

COMPREHENSIVE ANNUAL FINANCIAL REPORT

2008-09

*State of California
City of Simi Valley*

Fiscal Year Ended June 30, 2009



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Paul Miller, Mayor Barbra Williamson, Mayor Pro Tem Glen T. Becerra, Council Member Steven T. Sojka, Council Member Michelle S. Foster, Council Member

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FISCAL YEAR ENDED JUNE 30, 2009

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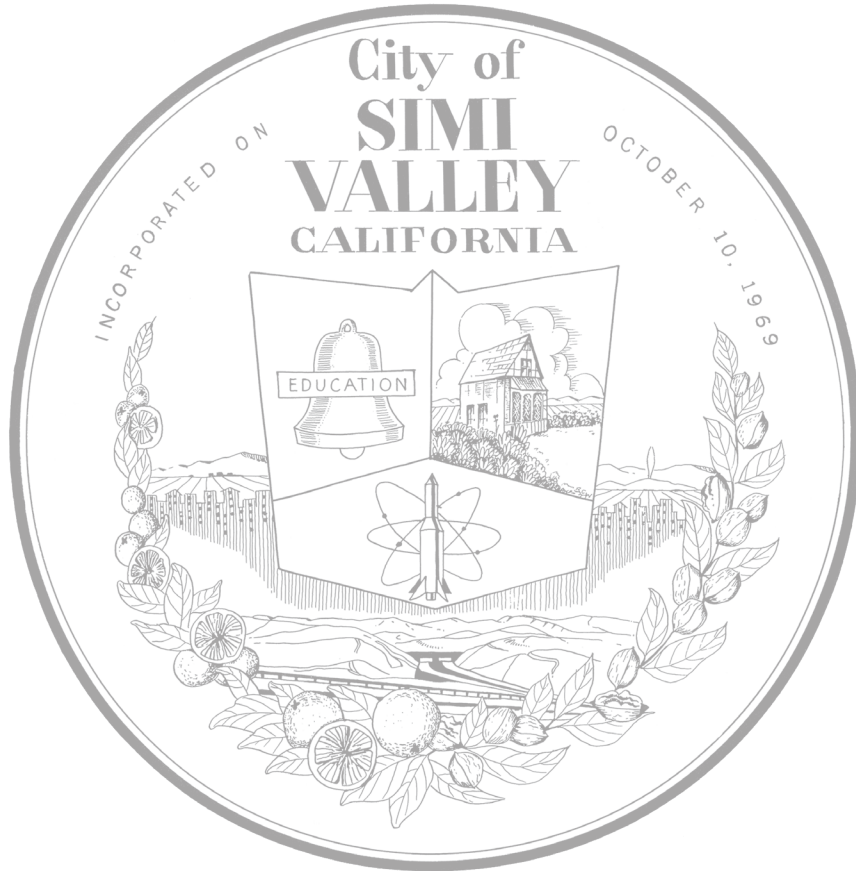
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INTRODUCTORY SECTION



CITY OF SIMI VALLEY

Home of The Ronald Reagan Presidential Library

December 15, 2009

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

State law requires that all general-purpose local governments publish within six months of the close of each fiscal year a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the comprehensive annual financial report of the City of Simi Valley for the fiscal year ended June 30, 2009.

This report consists of management's representations concerning the finances of the City. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the City has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the City's comprehensive framework of internal controls has been 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.

Lance, Soll and Lunghard, LLP, a firm of licensed certified public accountants, have audited the City's financial statements. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City for the year ended June 30, 2009, 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 unqualified opinion that the City's financial statements for the fiscal year ended June 30, 2009 are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

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

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

Profile of the City of Simi Valley

The City, incorporated in 1969, has a population of 126,142 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 38.9 square miles, has a mean elevation of 765 feet.

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

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

City government is divided into five departments: Police, Public Works, Administrative Services, Environmental Services, and Community Services. 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. 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's fiscal year runs from July 1 to June 30. Departments and agencies submit current level expense budgets, requests for budget increases (Policy Items), requests for replacement of equipment items (Capital Asset Requests), and possible budget reductions (Reverse Priority Items) to the Budget Office in early April. The City Manager and his staff conduct a series of budget review meetings with departments and agencies in April. The City Manager then presents a Preliminary Base Budget, Draft Five-Year Capital Improvement Program, and a Supporting Document that contains line item budget information to the City Council for review in mid-May.

The City Council conducts one or more budget hearings during the month of June, modifies the Preliminary Base Budget and Draft Five-Year Capital Improvement Program as appropriate, and adopts the Annual Budget and Five-Year Capital Improvement Program not later than June 30.

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

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

Factors Affecting Financial Condition

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

Local economy. The City enjoyed more than ten consecutive years of General Fund growth prior to FY 2007-08. This growth was fueled by annual increases in assessed valuation, population increases, new development, the opening of a regional shopping center and a robust economy. The revenue allowed the City to accomplish a number of projects that increased the level of public safety, improved services to the public, and improved the effectiveness and efficiency of City operations. However, due to an economic downturn at the national level, an ongoing State budget crisis, and build-out at the local level, revenues have decreased in FY 2007-08 and FY 2008-09. In response to these revenue decreases, the City has trimmed its General Fund expenditure budget by 11.5% over the past two fiscal years.

The City's economic indicators continue to point to a slow down in nearly all revenue-generating areas, reflective of the State and national economic conditions. Therefore, efforts to reduce expenditures and make long term structural changes to the expenditure budget are ongoing.

While impacted by the economy and an unemployment rate of 8.5%, 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, insurance, computer hardware, light manufacturing, and home improvement materials.

Residential development activity in the City continues to decline, reflective of the nation-wide trend, and is expected to remain slow in the upcoming year. The residential and commercial real estate market has slowed and no major additions to the City's property tax roll are anticipated in the upcoming year.

Long-term financial planning. While the City's population grew by 0.1% during the current fiscal year, the pace of growth is slower than in prior years. Property tax growth has slowed, while sales tax and development fee revenues continue to decline. Turnover in the real estate market continues to be low and no major additions to the City's property tax roll are anticipated. Consumers and builders have tightened their belts, reducing spending and putting development projects on hold in an effort to repair their own balance sheets. In response to these economic conditions and build out of major residential and commercial tracts within the City, a five-year fiscal model was developed during FY 2007-08 and continues to be updated to guide the City's budget development and long-term financial planning. The City's Schedule of Service Charges is also updated bi-annually to ensure effective cost-recovery for billable City services.

Despite this difficult financial environment, the City continues to be fiscally conservative, maintaining a prudent reserve of 13% of the General Fund budget, as well as ongoing reserves for vehicle and equipment replacement based on their useful life expectancies. The City continues to hold a bond rating of A. The total debt of the City and related agencies is currently \$58.1 million, with debt service requirements of approximately \$4.7 million per year. Reserves held for liabilities including deductible amounts for general liability and workers' compensation liability, and accrued amounts for compensated employee absences total nearly \$14.6 million.

The City's Community Development Agency continues to monitor the status of its portfolio of loans made for development, acquisition, and/or rehabilitation of affordable housing; and for community and economic development purposes. During FY 2008-09, the Agency acquired three residential properties, where the owners had violated the resale restriction covenants, over encumbered the properties and abandoned them. These properties are in the process of being rehabilitated and sold to eligible low income buyers.

Cash management policies and practices. The City's cash assets are invested in three portfolio subsets – primary liquidity (cash available for immediate needs), secondary liquidity (funds invested for 1 to 365 days), and strategic income (funds invested for 1 to 5 years). Depending on the portfolio subset, City funds were invested in the State Treasurer's Local Agency Investment Fund (LAIF), FDIC insured bank accounts, or obligations of U.S. Government Sponsored Enterprises (GSE's). The average yield on investments during the fiscal year was 3.4% (not including a .8% increase in the fair value of strategic investments). For GASB financial reporting purposes investment income does take into account any increase or reduction in the fair value of investments.

Risk Management. The City employs a full-time Risk Manager to oversee the processing of claims filed against the City, to procure appropriate insurance coverage, and to design and implement loss

prevention programs. The City maintains self-insured retentions for property damage, workers' compensation, and general liability of \$10,000, \$500,000, and \$1,000,000, respectively. Various insurance carriers provide the City with excess coverage for claims that exceed these amounts. The City is fully self-insured for unemployment insurance claims. Health, dental, life, short-term, and long-term disability insurance coverage are also made available to City employees through a number of different insurance carriers.

The City maintains cash and investment balances within its internal service funds sufficient to cover its self-insured obligations.

Pension and other post employment benefits. The City participates in the California Public Employees' Retirement System (CalPERS) for both its sworn retirement program (Safety Plan) and its non-sworn retirement program (Miscellaneous Plan). The Miscellaneous Plan also includes those involved with the operation of the legally separate Ventura County Waterworks District No. 8. These benefits are provided through the statewide plan managed by CalPERS. The City has no obligation in connection with employee benefits offered through the plan beyond its contractual payment to the CalPERS Board of Administration.

The City also provides post-retirement health benefits for retirees and their spouses meeting specified service requirements. During this fiscal year the City created an irrevocable trust and partially funded the annual required contribution (ARC) based on actuarial valuations to fund these benefits. The unfunded portion of the ARC is reported in Note IV E in the notes to the financial statements.

Additional information on the City's post employment benefits and pension arrangements can be found in Notes IV. C-E.

Gann Appropriations Limitation. Article XIII B of the State of California Constitution sets limits on the amount of tax revenues that the City can appropriate within a given fiscal year. Only tax proceeds are subject to the limit. Charges for services, regulatory fees, grants, loans, donations, and other non-tax proceeds are not subject to the limit. Exemptions are also made for voter-approved debt and debt that existed prior to January 1, 1979, and for the cost of compliance with Court or Federal government mandates. Fiscal Year 1978-79 appropriations serve as the basis for this limit, with adjustments being made annually to reflect increases in population, the cost of living, and service responsibility transfers. The City's appropriations limit for the fiscal year ended June 30, 2009 was \$55,309,442. Actual tax revenues subject to this limit and received and appropriated during the fiscal year were well under this amount.

Awards and Acknowledgements. The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2008. This was the twenty-ninth consecutive year (fiscal years ended 1980-2008) that the City has received this prestigious award. In order to be awarded a Certificate of Achievement, a government agency must publish an easily readable and efficiently organized CAFR. This report must satisfy both GAAP and applicable legal requirements.

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

The preparation of this report would not have been possible without the efficient and dedicated services of the entire staff of the Fiscal Services Division. Special thanks go to Lika Garg, Deputy Director/Fiscal Services, for her extensive work in preparing this report. I would also like to express my appreciation to all members of the Administrative Services Department who assisted with the preparation of this report, and to Lance, Soll and Lunghard, 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,



James Purtee
Department of Administrative Services

OFFICIALS OF THE CITY OF SIMI VALLEY
(as of June 30, 2009)

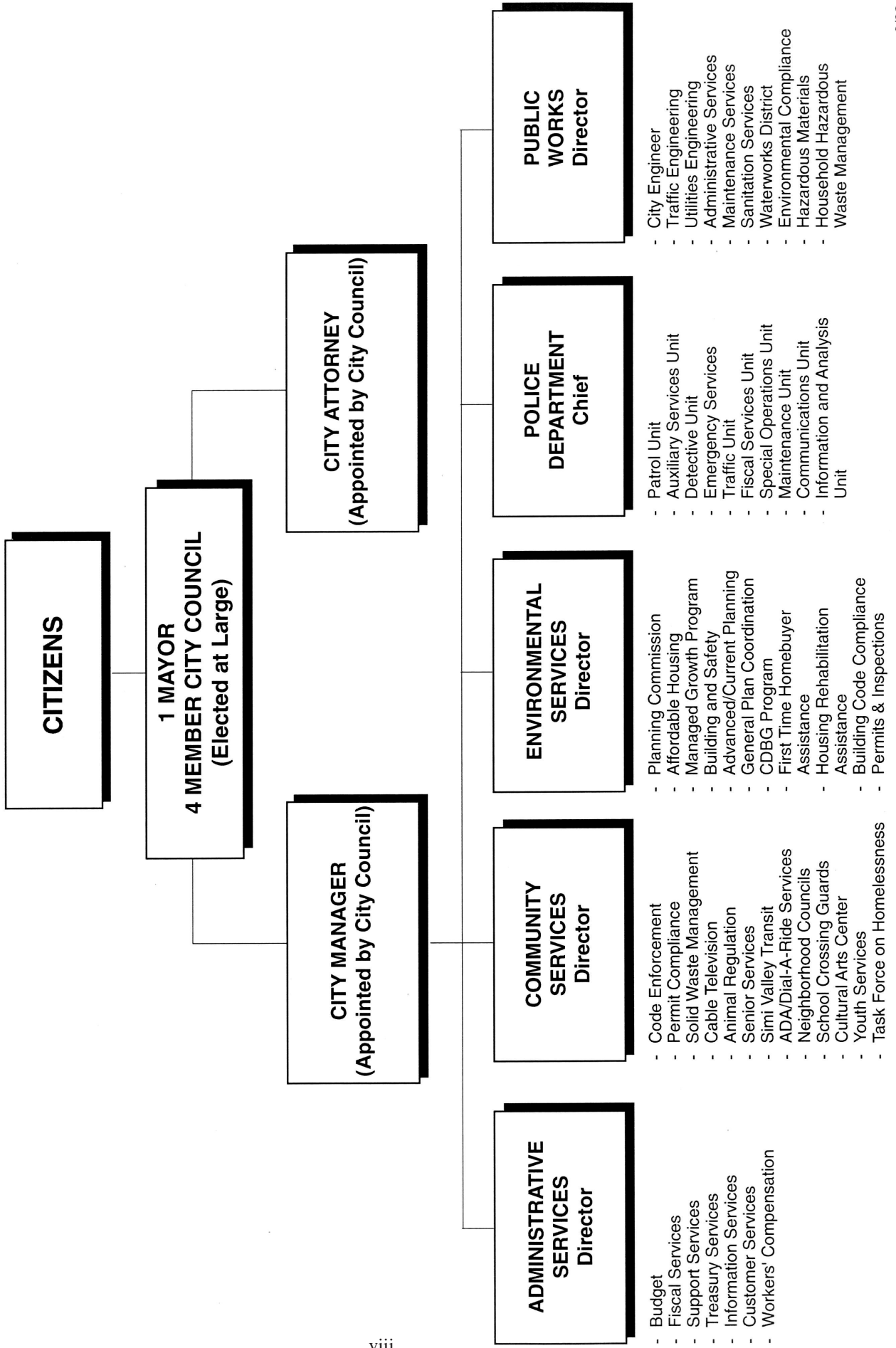
Members of the City Council

PAUL MILLER, Mayor
BARBRA WILLIAMSON, Mayor Pro Tem
GLEN T. BECERRA, Council Member
STEVEN T. SOJKA, Council Member
MICHELLE S. FOSTER, Council Member

Administrative Staff

Mike Sedell City Manager
Tracy Noonan..... City Attorney
James Purtee Director of Administrative Services
Debbie Solomon Director of Community Services
Peter Lyons Director of Environmental Services
Ron Fuchiwaki.....Director of Public Works
Mike LewisChief of Police

ORGANIZATION of the City of SIMI VALLEY



Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Simi Valley
California

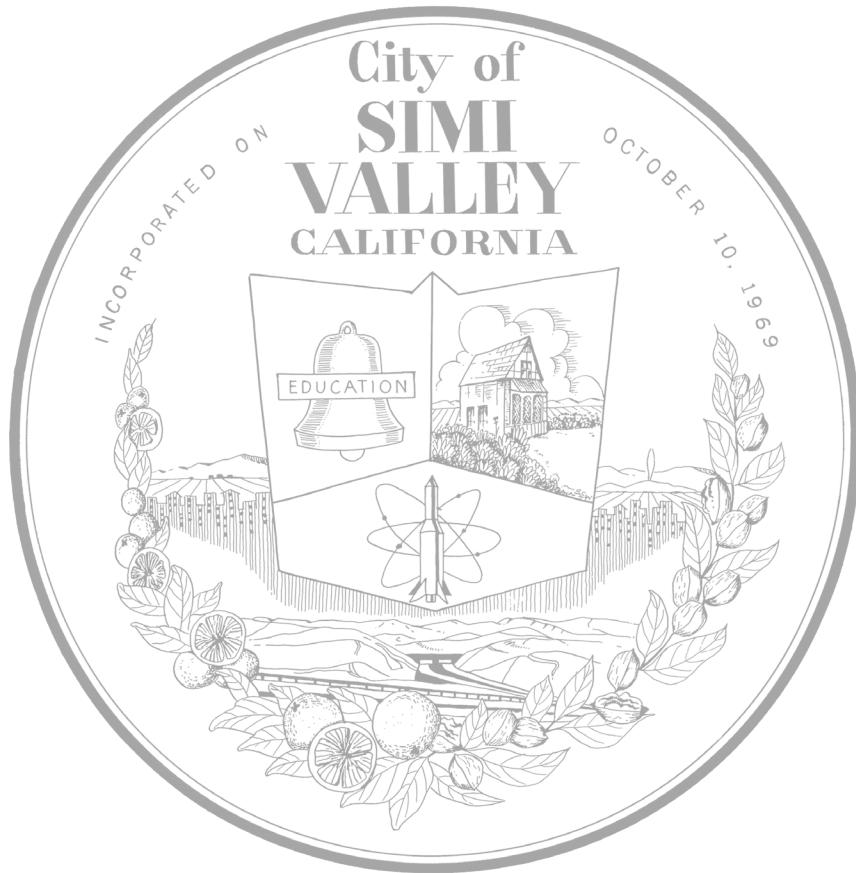
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2008

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



President

Executive Director



FINANCIAL SECTION

Independent Auditors' Report





CERTIFIED PUBLIC ACCOUNTANTS

- Brandon W. Burrows, C.P.A.
- Donald L. Parker, C.P.A.
- Michael K. Chu, C.P.A.
- David E. Hale, C.P.A., C.F.P.
A Professional Corporation
- Donald G. Slater, C.P.A.
- Richard K. Kikuchi, C.P.A.
- Susan F. Matz, C.P.A.

INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Simi Valley, California, as of and for the year ended June 30, 2009, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of Simi Valley's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Simi Valley, California, as of June 30, 2009, and the respective changes in financial position and cash flows, where applicable, and the respective budgetary comparisons for the General Fund, Community Development Agency Housing Administration Fund, Merged Tapo Canyon and West End Tax Increment Fund, Home Grant Fund, Development Related Fees Fund, and Transportation Fund, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 1, 2009, on our consideration of the City of Simi Valley internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.



To The Honorable Mayor and City Council
City of Simi Valley, California

The management's discussion and analysis and other required supplementary information identified in the accompanying table of contents are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Simi Valley's basic financial statements. The accompanying introductory section, the combining and individual fund statements, budgetary schedules and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying combining and individual nonmajor fund financial statements and schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The accompanying introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Lance, Soll & Loughard, LLP

December 1, 2009

Management's Discussion and Analysis

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

The management of the City of Simi Valley provides this narrative overview and analysis of the financial activities of the City of Simi Valley for the fiscal year ended June 30, 2009. Please consider this information in conjunction with additional information that we have furnished in the letter of transmittal, which is located in the *Introductory Section* of this report.

Financial Highlights

- The assets of the City exceeded its liabilities at the close of the fiscal year by \$438,866,502. Of this amount, \$43,830,207 (*unrestricted net assets*) may be used to meet the government's ongoing obligations to citizens and creditors.
- The City's total net assets increased by \$2,051,802. A \$30.7 million increase in capital assets, net of related debt, was offset by a \$28.7 million decrease in the restricted and unrestricted net asset categories.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$113,854,203, an increase of \$5,034,698 in comparison with the prior year. Approximately 61% of the ending fund balance amount, or \$69,501,420, is available for spending at the government's discretion (*unreserved fund balance*). However, three-fourths of the unreserved fund balance (\$53 million) is designated for public improvements and other capital projects. An additional one-fifth (\$14 million) is held in special revenue funds, designated for low- and moderate-income housing projects.
- At the end of the current fiscal year, the unreserved/undesignated fund balance for the General fund was \$8,250,539. This amount represents the *Prudent Reserve* established by the City Council at 13% of budgeted General fund expenditures.
- The City of Simi Valley's total liabilities decreased by \$4 million during the current fiscal year. This decrease is due to a \$2.4 million decrease in claims and legal services, a \$2 million decrease in bonded indebtedness from payment of scheduled debt service, off-set by \$0.4 million recorded as other post employment benefits obligation.

Overview of the Financial Statements

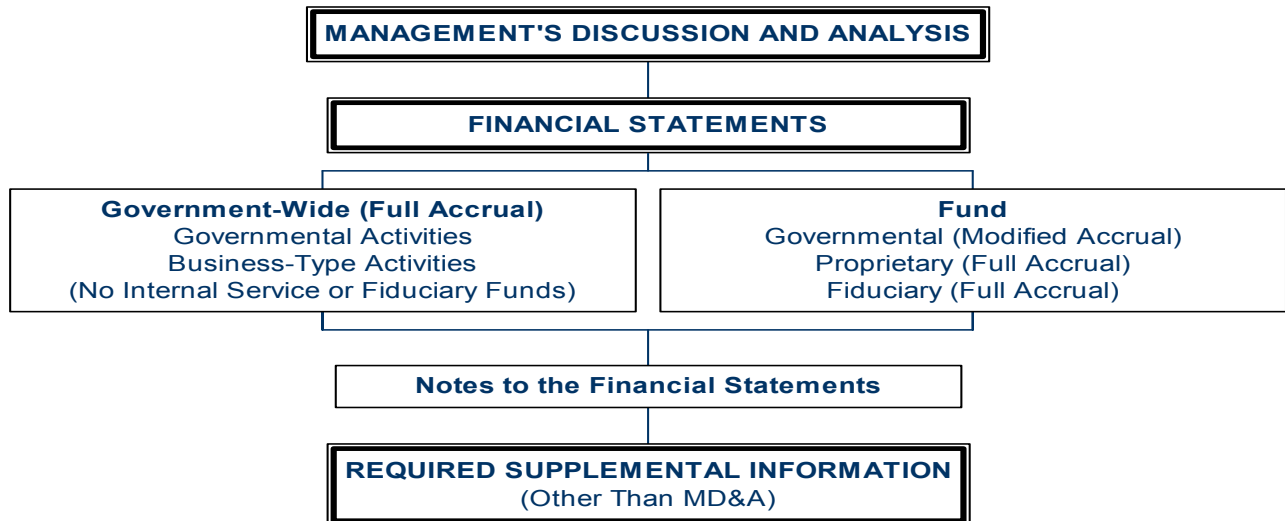
This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The basic financial statements include three components:

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

CITY OF SIMI VALLEY • MANAGEMENT DISCUSSION AND ANALYSIS

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

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

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

CITY OF SIMI VALLEY • MANAGEMENT DISCUSSION AND ANALYSIS

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 the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

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

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

The City maintains over 70 individual governmental funds in its financial system and presents them grouped by related activities as 8 major and 20 nonmajor separate governmental funds for this report. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the eight major funds: the General fund, the Community Development Agency Housing Administration fund, the Merged Tapo Canyon and West End Tax Increment fund, the HOME grant fund, the Development Related Fees fund, the Transportation funds, the Streets and Roads fund, and the Public Facility Improvements fund. Data from the other 20 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* in the *Supplementary Information* section of this report.

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

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

CITY OF SIMI VALLEY • MANAGEMENT DISCUSSION AND ANALYSIS

changes in assets and liabilities of fiduciary funds is provided in the *Supplementary Information* section of this report.

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. Because both of these operations predominantly benefit governmental rather than business-type functions, they have been included within *governmental activities* in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, but in greater detail. The proprietary fund financial statements provide separate information for the sanitation, waterworks, and transit operations, all of which are considered major funds of the City. Conversely, both 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.

Notes to the financial statements

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

Other information

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

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

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the City of Simi Valley, assets exceeded liabilities by \$438,866,502 at the close of the most recent fiscal year.

A significant portion of the City's net assets (69%) reflects its investment in capital assets net of accumulated depreciation (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.

CITY OF SIMI VALLEY • MANAGEMENT DISCUSSION AND ANALYSIS

Although the City’s investments in capital assets is 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 assets (21%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets (10%) may be used to meet the City’s ongoing obligations to citizens and creditors.

City of Simi Valley’s Net Assets

	Governmental		Business-Type		Total	
	Activities		Activities			
	FY 2008-09	FY 2007-08	FY 2008-09	FY 2007-08	FY 2008-09	FY 2007-08
Current and other assets	\$122,524,193	\$136,984,048	\$50,830,501	\$56,050,553	\$173,354,694	\$193,034,601
Capital assets	231,705,198	222,474,458	121,094,906	112,913,342	352,800,104	335,387,800
Total assets	<u>354,229,391</u>	<u>359,458,506</u>	<u>171,925,407</u>	<u>168,963,895</u>	<u>526,154,798</u>	<u>528,422,401</u>
Long-term Liabilities						
outstanding	66,917,451	70,472,373	813,367	811,709	67,730,818	71,284,082
Other liabilities	14,398,623	13,734,436	5,158,855	6,589,183	19,557,478	20,323,619
Total liabilities	<u>81,316,074</u>	<u>84,206,809</u>	<u>5,972,222</u>	<u>7,400,892</u>	<u>87,288,296</u>	<u>91,607,701</u>
Net assets:						
Invested in capital assets, net of related debt	180,128,561	157,564,195	121,094,906	112,913,342	301,223,467	270,477,537
Restricted	84,285,014	81,162,296	9,527,814	17,622,173	93,812,828	98,784,469
Unrestricted	8,499,742	36,525,206	35,330,465	31,027,488	43,830,207	67,552,694
Total net assets	<u>\$272,913,317</u>	<u>\$275,251,697</u>	<u>\$165,953,185</u>	<u>\$161,563,003</u>	<u>\$438,866,502</u>	<u>\$436,814,700</u>

At the end of the current fiscal year, the City is able to report positive balances in all three categories of net assets for the government as a whole, as well as for its separate governmental and business-type activities. The same was true for the prior fiscal year.

CITY OF SIMI VALLEY • MANAGEMENT DISCUSSION AND ANALYSIS

City of Simi Valley's Changes in Net Assets

	Governmental Activities		Business-Type Activities		Total	
	FY 2008-09	FY 2007-08	FY 2008-09	FY 2007-08	FY 2008-09	FY 2007-08
Revenues:						
Program Revenues:						
Charges for services	\$ 5,201,067	\$ 7,229,688	\$ 45,460,795	\$ 43,540,241	\$ 50,661,862	\$ 50,769,929
Operating grants and contributions	8,532,799	11,082,867	2,606,392	2,285,871	11,139,191	13,368,738
Capital grants and contributions	5,077,276	1,623,965	1,969,465	312,537	7,046,741	1,936,502
General Revenues:						
Property taxes & tax increment	45,727,325	44,481,495	-	-	45,727,325	44,481,495
Other taxes	22,572,193	24,946,720	-	-	22,572,193	24,946,720
Capital contributions	-	2,910,688	-	2,770,859	-	5,681,547
Interest on investments	3,894,585	5,382,599	1,956,342	2,598,413	5,850,927	7,981,012
Other	-	-	343,518	186,032	343,518	186,032
Total revenues	91,005,245	97,658,022	52,336,512	51,693,953	143,341,757	149,351,975
Expenses:						
General government	29,928,409	27,879,935	-	-	29,928,409	27,879,935
Community services	3,952,073	4,076,877	-	-	3,952,073	4,076,877
Planning	8,651,767	11,280,332	-	-	8,651,767	11,280,332
Public ways and facilities	15,937,820	17,130,014	-	-	15,937,820	17,130,014
Public safety	29,911,781	30,600,433	-	-	29,911,781	30,600,433
Interest on long-term debt	3,256,626	3,123,397	-	-	3,256,626	3,123,397
Indirect expense allocation	(6,035,600)	(5,443,000)	6,035,600	5,443,000	-	-
Sanitation	-	-	11,689,552	12,463,354	11,689,552	12,463,354
Water	-	-	26,760,562	25,562,587	26,760,562	25,562,587
Transit	-	-	5,211,906	5,261,144	5,211,906	5,261,144
Total expenses	85,602,876	88,647,988	49,697,620	48,730,085	135,300,496	137,378,073
Change in net assets before transfers	5,402,369	9,010,034	2,638,892	2,963,868	8,041,261	11,973,902
Transfers	(2,306,909)	(2,207,435)	2,306,909	2,207,435	-	-
Change in Net Assets	3,095,460	6,802,599	4,945,801	5,171,303	8,041,261	11,973,902
Net assets - beginning of the year, as restated	269,817,857	268,449,098	161,007,384	156,391,700	430,825,241	424,840,798
Net Assets - ending	\$272,913,317	\$275,251,697	\$165,953,185	\$161,563,003	\$438,866,502	\$436,814,700

During the current fiscal year City-wide revenues decreased by \$6.0 million, and expenses decreased by \$2.1 million as compared to the prior year. However, total net assets increased by \$8,041,261. This increase was primarily due to annual revenues, though declining in most areas, still continuing to outstrip annual expenses.

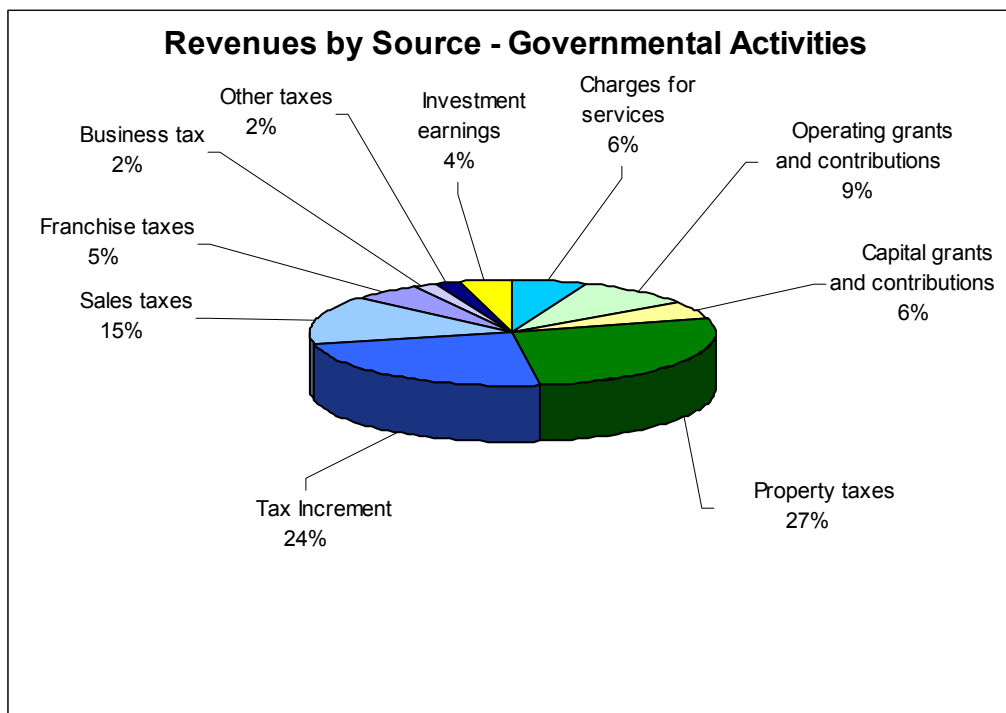
Governmental Activities. Governmental activities increased the City's net assets by \$3,095,460, accounting for 38.5% of the total growth in the net assets of the City.

