE 30, 2022

California Public Employees' Retirement System (CalPERS)
Safety Plan
Last Ten Years*

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

See independent auditor's report.

CITY OF SIMI VALLEY ● REQUIRED SUPPLEMENTARY INFORMATION
FISCAL YEAR ENDED JUNE 30, 2022

California Public Employees' Retirement System (CalPERS)
Safety Plan
Last Ten Years*

Safety Plan - Schedule of Plan Contributions for the Fiscal Years Ended June 30¹

Employer Fiscal Year	2022	2021	2020	2019
Actuarially Determined Contribution ²	\$ 7,101,836	\$ 6,812,946	\$ 6,159,600	\$ 5,129,019
Contributions in Relation to the Actuarially Determined Contribution ²	(7,101,836)	(6,812,946)	(6,159,600)	(5,129,019)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -
Covered Payroll ³	\$ 13,454,858	\$ 13,341,001	\$ 12,744,285	\$ 12,535,238
Contributions as a Percentage of Covered Payroll ³	52.78%	51.07%	48.33%	40.92%

(Continued)

¹ As prescribed in GASB Statement No. 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.

² 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.

³ Includes one year's payroll growth using 2.75% payroll growth assumption for Fiscal Year 2018-19; 3.00% payroll growth assumption for Fiscal Years 2014-17.

Notes to Schedule of Plan Contributions:

The actuarial methods and assumptions used to set the actuarially determined contributions for Fiscal Year 2021-22 were derived from the June 30, 2019 funding valuation report.

Actuarial Cost Method	Entry Age Normal
Amortization Method/Period	For details, see June 30, 2019 Funding Valuation Report.
Asset Valuation Method	Fair Value of Assets. For details, see June 30, 2019 Funding Valuation Report.
Inflation	2.50%
Salary Increases	Varies by Entry Age and Service
Payroll Growth	2.75%
Investment Rate of Return	7.00% Net of Pension Plan Investment and Administrative Expenses; includes Inflation. The probabilities of Retirement are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015.
Retirement Age	
Mortality	The probabilities of mortality are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015. Pre-retirement and Post-retirement mortality rates include 15 years of projected mortality improvement using 90% of Scale MP-2016 published by the Society of Actuaries.

* Fiscal Year 2014-15 was the first year of implementation, therefore, only eight years are shown.

CITY OF SIMI VALLEY ● REQUIRED SUPPLEMENTARY INFORMATION
FISCAL YEAR ENDED JUNE 30, 2022

California Public Employees' Retirement System (CalPERS)
Safety Plan
Last Ten Years*

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

(Concluded)

CITY OF SIMI VALLEY ● REQUIRED SUPPLEMENTARY INFORMATION
FISCAL YEAR ENDED JUNE 30, 2022

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

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB liability:					
Service cost	\$ 1,418,798	\$ 1,482,507	\$ 306,921	\$ 317,106	\$ 308,619
Interest	3,102,748	2,901,086	2,604,188	2,375,465	2,429,570
Differences between expected and actual experience	5,021,212	838,437	(12,977,830)	-	-
Changes of assumptions	7,745,034	(2,007,874)	21,577,376	(1,069,576)	-
Benefit payments	(2,179,284)	(2,156,006)	(2,049,633)	(1,700,528)	(1,635,120)
Implicit Subsidy	(920,947)	(861,254)	-	-	-
Net change in total OPEB liability	<u>14,187,561</u>	<u>196,896</u>	<u>9,461,022</u>	<u>(77,533)</u>	<u>1,103,069</u>
Total OPEB liability-beginning	<u>51,843,782</u>	<u>51,646,886</u>	<u>42,185,864</u>	<u>42,263,397</u>	<u>41,160,328</u>
Total OPEB liability-ending (a)	<u>\$ 66,031,343</u>	<u>\$ 51,843,782</u>	<u>\$ 51,646,886</u>	<u>\$ 42,185,864</u>	<u>\$ 42,263,397</u>
Fiduciary Net Position:					
Net investment income	\$ 712,591	\$ 207,546	\$ 176,710	\$ 253,539	\$ 328,517
Employer - City's Contribution	2,179,284	2,156,006	2,049,633	1,700,528	1,635,120
Employer - Implicit Subsidy	920,947	861,254	-	-	-
Benefit payments	(2,179,284)	(2,156,006)	(2,049,633)	(1,700,528)	(1,635,120)
Implicit Subsidy Credit	(920,947)	(861,254)	-	-	-
Administrative expense	(16,530)	(9,883)	(18,407)	(19,535)	(19,748)
Net change in plan fiduciary net position	<u>696,061</u>	<u>197,663</u>	<u>(1,141,695)</u>	<u>234,004</u>	<u>308,769</u>
Plan fiduciary net position-beginning	<u>3,040,480</u>	<u>2,842,817</u>	<u>3,984,511</u>	<u>3,750,507</u>	<u>3,441,738</u>
Plan fiduciary net position-ending (b)	<u>\$ 3,736,541</u>	<u>\$ 3,040,480</u>	<u>\$ 2,842,817</u>	<u>\$ 3,984,511</u>	<u>\$ 3,750,507</u>
City's net OPEB liability ending (a)-(b)	<u>\$ 62,294,802</u>	<u>\$ 48,803,302</u>	<u>\$ 48,804,069</u>	<u>\$ 38,201,353</u>	<u>\$ 38,512,890</u>
Plan fiduciary net position as a percentage of the total OPEB liability	5.7%	5.9%	5.5%	9.4%	8.9%
Covered-employee payroll	\$ 35,999,859	\$ 35,512,106	\$ 33,714,502	\$ 35,383,956	\$ 37,757,737
City's OPEB liability as a percentage of the covered employee payroll	173.0%	137.4%	144.8%	108.0%	102.0%

* The City adopted GASB Statement No. 75 for the Fiscal Year 2017-18, therefore, only five years are shown.

CITY OF SIMI VALLEY ● REQUIRED SUPPLEMENTARY INFORMATION
FISCAL YEAR ENDED JUNE 30, 2022

Schedule of OPEB Plan Contributions
Last Ten Years*

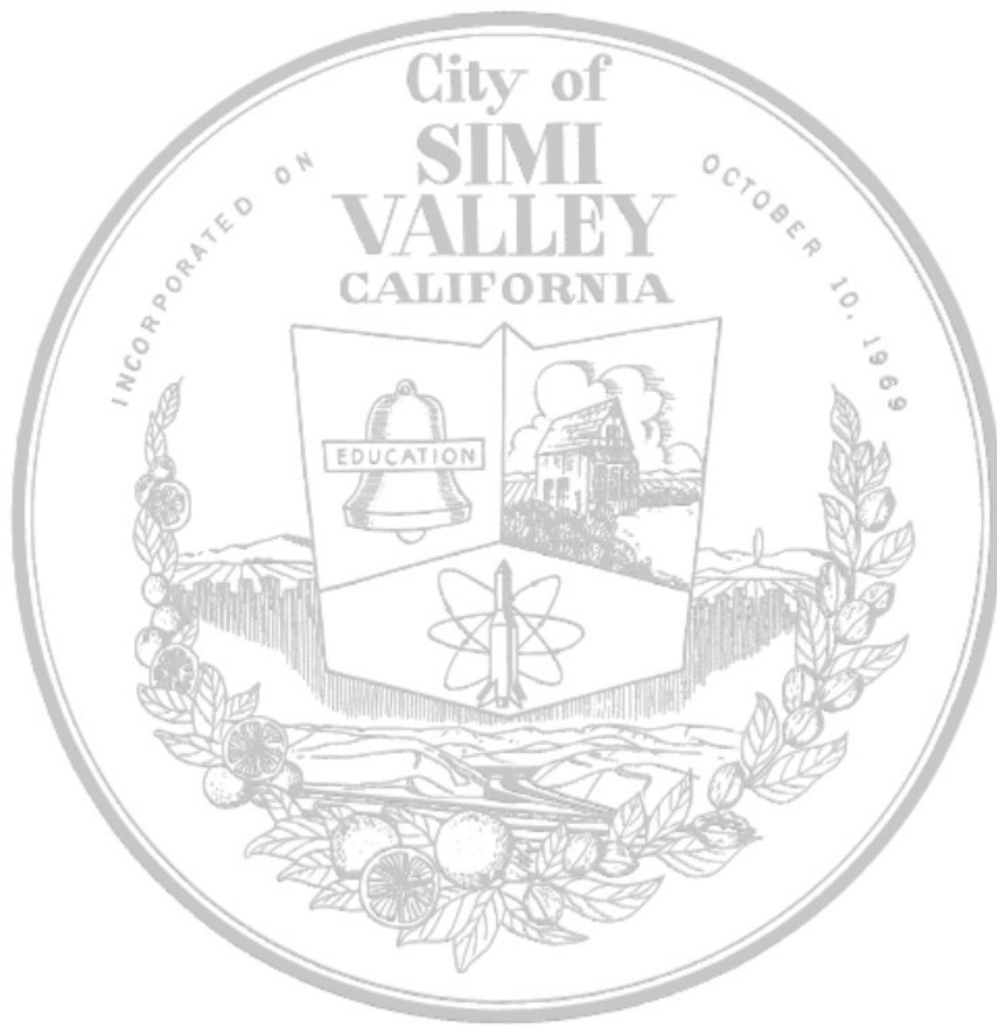
	2022	2021	2020	2019	2018
Actuarially determined contribution	\$ 3,213,071	\$ 5,495,152	\$ 2,049,633	\$ 1,659,034	\$ 1,635,120
Contributions in relation to the actuarially determined contribution	(3,100,231)	(3,017,260)	(2,049,633)	(1,659,034)	(1,635,120)
Contribution deficiency (excess)	\$ 112,840	\$ 2,477,892	\$ -	\$ -	\$ -
Covered-employee payroll	\$ 35,999,859	\$ 35,512,106	\$ 33,714,502	\$ 35,383,956	\$ 37,757,737
Contributions as a percentage of covered-employee payroll	8.61%	8.50%	6.08%	4.69%	4.33%

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	5.50%
Assumed Payroll Growth	2.75%
Healthcare Trend Rates	7.00%, trending down to 4.04%
Rate of Return on Assets	6.00%
Mortality Rate	CalPERS Rates
Retirement Rates	CalPERS Rates

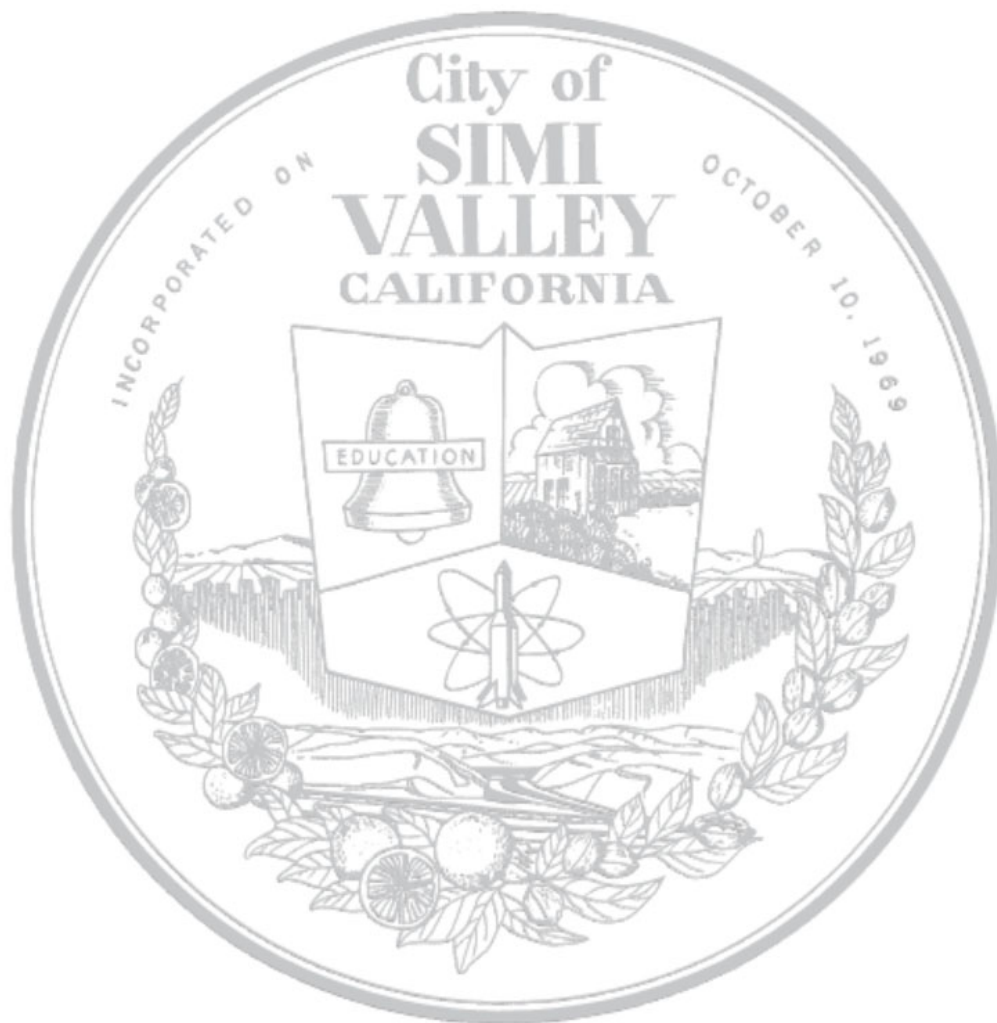
* The City adopted GASB Statement No. 75 for the Fiscal Year 2017-18, therefore, only five years are shown.



Supplementary 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.

Planning Grant fund accounts for State funds to help prepare, adopt, and implement plans and process improvements that streamline housing approvals and accelerate housing production.

