

**SIMI VALLEY
HONORS OUR FALLEN**



Gregory Ervin, USMC 1967

Michael A. DiRaimondo, US Army 2004

Christopher A. Gibson, USMC 2004

Jonathan Tessar, US Army 2005

Juan Carlos Venegas, USMC 2005

John D. House, USN 2005

Joshua J. Cullins, USMC 2010



STATE OF CALIFORNIA
CITY OF SIMI VALLEY

2011-2012
COMPREHENSIVE
ANNUAL

FINANCIAL
REPORT

FISCAL YEAR ENDED JUNE 30, 2012

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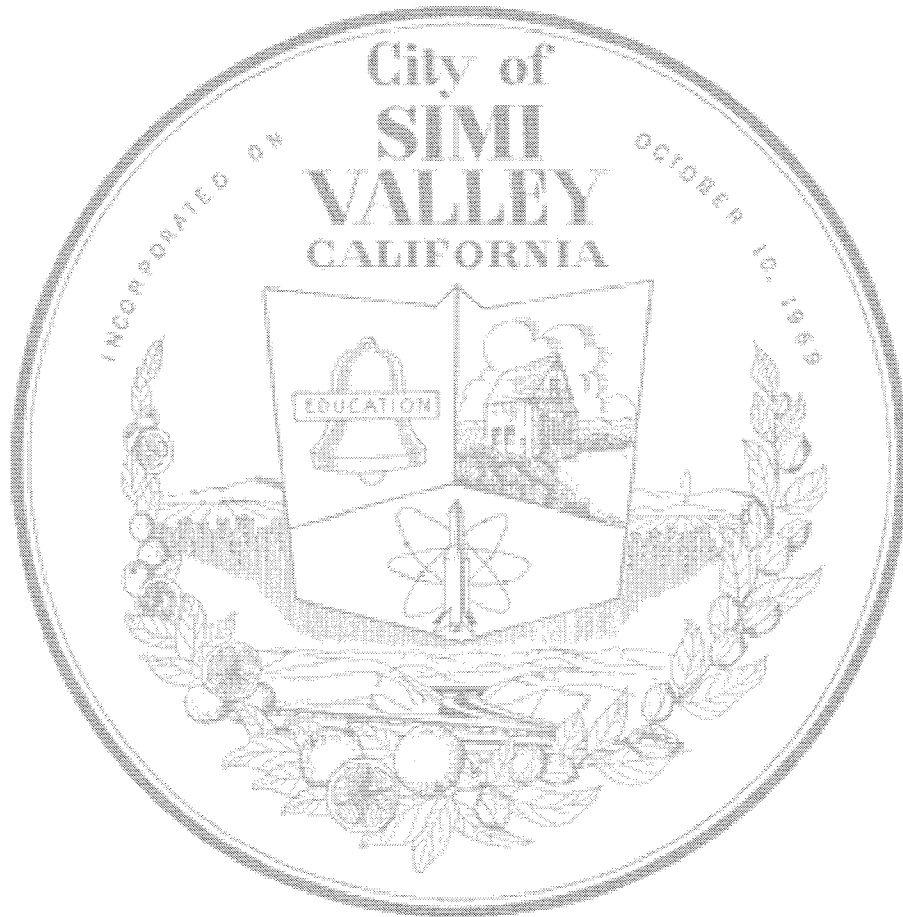
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INTRODUCTORY SECTION



CITY OF SIMI VALLEY

Home of The Ronald Reagan Presidential Library

February 5, 2013

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

State law requires that all general-purpose local governments publish 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, 2012.

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, has audited the City's financial statements. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City for the year ended June 30, 2012, 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, 2012, 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 126,474, 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.

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 expenditure budgets, requests for budget increases (Policy Items), requests for replacement of equipment items (Capital Asset Requests), and possible budget reductions (Reverse Priority Items) to the Budget Office in early April. The City Manager and his/her staff conduct a series of budget review meetings with departments and agencies in April. The City Manager then presents a 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. Due to an economic downturn at the national level, an ongoing State budget crisis, and virtual build-out at the local level, revenues decreased in FY 2008-09 through FY 2010-11, but this downward trend appears to have tapered off. FY 2011-12 locally generated revenues from taxes increased by \$1.3 million, or 2.9%, over the prior fiscal year. Over the past two fiscal years, General Fund revenues have increased 4.5%.

The California economy remains depressed due, in part, to the State's inability to live within its means, which continues to affect City revenues as the State retains funds formerly received by the City. At the City level, and on the positive side, the year-over-year revenue increase is indicative of a recovering local economy, albeit one that is accelerating much more slowly than it decelerated. Notwithstanding the loss of redevelopment revenue, the City remains in strong financial shape in comparison to the vast majority of cities throughout the state of California, and will remain so in consideration of the conservative budget practices of the City Council.

While impacted by sluggish State and Federal economies and a local unemployment rate of 7.6%, the City's commercial and industrial base continues to be diverse. Major industries with headquarters or divisions located within the City's boundaries, or in close proximity, include retail sales, real estate lending, health care, computer hardware, and light manufacturing.

Residential development activity in the City continues to pick up slowly, reflective of the nationwide trend, and is expected to increase somewhat in the upcoming year. Activity in the residential and commercial real estate market is expanding, and modest additions to the City's property tax roll are anticipated next year.

State actions. With the passage of California Assembly Bill 1X 26, the Simi Valley Community Development Agency (CDA) was dissolved effective January 31, 2012. The City Council elected to retain the housing assets and functions previously performed by the Agency. The balance of CDA assets and liabilities were transferred to a Successor Agency (fiduciary fund) responsible for winding down affairs of the CDA including disposing of assets. Prior to redevelopment dissolution, the CDA served to eliminate blight, produce affordable housing, enhance job creation and retention, and improve the tax base for the City by promoting economic development. The dissolution of redevelopment in California severely limits the City's ongoing ability to facilitate such goals. In addition, the loss of redevelopment has created a structural deficit in the General Fund at a time when the City's financial situation was nearing recovery due to slightly improved revenues and efforts to continually reduce expenditures without significantly affecting the level of services provided to the public.

Long-term financial planning. The City's population has remained virtually unchanged during the current fiscal year. Turnover in the real estate market continues to be low and no major additions to the City's property tax roll are anticipated. In FY 2011-12, property and sales tax revenues increased slightly, but compared to last fiscal year, there was a large decrease in development revenues. Since the City is moving toward build-out, it is unlikely that development revenues will increase significantly in the future. In addition, both discretionary and non-discretionary employment and post-employment benefits such as health insurance and retirement contributions have increased at rates higher than recognized revenue increases. Over the last three years, the combined result of these economic problems has necessitated continued reductions in staffing, coupled with the use of one-time non-General Fund resources to generate balanced budgets and minimize impacts to the service provided to the public.

Based on recommendations developed by the Ad Hoc Citizens Fiscal Projection Advisory Committee, staff updated the Five-Year General Fund Financial Projection plan, dated October 31, 2011, which was formally presented to the City Council on December 12, 2011. The update was prepared with assumption that the Consumer Price Index (CPI) will increase by 2.5% annually. Property tax revenues are projected to increase at a rate lower than the CPI rate change, but sales tax is projected to increase by an average of 4% annually. The projection plan also includes assumptions that the current staffing level, with 28 full time equivalent General Fund position vacancies, would be continued, that minimal General Fund monies would be appropriated to the City's Streets and Roads Program, and that salary increases after FY 2012-13 will mirror the CPI. Retirement contributions are expected to

increase by 28.6% over five years based on anticipated CalPERS actuarially determined rate increases.

The results of the projection and the assumptions used to develop it, point to a structural shortfall in the General Fund. Further, the dissolution of redevelopment activity in California and the associated legal action that went into effect on February 1, 2012 substantially affects assumptions made in the Five-Year Projection, which was prepared prior to the passage of California Assembly Bill 1X 26. On June 18, 2012, the City Council authorized the establishment of an Economic Recovery Trust Fund containing the balance of funds, equaling approximately \$9.7 million, remaining from dissolution of the Simi Valley Lighting Maintenance District, to become effective July 1, 2012. Until the overall economy improves, it is anticipated this action, along with a continued focus on overall expenditure reductions will assist in the management of projected structural deficits.

The City updates the Five-Year General Fund Financial Projection annually in an effort to identify and address these structural issues while continuing to maintain sufficient cash reserves and providing quality service to residents into the future without the need for significant additional local revenues. The Five-Year General Fund Financial Projection will continue to be used to provide a road map of the long-term actions necessary to address structural budget issues, even when the level of General Fund revenues is restored to previous levels. The Governmental Accounting Standards Board is currently considering whether to issue a rule requiring government agencies to provide such projections in the future.

Despite a challenging financial environment, the City continues to be fiscally conservative, maintaining a prudent set-aside amount in unassigned fund balance, which equals 17% of the General Fund expenditure budget. The City also continues to set aside committed fund balance amounts for vehicle and equipment replacement based on their useful life expectancies. The City maintains an A+ bond rating on two bond issues, and an A rating on the third bond issue. The total debt of the City is currently \$26.6 million, with debt service requirements of approximately \$2.6 million per year. The total debt of the Successor Agency to the CDA, reported in the fiduciary funds, is \$25.4 million, with debt service requirements of approximately \$2.1 million per year, which are now paid through the county Redevelopment Property Tax Trust Fund (RPTTF).

Financial Policies. In response to ongoing economic uncertainty, additional cost reductions were incorporated into the FY 2011-12 budget including an annual reduction in contract landscape maintenance costs resulting from revised bid specification and increasing the number of contracts awarded to encourage smaller firms to submit bids; a reduction in the cost of excess property, liability and faithful performance coverage due to general rate reductions in the industry and the City's history of controlling losses; and a reduction in electrical costs due to the replacement of outdated heating and cooling equipment with energy efficient units, replacement of older lighting fixtures that utilize energy saving bulbs, and the installation of occupancy sensors and smart plugs in offices.

Major Initiatives.

- Law enforcement efforts continued to provide our citizens a safe environment in which to live, work, and play. The partnership between the Police Department and an involved and vigilant community resulted in an 11.5% decrease in violent crimes and a 22.7% decrease in property crimes during 2011, as compared to the previous year. Additionally, the Department maintained a response time of 4.3 minutes for emergency calls for service and 13.5 minutes for non-emergency calls for service. The Department also continues to expand its training of City residents to assist staff with law enforcement and emergency response activities through the Citizens On Patrol, Disaster Service Worker, Police Explorer, and Community Emergency Response Team (CERT) programs.
- An update of the City General Plan, the City's map to the future, was completed in June 2012. This long-range planning project, which involved extensive public input, addresses the community's planning challenges and opportunities over the next twenty years.
- The City continued to work with homeowners and developers to assure that affordable housing programs provide opportunities for our low-income households and seniors. Prior to dissolution of the Community Development Agency, two First Time Homebuyer Program loans and five home rehabilitation loans were approved. The City's Rent Subsidy Programs, which will continue after the dissolution of the Community Redevelopment Agency, assisted an average of 35 households per month with rental assistance through the Senior Rent Subsidy Program, and assisted 23 households per month with rental assistance through the Mobile Home Rent Subsidy Program.
- More than 650 City volunteers contributed in excess of 72,000 hours, the equivalent of more than 35 full-time positions, to assist with City programs and activities. These individuals support City staff by providing reception and front counter support at City facilities, serving as ushers at the Cultural Arts Center, supporting the Police Department's law enforcement and emergency planning activities, and performing a wide variety of duties at the Senior Center.
- The City's transit services continued to provide safe, efficient, and high-quality transportation on its fixed-route and Americans with Disabilities Act (ADA)/Dial-A-Ride (DAR) services. For the fifth straight year, Simi Valley Transit provided nearly one-half million fixed-route and ADA/DAR trips.
- Construction began during FY 2011-12 on a long-anticipated expansion to City Hall that will provide space to relocate the Department of Environmental Services from the Development Services Building. This project has the dual benefits of establishing a one-stop permitting facility at City Hall to improve service to the public and creating space in the City's Development Services Building for an Under-One-Roof social services facility for use by community based agencies.
- The City continued its dedication to sustainability efforts in FY 2011-12 with completion of the Transit Maintenance Facility Expansion and Garage Modernization Project that received the City's first Gold Leadership in Energy and Environmental Design (LEED) certification.

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, 2012 was \$57,349,684. Actual tax revenues subject to this limit and received and appropriated during the fiscal year were well under this amount.

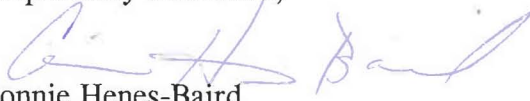
Awards and Acknowledgements. The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2011. This was the thirty-second consecutive year (fiscal years ended 1980-2011) 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 Jody Kershberg, 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,


Connie Henes-Baird
Interim Director
Department of Administrative Services

OFFICIALS OF THE CITY OF SIMI VALLEY
(as of June 30, 2012)

Members of the City Council

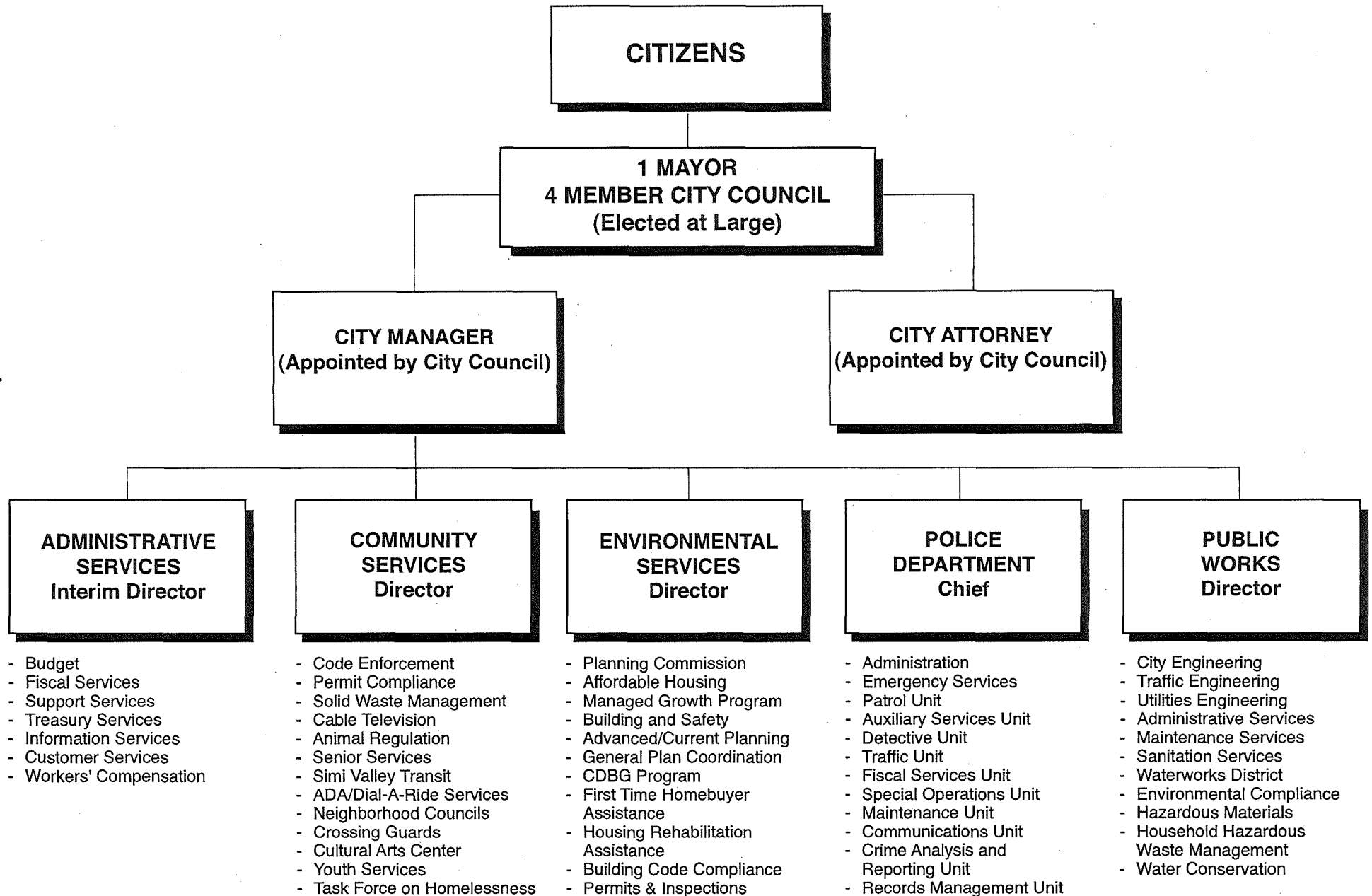
BOB HUBER, Mayor
BARBRA WILLIAMSON, Mayor Pro Tem
GLEN T. BECERRA, Council Member
STEVEN T. SOJKA, Council Member
MIKE JUDGE, Council Member

Administrative Staff

Mike Sedell City Manager
Marjorie Baxter 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
Ron Chambers Interim Chief of Police

ORGANIZATION of the City of SIMI VALLEY

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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, 2011

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.



Linda C. Davison

President

Jeffrey R. Emery

Executive Director

FINANCIAL SECTION

An aerial photograph of a city and surrounding landscape. The foreground shows a green, grassy hillside with a winding path. The middle ground features a residential area with houses having red-tiled roofs. In the background, there are rolling hills and mountains under a clear blue sky with light clouds. The text 'INDEPENDENT AUDITORS' REPORT' is overlaid in the upper center of the image.

INDEPENDENT AUDITORS' REPORT



CERTIFIED PUBLIC ACCOUNTANTS

- David E. Hale, CPA, CFP
- Donald G. Slater, CPA
- Richard K. Kikuchi, CPA
- Susan F. Matz, CPA
- Shelly K. Jackley, CPA
- Bryan S. Gruber, CPA
- Deborah A. Harper, CPA

Brandon W. Burrows, CPA, Retired

INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor and Members of 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 (the City), as of and for the year ended June 30, 2012, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of City of Simi Valley, California'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 the 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 opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Simi Valley, California, as of June 30, 2012, and the respective changes in financial position, and cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund, Successor Agency to Community Development Agency Housing Administration Fund, Merged Tapo Canyon & West End Tax Increment Fund, Development Related Fees Fund, and Streets & Roads Fund 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 February 4, 2013, on our consideration of the City of Simi Valley, California's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of



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

management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Simi Valley, California's financial statements as a whole. The introductory section, combining and individual nonmajor fund financial statements and schedules, and statistical section, are presented for purposes of additional analysis and are not a required part of the financial statements. The combining and individual nonmajor fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Lance, Soll & Luyhard, LLP

Brea, California
February 4, 2013

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, 2012. 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 \$472,145,424. Of this amount, \$80,845,447 (*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 \$11,687,091. This amount was comprised of a \$7.2 million decrease in capital assets, net of related debt, an \$18.4 million decrease in the restricted net assets category, and a \$37.3 million increase in unrestricted net assets.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$86,199,725, a decrease of \$4,237,162 in comparison with the prior year. Of the ending fund balance, approximately 25.4% or \$21,884,570 is Non-spendable in form, 43.0% or \$37,057,275 is Restricted for housing projects, public improvements and special programs, 8.9% or \$7,677,270 is Committed to street projects, retiree benefits and equipment replacement, 11.0%, or \$9,520,656 is Assigned to capital projects, and 11.7%, or \$10,059,954 is Unassigned.
- At the end of the current fiscal year, the Unassigned fund balance for the General fund of \$10,059,954 represents the *Prudent Reserve* established by the City Council. It is equal to 17% of budgeted General fund expenditures.
- The City of Simi Valley's total liabilities decreased by \$27.7 million during the current fiscal year. Of this amount, \$25.4 million corresponds to Simi Valley Community Development Agency (CDA) liabilities transferred to a Successor Agency, which is now presented as a fiduciary fund, in response to redevelopment dissolution. Note III G and Note V provide additional detail. The remainder of the overall decrease in the City's liabilities is due to a \$3.1 million decrease in accounts payable, and a \$2.1 million decrease in bonded indebtedness from scheduled debt service payments, off-set by a \$2.9 million increase in claims, legal and other post-employment benefits obligations, and compensated absences.

Overview of the Financial Statements

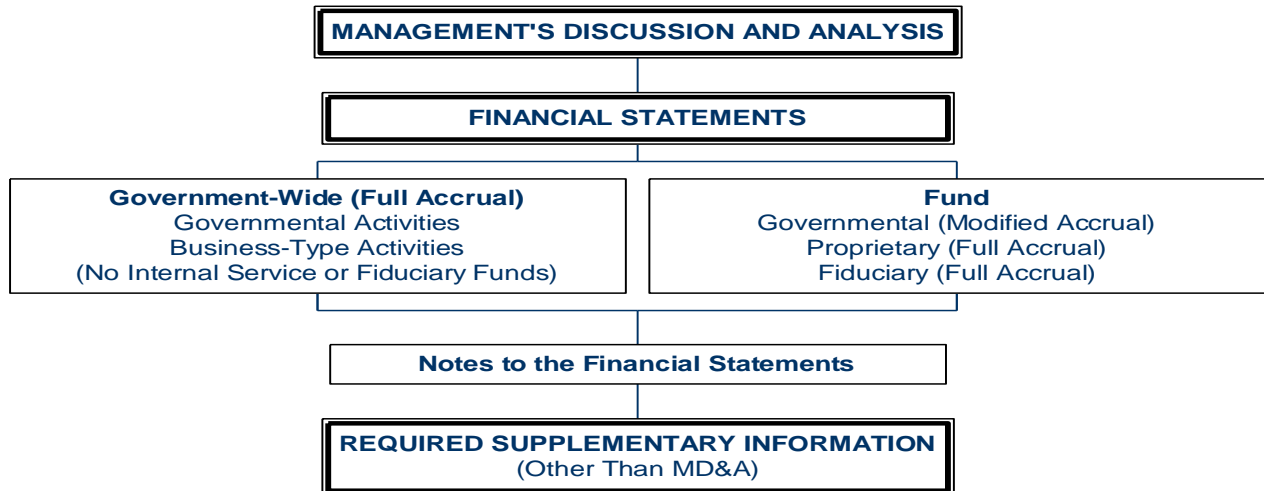
This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The basic financial statements include three components:

- 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 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).

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

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

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

The City maintains over 70 individual governmental funds in its financial system and presents them grouped by related activities as 5 major and 21 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 five major funds: the General fund, the Successor Agency to Community Development Agency Housing Administration fund, the Merged Tapo Canyon and West End Tax Increment fund, the Development Related Fees fund, and the Streets and Roads fund. Data from the other 21 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.

As a result of redevelopment dissolution in the State of California, one major fund, Merged Tapo Canyon and West End Tax Increment fund, and five nonmajor governmental funds were dissolved at January 31, 2012. Therefore, seven months of associated activity is included in the governmental fund financial statements, and five months is included in the fiduciary fund statements, where the Successor Agency activity is presented. See Note V.

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.

CITY OF SIMI VALLEY • MANAGEMENT DISCUSSION AND ANALYSIS

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. The City holds these funds in a custodial capacity. Fiduciary funds are not reflected in the government-wide financial statements because the resources of these funds are not available to support the City's programs. A combining statement of changes in 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, as well as the geographical information and permitting systems operations, and the financial information systems operations. Because 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, the internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of *combining statements* in the *Supplementary Information* section of this report.

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.

CITY OF SIMI VALLEY • MANAGEMENT DISCUSSION AND ANALYSIS

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 \$472,145,424 at the close of the most recent fiscal year.

A significant portion of the City’s net assets (67%) 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. Although the City’s investments in capital assets are reported net of related debt, the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City’s net assets (16%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets (17%) may be used to meet the City’s ongoing obligations to citizens and creditors.

City of Simi Valley’s Net Assets

	Governmental Activities		Business-Type Activities		Total	
	FY 2011-12	FY 2010-11	FY 2011-12	FY 2010-11	FY 2011-12	FY 2010-11
Current and other assets	\$130,519,107	\$139,163,301	\$58,020,886	\$57,628,465	\$188,539,993	\$196,791,766
Capital assets	211,944,601	220,921,405	131,301,986	130,816,874	343,246,587	351,738,279
Total assets	<u>342,463,708</u>	<u>360,084,706</u>	<u>189,322,872</u>	<u>188,445,339</u>	<u>531,786,580</u>	<u>548,530,045</u>
Long-term liabilities outstanding	40,977,213	65,482,657	861,514	895,184	41,838,727	66,377,841
Other liabilities	10,462,596	12,950,607	7,339,833	7,966,530	17,802,429	20,917,137
Total liabilities	<u>51,439,809</u>	<u>78,433,264</u>	<u>8,201,347</u>	<u>8,861,714</u>	<u>59,641,156</u>	<u>87,294,978</u>
Net assets:						
Invested in capital assets, net of related debt	185,373,875	193,042,793	131,301,986	130,816,874	316,675,861	323,859,667
Restricted	68,151,365	86,293,818	6,472,751	6,755,144	74,624,116	93,048,962
Unrestricted	37,498,659	2,314,831	43,346,788	42,011,607	80,845,447	44,326,438
Total net assets	<u>\$291,023,899</u>	<u>\$281,651,442</u>	<u>\$181,121,525</u>	<u>\$179,583,625</u>	<u>\$472,145,424</u>	<u>\$461,235,067</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		Business-Type		Total	
	Activities		Activities			
	FY 2011-12	FY 2010-11	FY 2011-12	FY 2010-11	FY 2011-12	FY 2010-11
Revenues:						
Program Revenues:						
Charges for services	\$ 5,518,464	\$ 6,690,701	\$ 48,400,278	\$ 46,419,566	\$ 53,918,742	\$ 53,110,267
Operating grants and contributions	9,208,075	6,903,665	2,656,313	2,179,217	11,864,388	9,082,882
Capital grants and contributions	1,799,184	8,467,152	1,832,677	4,991,973	3,631,861	13,459,125
General Revenues:						
Property taxes & tax increment	32,892,596	42,035,083	-	-	32,892,596	42,035,083
Other taxes	22,842,020	23,323,487	-	-	22,842,020	23,323,487
Contributions from other governments	1,280,200	-	-	-	1,280,200	-
Interest on investments	1,041,686	1,604,653	697,813	930,122	1,739,499	2,534,775
Other	-	-	93,813	438,359	93,813	438,359
Total revenues	<u>74,582,225</u>	<u>89,024,741</u>	<u>53,680,894</u>	<u>54,959,237</u>	<u>128,263,119</u>	<u>143,983,978</u>
Expenses:						
General government	22,046,984	31,039,154	-	-	22,046,984	31,039,154
Community services	4,385,668	3,925,587	-	-	4,385,668	3,925,587
Planning	7,054,087	7,690,961	-	-	7,054,087	7,690,961
Public ways and facilities	16,061,626	15,229,119	-	-	16,061,626	15,229,119
Public safety	33,242,551	30,259,418	-	-	33,242,551	30,259,418
Interest on long-term debt	2,044,426	2,976,163	-	-	2,044,426	2,976,163
Indirect expense allocation	(5,714,200)	(6,065,200)	5,714,200	6,065,200	-	-
Sanitation	-	-	11,726,820	11,884,202	11,726,820	11,884,202
Water	-	-	31,870,655	29,737,149	31,870,655	29,737,149
Transit	-	-	4,975,268	4,763,497	4,975,268	4,763,497
Total expenses	<u>79,121,142</u>	<u>85,055,202</u>	<u>54,286,943</u>	<u>52,450,048</u>	<u>133,408,085</u>	<u>137,505,250</u>
Change in net assets before transfers & extraordinary items	<u>(4,538,917)</u>	<u>3,969,539</u>	<u>(606,049)</u>	<u>2,509,189</u>	<u>(5,144,966)</u>	<u>6,478,728</u>
Extraordinary Gain / Loss - CDA	16,832,057	-	-	-	16,832,057	-
Transfers	<u>(2,143,949)</u>	<u>(2,476,641)</u>	<u>2,143,949</u>	<u>2,476,641</u>	<u>-</u>	<u>-</u>
Change in Net Assets	<u>10,149,191</u>	<u>1,492,898</u>	<u>1,537,900</u>	<u>4,985,830</u>	<u>11,687,091</u>	<u>6,478,728</u>
Net assets - beginning	281,651,442	280,158,544	179,583,625	174,597,795	461,235,067	454,756,339
Prior period adjustment (note IV F)	(776,734)	-	-	-	(776,734)	-
Net Assets - ending	<u>\$291,023,899</u>	<u>\$281,651,442</u>	<u>\$181,121,525</u>	<u>\$179,583,625</u>	<u>\$472,145,424</u>	<u>\$461,235,067</u>

During the current fiscal year, City-wide revenues decreased by \$15.7 million, and expenses decreased by \$4.1 million as compared to the prior year. Property tax revenue increased by \$0.6 million, charges for services increased by \$0.8 million, and operating grants and contributions revenue increased by \$2.8 million. Revenue decreased for sales, franchise and business taxes by \$0.7 million. Other decreases included investment earnings by \$0.8 million and capital grants and contributions by \$9.8 million. Tax increment revenue decreased by \$9.9 million, which is directly attributable to redevelopment dissolution. Offsetting this amount was \$1.3 million from a new revenue source, contributions from other governments, from the Successor Agency fiduciary fund. Total net assets increased by \$11,687,091 during the fiscal year, however, an extraordinary gain of \$16.8 million, which was recognized as a result of redevelopment dissolution, substantially contributed to this amount. See Note V for additional information.

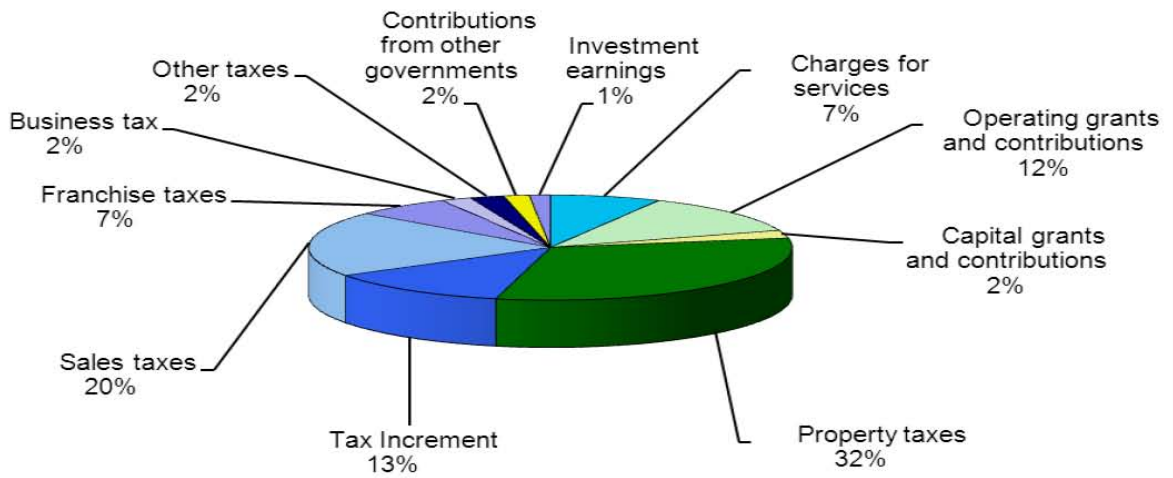
CITY OF SIMI VALLEY • MANAGEMENT DISCUSSION AND ANALYSIS

Governmental Activities. Governmental activities increased the City's net assets by \$10,149,191, accounting for 86.8% of the total increase in the net assets of the City, as compared to an increase of \$1.5 million in the prior year. The extraordinary gain referenced above is included in the governmental activities financial statements.

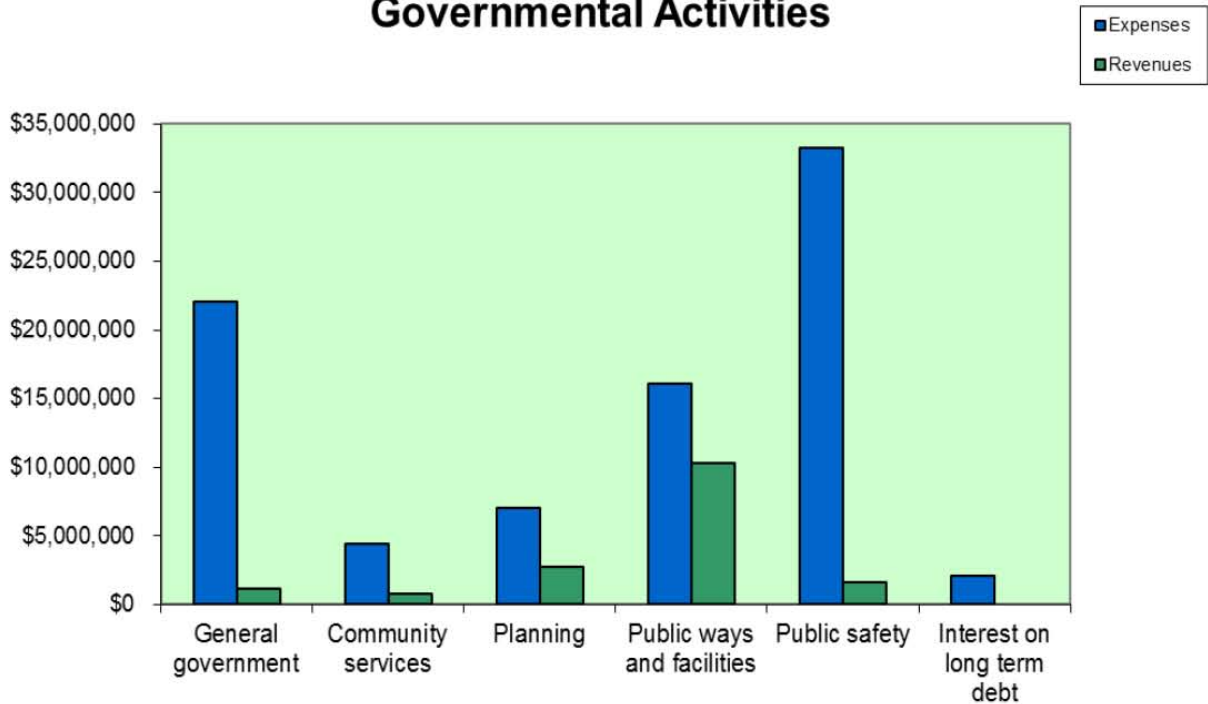
Property taxes posted a slight increase of 2.6% (\$0.6 million), and revenue for sales and franchise taxes increased by 2.4% (\$0.5 million). Operating grants and contributions also increased by 33.3% (\$2.3 million). These slight increases are reflective of modest economic recovery. Business taxes decreased by 13.8% (\$0.2 million) due to City Council action on December 12, 2011, which waived the tax for businesses with annual gross receipts of \$300,000 or less, through December 2016. Services charges decreased by 17.5% (\$1.2 million), primarily because of a decrease in development agreement fees of \$1.6 million offset by \$0.5 million in Cultural Arts and Council On Aging revenues, which had not been recognized in previous years (see Note IV F). Interest on investments decreased by 35.0% (\$0.6 million) due to overall declining yield on the securities in which the City invests. Capital grants and contributions showed a significant decrease of 78.8% (\$6.7 million) due to a decrease in the number of street projects undertaken. Other taxes posted a decrease of 23.7% (\$0.5 million). This decrease is largely due to the elimination of motor vehicle license fees; during FY 2011-12, the State of California redirected such amounts to fund police grants. For governmental activities, the largest change was a 51.7% (\$9.9 million) decrease in tax increment revenue. This revenue stream for governmental funds ended during the fiscal year due to dissolution of redevelopment in the State. Governmental funds also reflect \$1.3 million in contributions from other governments. As noted previously, this represents revenue from the Successor Agency fiduciary fund.