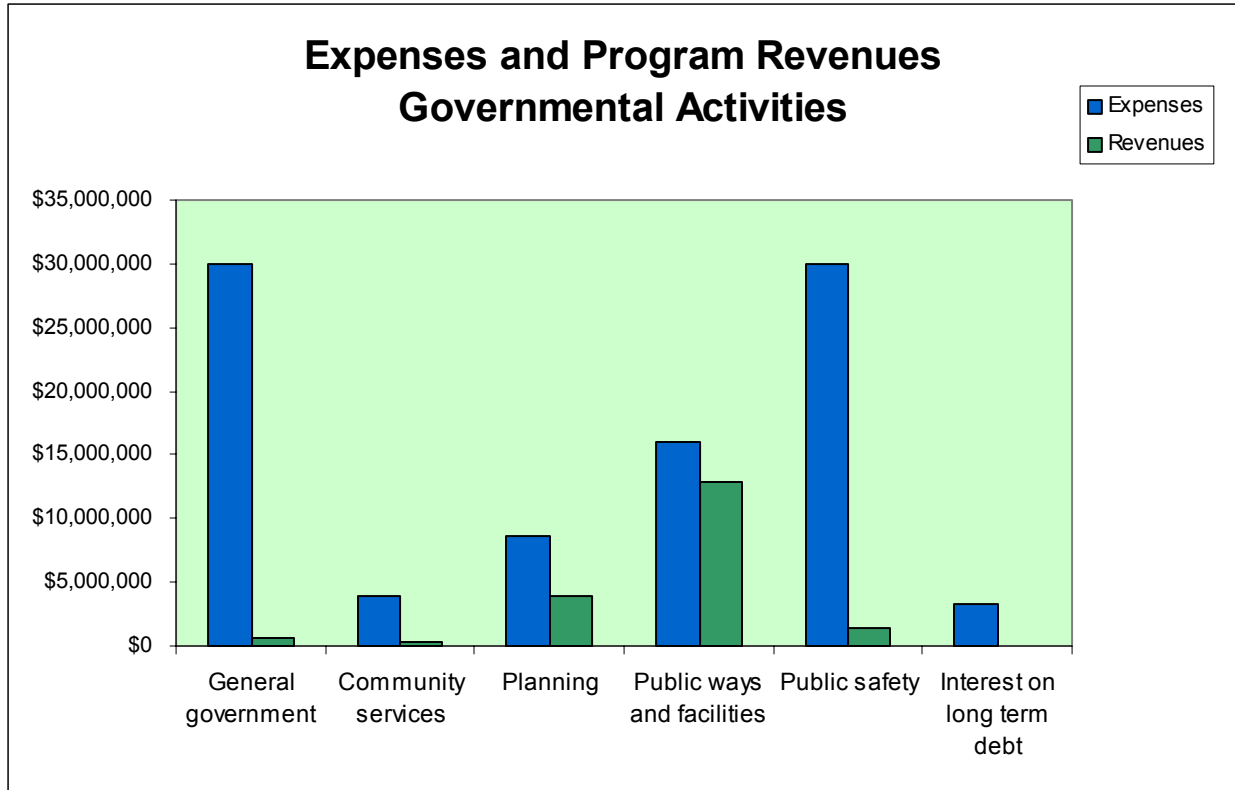
Governmental activities increased the City's net assets by \$3.1 million as compared to \$6.8 million in the prior year. All revenue categories posted decreases, except capital grants and contributions and property taxes.

CITY OF SIMI VALLEY • MANAGEMENT DISCUSSION AND ANALYSIS

Capital grants and contributions posted a significant increase of over \$5 million due to an increase in the number of street projects undertaken; \$1.5 million of this increase was a result of reclassifying developer-donated infrastructure from contributed capital, to capital grants and contributions. Property tax revenues posted a slight increase of 2.8% (\$1.2 million). However, the rate of increase in property tax revenues continued to slow down from 6.8% (\$2.8 million) in FY 2007-08 to 2.8% (\$1.2 million) in FY 2008-09. Service charges decreased slightly by 0.2% (\$0.1 million). Operating grants and contributions also decreased by 16.7% (\$2.2 million), as loan activity to low- and moderate-income families for first-time homebuyer and rehabilitation projects dropped off, reflecting the slowing economy, and the decline in the City's development activity, as the City moved towards build-out.

Expenses in all functional areas, except general government decreased, ranging from 2% to 7%. This across the board decrease in expenses was a result of the Internal Service Funds look-back adjustment of \$1.5 million. Planning expenses decreased more significantly, 23.3% (\$2.6 million), reflective of the economic downturn, and decreased development activity. General government expenses increased by 7.4% (\$2.1 million) primarily due to City-funded grants provided for façade renovations, and expenses incurred for the maintenance of computer hardware and software.





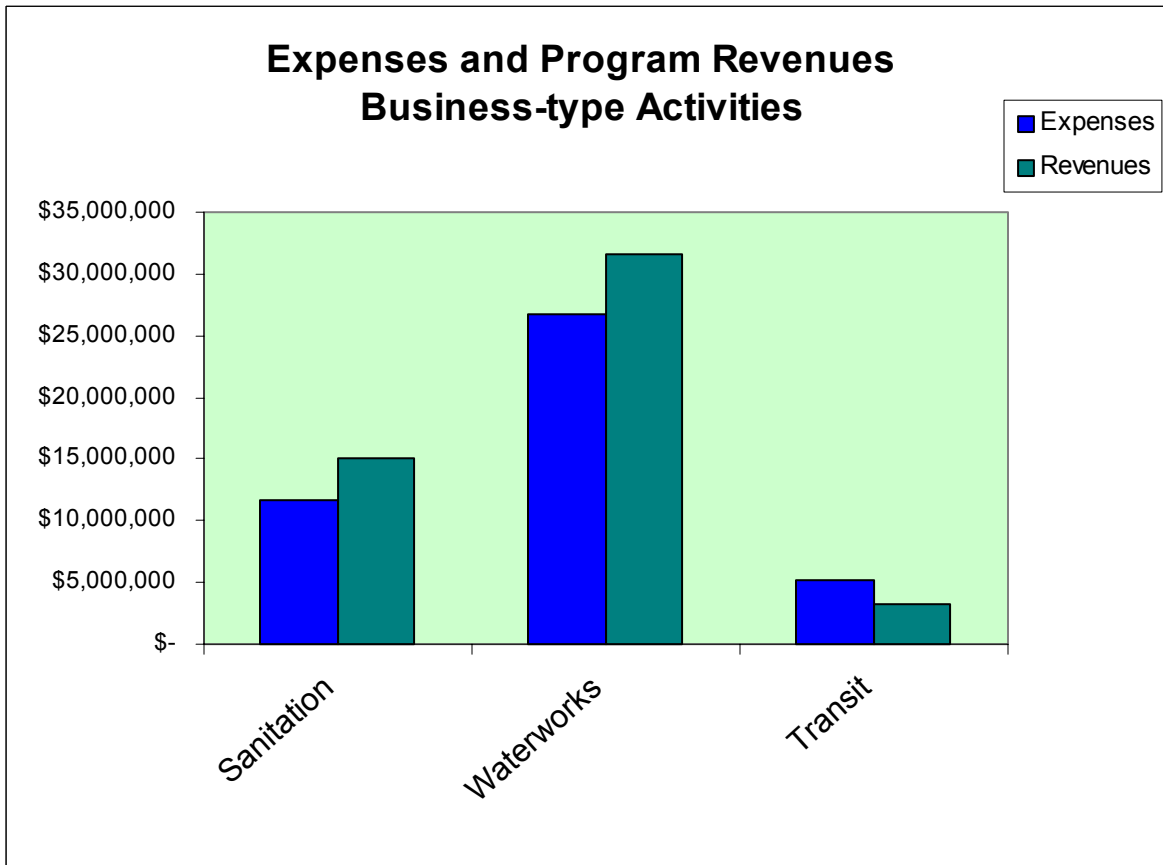
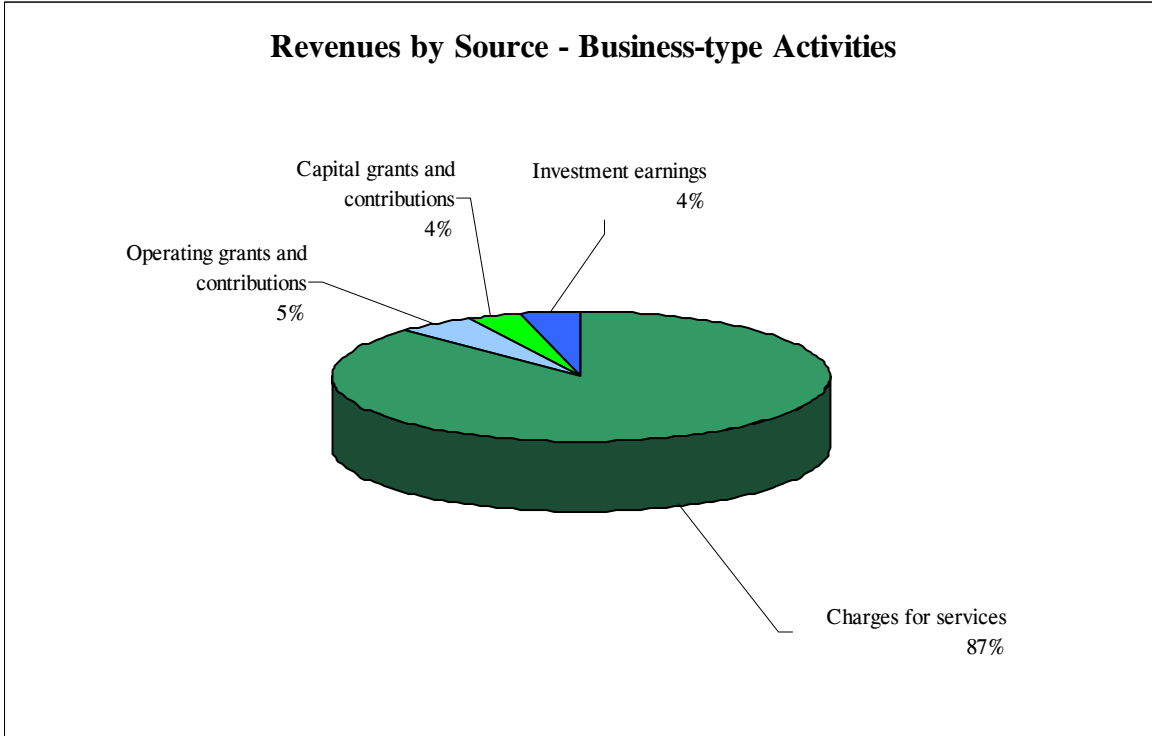
Business-type Activities. Business-type activities increased the City’s net assets by \$4,945,801, accounting for 60.1% of the total growth in the net assets of the City.

Business-type activities increased the City’s net assets by \$4.9 million as compared to \$5.2 million in the prior year. The key elements for the decrease in growth of net assets as compared to the prior year are as follows:

Investment earnings decreased by 24.7%, reflecting the current state of the economy. In addition, \$0.6 million in grant revenue received for the Northridge earthquake in prior years was re-allocated to governmental activities. These decreases were offset by increases in charges for services, and a slight increase in operating grants and contributions.

Overall expenses increased slightly by 2.0% as compared to prior fiscal year, with most of the increase in expenses occurring in the water enterprise fund. Key elements for this increase included an increase in annual maintenance costs based on cost allocation assessments, and unanticipated water leak costs.

The transit operation was primarily funded by General Fund subsidy and grants.



CITY OF SIMI VALLEY • MANAGEMENT DISCUSSION AND ANALYSIS

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. In particular, *unreserved fund balance* may serve as a useful measure of the City's net resources available for spending at the end of the fiscal year.

At the end of the current fiscal year, the City's governmental funds experienced combined ending fund balances of \$113,854,203, an increase of over \$5.0 million over the prior year. Slightly less than two-thirds of this total amount (\$69.5 million) constitutes *unreserved fund balance*, which is available to meet the City's current and future needs. A portion of the fund balance (\$44.4 million) is *reserved* to indicate that it is not available for new spending because it has already been committed for the following purposes: (1) to liquidate contracts and purchase orders of the prior period (\$1,456,056); (2) to pay debt service (\$7,307,804); and (3) for advances to other funds and loans receivable not due in the upcoming fiscal year (\$35,588,922).

The General fund is the chief operating fund of the City. At the end of the fiscal year, unreserved/undesignated fund balance of the General fund was \$8,250,539, while total fund balance was \$36,109,629. As a measure of the General fund's liquidity, it may be useful to compare both unreserved/undesignated fund balance and total fund balance to total fund expenditures. Unreserved/undesignated fund balance represents 13% of budgeted General fund expenditures, established as a *Prudent Reserve for Economic Uncertainty* by the City Council. Total fund balance represents 57% of budgeted General fund expenditures.

The fund balance of the City's General fund decreased by \$1,850,825 during the current fiscal year. The key factor of this decrease is the downturn in the economy. All revenue categories, except franchise taxes posted decreases. The most significant decrease being in sales tax, and other taxes. Franchise taxes increased by approximately \$1 million due to State law change, which transitioned cable franchises from local to State jurisdiction, mandating quarterly, instead of annual payments. In addition, the trash haulers rate increased from 5% to 8%. Expenditures decreased across most functional areas, which is indicative of City-staff's efforts to reduce expenditures wherever possible. However, transfers-out increased over the prior fiscal year, partially offsetting the revenue shortfall.

The net change in the fund balance of the Community Development Housing Administration fund was an increase of \$2,813,159. This increase resulted from higher set-aside revenue transfers from tax increment funds, but primarily from recording housing loans made in prior years that had not been recorded because repayment was far in the future, or dependent on residual receipts.

CITY OF SIMI VALLEY • MANAGEMENT DISCUSSION AND ANALYSIS

The fund balance of the Merged Tapo Canyon and West End Tax Increment fund decreased by \$71,642. This decrease was primarily due to funding projects in the redevelopment areas.

The HOME grant fund's net activity for the current fiscal year resulted in a small increase in fund balance of \$79,922. In addition, a prior period adjustment for unrecorded loans receivable restated the beginning fund balance with an increase of \$130,000.

The fund balance of the Development Related Fees fund decreased by \$268,014. Development related revenues are on the decline as the City moves towards build-out.

The Transportation Funds ended the fiscal year with a \$1,022,685 increase in fund balance due primarily to an advance from the State of California's Proposition 1B funding source for public works projects.

The fund balance of the Streets and Roads fund decreased by \$1,174,979. Budgeted projects in this fund are pre-funded with transfers from various funds. In addition, a significant portion of these expenditures is reimbursed by federal grants. In general, the decrease in fund balance represents projects completed in the current fiscal year under budget resulting in returns of pre-funded transfers to various funds.

The fund balance of the Public Facility Improvements fund posted a decrease of \$79,590. There was new revenue posted to this fund. However, expenditures for minor building improvements at the Senior Center facility were incurred.

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.

Unrestricted net assets of the Sanitation, Waterworks and Transit funds were \$17,732,550, \$16,868,820, and \$196,472, respectively. The growth in total net assets for Sanitation and Waterworks was \$1,575,802 and \$3,659,711, respectively, while Transit's net assets decreased by \$624,506. Other factors concerning the finances of these funds have already been addressed in the discussion of Business-type activities on page 10.

General Fund Budgetary Highlights

The difference between the General fund original expenditure budget and the final amended expenditure budget was \$.1 million and can be briefly summarized as follows:

- \$1.4 million was appropriated for an increase in Police overtime for a sobriety checkpoint grant, a homeland security grant, a county grant, and salary adjustments for sworn police officers.
- \$0.5 million in additional increases were appropriated for prior year commitments that were carried forward across all City departments. These consisted of approved

CITY OF SIMI VALLEY • MANAGEMENT DISCUSSION AND ANALYSIS

expenditure increases in various categories and were offset by available fund balance. This amount was not included in the original adopted budget.

- \$1.8 million in additional increases were also appropriated in reimbursements, resulting from an update of the Cost Allocation Plan.

Actual expenditures were \$2.9 million less than the General fund final amended expenditure budget. The significant variances are summarized below:

- \$1.4 million of under-expenditures were in personnel costs due to vacancies, particularly in the areas of Public ways and facilities, Planning and Community services, and Police. All authorized positions were budgeted; however, several positions were not filled during the current fiscal year.
- \$1.9 million of savings were achieved in the Current Expenses category (\$1.3 million in the Services category and \$0.6 million in the Supplies and Materials category).
- \$0.4 million of savings were achieved in the Transfers category. The required transfer to fund the Transit operation was lower than anticipated.

Revenues were down by 8.4% with the sales taxes category representing the largest decrease of 5.1% of the total General Fund revenue categories.

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, 2009, amounts to \$331,537,853 (net of accumulated depreciation). This is a decrease of \$3,849,947 as compared to 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:

- \$11.1 million in street projects were completed.
- \$1.5 million in streets, and \$.5 million in water and sewer lines were donated by developers for projects completed and accepted by the City.
- \$8.9 million in street project expenses were incurred for projects in progress during the year.
- The Regional Mall project was completed and capitalized at \$19.3 million.

CITY OF SIMI VALLEY • MANAGEMENT DISCUSSION AND ANALYSIS

Additional information on the City’s capital assets can be found in note III D on pages 52-53.

**City of Simi Valley’s Capital Assets
(net of depreciation)**

	Governmental Activities		Business-Type Activities		Total	
	FY 2008-09	FY 2007-08	FY 2008-09	FY 2007-08	FY 2008-09	FY 2007-08
Land	\$ 11,737,857	\$ 6,137,087	\$ 1,216,994	\$ 1,216,994	\$ 12,954,851	\$ 7,354,081
Buildings	27,429,887	28,492,131	7,302,682	7,581,694	34,732,569	36,073,825
Furnishings and equipment	5,696,009	6,159,097	1,571,750	1,871,576	7,267,759	8,030,673
Computers	1,437,387	1,360,490	-	-	1,437,387	1,360,490
Vehicles	1,433,315	1,565,146	2,397,415	2,655,168	3,830,730	4,220,314
Infrastructure	150,696,914	137,360,988	89,951,508	89,656,550	240,648,422	227,017,538
Intangibles	3,870,831	4,241,097	-	-	3,870,831	4,241,097
Construction in progress	8,140,747	37,158,422	18,654,557	9,931,360	26,795,304	47,089,782
Total	\$ 210,442,947	\$ 222,474,458	\$ 121,094,906	\$ 112,913,342	\$ 331,537,853	\$ 335,387,800

Long-term debt. At the end of the current fiscal year, the City had total bonded debt outstanding of \$58,090,264. This entire amount represents bonds secured solely by specified revenue sources (i.e., revenue bonds).

City of Simi Valley’s Outstanding Bonded Debt

	Governmental Activities	
	FY 2008-09	FY 2007-08
1995 SVPFA variable rate lease revenue bonds	\$ 5,470,000	\$ 6,095,000
2003 tax allocation bonds	27,840,000	28,590,000
2004 certificates of participation	24,520,000	25,015,000
Less deferred amounts	260,264	260,975
Total	\$ 58,090,264	\$ 59,960,975

The City’s bonded debt decreased by \$1,870,711 (3.2%) during the current fiscal year as a result of scheduled debt service payments.

The City maintains an “A+” rating on two bond issues, and an “A” rating on one bond issue from Standard & Poor’s and has no outstanding general obligation debt at this time.

Additional information on the City’s long-term debt can be found in note III G on pages 56 – 59.

Economic Factors and Next Year’s Budgets and Rates

- After several years of strong growth, General Fund revenues decreased in FY 2007-08, by 2.8%, and continued to decrease in FY 2008-09 by 8.4%. Current national economic conditions suggest that a double-dip recession, or a very slow recovery

CITY OF SIMI VALLEY • MANAGEMENT DISCUSSION AND ANALYSIS

remains possible. Household spending has continued to show signs of stabilizing but remains constrained by ongoing job losses, sluggish income growth, lower housing wealth, and tight credit. General Fund revenues are expected to again decrease in FY 2009-10 followed by modest increases in the subsequent two years.

- Development activity decreased significantly in FY 2008-09 as compared to the prior year due to economic conditions and the City being closer to build-out capacity, and is expected to remain at the current level for the next fiscal year.
- Property tax growth has slowed down in FYs 07-08, and 08-09, and the trend is expected to continue. This decrease is primarily due to assessment value appeals and subsequent reductions affecting several major property holdings in the City.
- Sales and Use tax receipts declined in FY 2008-09 and are expected to continue to decline throughout FY 2009-10. Retail sales remain sluggish. The City's unemployment rate is currently at 8.5%.
- Water rates were increased by 19.8% on January 1, 2009, and are expected to increase in the next calendar year from 6% to 25%, depending on water usage. These increases are primarily a result of increases in the cost of water purchased from Calleguas Municipal Water District. Water rates throughout the region have increased dramatically due to the water supply shortage and the high cost of water from additional sources. There was no increase to sewer rates during this fiscal year. However, it is anticipated that sewer rates will increase in the next fiscal year to help alleviate a potential shortfall in the Sanitation fund balance. These increases will enable the enterprises to maintain adequate cash reserves, fund the replacement of existing facilities and equipment, and construct new facilities.

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, CA 93063.

Basic Financial Statements

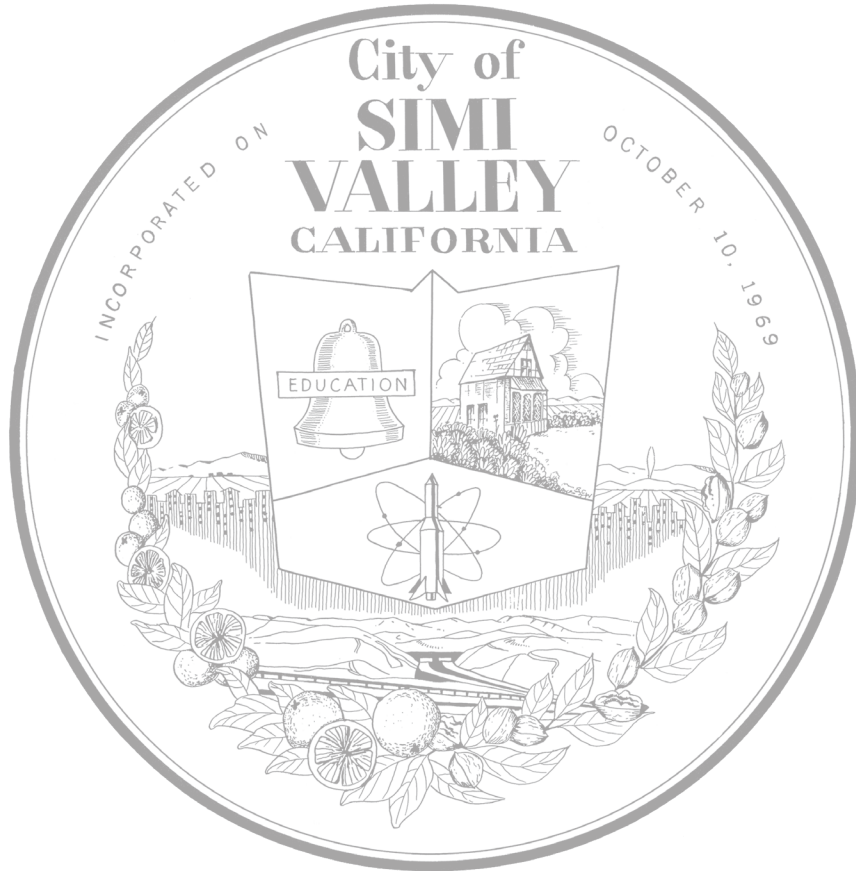
Government-Wide Financial Statements



CITY OF SIMI VALLEY
STATEMENT OF NET ASSETS
JUNE 30, 2009

	Governmental Activities	Business-Type Activities	Total
<u>ASSETS</u>			
Current assets:			
Cash and investments (note III A)	\$ 108,485,591	\$ 30,352,024	\$ 138,837,615
Accounts receivable (net of allowance for uncollectibles) (note III C)	1,104,265	6,055,543	7,159,808
Taxes receivable	4,055,104	325,525	4,380,629
Grants receivable	468,220	2,888,802	3,357,022
Interest receivable	544,800	238,674	783,474
Internal balances (note I D 2)	1,432,137	(1,432,137)	-
Inventories	-	1,166,223	1,166,223
Property held for resale	567,669	-	567,669
Restricted cash and investments (note III A):			
Customer deposits	-	863,677	863,677
Debt service	5,866,407	-	5,866,407
Connection fees	-	10,372,170	10,372,170
Total current assets	<u>122,524,193</u>	<u>50,830,501</u>	<u>173,354,694</u>
Noncurrent assets:			
Loans receivable (note III B)	19,986,920	-	19,986,920
Deferred charges	1,275,331	-	1,275,331
Capital assets (note III D):			
Capital assets not being depreciated	19,878,604	19,871,551	39,750,155
Capital assets being depreciated, net	<u>190,564,343</u>	<u>101,223,355</u>	<u>291,787,698</u>
Total noncurrent assets	<u>231,705,198</u>	<u>121,094,906</u>	<u>352,800,104</u>
Total assets	<u>354,229,391</u>	<u>171,925,407</u>	<u>526,154,798</u>
<u>LIABILITIES</u>			
Current liabilities:			
Accounts payable	2,543,953	2,969,449	5,513,402
Salaries and benefits payable	2,425,327	297,200	2,722,527
Accrued interest payable	922,314	-	922,314
Deposits	376,974	-	376,974
Liabilities payable from restricted assets	-	1,708,033	1,708,033
Unearned revenues	2,754,040	-	2,754,040
Current portion of long-term obligations	5,339,615	90,373	5,429,988
Remediation obligation (note III G)	<u>36,400</u>	<u>93,800</u>	<u>130,200</u>
Total current liabilities	<u>14,398,623</u>	<u>5,158,855</u>	<u>19,557,478</u>
Noncurrent liabilities (note III G):			
Noncurrent portion of long-term obligations	<u>66,917,451</u>	<u>813,367</u>	<u>67,730,818</u>
Total liabilities	<u>81,316,074</u>	<u>5,972,222</u>	<u>87,288,296</u>
<u>NET ASSETS</u>			
Invested in capital assets, net of related debt	180,128,561	121,094,906	301,223,467
Restricted for:			
Capital projects	35,738,869	-	35,738,869
Debt service	7,307,804	-	7,307,804
Community development	40,504,765	-	40,504,765
Other purposes	733,576	-	733,576
Sewer connection fees and water capital improvement charges	-	9,527,814	9,527,814
Unrestricted	<u>8,499,742</u>	<u>35,330,465</u>	<u>43,830,207</u>
Total net assets	<u>\$ 272,913,317</u>	<u>\$ 165,953,185</u>	<u>\$ 438,866,502</u>

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



**CITY OF SIMI VALLEY
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

				Program Revenues	
<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	\$ 29,928,409	\$ (8,019,592)	\$ 21,908,817	\$ 438,812	\$ 146,185
Community services (CS)	3,952,073	-	3,952,073	150,084	143,745
Planning (ES)	8,651,767	969,940	9,621,707	1,885,710	1,745,485
Public ways and facilities (PW)	15,937,820	1,014,052	16,951,872	1,811,768	5,982,073
Public safety (PD)	29,911,781	-	29,911,781	914,693	515,311
Interest on long term debt	3,256,626	-	3,256,626	-	-
Total governmental activities	91,638,476	(6,035,600)	85,602,876	5,201,067	8,532,799
Business-type activities:					
Sanitation	11,689,552	2,639,600	14,329,152	14,780,226	-
Waterworks District No. 8	26,760,562	2,139,400	28,899,962	30,138,375	65,000
Transit	5,211,906	1,256,600	6,468,506	542,194	2,541,392
Total business-type activities	43,662,020	6,035,600	49,697,620	45,460,795	2,606,392
Total primary government	\$ 135,300,496	\$ -	\$ 135,300,496	\$ 50,661,862	\$ 11,139,191

General revenues:

- Property taxes
- Tax increment
- Sales taxes
- Motor fuel tax
- Franchise taxes
- Business tax
- Other taxes
- Investment earnings
- Miscellaneous

Transfers

Total general revenues, contributions and transfers

Change in net assets

Net assets-beginning

Prior period adjustment (note IV F)

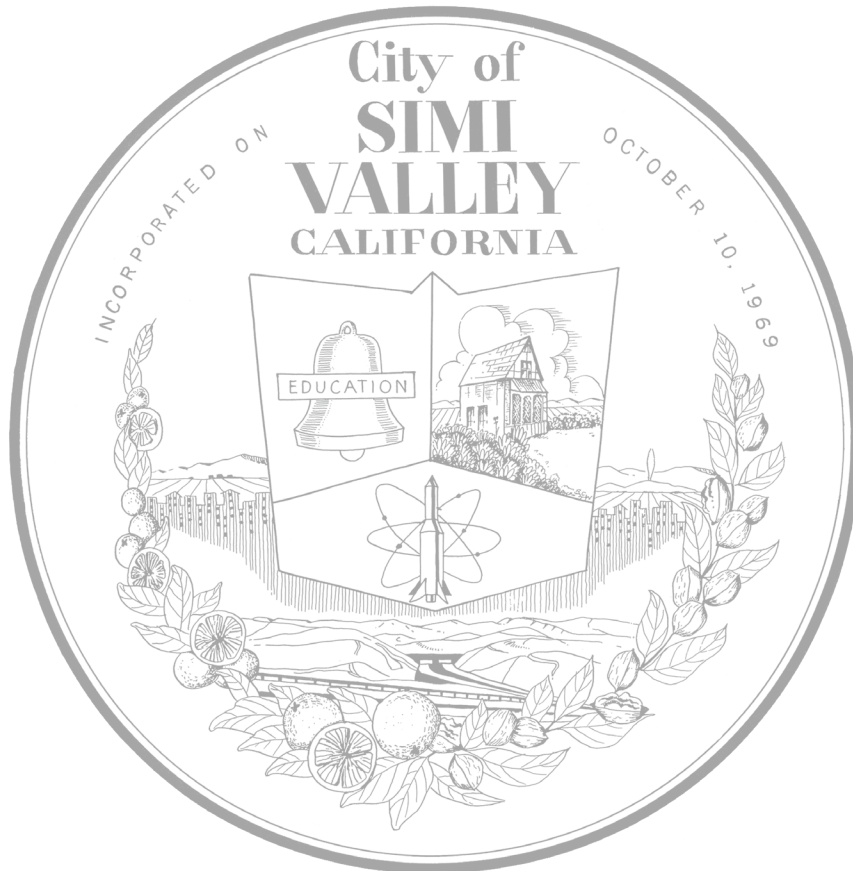
Net assets-beginning, as restated

Net assets-ending

**CITY OF SIMI VALLEY
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

Program Revenues	Net (Expense) Revenue and Changes in Net Assets			Total	
	Capital Grants and Contributions	Primary Government			
	Governmental Activities	Business-type Activities			
\$ -	\$ (21,323,820)	\$ -	\$ (21,323,820)		Primary government:
-	(3,658,244)	-	(3,658,244)		Governmental activities:
-	(5,990,512)	-	(5,990,512)		General government
5,077,276	(4,080,755)	-	(4,080,755)		Community services (CS)
-	(28,481,777)	-	(28,481,777)		Planning (ES)
-	(3,256,626)	-	(3,256,626)		Public ways and facilities (PW)
					Public safety (PD)
					Interest on long term debt
5,077,276	(66,791,734)	-	(66,791,734)		Total governmental activities
339,937	-	791,011	791,011		Business-type activities:
1,433,422	-	2,736,835	2,736,835		Sanitation
196,106	-	(3,188,814)	(3,188,814)		Waterworks District No. 8
					Transit
1,969,465	-	339,032	339,032		Total business-type activities
<u>\$ 7,046,741</u>	<u>(66,791,734)</u>	<u>339,032</u>	<u>(66,452,702)</u>		Total primary government
	24,367,498	-	24,367,498		General revenues:
	21,359,827	-	21,359,827		Property taxes
	13,955,998	-	13,955,998		Tax increment
	427,121	-	427,121		Sales taxes
	4,756,938	-	4,756,938		Motor fuel tax
	1,698,692	-	1,698,692		Franchise taxes
	1,733,444	-	1,733,444		Business tax
	3,894,585	1,956,342	5,850,927		Other taxes
	-	343,518	343,518		Investment earnings
	(2,306,909)	2,306,909	-		Miscellaneous
	69,887,194	4,606,769	74,493,963		Transfers
	3,095,460	4,945,801	8,041,261		Total general revenues, contributions and transfers
	275,251,697	161,563,003	436,814,700		Change in net assets
	(5,433,840)	(555,619)	(5,989,459)		Net assets-beginning
	269,817,857	161,007,384	430,825,241		Prior period adjustment (note IV F)
					Net assets-beginning, as restated
<u>\$ 272,913,317</u>	<u>\$ 165,953,185</u>	<u>\$ 438,866,502</u>			Net assets-ending