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 Clean Renewable Energy Bonds Lease Revenue Bonds (CREBS LRB) 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 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, 2022**

	Special Revenue					
	CalHome Grant	HOME Grant	Planning Grant	Public, Education & Government Fees	Gasoline Tax	Road Maintenance & Rehabilitation Account
<u>ASSETS</u>						
Cash and investments:						
Held by City	\$ 400,307	\$ 1,392,858	\$ -	\$ 2,554,106	\$ 23,818	\$ 3,388,898
Held by bond trustee	-	-	-	-	-	-
Accounts receivable (net of allowance for uncollectibles)	-	-	192,383	-	237,256	440,146
Taxes receivable	-	-	-	72,571	-	-
Grants receivable	-	-	-	-	-	-
Interest receivable	-	-	-	7,359	-	8,374
Due from other funds	1,466	9,204	-	-	-	-
Loans receivable (net of allowance for uncollectibles)	1,024,834	2,293,231	-	-	-	-
TOTAL ASSETS	\$ 1,426,607	\$ 3,695,293	\$ 192,383	\$ 2,634,036	\$ 261,074	\$ 3,837,418
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES						
<u>LIABILITIES</u>						
Accounts payable	\$ -	\$ 6,355	\$ 122,699	\$ -	\$ -	\$ -
Salaries and benefits payable	-	-	-	-	-	-
Due to other funds	-	97,148	61,869	-	-	-
Advances from other funds	-	-	-	-	-	-
TOTAL LIABILITIES	-	103,503	184,568	-	-	-
<u>DEFERRED INFLOWS OF RESOURCES</u>						
Unavailable revenue-housing programs	1,024,834	2,293,231	192,383	-	-	-
Unavailable revenue-public safety	-	-	-	-	-	-
TOTAL DEFERRED INFLOWS OF RESOURCES	1,024,834	2,293,231	192,383	-	-	-
<u>FUND BALANCES</u>						
Restricted						
Housing programs	401,773	1,298,559	-	-	-	-
Public improvements	-	-	-	-	-	-
Streets and transportation	-	-	-	-	261,074	3,837,418
Debt service	-	-	-	-	-	-
Special programs	-	-	-	2,634,036	-	-
Law enforcement	-	-	-	-	-	-
Committed						
Equipment	-	-	-	-	-	-
Unassigned	-	-	(184,568)	-	-	-
TOTAL FUND BALANCES (DEFICITS)	401,773	1,298,559	(184,568)	2,634,036	261,074	3,837,418
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 1,426,607	\$ 3,695,293	\$ 192,383	\$ 2,634,036	\$ 261,074	\$ 3,837,418

(Continued)

**CITY OF SIMI VALLEY
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2022**

Special Revenue						
Transportation	Library Services	Police Grants	Community Development Block Grant	Landscape Maintenance District No. 1	Total Nonmajor Special Revenue Funds	
						ASSETS
						Cash and investments:
\$ 10,027,438	\$ 2,196,297	\$ 1,154,747	\$ -	\$ -	\$ 21,138,469	Held by City
-	-	-	-	-	-	Held by bond trustee
-	4,095	37,763	-	-	911,643	Accounts receivable (net of allowance for uncollectibles)
-	-	-	-	-	72,571	Taxes receivable
-	-	17,620	674,868	-	692,488	Grants receivable
24,083	4,934	2,558	-	-	47,308	Interest receivable
-	-	-	-	-	10,670	Due from other funds
-	-	-	356,274	-	3,674,339	Loans receivable (net of allowance for uncollectibles)
<hr/>						TOTAL ASSETS
\$ 10,051,521	\$ 2,205,326	\$ 1,212,688	\$ 1,031,142	\$ -	\$ 26,547,488	
						LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES
						LIABILITIES
\$ -	\$ 72,608	\$ 6,857	\$ 80,498	\$ 140,526	\$ 429,543	Accounts payable
-	3,871	-	-	-	3,871	Salaries and benefits payable
-	-	-	619,754	817,624	1,596,395	Due to other funds
-	-	-	-	-	-	Advances from other funds
<hr/>						TOTAL LIABILITIES
-	76,479	6,857	700,252	958,150	2,029,809	
						DEFERRED INFLOWS OF RESOURCES
-	-	-	356,274	-	3,866,722	Unavailable revenue-housing programs
-	-	107,371	-	-	107,371	Unavailable revenue-public safety
<hr/>						TOTAL DEFERRED INFLOWS OF RESOURCES
-	-	107,371	356,274	-	3,974,093	
						FUND BALANCES
						Restricted
-	-	-	-	-	1,700,332	Housing programs
-	-	-	-	-	-	Public improvements
10,051,521	-	-	-	-	14,150,013	Streets and transportation
-	-	-	-	-	-	Debt service
-	2,128,847	-	-	-	4,762,883	Special programs
-	-	1,098,460	-	-	1,098,460	Law enforcement
						Committed
-	-	-	-	-	-	Equipment
-	-	-	(25,384)	(958,150)	(1,168,102)	Unassigned
<hr/>						TOTAL FUND BALANCES (DEFICITS)
10,051,521	2,128,847	1,098,460	(25,384)	(958,150)	20,543,586	
						TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES
\$ 10,051,521	\$ 2,205,326	\$ 1,212,688	\$ 1,031,142	\$ -	\$ 26,547,488	

(Continued)

**CITY OF SIMI VALLEY
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2022**

	<u>Debt Service</u>				Total Nonmajor Debt Service
	2014A Lease Revenue Refunding Bonds	2016 CREBS LRB	2017 Lease Agreement	2018 Lease Agreement	
<u>ASSETS</u>					
Cash and investments:					
Held by City	\$ -	\$ -	\$ -	\$ -	-
Held by bond trustee	-	-	1,324,129	-	1,324,129
Accounts receivable (net of allowance for uncollectibles)	-	-	-	-	-
Taxes receivable	-	-	-	-	-
Grants receivable	-	-	-	-	-
Interest receivable	-	-	-	-	-
Due from other funds	-	-	-	-	-
Loans receivable (net of allowance for uncollectibles)	-	-	-	-	-
TOTAL ASSETS	\$ -	\$ -	\$ 1,324,129	\$ -	\$ 1,324,129
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
<u>LIABILITIES</u>					
Accounts payable	\$ -	\$ -	\$ -	-	-
Salaries and benefits payable	-	-	-	-	-
Due to other funds	-	-	-	-	-
Advances from other funds	-	-	-	-	-
TOTAL LIABILITIES	-	-	-	-	-
<u>DEFERRED INFLOWS OF RESOURCES</u>					
Unavailable revenue-housing programs	-	-	-	-	-
Unavailable revenue-public safety	-	-	-	-	-
TOTAL DEFERRED INFLOWS OF RESOURCES	-	-	-	-	-
<u>FUND BALANCES</u>					
Restricted					
Housing programs	-	-	-	-	-
Public improvements	-	-	-	-	-
Streets and transportation	-	-	-	-	-
Debt service	-	-	1,324,129	-	1,324,129
Special programs	-	-	-	-	-
Law enforcement	-	-	-	-	-
Committed					
Equipment	-	-	-	-	-
Unassigned	-	-	-	-	-
TOTAL FUND BALANCES (DEFICITS)	-	-	1,324,129	-	1,324,129
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ -	\$ -	\$ 1,324,129	\$ -	\$ 1,324,129

(Continued)

**CITY OF SIMI VALLEY
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2022**

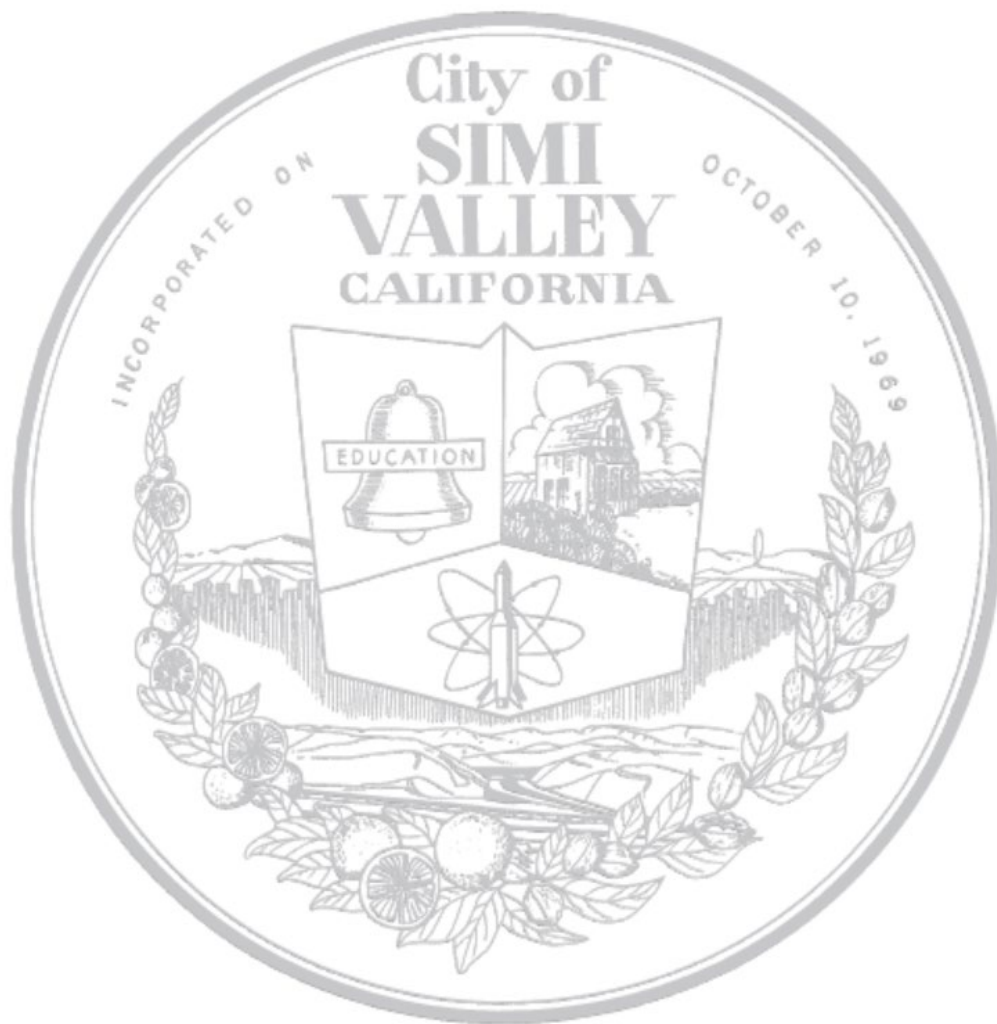
Capital Projects					
Equipment Replacement	Geographic Information System (GIS)	Public Facility Improvements	Financial Information System (FIS)	Police Capital Projects	
					<u>ASSETS</u>
					Cash and investments:
					Held by City
\$ 3,077,751	\$ 21,193	\$ 4,346,156	\$ 2,167,118	\$ 345,824	Held by bond trustee
-	-	-	-	-	- Accounts receivable (net of allowance for uncollectibles)
-	-	-	-	-	- Taxes receivable
-	-	-	-	-	- Grants receivable
3,931	63	-	6,591	-	- Interest receivable
-	-	-	-	-	- Due from other funds
-	-	-	-	-	- Loans receivable (net of allowance for uncollectibles)
\$ 3,081,682	\$ 21,256	\$ 4,346,156	\$ 2,173,709	\$ 345,824	TOTAL ASSETS
					LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES
					<u>LIABILITIES</u>
\$ 176,941	\$ -	\$ 170,260	\$ 15,142	\$ -	- Accounts payable
-	-	-	4,600	-	- Salaries and benefits payable
-	-	-	-	-	- Due to other funds
-	-	3,348,380	-	-	- Advances from other funds
176,941	-	3,518,640	19,742	-	TOTAL LIABILITIES
					<u>DEFERRED INFLOWS OF RESOURCES</u>
-	-	-	-	-	- Unavailable revenue-housing programs
-	-	-	-	-	- Unavailable revenue-public safety
-	-	-	-	-	TOTAL DEFERRED INFLOWS OF RESOURCES
					<u>FUND BALANCES</u>
					Restricted
-	-	-	-	-	Housing programs
-	-	-	-	-	Public improvements
-	-	-	-	-	Streets and transportation
-	-	-	-	-	Debt service
-	-	-	-	-	Special programs
-	-	-	-	345,824	Law enforcement
					Committed
2,904,741	21,256	827,516	2,153,967	-	Equipment
-	-	-	-	-	Unassigned
2,904,741	21,256	827,516	2,153,967	345,824	TOTAL FUND BALANCES (DEFICITS)
\$ 3,081,682	\$ 21,256	\$ 4,346,156	\$ 2,173,709	\$ 345,824	TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES

(Continued)

**CITY OF SIMI VALLEY
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2022**

	<u>Capital Projects</u>			Total Nonmajor Capital Projects	Total Nonmajor Funds
	Telephone System	Solar Capital Projects	LED Streetlight Project		
<u>ASSETS</u>					
Cash and investments:					
Held by City	\$ 165,753	\$ 56,305	\$ 403,216	\$ 10,583,316	\$ 31,721,785
Held by bond trustee	-	-	-	-	1,324,129
Accounts receivable (net of allowance for uncollectibles)	-	-	-	-	911,643
Taxes receivable	-	-	-	-	72,571
Grants receivable	-	-	-	-	692,488
Interest receivable	-	-	-	10,585	57,893
Due from other funds	-	-	-	-	10,670
Loans receivable (net of allowance for uncollectibles)	-	-	-	-	3,674,339
TOTAL ASSETS	\$ 165,753	\$ 56,305	\$ 403,216	\$ 10,593,901	\$ 38,465,518
 LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
<u>LIABILITIES</u>					
Accounts payable	\$ -	\$ -	\$ -	\$ 362,343	\$ 791,886
Salaries and benefits payable	-	-	-	4,600	8,471
Due to other funds	-	-	-	-	1,596,395
Advances from other funds	-	-	-	3,348,380	3,348,380
TOTAL LIABILITIES	-	-	-	3,715,323	5,745,132
 <u>DEFERRED INFLOWS OF RESOURCES</u>					
Unavailable revenue-housing programs	-	-	-	-	3,866,722
Unavailable revenue-public safety	-	-	-	-	107,371
TOTAL DEFERRED INFLOWS OF RESOURCES	-	-	-	-	3,974,093
 <u>FUND BALANCES</u>					
Restricted					
Housing programs	-	-	-	-	1,700,332
Public improvements	-	56,305	403,216	459,521	459,521
Streets and transportation	-	-	-	-	14,150,013
Debt service	-	-	-	-	1,324,129
Special programs	-	-	-	-	4,762,883
Law enforcement	-	-	-	345,824	1,444,284
Committed					
Equipment	165,753	-	-	6,073,233	6,073,233
Unassigned	-	-	-	-	(1,168,102)
TOTAL FUND BALANCES (DEFICITS)	165,753	56,305	403,216	6,878,578	28,746,293
 TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	 \$ 165,753	 \$ 56,305	 \$ 403,216	 \$ 10,593,901	 \$ 38,465,518

(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, 2022**

	Special Revenue					
	CalHome Grant	HOME Grant	Planning Grant	Public, Education & Government Fees	Gasoline Tax	Road Maintenance & Rehabilitaion Account
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ 283,914	\$ -	\$ -
Fines and forfeitures	-	-	-	-	-	-
Use of money and property	137,122	360,730	-	20,309	-	26,734
From other governments	-	-	-	-	2,957,347	2,517,600
Grants	-	-	-	-	-	-
Service charges	-	-	-	-	-	-
Other revenues	-	-	-	-	-	-
Total revenues	137,122	360,730	-	304,223	2,957,347	2,544,334
EXPENDITURES						
Current:						
General government	-	-	-	-	-	-
Community services	-	-	-	-	-	-
Planning	2,001	283,772	184,568	-	-	-
Public ways and facilities	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Total current expenditures	2,001	283,772	184,568	-	-	-
Capital outlay	-	-	-	71,261	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total debt service	-	-	-	-	-	-
Total expenditures	2,001	283,772	184,568	71,261	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	135,121	76,958	(184,568)	232,962	2,957,347	2,544,334
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	(2,720,091)	(1,959,446)
Total other financing sources (uses)	-	-	-	-	(2,720,091)	(1,959,446)
NET CHANGE IN FUND BALANCES	135,121	76,958	(184,568)	232,962	237,256	584,888
FUND BALANCES - BEGINNING	266,652	1,221,601	-	2,401,074	23,818	3,252,530
FUND BALANCES (DEFICITS) - ENDING	\$ 401,773	\$ 1,298,559	\$ (184,568)	\$ 2,634,036	\$ 261,074	\$ 3,837,418