Expenses in the functional areas ranged from a decrease of 28.97% to an increase of 11.7% in comparison with the previous fiscal year. General government expenses decreased the most, by 28.97% (\$8.9 million), due to decreases in personnel costs and capital project expenditures, and elimination of most redevelopment related expenditures. Public safety expenses increased the most, by 9.9% (\$3.0 million) due to increases in personnel and workers compensation insurance costs.

Revenues by Source - Governmental Activities



Expenses and Program Revenues Governmental Activities



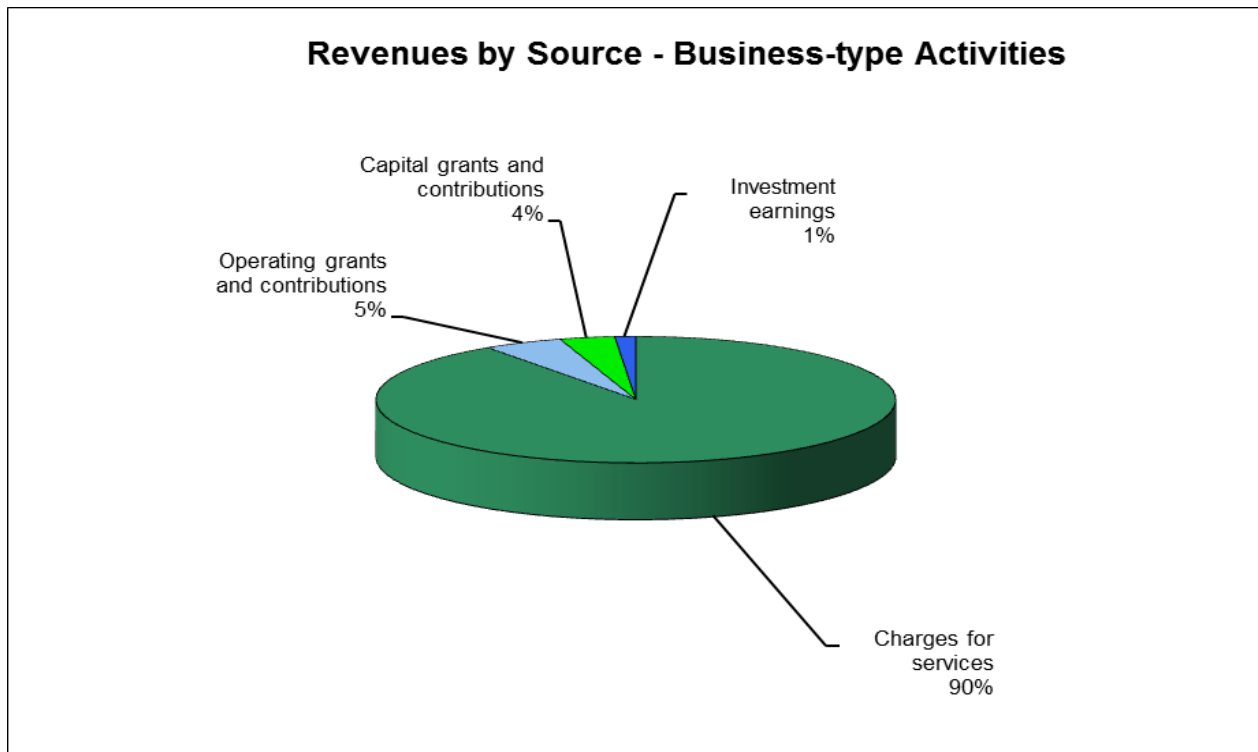
CITY OF SIMI VALLEY • MANAGEMENT DISCUSSION AND ANALYSIS

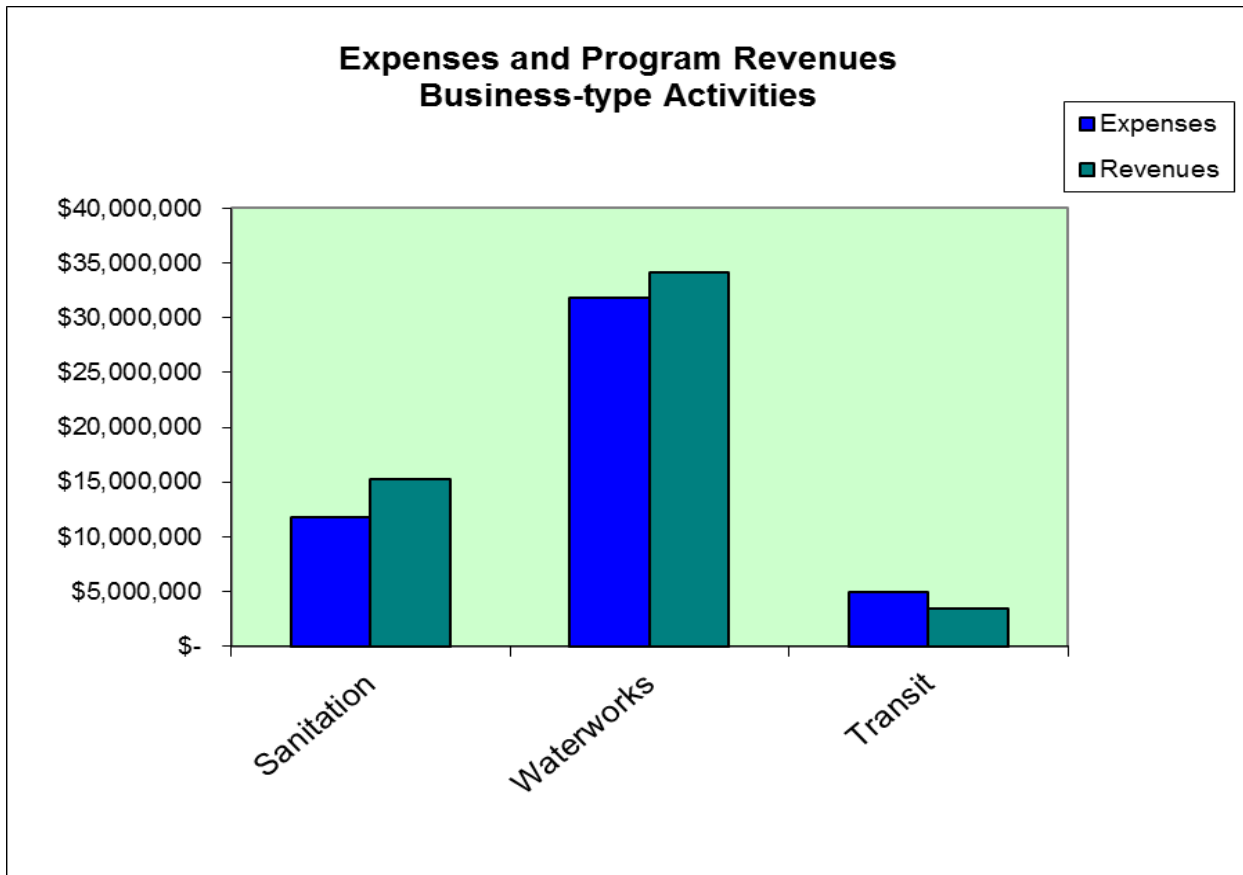
Business-type Activities. Business-type activities increased the City's net assets by \$1,537,900, accounting for 13.2% of the total growth in the net assets of the City, as compared to a \$5.0 million increase in the prior year. Key elements for the changes in net assets during the fiscal year are as follows:

As compared to the prior fiscal year, overall revenue decreased by \$1.3 million. Charges for services revenue increased by 3.5% (\$1.6 million). Operating grants and contributions resulted in a small increase (\$0.5 million) over the prior year. This was offset by a decrease in capital grants and contributions of 63.2% (\$3.2 million). This difference is primarily due to a reduction in public improvements contributions to the City from developers as well as grant funding for the Transit Maintenance Facility upgrades, the majority of which was received in FY 2010-2011. For business-type activities, there was a \$0.2 million drop in interest on investments, as the yield on securities in which the City invests remains at low levels due to the sluggish economy.

Overall expenses increased by 4.7% (\$2.2 million) as compared to the prior fiscal year, with most of the increases occurring in the water enterprise fund, primarily due to increases in the cost for water purchases.

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





Financial Analysis of the Government's Funds

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

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

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

CITY OF SIMI VALLEY • MANAGEMENT DISCUSSION AND ANALYSIS

- *Assigned* fund balance is similar to committed fund balance except that the City Council can authorize the City Manager to designate the funds for specific purposes. An example is budgeted line-item expenditures to which the City Manager has the authority to make administrative amendments, provided they do not have a significant policy impact or affect budgeted year-end fund balances.
- *Unassigned* fund balance is that portion of General Fund balance that does not fall into any of the other fund balance categories. These funds are available for any legitimate government purpose and are customarily reported in the General Fund.

At the end of the current fiscal year, the City's governmental funds experienced combined ending fund balances of \$86,199,725, a decrease of just over \$4.2 million when compared to the prior year. Of this total amount, 25.4% (\$21.9 million) is *Non-spendable* in form, comprised of long-term receivables. Of the ending governmental fund balances, 43.0% (\$37.0 million) is *Restricted* for specific activities including housing programs, public improvements, streets, lighting, landscape, debt service and law enforcement programs. Of the governmental fund balances, 8.9% (\$7.7 million) is *Committed* to street programs, retiree benefits and equipment replacement programs, and 11.0% (\$9.5 million) is *Assigned* to capital projects such as public facility improvements and a police training facility. The 11.7% remaining in governmental fund balances is *Unassigned*. Of this amount, \$10.0 million is in the General Fund as a prudent reserve. The prudent reserve represents 17% (two months) of budgeted expenditures and is set aside for responses to catastrophic events such as earthquakes, fires, floods, civil disturbances, etc.

The fund balance of the City's General fund increased by \$191,408 during the current fiscal year. The bulk part of this amount is attributable to a 44.9% (\$0.2 million) increase in commitments for retiree benefits.

The net change in the fund balance of the Community Development Housing Administration fund, renamed the Successor Housing Agency (SHA) to Community Development Housing Administration fund, was a decrease of \$12,051,196. During the fiscal year, housing activity revenues exceeded expenditures by approximately \$0.4 million. However, the fund balance decrease is largely due to a \$12.4 million transfer of cash to the new Low & Moderate Income Housing Fund (LMIHF), in accordance with redevelopment dissolution requirements. The transfer represents tax increment revenue received over multiple years and set aside for housing activities, but for which no immediate contractual expenditure obligations yet existed as of the dissolution date of January 31, 2012. The LMIHF residual fund is included in the fiduciary statement section. See Note V for additional information. Because of uncertainties associated with newly enacted redevelopment dissolution law and subsequent 'clean-up' legislation, housing activities were greatly curtailed during the fiscal year. As compared to the FY 2010-2011, overall revenues decreased by \$2.6 million, and overall expenditures decreased by \$3.5 million.

The fund balance of the Merged Tapo Canyon and West End Tax Increment fund was brought to zero in accordance with redevelopment dissolution guidelines. The prior fiscal year's fund balance of negative \$13.8 million was transferred to the Successor Agency to the Merged Tapo Canyon and West End Tax Increment Fund. The fund activity is included in the fiduciary statement section of this report. See Note V for additional information.

CITY OF SIMI VALLEY • MANAGEMENT DISCUSSION AND ANALYSIS

The fund balance of the Development Related Fees fund decreased by \$163,148. Development-related revenues continue to show a decline, and it is unlikely they will increase significantly in the future, as the City is moving toward build-out.

The fund balance of the Streets and Roads fund decreased by \$736,500. Budgeted projects in this fund are pre-funded with transfers from various funds. In addition, a significant portion of street expenditures is reimbursed by Federal grants. A large portion of the overall fund balance decrease in FY 2011-12 is attributable to a one-time return of under-expended funds to the Lighting Maintenance District fund.

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

Unrestricted net assets of the Sanitation, Waterworks and Transit funds were \$19,663,495, \$22,733,167, and \$476,031, respectively. The growth in total net assets for the Sanitation, Waterworks and Transit funds was \$1,137,218, \$540,564, and \$7,845 respectively. Other factors concerning the finances of these funds have already been addressed in the discussion of Business-type activities on page 11.

General Fund Budgetary Highlights

The General fund final amended expenditure budget of \$54.2 million was \$1.6 million higher than the original expenditure budget of \$52.6 million and can be briefly summarized as follows:

- \$0.5 million is attributable to operational costs of the Simi Valley Cultural Arts Center and the Simi Valley Council on Aging. The budgets of these stand-alone operations are presented to Council in a format separate from the Citywide budget. In prior years, financial activity for these areas was not accounted for through the City's financial software. This omission was corrected after the original budget was prepared.
- \$0.1 million in increased expenditures is associated with City Council approved supplemental funding during the year for professional services related to Simi Valley Library improvements.
- \$1.0 million in additional increases were appropriated for prior year commitments that were carried forward across all City departments. These consisted of approved expenditure increases in various categories, and were offset by available fund balance. This amount was not included in the original adopted budget.

Actual expenditures of \$52.7 million were \$1.5 million less than the General fund final amended expenditure budget of \$54.2 million. The significant variances are summarized as follows:

CITY OF SIMI VALLEY • MANAGEMENT DISCUSSION AND ANALYSIS

- Personnel costs were \$0.9 million under budget. Although expected salary savings were not fully realized in each separate department, overall savings in the category were achieved.
- \$1.3 million of expenditure savings were achieved in the Current Expenses category (\$0.6 million in the Services category and \$0.7 million in the Supplies and Materials category).
- \$0.1 million of expenditure savings were achieved in the capital projects and capital purchases categories.
- Reimbursements from the Community Development Agency were originally budgeted over a twelve month period. However, because redevelopment dissolution occurred seven months into the fiscal year, the total reimbursement amount was \$0.8 million lower than originally budgeted. Reimbursements were no longer permitted after the dissolution date.

Actual revenues were \$1.0 million more than the final budgeted amount of \$48.6 million, an overall difference of 2.0%. All categories except for franchise taxes, service charges and interest earnings surpassed expected collection amounts.

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, 2012, amounts to \$343,246,587 (net of accumulated depreciation). This is a decrease of \$8,491,692 as compared to the prior year.

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

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

- As part of the redevelopment dissolution process, land with at book value of \$.8 million, was transferred to the Successor Agency to the Simi Valley CDA, a private-purpose trust fund. The activity for this fund is in the fiduciary fund section of this report.
- \$4.6 million in street projects were completed.
- \$0.6 million in streets, and \$0.1 million in water and sewer lines were donated by developers for projects completed and accepted by the City.
- \$1.7 million in street project expenses were incurred for projects in progress during the year.

Additional information on the City's capital assets can be found in note III D.

CITY OF SIMI VALLEY • MANAGEMENT DISCUSSION AND ANALYSIS

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

	Governmental		Business-Type		Total	
	<u>Activities</u>		<u>Activities</u>			
	<u>FY 2011-12</u>	<u>FY 2010-11</u>	<u>FY 2011-12</u>	<u>FY 2010-11</u>	<u>FY 2011-12</u>	<u>FY 2010-11</u>
Land	\$ 10,888,683	\$ 11,737,857	\$ 1,216,994	\$ 1,216,994	\$ 12,105,677	\$ 12,954,851
Buildings	25,702,195	25,213,105	7,934,608	6,891,090	33,636,803	32,104,195
Furnishings and equipment	4,684,119	4,704,824	946,332	1,090,186	5,630,451	5,795,010
Computers	1,064,047	1,329,899	280,410	299,519	1,344,457	1,629,418
Vehicles	1,481,835	1,201,508	3,072,387	2,463,969	4,554,222	3,665,477
Infrastructure	161,674,320	164,927,325	99,020,409	95,408,396	260,694,729	260,335,721
Intangibles	2,947,034	3,130,300	-	-	2,947,034	3,130,300
Construction in progress	3,502,368	8,676,587	18,830,846	23,446,720	22,333,214	32,123,307
Total	\$211,944,601	\$220,921,405	\$131,301,986	\$130,816,874	\$343,246,587	\$351,738,279

Long-term debt. At the end of the current fiscal year, the City had total bonded debt outstanding of \$26,570,726. This entire amount represents bonds secured solely by specified revenue sources (i.e., revenue bonds).

City of Simi Valley’s Outstanding Bonded Debt

	Governmental	
	<u>Activities</u>	
	<u>FY 2011-12</u>	<u>FY 2010-11</u>
1995 SVPFA variable rate lease revenue bonds	\$ 3,385,000	\$ 4,120,000
2003 tax allocation bonds	-	26,250,000
2004 certificates of participation	22,900,000	23,460,000
Add (less) deferred amounts	285,726	258,842
Total	\$ 26,570,726	\$ 54,088,842

The City’s bonded debt decreased by \$27,518,116 during the current fiscal year. Scheduled debt service payments contributed to \$2,135,734 of the decrease. In addition, in response to redevelopment dissolution, \$25,382,382 of City bonded debt was transferred to the Successor Agency to the Simi Valley CDA, a private-purpose trust fund, which is included in the fiduciary funds section of this document.

The City maintains a Standard & Poor’s rating of “A+” rating on the lease revenue bonds and certificates of participation, and an “A” rating on the tax allocation bond issue. There is no outstanding general obligation debt at this time.

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

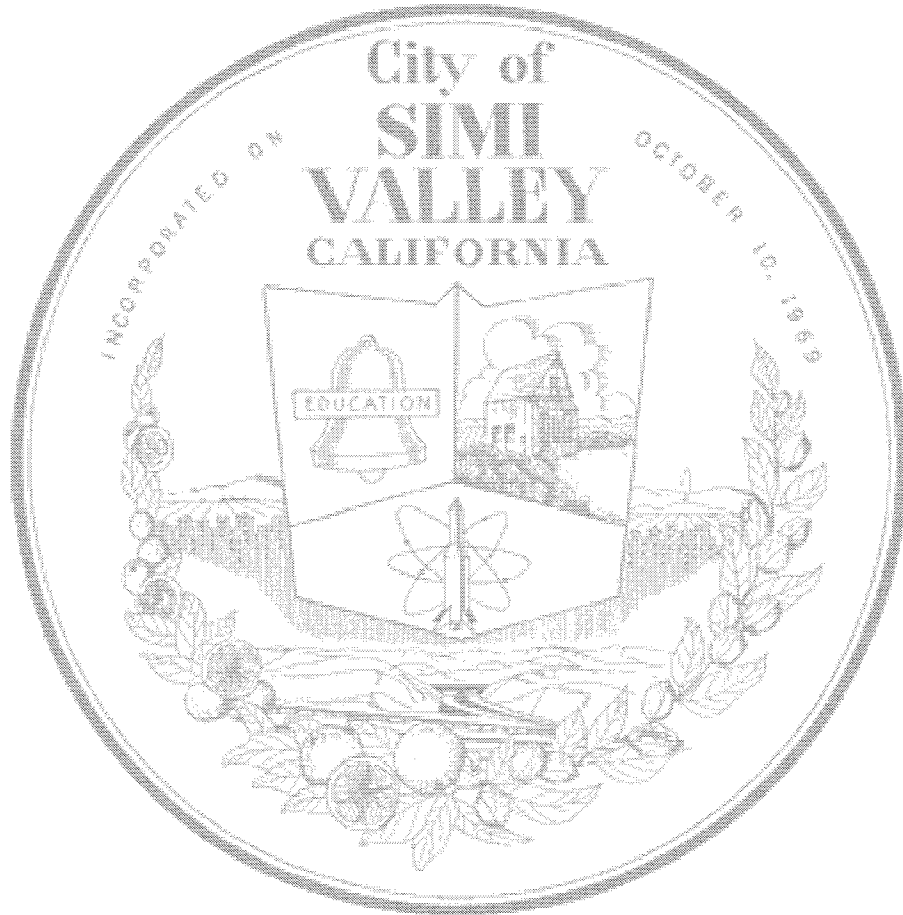
CITY OF SIMI VALLEY • MANAGEMENT DISCUSSION AND ANALYSIS

Economic Factors and Next Year's Budgets and Rates

- After recognizing declining revenue from FY 2006-2007 through 2009-2010, the General Fund posted slight increases of 2.8% in FY 2010-11 and 1.3% in FY 2011-12. Current national economic indicators suggest that the economy will continue to recover at a very slow pace. Consumer spending is rising but remains significantly below what is considered typical in previous recoveries, as consumers still face ongoing job losses, sluggish income growth, lower housing equity, tight credit, and uncertainty regarding future taxes and health care costs. Despite the recovery, reduced tax revenues both at the state and local level will affect the General Fund such that overall revenues are expected to remain relatively flat in the near future.
- The greatest fiscal impact to the City during FY 2011-12 came from redevelopment dissolution. This action by the State of California removes a major funding source for economic development programs, and it severely restricts the ability of cities to carry out affordable housing programs, and revitalize commercial districts and residential neighborhoods. In addition to the impact on these important programs, the negative annual financial impact to the General Fund in FY 2012-13 is conservatively projected to be \$3.6 million. This situation has created a structural deficit in the General Fund at a time when the City's financial situation was nearing recovery due to slightly improved revenues and continued efforts to reduce expenditures without significantly affecting service levels to the community.
- Property tax revenue showed an increase in FY 2011-12 of 2.6%, ending the previous trend of four consecutive years of decline. This is an indication that the housing market is slowly beginning to recover.
- Sales and Use tax receipts increased in FY 2011-12 by 2.6% and are expected to again steadily increase during FY 2012-13. The City's unemployment rate is currently at 7.6%, which is a .9% improvement over the prior year.
- General Fund revenues are projected to show total growth of \$3.6 million (6.3%) in FY 2012-13. However, 4.4% of the growth represents revenue from the Lighting Maintenance District that was merged with the General Fund in FY 2012-13 and the City's share of property tax revenue resulting from loss of tax increment funds that formerly were provide to the Community Development Agency. Excluding these new revenue items and the return of unexpended capital improvement funds, comparable General Fund revenue growth is projected to be \$1.0 million (1.9%).

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

An aerial photograph of a city and surrounding landscape. The foreground shows a green, grassy hillside with a winding path. Below the hillside, a residential area with houses featuring red-tiled roofs is visible. In the middle ground, a large, flat area, possibly a golf course or a large field, stretches across the city. The background consists of rolling green hills and mountains under a clear blue sky with some light clouds. The text "GOVERNMENT-WIDE FINANCIAL STATEMENTS" is overlaid in the upper center of the image in a white, serif font.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

CITY OF SIMI VALLEY
STATEMENT OF NET ASSETS
JUNE 30, 2012

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current assets:			
Cash and investments (note III A)	\$ 77,216,692	\$ 41,240,699	\$ 118,457,391
Accounts receivable (net of allowance for uncollectibles) (note III C)	779,423	6,470,980	7,250,403
Taxes receivable	4,903,679	261,139	5,164,818
Grants receivable	589,427	3,987,608	4,577,035
Interest receivable	188,765	100,037	288,802
Internal balances (note I D 2)	2,837,102	(2,837,102)	-
Inventories	-	1,184,098	1,184,098
Property held for resale	1,126,437	-	1,126,437
Restricted cash and investments (note III A):			
Customer deposits	-	891,801	891,801
Debt service	2,629,203	-	2,629,203
Connection fees	-	6,721,626	6,721,626
Total current assets	<u>90,270,728</u>	<u>58,020,886</u>	<u>148,291,614</u>
Noncurrent assets:			
Loans receivable (note III B)	25,910,252	-	25,910,252
Loans receivable - Successor Agency (note III B)	13,848,190	-	13,848,190
Deferred charges	489,937	-	489,937
Capital assets (note III D):			
Capital assets not being depreciated	14,391,051	20,047,840	34,438,891
Capital assets being depreciated, net	<u>197,553,550</u>	<u>111,254,146</u>	<u>308,807,696</u>
Total noncurrent assets	<u>252,192,980</u>	<u>131,301,986</u>	<u>383,494,966</u>
Total assets	<u>342,463,708</u>	<u>189,322,872</u>	<u>531,786,580</u>
LIABILITIES			
Current liabilities:			
Accounts payable	2,083,952	3,114,762	5,198,714
Salaries and benefits payable	2,610,563	445,270	3,055,833
Accrued interest payable	423,156	-	423,156
Deposits	346,898	-	346,898
Liabilities payable from restricted assets	-	1,140,676	1,140,676
Unearned revenues	-	2,543,400	2,543,400
Current portion of long-term obligations	<u>4,998,027</u>	<u>95,725</u>	<u>5,093,752</u>
Total current liabilities	<u>10,462,596</u>	<u>7,339,833</u>	<u>17,802,429</u>
Noncurrent liabilities (note III G):			
Noncurrent portion of long-term obligations	<u>40,977,213</u>	<u>861,514</u>	<u>41,838,727</u>
Total liabilities	<u>51,439,809</u>	<u>8,201,347</u>	<u>59,641,156</u>
NET ASSETS			
Invested in capital assets, net of related debt	185,373,875	131,301,986	316,675,861
Restricted for:			
Capital projects	30,820,686	-	30,820,686
Debt service	2,635,890	-	2,635,890
Community development	33,587,685	-	33,587,685
Other purposes	1,107,104	-	1,107,104
Sewer connection fees and water capital improvement charges	-	6,472,751	6,472,751
Unrestricted	<u>37,498,659</u>	<u>43,346,788</u>	<u>80,845,447</u>
Total net assets	<u>\$ 291,023,899</u>	<u>\$ 181,121,525</u>	<u>\$ 472,145,424</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, 2012**

				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	\$ 22,046,984	\$ (6,789,800)	\$ 15,257,184	\$ 298,136	\$ 468,289
Community services (CS)	4,385,668		4,385,668	686,018	68,990
Planning (ES)	7,054,087	552,029	7,606,116	1,893,951	850,787
Public ways and facilities (PW)	16,061,626	523,571	16,585,197	1,795,810	7,591,689
Public safety (PD)	33,242,551	-	33,242,551	844,549	228,320
Interest on long term debt	2,044,426	-	2,044,426	-	-
Total governmental activities	84,835,342	(5,714,200)	79,121,142	5,518,464	9,208,075
Business-type activities:					
Sanitation	11,726,820	2,559,400	14,286,220	14,600,252	315
Waterworks District No. 8	31,870,655	2,043,000	33,913,655	33,332,611	165,269
Transit	4,975,268	1,111,800	6,087,068	467,415	2,490,729
Total business-type activities	48,572,743	5,714,200	54,286,943	48,400,278	2,656,313
Total primary government	\$ 133,408,085	\$ -	\$ 133,408,085	\$ 53,918,742	\$ 11,864,388

General revenues:
Property taxes
Tax increment
Sales taxes
Franchise taxes
Business tax
Other taxes
Contributions from other governments
Investment earnings
Miscellaneous
Extraordinary gain on dissolution of redevelopment agency (Note V A)
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

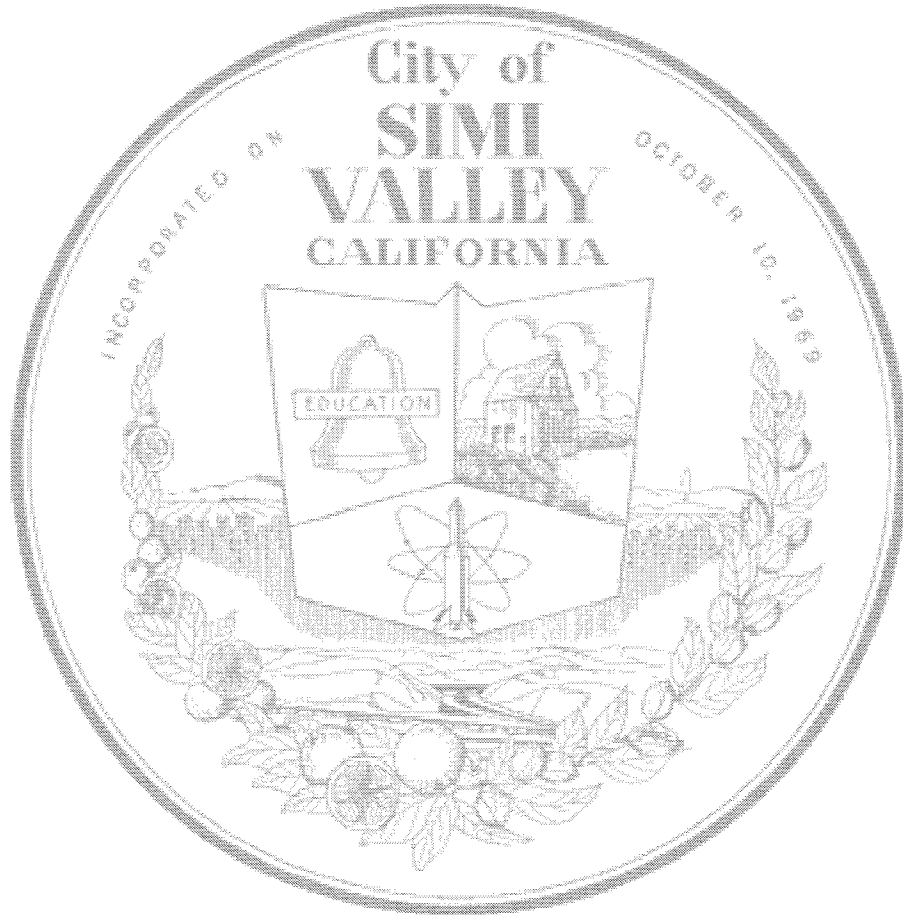
Net assets-ending

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, 2012**

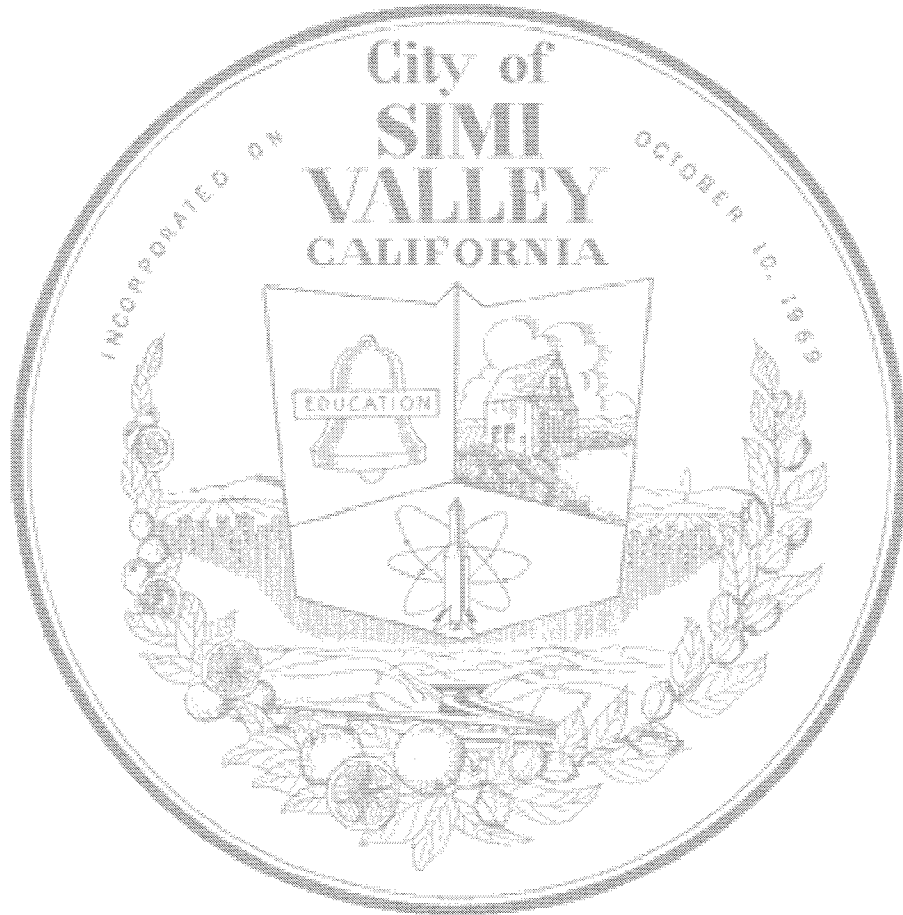
Program Revenues	Net (Expense) Revenue and Changes in Net Assets			Total	
	Primary Government				
Capital Grants and Contributions	Governmental Activities	Business-type Activities			
\$ 384,125	\$ (14,106,634)	\$ -	\$ (14,106,634)		Primary government:
-	(3,630,660)	-	(3,630,660)		Governmental activities:
-	(4,861,378)	-	(4,861,378)		General government
895,101	(6,302,597)	-	(6,302,597)		Community services (CS)
519,958	(31,649,724)	-	(31,649,724)		Planning (ES)
-	(2,044,426)	-	(2,044,426)		Public ways and facilities (PW)
					Public safety (PD)
					Interest on long term debt
1,799,184	(62,595,419)	-	(62,595,419)		Total governmental activities
648,842	-	963,189	963,189		Business-type activities:
690,486	-	274,711	274,711		Sanitation
493,349	-	(2,635,575)	(2,635,575)		Waterworks District No. 8
					Transit
1,832,677	-	(1,397,675)	(1,397,675)		Total business-type activities
<u>\$ 3,631,861</u>	<u>(62,595,419)</u>	<u>(1,397,675)</u>	<u>(63,993,094)</u>		Total primary government
	23,461,856	-	23,461,856		General revenues:
	9,262,457	-	9,262,457		Property taxes
	15,018,520	-	15,018,520		Tax increment
	4,789,947	-	4,789,947		Sales taxes
	1,509,209	-	1,509,209		Franchise taxes
	1,692,627	-	1,692,627		Business tax
	1,280,200	-	1,280,200		Other taxes
	1,041,686	697,813	1,739,499		Contributions from other governments
	-	93,813	93,813		Investment earnings
					Miscellaneous
	16,832,057	-	16,832,057		Extraordinary gain on dissolution of redevelopment agency (Note V A)
	(2,143,949)	2,143,949	-		Transfers
	<u>72,744,610</u>	<u>2,935,575</u>	<u>75,680,185</u>		Total general revenues, contributions and transfers
	10,149,191	1,537,900	11,687,091		Change in net assets
	281,651,442	179,583,625	461,235,067		Net assets-beginning
	(776,734)	-	(776,734)		Prior period adjustment (note IV F)
	<u>280,874,708</u>	<u>179,583,625</u>	<u>460,458,333</u>		Net assets-beginning, as restated
<u>\$ 291,023,899</u>	<u>\$ 181,121,525</u>	<u>\$ 472,145,424</u>			Net assets-ending

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



An aerial photograph of a town and surrounding landscape. The foreground shows a green, grassy hillside with a winding path. The middle ground features a residential area with houses having red-tiled roofs. In the background, there are rolling hills and mountains under a clear blue sky with some light clouds. The text 'FUND FINANCIAL STATEMENTS' is overlaid in white, serif font across the upper portion of the image.