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



Fund Financial Statements



**CITY OF SIMI VALLEY
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2009**

	Special Revenue				
	General	Community Development Agency Housing Administration	Merged Tapo Canyon & West End Tax Increment	HOME Grant	Development Related Fees
ASSETS					
Cash and investments:					
Held by city	\$ 17,521,898	\$ 14,320,050	\$ 356,184	\$ 387,949	\$ 21,528,645
Held by bond trustee	-	-	-	-	-
Accounts receivable (net of allowance for uncollectibles) (note III C)	781,657	46,902	52,511	-	-
Taxes receivable	3,847,224	20,565	82,261	-	-
Grants receivable	-	-	-	-	-
Interest receivable	160,707	71,032	5,189	257	95,772
Due from other funds (note III F)	2,003,185	25,151	-	-	-
Loans receivable (note III B)	383,807	15,614,619	-	2,859,857	526,909
Advances to other funds (note III F)	15,995,918	-	-	-	-
Property held for resale	-	567,669	-	-	-
TOTAL ASSETS	\$ 40,694,396	\$ 30,665,988	\$ 496,145	\$ 3,248,063	\$ 22,151,326
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts payable	\$ 999,450	\$ 163,325	\$ 496,145	\$ -	\$ 18,287
Salaries and benefits payable	2,359,120	24,728	-	-	-
Due to other funds (note III F)	-	-	-	25,151	-
Advances from other funds (note III F)	-	-	10,412,635	-	-
Deposits	358,434	18,540	-	-	-
Deferred revenues	867,763	-	-	2,859,857	-
TOTAL LIABILITIES	4,584,767	206,593	10,908,780	2,885,008	18,287
FUND BALANCES					
Reserved (note III H)	16,947,665	16,182,288	-	-	603,084
Unreserved (note III H):					
General fund	10,911,425	-	-	-	-
Special revenue funds	-	14,277,107	-	363,055	21,529,955
Capital projects funds	-	-	-	-	-
Undesignated (note III H):					
General fund	8,250,539	-	-	-	-
Special revenue funds	-	-	(10,412,635)	-	-
Capital projects funds	-	-	-	-	-
TOTAL FUND BALANCES (DEFICITS)	36,109,629	30,459,395	(10,412,635)	363,055	22,133,039
TOTAL LIABILITIES AND FUND BALANCES	\$ 40,694,396	\$ 30,665,988	\$ 496,145	\$ 3,248,063	\$ 22,151,326

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

**CITY OF SIMI VALLEY
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2009**

<u>Special Revenue</u>	<u>Capital Projects</u>					
<u>Transportation Funds</u>	<u>Streets & Roads</u>	<u>Public Facility Improvements</u>	<u>Nonmajor Governmental</u>	<u>Total Governmental Funds</u>		
						<u>ASSETS</u>
						Cash and investments:
\$ 3,500,551	\$ 3,036,510	\$ 8,410,589	\$ 17,840,491	\$ 86,902,867		Held by city
-	-	-	5,866,407	5,866,407		Held by bond trustee
-	162,875	-	60,320	1,104,265		Accounts receivable (net of allowance for uncollectibles) (note III C)
-	-	-	105,054	4,055,104		Taxes receivable
253,539	17,576	-	197,105	468,220		Grants receivable
14,808	-	27,450	78,211	453,426		Interest receivable
-	-	-	-	2,028,336		Due from other funds (note III F)
-	-	-	601,728	19,986,920		Loans receivable (note III B)
-	-	-	2,500,000	18,495,918		Advances to other funds (note III F)
-	-	-	-	567,669		Property held for resale
<u>\$ 3,768,898</u>	<u>\$ 3,216,961</u>	<u>\$ 8,438,039</u>	<u>\$ 27,249,316</u>	<u>\$ 139,929,132</u>		TOTAL ASSETS
						LIABILITIES AND FUND BALANCES
						<u>LIABILITIES</u>
\$ -	\$ 68,585	\$ 29,011	\$ 597,762	\$ 2,372,565		Accounts payable
-	-	-	33,525	2,417,373		Salaries and benefits payable
-	-	-	38,425	63,576		Due to other funds (note III F)
-	-	3,348,380	46,903	13,807,918		Advances from other funds (note III F)
-	-	-	-	376,974		Deposits
2,689,599	17,576	-	601,728	7,036,523		Deferred revenues
<u>2,689,599</u>	<u>86,161</u>	<u>3,377,391</u>	<u>1,318,343</u>	<u>26,074,929</u>		TOTAL LIABILITIES
						<u>FUND BALANCES</u>
-	212,279	109,764	10,297,703	44,352,783		Reserved (note III H)
						Unreserved (note III H):
-	-	-	-	10,911,425		General fund
1,079,299	-	-	7,164,104	44,413,520		Special revenue funds
-	2,918,521	4,950,884	6,486,903	14,356,308		Capital projects funds
						Undesignated (note III H):
-	-	-	-	8,250,539		General fund
-	-	-	1,982,263	(8,430,372)		Special revenue funds
-	-	-	-	-		Capital projects funds
<u>1,079,299</u>	<u>3,130,800</u>	<u>5,060,648</u>	<u>25,930,973</u>	<u>113,854,203</u>		TOTAL FUND BALANCES (DEFICITS)
<u>\$ 3,768,898</u>	<u>\$ 3,216,961</u>	<u>\$ 8,438,039</u>	<u>\$ 27,249,316</u>	<u>\$ 139,929,132</u>		TOTAL LIABILITIES AND FUND BALANCES

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

CITY OF SIMI VALLEY
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET ASSETS - GOVERNMENTAL ACTIVITIES
JUNE 30, 2009

Fund balances - total governmental funds \$ 113,854,203

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

Capital assets in governmental activities are not financial resources and, therefore, are not reported in the governmental funds (note III D). 210,442,947

Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds:
 Unamortized bond issuance costs 1,275,331

Internal service funds are used by management to charge the costs of workers' compensation and general liability. The assets and liabilities are included in governmental activities in the statement of net assets. 7,600,167

Some liabilities are not due and payable in the current period and therefore are not reported in the funds:

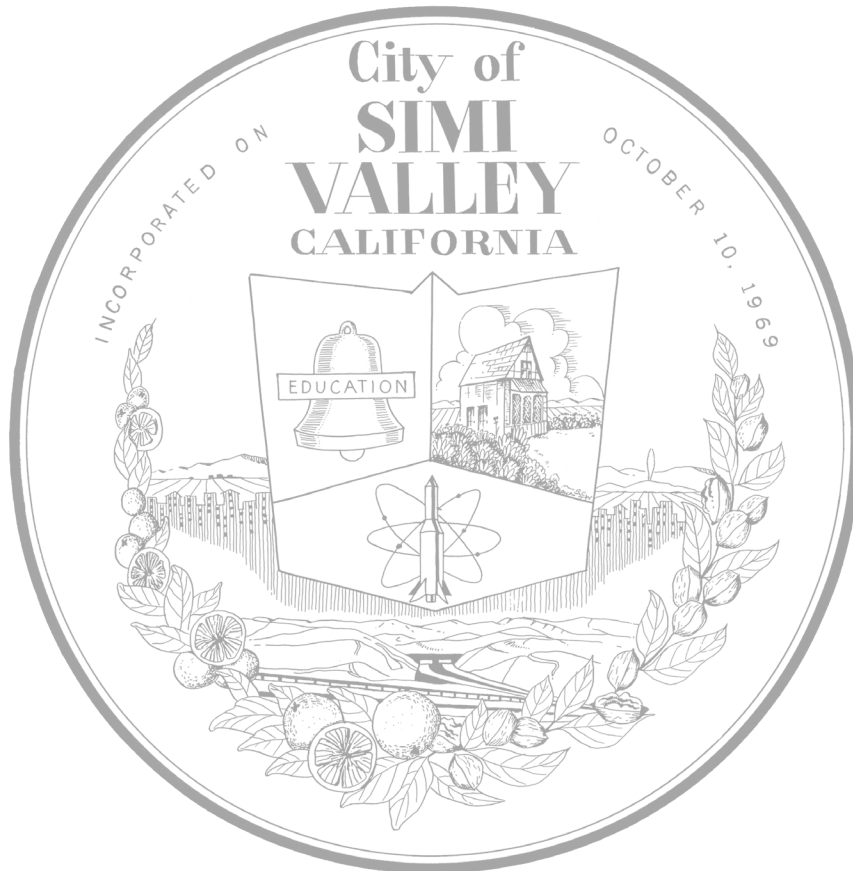
Accrued interest payable	(922,314)	
Remediation obligation	<u>(36,400)</u>	(958,714)

Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds:

Deferred revenue adjustment for loans receivable	\$ 4,282,483	
Compensated absences payable	(5,010,792)	
OPEB obligation	(482,044)	
1995 Lease revenue bonds	(5,470,000)	
2003 Tax allocation bonds	(27,840,000)	
2004 Certificates of participation	(24,520,000)	
Unamortized bond premium	(677,270)	
Unamortized bond payable deferred on refunding	<u>417,006</u>	<u>(59,300,617)</u>

Net assets of governmental activities \$ 272,913,317

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



**CITY OF SIMI VALLEY
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

	Special Revenue				
	General	Community Development Agency Housing Administration	Merged Tapo Canyon & West End Tax Increment	HOME Grant	Development Related Fees
REVENUES					
Taxes	\$ 44,179,158	\$ -	\$ -	\$ -	\$ -
Tax increment revenues	-	-	21,281,921	-	-
Licenses and permits	1,229,773	-	-	-	-
Fines and forfeitures	644,896	-	-	-	-
Use of money and property	1,860,566	718,869	89,381	88,618	710,352
From other governments	684,113	-	-	-	-
Grants	217,728	-	-	-	-
Service charges	1,438,870	9,641	-	-	29,203
Other revenues	726,313	35,006	29,351	-	61,215
Total revenues	<u>50,981,417</u>	<u>763,516</u>	<u>21,400,653</u>	<u>88,618</u>	<u>800,770</u>
EXPENDITURES					
Current:					
General government	1,272,464	722,233	202,843	-	78,400
Community services (CS)	3,986,859	-	-	-	-
Planning (ES)	6,210,054	1,485,789	-	8,696	39,061
Public ways and facilities (PW)	13,227,250	-	-	-	-
Public safety (PD)	29,329,803	-	-	-	-
Total current expenditures	<u>54,026,430</u>	<u>2,208,022</u>	<u>202,843</u>	<u>8,696</u>	<u>117,461</u>
Capital outlay:					
Streets and roads	-	-	-	-	-
Other capital projects	-	-	-	-	-
Total capital outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Debt service:					
Principal	-	-	-	-	-
Interest	-	-	491,703	-	-
Other	-	-	-	-	-
Total debt service	<u>-</u>	<u>-</u>	<u>491,703</u>	<u>-</u>	<u>-</u>
Intergovernmental	-	-	7,170,595	-	-
Total expenditures	<u>54,026,430</u>	<u>2,208,022</u>	<u>7,865,141</u>	<u>8,696</u>	<u>117,461</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(3,045,013)</u>	<u>(1,444,506)</u>	<u>13,535,512</u>	<u>79,922</u>	<u>683,309</u>
OTHER FINANCING SOURCES (USES)					
Transfers in (note III F)	7,690,859	4,271,965	-	-	800,000
Transfers out (note III F)	(6,496,671)	(14,300)	(13,607,154)	-	(1,751,323)
Total other financing sources (uses)	<u>1,194,188</u>	<u>4,257,665</u>	<u>(13,607,154)</u>	<u>-</u>	<u>(951,323)</u>
NET CHANGE IN FUND BALANCES	<u>(1,850,825)</u>	<u>2,813,159</u>	<u>(71,642)</u>	<u>79,922</u>	<u>(268,014)</u>
FUND BALANCES (DEFICITS)-BEGINNING	37,404,835	23,978,536	(10,340,993)	153,133	22,401,053
PRIOR PERIOD ADJUSTMENTS (note IV F)	555,619	3,667,700	-	130,000	-
FUND BALANCES (DEFICITS)-BEGINNING, AS RESTATED	<u>37,960,454</u>	<u>27,646,236</u>	<u>(10,340,993)</u>	<u>283,133</u>	<u>22,401,053</u>
FUND BALANCES (DEFICITS)-ENDING	<u>\$ 36,109,629</u>	<u>\$ 30,459,395</u>	<u>\$ (10,412,635)</u>	<u>\$ 363,055</u>	<u>\$ 22,133,039</u>

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

**CITY OF SIMI VALLEY
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

<u>Special Revenue</u>		<u>Capital Projects</u>				
<u>Transportation Funds</u>	<u>Streets & Roads</u>	<u>Public Facility Improvements</u>	<u>Nonmajor Governmental</u>	<u>Total Governmental Funds</u>		
						REVENUES
\$ -	\$ -	\$ -	\$ 2,456,741	\$ 46,635,899		Taxes
-	-	-	77,906	21,359,827		Tax increment revenues
-	-	-	-	1,229,773		Licenses and permits
-	-	-	-	644,896		Fines and forfeitures
118,658	-	-	706,837	4,293,281		Use of money and property
6,140,781	-	-	2,089,303	8,914,197		From other governments
-	1,197,119	-	1,437,978	2,852,825		Grants
-	-	-	833,303	2,311,017		Service charges
-	-	-	163,496	1,015,381		Other revenues
6,259,439	1,197,119	-	7,765,564	89,257,096		Total revenues
						EXPENDITURES
						Current:
-	-	-	2,837,761	5,113,701		General government
-	-	-	-	3,986,859		Community services (CS)
-	-	-	1,993,657	9,737,257		Planning (ES)
23,835	-	-	3,237,633	16,488,718		Public ways and facilities (PW)
-	-	-	872,303	30,202,106		Public safety (PD)
23,835	-	-	8,941,354	65,528,641		Total current expenditures
						Capital outlay:
-	6,291,010	-	-	6,291,010		Streets and roads
-	-	86,190	1,968,526	2,054,716		Other capital projects
-	6,291,010	86,190	1,968,526	8,345,726		Total capital outlay
						Debt service:
-	-	-	1,870,000	1,870,000		Principal
-	-	-	2,825,279	3,316,982		Interest
-	-	-	14,569	14,569		Other
-	-	-	4,709,848	5,201,551		Total debt service
						Intergovernmental
-	-	-	28,395	7,198,990		Total expenditures
23,835	6,291,010	86,190	15,648,123	86,274,908		
6,235,604	(5,093,891)	(86,190)	(7,882,559)	2,982,188		EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES
						OTHER FINANCING SOURCES (USES)
-	6,749,324	6,600	11,012,787	30,531,535		Transfers in (note III F)
(5,212,919)	(2,830,412)	-	(2,919,565)	(32,832,344)		Transfers out (note III F)
(5,212,919)	3,918,912	6,600	8,093,222	(2,300,809)		Total other financing sources (uses)
1,022,685	(1,174,979)	(79,590)	210,663	681,379		NET CHANGE IN FUND BALANCES
56,614	4,305,779	5,140,238	25,720,310	108,819,505		FUND BALANCES (DEFICITS)-BEGINNING
-	-	-	-	4,353,319		PRIOR PERIOD ADJUSTMENTS (note IV F)
56,614	4,305,779	5,140,238	25,720,310	113,172,824		FUND BALANCES (DEFICITS)-BEGINNING, AS RESTATED
\$ 1,079,299	\$ 3,130,800	\$ 5,060,648	\$ 25,930,973	\$ 113,854,203		FUND BALANCES (DEFICITS)-ENDING

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

**CITY OF SIMI VALLEY
RECONCILIATION OF THE STATEMENT OF REVENUES
EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL
FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

Net change in fund balances - total governmental funds \$ 681,379

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

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

Infrastructure contributed by developers	\$ 1,465,009	
Capital outlay	7,542,639	
Depreciation expense	<u>(9,734,568)</u>	(726,920)

Repayment of long-term debt is an expenditure in the governmental funds, but reduces long-term liabilities in the statement of net assets.

Principal payments:		
Tax allocation bonds	750,000	
Lease revenue bonds	625,000	
Certificates of participation	<u>495,000</u>	1,870,000

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

Triple Flip repayment by the State	(123,331)	
Net debt service interest accrual	26,870	
Amortization of bond issuance costs	(55,325)	
Amortization of deferral on refunding	(28,482)	
Amortized premium on bonds	29,194	
Compensated absences (net)	(70,844)	
Remediation obligation	(36,400)	
Unfunded OPEB liability	<u>(482,044)</u>	(740,362)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. (195,368)

Internal service funds are used by the City to account for liability and workers' compensation insurance. The net expense of these funds is reported with governmental activities.

2,206,731

Change in net assets of governmental activities \$ 3,095,460

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

**CITY OF SIMI VALLEY
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

	<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	\$ 17,586,300	\$ 15,566,100	\$ 14,079,329	\$ (1,486,771)
Property	22,764,000	21,495,600	21,962,727	467,127
Franchise	3,779,500	4,732,300	4,704,968	(27,332)
Business and other	4,191,400	4,191,400	3,432,133	(759,267)
Licenses and permits	1,871,600	1,871,600	1,229,773	(641,827)
From other governments	892,200	631,200	684,113	52,913
Grants	155,400	180,400	217,729	37,329
Service charges	1,498,600	1,498,600	1,438,870	(59,730)
Fines and forfeitures	594,200	594,200	644,896	50,696
Use of money and property	2,621,200	2,171,200	1,860,566	(310,634)
Other revenues	975,300	1,071,600	726,313	(345,287)
Total revenues	<u>56,929,700</u>	<u>54,004,200</u>	<u>50,981,417</u>	<u>(3,022,783)</u>
<u>EXPENDITURES</u>				
Current:				
City administration	3,217,000	3,280,100	3,225,026	55,074
Attorney	1,037,300	991,900	1,065,523	(73,623)
Administrative services and city-wide support (AS)*	425,100	(1,469,900)	(3,018,085)	1,548,185
Community services (CS)	4,172,500	4,125,400	3,986,859	138,541
Planning (ES)	6,149,900	6,714,300	6,210,054	504,246
Public ways and facilities (PW)	13,379,000	13,463,200	13,227,250	235,950
Public safety (PD)	28,084,500	29,436,888	29,329,803	107,085
Total expenditures	<u>56,465,300</u>	<u>56,541,888</u>	<u>54,026,430</u>	<u>2,515,458</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>464,400</u>	<u>(2,537,688)</u>	<u>(3,045,013)</u>	<u>(507,325)</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers in	7,431,100	8,209,488	7,690,859	(518,629)
Transfers out	(7,030,900)	(6,923,800)	(6,496,671)	427,129
Total other financing sources (uses)	<u>400,200</u>	<u>1,285,688</u>	<u>1,194,188</u>	<u>(91,500)</u>
NET CHANGE IN FUND BALANCE	864,600	(1,252,000)	(1,850,825)	(598,825)
FUND BALANCES (DEFICITS)-BEGINNING	37,404,835	37,404,835	37,404,835	-
PRIOR PERIOD ADJUSTMENT (note IV F)	555,169	555,169	555,619	-
FUND BALANCES (DEFICITS)-BEGINNING, AS RESTATED	<u>37,960,004</u>	<u>37,960,004</u>	<u>37,960,454</u>	<u>-</u>
FUND BALANCES (DEFICITS)-ENDING	<u>\$ 38,824,604</u>	<u>\$ 36,708,004</u>	<u>\$ 36,109,629</u>	<u>\$ (598,825)</u>

*net of reimbursements

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

**CITY OF SIMI VALLEY
COMMUNITY DEVELOPMENT AGENCY HOUSING ADMINISTRATION
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

	<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	\$ 659,700	\$ 659,700	\$ 718,869	\$ 59,169
Service charges	8,000	8,000	9,641	1,641
Other revenues	-	-	35,006	35,006
Total revenues	<u>667,700</u>	<u>667,700</u>	<u>763,516</u>	<u>95,816</u>
<u>EXPENDITURES</u>				
Current:				
General government:				
Reimbursement to general fund	516,500	839,000	839,000	-
Reimbursement from CDBG	(123,200)	(108,076)	(108,071)	(5)
Reimbursement from HOME grant	(13,000)	(13,000)	(8,696)	(4,304)
Total general government	<u>380,300</u>	<u>717,924</u>	<u>722,233</u>	<u>(4,309)</u>
Environmental services:				
Personnel	1,084,400	1,084,400	1,104,414	(20,014)
Materials, supplies and services	2,028,500	14,565,400	381,375	14,184,025
Total environmental services	<u>3,112,900</u>	<u>15,649,800</u>	<u>1,485,789</u>	<u>14,164,011</u>
Total expenditures	<u>3,493,200</u>	<u>16,367,724</u>	<u>2,208,022</u>	<u>14,159,702</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(2,825,500)</u>	<u>(15,700,024)</u>	<u>(1,444,506)</u>	<u>14,255,518</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers in	3,932,200	4,047,600	4,271,965	224,365
Transfers out	(14,300)	(14,300)	(14,300)	-
Total other financing sources (uses)	<u>3,917,900</u>	<u>4,033,300</u>	<u>4,257,665</u>	<u>224,365</u>
NET CHANGE IN FUND BALANCES	1,092,400	(11,666,724)	2,813,159	14,479,883
FUND BALANCES (DEFICITS)-BEGINNING	23,978,536	23,978,536	23,978,536	-
PRIOR PERIOD ADJUSTMENTS (note IV F)	3,667,700	3,667,700	3,667,700	-
FUND BALANCES (DEFICITS)-BEGINNING, AS RESTATED	<u>27,646,236</u>	<u>27,646,236</u>	<u>27,646,236</u>	<u>-</u>
FUND BALANCES (DEFICITS)-ENDING	<u>\$ 28,738,636</u>	<u>\$ 15,979,512</u>	<u>\$ 30,459,395</u>	<u>\$ 14,479,883</u>

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

**CITY OF SIMI VALLEY
HOME GRANT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

	<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	\$ 105,100	\$ 105,100	\$ 88,618	\$ (16,482)
Total revenues	<u>105,100</u>	<u>105,100</u>	<u>88,618</u>	<u>(16,482)</u>
<u>EXPENDITURES</u>				
Current:				
General government:				
Reimbursement to housing fund	13,000	13,000	-	13,000
Environmental services	<u>90,000</u>	<u>90,000</u>	<u>8,696</u>	<u>81,304</u>
Total expenditures	<u>103,000</u>	<u>103,000</u>	<u>8,696</u>	<u>94,304</u>
NET CHANGE IN FUND BALANCES	2,100	2,100	79,922	77,822
FUND BALANCES (DEFICITS)-BEGINNING	153,133	153,133	153,133	-
PRIOR PERIOD ADJUSTMENTS (note IV F)	<u>130,000</u>	<u>130,000</u>	<u>130,000</u>	<u>-</u>
TOTAL NET ASSETS-BEGINNING, AS RESTATED	283,133	283,133	283,133	-
FUND BALANCES (DEFICITS)-ENDING	<u>\$ 285,233</u>	<u>\$ 285,233</u>	<u>\$ 363,055</u>	<u>\$ 77,822</u>

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

**CITY OF SIMI VALLEY
 MERGED TAPO CANYON AND WEST END TAX INCREMENT
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES</u>				
Tax increment revenues	\$ 18,285,300	\$ 18,285,300	\$ 21,281,921	\$ 2,996,621
Use of money and property	262,500	262,500	89,381	(173,119)
Other revenues	-	-	29,351	29,351
Total revenues	<u>18,547,800</u>	<u>18,547,800</u>	<u>21,400,653</u>	<u>2,852,853</u>
<u>EXPENDITURES</u>				
Current:				
General government:				
Materials, supplies and services	25,700	25,700	25,320	380
Contract services	205,600	205,600	177,523	28,077
Total general government	<u>231,300</u>	<u>231,300</u>	<u>202,843</u>	<u>28,457</u>
Debt service:				
Interest	772,500	772,500	491,703	280,797
Intergovernmental				
	5,931,700	5,931,700	7,170,595	(1,238,895)
Total expenditures	<u>6,935,500</u>	<u>6,935,500</u>	<u>7,865,141</u>	<u>(929,641)</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>11,612,300</u>	<u>11,612,300</u>	<u>13,535,512</u>	<u>1,923,212</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers out	(19,318,000)	(19,318,000)	(13,607,154)	5,710,846
Total other financing sources (uses)	<u>(19,318,000)</u>	<u>(19,318,000)</u>	<u>(13,607,154)</u>	<u>5,710,846</u>
NET CHANGE IN FUND BALANCES	(7,705,700)	(7,705,700)	(71,642)	7,634,058
FUND BALANCES (DEFICITS)-BEGINNING	<u>(10,340,993)</u>	<u>(10,340,993)</u>	<u>(10,340,993)</u>	<u>-</u>
FUND BALANCES (DEFICITS)-ENDING	<u><u>\$ (18,046,693)</u></u>	<u><u>\$ (18,046,693)</u></u>	<u><u>\$ (10,412,635)</u></u>	<u><u>\$ 7,634,058</u></u>

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

**CITY OF SIMI VALLEY
DEVELOPMENT RELATED FEES
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

	<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	\$ 989,500	\$ 989,500	\$ 710,352	\$ (279,148)
Service charges	151,100	151,100	29,203	(121,897)
Other revenues	879,100	879,100	61,215	(817,885)
Total revenues	<u>2,019,700</u>	<u>2,019,700</u>	<u>800,770</u>	<u>(1,218,930)</u>
<u>EXPENDITURES</u>				
Current:				
General government:				
Reimbursement to general fund	-	78,400	78,400	-
Environmental services:				
Housing programs	669,600	1,300,600	39,061	1,261,539
Total expenditures	<u>669,600</u>	<u>1,379,000</u>	<u>117,461</u>	<u>1,261,539</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers in	-	-	800,000	800,000
Transfers out	(1,240,000)	(1,240,000)	(1,751,323)	(511,323)
Total other financing sources (uses)	<u>(1,240,000)</u>	<u>(1,240,000)</u>	<u>(951,323)</u>	<u>288,677</u>
NET CHANGE IN FUND BALANCES	110,100	(599,300)	(268,014)	331,286
FUND BALANCES (DEFICITS)-BEGINNING	<u>22,401,053</u>	<u>22,401,053</u>	<u>22,401,053</u>	<u>-</u>
FUND BALANCES (DEFICITS)-ENDING	<u>\$ 22,511,153</u>	<u>\$ 21,801,753</u>	<u>\$ 22,133,039</u>	<u>\$ 331,286</u>

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

**CITY OF SIMI VALLEY
TRANSPORTATION FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

	<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	\$ 1,000	\$ 1,000	\$ 118,658	\$ 117,658
From other governments	5,634,800	9,488,900	6,140,781	(3,348,119)
Total revenues	<u>5,635,800</u>	<u>9,489,900</u>	<u>6,259,439</u>	<u>(3,230,461)</u>
<u>EXPENDITURES</u>				
Current:				
Public works:				
Other contract services	-	-	23,835	(23,835)
Total expenditures	<u>-</u>	<u>-</u>	<u>23,835</u>	<u>(23,835)</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers out	(6,721,800)	(9,488,900)	(5,212,919)	4,275,981
Total other financing sources (uses)	<u>(6,721,800)</u>	<u>(9,488,900)</u>	<u>(5,212,919)</u>	<u>4,275,981</u>
NET CHANGE IN FUND BALANCES	(1,086,000)	1,000	1,022,685	1,021,685
FUND BALANCES (DEFICITS)-BEGINNING	<u>56,614</u>	<u>56,614</u>	<u>56,614</u>	<u>-</u>
FUND BALANCES (DEFICITS)-ENDING	<u>\$ (1,029,386)</u>	<u>\$ 57,614</u>	<u>\$ 1,079,299</u>	<u>\$ 1,021,685</u>

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

**CITY OF SIMI VALLEY
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
JUNE 30, 2009**

	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	\$ 17,491,914	\$ 12,860,110	\$ -	\$ 30,352,024	\$ 21,582,724
Customer receivable	563,915	4,981,031	-	5,544,946	-
Other receivable	316,060	125,064	69,473	510,597	-
Taxes receivable	325,525	-	-	325,525	-
Grants receivable	-	484,415	2,404,387	2,888,802	-
Inventories	415,962	557,811	192,450	1,166,223	-
Interest receivable	128,625	110,049	-	238,674	91,374
Restricted cash and investments:					
Customer deposits	-	863,677	-	863,677	-
Connection fees	5,361,487	5,010,683	-	10,372,170	-
Total current assets	<u>24,603,488</u>	<u>24,992,840</u>	<u>2,666,310</u>	<u>52,262,638</u>	<u>21,674,098</u>
Noncurrent assets:					
Capital assets (net of accumulated depreciation) (note III D):					
Land	765,660	451,334	-	1,216,994	-
Buildings and improvements	5,289,446	659,175	1,354,062	7,302,683	-
Furnishings and equipment	512,640	245,492	813,618	1,571,750	-
Vehicles	451,871	400,190	1,545,353	2,397,414	-
Distribution system (note IV F)	56,571,547	33,375,003	4,958	89,951,508	-
Construction-in-progress	8,574,561	9,935,574	144,422	18,654,557	-
Total noncurrent assets	<u>72,165,725</u>	<u>45,066,768</u>	<u>3,862,413</u>	<u>121,094,906</u>	<u>-</u>
TOTAL ASSETS	<u>96,769,213</u>	<u>70,059,608</u>	<u>6,528,723</u>	<u>173,357,544</u>	<u>21,674,098</u>
LIABILITIES					
Current liabilities:					
Accounts payable	944,414	1,884,378	140,657	2,969,449	171,388
Salaries and benefits payable	134,696	85,626	76,878	297,200	7,954
Compensated absences	39,784	26,536	24,053	90,373	4,802
Due to other funds (note III F)	-	-	1,964,760	1,964,760	-
Remediation obligation	32,500	14,300	47,000	93,800	-
Claims and legal services payable	-	-	-	-	2,878,733
Current liabilities payable from restricted assets:					
Water service prepayments	-	863,677	-	863,677	-
Accounts payable restricted	559,528	284,828	-	844,356	-
Total current liabilities	<u>1,710,922</u>	<u>3,159,345</u>	<u>2,253,348</u>	<u>7,123,615</u>	<u>3,062,877</u>
Noncurrent liabilities:					
Advances from other funds (note III F)	-	-	-	-	4,688,000
Compensated absences	358,057	238,820	216,490	813,367	43,221
Claims and legal services payable	-	-	-	-	5,747,210
Total noncurrent liabilities	<u>358,057</u>	<u>238,820</u>	<u>216,490</u>	<u>813,367</u>	<u>10,478,431</u>
TOTAL LIABILITIES	<u>2,068,979</u>	<u>3,398,165</u>	<u>2,469,838</u>	<u>7,936,982</u>	<u>13,541,308</u>
NET ASSETS					
Invested in capital assets	72,165,725	45,066,768	3,862,413	121,094,906	-
Restricted for:					
Sewer connection fees and water capital improvement charges	4,801,959	4,725,855	-	9,527,814	-
Unrestricted	<u>17,732,550</u>	<u>16,868,820</u>	<u>196,472</u>	<u>34,797,842</u>	<u>8,132,790</u>
TOTAL NET ASSETS	<u>\$ 94,700,234</u>	<u>\$ 66,661,443</u>	<u>\$ 4,058,885</u>	<u>165,420,562</u>	<u>\$ 8,132,790</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds					
Beginning adjustment to unrestricted net assets				197,829	
Current adjustment to unrestricted net assets				<u>334,794</u>	
Net assets of business-type activities				<u>\$ 165,953,185</u>	

