

STATE OF CALIFORNIA
CITY OF SIMI VALLEY



2012-2013
COMPREHENSIVE
ANNUAL FINANCIAL REPORT

FISCAL YEAR ENDED JUNE 30, 2013



COMPREHENSIVE ANNUAL FINANCIAL REPORT
FISCAL YEAR ENDED JUNE 30, 2013

TABLE OF CONTENTS

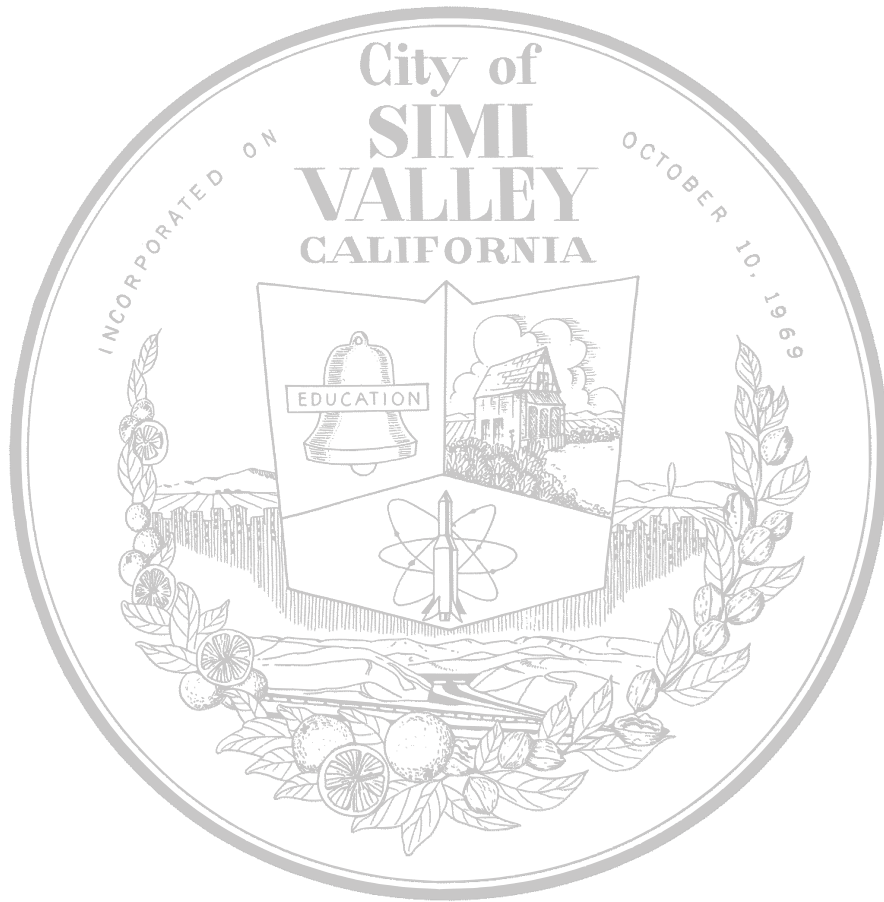
	<u>PAGE</u>
<u>INTRODUCTORY SECTION</u>	
Transmittal Letter	i
Officials of the City of Simi Valley	viii
Organization of the City of Simi Valley	ix
GFOA Certificate of Achievement for Excellence in Financial Reporting	x
 <u>FINANCIAL SECTION</u>	
Independent Auditors' Report.....	1
Management's Discussion and Analysis (UNAUDITED).....	3
 <u>Basic Financial Statements</u>	
<u>Government-Wide Financial Statements</u>	
Statement of Net Position	19
Statement of Activities	20
 <u>Fund Financial Statements:</u>	
Balance Sheet – Governmental Funds	24
Reconciliation of the Governmental Funds Balance Sheet to the Government-Wide Statement of Net Position – Governmental Activities	26
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	28
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	30
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – General Fund	31
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – SHA to Community Development Housing Administration.....	32
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – Development Related Fees	33
Statement of Net Position - Proprietary Funds.....	34
Statement of Revenues, Expenses and Changes in Fund Net Position – Proprietary Funds	35
Statement of Cash Flows – Proprietary Funds	36
Statement of Net Position – Fiduciary Funds.....	37
Statement of Changes in Net Position – Fiduciary Funds.....	38

Table of Contents (continued)

	<u>PAGE</u>
<u>Notes to the Basic Financial Statements</u>	
Notes	41
<u>Required Supplementary Information (UNAUDITED)</u>	
Schedule of Funding Progress.....	83
<u>Supplementary Information</u>	
<u>Nonmajor Governmental Funds</u>	
Combining Balance Sheet	88
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	94
<u>Schedules – Budget and Actual – Individual Funds</u>	
CalHOME Fund	101
HOME Grant.....	102
Public, Education & Government Fees Fund.....	103
Gasoline Tax Fund	104
Transportation Funds	105
Green Projects Fund	106
Police Grants Fund.....	107
Community Development Block Grant.....	108
Landscape Maintenance District No. 1	109
<u>Internal Service and Fiduciary Funds</u>	
Combining Statement of Net Position - Internal Service Funds	111
Combining Statement of Revenues, Expenses and Changes in Net Position - Internal Service Funds	112
Combining Statement of Cash Flows – Internal Service Funds.....	113
Combining Statement of Net Position – Private Purpose Trust Fund.....	114
Combining Statement of Changes in Net Position – Private Purpose Trust Fund.....	116
Combining Statement of Fiduciary Net Position – Agency Funds.....	118
Combining Statement of Changes in Assets and Liabilities – Agency Funds	119
<u>STATISTICAL SECTION (UNAUDITED)</u>	
<u>Financial Trends</u>	
Net Position by Component – Last Ten Fiscal Years	122
Changes in Net Position – Last Ten Fiscal Years	124
Fund Balances of Governmental Funds – Last Ten Fiscal Years	128
Changes in Fund Balances of Governmental Funds – Last Ten Fiscal Years	130

Table of Contents (continued)

	<u>PAGE</u>
<u>Revenue Capacity</u>	
Assessed Value of Taxable Property – Last Ten Fiscal Years	132
Direct and Overlapping Governments – Property Tax Rates – Last Ten Fiscal Years	134
Principal Property Taxpayers – Current Year and nine years ago	136
Property Tax Levies and Collections - Last Ten Fiscal Years	137
 <u>Debt Capacity</u>	
Ratios of Outstanding Debt by Type – Last Ten Fiscal Years	138
Computation of Direct and Overlapping Debt	139
Legal Debt Margin - Last Ten Fiscal Years	140
 <u>Demographic and Economic Information</u>	
Demographic and Economic Statistics – Last Ten Fiscal Years	142
Principal Employers – Current and Nine Years Ago	143
 <u>Operating Information</u>	
City Government Employees by Function - Last Ten Fiscal Years	144
Operating Indicators by Function – Last Ten Fiscal Years	145
Capital Assets Statistics by Function - Last Ten Fiscal Years	146



INTRODUCTORY SECTION



CITY OF SIMI VALLEY

Home of The Ronald Reagan Presidential Library

December 20, 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, 2013.

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, 2013, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the City's financial statements for the fiscal year ended June 30, 2013, 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 126,827, and is the third largest of Ventura County's ten cities. It is located on the County's southeastern border, nestled between the Santa Susana Mountains and the Simi Hills. The City, which covers a land area of 38.9 square miles, has a mean elevation of 765 feet.

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

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

Five operating departments report to the City Manager: Police, Public Works, Administrative Services, Environmental Services, and Community Services. The 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. Effective July 1, 2013, the City assumed oversight of the Simi Valley Public Library. The County of Ventura provides fire, paramedic, and animal regulation services. The Rancho Simi Recreation and Park District, an independent special district, provides leisure service facilities and activities.

The annual budget serves as the foundation for the City's financial planning and control. The budget also contains detailed goals and objectives, a working financial plan, and

financial projections for the departments and agencies that comprise the City's governmental structure.

The City reports on a fiscal year basis from July 1 to June 30. Departments and agencies submit current level expenditure budgets, requests for budget increases (Policy Items), requests for replacement of equipment items (Capital Asset Requests), and possible budget reductions (Reverse Priority Items) to the Budget Officer in early April. The City Manager and his/her staff conduct a series of budget review meetings with departments and agencies in April. The City Manager then presents a 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. A citizen participation meeting is held for public review and comment on the Preliminary Base Budget.

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. The City Council is committed to a budget process that is open and clear to the public and which provides for public input.

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

Interim financial reports can be generated on demand by operating departments. In addition, 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 since then, this downward trend appears to have tapered off. FY 2012-13, locally generated revenues from property, sales, franchise and business taxes increased by \$2.0 million, or 4.5%, over the prior fiscal year. Over the past two fiscal years, General Fund revenues have increased 9.45%.

Although the California economy has started to rebound, City revenues remain adversely affected by the cumulative effect of the State's retention of funds, such as redevelopment tax increment, 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 gradually recovering State and Federal economies and a local unemployment rate of 6.1%, 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 continued, modest additions to the City's property tax roll are anticipated next year.

Long-term financial planning. The City's population has remained virtually unchanged during the current fiscal year. Turnover in the real estate market is starting to pick up, and some additions to the City's property tax roll are anticipated. In FY 2012-13, property and sales tax revenues increased slightly. Other than two known residential developments now moving forward, one of which has broken ground, significant increases in development revenues are unlikely in the long-term as the City moves toward build-out. Both discretionary and non-discretionary employment and post-employment benefits such as health insurance and retirement contributions have increased at rates higher than recognized revenue increases. Over the last four years, the combined result of these economic problems has necessitated continued reductions in staffing, hiring freezes, and retirement incentives coupled with the use of some one-time Fund resources to generate balanced budgets and minimize impacts to service provided to the public.

The City updates the Five-Year General Fund Financial Projection formally each year and informally throughout the year in an effort to identify and address these structural issues while continuing to maintain sufficient cash reserves and providing quality service to residents into the future without the need for significant additional local revenues. The update was prepared with assumption that the Consumer Price Index (CPI) will increase by 1.5% annually. Property tax revenues are projected to increase from 2% in FY 2013-14 to 3% by FY 2017-18, and sales tax is projected to increase by 6.5% in FY 2013-14, then slowing back down to 5% by FY 2017-18. The projection plan also includes assumptions that the current staffing level, with 29 full time equivalent General Fund position vacancies, would be continued, that a modest \$1.1 million in General Fund monies would be appropriated to the City's Streets and Roads Program for FY 2013-14, and that salary increases after FY 2012-13 will mirror the CPI and be partially offset by new and current employee contributions to the CalPERS retirement plan.

The Five-Year General Fund Financial Projection will continue to be 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. On November 27, 2013, the City received notice that Standard & Poor's raised the ratings on its two bond issues from A+ to AA+. The total debt of the City is currently \$25.1 million, with debt service requirements of approximately \$2.6 million per year. On October 1, 2013, the Simi Valley Public Financing Authority issued a call for full redemption of the 1995 lease revenue bonds eliminating the remaining \$2,610,000 in lease revenue bond debt and interest expenses.

The total debt of the Successor Agency to the CDA, reported in the fiduciary funds, is \$24.5 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, in September 2012, the City Council approved \$2.2 million in annualized staff reductions. Because the staffing reductions were implemented later in the fiscal year, and in order to continue funding for housing staff moved to the General Fund after dissolution of redevelopment, a \$2.893 million transfer from economic stabilization fund reserves was utilized to close the financial gap. The City continues to actively narrow the gap between revenues and expenditures, but this will be an ongoing effort. Several opportunities for long-term

financial solutions are available but will take time to implement; staff will be bringing cost-saving and revenue development items before Council for consideration throughout the year. The current focus is on addressing the City's aging facilities and infrastructure. There is a need to address the Sanitation and Waterworks utility operations, both of which currently appear to have structural deficits due to increasing capital and commodity costs and flat revenues. The City's transit operations and landscape assessment districts continue to be subsidized by the General Fund.

Major Initiatives.

- Law enforcement efforts continued to provide the citizens of Simi Valley a safe environment in which to live, work, and play. The Police Department implemented enforcement operations targeting heroin-related crimes, prostitution, and alcohol beverage control. During the fiscal year, the Department also deployed its first marked police unit outfitted with an automated License Plate Reader and scanned 155,000 vehicle license plates resulting in one arrest and five recovered stolen vehicles.
- After achieving local control and oversight of the Simi Valley Public Library, formerly a part of the Ventura County Library System, the City contracted with private provider, Library Systems and Services, LLC (LSSI), to provide library management services effective July 1, 2013.
- The City constructed a \$4 million addition to the existing City Hall facility. This construction provided space for two additional departments, previously located offsite, to consolidate with the rest of City staff. This move also frees up the former Development Services Building for use by "Under One Roof" as a one stop non-profit community services facility, while reducing the City's utility and long term records storage costs.
- An economic strategic plan was introduced to focus City resources in assisting the local economy. The plan includes overhauling the City's website, enhancing the City's marketing efforts, developing a Simi Valley brand, and supporting local businesses.
- Implementation of the City's new General Plan continued, in particular by assisting developers in processing upcoming new developments at Runkle Canyon and Lost Canyons.
- The City hosted a variety of local events including the 12th Annual Youth Summit, 3rd Annual Volunteer Fair, the Living Green Expo, Arbor Day, provided meals to homebound seniors through the Meals on Wheels and Congregate Meals programs, hosted over 300 events at the Simi Valley Cultural Arts Center, and provided Household Hazardous Waste collection events and Water Conservation programs.

Recent and Planned Changes

The most significant recent and upcoming changes for the organization relate to staffing changes within the City's Executive Management Group. A new City Manager was hired in May of 2013. Within the past 18 months, due to retirements and promotions, the City has appointed a number of new executive managers, including a Chief of Police, Director of Community Services, and an Assistant City Manager. Recruitments are

currently underway for an Administrative Services Director and City Attorney. These changes present the City with an opportunity to move forward with the City Council's vision for a responsive, accountable, and transparent City government.

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, 2013 was \$59,873,070. Actual tax revenues subject to this limit and received and appropriated during the fiscal year were well under this amount.