FUND FINANCIAL STATEMENTS



**CITY OF SIMI VALLEY
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2012**

	Special Revenue			
	General	SHA to Community Development Agency Housing Administration	Merged Tapo Canyon & West End Tax Increment	Development Related Fees
ASSETS				
Cash and investments:				
Held by city	\$ 16,048,875	\$ 344,399	\$ -	\$ 22,862,424
Held by bond trustee	-	-	-	-
Accounts receivable (net of allowance for uncollectibles) (note III C)	554,586	-	-	-
Taxes receivable	4,715,860	-	-	-
Grants receivable	-	-	-	2,499
Interest receivable	69,134	25,879	-	42,106
Due from other funds (note III F)	3,537,222	15,784	-	-
Loans receivable (note III B)	364,338	19,498,497	-	2,870,412
Loans receivable-Successor Agency (note III B)	11,348,190	-	-	-
Advances to other funds (note III F)	8,036,380	-	-	-
Property held for resale	-	1,126,437	-	-
TOTAL ASSETS	\$ 44,674,585	\$ 21,010,996	\$ -	\$ 25,777,441
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ 739,903	\$ 92,474	\$ -	\$ 7,747
Salaries and benefits payable	2,564,271	34,667	-	-
Due to other funds (note III F)	-	-	-	-
Advances from other funds (note III F)	-	-	-	-
Deposits	324,530	22,368	-	-
Deferred revenues	1,262,546	19,498,497	-	2,870,412
TOTAL LIABILITIES	4,891,250	19,648,006	-	2,878,159
FUND BALANCES (note III H)				
Nonspendable				
Long-term receivables	19,384,570	-	-	-
Restricted				
Housing programs	-	1,362,990	-	3,348,713
Public improvements	-	-	-	18,661,732
Streets	-	-	-	888,837
Lighting	-	-	-	-
Landscape	-	-	-	-
Debt service	-	-	-	-
Special programs	-	-	-	-
Law enforcement	-	-	-	-
Committed				
Streets	-	-	-	-
Retiree benefits	805,028	-	-	-
Special programs	229,687	-	-	-
Equipment	-	-	-	-
Assigned				
Capital	9,304,096	-	-	-
Unassigned	10,059,954	-	-	-
TOTAL FUND BALANCES (DEFICITS)	39,783,335	1,362,990	-	22,899,282
TOTAL LIABILITIES AND FUND BALANCES	\$ 44,674,585	\$ 21,010,996	\$ -	\$ 25,777,441

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

**CITY OF SIMI VALLEY
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2012**

Capital Projects

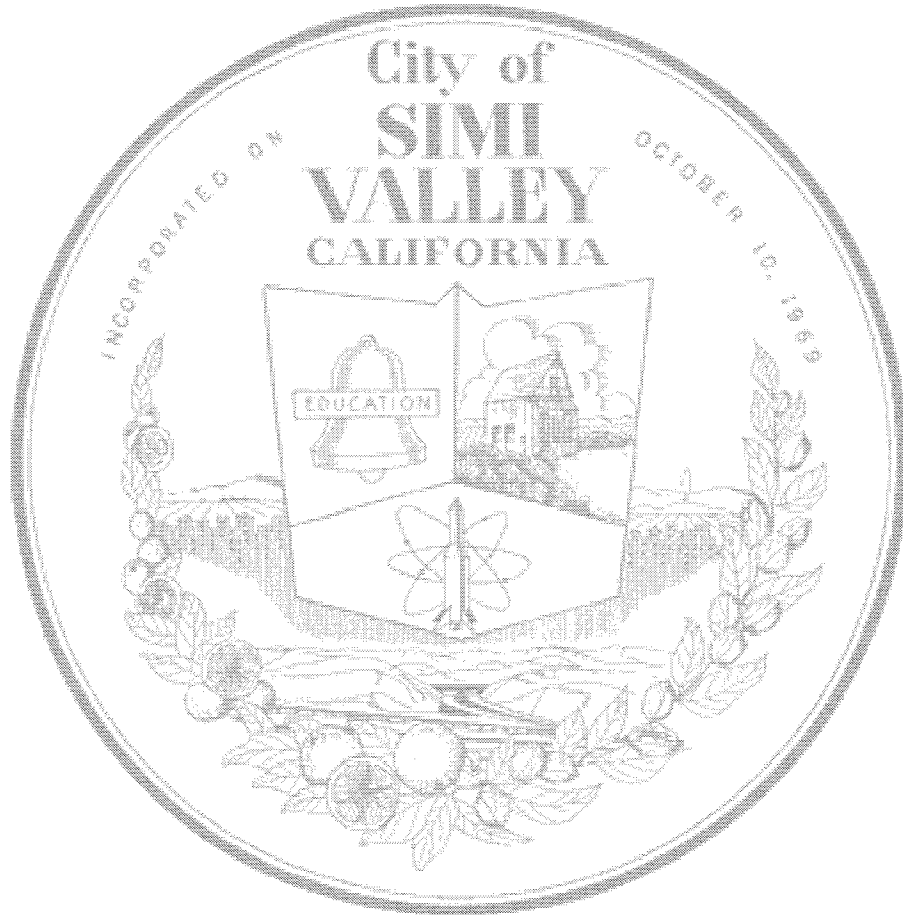
Streets & Roads	Nonmajor Governmental	Total Governmental Funds	
ASSETS			
Cash and investments:			
\$ 3,085,614	\$ 17,681,396	\$ 60,022,708	Held by city
-	2,629,203	2,629,203	Held by bond trustee
204,257	20,580	779,423	Accounts receivable (net of allowance for uncollectibles) (note III C)
-	187,819	4,903,679	Taxes receivable
8,174	578,754	589,427	Grants receivable
-	21,989	159,108	Interest receivable
-	-	3,553,006	Due from other funds (note III F)
-	3,177,005	25,910,252	Loans receivable (note III B)
-	2,500,000	13,848,190	Loans receivable-Successor Agency (note III B)
-	-	8,036,380	Advances to other funds (note III F)
-	-	1,126,437	Property held for resale
\$ 3,298,045	\$ 26,796,746	\$ 121,557,813	TOTAL ASSETS
LIABILITIES AND FUND BALANCES			
LIABILITIES			
\$ 180,633	\$ 992,846	\$ 2,013,603	Accounts payable
-	-	2,598,938	Salaries and benefits payable
-	241,809	241,809	Due to other funds (note III F)
-	3,348,380	3,348,380	Advances from other funds (note III F)
-	-	346,898	Deposits
-	3,177,005	26,808,460	Deferred revenues
180,633	7,760,040	35,358,088	TOTAL LIABILITIES
FUND BALANCES (note III H)			
-	2,500,000	21,884,570	Nonspendable
Long-term receivables			
Restricted			
-	721,030	5,432,733	Housing programs
-	367,740	19,029,472	Public improvements
-	297	889,134	Streets
-	7,241,174	7,241,174	Lighting
-	929,495	929,495	Landscape
-	2,635,890	2,635,890	Debt service
-	493,194	493,194	Special programs
-	406,183	406,183	Law enforcement
Committed			
3,117,412	-	3,117,412	Streets
-	-	805,028	Retiree benefits
-	-	229,687	Special programs
-	3,525,143	3,525,143	Equipment
Assigned			
-	216,560	9,520,656	Capital
-	-	10,059,954	Unassigned
3,117,412	19,036,706	86,199,725	TOTAL FUND BALANCES (DEFICITS)
\$ 3,298,045	\$ 26,796,746	\$ 121,557,813	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, 2012**

Fund balances - total governmental funds		\$ 86,199,725
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).		211,944,601
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds:		
Unamortized bond issuance costs		489,937
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.		2,369,606
Some liabilities are not due and payable in the current period and therefore are not reported in the funds:		
Accrued interest payable		(423,156)
Revenues reported as deferred revenue in the governmental funds are recognized in the statement of activities. These are included in the intergovernmental revenues in the governmental fund activity.		26,808,460
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds:		
Compensated absences payable	(4,649,228)	
OPEB obligation	(5,145,320)	
1995 Lease revenue bonds	(3,385,000)	
2004 Certificates of participation	(22,900,000)	
Unamortized bond premium	(285,726)	(36,365,274)
_____	_____	_____
Net assets of governmental activities		<u>\$ 291,023,899</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, 2012**

	Special Revenue			
	General	SHA to Community Development Agency Housing Administration	Merged Tapo Canyon & West End Tax Increment	Development Related Fees
REVENUES				
Taxes	\$ 43,645,387	\$ -	\$ -	\$ -
Tax increment revenues	-	-	9,237,039	-
Licenses and permits	1,549,642	-	-	-
Fines and forfeitures	590,625	-	-	-
Use of money and property	439,460	230,284	67,858	331,010
From other governments	333,428	-	-	-
Grants	176,662	-	-	75,446
Service charges	1,094,372	15,103	-	84,625
Other revenues	1,418,504	-	-	-
Contributions from other governments	407,186	578,349	-	-
Total revenues	49,655,266	823,736	9,304,897	491,081
EXPENDITURES				
Current:				
General government	2,963,108	491,575	-	-
Community services (CS)	4,265,678	-	-	-
Planning (ES)	5,043,227	1,755,935	-	100,229
Public ways and facilities (PW)	11,739,950	-	-	-
Public safety (PD)	28,715,970	-	-	-
Total current expenditures	52,727,933	2,247,510	-	100,229
Capital outlay:				
Streets and roads	-	-	-	-
Other capital projects	-	-	-	-
Total capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Other	-	-	-	-
Total debt service	-	-	-	-
Intergovernmental	-	-	39,466	-
Total expenditures	52,727,933	2,247,510	39,466	100,229
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(3,072,667)	(1,423,774)	9,265,431	390,852
OTHER FINANCING SOURCES (USES)				
Transfers in (note III F)	7,915,987	1,852,492	-	-
Transfers out (note III F)	(4,651,912)	(46,083)	(4,253,489)	(554,000)
Total other financing sources (uses)	3,264,075	1,806,409	(4,253,489)	(554,000)
Extraordinary gain (loss) (note V A)	-	(12,433,831)	8,814,818	-
NET CHANGE IN FUND BALANCES	191,408	(12,051,196)	13,826,760	(163,148)
FUND BALANCES (DEFICITS)-BEGINNING PRIOR PERIOD ADJUSTMENT (note IV F)	39,390,666	13,414,186	(13,826,760)	23,062,430
FUND BALANCES (DEFICITS)-BEGINNING, AS RESTATED	201,261	-	-	-
FUND BALANCES (DEFICITS)-BEGINNING, AS RESTATED	39,591,927	13,414,186	(13,826,760)	23,062,430
FUND BALANCES (DEFICITS)-ENDING	\$ 39,783,335	\$ 1,362,990	\$ -	\$ 22,899,282

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, 2012**

Capital Projects

Streets & Roads	Nonmajor Governmental	Total Governmental Funds	
			REVENUES
\$ -	\$ 2,668,489	\$ 46,313,876	Taxes
-	25,418	9,262,457	Tax increment revenues
-	-	1,549,642	Licenses and permits
-	-	590,625	Fines and forfeitures
-	332,874	1,401,486	Use of money and property
-	7,552,259	7,885,687	From other governments
251,312	1,585,908	2,089,328	Grants
-	798,162	1,992,262	Service charges
-	19,931	1,438,435	Other revenues
-	294,665	1,280,200	Contributions from other governments
251,312	13,277,706	73,803,998	Total revenues
			EXPENDITURES
			Current:
-	1,569,773	5,024,456	General government
-	8,773	4,274,451	Community services (CS)
-	1,061,769	7,961,160	Planning (ES)
-	2,971,011	14,710,961	Public ways and facilities (PW)
-	129,594	28,845,564	Public safety (PD)
-	5,740,920	60,816,592	Total current expenditures
			Capital outlay:
842,596	-	842,596	Streets and roads
-	2,701,781	2,701,781	Other capital projects
842,596	2,701,781	3,544,377	Total capital outlay
			Debt service:
-	2,130,000	2,130,000	Principal
-	1,940,460	1,940,460	Interest
-	13,032	13,032	Other
-	4,083,492	4,083,492	Total debt service
			Intergovernmental
-	51	39,517	Total expenditures
842,596	12,526,244	68,483,978	
			EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES
(591,284)	751,462	5,320,020	
			OTHER FINANCING SOURCES (USES)
719,597	6,010,983	16,499,059	Transfers in (note III F)
(864,813)	(8,264,711)	(18,635,008)	Transfers out (note III F)
(145,216)	(2,253,728)	(2,135,949)	Total other financing sources (uses)
-	(4,003,481)	(7,622,494)	Extraordinary gain (loss) (note V A)
(736,500)	(5,505,747)	(4,438,423)	NET CHANGE IN FUND BALANCES
3,853,912	24,542,453	90,436,887	FUND BALANCES (DEFICITS)-BEGINNING
-	-	201,261	PRIOR PERIOD ADJUSTMENT (note IV F)
3,853,912	24,542,453	90,638,148	FUND BALANCES (DEFICITS)-BEGINNING, AS RESTATED
\$ 3,117,412	\$ 19,036,706	\$ 86,199,725	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, 2012**

Net change in fund balances - total governmental funds \$ (4,438,423)

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	\$ 989,475	
Capital outlay	3,279,588	
Depreciation expense	<u>(11,364,129)</u>	(7,095,066)

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	835,000	
Lease revenue bonds	735,000	
Certificates of participation	<u>560,000</u>	2,130,000

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	158,283	
Net debt service interest accrual	(72,843)	
Amortization of bond issuance costs	(41,616)	
Amortization of deferral on refunding	(16,731)	
Amortized premium on bonds	22,465	
Compensated absences (net)	(87,915)	
Unfunded OPEB liability	<u>(1,720,530)</u>	(1,758,887)

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

65,984

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.

(3,208,968)

Extraordinary gains and losses relating to capital assets and long term liabilities transferred to the Successor Agency are reported in the statement of activities and do not require the use of current financial resources and, therefore, are not reported in the governmental funds.

Deferred charges	(633,128)	
Capital assets	(849,174)	
Accrued bond interest	513,140	
Long-term debt	<u>25,423,713</u>	<u>24,454,551</u>

Change in net assets of governmental activities \$ 10,149,191

**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, 2012**

	<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	\$ 13,873,000	\$ 13,873,000	\$ 14,860,237	\$ 987,237
Property	20,988,500	20,988,500	21,087,160	98,660
Franchise	4,712,200	4,712,200	4,496,154	(216,046)
Business and other	3,192,500	3,192,500	3,201,836	9,336
Licenses and permits	1,114,000	1,114,000	1,549,642	435,642
From other governments	744,000	273,200	333,428	60,228
Grants	164,100	164,100	176,662	12,562
Service charges	1,189,200	1,189,200	1,094,372	(94,828)
Fines and forfeitures	575,000	575,000	590,625	15,625
Use of money and property	1,431,600	1,440,300	439,460	(1,000,840)
Other revenues	619,000	1,125,800	1,418,504	292,704
Contributions from other governments	-	-	407,186	407,186
Total revenues	<u>48,603,100</u>	<u>48,647,800</u>	<u>49,655,266</u>	<u>1,007,466</u>
<u>EXPENDITURES</u>				
Current:				
City administration	3,053,400	3,190,200	3,070,858	119,342
Attorney	995,100	995,100	930,608	64,492
Administrative services and city-wide support (AS)*	(713,200)	(258,100)	(1,038,358)	780,258
Community services (CS)	4,117,700	4,612,000	4,265,678	346,322
Planning (ES)	4,842,300	4,964,200	5,043,227	(79,027)
Public ways and facilities (PW)	12,114,900	12,506,100	11,739,950	766,150
Public safety (PD)	28,187,400	28,216,800	28,715,970	(499,170)
Total expenditures	<u>52,597,600</u>	<u>54,226,300</u>	<u>52,727,933</u>	<u>1,498,367</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(3,994,500)</u>	<u>(5,578,500)</u>	<u>(3,072,667)</u>	<u>2,505,833</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers in	7,418,200	7,931,400	7,915,987	(15,413)
Transfers out	(5,700,100)	(4,949,900)	(4,651,912)	297,988
Total other financing sources (uses)	<u>1,718,100</u>	<u>2,981,500</u>	<u>3,264,075</u>	<u>282,575</u>
NET CHANGE IN FUND BALANCE	(2,276,400)	(2,597,000)	191,408	2,788,408
FUND BALANCES (DEFICITS)-BEGINNING	39,390,666	39,390,666	39,390,666	-
PRIOR PERIOD ADJUSTMENT (note IV F)	201,261	201,261	201,261	-
FUND BALANCES (DEFICITS)-BEGINNING, AS RESTATED	<u>39,591,927</u>	<u>39,591,927</u>	<u>39,591,927</u>	<u>-</u>
FUND BALANCES (DEFICITS)-ENDING	<u>\$ 37,315,527</u>	<u>\$ 36,994,927</u>	<u>\$ 39,783,335</u>	<u>\$ 2,788,408</u>

*net of reimbursements

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

CITY OF SIMI VALLEY
SUCCESSOR HOUSING AGENCY TO COMMUNITY DEVELOPMENT AGENCY HOUSING ADMINISTRATION
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	<u>Budgeted Amounts</u>		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
<u>REVENUES</u>				
Use of money and property	\$ 370,500	\$ 370,500	\$ 230,284	\$ (140,216)
Service charges	20,000	20,000	15,103	(4,897)
Other revenues	495,300	495,300	-	(495,300)
Total revenues	<u>885,800</u>	<u>885,800</u>	<u>245,387</u>	<u>(640,413)</u>
<u>EXPENDITURES</u>				
Current:				
General government:				
Reimbursement to general fund	842,700	842,700	491,575	351,125
Planning (ES):				
Personnel	1,224,400	1,221,800	1,071,740	150,060
Materials, supplies and services	15,402,600	15,882,800	684,195	15,198,605
Total environmental services	<u>16,627,000</u>	<u>17,104,600</u>	<u>1,755,935</u>	<u>15,348,665</u>
Total expenditures	<u>17,469,700</u>	<u>17,947,300</u>	<u>2,247,510</u>	<u>15,699,790</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(16,583,900)</u>	<u>(17,061,500)</u>	<u>(2,002,123)</u>	<u>15,059,377</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers in	3,574,300	3,574,300	2,430,841	(1,143,459)
Transfers out	(81,600)	(69,000)	(12,479,914)	(12,410,914)
Total other financing sources (uses)	<u>3,492,700</u>	<u>3,505,300</u>	<u>(10,049,073)</u>	<u>(13,554,373)</u>
NET CHANGE IN FUND BALANCES	(13,091,200)	(13,556,200)	(12,051,196)	1,505,004
FUND BALANCES (DEFICITS)-BEGINNING	<u>13,414,186</u>	<u>13,414,186</u>	<u>13,414,186</u>	<u>-</u>
FUND BALANCES (DEFICITS)-ENDING	<u>\$ 322,986</u>	<u>\$ (142,014)</u>	<u>\$ 1,362,990</u>	<u>\$ 1,505,004</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, 2012**

	<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	\$ 17,871,300	\$ 17,871,300	\$ 9,237,039	\$ (8,634,261)
Use of money and property	97,500	97,500	67,858	(29,642)
Total revenues	<u>17,968,800</u>	<u>17,968,800</u>	<u>9,304,897</u>	<u>(8,663,903)</u>
<u>EXPENDITURES</u>				
Current:				
General government:				
Materials, supplies and services	56,000	228,900	-	228,900
Contract services	150,200	150,200	-	150,200
Total general government	<u>206,200</u>	<u>379,100</u>	<u>-</u>	<u>379,100</u>
Debt service:				
Interest	-	638,800	-	638,800
-				
Intergovernmental	<u>5,897,100</u>	<u>5,897,100</u>	<u>39,466</u>	<u>5,857,634</u>
Total expenditures	<u>6,103,300</u>	<u>6,915,000</u>	<u>39,466</u>	<u>6,875,534</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>11,865,500</u>	<u>11,053,800</u>	<u>9,265,431</u>	<u>(1,788,369)</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers out	<u>(12,666,800)</u>	<u>(15,987,400)</u>	<u>(4,253,489)</u>	<u>11,733,911</u>
Total other financing sources (uses)	<u>(12,666,800)</u>	<u>(15,987,400)</u>	<u>(4,253,489)</u>	<u>11,733,911</u>
Extraordinary gain (loss)	<u>-</u>	<u>-</u>	<u>8,814,818</u>	<u>8,814,818</u>
NET CHANGE IN FUND BALANCES	(801,300)	(4,933,600)	13,826,760	18,760,360
FUND BALANCES (DEFICITS)-BEGINNING	<u>(13,826,760)</u>	<u>(13,826,760)</u>	<u>(13,826,760)</u>	<u>-</u>
FUND BALANCES (DEFICITS)-ENDING	<u>\$ (14,628,060)</u>	<u>\$ (18,760,360)</u>	<u>\$ -</u>	<u>\$ 18,760,360</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, 2012**

	<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	\$ 359,900	\$ 359,900	\$ 331,010	\$ (28,890)
Grants	-	-	75,446	75,446
Service charges	91,200	91,200	84,625	(6,575)
Total revenues	<u>451,100</u>	<u>451,100</u>	<u>491,081</u>	<u>39,981</u>
<u>EXPENDITURES</u>				
Current:				
Planning (ES):				
Housing programs	<u>65,000</u>	<u>2,092,200</u>	<u>100,229</u>	<u>1,991,971</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers out	<u>(554,000)</u>	<u>(554,000)</u>	<u>(554,000)</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	(167,900)	(2,195,100)	(163,148)	2,031,952
FUND BALANCES (DEFICITS)-BEGINNING	<u>23,062,430</u>	<u>23,062,430</u>	<u>23,062,430</u>	<u>-</u>
FUND BALANCES (DEFICITS)-ENDING	<u>\$ 22,894,530</u>	<u>\$ 20,867,330</u>	<u>\$ 22,899,282</u>	<u>\$ 2,031,952</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, 2012**

	Business-type Activities - Enterprise Funds				Internal Service Funds
	Ventura County		Simi Valley		
	Simi Valley Sanitation	Waterworks District No. 8	Transit System	Total	
ASSETS					
Current assets:					
Cash and investments	\$ 19,122,114	\$ 19,574,557	\$ 2,544,028	\$ 41,240,699	\$ 17,193,984
Customer receivable	518,108	5,298,644	-	5,816,752	133
Other receivable	266,586	321,040	66,602	654,228	-
Taxes receivable	261,139	-	-	261,139	-
Grants receivable	-	-	3,987,608	3,987,608	-
Inventories	394,766	626,022	163,310	1,184,098	-
Interest receivable	47,770	52,267	-	100,037	29,524
Restricted cash and investments:					
Customer deposits	-	891,801	-	891,801	-
Connection fees	3,774,750	2,946,876	-	6,721,626	-
Total current assets	<u>24,385,233</u>	<u>29,711,207</u>	<u>6,761,548</u>	<u>60,857,988</u>	<u>17,223,641</u>
Noncurrent assets:					
Capital assets (net of accumulated depreciation) (note III D):					
Land	765,660	451,334	-	1,216,994	-
Buildings and improvements	4,792,080	602,202	2,540,326	7,934,608	-
Furnishings and equipment	456,439	219,674	550,629	1,226,742	-
Vehicles	741,717	286,762	2,043,908	3,072,387	-
Distribution system	60,983,532	38,033,419	3,458	99,020,409	-
Construction-in-progress	8,161,862	9,275,109	1,393,875	18,830,846	-
Total noncurrent assets	<u>75,901,290</u>	<u>48,868,500</u>	<u>6,532,196</u>	<u>131,301,986</u>	<u>-</u>
TOTAL ASSETS	<u>100,286,523</u>	<u>78,579,707</u>	<u>13,293,744</u>	<u>192,159,974</u>	<u>17,223,641</u>
LIABILITIES					
Current liabilities:					
Accounts payable	311,773	2,705,106	97,883	3,114,762	70,349
Salaries and benefits payable	198,687	135,231	111,352	445,270	11,625
Compensated absences	43,653	29,903	22,169	95,725	4,977
Due to other funds (note III F)	-	-	3,311,197	3,311,197	-
Unearned revenue	-	-	2,543,400	2,543,400	-
Claims and legal services payable	-	-	-	-	3,168,127
Current liabilities payable from restricted assets:					
Water service prepayments	-	891,801	-	891,801	-
Accounts payable restricted	-	248,875	-	248,875	-
Total current liabilities	<u>554,113</u>	<u>4,010,916</u>	<u>6,086,001</u>	<u>10,651,030</u>	<u>3,255,078</u>
Noncurrent liabilities:					
Advances from other funds (note III F)	-	-	-	-	4,688,000
Compensated absences	392,875	269,123	199,516	861,514	44,795
Claims and legal services payable	-	-	-	-	6,392,067
Total noncurrent liabilities	<u>392,875</u>	<u>269,123</u>	<u>199,516</u>	<u>861,514</u>	<u>11,124,862</u>
TOTAL LIABILITIES	<u>946,988</u>	<u>4,280,039</u>	<u>6,285,517</u>	<u>11,512,544</u>	<u>14,379,940</u>
NET ASSETS					
Invested in capital assets	75,901,290	48,868,500	6,532,196	131,301,986	-
Restricted for:					
Sewer connection fees and water capital improvement charges	3,774,750	2,698,001	-	6,472,751	-
Unrestricted	<u>19,663,495</u>	<u>22,733,167</u>	<u>476,031</u>	<u>42,872,693</u>	<u>2,843,701</u>
TOTAL NET ASSETS	<u>\$ 99,339,535</u>	<u>\$ 74,299,668</u>	<u>\$ 7,008,227</u>	<u>180,647,430</u>	<u>\$ 2,843,701</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds					
Beginning adjustment to unrestricted net assets				621,822	
Current adjustment to unrestricted net assets				<u>(147,727)</u>	
Net assets of business-type activities				<u>\$ 181,121,525</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, 2012

	Business-type Activities - Enterprise Funds				Internal Service Funds
	Ventura County		Simi Valley		
	Simi Valley Sanitation	Waterworks District No. 8	Transit System	Total	
<u>OPERATING REVENUES</u>					
Charges for sales and services	\$ 14,600,252	\$ 33,332,611	\$ 467,415	\$ 48,400,278	\$ 3,584,704
<u>OPERATING EXPENSES</u>					
Salaries and benefits	5,870,435	4,024,569	3,124,118	13,019,122	342,294
Materials and supplies:					
Water purchases	-	23,559,118	-	23,559,118	-
Utilities	743,803	653,337	-	1,397,140	-
Chemicals	372,711	-	-	372,711	-
Other	296,574	649,740	490,386	1,436,700	168,089
Services:					
Maintenance projects	531,054	846,382	-	1,377,436	-
Other	1,541,325	951,764	603,162	3,096,251	-
Insurance	185,900	99,300	133,300	418,500	664,143
Claims and legal expenses	-	-	-	-	3,215,877
General administration	2,349,300	1,932,900	1,111,800	5,394,000	2,647,400
Depreciation	2,394,471	1,196,317	477,450	4,068,238	-
Total operating expenses	<u>14,285,573</u>	<u>33,913,427</u>	<u>5,940,216</u>	<u>54,139,216</u>	<u>7,037,803</u>
OPERATING INCOME (LOSS)	<u>314,679</u>	<u>(580,816)</u>	<u>(5,472,801)</u>	<u>(5,738,938)</u>	<u>(3,453,099)</u>
<u>NONOPERATING REVENUES AND EXPENSES</u>					
Grants	315	165,269	2,490,729	2,656,313	-
Interest	186,214	511,599	-	697,813	104,404
Other	220,068	27,726	(153,981)	93,813	-
Total nonoperating revenues (expenses)	<u>406,597</u>	<u>704,594</u>	<u>2,336,748</u>	<u>3,447,939</u>	<u>104,404</u>
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	721,276	123,778	(3,136,053)	(2,290,999)	(3,348,695)
<u>CONTRIBUTIONS AND TRANSFERS</u>					
Capital contributions	648,842	690,486	493,349	1,832,677	-
Transfers in (note III F)		-	2,650,549	2,650,549	-
Transfers out (note III F)	(232,900)	(273,700)	-	(506,600)	(8,000)
Total contributions and transfers	<u>415,942</u>	<u>416,786</u>	<u>3,143,898</u>	<u>3,976,626</u>	<u>(8,000)</u>
CHANGE IN NET ASSETS	1,137,218	540,564	7,845	1,685,627	(3,356,695)
TOTAL NET ASSETS-BEGINNING	<u>98,202,317</u>	<u>73,759,104</u>	<u>7,000,382</u>		<u>6,200,396</u>
TOTAL NET ASSETS-ENDING	<u>\$ 99,339,535</u>	<u>\$ 74,299,668</u>	<u>\$ 7,008,227</u>		<u>\$ 2,843,701</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds					
Current adjustment				<u>(147,727)</u>	
Change in net assets of business-type activities				<u>\$ 1,537,900</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, 2012

	Business-type Activities - Enterprise Funds				
	Ventura County		Simi Valley		Internal Service Funds
	Simi Valley Sanitation	Waterworks District No. 8	Transit System	Totals	
<u>CASH FLOWS FROM OPERATING ACTIVITIES:</u>					
Cash received from service charges and other revenues	\$ 14,757,285	\$ 32,949,930	\$ 629,378	\$ 48,336,593	\$ 3,584,553
Cash paid for salaries and benefits	(5,661,429)	(3,888,988)	(3,098,999)	(12,649,416)	(331,292)
Cash paid for supplies and materials	(1,494,723)	(24,828,535)	(826,693)	(27,149,951)	-
Cash paid for general administration	(2,559,400)	(2,043,000)	(1,111,800)	(5,714,200)	(2,647,400)
Cash paid for services and insurance	(2,258,279)	(1,897,446)	(736,462)	(4,892,187)	(168,160)
Cash paid for insurance premiums and claims	-	-	-	-	(2,840,330)
Net cash provided (used) by operating activities	<u>2,783,454</u>	<u>291,961</u>	<u>(5,144,576)</u>	<u>(2,069,161)</u>	<u>(2,402,629)</u>
<u>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</u>					
Cash received for transfers from other funds	-	-	-	-	-
Cash paid for transfers to other funds	(232,900)	(273,700)	-	(506,600)	(8,000)
Cash received from grants and other governments	315	165,269	2,166,273	2,331,857	-
Cash received from interfund borrowing	-	-	2,789,136	2,789,136	-
Net cash provided (used) by noncapital financing activities	<u>(232,585)</u>	<u>(108,431)</u>	<u>4,955,409</u>	<u>4,614,393</u>	<u>(8,000)</u>
<u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</u>					
Sewer connection fees and water capital improvement charges	276,352	124,948	-	401,300	-
Contribution received from other governments	-	-	422,788	422,788	-
Acquisition of capital assets	(3,152,555)	(281,121)	(476,135)	(3,909,811)	-
Net cash provided (used) by capital and related financing activities	<u>(2,876,203)</u>	<u>(156,173)</u>	<u>(53,347)</u>	<u>(3,085,723)</u>	<u>-</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES:</u>					
Interest on investments	233,653	563,286	36,281	833,220	138,848
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(91,681)	590,643	(206,233)	292,729	(2,271,781)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	22,988,545	22,822,591	2,750,261	48,561,397	19,465,765
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 22,896,864</u>	<u>\$ 23,413,234</u>	<u>\$ 2,544,028</u>	<u>\$ 48,854,126</u>	<u>\$ 17,193,984</u>
<u>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:</u>					
Operating income (loss)	\$ 314,679	\$ (580,816)	\$ (5,472,801)	\$ (5,738,938)	\$ (3,453,099)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation	2,394,471	1,196,317	477,450	4,068,238	-
(Increase) decrease in accounts receivable	(60,308)	(399,733)	142	(459,898)	-
(Increase) decrease in inventory	77,645	2,452	52,364	132,461	-
Increase (decrease) in accounts payable	(159,280)	31,208	(388,671)	(516,743)	34,727
Increase (decrease) in accrued payroll	35,722	21,878	29,314	86,915	4,385
Increase (decrease) in compensated absences	(36,816)	3,603	(4,195)	(37,409)	6,617
Increase (decrease) in water service prepayments	-	7,913	-	7,913	-
Increase (decrease) in claims and legal services payable	-	-	-	-	1,004,741
Adjustment for revenues and expenses classified as nonoperating	217,341	9,139	161,821	388,301	-
Total adjustments	<u>2,468,775</u>	<u>872,777</u>	<u>328,225</u>	<u>3,669,777</u>	<u>1,050,470</u>
Net cash provided (used) by operating activities	<u>\$ 2,783,454</u>	<u>\$ 291,961</u>	<u>\$ (5,144,576)</u>	<u>\$ (2,069,161)</u>	<u>\$ (2,402,629)</u>
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES:					
Capital additions	\$ (372,490)	\$ (565,538)	-	\$ (938,028)	-
Capital contributions	372,490	565,538	-	938,028	-
Services to be provided from settlement agreement	242,266	-	-	-	-

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

CITY OF SIMI VALLEY
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
JUNE 30, 2012

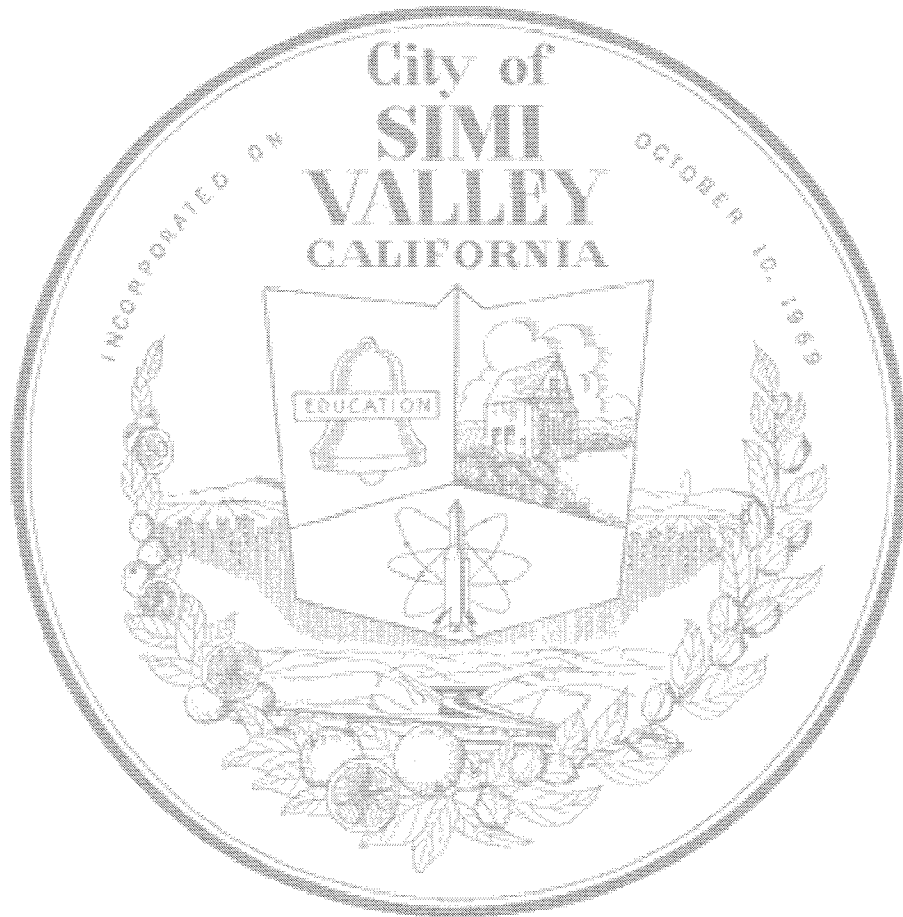
	Private- Purpose Trust	Agency Funds
<u>ASSETS</u>		
Cash and investments:		
Held by city	\$ 17,989,407	\$ 6,432,980
Held by bond trustee	2,103,175	2,773,507
Accounts receivable	171,532	4,825
Interest receivable	9,861	
Deferred charge-issuance costs	619,419	-
Capital assets not being depreciated	849,174	-
	21,742,568	9,211,312
TOTAL ASSETS	21,742,568	9,211,312
<u>LIABILITIES</u>		
Accounts payable and accrued liabilities	12,749	-
Accrued interest payable	409,170	-
Intergovernmental payable	2,482,989	9,211,312
Loans payable - city (note III B)	13,848,190	-
Long-term debt:		
Due within one year	869,748	-
Due in more than one year	24,565,138	-
	42,187,984	9,211,312
TOTAL LIABILITIES	42,187,984	\$ 9,211,312
<u>NET ASSETS</u>		
Held in trust for other purposes	\$ (20,445,416)	

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

**CITY OF SIMI VALLEY
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

	Private- Purpose Trust
<hr/>	
<u>ADDITIONS</u>	
Property taxes	\$ 733,091
Investment earnings	28,941
	<hr/>
TOTAL ADDITIONS	762,032
	<hr/>
<u>DEDUCTIONS</u>	
Program expenses of former Simi Valley Community Development Agency	26,011
Administrative expenses	160,165
Interest and fiscal agency expenses of former Simi Valley Community Development Agency	536,395
Refunds	2,372,620
Contributions to other governments	1,280,200
	<hr/>
TOTAL DEDUCTIONS	4,375,391
	<hr/>
Extraordinary loss (note V A)	(16,832,057)
	<hr/>
CHANGE IN NET ASSETS	(20,445,416)
NET ASSETS - BEGINNING	-
	<hr/>
NET ASSETS - ENDING	<u>\$ (20,445,416)</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, 2012

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CITY OF SIMI VALLEY • LISTING OF NOTES TO THE BASIC FINANCIAL
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CITY OF SIMI VALLEY • NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2012

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 (CDA) established under "Community Redevelopment Law" in the California Health and Safety Code served 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. With the passage of California Assembly Bill 1X 26, the redevelopment agency was dissolved effective January 31, 2012. It was replaced with a Successor Agency responsible for winding down affairs of the CDA including disposing of assets. The Successor Agency activity is reported with fiduciary funds. See Note V.
- 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.