(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, 2022**

Special Revenue						
Transportation	Library Services	Police Grants	Community Development Block Grant	Landscape Maintenance District No. 1	Total Nonmajor Special Revenue Funds	
						REVENUES
\$ -	\$ 2,361,302	\$ -	\$ -	\$ -	\$ 2,645,216	Taxes
-	1,629	-	-	-	1,629	Fines and forfeitures
(136,075)	14,274	6,913	2	(5,880)	424,129	Use of money and property
4,223,717	-	-	-	-	9,698,664	From other governments
-	11,922	551,770	650,555	-	1,214,247	Grants
-	1,047	-	-	790,509	791,556	Service charges
-	30,001	-	-	-	30,001	Other revenues
4,087,642	2,420,175	558,683	650,557	784,629	14,805,442	Total revenues
						EXPENDITURES
						Current:
-	-	-	542,734	-	542,734	General government
-	2,399,367	-	-	-	2,399,367	Community services
-	-	-	133,624	-	603,965	Planning
87,362	-	-	-	1,433,383	1,520,745	Public ways and facilities
-	-	236,999	-	-	236,999	Public safety
87,362	2,399,367	236,999	676,358	1,433,383	5,303,810	Total current expenditures
-	-	-	-	-	71,261	Capital outlay
						Debt service:
-	-	-	-	-	-	Principal
-	-	-	-	-	-	Interest
-	-	-	-	-	-	Other
-	-	-	-	-	-	Total debt service
87,362	2,399,367	236,999	676,358	1,433,383	5,375,071	Total expenditures
4,000,280	20,808	321,684	(25,801)	(648,754)	9,430,371	EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES
						OTHER FINANCING SOURCES (USES)
-	-	-	-	200,000	200,000	Transfers in
(4,006,390)	-	(373,108)	-	-	(9,059,035)	Transfers out
(4,006,390)	-	(373,108)	-	200,000	(8,859,035)	Total other financing sources (uses)
(6,110)	20,808	(51,424)	(25,801)	(448,754)	571,336	NET CHANGE IN FUND BALANCES
10,057,631	2,108,039	1,149,884	417	(509,396)	19,972,250	FUND BALANCES - BEGINNING
\$ 10,051,521	\$ 2,128,847	\$ 1,098,460	\$ (25,384)	\$ (958,150)	\$ 20,543,586	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, 2022**

	Debt Service				Total Nonmajor Debt Service
	2014A Lease Revenue Refunding Bonds	2016 CREBS LRB	2017 Lease Agreement	2018 Lease Agreement	
REVENUES					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Fines and forfeitures	-	-	-	-	-
Use of money and property	-	-	-	-	-
From other governments	-	-	-	-	-
Grants	-	-	-	-	-
Service charges	-	-	-	-	-
Other revenues	-	-	-	-	-
Total revenues	-	-	-	-	-
EXPENDITURES					
Current:					
General government	-	-	-	-	-
Community services	-	-	-	-	-
Planning	-	-	-	-	-
Public ways and facilities	-	-	-	-	-
Public safety	-	-	-	-	-
Total current expenditures	-	-	-	-	-
Capital outlay	-	-	-	-	-
Debt service:					
Principal	800,000	404,773	419,169	296,857	1,920,799
Interest	666,775	292,964	154,672	270,781	1,385,192
Other	2,550	751	750	750	4,801
Total debt service	1,469,325	698,488	574,591	568,388	3,310,792
Total expenditures	1,469,325	698,488	574,591	568,388	3,310,792
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(1,469,325)	(698,488)	(574,591)	(568,388)	(3,310,792)
OTHER FINANCING SOURCES (USES)					
Transfers in	1,469,325	698,488	574,591	568,388	3,310,792
Transfers out	-	-	-	-	-
Total other financing sources (uses)	1,469,325	698,488	574,591	568,388	3,310,792
NET CHANGE IN FUND BALANCES	-	-	-	-	-
FUND BALANCES - BEGINNING	-	-	1,324,129	-	1,324,129
FUND BALANCES (DEFICITS) - ENDING	\$ -	\$ -	\$ 1,324,129	\$ -	\$ 1,324,129

(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, 2022**

Capital Projects

Equipment Replacement	Geographic Information System (GIS)	Public Facility Improvements	Financial Information System (FIS)	Police Capital Projects	
\$ -	\$ -	\$ -	\$ -	\$ -	REVENUES
-	-	-	-	-	- Taxes
11,153	174	-	18,143	-	- Fines and forfeitures
-	-	-	-	-	- Use of money and property
-	-	-	-	-	- From other governments
-	-	-	-	-	- Grants
-	-	-	-	-	- Service charges
-	-	-	-	75,000	Other revenues
<u>11,153</u>	<u>174</u>	<u>-</u>	<u>18,143</u>	<u>75,000</u>	Total revenues
					EXPENDITURES
					Current:
-	-	-	-	-	- General government
-	-	-	-	-	- Community services
-	-	-	-	-	- Planning
-	-	-	-	-	- Public ways and facilities
-	-	-	-	-	- Public safety
-	-	-	-	-	Total current expenditures
<u>723,196</u>	<u>-</u>	<u>1,457,081</u>	<u>494,816</u>	<u>14,470</u>	Capital outlay
					Debt service:
-	-	-	-	-	- Principal
-	-	-	-	-	- Interest
-	-	-	-	-	- Other
-	-	-	-	-	Total debt service
<u>723,196</u>	<u>-</u>	<u>1,457,081</u>	<u>494,816</u>	<u>14,470</u>	Total expenditures
<u>(712,043)</u>	<u>174</u>	<u>(1,457,081)</u>	<u>(476,673)</u>	<u>60,530</u>	EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES
					OTHER FINANCING SOURCES (USES)
963,909	-	45,000	-	-	- Transfers in
-	-	-	-	-	- Transfers out
<u>963,909</u>	<u>-</u>	<u>45,000</u>	<u>-</u>	<u>-</u>	Total other financing sources (uses)
251,866	174	(1,412,081)	(476,673)	60,530	NET CHANGE IN FUND BALANCES
<u>2,652,875</u>	<u>21,082</u>	<u>2,239,597</u>	<u>2,630,640</u>	<u>285,294</u>	FUND BALANCES - BEGINNING
<u>\$ 2,904,741</u>	<u>\$ 21,256</u>	<u>\$ 827,516</u>	<u>\$ 2,153,967</u>	<u>\$ 345,824</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, 2022**

	Capital Projects			Total Nonmajor Capital Projects	Total Nonmajor Funds
	Telephone System	Solar Capital Projects	LED Streetlight Project		
REVENUES					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 2,645,216
Fines and forfeitures				-	1,629
Use of money and property	-	-	-	29,470	453,599
From other governments	-	-	-	-	9,698,664
Grants	-	-	-	-	1,214,247
Service charges	-	-	-	-	791,556
Other revenues	-	-	-	75,000	105,001
Total revenues	-	-	-	104,470	14,909,912
EXPENDITURES					
Current:					
General government	-	-	-	-	542,734
Community services	-	-	-	-	2,399,367
Planning	-	-	-	-	603,965
Public ways and facilities	-	-	-	-	1,520,745
Public safety	-	-	-	-	236,999
Total current expenditures	-	-	-	-	5,303,810
Capital outlay	-	-	-	2,689,563	2,760,824
Debt service:					
Principal	-	-	-	-	1,920,799
Interest	-	-	-	-	1,385,192
Other	-	-	-	-	4,801
Total debt service	-	-	-	-	3,310,792
Total expenditures	-	-	-	2,689,563	11,375,426
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	-	-	(2,585,093)	3,534,486
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	1,008,909	4,519,701
Transfers out	-	-	-	-	(9,059,035)
Total other financing sources (uses)	-	-	-	1,008,909	(4,539,334)
NET CHANGE IN FUND BALANCES	-	-	-	(1,576,184)	(1,004,848)
FUND BALANCES - BEGINNING	165,753	56,305	403,216	8,454,762	29,751,141
FUND BALANCES (DEFICITS) - ENDING	\$ 165,753	\$ 56,305	\$ 403,216	\$ 6,878,578	\$ 28,746,293

(Concluded)



**Schedules
Budget and Actual
Individual Fund**



**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, 2022**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES</u>				
Use of money and property	\$ 35,000	\$ 35,000	\$ 137,122	\$ 102,122
Total revenues	<u>35,000</u>	<u>35,000</u>	<u>137,122</u>	<u>102,122</u>
<u>EXPENDITURES</u>				
Current:				
Planning:				
Materials, supplies, and services	90,001	90,001	2,001	88,000
Total expenditures	<u>90,001</u>	<u>90,001</u>	<u>2,001</u>	<u>88,000</u>
 NET CHANGE IN FUND BALANCES	 (55,001)	 (55,001)	 135,121	 190,122
FUND BALANCES - BEGINNING	<u>266,652</u>	<u>266,652</u>	<u>266,652</u>	<u>-</u>
FUND BALANCES - ENDING	<u>\$ 211,651</u>	<u>\$ 211,651</u>	<u>\$ 401,773</u>	<u>\$ 190,122</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, 2022**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES</u>				
Use of money and property	\$ 137,000	\$ 137,000	\$ 360,730	\$ 223,730
<u>EXPENDITURES</u>				
Current:				
Planning:				
Materials, supplies, and services	500,000	500,000	243,772	256,228
Reimbursements to general fund	40,000	40,000	40,000	-
Total expenditures	<u>540,000</u>	<u>540,000</u>	<u>283,772</u>	<u>256,228</u>
 NET CHANGE IN FUND BALANCES	 (403,000)	 (403,000)	 76,958	 479,958
FUND BALANCES - BEGINNING	<u>1,221,601</u>	<u>1,221,601</u>	<u>1,221,601</u>	<u>-</u>
FUND BALANCES - ENDING	<u>\$ 818,601</u>	<u>\$ 818,601</u>	<u>\$ 1,298,559</u>	<u>\$ 479,958</u>

**CITY OF SIMI VALLEY
 PLANNING GRANT
 SUPPLEMENTAL SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	<u>Budgeted Amounts</u>		Actual	Variance with Budget Positive (Negative)
	Original	Final		
<u>EXPENDITURES</u>				
Current:				
Planning:				
Materials, supplies, and services	\$ -	\$ 769,500	\$ 184,568	\$ 584,932
Reimbursements to general fund	-	40,500	-	40,500
Total expenditures	-	810,000	184,568	625,432
NET CHANGE IN FUND BALANCES	-	(810,000)	(184,568)	625,432
FUND BALANCES - BEGINNING	-	-	-	-
FUND BALANCES - ENDING	\$ -	\$ (810,000)	\$ (184,568)	\$ 625,432

**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, 2022**

	<u>Budgeted Amounts</u>		Actual	Variance with Budget Positive (Negative)
	Original	Final		
<u>REVENUES</u>				
Taxes	\$ 280,000	\$ 280,000	\$ 283,914	\$ 3,914
Use of money and property	15,000	15,000	20,309	5,309
Total revenues	<u>295,000</u>	<u>295,000</u>	<u>304,223</u>	<u>9,223</u>
<u>EXPENDITURES</u>				
Capital outlay	200,000	1,166,858	71,261	1,095,597
Total expenditures	<u>200,000</u>	<u>1,166,858</u>	<u>71,261</u>	<u>1,095,597</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>95,000</u>	<u>(871,858)</u>	<u>232,962</u>	<u>1,104,820</u>
NET CHANGE IN FUND BALANCES	95,000	(871,858)	232,962	1,104,820
FUND BALANCES - BEGINNING	<u>2,401,074</u>	<u>2,401,074</u>	<u>2,401,074</u>	<u>-</u>
FUND BALANCES - ENDING	<u>\$ 2,496,074</u>	<u>\$ 1,529,216</u>	<u>\$ 2,634,036</u>	<u>\$ 1,104,820</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, 2022**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES</u>				
From other governments	\$ 3,269,615	\$ 3,269,615	\$ 2,957,347	\$ (312,268)
Total revenues	3,269,615	3,269,615	2,957,347	(312,268)
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers out	(3,269,615)	(3,269,615)	(2,720,091)	549,524
NET CHANGE IN FUND BALANCES	-	-	237,256	237,256
FUND BALANCES - BEGINNING	23,818	23,818	23,818	-
FUND BALANCES - ENDING	\$ 23,818	\$ 23,818	\$ 261,074	\$ 237,256

**CITY OF SIMI VALLEY
ROAD MAINTENANCE AND REHABILITATION ACCOUNT
SUPPLEMENTAL SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES</u>				
Use of money and property	\$ -	\$ -	\$ 26,734	\$ 26,734
From other governments	2,496,170	2,496,170	2,517,600	21,430
Total revenues	<u>2,496,170</u>	<u>2,496,170</u>	<u>2,544,334</u>	<u>48,164</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers out	<u>(2,496,170)</u>	<u>(2,496,170)</u>	<u>(1,959,446)</u>	<u>536,724</u>
NET CHANGE IN FUND BALANCES	-	-	584,888	584,888
FUND BALANCES - BEGINNING	<u>3,252,530</u>	<u>3,252,530</u>	<u>3,252,530</u>	<u>-</u>
FUND BALANCES - ENDING	<u>\$ 3,252,530</u>	<u>\$ 3,252,530</u>	<u>\$ 3,837,418</u>	<u>\$ 584,888</u>

**CITY OF SIMI VALLEY
TRANSPORTATION FUNDS
SUPPLEMENTAL SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES</u>				
Use of money and property	\$ 2,500	\$ 2,500	\$ (136,075)	\$ (138,575)
From other governments	4,433,400	4,433,400	4,223,717	(209,683)
Total revenues	<u>4,435,900</u>	<u>4,435,900</u>	<u>4,087,642</u>	<u>(348,258)</u>
<u>EXPENDITURES</u>				
Current:				
Public ways and facilities:				
Materials, supplies and services	38,000	38,000	87,362	(49,362)
Total expenditures	<u>38,000</u>	<u>38,000</u>	<u>87,362</u>	<u>(49,362)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>4,397,900</u>	<u>4,397,900</u>	<u>4,000,280</u>	<u>(397,620)</u>
<u>OTHER FINANCING (USES)</u>				
Transfers out	<u>(5,723,017)</u>	<u>(5,723,017)</u>	<u>(4,006,390)</u>	<u>1,716,627</u>
NET CHANGE IN FUND BALANCES	(1,325,117)	(1,325,117)	(6,110)	1,319,007
FUND BALANCES - BEGINNING	<u>10,057,631</u>	<u>10,057,631</u>	<u>10,057,631</u>	<u>-</u>
FUND BALANCES - ENDING	<u>\$ 8,732,514</u>	<u>\$ 8,732,514</u>	<u>\$ 10,051,521</u>	<u>\$ 1,319,007</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, 2022**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES</u>				
Taxes	\$ 2,361,302	\$ 2,361,302	\$ 2,361,302	\$ -
Use of money and property	4,000	4,000	14,274	10,274
Grants	-	-	11,922	11,922
Fines and fees	5,000	5,000	1,629	(3,371)
Service charges	5,000	5,000	1,047	(3,953)
Other revenues	60,000	60,000	30,001	(29,999)
Total revenues	<u>2,435,302</u>	<u>2,435,302</u>	<u>2,420,175</u>	<u>(15,127)</u>
<u>EXPENDITURES</u>				
Current:				
Community services:				
Materials, supplies and services	2,843,255	3,970,286	2,399,367	1,570,919
Total expenditures	<u>2,843,255</u>	<u>3,970,286</u>	<u>2,399,367</u>	<u>1,570,919</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(407,953)</u>	<u>(1,534,984)</u>	<u>20,808</u>	<u>1,555,792</u>
NET CHANGE IN FUND BALANCES	(407,953)	(1,534,984)	20,808	1,555,792
FUND BALANCES - BEGINNING	<u>2,108,039</u>	<u>2,108,039</u>	<u>2,108,039</u>	<u>-</u>
FUND BALANCES - ENDING	<u>\$ 1,700,086</u>	<u>\$ 573,055</u>	<u>\$ 2,128,847</u>	<u>\$ 1,555,792</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, 2022**