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

CITY OF SIMI VALLEY
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

	Business-type Activities - Enterprise Funds				Internal Service Funds
	Simi Valley Sanitation	Ventura County Waterworks District No. 8	Simi Valley Transit System	Total	
<u>OPERATING REVENUES</u>					
Charges for sales and services	\$ 14,780,226	\$ 30,138,375	\$ 542,194	\$ 45,460,795	\$ 4,475,200
<u>OPERATING EXPENSES</u>					
Salaries and benefits	5,695,092	3,622,044	3,275,582	12,592,718	346,820
Materials and supplies:					
Water purchases	-	18,836,240	-	18,836,240	-
Utilities	874,106	759,526	-	1,633,632	-
Chemicals	488,945	-	-	488,945	-
Other	179,661	639,266	509,458	1,328,385	7,777
Services:					
Maintenance projects	456,402	832,075	-	1,288,477	-
Other	1,246,921	793,534	650,511	2,690,966	-
Insurance	163,400	89,900	138,500	391,800	585,607
Claims and legal expenses	-	-	-	-	(204,592)
General administration	2,639,600	2,139,400	1,256,600	6,035,600	1,881,900
Depreciation	2,768,881	1,253,251	723,519	4,745,651	-
Total operating expenses	<u>14,513,008</u>	<u>28,965,236</u>	<u>6,554,170</u>	<u>50,032,414</u>	<u>2,617,512</u>
OPERATING INCOME (LOSS)	<u>267,218</u>	<u>1,173,139</u>	<u>(6,011,976)</u>	<u>(4,571,619)</u>	<u>1,857,688</u>
<u>NONOPERATING REVENUES AND EXPENSES</u>					
Grants	-	1,162,645	2,541,392	3,704,037	-
Interest	922,351	1,031,309	2,682	1,956,342	689,937
Other	184,296	71,341	87,881	343,518	-
Total nonoperating revenues (expenses)	<u>1,106,647</u>	<u>2,265,295</u>	<u>2,631,955</u>	<u>6,003,897</u>	<u>689,937</u>
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	<u>1,373,865</u>	<u>3,438,434</u>	<u>(3,380,021)</u>	<u>1,432,278</u>	<u>2,547,625</u>
<u>CONTRIBUTIONS AND TRANSFERS</u>					
Capital contributions	339,937	335,777	196,106	871,820	-
Transfers in (note III F)	-	-	2,559,409	2,559,409	-
Transfers out (note III F)	(138,000)	(114,500)	-	(252,500)	(6,100)
Total contributions and transfers	<u>201,937</u>	<u>221,277</u>	<u>2,755,515</u>	<u>3,178,729</u>	<u>(6,100)</u>
CHANGE IN NET ASSETS	<u>1,575,802</u>	<u>3,659,711</u>	<u>(624,506)</u>	<u>4,611,007</u>	<u>2,541,525</u>
TOTAL NET ASSETS-BEGINNING	93,744,875	62,936,908	4,683,391		5,591,265
PRIOR PERIOD ADJUSTMENTS (note IV F)	(620,443)	64,824	-		-
TOTAL NET ASSETS-BEGINNING, AS RESTATED	<u>93,124,432</u>	<u>63,001,732</u>	<u>4,683,391</u>		<u>5,591,265</u>
TOTAL NET ASSETS-ENDING	<u>\$ 94,700,234</u>	<u>\$ 66,661,443</u>	<u>\$ 4,058,885</u>		<u>\$ 8,132,790</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds				<u>334,794</u>	
Current adjustment				<u>334,794</u>	
Change in net assets of business-type activities				<u>\$ 4,945,801</u>	

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

**CITY OF SIMI VALLEY
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

	<u>Business-type Activities - Enterprise Funds</u>				
	Simi Valley Sanitation	Ventura County Waterworks District No. 8	Simi Valley Transit System	Totals	Internal Service Funds
<u>CASH FLOWS FROM OPERATING ACTIVITIES:</u>					
Cash received from service charges and other revenues	\$ 15,175,957	\$ 29,618,086	\$ 729,638	\$ 45,523,681	\$ 4,475,200
Cash paid for salaries and benefits	(5,680,839)	(3,613,445)	(3,253,952)	(12,548,236)	(337,647)
Cash paid for supplies and materials	(1,778,975)	(21,288,878)	(714,133)	(23,781,986)	-
Cash paid for general administration	(2,639,600)	(2,139,400)	(1,256,600)	(6,035,600)	(1,881,900)
Cash paid for services and insurance	(1,866,723)	(1,701,209)	(742,012)	(4,309,944)	(7,777)
Cash paid for insurance premiums and claims	-	-	-	-	(2,621,703)
Net cash provided (used) by operating activities	<u>3,209,821</u>	<u>875,154</u>	<u>(5,237,059)</u>	<u>(1,152,084)</u>	<u>(373,827)</u>
<u>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</u>					
Cash paid for transfers to other funds	(138,000)	(114,500)	-	(252,500)	-
Cash received from grants and other governments	-	1,162,645	3,064,356	4,227,001	-
Cash received from interfund borrowing	-	-	2,116,028	2,116,028	(6,100)
Net cash provided (used) by noncapital financing activities	<u>(138,000)</u>	<u>1,048,145</u>	<u>5,180,384</u>	<u>6,090,529</u>	<u>(6,100)</u>
<u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</u>					
Sewer connection fees and water capital improvement charges	110,122	63,801	-	173,923	-
Contribution received from other governments	(620,443)	64,824	196,106	(359,513)	-
Acquisition of capital assets	(6,780,748)	(5,534,583)	(142,113)	(12,457,444)	-
Net cash provided (used) by capital and related financing activities	<u>(7,291,069)</u>	<u>(5,405,958)</u>	<u>53,993</u>	<u>(12,643,034)</u>	<u>-</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES:</u>					
Interest on investments	980,610	1,052,149	2,682	2,035,441	710,747
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(3,238,639)	(2,430,510)	-	(5,669,149)	330,820
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	26,092,040	21,164,979	-	47,257,019	21,251,904
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 22,853,401</u>	<u>\$ 18,734,470</u>	<u>\$ -</u>	<u>\$ 41,587,870</u>	<u>\$ 21,582,724</u>
<u>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:</u>					
Operating income (loss)	\$ 267,218	\$ 1,173,139	\$ (6,011,976)	\$ (4,571,619)	\$ 1,857,688
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation	2,768,881	1,253,251	723,519	4,745,651	-
(Increase) decrease in accounts receivable	220,731	(573,612)	48,847	(304,034)	-
(Increase) decrease in inventory	(82,260)	98,592	14,717	31,049	-
Increase (decrease) in accounts payable	(154,003)	(1,138,138)	(177,392)	(1,469,533)	137,159
Increase (decrease) in accrued payroll	20,035	16,470	11,136	47,641	1,162
Increase (decrease) in compensated absences	(5,781)	(7,870)	15,493	1,842	8,011
Increase (decrease) in water service prepayments	-	(8,618)	-	(8,618)	-
Increase (decrease) in claims and legal services payable	-	-	-	-	(2,377,847)
Adjustment for revenues and expenses classified as nonoperating	175,000	61,941	138,597	375,538	-
Total adjustments	<u>2,942,603</u>	<u>(297,985)</u>	<u>774,917</u>	<u>3,419,535</u>	<u>(2,231,515)</u>
Net cash provided (used) by operating activities	<u>\$ 3,209,821</u>	<u>\$ 875,154</u>	<u>\$ (5,237,059)</u>	<u>\$ (1,152,084)</u>	<u>\$ (373,827)</u>
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES:					
Capital additions	\$ 229,815	\$ (335,777)	\$ -	\$ (105,962)	\$ -
Capital contributions	(229,815)	335,777	-	105,962	-
Services to be provided from settlement agreement	308,590	-	-	-	-

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

**CITY OF SIMI VALLEY
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
FIDUCIARY FUNDS
JUNE 30, 2009**

	Total
<hr/>	
<u>ASSETS</u>	
Current assets:	
Cash and investments:	
Held by City	\$ 5,952,330
Held by bond trustee	3,074,363
Accounts receivable	<u>13,199</u>
 TOTAL ASSETS	 <u><u>\$ 9,039,892</u></u>
 <u>LIABILITIES</u>	
 Intergovernmental payable	 <u>\$ 9,039,892</u>
 TOTAL LIABILITIES	 <u><u>\$ 9,039,892</u></u>

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

Notes to the Basic Financial Statements

CITY OF SIMI VALLEY • LISTING OF NOTES TO THE BASIC FINANCIAL
STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2009

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CITY OF SIMI VALLEY • NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2009

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 Community Development Agency established under "Community Redevelopment Law" in the California Health and Safety Code serves to eliminate blight, enhance job creation and retention, and improve the tax base for the City by promoting development. The activity of the Agency is reported in special revenue, debt service and capital projects funds.
- Simi Valley Industrial Development Authority facilitates certain types of development projects.
- 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.

These entities are financially accountable to the primary government, and are governed by a board comprised of the City's elected council. Stand-alone financial statements for the Community Development Agency are available from the Department of Administrative Services. Separate financial statements are not prepared for the Ventura County Waterworks District No. 8, the Simi Valley Industrial Development Authority and the Simi Valley Public Financing Authority.

B. Financial statements

The basic financial statements of the City are comprised of:

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

In addition, supplementary information is provided for:

Nonmajor governmental funds,
Budget-to-actual comparisons for nonmajor special revenue funds,
Internal service funds, and
Fiduciary funds.

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the non-fiduciary activities of the primary government and

See independent auditors' report.

CITY OF SIMI VALLEY • NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2009

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

The statement of net assets, 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 assets are classified into three components: invested in capital assets, net of related debt; restricted; and unrestricted. These classifications are defined as follows:

- Invested in capital assets, net of related debt - This component of net assets 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 invested in capital assets, net of related debt. Rather, that portion of the debt is included in the same net assets component as the unspent proceeds.
- Restricted - This component of net assets consists of constraints placed on net asset 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 assets - This component of net assets consists of net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt".

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 are 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

See independent auditors' report.

CITY OF SIMI VALLEY • NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2009

funds are presented after the government-wide financial statements. These statements display information about major funds individually and nonmajor 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.

Financial reporting is based upon all Governmental Accounting Standards Board (GASB) pronouncements, as well as the Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board (APB) Opinions, and Accounting Research Bulletins that were issued on or before November 30, 1989 that do not conflict with or contradict GASB pronouncements. FASB pronouncements issued after November 30, 1989 are not followed in the preparation of the accompanying financial statements.

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

See independent auditors' report.

CITY OF SIMI VALLEY • NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2009

period, except reimbursement grant revenues, 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:

Community Development Agency Housing Administration fund accounts for housing set-aside funds used to reimburse the costs associated with the processing of affordable housing agreements, as well as any general plan amendments for affordable housing projects.

Merged Tapo Canyon and West End Tax Increment fund accounts for tax increment revenues restricted by the Health and Safety code for debt service requirements.

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

Development Related Fees fund accounts for fees paid by developers for infrastructure construction and improvements, traffic 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.

Transportation funds account for Article 3, Article 8, AB 2928, and Proposition 1B funds received pursuant to State of California, Transportation Development Act; Traffic Congestion Relief Act; and Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006. These funds are restricted for the improvement and maintenance of street systems, and State allocations for street and mass transit improvements.

Capital project funds:

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

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

See independent auditors' report.

CITY OF SIMI VALLEY • NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2009

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 65% of Simi Valley residents.

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

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

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

Fiduciary funds:

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

City Agency Fund accounts for assets held by the City in a trustee capacity, or as an agent for individuals, private organizations, or other governments.

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

Tax Increment Pass-Through funds are utilized to accumulate tax increment revenues on behalf of taxing entities in the Community Development project areas until they are remitted to these agencies.

D. Assets, liabilities, and net assets or equity

1. Deposits and investments

The government'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.

See independent auditors' report.

CITY OF SIMI VALLEY • NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2009

State statutes and City Investment Policy, authorize the government to invest in obligations of the U.S. Treasury, the State and local agencies, Federal Agency Securities and the State Treasurer's Investment Pool.

Investments are reported at fair value. The State Treasurer's Investment Pool operates in accordance with appropriate state laws and regulations. The reported value of the pool 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 reserve 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 an 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.

Taxes levied for all property within the Community Development Agency project areas is remitted to the Agency. The amount of tax, computed by applying the current tax rate to the assessed valuation prior to the adoption of the redevelopment plan, is paid to the various taxing agencies. The excess tax received is deposited in the Agency funds. In accordance with the Health and Safety Code, 20% of gross tax increment revenues are set-aside in the Community Development Agency Housing Administration fund, to be used for replacement or improvement of low-income housing.

See independent auditors' report.

CITY OF SIMI VALLEY • NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2009

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 2008-09.

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 assets, business-type activities. Customer deposits off-set the liability for water service prepayments, and the cash received for water and sewer connection fees is restricted for infrastructure or plant improvements.

6. Capital assets

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

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

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

Property, plant, equipment, and infrastructure is 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
Machinery and equipment	3-10
Water/Sewer lines	30-100
Intangibles	15
Infrastructure	25-50

See independent auditors' report.

CITY OF SIMI VALLEY • NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2009

7. Compensated absences

Vacation and sick leave benefits are consolidated into an annual leave benefit program. It is the City's policy to permit employees to accumulate earned but unused annual leave. All annual 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 assets. Bond premiums and discounts, as well as issuance costs, 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. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt. The deferred gain or loss on a refunding is netted with the debt and amortized over the shorter of the remaining life of the refunded debt or the new debt using the straight-line method.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, 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. Fund equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

10. Estimates

The preparation of financial statements in conformity with 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

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the general fund, enterprise funds, and all special revenue funds. Project-length budgets are adopted for the capital project funds. Debt service funds are not budgeted. Public Education, Government Fees Fund did not have an adopted budget for FY 2008-09, therefore no budget to

See independent auditors' report.

CITY OF SIMI VALLEY • NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2009

actual schedule is included with the supplemental schedules. All appropriations lapse at fiscal year end.

The appropriated budget is prepared by fund, function and department. The City Manager may make transfers of appropriations that do not have a significant policy impact or affect budgeted year-end fund balances. The City Council may amend the budget at any time during the year. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the fund level for all funds except the general fund for which the legal level of budgetary control is the department level.

Encumbrance accounting is employed in the governmental funds. Encumbrances (e.g., purchase orders, contracts) outstanding at year end are reported as reservations of fund balances and do not constitute expenditures or liabilities because the commitments will be reappropriated and honored during the subsequent year.

B. Excess of expenditures over appropriations

For fiscal year ended June 30, 2009, expenditures exceeded appropriations in the Merged Tapo Canyon and West End Tax Increment (major), the Transportation (major), the Lighting Maintenance District (nonmajor) and the Retiree Benefits (nonmajor) special revenue funds by \$929,641, \$23,835, \$108,100, and \$1,092,940 respectively. The over-expenditure in the Merged Tapo Canyon and West End Tax Increment fund was financed by higher than budgeted revenues. The Transportation funds over-expenditure resulted from transmitting a pass-thru grant to the Park District received from the Ventura County Transportation Commission. The Lighting Maintenance District over-expenditure was a result of higher utility costs. This over-expenditure was financed by a return of funds transferred in prior years for capital projects. The City implemented Governmental Accounting Standards Board (GASB) Statement No. 45 this fiscal year. An irrevocable Other Post Employment Benefits (OPEB) trust was established to fund retiree health benefits. The annual required contribution (ARC) was partially funded using funds accumulated in the Retiree Benefit fund over the past several years. This resulted in the over-expenditure in the Retiree Benefit fund. In addition, the City Attorney's department expenditures exceeded appropriations by \$73,623. This over expenditure was primarily caused by the appropriation for cash out of annual leave being budgeted in the department of Administrative Services, while the expenditure is charged to the individual departments.

C. Deficit fund equity

Two special revenue funds had deficit fund balances as of June 30, 2009: the Merged Tapo Canyon and West End Tax Increment (major), and the Madera Royal Tax Increment (nonmajor) of \$10,412,635, and \$46,901 respectively, due to the amounts advanced from the City's general fund to the Community Development Agency, a blended component unit of the City, to finance community development projects. The advance will be repaid from available tax increment revenues.

See independent auditors' report.

CITY OF SIMI VALLEY • NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2009

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 daily average cash balances. The carrying amounts of cash and investments have been increased by \$969,800 in order to reflect the fair value at June 30, 2009.

Cash and investments at June 30, 2009 are classified as follows:

Statement of net assets:	
Cash and investments	\$ 150,073,462
Cash and investments held by bond trustee	5,866,407
Fiduciary funds:	
Cash and investments	5,952,330
Cash and investments held by bond trustee	3,074,363
Total cash and investments	<u>\$ 164,966,562</u>

Cash and investments at June 30, 2009 consisted of the following:

Cash on hand	\$ 6,250
Deposits with financial institutions	6,474,102
Investments	158,486,210
Total cash and investments	<u>\$ 164,966,562</u>

The table below identifies the **investment types** that are authorized by the California Government Code (or the City's investment policy, where more restrictive). The table also identifies certain provisions of the California Government Code (or the City's investment policy, where more restrictive) that address **interest rate risk**, **credit risk**, and **concentration of credit risk**. Debt proceeds held by bond trustee are invested in accordance with the provisions of debt agreements of the City, when more restrictive than the City's investment policy.

See independent auditors' report.

CITY OF SIMI VALLEY • NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2009

<u>Authorized Investments</u>	<u>Maximum Maturity Constraints</u>	<u>City Policy Legal Limit (% or \$)</u>	<u>Maximum Investment in One Issuer</u>
Local Agency Bonds	5 years	None	None
U.S. Treasury Obligations	5 years	None	None
State Obligations	5 years	None	None
U.S. Agencies	5 years	None	None
Banker's Acceptances	180 days	40%	30%
Negotiable Certificates of Deposit	5 years	30%	\$1,000,000
Collateralized Certificates of Deposit	5 years	None	25% of S & L
Mutual funds	N/A	Prohibited	10%
Money market mutual funds	N/A	Prohibited	10%
LAIF	N/A	\$30,000,000 ¹	None

Interest Rate Risk

To minimize the impact of changes in market interest rates, the City holds investments to maturity, matches investment maturities with specific cash flow requirements, invests in a combination of shorter term and longer term investments, and invests in securities maturing in 5 years or less from the settlement date.

Information about the sensitivity of the fair values of the City's investments (including investments held by bond trustee) 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	\$ 87,889,460	\$ 2,889,460	\$ -	\$85,000,000
LAIF	61,655,979	61,655,979	-	-
<u>Held by bond trustee:</u>				
LAIF	3,230,766	3,230,766	-	-
Money market and mutual funds	5,710,005	5,710,005	-	-
Total	\$ 158,486,210	\$ 73,486,210	\$ -	\$85,000,000

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.

¹ Per entity

See independent auditors' report.

CITY OF SIMI VALLEY • NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2009

<u>Investment Type</u>	<u>Amount</u>	<u>Minimum Legal Rating</u>	<u>Ratings as of Year End</u>			
			<u>S & P AAA</u>	<u>Moody Aaa</u>	<u>Moody Not Rated</u>	<u>Not Rated</u>
U.S. Agencies	\$ 87,889,460	N/A	\$ 87,889,460	\$40,104,950	\$47,784,510	\$ -
LAIF	61,655,979	N/A	-	-	-	61,655,979
<u>Held by bond trustee:</u>						
LAIF	3,230,766	N/A	-	-	-	3,230,766
Money market and mutual funds	5,710,005	A	5,710,005	5,710,005	-	-
Total	\$ 158,486,210		\$ 93,599,465	\$45,814,955	\$47,784,510	\$ 64,886,745

Concentration of Credit Risk

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

- No more than 15% of the City's portfolio (exclusive of investments in government agency issues and LAIF) shall be invested with one financial institution.
- No more than 25% of the City's portfolio shall be invested in collateralized certificates of deposit issued by Savings and Loan institutions.
- Investments of bond proceeds, held by fiscal agents, in LAIF shall be limited to \$30 million per bond issue.

Custodial Credit Risk

All demand deposits and certificates of deposit held by the City are entirely insured or collateralized. The California Government Code 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.

To protect investments against custodial credit risk caused by 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 securities, 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 Home Loan Bank	U.S. Agencies	\$25,620,400
Federal Home Loan Mortgage Corporation	U.S. Agencies	35,140,850
Federal Farm Credit Bank	U.S. Agencies	12,264,110
Federal National Mortgage Association	U.S. Agencies	14,864,100

As of June 30, 2009, the City had no investments which were uninsured, unregistered and not held in the City's name.

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Investment in State Investment Pool

The City is a voluntary participant in the California Local Agency Investment Fund (LAIF) that is regulated by California Code Section 16429 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, Community Development Agency, and Industrial Development Authority. Investments in LAIF are highly liquid, as deposits can be converted to cash within twenty-four hours without loss of interest. 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.

B. Loans receivable

The City provides amortizable and deferred payment home rehabilitation loans, first time homebuyer and affordable housing loans to qualifying low-income households under programs accounted for in the Special Revenue funds. The loans receivable, if grant funded, is offset against deferred revenue. City-funded loans receivable is offset by a reservation of fund balance. The repayment of these loans is dependent on future events like the sale of property, amounts available from residual receipts, etc.

C. Allowance for uncollectible accounts

Accounts receivable as of year-end are listed net of allowances for uncollectibles as follows:

	<u>General Fund</u>	<u>Community Development Agency Housing Administration</u>	<u>Merged Tapo Canyon & West End Tax Increment</u>	<u>Streets and Roads</u>	<u>Nonmajor Governmental</u>	<u>Total</u>
Accounts receivable	\$1,396,986	\$ 46,902	\$ 52,511	\$ 162,875	\$ 160,320	\$1,819,594
Allowance for uncollectibles	(615,329)	-	-	-	(100,000)	(715,329)
Total accounts receivable net	<u>\$ 781,657</u>	<u>\$ 46,902</u>	<u>\$ 52,511</u>	<u>\$ 162,875</u>	<u>\$ 60,320</u>	<u>\$1,104,265</u>

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D. Capital assets

Capital asset activity for the year ended June 30, 2009, was as follows:

	Beginning Balance as Restated*	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 6,137,087	\$ 5,600,770	\$ -	\$ 11,737,857
Construction-in-progress	25,853,831	6,656,180	(24,369,264)	8,140,747
Total capital assets, not being depreciated	<u>31,990,918</u>	<u>12,256,950</u>	<u>(24,369,264)</u>	<u>19,878,604</u>
Capital assets, being depreciated:				
Buildings and improvements	40,546,658	60,236	-	40,606,894
Furnishings and equipment	8,468,011	57,655	(65,972)	8,459,694
Computers	3,861,157	397,387	-	4,258,544
Vehicles	5,610,026	380,537	(549,632)	5,440,931
Infrastructure	211,877,388	20,224,147	-	232,101,535
Intangibles	5,553,985	-	-	5,553,985
Total capital assets being depreciated	<u>275,917,225</u>	<u>21,119,962</u>	<u>(615,604)</u>	<u>296,421,583</u>
Less accumulated depreciation for:				
Buildings and improvements	(12,054,527)	(1,122,480)	-	(13,177,007)
Furnishings and equipment	(2,308,914)	(520,743)	65,972	(2,763,685)
Computers	(2,500,667)	(320,490)	-	(2,821,157)
Vehicles	(4,044,880)	(512,368)	549,632	(4,007,616)
Infrastructure	(74,516,400)	(6,888,221)	-	(81,404,621)
Intangibles	(1,312,888)	(370,266)	-	(1,683,154)
Total accumulated depreciation	<u>(96,738,276)</u>	<u>(9,734,568)</u>	<u>615,604</u>	<u>(105,857,240)</u>
Total capital assets, being depreciated, net	<u>179,178,949</u>	<u>11,385,394</u>	<u>-</u>	<u>190,564,343</u>
Governmental activities capital assets, net	<u>\$ 211,169,867</u>	<u>\$ 23,642,344</u>	<u>\$ (24,369,264)</u>	<u>\$ 210,442,947</u>

*Beginning balance for construction-in-progress includes prior period adjustments. See Note IV.F.

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CITY OF SIMI VALLEY • NOTES TO THE BASIC FINANCIAL STATEMENTS
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	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 1,216,994	\$ -	\$ -	\$ 1,216,994
Construction-in-progress	9,931,360	11,993,763	(3,270,566)	18,654,557
Total capital assets, not being depreciated	<u>11,148,354</u>	<u>11,993,763</u>	<u>(3,270,566)</u>	<u>19,871,551</u>
Capital assets, being depreciated:				
Buildings and improvements	12,196,811	-	-	12,196,811
Furnishings and equipment	5,837,586	292,583	(115,089)	6,015,080
Vehicles	8,976,569	559,175	(702,583)	8,833,161
Distribution system	153,181,092	3,406,876	-	156,587,968
Total capital assets being depreciated	<u>180,192,058</u>	<u>4,258,634</u>	<u>(817,672)</u>	<u>183,633,020</u>
Less accumulated depreciation for:				
Buildings and improvements	(4,615,117)	(279,012)	-	(4,894,129)
Furnishings and equipment	(3,966,010)	(592,409)	115,089	(4,443,330)
Vehicles	(6,321,401)	(762,312)	647,967	(6,435,746)
Distribution system	(63,524,542)	(3,111,918)	-	(66,636,460)
Total accumulated depreciation	<u>(78,427,070)</u>	<u>(4,745,651)</u>	<u>763,056</u>	<u>(82,409,665)</u>
Total capital assets, being depreciated, net	<u>101,764,988</u>	<u>(487,017)</u>	<u>(54,616)</u>	<u>101,223,355</u>
Business-type activities capital assets, net	<u>\$ 112,913,342</u>	<u>\$ 11,506,746</u>	<u>\$ (3,325,182)</u>	<u>\$ 121,094,906</u>

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

Governmental activities:	
General Government	\$ 8,604,467
Community Services	606
Public Ways & Facilities (PW)	917,705
Public Safety	211,790
Total depreciation expense-governmental activities	<u>\$ 9,734,568</u>
Business-type activities:	
Sanitation	\$ 2,768,881
Waterworks	1,253,251
Transit	723,519
Total depreciation expense-business-type activities	<u>\$ 4,745,651</u>

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E. Construction commitments

The City has active construction projects as of June 30, 2009. The commitments for governmental fund projects are included in the reserved fund balances. The project commitments for enterprise funds at year end are as follows:

Transit CNG conversion/improvements	\$ 439,899
Sewerline improvements	429,548
Water tank construction and improvements	240,807
Waterline improvements	232,194
Transit facilities improvements	209,060
Nitrification/denitrification facility modifications	144,907
Water treatment plant construction and improvements	134,660
Water and recycled water master plan	43,441
Total construction commitments	\$ 1,874,516

F. Interfund receivables, payables, and transfers

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

Due to / from other funds

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Simi Valley transit system	\$ 1,964,760
	Nonmajor governmental funds	38,425
Community development agency housing administration fund	HOME grant funds	25,151
Total		\$ 2,028,336

Advances from / to other funds

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Merged Tapo Canyon and West End tax increment	\$ 7,912,635
	Public facility improvements fund	3,348,380
	Nonmajor governmental funds (Madera Royal)	46,903
	Internal Service funds	4,688,000
Nonmajor governmental funds	Merged Tapo Canyon and West End tax increment	2,500,000
Total		\$ 18,495,918

The advances from the General fund to the Merged Tapo Canyon and West End Tax Increment fund, and nonmajor governmental fund (Madera Royal Tax Increment fund) are to fund various CDA projects. This advance will be repaid from available tax increment revenues. The advance from the General fund to the Public Facility Improvements fund is to accumulate funds for future

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facility improvements, and the advance to the Internal Service funds is to maintain required reserves in accordance with actuarial valuations. The advance from nonmajor governmental funds (Lighting Maintenance District) to the Merged Tapo Canyon and West End Tax Increment fund funded the purchase of land for the mall site and will also be repaid from available tax increment revenues.

The composition of interfund transfers for the year ended June 30, 2009 is as follows:

<u>Transfers From</u>	<u>Transfers To</u>	<u>Amount</u>	<u>Purpose</u>
General	Streets and roads	\$ 40,000	Fund street projects, sound walls, and traffic signals
	Simi Valley transit system	2,559,409	Subsidy for transit operations
	Nonmajor governmental funds	3,897,262	Fund Special Problems Section, landscape zones, scheduled debt service, and contributions to pension and replacement funds
		<u>6,496,671</u>	
CDA housing administration	Nonmajor governmental funds	<u>14,300</u>	Contributions to pension and replacement funds
Merged Tapo Canyon and West End tax increment	CDA housing administration	4,256,384	Fund 20% low and moderate income set-aside
	Streets and roads	3,823,949	Fund street projects
	Nonmajor governmental funds	5,526,821	Fund CDA admin costs, scheduled debt service, and capital improvement projects
		<u>13,607,154</u>	
Development related fees funds	Streets and roads	1,051,323	Fund street projects
	Nonmajor governmental funds	700,000	Scheduled debt service
		<u>1,751,323</u>	
Transportation funds	General fund	3,861,867	Fund street related expenditures
	Streets and roads	1,351,052	Fund street projects
		<u>5,212,919</u>	
Streets and roads	General fund	1,518,412	Return excess funds
	Development related fees funds	800,000	Return excess funds
	Nonmajor governmental funds	512,000	
		<u>2,830,412</u>	
Nonmajor governmental funds	General	2,310,580	Fund transportation needs, and return excess funds
	Public facility improvements	6,600	Fund Senior Center improvements
	CDA housing administration	15,581	Fund 20% low and moderate income set-aside
	Streets and roads	483,000	Fund street projects
	Nonmajor governmental funds	103,804	Contributions to pension and replacements funds, and return excess funds
		<u>2,919,565</u>	
Total governmental funds		<u>32,832,344</u>	

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<u>Transfers From</u>	<u>Transfers To</u>	<u>Amount</u>	<u>Purpose</u>
Proprietary funds	Nonmajor governmental funds	252,500	Contributions to pension and replacement funds
Internal service activities	Nonmajor governmental funds	<u>6,100</u>	Contributions to replacement fund
		<u>258,600</u>	
Total		<u><u>\$33,090,944</u></u>	

G. Long-term debt

The Simi Valley Public Financing Authority (SVPFA), a blended component unit of the City, issues bonded debt on behalf of the City for certain types of financing structures, such as lease revenue bonds and certificates of participation. The Community Development Agency (CDA), also a blended component unit of the City, issues tax allocation bonds on behalf of the City. The City does not have any general obligation bonded indebtedness. At year-end outstanding long-term bonded debt was comprised of the following:

- Simi Valley Public Financing Authority 1995 Fixed Rate Lease Revenue Bonds: Original issue amount \$16,620,000; interest rates at 4.00% to 5.75%; maturing September 1, 2000-2015. The bonds are payable in annual installments ranging from \$260,000 to \$920,000. These bonds were issued to finance certain capital improvements, including the Police Facility and are secured by the Police Facility. Total interest and principal remaining on the bonds is \$6,641,562, payable through September 2015.
- Community Development Agency 2003 Tax Allocation Bonds: Original issue amount \$31,795,000; interest rates at 2.0% to 5.0%; maturing September 1, 2003-2030. The bonds are payable in annual installments ranging from \$360,000 to \$2,000,000. These bonds were issued to fully refund the 1993 Revenue Bond issue with a carrying amount of \$30,245,000. They were issued at a premium, which has been added to the new debt and is being amortized over the 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. Issuance costs are shown as deferred charges and are being amortized over the life of the bonds. The 2003 Tax Allocation Bonds are secured by a lien on tax increment revenues net of low- and moderate-income housing set-asides and tax sharing agreements. The tax increment revenues are projected to produce at least 125 percent of the debt service requirements over the life of the bonds. Total interest and principal remaining on the bonds is \$45,649,066, payable through September 2030. For the current fiscal year principal and interest paid, and the tax increment revenues net of pass-thrus and set-asides were \$2,085,969, and \$9,888,871, respectively.
- City of Simi Valley 2004 Certificates of Participation (COP): Original issue amount \$25,955,000; interest rates at 3.75% to 5.0%; maturing September 1, 2006-2034. The COP are payable in annual installments ranging from \$460,000 to \$1,615,000. They were issued at a premium, which has been added to the new debt and is being amortized over the life of the bonds. Issuance costs are shown as deferred charges and are being amortized over the life of the bonds. These COP were issued to provide financing for improvements to and expansion of the Senior Citizens' Center and public capital improvements relating to the construction of a shopping mall. The annual lease/debt

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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. To meet the conditions of the COP financing structure and to avoid costly capitalized interest costs during the construction period, the City's Wastewater Treatment Plant, which has an estimated value in excess of \$50 million, is the leased asset during the construction period. Total interest and principal remaining on the bonds is \$43,004,872, payable through September 2034.

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

- Claims and legal services payable of \$8,625,943, consisting of general liability and workers' compensation liability. These liabilities are estimated based on the requirements of Governmental Accounting Standards Board Statement No. 10, and include estimated claims incurred but not yet reported as of June 30, 2009.
- Compensated absences liability of \$5,962,555 at fiscal year end. This liability consists of accumulated earned but unused annual leave of employees charged to the General fund, certain Special Revenue funds, Enterprise funds and the Workers' Compensation – Internal Service fund. The liability is liquidated from the funds to which an employee is charged.
- The net Other Post Employment Benefits (OPEB) liability of \$482,044. This liability consists of the unfunded portion of the actuarially determined Annual Required Contribution (ARC) for FY 2008-09.

Pollution Remediation Obligation - An underground fuel spill (from a storage tank) occurred at a City facility located at 500 West Los Angeles Avenue in 1992. At that time methyl tertiary butyl ether (MTBE) was not a listed contaminant, and its health effects and propensity to contaminate water were not published. In 2000, after MTBE became a known contaminant, the County of Ventura (COV) required the City to reduce the level of MTBE in the groundwater near the spill. Mitigation efforts commenced in 2002, and are expected to be completed in 2010. The City has filed an application, which has been forwarded to the Los Angeles Regional Water Quality Control Board (the Board). In anticipation of the Board's issuance of closure conditions the City has budgeted funds in the amount of \$130,200 in Fiscal Year 2009-10, \$36,400 in Governmental Activities and, \$93,800 in Business Type Activities. Subsequent monitoring and reporting may be required based on Board action. However, those expenses/expenditures are not estimable at this time.