See independent auditors' report.

CITY OF SIMI VALLEY • NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2012

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 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*.

CITY OF SIMI VALLEY • NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2012

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

See independent auditors' report.

CITY OF SIMI VALLEY • NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2012

sources and uses of available spendable resources during a period. Under the modified accrual basis of accounting, revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period, except reimbursement grant revenues and interest, which are considered available, if they are collected within 180 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

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

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

General fund:

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

Special revenue funds:

Successor Housing Agency to Community Development Agency Housing Administration fund accounts for housing set-aside funds used to reimburse the costs associated with the administration and coordination of affordable housing programs, processing of affordable housing agreements, amendment or update of the Housing element of the general plan, as well as any general plan amendments for affordable housing projects. On January 30, 2012, in response to AB1x 26, the City Council elected to retain the Housing Assets and functions previously performed by the Simi Valley Community Development Agency via City resolution number 2012-07. The housing activity fund was formerly named the Community Development Agency Housing Administration fund. See Note V.

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. With the dissolution of the City's redevelopment agency, this special revenue fund was closed as of January 31, 2012. Fund balance was transferred to a fiduciary fund as of February 1, 2012. See Note V.

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

See independent auditors' report.

CITY OF SIMI VALLEY • NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2012

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.

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 and businesses.

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

Additionally, the City reports the following fund types:

Debt service funds:

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

Internal service funds:

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

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

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

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

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

See independent auditors' report.

CITY OF SIMI VALLEY • NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2012

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.

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

D. Assets, liabilities, 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.

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

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

2. Receivables and payables

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

CITY OF SIMI VALLEY • NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2012

Advances between funds, as reported in the fund financial statements, are offset by a fund balance Non-spendable account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources. Receivables are shown net of 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 (CSA) 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. Upon dissolution of the CDA, property tax is no longer received in this manner.

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 2011-12.

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

CITY OF SIMI VALLEY • NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2012

5. *Restricted assets*

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

6. *Capital assets*

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

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

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

Property, plant, equipment, and infrastructure 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	3-15
Water/Sewer lines	30-100
Intangibles	5-15
Infrastructure	25-50

7. *Compensated absences*

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

CITY OF SIMI VALLEY • NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2012

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 accordance with the Governmental Accounting Standards Board (GASB) Statement No. 54, fund balance amounts are reported within one of the fund balance categories listed below.

- *Non-spendable* fund balance represents funds that are not immediately available to support government operations. Examples are inventory and long-term receivables that will not be converted to cash in the near future.
- *Restricted* fund balance has constraints imposed by external parties such as creditors, grantors, or contributors; legislation or regulations of other governments; or imposed by constitutional provisions.
- *Committed* fund balance represents funds that can only be designated for specific purposes by formal City Council action. These amounts cannot be used for any other purpose unless the City Council removes or changes the specified use through the same type of formal action taken to establish the commitment.
- *Assigned* fund balance is similar to committed fund balance except that the City Council can authorize the City Manager to designate the funds for specific purposes. An example is budgeted line-item expenditures to which the City Manager has the authority to make administrative amendments, provided they do not have a significant policy impact or affect budgeted year-end fund balances.
- *Unassigned* fund balance is the portion of General Fund balance that does not fall into any of the other fund balance categories. These funds are available for any legitimate government purpose and are customarily reported only in the General Fund.

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.

CITY OF SIMI VALLEY • NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2012

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. The Cal-Home Grant, Madera Royal Tax Increment and Public Education, Government Fees funds did not have adopted budgets for FY 2011-12, therefore no budget to actual schedules are 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.

B. Excess of expenditures over appropriations

For fiscal year ended June 30, 2012, expenditures exceeded appropriations in the Transportation (nonmajor) special revenue fund by \$18,579. The over-expenditure was a result of an obligation payable to the Rancho Simi Recreation and Park District for class 1 trail maintenance fees for the fiscal year. In the General Fund, the Environmental Services' (Planning) department expenditures exceeded appropriations by \$79,027. The department's expenditures were within budget for all expenditure categories except for salaries. ES was unable to meet the targeted \$177,700 salary savings due to: the elimination of all funded, vacant positions at the start of the year, from which such savings would normally be generated; and the fact that only one funded position became vacant during the fiscal year. That single, funded vacant position was subsequently held open for the remainder of the fiscal year to generate salary savings. In the General Fund, the Police (public safety) Department's expenditures exceeded appropriations by \$499,170. The Police Department's annual budget includes salary savings of \$733,700 or 2.6% of the total budget. However, the department was unable to meet the targeted amount. While the remaining budget items were well within the established parameters with a positive balance of \$234,531 at the end of the fiscal year, the overall budget expenditures were exceeded with regard to salary savings by the difference of \$499,170 or 68% of the target amount. Actual cost savings realized for the Department from projected vacant positions were far less than anticipated. In addition to this, a contributing factor was the necessity to overfill sworn officer positions during this timeframe.

C. Deficit fund equity

The Private Purpose Trust, a component of the City's Fiduciary funds, has negative net assets of \$20,445,416 as of June 30, 2012. This is attributable to the extraordinary loss recognized as a result of redevelopment dissolution. See Note V.

CITY OF SIMI VALLEY • NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2012

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 \$426,422 in order to reflect the fair value at June 30, 2012.

Cash and investments at June 30, 2012 are classified as follows:

Statement of net assets:

Cash and investments	\$ 126,070,818
Cash and investments held by bond trustee	2,629,203
Fiduciary funds:	
Cash and investments	24,422,387
Cash and investments held by bond trustee	<u>4,876,682</u>
Total cash and investments	<u><u>\$ 157,999,090</u></u>

Cash and investments at June 30, 2012 consisted of the following:

Cash on hand	\$ 6,550
Deposits with financial institutions	2,361,838
Outstanding checks	(1,278,549)
Investments	<u>156,909,251</u>
Total cash and investments	<u><u>\$ 157,999,090</u></u>

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

CITY OF SIMI VALLEY • NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2012

<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
CA Local Agency Obligations	5 years	None	None
U.S. Agencies	5 years	None	None
Bankers' Acceptances	180 days	40%	None
Commercial Paper	270 days	Prohibited	10%
Negotiable Certificates of Deposit	5 years	30%	\$1,000,000
CD Placement Service	5 years	30%	\$1,000,000
Repurchase Agreements	1 year	Prohibited	None
Corporate Notes	5 years	Prohibited	None
Investment Pools	5 years	20%	10%
Shares of Beneficial Interest	5 years	20%	10%
Mutual Funds	5 years	20%	10%
Money Market Mutual Funds	5 years	20%	10%
Collateralized Bank Deposits	5 years	None	25% in S & L
Mortgage Passthrough Securities	5 years	Prohibited	None
Financial Futures	5 years	Prohibited	None
Financial Option Contracts	5 years	Prohibited	None
County Pooled Investment Funds	N/A	\$30,000,000	None
Joint Powers Authority Pool	N/A	\$30,000,000	None
LAIF	N/A	\$30,000,000	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:

CITY OF SIMI VALLEY • NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2012

<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. Treasury Obligations	\$ 5,036,700	\$ 5,036,700	\$ -	\$ -
U.S. Agencies	105,349,350	-	10,074,550	95,274,800
Joint Powers Authority Pool	4,786,920	4,786,920	-	-
LAIF	34,230,396	34,230,396	-	-
<u>Held by bond trustee:</u>				
LAIF	565	565	-	-
Money market mutual funds	7,505,320	7,505,320	-	-
Total	\$ 156,909,251	\$ 51,559,901	\$ 10,074,550	\$ 95,274,800

Credit Risk

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

<u>Investment Type</u>	<u>Amount</u>	<u>Minimum</u>	<u>Ratings as of Year End</u>					
		<u>Legal Rating</u>	<u>S & P AA+</u>	<u>S & P AAAM</u>	<u>S & P Not Rated</u>	<u>Moody's Aaa</u>	<u>Moody's Not Rated</u>	<u>Not Rated</u>
U.S. Treasury Obligations	\$ 5,036,700	N/A	\$ -	\$ -	\$ 5,036,700	\$ 5,036,700	\$ -	\$ -
U.S. Agencies	105,349,350	N/A	105,349,350	-	-	105,349,350	-	-
Joint Powers Authority Pool	4,786,920	N/A	-	4,786,920	-	-	4,786,920	-
LAIF	34,230,396	N/A	-	-	-	-	-	34,230,396
<u>Held by bond trustee:</u>								
LAIF	565	N/A	-	-	-	-	-	565
Money market mutual funds	7,505,320	A	-	7,505,320	-	7,505,320	-	-
Total	\$156,909,251		\$105,349,350	\$ 12,292,240	\$ 5,036,700	\$117,891,370	\$ 4,786,920	\$ 34,230,961

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 US Treasury Obligations, U.S. Agencies, LAIF, and other investment pools in compliance with California Government code) shall be invested with one financial institution.
- No more than 25% of the City's portfolio shall be invested in collateralized bank deposits issued by Savings and Loan institutions.
- No more than 15% of the City's portfolio shall be invested in negotiable and collateralized Certificates of Deposits.

CITY OF SIMI VALLEY • NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2012

- No more than 5% of the City’s portfolio shall be invested in negotiable certificates of deposit and no more than \$1 million shall be invested with any one financial institution, and the financial institution must have total assets in excess of \$200 million and maintain an equity to total assets ratio of at least 5%.
- Investments in LAIF and other investment pools are limited to \$30 million per agency or account.
- Investments of bond proceeds, held by fiscal agents, in LAIF shall be limited to \$30 million per bond issue.
- Investments of bond proceeds, held by fiscal agents, shall follow alternate investment instructions to the extent required by bond documents.

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.

A provision of the Dodd-Frank Wall Street Reform and Consumer Protection Act provides temporary unlimited deposit insurance coverage for noninterest-bearing transaction accounts at all FDIC-insured institutions. This provision was effective from December 31, 2010 and will remain effective until December 31, 2012. A noninterest-bearing transaction account is defined as an account (1) with respect to which interest is neither accrued nor paid; (2) on which the depositor or account holder is permitted to make withdrawals by negotiable or transferable instrument, payment orders of withdrawal, telephone or other electronic media transfers, or other similar items for the purpose of making payments or transfers to third parties or others; and (3) on which the FDIC-insured depository institution does not reserve the right to require advance notice of an intended withdrawal. As of June 30, 2012, the City maintains cash deposits that are temporarily covered by the provision.

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

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

<u>Issuer</u>	<u>Investment Type</u>	<u>Reported Amount</u>
Federal Farm Credit Bank	U.S. Agencies	\$25,064,050
Federal Home Loan Bank	U.S. Agencies	25,004,650
Federal Home Loan Mortgage Corporation	U.S. Agencies	25,102,950
Federal National Mortgage Association	U.S. Agencies	30,177,700

See independent auditors’ report.

CITY OF SIMI VALLEY • NOTES TO THE BASIC FINANCIAL STATEMENTS
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As of June 30, 2012, the City had no investments which were uninsured, unregistered and not held in the City's name.

Investment in State Investment Pool

The City is a voluntary participant in the California Local Agency Investment Fund (LAIF) that is regulated by California Code Section 16429 under the oversight of the Treasurer of the State of California. In addition to the primary City account, LAIF accounts are also maintained for the following blended component units of the City: Waterworks District No. 8, Successor Agency to the Community Development Agency, and Industrial Development Authority. 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 utilizes multiple sources for funding projects designed to improve, construct and preserve low- and moderate-income housing units. These include the City Local Housing fund, the CalHome fund, and the Simi Valley Community Development Agency (CDA) fund. As a result of California Assembly Bill 1X 26, the CDA was dissolved. On January 30, 2012, the City Council elected to become the Successor Housing Agency for the former redevelopment housing agency in accordance with the Bill as part of City resolution number 2012-07, and the CDA assets were transferred to the Successor Housing Agency to the Community Development Agency Housing Administration (Agency). One of the primary means of providing affordable housing is through negotiation with developers to incorporate affordable units within new residential developments. In addition, the City maintains an active first-time homebuyer program, offering no-interest deferred loans to low-income homebuyers, as well as a home rehabilitation program, offering low-interest deferred loans to very low-, low- and median-income homeowners.

Affordable Housing Program

- **Amcal Wood Ranch Fund XXXVII (Sorrento Villas):**
In December 1997, the Agency entered into an amended and restated affordable housing agreement with Amcal Wood Ranch Fund XXXVII regulating the sale and transfer of a 148-unit senior apartment project, Sorrento Villas, and restricting the rental of 72 affordable units to very low- and low-income senior households. The Agency provided a CDA-funded loan and a HOME-funded loan, both of which are to be repaid from residual receipts, and are due and payable 40 years from the last certificate of occupancy dated July 7, 1999. See Note IV G Subsequent events.

CITY OF SIMI VALLEY • NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2012

- **Rory Lane Seniors (Seasons):**
In June 1998, the Agency entered into an affordable housing agreement with Rory Lane Seniors, L.P., to provide financial assistance in exchange for reserving 69 affordable senior units to very low-income households at an affordable rent. In December 1999, the first amendment to the affordable agreement was made to increase the Agency's financial assistance from \$306,000 to \$564,500. The loan is to be repaid from residual receipts and is due and payable 30 years from the certificate of occupancy dated January 1, 2005.
- **Casa de Paz:**
In July 2001, the Agency entered into an affordable housing agreement with Casa de Paz Housing, Inc. to provide financial assistance for the acquisition and rehabilitation of a 14-unit apartment complex, restricting occupancy to very low income persons with disabilities. The City and Agency approved an amended affordable agreement on November 20, 2001, to incorporate additional provisions required by HUD. The loan is due 50 years from the certificate of occupancy dated October 25, 2002.
- **Association for Retarded Citizens (ARC), Ventura Co.**
In April 2002, the Agency entered into an affordable housing agreement with ARC, Ventura County, Inc., to provide financial assistance for the acquisition of four condominium units for occupancy of very low-income developmentally disabled persons. The loan is due and payable 55 years from the Affordable Housing Agreement dated August 16, 2002, or within 60 days after HUD provides notice to the developer that it will no longer provide project-based rental assistance.
- **ESG Properties (Hidden Valley Apartments)**
In November 2002, the Agency entered into an amended and restated affordable housing agreement with ESG Properties to provide the financing for constructing and operating a 324-unit multifamily apartment project, Hidden Valley Apartments. The project provides affordable rental units for 65 very low- and 16 low-income households. The note is to be repaid in two installments; the first installment of \$1,620,000 is due on August 1, 2036, and the second installment of \$1,620,000 is due 55 years from the certificate of occupancy, dated January 15, 2004.
- **Paseo Simi Senior Apartments (Vintage Paseo)**
In December 2002, the Agency entered into an affordable housing agreement with Paseo Simi Senior Apartments, L.P. to provide financial assistance for the construction and operation of a 176-unit multifamily senior apartment complex located at the southeast corner of Tapo Canyon Road and Avenida Simi. The agreement restricts the rental of 86 units to very low- and low-income senior households. Interest accrues up to the end of the 7th year following the commencement of bond amortization. Repayment of the note is to be made from residual receipts and begins in the 8th year following commencement of bond amortization; the note becomes due and payable 55 years from the last certificate of occupancy dated December 16, 2004.

CITY OF SIMI VALLEY • NOTES TO THE BASIC FINANCIAL STATEMENTS
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- Alamo & Fairbanks Associates (Plaza del Sol)
In September 2003, the Agency entered into an amended affordable housing agreement with Alamo & Fairbanks Associates, to assist with the financing for constructing and operating a 70-unit multi-family apartment project, Plaza del Sol Apartments. The agreement restricts the rental of 34 units to very low- and low-income households. The note is to be repaid from residual receipts and is due and payable 55 years from the last certificate of occupancy dated August 11, 2005.
- Many Mansions (La Rahada Apartments)
In June 2008, the Agency entered into an affordable housing agreement with Many Mansions to provide financial assistance for the acquisition and rehabilitation of an 8-unit apartment complex, La Rahada Apartments, for occupancy by extremely low-income, mentally disabled, and homeless individuals. The note is due and payable 55 years from the promissory note dated June 17, 2008.

First-Time Home Buyer Program

This program is available to low-income first-time homebuyers. Income limits are based upon household size and are adjusted annually for Ventura County by the Department of Housing and Community Development and the Department of Housing and Urban Development. These loans are due upon the first sale after 55 years. The Program offers low-income households a deferred payment second trust deed loan up to \$50,000 per bedroom, not to exceed \$200,000. Resale of the unit is restricted at a price-affordable to low-income first-time homebuyers for 55 years. See Note IV F regarding subsequent events associated with this program.

Home Rehabilitation Program

- This Program was established in 1981. The Program offers low interest deferred loans to very low-, low-, and median-income homeowners. Qualified owners of detached single-family residences are eligible for a deferred 2% loan that accrues interest for a maximum of 15 years. Full repayment is required when the property is sold, refinanced, leased, or changes title. The maximum loan amount is \$30,000.

Mobile Home Rehabilitation Program

- This Program was established in 2001. Qualified mobile home owners are eligible to obtain a deferred 0% personal loan up to a maximum of \$10,000 with no payments. The loan is forgiven if the borrower continues to reside in the mobile home five years after loan execution. If the owner moves within 5 years, the principal balance becomes due but is reduced by 20% for each full year the homeowner resided in the mobile home after the loan is issued.

CITY OF SIMI VALLEY • NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2012

Other loans receivable of the City are comprised of:

- **Simi Valley Cultural Arts Center Foundation**
During Fiscal Years 1995 – 1996 the City entered into a loan agreement with the Simi Valley Cultural Arts Center Foundation to fund start up costs of the Center. One dollar of this loan is retired for every three dollars deposited in the Simi Valley Cultural Arts Center Foundation fund, or provided for operations in excess of the annual support campaign.
- **El Rancho Simi Cemetery District (formerly Simi Valley Public Cemetery District)**
During Fiscal Years 1991 – 1993 the City funded capital improvements at the Cemetery for \$256,797. This amount was a loan from the City to the Cemetery at an interest rate of 6.08 percent to be repaid in 10 years. The Cemetery fell into financial hardship and was unable to repay this loan. In fiscal year 1996, the repayment terms of the loan were revised, and the Cemetery’s property tax pass-thru funds were to be applied to retire the loan until there was a change in the Cemetery’s ability to repay the loan. Effective, July 1, 2011, the County’s pass-thru program was eliminated as part of redevelopment dissolution. The Cemetery’s property tax share is now paid directly to the district, thereby removing the City’s ongoing ability to directly collect upon the debt. The City is actively working with members of the Cemetery board to develop a repayment plan.
- **Employee Section 125 Plan**
This plan was established in 1998 to provide employees with expanded healthcare options. The City advanced the funds for startup costs to be refunded when a sufficient balance has been accumulated.

CITY OF SIMI VALLEY • NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2012

Loans receivable balances at June 30, 2012 were as follows:

	<u>Interest Rate</u>	<u>Term (Yrs)</u>	<u>Year Due</u>	<u>Principal Due</u>	<u>Interest Due</u>	<u>Total</u>
Affordable Housing Program:						
Sorrento Villas	0.0 - 7.0%	40	2039	701,075	82,987	784,062
Seasons	3.0%	30	2035	564,500	127,013	691,513
Casa de Paz	0.0%	50	2052	122,551	-	122,551
ARC	0.0%	55	2057	175,000	-	175,000
Hidden Valley Apartments	0.0%	55	2061	3,240,000	-	3,240,000
Vintage Paseo	3.0%	55	2059	1,672,500	447,812	2,120,312
Plaza del Sol	3.0%	55	2060	1,900,000	387,388	2,287,388
La Rahada Apartments	3.0%	55	2063	250,000	30,292	280,292
Total Affordable Housing Program				8,625,626	1,075,491	9,701,117
First Time Homebuyer Program	Equity Share			13,751,128	-	13,751,128
Home Rehabilitation Program	0.0 - 3.0%			1,840,096	253,573	2,093,668
Housing loans receivable				24,216,850	1,329,064	25,545,914
Other City loans receivable:						
Cultural Arts Center Foundation	0.0%			180,841	-	180,841
Cemetery District	0.0%			178,497	-	178,497
Employee Sect 125 Plan	0.0%			5,000	-	5,000
City loans receivable				364,338	-	364,338
Total loans receivable				\$24,581,188	\$1,329,064	\$25,910,252

See independent auditors' report.

CITY OF SIMI VALLEY • NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2012

Loans receivable – Successor Agency:

As of June 30, 2011, advances made to the CDA from the City totaled \$13,848,190. Per redevelopment dissolution legislation AB x1 26, such interagency loans were initially disallowed. Subsequently, AB1484 provided a method whereby the City can be repaid for any loans. The Oversight Board approved the advances as enforceable obligations, and an opinion from outside counsel concurs that the obligations are valid. Pending a finding of completion from the State Department of Finance, the loans shall be repaid to the City in accordance with a defined schedule (not yet established) at an interest rate not to exceed the interest rate earned by funds deposited into the Local Agency Investment Fund. In addition, loan repayments cannot commence prior to the 2013-14 fiscal year.

The composition of loans between the City and the Successor Agency for the year ended June 30, 2012 is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Balances June 30, 2011</u>	<u>Transfers from Former CDA</u>	<u>Debt Retired</u>	<u>Balances June 30, 2012</u>
General Fund	Successor Agency - Merged Tapo Canyon and West End tax increment	\$ -	\$ 11,326,760	\$ -	\$ 11,326,760
General Fund	Successor Agency - Madera Royal tax increment	-	21,430	-	21,430
Lighting Maintenance	Successor Agency - Merged Tapo Canyon and West End tax increment	-	2,500,000	-	2,500,000
Total		\$ -	\$ 13,848,190	\$ -	\$ 13,848,190

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>Streets and Roads</u>	<u>Nonmajor Governmental</u>	<u>Total</u>
Accounts receivable	\$1,203,365	\$ 204,257	\$ 20,580	\$1,428,202
Allowance for uncollectibles	(648,779)	-	-	(648,779)
Total accounts receivable net	\$ 554,586	\$ 204,257	\$ 20,580	\$ 779,423

CITY OF SIMI VALLEY • NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2012

D. Capital assets

Capital asset activity for the year ended June 30, 2012, was as follows:

	<u>Beginning Balance as Restated*</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers to Successor Agency CDA **</u>	<u>Ending Balance</u>
Governmental activities:					
Capital assets, not being depreciated:					
Land	\$ 11,737,857	\$ -	\$ -	\$ (849,174)	\$ 10,888,683
Construction-in-progress	7,464,023	1,729,397	(5,691,052)	-	3,502,368
Total capital assets, not being depreciated	<u>19,201,880</u>	<u>1,729,397</u>	<u>(5,691,052)</u>	<u>(849,174)</u>	<u>14,391,051</u>
Capital assets, being depreciated:					
Buildings and improvements	40,826,316	1,445,656	-	-	42,271,972
Furnishings and equipment	8,080,045	509,444	(582,003)	-	8,007,486
Computers	4,725,824	132,955	(15,454)	-	4,843,325
Vehicles	5,258,588	718,162	(461,463)	-	5,515,287
Infrastructure	261,967,989	5,229,371	-	-	267,197,360
Intangibles	5,553,985	195,130	-	-	5,749,115
Total capital assets being depreciated	<u>326,412,747</u>	<u>8,230,718</u>	<u>(1,058,920)</u>	<u>-</u>	<u>333,584,545</u>
Less accumulated depreciation for:					
Buildings and improvements	(15,433,211)	(1,136,566)	-	-	(16,569,777)
Furnishings and equipment	(3,375,221)	(530,149)	582,003	-	(3,323,367)
Computers	(3,395,925)	(398,807)	15,454	-	(3,779,278)
Vehicles	(4,057,080)	(437,835)	461,463	-	(4,033,452)
Infrastructure	(97,040,664)	(8,482,376)	-	-	(105,523,040)
Intangibles	(2,423,685)	(378,396)	-	-	(2,802,081)
Total accumulated depreciation	<u>(125,725,786)</u>	<u>(11,364,129)</u>	<u>1,058,920</u>	<u>-</u>	<u>(136,030,995)</u>
Total capital assets, being depreciated, net	<u>200,686,961</u>	<u>(3,133,411)</u>	<u>-</u>	<u>-</u>	<u>197,553,550</u>
Governmental activities capital assets, net	<u>\$219,888,841</u>	<u>\$ (1,404,014)</u>	<u>\$ (5,691,052)</u>	<u>\$ (849,174)</u>	<u>\$211,944,601</u>

*Beginning balances for construction in progress, buildings, and vehicles include prior period adjustments. See Note IV F.

** As a result of the dissolution of the redevelopment agency, assets of the former redevelopment agency were transferred to the Successor Agency. See Note V.

CITY OF SIMI VALLEY • NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2012

	<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	23,446,720	3,798,030	(8,413,904)	18,830,846
Total capital assets, not being depreciated	<u>24,663,714</u>	<u>3,798,030</u>	<u>(8,413,904)</u>	<u>20,047,840</u>
Capital assets, being depreciated:				
Buildings and improvements	12,346,924	1,328,905	-	13,675,829
Furnishings and equipment	6,105,272	42,098	(24,218)	6,123,152
Vehicles	8,200,270	1,510,667	(907,079)	8,803,858
Distribution system	168,142,299	6,657,394		174,799,693
Total capital assets being depreciated	<u>194,794,765</u>	<u>9,539,064</u>	<u>(931,297)</u>	<u>203,402,532</u>
Less accumulated depreciation for:				
Buildings and improvements	(5,455,834)	(285,387)	-	(5,741,221)
Furnishings and equipment	(4,715,567)	(195,374)	14,531	(4,896,410)
Vehicles	(5,736,301)	(542,096)	546,926	(5,731,471)
Distribution system	(72,733,903)	(3,045,381)		(75,779,284)
Total accumulated depreciation	<u>(88,641,605)</u>	<u>(4,068,238)</u>	<u>561,457</u>	<u>(92,148,386)</u>
Total capital assets, being depreciated, net	<u>106,153,160</u>	<u>5,470,826</u>	<u>(369,840)</u>	<u>111,254,146</u>
Business-type activities capital assets, net	<u>\$130,816,874</u>	<u>\$ 9,268,856</u>	<u>\$ (8,783,744)</u>	<u>\$131,301,986</u>

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

Governmental activities:	
General Government	\$ 9,693,833
Community Services	606
Planning (ES)	1,829
Public Ways & Facilities (PW)	1,499,383
Public Safety	168,478
Total depreciation expense-governmental activities	<u>\$11,364,129</u>
Business-type activities:	
Sanitation	\$ 2,394,471
Waterworks	1,196,317
Transit	477,450
Total depreciation expense-business-type activities	<u>\$ 4,068,238</u>

See independent auditors' report.

CITY OF SIMI VALLEY • NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2012

E. Construction commitments

The City has active construction projects as of June 30, 2012. The commitments for governmental fund projects are included in the reserved fund balances. The project commitments for enterprise funds at year end are as follows:

Project Name	Contract Amount*	Expenditures to date as of June 30, 2012	Remaining Commitments*
Street construction and improvements	\$ 5,917,205	\$ 4,185,566	\$ 1,309,792
Sewerline improvements	4,346,704	2,696,028	1,650,676
City Hall expansion	2,450,300	509,909	1,940,391
Transit facilities improvements	1,656,035	1,453,057	202,978
New groundwater wells construction	1,002,477	891,591	110,886
Arroyo Simi Bank restoration at Water Quality Control Plant	773,453	609,664	163,789

* Amount includes possible contingencies

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 Successor to Community Development Agency Housing Administration and nonmajor governmental and Internal Service 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	\$ 3,311,197
	Nonmajor governmental funds	226,025
Successor to Community Development Agency Housing Administration fund	Nonmajor governmental funds	15,784
Total		<u>\$ 3,553,006</u>

Advances from / to other funds

<u>Receivable Fund</u>	<u>Payable Fund</u>	
General	Nonmajor governmental funds	\$ 3,348,380
	Internal Service funds	4,688,000
Total		<u>\$ 8,036,380</u>

**CITY OF SIMI VALLEY • NOTES TO THE BASIC FINANCIAL STATEMENTS
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The composition of interfund transfers for the year ended June 30, 2012 is as follows:

Transfers From	Transfers To	Amount	Purpose
General	Streets and roads	480,363	Fund street projects
	Simi Valley transit system	2,650,549	Subsidy for transit operations
	Nonmajor governmental funds	1,521,000	Fund Special Problems Section, landscape zones, scheduled debt service, and contributions to replacement funds
		<u>4,651,912</u>	
CDA housing administration	General fund	18,000	Contribution for pension costs
	Nonmajor governmental funds	28,083	Contributions to replacement funds
		<u>46,083</u>	
Merged Tapo Canyon and West End tax increment	CDA housing administration	1,847,408	Fund 20% low and moderate income set-aside
	Nonmajor governmental funds	2,406,081	Fund CDA admin costs, scheduled debt service, and capital improvement projects
		<u>4,253,489</u>	
Development related fees funds	Streets and roads	218,000	Fund street projects
	Nonmajor governmental funds	336,000	Scheduled debt service
		<u>554,000</u>	
Streets and roads	Nonmajor governmental funds	864,813	Return excess funds
		<u>864,813</u>	
Nonmajor governmental funds	General	7,744,187	Fund transportation needs, and return excess funds
	CDA housing administration	5,084	Fund 20% low and moderate income set-aside
	Streets and roads	21,234	Fund street projects
	Nonmajor governmental funds	494,206	Contributions to replacements funds and public facility improvements
		<u>8,264,711</u>	
Total governmental funds		<u>18,635,008</u>	
Transfers From	Transfers To	Amount	Purpose
Proprietary funds	General Fund	153,800	Contributions for pension costs
Proprietary funds	Nonmajor governmental funds	352,800	Contributions to replacement funds
		<u>506,600</u>	
Internal service funds	Nonmajor governmental funds	8,000	Contributions to replacement funds
Total transfers		<u>\$ 19,149,608</u>	

CITY OF SIMI VALLEY • NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2012

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. 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 \$3,788,218, payable through September 2015.
- 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 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 \$38,040,766, payable through September 2034.