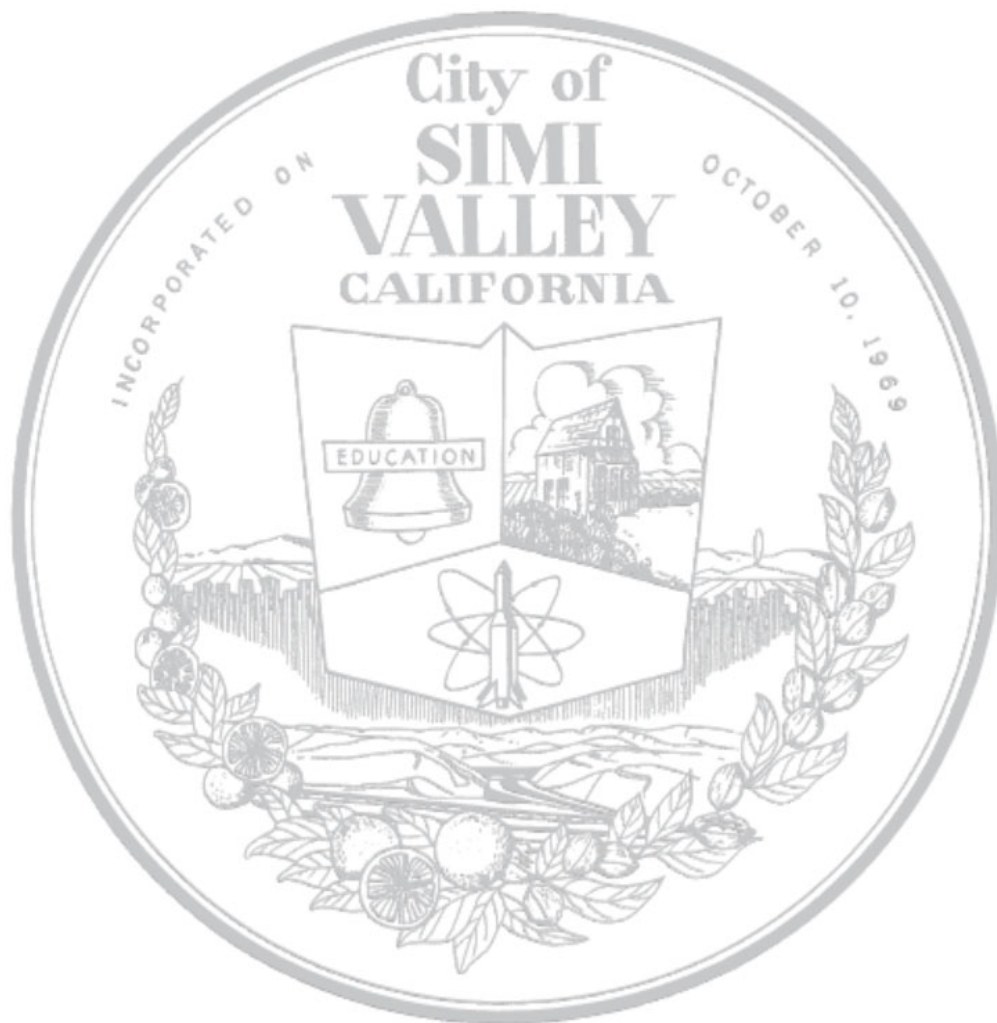
	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES</u>				
Use of money and property	\$ 30,000	\$ 30,000	\$ 6,913	\$ (23,087)
Grants	700,200	901,376	551,770	(349,606)
Total revenues	<u>730,200</u>	<u>931,376</u>	<u>558,683</u>	<u>(372,693)</u>
<u>EXPENDITURES</u>				
Current:				
Public safety:				
Material, supplies and services	249,600	317,827	236,999	80,828
Total expenditures	<u>249,600</u>	<u>317,827</u>	<u>236,999</u>	<u>80,828</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>480,600</u>	<u>613,549</u>	<u>321,684</u>	<u>(291,865)</u>
<u>OTHER FINANCING (USES)</u>				
Transfers out	<u>(342,200)</u>	<u>(590,919)</u>	<u>(373,108)</u>	<u>217,811</u>
NET CHANGE IN FUND BALANCES	138,400	22,630	(51,424)	(74,054)
FUND BALANCES - BEGINNING	<u>1,149,884</u>	<u>1,149,884</u>	<u>1,149,884</u>	<u>-</u>
FUND BALANCES - ENDING	<u>\$ 1,288,284</u>	<u>\$ 1,172,514</u>	<u>\$ 1,098,460</u>	<u>\$ (74,054)</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, 2022**

	<u>Budgeted Amounts</u>		Actual	Variance with Budget Positive (Negative)
	Original	Final		
<u>REVENUES</u>				
Use of money and property	\$ -	\$ -	\$ 2	\$ 2
Grants	648,104	1,013,726	650,555	(363,171)
Total revenues	<u>648,104</u>	<u>1,013,726</u>	<u>650,557</u>	<u>(363,169)</u>
<u>EXPENDITURES</u>				
Current:				
General government	\$ 503,972	\$ 1,397,510	\$ 542,734	854,776
Planning	144,132	144,132	133,624	10,508
Total expenditures	<u>648,104</u>	<u>1,541,642</u>	<u>676,358</u>	<u>865,284</u>
NET CHANGE IN FUND BALANCES	-	(527,916)	(25,801)	502,115
FUND BALANCES - BEGINNING	<u>417</u>	<u>417</u>	<u>417</u>	<u>-</u>
FUND BALANCES - ENDING	<u>\$ 417</u>	<u>\$ (527,499)</u>	<u>\$ (25,384)</u>	<u>\$ 502,115</u>

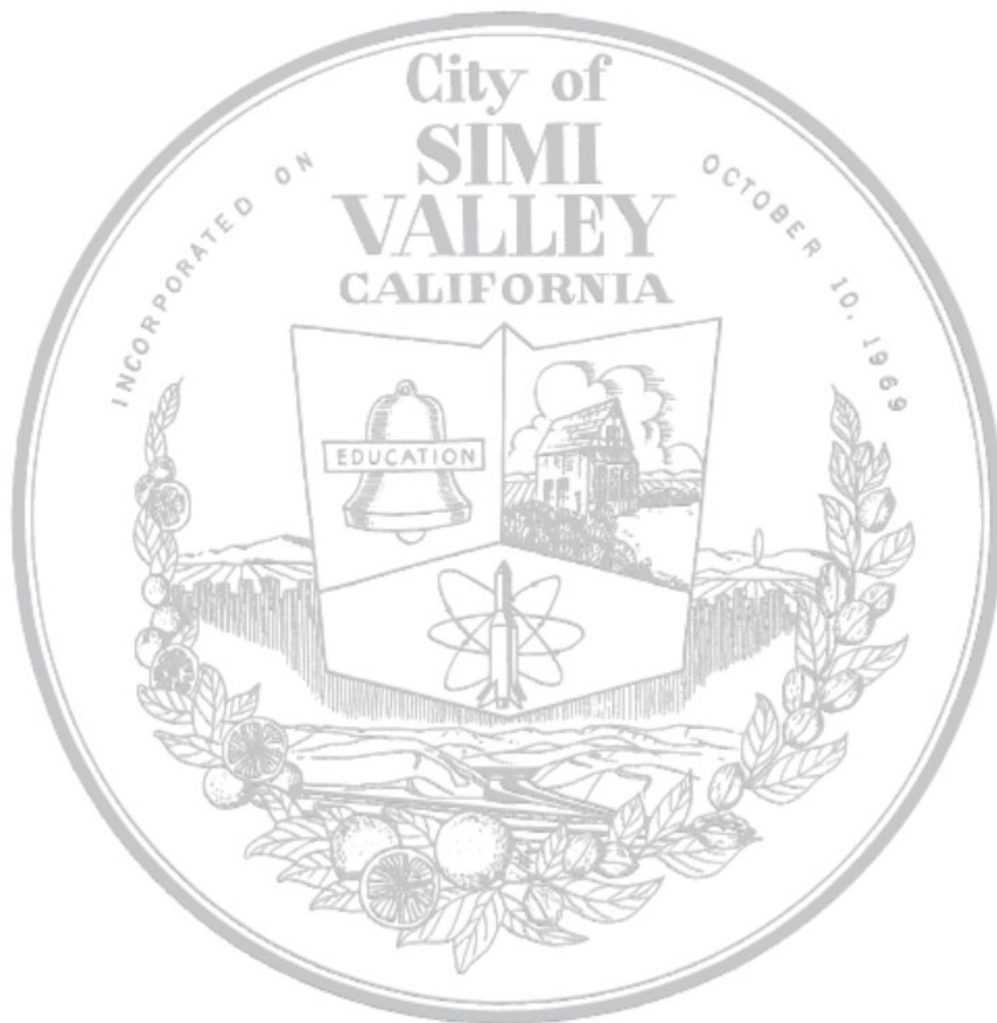
**CITY OF SIMI VALLEY
LANDSCAPE MAINTENANCE DISTRICT NO. 1
SUPPLEMENTAL SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES</u>				
Use of money and property	\$ 14,950	\$ 14,950	\$ (5,880)	\$ (20,830)
Service charges	786,267	786,267	790,509	4,242
Total revenues	<u>801,217</u>	<u>801,217</u>	<u>784,629</u>	<u>(16,588)</u>
<u>EXPENDITURES</u>				
Current:				
Public ways and facilities:				
Landscape maintenance contract	1,313,071	1,445,071	1,433,383	11,688
Total expenditures	<u>1,313,071</u>	<u>1,445,071</u>	<u>1,433,383</u>	<u>11,688</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(511,854)	(643,854)	(648,754)	(4,900)
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers in	200,000	200,000	200,000	-
NET CHANGE IN FUND BALANCES	(311,854)	(443,854)	(448,754)	(4,900)
FUND BALANCES - BEGINNING	<u>(509,396)</u>	<u>(509,396)</u>	<u>(509,396)</u>	<u>-</u>
FUND BALANCES - ENDING	<u>\$ (821,250)</u>	<u>\$ (953,250)</u>	<u>\$ (958,150)</u>	<u>\$ (4,900)</u>





Internal Service and Fiduciary Funds



**CITY OF SIMI VALLEY
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
JUNE 30, 2022**

	Liability Insurance	Workers' Compensation Insurance	GIS/Permits Operations	FIS Operations	Total
<u>ASSETS</u>					
Current assets:					
Cash and investments	\$ 3,566,464	\$ 18,407,394	\$ 261,651	\$ 297,225	\$ 22,532,734
Customer receivable	-	807	-	-	807
Interest receivable	10,056	54,136	721	1,045	65,958
TOTAL ASSETS	3,576,520	18,462,337	262,372	298,270	22,599,499
<u>DEFERRED OUTFLOWS OF RESOURCES</u>					
Related to pensions	-	77,673	-	-	77,673
Related to other postemployment benefits	-	45,396	-	-	45,396
Total deferred outflows of resources	-	123,069	-	-	123,069
<u>LIABILITIES</u>					
Current liabilities:					
Accounts payable	37,962	23,264	-	-	61,226
Salaries and benefits payable	-	16,619	-	-	16,619
Compensated absences	-	2,545	-	-	2,545
Claims and legal services payable	875,981	2,196,664	-	-	3,072,645
Total current liabilities	913,943	2,239,092	-	-	3,153,035
Noncurrent liabilities:					
Advances from other funds	-	2,344,000	-	-	2,344,000
Compensated absences	-	22,907	-	-	22,907
Claims and legal services payable	1,215,187	7,099,861	-	-	8,315,048
Net pension liability	-	318,588	-	-	318,588
Net other postemployment benefits liability	-	101,987	-	-	101,987
Total noncurrent liabilities	1,215,187	9,887,343	-	-	11,102,530
TOTAL LIABILITIES	2,129,130	12,126,435	-	-	14,255,565
<u>DEFERRED INFLOWS OF RESOURCES</u>					
Related to pensions	-	204,046	-	-	204,046
Related to other post employment benefits	-	24,445	-	-	24,445
Total deferred inflows of resources	-	228,491	-	-	228,491
<u>NET POSITION</u>					
Unrestricted	1,447,390	6,230,480	262,372	298,270	8,238,512
TOTAL NET POSITION	\$ 1,447,390	\$ 6,230,480	\$ 262,372	\$ 298,270	\$ 8,238,512

CITY OF SIMI VALLEY
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS
JUNE 30, 2022

	Liability Insurance	Workers' Compensation Insurance	GIS/Permits Operations	FIS Operations	Total
<u>OPERATING REVENUES</u>					
Total charges for sales and services	\$ 2,258,451	\$ 4,201,769	\$ 95,200	\$ -	\$ 6,555,420
<u>OPERATING EXPENSES</u>					
Salaries and benefits	-	326,204	-	-	326,204
Excess insurance premiums	1,524,798	595,113	-	-	2,119,911
Claims and legal expenses	(90,746)	1,266,281	-	-	1,175,535
Reduction of reserves	(207,256)	117,959	-	-	(89,297)
General administration	46,859	431,169	-	-	478,028
Other	-	3,262	49,173	-	52,435
Total operating expenses	1,273,655	2,739,988	49,173	-	4,062,816
OPERATING INCOME (LOSS)	984,796	1,461,781	46,027	-	2,492,604
NONOPERATING REVENUES AND EXPENSES:					
Interest	25,885	(330,686)	1,963	2,941	(299,897)
Total non-operating expenses	25,885	(330,686)	1,963	2,941	(299,897)
INCOME (LOSS) BEFORE TRANSFERS	1,010,681	1,131,095	47,990	2,941	2,192,707
<u>TRANSFERS</u>					
Transfers out	(3,000)	(3,200)	-	(151,000)	(157,200)
Total transfers	(3,000)	(3,200)	-	(151,000)	(157,200)
CHANGE IN NET POSITION	1,007,681	1,127,895	47,990	(148,059)	2,035,507
NET POSITION-BEGINNING	439,709	5,102,585	214,382	446,329	6,203,005
NET POSITION-ENDING	\$ 1,447,390	\$ 6,230,480	\$ 262,372	\$ 298,270	\$ 8,238,512