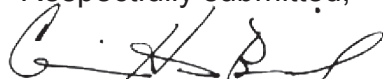
Awards and Acknowledgements. The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2012. This was the thirty-third consecutive year (fiscal years ended 1980-2012) 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, 2013)

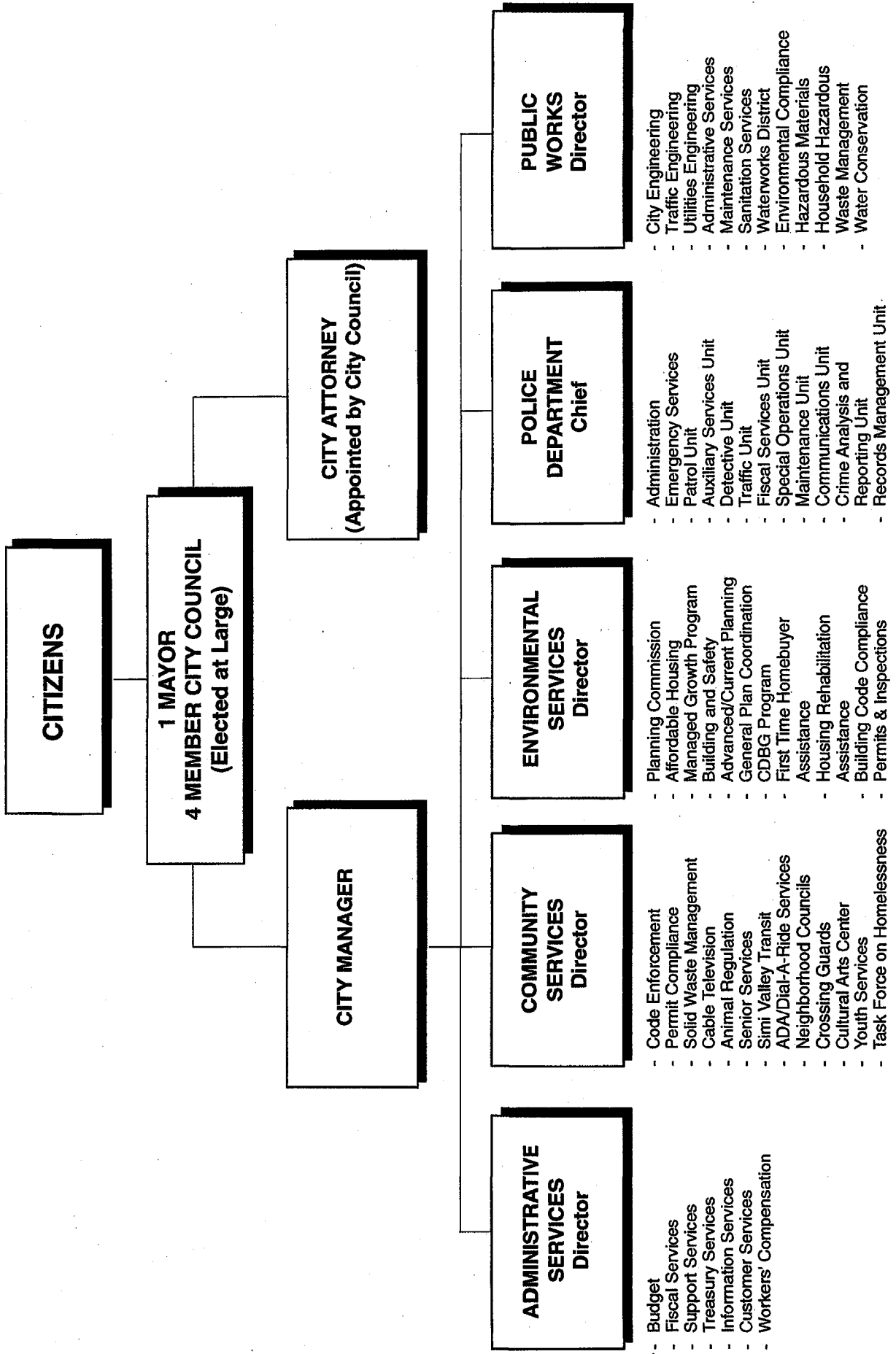
Members of the City Council

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

Administrative Staff

Eric Levitt. City Manager
Marjorie Baxter City Attorney
Connie Henes-Baird Interim Director of Administrative Services
Mark Oyler. Acting Director of Community Services
Peter Lyons Director of Environmental Services
Ron Fuchiwaki Director of Public Works
Mitch McCann. Chief of Police

ORGANIZATION of the City of SIMI VALLEY





Government Finance Officers Association

**Certificate of
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**City of Simi Valley
California**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2012

Executive Director/CEO

FINANCIAL SECTION

Independent Auditors' Report



INDEPENDENT AUDITORS' REPORT

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

Report on Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Simi Valley, California, (the City) as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Simi Valley, California, as of June 30, 2013, and, the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund, the Successor to the Community Development Agency Housing Administration Fund, and the Development Related Fees Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.



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

Change in Accounting Principle

As discussed in Part I, Note D to the financial statements, in 2013 the City adopted new accounting guidance, GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 16, 2013 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City's internal control over financial reporting and compliance.

Brea, California
December 16, 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, 2013. 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 \$456,911,766. Of this amount, \$76,811,739 (*unrestricted net position*) may be used to meet the government's ongoing obligations to citizens and creditors.
- The City's total net position decreased by \$15,233,658. This amount was comprised of a \$4.0 million decrease in net investment in capital assets, a \$7.2 million decrease in the restricted net position category, and a \$4.0 million decrease in unrestricted net position.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$80,432,373, a decrease of \$5,767,352 in comparison with the prior year. Of the ending fund balance, approximately 27.7% or \$22,246,241 is Non-spendable in form; 36.0% or \$28,983,870 is Restricted for housing projects, public improvements, debt service and special programs; 16.8% or \$13,509,513 is Committed to street projects, retiree benefits, equipment replacement, and economic recovery; 5.4%, or \$4,327,900 is Assigned to capital projects; and 14.1%, or \$11,364,849 is Unassigned.
- At the end of the current fiscal year, the Unassigned fund balance for the General fund of \$11,406,896 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 increased by \$5.1 million during the current fiscal year. This is comprised of a \$3.8 million increase in accounts payable, and a \$1.4 million decrease in bonded indebtedness from scheduled debt service payments, off-set by a \$2.7 million increase in claims, legal and other post-employment benefits obligations, and compensated absences.

Overview of the Financial Statements

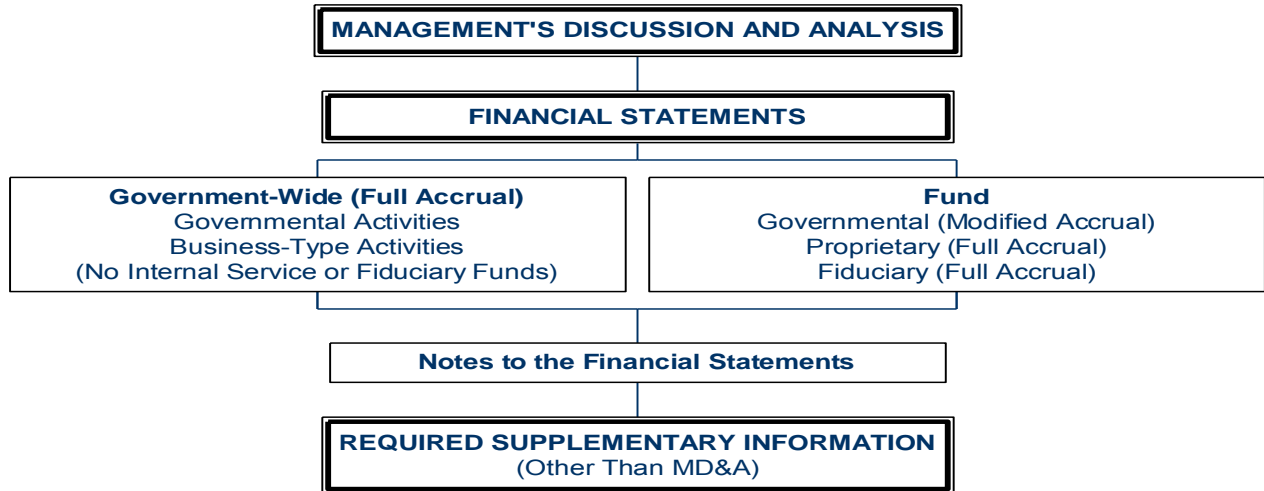
This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The basic financial statements include three components:

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

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

The government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*) 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 16 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 Development Related Fees fund, the Streets and Roads fund and the Public Facility Improvements fund. Data from the other 16 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* in the *Supplementary Information* section of this report.

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

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. The City holds these funds in a custodial capacity. Fiduciary funds are not reflected in the government-wide financial statements because

CITY OF SIMI VALLEY • MANAGEMENT DISCUSSION AND ANALYSIS

the resources of these funds are not available to support the City's programs. A combining statement of changes in net position of fiduciary funds is provided in the *Supplementary Information* section of this report.

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

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

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

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 position may serve over time as a useful indicator of a government's financial position. In the case of the City of Simi Valley, assets exceeded liabilities by \$456,911,766 at the close of the most recent fiscal year.

A significant portion of the City's net position (68%) reflects its net investment in capital assets (land, buildings, infrastructure, machinery and equipment), less any related debt used to acquire those assets that is still outstanding. The City uses these assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investments in capital assets are reported net of related debt, the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's net position (15%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (17%) may be used to meet the City's ongoing obligations to citizens and creditors.

City of Simi Valley's Net Position

	Governmental		Business-Type		Total	
	<u>Activities</u>		<u>Activities</u>			
	<u>FY 2012-13</u>	<u>FY 2011-12</u>	<u>FY 2012-13</u>	<u>FY 2011-12</u>	<u>FY 2012-13</u>	<u>FY 2011-12</u>
Current and other assets	\$126,489,658	\$130,519,107	\$57,279,297	\$58,020,886	\$183,768,955	\$188,539,993
Capital assets	207,957,769	211,944,601	129,933,391	131,301,986	337,891,160	343,246,587
Total assets	<u>334,447,427</u>	<u>342,463,708</u>	<u>187,212,688</u>	<u>189,322,872</u>	<u>521,660,115</u>	<u>531,786,580</u>
Long-term liabilities						
outstanding	41,659,881	40,977,213	900,960	861,514	42,560,841	41,838,727
Other liabilities	14,336,746	10,462,596	7,850,762	7,339,833	22,187,508	17,802,429
Total liabilities	<u>55,996,627</u>	<u>51,439,809</u>	<u>8,751,722</u>	<u>8,201,347</u>	<u>64,748,349</u>	<u>59,641,156</u>
Net position:						
Net investment in capital						
assets	182,759,929	185,373,875	129,933,391	131,301,986	312,693,320	316,675,861
Restricted	61,520,939	68,151,365	5,886,068	6,472,751	67,407,007	74,624,116
Unrestricted	34,169,932	37,498,659	42,641,507	43,346,788	76,811,439	80,845,447
Total net position	<u>\$278,450,800</u>	<u>\$291,023,899</u>	<u>\$178,460,966</u>	<u>\$181,121,525</u>	<u>\$456,911,766</u>	<u>\$472,145,424</u>

At the end of the current fiscal year, the City is able to report positive balances in all three categories of net position 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 Position

	Governmental		Business-Type		Total	
	Activities		Activities			
	FY 2012-13	FY 2011-12	FY 2012-13	FY 2011-12	FY 2012-13	FY 2011-12
Revenues:						
Program Revenues:						
Charges for services	\$ 5,475,158	\$ 5,518,464	\$ 50,445,328	\$ 48,400,278	\$ 55,920,486	\$ 53,918,742
Operating grants and contributions	8,946,791	9,208,075	2,376,527	2,656,313	11,323,318	11,864,388
Capital grants and contributions	4,959,909	1,799,184	1,172,661	1,832,677	6,132,570	3,631,861
General Revenues:						
Property taxes & tax increment	24,823,215	32,724,313			24,823,215	32,724,313
Other taxes	23,821,216	23,010,303			23,821,216	23,010,303
Interest on investments	228,258	1,041,686	345,334	697,813	573,592	1,739,499
Contributions from other governments	457,220	1,280,200			457,220	1,280,200
Other	-	-	116,183	93,813	116,183	93,813
Total revenues	68,711,767	74,582,225	54,456,033	53,680,894	123,167,800	128,263,119
Expenses:						
General government	25,559,674	22,046,984	-	-	25,559,674	22,046,984
Community services	4,441,851	4,385,668	-	-	4,441,851	4,385,668
Planning	5,766,990	7,054,087	-	-	5,766,990	7,054,087
Public ways and facilities	16,807,678	16,061,626	-	-	16,807,678	16,061,626
Public safety	31,460,391	33,242,551	-	-	31,460,391	33,242,551
Interest on long-term debt	1,206,096	2,044,426	-	-	1,206,096	2,044,426
Indirect expense allocation	(6,292,700)	(5,714,200)	6,292,700	5,714,200	-	-
Sanitation	-	-	12,264,964	11,726,820	12,264,964	11,726,820
Water	-	-	35,411,408	31,870,655	35,411,408	31,870,655
Transit	-	-	4,992,469	4,975,268	4,992,469	4,975,268
Total expenses	78,949,980	79,121,142	58,961,541	54,286,943	137,911,521	133,408,085
Change in net position before transfers	(10,238,213)	(4,538,917)	(4,505,508)	(606,049)	(14,743,721)	(5,144,966)
Extraordinary Gain / Loss - CDA	-	16,832,057			-	16,832,057
Transfers	(1,844,949)	(2,143,949)	1,844,949	2,143,949	-	-
Change in Net Position	(12,083,162)	10,149,191	(2,660,559)	1,537,900	(14,743,721)	11,687,091
Net position - beginning of the year,	291,023,899	281,651,442	181,121,525	179,583,625	472,145,424	461,235,067
Prior period adjustment (note IV F)	(489,937)	(776,734)			(489,937)	(776,734)
Net Position - ending	\$278,450,800	\$291,023,899	\$178,460,966	\$181,121,525	\$456,911,766	\$472,145,424

During the current fiscal year, City-wide revenues decreased by \$5.1 million, and expenses increased by \$4.5 million as compared to the prior year. Property tax revenue increased by \$1.4 million, charges for services increased by \$2.0 million, capital grants and contributions increased by \$2.5 million, and revenue increased for sales, franchise and business taxes by \$0.8 million. Operating grants and contributions revenue decreased by \$0.5 million. Other decreases included investment earnings by \$1.2 million and contributions from other governments by \$0.8 million. Tax increment revenue decreased by \$9.3 million, which is directly attributable to redevelopment dissolution. This source of revenue ended effective January 31, 2012. Overall, net position decreased by \$15,233,658 from the previous year. The two-year comparison of net position presented above, is skewed because of an extraordinary gain of \$16.8 million which was recognized in FY 2011-12, as a result of redevelopment dissolution.

CITY OF SIMI VALLEY • MANAGEMENT DISCUSSION AND ANALYSIS

Governmental Activities. Governmental activities decreased the City's net position by \$12,083,162, accounting for 82.0% of the total reduction in the net position of the City, as compared to an increase of \$10.1 million in the prior year. The extraordinary gain previously referenced was included in the FY 2011-12 governmental activities financial statements.