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

- Claims and legal services payable of \$9,560,194, consisting of general liability and workers' compensation liability. These liabilities are estimates based on the requirements of Governmental Accounting Standards Board Statement No. 10, and include estimated claims incurred but not yet reported as of June 30, 2012.
- Compensated absences liability of \$5,656,239 at fiscal year end. This liability consists of accumulated earned but unused 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 \$5,145,320. This liability consists of the unfunded portion of the actuarially determined Annual Required Contribution (ARC) for Fiscal Years 2008-12.

CITY OF SIMI VALLEY • NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2012

Annual debt service requirements to maturity

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

Year Ending June 30:	1995 Lease Revenue Bonds		Year Ending June 30:	2004 Certificates of Participation Refunding Bond	
	Principal	Interest		Principal	Interest
2013	\$ 775,000	\$ 172,356	2013	\$ 585,000	\$ 1,070,069
2014	820,000	126,500	2014	610,000	1,046,169
2015	870,000	77,912	2015	635,000	1,021,269
2016	920,000	26,450	2016	655,000	996,287
	<u>\$ 3,385,000</u>	<u>\$ 403,218</u>	2017	685,000	970,306
			2018-2022	3,880,000	4,384,634
			2023-2027	4,915,000	3,352,688
			2028-2032	6,315,000	1,955,438
			2033-2035	4,620,000	343,906
				<u>\$ 22,900,000</u>	<u>\$ 15,140,766</u>

Changes in long-term liabilities

Long-term liability activity for the year ended June 30, 2012, was as follows:

	Balances June 30, 2011	Debt Incurred	Debt Retired	Debt Transferred to Successor CDA*	Balances June 30, 2012	Due Within One Year
Governmental activities:						
1995 lease revenue bonds	\$ 4,120,000	\$ -	\$ (735,000)	\$ -	\$ 3,385,000	\$ 775,000
2003 tax allocation bonds	26,250,000		(835,000)	(25,415,000)	-	-
Add (less) deferred amounts:						
Bond premium	320,273		(9,579)	(310,694)	-	-
Deferred amount	(360,043)		16,731	343,312	-	-
2004 certificates of participation	23,460,000		(560,000)		22,900,000	585,000
Add (less) deferred amounts:						
Bond premium	298,612		(12,886)		285,726	-
Total bonds payable	54,088,842		(2,135,734)	(25,382,382)	26,570,726	1,360,000
Claims and legal services	8,555,320	3,196,805	(2,191,931)		9,560,194	3,168,127
Compensated absences	4,645,799	1,758,997	(1,664,465)	(41,331)	4,699,000	469,900
Net OPEB obligation	3,424,790	3,080,954	(1,360,424)		5,145,320	-
Governmental activity long-term liabilities	<u>\$70,714,751</u>	<u>\$ 8,036,756</u>	<u>\$(7,352,554)</u>	<u>\$(25,423,713)</u>	<u>\$45,975,240</u>	<u>\$ 4,998,027</u>
Business-type activities:						
Compensated absences	994,648	4,851	(42,260)		957,239	95,725
Business-type activity long-term liabilities	<u>\$ 994,648</u>	<u>\$ 4,851</u>	<u>\$ (42,260)</u>		<u>\$ 957,239</u>	<u>\$ 95,725</u>

* As a result of the dissolution of the CDA, indebtedness of the former CDA was transferred to the Successor Agency. See Note V for disclosures on indebtedness.

For governmental activities- pension, other postemployment benefit, and compensated absences obligations are generally liquidated by the General fund and Successor Agency.

See independent auditors' report.

CITY OF SIMI VALLEY • NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2012

H. Fund balance designations

Fund balance is categorized as Nonspendable, Restricted, Committed, Assigned or Unassigned. The City Council adopts and amends committed fund balance amounts through a resolution. The City Manager authorizes assigned amounts for specific purposes pursuant to the policy-making powers granted to him through a resolution. When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the City considers restricted amounts to be used first, then unrestricted. When an expenditure is incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used, they are considered to be spent in the order as follows: committed, assigned and then unassigned.

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, 2012, consisted of the following:

Community Facilities District (District No. 04-1)	\$8,490,000
Royal Corto Improvements (District No. 89-1)	685,000
Madera Royal (District No. 98-1)	2,130,000

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, 2012 was \$96,079,387. 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, 2012, 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, 2012, is \$19,070,000.

See independent auditors' report.

CITY OF SIMI VALLEY • NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2012

- 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, 2012, is \$4,895,000.
- 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, 2012, is \$3,244,387.
- 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, 2012, is \$2,710,000.
- 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, 2012, is \$10,760,000.
- 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, 2012, 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, 2012, is \$600,000.

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, 2012, 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.

CITY OF SIMI VALLEY • NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2012

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

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

	Year ended June 30, 2012	Year ended June 30, 2011
Unpaid claims beginning of fiscal year	\$ 8,555,320	\$ 8,629,681
Incurred claims (including IBNRs)	3,196,805	1,988,427
Claims payments	<u>(2,191,931)</u>	<u>(2,062,788)</u>
Unpaid claims, end of fiscal year	<u><u>\$ 9,560,194</u></u>	<u><u>\$ 8,555,320</u></u>

C. Deferred compensation plans

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

D. Pension plans

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

California Public Employees' Retirement System

Plan Description - 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, or via <http://www.calpers.ca.gov>.

See independent auditors' report.

CITY OF SIMI VALLEY • NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2012

Funding Policy - Participants are required to contribute 7% (9% for safety employees) of their annual covered salary. The City makes the contributions required of all City employees (except members of the General Unit) on their behalf and for their account. General Unit employees hired prior to July 1, 2010 are required to contribute 3.97% of their covered salary, and the City contributes 3.03%. General Unit employees hired after July 1, 2010 are required to contribute the full 7% of their covered salary. The City is also required to contribute an employer's cost share at an actuarially determined rate; the rate is 15.261% for miscellaneous (non-safety) employees and 28.489% for police (safety) employees of annual covered payroll for the year ended June 30, 2012. The contribution requirements of plan members and the City are established and may be amended by CalPERS.

Annual Pension Cost - For fiscal year 2011-12, the City's annual pension cost of \$7,823,679 for CalPERS was equal to the City's required and actual contributions. The required contribution was determined as part of the June 30, 2009, 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 3.55% to 14.45% for non-safety employees, and 3.55% to 13.15% for police employees, depending on age, 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.

	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
Miscellaneous Employees			
Fiscal Year			
6/30/2010	3,823,180	100%	-
6/30/2011	3,793,853	100%	-
6/30/2012	4,440,092	100%	-

	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
Safety Employees			
Fiscal Year			
6/30/2010	2,876,271	100%	-
6/30/2011	2,760,322	100%	-
6/30/2012	3,383,588	100%	-

CITY OF SIMI VALLEY • NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2012

Funded Status and Funding Progress

Miscellaneous Employees - As of the most recent, available actuarial report dated June 30, 2011, the plan was 79.9% funded. The actuarial accrued liability (AAL) for benefits was \$188,424,739, and actuarial value of net assets was \$150,519,257, resulting in an unfunded actuarial liability (UAAL) of \$37,905,482. The covered payroll (annual payroll of active employees covered by the plan) was \$30,749,015, and the ratio of the UAAL to the covered payroll was 123.3%.

Safety Employees - As of the most recent, available actuarial report dated June 30, 2010, the plan was 79.5% funded. The AAL for benefits was \$113,622,273, and actuarial value of net assets was \$90,290,272, resulting in an UAAL of \$23,332,001. The covered payroll was \$11,500,440, and the ratio of the UAAL to the covered payroll was 202.9%.

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.

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. The plan is closed to any new employees hired after August 30, 2010. PARS is a defined benefit 401(a) tax-qualified multiple agency trust. It meets the requirements of a pension trust under California Government code. The plan provides supplemental retirement benefits in addition to CalPERS. US Bank is the PARS Trustee. Upon meeting the eligibility requirements, plan members receive a monthly lifetime benefit of one-twelfth the sum of: 0.004 times their compensation (as of August 30, 2010) multiplied by their years of City service prior to July 1, 2001, and .005 times their compensation (as of August 30, 2010) multiplied by their years of City service between June 30, 2001 and August 30, 2010. The City has full discretionary authority to control, amend, modify or terminate this plan at any time.

CITY OF SIMI VALLEY • NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2012

Funding Policy - The City contributed 4.34% of eligible employee gross wages for the fiscal year. The annual covered payroll for the year ended June 30, 2012 was \$1,348,968, and the City's annual pension contribution for PARS was \$46,270. Plan assets held in trust at June 30, 2012 were \$786,432.

Schedule of Funding progress per the most recent valuation, dated 6/30/12:

Valuation Date	Accrued Liability	Value of Assets	Unfunded Liability	Funded Ratio	Valuation Payroll	UAL as a % of Payroll	
6/30/2007	\$896,018	\$440,015	\$456,003	49.11%	\$1,487,691	30.65%	
6/30/2009	\$1,022,434	\$527,113	\$495,321	51.55%	\$1,722,235	28.76%	
6/30/2012	\$1,254,662	\$786,432	\$468,230	62.68%	-	*	- *

*Information not included in valuation report. The PARS benefit plan was frozen as of June 30, 2010.

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 2010-41 and 2010-53, respectively. The benefits vary depending upon a retiree's years of service and employee unit. The City currently contributes up to \$1,500/month for Management employees for employee only, or employee plus one dependent. The City currently pays 100 percent of premiums for health care coverage for employee, or employee plus one dependent, for a specified period, for the Sworn Unit. Additionally, the City provides funding for retiree health benefits to General Unit employees under a defined contribution plan, per resolution numbers 2002-55 and 2010-44. The defined contribution is currently set by contract at 1.00% of salary for General Unit members.

**CITY OF SIMI VALLEY • NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2012**

	Number of Years Covered*			
	More Than 10 Years Service	More Than 10 Years Service	More Than 20 Years Service	More Than 20 Years Service
Management employees:*				
Employee only	10 years		1 additional year for each year over 20	
Employee plus one dependent	5 years		Additional 6 months for each year over 20	
	Less Than 10 Years Service	More Than 10 Years Service	20-25 Years**	More Than 25 Years**
Sworn (police) employees:***				
Employee only	2 years	10 years	up to 20 years	life-time coverage
Employee plus one dependent	1 year	5 years	up to 20 years	life-time coverage
	10 Years Service	10 Years Service	More Than 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 who retire from the City are eligible to receive these benefits. This benefit is only for employees hired on or prior to June 20, 2010. Management employees hired on or after June 21, 2010 receive a contribution of \$200/month to a retiree savings account.

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

*** Employees hired on or after January 1, 2010, are not eligible for retiree medical benefits, but will receive a \$300/month contribution to a retiree health savings account.

**** For employees who were hired on or before June 30, 2010. Employees hired on or after July 1, 2010 are not eligible to receive retiree medical benefits.

The City provides a defined contribution of \$95,000 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 2011-12 in the amount of \$1,172,190. Each employee group's funds are maintained in a separate trust for the benefit of that particular employee group.

CITY OF SIMI VALLEY • NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2012

Net OPEB Obligation

Annual required contribution	\$ 3,160,728
Interest on net OPEB	102,744
Adjustments to annual required contribution	<u>(182,518)</u>
Annual OPEB Cost	3,080,954
Contributions made	<u>(1,360,424)</u>
Increase in net OPEB obligation	1,720,530
Net OPEB obligation-beginning of the year	<u>3,424,790</u>
Net OPEB obligation-end of the year	<u>\$ 5,145,320</u>

Annual OPEB Costs and Net OPEB Obligation - For Fiscal Year 2011-12, the City's annual OPEB cost (expense) of \$3,080,954 was less than 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. Three-year trend information for the net OPEB obligation is presented in the following table. The General Fund and Successor Agency generally are used to fund annual OPEB costs.

CITY OF SIMI VALLEY • NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2012

	Adjusted Annual Required Contribution (ARC)	Interest on Net OPEB Obligation	ARC Adjustment	Actual Contribution	Percentage of Annual OPEB Cost Contributed	Change in Net OPEB Obligation	Net OPEB Obligation
<u>Misc. Employees - Management</u>							
<u>Fiscal Year</u>							
6/30/2010	\$ 941,111	\$ 9,496	\$ 9,496	\$ 558,115	59%	\$ 382,996	\$ 569,127
6/30/2011	\$ 1,105,479	\$ 10,284	\$ 29,316	\$ 478,337	43%	\$ 608,110	\$1,177,237
6/30/2012	\$ 1,105,479	\$ 35,317	\$ 62,739	\$ 569,076	51%	\$ 508,981	\$1,686,218
<u>Sworn Employees - Management</u>							
<u>Fiscal Year</u>							
6/30/2010	\$ 322,143	\$ 1,791	\$ 1,791	\$ 191,043	59%	\$ 131,100	\$ 166,202
6/30/2011	\$ 415,364	\$ 3,281	\$ 8,575	\$ 210,049	51%	\$ 200,021	\$ 366,223
6/30/2012	\$ 415,364	\$ 10,987	\$ 19,517	\$ 235,095	57%	\$ 171,739	\$ 537,962
<u>Sworn Employees - Officers</u>							
<u>Fiscal Year</u>							
6/30/2010	\$ 1,061,891	\$ 22,654	\$ 22,654	\$ 629,742	59%	\$ 432,149	\$ 876,156
6/30/2011	\$ 1,351,905	\$ 13,556	\$ 45,018	\$ 349,004	26%	\$ 971,439	\$1,847,595
6/30/2012	\$ 1,351,905	\$ 55,428	\$ 98,464	\$ 420,253	31%	\$ 888,616	\$2,736,211
<u>Misc. Employees - General Unit</u>							
<u>Fiscal Year</u>							
6/30/2010	\$ 93,565	\$ (9,347)	\$ (9,347)	\$ 36,100	39%	\$ 57,465	\$ (125,731)
6/30/2011	\$ 287,980	\$ (80)	\$ (6,366)	\$ 134,800	47%	\$ 159,466	\$ 33,735
6/30/2012	\$ 287,980	\$ 1,012	\$ 1,798	\$ 136,000	47%	\$ 151,194	\$ 184,929

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

Management Employees - As of the most recent actuarial valuation date of January 1, 2011, the plan was 3.9% funded. The actuarial accrued liability (AAL) for benefits was \$16,756,293, and the book value of plan assets was \$672,452 resulting in an unfunded actuarial accrued liability (UAAL) of \$16,083,841. The covered payroll (annual payroll of active employees covered by the plan) was \$17,488,469, and the ratio of the UAAL to the covered payroll was 92.0%.

See independent auditors' report.

CITY OF SIMI VALLEY • NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2012

Sworn Employees - As of the most recent actuarial valuation date of January 1, 2011, the plan was 4.9% funded. The AAL for benefits was \$15,444,608, and the book value of plan assets was \$782,531, resulting in an UAAL of \$14,662,077. The covered payroll was \$9,579,127, and the ratio of the UAAL to the covered payroll was 153.1%.

General Unit Employees - As of the most recent actuarial valuation date of January 1, 2011, the plan was 16.2% funded. The AAL for benefits was \$2,189,327, and the book value of plan assets was \$503,772, resulting in an UAAL of \$1,685,555. The covered payroll was \$11,699,093, and the ratio of the UAAL to the covered payroll was 14.4%.

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.

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, 2011 actuarial valuation, the Entry Age Normal method, using level percentage of payroll to allocate OPEB costs over years of service was used. This method determines an attribution period as the difference between the date of hire and the expected date of retirement. Actuarial assumptions used for each of the City’s covered employee groups are presented in the table below. The UAAL is amortized using a closed amortization period of thirty years. Since the January 1, 2011 actuarial valuation is being used, the City has not made 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	6.00%	6.00%	6.00%
Inflation assumption	3%	3%	3%
Health inflation assumption	4%	4%	4%
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

CITY OF SIMI VALLEY • NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2012

F. Prior period adjustments

Net Assets and Fund Balance

Beginning net assets of Governmental Activities have been restated by \$1,212,564 to expense non-capitalizable costs of projects accumulated in construction-in-progress in prior years. In addition, a building purchased for \$180,000 in a prior year was not capitalized until the current fiscal year, along with adjustments to accrued interest on loans not recorded in prior years.

	<u>Net Assets - Beginning Balance</u>	<u>Adjustment</u>	<u>Net Assets - Beginning Balance as Restated</u>
Governmental activities	\$ 281,651,442	\$ -	\$ 281,651,442
Expense non-capitalizable project costs	-	(1,212,564)	(1,212,564)
Capitalize building purchased previously	-	180,000	180,000
Accrued interest on Housing loans	-	54,569	54,569
Council on Aging and Cultural Arts balances	-	201,261	201,261
	\$ 281,651,442	\$ (776,734)	\$ 280,874,708

	<u>Fund Balance - Beginning Balance</u>	<u>Adjustment</u>	<u>Fund Balance - Beginning Balance as Restated</u>
General Fund			
Council on Aging and Cultural Arts balances	\$ 39,390,666	\$ 201,261	\$ 39,591,927

Financial activity for the Simi Valley Council on Aging (COA) and the Simi Valley Cultural Arts Center (CAC) was not being accounted for through the City's financial software. This discrepancy was noted in Finding 2011-1 of the Single Audit Report for the fiscal year ended June 30, 2011, per Section II - Financial Statement Findings. As of June 30, 2011, the previously unreported fund balance for the COA was \$80,582 and for the CAC was \$120,679, resulting in a total General Fund prior period adjustment (increase) of \$201,261.

Loans Receivable First-Time Homebuyer Program

During fiscal year 2011-2012, First-Time Home Buyer loans receivable (The Classics) totaling \$2,398,000 were moved from the CDA Housing Fund to the Local Housing Fund. After a review of the original funding source, it was determined that since The Classics were not funded with CDA money, the receivables correctly belong in the Local Housing fund.

Capital Assets overstated in CDA

Some capital assets attributed to the Simi Valley Community Development Agency (CDA) had historically been reported incorrectly, thereby overstating the nets assets of CDA. The Statement of Net Assets and footnote III C of the 2010-2011 CDA Annual Report erroneously includes more assets than the "CDA Owned Property Report" contained within the same document. A total discrepancy of \$1,412,732 corresponds to various land parcels acquired

See independent auditors' report.

CITY OF SIMI VALLEY • NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2012

between 1987 and 1993 on behalf of the City, as well as improvements to a City owned building. Legal title to the land parcels and building is, and always has been, held by the City, not CDA. During financial analyses performed as a result of the State mandated dissolution of the CDA, this record keeping error was revealed. In response, a correcting entry to move assets from the CDA to the General Fund was processed, thereby reducing the total value of assets transferred to the Successor Agency as of February 1, 2012.

A restatement of the CDA assets is as follows:

	<u>Net Assets - Beginning Balance</u>	<u>Adjustment</u>	<u>Beginning Balance as Restated</u>
Capital assets, not being depreciated			
Land	\$ 2,162,472	\$ (1,313,298)	\$ 849,174
Total capital assets, not being depreciated	2,162,472	(1,313,298)	849,174
Capital assets, being depreciated			
Buildings and improvements	105,342	(105,342)	-
Furnishings and equipment	35,851	(35,851)	-
Total capital assets being depreciated	141,193	(141,193)	-
Less accumulated depreciation for:			
Buildings and improvements	(6,321)	6,321	-
Furnishings and equipment	(33,438)	33,438	-
Total accumulated depreciation	(39,759)	39,759	-
Total capital assets, being depreciated, net	101,434	(101,434)	-
Governmental activities capital assets, net	\$ 2,263,906	\$ (1,414,732)	\$ 849,174

G. Subsequent events

On August 31, 2012, the City received proceeds for the payoff of the loan receivable from Amcal Wood Ranch Fund XXXVII (Sorrento Villas) related to a senior apartment project. The \$785,281 payment consisted of \$701,075 in principal plus \$84,206 of interest.

CITY OF SIMI VALLEY • NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2012

V. Successor Agency Trust for Assets of Former Simi Valley Community Development Agency

A. Reporting entity

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

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

After enactment of the law, which occurred on June 28, 2011, redevelopment agencies in the State of California cannot enter into new projects, obligations or commitments. Subject to the control of a newly established oversight board, remaining assets can only be used to pay enforceable obligations in existence at the date of dissolution (including the completion of any unfinished projects that were subject to legally enforceable contractual commitments).

In future fiscal years, successor agencies will only be allocated revenue in the amount that is necessary to pay the estimated annual installment payments on enforceable obligations of the former redevelopment agency until all enforceable obligations of the prior redevelopment agency have been paid in full and all assets have been liquidated.

The Bill directs the State Controller of the State of California to review the propriety of any transfers of assets between redevelopment agencies and other public bodies that occurred after January 1, 2011. If the public body that received such transfers is not contractually committed to a third party for the expenditure or encumbrance of those assets, the State Controller is required to order the available assets to be transferred to the public body designated as the successor agency by the Bill.

Management believes, in consultation with legal counsel, that the obligations of the former redevelopment agency due to the City are valid enforceable obligations payable by the successor agency trust under the requirements of the Bill. The City’s position on this issue is not a position of settled law and there is considerable legal uncertainty regarding this issue. It is reasonably possible that a legal determination may be made at a later date by an appropriate judicial authority that would resolve this issue unfavorably to the City.

In accordance with the timeline set forth in the Bill (as modified by the California Supreme Court on December 29, 2011), all redevelopment agencies in the State of California were dissolved and ceased to operate as a legal entity as of February 1, 2012.

See independent auditors’ report.

CITY OF SIMI VALLEY • NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2012

Prior to that date, the final seven months of the activity of the redevelopment agency continued to be reported in the governmental funds of the City. After the date of dissolution, the assets and activities of the dissolved redevelopment agency are reported in a fiduciary fund (private-purpose trust fund) in the financial statements of the City.

The transfer of the assets and liabilities of the former redevelopment agency as of February 1, 2012 (effectively the same date as January 31, 2012) from governmental funds of the City to fiduciary funds was reported in the governmental funds as an extraordinary loss (or gain) in the governmental fund financial statements. The receipt of these assets and liabilities as of January 31, 2012 was reported in the private-purpose trust fund as an extraordinary gain (or loss).

Because of the different measurement focus of the governmental funds (*current financial resources measurement focus*) and the measurement focus of the trust funds (*economic resources measurement focus*), the extraordinary loss (gain) recognized in the governmental funds was not the same amount as the extraordinary gain (loss) that was recognized in the fiduciary fund financial statements.

The difference between the extraordinary gain recognized in the fund financial statements and the extraordinary loss recognized in the fiduciary fund financial statements is reconciled as follows:

Total extraordinary loss reported in the governmental funds - decrease to net assets of the Successor Agency Private Purpose Trust Funds	<u>\$ 7,622,494</u>
Deferred charges recorded in the government-wide financial statements- increase to net assets of the Successor Agency Private Purpose Trust Funds	<u>633,128</u>
Capital assets recorded in the government-wide financial statements - increase to net assets of the Successor Agency Private Purpose Trust Funds	<u>849,174</u>
Accrued bond interest reported in the government-wide financial statements - decrease in net assets of the Successor Agency Private Purpose Trust Funds	<u>(513,140)</u>
Long-term debt reported in the government-wide financial statements - decrease in net assets of the Successor Agency Private Purpose Trust Funds	<u>(25,423,713)</u>
Net decrease in net assets of the Successor Agency Trust Fund as a result of initial transfers (equal to amount of extraordinary gain reported in the government-wide financial statements of the City)	<u>\$ (16,832,057)</u>

CITY OF SIMI VALLEY • NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2012

B. Cash and investments

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

Cash and investments pooled with the City	\$ 17,989,407
Cash and investments with fiscal agent	<u>2,103,175</u>
	<u>\$ 20,092,582</u>

C. Capital assets

Capital asset activity for the year ended June 30, 2012, was as follows:

	<u>Beginning Balance</u>	<u>Transfers from Former CDA</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Land	\$ -	\$ 849,174	\$ -	\$ -	\$ 849,174
Capital assets, net	<u>\$ -</u>	<u>\$ 849,174</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 849,174</u>

D. Long-term debt

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

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

Original issue amount \$31,795,000; interest rates at 2.0% to 5.0%, maturing September 1, 2003-2030. The bonds are payable in annual installments ranging from \$360,000 to \$2,000,000. These bonds were issued to fully refund the 1993 Revenue Bond issue with a carrying amount of \$30,245,000. They were issued at a premium, which has been added to the new debt and is being amortized over the 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 City pledged, as security for bonds issued, either directly or through the Financing Authority, a portion of tax increment revenue (including Low and Moderate Income Housing set-aside and pass through allocations) that it receives. The bonds issued were to provide financing for various capital projects, Low and Moderate Income Housing projects and to defease previously

CITY OF SIMI VALLEY • NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2012

issued bonds. Assembly Bill 1X 26 provided that upon dissolution of the Redevelopment Agency, property taxes allocated to redevelopment agencies no longer are deemed tax increment but rather property tax revenues and will be allocated first to successor agencies to make payments on the indebtedness incurred by the dissolved redevelopment agency. Total interest and principal remaining on the bonds is \$39,275,292, payable through September 2030. For the current fiscal year, principal and interest paid was \$2,083,831, and the Redevelopment Property Tax Trust Fund revenue received was \$733,091.

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

Year Ending June 30:	2003 Tax Allocation Refunding Bond	
	Principal	Interest
	2013	\$ 865,000
2014	900,000	1,183,781
2015	935,000	1,147,081
2016	970,000	1,108,375
2017	1,010,000	1,066,906
2018-2022	5,820,000	4,535,336
2023-2027	7,470,000	2,833,438
2028-2031	7,445,000	767,375
	\$ 25,415,000	\$ 13,860,292

On June 14, 2012, Moody's Investors Service ("Moody's") downgraded all California tax allocation bonds rated 'Baa3' and above. As such, the Bonds' insured rating was downgraded from 'A3' to 'Ba1' and underlying rating was downgraded from 'A3' to 'Ba1'. According to Moody's, all California tax allocation bond ratings remain on review for possible withdrawal.

Fiduciary fund long-term liability activity for the year ended June 30, 2012, was as follows:

	<u>Balances</u> <u>June 30, 2011</u>	<u>Transfers from</u> <u>Former CDA</u>	<u>Debt</u> <u>Incurred</u>	<u>Debt</u> <u>Retired</u>	<u>Balances</u> <u>June 30, 2012</u>	<u>Due Within</u> <u>One Year</u>
Fiduciary activities:						
2003 tax allocation bonds	\$ -	\$ 25,415,000	\$ -	\$ -	\$ 25,415,000	\$ 865,000
Add (less) deferred amounts:						
Bond premium	-	310,694	-	(6,727)	303,967	-
Deferred amount	-	(343,312)	-	11,751	(331,561)	-
Compensated absences	-	41,331	7,737	(1,588)	47,480	4,748
Fiduciary long-term liabilities	\$ -	\$ 25,423,713	\$ 7,737	\$ 3,436	\$ 25,434,886	\$ 869,748

CITY OF SIMI VALLEY • NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2012

E. Insurance

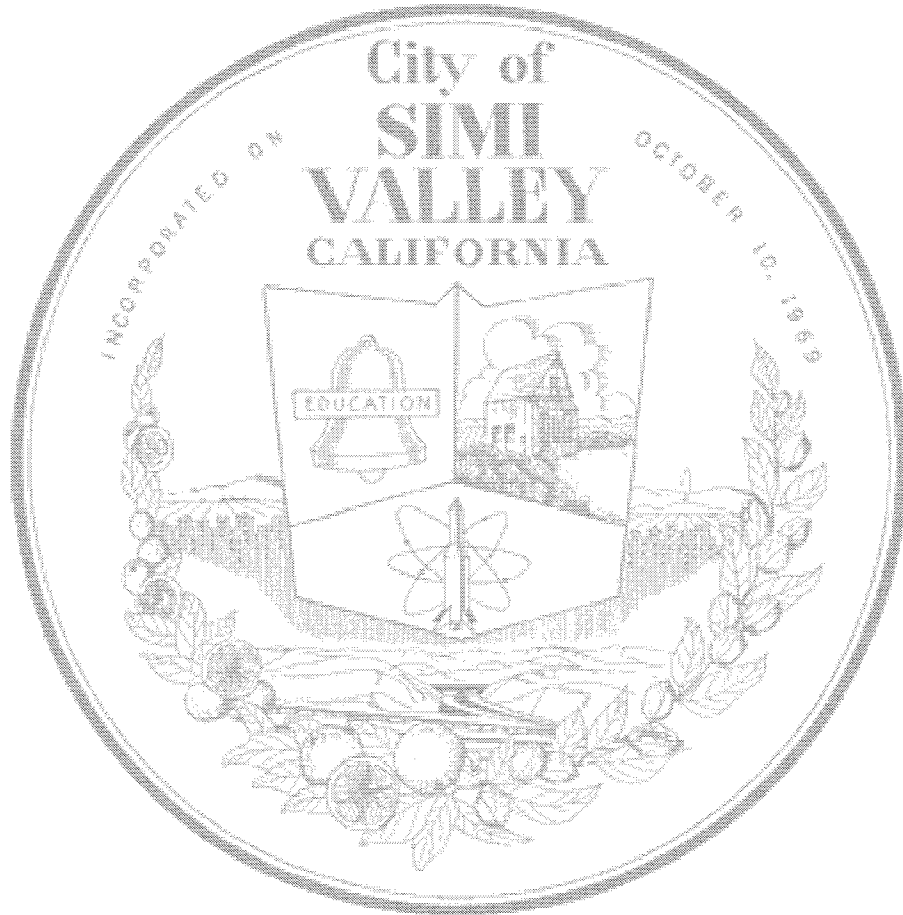
The Successor Agency is covered under the City of Simi Valley's insurance policies. Therefore, the limitation and self-insured retentions applicable to the City also apply to the Successor Agency. Additional information as to coverage and self-insured retentions can be found in Note IV B.

F. Commitments and contingencies

At June 30, 2012, the Successor Agency was involved as a defendant in several lawsuits arising out of the ordinary conduct of its affairs. It is the opinion of management that settlements of these lawsuits, including losses for claims that are incurred but not reported, if any, will not have a material effect on the financial position of the Successor Agency.

G. Subsequent Events

Assembly Bill 1484 established a requirement for the successor agency to remit to the County auditor-controller three payments as determined by the auditor-controller which consist of a payment to be made in July 2012 for taxing entities' share of December 2011 property tax distribution to redevelopment agency/successor agency, a payment to be made in November 2012 related to Low-Moderate Income Housing Fund Due Diligence Review for unencumbered cash, and a payment to be made in April 2013 related to the other Redevelopment Funds Due Diligence Review for unencumbered cash. As of the date of the report, the payment in July 2012 was made in the amount of \$2,372,620. In addition, the Low-Moderate Income Housing Due Diligence Review, and the non-housing Redevelopment Funds Due Diligence Review each resulted in no amount due.



REQUIRED SUPPLEMENTARY INFORMATION

CITY OF SIMI VALLEY • NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2012

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 Liability (AAL)	Unfunded AAL (UAAL)	Funded Ratios	Covered Payroll	UAAL as a Percentage of Covered Payroll
6/30/09	141,241,746 ¹	178,006,319	36,764,573	79.3%	31,175,985	117.9%
	85,459,810 ²	110,338,886	24,879,076	77.5%	12,578,932	197.8%
6/30/10	150,519,257 ¹	188,424,739	37,905,482	79.9%	30,749,015	123.3%
	90,290,272 ²	113,622,273	23,332,001	79.5%	11,500,440	202.9%
6/30/11	160,597,339 ¹	199,126,764	38,529,425	80.7%	29,525,245	130.5%
	95,199,222 ²	122,144,307	26,945,085	77.9%	11,634,655	231.6%

1 Miscellaneous

2 Sworn

CITY OF SIMI VALLEY • NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2012

REQUIRED SUPPLEMENTARY INFORMATION
(UNAUDITED)

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

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

SCHEDULE OF FUNDING PROGRESS

Actuarial Valuation Date	Actuarial Value of Assets*	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL)	Funded Ratios	Covered Payroll	UAAL as a Percentage of Covered Payroll
<u>6/30/2010</u>						
1/1/2009	\$ - ¹	\$ 13,242,514	\$ 13,242,514	0.0%	\$ 18,435,958	71.8%
	- ²	10,056,965	10,056,965	0.0%	11,977,985	84.0%
	- ³	1,119,291	1,119,291	0.0%	12,229,853	9.2%
<u>6/30/2011</u>						
1/1/2011	\$ 672,452 ¹	\$ 16,756,293	\$ 16,101,917	4.0%	\$ 17,897,334	90.0%
	782,531 ²	15,444,608	14,683,731	5.1%	9,059,737	162.1%
	503,772 ³	2,189,327	1,835,119	23.0%	11,838,318	15.5%
<u>6/30/2012</u>						
1/1/2011	\$ - ¹	\$ 16,756,293	\$ 16,083,841	0.0%	\$ 17,488,469	92.0%
	- ²	15,444,608	14,662,077	0.0%	9,579,127	153.1%
	- ³	2,189,327	1,685,555	0.0%	11,699,093	14.4%

* OPEB trust was created on June 24, 2009

¹ Management

² Sworn

³ General Unit (defined contribution)

SUPPLEMENTARY INFORMATION

An aerial photograph of a town with red-roofed houses and green hills in the foreground, with mountains in the background under a blue sky. The text "NONMAJOR GOVERNMENTAL FUNDS" is overlaid in white serif font.

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 (CDA) that are not directly related to debt service, capital projects, or designated low- and moderate-income housing program transactions. Effective January 31, 2012, the special revenue fund balance was transferred to a private purpose (fiduciary) trust fund as a result redevelopment dissolution required by California Assembly Bill 1X 26.

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. Effective January 31, 2012, the special revenue fund balance was transferred to a private purpose (fiduciary) trust fund as a result redevelopment dissolution required by California Assembly Bill 1X 26.

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

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

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

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

Transportation funds account for Article 3, Article 8, 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.

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

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.

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. Effective January 31, 2012, the debt service fund balance was transferred to a private purpose (fiduciary) trust fund as a result redevelopment dissolution required by California Assembly Bill 1X 26.

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. Effective January 31, 2012, the capital project fund balance was transferred to a private purpose (fiduciary) trust fund as a result redevelopment dissolution required by California Assembly Bill 1X 26.