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Annual debt service requirements to maturity

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

Year Ending	2003 Tax Allocation		Year Ending	1995 Lease Revenue	
	Refunding Bond			Bonds	
<u>June 30:</u>	<u>Principal</u>	<u>Interest</u>	<u>June 30:</u>	<u>Principal</u>	<u>Interest</u>
2010	780,000	1,335,969	2010	655,000	295,694
2011	810,000	1,305,369	2011	695,000	256,881
2012	835,000	1,276,606	2012	735,000	215,769
2013	865,000	1,248,831	2013	775,000	172,356
2014	900,000	1,183,781	2014	820,000	126,500
2015-2019	5,070,000	5,315,141	2015-2016	1,790,000	104,362
2020-2024	6,435,000	3,898,994		<u>\$ 5,470,000</u>	<u>\$ 1,171,562</u>
2025-2029	8,240,000	2,046,750			
2030-2031	3,905,000	197,625			
	<u>\$ 27,840,000</u>	<u>\$ 17,809,066</u>			

2004 Certificates of Participation		
Year Ending	Refunding Bond	
<u>June 30:</u>	<u>Principal</u>	<u>Interest</u>
2010	520,000	1,136,169
2011	540,000	1,114,969
2012	560,000	1,092,969
2013	585,000	1,070,069
2014	610,000	1,046,169
2015-2019	3,425,000	4,843,675
2020-2024	4,250,000	4,015,997
2025-2029	5,435,000	2,835,437
2030-2034	6,980,000	1,291,062
2035	1,615,000	38,356
	<u>\$ 24,520,000</u>	<u>\$ 18,484,872</u>

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FISCAL YEAR ENDED JUNE 30, 2009

Changes in long-term liabilities

Long-term liability activity for the year ended June 30, 2009, was as follows:

	<u>Balances</u> <u>June 30, 2008</u>	<u>Debt</u> <u>Incurred</u>	<u>Debt</u> <u>Retired</u>	<u>Balances</u> <u>June 30, 2009</u>	<u>Due Within</u> <u>One Year</u>
Governmental activities:					
1995 lease revenue bonds	\$ 6,095,000	\$ -	\$ (625,000)	\$ 5,470,000	\$ 655,000
2003 tax allocation bonds	28,590,000	-	(750,000)	27,840,000	780,000
Add (less) deferred amounts:					
Bond premium	369,191	-	(16,306)	352,885	-
Deferred amount	(445,489)	-	28,482	(417,007)	-
2004 certificates of participation	25,015,000	-	(495,000)	24,520,000	520,000
Add (less) deferred amounts:					
Bond premium	337,273	-	(12,887)	324,386	-
Total bonds payable	59,960,975	-	(1,870,711)	58,090,264	1,955,000
Claims and legal services	11,003,790	-	(2,377,847)	8,625,943	2,878,733
Compensated absences	4,979,960	1,572,794	(1,493,939)	5,058,815	505,882
Net OPEB obligation	-	2,411,822	(1,929,778)	482,044	-
Governmental activity long-term liabilities	<u>\$ 75,944,725</u>	<u>\$ 3,984,616</u>	<u>\$(7,672,275)</u>	<u>\$ 72,257,066</u>	<u>\$ 5,339,615</u>
Business-type activities:					
Compensated absences	901,898	39,807	(37,965)	903,740	90,373
Business-type activity long-term liabilities	<u>\$ 901,898</u>	<u>\$ 39,807</u>	<u>\$ (37,965)</u>	<u>\$ 903,740</u>	<u>\$ 90,373</u>

For governmental activities, compensated absences are generally liquidated by the general fund.

H. Fund balance reserves and designations

The following is a summary of reserved and unreserved fund balances. Reserved fund balances are not available for spending for the subsequent year's budget. The unreserved fund balances are further categorized into designated and undesignated. Designated fund balances represent amounts set aside for management's intended future use of resources. Undesignated fund balance amounts are available for current spending.

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CITY OF SIMI VALLEY • NOTES TO THE BASIC FINANCIAL STATEMENTS
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Fund Balances – Reserved, Designated and Undesignated

	<u>Special Revenue Funds</u>					
	<u>General Fund</u>	<u>Community Development Agency Housing Administration</u>	<u>Merged Tapo Canyon & West End Tax Increment</u>	<u>HOME Grant Fund</u>	<u>Development Related Fees Funds</u>	<u>Transportation Funds</u>
<u>FUND BALANCES</u>						
Reserved:						
Encumbrances	\$ 567,940	\$ -	\$ -	\$ -	\$ 76,175	\$ -
Loans receivable	383,807	15,614,619	-	-	526,909	-
Property held for resale	-	567,669	-	-	-	-
Advances	15,995,918	-	-	-	-	-
Debt service	-	-	-	-	-	-
Total reserved	16,947,665	16,182,288	-	-	603,084	-
Unreserved, designated:						
Cash flow	1,000,000	-	-	-	-	-
Capital projects	9,911,425	-	-	-	-	1,079,299
Public Improvements	-	-	-	-	21,529,955	-
Law enforcement	-	-	-	-	-	-
Special programs	-	-	-	-	-	-
Housing programs	-	14,277,107	-	363,055	-	-
Total unreserved, designated	10,911,425	14,277,107	-	363,055	21,529,955	1,079,299
Unreserved, undesignated:	8,250,539	-	(10,412,635)	-	-	-
Total fund balances	\$36,109,629	\$ 30,459,395	\$ (10,412,635)	\$ 363,055	\$22,133,039	\$ 1,079,299

Capital Projects Fund

	<u>Streets & Roads</u>	<u>Public Facility Improvements</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
<u>FUND BALANCES</u> (continued)				
Reserved:				
Encumbrances	\$ 212,279	\$ 109,764	\$ 489,899	\$ 1,456,057
Loans receivable	-	-	-	16,525,335
Property held for resale	-	-	-	567,669
Advances	-	-	2,500,000	18,495,918
Debt service	-	-	7,307,804	7,307,804
Total reserved	212,279	109,764	10,297,703	44,352,783
Unreserved, designated:				
Cash flow	-	-	650,000	1,650,000
Capital projects	2,918,521	4,950,884	6,486,903	25,347,032
Public Improvements	-	-	6,384,214	27,914,169
Law enforcement	-	-	77,920	77,920
Special programs	-	-	51,970	51,970
Housing programs	-	-	-	14,640,162
Total unreserved, designated	2,918,521	4,950,884	13,651,007	69,681,253
Unreserved, undesignated:	-	-	1,982,263	(179,833)
Total fund balances	\$3,130,800	\$ 5,060,648	\$ 25,930,973	\$ 113,854,203

concluded

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FISCAL YEAR ENDED JUNE 30, 2009

I. Assessment district bonds

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

The outstanding assessment district bonds at June 30, 2009, consisted of the following:

Community Facilities District (District No. 04-1)	\$ 8,695,000
Royal Corto Improvements (District No. 89-1)	1,050,000
Madera Royal (District No. 98-1)	2,405,000

J. Conduit debt obligations

The City has been associated with the issuance of several housing, mortgage and commercial development debt issues. These debt obligations were issued under provisions of State and Federal laws that explicitly state that they do not constitute any indebtedness of the City. The total amount of conduit debt outstanding at June 30, 2009 was \$135,173,083. 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:

- Variable Rate Demand Multifamily Housing Revenue Bonds, Series 1989, were issued in the amount of \$25,000,000 to finance the Shadowridge Apartments Project; the outstanding principal at June 30, 2009, is \$24,800,000.
- Variable Rate Demand Multifamily Housing Revenue Refunding Bonds, 1993 Series A, were issued in the amount of \$22,070,000 to refund Multifamily Housing Revenue Bonds, 1984 Series A to finance the Creekside Village Apartments Project; the outstanding principal at June 30, 2009, is \$19,070,000.
- 1995 Remarketing of the Variable Rate Demand Multifamily Housing Revenue Refunding Bonds, Series 1990, in the amount of \$37,000,000 to finance the Lincoln Wood Ranch Project; the outstanding principal at June 30, 2009, is \$36,000,000.
- Multifamily Housing Revenue Bonds, Series 1998A, were issued in the amount of \$6,165,000 to finance the Sorrento Villas Apartments Project; the outstanding principal at June 30, 2009, is \$5,285,000.
- Multifamily Housing Revenue Refunding Bonds, 2002 Series A, were issued in the amount of \$3,650,000 to refinance Multifamily Housing Revenue Bonds, 1987, Series A, which financed the Ashlee Manor Apartments Project; the outstanding principal at June 30, 2009, is \$3,473,083.

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CITY OF SIMI VALLEY • NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2009

- 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, 2009, is \$2,860,000.
- Multifamily Housing Revenue Bonds, Series 2002A were issued in the amount of \$12,000,000 to finance the Vintage Paseo Senior Apartments; the outstanding principal at June 30, 2009, is \$11,385,000.
- Variable Rate Demand Multifamily Housing Revenue Bonds, Series 2002A were issued in the amount of \$30,000,000 to finance the Parker Ranch Project; the outstanding principal at June 30, 2009, is \$30,000,000.
- Variable Rate Demand Multifamily Housing Revenue Bonds, Taxable Series 2002A-T were issued in the amount of \$3,900,000 to finance the Parker Ranch Project; the outstanding principal at June 30, 2009, is \$2,300,000.

IV. Other information

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, 2009, 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. The City maintains two Internal Service Funds, General Liability and Workers' Compensation, to account for and finance its uninsured risks of loss.

Under this program, the City is self-insured for up to \$1 million for each general liability claim and up to \$500,000 for each workers' compensation claim. The City purchases commercial insurance for property loss, as well as for claims in excess of the preceding coverage amounts.

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

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

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CITY OF SIMI VALLEY • NOTES TO THE BASIC FINANCIAL STATEMENTS
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	Year ended June 30, 2009	Year ended June 30, 2008
Unpaid claims beginning of fiscal year	\$ 11,003,790	\$ 9,004,981
Incurred claims (including IBNRs)	(239,119)	3,970,680
Claims payments	(2,138,728)	(1,971,871)
Unpaid claims, end of fiscal year	\$ 8,625,943	\$ 11,003,790

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 - The City contributes to the CalPERS, an agent multiple-employer public employee defined benefit pension plan. CalPERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. CalPERS acts as a common investment and administrative agent for participating public entities within the State of California. Benefit provisions and all other requirements are established by State statute and City ordinance. Copies of CalPERS' annual financial report may be obtained from their executive office located at Lincoln Plaza, 400 Q Street, Sacramento, CA 95811.

Funding Policy - Participants are required to contribute 7% (9% for safety employees) of their annual covered salary. The City makes the contributions required of City employees on their behalf and for their account. The City is required to contribute at an actuarially determined rate: the rate is 12.238% for non-safety employees and 23.166% for police employees of annual covered payroll for the year ended June 30, 2009. The contribution requirements of plan members and the City are established and may be amended by CalPERS.

Annual Pension Cost - For fiscal year 2008-09, the City's annual pension cost of \$6,803,306 for CalPERS was equal to the City's required and actual contributions. The required contribution was determined as part of the June 30, 2006, actuarial valuation using the entry age actuarial cost method. The actuarial assumptions included: (a) 7.75% investment rate of return (net of administrative expenses), (b) projected annual salary increases that vary from 3.25% to 14.45% for non-safety employees, and 3.25% to 13.15% for police employees, depending on age,

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CITY OF SIMI VALLEY • NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2009

service, and type of employment, and (c) 3% inflation component. The actuarial value of CalPERS assets was determined using a technique that smooths the effect of volatility in the market value of investments over a fifteen-year period. CalPERS' initial unfunded liabilities are amortized over a closed period that depends on the plan's date of entry into CalPERS. Subsequent plan amendments are amortized as a level percentage of pay over a closed 20-year period.

<u>Miscellaneous Employees</u>	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
<u>Fiscal Year</u>			
6/30/2007	3,609,528	100%	-
6/30/2008	3,726,988	100%	-
6/30/2009	3,841,841	100%	-

<u>Safety Employees</u>	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
<u>Fiscal Year</u>			
6/30/2007	2,414,502	100%	-
6/30/2008	2,723,228	100%	-
6/30/2009	2,961,465	100%	-

Funded Status and Funding Progress

Miscellaneous Employees - As of the most recent actuarial valuation date of June 30, 2008, the plan was 83.8% funded. The actuarial accrued liability (AAL) for benefits was \$158,055,081, and actuarial value of net assets was \$132,388,641, resulting in an unfunded actuarial liability (UAAL) of \$25,666,440. The covered payroll (annual payroll of active employees covered by the plan) was \$31,035,447, and the ratio of the UAAL to the covered payroll was 82.7%.

Sworn Employees - As of the most recent actuarial valuation date of June 30, 2008, the plan was 80.7% funded. The AAL for benefits was \$100,157,787, and actuarial value of net assets was \$80,800,480, resulting in an UAAL of \$19,357,307. The covered payroll was \$12,058,733, and the ratio of the UAAL to the covered payroll was 160.5%.

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

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

Plan Description - The City established a Public Agency Retirement System, Retirement Enhancement Plan (PARS-REP) for executive management employees, effective July 1, 2001. 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

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CITY OF SIMI VALLEY • NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2009

benefits in addition to CalPERS. Phase II Systems is the PARS Trust Administrator. Upon meeting the eligibility requirements, plan members receive a monthly lifetime benefit of one-twelfth the sum of: 0.004 times their final average compensation multiplied by their years of City service prior to July 1, 2001, and .005 times their final average compensation multiplied by their years of City service after June 30, 2001. The City has full discretionary authority to control, amend, modify or terminate this plan at any time.

Funding Policy - The City contributes 5.77% of eligible employee gross wages. The annual covered payroll for the year ended June 30, 2009 was \$1,580,412. The City's annual pension cost of \$91,190 for PARS was \$12,890 less than the annual actuarial required contribution. Plan assets held in trust at June 30, 2009 were \$527,113.

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.

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

Management and Sworn (police) employees' retiree health benefits are provided per resolution numbers 2009-30 and 2005-47, respectively. The benefits vary depending upon a retiree's years of service and employee unit. The City currently pays 100 percent of premiums for health care coverage for employee, or employee plus one dependent, for a specified period, for these two groups. Additionally, the City provides funding for retiree health benefits to General Unit employees under a defined contribution plan, per resolution numbers 2002-55 and 2006-38. The defined contribution is currently set by contract at .25% of compensation for General Unit members.

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**CITY OF SIMI VALLEY • NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2009**

	Number of Years Covered*			
	Less Than 10 Years Service	More Than 10 Years Service	More Than 20 Years Service	
Management employees:				
Employee only	4 years	10 years	1 additional year for each year over 20	
Employee plus one dependent	2 years	5 years	Additional 6 months for each year over 20	
	Less Than 10 Years Service	More Than 10 Years Service	More Than 20 Years Service	
Sworn (police) employees:				
Employee only	2 years	10 years	20-25 Years**	More Than 25 Years**
Employee plus one dependent	1 year	5 years	up to 20 years	life-time coverage
	10 Years Service		More Than 10 Years Service	
General unit employees:***				
Employee only	2 years		4 months for each additional year over 10 up to maximum of 8 years	
Employee plus one dependent	1 year		2 months for each additional year over 10 up to maximum of 4 years	

* Only employees that retire from the City are eligible to receive these benefits.

** Police Captains and Lieutenants are also eligible for these benefits.

*** For employees retired prior to June 30, 2006.

Employees retired after June 30, 2006 continue to receive benefits at this level. However, per agreement with the applicable employee association, it is acknowledged that the contractually obligated defined contribution used to support the benefit may not be sufficient to provide for the benefit at this level. If the defined contribution is not sufficient to support the benefit at any time, the City will have no further financial obligations.

The City provides a defined contribution of \$85,000 per year to the Police Officers' Association to be used by the Association for dental and vision coverage for its Sworn members.

Funding Policy – The contribution requirement of Management employees is established and may be amended by the City Council. Contribution requirements of Sworn and General Unit employees can be amended via the negotiation process. Currently, contributions are not required from Management and Sworn Plan members. The actuarially determined annual required contribution (ARC), based on parameters of GASB Statement No. 45, was partially funded for Fiscal Year 2008-09 in the amount of \$1,929,778.

See independent auditors' report.

CITY OF SIMI VALLEY • NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2009

Net OPEB Obligation

Annual required contribution	\$ 2,411,822
Adjustments to annual required contribution	-
Annual OPEB Cost	2,411,822
Contributions made	(1,929,778)
Increase in net OPEB obligation	482,044
Net OPEB obligation-beginning of the year	-
Net OPEB obligation-end of the year	\$ 482,044

Annual OPEB Costs and Net OPEB Obligation - For Fiscal Year 2008-09, the City's annual OPEB cost (expense) of \$2,411,822 was equal to the ARC. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover the annual normal cost and the amortization of unfunded actuarial liabilities (UAL) over a thirty-year period. Since this fiscal year is the transition year, information on the annual OPEB cost, percentage of annual OPEB cost contributed, and net OPEB obligation is only available for the current fiscal year, and is presented in the table below, for each of the City's covered employee groups. Three-year trend information will be presented in future years.

	Annual Required Contribution (ARC)	Actual Contribution (Net of Adjustments)	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
<u>Miscellaneous Employees - Management</u>				
<u>Fiscal Year</u> 6/30/2009	\$ 938,431	\$ 752,300	80%	\$ 186,131
<u>Sworn Employees - Management</u>				
<u>Fiscal Year</u> 6/30/2009	\$ 321,226	\$ 286,124	89%	\$ 35,102
<u>Sworn Employees - Officers</u>				
<u>Fiscal Year</u> 6/30/2009	\$ 1,058,867	\$ 614,860	58%	\$ 444,007
<u>Miscellaneous Employees - General Unit</u>				
<u>Fiscal Year</u> 6/30/2009	\$ 93,298	\$ 276,494	296%	\$ (183,196)

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

See independent auditors' report.

CITY OF SIMI VALLEY • NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2009

Management Employees - As of the most recent actuarial valuation date of January 1, 2009, the plan was 0.0% funded. The actuarial accrued liability (AAL) for benefits was \$13,242,514, and actuarial value of net assets was \$0 resulting in an unfunded actuarial accrued liability (UAAL) of \$13,242,514. The covered payroll (annual payroll of active employees covered by the plan) was \$18,757,012, and the ratio of the UAAL to the covered payroll was 70.6%.

Sworn Employees - As of the most recent actuarial valuation date of January 1, 2009, the plan was 0.0% funded. The AAL for benefits was \$10,056,965, and actuarial value of net assets was \$0, resulting in an UAAL of \$10,056,965. The covered payroll was \$12,802,111, and the ratio of the UAAL to the covered payroll was 78.6%.

General Unit Employees - As of the most recent actuarial valuation date of January 1, 2009, the plan was 0.0% funded. The AAL for benefits was \$1,119,291, and actuarial value of net assets was \$0, resulting in an UAAL of \$1,119,291. The covered payroll was \$12,608,311, and the ratio of the UAAL to the covered payroll was 8.9%.

The schedule of funding progress, presented as RSI following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the AAL for benefits. Only one year's data is presented, as this is the first year of the plan.

Actuarial Methods and Assumptions – Projection of benefits are based on the substantive plan (the plan as understood by the employer and the plan members) based on written plan documents and historical information regarding practices with respect to employer and employee contributions and other factors. In the January 1, 2009 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. Since this is the transition year the City did not need to make an election with respect to an asset smoothing formula, or method.

	<u>Miscellaneous Employees</u> <u>Management</u>	<u>Safety Employees</u> <u>Sworn and Management</u>	<u>Miscellaneous Employees</u> <u>General Unit</u>
Actuarial cost method	Entry age normal	Entry age normal	Entry age normal
Interest rate assumption	7.75%	7.75%	4.75%*
Inflation assumption	3%	3%	3%
Health inflation assumption	4%	4%	0%*
Mortality	CalPERS for Miscellaneous employees	CalPERS for Sworn employees	CalPERS for Sworn employees
Retirement rates	2% at 55	3% at 55	2% at 55
Vesting percentage	100%	100%	100%
Vesting period	Varies by benefit duration	Varies by benefit duration	Varies by benefit duration
Turnover	CalPERS for Miscellaneous employees	CalPERS for Sworn employees	CalPERS for Miscellaneous employees

*The actuary used a more conservative interest rate assumption, offset by the lower health inflation assumption.
All funds are invested in an irrevocable trust at the same rate of return in a pooled account.

See independent auditors' report.

CITY OF SIMI VALLEY • NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2009

F. Prior period adjustments

The final closeout of the 1994 earthquake projects revealed a need to reallocate grant funds between governmental and business-type activities in the amount of \$555,619.

The City provides loans to developers for constructing affordable low-income housing. The repayment terms for some of these loans are far in the future, and may be dependent on residual receipts. In prior years such loans were not recorded on the City's books. Generally accepted accounting principals (GAAP) require that the City record all loans and offset these with deferred revenue, if grant funded, or by a reservation of fund balance, if City funded. Accordingly, the City has restated the beginning net asset balances, and the beginning governmental fund balances by \$4,388,480, and \$3,797,900, respectively, to reflect the retroactive adjustment.

Additionally, beginning net assets of Governmental Activities have been restated by \$11,304,591 to expense non-capitalizable project expenses accumulated in construction in progress in prior years, and by \$926,652 to recognize sales tax revenue withheld by the State as a result of the triple flip swap effective July 1, 2004.

	<u>Net Assets - Beginning Balance</u>	<u>Adjustment</u>	<u>Net Assets - Beginning Balance as Restated</u>
Government-wide	\$ 275,251,697	\$ -	\$ 275,251,697
FEMA grant funds reallocated		555,619	555,619
Housing loans recorded		4,388,480	4,388,480
Expensed non-capitalizable projects		(11,304,591)	(11,304,591)
Accrued Triple Flip Adjustment		926,652	926,652
	<hr/> 275,251,697	<hr/> (5,433,840)	<hr/> 269,817,857
Business-type activities			
FEMA grant funds reallocated	161,563,003	(555,619)	\$ 161,007,384
	<hr/> 161,563,003	<hr/> (555,619)	<hr/> \$ 161,007,384
	<u>Fund Balance - Beginning Balance</u>	<u>Adjustment</u>	<u>Fund Balance - Beginning Balance as Restated</u>
Governmental funds	\$ 108,819,505	\$ -	\$ 108,819,505
FEMA grant funds reallocated		555,619	555,619
Housing loans recorded		3,797,700	3,797,700
	<hr/> \$ 108,819,505	<hr/> \$ 4,353,319	<hr/> \$ 113,172,824
Proprietary funds			
FEMA grant funds reallocated	\$ 161,365,174	(555,619)	\$ 160,809,555
	<hr/> \$ 161,365,174	<hr/> (555,619)	<hr/> \$ 160,809,555

See independent auditors' report.

CITY OF SIMI VALLEY • NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2009

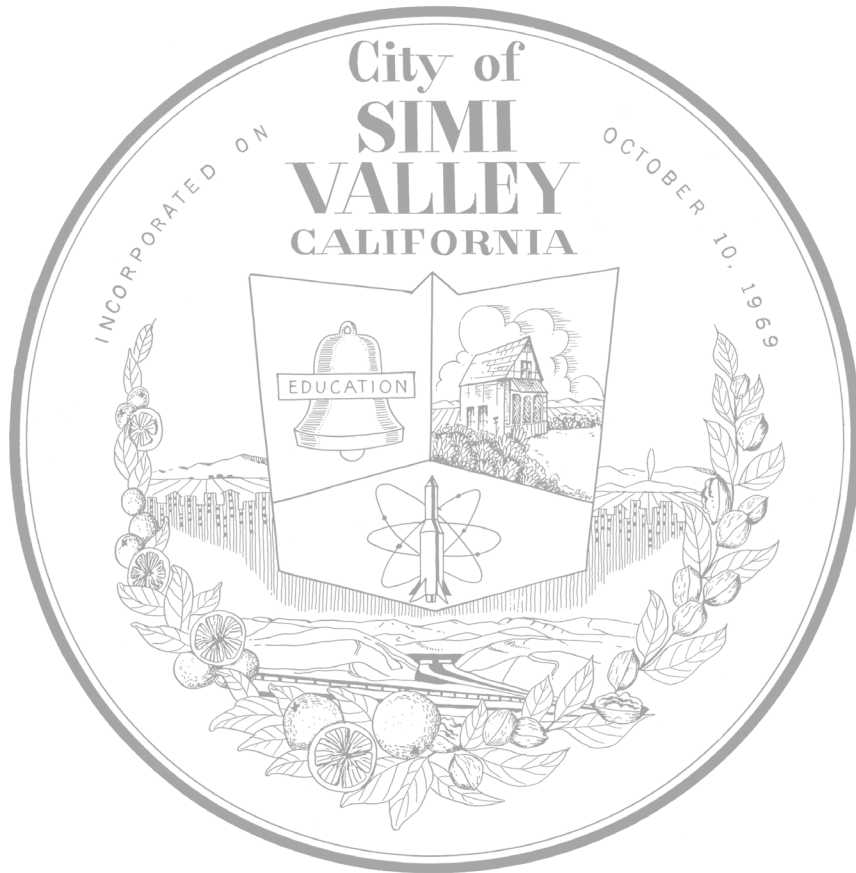
G. Subsequent events

Local Government Revenues Withheld by the State of California - On July 24, 2009 the legislation approved the “borrowing” of up to 8 percent of the local property tax under Proposition 1A (2004). For the City of Simi Valley, this is estimated to be \$2,207,881. The State of California is required to repay this obligation by June 30, 2013.

On July 24, 2009, the legislation approved the “borrowing” of up to 8 percent of the local property tax under Proposition 1A (2004). The City is a participant in the Proposition 1A Securitization Program offered by California Communities, a joint powers authority sponsored by the League of California Cities and California State Association of Counties. California Communities sold bonds on November 10, 2009 securitizing the future payments by the State and remit the proceeds of the bonds to the local governments who opt to participate in the program. The purchase price paid on the sale of the City’s receivable is 100% or \$2,207,881. Participants of the Securitization program have no obligation on the bonds and no credit exposure to the State. Distribution of the proceeds to the participants is expected 50% on January 15, 2010 and 50% on May 3, 2010.

SERAF Tax Increment Revenue Shift for fiscal year 2009-2010 and 2010-2011 - On July 23, 2009, the California Legislature passed SB 26, requiring a shift in tax increment revenues during fiscal years 2009-2010 and 2010-2011 to be deposited into the County “Supplemental” Educational Revenue Augmentation Fund (SERAF), which is to be distributed to meet the State’s Prop 98 obligations to schools. It is estimated that the Agency’s share of the SERAF shift for fiscal year 2009-2010 and 2010-2011 will amount to approximately \$6,260,850 and \$1,288,999, respectively. In October 2009, the California Redevelopment Association and its member agencies filed a legal action in an attempt to stop these amounts from having to be paid. As of the date of this report, no legal determination has been made by the courts on that action.

See independent auditors’ report.



Required Supplementary Information

REQUIRED SUPPLEMENTARY INFORMATION
(UNAUDITED)

City of Simi Valley
Schedule of Funding Progress
California Public Employees' Retirement System (CalPERS)

The following schedule of funding progress is related to CalPERS, an agent multiple-employer defined benefit pension plan.

Actuarial Valuation Date	Actuarial Asset Value	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL)	Funded Ratios	Covered Payroll	UAAL as a Percentage of Covered Payroll
6/30/06	107,683,489 ¹	127,989,444	20,305,955	84.1%	28,806,429	70.5%
	68,719,375 ²	85,048,473	16,329,098	80.8%	10,660,117	153.2%
6/30/07	121,013,620 ¹	143,870,263	22,856,643	84.1%	30,726,928	74.4%
	74,907,152 ²	93,016,343	18,109,191	80.5%	11,290,210	160.4%
6/30/08	132,388,641 ¹	158,055,081	25,666,440	83.8%	31,035,447	82.7%
	80,800,480 ²	100,157,787	19,357,307	80.7%	12,058,733	160.5%

1 Miscellaneous

2 Sworn

See independent auditors' report.

REQUIRED SUPPLEMENTARY INFORMATION
(UNAUDITED)

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

The following schedule of funding progress is related to SVOPEB, a single-employer defined benefit pension plan. This is the first year of this plan. Three-year trend information will be presented in future years.

Actuarial Valuation Date	Actuarial Value of Assets*	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL)	Funded Ratios	Covered Payroll	UAAL as a Percentage of Covered Payroll
1/1/2009	\$ - ¹	\$ 13,242,514	\$ 13,242,514	0.0%	\$ 18,757,012	70.6%
	- ²	10,056,965	10,056,965	0.0%	12,802,111	78.6%
	- ³	1,119,291	1,119,291	0.0%	12,608,311	8.9%

*OPEB trust was created on June 24, 2009

¹Management

²Sworn

³General Unit (defined contribution)

See independent auditors' report.

Supplementary Information

Nonmajor Governmental Funds



NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

Community Development Agency Administration fund accounts for those financial activities of the Simi Valley Community Development Agency that are not directly related to debt service, capital projects, or designated low- and moderate-income housing program transactions.

Madera Royal Tax Increment fund accounts for tax increment revenues related to the Madera Royal project area, which are restricted by State statute for debt service requirements.

Public, Education, and Government fees 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.

Lighting Maintenance District fund accounts for street lighting services and is financed primarily through property taxes levied specifically for this purpose.

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.

Retiree Benefits fund accounts for post employment retirement benefits.

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

1995 Lease Revenue Bonds fund was established to account for the debt service transactions related to the sale of variable rate lease revenue bonds issued to finance the cost of certain public capital improvements, including a replacement police facility.

2003 Tax Allocation Refunding Bonds fund was established to account for the debt service transactions related to this issuance.

2004 Certificates of Participation fund was established to account for the debt service transactions related to this issuance.

Capital Project Funds

CDA Projects funds account for capital improvements in the Community Development Agency project areas, financed by CDA bond issues.

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.

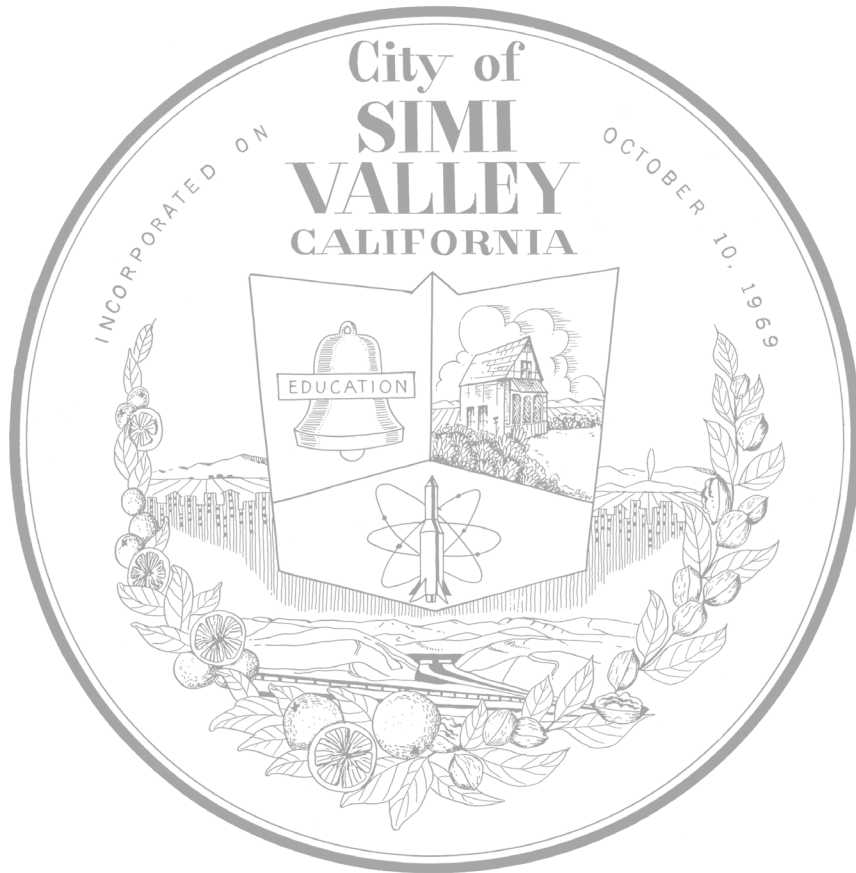
Integrated Police System (IPS) fund accounts for a computer aided dispatch system, improved records management capability and a mobile data computer system for police vehicles.

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.

Stormwater Detention Basins fund accounts for the construction of several stormwater detention basins.