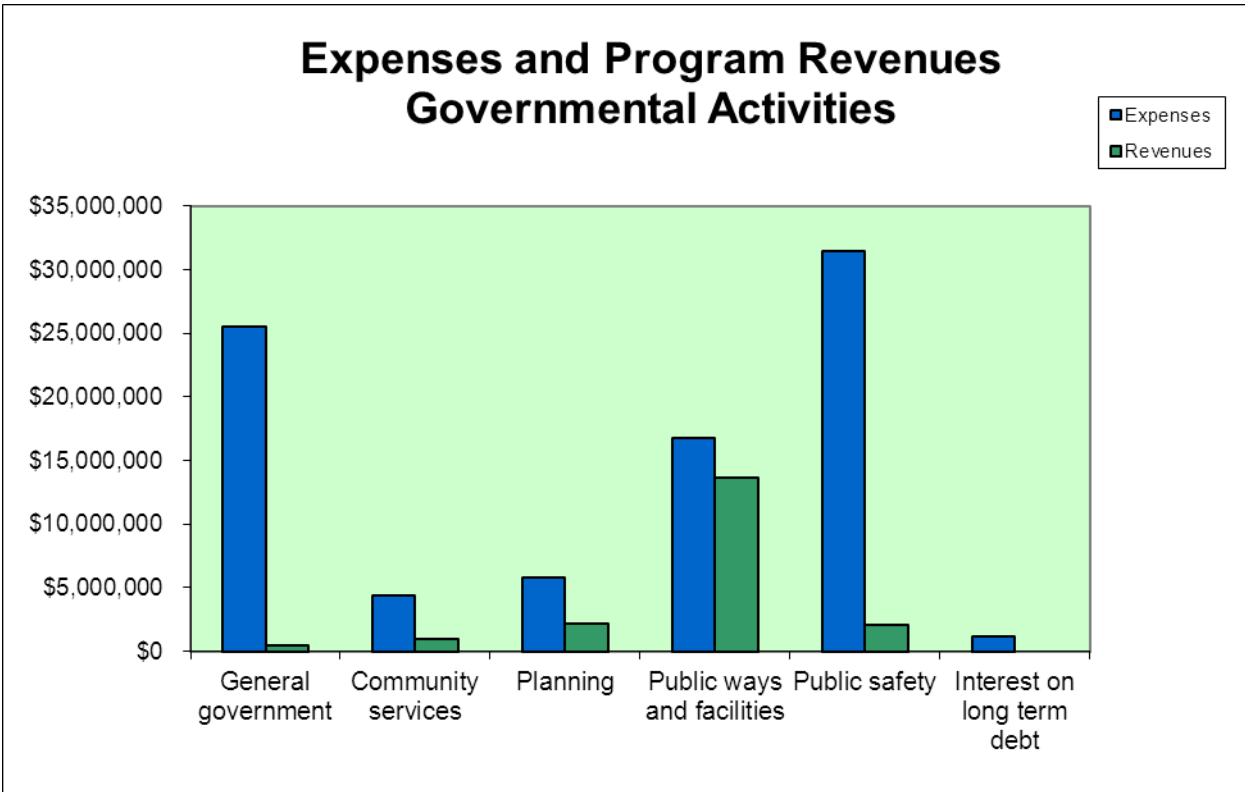
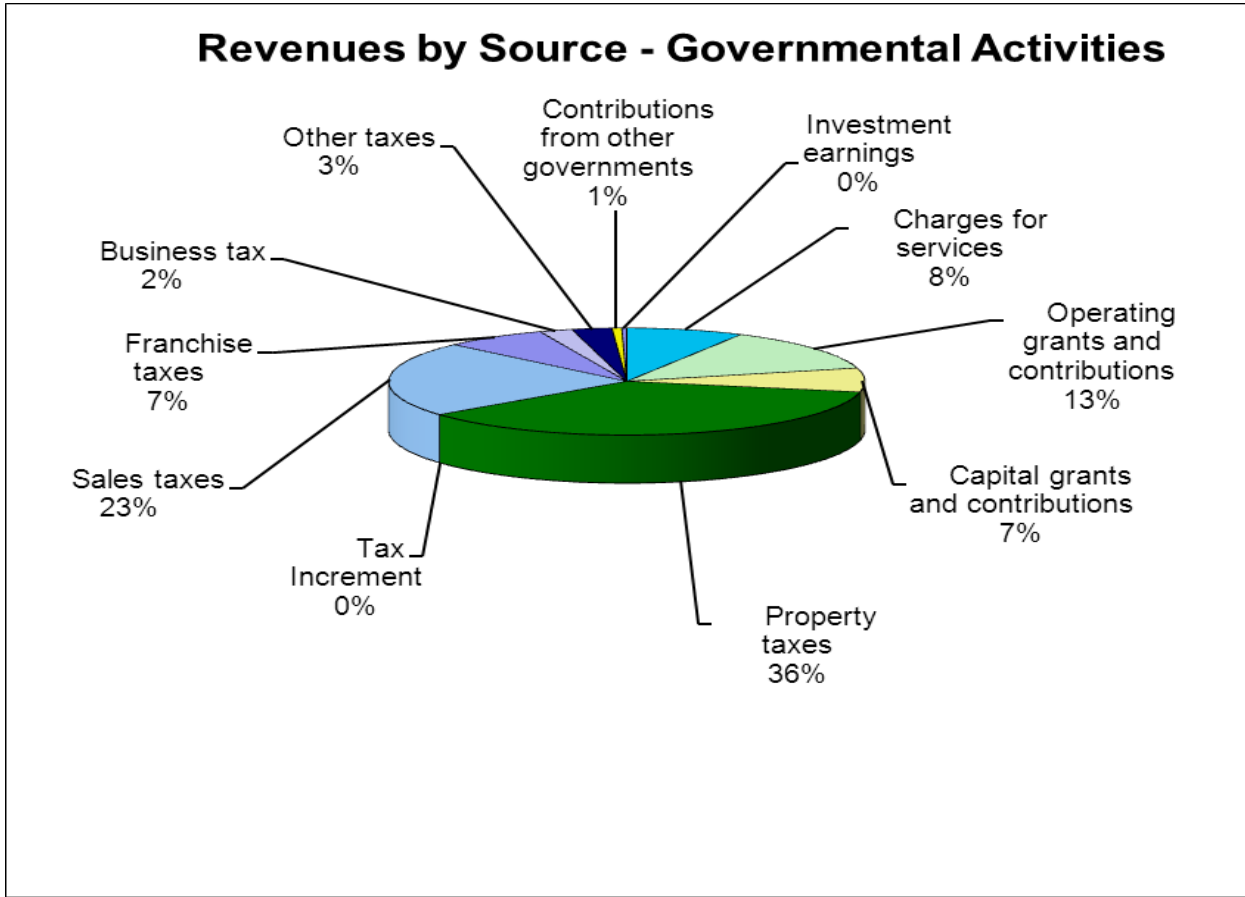
Property taxes posted a favorable increase of 5.8% (\$1.4 million), and revenue for sales, franchise, business and other taxes increased by 3.5% (\$0.8 million). Capital grants and contributions increased by 175.7% (\$3.1 million). The bulk of this increase is associated with federal transportation grant funding received for streets and roads projects. These increases are reflective of measured but steady economic recovery. Service charges showed a negligible decrease, and operating grants and contributions decreased by 2.84% (\$0.3 million). Interest on investments decreased by 78.1% (\$0.8 million) due to continuing decline in yield from the securities in which the City invests. Governmental funds also reflect a 64.3% (\$0.8 million) decrease in contributions from other governments - the Successor Agency fiduciary fund. For governmental activities, the largest change in revenue over the last fiscal year was a 100% (\$9.2 million) decrease in tax increment revenue. This revenue stream for governmental funds was eliminated effective January 31, 2012 due to dissolution of redevelopment in the State of California.

Expenses in the functional areas ranged from a decrease of 18.3% to an increase of 15.9% in comparison with the previous fiscal year.

Planning expenses decreased by the greatest percentage, 18.3% (\$1.3 million). This change is mainly attributable to decreases in salaries, a reduction in expenses related to housing loan activity and nominal decreases in materials, supplies and services.

Public safety expenses decreased by 5.3% (\$1.8 million). \$0.2 million of this amount is a net decrease in salaries and benefits due to salary reimbursements received; \$0.3 is attributable to reductions in compensated absences and post-employment benefits. In addition, \$1.3 million is attributable to the Police Department's share of the Internal Service funds' losses, which decreased from the prior fiscal year from \$3.5 million to \$2.5 million.

General government expenses increased by the greatest percentage, 15.9% (\$3.5 million). Increases are attributable to City Hall expansion costs of \$1.5 million, \$0.5 million of computer expense increases in the computer replacement fund, and the effect of dissolution of the former lighting maintenance district and related net reimbursements of \$2.5 million for economic recovery. In addition, general government expenses decreased by \$1.0 million because, effective FY 2012-13, redevelopment successor agency expenses are reported in the with the private-purpose trust (fiduciary) fund.



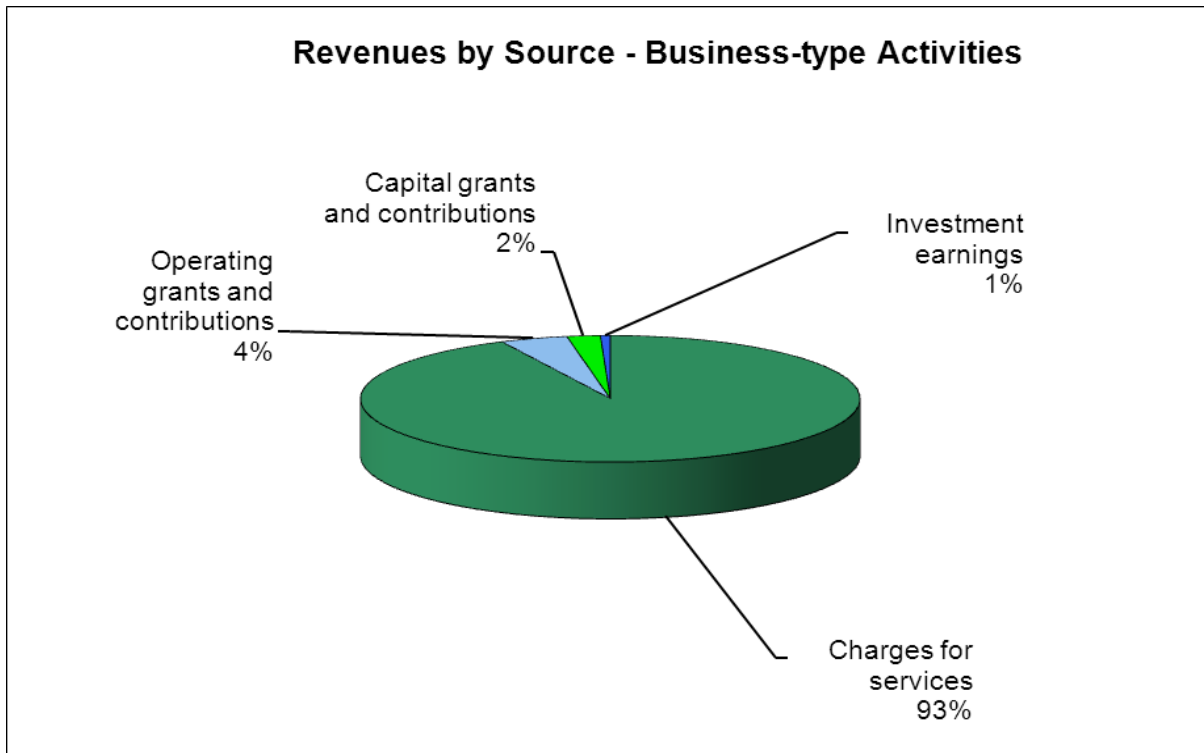
CITY OF SIMI VALLEY • MANAGEMENT DISCUSSION AND ANALYSIS

Business-type Activities. Business-type activities decreased the City's net position by \$2,660,559, accounting for 18.0% of the total reduction in the net position of the City, as compared to a \$1.5 million increase in the prior year. Key elements for the changes in net position during the fiscal year are as follows:

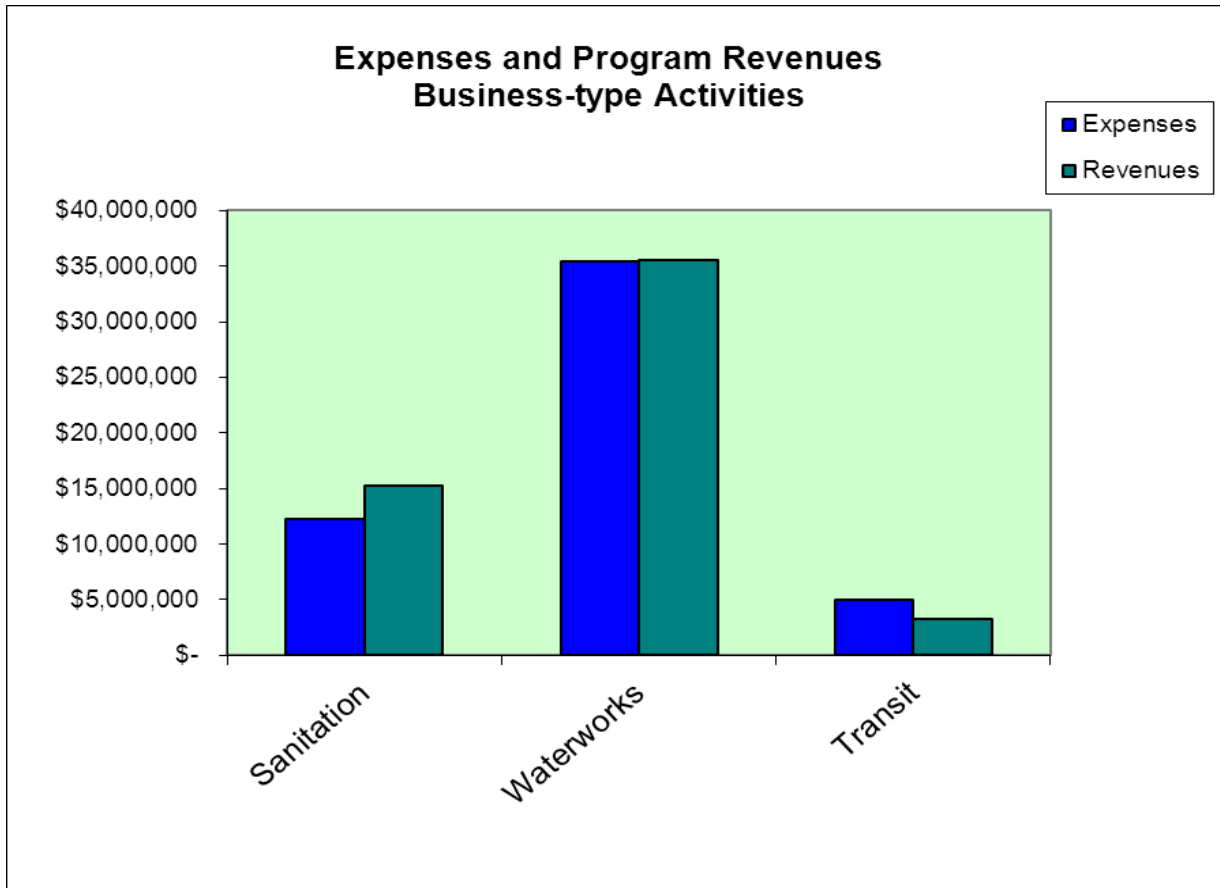
As compared to the prior fiscal year, overall revenue increased by \$0.8 million. Charges for services revenue increased by 4.2% (\$2.0 million). These increases were offset by a decrease in operating grants and contributions of 10.5% (\$0.3 million) over the prior year and a decrease in capital grants and contributions of 36.0% (\$0.6 million). In addition, business-type activities experienced a 50.1% (\$0.3 million) decrease in interest on investments. The yield on securities in which the City invests remains at low levels due to the sluggish economy.

Overall expenses increased by 8.6% (\$4.7 million) as compared to the prior fiscal year, with most of the increases occurring in the water enterprise fund, primarily due to continual increases in the cost for water purchases. The cost for water purchases increased 12.2% (\$2.9 million). Salaries and benefits increased in sanitation by 7.2% (\$0.4 million) and by 6.4% (\$0.3 million) in water. The combined general administration costs for all three enterprise funds increased by 8.4% (\$0.5 million), which represents reimbursements to the General Fund for shared overhead costs. The balance of expense increases is attributable to materials, supplies and services totaling \$0.6 million.