**CITY OF SIMI VALLEY
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	Liability Insurance	Workers' Compensation Insurance	GIS/Permits Operations	FIS Operations	Total
<u>CASH FLOWS FROM OPERATING ACTIVITIES:</u>					
Cash received from service charges and other revenues (net of refunds)	\$ 2,258,451	\$ 4,201,769	\$ 95,200	\$ -	\$ 6,555,420
Cash paid for salaries and benefits	-	(382,655)	-	-	(382,655)
Cash paid for general administration	(46,858)	(408,847)	-	-	(455,705)
Cash paid for services	(998,300)	(3,260)	(49,173)	-	(1,050,733)
Cash paid for insurance premiums and claims	(1,557,031)	(2,753,161)	-	-	(4,310,192)
Net cash provided (used) by operating activities	<u>(343,738)</u>	<u>653,846</u>	<u>46,027</u>	<u>-</u>	<u>356,135</u>
<u>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</u>					
Transfers to other funds	(3,000)	(3,200)	-	(151,000)	(157,200)
Cash used by noncapital financing activities	<u>(3,000)</u>	<u>(3,200)</u>	<u>-</u>	<u>(151,000)</u>	<u>(157,200)</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES:</u>					
Interest on investments	24,084	(342,996)	1,705	2,991	(314,216)
Cash provided by investing activities	<u>24,084</u>	<u>(342,996)</u>	<u>1,705</u>	<u>2,991</u>	<u>(314,216)</u>
NET INCREASE (DECREASE) IN CASH AND INVESTMENTS	(322,654)	307,650	47,732	(148,009)	(115,281)
CASH AND INVESTMENTS, BEGINNING OF YEAR	3,889,118	18,099,744	213,919	445,234	22,648,015
CASH AND INVESTMENTS, END OF YEAR	<u>\$ 3,566,464</u>	<u>\$ 18,407,394</u>	<u>\$ 261,651</u>	<u>\$ 297,225</u>	<u>\$ 22,532,734</u>
<u>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:</u>					
Operating income (loss)	\$ 984,796	\$ 1,461,781	\$ 46,027	\$ -	\$ 2,492,604
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
(Increase) decrease in prepaid expenses	-	225,738	-	-	225,738
Increase (decrease) in accounts receivable	14,910	22,324	-	-	37,234
Increase (decrease) in accrued payroll	-	10,436	-	-	10,436
Increase (decrease) in compensated absences	-	(5,852)	-	-	(5,852)
Increase (decrease) in claims and legal services payable	(1,343,444)	(773,808)	-	-	(2,117,252)
Increase (decrease) net pension liability	-	(269,732)	-	-	(269,732)
Increase (decrease) net other postemployment benefits liability	-	(17,041)	-	-	(17,041)
Total adjustments	<u>(1,328,534)</u>	<u>(807,935)</u>	<u>-</u>	<u>-</u>	<u>(2,136,469)</u>
Net cash provided (used) by operating activities	<u>\$ (343,738)</u>	<u>\$ 653,846</u>	<u>\$ 46,027</u>	<u>\$ -</u>	<u>\$ 356,135</u>

**CITY OF SIMI VALLEY
 COMBINING STATEMENT OF FIDUCIARY NET POSITION
 PRIVATE-PURPOSE TRUST FUND
 JUNE 30, 2022**

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

	Community Development Agency Administration	Merged Tapo Canyon & West End Tax Increment	LMIH- Residual	Redevelopment Obligation Retirement
<u>ASSETS</u>				
Cash and investments:				
Held by City	\$ -	\$ (110,369)	\$ 1	\$ 2,704,866
Held by bond trustee	-	-	-	-
Interest receivable	-	-	-	2,986
Capital assets not being depreciated	-	1,124,174	-	-
TOTAL ASSETS	-	1,013,805	1	2,707,852
<u>DEFERRED OUTFLOWS OF RESOURCES</u>				
Deferred loss on refunding	-	-	-	-
TOTAL DEFERRED OUTFLOWS OF RESOURCES	-	-	-	-
<u>LIABILITIES</u>				
Accrued interest payable	-	-	-	-
Long-term debt:				
Due within one year	-	-	-	-
Due in more than one year	-	-	-	-
TOTAL LIABILITIES	-	-	-	-
<u>NET POSITION</u>				
Held in trust for other purposes	\$ -	\$ 1,013,805	\$ 1	\$ 2,707,852

(Continued)

**CITY OF SIMI VALLEY
COMBINING STATEMENT OF FIDUCIARY NET POSITION
PRIVATE-PURPOSE TRUST FUND
JUNE 30, 2022**

<u>Successor Agency to the Simi Valley CDA Private-Purpose Trust Fund</u>			
2003 Tax Allocation Refunding Bonds	CDA Projects	Total Successor Agency to the Simi Valley CDA Private-Purpose Trust Fund	
\$ 106,621	\$ 39,309	\$ 2,740,428	<u>ASSETS</u>
2,101,982	-	2,101,982	Cash and investments:
594	116	3,696	Held by City
-	-	1,124,174	Held by bond trustee
2,209,197	39,425	5,970,280	Interest receivable
			Capital assets not being depreciated
			TOTAL ASSETS
46,741	-	46,741	<u>DEFERRED OUTFLOWS OF RESOURCES</u>
46,741	-	46,741	Deferred loss on refunding
			TOTAL DEFERRED OUTFLOWS OF RESOURCES
249,021	-	249,021	<u>LIABILITIES</u>
1,366,306	-	1,366,306	Accrued interest payable
13,689,600	-	13,689,600	Long-term debt:
15,304,927	-	15,304,927	Due within one year
			Due in more than one year
			TOTAL LIABILITIES
\$ (13,048,989)	\$ 39,425	\$ (9,287,906)	<u>NET POSITION</u>
			Held in trust for other purposes

(Concluded)

**CITY OF SIMI VALLEY
 COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 PRIVATE-PURPOSE TRUST FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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

	Community Development Agency Administration	Merged Tapo Canyon & West End Tax Increment	LMIH- Residual	Redevelopment Obligation Retirement
<u>ADDITIONS</u>				
Property taxes	\$ -	\$ -	\$ -	\$ 2,512,484
Investment earnings	-	-	-	7,139
Transfers in	54,502	51,103	-	-
TOTAL ADDITIONS	54,502	51,103	-	2,519,623
<u>DEDUCTIONS</u>				
Administrative expenses	-	-	-	-
Interest and fiscal agency expenses of former Simi Valley Community Development Agency	-	-	-	-
Contributions to other governments	54,502	-	-	-
Transfers out	-	-	-	2,179,950
TOTAL DEDUCTIONS	54,502	-	-	2,179,950
CHANGE IN NET POSITION	-	51,103	-	339,673
NET POSITION - BEGINNING	-	962,702	1	2,368,179
NET POSITION - ENDING	\$ -	\$ 1,013,805	\$ 1	\$ 2,707,852

(Continued)

**CITY OF SIMI VALLEY
 COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 PRIVATE-PURPOSE TRUST FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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	
\$ -	-	-	ADDITIONS
3,352	322	2,512,484	Property taxes
2,074,665	-	10,813	Investment earnings
<u>2,078,017</u>	<u>322</u>	<u>4,703,567</u>	Transfers in
			TOTAL ADDITIONS
7,250	-	7,250	DEDUCTIONS
775,556	-	775,556	Administrative expenses
-	-	54,502	Interest and fiscal agency expenses of former Simi Valley Community Development Agency
320	-	2,180,270	Contributions to other governments
<u>783,126</u>	<u>-</u>	<u>3,017,578</u>	Transfers out
			TOTAL DEDUCTIONS
1,294,891	322	1,685,989	CHANGE IN NET POSITION
(14,343,880)	39,103	(10,973,895)	NET POSITION - BEGINNING
<u>\$ (13,048,989)</u>	<u>\$ 39,425</u>	<u>\$ (9,287,906)</u>	NET POSITION - ENDING

(Concluded)

**CITY OF SIMI VALLEY
 COMBINING STATEMENT OF FIDUCIARY NET POSITION
 CUSTODIAL FUNDS
 JUNE 30, 2022**

	City Custodial Fund	Assessment Districts City of Simi Valley	Total Custodial Funds
<u>ASSETS</u>			
Current assets:			
Cash and investments:			
Held by City	\$ 6,041,389	\$ 1,439,855	\$ 7,481,244
Held by bond trustee	-	1,028,664	1,028,664
Accounts receivable	-	3,662	3,662
	6,041,389	2,472,181	8,513,570
<u>LIABILITIES</u>			
Accounts payable and accrued liabilities	60,901	3,040	63,941
Deposits	5,980,488	-	5,980,488
Due to bondholders	-	2,070,542	2,070,542
	6,041,389	2,073,582	8,114,971
<u>NET POSITION</u>			
Net position restricted for individuals	\$ -	\$ 398,599	\$ 398,599

**CITY OF SIMI VALLEY
 COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 CUSTODIAL FUNDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

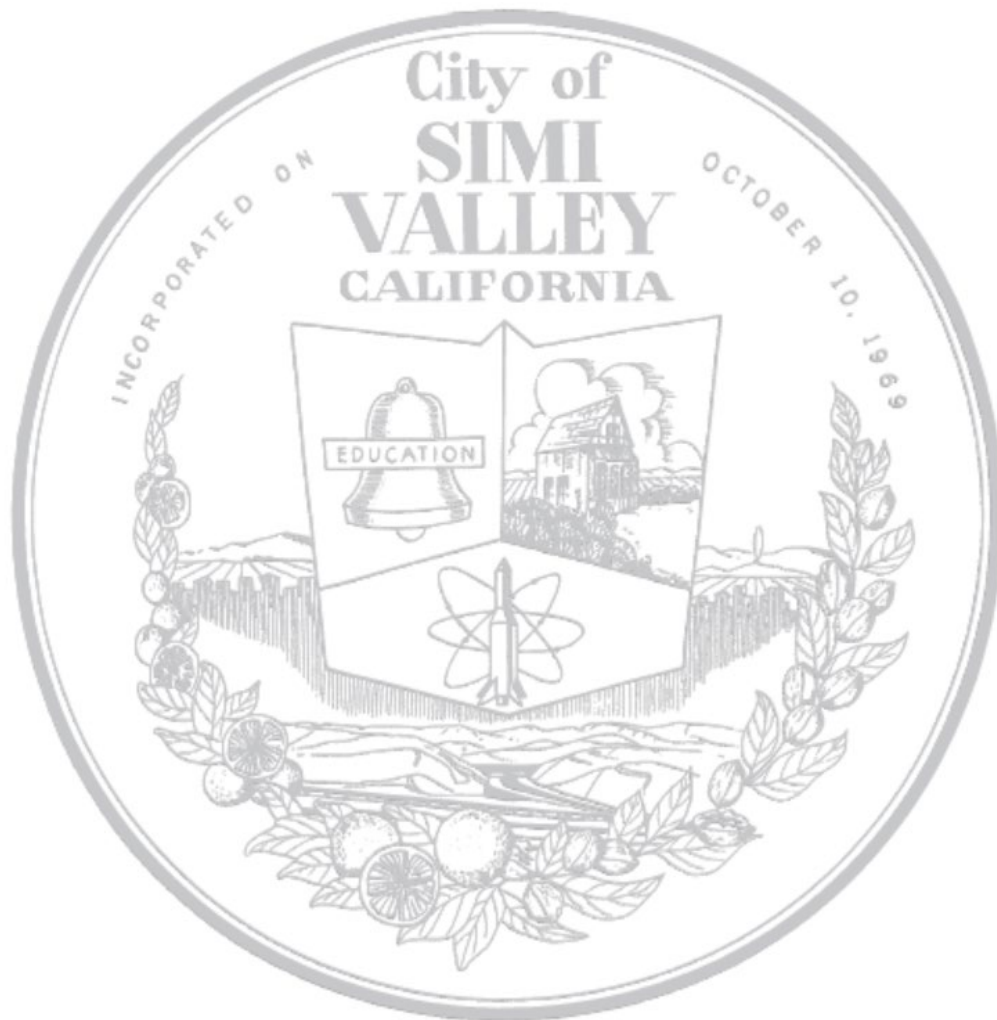
	City Custodial Fund	Assessment Districts - City of Simi Valley	Total Custodial Funds
<u>ADDITIONS</u>			
Other taxes	\$ -	\$ 402,521	\$ 402,521
Investment earnings	-	9,541	9,541
TOTAL ADDITIONS	-	412,062	412,062
<u>DEDUCTIONS</u>			
Administrative expenses	-	13,368	13,368
Interest and fiscal agency expenses	-	359,991	359,991
TOTAL DEDUCTIONS	-	373,359	373,359
CHANGE IN NET POSITION	-	38,703	38,703
NET POSITION - BEGINNING	-	359,896	359,896
NET POSITION - ENDING	\$ -	\$ 398,599	\$ 398,599

**CITY OF SIMI VALLEY
 COMBINING STATEMENT OF FIDUCIARY NET POSITION
 PENSION AND OTHER POST EMPLOYMENT BENEFITS (OPEB) TRUST FUNDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	Pension Trust	OPEB Trust	Total Pension and Other Post Employment Benefits (OPEB) Trust Funds
<u>ASSETS</u>			
Current assets:			
Restricted cash and investments held with Pension Trust (note III A)	\$ 1,348,052	\$ -	\$ 1,348,052
Restricted cash and investments held with OPEB Trust (note III A)	-	3,736,541	3,736,541
TOTAL ASSETS	1,348,052	3,736,541	5,084,593
<u>FIDUCIARY NET POSITION</u>			
Net position restricted for pensions	1,348,052	-	1,348,052
Net position restricted for OPEB	-	3,736,541	3,736,541
TOTAL NET POSITION	\$ 1,348,052	\$ 3,736,541	\$ 5,084,593

CITY OF SIMI VALLEY
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
PENSION AND OTHER POST EMPLOYMENT BENEFITS (OPEB) TRUST FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Pension Trust	OPEB Trust	Total Pension and Other Post Employment Benefits (OPEB) Trust Funds
<u>ADDITIONS</u>			
Contributions	\$ 148,678	\$ 3,100,231	\$ 3,248,909
Investment earnings	(160,472)	712,591	552,119
TOTAL ADDITIONS	(11,794)	3,812,822	3,801,028
<u>DEDUCTIONS</u>			
Administrative expenses	874	937,477	938,351
Benefit payments	120,449	2,179,284	2,299,733
TOTAL DEDUCTIONS	121,323	3,116,761	3,238,084
CHANGE IN FIDUCIARY NET POSITION	(133,117)	696,061	562,944
FIDUCIARY NET POSITION - BEGINNING	1,481,169	3,040,480	4,521,649
FIDUCIARY NET POSITION - ENDING	\$ 1,348,052	\$ 3,736,541	\$ 5,084,593



STATISTICAL SECTION

**STATISTICAL SECTION
(UNAUDITED)**

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

	<u>PAGE</u>
<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.	149
<u>Revenue Capacity</u> These schedules contain information to help the reader assess the government’s most significant local revenue source, the property tax.	159
<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.	165
<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. ..	169
<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.	171

SOURCE:

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

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

	Fiscal Year				
	2012-13	2013-14	2014-15	2015-16	2016-17
Governmental activities					
Net investment in capital assets	\$ 182,759,929	\$ 186,806,245	\$ 207,788,585	\$ 211,751,365	\$ 210,531,356
Restricted	61,520,939	58,246,665	57,372,815	57,552,738	64,139,877
Unrestricted	34,169,932	37,002,698	(55,691,639)	(52,859,886)	(62,293,358)
Total governmental activities net position	<u>\$ 278,450,800</u>	<u>\$ 282,055,608</u>	<u>\$ 209,469,761</u>	<u>\$ 216,444,217</u>	<u>\$ 212,377,875</u>
Business-type activities					
Net investment in capital assets	\$ 129,933,391	\$ 132,775,502	\$ 141,770,140	\$ 143,093,105	\$ 141,317,489
Restricted	5,886,068	4,894,656	4,716,713	5,140,128	5,941,420
Unrestricted	42,641,507	38,232,485	15,841,185	17,627,461	19,496,282
Total business-type activities net position	<u>\$ 178,460,966</u>	<u>\$ 175,902,643</u>	<u>\$ 162,328,038</u>	<u>\$ 165,860,694</u>	<u>\$ 166,755,191</u>
Primary Government					
Net investment in capital assets	\$ 312,693,320	\$ 319,581,747	\$ 349,558,725	\$ 354,844,470	\$ 351,848,845
Restricted	67,407,007	63,141,321	62,089,528	62,692,866	70,081,297
Unrestricted	76,811,439	75,235,183	(39,850,454)	(35,232,425)	(42,797,076)
Total primary government net position	<u>\$ 456,911,766</u>	<u>\$ 457,958,251</u>	<u>\$ 371,797,799</u>	<u>\$ 382,304,911</u>	<u>\$ 379,133,066</u>

Continued

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

		Fiscal Year					
2017-18	2018-19	2019-20	2020-21	2021-22			
\$ 196,724,305	\$ 208,951,633	\$ 209,763,040	\$ 203,826,589	\$ 200,958,735	Governmental activities		
71,851,898	60,704,865	62,018,594	78,265,866	87,578,328	Net investment in capital assets		
(88,047,192)	(90,524,428)	(89,407,109)	(83,168,701)	(67,653,561)	Restricted		
\$ 180,529,011	\$ 179,132,070	\$ 182,374,525	\$ 198,923,754	\$ 220,883,502	Unrestricted		
					Total governmental activities net position		
\$ 139,670,875	\$ 137,805,536	139,278,603	148,000,879	133,253,370	Business-type activities		
7,011,040	7,874,785	7,874,785	9,843,643	12,266,569	Net investment in capital assets		
18,695,056	24,888,703	30,472,607	28,737,089	56,432,178	Restricted		
\$ 165,376,971	\$ 170,569,024	\$ 177,625,995	\$ 186,581,611	\$ 201,952,117	Unrestricted		
					Total business-type activities net position		
\$ 336,395,180	\$ 346,757,169	\$ 349,041,643	\$ 351,827,468	\$ 334,212,105	Primary Government		
78,862,938	68,579,650	69,893,379	88,109,509	99,844,897	Net investment in capital assets		
(69,352,136)	(65,635,725)	(58,934,502)	(54,431,612)	(11,221,383)	Restricted		
\$ 345,905,982	\$ 349,701,094	\$ 360,000,520	\$ 385,505,365	\$ 422,835,619	Unrestricted		
					Total primary government net position		

Concluded

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

	Fiscal Year				
	2012-13	2013-14	2014-15	2015-16	2016-17
Expenses					
Governmental activities:					
General government	\$ 19,086,724	\$ 19,924,154	\$ 19,604,979	\$ 16,442,755	\$ 13,323,582
Community services	4,441,851	6,042,418	6,264,358	6,397,826	7,068,775
Planning	5,852,282	5,665,265	5,699,916	6,308,221	6,001,235
Public ways and facilities	16,902,636	17,004,864	16,822,400	16,641,718	18,569,074
Public safety	31,460,391	30,566,135	31,445,540	31,286,515	34,501,473
Interest on long-term debt	1,206,096	1,059,055	265,922	720,840	937,079
Refunding bond issuance costs	-	-	-	194,069	-
Total governmental activities expenses	<u>78,949,980</u>	<u>80,261,891</u>	<u>80,103,115</u>	<u>77,991,944</u>	<u>80,401,218</u>
Business-type activities:					
Sanitation	15,050,164	17,180,903	16,136,164	14,845,944	18,151,061
Waterworks district no. 8	37,542,008	40,980,119	37,984,287	34,249,031	36,967,538
Transit	6,369,369	6,207,520	6,722,692	7,117,042	7,369,511
Total business-type activities expenses	<u>58,961,541</u>	<u>64,368,542</u>	<u>60,843,143</u>	<u>56,212,017</u>	<u>62,488,110</u>
Total primary government expenses	<u>\$ 137,911,521</u>	<u>\$ 144,630,433</u>	<u>\$ 140,946,258</u>	<u>\$ 134,203,961</u>	<u>\$ 142,889,328</u>
Program Revenues					
Governmental activities:					
Charges for services:					
General government	\$ 281,940	\$ 380,835	\$ 531,683	\$ 1,606,097	\$ 800,874
Community services	788,384	911,308	882,739	1,109,053	924,269
Planning	1,915,769	2,191,796	2,202,730	2,738,543	4,256,995
Public ways and facilities	1,651,506	3,322,178	1,913,193	1,821,043	1,936,852
Public safety	837,559	854,386	866,031	771,002	626,340
Operating grants and contributions	8,946,791	11,617,046	12,519,780	9,643,713	9,398,940
Capital grants and contributions	4,959,909	11,108,870	28,819,982	13,530,222	3,694,804
Total governmental activities program revenues	<u>19,381,858</u>	<u>30,386,419</u>	<u>47,736,138</u>	<u>31,219,673</u>	<u>21,639,074</u>
Business-type activities:					
Charges for services:					
Sanitation	14,733,151	14,831,706	14,567,947	16,047,248	17,645,619
Waterworks district no. 8	35,285,062	37,042,247	33,215,428	30,877,802	36,529,274
Transit	427,115	415,476	401,369	430,804	426,246
Operating grants and contributions	2,376,527	2,573,874	2,526,193	2,602,009	2,639,740
Capital grants and contributions	1,172,661	4,016,047	11,698,157	5,458,314	1,921,558
Total business-type activities program revenues	<u>53,994,516</u>	<u>58,879,350</u>	<u>62,409,094</u>	<u>55,416,177</u>	<u>59,162,437</u>
Total primary governmental program revenues	<u>\$ 73,376,374</u>	<u>\$ 89,265,769</u>	<u>\$ 110,145,232</u>	<u>\$ 86,635,850</u>	<u>\$ 80,801,511</u>
Net (Expense)/Revenue					
Governmental activities	(59,568,122)	(49,875,472)	(32,366,977)	(46,772,271)	(58,762,144)
Business-type activities	(4,967,025)	(5,489,192)	1,565,951	(795,840)	(3,325,673)
Total primary government net expense	<u>\$ (64,535,147)</u>	<u>\$ (55,364,664)</u>	<u>\$ (30,801,026)</u>	<u>\$ (47,568,111)</u>	<u>\$ (62,087,817)</u>

Continued

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

Fiscal Year					
2017-18	2018-19	2019-20	2020-21	2021-22	
					Expenses
					Governmental activities:
\$ 18,661,104	\$ 17,720,443	\$ 19,516,513	\$ 16,936,266	\$ 13,890,174	General government
7,469,961	7,234,363	6,523,639	6,568,970	6,204,005	Community services
6,459,507	6,002,066	3,840,624	6,739,637	5,908,937	Planning
19,580,854	19,651,601	23,659,432	19,921,676	17,753,088	Public ways and facilities
38,809,004	36,836,767	36,691,093	37,445,831	35,758,204	Public safety
1,230,782	1,440,347	1,466,885	1,356,832	1,285,332	Interest on long-term debt
-	-	-	-	-	Refunding bond issuance costs
<u>92,211,212</u>	<u>88,885,587</u>	<u>91,698,185</u>	<u>88,969,212</u>	<u>80,799,740</u>	Total governmental activities expenses
					Business-type activities:
18,222,816	17,375,318	17,324,800	18,985,485	15,323,866	Sanitation
42,900,423	40,552,517	42,895,822	48,250,272	44,127,857	Waterworks district no. 8
9,135,850	9,387,703	8,839,284	8,222,624	7,787,395	Transit
<u>70,259,089</u>	<u>67,315,538</u>	<u>69,059,905</u>	<u>75,458,381</u>	<u>67,239,118</u>	Total business-type activities expenses
<u>\$ 162,470,301</u>	<u>\$ 156,201,125</u>	<u>\$ 160,758,090</u>	<u>\$ 164,427,593</u>	<u>\$ 148,038,858</u>	Total primary government expenses
					Program Revenues
					Governmental activities:
					Charges for services:
\$ 2,497,172	\$ 2,580,241	\$ 1,990,356	\$ 1,569,907	\$1,618,424	General government
1,015,074	1,086,783	840,227	293,799	836,307	Community services
4,430,830	4,742,278	2,926,064	5,443,247	5,011,362	Planning
2,719,170	2,927,559	2,335,563	3,687,751	3,940,427	Public ways and facilities
889,379	896,399	561,674	772,994	414,024	Public safety
9,348,042	11,987,812	12,622,399	22,170,916	19,932,730	Operating grants and contributions
2,117,322	1,619,868	5,383,614	505,218	546,707	Capital grants and contributions
<u>23,016,989</u>	<u>25,840,940</u>	<u>26,659,897</u>	<u>34,443,832</u>	<u>32,299,981</u>	Total governmental activities program revenues
					Business-type activities:
					Charges for services:
19,241,722	20,591,589	21,857,056	23,846,199	26,077,946	Sanitation
43,808,330	40,967,174	43,144,049	51,005,332	48,945,484	Waterworks district no. 8
406,387	402,517	291,226	8,922	180,585	Transit
2,667,120	2,673,492	5,663,893	6,923,917	3,459,938	Operating grants and contributions
2,064,181	1,952,893	1,302,250	3,745,985	2,484,089	Capital grants and contributions
<u>68,187,740</u>	<u>66,587,665</u>	<u>72,258,474</u>	<u>85,530,355</u>	<u>81,148,042</u>	Total business-type activities program revenues
<u>\$ 91,204,729</u>	<u>\$ 92,428,605</u>	<u>\$ 98,918,371</u>	<u>\$ 119,974,187</u>	<u>\$ 113,448,023</u>	Total primary governmental program revenues
					Net (Expense)/Revenue
(69,194,223)	(63,044,647)	(65,038,288)	(54,525,380)	(48,499,759)	Governmental activities
(2,071,349)	(727,873)	3,198,569	10,071,974	13,908,924	Business-type activities
<u>\$ (71,265,572)</u>	<u>\$ (63,772,520)</u>	<u>\$ (61,839,719)</u>	<u>\$ (44,453,406)</u>	<u>\$ (34,590,835)</u>	Total primary government net expense

Continued

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

	Fiscal Year				
	2012-13	2013-14	2014-15	2015-16	2016-17
General Revenues and Other Changes in Net Position					
Governmental activities:					
Taxes:					
Property taxes	\$ 24,823,215	\$ 27,438,436	\$ 28,340,047	\$ 29,835,623	\$ 31,120,875
Sales tax	15,617,678	15,440,917	15,944,424	17,432,505	16,842,335
Franchise tax	4,809,762	4,849,204	4,757,607	5,025,802	4,740,682
Business tax	1,536,743	1,601,785	1,742,469	1,786,153	1,787,587
Other taxes	1,857,033	1,975,930	2,128,115	2,587,113	2,561,922
Contributions from other governments	457,220	3,074,897	373,512	-	-
Investment earnings	228,258	1,046,411	819,685	835,387	964,495
Miscellaneous	-	-	-	-	-
Transfers	(1,844,949)	(1,672,300)	(2,869,014)	(3,255,695)	(3,572,095)
Total governmental activities	<u>47,484,960</u>	<u>53,755,280</u>	<u>51,236,845</u>	<u>54,182,896</u>	<u>54,695,802</u>
Business-type activities:					
Investment earnings	345,334	1,030,711	955,624	811,714	520,855
Miscellaneous	116,183	227,858	105,367	261,087	127,220
Transfers	1,844,949	1,672,300	2,869,014	3,255,695	3,572,095
Total business-type activities	<u>2,306,466</u>	<u>2,930,869</u>	<u>3,930,005</u>	<u>4,328,496</u>	<u>4,220,170</u>
Total primary government	<u>\$ 49,791,426</u>	<u>\$ 56,686,149</u>	<u>\$ 55,166,850</u>	<u>\$ 58,511,392</u>	<u>\$ 58,915,972</u>
Change in Net Position					
Governmental activities	\$ (12,083,162)	\$ 3,879,808	\$ 18,869,868	\$ 7,410,625	\$ (4,066,342)
Business-type activities	(2,660,559)	(2,558,323)	5,495,956	3,532,656	894,497
Total primary government	<u>\$ (14,743,721)</u>	<u>\$ 1,321,485</u>	<u>\$ 24,365,824</u>	<u>\$ 10,943,281</u>	<u>\$ (3,171,845)</u>

Continued

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

Fiscal Year					
2017-18	2018-19	2019-20	2020-21	2021-22	
					General Revenues
					and Other Changes in Net Position
					Governmental activities:
					Taxes:
\$ 32,303,044	\$ 34,011,044	\$ 39,014,593	\$ 37,990,791	\$ 39,173,353	Property taxes
17,857,830	18,961,367	18,319,232	21,372,380	23,631,522	Sales tax
4,445,972	4,931,918	4,872,904	5,185,293	5,393,386	Franchise tax
1,967,065	2,106,344	2,112,049	2,241,423	2,343,050	Business tax
2,703,566	2,849,714	2,289,122	2,418,059	3,309,528	Other taxes
2,082,766	49,350	52,160	51,484	54,502	Contributions from other governments
1,290,234	2,496,426	2,973,992	699,791	(292,256)	Investment earnings
-	-	-	-	295,538	Miscellaneous
(3,512,087)	(3,758,457)	(1,353,309)	1,115,388	(3,449,116)	Transfers
<u>59,138,390</u>	<u>61,647,706</u>	<u>68,280,743</u>	<u>71,074,609</u>	<u>70,459,507</u>	Total governmental activities
					Business-type activities:
821,540	2,041,917	2,418,455	(156,009)	(2,166,729)	Investment earnings
119,408	119,552	86,638	155,039	179,195	Miscellaneous
<u>3,512,087</u>	<u>3,758,457</u>	<u>1,353,309</u>	<u>(1,115,388)</u>	<u>3,449,116</u>	Transfers
<u>4,453,035</u>	<u>5,919,926</u>	<u>3,858,402</u>	<u>(1,116,358)</u>	<u>1,461,582</u>	Total business-type activities
<u>\$ 63,591,425</u>	<u>\$ 67,567,632</u>	<u>\$ 72,139,145</u>	<u>\$ 69,958,251</u>	<u>\$ 71,921,089</u>	Total primary government
					Change in Net Position
\$ (10,055,833)	\$ (1,396,941)	\$ 3,242,455	\$ 16,549,229	\$ 21,959,748	Governmental activities
<u>2,381,686</u>	<u>5,192,053</u>	<u>7,056,971</u>	<u>8,955,616</u>	<u>15,370,506</u>	Business-type activities
<u>\$ (7,674,147)</u>	<u>\$ 3,795,112</u>	<u>\$ 10,299,426</u>	<u>\$ 25,504,845</u>	<u>\$ 37,330,254</u>	Total primary government