Police Capital Projects fund accounts for capital projects related to the police department.

Regional Mall fund accounts for the development of a regional mall.



**CITY OF SIMI VALLEY
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
6/30/2009**

	Special Revenue			
	Community Development Agency Administration	Madera Royal Tax Increment	Public, Education, and Government Fees	Gasoline Tax
<u>ASSETS</u>				
Cash and investments:				
Held by city	\$ 29,615	\$ 1,311	\$ 51,970	\$ -
Held by bond trustee	-	-	-	-
Accounts receivable (net of allowance for uncollectibles)	-	-	-	-
Taxes receivable	-	-	-	-
Grants receivable	-	-	-	-
Interest receivable	-	97	-	-
Loans receivable	-	-	-	-
Advances to other funds	-	-	-	-
TOTAL ASSETS	\$ 29,615	\$ 1,408	\$ 51,970	\$ -
LIABILITIES AND FUND BALANCES				
<u>LIABILITIES</u>				
Accounts payable	\$ 16,245	\$ 1,406	\$ -	\$ -
Salaries and benefits payable	13,370	-	-	-
Due to other funds	-	-	-	-
Advances from other funds	-	46,903	-	-
Deferred revenues	-	-	-	-
TOTAL LIABILITIES	29,615	48,309	-	-
<u>FUND BALANCES</u>				
Reserved for encumbrances	-	-	-	-
Reserved for advances to other funds	-	-	-	-
Reserved for debt service	-	-	-	-
Unreserved:				
Designated for cash flow	-	-	-	-
Designated for capital projects	-	-	-	-
Designated for public improvements	-	-	-	-
Designated for law enforcement	-	-	-	-
Designated for special programs	-	-	51,970	-
Undesignated	-	(46,901)	-	-
TOTAL FUND BALANCES (DEFICITS)	-	(46,901)	51,970	-
TOTAL LIABILITIES AND FUND BALANCES	\$ 29,615	\$ 1,408	\$ 51,970	\$ -

**CITY OF SIMI VALLEY
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
6/30/2009**

Special Revenue

Lighting Maintenance District	Police Grants	Community Development Block Grant	Retiree Benefits	
\$ 5,964,319	\$ 151,542	\$ 335,129	\$ 1,792,450	ASSETS
-	-	-	-	Cash and investments:
60,320	-	-	-	Held by city
-	-	-	-	Held by bond trustee
105,054	-	-	-	Accounts receivable (net of allowance for uncollectibles)
-	116,793	80,312	-	Taxes receivable
25,703	1,514	-	14,389	Grants receivable
-	-	601,728	-	Interest receivable
2,500,000	-	-	-	Loans receivable
-	-	-	-	Advances to other funds
\$ 8,655,396	\$ 269,849	\$ 1,017,169	\$ 1,806,839	TOTAL ASSETS
				LIABILITIES AND FUND BALANCES
				LIABILITIES
\$ 154,831	\$ 17,994	\$ 29,683	\$ -	Accounts payable
-	20,155	-	-	Salaries and benefits payable
-	38,425	-	-	Due to other funds
-	-	-	-	Advances from other funds
-	-	601,728	-	Deferred revenues
154,831	76,574	631,411	-	TOTAL LIABILITIES
				FUND BALANCES
-	115,355	78,433	85,000	Reserved for encumbrances
2,500,000	-	-	-	Reserved for advances to other funds
-	-	-	-	Reserved for debt service
400,000	-	-	-	Unreserved:
-	-	-	-	Designated for cash flow
5,600,565	-	-	-	Designated for capital projects
-	77,920	-	-	Designated for public improvements
-	-	-	-	Designated for law enforcement
-	-	-	-	Designated for special programs
-	-	307,325	1,721,839	Undesignated
8,500,565	193,275	385,758	1,806,839	TOTAL FUND BALANCES (DEFICITS)
\$ 8,655,396	\$ 269,849	\$ 1,017,169	\$ 1,806,839	TOTAL LIABILITIES AND FUND BALANCES

(continued)

**CITY OF SIMI VALLEY
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
6/30/2009**

	Special Revenue		Debt Service	
	Landscape Maintenance District No. 1	Total Nonmajor Special Revenue Funds	1995 Lease Revenue Bonds	2003 Tax Allocation Refunding Bonds
<u>ASSETS</u>				
Cash and investments:				
Held by city	\$ 1,154,020	\$ 9,480,356	\$ 3,119	\$ 1,425,635
Held by bond trustee	-	-	977,698	2,114,982
Accounts receivable (net of allowance for uncollectibles)	-	60,320	-	-
Taxes receivable	-	105,054	-	-
Grants receivable	-	197,105	-	-
Interest receivable	8,414	50,117	-	9,083
Loans receivable (net of allowance for advances to other funds)	-	601,728	-	-
Advances to other funds	-	2,500,000	-	-
TOTAL ASSETS	\$ 1,162,434	\$ 12,994,680	\$ 980,817	\$ 3,549,700
LIABILITIES AND FUND BALANCES				
<u>LIABILITIES</u>				
Accounts payable	\$ 128,785	\$ 348,944	\$ 92	
Salaries and benefits payable	-	33,525	-	-
Due to other funds	-	38,425	-	-
Advances from other funds	-	46,903	-	-
Deferred revenues	-	601,728	-	-
TOTAL LIABILITIES	128,785	1,069,525	92	-
<u>FUND BALANCES</u>				
Reserved for encumbrances	-	278,788	-	-
Reserved for advances to other funds	-	2,500,000	-	-
Reserved for debt service	-	-	980,725	3,549,700
Unreserved:				
Designated for cash flow	250,000	650,000	-	-
Designated for capital projects	-	-	-	-
Designated for public improvements	783,649	6,384,214	-	-
Designated for law enforcement	-	77,920	-	-
Designated for special programs	-	51,970	-	-
Undesignated	-	1,982,263	-	-
TOTAL FUND BALANCES (DEFICITS)	1,033,649	11,925,155	980,725	3,549,700
TOTAL LIABILITIES AND FUND BALANCES	\$ 1,162,434	\$ 12,994,680	\$ 980,817	\$ 3,549,700

**CITY OF SIMI VALLEY
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
6/30/2009**

<u>Debt Service</u>		<u>Capital Projects</u>		
<u>2004 Certificates of Participation</u>	<u>Total Nonmajor Debt Service</u>	<u>CDA Projects</u>	<u>Equipment Replacement</u>	
				<u>ASSETS</u>
				Cash and investments:
\$ -	\$ 1,428,754	\$ 1,816,805	\$ 4,427,405	Held by city
2,773,727	5,866,407	-	-	Held by bond trustee
-	-	-	-	- Accounts receivable (net of allowance for uncollectibles)
-	-	-	-	- Taxes receivable
-	-	-	-	- Grants receivable
3,652	12,735	9,487	4,364	Interest receivable
-	-	-	-	- Loans receivable (net of allowance for
-	-	-	-	- Advances to other funds
<u>\$ 2,777,379</u>	<u>\$ 7,307,896</u>	<u>\$ 1,826,292</u>	<u>\$ 4,431,769</u>	TOTAL ASSETS
				LIABILITIES AND FUND BALANCES
				<u>LIABILITIES</u>
\$ -	\$ 92	\$ -	\$ 220,635	Accounts payable
-	-	-	-	- Salaries and benefits payable
-	-	-	-	- Due to other funds
-	-	-	-	- Advances from other funds
-	-	-	-	- Deferred revenues
<u>-</u>	<u>92</u>	<u>-</u>	<u>220,635</u>	TOTAL LIABILITIES
				<u>FUND BALANCES</u>
-	-	144,800	56,311	Reserved for encumbrances
-	-	-	-	- Reserved for advances to other funds
2,777,379	7,307,804	-	-	- Reserved for debt service
-	-	-	-	Unreserved:
-	-	-	-	- Designated for cash flow
-	-	1,681,492	4,154,823	- Designated for capital projects
-	-	-	-	- Designated for public improvements
-	-	-	-	- Designated for law enforcement
-	-	-	-	- Designated for special programs
-	-	-	-	- Undesignated
<u>2,777,379</u>	<u>7,307,804</u>	<u>1,826,292</u>	<u>4,211,134</u>	TOTAL FUND BALANCES (DEFICITS)
<u>\$ 2,777,379</u>	<u>\$ 7,307,896</u>	<u>\$ 1,826,292</u>	<u>\$ 4,431,769</u>	TOTAL LIABILITIES AND FUND BALANCES

(continued)

**CITY OF SIMI VALLEY
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
6/30/2009**

	Capital Projects			
	Geographic Information System (GIS)	Integrated Police System (IPS)	Financial Information System (FIS)	Stormwater Detention Basins
<u>ASSETS</u>				
Cash and investments:				
Held by city	\$ 251,598	\$ -	\$ 328,904	\$ 22,794
Held by bond trustee	-	-	-	-
Accounts receivable (net of allowance for uncollectibles)	-	-	-	-
Taxes receivable	-	-	-	-
Grants receivable	-	-	-	-
Interest receivable	1,070	-	-	-
Loans receivable (net of allowance for advances to other funds)	-	-	-	-
	-	-	-	-
TOTAL ASSETS	\$ 252,668	\$ -	\$ 328,904	\$ 22,794
LIABILITIES AND FUND BALANCES				
<u>LIABILITIES</u>				
Accounts payable	\$ 26,316	\$ -	\$ 1,775	\$ -
Salaries and benefits payable	-	-	-	-
Due to other funds	-	-	-	-
Advances from other funds	-	-	-	-
Deferred revenues	-	-	-	-
TOTAL LIABILITIES	26,316	-	1,775	-
<u>FUND BALANCES</u>				
Reserved for encumbrances	-	-	10,000	-
Reserved for advances to other funds	-	-	-	-
Reserved for debt service	-	-	-	-
Unreserved:				
Designated for cash flow	-	-	-	-
Designated for capital projects	226,352	-	317,129	22,794
Designated for public improvements	-	-	-	-
Designated for law enforcement	-	-	-	-
Designated for special programs	-	-	-	-
Undesignated	-	-	-	-
TOTAL FUND BALANCES (DEFICITS)	226,352	-	327,129	22,794
TOTAL LIABILITIES AND FUND BALANCES	\$ 252,668	\$ -	\$ 328,904	\$ 22,794

**CITY OF SIMI VALLEY
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
6/30/2009**

Capital Projects				
Police Capital Projects	Regional Mall	Total Nonmajor Capital Projects	Total Nonmajor Funds	
\$ 83,875	\$ -	\$ 6,931,381	\$ 17,840,491	ASSETS
-	-	-	5,866,407	Cash and investments:
-	-	-	60,320	Held by city
-	-	-	105,054	Held by bond trustee
-	-	-	197,105	Accounts receivable (net of allowance for uncollectibles)
438	-	15,359	78,211	Taxes receivable
-	-	-	601,728	Grants receivable
-	-	-	2,500,000	Interest receivable
-	-	-	-	Loans receivable (net of allowance for advances to other funds)
-	-	-	-	
\$ 84,313	\$ -	\$ 6,946,740	\$ 27,249,316	TOTAL ASSETS
				LIABILITIES AND FUND BALANCES
-	-	248,726	597,762	LIABILITIES
-	-	-	33,525	Accounts payable
-	-	-	38,425	Salaries and benefits payable
-	-	-	46,903	Due to other funds
-	-	-	601,728	Advances from other funds
-	-	-	-	Deferred revenues
-	-	248,726	1,318,343	TOTAL LIABILITIES
-	-	211,111	489,899	FUND BALANCES
-	-	-	2,500,000	Reserved for encumbrances
-	-	-	7,307,804	Reserved for advances to other funds
-	-	-	-	Reserved for debt service
-	-	-	-	Unreserved:
-	-	-	650,000	Designated for cash flow
84,313	-	6,486,903	6,486,903	Designated for capital projects
-	-	-	6,384,214	Designated for public improvements
-	-	-	77,920	Designated for law enforcement
-	-	-	51,970	Designated for special programs
-	-	-	1,982,263	Undesignated
84,313	-	6,698,014	25,930,973	TOTAL FUND BALANCES (DEFICITS)
\$ 84,313	\$ -	\$ 6,946,740	\$ 27,249,316	TOTAL LIABILITIES AND FUND BALANCES

(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, 2009**

	Special Revenue			
	Community Development Agency Administration	Madera Royal Tax Increment	Public, Education, and Government Fees	Gasoline Tax
REVENUES				
Taxes	\$ -	\$ -	\$ 51,970	\$ -
Tax increment revenues	-	77,906	-	-
Use of money and property	-	455	-	-
From other governments	-	-	-	2,064,397
Grants	-	-	-	-
Service charges	-	-	-	-
Other revenues	-	-	-	-
Total revenues	-	78,361	51,970	2,064,397
EXPENDITURES				
Current:				
General government	967,800	529	-	-
Planning	963,669	-	-	-
Public ways and facilities	-	-	-	-
Public safety	-	-	-	-
Total current expenditures	1,931,469	529	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	2,691	-	-
Other	-	-	-	-
Total debt service	-	2,691	-	-
Intergovernmental	-	28,395	-	-
Total expenditures	1,931,469	31,615	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(1,931,469)	46,746	51,970	2,064,397
OTHER FINANCING SOURCES (USES)				
Transfers in	1,961,069	-	-	-
Transfers out	(29,600)	(15,581)	-	(2,064,397)
Total other financing sources (uses)	1,931,469	(15,581)	-	(2,064,397)
NET CHANGE IN FUND BALANCES	-	31,165	51,970	-
FUND BALANCES (DEFICITS)-BEGINNING PRIOR PERIOD ADJUSTMENTS (note IV F)	-	(78,066)	-	-
FUND BALANCES (DEFICITS)-BEGINNING, AS RESTATED	-	(78,066)	-	-
FUND BALANCES (DEFICITS)-ENDING	\$ -	\$ (46,901)	\$ 51,970	\$ -

**CITY OF SIMI VALLEY
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

Special Revenue

Lighting Maintenance District	Police Grants	Community Development Block Grant	Retiree Benefits	
\$ 2,404,771	\$ -	\$ -	\$ -	
-	-	-	-	
273,122	10,402	63,986	101,838	
24,906	-	-	-	
-	351,022	1,086,956	-	
30,988	-	-	-	
45,745	-	-	23,000	
<u>2,779,532</u>	<u>361,424</u>	<u>1,150,942</u>	<u>124,838</u>	
				REVENUES
				Taxes
				Tax increment revenues
				Use of money and property
				From other governments
				Grants
				Service charges
				Other revenues
				Total revenues
				EXPENDITURES
				Current:
460,500	-	52,540	1,252,840	General government
-	-	1,029,988	-	Planning
1,468,700	-	-	-	Public ways and facilities
-	872,303	-	-	Public safety
<u>1,929,200</u>	<u>872,303</u>	<u>1,082,528</u>	<u>1,252,840</u>	Total current expenditures
-	-	-	-	Capital outlay
-	-	-	-	Debt service:
-	-	-	-	Principal
-	-	-	-	Interest
-	-	-	-	Other
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	Total debt service
-	-	-	-	Intergovernmental
<u>1,929,200</u>	<u>872,303</u>	<u>1,082,528</u>	<u>1,252,840</u>	Total expenditures
850,332	(510,879)	68,414	(1,128,002)	EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES
				OTHER FINANCING SOURCES (USES)
512,000	705,075	-	537,200	Transfers in
(488,500)	(261,965)	-	-	Transfers out
<u>23,500</u>	<u>443,110</u>	<u>-</u>	<u>537,200</u>	Total other financing sources (uses)
<u>873,832</u>	<u>(67,769)</u>	<u>68,414</u>	<u>(590,802)</u>	NET CHANGE IN FUND BALANCES
7,626,733	261,044	317,344	2,397,641	FUND BALANCES (DEFICITS)-BEGINNING
-	-	-	-	PRIOR PERIOD ADJUSTMENTS (note IV F)
<u>7,626,733</u>	<u>261,044</u>	<u>317,344</u>	<u>2,397,641</u>	FUND BALANCES (DEFICITS)-BEGINNING, AS RESTATED
<u>\$ 8,500,565</u>	<u>\$ 193,275</u>	<u>\$ 385,758</u>	<u>\$ 1,806,839</u>	FUND BALANCES (DEFICITS)-ENDING

(continued)

**CITY OF SIMI VALLEY
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
CHANGES IN FUND BALANCES**

	<u>Special Revenue</u>		<u>Debt Service</u>	
	<u>Landscape Maintenance District No. 1</u>	<u>Total Nonmajor Special Revenue Funds</u>	<u>1995 Lease Revenue Bonds</u>	<u>2003 Tax Allocation Refunding Bonds</u>
<u>REVENUES</u>				
Taxes	\$ -	\$ 2,456,741	\$ -	\$ -
Tax increment revenues	-	77,906	-	-
Use of money and property	58,167	507,970	5,851	53,370
From other governments	-	2,089,303	-	-
Grants	-	1,437,978	-	-
Service charges	802,315	833,303	-	-
Other revenues	-	68,745	-	-
Total revenues	<u>860,482</u>	<u>7,471,946</u>	<u>5,851</u>	<u>53,370</u>
<u>EXPENDITURES</u>				
Current:				
General government	103,552	2,837,761	-	-
Planning	-	1,993,657	-	-
Public ways and facilities	1,768,933	3,237,633	-	-
Public safety	-	872,303	-	-
Total current expenditures	<u>1,872,485</u>	<u>8,941,354</u>	<u>-</u>	<u>-</u>
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	625,000	750,000
Interest	-	2,691	330,150	1,335,969
Other	-	-	6,419	4,600
Total debt service	<u>-</u>	<u>2,691</u>	<u>961,569</u>	<u>2,090,569</u>
Intergovernmental	-	28,395	-	-
Total expenditures	<u>1,872,485</u>	<u>8,972,440</u>	<u>961,569</u>	<u>2,090,569</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(1,012,003)</u>	<u>(1,500,494)</u>	<u>(955,718)</u>	<u>(2,037,199)</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers in	980,000	4,695,344	844,460	2,052,492
Transfers out	-	(2,860,043)	-	-
Total other financing sources (uses)	<u>980,000</u>	<u>1,835,301</u>	<u>844,460</u>	<u>2,052,492</u>
NET CHANGE IN FUND BALANCES	<u>(32,003)</u>	<u>334,807</u>	<u>(111,258)</u>	<u>15,293</u>
FUND BALANCES (DEFICITS)-BEGINNING PRIOR PERIOD ADJUSTMENTS (note IV F)	1,065,652	11,590,348	1,091,983	3,534,407
FUND BALANCES (DEFICITS)-BEGINNING, AS RESTATED	<u>1,065,652</u>	<u>11,590,348</u>	<u>1,091,983</u>	<u>3,534,407</u>
FUND BALANCES (DEFICITS)-ENDING	<u>\$ 1,033,649</u>	<u>\$ 11,925,155</u>	<u>\$ 980,725</u>	<u>\$ 3,549,700</u>

**CITY OF SIMI VALLEY
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

<u>Debt Service</u>		<u>Capital Projects</u>		
2004 Certificates of Participation	Total Nonmajor Debt Service	CDA Projects	Equipment Replacement	
				REVENUES
\$ -	\$ -	\$ -	\$ -	- Taxes
-	-	-	-	- Tax increment revenues
28,879	88,100	65,222	34,887	- Use of money and property
-	-	-	-	- From other governments
-	-	-	-	- Grants
-	-	-	-	- Service charges
-	-	-	27,881	- Other revenues
<u>28,879</u>	<u>88,100</u>	<u>65,222</u>	<u>62,768</u>	Total revenues
				EXPENDITURES
				Current:
-	-	-	-	- General government
-	-	-	-	- Planning
-	-	-	-	- Public ways and facilities
-	-	-	-	- Public safety
-	-	-	-	- Total current expenditures
-	-	169,800	1,554,153	Capital outlay
				Debt service:
495,000	1,870,000	-	-	- Principal
1,156,469	2,822,588	-	-	- Interest
3,550	14,569	-	-	- Other
<u>1,655,019</u>	<u>4,707,157</u>	<u>-</u>	<u>-</u>	Total debt service
-	-	-	-	- Intergovernmental
<u>1,655,019</u>	<u>4,707,157</u>	<u>169,800</u>	<u>1,554,153</u>	Total expenditures
(1,626,140)	(4,619,057)	(104,578)	(1,491,385)	EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES
				OTHER FINANCING SOURCES (USES)
1,634,986	4,531,938	95,251	1,351,600	Transfers in
(41,154)	(41,154)	-	-	Transfers out
<u>1,593,832</u>	<u>4,490,784</u>	<u>95,251</u>	<u>1,351,600</u>	Total other financing sources (uses)
(32,308)	(128,273)	(9,327)	(139,785)	NET CHANGE IN FUND BALANCES
2,809,687	7,436,077	1,835,619	4,350,919	FUND BALANCES (DEFICITS)-BEGINNING
-	-	-	-	PRIOR PERIOD ADJUSTMENTS (note IV F)
<u>2,809,687</u>	<u>7,436,077</u>	<u>1,835,619</u>	<u>4,350,919</u>	FUND BALANCES (DEFICITS)-BEGINNING, AS RESTATED
<u>\$ 2,777,379</u>	<u>\$ 7,307,804</u>	<u>\$ 1,826,292</u>	<u>\$ 4,211,134</u>	FUND BALANCES (DEFICITS)-ENDING

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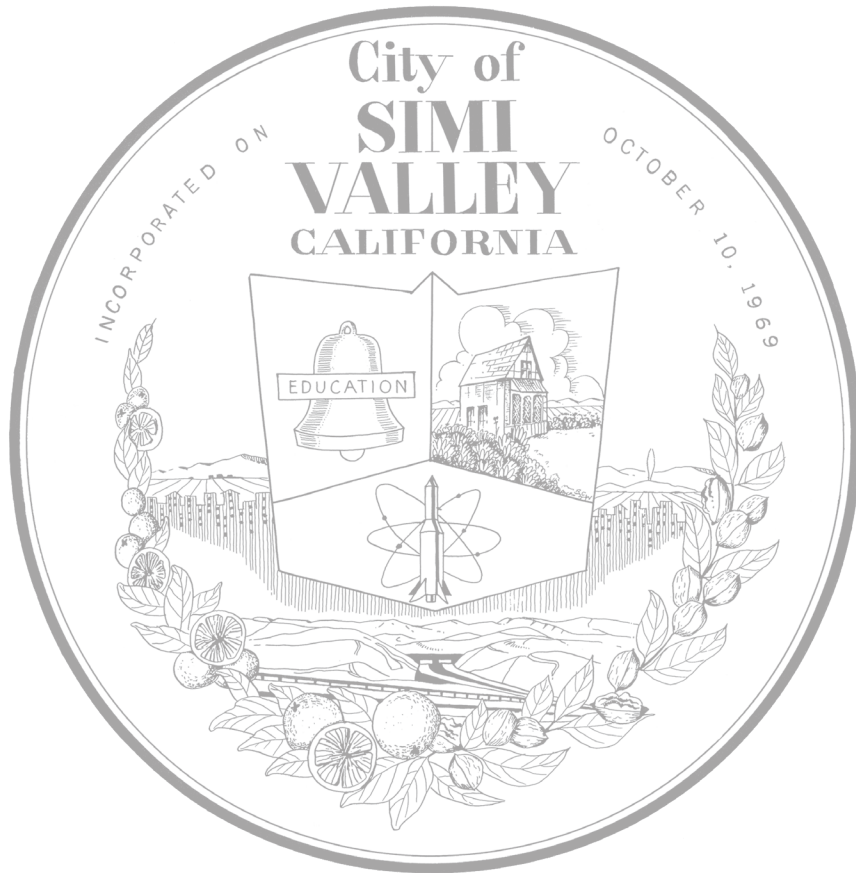
**CITY OF SIMI VALLEY
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

	Capital Projects			
	Geographic Information System (GIS)	Integrated Police System (IPS)	Financial Information System (FIS)	Stormwater Detention Basins
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Tax increment revenues	-	-	-	-
Use of money and property	7,711	-	-	-
From other governments	-	-	-	-
Grants	-	-	-	-
Service charges	-	-	-	-
Other revenues	-	-	5,000	-
Total revenues	<u>7,711</u>	<u>-</u>	<u>5,000</u>	<u>-</u>
EXPENDITURES				
Current:				
General government	-	-	-	-
Planning	-	-	-	-
Public ways and facilities	-	-	-	-
Public safety	-	-	-	-
Total current expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Capital outlay	<u>47,896</u>	<u>-</u>	<u>110,875</u>	<u>85,802</u>
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Other	-	-	-	-
Total debt service	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Intergovernmental	-	-	-	-
Total expenditures	<u>47,896</u>	<u>-</u>	<u>110,875</u>	<u>85,802</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(40,185)</u>	<u>-</u>	<u>(105,875)</u>	<u>(85,802)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	94,500	-	209,600	-
Transfers out	-	(18,368)	-	-
Total other financing sources (uses)	<u>94,500</u>	<u>(18,368)</u>	<u>209,600</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	<u>54,315</u>	<u>(18,368)</u>	<u>103,725</u>	<u>(85,802)</u>
FUND BALANCES (DEFICITS)-BEGINNING	172,037	18,368	223,404	108,596
PRIOR PERIOD ADJUSTMENTS (note IV F)	-	-	-	-
FUND BALANCES (DEFICITS)-BEGINNING, AS RESTATED	<u>172,037</u>	<u>18,368</u>	<u>223,404</u>	<u>108,596</u>
FUND BALANCES (DEFICITS)-ENDING	<u>\$ 226,352</u>	<u>\$ -</u>	<u>\$ 327,129</u>	<u>\$ 22,794</u>

**CITY OF SIMI VALLEY
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

<u>Capital Projects</u>				
Police Capital Projects	Regional Mall	Total Nonmajor Capital Project Funds	Total Nonmajor Funds	
\$ -	\$ -	\$ -	\$ 2,456,741	REVENUES
-	-	-	77,906	Taxes
2,947	-	110,767	706,837	Tax increment revenues
-	-	-	2,089,303	Use of money and property
-	-	-	1,437,978	From other governments
-	-	-	833,303	Grants
-	61,870	94,751	163,496	Service charges
2,947	61,870	205,518	7,765,564	Other revenues
				Total revenues
				EXPENDITURES
				Current:
-	-	-	2,837,761	General government
-	-	-	1,993,657	Planning
-	-	-	3,237,633	Public ways and facilities
-	-	-	872,303	Public safety
-	-	-	8,941,354	Total current expenditures
				Capital outlay
-	-	1,968,526	1,968,526	
				Debt service:
-	-	-	1,870,000	Principal
-	-	-	2,825,279	Interest
-	-	-	14,569	Other
-	-	-	4,709,848	Total debt service
				Intergovernmental
-	-	-	28,395	Total expenditures
-	-	1,968,526	15,648,123	
				EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES
2,947	61,870	(1,763,008)	(7,882,559)	
				OTHER FINANCING SOURCES (USES)
-	34,554	1,785,505	11,012,787	Transfers in
-	-	(18,368)	(2,919,565)	Transfers out
-	34,554	1,767,137	8,093,222	Total other financing sources (uses)
				NET CHANGE IN FUND BALANCES
2,947	96,424	4,129	210,663	
				FUND BALANCES (DEFICITS)-BEGINNING PRIOR PERIOD ADJUSTMENTS (note IV F)
81,366	(96,424)	6,693,885	25,720,310	FUND BALANCES (DEFICITS)-BEGINNING, AS RESTATED
-	-	-	-	
81,366	(96,424)	6,693,885	25,720,310	
				FUND BALANCES (DEFICITS)-ENDING
\$ 84,313	\$ -	\$ 6,698,014	\$ 25,930,973	

(concluded)



Schedules-Budget and Actual-Individual Funds



**CITY OF SIMI VALLEY
COMMUNITY DEVELOPMENT AGENCY ADMINISTRATION
SUPPLEMENTAL SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

	Budget	Actual	Variance with Budget Positive (Negative)
<u>EXPENDITURES</u>			
Current:			
General government:			
Reimbursement to general fund	967,800	967,800	-
Environmental services:			
Personnel	590,200	592,788	(2,588)
Materials, supplies and services	383,400	370,881	12,519
Total environmental services	973,600	963,669	9,931
Total expenditures	1,941,400	1,931,469	9,931
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(1,941,400)	(1,931,469)	9,931
<u>OTHER FINANCING SOURCES (USES)</u>			
Transfers in	1,971,000	1,961,069	(9,931)
Transfers out	(29,600)	(29,600)	-
Total other financing sources (uses)	1,941,400	1,931,469	(9,931)
NET CHANGE IN FUND BALANCES	-	-	-
FUND BALANCES (DEFICITS)-BEGINNING	-	-	-
FUND BALANCES (DEFICITS)-ENDING	\$ -	\$ -	\$ -

**CITY OF SIMI VALLEY
MADERA ROYAL TAX INCREMENT
SUPPLEMENTAL SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

	Budget	Actual	Variance with Budget Positive (Negative)
<u>REVENUES</u>			
Tax increment revenues	\$ 80,500	\$ 77,906	\$ (2,594)
Use of money and property	1,000	455	(545)
Total revenues	81,500	78,361	(3,139)
<u>EXPENDITURES</u>			
Current:			
General government:			
Materials, supplies, and services	1,000	529	471
Debt service:			
Interest	3,800	2,691	1,109
Intergovernmental	29,300	28,395	905
Total expenditures	34,100	31,615	2,485
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	47,400	46,746	(654)
<u>OTHER FINANCING SOURCES (USES)</u>			
Transfers out	(16,100)	(15,581)	519
NET CHANGE IN FUND BALANCES	31,300	31,165	(135)
FUND BALANCES (DEFICITS)-BEGINNING	(78,066)	(78,066)	-
FUND BALANCES (DEFICITS)-ENDING	\$ (46,766)	\$ (46,901)	\$ (135)

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, 2009

	Budget	Actual	Variance with Budget Positive (Negative)
<hr/>			
<u>REVENUES</u>			
From other governments	\$ 2,322,300	\$ 2,064,397	\$ (257,903)
<u>OTHER FINANCING SOURCES (USES)</u>			
Transfers out	(2,322,300)	(2,064,397)	257,903
NET CHANGE IN FUND BALANCES	-	-	-
FUND BALANCES (DEFICITS)-BEGINNING	-	-	-
FUND BALANCES (DEFICITS)-ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**CITY OF SIMI VALLEY
LIGHTING MAINTENANCE DISTRICT
SUPPLEMENTAL SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

	Budget	Actual	Variance with Budget Positive (Negative)
<u>REVENUES</u>			
Taxes	\$ 2,320,000	\$ 2,404,771	\$ 84,771
Use of money and property	357,800	273,122	(84,678)
From other governments	25,400	24,906	(494)
Service charges	1,000	30,988	29,988
Other revenues	-	45,745	45,745
Total revenues	<u>2,704,200</u>	<u>2,779,532</u>	<u>75,332</u>
<u>EXPENDITURES</u>			
Current:			
General government:			
Reimbursement to general fund	460,500	460,500	-
Public works:			
Utilities	900,000	1,022,619	(122,619)
Services	460,600	446,081	14,519
Total public works	<u>1,360,600</u>	<u>1,468,700</u>	<u>(108,100)</u>
Total expenditures	<u>1,821,100</u>	<u>1,929,200</u>	<u>(108,100)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	883,100	850,332	(32,768)
<u>OTHER FINANCING SOURCES (USES)</u>			
Transfers in		512,000	512,000
Transfers out	(493,500)	(488,500)	5,000
Total other financing sources (uses)	<u>(493,500)</u>	<u>23,500</u>	<u>517,000</u>
NET CHANGE IN FUND BALANCES	389,600	873,832	484,232
FUND BALANCES (DEFICITS)-BEGINNING	<u>7,626,733</u>	<u>7,626,733</u>	-
FUND BALANCES (DEFICITS)-ENDING	<u>\$ 8,016,333</u>	<u>\$ 8,500,565</u>	<u>\$ 484,232</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, 2009**