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



CITY OF SIMI VALLEY • MANAGEMENT DISCUSSION AND ANALYSIS



Financial Analysis of the Government's Funds

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

Governmental Funds. The focus of the City's *governmental* funds is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is necessary in assessing the City's financing requirements. 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 \$80,432,373, a decrease of just over \$5.7 million when compared to the prior year. Of this total amount, 27.7% (\$22.2 million) is *Non-spendable* in form, comprised of long-term receivables. Of the ending governmental fund balances, 36.0% (\$29.0 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, 16.8% (\$13.5 million) is *Committed* to street programs, retiree benefits, equipment replacement programs, and economic recovery; and 5.4% (\$4.3 million) is *Assigned* to capital projects such as public facility improvements and a police training facility. The 14.1% remaining in governmental fund balances is *Unassigned*. Of this amount, under \$.01 million is attributable to negative fund balance in two special revenue funds, and \$11.4 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 \$5.7 million during the current fiscal year. The largest portion of this amount is attributable to the July 1, 2012, dissolution of the Lighting Maintenance District (special revenue fund) and associated \$9.7 million transfer of fund balance to the General fund. Offsetting this transfer, expenditures exceeded revenues in the General fund by \$3.9 million.

The net change in the fund balance of the Successor Housing Agency (SHA) to Community Development Housing Administration fund was a decrease of \$307,457. During the fiscal year, housing activity revenues exceeded expenditures by just under \$0.3 million. As compared to the FY 2011-12, overall revenues increased by \$1.2 million, and overall expenditures decreased by \$0.5 million.

The fund balance of the Development Related Fees fund decreased by \$2,559,472. During the fiscal year, revenues exceeded expenditures by \$0.2 million. However, fund balance was reduced by net transfers out of \$2.7 million used largely for public facility improvements and debt service. Other than two known residential developments now moving forward, 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 \$1,121,263. Budgeted projects in this fund are pre-funded with transfers from various funds. In addition, a significant portion of street expenditures is reimbursed by Federal grants. During this

CITY OF SIMI VALLEY • MANAGEMENT DISCUSSION AND ANALYSIS

fiscal year, expenditures for street projects totaled \$5.3 million, but associated grant funding was only \$4.0 million.

The Public Facility Improvements fund balance increased by \$360,990 over the prior fiscal year. Transfers of \$3.0 million from the Development Related fees fund served to support capital project expenditures (city hall expansion) of \$2.7 million.

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

Unrestricted net position of the Sanitation, Waterworks and Transit funds were \$19,955,540, \$22,285,450, and \$483,130, respectively. The growth in total net position for the Sanitation fund was \$34,043. The Waterworks and Transit funds showed reductions in net position of \$1,860,436 and, \$277,458 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 \$58.8 million was \$1.0 million lower than the original expenditure budget of \$59.8 million and can be briefly summarized as follows:

- \$1.5 million in salary and benefit reductions. To address a structural deficit resulting from redevelopment dissolution, formerly budgeted (some vacant and some filled) positions were authorized to be deleted. Positions were reduced across all City departments.
- \$0.3 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.
- \$0.2 million in increased funding for various program areas including: an efficiency study of sanitation and waterworks staffing levels and operational costs; professional services related to Simi Valley Library improvements, radio and communications improvements, and software upgrades.

Actual expenditures of \$57.0 million were \$1.8 million less than the General fund final amended expenditure budget of \$58.8 million. The significant variances are summarized as follows:

- \$1.8 million of expenditure savings were achieved in the Current Expenses category (\$1.0 million in the Services category and \$0.8 million in the Supplies and Materials category).

CITY OF SIMI VALLEY • MANAGEMENT DISCUSSION AND ANALYSIS

Actual revenues were \$1.0 million less than the final budgeted amount of \$54.0 million, an overall difference of 1.7%. Revenue from sales tax, business taxes, licenses and permits, other governments, and grants exceeded expected collection amounts. Collections from property taxes, franchise taxes, service charges, fines and forfeitures and interest earnings were less than expected.

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, 2013, amounts to \$337,891,160 (net of accumulated depreciation). This is a decrease of \$5,355,427 as compared to the prior year.

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

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

- \$1.3 million in street projects were completed and \$5.9 million in street project expenses were incurred for projects in progress during the year.
- \$0.8 million in storm drains, roads, and sidewalks were donated by developers for projects completed and accepted by the City.
- \$4.1 million in sanitation infrastructure projects were completed and \$1.4 million in sanitation 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’s Capital Assets (net of depreciation)

	Governmental		Business-Type		Total	
	<u>Activities</u>		<u>Activities</u>			
	<u>FY 2012-13</u>	<u>FY 2011-12</u>	<u>FY 2012-13</u>	<u>FY 2011-12</u>	<u>FY 2012-13</u>	<u>FY 2011-12</u>
Land	\$ 10,888,683	\$ 10,888,683	\$ 1,216,994	\$ 1,216,994	\$ 12,105,677	\$ 12,105,677
Buildings	24,532,956	25,702,195	7,820,674	7,934,608	32,353,630	33,636,803
Furnishings and equipment	4,191,567	4,684,119	1,071,050	946,332	5,262,617	5,630,451
Computers	980,762	1,064,047	253,377	280,410	1,234,139	1,344,457
Vehicles	1,338,026	1,481,835	2,811,735	3,072,387	4,149,761	4,554,222
Infrastructure	155,150,148	161,674,320	100,794,924	99,020,409	255,945,072	260,694,729
Intangibles	2,745,881	2,947,034	-	-	2,745,881	2,947,034
Construction in progress	8,129,746	3,502,368	15,964,637	18,830,846	24,094,383	22,333,214
Total	\$ 207,957,769	\$ 211,944,601	\$ 129,933,391	\$ 131,301,986	\$ 337,891,160	\$ 343,246,587

CITY OF SIMI VALLEY • MANAGEMENT DISCUSSION AND ANALYSIS

Long-term debt. At the end of the current fiscal year, the City had total bonded debt outstanding of \$25,197,840. This entire amount represents bonds secured solely by specified revenue sources (i.e., revenue bonds).

City of Simi Valley's Outstanding Bonded Debt

	Governmental	
	Activities	
	<u>FY 2012-13</u>	<u>FY 2011-12</u>
1995 SVPFA variable rate lease revenue bonds	\$ 2,610,000	\$ 3,385,000
2004 certificates of participation	22,315,000	22,900,000
Add (less) deferred amounts	272,840	285,726
Total	<u>\$ 25,197,840</u>	<u>\$ 26,570,726</u>

On November 27, 2013, the City received notice that Standard & Poor's raised the ratings on the lease revenue bonds and certificates of participation from A+ to AA+. On October 1, 2013, the Simi Valley Public Financing Authority issued a call for full redemption of the 1995 lease revenue bonds. 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 and note IV G.

Economic Factors and Next Year's Budgets and Rates

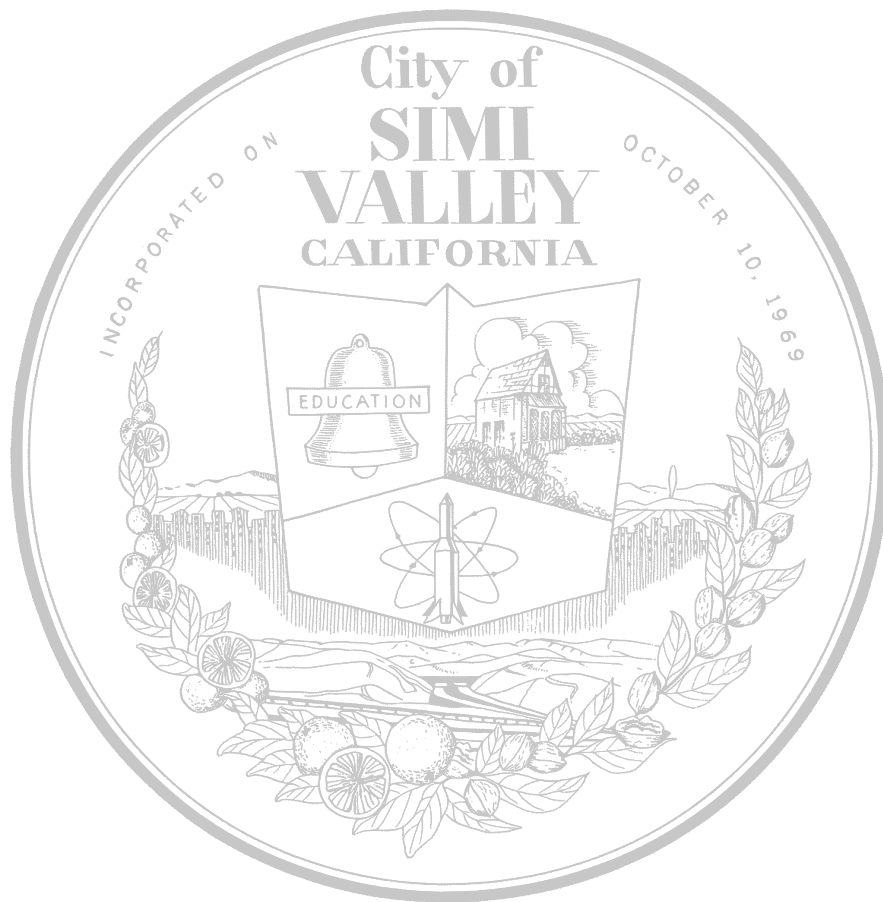
- In June, 2012, the City Council adopted the FY 2012-13 annual budget, which reflected a structural deficit. As a budget balancing measure, the Council appropriated \$2.9 million from the Economic Recovery Trust Fund (the dissolved Lighting Maintenance fund) established for this purpose. In September, 2012, the Council approved various General Fund budget reductions, mainly in personnel costs, to close the budget gap. 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 slowly recover in the near future.
- Property tax revenue showed an increase in FY 2012-13 of 5.8%, ending the previous years of decline. This is an indication that the housing and commercial property market is slowly continuing to recover.

CITY OF SIMI VALLEY • MANAGEMENT DISCUSSION AND ANALYSIS

- Sales and Use tax receipts increased in FY 2012-13 by 4.0% and are expected to again steadily increase during FY 2013-14. The City's unemployment rate is currently at 6.1%, which is a 1.5% improvement over the prior year.
- General Fund revenues are projected to show total growth of \$1.7 million (2.8%) in FY 2013-14. This is primarily due to a projected increase of \$781,800 (4.9%) in sales and use tax, projected increases in Planning and Public Works development service charges of \$128,300 (12.8%), and \$703,000 (9.3%) in additional Local Housing Fund, Gas Tax, and Article 8 transportation funding.

Requests for Information

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



Basic Financial Statements

Government-Wide Financial Statements



CITY OF SIMI VALLEY
STATEMENT OF NET POSITION
JUNE 30, 2013

	Governmental Activities	Business-Type Activities	Total
<u>ASSETS</u>			
Current assets:			
Cash and investments (note III A)	\$ 72,278,093	\$ 40,765,234	\$ 113,043,327
Accounts receivable (net of allowance for uncollectibles) (note III C)	3,607,902	7,613,247	11,221,149
Prepaid assets	78,566	-	78,566
Taxes receivable	4,927,015	201,046	5,128,061
Grants receivable	432,161	2,978,187	3,410,348
Interest receivable	120,506	76,116	196,622
Due from other governments	256,896	-	256,896
Internal balances (note I D 2)	2,577,326	(2,577,326)	-
Inventories	-	1,423,057	1,423,057
Property held for resale	612,103	-	612,103
Restricted cash and investments (note III A):			
Customer deposits	-	909,634	909,634
Debt service	2,629,203	-	2,629,203
Connection fees	-	5,890,102	5,890,102
Total current assets	<u>87,519,771</u>	<u>57,279,297</u>	<u>144,799,068</u>
Noncurrent assets:			
Loans receivable (note III B)	25,121,697	-	25,121,697
Loans receivable - Successor Agency (note III B)	13,848,190	-	13,848,190
Capital assets (note III D):			
Capital assets not being depreciated	19,018,429	17,181,631	36,200,060
Capital assets being depreciated, net	188,939,340	112,751,760	301,691,100
Total noncurrent assets	<u>246,927,656</u>	<u>129,933,391</u>	<u>376,861,047</u>
Total assets	<u>334,447,427</u>	<u>187,212,688</u>	<u>521,660,115</u>
<u>LIABILITIES</u>			
Current liabilities:			
Accounts payable	5,039,259	3,868,253	8,907,512
Salaries and benefits payable	2,994,399	480,076	3,474,475
Accrued interest payable	400,625	-	400,625
Deposits	278,418	-	278,418
Liabilities payable from restricted assets	-	913,668	913,668
Unearned revenues	-	2,488,659	2,488,659
Current portion of long-term obligations	5,624,045	100,106	5,724,151
Total current liabilities	<u>14,336,746</u>	<u>7,850,762</u>	<u>22,187,508</u>
Noncurrent liabilities (note III G):			
Noncurrent portion of long-term obligations	41,659,881	900,960	42,560,841
Total liabilities	<u>55,996,627</u>	<u>8,751,722</u>	<u>64,748,349</u>
<u>NET POSITION</u>			
Net investment in capital assets	182,759,929	129,933,391	312,693,320
Restricted for:			
Capital projects	24,306,473	-	24,306,473
Debt service	2,637,044	-	2,637,044
Community development	32,208,851	-	32,208,851
Other purposes	2,368,571	-	2,368,571
Sewer connection fees and water capital improvement charges	-	5,886,068	5,886,068
Unrestricted	34,169,932	42,641,507	76,811,439
Total net position	<u>\$ 278,450,800</u>	<u>\$ 178,460,966</u>	<u>\$ 456,911,766</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, 2013**

				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	\$ 25,559,674	\$ (6,472,950)	\$ 19,086,724	\$ 281,940	\$ 221,565
Community services (CS)	4,441,851	-	4,441,851	788,384	147,161
Planning (ES)	5,766,990	85,292	5,852,282	1,915,769	281,186
Public ways and facilities (PW)	16,807,678	94,958	16,902,636	1,651,506	7,094,581
Public safety (PD)	31,460,391	-	31,460,391	837,559	1,202,298
Interest on long term debt	1,206,096	-	1,206,096	-	-
Total governmental activities	85,242,680	(6,292,700)	78,949,980	5,475,158	8,946,791
Business-type activities:					
Sanitation	12,264,964	2,785,200	15,050,164	14,733,151	-
Waterworks District No. 8	35,411,408	2,130,600	37,542,008	35,285,062	2,205
Transit	4,992,469	1,376,900	6,369,369	427,115	2,374,322
Total business-type activities	52,668,841	6,292,700	58,961,541	50,445,328	2,376,527
Total primary government	\$ 137,911,521	\$ -	\$ 137,911,521	\$ 55,920,486	\$ 11,323,318

General revenues:

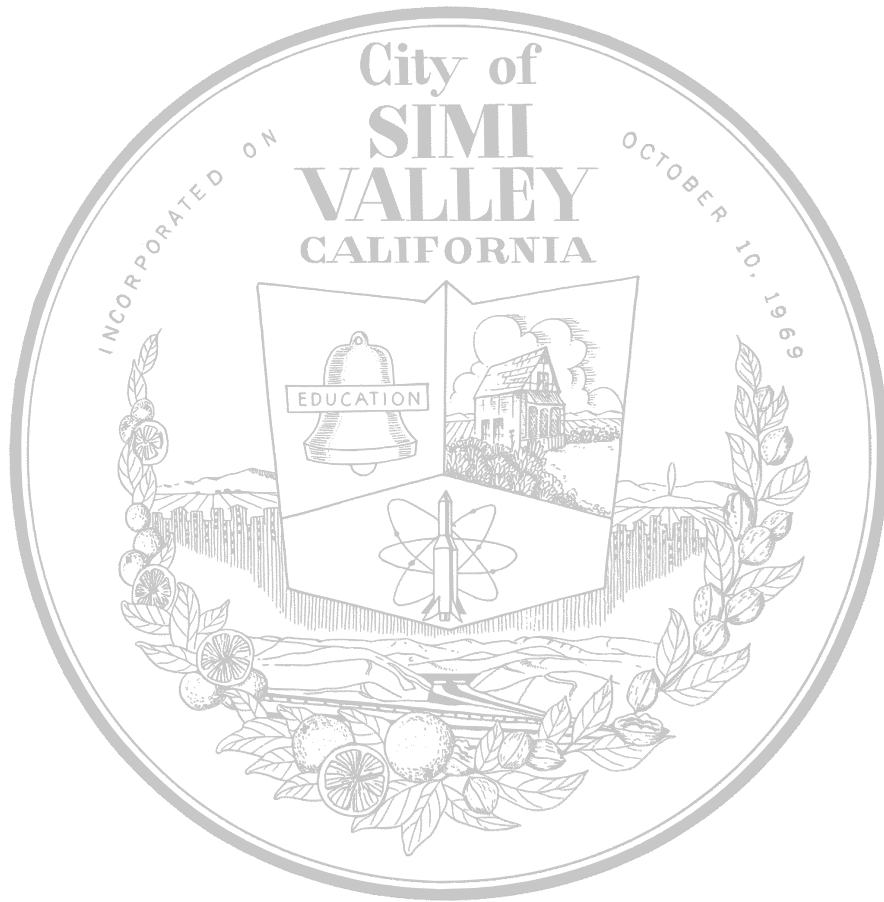
- Property taxes
- Sales taxes
- Franchise taxes
- Business tax
- Other taxes
- Contributions from other governments
- Investment earnings
- Miscellaneous
- Transfers
- Total general revenues, contributions and transfers
- Change in net position
- Net position-beginning
- Prior period adjustment (note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

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

**CITY OF SIMI VALLEY
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

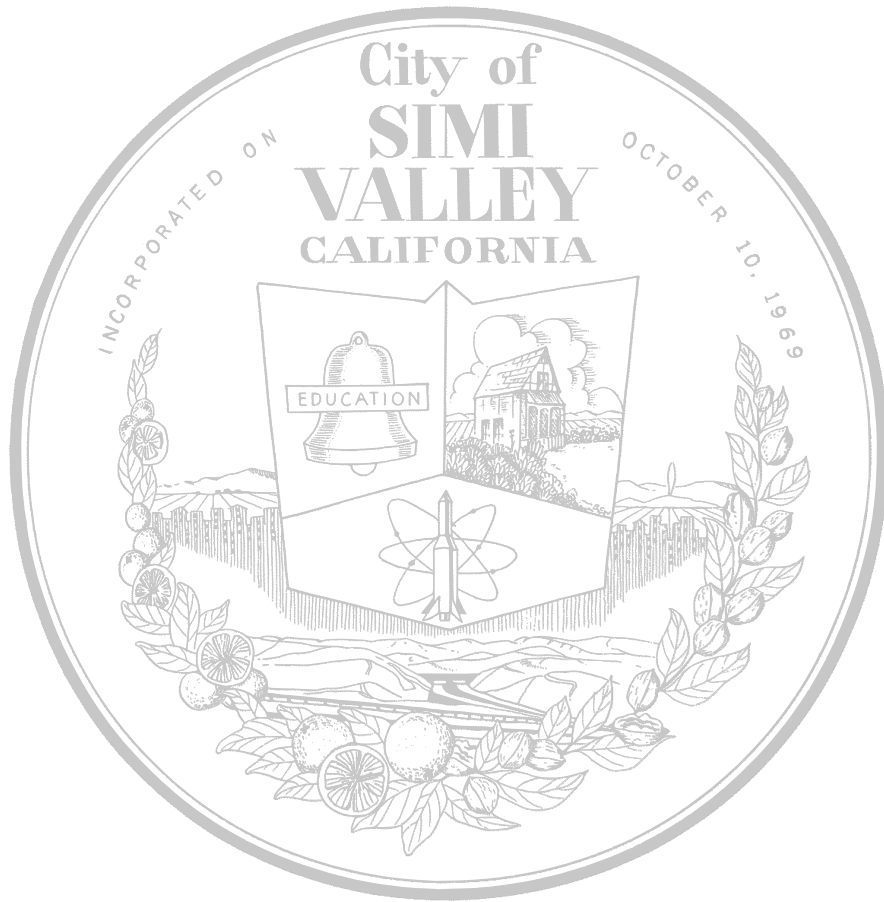
Program Revenues	Net (Expense) Revenue and Changes in Net Position			Total	
	Primary Government				
Capital Grants and Contributions	Governmental Activities	Business-type Activities			
\$ -	\$ (18,583,219)	\$ -	\$ (18,583,219)		Primary government:
-	(3,506,306)	-	(3,506,306)		Governmental activities:
-	(3,655,327)	-	(3,655,327)		General government
4,948,159	(3,208,390)	-	(3,208,390)		Community services (CS)
11,750	(29,408,784)	-	(29,408,784)		Planning (ES)
-	(1,206,096)	-	(1,206,096)		Public ways and facilities (PW)
					Public safety (PD)
					Interest on long term debt
<u>4,959,909</u>	<u>(59,568,122)</u>	<u>-</u>	<u>(59,568,122)</u>		Total governmental activities
474,921	-	157,908	157,908		Business-type activities:
285,891	-	(1,968,850)	(1,968,850)		Sanitation
411,849	-	(3,156,083)	(3,156,083)		Waterworks District No. 8
					Transit
<u>1,172,661</u>	<u>-</u>	<u>(4,967,025)</u>	<u>(4,967,025)</u>		Total business-type activities
<u>\$ 6,132,570</u>	<u>(59,568,122)</u>	<u>(4,967,025)</u>	<u>(64,535,147)</u>		Total primary government
	24,823,215	-	24,823,215		General revenues:
	15,617,678	-	15,617,678		Property taxes
	4,809,762	-	4,809,762		Sales taxes
	1,536,743	-	1,536,743		Franchise taxes
	1,857,033	-	1,857,033		Business tax
	457,220	-	457,220		Other taxes
	228,258	345,334	573,592		Contributions from other governments
	-	116,183	116,183		Investment earnings
	(1,844,949)	1,844,949	-		Miscellaneous
	<u>47,484,960</u>	<u>2,306,466</u>	<u>49,791,426</u>		Transfers
	<u>(12,083,162)</u>	<u>(2,660,559)</u>	<u>(14,743,721)</u>		Total general revenues, contributions and transfers
	291,023,899	181,121,525	472,145,424		Change in net position
	(489,937)	-	(489,937)		Net position-beginning
	290,533,962	181,121,525	471,655,487		Prior period adjustment (note IV F)
					Net position-beginning, as restated
<u>\$ 278,450,800</u>	<u>\$ 178,460,966</u>	<u>\$ 456,911,766</u>			Net position-ending

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



Fund Financial Statements





**CITY OF SIMI VALLEY
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2013**

	<u>Special Revenue</u>		
	<u>General</u>	<u>SHA to Community Development Agency Housing Administration</u>	<u>Development Related Fees</u>
<u>ASSETS</u>			
Cash and investments:			
Held by city	\$ 20,277,554	\$ 469,161	\$ 20,311,270
Held by bond trustee	-	-	-
Accounts receivable (net of allowance for uncollectibles) (note III C)	520,133	-	-
Taxes receivable	4,854,347	-	-
Grants receivable	27,908	-	-
Interest receivable	61,489	1,994	29,977
Due from other funds (note III F)	3,038,320	95,817	-
Loans receivable (note III B)	361,671	19,650,802	2,806,159
Loans receivable-Successor Agency (note III B)	13,848,190	-	-
Advances to other funds (note III F)	8,036,380	-	-
Property held for resale	-	612,103	-
TOTAL ASSETS	\$ 51,025,992	\$ 20,829,877	\$ 23,147,406
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
<u>LIABILITIES</u>			
Accounts payable	\$ 871,254	\$ 75,932	\$ 1,437
Salaries and benefits payable	2,962,739	17,529	-
Due to other funds (note III F)	-	-	-
Advances from other funds (note III F)	-	-	-
Deposits	248,337	30,081	-
TOTAL LIABILITIES	4,082,330	123,542	1,437
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Unavailable revenue-sales tax	1,436,388	-	-
Unavailable revenue-housing programs	-	19,650,802	2,806,159
Unavailable revenue-public safety	-	-	-
TOTAL DEFERRED INFLOWS OF RESOURCES	1,436,388	19,650,802	2,806,159
<u>FUND BALANCES (note III H)</u>			
Nonspendable			
Long-term receivables	22,246,241	-	-
Restricted			
Housing programs	-	1,055,533	3,539,275
Public improvements	-	-	15,931,044
Streets	-	-	869,491
Landscape	-	-	-
Debt service	-	-	-
Special programs	-	-	-
Law enforcement	-	-	-
Committed			
Streets	-	-	-
Retiree benefits	630,447	-	-
Special programs	185,195	-	-
Equipment	-	-	-
Economic recovery	6,839,684	-	-
Assigned			
Capital	4,198,811	-	-
Unassigned	11,406,896	-	-
TOTAL FUND BALANCES (DEFICITS)	45,507,274	1,055,533	20,339,810
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 51,025,992	\$ 20,829,877	\$ 23,147,406

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

**CITY OF SIMI VALLEY
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2013**

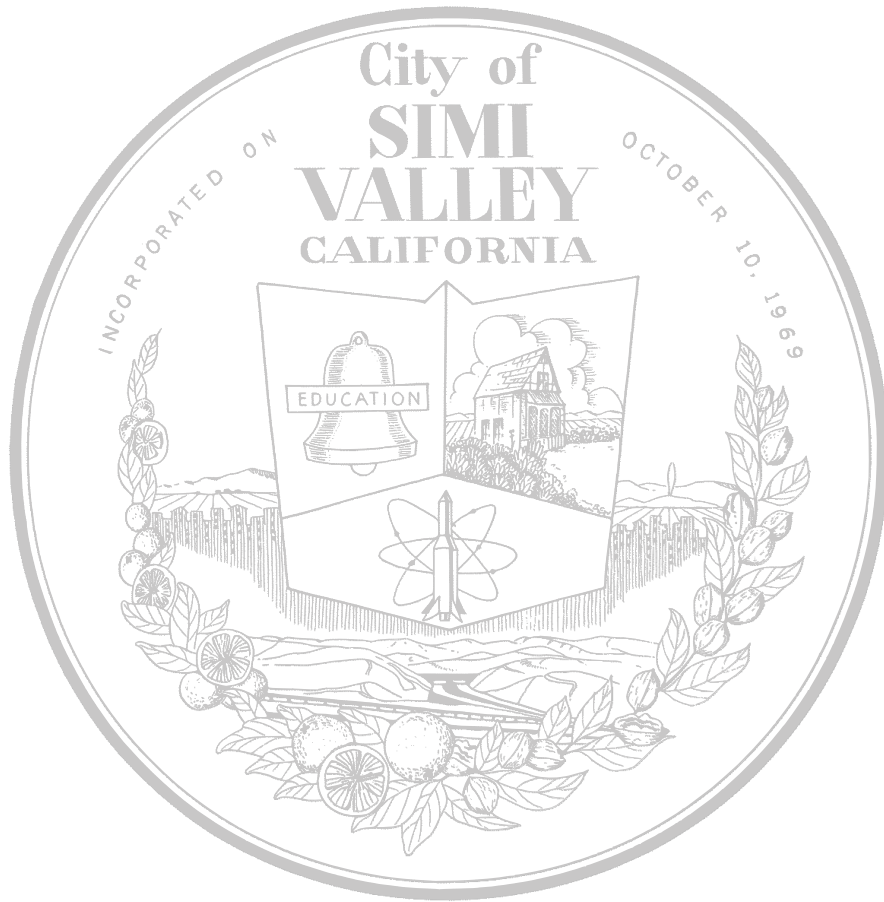
Capital Projects				
Streets & Roads	Public Facility Improvements	Nonmajor Governmental	Total Governmental Funds	
				<u>ASSETS</u>
				Cash and investments:
\$ 1,814,476	\$ 4,855,924	\$ 8,301,317	\$ 56,029,702	Held by city
-	-	2,629,203	2,629,203	Held by bond trustee
3,087,769	-	-	3,607,902	Accounts receivable (net of allowance for uncollectibles) (note III C)
-	-	72,668	4,927,015	Taxes receivable
-	-	404,253	432,161	Grants receivable
-	1,398	6,464	101,322	Interest receivable
-	-	-	3,134,137	Due from other funds (note III F)
-	-	2,303,065	25,121,697	Loans receivable (note III B)
-	-	-	13,848,190	Loans receivable-Successor Agency (note III B)
-	-	-	8,036,380	Advances to other funds (note III F)
-	-	-	612,103	Property held for resale
\$ 4,902,245	\$ 4,857,322	\$ 13,716,970	\$ 118,479,812	TOTAL ASSETS
				LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES
				<u>LIABILITIES</u>
\$ 2,906,096	\$ 645,534	\$ 354,278	\$ 4,854,531	Accounts payable
-	-	-	2,980,268	Salaries and benefits payable
-	-	382,528	382,528	Due to other funds (note III F)
-	3,348,380	-	3,348,380	Advances from other funds (note III F)
-	-	-	278,418	Deposits
2,906,096	3,993,914	736,806	11,844,125	TOTAL LIABILITIES
				<u>DEFERRED INFLOWS OF RESOURCES</u>
-	-	-	1,436,388	Unavailable revenue-sales tax
-	-	2,303,065	24,760,026	Unavailable revenue-housing programs
-	-	6,900	6,900	Unavailable revenue-public safety
-	-	2,309,965	26,203,314	TOTAL DEFERRED INFLOWS OF RESOURCES
				<u>FUND BALANCES (note III H)</u>
-	-	-	22,246,241	Nonspendable
-	-	-	-	Long-term receivables
-	-	1,450,790	6,045,598	Restricted
-	863,408	-	16,794,452	Housing programs
-	-	331	869,822	Public improvements
-	-	952,063	952,063	Streets
-	-	2,637,044	2,637,044	Landscape
-	-	792,788	792,788	Debt service
-	-	892,103	892,103	Special programs
-	-	-	-	Law enforcement
1,996,149	-	-	1,996,149	Committed
-	-	-	630,447	Streets
-	-	-	185,195	Retiree benefits
-	-	3,858,038	3,858,038	Special programs
-	-	-	6,839,684	Equipment
-	-	-	-	Economic recovery
-	-	129,089	4,327,900	Assigned
-	-	(42,047)	11,364,849	Capital
1,996,149	863,408	10,670,199	80,432,373	TOTAL FUND BALANCES (DEFICITS)
\$ 4,902,245	\$ 4,857,322	\$ 13,716,970	\$ 118,479,812	TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES 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 POSITION - GOVERNMENTAL ACTIVITIES
JUNE 30, 2013**

Fund balances - total governmental funds		\$ 80,432,373
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets in governmental activities are not financial resources and, therefore, are not reported in the governmental funds (note III D).		207,957,769
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 position.		356,369
Some liabilities are not due and payable in the current period and therefore are not reported in the funds:		
Accrued interest payable		(400,625)
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.		26,203,314
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	\$ (4,175,103)	
OPEB obligation	(6,725,457)	
1995 Lease revenue bonds	(2,610,000)	
2004 Certificates of participation	(22,315,000)	
Unamortized bond premium	(272,840)	(36,098,400)
	<u> </u>	<u> </u>
Net position of governmental activities		<u>\$ 278,450,800</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, 2013**