Concluded

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

	Fiscal Year				
	2012-13	2013-14	2014-15	2015-16	2016-17
Nonspendable, reported in:					
Long-term receivables	\$ 22,246,241	\$ 18,509,076	\$ 16,988,891	\$ 15,769,102	\$ 14,039,905
Committed, reported in:					
Retiree benefits	630,447	846,723	863,564	535,057	17,609
Special programs	185,195	272,722	283,828	319,322	333,021
Economic recovery	6,839,684	6,084,838	6,084,838	6,084,838	6,084,838
Prudent reserve	-	11,881,778	11,682,715	11,665,494	11,737,044
Assigned, reported in:					
Capital	4,198,811	6,029,111	7,968,732	9,374,012	9,647,610
Unassigned	11,406,896	-	-	-	-
Total general fund	\$ 45,507,274	\$ 43,624,248	\$ 43,872,568	\$ 43,747,825	\$ 41,860,027
All other government funds					
Restricted, reported in:					
Housing programs	\$ 6,045,598	\$ 6,389,178	\$ 8,376,955	\$ 10,483,070	\$ 11,334,690
Public improvements	16,794,452	15,748,357	12,760,231	11,949,371	10,966,923
Streets	869,822	2,314,747	3,075,194	3,872,702	3,846,189
Landscape	952,063	848,183	1,233,583	1,404,310	1,104,197
Debt service	2,637,044	1,656,157	7,963	-	6,424,000
Special programs	792,788	1,037,576	1,603,522	2,199,119	2,583,864
Law enforcement	892,103	774,724	2,090,806	2,852,712	2,620,596
Committed, reported in:					
Streets	1,996,149	2,531,276	2,460,203	2,789,142	2,202,918
Equipment	3,858,038	4,421,827	5,409,661	5,306,436	5,230,390
Assigned, reported in:					
Capital	129,089	143,103	130,083	59,446	-
Unassigned	(42,047)	(108,051)	(164,935)	(55,000)	(4,618,291)
Total all other governmental funds	\$ 34,925,099	\$ 35,757,077	\$ 36,983,266	\$ 40,861,308	\$ 41,695,476

Continued

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

		Fiscal Year					
2017-18	2018-19	2019-20	2020-21	2021-22			
\$ 14,035,421	\$ 10,017,212	\$ 8,124,400	\$ 5,971,366	\$ 5,920,262	Nonspendable, reported in:		
					Long-term receivables		
					Committed, reported in:		
	30,008	278,911	372,760	509,729	Retiree benefits		
386,105	421,164	522,806	590,552	764,872	Special programs		
5,084,838	5,084,838	11,084,838	11,084,838	11,084,838	Economic recovery		
12,315,232	12,670,975	13,049,720	14,019,727	14,139,864	Prudent reserve		
					Assigned, reported in:		
10,672,125	17,873,825	19,355,215	38,297,703	44,281,431	Capital		
(472,818)	-	-	-	-	Unassigned		
<u>\$ 42,020,903</u>	<u>\$ 46,098,022</u>	<u>\$ 52,415,890</u>	<u>\$ 70,336,946</u>	<u>\$ 76,700,996</u>	Total general fund		
All other government funds							
Restricted, reported in:							
\$ 12,044,976	\$ 13,008,731	\$ 9,806,362	\$ 11,661,964	\$ 12,013,585	Housing programs		
10,456,563	8,949,351	8,757,063	8,077,145	7,849,488	Public improvements		
4,815,203	5,991,314	8,023,324	14,599,926	16,008,040	Streets		
844,656	693,379	162,870	-	-	Landscape		
11,989,483	4,241,900	1,456,124	1,324,129	1,324,129	Debt service		
3,074,465	3,972,856	4,464,783	4,509,530	4,762,883	Special programs		
2,445,054	2,853,886	1,275,705	1,435,178	1,444,284	Law enforcement		
					Committed, reported in:		
4,162,511	2,565,480	2,739,696	3,137,771	15,610,695	Streets		
5,267,713	5,101,910	5,475,553	7,709,947	6,073,233	Equipment		
					Assigned, reported in:		
-	-	-	-	-	Capital		
(693,295)	(209,150)	1,409,206	(509,396)	(1,168,102)	Unassigned		
<u>\$ 54,407,329</u>	<u>\$ 47,169,657</u>	<u>\$ 43,570,686</u>	<u>\$ 51,946,194</u>	<u>\$ 63,918,235</u>	Total all other governmental funds		

Concluded

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

	Fiscal Year				
	2012-13	2013-14	2014-15	2015-16	2016-17
Revenues					
Taxes	\$ 48,405,537	\$ 51,630,610	\$ 54,024,712	\$ 56,667,196	\$ 57,053,401
Licenses and permits	1,526,942	1,641,301	1,965,120	2,561,293	2,158,210
Fines and forfeitures	562,301	567,379	613,301	597,889	403,841
Use of money and property	1,308,808	1,371,779	2,901,802	2,901,207	1,276,619
From other governments	7,485,213	9,875,682	9,489,007	7,715,746	7,094,051
Grants	6,209,316	3,795,247	4,650,237	3,858,045	4,417,808
Service charges	1,861,540	3,247,246	2,111,740	3,300,023	3,304,023
Other revenues	2,320,567	2,411,592	1,865,966	1,732,533	2,783,106
Contributions from other governments	464,854	3,073,464	376,588	-	-
Total revenues	<u>70,145,078</u>	<u>77,614,300</u>	<u>77,998,473</u>	<u>79,333,932</u>	<u>78,491,059</u>
Expenditures					
Current:					
General government	6,760,196	8,977,728	6,764,233	5,784,087	6,457,231
Community services	4,366,229	5,759,582	6,245,135	6,581,050	6,763,706
Planning	7,395,246	8,954,977	6,440,023	6,246,916	6,387,901
Public ways and facilities	14,558,261	14,683,649	14,791,346	15,988,868	16,076,033
Public safety	28,918,401	29,922,421	31,605,027	32,811,987	33,107,205
Capital outlay	9,466,790	4,346,397	4,987,471	3,362,875	16,914,455
Debt service:					
Principal	1,360,000	3,220,000	270,000	-	-
Interest	1,242,425	1,129,784	742,212	806,625	806,625
Refunding escrow	-	-	1,396,316	-	-
Bond issuance costs	-	-	194,069	-	-
Other	7,933	6,710	1,150	1,150	103,816
Total expenditures	<u>74,075,481</u>	<u>77,001,248</u>	<u>73,436,982</u>	<u>71,583,558</u>	<u>86,616,972</u>
Excess (deficiency) of revenues over expenditures	<u>(3,930,403)</u>	<u>613,052</u>	<u>4,561,491</u>	<u>7,750,374</u>	<u>(8,125,913)</u>
Other Financing Sources (Uses)					
Transfers in	27,577,674	16,997,812	12,214,657	8,301,888	18,175,804
Transfers out	(29,414,623)	(18,661,912)	(15,503,671)	(11,604,733)	(21,320,599)
Bonds issued	-	-	20,767,747	-	9,967,078
Payment to escrow agent	-	-	(20,565,715)	-	-
Contributions from other governments	-	-	-	250,000	250,000
Contributions to other governments	-	-	-	(313,992)	-
Total other financing sources (uses)	<u>(1,836,949)</u>	<u>(1,664,100)</u>	<u>(3,086,982)</u>	<u>(3,366,837)</u>	<u>7,072,283</u>
Extraordinary gain	<u>(7,622,494)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>\$ (13,389,846)</u>	<u>\$ (1,051,048)</u>	<u>\$ 1,474,509</u>	<u>\$ 4,383,537</u>	<u>\$ (1,053,630)</u>
Debt service as a percentage of noncapital expenditures	3.86%	6.24%	1.46%	1.20%	1.16%

Continued

SOURCE:
City of Simi Valley

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

		Fiscal Year					
	2017-18	2018-19	2019-20	2020-21	2021-22		
						Revenues	
\$	59,277,477	\$ 62,860,387	\$ 66,607,900	\$ 69,207,946	\$73,850,839	Taxes	
	2,523,744	2,618,558	2,703,432	3,829,208	5,116,843	Licenses and permits	
	568,456	562,503	329,429	236,362	277,228	Fines and forfeitures	
	1,796,416	3,049,771	3,355,999	1,881,988	1,273,679	Use of money and property	
	8,092,405	10,014,798	9,601,415	9,692,508	10,253,814	From other governments	
	2,838,349	2,933,635	7,640,989	12,213,457	9,369,607	Grants	
	3,970,562	4,185,273	2,773,884	4,449,807	3,440,733	Service charges	
	4,629,045	4,982,086	3,008,689	3,365,342	3,060,740	Other revenues	
	-	-	-	-	-	Contributions from other governments	
	<u>83,696,454</u>	<u>91,207,011</u>	<u>96,021,737</u>	<u>104,876,618</u>	<u>106,643,483</u>	Total revenues	
						Expenditures	
						Current:	
	8,530,647	6,309,774	9,906,448	10,139,013	10,433,996	General government	
	6,927,525	6,673,466	5,891,145	5,946,712	6,148,462	Community services	
	6,447,721	5,533,197	5,878,601	6,003,043	6,766,780	Planning	
	16,467,229	15,610,695	20,013,765	16,252,868	16,775,133	Public ways and facilities	
	33,565,393	34,156,673	36,325,983	35,513,526	36,293,174	Public safety	
	7,153,833	17,291,140	9,822,627	2,581,289	5,341,641	Capital outlay	
						Debt service:	
	1,002,827	1,416,140	1,550,208	1,845,020	1,920,799	Principal	
	1,289,250	1,326,672	1,762,714	1,465,341	1,385,192	Interest	
	-	-	-	-	-	Refunding escrow	
	-	-	-	-	-	Bond issuance costs	
	80,624	2,900	6,400	6,314	4,801	Other	
	<u>81,465,049</u>	<u>88,320,657</u>	<u>91,157,891</u>	<u>79,753,126</u>	<u>85,069,978</u>	Total expenditures	
						Excess (deficiency) of revenues over expenditures	
	<u>2,231,405</u>	<u>2,886,354</u>	<u>4,863,846</u>	<u>25,123,492</u>	<u>21,573,505</u>		
						Other Financing Sources (Uses)	
	13,912,428	20,421,754	15,259,176	10,912,021	23,040,297	Transfers in	
	(17,418,315)	(26,518,011)	(17,456,285)	(9,790,433)	(26,332,213)	Transfers out	
	12,064,445	-	-	-	-	Bonds issued	
	-	-	-	-	-	Payment to escrow agent	
	2,082,766	49,350	52,160	51,484	54,502	Contributions from other governments	
	-	-	-	-	-	Contributions to other governments	
	<u>10,641,324</u>	<u>(6,046,907)</u>	<u>(2,144,949)</u>	<u>1,173,072</u>	<u>(3,237,414)</u>	Total other financing sources (uses)	
	-	-	-	-	-	Extraordinary gain	
\$	<u>12,872,729</u>	<u>(3,160,553)</u>	<u>2,718,897</u>	<u>26,296,564</u>	<u>18,336,091</u>	Net change in fund balances	
	3.10%	3.85%	4.48%	4.58%	4.19%	Debt service as a percentage of noncapital expenditures	

Concluded

SOURCE:
City of Simi Valley

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

Gross Assessed Valuation ¹					
Fiscal Year	Residential Property	Commercial Property	Industrial Property	Other Property	Total Secured Property
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
2019-20	16,650,203,798	1,524,382,440	869,540,338	309,190,987	19,353,317,563
2020-21	17,356,164,331	1,545,236,672	923,417,588	313,486,721	20,138,305,312
2021-22	18,017,610,780	1,518,568,882	1,015,735,549	377,861,268	20,929,776,479

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 ¹					
Utility ²	Unsecured	Total	Percent Change	Total Direct Tax Rate	Fiscal Year
\$ 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
144,746	361,476,071	19,714,938,380	4.3%	1.00%	2019-20
210,776	387,816,827	20,526,332,915	4.1%	1.00%	2020-21
-	396,688,641	21,326,465,120	3.9%	1.00%	2021-22

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>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</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>
Simi Valley Unified School District	0.061500	0.059800	0.061800	0.054100	0.052800
Metropolitan Water District	0.003500	0.003500	0.003500	0.003500	0.003500
Ventura Community College District	0.019100	0.016700	0.017600	0.013000	0.015500
Total direct and overlapping	<u><u>1.084100</u></u>	<u><u>1.080000</u></u>	<u><u>1.082900</u></u>	<u><u>1.070600</u></u>	<u><u>1.071800</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. Rates apply only to city property owners whose property is located within that district's geographic boundaries.

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>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</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
0.079100	0.077100	0.059400	0.086300	0.092200	Simi Valley Unified School District
0.003500	0.003500	0.003500	0.003500	0.003500	Metropolitan Water District
0.015100	0.015200	0.014300	0.015000	0.014800	Ventura Community College District
<u>1.097700</u>	<u>1.095800</u>	<u>1.077200</u>	<u>1.104800</u>	<u>1.110500</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	2022			2013		
	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	\$ 111,619,632	1	0.61%			
NF Creekside Apartments, LLC	79,313,156	2	0.43%			
IMT Capital V Wood Ranch, LLC	76,546,708	3	0.42%			
SE-Shadow Ridge, LLC	49,193,817	4	0.27%			
Deleware Hidden Valley Grand Apartment	48,173,908	5	0.26%			
DP 849 Country Club	40,226,342	6	0.22%			
RASS Nutritionals	35,790,984	7	0.19%			
Essex Meadowood	35,298,985	8	0.19%			
Lennar Homes California	35,000,000	9	0.19%			
Miracle Mile Properties	34,795,253	10	0.19%			
Bank of America				\$ 120,026,139	1	0.78%
Tishman Speyer Archstone				105,550,072	2	0.69%
Fountains Apartments, Ltd				77,856,859	3	0.51%
NF Marina, LP				69,934,400	4	0.46%
Fairfield Rancho Corrales				45,365,100	5	0.30%
Mountaingate Associates, LLC				45,308,361	6	0.29%
Stone Creek Investors				42,587,239	7	0.28%
ESG Properties, LLC				42,038,183	8	0.27%
CLF Simi Valley Business TR				37,000,000	9	0.24%
Simi Entertainment Plaza, LP				36,862,437	10	0.24%
Total Taxable Assessed Value Ten Largest Taxpayers	<u>\$ 545,958,785</u>		<u>2.97%</u>	<u>\$ 622,528,790</u>		<u>4.06%</u>

SOURCE:
HdL Coren Cone

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

Fiscal Year	Taxes Levied for the Fiscal Year ¹	Collections within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percent of Levy		Amount	Percent of Levy
2012-13	\$ 31,451,572	\$ 28,397,076	90.29%	\$ 104,934	\$ 28,502,010	90.62%
2013-14	32,257,545	29,392,698	91.12%	173,714	29,566,412	91.66%
2014-15	34,131,863	33,369,651	97.77%	172,385	33,542,036	98.27%
2015-16	37,179,612	34,029,242	91.53%	203,600	34,232,841	92.07%
2016-17	39,105,618	35,443,930	90.64%	245,232	35,689,162	91.26%
2017-18	42,348,149	37,295,853	88.07%	257,823	37,553,676	88.68%
2018-19	42,471,808	38,746,266	91.23%	252,098	38,998,364	91.82%
2019-20	44,950,945	44,163,945	98.25%	251,736	44,415,681	98.81%
2020-21	46,564,800	42,848,588	92.02%	235,252	43,083,839	92.52%
2021-22	48,369,434	44,411,063	91.82%	N/A	44,411,063	91.82%

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

NOTES:

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

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

Collections presented do not include penalty charges or interest collected.