	Budget	Actual	Variance with Budget Positive (Negative)
<u>REVENUES</u>			
Use of money and property	\$ 3,100	\$ 10,402	\$ 7,302
Grants	607,534	351,022	(256,512)
Total revenues	<u>610,634</u>	<u>361,424</u>	<u>(249,210)</u>
<u>EXPENDITURES</u>			
Current:			
Public safety:			
Personnel	919,600	804,574	115,026
Material, supplies and services	232,646	67,729	164,917
Total public safety	<u>1,152,246</u>	<u>872,303</u>	<u>279,943</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(541,612)</u>	<u>(510,879)</u>	<u>30,733</u>
<u>OTHER FINANCING SOURCES (USES)</u>			
Transfers in	887,700	705,075	(182,625)
Transfers out	(324,488)	(261,965)	62,523
Total other financing sources (uses)	<u>563,212</u>	<u>443,110</u>	<u>(120,102)</u>
NET CHANGE IN FUND BALANCES	21,600	(67,769)	(89,369)
FUND BALANCES (DEFICITS)-BEGINNING	<u>261,044</u>	<u>261,044</u>	<u>-</u>
FUND BALANCES (DEFICITS)-ENDING	<u>\$ 282,644</u>	<u>\$ 193,275</u>	<u>\$ (89,369)</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, 2009**

	Budget	Actual	Variance with Budget Positive (Negative)
<u>REVENUES</u>			
Use of money and property	\$ -	\$ 63,986	\$ 63,986
Grants	1,072,572	1,086,956	14,384
Total revenues	<u>1,072,572</u>	<u>1,150,942</u>	<u>78,370</u>
<u>EXPENDITURES</u>			
General government:			
Reimbursement to general fund	<u>52,495</u>	<u>52,540</u>	<u>(45)</u>
Environmental services:			
Reimbursement to housing fund	108,076	108,071	5
Social programs	763,281	298,513	464,768
Other programs	652,010	623,404	28,606
Total environmental services	<u>1,523,367</u>	<u>1,029,988</u>	<u>493,379</u>
Total expenditures	<u>1,575,862</u>	<u>1,082,528</u>	<u>493,334</u>
NET CHANGE IN FUND BALANCES	(503,290)	68,414	571,704
FUND BALANCES (DEFICITS)-BEGINNING	<u>317,344</u>	<u>317,344</u>	<u>-</u>
FUND BALANCES (DEFICITS)-ENDING	<u>\$ (185,946)</u>	<u>\$ 385,758</u>	<u>\$ 571,704</u>

**CITY OF SIMI VALLEY
RETIREE BENEFITS
SUPPLEMENTAL SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

	Budget	Actual	Variance with Budget Positive (Negative)
<u>REVENUES</u>			
Use of money and property	\$ 113,000	\$ 101,838	\$ (11,162)
Other revenues	23,000	23,000	-
Total revenues	<u>136,000</u>	<u>124,838</u>	<u>(11,162)</u>
<u>EXPENDITURES</u>			
Current:			
General government:			
Retiree benefits	<u>159,900</u>	<u>1,252,840</u>	<u>(1,092,940)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(23,900)	(1,128,002)	(1,104,102)
<u>OTHER FINANCING SOURCES (USES)</u>			
Transfers in	<u>537,200</u>	<u>537,200</u>	-
NET CHANGE IN FUND BALANCES	513,300	(590,802)	(1,104,102)
FUND BALANCES (DEFICITS)-BEGINNING	<u>2,397,641</u>	<u>2,397,641</u>	-
FUND BALANCES (DEFICITS)-ENDING	<u>\$ 2,910,941</u>	<u>\$ 1,806,839</u>	<u>\$ (1,104,102)</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, 2009**

	Budget	Actual	Variance with Budget Positive (Negative)
<u>REVENUES</u>			
Use of money and property	\$ 38,146	\$ 58,167	\$ 20,021
Service charges	788,593	802,315	13,722
Total revenues	<u>826,739</u>	<u>860,482</u>	<u>33,743</u>
<u>EXPENDITURES</u>			
Current:			
General government:			
Reimbursement to general fund	<u>104,286</u>	<u>103,552</u>	<u>734</u>
Public works:			
Utilities	458,946	463,348	(4,402)
Landscape maintenance contract	1,263,095	1,254,511	8,584
Other contract services	46,400	51,073	(4,673)
Total public works	<u>1,768,441</u>	<u>1,768,932</u>	<u>(491)</u>
Total expenditures	<u>1,872,727</u>	<u>1,872,484</u>	<u>243</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(1,045,988)	(1,012,003)	33,985
<u>OTHER FINANCING SOURCES (USES)</u>			
Transfers in	980,000	980,000	-
Transfers out	(20)	-	20
Total other financing sources (uses)	<u>979,980</u>	<u>980,000</u>	<u>20</u>
NET CHANGE IN FUND BALANCES	(66,008)	(32,003)	34,005
FUND BALANCES (DEFICITS)-BEGINNING	<u>1,065,652</u>	<u>1,065,652</u>	<u>-</u>
FUND BALANCES (DEFICITS)-ENDING	<u>\$ 999,644</u>	<u>\$ 1,033,649</u>	<u>\$ 34,005</u>

Internal Service and Fiduciary Funds



**CITY OF SIMI VALLEY
 COMBINING STATEMENT OF NET ASSETS
 INTERNAL SERVICE FUNDS
 JUNE 30, 2009**

	Liability Insurance	Workers' Compensation Insurance	Total
<u>ASSETS</u>			
Current assets:			
Cash and investments	\$ 6,419,135	\$ 15,163,589	\$ 21,582,724
Interest receivable	23,144	68,230	91,374
TOTAL ASSETS	6,442,279	15,231,819	21,674,098
<u>LIABILITIES</u>			
Current liabilities:			
Accounts payable	156,923	14,465	171,388
Salaries and benefits payable	-	7,954	7,954
Compensated absences	-	4,802	4,802
Claims and legal services payable	823,906	2,054,827	2,878,733
Total current liabilities	980,829	2,082,048	3,062,877
Noncurrent liabilities:			
Advances from other funds	2,344,000	2,344,000	4,688,000
Compensated absences	-	43,221	43,221
Claims and legal services payable	1,350,760	4,396,450	5,747,210
Total noncurrent liabilities	3,694,760	6,783,671	10,478,431
TOTAL LIABILITIES	4,675,589	8,865,719	13,541,308
<u>NET ASSETS</u>			
Unrestricted	1,766,690	6,366,100	8,132,790
TOTAL NET ASSETS	\$ 1,766,690	\$ 6,366,100	\$ 8,132,790

CITY OF SIMI VALLEY
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
INTERNAL SERVICE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

	Liability Insurance	Workers' Compensation Insurance	Total
<u>OPERATING REVENUES</u>			
Total charges for sales and services	\$ 1,288,100	\$ 3,187,100	\$ 4,475,200
<u>OPERATING EXPENSES</u>			
Salaries and benefits	-	346,820	346,820
Excess insurance premiums	353,543	232,064	585,607
Claims and legal expenses	602,818	(807,410)	(204,592)
General administration	296,300	1,585,600	1,881,900
Other	-	7,777	7,777
Total operating expenses	1,252,661	1,364,851	2,617,512
OPERATING INCOME (LOSS)	35,439	1,822,249	1,857,688
NONOPERATING REVENUES AND EXPENSES:			
Interest	177,816	512,121	689,937
INCOME (LOSS) BEFORE TRANSFERS	213,255	2,334,370	2,547,625
<u>TRANSFERS</u>			
Transfers out	(4,100)	(2,000)	(6,100)
CHANGE IN NET ASSETS	209,155	2,332,370	2,541,525
TOTAL NET ASSETS-BEGINNING	1,557,535	4,033,730	5,591,265
TOTAL NET ASSETS-ENDING	\$ 1,766,690	\$ 6,366,100	\$ 8,132,790

**CITY OF SIMI VALLEY
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

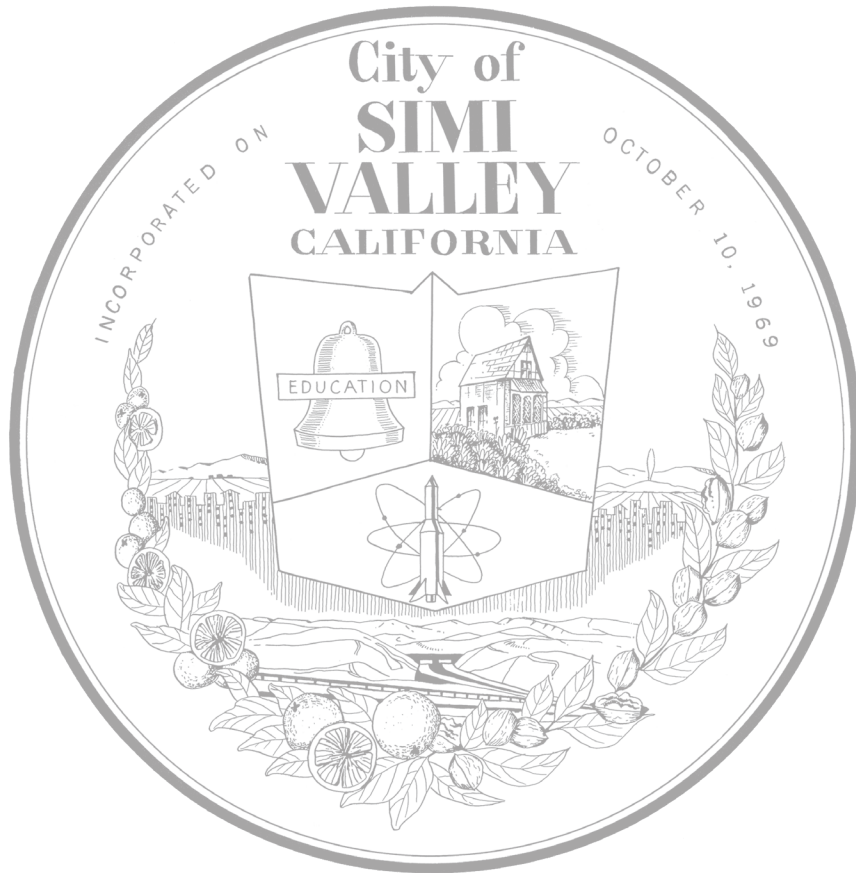
	Liability Insurance	Workers' Compensation Insurance	Totals
<u>CASH FLOWS FROM OPERATING ACTIVITIES:</u>			
Cash received from service charges and other revenues (net of refunds)	\$ 1,288,100	\$ 3,187,100	\$ 4,475,200
Cash paid for general administration	(296,300)	(1,585,600)	(1,881,900)
Cash paid for salaries and benefits	-	(337,647)	(337,647)
Cash paid for insurance premiums and claims	(1,053,927)	(1,567,776)	(2,621,703)
Cash paid for insurance services	-	(7,777)	(7,777)
Net cash provided (used) by operating activities	<u>(62,127)</u>	<u>(311,700)</u>	<u>(373,827)</u>
<u>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</u>			
Transfers to other funds	(4,100)	(2,000)	(6,100)
Net cash provided (used) by noncapital financing activities	<u>(4,100)</u>	<u>(2,000)</u>	<u>(6,100)</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES:</u>			
Interest on investments	183,274	527,473	710,747
Net cash provided (used) by investing activities	<u>183,274</u>	<u>527,473</u>	<u>710,747</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	117,047	213,773	330,820
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>6,302,088</u>	<u>14,949,816</u>	<u>21,251,904</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 6,419,135</u>	<u>\$ 15,163,589</u>	<u>\$ 21,582,724</u>
<u>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:</u>			
Operating income (loss)	\$ 35,439	\$ 1,822,249	\$ 1,857,688
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Increase (decrease) in accounts payable	135,497	1,662	137,159
Increase (decrease) in accrued payroll	-	1,162	1,162
Increase (decrease) in compensated absences	-	8,011	8,011
Increase (decrease) in claims and legal services payable	(233,063)	(2,144,784)	(2,377,847)
Total adjustments	<u>(97,566)</u>	<u>(2,133,949)</u>	<u>(2,231,515)</u>
Net cash provided (used) by operating activities	<u>\$ (62,127)</u>	<u>\$ (311,700)</u>	<u>\$ (373,827)</u>

**CITY OF SIMI VALLEY
 COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
 FIDUCIARY FUNDS
 JUNE 30, 2009**

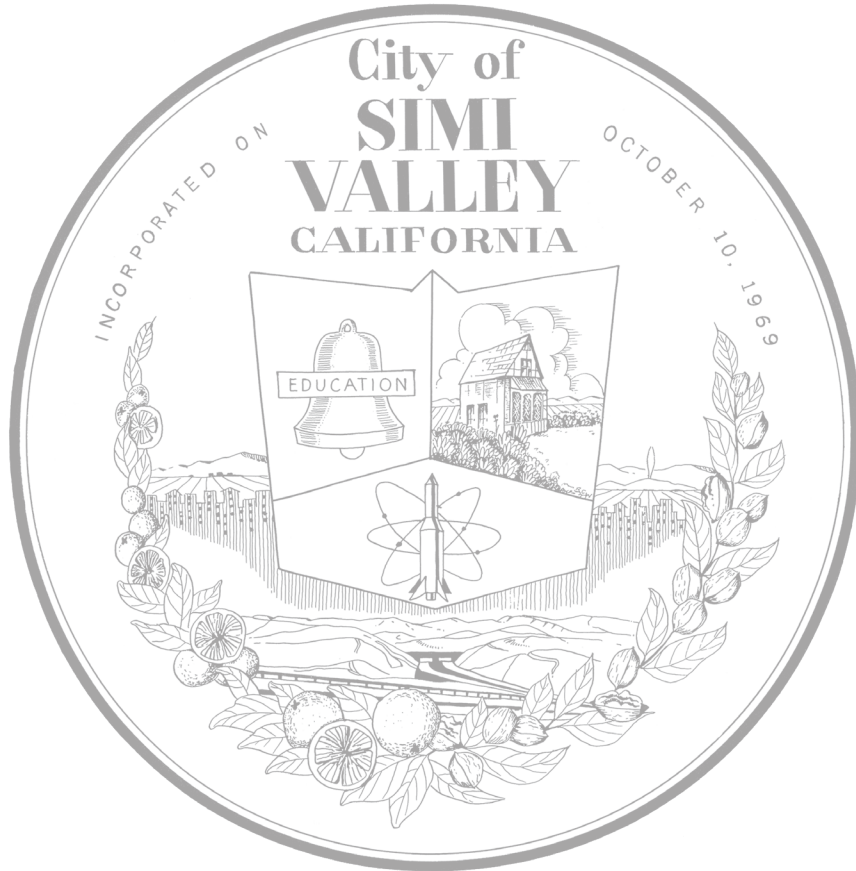
	City Agency Fund	Assessment Districts - City of Simi Valley	Tax Increment Pass-Through Simi Valley Unified School District	Tax Increment Pass-Through Ventura County Community College District	Total
<u>ASSETS</u>					
Current assets:					
Cash and investments:					
Held by City	\$ 4,377,235	\$ 1,093,058	\$ 172,897	\$ 309,140	\$ 5,952,330
Held by bond trustee	-	3,074,363	-	-	3,074,363
Accounts receivable	-	4,108	7,924	1,167	13,199
TOTAL ASSETS	\$ 4,377,235	\$ 4,171,529	\$ 180,821	\$ 310,307	\$ 9,039,892
<u>LIABILITIES</u>					
Intergovernmental payable	\$ 4,377,235	\$ 4,171,529	\$ 180,821	\$ 310,307	\$ 9,039,892
TOTAL LIABILITIES	\$ 4,377,235	\$ 4,171,529	\$ 180,821	\$ 310,307	\$ 9,039,892

**CITY OF SIMI VALLEY
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

	Balance at June 30, 2008	Additions	Deletions	Balance at June 30, 2009
AGENCY FUND - CITY OF SIMI VALLEY				
ASSETS:				
Cash and investments held by city	\$ 6,175,460	\$ 1,078,070	\$ 2,876,295	\$ 4,377,235
TOTAL ASSETS	\$ 6,175,460	\$ 1,078,070	\$ 2,876,295	\$ 4,377,235
LIABILITIES:				
Intergovernmental payable	\$ 6,175,460	\$ 1,078,070	\$ 2,876,295	\$ 4,377,235
TOTAL LIABILITIES	\$ 6,175,460	\$ 1,078,070	\$ 2,876,295	\$ 4,377,235
ASSESSMENT DISTRICT - CITY OF SIMI VALLEY				
ASSETS:				
Cash and investments held by city	\$ 1,019,670	\$ 921,045	\$ 847,657	\$ 1,093,058
Cash and investments held by bond trustee	3,333,201	680,947	939,785	3,074,363
Accounts receivable	5,999	4,108	5,999	4,108
TOTAL ASSETS	\$ 4,358,870	\$ 1,606,100	\$ 1,793,441	\$ 4,171,529
LIABILITIES:				
Intergovernmental payable	\$ 4,358,870	\$ 1,606,100	\$ 1,793,441	\$ 4,171,529
TOTAL LIABILITIES	\$ 4,358,870	\$ 1,606,100	\$ 1,793,441	\$ 4,171,529
SIMI VALLEY UNIFIED SCHOOL DISTRICT				
ASSETS:				
Cash and investments held by city	\$ 1,253,450	\$ 1,219,171	\$ 2,299,724	\$ 172,897
Accounts receivable	9,664	7,924	9,664	7,924
TOTAL ASSETS	\$ 1,263,114	\$ 1,227,095	\$ 2,309,388	\$ 180,821
LIABILITIES:				
Intergovernmental payable	\$ 1,263,114	\$ 1,227,095	\$ 2,309,388	\$ 180,821
TOTAL LIABILITIES	\$ 1,263,114	\$ 1,227,095	\$ 2,309,388	\$ 180,821
VENTURA COUNTY COMMUNITY COLLEGE DISTRICT				
ASSETS:				
Cash and investments held by city	\$ 267,113	\$ 329,408	\$ 287,381	\$ 309,140
Accounts receivable	1,580	1,167	1,580	1,167
TOTAL ASSETS	\$ 268,693	\$ 330,575	\$ 288,961	\$ 310,307
LIABILITIES:				
Intergovernmental payable	\$ 268,693	\$ 330,575	\$ 288,961	\$ 310,307
TOTAL LIABILITIES	\$ 268,693	\$ 330,575	\$ 288,961	\$ 310,307
TOTAL AGENCY FUNDS				
ASSETS:				
Cash and investments held by city	\$ 8,715,693	\$ 3,547,694	\$ 6,311,057	\$ 5,952,330
Cash and investments held by bond trustee	3,333,201	680,947	939,785	3,074,363
Accounts receivable	17,243	13,199	17,243	13,199
TOTAL ASSETS	\$ 12,066,137	\$ 4,241,840	\$ 7,268,085	\$ 9,039,892
LIABILITIES:				
Intergovernmental payable	\$ 12,066,137	\$ 4,241,840	\$ 7,268,085	\$ 9,039,892
TOTAL LIABILITIES	\$ 12,066,137	\$ 4,241,840	\$ 7,268,085	\$ 9,039,892



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.

	PAGE
<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.	106
<u>Revenue Capacity</u> These schedules contain information to help the reader assess the government’s most significant local revenue source, the property tax.	116
<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.....	124
<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.	128
<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.....	130

SOURCE:

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

**CITY OF SIMI VALLEY
NET ASSETS BY COMPONENT
LAST SEVEN FISCAL YEARS**

	Fiscal Year			
	2002-03	2003-04	2004-05	2005-06
Governmental activities				
Invested in capital assets, net of related debt	\$ 25,526,553	\$ 27,714,331	\$ 39,280,006	\$ 55,108,472
Restricted	24,562,489	23,136,350	28,718,649	39,933,025
Unrestricted	35,835,826	38,529,028	38,041,664	37,929,875
Total governmental activities net assets	<u>\$ 85,924,868</u>	<u>\$ 89,379,709</u>	<u>\$ 106,040,319</u>	<u>\$ 132,971,372</u>
Business-type activities				
Invested in capital assets, net of related debt	\$ 61,454,844	\$ 66,493,449	\$ 72,475,306	\$ 74,114,013
Restricted	21,191,489	14,666,713	15,279,959	19,733,407
Unrestricted	12,356,930	15,361,347	18,553,722	22,524,125
Total business-type activities net assets	<u>\$ 95,003,263</u>	<u>\$ 96,521,509</u>	<u>\$ 106,308,987</u>	<u>\$ 116,371,545</u>
Primary Government				
Invested in capital assets, net of related debt	\$ 86,981,397	\$ 94,207,780	\$ 111,755,312	\$ 129,222,485
Restricted	45,753,978	37,803,063	43,998,608	59,666,432
Unrestricted	48,192,756	53,890,375	56,595,386	60,454,000
Total primary government net assets	<u>\$ 180,928,131</u>	<u>\$ 185,901,218</u>	<u>\$ 212,349,306</u>	<u>\$ 249,342,917</u>

Continued

This is the seventh year reporting net assets by component. Additional years will be added prospectively until ten years are reported.

**CITY OF SIMI VALLEY
NET ASSETS BY COMPONENT
LAST SEVEN FISCAL YEARS**

Fiscal Year			
2006-07	2007-08	2008-09	
			Governmental activities
\$ 153,537,599	\$ 157,564,195	\$ 180,128,561	Invested in capital assets, net of related debt
60,444,524	76,340,295	84,285,014	Restricted
42,886,026	39,459,540	8,499,742	Unrestricted
<u>\$ 256,868,149</u>	<u>\$ 273,364,030</u>	<u>\$ 272,913,317</u>	Total governmental activities net assets
			Business-type activities
\$ 109,436,007	\$ 112,913,342	\$ 121,094,906	Invested in capital assets, net of related debt
18,981,595	17,622,173	9,527,814	Restricted
27,974,098	31,027,488	35,330,465	Unrestricted
<u>\$ 156,391,700</u>	<u>\$ 161,563,003</u>	<u>\$ 165,953,185</u>	Total business-type activities net assets
			Primary Government
\$ 262,973,606	\$ 270,477,537	\$ 301,223,467	Invested in capital assets, net of related debt
79,426,119	93,962,468	93,812,828	Restricted
70,860,124	70,487,028	43,830,207	Unrestricted
<u>\$ 413,259,849</u>	<u>\$ 434,927,033</u>	<u>\$ 438,866,502</u>	Total primary government net assets

Concluded

This is the seventh year reporting net assets by component. Additional years will be added prospectively until ten years are reported.

**CITY OF SIMI VALLEY
CHANGES IN NET ASSETS
LAST SEVEN FISCAL YEARS**

	Fiscal Year			
	2002-03	2003-04	2004-05	2005-06
Expenses				
Governmental activities:				
General government	\$ 11,876,586	\$ 10,568,288	\$ 11,514,749	\$ 13,435,816
Community services	4,579,466	3,306,481	3,339,200	3,958,051
Planning	5,773,894	11,305,548	9,451,696	8,527,778
Public ways and facilities	13,881,770	15,650,878	14,900,957	15,623,621
Public safety	22,380,396	24,888,781	24,910,100	26,693,489
Interest on long-term debt	2,487,785	2,089,477	2,766,273	2,525,366
Total governmental activities expenses	<u>60,979,897</u>	<u>67,809,453</u>	<u>66,882,975</u>	<u>70,764,121</u>
Business-type activities:				
Sanitation	10,933,862	11,614,065	12,073,824	12,198,794
Waterworks district no. 8	18,745,001	21,418,765	21,018,081	23,687,693
Transit	4,156,448	4,833,583	5,025,660	5,825,189
Total business-type activities expenses	<u>33,835,311</u>	<u>37,866,413</u>	<u>38,117,565</u>	<u>41,711,676</u>
Total primary government expenses	<u>\$ 94,815,208</u>	<u>\$ 105,675,866</u>	<u>\$ 105,000,540</u>	<u>\$ 112,475,797</u>
Program Revenues				
Governmental activities:				
Charges for services:				
General government	\$ 748,516	\$ 472,549	\$ 501,517	\$ 353,114
Community services	130,830	60,832	118,096	117,070
Planning	3,618,017	5,554,610	7,626,881	7,210,902
Public ways and facilities	3,293,810	4,621,730	8,146,699	6,708,878
Public safety	908,274	907,401	1,040,695	1,002,882
Operating grants and contributions	7,167,543	10,447,345	10,041,651	10,231,371
Capital grants and contributions	2,670,613	1,950,267	1,280,369	2,891,199
Total governmental activities program revenues	<u>18,537,603</u>	<u>24,014,734</u>	<u>28,755,908</u>	<u>28,515,416</u>
Business-type activities:				
Charges for services:				
Sanitation	9,184,395	10,945,852	11,964,388	12,745,553
Waterworks district no. 8	18,854,358	21,621,197	21,018,081	23,765,476
Transit	390,523	391,127	400,129	479,426
Operating grants and contributions	1,768,330	2,277,103	1,953,733	848,402
Capital grants and contributions	192,736	121,815	999,383	2,339,931
Total business-type activities program revenues	<u>30,390,342</u>	<u>35,357,094</u>	<u>36,335,714</u>	<u>40,178,788</u>
Total primary governmental program revenues	<u>\$ 48,927,945</u>	<u>\$ 59,371,828</u>	<u>\$ 65,091,622</u>	<u>\$ 68,694,204</u>
Net (Expense)/Revenue				
Governmental activities	(42,442,294)	(43,794,719)	(38,127,067)	(42,248,705)
Business-type activities	(3,444,969)	(2,509,319)	(1,781,851)	(1,532,888)
Total primary government net expense	<u>\$ (45,887,263)</u>	<u>\$ (46,304,038)</u>	<u>\$ (39,908,918)</u>	<u>\$ (43,781,593)</u>

Continued

This is the seventh year reporting changes in net assets by activities. Additional years will be added prospectively until ten years are reported.

**CITY OF SIMI VALLEY
CHANGES IN NET ASSETS
LAST SEVEN FISCAL YEARS**

Fiscal Year			
2006-07	2007-08	2008-09	
			Expenses
			Governmental activities:
\$ 18,475,995	\$ 21,311,700	\$ 21,908,817	General government
3,645,993	4,076,877	3,952,073	Community services
9,229,296	11,839,627	9,804,275	Planning
16,326,888	17,695,954	16,951,872	Public ways and facilities
26,677,974	30,600,433	29,911,781	Public safety
3,232,084	3,123,397	3,256,626	Interest on long-term debt
<u>77,588,230</u>	<u>88,647,988</u>	<u>85,785,444</u>	Total governmental activities expenses
			Business-type activities:
13,144,836	14,391,154	14,329,152	Sanitation
26,668,732	28,067,587	28,899,962	Waterworks district no. 8
5,747,532	6,271,344	6,468,506	Transit
<u>45,561,100</u>	<u>48,730,085</u>	<u>49,697,620</u>	Total business-type activities expenses
<u>\$ 123,149,330</u>	<u>\$ 137,378,073</u>	<u>\$ 135,483,064</u>	Total primary government expenses
			Program Revenues
			Governmental activities:
			Charges for services:
\$ 495,979	\$ 304,549	\$ 438,812	General government
171,938	200,067	150,084	Community services
4,156,265	3,168,280	1,885,710	Planning
2,782,618	2,605,869	1,811,768	Public ways and facilities
982,303	950,923	914,693	Public safety
9,025,966	11,082,867	8,900,411	Operating grants and contributions
7,683,123	1,623,965	5,077,276	Capital grants and contributions
<u>25,298,192</u>	<u>19,936,520</u>	<u>19,178,754</u>	Total governmental activities program revenues
			Business-type activities:
			Charges for services:
13,725,483	14,767,859	14,780,226	Sanitation
27,250,693	28,247,611	30,138,375	Waterworks district no. 8
546,520	524,771	542,194	Transit
2,480,838	2,285,871	2,606,392	Operating grants and contributions
707,834	312,537	1,969,465	Capital grants and contributions
<u>44,711,368</u>	<u>46,138,649</u>	<u>50,036,652</u>	Total business-type activities program revenues
<u>\$ 70,009,560</u>	<u>\$ 66,075,169</u>	<u>\$ 69,215,406</u>	Total primary governmental program revenues
			Net (Expense)/Revenue
(52,290,038)	(68,711,468)	(66,606,690)	Governmental activities
(849,732)	(2,591,436)	339,032	Business-type activities
<u>\$ (53,139,770)</u>	<u>\$ (71,302,904)</u>	<u>\$ (66,267,658)</u>	Total primary government net expense

Continued

This is the seventh year reporting changes in net assets by activities. Additional years will be added prospectively until ten years are reported.

**CITY OF SIMI VALLEY
CHANGES IN NET ASSETS
LAST SEVEN FISCAL YEARS**

	Fiscal Year			
	2002-03	2003-04	2004-05	2005-06
General Revenues and Other Changes in Net Assets				
Governmental activities:				
Taxes:				
Property taxes ¹	\$ 9,747,556	\$ 10,724,918	\$ 17,290,860	\$ 19,723,474
Tax increment	9,147,579	10,256,245	10,608,367	12,531,554
Sales tax	12,830,405	13,878,702	14,829,984	16,301,320
Motor fuel tax ¹	6,951,826	5,686,714	2,930,485	888,988
Franchise tax	3,366,958	3,773,013	3,856,273	4,062,464
Business tax	1,370,609	1,287,934	1,355,601	1,831,590
Other taxes	1,581,920	1,941,061	2,250,647	2,870,368
Investment earnings	2,532,486	1,141,578	2,270,336	2,896,300
Gain (loss) on asset disposition	-	144,972	(812,649)	259,062
Capital contributions-unrestricted ²	12,742,118	83,857	1,765,510	9,131,630
Transfers	(1,066,859)	(1,669,434)	(1,557,737)	(1,316,992)
Total governmental activities	<u>59,204,598</u>	<u>47,249,560</u>	<u>54,787,677</u>	<u>69,179,758</u>
Business-type activities:				
Investment earnings	831,423	439,098	985,444	1,323,549
Miscellaneous	23,995	54,047	2,672	112,361
Capital contributions-unrestricted ²	8,149,624	1,864,986	8,295,223	8,842,544
Transfers	1,066,859	1,669,434	1,557,737	1,316,992
Total business-type activities	<u>10,071,901</u>	<u>4,027,565</u>	<u>10,841,076</u>	<u>11,595,446</u>
Total primary government	<u>\$ 69,276,499</u>	<u>\$ 51,277,125</u>	<u>\$ 65,628,753</u>	<u>\$ 80,775,204</u>
Change in Net Assets				
Governmental activities	\$ 16,762,304	\$ 3,454,841	\$ 16,660,610	\$ 26,931,053
Business-type activities	6,626,932	1,518,246	9,059,225	10,062,558
Total primary government	<u>\$ 23,389,236</u>	<u>\$ 4,973,087</u>	<u>\$ 25,719,835</u>	<u>\$ 36,993,611</u>

Continued

NOTES:

1. In FY 2004-05 the State of California eliminated the back-fill portion of motor fuel tax. An equivalent amount is distributed by the County of Ventura as property taxes-in-lieu.

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

**CITY OF SIMI VALLEY
CHANGES IN NET ASSETS
LAST SEVEN FISCAL YEARS**

Fiscal Year			
2006-07	2007-08	2008-09	
			General Revenues and Other Changes in Net Assets
			Governmental activities:
			Taxes:
\$ 22,717,838	\$ 24,296,361	\$ 24,367,498	Property taxes ¹
18,945,240	20,185,134	21,359,827	Tax increment
17,705,751	16,894,319	13,955,998	Sales tax
711,694	552,184	427,121	Motor fuel tax ¹
3,686,160	3,708,972	4,756,938	Franchise tax
1,778,116	1,851,630	1,698,692	Business tax
2,417,554	1,939,615	1,733,444	Other taxes
5,472,452	5,382,599	3,894,585	Investment earnings
-	-	-	Gain (loss) on asset disposition
3,178,901	2,910,688	-	Capital contributions-unrestricted ²
(2,463,585)	(2,207,435)	(2,306,909)	Transfers
<u>74,150,121</u>	<u>75,514,067</u>	<u>69,887,194</u>	Total governmental activities
			Business-type activities:
2,484,909	2,598,413	1,956,342	Investment earnings
128,494	186,032	343,518	Miscellaneous
3,275,376	2,770,859	-	Capital contributions-unrestricted ²
2,463,585	2,207,435	2,306,909	Transfers
<u>8,352,364</u>	<u>7,762,739</u>	<u>4,606,769</u>	Total business-type activities
<u>\$ 82,502,485</u>	<u>\$ 83,276,806</u>	<u>\$ 74,493,963</u>	Total primary government
			Change in Net Assets
\$ 21,860,083	\$ 6,802,599	\$ 3,280,504	Governmental activities
7,502,632	5,171,303	4,945,801	Business-type activities
<u>\$ 29,362,715</u>	<u>\$ 11,973,902</u>	<u>\$ 8,226,305</u>	Total primary government

Concluded

This is the seventh year reporting changes in net assets by activities. Additional years will be added prospectively until ten years are reported.