	General	Special Revenue	
		SHA to Community Development Agency Housing Administration	Development Related Fees
<u>REVENUES</u>			
Taxes	\$ 48,110,506	\$ -	\$ -
Licenses and permits	1,526,942	-	-
Fines and forfeitures	562,301	-	-
Use of money and property	139,322	120,855	142,168
From other governments	345,476	-	-
Grants	206,483	-	83,124
Service charges	959,801	15,156	91,117
Other revenues	1,217,499	161,350	-
Contributions from other governments	-	464,854	-
Total revenues	53,068,330	762,215	316,409
<u>EXPENDITURES</u>			
Current:			
General government	6,534,833	-	-
Community services (CS)	4,322,758	-	-
Planning (ES)	4,610,145	1,042,372	139,596
Public ways and facilities (PW)	12,930,564	-	-
Public safety (PD)	28,605,951	-	-
Total current expenditures	57,004,251	1,042,372	139,596
Capital outlay:			
Streets and roads	-	-	-
Other capital projects	-	-	-
Total capital outlay	-	-	-
Debt service:			
Principal	-	-	-
Interest	-	-	-
Other	-	-	-
Total debt service	-	-	-
Total expenditures	57,004,251	1,042,372	139,596
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(3,935,921)	(280,157)	176,813
<u>OTHER FINANCING SOURCES (USES)</u>			
Transfers in (note III F)	17,517,725	-	680,174
Transfers out (note III F)	(7,857,865)	(27,300)	(3,416,459)
Total other financing sources (uses)	9,659,860	(27,300)	(2,736,285)
NET CHANGE IN FUND BALANCES	5,723,939	(307,457)	(2,559,472)
FUND BALANCES (DEFICITS)-BEGINNING	39,783,335	1,362,990	22,899,282
FUND BALANCES (DEFICITS)-ENDING	\$ 45,507,274	\$ 1,055,533	\$ 20,339,810

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, 2013**

<u>Capital Projects</u>					
Streets & Roads	Public Facility Improvements	Nonmajor Governmental	Total Governmental Funds		
\$	-	-	\$ 295,031	\$ 48,405,537	REVENUES
-	-	-	-	1,526,942	Taxes
-	-	-	-	562,301	Licenses and permits
-	2,029	904,434	1,308,808	1,308,808	Fines and forfeitures
-	-	7,139,737	7,485,213	7,485,213	Use of money and property
4,014,179	-	1,905,530	6,209,316	6,209,316	From other governments
-	-	795,466	1,861,540	1,861,540	Grants
156,424	-	52,452	1,587,725	1,587,725	Service charges
-	-	-	464,854	464,854	Other revenues
4,170,603	2,029	11,092,650	69,412,236	69,412,236	Contributions from other governments
				69,412,236	Total revenues
					EXPENDITURES
					Current:
-	-	225,363	6,760,196	6,760,196	General government
-	-	43,471	4,366,229	4,366,229	Community services (CS)
-	-	870,291	6,662,404	6,662,404	Planning (ES)
-	-	1,627,697	14,558,261	14,558,261	Public ways and facilities (PW)
-	-	312,450	28,918,401	28,918,401	Public safety (PD)
-	-	3,079,272	61,265,491	61,265,491	Total current expenditures
					Capital outlay:
5,309,537	-	-	5,309,537	5,309,537	Streets and roads
-	2,716,998	1,440,255	4,157,253	4,157,253	Other capital projects
5,309,537	2,716,998	1,440,255	9,466,790	9,466,790	Total capital outlay
					Debt service:
-	-	1,360,000	1,360,000	1,360,000	Principal
-	-	1,242,425	1,242,425	1,242,425	Interest
-	-	7,933	7,933	7,933	Other
-	-	2,610,358	2,610,358	2,610,358	Total debt service
5,309,537	2,716,998	7,129,885	73,342,639	73,342,639	Total expenditures
(1,138,934)	(2,714,969)	3,962,765	(3,930,403)	(3,930,403)	EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES
					OTHER FINANCING SOURCES (USES)
1,006,016	3,075,959	5,297,800	27,577,674	27,577,674	Transfers in (note III F)
(988,345)	-	(17,124,654)	(29,414,623)	(29,414,623)	Transfers out (note III F)
17,671	3,075,959	(11,826,854)	(1,836,949)	(1,836,949)	Total other financing sources (uses)
(1,121,263)	360,990	(7,864,089)	(5,767,352)	(5,767,352)	NET CHANGE IN FUND BALANCES
3,117,412	502,418	18,534,288	86,199,725	86,199,725	FUND BALANCES (DEFICITS)-BEGINNING
\$ 1,996,149	\$ 863,408	\$ 10,670,199	\$ 80,432,373	\$ 80,432,373	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, 2013**

Net change in fund balances - total governmental funds \$ (5,767,352)

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	\$ 855,043	
Capital outlay	6,681,358	
Depreciation expense	<u>(11,523,233)</u>	(3,986,832)

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

Principal payments:		
Lease revenue bonds	775,000	
Certificates of participation	<u>585,000</u>	1,360,000

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	173,842	
Net debt service interest accrual	22,531	
Amortized premium on bonds	12,886	
Compensated absences (net)	474,125	
Unfunded OPEB liability	<u>(1,580,137)</u>	(896,753)

Loan receivable transactions offset by unavailable revenue are reported as revenue and expenditures in governmental funds, but they do not provide revenue or expenses in the statement of activities. (778,988)

Internal service funds are used by the City to account for liability and workers' compensation insurance. The net expense of these funds is reported with governmental activities. (2,013,237)

Change in net position of governmental activities \$ (12,083,162)

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

**CITY OF SIMI VALLEY
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

	<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	\$ 15,307,800	\$ 15,307,800	\$ 15,378,784	\$ 70,984
Property	25,144,400	25,144,400	24,823,215	(321,185)
Franchise	4,627,500	4,627,500	4,514,731	(112,769)
Business and other	3,297,500	3,297,500	3,393,776	96,276
Licenses and permits	1,370,600	1,370,600	1,526,942	156,342
From other governments	205,400	220,200	345,476	125,276
Grants	137,700	147,390	206,483	59,093
Service charges	1,127,400	1,127,400	959,801	(167,599)
Fines and forfeitures	620,300	620,300	562,301	(57,999)
Use of money and property	585,600	592,100	139,322	(452,778)
Other revenues	1,567,500	1,567,500	1,217,499	(350,001)
Total revenues	<u>53,991,700</u>	<u>54,022,690</u>	<u>53,068,330</u>	<u>(954,360)</u>
<u>EXPENDITURES</u>				
Current:				
City administration	3,430,900	3,399,700	3,077,608	322,092
Attorney	940,400	940,400	868,559	71,841
Administrative services and city-wide support (AS)*	3,704,500	3,814,100	2,588,666	1,225,434
Community services (CS)	4,675,500	4,568,190	4,322,758	245,432
Planning (ES)	4,804,200	4,487,300	4,610,145	(122,845)
Public ways and facilities (PW)	13,976,500	13,523,500	12,930,564	592,936
Public safety (PD)	28,268,300	28,114,200	28,605,951	(491,751)
Total expenditures	<u>59,800,300</u>	<u>58,847,390</u>	<u>57,004,251</u>	<u>1,843,139</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(5,808,600)</u>	<u>(4,824,700)</u>	<u>(3,935,921)</u>	<u>888,779</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers in	7,868,000	8,070,700	17,517,725	9,447,025
Transfers out	(8,252,000)	(8,252,000)	(7,857,865)	394,135
Total other financing sources (uses)	<u>(384,000)</u>	<u>(181,300)</u>	<u>9,659,860</u>	<u>9,841,160</u>
NET CHANGE IN FUND BALANCE	(6,192,600)	(5,006,000)	5,723,939	10,729,939
FUND BALANCES (DEFICITS)-BEGINNING	<u>39,783,335</u>	<u>39,783,335</u>	<u>39,783,335</u>	<u>-</u>
FUND BALANCES (DEFICITS)-ENDING	<u>\$ 33,590,735</u>	<u>\$ 34,777,335</u>	<u>\$ 45,507,274</u>	<u>\$ 10,729,939</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, 2013

	<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	\$ 155,000	\$ 155,000	\$ 120,855	\$ (34,145)
Service charges	20,000	20,000	15,156	(4,844)
Other revenues	1,310,000	1,310,000	161,350	(1,148,650)
Contributions from other governments	-	-	464,854	464,854
Total revenues	<u>1,485,000</u>	<u>1,485,000</u>	<u>762,215</u>	<u>(722,785)</u>
<u>EXPENDITURES</u>				
Current:				
Planning (ES):				
Personnel	621,700	621,700	613,243	8,457
Materials, supplies and services	13,712,900	13,761,900	429,129	13,332,771
Total expenditures	<u>14,334,600</u>	<u>14,383,600</u>	<u>1,042,372</u>	<u>13,341,228</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(12,849,600)</u>	<u>(12,898,600)</u>	<u>(280,157)</u>	<u>12,618,443</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers out	(27,300)	(27,300)	(27,300)	-
NET CHANGE IN FUND BALANCES	(12,876,900)	(12,925,900)	(307,457)	12,618,443
FUND BALANCES (DEFICITS)-BEGINNING	<u>1,362,990</u>	<u>1,362,990</u>	<u>1,362,990</u>	<u>-</u>
FUND BALANCES (DEFICITS)-ENDING	<u>\$ (11,513,910)</u>	<u>\$ (11,562,910)</u>	<u>\$ 1,055,533</u>	<u>\$ 12,618,443</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, 2013**

	<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	\$ 296,400	\$ 296,400	\$ 142,168	\$ (154,232)
Grants	106,800	106,800	83,124	(23,676)
Service charges	75,500	75,500	91,117	15,617
Total revenues	<u>478,700</u>	<u>478,700</u>	<u>316,409</u>	<u>(162,291)</u>
<u>EXPENDITURES</u>				
Current:				
Planning (ES):				
Housing programs	416,500	494,400	139,596	354,804
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES				
	<u>62,200</u>	<u>(15,700)</u>	<u>176,813</u>	<u>192,513</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers in	-	-	680,174	680,174
Transfers out	(4,454,300)	(4,454,300)	(3,416,459)	1,037,841
Total other financing sources (uses)	<u>(4,454,300)</u>	<u>(4,454,300)</u>	<u>(2,736,285)</u>	<u>1,718,015</u>
NET CHANGE IN FUND BALANCES	<u>(4,392,100)</u>	<u>(4,470,000)</u>	<u>(2,559,472)</u>	<u>1,910,528</u>
FUND BALANCES (DEFICITS)-BEGINNING	<u>22,899,282</u>	<u>22,899,282</u>	<u>22,899,282</u>	<u>-</u>
FUND BALANCES (DEFICITS)-ENDING	<u>\$ 18,507,182</u>	<u>\$ 18,429,282</u>	<u>\$ 20,339,810</u>	<u>\$ 1,910,528</u>

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

**CITY OF SIMI VALLEY
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2013**

	Business-type Activities - Enterprise Funds				Internal Service Funds
	Simi Valley Sanitation	Ventura County Waterworks District No. 8	Simi Valley Transit System	Total	
ASSETS					
Current assets:					
Cash and investments	\$ 19,614,193	\$ 18,662,382	\$ 2,488,659	\$ 40,765,234	\$ 16,248,391
Customer receivable	531,001	6,134,337	-	6,665,338	95
Other receivable	249,352	478,696	219,861	947,909	-
Taxes receivable	201,046	-	-	201,046	-
Grants receivable	-	-	2,978,187	2,978,187	-
Inventories	537,042	653,157	232,858	1,423,057	-
Interest receivable	36,030	40,086	-	76,116	19,089
Prepaid items	-	-	-	-	78,566
Restricted cash and investments:					
Customer deposits	-	909,634	-	909,634	-
Connection fees	3,979,437	1,910,665	-	5,890,102	-
Total current assets	<u>25,148,101</u>	<u>28,788,957</u>	<u>5,919,565</u>	<u>59,856,623</u>	<u>16,346,141</u>
Noncurrent assets:					
Capital assets (net of accumulated depreciation) (note III D):					
Land	765,660	451,334	-	1,216,994	-
Buildings and improvements	4,626,291	583,210	2,611,173	7,820,674	-
Furnishings and equipment	396,021	191,702	736,704	1,324,427	-
Vehicles	974,304	202,392	1,635,039	2,811,735	-
Distribution system	63,326,088	37,465,878	2,958	100,794,924	-
Construction-in-progress	5,350,237	9,352,635	1,261,765	15,964,637	-
Total noncurrent assets	<u>75,438,601</u>	<u>48,247,151</u>	<u>6,247,639</u>	<u>129,933,391</u>	<u>-</u>
TOTAL ASSETS	<u>100,586,702</u>	<u>77,036,108</u>	<u>12,167,204</u>	<u>189,790,014</u>	<u>16,346,141</u>
LIABILITIES					
Current liabilities:					
Accounts payable	516,918	3,199,947	151,388	3,868,253	184,728
Salaries and benefits payable	220,229	156,198	103,649	480,076	14,131
Compensated absences	47,598	32,706	19,802	100,106	5,005
Due to other funds (note III F)	-	-	2,494,713	2,494,713	-
Unearned revenue	-	-	2,488,659	2,488,659	-
Claims and legal services payable	-	-	-	-	3,771,530
Current liabilities payable from restricted assets:					
Water service prepayments	-	909,634	-	909,634	-
Accounts payable restricted	-	4,034	-	4,034	-
Total current liabilities	<u>784,745</u>	<u>4,302,519</u>	<u>5,258,211</u>	<u>10,345,475</u>	<u>3,975,394</u>
Noncurrent liabilities:					
Advances from other funds (note III F)	-	-	-	-	4,688,000
Compensated absences	428,379	294,357	178,224	900,960	45,044
Claims and legal services payable	-	-	-	-	7,363,947
Total noncurrent liabilities	<u>428,379</u>	<u>294,357</u>	<u>178,224</u>	<u>900,960</u>	<u>12,096,991</u>
TOTAL LIABILITIES	<u>1,213,124</u>	<u>4,596,876</u>	<u>5,436,435</u>	<u>11,246,435</u>	<u>16,072,385</u>
NET POSITION					
Invested in capital assets	75,438,601	48,247,151	6,247,639	129,933,391	-
Restricted for:					
Sewer connection fees and water capital improvement charges	3,979,437	1,906,631	-	5,886,068	-
Unrestricted	<u>19,955,540</u>	<u>22,285,450</u>	<u>483,130</u>	<u>42,724,120</u>	<u>273,756</u>
TOTAL NET POSITION	<u>\$ 99,373,578</u>	<u>\$ 72,439,232</u>	<u>\$ 6,730,769</u>	<u>178,543,579</u>	<u>\$ 273,756</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds					
Beginning adjustment to unrestricted net position				474,095	
Current adjustment to unrestricted net position				<u>(556,708)</u>	
Net position of business-type activities				<u>\$ 178,460,966</u>	