SOURCE:
Ventura County Controller-Auditor

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

Fiscal Year	Governmental Activities		Business-Type Activities		Total Primary Government	Percent of Personal Income ³	Debt Per Capita ³
	Lease Revenue Bonds	Certificates of Participation	Lease Revenue Bonds				
2013	\$ 2,610,000	\$ 22,587,840	-		\$ 25,197,840	0.55%	198.68
2014	- ¹	21,964,953	-		21,964,953	0.45%	173.24
2015	20,414,513	- ³	-		20,414,513	0.45%	160.96
2016	20,315,876 ²	-	-		20,315,876	0.43%	159.88
2017	30,184,317 ²	-	-		30,184,317	0.59%	236.93
2018	41,147,298 ²	-	-		41,147,298	0.83%	321.83
2019	39,632,520 ²	-	-		39,632,520	0.78%	308.00
2020	37,983,674 ²	-	-		37,983,674	0.64%	293.85
2021	36,040,016 ²	-	-		36,040,016	0.60%	277.26
2022	34,020,579 ²	-	33,236,283		67,256,862	1.12%	529.82

NOTES:

1. 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.

2. 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 New Clean Renewable Energy Bonds (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.

3. 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, 2022 (see notes)**

	Outstanding Debt 6/30/22	Percentage Applicable ¹	Estimated Share of Overlapping Debt 6/30/22
<u>Overlapping and Assessment Debt Repaid with Property Taxes</u>			
Metropolitan Water District	\$ 20,175,000	0.628 %	\$ 126,699
Ventura County Community College District	257,457,000	14.013	36,077,449
Simi Valley Unified School District	255,235,588	96.942	247,430,484
City of Simi Valley Community Facilities Dist No.2004-1	5,490,000	100.000	5,490,000
City of Simi Valley 1915 Act Bonds	675,000	100.000	675,000
<u>Overlapping Other Debt</u>			
Ventura County General Fund Obligations	304,565,000	14.008	42,663,465
Ventura County Superintendent of Schools Certificates	7,850,000	14.008	1,099,628
Simi Valley Unified School District Certificates	4,803,237	96.942	4,656,354
Total overlapping and assessment debt			338,219,079
<u>City Direct Debt</u>			
City of Simi Valley 2014A Lease Revenue Refunding Bond	16,044,050	100.000	16,044,050
City of Simi Valley 2016 New Clean Renewable Energy Bond	7,511,274	100.000	7,511,274
City of Simi Valley 2016 Tax Exempt Energy Bond	589,603	100.000	589,603
City of Simi Valley 2017 Tax Exempt Bond	4,841,363	100.000	4,841,363
City of Simi Valley 2018 Tax Equipment Lease	5,034,290	100.000	5,034,290
City of Simi Valley 2019 Tax Equipment Lease	33,816,566	100.000	33,236,283
Total direct debt			67,256,862
Total direct and overlapping debt			<u>\$ 405,475,941</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				
	2013	2014	2015	2016	2017
Debt limit	\$ 545,958,007	\$ 564,595,406	\$ 596,574,778	\$ 622,348,000	\$ 649,611,401
Total net debt applicable to limit	-	-	-	-	-
Legal debt margin	<u>\$ 545,958,007</u>	<u>\$ 564,595,406</u>	<u>\$ 596,574,778</u>	<u>\$ 622,348,000</u>	<u>\$ 649,611,401</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					
2018	2019	2020	2021	2022			
\$ 678,892,462	\$ 708,668,102	\$ 799,742,442	\$ 769,737,484	\$ 799,742,442	Debt limit		
-	-	-	-	-	Total net debt applicable to limit		
<u>\$ 678,892,462</u>	<u>\$ 708,668,102</u>	<u>\$ 799,742,442</u>	<u>\$ 769,737,484</u>	<u>\$ 799,742,442</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 2022

Assessed value	\$21,326,465,120
Debt limit (3.75% of assessed value) ¹	799,742,442
Less: General obligation bonds	-
Legal debt margin	<u>\$ 799,742,442</u>

SOURCE:
California Municipal Statistics, Inc.

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

Fiscal Year	Population	Personal Income (in thousands)	Per Capita Personal Income	Median Age	Public School Enrollment	Unemployment Rate
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%
2020	129,262	5,946,311	46,002	41.6	16,393	12.5%
2021	129,985	5,988,149	46,068	43.0	15,788	6.1%
2022	126,944	6,002,551	47,285	41.2	15,546	3.0%

SOURCE:
City of Simi Valley
Simi Valley Unified School District
State of California Employment Development Department
University of California, Santa Barbara
US Census Bureau
Ventura County Statistical Abstract

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

<u>Employer</u>	<u>2022</u>			<u>2013</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Employed Labor Force</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Employed Labor Force</u>
Simi Valley Unified School District	1,854	1	2.90%	2,177	1	3.23%
Simi Valley Hospital - Adventist Health	781	2	1.22%	832	2	1.23%
Aerovironment, Inc.	701	3	1.10%	465	4	0.69%
Meggitt Safety Systems, Inc.	576	4	0.90%	330	7	0.49%
Milgard Windows & Doors	519	5	0.81%	287	8	0.43%
City of Simi Valley	484	6	0.76%	529	3	0.78%
Rancho Simi Parks & Recreation District	348	7	0.54%	408	5	0.61%
Walmart	174	8	0.27%	224	10	0.33%
American Vision Windows	174	9	0.27%			
Polytainer Inc	160	10	0.25%			
Vons Grocery Stores				354	6	0.53%
Albertson's				244	9	0.36%
Total	<u><u>5,771</u></u>		<u><u>9.04%</u></u>	<u><u>5,850</u></u>		<u><u>8.68%</u></u>

NOTE:

Of eighty-nine employers surveyed by the City of Simi Valley, thirty-eight employers responded (43%).

SOURCE:
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**

Function	Full & Part Time Employees as of June 30¹									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General government	57	57	61	53	58	56	54	60	60	59
Community services	28	29	31	27	24	27	27	20	20	19
Planning and Community Services	42	40	39	36	36	33	30	32	31	37
Public ways and facilities	89	88	90	87	87	87	83	80	78	83
Public safety										
Sworn police personnel	120	119	123	121	121	115	118	123	112	114
Civilians	52	52	52	49	50	53	47	44	45	54
Sanitation	56	51	54	47	54	53	52	53	49	44
Waterworks district no. 8	44	45	43	45	41	40	41	35	32	38
Transit	41	38	39	38	42	40	40	38	37	36
Total	529	519	532	503	513	504	492	485	464	484

NOTE:

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

SOURCE:
City of Simi Valley

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

Function	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General government										
Business tax applications and renewals	9,764	9,709	9,643	9,709	9,437	9,028	9,403	7,675	7,223	8,092
Business tax receipts issued	9,060	8,936	8,563	9,480	8,366	7,922	7,315	7,396	7,779	8,912
Business tax revenues (\$)	1,536,702	1,601,875	1,742,469	1,786,153	1,787,587	1,967,065	2,106,344	2,112,049	2,190,665	2,343,050
Community services										
Cultural arts center events	344	362	354	378	392	369	370	357	-	176
Cultural arts center attendance	39,388	38,643	36,403	39,473	36,248	38,913	33,564	26,675	-	9,151
Senior center attendance ¹	192,107	182,368	172,233	160,805	153,803	166,441	172,079	145,505	40,975	62,745
Library card holders ²	-	20,498	28,298	33,830	39,135	45,159	46,406	38,423	34,382	33,157
Library total collection ³	-	139,104	146,623	158,596	170,848	164,748	161,450	136,071	140,972	127,248
Library total circulation ³	-	344,358	330,838	333,068	285,089	299,182	317,085	333,683	247,680	362,358
Planning										
Building permits	1,590	2,382	2,054	2,200	2,500	2,600	2,750	2,500	2,950	1,724
Plumbing, mechanical, and electrical permits	2,592	3,473	3,213	2,950	3,400	3,640	3,750	3,200	3,450	3,918
Permit valuation (thousands) ⁵	47,316	55,300	41,766	66,800	76,800	71,300	76,740	63,500	65,750	216,662
Public Safety										
Arrests	3,472	2,961	3,459	3,377	2,939	3,134	2,964	2,381	1,762	1,473
Enforcement citations	7,688	8,518	8,308	8,300	6,936	8,988	8,230	4,703	2,454	3,340
Public ways and facilities										
Street resurfacing (miles)	6.66	5.67	3.93	3.73	6.38	10.12	23.77	10.12	1.4	6.12
Sanitation										
Wastewater customers	36,704	36,796	36,761	36,769	37,079	36,949	35,773	37,395	36,874	37,571
Average dry weather flow (million gallons per day)	8.60	8.50	8.10	7.80	7.70	7.92	7.78	7.78	7.70	7.60
Waterworks district no. 8										
Customers ⁴	25,156	25,093	25,585	25,664	25,558	25,433	25,622	25,251	25,548	25,666
Water delivered (million gallons)	6,305.1	7,352.8	8,083.5	6,517.0	5,176.0	5,486.0	6,227.0	6,423.0	6,832.0	6,404.0
Transit										
Fixed-route revenue miles	400,425	426,057	426,057	404,857	380,354	378,284	376,506	387,056	409,044	407,112
Fixed-route passengers	434,512	347,929	378,452	333,619	364,810	251,917	266,718	181,098	121,642	131,392
Fixed-route revenue hours	24,882	25,551	25,551	25,346	26,904	27,340	26,727	25,282	26,788	29,816
Paratransit revenue miles	184,074	183,407	172,444	158,604	160,043	162,551	159,508	110,289	71,396	84,476
Paratransit passengers	46,290	50,308	45,364	43,485	45,009	43,406	50,134	29,133	22,394	33,238
Paratransit revenue hours	18,966	17,984	17,009	17,356	17,832	17,709	17,226	11,730	5,790	6,620

NOTE:

1. Due to State Budget cuts effective 2014, Senior programs were reduced, resulting in lower attendance.
2. Effective July 1, 2013, 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 13,705 customers, serviced by Golden State Water Co. during fiscal year 2022.
5. Increase in Permit Valuation in 2022 is due to a change in the calculation methodology resulting from the ERP system upgrade.

SOURCE:
City of Simi Valley
Golden State Water Co.

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

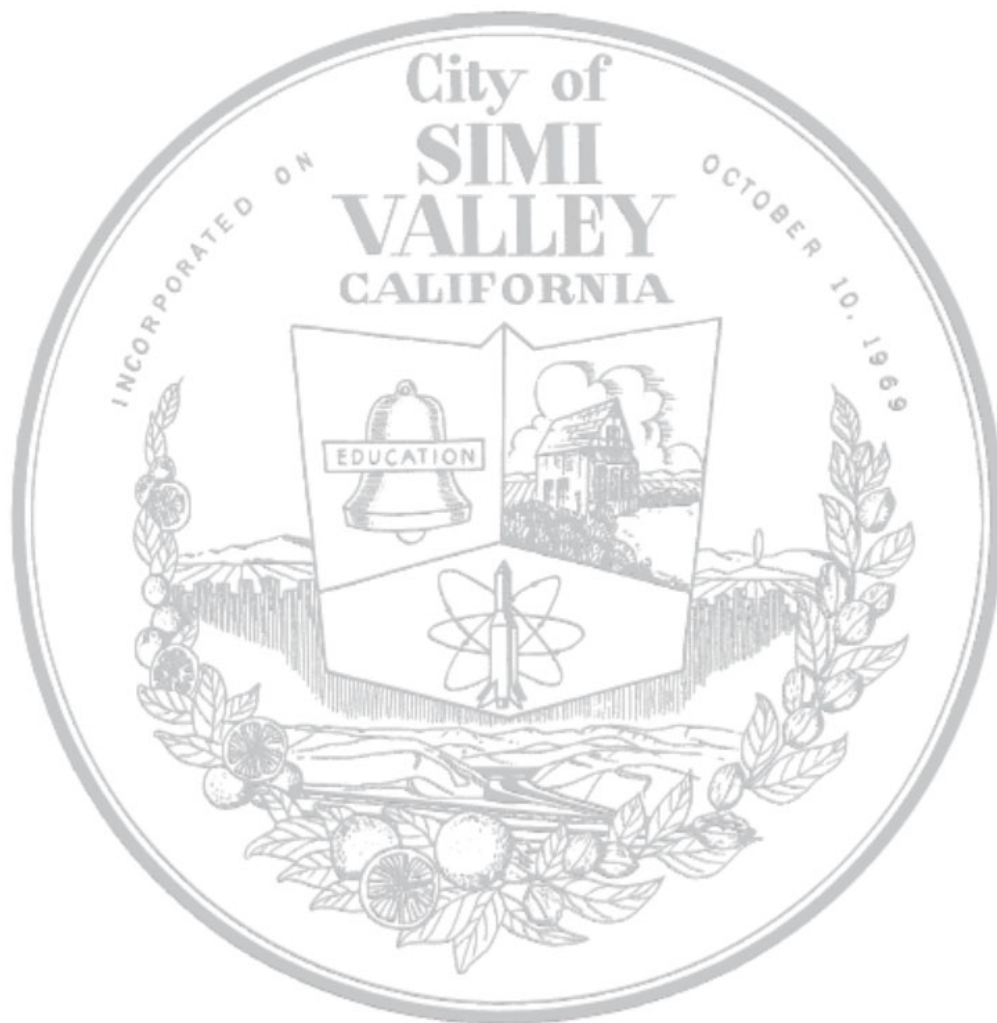
Function	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Public safety										
Police stations	1	1	1	1	1	1	1	1	1	1
Fleet size	94	96	97	99	101	103	103	104	98	98
Public ways and facilities										
Streets (miles)	324.91	326.91	332.69	336.41	337.57	337.57	337.57	337.57	337.57	337.73
Streetlights	7,942	8,241	8,225	8,223	8,243	8,268	8,479	8,382	8,382	8,382
Traffic signals	121	121	121	121	121	121	121	121	121	121
Sanitation										
Sewerlines (miles)	374	374	374	374	374	374	374	380	380	400
Treatment capacity (million 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) ¹	375	380	380	380	380	337	345	345	345	345
Fire hydrants	2,844	2,844	2,844	2,844	2,844	2,875	2,850	2,874	2,853	2,853
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	8	8	8	8	8	8	8	5
Buses - 35 foot	0	0	3	3	3	3	3	3	3	6
Paratransit Vehicles	11	11	11	11	12	12	12	12	12	12

NOTES:

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

1. Reduction in water main miles in fiscal year 2017-18 reflects updates in GIS accuracy.

SOURCE:
City of Simi Valley
Southern California Edison



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