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

	Fiscal Year				
	1999-00	2000-01	2001-02	2002-03	2003-04
General fund					
Reserved	\$ 12,823,990	\$ 13,183,323	\$ 20,288,031	\$ 18,743,283	\$ 17,901,412
Unreserved	13,623,995	12,829,655	7,486,603	12,250,374	14,550,312
Total general fund	<u>\$ 26,447,985</u>	<u>\$ 26,012,978</u>	<u>\$ 27,774,634</u>	<u>\$ 30,993,657</u>	<u>\$ 32,451,724</u>
All other government funds					
Reserved	\$ 16,589,981	\$ 15,126,919	\$ 14,421,027	\$ 9,191,350	\$ 11,978,656
Unreserved, reported in:					
Special revenue funds	21,196,755	25,011,661	23,605,317	13,502,727	12,230,705
Debt service	-	-	-	-	-
Capital projects funds	8,197,965	10,291,953	11,005,067	11,830,004	11,838,036
Total all other governmental funds	<u>\$ 45,984,701</u>	<u>\$ 50,430,533</u>	<u>\$ 49,031,411</u>	<u>\$ 34,524,081</u>	<u>\$ 36,047,397</u>

Continued

SOURCE:
City of Simi Valley

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

Fiscal Year					
2004-05	2005-06	2006-07	2007-08	2008-09	
\$ 19,006,034	\$ 20,485,438	\$ 16,758,264	\$ 17,270,243	\$ 16,947,665	General fund
18,434,960	16,312,509	20,594,252	20,134,592	19,161,964	Reserved
<u>\$ 37,440,994</u>	<u>\$ 36,797,947</u>	<u>\$ 37,352,516</u>	<u>\$ 37,404,835</u>	<u>\$ 36,109,629</u>	Unreserved
					Total general fund
\$ 14,648,683	\$ 18,731,386	\$ 12,313,808	\$ 23,160,249	\$ 27,405,118	All other government funds
14,756,384	23,321,320	30,922,948	33,772,808	35,983,148	Reserved
22,264,306	-	-	-	-	Unreserved, reported in:
7,715,385	7,275,862	13,981,864	14,481,613	14,356,308	Special revenue funds
					Debt service
					Capital projects funds
<u>\$ 59,384,758</u>	<u>\$ 49,328,568</u>	<u>\$ 57,218,620</u>	<u>\$ 71,414,670</u>	<u>\$ 77,744,574</u>	Total all other governmental funds

Concluded

SOURCE:
City of Simi Valley

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

	Fiscal Year				
	1999-00	2000-01	2001-02	2002-03	2003-04
Revenues					
Taxes	\$ 23,450,201	\$ 25,693,896	\$ 27,555,182	\$ 29,297,747	\$ 31,605,628
Tax increment	7,364,632	8,195,407	8,806,439	9,147,579	10,256,245
Licenses and permits	4,433,952	2,933,635	2,611,829	3,000,142	3,910,943
Fines and forfeitures	499,286	662,042	747,781	759,786	692,871
Use of money and property	4,188,541	4,976,977	2,964,359	2,455,014	2,966,909
From other governments	10,932,877	12,380,349	13,169,562	13,094,236	12,072,537
Grants	2,936,444	4,516,394	4,727,219	3,595,929	4,662,677
Service charges	4,903,711	3,840,862	3,574,203	3,380,322	5,482,337
Other revenues	5,972,621	1,192,439	2,075,997	1,548,029	1,530,971
Total revenues	64,682,265	64,392,001	66,232,571	66,278,784	73,181,118
Expenditures					
Current:					
General government	3,676,924	4,764,663	4,739,066	6,656,623	5,360,370
Community services	2,775,374	2,953,456	3,022,864	4,481,811	3,233,192
Planning	5,574,574	6,939,661	5,851,490	5,576,295	11,432,418
Public ways and facilities	10,660,175	11,601,786	12,293,447	12,464,375	13,847,391
Public safety	16,030,718	17,277,973	18,643,300	19,828,550	23,086,299
Capital outlay	10,365,422	8,884,332	12,576,967	5,545,599	4,916,881
Debt service:					
Principal	2,752,528	2,261,222	3,518,781	1,249,101	863,166
Interest	2,900,146	3,259,940	2,805,898	2,552,923	2,168,481
Refunding escrow	-	-	-	1,666,163	-
Bond issuance costs	344,122	-	-	930,403	-
Administration	105,690	12,463	14,553	7,594	-
Other	-	-	-	-	8,640
Intergovernmental	2,383,287	2,601,450	2,771,780	3,132,557	3,628,878
Total expenditures	57,568,960	60,556,946	66,238,146	64,091,994	68,545,716
Excess of revenues over (under) expenditures	7,113,305	3,835,055	(5,575)	2,186,790	4,635,402
Other Financing Sources (Uses)					
Transfers in	21,543,602	18,798,165	19,243,028	16,244,221	18,790,186
Transfers out	(20,348,462)	(19,730,005)	(20,276,040)	(17,668,880)	(20,455,120)
Bonds issued	-	-	-	32,251,576	-
Payment to escrow agent	-	-	-	(29,176,958)	-
Proceeds from loans, notes & cash advances	580,237	1,358,074	1,401,121	-	-
Gain on property held for sale	375,000	-	-	-	144,972
Refund excess reserves	-	-	-	-	(24,245)
Payments of notes payable	-	-	-	-	(109,812)
Contributions	-	-	-	-	-
Total other financing sources (uses)	2,150,377	426,234	368,109	1,649,959	(1,654,019)
Net change in fund balances	\$ 9,263,682	\$ 4,261,289	\$ 362,534	\$ 3,836,749	\$ 2,981,383
Debt service as a percentage of noncapital expenditures	12.93%	10.71%	11.81%	10.68%	4.73%

Continued

SOURCE:
City of Simi Valley

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

Fiscal Year					
2004-05	2005-06	2006-07	2007-08	2008-09	
					Revenues
\$ 39,583,365	\$ 44,789,216	\$ 48,305,419	\$ 48,690,897	\$ 46,635,899	Taxes
10,608,367	12,531,554	18,945,240	20,185,134	21,359,827	Tax increment
5,761,949	4,489,743	2,446,051	1,863,206	1,229,773	Licenses and permits
744,172	630,175	608,633	639,866	644,896	Fines and forfeitures
4,668,436	4,887,835	6,030,520	5,875,792	4,293,281	Use of money and property
9,228,523	8,059,121	9,178,483	7,562,068	8,914,197	From other governments
3,000,993	3,641,439	8,154,157	2,824,043	2,852,825	Grants
4,123,659	3,706,112	3,330,461	2,743,227	2,311,017	Service charges
6,844,687	6,589,485	2,736,158	4,705,669	1,015,381	Other revenues
<u>84,564,151</u>	<u>89,324,680</u>	<u>99,735,122</u>	<u>95,089,902</u>	<u>89,257,096</u>	Total revenues
					Expenditures
					Current:
5,705,571	5,629,708	6,254,640	5,478,843	5,113,701	General government
3,327,916	3,976,095	3,714,488	4,062,966	3,986,859	Community services
10,409,949	8,989,679	10,449,668	9,728,843	9,737,257	Planning
14,674,133	15,380,796	16,165,062	17,794,518	16,488,718	Public ways and facilities
25,427,341	27,244,060	28,625,276	30,020,374	30,202,106	Public safety
12,400,928	36,854,154	11,720,213	9,542,356	8,345,726	Capital outlay
					Debt service:
1,210,000	1,250,000	1,750,000	1,805,000	1,870,000	Principal
2,753,209	3,516,184	3,674,962	3,410,710	3,316,982	Interest
-	-	-	-	-	Refunding escrow
662,894	-	-	-	-	Bond issuance costs
-	-	-	-	-	Administration
328,503	12,033	217,473	31,863	14,569	Other
<u>4,126,132</u>	<u>4,649,143</u>	<u>6,260,334</u>	<u>6,455,707</u>	<u>7,198,990</u>	Intergovernmental
<u>81,026,576</u>	<u>107,501,852</u>	<u>88,832,116</u>	<u>88,331,180</u>	<u>86,274,908</u>	Total expenditures
					Excess of revenues
3,537,575	(18,177,172)	10,903,006	6,758,722	2,982,188	over (under) expenditures
					Other Financing Sources (Uses)
22,547,788	44,861,615	28,486,035	26,256,128	30,315,435	Transfers in
(24,100,325)	(46,173,207)	(30,944,420)	(28,459,763)	(32,616,244)	Transfers out
26,341,593	-	-	-	-	Bonds issued
-	-	-	-	-	Payment to escrow agent
-	-	-	-	-	Proceeds from loans, notes & cash advances
-	3,446,150	-	-	-	Gain on property held for sale
-	-	-	-	-	Refund excess reserves
-	-	-	-	-	Payments of notes payable
-	5,343,377	-	-	-	Contributions
<u>24,789,056</u>	<u>7,477,935</u>	<u>(2,458,385)</u>	<u>(2,203,635)</u>	<u>(2,300,809)</u>	Total other financing sources (uses)
<u>\$ 28,326,631</u>	<u>\$ (10,699,237)</u>	<u>\$ 8,444,621</u>	<u>\$ 4,555,087</u>	<u>\$ 681,379</u>	Net change in fund balances
7.22%	6.43%	6.96%	6.70%	6.61%	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)**

Fiscal Year	Gross Assessed Valuation ¹				Percent Change	Total Direct Tax Rate
	Secured	Utility ²	Unsecured	Total		
1999-00	6,804,211,563	4,521,505	263,487,140	7,072,220,208	10.6%	1.00%
2000-01	7,652,960,223	4,436,680	314,152,975	7,971,549,878	12.7%	1.00%
2001-02	8,338,284,943	4,535,050	319,123,415	8,661,943,408	8.7%	1.00%
2002-03	9,001,962,570	4,738,971	309,184,285	9,315,885,826	7.5%	1.00%
2003-04	9,674,185,767	4,137,416	311,473,006	9,989,796,189	7.2%	1.00%
2004-05	10,657,955,181	4,468,429	300,722,955	10,963,146,565	9.7%	1.00%
2005-06	11,865,261,607	4,078,386	313,933,434	12,183,273,427	11.1%	1.00%
2006-07	13,749,651,553	3,821,485	361,949,212	14,115,422,250	15.9%	1.00%
2007-08	14,923,264,537	2,626,282	396,920,281	15,322,811,100	8.6%	1.00%
2008-09	15,106,591,466	2,626,282	401,827,296	15,511,045,044	1.2%	1.00%

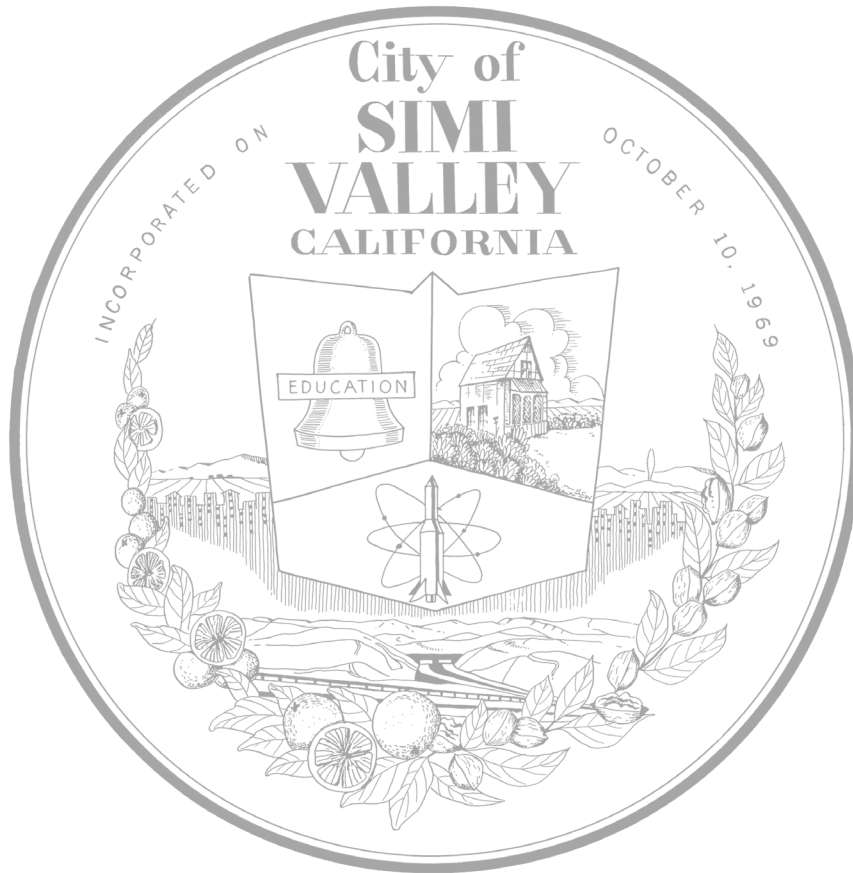
NOTES:

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

	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>
Basic Tax Levy per Article 13A of California State Constitution	1.000000	1.000000	1.000000	1.000000	1.000000
City	-	-	-	-	-
Total direct	<u>1.000000</u>	<u>1.000000</u>	<u>1.000000</u>	<u>1.000000</u>	<u>1.000000</u>
County Flood Control District	0.003439	0.001618	0.001632	0.000624	0.000297
Simi Valley Unified School District	0.034900	0.030200	0.026700	0.025700	0.024700
Metropolitan Water District	0.008900	0.008800	0.007700	0.006700	0.006100
Ventura College District	-	-	-	0.017800	0.016600
Total direct and overlapping	<u><u>1.047239</u></u>	<u><u>1.040618</u></u>	<u><u>1.036032</u></u>	<u><u>1.050824</u></u>	<u><u>1.047697</u></u>

Continued

NOTES:

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

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

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

<u>2004-05</u>	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>	
1.000000	1.000000	1.000000	1.000000	1.000000	Basic Tax Levy per Article 13A of California State Constitution
-	-	-	-	-	City
<u>1.000000</u>	<u>1.000000</u>	<u>1.000000</u>	<u>1.000000</u>	<u>1.000000</u>	Total direct
-	-	-	-	-	County Flood Control District
0.065800	0.051200	0.048900	0.048300	0.048400	Simi Valley Unified School District
0.005800	0.005200	0.004700	0.004500	0.004300	Metropolitan Water District
0.013000	0.013000	0.012700	0.005000	0.015200	Ventura College District
<u>1.084600</u>	<u>1.069400</u>	<u>1.066300</u>	<u>1.057800</u>	<u>1.067900</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	2009			2000		
	Taxable Assessed Value	Rank	Percent of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percent of Total City Taxable Assessed Value
Bank of America	\$ 152,553,077	1	0.99%	-		
Simi Valley Mall LLC	135,564,971	2	0.88%	-		
Tishman Speyer Archstone	91,501,800	3	0.59%	-		
Fountains Apt Ltd	75,274,435	4	0.49%	-		
South Street Center LLC	50,919,208	5	0.33%	-		
CLF Simi Valley Business TR/ CLF Galena SV Business TR	51,100,000	6	0.33%	-		
Macys California Inc/ Macys West Inc	47,668,403	7	0.31%	-		
Mountaingate Associates LLC	41,079,572	8	0.27%	-		
Stone Creek Investors	40,652,034	9	0.26%	-		
Tapo Canyon Warehouse Inc.	40,538,144	10	0.26%	-		
Countrywide Funding Corporation	-			\$ 58,373,888	1	0.84%
Ridgegate Holding Inc.	-			33,300,000	2	0.48%
Lincoln Wood Ranch	-			33,218,490	3	0.48%
WL Homes LLC	-			31,654,987	4	0.46%
BPP/Mountaingate Inc.	-			28,547,270	5	0.41%
Casden Creekside LP	-			26,529,350	6	0.38%
Simi Valley Civic Center Plaza	-			25,665,607	7	0.37%
Strategic Performance Fund-II	-			25,198,666	8	0.36%
Centex Homes	-			25,048,792	9	0.36%
Mayer Group	-			24,652,051	10	0.36%
Total Taxable Assessed Value Ten Largest Taxpayers	\$ 726,851,644		4.71%	\$ 312,189,101		4.51%

SOURCE:
Ventura County Auditor-Controller

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

Fiscal Year	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percent of Levy		Amount	Percent of Levy
1999-00	\$79,350,486	\$ 77,904,659	98.18%		\$ 77,904,659	98.18%
2000-01	89,282,371	87,675,785	98.20%		87,675,785	98.20%
2001-02	96,624,697	94,486,989	97.79%		94,486,989	97.79%
2002-03	104,460,998	102,875,792	98.48%		102,875,792	98.48%
2003-04	113,380,764	111,280,050	98.15%		111,280,050	98.15%
2004-05	128,172,093	125,407,288	97.84%		125,407,288	97.84%
2005-06	138,585,819	128,788,614	92.93%	\$ 487,056	129,275,670	93.28%
2006-07	28,777,381 ¹	28,091,722	97.62%	584,200	28,675,922	99.65%
2007-08	31,938,610	31,051,904	97.22%	990,158	32,042,062	100.32%
2008-09	33,393,397	32,847,916	98.37%		32,847,916	98.37%

NOTE:

Data presented for Fiscal Years 1999-00 thru 2005-06 consisted of the total secured levy and collections for all taxing entities within the boundaries of the City of Simi Valley. Proposition 13, enacted on June 6, 1978, established a maximum County-wide levy for general purpose revenues of 1% of market value. The complexity of the distribution formula made it difficult for the County to identify general purpose tax rates for specific taxing entities during these years.

1. To comply with the requirements of GASB Statement 44 the County must now make data available for individual taxing entities. Starting with Fiscal Year 2006-07 only the secured property tax data for the City of Simi Valley and its Redevelopment Agency is presented in this table.

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.

SOURCE:
Ventura County Controller-Auditor

**CITY OF SIMI VALLEY
GOVERNMENTAL REVENUES AND NET OTHER FINANCING SOURCES
LAST TEN FISCAL YEARS ¹**

Revenues

Fiscal Year	Property Taxes	Sales Taxes	Other Taxes	Licenses and Permits	Fines and Forfeitures	Use of Money and Property	From Other Govt's
1999-00	13,437,709	10,629,416	6,747,708	4,433,952	499,286	4,188,541	10,932,877
2000-01	16,528,655	11,774,505	5,586,143	2,933,635	662,042	4,976,977	12,380,349
2001-02	17,410,850	12,683,123	6,267,648	2,611,829	747,781	2,964,359	13,169,562
2002-03	19,295,434	12,830,405	6,319,487	3,000,142	759,786	2,455,014	13,094,236
2003-04	20,981,163	13,878,702	7,002,008	3,910,943	692,871	2,966,909	12,072,537
2004-05	27,899,227	14,829,984	7,462,521	5,761,949	744,172	4,668,436	9,228,523
2005-06	32,255,028	16,301,320	8,764,422	4,489,743	630,175	4,887,835	8,059,121
2006-07	41,663,078	17,705,751	7,881,830	2,446,051	608,633	6,030,520	9,178,483
2007-08	44,481,495	16,894,319	7,500,217	1,863,206	639,866	5,875,792	7,562,068
2008-09	45,727,325	14,079,329	8,189,072	1,229,773	644,896	4,293,281	8,914,197

Continued

NOTE:

1. Includes all Governmental Fund Types.

**CITY OF SIMI VALLEY
GOVERNMENTAL REVENUES AND NET OTHER FINANCING SOURCES
LAST TEN FISCAL YEARS ¹**

Revenues						
Grants	Service Charges	Other Revenues	Total Revenues	Net Other Financing Sources	Total	Fiscal Year
2,936,444	4,903,711	5,972,621	64,682,265	2,150,377	66,832,642	1999-00
4,516,394	3,840,862	1,192,439	64,392,001	426,234	64,818,235	2000-01
4,727,219	3,574,203	2,075,997	66,232,571	368,109	66,600,680	2001-02
3,595,929	3,380,322	1,548,029	66,278,784	1,649,959	67,928,743	2002-03
4,662,677	5,482,337	1,530,971	73,181,118	(1,654,019)	71,527,099	2003-04
3,000,993	4,123,659	6,844,687	84,564,151	24,789,056	109,353,207	2004-05
3,641,439	3,706,112	11,932,862	94,668,057	2,134,558	96,802,615	2005-06
8,154,157	3,330,461	2,736,158	99,735,122	(2,458,385)	97,276,737	2006-07
2,824,043	2,743,227	4,705,669	95,089,902	(2,203,635)	92,886,267	2007-08
2,852,825	2,311,017	1,015,381	89,257,096	(2,300,809)	86,956,287	2008-09
						Concluded

SOURCE:
City of Simi Valley

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

Fiscal Year	Governmental Activities					Total Primary Government	Percent of Personal Income ²	Debt Per Capita ²
	Loans	Tax Allocation Bonds	Lease Revenue Bonds	Certificates of Participation	Special Assessment Bonds ¹			
2000	\$ 275,000	\$32,445,000	\$ 10,020,000	-	\$ 18,871,184	\$ 61,336,184	2.05%	545.56
2001	-	31,745,000	9,760,000	-	18,035,344	59,540,344	1.87%	514.53
2002	-	31,015,000	9,300,000	-	21,497,968	61,812,968	1.85%	526.37
2003	-	31,795,000	8,825,000	-	18,750,000	59,370,000	1.71%	502.75
2004	-	31,435,000	8,325,000	-	17,690,000	57,450,000	1.59%	480.39
2005	-	30,745,000	7,805,000	25,955,000	17,405,000	81,910,000	2.17%	675.35
2006	-	30,040,000	7,260,000	25,955,000	16,600,000	79,855,000	2.01%	644.39
2007	-	29,320,000	6,690,000	25,495,000	15,710,000	77,215,000	1.89%	613.60
2008	-	28,590,000	6,095,000	25,015,000	12,380,000	72,080,000	1.70%	571.42
2009	-	27,840,000	5,470,000	24,520,000	12,150,000	69,980,000	1.61%	554.08

NOTES:

Details regarding the City's outstanding debt can be found in the notes to the financial statements.

1. The City is not obligated for these bonds.

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

SOURCE:
City of Simi Valley
US Census Bureau

**CITY OF SIMI VALLEY
COMPUTATION OF DIRECT AND OVERLAPPING DEBT
JUNE 30, 2009 (See Notes)**

2008-09 Assessed Valuation	\$ 15,511,045,044
Less Redevelopment Agency Incremental Valuation	<u>2,049,478,345</u>
Adjusted Assessed Valuation	<u><u>\$ 13,461,566,699</u></u>

	Outstanding Debt 6/30/09	Percentage Applicable ¹	Estimated Share of Overlapping Debt
<u>Overlapping and Assessment Debt Repaid with Property Taxes</u>			
Metropolitan Water District	\$ 293,425,000	0.730 %	\$ 2,142,003
Ventura County Community College District	317,212,814	13.844	43,914,942
Simi Valley Unified School District	157,446,900	95.818	150,862,471
City of Simi Valley Community Facilities Dist No.2004-1	8,695,000	100.000	8,695,000
City of Simi Valley 1915 Act Bonds	3,455,000	100.000	3,455,000
<u>Overlapping Other Debt</u>			
Ventura County General Fund Obligations	62,125,000	13.840	8,598,100
Ventura County Superintendent of Schools Certificates	12,740,000	13.840	1,763,216
Simi Valley Unified School District Certificates	12,175,000	95.818	11,665,842
Rancho Simi Recreation & Park District Authority	605,000	82.233	<u>497,510</u>
Total overlapping and assessment debt			231,594,082
<u>City Direct Debt</u>			
City of Simi Valley Lease Revenue Bonds	5,470,000	100.000	5,470,000
City of Simi Valley Certificates of Participation	24,520,000	100.000	<u>24,520,000</u>
Total direct debt			29,990,000
Total direct and overlapping debt			<u><u>\$ 261,584,082</u></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 total 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.

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

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

	Fiscal Year				
	2000	2001	2002	2003	2004
Debt limit	\$ 265,208,258	\$ 298,933,120	\$ 324,822,878	\$ 349,345,718	\$ 374,617,357
Total net debt applicable to limit	-	-	-	-	-
Legal debt margin	<u>\$ 265,208,258</u>	<u>\$ 298,933,120</u>	<u>\$ 324,822,878</u>	<u>\$ 349,345,718</u>	<u>\$ 374,617,357</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					
2005	2006	2007	2008	2009	
\$411,117,996	\$456,872,754	\$529,328,334	\$574,605,416	\$581,664,189	Debt limit
-	-	-	-	-	Total net debt applicable to limit
<u>\$411,117,996</u>	<u>\$456,872,754</u>	<u>\$529,328,334</u>	<u>\$574,605,416</u>	<u>\$581,664,189</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 2009

Assessed value	\$	15,511,045,044
Debt limit (3.75% of assessed value) ¹	\$	581,664,189
General obligation bonds		-
Legal debt margin	\$	581,664,189

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 ¹	Median Age	Public School Enrollment	Unemployment Rate
2000	112,428	\$ 2,989,011	\$ 26,586	34.7	20,393	3.6%
2001	115,719	3,182,851	27,505	35.0	20,960	3.6%
2002	117,432	3,337,770	28,423	35.3	21,127	4.5%
2003	118,090	3,464,997	29,342	35.6	21,359	4.7%
2004	119,590	3,618,793	30,260	35.9	21,377	4.4%
2005	121,286	3,781,576	31,179	36.2	21,329	3.8%
2006	123,924	3,977,713	32,098	36.5	21,205	3.6%
2007	125,840	4,085,521	32,466	35.8	21,040	3.8%
2008	126,142	4,246,949	33,668	35.9	21,700	5.0%
2009	126,300	4,338,026	34,347	38.8	21,500	8.5%

NOTE:

1. Per capita income for year 2000 and 2005 was obtained from the US Census Bureau. Per capita income for interim years has been inflation adjusted by the US Census Bureau.

SOURCES:

City of Simi Valley
Simi Valley Unified School District
State of California Employment Development Department
US Census Bureau

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

Employer	2009			2000		
	Employees	Rank	Percentage of Employed Labor Force	Employees	Rank	Percentage of Employed Labor Force
Simi Valley Unified School District	2,621	1	3.76%	2,559	2	4.17%
Farmers Insurance Group	990	2	1.42%	991	4	1.62%
Simi Valley Hospital & Health Care	878	3	1.26%	1,021	3	1.67%
City of Simi Valley	576	4	0.83%	594	5	0.97%
Aerovironment Inc	565	5	0.81%	-		
Rancho Simi Parks & Recreation District	388	6	0.56%	-		
Vons Grocery Stores	355	7	0.51%	413	7	0.67%
Meggitt Safety Systems, Inc	333	8	0.48%	-		
Wal-Mart	247	9	0.35%	-		
Costco	241	10	0.35%	-		
Countrywide Home Loans ¹	-			4,040	1	6.59%
Hitachi Koki Imaging Solutions	-			510	6	0.83%
Schlumberger Technology Inc	-			329	8	0.54%
Nortel Networks	-			325	9	0.53%
Bugle Boy	-			291	10	0.47%
Total	<u>7,194</u>		<u>10.32%</u>	<u>11,073</u>		<u>18.06%</u>

NOTE:

1. For several years, Countrywide Home Loans ranked number one. Bank of America has since acquired Countrywide Home Loans, and they would not disclose the number of employees at their Simi Valley locations this year.

Of fifty employers surveyed by the City of Simi Valley, thirty-seven employers responded (74%).

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

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

Function	Full & Part Time Employees as of June 30 ¹									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
General government	62	63	62	68	67	67	70	70	68	62
Community services	30	34	34	35	31	32	34	35	35	34
Planning	59	63	60	58	62	63	61	62	60	56
Public ways and facilities	114	114	118	117	114	111	107	110	102	102
Public safety										
Sworn police personnel	115	119	120	120	122	122	120	125	127	122
Civilians	63	65	68	69	66	63	70	68	64	58
Sanitation	56	59	55	54	52	53	53	53	60	54
Waterworks district no. 8	39	36	39	40	40	40	38	38	37	41
Transit	23	37	41	41	40	42	43	46	46	47
Total	561	590	597	602	594	593	596	607	599	576

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 EIGHT FISCAL YEARS**

Function	Fiscal Year							
	2002	2003	2004	2005	2006	2007	2008	2009
General government								
Business tax applications and renewals	10,286	10,392	10,426	8,696	8,546	8,675	8,735	9,253
Business tax receipts issued	7,081	7,420	7,808	7,514	8,273	8,316	8,211	8,312
Business tax revenues	\$1,397,335	\$1,370,609	\$1,287,934	\$1,355,601	\$1,831,590	\$1,778,116	\$1,851,630	\$1,698,692
Community services								
Cultural arts center events	213	230	232	220	334	227	211	380
Cultural arts center attendance	24,200	27,900	34,000	28,400	31,000	31,345	31,070	40,475
Senior center attendance	107,100	102,000	109,300	101,000	107,000	126,838	141,528	162,961
Planning								
Building permits	2,654	2,532	2,693	2,738	2,891	2,004	1,700	1,232
Plumbing, mechanical, and electrical permits	4,390	4,487	5,015	5,679	5,220	3,716	2,691	2,366
Permit valuation (in thousands)	\$141,835	\$182,953	\$216,442	\$415,846	\$284,767	\$99,392	\$74,530	\$38,025
Public Safety								
Arrests	3,613	3,281	3,201	3,818	3,686	3,552	4,170	4,051
Enforcement citations	12,164	11,948	9,878	10,249	11,585	10,905	10,280	10,941
Public ways and facilities								
Street resurfacing (miles)	13.99	3.52	14.34	6.43	5.86	7.68	0.46	13.57
Sanitation								
Wastewater customers	30,789	30,824	34,502	35,059	35,192	35,289	35,451	36,483
Average dry weather flow (MGD)	9.00	9.00	9.20	8.84	9.50	8.80	10.00	9.50
Waterworks district no. 8								
Customers	22,925	23,053	23,292	23,757	25,195	25,375	25,452	25,642 ¹
Water delivered (million gallons)	7,126.9	7,570.5	8,188.3	8,125.6	8,128.0	8,137.0	8,679.0	7,981.4
Transit								
Fixed-route revenue miles	371,601	354,000	353,999	367,787	449,223	509,743	477,005	464,784
Fixed-route passengers	398,401	393,854	432,833	432,714	450,106	483,653	454,440	477,032
Fixed-route revenue hours	26,303	20,300	23,449	24,114	28,526	30,893	30,768	31,189
Paratransit revenue miles	280,883	276,500	260,121	235,556	238,061	240,979	199,570	189,810
Paratransit passengers	44,172	42,484	39,637	40,199	42,815	45,210	43,457	48,123
Paratransit revenue hours	25,290	25,310	20,383	20,690	19,059	18,959	17,976	17,663

NOTE:

1. Balance of community, 13,286 customers, serviced by Golden State Water Co. for fiscal year 2009.

Ten years of data will be presented as it becomes available.

SOURCE:
City of Simi Valley
Golden State Water Co.

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

Function	Fiscal Year							
	2002	2003	2004	2005	2006	2007	2008	2009
Public safety								
Police stations	1	1	1	1	1	1	1	1
Fleet size	91	94	94	94	96	97	97	93
Public ways and facilities								
Streets (miles)	297.74	304.83	306.25	307.67	308.03	308.62	321.00	322.71
Streetlights ¹	7,190	7,239	7,494	7,551	7,645	7,660	7,701	7,687
Traffic signals ²	103	107	107	108	116	117	117	118
Sanitation								
Sewerlines (miles) ³	450	450	500	500	400	400	400	362
Treatment capacity (million gallons per day)	12.5	12.5	12.5	12.5	12.5	12.5	12.5	12.5
Waterworks district no. 8 ⁴								
Water mains (miles)	-	-	-	-	370	375	375	375
Fire hydrants	-	-	-	-	2,700	2,750	2,755	2,773
Storage capacity (million gallons)	-	-	-	-	51	53.5	53.5	53.5
Transit								
Buses - 40 foot	11	11	11	11	11	11	11	11
Buses - 35 foot	2	2	2	2	2	2	2	2
Paratransit Vehicles	10	11	11	13	13	12	12	10

NOTES:

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

1. Streetlights are owned by Southern California Edison.
2. Traffic signals listed are those owned by the City. Fourteen additional signals, owned by Caltrans, are located at freeway ramps.
3. Collection system information was estimated in fiscal years 2002 through 2005. Data for subsequent years was obtained from the City of Simi Valley's Geographical Information System. In fiscal year 2009 the number was derived from a Sewer System Management Plan update.
4. Waterworks district no 8 information will continue to be reported prospectively.

Ten years of data will be presented as it becomes available.

Source:
City of Simi Valley
Southern California Edison