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

CITY OF SIMI VALLEY
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	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	\$ 14,733,151	\$ 35,285,062	\$ 427,115	\$ 50,445,328	\$ 4,373,100
<u>OPERATING EXPENSES</u>					
Salaries and benefits	6,291,530	4,283,171	3,068,683	13,643,384	359,080
Materials and supplies:					
Water purchases	-	26,421,992	-	26,421,992	-
Utilities	744,225	720,921	-	1,465,146	-
Chemicals	368,378	-	-	368,378	-
Other	85,529	747,375	428,991	1,261,895	193,736
Services:					
Maintenance projects	842,159	1,134,717	-	1,976,876	-
Other	1,351,860	883,831	556,761	2,792,452	-
Insurance	182,100	113,200	133,900	429,200	710,375
Claims and legal expenses	-	-	-	-	4,808,187
General administration	2,571,857	1,899,920	1,376,900	5,848,677	781,400
Depreciation	2,347,941	1,193,363	655,529	4,196,833	-
Total operating expenses	<u>14,785,579</u>	<u>37,398,490</u>	<u>6,220,764</u>	<u>58,404,833</u>	<u>6,852,778</u>
OPERATING INCOME (LOSS)	<u>(52,428)</u>	<u>(2,113,428)</u>	<u>(5,793,649)</u>	<u>(7,959,505)</u>	<u>(2,479,678)</u>
<u>NONOPERATING REVENUES AND EXPENSES</u>					
Grants	-	2,205	2,374,322	2,376,527	-
Interest	168,572	176,485	277	345,334	85,501
Fair value market adjustment	-	-	-	-	(167,768)
Other	(300,522)	30,111	386,594	116,183	-
Total nonoperating revenues (expenses)	<u>(131,950)</u>	<u>208,801</u>	<u>2,761,193</u>	<u>2,838,044</u>	<u>(82,267)</u>
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	<u>(184,378)</u>	<u>(1,904,627)</u>	<u>(3,032,456)</u>	<u>(5,121,461)</u>	<u>(2,561,945)</u>
<u>CONTRIBUTIONS AND TRANSFERS</u>					
Capital contributions	474,921	285,891	411,849	1,172,661	-
Transfers in (note III F)	-	-	2,343,149	2,343,149	-
Transfers out (note III F)	(256,500)	(241,700)	-	(498,200)	(8,000)
Total contributions and transfers	<u>218,421</u>	<u>44,191</u>	<u>2,754,998</u>	<u>3,017,610</u>	<u>(8,000)</u>
CHANGE IN NET POSITION	34,043	(1,860,436)	(277,458)	(2,103,851)	(2,569,945)
NET POSITION-BEGINNING	<u>99,339,535</u>	<u>74,299,668</u>	<u>7,008,227</u>		<u>2,843,701</u>
NET POSITION-ENDING	<u>\$ 99,373,578</u>	<u>\$ 72,439,232</u>	<u>\$ 6,730,769</u>		<u>\$ 273,756</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds					
Current adjustment				<u>(556,708)</u>	
Change in net position of business-type activities				<u>\$ (2,660,559)</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, 2013**

Business-type Activities - Enterprise Funds

	Simi Valley Sanitation	Ventura County Waterworks District No. 8	Simi Valley Transit System	Totals	Internal Service Funds
<u>CASH FLOWS FROM OPERATING ACTIVITIES:</u>					
Cash received from service charges and other revenues	\$ 14,810,818	\$ 34,324,080	\$ 664,031	\$ 49,798,929	\$ 4,373,100
Cash paid for salaries and benefits	(6,017,196)	(4,234,167)	(3,100,046)	(13,351,409)	(356,297)
Cash paid for supplies and materials	(1,144,664)	(27,667,422)	(467,232)	(29,279,318)	-
Cash paid for general administration	(2,785,200)	(2,130,600)	(1,376,900)	(6,292,700)	(781,400)
Cash paid for services and insurance	(2,376,118)	(1,901,068)	(664,945)	(4,942,131)	(273,160)
Cash paid for insurance premiums and claims	-	-	-	-	(3,828,004)
Net cash provided (used) by operating activities	<u>2,487,640</u>	<u>(1,609,177)</u>	<u>(4,945,092)</u>	<u>(4,066,629)</u>	<u>(865,761)</u>
<u>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</u>					
Cash paid for transfers to other funds	(256,500)	(241,700)	-	(498,200)	(8,000)
Cash received from grants and other governments	-	2,205	2,074,209	2,076,414	-
Cash received from interfund borrowing	-	-	1,526,666	1,526,666	-
Net cash provided (used) by noncapital financing activities	<u>(256,500)</u>	<u>(239,495)</u>	<u>3,600,875</u>	<u>3,104,880</u>	<u>(8,000)</u>
<u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</u>					
Sewer connection fees and water capital improvement charges	333,987	90,138	-	424,125	-
Contribution received from other governments	-	-	1,645,888	1,645,888	-
Acquisition of capital assets	(1,744,319)	(360,686)	(378,071)	(2,483,076)	-
Net cash provided (used) by capital and related financing activities	<u>(1,410,332)</u>	<u>(270,548)</u>	<u>1,267,817</u>	<u>(413,063)</u>	<u>-</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES:</u>					
Interest on investments	(124,043)	188,667	21,031	85,655	(71,832)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	696,766	(1,930,553)	(55,369)	(1,289,156)	(945,593)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	22,896,864	23,413,234	2,544,028	48,854,126	17,193,984
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 23,593,630</u>	<u>\$ 21,482,681</u>	<u>\$ 2,488,659</u>	<u>\$ 47,564,970</u>	<u>\$ 16,248,391</u>
<u>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:</u>					
Operating income (loss)	\$ (52,428)	\$ (2,113,428)	\$ (5,793,649)	\$ (7,959,505)	\$ (2,479,678)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation	2,347,941	1,193,363	655,529	4,196,833	-
(Increase) decrease in prepaid expenses	-	-	-	-	(78,566)
(Increase) decrease in accounts receivable	73,833	(993,349)	(156,776)	(1,076,292)	-
(Increase) decrease in inventory	(142,275)	(27,134)	(69,547)	(238,956)	-
Increase (decrease) in accounts payable	195,744	250,000	57,021	502,765	114,379
Increase (decrease) in accrued payroll	21,542	20,967	(7,703)	34,806	2,506
Increase (decrease) in compensated absences	39,449	28,037	(23,660)	43,826	277
Increase (decrease) in water service prepayments	-	17,833	-	17,833	-
Increase (decrease) in claims and legal services payable	-	-	-	-	1,575,321
Adjustment for revenues and expenses classified as nonoperating	3,834	14,534	393,693	412,061	-
Total adjustments	<u>2,540,068</u>	<u>504,251</u>	<u>848,557</u>	<u>3,892,876</u>	<u>1,613,917</u>
Net cash provided (used) by operating activities	<u>\$ 2,487,640</u>	<u>\$ (1,609,177)</u>	<u>\$ (4,945,092)</u>	<u>\$ (4,066,629)</u>	<u>\$ (865,761)</u>
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES:					
Capital additions	\$ 140,934	\$ 195,753	\$ -	\$ 336,687	\$ -
Capital contributions	(140,934)	(195,753)	-	(336,687)	-
Services to be provided from settlement agreement	214,725	-	-	-	-

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

**CITY OF SIMI VALLEY
STATEMENT OF NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2013**

	Private- Purpose Trust	Agency Funds
<u>ASSETS</u>		
Cash and investments:		
Held by city	\$ 7,101,749	\$ 6,364,191
Held by bond trustee	2,102,361	2,669,567
Accounts receivable	-	3,418
Interest receivable	15,415	-
Capital assets not being depreciated	849,174	-
TOTAL ASSETS	10,068,699	\$ 9,037,176
<u>DEFERRED OUTFLOWS OF RESOURCES</u>		
Deferred charge on refunding	303,079	-
TOTAL DEFERRED OUTFLOWS OF RESOURCES	303,079	-
<u>LIABILITIES</u>		
Accounts payable and accrued liabilities	16,624	-
Accrued interest payable	398,417	-
Intergovernmental payable	110,369	9,037,176
Due to other governments	256,896	-
Loans payable - city (note III B)	13,848,190	-
Long-term debt:		
Due within one year	905,328	-
Due in more than one year	23,985,607	-
TOTAL LIABILITIES	39,521,431	\$ 9,037,176
<u>NET POSITION</u>		
Held in trust for other purposes	\$ (29,149,653)	

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

**CITY OF SIMI VALLEY
STATEMENT OF CHANGES IN NET POSITION
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

	Private- Purpose Trust
<hr/>	
<u>ADDITIONS</u>	
Property taxes	\$ 2,361,949
Investment earnings	31,609
Contributions from other governments	236,053
Other contributions	<u>70,000</u>
 TOTAL ADDITIONS	 <u>2,699,611</u>
 <u>DEDUCTIONS</u>	
Program expenses of former Simi Valley Community Development Agency	206,741
Administrative expenses	421,269
Interest and fiscal agency expenses of former Simi Valley Community Development Agency	1,226,223
Refunds	8,465,342
Contributions to other governments	<u>464,854</u>
 TOTAL DEDUCTIONS	 <u>10,784,429</u>
 CHANGE IN NET POSITION	 (8,084,818)
NET POSITION - BEGINNING, AS RESTATED (note V I)	<u>(21,064,835)</u>
NET POSITION - ENDING	<u><u>\$ (29,149,653)</u></u>

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

Notes to the Basic Financial Statements

CITY OF SIMI VALLEY ● LISTING OF NOTES TO THE BASIC FINANCIAL
STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2013

	<u>PAGE</u>
I. Summary of significant accounting policies.....	41
A. Reporting entity	41
B. Financial statements	41
C. Measurement focus, basis of accounting, and financial statement presentation.....	43
D. Assets, liabilities, and net position or equity	46
1. <i>Deposits and investments</i>	<i>46</i>
2. <i>Receivables and payables.....</i>	<i>46</i>
3. <i>Property taxes</i>	<i>47</i>
4. <i>Inventories and prepaid items.....</i>	<i>47</i>
5. <i>Restricted assets.....</i>	<i>47</i>
6. <i>Capital assets.....</i>	<i>47</i>
7. <i>Compensated absences.....</i>	<i>48</i>
8. <i>Long-term obligations.....</i>	<i>48</i>
9. <i>Deferred inflows/outflows of resources.....</i>	<i>49</i>
10. <i>Fund equity.....</i>	<i>49</i>
11. <i>Net position, flow assumption.....</i>	<i>50</i>
12. <i>Estimates</i>	<i>50</i>
II. Stewardship, compliance, and accountability	50
A. Budgetary information	50
B. Excess of expenditures over appropriations	51
C. Deficit fund equity.....	51
III. Detailed notes on all funds	51
A. Cash and investments.....	51
B. Loans receivable.....	56
C. Allowance for uncollectible accounts.....	60
D. Capital assets.....	61
E. Construction commitments	63
F. Interfund receivables, payables, and transfers	63
G. Long-term debt.....	65
H. Fund balance designations.....	67
I. Assessment district bonds	67
J. Conduit debt obligations.....	67
IV. Other information.....	68
A. Arbitrage rebate liability.....	68
B. Risk management	69
C. Deferred compensation plans.....	69
D. Pension plans.....	69
E. Other post employment benefits	72
F. Prior period adjustments	77
G. Subsequent events	77

CITY OF SIMI VALLEY ● LISTING OF NOTES TO THE BASIC FINANCIAL
STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2013

PAGE

V.	Successor Agency to the Simi Valley Community Development Agency	
	Private-Purpose Trust Fund	79
	A. Reporting entity	79
	B. Cash and investments	79
	C. Capital assets	79
	D. Deferred outflow of resources	80
	E. Long-term debt	80
	F. Deficit fund equity	81
	G. Insurance	82
	H. Commitments and contingencies	82
	I. Prior period adjustments	82

CITY OF SIMI VALLEY ● NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2013

I. Summary of significant accounting policies

A. Reporting entity

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

- Ventura County Waterworks District No. 8 provides water services to the residents of the City of Simi Valley. The activity of the District is reported as an Enterprise Fund.
- Simi Valley Industrial Development Authority 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. 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, which includes private-purpose trust funds.

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government and its component units. For the most part, the effect of interfund

See independent auditors' report.

CITY OF SIMI VALLEY ● NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2013

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

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

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

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

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

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment 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*.

See independent auditors' report.

CITY OF SIMI VALLEY ● NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2013

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.

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

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

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

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Under the current financial resources measurement focus, only current assets and current liabilities are generally included on their balance sheets. Their reported fund balances (net current assets) are considered a measure of "available spendable resources". Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of available spendable resources during a period. Under the modified accrual basis of accounting, revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this

See independent auditors' report.

CITY OF SIMI VALLEY ● NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2013

purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period, except reimbursement grant revenues and interest, which are considered available, if they are collected within 180 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

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

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

General fund:

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

Special revenue funds:

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

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

Capital project funds:

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

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

Enterprise funds:

See independent auditors' report.

CITY OF SIMI VALLEY ● NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2013

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

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

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

Additionally, the City reports the following fund types:

Debt service funds:

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

Internal service funds:

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

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

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

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

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

Fiduciary funds:

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

See independent auditors' report.

CITY OF SIMI VALLEY ● NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2013

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.

Simi Valley Unified School District Fund accounts for tax increment pass-through revenue collected on behalf of the school district prior to the dissolution of the former Community Development Agency.

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

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

1. Deposits and investments

The 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."

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.

See independent auditors' report.

CITY OF SIMI VALLEY ● NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2013

3. Property taxes

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

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

4. Inventories and prepaid items

In governmental funds, the purchase method is used to account for inventories. Under this method, inventories are recorded as expenditures when purchased rather than capitalized as an asset. If inventory amounts are significant at year-end they are reported as an asset. Inventory amounts in the governmental funds were not significant in fiscal year 2012-13.

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

5. Restricted assets

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

6. Capital assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of 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

See independent auditors' report.

CITY OF SIMI VALLEY ● NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2013

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.

8. Long-term obligations

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

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

See independent auditors' report.

CITY OF SIMI VALLEY ● NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2013

The City has implemented GASB Statement 65, Items Previously Reported as Assets and Liabilities. GASB 65, among other things, amends prior guidance with respect to the treatment of debt issuance costs. Debt issuance costs should be recognized in the period incurred rather than reported on the statement of net position as deferred charges and recognized systematically over the life of the debt. The accounting changes of this statement should be applied retroactive and therefore the City has reported a restatement of beginning net position for any unamortized debt issuance costs (deferred charges) previously reported on the statement of net position to conform.

9. Deferred inflows/outflows of resources

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

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

10. Fund equity

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

- *Non-spendable* fund balance represents funds that are not immediately available to support government operations. 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 ordinance action taken to establish the commitment.

See independent auditors' report.

CITY OF SIMI VALLEY ● NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2013

- *Assigned* fund balance is similar to committed fund balance except that the City Council can authorize the City Manager, through resolution, to designate the funds for specific purposes. An example is budgeted line-item expenditures to which the City Manager has the authority to make administrative amendments, provided they do not have a significant policy impact or affect budgeted year-end fund balances.
- *Unassigned* fund balance is the portion of 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.

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

11. Net position flow assumption

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

12. Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts in the financial statements and accompanying notes. Actual results could differ from the estimates.

II. Stewardship, compliance, and accountability

A. Budgetary information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the General fund, enterprise funds, and all special revenue funds. Project-length budgets are adopted for the capital project funds. Debt service funds are not budgeted. 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.

See independent auditors’ report.

CITY OF SIMI VALLEY ● NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2013

B. Excess of expenditures over appropriations

For fiscal year ended June 30, 2013, expenditures exceeded appropriations in the Home Grant (nonmajor) special revenue fund by \$81,085. The over-expenditure was a result of an obligation payable to the Successor Housing Agency to Community Development Agency Housing Administration fund for costs of administering the Home housing programs. The bulk of this amount is attributable to work related to the Sorrento Villas senior housing project, the loan for which was paid off during the fiscal year.