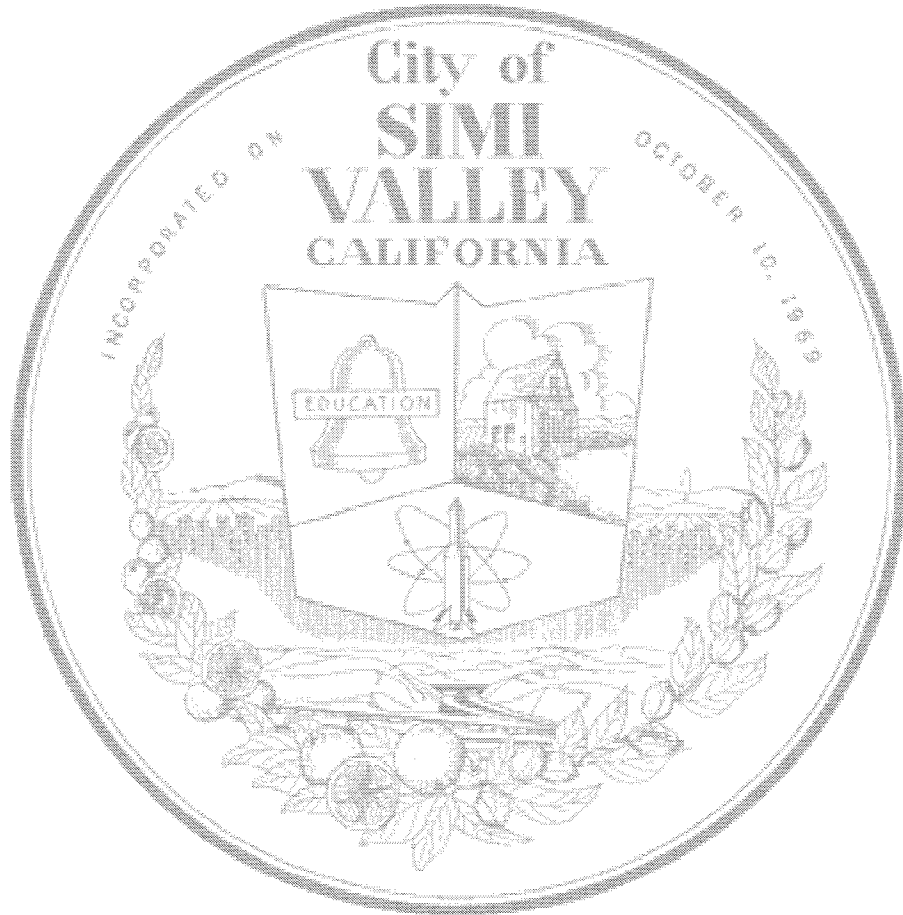
Equipment Replacement funds account for the replacement of personal computers, terminals, and printers; and establish a reserve for the replacement of vehicles.

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

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

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

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



CITY OF SIMI VALLEY
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2012

	Special Revenue				
	Community Development Agency Administration	Madera Royal Tax Increment	Calhome Grant	HOME Grant	Public, Education & Government Fees
ASSETS					
Cash and investments:					
Held by city	\$ -	\$ -	\$ -	\$ 736,814	\$ 229,675
Held by bond trustee	-	-	-	-	-
Accounts receivable (net of allowance for uncollectibles)	-	-	-	-	500
Taxes receivable	-	-	-	-	75,447
Grants receivable	-	-	25,327	-	-
Interest receivable	-	-	-	-	982
Loans receivable (net of allowance for uncollectibles)	-	-	25,768	2,626,096	-
Loans receivable-Successor Agency	-	-	-	-	-
TOTAL ASSETS	\$ -	\$ -	\$ 51,095	\$ 3,362,910	\$ 306,604
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 726
Due to other funds	-	-	25,327	15,784	-
Advances from other funds	-	-	-	-	-
Deferred revenues	-	-	25,768	2,626,096	-
TOTAL LIABILITIES	-	-	51,095	2,641,880	726
FUND BALANCES					
Nonspendable					
Long-term receivables	-	-	-	-	-
Restricted					
Housing programs	-	-	-	721,030	-
Public improvements	-	-	-	-	-
Streets	-	-	-	-	-
Lighting	-	-	-	-	-
Landscape	-	-	-	-	-
Debt service	-	-	-	-	-
Special programs	-	-	-	-	305,878
Law enforcement	-	-	-	-	-
Committed					
Equipment	-	-	-	-	-
Assigned					
Capital	-	-	-	-	-
TOTAL FUND BALANCES (DEFICITS)	-	-	-	721,030	305,878
TOTAL LIABILITIES AND FUND BALANCES	\$ -	\$ -	\$ 51,095	\$ 3,362,910	\$ 306,604

**CITY OF SIMI VALLEY
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2012**

Special Revenue

Gasoline Tax	Transportation Funds	Green Projects	Lighting Maintenance District	
\$ -	\$ 18,705	\$ 12,609	\$ 7,218,893	ASSETS
-	-	-	-	Cash and investments:
-	-	-	16,236	Held by city
-	-	-	112,372	Held by bond trustee
-	-	164,398	-	Accounts receivable (net of allowance for uncollectibles)
-	31	-	12,532	Taxes receivable
-	-	-	-	Grants receivable
-	-	-	-	Interest receivable
-	-	-	2,500,000	Loans receivable (net of allowance for uncollectibles)
-	-	-	-	Loans receivable-Successor Agency
\$ -	\$ 18,736	\$ 177,007	\$ 9,860,033	TOTAL ASSETS
				LIABILITIES AND FUND BALANCES
\$ -	\$ 18,439	\$ 177,001	\$ 118,859	LIABILITIES
-	-	-	-	Accounts payable
-	-	-	-	Due to other funds
-	-	-	-	Advances from other funds
-	-	-	-	Deferred revenues
-	18,439	177,001	118,859	TOTAL LIABILITIES
				FUND BALANCES
-	-	-	2,500,000	Nonspendable
-	-	-	-	Long-term receivables
-	-	-	-	Restricted
-	297	-	-	Housing programs
-	-	-	-	Public improvements
-	-	-	7,241,174	Streets
-	-	-	-	Lighting
-	-	-	-	Landscape
-	-	6	-	Debt service
-	-	-	-	Special programs
-	-	-	-	Law enforcement
-	-	-	-	Committed
-	-	-	-	Equipment
-	-	-	-	Assigned
-	-	-	-	Capital
-	297	6	9,741,174	TOTAL FUND BALANCES (DEFICITS)
\$ -	\$ 18,736	\$ 177,007	\$ 9,860,033	TOTAL LIABILITIES AND FUND BALANCES

(continued)

**CITY OF SIMI VALLEY
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2012**

	Special Revenue			
	Police Grants	Community Development Block Grant	Landscape Maintenance District No. 1	Total Nonmajor Special Revenue Funds
ASSETS				
Cash and investments:				
Held by city	\$ 408,528	\$ 141,619	\$ 1,059,257	\$ 9,826,100
Held by bond trustee	-	-	-	-
Accounts receivable (net of allowance for uncollectibles)	3,844	-	-	20,580
Taxes receivable	-	-	-	187,819
Grants receivable	196,854	192,175	-	578,754
Interest receivable	607	-	2,770	16,922
Loans receivable (net of allowance for uncollectibles)	-	525,141	-	3,177,005
Loans receivable-Successor Agency	-	-	-	2,500,000
TOTAL ASSETS	\$ 609,833	\$ 858,935	\$ 1,062,027	\$ 16,307,180
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ 2,952	\$ 146,484	\$ 132,532	\$ 596,993
Due to other funds	200,698	-	-	241,809
Advances from other funds	-	-	-	-
Deferred revenues	-	525,141	-	3,177,005
TOTAL LIABILITIES	203,650	671,625	132,532	4,015,807
FUND BALANCES				
Nonspendable				
Long-term receivables	-	-	-	2,500,000
Restricted				
Housing programs	-	-	-	721,030
Public improvements	-	-	-	-
Streets	-	-	-	297
Lighting	-	-	-	7,241,174
Landscape	-	-	929,495	929,495
Debt service	-	-	-	-
Special programs	-	187,310	-	493,194
Law enforcement	406,183	-	-	406,183
Committed				
Equipment	-	-	-	-
Assigned				
Capital	-	-	-	-
TOTAL FUND BALANCES (DEFICITS)	406,183	187,310	929,495	12,291,373
TOTAL LIABILITIES AND FUND BALANCES	\$ 609,833	\$ 858,935	\$ 1,062,027	\$ 16,307,180

CITY OF SIMI VALLEY
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2012

Debt Service				
1995 Lease Revenue Bonds	2003 Tax Allocation Refunding Bonds	2004 Certificates of Participation	Total Nonmajor Debt Service	
				ASSETS
				Cash and investments:
\$ 7,822	\$ -	\$ -	\$ 7,822	Held by city
972,934	-	1,656,269	2,629,203	Held by bond trustee
-	-	-	-	Accounts receivable (net of allowance for uncollectibles)
-	-	-	-	Taxes receivable
-	-	-	-	Grants receivable
-	-	-	-	Interest receivable
-	-	-	-	Loans receivable (net of allowance for uncollectibles)
-	-	-	-	Loans receivable-Successor Agency
\$ 980,756	\$ -	\$ 1,656,269	\$ 2,637,025	TOTAL ASSETS
				LIABILITIES AND FUND BALANCES
				LIABILITIES
\$ 689	\$ -	\$ 446	\$ 1,135	Accounts payable
-	-	-	-	Due to other funds
-	-	-	-	Advances from other funds
-	-	-	-	Deferred revenues
689	-	446	1,135	TOTAL LIABILITIES
				FUND BALANCES
				Nonspendable
-	-	-	-	Long-term receivables
				Restricted
-	-	-	-	Housing programs
-	-	-	-	Public improvements
-	-	-	-	Streets
-	-	-	-	Lighting
-	-	-	-	Landscape
980,067	-	1,655,823	2,635,890	Debt service
-	-	-	-	Special programs
-	-	-	-	Law enforcement
				Committed
-	-	-	-	Equipment
				Assigned
-	-	-	-	Capital
980,067	-	1,655,823	2,635,890	TOTAL FUND BALANCES (DEFICITS)
\$ 980,756	\$ -	\$ 1,656,269	\$ 2,637,025	TOTAL LIABILITIES AND FUND BALANCES

(continued)

CITY OF SIMI VALLEY
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2012

	Capital Projects			
	CDA Projects	Equipment Replacement	Geographic Information System (GIS)	Public Facility Improvements
ASSETS				
Cash and investments:				
Held by city	\$ -	\$ 2,731,958	\$ 422,450	\$ 4,242,969
Held by bond trustee	-	-	-	-
Accounts receivable (net of allowance for uncollectibles)	-	-	-	-
Taxes receivable	-	-	-	-
Grants receivable	-	-	-	-
Interest receivable	-	1,449	535	2,360
Loans receivable (net of allowance for uncollectibles)	-	-	-	-
Loans receivable-Successor Agency	-	-	-	-
TOTAL ASSETS	\$ -	\$ 2,733,407	\$ 422,985	\$ 4,245,329
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ -	\$ 13	\$ -	\$ 394,531
Due to other funds	-	-	-	-
Advances from other funds	-	-	-	3,348,380
Deferred revenues	-	-	-	-
TOTAL LIABILITIES	-	13	-	3,742,911
FUND BALANCES				
Nonspendable				
Long-term receivables	-	-	-	-
Restricted				
Housing programs	-	-	-	-
Public improvements	-	-	-	367,740
Streets	-	-	-	-
Lighting	-	-	-	-
Landscape	-	-	-	-
Debt service	-	-	-	-
Special programs	-	-	-	-
Law enforcement	-	-	-	-
Committed				
Equipment	-	2,733,394	422,985	-
Assigned				
Capital	-	-	-	134,678
TOTAL FUND BALANCES (DEFICITS)	-	2,733,394	422,985	502,418
TOTAL LIABILITIES AND FUND BALANCES	\$ -	\$ 2,733,407	\$ 422,985	\$ 4,245,329

**CITY OF SIMI VALLEY
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2012**

Capital Projects				
Financial Information System (FIS)	Police Capital Projects	Total Nonmajor Capital Projects	Total Nonmajor Funds	
\$ 368,227	\$ 81,870	\$ 7,847,474	\$ 17,681,396	ASSETS
-	-	-	2,629,203	Cash and investments:
-	-	-	20,580	Held by city
-	-	-	187,819	Held by bond trustee
-	-	-	578,754	Accounts receivable (net of allowance for uncollectibles)
537	186	5,067	21,989	Taxes receivable
-	-	-	3,177,005	Grants receivable
-	-	-	2,500,000	Interest receivable
-	-	-	2,500,000	Loans receivable (net of allowance for uncollectibles)
-	-	-	2,500,000	Loans receivable-Successor Agency
\$ 368,764	\$ 82,056	\$ 7,852,541	\$ 26,796,746	TOTAL ASSETS
				LIABILITIES AND FUND BALANCES
				LIABILITIES
\$ -	\$ 174	\$ 394,718	\$ 992,846	Accounts payable
-	-	-	241,809	Due to other funds
-	-	3,348,380	3,348,380	Advances from other funds
-	-	-	3,177,005	Deferred revenues
-	174	3,743,098	7,760,040	TOTAL LIABILITIES
				FUND BALANCES
				Nonspendable
-	-	-	2,500,000	Long-term receivables
				Restricted
-	-	-	721,030	Housing programs
-	-	367,740	367,740	Public improvements
-	-	-	297	Streets
-	-	-	7,241,174	Lighting
-	-	-	929,495	Landscape
-	-	-	2,635,890	Debt service
-	-	-	493,194	Special programs
-	-	-	406,183	Law enforcement
				Committed
368,764	-	3,525,143	3,525,143	Equipment
				Assigned
-	81,882	216,560	216,560	Capital
368,764	81,882	4,109,443	19,036,706	TOTAL FUND BALANCES (DEFICITS)
\$ 368,764	\$ 82,056	\$ 7,852,541	\$ 26,796,746	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, 2012**

	Special Revenue				Public, Education & Government Fees
	Community Development Agency Administration	Madera Royal Tax Increment	Calhome Grant	HOME Grant	
REVENUES					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 293,793
Tax increment revenues	-	25,418	-	-	-
Use of money and property	-	-	23,275	175,801	6,405
From other governments	-	-	-	-	-
Grants	-	-	25,327	-	-
Service charges	-	-	-	-	-
Other revenues	-	-	-	-	-
Contributions from other governments	-	-	-	-	-
Total revenues	-	25,418	48,602	175,801	300,198
EXPENDITURES					
Current:					
General government	708,108	-	-	-	-
Community services (CS)	-	-	-	-	8,773
Planning (ES)	294,860	-	48,602	15,784	-
Public ways and facilities (PW)	-	-	-	-	-
Public safety (PD)	-	-	-	-	-
Total current expenditures	1,002,968	-	48,602	15,784	8,773
Capital outlay	-	-	-	-	-
Debt service:					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Other	-	162	-	-	-
Total debt service	-	162	-	-	-
Intergovernmental	-	51	-	-	-
Total expenditures	1,002,968	213	48,602	15,784	8,773
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(1,002,968)	25,205	-	160,017	291,425
OTHER FINANCING SOURCES (USES)					
Transfers in	1,027,685	-	-	-	-
Transfers out	(24,717)	(5,084)	-	-	(463,689)
Total other financing sources (uses)	1,002,968	(5,084)	-	-	(463,689)
Extraordinary gain (loss)	-	1,309	-	-	-
NET CHANGE IN FUND BALANCES	-	21,430	-	160,017	(172,264)
FUND BALANCES (DEFICITS)-BEGINNING	-	(21,430)	-	561,013	478,142
FUND BALANCES (DEFICITS)-ENDING	\$ -	\$ -	\$ -	\$ 721,030	\$ 305,878

**CITY OF SIMI VALLEY
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

<u>Special Revenue</u>				
Gasoline Tax	Transportation Funds	Green Projects	Lighting Maintenance District	
\$ -	\$ -	\$ -	\$ 2,374,696	REVENUES
-	-	-	-	Taxes
-	-	-	49,881	Tax increment revenues
3,568,984	3,953,472	-	24,331	Use of money and property
-	-	277,646	-	From other governments
-	-	-	-	Grants
-	-	-	-	Service charges
-	-	-	16,531	Other revenues
-	-	-	-	Contributions from other governments
<u>3,568,984</u>	<u>3,953,472</u>	<u>277,646</u>	<u>2,465,439</u>	Total revenues
				EXPENDITURES
				Current:
-	-	277,640	439,800	General government
-	-	-	-	Community services (CS)
-	-	-	-	Planning (ES)
-	18,579	-	1,535,917	Public ways and facilities (PW)
-	-	-	-	Public safety (PD)
<u>-</u>	<u>18,579</u>	<u>277,640</u>	<u>1,975,717</u>	Total current expenditures
-	-	-	-	Capital outlay
-	-	-	-	Debt service:
-	-	-	-	Principal
-	-	-	-	Interest
-	-	-	-	Other
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	Total debt service
-	-	-	-	Intergovernmental
<u>-</u>	<u>18,579</u>	<u>277,640</u>	<u>1,975,717</u>	Total expenditures
<u>3,568,984</u>	<u>3,934,893</u>	<u>6</u>	<u>489,722</u>	EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES
-	-	-	864,813	OTHER FINANCING SOURCES (USES)
(3,568,984)	(3,938,535)	-	(5,800)	Transfers in
<u>(3,568,984)</u>	<u>(3,938,535)</u>	<u>-</u>	<u>859,013</u>	Transfers out
-	-	-	-	Total other financing sources (uses)
-	-	-	-	Extraordinary gain (loss)
<u>-</u>	<u>(3,642)</u>	<u>6</u>	<u>1,348,735</u>	NET CHANGE IN FUND BALANCES
-	3,939	-	8,392,439	FUND BALANCES (DEFICITS)-BEGINNING
<u>\$ -</u>	<u>\$ 297</u>	<u>\$ 6</u>	<u>\$ 9,741,174</u>	FUND BALANCES (DEFICITS)-ENDING

(continued)

**CITY OF SIMI VALLEY
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

	Special Revenue			Total Nonmajor Special Revenue Funds
	Police Grants	Community Development Block Grant	Landscape Maintenance District No. 1	
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ 2,668,489
Tax increment revenues	-	-	-	25,418
Use of money and property	3,232	26,853	12,956	298,403
From other governments	5,472	-	-	7,552,259
Grants	519,958	762,977	-	1,585,908
Service charges	-	-	798,162	798,162
Other revenues	-	-	-	16,531
Contributions from other governments	-	-	-	-
Total revenues	528,662	789,830	811,118	12,945,170
EXPENDITURES				
Current:				
General government	-	60,454	83,771	1,569,773
Community services (CS)	-	-	-	8,773
Planning (ES)	-	702,523	-	1,061,769
Public ways and facilities (PW)	-	-	1,416,515	2,971,011
Public safety (PD)	129,594	-	-	129,594
Total current expenditures	129,594	762,977	1,500,286	5,740,920
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Other	-	-	-	162
Total debt service	-	-	-	162
Intergovernmental	-	-	-	51
Total expenditures	129,594	762,977	1,500,286	5,741,133
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	399,068	26,853	(689,168)	7,204,037
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	245,400	2,137,898
Transfers out	(257,902)	-	-	(8,264,711)
Total other financing sources (uses)	(257,902)	-	245,400	(6,126,813)
Extraordinary gain (loss)	-	-	-	1,309
NET CHANGE IN FUND BALANCES	141,166	26,853	(443,768)	1,078,533
FUND BALANCES (DEFICITS)-BEGINNING	265,017	160,457	1,373,263	11,212,840
FUND BALANCES (DEFICITS)-ENDING	\$ 406,183	\$ 187,310	\$ 929,495	\$ 12,291,373

**CITY OF SIMI VALLEY
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

Debt Service				
1995	2003	2004	Total	
Lease	Tax Allocation	Certificates	Nonmajor	
Revenue	Refunding	of	Debt	
Bonds	Bonds	Participation	Service	
				REVENUES
\$ -	\$ -	\$ -	\$ -	Taxes
-	-	-	-	Tax increment revenues
-	4,759	-	4,759	Use of money and property
-	-	-	-	From other governments
-	-	-	-	Grants
-	-	-	-	Service charges
-	-	-	-	Other revenues
97,528	-	197,137	294,665	Contributions from other governments
<u>97,528</u>	<u>4,759</u>	<u>197,137</u>	<u>299,424</u>	Total revenues
				EXPENDITURES
				Current:
-	-	-	-	General government
-	-	-	-	Community services (CS)
-	-	-	-	Planning (ES)
-	-	-	-	Public ways and facilities (PW)
-	-	-	-	Public safety (PD)
-	-	-	-	Total current expenditures
-	-	-	-	Capital outlay
735,000	835,000	560,000	2,130,000	Debt service:
215,769	631,722	1,092,969	1,940,460	Principal
8,194	-	4,676	12,870	Interest
958,963	1,466,722	1,657,645	4,083,330	Other
				Total debt service
-	-	-	-	Intergovernmental
<u>958,963</u>	<u>1,466,722</u>	<u>1,657,645</u>	<u>4,083,330</u>	Total expenditures
(861,435)	(1,461,963)	(1,460,508)	(3,783,906)	EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES
				OTHER FINANCING SOURCES (USES)
861,618	-	908,378	1,769,996	Transfers in
-	-	-	-	Transfers out
<u>861,618</u>	<u>-</u>	<u>908,378</u>	<u>1,769,996</u>	Total other financing sources (uses)
-	(2,113,574)	-	(2,113,574)	Extraordinary gain (loss)
183	(3,575,537)	(552,130)	(4,127,484)	NET CHANGE IN FUND BALANCES
979,884	3,575,537	2,207,953	6,763,374	FUND BALANCES (DEFICITS)-BEGINNING
<u>\$ 980,067</u>	<u>\$ -</u>	<u>\$ 1,655,823</u>	<u>\$ 2,635,890</u>	FUND BALANCES (DEFICITS)-ENDING

(continued)

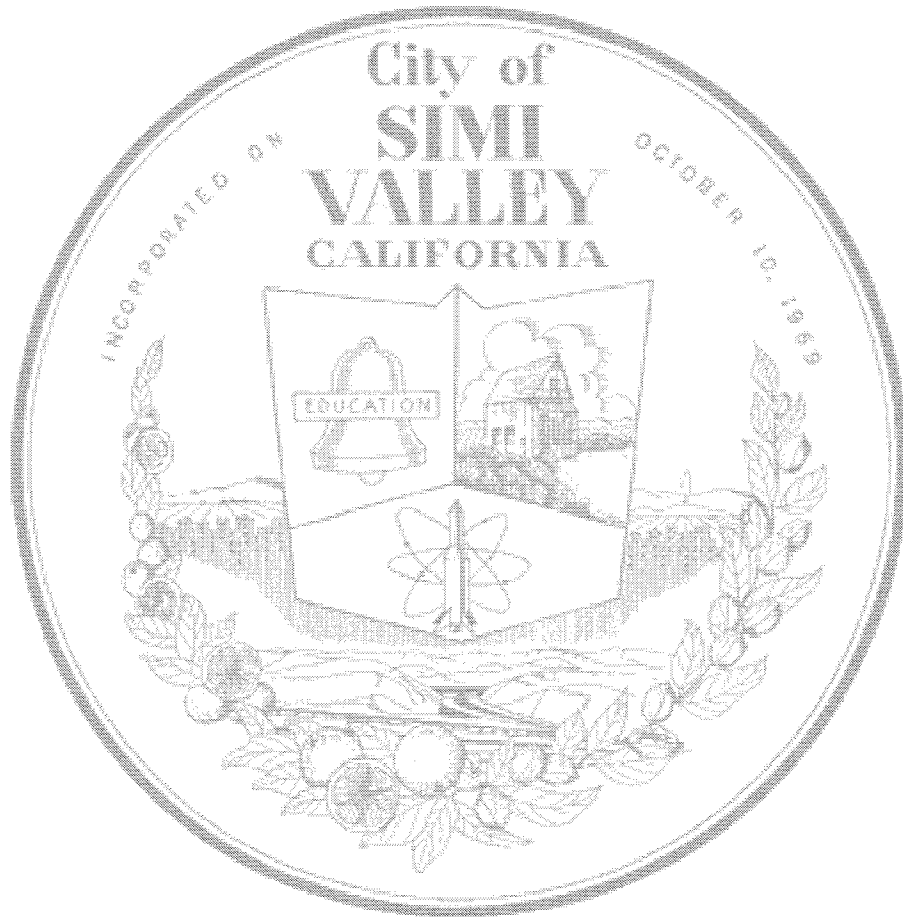
**CITY OF SIMI VALLEY
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

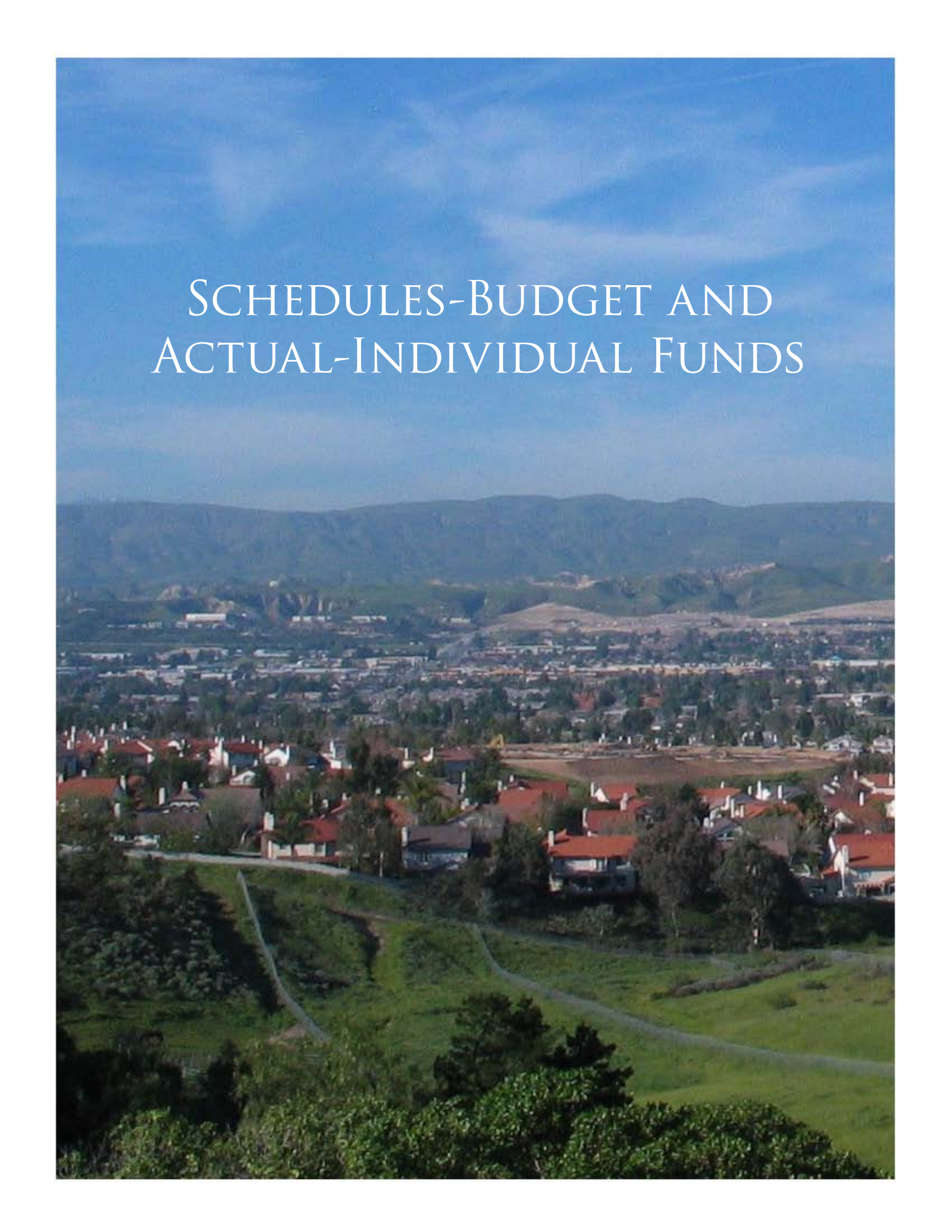
	Capital Projects			
	CDA Projects	Equipment Replacement	Geographic Information System (GIS)	Public Facility Improvements
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Tax increment revenues	-	-	-	-
Use of money and property	14,815	8,350	2,889	-
From other governments	-	-	-	-
Grants	-	-	-	-
Service charges	-	-	-	-
Other revenues	-	-	-	-
Contributions from other governments	-	-	-	-
Total revenues	<u>14,815</u>	<u>8,350</u>	<u>2,889</u>	<u>-</u>
EXPENDITURES				
Current:				
General government	-	-	-	-
Community services (CS)	-	-	-	-
Planning (ES)	-	-	-	-
Public ways and facilities (PW)	-	-	-	-
Public safety (PD)	-	-	-	-
Total current expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Capital outlay	<u>145,000</u>	<u>1,286,753</u>	<u>800</u>	<u>1,261,300</u>
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Other	-	-	-	-
Total debt service	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Intergovernmental	-	-	-	-
Total expenditures	<u>145,000</u>	<u>1,286,753</u>	<u>800</u>	<u>1,261,300</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(130,185)</u>	<u>(1,278,403)</u>	<u>2,089</u>	<u>(1,261,300)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	127,500	1,079,550	261,250	463,689
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>127,500</u>	<u>1,079,550</u>	<u>261,250</u>	<u>463,689</u>
Extraordinary gain (loss)	<u>(1,891,216)</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	<u>(1,893,901)</u>	<u>(198,853)</u>	<u>263,339</u>	<u>(797,611)</u>
FUND BALANCES (DEFICITS)-BEGINNING	<u>1,893,901</u>	<u>2,932,247</u>	<u>159,646</u>	<u>1,300,029</u>
FUND BALANCES (DEFICITS)-ENDING	<u>\$ -</u>	<u>\$ 2,733,394</u>	<u>\$ 422,985</u>	<u>\$ 502,418</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, 2012**

<u>Capital Projects</u>				
Financial Information System (FIS)	Police Capital Projects	Total Nonmajor Capital Projects	Total Nonmajor Funds	
\$ -	\$ -	\$ -	\$ 2,668,489	REVENUES
-	-	-	25,418	Taxes
2,682	976	29,712	332,874	Tax increment revenues
-	-	-	7,552,259	Use of money and property
-	-	-	1,585,908	From other governments
-	-	-	798,162	Grants
3,400	-	3,400	19,931	Service charges
-	-	-	294,665	Other revenues
6,082	976	33,112	13,277,706	Contributions from other governments
				Total revenues
				EXPENDITURES
				Current:
-	-	-	1,569,773	General government
-	-	-	8,773	Community services (CS)
-	-	-	1,061,769	Planning (ES)
-	-	-	2,971,011	Public ways and facilities (PW)
-	-	-	129,594	Public safety (PD)
-	-	-	5,740,920	Total current expenditures
1,400	6,528	2,701,781	2,701,781	Capital outlay
				Debt service:
-	-	-	2,130,000	Principal
-	-	-	1,940,460	Interest
-	-	-	13,032	Other
-	-	-	4,083,492	Total debt service
-	-	-	51	Intergovernmental
1,400	6,528	2,701,781	12,526,244	Total expenditures
4,682	(5,552)	(2,668,669)	751,462	EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES
				OTHER FINANCING SOURCES (USES)
171,100	-	2,103,089	6,010,983	Transfers in
-	-	-	(8,264,711)	Transfers out
171,100	-	2,103,089	(2,253,728)	Total other financing sources (uses)
-	-	(1,891,216)	(4,003,481)	Extraordinary gain (loss)
175,782	(5,552)	(2,456,796)	(5,505,747)	NET CHANGE IN FUND BALANCES
192,982	87,434	6,566,239	24,542,453	FUND BALANCES (DEFICITS)-BEGINNING
\$ 368,764	\$ 81,882	\$ 4,109,443	\$ 19,036,706	FUND BALANCES (DEFICITS)-ENDING

(concluded)



An aerial photograph of a town and surrounding landscape. The foreground shows a green, grassy hillside with a winding path. The middle ground features a residential area with houses having red-tiled roofs. In the background, there are rolling hills and mountains under a clear blue sky with some light clouds. The text "SCHEDULES-BUDGET AND ACTUAL-INDIVIDUAL FUNDS" is overlaid in white, serif font in the upper center of the image.

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, 2012**

	Budget	Actual	Variance with Budget Positive (Negative)
<u>EXPENDITURES</u>			
Current:			
General government:			
Reimbursement to general fund	\$ 1,213,900	\$ 708,108	\$ 505,792
Planning:			
Personnel	396,000	236,802	159,198
Materials, supplies and services	620,500	58,058	562,442
Total planning	<u>1,016,500</u>	<u>294,860</u>	<u>721,640</u>
Total expenditures	<u>2,230,400</u>	<u>1,002,968</u>	<u>1,227,432</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(2,230,400)</u>	<u>(1,002,968)</u>	<u>1,227,432</u>
<u>OTHER FINANCING SOURCES (USES)</u>			
Transfers in	2,266,000	1,027,685	(1,238,315)
Transfers out	(43,500)	(24,717)	18,783
Total other financing sources (uses)	<u>2,222,500</u>	<u>1,002,968</u>	<u>(1,219,532)</u>
NET CHANGE IN FUND BALANCES	(7,900)	-	7,900
FUND BALANCES (DEFICITS)-BEGINNING	-	-	-
FUND BALANCES (DEFICITS)-ENDING	<u>\$ (7,900)</u>	<u>\$ -</u>	<u>\$ 7,900</u>

CITY OF SIMI VALLEY
CALHOME
SUPPLEMENTAL SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Budget	Actual	Variance with Budget Positive (Negative)
<u>REVENUES</u>			
Grants	\$ 300,000	\$ 25,327	\$ (274,673)
Use of money and property	-	23,275	23,275
Total revenues	<u>300,000</u>	<u>48,602</u>	<u>(251,398)</u>
<u>EXPENDITURES</u>			
Current:			
Planning (ES):			
Housing programs	<u>300,000</u>	<u>48,602</u>	<u>251,398</u>
Total expenditures	<u>300,000</u>	<u>48,602</u>	<u>251,398</u>
NET CHANGE IN FUND BALANCES	-	-	-
FUND BALANCES (DEFICITS)-BEGINNING	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES (DEFICITS)-ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**CITY OF SIMI VALLEY
HOME GRANT
SUPPLEMENTAL SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

	Budget	Actual	Variance with Budget Positive (Negative)
<u>REVENUES</u>			
Use of money and property	\$ 105,900	\$ 175,801	\$ 69,901
Total revenues	<u>105,900</u>	<u>175,801</u>	<u>69,901</u>
<u>EXPENDITURES</u>			
Current:			
Planning:			
Materials, supplies, and services	300,000	-	300,000
Reimbursements to housing fund	10,500	15,784	(5,284)
Total expenditures	<u>310,500</u>	<u>15,784</u>	<u>294,716</u>
NET CHANGE IN FUND BALANCES	(204,600)	160,017	364,617
FUND BALANCES (DEFICITS)-BEGINNING	<u>561,013</u>	<u>561,013</u>	-
FUND BALANCES (DEFICITS)-ENDING	<u>\$ 356,413</u>	<u>\$ 721,030</u>	<u>\$ 364,617</u>

CITY OF SIMI VALLEY
GASOLINE TAX
SUPPLEMENTAL SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Budget	Actual	Variance with Budget Positive (Negative)
<u>REVENUES</u>			
From other governments	\$ 3,429,600	\$ 3,568,984	\$ 139,384
<u>OTHER FINANCING SOURCES (USES)</u>			
Transfers out	(3,429,600)	(3,568,984)	(139,384)
NET CHANGE IN FUND BALANCES	-	-	-
FUND BALANCES (DEFICITS)-BEGINNING	-	-	-
FUND BALANCES (DEFICITS)-ENDING	\$ -	\$ -	\$ -

**CITY OF SIMI VALLEY
TRANSPORTATION FUNDS
SUPPLEMENTAL SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

	Budget	Actual	Variance with Budget Positive (Negative)
<u>REVENUES</u>			
From other governments	\$ 3,913,500	\$ 3,953,472	\$ 39,972
Total revenues	3,913,500	3,953,472	39,972
<u>EXPENDITURES</u>			
Current:			
Public ways and facilities:			
Other contract services	-	18,579	(18,579)
Total expenditures	-	18,579	(18,579)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	3,913,500	3,934,893	21,393
<u>OTHER FINANCING (USES)</u>			
Transfers out	(3,913,500)	(3,938,535)	(25,035)
NET CHANGE IN FUND BALANCES	-	(3,642)	(3,642)
FUND BALANCES (DEFICITS)-BEGINNING	3,939	3,939	-
FUND BALANCES (DEFICITS)-ENDING	\$ 3,939	\$ 297	\$ (3,642)

**CITY OF SIMI VALLEY
GREEN PROJECTS
SUPPLEMENTAL SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

	Budget	Actual	Variance with Budget Positive (Negative)
<u>REVENUES</u>			
Grants	\$ 848,200	\$ 277,646	\$ (570,554)
Total revenues	<u>848,200</u>	<u>277,646</u>	<u>(570,554)</u>
<u>EXPENDITURES</u>			
Current:			
General government:			
Personnel	(169,100)	55,560	(224,660)
Materials, supplies, and services	679,100	222,080	457,020
Total expenditures	<u>510,000</u>	<u>277,640</u>	<u>232,360</u>
NET CHANGE IN FUND BALANCES	338,200	6	(338,194)
FUND BALANCES (DEFICITS)-BEGINNING	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES (DEFICITS)-ENDING	<u>\$ 338,200</u>	<u>\$ 6</u>	<u>\$ (338,194)</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, 2012**

	Budget	Actual	Variance with Budget Positive (Negative)
<u>REVENUES</u>			
Taxes	\$ 2,280,400	\$ 2,374,696	\$ 94,296
Use of money and property	261,000	49,881	(211,119)
From other governments	25,800	24,331	(1,469)
Service charges	1,000	-	(1,000)
Other revenues	-	16,531	16,531
Total revenues	<u>2,568,200</u>	<u>2,465,439</u>	<u>(102,761)</u>
<u>EXPENDITURES</u>			
Current:			
General government:			
Reimbursement to general fund	<u>439,800</u>	<u>439,800</u>	<u>-</u>
Public ways and facilities:			
Utilities	1,120,000	1,111,271	8,729
Services	<u>471,500</u>	<u>424,645</u>	<u>46,855</u>
Total public ways and facilities	<u>1,591,500</u>	<u>1,535,917</u>	<u>55,583</u>
Total expenditures	<u>2,031,300</u>	<u>1,975,717</u>	<u>55,583</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>536,900</u>	<u>489,722</u>	<u>(47,178)</u>
<u>OTHER FINANCING SOURCES (USES)</u>			
Transfers in	-	864,813	864,813
Transfers out	<u>(323,500)</u>	<u>(5,800)</u>	<u>317,700</u>
Total other financing sources (uses)	<u>(323,500)</u>	<u>859,013</u>	<u>1,182,513</u>
NET CHANGE IN FUND BALANCES	213,400	1,348,735	1,135,335
FUND BALANCES (DEFICITS)-BEGINNING	<u>8,392,439</u>	<u>8,392,439</u>	<u>-</u>
FUND BALANCES (DEFICITS)-ENDING	<u>\$ 8,605,839</u>	<u>\$ 9,741,174</u>	<u>\$ 1,135,335</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, 2012**

	Budget	Actual	Variance with Budget Positive (Negative)
<u>REVENUES</u>			
Use of money and property	\$ 4,200	\$ 3,232	\$ (968)
From other governments	-	5,472	5,472
Grants	260,800	519,958	259,158
Total revenues	<u>265,000</u>	<u>528,662</u>	<u>263,662</u>
<u>EXPENDITURES</u>			
Current:			
Public safety:			
Material, supplies and services	153,300	129,594	23,706
Total public safety	<u>153,300</u>	<u>129,594</u>	<u>23,706</u>
Total expenditures	<u>153,300</u>	<u>129,594</u>	<u>23,706</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>111,700</u>	<u>399,068</u>	<u>287,368</u>
<u>OTHER FINANCING SOURCES (USES)</u>			
Transfers out	(232,900)	(257,902)	(25,002)
Total other financing sources (uses)	<u>(232,900)</u>	<u>(257,902)</u>	<u>(25,002)</u>
NET CHANGE IN FUND BALANCES	(121,200)	141,166	262,366
FUND BALANCES (DEFICITS)-BEGINNING	<u>265,017</u>	<u>265,017</u>	<u>-</u>
FUND BALANCES (DEFICITS)-ENDING	<u>\$ 143,817</u>	<u>\$ 406,183</u>	<u>\$ 262,366</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, 2012**

	Budget	Actual	Variance with Budget Positive (Negative)
<u>REVENUES</u>			
Use of money and property	\$ -	\$ 26,853	\$ 26,853
Grants	686,500	762,977	76,477
Total revenues	<u>686,500</u>	<u>789,830</u>	<u>103,330</u>
<u>EXPENDITURES</u>			
Current:			
General government:			
Reimbursement to general fund	<u>60,500</u>	<u>60,454</u>	<u>46</u>
Planning:			
Reimbursement to housing fund	78,600	78,648	(48)
Social programs	239,700	186,203	53,497
Other programs	717,800	437,672	280,128
Total planning	<u>1,036,100</u>	<u>702,523</u>	<u>333,577</u>
Total expenditures	<u>1,096,600</u>	<u>762,977</u>	<u>333,623</u>
NET CHANGE IN FUND BALANCES	(410,100)	26,853	436,953
FUND BALANCES (DEFICITS)-BEGINNING	<u>160,457</u>	<u>160,457</u>	<u>-</u>
FUND BALANCES (DEFICITS)-ENDING	<u>\$ (249,643)</u>	<u>\$ 187,310</u>	<u>\$ 436,953</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, 2012**

	Budget	Actual	Variance with Budget Positive (Negative)
<u>REVENUES</u>			
Use of money and property	\$ 34,479	\$ 12,956	\$ (21,523)
Service charges	788,593	798,162	9,569
Total revenues	<u>823,072</u>	<u>811,118</u>	<u>(11,954)</u>
<u>EXPENDITURES</u>			
Current:			
General government:			
Reimbursement to general fund	<u>84,839</u>	<u>83,771</u>	<u>1,068</u>
Public ways and facilities:			
Utilities	483,534	467,843	15,691
Landscape maintenance contract	977,300	948,672	28,628
Total public ways and facilities	<u>1,460,834</u>	<u>1,416,515</u>	<u>44,319</u>
Total expenditures	<u>1,545,673</u>	<u>1,500,286</u>	<u>45,387</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(722,601)</u>	<u>(689,168)</u>	<u>33,433</u>
<u>OTHER FINANCING SOURCES (USES)</u>			
Transfers in	<u>245,371</u>	<u>245,400</u>	<u>(29)</u>
NET CHANGE IN FUND BALANCES	(477,230)	(443,768)	33,462
FUND BALANCES (DEFICITS)-BEGINNING	<u>1,373,263</u>	<u>1,373,263</u>	<u>-</u>
FUND BALANCES (DEFICITS)-ENDING	<u>\$ 896,033</u>	<u>\$ 929,495</u>	<u>\$ 33,462</u>

An aerial photograph of a city and surrounding landscape. The foreground shows a green, grassy hillside with a winding path. Below the hillside, a residential area with houses featuring red-tiled roofs is visible. In the middle ground, a large, flat area, possibly a golf course or a large field, stretches across the city. The background consists of rolling green hills and mountains under a clear blue sky with some light clouds. The text "INTERNAL SERVICE AND FIDUCIARY FUNDS" is overlaid in white, serif font in the upper center of the image.

INTERNAL SERVICE AND FIDUCIARY FUNDS

**CITY OF SIMI VALLEY
COMBINING STATEMENT OF NET ASSETS
INTERNAL SERVICE FUNDS
JUNE 30, 2012**

	Liability Insurance	Workers' Compensation Insurance	GIS/Permits Operations	FIS Operations	Total
<u>ASSETS</u>					
Current assets:					
Cash and investments	\$ 7,608,441	\$ 9,472,787	\$ 28,915	\$ 83,841	\$ 17,193,984
Customer receivable	-	133	-	-	133
Interest receivable	10,399	18,997	-	128	29,524
TOTAL ASSETS	7,618,840	9,491,917	28,915	83,969	17,223,641
<u>LIABILITIES</u>					
Current liabilities:					
Accounts payable	19	61,472	858	8,000	70,349
Salaries and benefits payable	-	11,625	-	-	11,625
Compensated absences	-	4,977	-	-	4,977
Claims and legal services payable	810,667	2,357,460	-	-	3,168,127
Total current liabilities	810,686	2,435,534	858	8,000	3,255,078
Noncurrent liabilities:					
Advances from other funds	2,344,000	2,344,000	-	-	4,688,000
Compensated absences	-	44,795	-	-	44,795
Claims and legal services payable	1,513,293	4,878,774	-	-	6,392,067
Total noncurrent liabilities	3,857,293	7,267,569	-	-	11,124,862
TOTAL LIABILITIES	4,667,979	9,703,103	858	8,000	14,379,940
<u>NET ASSETS</u>					
Unrestricted	2,950,861	(211,186)	28,057	75,969	2,843,701
TOTAL NET ASSETS	\$ 2,950,861	\$ (211,186)	\$ 28,057	\$ 75,969	\$ 2,843,701

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, 2012

	Liability Insurance	Workers' Compensation Insurance	GIS/Permits Operations	FIS Operations	Total
<u>OPERATING REVENUES</u>					
Total charges for sales and services	\$ 1,332,200	\$ 2,059,463	\$ 66,416	\$ 126,625	\$ 3,584,704
<u>OPERATING EXPENSES</u>					
Salaries and benefits	-	342,294	-	-	342,294
Excess insurance premiums	367,552	296,591	-	-	664,143
Claims and legal expenses	610,639	2,605,238	-	-	3,215,877
General administration	195,900	2,451,500	-	-	2,647,400
Other	-	3,861	60,228	104,000	168,089
Total operating expenses	1,174,091	5,699,484	60,228	104,000	7,037,803
OPERATING INCOME (LOSS)	158,109	(3,640,021)	6,188	22,625	(3,453,099)
NONOPERATING REVENUES AND EXPENSES:					
Interest	44,222	59,647	-	535	104,404
INCOME (LOSS) BEFORE TRANSFERS	202,331	(3,580,374)	6,188	23,160	(3,348,695)
<u>TRANSFERS</u>					
Transfers out	(4,000)	(4,000)	-	-	(8,000)
CHANGE IN NET ASSETS	198,331	(3,584,374)	6,188	23,160	(3,356,695)
TOTAL NET ASSETS-BEGINNING	2,752,530	3,373,188	21,869	52,809	6,200,396
TOTAL NET ASSETS-ENDING	\$ 2,950,861	\$ (211,186)	\$ 28,057	\$ 75,969	\$ 2,843,701

**CITY OF SIMI VALLEY
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

	Liability Insurance	Workers' Compensation Insurance	GIS/Permits Operations	FIS Operations	Total
<u>CASH FLOWS FROM OPERATING ACTIVITIES:</u>					
Cash received from service charges and other revenues (net of refunds)	\$ 1,332,200	\$ 2,059,463	\$ 66,416	\$ 126,625	\$ 3,584,704
Cash paid for salaries and benefits	-	(331,292)	-	-	(331,292)
Cash paid for general administration	(195,900)	(2,451,500)	-	-	(2,647,400)
Cash paid for services	-	(3,861)	(60,450)	(104,000)	(168,311)
Cash paid for insurance premiums and claims	(820,151)	(2,020,179)	-	-	(2,840,330)
Net cash provided (used) by operating activities	<u>316,149</u>	<u>(2,747,369)</u>	<u>5,966</u>	<u>22,625</u>	<u>(2,402,629)</u>
<u>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</u>					
Transfers to other funds	(4,000)	(4,000)	-	-	(8,000)
Net cash provided (used) by noncapital financing activities	<u>(4,000)</u>	<u>(4,000)</u>	<u>-</u>	<u>-</u>	<u>(8,000)</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES:</u>					
Interest on investments	52,800	85,105	165	778	138,848
Net cash provided (used) by investing activities	<u>52,800</u>	<u>85,105</u>	<u>165</u>	<u>778</u>	<u>138,848</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	364,949	(2,666,264)	6,131	23,403	(2,271,781)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>7,243,492</u>	<u>12,139,051</u>	<u>22,784</u>	<u>60,438</u>	<u>19,465,765</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 7,608,441</u>	<u>\$ 9,472,787</u>	<u>\$ 28,915</u>	<u>\$ 83,841</u>	<u>\$ 17,193,984</u>
<u>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:</u>					
Operating income (loss)	\$ 158,109	\$ (3,640,021)	\$ 6,188	\$ 22,625	\$ (3,453,099)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Increase (decrease) in accounts payable	19	34,930	(222)	-	34,727
Increase (decrease) in accrued payroll	-	4,385	-	-	4,385
Increase (decrease) in compensated absences	-	6,617	-	-	6,617
Increase (decrease) in claims and legal services payable	158,021	846,720	-	-	1,004,741
Total adjustments	<u>158,040</u>	<u>892,652</u>	<u>(222)</u>	<u>-</u>	<u>1,050,470</u>
Net cash provided (used) by operating activities	<u>\$ 316,149</u>	<u>\$ (2,747,369)</u>	<u>\$ 5,966</u>	<u>\$ 22,625</u>	<u>\$ (2,402,629)</u>

CITY OF SIMI VALLEY
 COMBINING STATEMENT OF FIDUCIARY NET ASSETS
 FIDUCIARY FUNDS
 JUNE 30, 2012

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

	Community Development Agency Administration	Merged Tapo Canyon & West End Tax Increment	Madera Royal Tax Increment	LMIH- Residual
<u>ASSETS</u>				
Cash and investments:				
Held by city	\$ 12,746	\$ 2,054,837	\$ 20,214	\$ 11,895,127
Held by bond trustee	-	-	-	-
Accounts receivable	-	171,532	-	-
Interest receivable	-	5,560	-	-
Deferred charge-issuance costs	-	-	-	-
Capital assets not being depreciated	-	849,174	-	-
TOTAL ASSETS	12,746	3,081,103	20,214	11,895,127
<u>LIABILITIES</u>				
Accounts payable and accrued liabilities	12,746	-	3	-
Accrued interest payable	-	-	-	-
Intergovernmental payable	-	2,482,989	-	-
Loans payable - city	-	13,826,760	21,430	-
Long-term debt:				
Due within one year	4,748	-	-	-
Due in more than one year	42,732	-	-	-
TOTAL LIABILITIES	60,226	16,309,749	21,433	-
<u>NET ASSETS</u>				
Held in trust for other purposes	\$ (47,480)	\$ (13,228,646)	\$ (1,219)	\$ 11,895,127

**CITY OF SIMI VALLEY
 COMBINING STATEMENT OF FIDUCIARY NET ASSETS
 FIDUCIARY FUNDS
 JUNE 30, 2012**

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

Redevelopment Obligation Retirement	2003 Tax Allocation Refunding Bonds	CDA Projects	Total Successor Agency to the Simi Valley CDA Private-Purpose Trust Fund	
				ASSETS
				Cash and investments:
\$ -	\$ 2,095,260	\$ 1,911,223	\$ 17,989,407	Held by city
-	2,103,175	-	2,103,175	Held by bond trustee
-	-	-	171,532	Accounts receivable
-	207	4,094	9,861	Interest receivable
-	619,419	-	619,419	Deferred charge-issuance costs
-	-	-	849,174	Capital assets not being depreciated
-	4,818,061	1,915,317	21,742,568	TOTAL ASSETS
				LIABILITIES
-	-	-	12,749	Accounts payable and accrued liabilities
-	409,170	-	409,170	Accrued interest payable
-	-	-	2,482,989	Intergovernmental payable
-	-	-	13,848,190	Loans payable - city
				Long-term debt:
-	865,000	-	869,748	Due within one year
-	24,522,406	-	24,565,138	Due in more than one year
-	25,796,576	-	42,187,984	TOTAL LIABILITIES
\$ -	\$ (20,978,515)	\$ 1,915,317	\$ (20,445,416)	NET ASSETS
				Held in trust for other purposes

**CITY OF SIMI VALLEY
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

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

	Community Development Agency Administration	Merged Tapo Canyon & West End Tax Increment	Madera Royal Tax Increment	LMIH- Residual
<u>ADDITIONS</u>				
Property taxes	\$ -	\$ -	\$ -	-
Investment earnings	-	21,993	90	-
Transfers in	162,126	-	-	-
TOTAL ADDITIONS	162,126	21,993	90	-
<u>DEDUCTIONS</u>				
Program expenses of former Simi Valley Community Development Agency	8,111	400	-	-
Administrative expenses	160,165	-	-	-
Interest and fiscal agency expenses of former Simi Valley Community Development Agency	-	-	-	-
Refunds	-	2,372,620	-	-
Contributions to other governments	-	741,496	-	538,704
Transfers out	-	2,170,480	-	-
TOTAL DEDUCTIONS	168,276	5,284,996	-	538,704
Extraordinary gain (loss)	(41,330)	(7,965,643)	(1,309)	12,433,831
CHANGE IN NET ASSETS	(47,480)	(13,228,646)	(1,219)	11,895,127
NET ASSETS - BEGINNING	-	-	-	-
NET ASSETS - ENDING	\$ (47,480)	\$ (13,228,646)	\$ (1,219)	\$ 11,895,127

**CITY OF SIMI VALLEY
 COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
 FIDUCIARY FUNDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

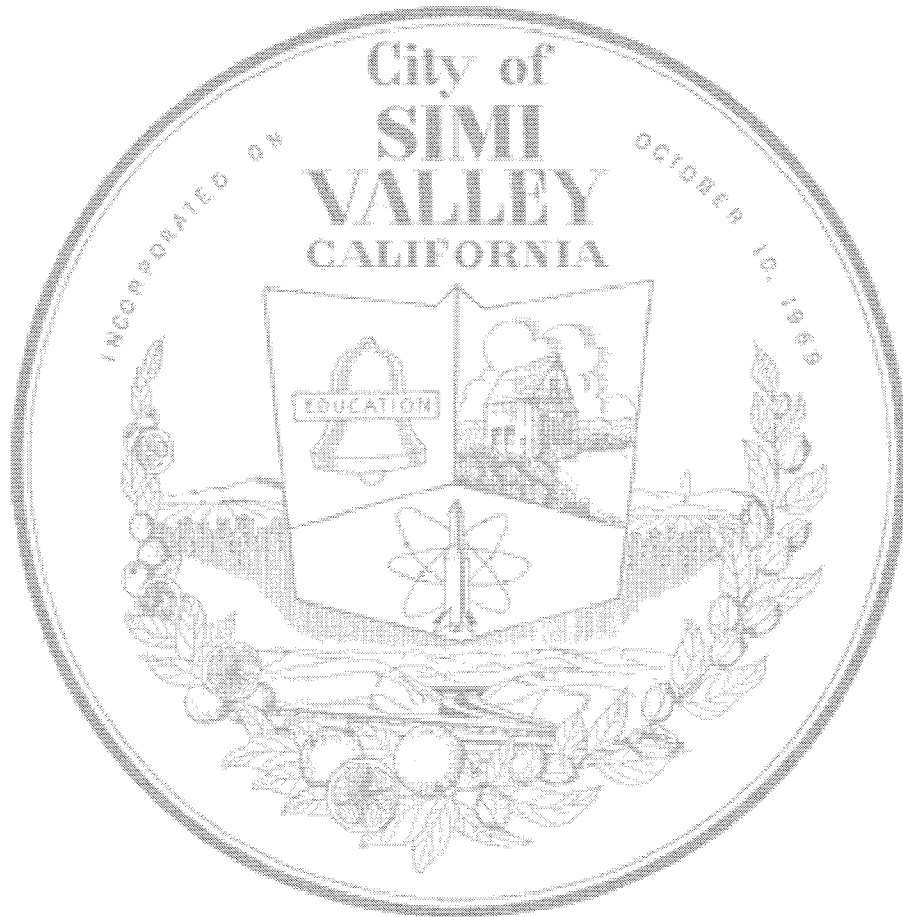
Successor Agency to the Simi Valley CDA Private-Purpose Trust Fund				
Redevelopment Obligation Retirement	2003 Tax Allocation Refunding Bonds	CDA Projects	Total Successor Agency to the Simi Valley CDA Private-Purpose Trust Fund	
\$ 733,091	\$ -	\$ -	\$ 733,091	ADDITIONS
-	257	6,601	28,941	Property taxes
-	2,706,445	35,000	2,903,571	Investment earnings
733,091	2,706,702	41,601	3,665,603	Transfers in
				TOTAL ADDITIONS
-	-	17,500	26,011	DEDUCTIONS
-	-	-	160,165	Program expenses of former Simi Valley Community Development Agency
-	536,395	-	536,395	Administrative expenses
-	-	-	2,372,620	Interest and fiscal agency expenses of former Simi Valley Community Development Agency
-	-	-	1,280,200	Refunds
733,091	-	-	2,903,571	Contributions to other governments
733,091	536,395	17,500	7,278,962	Transfers out
				TOTAL DEDUCTIONS
-	(23,148,822)	1,891,216	(16,832,057)	Extraordinary gain (loss)
-	(20,978,515)	1,915,317	(20,445,416)	CHANGE IN NET ASSETS
-	-	-	-	NET ASSETS - BEGINNING
\$ -	\$ (20,978,515)	\$ 1,915,317	\$ (20,445,416)	NET ASSETS - ENDING

**CITY OF SIMI VALLEY
 COMBINING STATEMENT OF FIDUCIARY NET ASSETS
 AGENCY FUNDS
 JUNE 30, 2012**

	City Agency Fund	Assessment Districts - City of Simi Valley	Simi Valley Unified School District	Ventura County Community College District	Total Agency Funds
<u>ASSETS</u>					
Current assets:					
Cash and investments:					
Held by city	\$ 4,084,535	\$ 1,231,946	\$ 1,116,499	\$ -	\$ 6,432,980
Held by bond trustee	-	2,773,507	-	-	2,773,507
Accounts receivable	-	1,946	2,879	-	4,825
TOTAL ASSETS	\$ 4,084,535	\$ 4,007,399	\$ 1,119,378	\$ -	\$ 9,211,312
<u>LIABILITIES</u>					
Intergovernmental payable	\$ 4,084,535	\$ 4,007,399	\$ 1,119,378	\$ -	\$ 9,211,312
TOTAL LIABILITIES	\$ 4,084,535	\$ 4,007,399	\$ 1,119,378	\$ -	\$ 9,211,312

CITY OF SIMI VALLEY
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Balance at June 30, 2011	Additions	Deductions	Balance at June 30, 2012
AGENCY FUND - CITY OF SIMI VALLEY				
ASSETS:				
Cash and investments held by city	\$ 4,659,157	\$ 827,798	\$ 1,402,420	\$ 4,084,535
TOTAL ASSETS	\$ 4,659,157	\$ 827,798	\$ 1,402,420	\$ 4,084,535
LIABILITIES:				
Intergovernmental payable	\$ 4,659,157	\$ 827,798	\$ 1,402,420	\$ 4,084,535
TOTAL LIABILITIES	\$ 4,659,157	\$ 827,798	\$ 1,402,420	\$ 4,084,535
ASSESSMENT DISTRICTS - CITY OF SIMI VALLEY				
ASSETS:				
Cash and investments held by city	\$ 1,167,895	\$ 923,507	\$ 859,456	\$ 1,231,946
Cash and investments held by bond trustee	2,876,040	687,777	790,310	2,773,507
Accounts receivable	3,813	1,946	3,813	1,946
TOTAL ASSETS	\$ 4,047,748	\$ 1,613,230	\$ 1,653,579	\$ 4,007,399
LIABILITIES:				
Intergovernmental payable	\$ 4,047,748	\$ 1,613,230	\$ 1,653,579	\$ 4,007,399
TOTAL LIABILITIES	\$ 4,047,748	\$ 1,613,230	\$ 1,653,579	\$ 4,007,399
SIMI VALLEY UNIFIED SCHOOL DISTRICT				
ASSETS:				
Cash and investments held by city	\$ 1,115,380	\$ 60,326	\$ 59,207	\$ 1,116,499
Accounts receivable	3,998	2,879	3,998	2,879
TOTAL ASSETS	\$ 1,119,378	\$ 63,205	\$ 63,205	\$ 1,119,378
LIABILITIES:				
Intergovernmental payable	\$ 1,119,378	\$ 63,205	\$ 63,205	\$ 1,119,378
TOTAL LIABILITIES	\$ 1,119,378	\$ 63,205	\$ 63,205	\$ 1,119,378
VENTURA COUNTY COMMUNITY COLLEGE DISTRICT				
ASSETS:				
Cash and investments held by city	\$ 242,788	\$ 17,325	\$ 260,113	\$ -
Accounts receivable	715	263	978	-
TOTAL ASSETS	\$ 243,503	\$ 17,588	\$ 261,091	\$ -
LIABILITIES:				
Intergovernmental payable	\$ 243,503	\$ 17,588	\$ 261,091	\$ -
TOTAL LIABILITIES	\$ 243,503	\$ 17,588	\$ 261,091	\$ -
TOTAL AGENCY FUNDS				
ASSETS:				
Cash and investments held by city	\$ 7,185,220	\$ 1,828,956	\$ 2,581,196	\$ 6,432,980
Cash and investments held by bond trustee	2,876,040	687,777	790,310	2,773,507
Accounts receivable	8,526	5,088	8,789	4,825
TOTAL ASSETS	\$ 10,069,786	\$ 2,521,821	\$ 3,380,295	\$ 9,211,312
LIABILITIES:				
Intergovernmental payable	\$ 10,069,786	\$ 2,521,821	\$ 3,380,295	\$ 9,211,312
TOTAL LIABILITIES	\$ 10,069,786	\$ 2,521,821	\$ 3,380,295	\$ 9,211,312



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.	126
<u>Revenue Capacity</u> These schedules contain information to help the reader assess the government’s most significant local revenue source, the property tax.	136
<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.....	142
<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.	146
<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.....	148

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 TEN FISCAL YEARS**

	Fiscal Year				
	2002-03	2003-04	2004-05	2005-06	2006-07
Governmental activities					
Invested in capital assets, net of related debt	\$ 25,526,553	\$ 27,714,331	\$ 39,280,006	\$ 55,108,472	\$ 153,537,599
Restricted	24,562,489	23,136,350	28,718,649	39,933,025	60,444,524
Unrestricted	35,835,826	38,529,028	38,041,664	37,929,875	42,886,026
Total governmental activities net assets	\$ 85,924,868	\$ 89,379,709	\$ 106,040,319	\$ 132,971,372	\$ 256,868,149
Business-type activities					
Invested in capital assets, net of related debt	\$ 61,454,844	\$ 66,493,449	\$ 72,475,306	\$ 74,114,013	\$ 109,436,007
Restricted	21,191,489	14,666,713	15,279,959	19,733,407	18,981,595
Unrestricted	12,356,930	15,361,347	18,553,722	22,524,125	27,974,098
Total business-type activities net assets	\$ 95,003,263	\$ 96,521,509	\$ 106,308,987	\$ 116,371,545	\$ 156,391,700
Primary Government					
Invested in capital assets, net of related debt	\$ 86,981,397	\$ 94,207,780	\$ 111,755,312	\$ 129,222,485	\$ 262,973,606
Restricted	45,753,978	37,803,063	43,998,608	59,666,432	79,426,119
Unrestricted	48,192,756	53,890,375	56,595,386	60,454,000	70,860,124
Total primary government net assets	\$ 180,928,131	\$ 185,901,218	\$ 212,349,306	\$ 249,342,917	\$ 413,259,849

Continued

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

Fiscal Year					
2007-08	2008-09	2009-10	2010-11	2011-12	
\$ 157,564,195	\$ 180,128,561	\$ 192,161,001	\$ 193,042,793	\$ 185,373,875	Governmental activities
76,340,295	84,285,014	87,739,866	86,293,818	68,151,365	Invested in capital assets, net of related debt
39,459,540	8,499,742	257,677	2,314,831	37,498,659	Restricted
<u>\$ 273,364,030</u>	<u>\$ 272,913,317</u>	<u>\$ 280,158,544</u>	<u>\$ 281,651,442</u>	<u>\$ 291,023,899</u>	Unrestricted
					Total governmental activities net assets
\$ 112,913,342	\$ 121,094,906	\$ 126,957,605	\$ 130,816,874	\$ 131,301,986	Business-type activities
17,622,173	9,527,814	8,239,133	6,755,144	6,472,751	Invested in capital assets, net of related debt
31,027,488	35,330,465	39,436,550	42,011,607	43,346,788	Restricted
<u>\$ 161,563,003</u>	<u>\$ 165,953,185</u>	<u>\$ 174,633,288</u>	<u>\$ 179,583,625</u>	<u>\$ 181,121,525</u>	Unrestricted
					Total business-type activities net assets
\$ 270,477,537	\$ 301,223,467	\$ 319,118,606	\$ 323,859,667	\$ 316,675,861	Primary Government
93,962,468	93,812,828	95,978,999	93,048,962	74,624,116	Invested in capital assets, net of related debt
70,487,028	43,830,207	39,694,227	44,326,438	80,845,447	Restricted
<u>\$ 434,927,033</u>	<u>\$ 438,866,502</u>	<u>\$ 454,791,832</u>	<u>\$ 461,235,067</u>	<u>\$ 472,145,424</u>	Unrestricted
					Total primary government net assets

Concluded

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

	Fiscal Year				
	2002-03	2003-04	2004-05	2005-06	2006-07
Expenses					
Governmental activities:					
General government	\$ 11,876,586	\$ 10,568,288	\$ 11,514,749	\$ 13,435,816	\$ 18,475,995
Community services	4,579,466	3,306,481	3,339,200	3,958,051	3,645,993
Planning	5,773,894	11,305,548	9,451,696	8,527,778	9,229,296
Public ways and facilities	13,881,770	15,650,878	14,900,957	15,623,621	16,326,888
Public safety	22,380,396	24,888,781	24,910,100	26,693,489	26,677,974
Interest on long-term debt	2,487,785	2,089,477	2,766,273	2,525,366	3,232,084
Total governmental activities expenses	<u>60,979,897</u>	<u>67,809,453</u>	<u>66,882,975</u>	<u>70,764,121</u>	<u>77,588,230</u>
Business-type activities:					
Sanitation	10,933,862	11,614,065	12,073,824	12,198,794	13,144,836
Waterworks district no. 8	18,745,001	21,418,765	21,018,081	23,687,693	26,668,732
Transit	4,156,448	4,833,583	5,025,660	5,825,189	5,747,532
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>	<u>45,561,100</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>	<u>\$ 123,149,330</u>
Program Revenues					
Governmental activities:					
Charges for services:					
General government	\$ 748,516	\$ 472,549	\$ 501,517	\$ 353,114	\$ 495,979
Community services	130,830	60,832	118,096	117,070	171,938
Planning	3,618,017	5,554,610	7,626,881	7,210,902	4,156,265
Public ways and facilities	3,293,810	4,621,730	8,146,699	6,708,878	2,782,618
Public safety	908,274	907,401	1,040,695	1,002,882	982,303
Operating grants and contributions	7,167,543	10,447,345	10,041,651	10,231,371	9,025,966
Capital grants and contributions	2,670,613	1,950,267	1,280,369	2,891,199	7,683,123
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>	<u>25,298,192</u>
Business-type activities:					
Charges for services:					
Sanitation	9,184,395	10,945,852	11,964,388	12,745,553	13,725,483
Waterworks district no. 8	18,854,358	21,621,197	21,018,081	23,765,476	27,250,693
Transit	390,523	391,127	400,129	479,426	546,520
Operating grants and contributions	1,768,330	2,277,103	1,953,733	848,402	2,480,838
Capital grants and contributions	192,736	121,815	999,383	2,339,931	707,834
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>	<u>44,711,368</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>	<u>\$ 70,009,560</u>
Net (Expense)/Revenue					
Governmental activities	(42,442,294)	(43,794,719)	(38,127,067)	(42,248,705)	(52,290,038)
Business-type activities	(3,444,969)	(2,509,319)	(1,781,851)	(1,532,888)	(849,732)
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>	<u>\$ (53,139,770)</u>

Continued

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

Fiscal Year					
2007-08	2008-09	2009-10	2010-11	2011-12	
					Expenses
					Governmental activities:
\$ 21,311,700	\$ 21,908,817	\$ 27,176,047	\$ 23,126,537	\$ 15,257,184	General government
4,076,877	3,952,073	4,124,494	3,925,587	4,385,668	Community services
11,839,627	9,621,707	9,188,637	8,970,708	7,606,116	Planning
17,695,954	16,951,872	16,224,562	15,796,789	16,585,197	Public ways and facilities
30,600,433	29,911,781	31,040,123	30,259,418	33,242,551	Public safety
3,123,397	3,256,626	3,040,452	2,976,163	2,044,426	Interest on long-term debt
<u>88,647,988</u>	<u>85,602,876</u>	<u>90,794,315</u>	<u>85,055,202</u>	<u>79,121,142</u>	Total governmental activities expenses
					Business-type activities:
14,391,154	14,329,152	14,165,394	14,617,402	14,286,220	Sanitation
28,067,587	28,899,962	29,110,566	31,868,849	33,913,655	Waterworks district no. 8
6,271,344	6,468,506	6,453,772	5,963,797	6,087,068	Transit
<u>48,730,085</u>	<u>49,697,620</u>	<u>49,729,732</u>	<u>52,450,048</u>	<u>54,286,943</u>	Total business-type activities expenses
<u>\$ 137,378,073</u>	<u>\$ 135,300,496</u>	<u>\$ 140,524,047</u>	<u>\$ 137,505,250</u>	<u>\$ 133,408,085</u>	Total primary government expenses
					Program Revenues
					Governmental activities:
					Charges for services:
\$ 304,549	\$ 438,812	\$ 395,880	\$ 324,088	\$ 298,136	General government
200,067	150,084	214,853	199,441	686,018	Community services
3,168,280	1,885,710	1,506,323	3,668,347	1,893,951	Planning
2,605,869	1,811,768	1,711,132	1,728,219	1,795,810	Public ways and facilities
950,923	914,693	766,149	770,606	844,549	Public safety
11,082,867	8,532,799	7,436,473	6,903,665	9,208,075	Operating grants and contributions
1,623,965	5,077,276	21,281,299	8,467,152	1,799,184	Capital grants and contributions
<u>19,936,520</u>	<u>18,811,142</u>	<u>33,312,109</u>	<u>22,061,518</u>	<u>16,525,723</u>	Total governmental activities program revenues
					Business-type activities:
					Charges for services:
14,767,859	14,780,226	14,783,194	14,527,144	14,600,252	Sanitation
28,247,611	30,138,375	30,010,924	31,426,920	33,332,611	Waterworks district no. 8
524,771	542,194	517,745	465,502	467,415	Transit
2,285,871	2,606,392	2,352,998	2,179,217	2,656,313	Operating grants and contributions
312,537	1,969,465	7,118,535	4,991,973	1,832,677	Capital grants and contributions
<u>46,138,649</u>	<u>50,036,652</u>	<u>54,783,396</u>	<u>53,590,756</u>	<u>52,889,268</u>	Total business-type activities program revenues
<u>\$ 66,075,169</u>	<u>\$ 68,847,794</u>	<u>\$ 88,095,505</u>	<u>\$ 75,652,274</u>	<u>\$ 69,414,991</u>	Total primary governmental program revenues
					Net (Expense)/Revenue
(68,711,468)	(66,791,734)	(57,482,206)	(62,993,684)	(62,595,419)	Governmental activities
(2,591,436)	339,032	5,053,664	1,140,708	(1,397,675)	Business-type activities
<u>\$ (71,302,904)</u>	<u>\$ (66,452,702)</u>	<u>\$ (52,428,542)</u>	<u>\$ (61,852,976)</u>	<u>\$ (63,993,094)</u>	Total primary government net expense

Continued

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

	Fiscal Year				
	2002-03	2003-04	2004-05	2005-06	2006-07
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	\$ 22,717,838
Tax increment	9,147,579	10,256,245	10,608,367	12,531,554	18,945,240
Sales tax	12,830,405	13,878,702	14,829,984	16,301,320	17,705,751
Motor fuel tax ¹	6,951,826	5,686,714	2,930,485	888,988	711,694
Franchise tax	3,366,958	3,773,013	3,856,273	4,062,464	3,686,160
Business tax	1,370,609	1,287,934	1,355,601	1,831,590	1,778,116
Other taxes	1,581,920	1,941,061	2,250,647	2,870,368	2,417,554
Contributions from other governments	-	-	-	-	-
Investment earnings	2,532,486	1,141,578	2,270,336	2,896,300	5,472,452
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	3,178,901
Extraordinary gain on dissolution of redevelopment agency	-	-	-	-	-
Transfers	(1,066,859)	(1,669,434)	(1,557,737)	(1,316,992)	(2,463,585)
Total governmental activities	<u>59,204,598</u>	<u>47,249,560</u>	<u>54,787,677</u>	<u>69,179,758</u>	<u>74,150,121</u>
Business-type activities:					
Investment earnings	831,423	439,098	985,444	1,323,549	2,484,909
Miscellaneous	23,995	54,047	2,672	112,361	128,494
Capital contributions-unrestricted ²	8,149,624	1,864,986	8,295,223	8,842,544	3,275,376
Transfers	1,066,859	1,669,434	1,557,737	1,316,992	2,463,585
Total business-type activities	<u>10,071,901</u>	<u>4,027,565</u>	<u>10,841,076</u>	<u>11,595,446</u>	<u>8,352,364</u>
Total primary government	<u>\$ 69,276,499</u>	<u>\$ 51,277,125</u>	<u>\$ 65,628,753</u>	<u>\$ 80,775,204</u>	<u>\$ 82,502,485</u>
Change in Net Assets					
Governmental activities	\$ 16,762,304	\$ 3,454,841	\$ 16,660,610	\$ 26,931,053	\$ 21,860,083
Business-type activities	6,626,932	1,518,246	9,059,225	10,062,558	7,502,632
Total primary government	<u>\$ 23,389,236</u>	<u>\$ 4,973,087</u>	<u>\$ 25,719,835</u>	<u>\$ 36,993,611</u>	<u>\$ 29,362,715</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 TEN FISCAL YEARS**

Fiscal Year					
2007-08	2008-09	2009-10	2010-11	2011-12	
					General Revenues
					and Other Changes in Net Assets
					Governmental activities:
					Taxes:
\$ 24,296,361	\$ 24,367,498	\$ 24,022,375	\$ 22,864,848	\$ 23,461,856	Property taxes ¹
20,185,134	21,359,827	21,138,010	19,170,235	9,262,457	Tax increment
16,894,319	13,955,998	12,969,115	14,632,972	15,018,520	Sales tax
552,184	427,121	369,992	641,204	-	Motor fuel tax ¹
3,708,972	4,756,938	4,304,353	4,719,987	4,789,947	Franchise tax
1,851,630	1,698,692	1,659,666	1,751,072	1,509,209	Business tax
1,939,615	1,733,444	1,560,873	1,578,252	1,692,627	Other taxes
-	-	-	-	1,280,200	Contributions from other governments
5,382,599	3,894,585	2,255,728	1,604,653	1,041,686	Investment earnings
-	-	-	-	-	Gain (loss) on asset disposition
2,910,688	-	-	-	-	Capital contributions-unrestricted ²
-	-	-	-	16,832,057	Extraordinary gain on dissolution of redevelopment agency
<u>(2,207,435)</u>	<u>(2,306,909)</u>	<u>(2,326,794)</u>	<u>(2,476,641)</u>	<u>(2,143,949)</u>	Transfers
<u>75,514,067</u>	<u>69,887,194</u>	<u>65,953,318</u>	<u>64,486,582</u>	<u>72,744,610</u>	Total governmental activities
					Business-type activities:
2,598,413	1,956,342	1,301,289	930,122	697,813	Investment earnings
186,032	343,518	180,356	438,359	93,813	Miscellaneous
2,770,859	-	-	-	-	Capital contributions-unrestricted ²
<u>2,207,435</u>	<u>2,306,909</u>	<u>2,326,794</u>	<u>2,476,641</u>	<u>2,143,949</u>	Transfers
<u>7,762,739</u>	<u>4,606,769</u>	<u>3,808,439</u>	<u>3,845,122</u>	<u>2,935,575</u>	Total business-type activities
<u>\$ 83,276,806</u>	<u>\$ 74,493,963</u>	<u>\$ 69,761,757</u>	<u>\$ 68,331,704</u>	<u>\$ 75,680,185</u>	Total primary government
					Change in Net Assets
\$ 6,802,599	\$ 3,095,460	\$ 8,471,112	\$ 1,492,898	\$ 10,149,191	Governmental activities
5,171,303	4,945,801	8,862,103	4,985,830	1,537,900	Business-type activities
<u>\$ 11,973,902</u>	<u>\$ 8,041,261</u>	<u>\$ 17,333,215</u>	<u>\$ 6,478,728</u>	<u>\$ 11,687,091</u>	Total primary government

Concluded

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

	Fiscal Year				
	2002-03	2003-04	2004-05	2005-06	2006-07
General fund					
Reserved	\$ 18,743,283	\$ 17,901,412	\$ 19,006,034	\$ 20,485,438	\$ 16,758,264
Unreserved	12,250,374	14,550,312	18,434,960	16,312,509	20,594,252
Nonspendable, reported in:					
Long-term receivables					
Committed, reported in:					
Retiree benefits					
Special Programs					
Assigned, reported in:					
Capital					
Unassigned					
Total general fund	<u>\$ 30,993,657</u>	<u>\$ 32,451,724</u>	<u>\$ 37,440,994</u>	<u>\$ 36,797,947</u>	<u>\$ 37,352,516</u>
All other government funds					
Reserved	\$ 9,191,350	\$ 11,978,656	\$ 14,648,683	\$ 18,731,386	\$ 12,313,808
Unreserved, reported in:					
Special revenue funds	13,502,727	12,230,705	14,756,384	23,321,320	30,922,948
Debt service	-	-	22,264,306	-	-
Capital projects funds	11,830,004	11,838,036	7,715,385	7,275,862	13,981,864
Non-spendable, reported in:					
Long-term receivables					
Restricted, reported in:					
Housing programs					
Public improvements					
Streets					
Lighting					
Landscape					
Debt service					
Special programs					
Law enforcement					
Committed, reported in:					
Streets					
Equipment					
Assigned, reported in:					
Capital					
Unassigned					
Total all other governmental funds	<u>\$ 34,524,081</u>	<u>\$ 36,047,397</u>	<u>\$ 59,384,758</u>	<u>\$ 49,328,568</u>	<u>\$ 57,218,620</u>

Continued

NOTE:

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

SOURCE:
City of Simi Valley

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

		Fiscal Year			
2007-08	2008-09	2009-10	2010-11	2011-12	
\$ 17,270,243	\$ 16,947,665	\$ 19,550,414			General fund
20,134,592	19,161,964	16,176,234			Reserved
					Unreserved
			\$ 19,752,241	\$ 19,384,570	Nonspendable, reported in:
					Long-term receivables
			628,659	805,028	Committed, reported in:
				229,687	Retiree benefits
					Special Programs
			9,209,774	9,304,096	Assigned, reported in:
			9,799,992	10,059,954	Capital
					Unassigned
<u>\$ 37,404,835</u>	<u>\$ 36,109,629</u>	<u>\$ 35,726,648</u>	<u>\$ 39,390,666</u>	<u>\$ 39,783,335</u>	Total general fund
\$ 23,160,249	\$ 27,405,118	\$ 11,750,943			All other government funds
					Reserved
33,772,808	35,983,148	30,816,901			Unreserved, reported in:
-	-	-			Special revenue funds
14,481,613	14,356,308	12,519,153			Debt service
					Capital projects funds
			\$ 2,500,000	\$ 2,500,000	Non-spendable, reported in:
					Long-term receivables
			17,176,503	5,432,733	Restricted, reported in:
			21,277,646	19,029,472	Housing programs
			849,804	889,134	Public improvements
			5,892,439	7,241,174	Streets
			1,373,263	929,495	Lighting
			6,763,374	2,635,890	Landscape
			638,599	493,194	Debt service
			265,017	406,183	Special programs
					Law enforcement
			3,853,912	3,117,412	Committed, reported in:
			3,284,875	3,525,143	Streets
					Equipment
			1,018,979	216,560	Assigned, reported in:
			(13,848,190)	-	Capital
					Unassigned
<u>\$ 71,414,670</u>	<u>\$ 77,744,574</u>	<u>\$ 55,086,997</u>	<u>\$ 51,046,221</u>	<u>\$ 46,416,390</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				
	2002-03	2003-04	2004-05	2005-06	2006-07
Revenues					
Taxes	\$ 29,297,747	\$ 31,605,628	\$ 39,583,365	\$ 44,789,216	\$ 48,305,419
Tax increment	9,147,579	10,256,245	10,608,367	12,531,554	18,945,240
Licenses and permits	3,000,142	3,910,943	5,761,949	4,489,743	2,446,051
Fines and forfeitures	759,786	692,871	744,172	630,175	608,633
Use of money and property	2,455,014	2,966,909	4,668,436	4,887,835	6,030,520
From other governments	13,094,236	12,072,537	9,228,523	8,059,121	9,178,483
Grants	3,595,929	4,662,677	3,000,993	3,641,439	8,154,157
Service charges	3,380,322	5,482,337	4,123,659	3,706,112	3,330,461
Other revenues	1,548,029	1,530,971	6,844,687	6,589,485	2,736,158
Contributions from other governments	-	-	-	-	-
Total revenues	66,278,784	73,181,118	84,564,151	89,324,680	99,735,122
Expenditures					
Current:					
General government	6,656,623	5,360,370	5,705,571	5,629,708	6,254,640
Community services	4,481,811	3,233,192	3,327,916	3,976,095	3,714,488
Planning	5,576,295	11,432,418	10,409,949	8,989,679	10,449,668
Public ways and facilities	12,464,375	13,847,391	14,674,133	15,380,796	16,165,062
Public safety	19,828,550	23,086,299	25,427,341	27,244,060	28,625,276
Capital outlay	5,545,599	4,916,881	12,400,928	36,854,154	11,720,213
Debt service:					
Principal	1,249,101	863,166	1,210,000	1,250,000	1,750,000
Interest	2,552,923	2,168,481	2,753,209	3,516,184	3,674,962
Refunding escrow	1,666,163	-	-	-	-
Bond issuance costs	930,403	-	662,894	-	-
Administration	7,594	-	-	-	-
Other	-	8,640	328,503	12,033	217,473
Intergovernmental	3,132,557	3,628,878	4,126,132	4,649,143	6,260,334
Total expenditures	64,091,994	68,545,716	81,026,576	107,501,852	88,832,116
Excess (deficiency) of revenues over expenditures	2,186,790	4,635,402	3,537,575	(18,177,172)	10,903,006
Other Financing Sources (Uses)					
Transfers in	16,244,221	18,790,186	22,547,788	44,861,615	28,486,035
Transfers out	(17,668,880)	(20,455,120)	(24,100,325)	(46,173,207)	(30,944,420)
Bonds issued	32,251,576	-	26,341,593	-	-
Payment to escrow agent	(29,176,958)	-	-	-	-
Proceeds from loans, notes & cash advances	-	-	-	-	-
Gain on property held for sale	-	144,972	-	3,446,150	-
Refund excess reserves	-	(24,245)	-	-	-
Payments of notes payable	-	(109,812)	-	-	-
Contributions	-	-	-	5,343,377	-
Total other financing sources (uses)	1,649,959	(1,654,019)	24,789,056	7,477,935	(2,458,385)
Extraordinary gain	-	-	-	-	-
Net change in fund balances	\$ 3,836,749	\$ 2,981,383	\$ 28,326,631	\$ (10,699,237)	\$ 8,444,621
Debt service as a percentage of noncapital expenditures	6.34%	4.72%	5.77%	6.42%	6.69%

Continued

SOURCE:
City of Simi Valley

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

Fiscal Year					
2007-08	2008-09	2009-10	2010-11	2011-12	
					Revenues
\$ 48,690,897	\$ 46,635,899	\$ 44,026,482	\$ 45,736,089	\$ 46,313,876	Taxes
20,185,134	21,359,827	21,138,010	19,170,235	9,262,457	Tax increment
1,863,206	1,229,773	1,150,132	1,200,244	1,549,642	Licenses and permits
639,866	644,896	489,711	566,057	590,625	Fines and forfeitures
5,875,792	4,293,281	2,715,919	2,437,963	1,401,486	Use of money and property
7,562,068	8,914,197	9,287,441	7,412,657	7,885,687	From other governments
2,824,043	2,852,825	4,917,901	3,502,622	2,089,328	Grants
2,743,227	2,311,017	2,197,536	1,990,630	1,992,262	Service charges
4,705,669	1,015,381	825,701	3,092,920	1,438,435	Other revenues
-	-	-	-	1,280,200	Contributions from other governments
<u>95,089,902</u>	<u>89,257,096</u>	<u>86,748,833</u>	<u>85,109,417</u>	<u>73,803,998</u>	Total revenues
					Expenditures
					Current:
5,478,843	5,113,701	4,605,291	5,865,259	5,024,456	General government
4,062,966	3,986,859	3,992,786	3,957,419	4,274,451	Community services
9,728,843	9,737,257	12,369,305	11,524,418	7,961,160	Planning
17,794,518	16,488,718	15,462,223	14,871,235	14,710,961	Public ways and facilities
30,020,374	30,202,106	28,094,953	28,081,837	28,845,564	Public safety
9,542,356	8,345,726	8,687,535	6,029,063	3,544,377	Capital outlay
					Debt service:
1,805,000	1,870,000	1,955,000	2,045,000	2,130,000	Principal
3,410,710	3,316,982	3,038,631	2,962,880	1,940,460	Interest
-	-	-	-	-	Refunding escrow
-	-	-	-	-	Bond issuance costs
-	-	-	-	-	Administration
31,863	14,569	12,838	16,441	13,032	Other
<u>6,455,707</u>	<u>7,198,990</u>	<u>13,109,707</u>	<u>7,423,382</u>	<u>39,517</u>	Intergovernmental
<u>88,331,180</u>	<u>86,274,908</u>	<u>91,328,269</u>	<u>82,776,934</u>	<u>68,483,978</u>	Total expenditures
					Excess (deficiency) of revenues over expenditures
<u>6,758,722</u>	<u>2,982,188</u>	<u>(4,579,436)</u>	<u>2,332,483</u>	<u>5,320,020</u>	
					Other Financing Sources (Uses)
26,256,128	30,315,435	25,099,047	26,735,331	16,499,059	Transfers in
(28,459,763)	(32,616,244)	(27,418,641)	(29,444,572)	(18,635,008)	Transfers out
-	-	-	-	-	Bonds issued
-	-	-	-	-	Payment to escrow agent
-	-	-	-	-	Proceeds from loans, notes & cash advances
-	-	-	-	-	Gain on property held for sale
-	-	-	-	-	Refund excess reserves
-	-	-	-	-	Payments of notes payable
-	-	-	-	-	Contributions
<u>(2,203,635)</u>	<u>(2,300,809)</u>	<u>(2,319,594)</u>	<u>(2,709,241)</u>	<u>(2,135,949)</u>	Total other financing sources (uses)
				<u>(7,622,494)</u>	Extraordinary gain
<u>\$ 4,555,087</u>	<u>\$ 681,379</u>	<u>\$ (6,899,030)</u>	<u>\$ (376,758)</u>	<u>\$ (4,438,423)</u>	Net change in fund balances
6.66%	6.59%	6.08%	6.50%	6.24%	Debt service as a percentage of noncapital expenditures

Concluded

SOURCE:
City of Simi Valley

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

Gross Assessed Valuation ¹					
Fiscal Year	Residential Property	Commercial Property	Industrial Property	Other Property	Total Secured Property ²
2002-03	-	-	-	-	9,001,962,570
2003-04	-	-	-	-	9,674,185,767
2004-05	-	-	-	-	10,657,955,181
2005-06	-	-	-	-	11,865,261,607
2006-07	-	-	-	-	13,749,651,553
2007-08	12,654,513,868	1,395,948,255	647,727,757	225,074,657	14,923,264,537
2008-09	12,764,384,581	1,457,184,696	697,258,339	187,763,850	15,106,591,466
2009-10	12,013,607,753	1,540,170,605	723,979,340	185,199,559	14,462,957,257
2010-11	12,066,510,905	1,442,565,044	707,039,142	191,146,637	14,407,261,728
2011-12	12,088,027,336	1,344,027,796	674,653,809	193,996,193	14,300,705,134

Continued

NOTES:

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

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

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

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

SOURCE:
 California Municipal Statistics, Inc.

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

Gross Assessed Valuation ¹					
Utility ³	Unsecured	Total	Percent Change	Total Direct Tax Rate	Fiscal Year
4,738,971	309,184,285	9,315,885,826	7.5%	1.00%	2002-03
4,137,416	311,473,006	9,989,796,189	7.2%	1.00%	2003-04
4,468,429	300,722,955	10,963,146,565	9.7%	1.00%	2004-05
4,078,386	313,933,434	12,183,273,427	11.1%	1.00%	2005-06
3,821,485	361,949,212	14,115,422,250	15.9%	1.00%	2006-07
2,626,282	396,920,281	15,322,811,100	8.6%	1.00%	2007-08
2,626,282	401,827,296	15,511,045,044	1.2%	1.00%	2008-09
2,626,282	402,295,019	14,867,878,558	-4.1%	1.00%	2009-10
2,322,792	384,620,402	14,794,204,922	-0.5%	1.00%	2010-11
2,322,792	369,287,100	14,672,315,026	-0.8%	1.00%	2011-12
					Concluded

SOURCE:
 California Municipal Statistics, Inc.

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

	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>	<u>2005-06</u>	<u>2006-07</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	0.000624	0.000297	-	-	-
Simi Valley Unified School District	0.025700	0.024700	0.065800	0.051200	0.048900
Metropolitan Water District	0.006700	0.006100	0.005800	0.005200	0.004700
Ventura College District	0.017800	0.016600	0.013000	0.013000	0.012700
Total direct and overlapping	<u><u>1.050824</u></u>	<u><u>1.047697</u></u>	<u><u>1.084600</u></u>	<u><u>1.069400</u></u>	<u><u>1.066300</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>2007-08</u>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</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
0.048300	0.048400	0.051900	0.054400	0.057800	Simi Valley Unified School District
0.004500	0.004300	0.004300	0.003700	0.003700	Metropolitan Water District
0.005000	0.015200	0.013900	0.015100	0.014000	Ventura College District
<u>1.057800</u>	<u>1.067900</u>	<u>1.070100</u>	<u>1.073200</u>	<u>1.075500</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	2012			2003		
	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	\$ 117,324,494	1	0.79%	-		
Tishman Speyer Archstone	101,700,000	2	0.68%	-		
Fountains Apt Ltd	74,752,683	3	0.50%	\$ 42,750,977	2	0.42%
Target Corporation	59,828,448	4	0.40%	-		
Essex Meadowood	58,247,444	5	0.39%	26,065,606	5	0.26%
South Street Center LLC	51,181,018	6	0.34%	-		
Mountaingate Associates LLC	43,314,998	7	0.29%	-		
Stone Creek Investors	40,907,764	8	0.27%	36,054,857	3	0.35%
ESG Properties I LLC	40,340,631	9	0.27%	-		
Fairfield Rancho Corrales	38,800,000	10	0.26%	-		
Countrywide Funding Corporation	-			89,612,276	1	0.88%
Simi Entertainment Plaza LP	-			30,938,875	4	0.30%
Casden Creekside LP	-			25,986,692	6	0.26%
Big Sky Country Club LLC	-			25,373,962	7	0.25%
F I G Holding Co	-			24,000,000	8	0.24%
Strategic Performance Fund - II	-			21,641,047	9	0.21%
Casa Group LLC	-			21,333,200	10	0.21%
Total Taxable Assessed Value Ten Largest Taxpayers	\$ 626,397,480		4.19%	\$ 343,757,492		3.38%

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	Collections within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percent of Levy		Amount	Percent of Levy
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%	\$ 470,876	125,878,164	98.21%
2005-06	138,585,819	128,788,614	92.93%	991,236	129,779,850	93.65%
2006-07	29,433,179 ¹	26,416,030	89.75%	772,124	27,188,154	92.37%
2007-08	32,687,821	29,366,179	89.84%	590,009	29,956,188	91.64%
2008-09	34,099,599	30,065,640	88.17%	211,689	30,277,329	88.79%
2009-10	33,690,500	27,706,277	82.24%	115,599	27,821,876	82.58%
2010-11	32,672,899	28,924,095	88.53%	130,873	29,054,968	88.93%
2011-12	31,380,139	27,921,798	88.98%		27,921,798	88.98%

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.

NOTE:

Data presented for Fiscal Years 2001-02 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.

In Fiscal Year 2010-11, the Ventura County Auditor-Controller provided additional and detailed historical data, dating back to 2004-05, regarding subsequent year collections. Using the new data provided, the statistical data for years 2004-05 through 2010-11 has been restated to reflect a more accurate presentation of the tax levy and collection data.

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

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

Collections presented do not include penalty charges or interest collected.

SOURCE:
Ventura County Controller-Auditor

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

Fiscal Year	Governmental Activities				Total Primary Government	Percent of Personal Income ³	Debt Per Capita ³
	Tax Allocation Bonds ¹	Lease Revenue Bonds	Certificates of Participation	Special Assessment Bonds ²			
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
2010	27,060,000	4,815,000	24,000,000	11,870,000	67,745,000	1.70%	536.26
2011	26,250,000	4,120,000	23,460,000	11,600,000	65,430,000	1.47%	517.78
2012	-	3,385,000	22,900,000	11,305,000	37,590,000	0.90%	297.22

NOTES:

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

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

2. The City is not obligated for these bonds.

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

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

**CITY OF SIMI VALLEY
COMPUTATION OF DIRECT AND OVERLAPPING DEBT
JUNE 30, 2012 (See Notes)**

2011-12 Assessed Valuation	\$ 14,672,315,026
Less Redevelopment Agency Incremental Valuation	1,833,912,559
Adjusted Assessed Valuation	\$ 12,838,402,467

	Outstanding Debt 6/30/12	Percentage Applicable ¹	Estimated Share of Overlapping Debt 6/30/12
<u>Overlapping and Assessment Debt Repaid with Property Taxes</u>			
Metropolitan Water District	\$ 196,545,000	0.712 %	\$ 1,399,400
Ventura County Community College District	310,868,691	13.564	42,166,229
Simi Valley Unified School District	148,299,526	96.391	142,947,396
City of Simi Valley Community Facilities Dist No.2004-1	8,490,000	100.000	8,490,000
City of Simi Valley 1915 Act Bonds	2,815,000	100.000	2,815,000
<u>Overlapping Other Debt</u>			
Ventura County General Fund Obligations	93,740,000	13.560	12,711,144
Ventura County Superintendent of Schools Certificates	11,865,000	13.560	1,608,894
Simi Valley Unified School District Certificates	10,740,000	96.391	10,352,393
Total overlapping and assessment debt			222,490,456
<u>City Direct Debt</u>			
City of Simi Valley Lease Revenue Bonds	3,385,000	100.000	3,385,000
City of Simi Valley Certificates of Participation	22,900,000	100.000	22,900,000
Total direct debt			26,285,000
Total direct and overlapping debt			\$ 248,775,456

NOTES:

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

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

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

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

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

	Fiscal Year				
	2003	2004	2005	2006	2007
Debt limit	\$ 349,345,718	\$ 374,617,357	\$ 411,117,996	\$ 456,872,754	\$ 529,328,334
Total net debt applicable to limit	-	-	-	-	-
Legal debt margin	<u>\$ 349,345,718</u>	<u>\$ 374,617,357</u>	<u>\$ 411,117,996</u>	<u>\$ 456,872,754</u>	<u>\$ 529,328,334</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					
2008	2009	2010	2011	2012	
\$ 574,605,416	\$ 581,664,189	\$ 557,545,466	\$ 554,782,685	\$ 550,211,813	Debt limit
-	-	-	-	-	Total net debt applicable to limit
<u>\$ 574,605,416</u>	<u>\$ 581,664,189</u>	<u>\$ 557,545,466</u>	<u>\$ 554,782,685</u>	<u>\$ 550,211,813</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 2012

Assessed value	\$	14,672,315,026
Debt limit (3.75% of assessed value)	\$	550,211,813
General obligation bonds		-
Legal debt margin	\$	550,211,813

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
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%
2010	126,329	3,978,227	31,491	37.4	20,681	8.8%
2011	126,366	4,436,078	35,105	36.0	20,340	8.5%
2012	126,474	4,191,222	33,139	37.0	19,998	7.6%

NOTE:

1. Per capita income for year 2005 and 2010 was obtained from the US Census Bureau. Per capita income for interim years has been inflation adjusted by the US Census Bureau.

SOURCES:

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

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

Employer	2012			2003		
	Employees	Rank	Percentage of Employed Labor Force	Employees	Rank	Percentage of Employed Labor Force
Simi Valley Unified School District	2,699	1	4.12%	2,873	2	4.50%
Simi Valley Hospital & Health Care	868	2	1.33%	900	4	1.41%
City of Simi Valley	536	3	0.82%	613	5	0.96%
Aerovironment Inc	455	4	0.69%	-		
Rancho Simi Parks & Recreation District	403	5	0.62%	270	8	0.42%
Vons Grocery Stores	361	6	0.55%	-		
Target Department Stores	350	7	0.53%	250	9	0.39%
Meggitt Safety Systems, Inc	320	8	0.49%	227	10	0.36%
Milgard Manufacturing, Inc	267	9	0.41%	385	6	0.60%
Avnet Integrated (formerly Nexicore)	256	10	0.39%	-		
Countrywide Home Loans ¹	-			5,063	1	7.92%
Farmers Insurance Group	-			1,011	3	1.58%
Polytainer, Inc	-			318	7	0.50%
Wal-Mart	-			227	10	0.36%
Total	6,515		9.95%	12,137		18.99%

NOTE:

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

Of sixty-one employers surveyed by the City of Simi Valley, fifty-one employers responded (84%).

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									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
General government	68	67	67	70	70	68	62	55	57	55
Community services	35	31	32	34	35	35	34	34	32	29
Planning	58	62	63	61	62	60	56	54	51	49
Public ways and facilities	117	114	111	107	110	102	102	97	92	92
Public safety										
Sworn police personnel	120	122	122	120	125	127	122	118	119	123
Civilians	69	66	63	70	68	64	58	57	55	52
Sanitation	54	52	53	53	53	60	54	54	54	53
Waterworks district no. 8	40	40	40	38	38	37	41	43	43	43
Transit	41	40	42	43	46	46	47	46	42	40
Total	602	594	593	596	607	599	576	558	545	536

NOTE:

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

SOURCE:
City of Simi Valley

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

Function	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
General government										
Business tax applications and renewals	10,392	10,426	8,696	8,546	8,675	8,735	9,253	10,310	10,177	10,257
Business tax receipts issued	7,420	7,808	7,514	8,273	8,316	8,211	8,312	8,352	9,463	9,196
Business tax revenues (\$)	1,370,609	1,287,934	1,355,601	1,831,590	1,778,116	1,851,630	1,698,692	1,662,604	1,751,072	1,509,209
Community services										
Cultural arts center events	230	232	220	334	227	211	380	372	349	334
Cultural arts center attendance	27,900	34,000	28,400	31,000	31,345	31,070	40,475	40,682	40,994	35,418
Senior center attendance	102,000	109,300	101,000	107,000	126,838	141,528	162,961	184,511	187,968	189,302
Planning										
Building permits	2,532	2,693	2,738	2,891	2,004	1,700	1,232	1,196	1,362	1,623
Plumbing, mechanical, and electrical permits	4,487	5,015	5,679	5,220	3,716	2,691	2,366	1,899	2,284	2,590
Permit valuation (thousands \$)	182,953	216,442	415,846	284,767	99,392	74,530	38,025	34,197	37,685	49,992
Public Safety										
Arrests	3,281	3,201	3,818	3,686	3,552	4,170	4,051	3,310	3,507	3,857
Enforcement citations	11,948	9,878	10,249	11,585	10,905	10,280	10,941	6,350	7,301	6,827
Public ways and facilities										
Street resurfacing (miles)	3.52	14.34	6.43	5.86	7.68	0.46	13.57	16.57	9.66	2.23
Sanitation										
Wastewater customers	30,824	34,502	35,059	35,192	35,289	35,451	36,483	36,428	36,250	36,604
Average dry weather flow (MGD)	9.00	9.20	8.84	9.50	8.80	10.00	9.50	9.30	9.20	8.80
Waterworks district no. 8										
Customers	23,053	23,292	23,757	25,195	25,375	25,452	25,642	24,920	24,942	25,059 ¹
Water delivered (million gallons)	7,570.5	8,188.3	8,125.6	8,128.0	8,137.0	8,679.0	7,981.4	7,192.0	6,502.0	6,690.3
Transit										
Fixed-route revenue miles	354,000	353,999	367,787	449,223	509,743	477,005	464,784	471,267	415,973	420,295
Fixed-route passengers	393,854	432,833	432,714	450,106	483,653	454,440	477,032	479,456	435,416	417,156
Fixed-route revenue hours	20,300	23,449	24,114	28,526	30,893	30,768	31,189	31,223	26,177	25,776
Paratransit revenue miles	276,500	260,121	235,556	238,061	240,979	199,570	189,810	189,264	179,944	180,763
Paratransit passengers	42,484	39,637	40,199	42,815	45,210	43,457	48,123	51,204	47,054	45,756
Paratransit revenue hours	25,310	20,383	20,690	19,059	18,959	17,976	17,663	17,571	17,604	17,486

NOTE:

1. Balance of community, approximately 13,310 customers, serviced by Golden State Water Co. during fiscal year 2012.

SOURCE:
City of Simi Valley
Golden State Water Co.

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

Function	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Public safety										
Police stations	1	1	1	1	1	1	1	1	1	1
Fleet size	94	94	94	96	97	97	93	90	91	91
Public ways and facilities										
Streets (miles)	304.83	306.25	307.67	308.03	308.62	321.00	322.71	324.10	324.10	324.91
Streetlights ¹	7,239	7,494	7,551	7,645	7,660	7,701	7,687	7,815	7,932	7,937
Traffic signals ²	107	107	108	116	117	117	118	118	121	121
Sanitation										
Sewerlines (miles) ³	400	400	400	400	400	400	362	362	362	374
Treatment capacity (million gallons per day)	12.5	12.5	12.5	12.5	12.5	12.5	12.5	12.5	12.5	12.5
Waterworks district no. 8 ⁴										
Water mains (miles)	-	-	-	370	375	375	375	375	375	375
Fire hydrants	-	-	-	2,700	2,750	2,755	2,773	2,844	2,844	2,844
Storage capacity (million gallons)	-	-	-	51	53.5	53.5	53.5	55.8	55.8	55.8
Transit										
Buses - 40 foot	11	11	11	11	11	11	11	11	11	11
Buses - 35 foot	2	2	2	2	2	2	2	2	2	0
Paratransit Vehicles	11	11	13	13	12	12	10	12	12	11

NOTES:

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

1. Streetlights are owned by Southern California Edison.
2. Traffic signals listed are those owned by the City. Fourteen additional signals, owned by Caltrans, are located at freeway ramps.
3. Collection system information was estimated for FY2003 through FY2008, and obtained from the City's Geographical Information System for FY2009 through the current year.
4. Waterworks district no. 8 information will continue to be reported prospectively.

Sources:
City of Simi Valley
Southern California Edison