Expenditures exceeded appropriations in the Transportation (nonmajor) special revenue fund by \$8,505. 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 (ES) Department's expenditures exceeded appropriations by \$122,845. The Department's expenditures were within budget for all expenditure categories except for salaries. ES was unable to meet the targeted \$177,700 annual salary savings requirement due to the elimination of all funded, vacant positions at the start of the year, from which such savings would normally be generated. Additionally, the Department's salaries budget was further reduced by an expected \$70,000 in salary reimbursement from a Southern California Edison grant, for which only \$33,560 in reimbursement was actually received.

In the General Fund, the Police (public safety) Department's expenditures exceeded appropriations by \$491,751, or 1.8% of its total budget. The Department's annual budget includes salary savings of \$852,100, or 3% of the total budget. While the Department was \$360,349 below budget in all other line items combined, it was unable to achieve the budgeted salary savings due to: vacant positions being less than anticipated; the necessity to overfill sworn officer and support staff positions in order to maintain service levels; and an unbudgeted salary increase to an executive position.

C. Deficit fund equity

The Private Purpose Trust fund, a component of the City's Fiduciary funds, has a negative net position of \$29,149,653 as of June 30, 2013. This is attributable to the prior year extraordinary loss carried forward, the restatement of unamortized bond issuance costs, and excess deductions over additions during the current fiscal year. See Note V.

III. Detailed notes on all funds

A. Cash and investments

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

See independent auditors' report.

CITY OF SIMI VALLEY ● NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2013

balances. The carrying amounts of cash and investments have been decreased by \$1,094,228 in order to reflect the fair value at June 30, 2013.

Cash and investments at June 30, 2013 are classified as follows:

Statement of net position:

Cash and investments	\$ 119,843,063
Cash and investments held by bond trustee	2,629,203

Fiduciary funds:

Cash and investments	13,465,940
Cash and investments held by bond trustee	4,771,928
Total cash and investments	\$ 140,710,134

Cash and investments at June 30, 2013 consisted of the following:

Cash on hand	\$ 6,550
Deposits with financial institutions	5,594,513
Outstanding checks	(1,031,423)
Investments	136,140,494
Total cash and investments	\$ 140,710,134

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 trustees 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, 2013

<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 short, medium, and long term investments (laddered maturities), and invests in securities maturing in 5 years or less from the settlement date.

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

CITY OF SIMI VALLEY ● NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2013

<u>Investment Type</u>	<u>Amount</u>	<u>Remaining Maturity in Years</u>		
		<u>1 Year Or Less</u>	<u>1-2 Years</u>	<u>2-5 Years</u>
U.S. Agencies	\$ 85,895,380	\$ 5,035,500	\$ 15,048,500	\$ 65,811,380
Joint Powers Authority Pool	4,795,866	4,795,866	-	-
LAIF	38,048,116	38,048,116	-	-
<u>Held by bond trustees:</u>				
LAIF	567	567	-	-
Money market mutual funds	7,400,565	7,400,565	-	-
Total	\$ 136,140,494	\$ 55,280,614	\$ 15,048,500	\$ 65,811,380

Credit Risk

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

<u>Investment Type</u>	<u>Amount</u>	<u>Minimum Legal Rating</u>	<u>Ratings as of Year End</u>				
			<u>S & P AA+</u>	<u>S & P AAAm</u>	<u>Moody's Aaa</u>	<u>Moody's Not Rated</u>	<u>Not Rated</u>
U.S. Agencies	\$ 85,895,380	N/A	\$ 85,895,380	\$ -	\$ 85,895,380	\$ -	\$ -
Joint Powers Authority Pool	4,795,866	N/A	-	4,795,866	-	4,795,866	-
LAIF	38,048,116	N/A	-	-	-	-	38,048,116
<u>Held by bond trustees:</u>							
LAIF	567	N/A	-	-	-	-	567
Money market mutual funds	7,400,565	A	-	7,400,565	7,400,565	-	-
Total	\$136,140,494		\$85,895,380	\$12,196,431	\$93,295,945	\$4,795,866	\$38,048,683

Concentration of Credit Risk

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

- No more than 15% of the City's portfolio (exclusive of investments in U.S. Treasury Obligations, 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.
- Certificates of deposit (negotiable) and collateralized bank deposits placed by the City shall not constitute more than 15% of the total assets of the institution.
- 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%.

See independent auditors' report.

CITY OF SIMI VALLEY ● NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2013

- 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 Section 53652 requires California banks and savings and loan associations to secure a local government agency's deposits by pledging government securities with a market value equal to 110% of the deposits or pledging first trust deed mortgage notes with a market value equal to 150% of the total deposits.

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

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

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

<u>Issuer</u>	<u>Investment Type</u>	<u>Reported Amount</u>
Federal Farm Credit Bank	U.S. Agencies	\$18,608,230
Federal Home Loan Bank	U.S. Agencies	17,796,020
Federal Home Loan Mortgage Corporation	U.S. Agencies	27,841,240
Federal National Mortgage Association	U.S. Agencies	21,649,890

As of June 30, 2013, 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 16429.1-16429.4 under the oversight of the Treasurer of the State of California. In addition to the primary City account, LAIF accounts are also maintained for the following blended component units of the City: Waterworks District No. 8, Successor Agency to the Community Development Agency, and Industrial Development Authority. Investments in LAIF are highly liquid, as deposits can be converted to cash within twenty-four hours without loss of interest. The fair

See independent auditors' report.

CITY OF SIMI VALLEY ● NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2013

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, produce and preserve low- and moderate-income housing units. These include the City Local Housing fund, the CalHome fund, the Home fund and the Successor Housing Agency to Community Development Agency Housing Administration fund. One of the primary means of providing affordable housing is through negotiation with developers to incorporate affordable units within new residential developments. In addition, the City maintains an active home rehabilitation program, offering low-interest deferred loans to very low-, and low- -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. This loan was paid off in August, 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.

See independent auditors' report.

CITY OF SIMI VALLEY ● NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2013

- 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.
- 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.

CITY OF SIMI VALLEY ● NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2013

- Many Mansions (Peppertree Apartments)
In June 2011, the Agency entered into an affordable housing agreement with Many Mansions to provide financial assistance in the form of both a bridge and permanent loan for the acquisition and rehabilitation of a 12-unit apartment complex, Peppertree Apartments, for occupancy by extremely low-income, mentally disabled, and homeless individuals. The bridge loan is due and payable 18 months from issuance and the permanent loan is due and payable 55 years from the promissory note dated October, 2013.

Home Rehabilitation Program

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

In response to the dissolution of state redevelopment program funding, a result of California Assembly Bill 1X 26, the City Council authorized the suspension of the First Time Home Buyer Program. Over its many years of operation, the program generated several different loan types, the most recent of which would provide \$50,000 per bedroom up to \$200,000. The City maintains over 70 loans generated by this program, many of which are due and payable at the end of a 55-year term of affordability.

In response to the dissolution of state redevelopment program funding, a result of California Assembly Bill 1X 26, the City Council authorized the suspension of the Mobile Home Rehabilitation Program that provided \$10,000 rehabilitation loans to low-income Mobile Home owners. These loans were generated from 2008 to 2011 and are forgiven 20% for each year that the owner remained in the home. All of these loans will be forgiven by June of 2016.

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

See independent auditors' report.

CITY OF SIMI VALLEY ● NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2013

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.

Loans receivable balances at June 30, 2013 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:						
Seasons	3.0%	30	2035	564,500	143,948	708,448
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	493,945	2,166,445
Plaza del Sol	3.0%	55	2060	1,900,000	444,388	2,344,388
La Rahada Apartments	3.0%	55	2063	250,000	37,792	287,792
Total Affordable Housing Program				7,924,551	1,120,073	9,044,624
First Time Homebuyer Program				13,626,042	-	13,626,042
Home Rehabilitation Program	3.0%			1,836,786	252,574	2,089,360
Housing loans receivable				23,387,379	1,372,647	24,760,026
Other City loans receivable:						
Cultural Arts Center Foundation	0.0%			178,175	-	178,175
Cemetery District	0.0%			178,496	-	178,496
Employee Sect 125 Plan	0.0%			5,000	-	5,000
City loans receivable				361,671	-	361,671
Total loans receivable				\$23,749,050	\$1,372,647	\$25,121,697

Loans receivable – Successor Agency:

As of June 30, 2013, advances made to the former CDA from the City totaled \$13,848,190. Redevelopment dissolution legislation AB x126 established that loan agreements between a city and a redevelopment agency are not “enforceable obligations” and therefore do not have standing to be repaid. However, the State passed AB 1484 in 2012 that allows for prior loan agreements between the cities and former redevelopment agencies to be Enforceable Obligations under certain conditions.

See independent auditors’ report.

CITY OF SIMI VALLEY ● NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2013

AB 1484 provides that after a Successor Agency obtains a Finding of Completion from the California Department of Finance, a loan agreement between the city that created the redevelopment agency and the redevelopment agency shall be deemed to be an enforceable obligation.

The Simi Valley Successor Agency received its Finding of Completion from the California Department of Finance by correspondence dated April 26, 2013. Subsequently, on September 23, 2013, the Simi Valley Oversight Board adopted Resolution OB 2013 – 12 confirming the November 10, 2010 Loan between the City and the CDA was for legitimate redevelopment purposes and re-established the Loan. In a November 5, 2013 correspondence, the California Department of Finance approved the Simi Valley Oversight Board’s adoption of Resolution OB 2013 – 12. Therefore, the Simi Valley Successor Agency may now include the repayment of the Loan on future Recognized Obligations Payment Schedules. The repayment is subject to the formula outlined in California Health and Safety Code Section 34191.4(b)(2).

The composition of loans between the City and the Successor Agency for the year ended June 30, 2013 is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Balances</u> <u>June 30, 2012</u>	<u>Debt</u> <u>Incurred</u>	<u>Debt</u> <u>Retired</u>	<u>*Debt</u> <u>Transferred</u>	<u>Balances</u> <u>June 30, 2013</u>
General Fund	Successor Agency - Merged Tapo Canyon and West End tax increment	\$ 11,326,760	\$ -	\$ -	\$ 2,500,000	\$ 13,826,760
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

* Effective July 1, 2012, the Lighting Maintenance District was dissolved, and the assets, liabilities and fund balance were transferred to the General Fund.

C. Allowance for uncollectible accounts

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

	<u>General</u> <u>Fund</u>	<u>Streets and</u> <u>Roads</u>	<u>Nonmajor</u> <u>Governmental</u>	<u>Total</u>
Accounts receivable	\$ 1,183,257	\$ 3,087,769	\$ -	\$ 4,271,026
Allowance for uncollectibles	(663,124)	-	-	(663,124)
Total accounts receivable net	\$ 520,133	\$ 3,087,769	\$ -	\$ 3,607,902

See independent auditors’ report.

CITY OF SIMI VALLEY ● NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2013

D. Capital assets

Capital asset activity for the year ended June 30, 2013, was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 10,888,683	\$ -	\$ -	\$ 10,888,683
Construction-in-progress	3,502,368	5,938,251	(1,310,873)	8,129,746
Total capital assets, not being depreciated	<u>14,391,051</u>	<u>5,938,251</u>	<u>(1,310,873)</u>	<u>19,018,429</u>
Capital assets, being depreciated:				
Buildings and improvements	42,271,972	-	(5,035)	42,266,937
Furnishings and equipment	8,007,486	57,563	(19,325)	8,045,724
Computers	4,843,325	268,297	(64,834)	5,046,788
Vehicles	5,515,287	267,387	(257,252)	5,525,422
Infrastructure	267,197,360	2,154,166	-	269,351,526
Intangibles	5,749,115	195,130	-	5,944,245
Total capital assets being depreciated	<u>333,584,545</u>	<u>2,942,543</u>	<u>(346,446)</u>	<u>336,180,642</u>
Less accumulated depreciation for:				
Buildings and improvements	(16,569,777)	(1,169,239)	5,035	(17,733,981)
Furnishings and equipment	(3,323,367)	(550,115)	19,325	(3,854,157)
Computers	(3,779,278)	(351,583)	64,835	(4,066,026)
Vehicles	(4,033,452)	(377,675)	223,731	(4,187,396)
Infrastructure	(105,523,040)	(8,678,338)	-	(114,201,378)
Intangibles	(2,802,081)	(396,283)	-	(3,198,364)
Total accumulated depreciation	<u>(136,030,995)</u>	<u>(11,523,233)</u>	<u>312,926</u>	<u>(147,241,302)</u>
Total capital assets, being depreciated, net	<u>197,553,550</u>	<u>(8,580,690)</u>	<u>(33,520)</u>	<u>188,939,340</u>
Governmental activities capital assets, net	<u>\$ 211,944,601</u>	<u>\$ (2,642,439)</u>	<u>\$ (1,344,393)</u>	<u>\$ 207,957,769</u>

See independent auditors' report.

CITY OF SIMI VALLEY ● NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2013

	<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	18,830,846	2,165,677	(5,031,886)	15,964,637
Total capital assets, not being depreciated	<u>20,047,840</u>	<u>2,165,677</u>	<u>(5,031,886)</u>	<u>17,181,631</u>
Capital assets, being depreciated:				
Buildings and improvements	13,675,829	211,587	-	13,887,416
Furnishings and equipment	6,123,152	289,874	(154,925)	6,258,101
Vehicles	8,803,858	452,051	(92,456)	9,163,453
Distribution system	174,799,693	4,748,036	-	179,547,729
Total capital assets being depreciated	<u>203,402,532</u>	<u>5,701,548</u>	<u>(247,381)</u>	<u>208,856,699</u>
Less accumulated depreciation for:				
Buildings and improvements	(5,741,221)	(325,521)	-	(6,066,742)
Furnishings and equipment	(4,896,410)	(185,089)	147,825	(4,933,674)
Vehicles	(5,731,471)	(712,702)	92,455	(6,351,718)
Distribution system	(75,779,284)	(2,973,521)	-	(78,752,805)
Total accumulated depreciation	<u>(92,148,386)</u>	<u>(4,196,833)</u>	<u>240,280</u>	<u>(96,104,939)</u>
Total capital assets, being depreciated, net	<u>111,254,146</u>	<u>1,504,715</u>	<u>(7,101)</u>	<u>112,751,760</u>
Business-type activities capital assets, net	<u>\$ 131,301,986</u>	<u>\$ 3,670,392</u>	<u>\$ (5,038,987)</u>	<u>\$ 129,933,391</u>

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

Governmental activities:	
General Government	\$ 9,685,050
Community Services	909
Planning (ES)	4,390
Public Ways & Facilities (PW)	1,701,781
Public Safety	131,103
Total depreciation expense-governmental activities	<u>\$ 11,523,233</u>
Business-type activities:	
Sanitation	\$ 2,347,941
Waterworks	1,193,363
Transit	655,529
Total depreciation expense-business-type activities	<u>\$ 4,196,833</u>

See independent auditors' report.

CITY OF SIMI VALLEY ● NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2013

E. Construction commitments

The City has active construction projects as of June 30, 2013. 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, 2013	Remaining Commitments*
Street construction and improvements	\$ 5,458,134	\$ 4,726,910	\$ 731,224
City Hall expansion	2,450,300	2,298,812	151,488
Arroyo Simi Bank restoration at Water Quality Control Plant	773,453	620,725	152,728
Water Quality Control Plant Electrical Upgrades	1,927,465	-	1,927,465

* Amount includes possible contingencies

F. Interfund receivables, payables, and transfers

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

Due to / from other funds

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Simi Valley transit system	\$ 2,494,713
	Nonmajor governmental funds	286,711
	Fiduciary funds private-purpose trust fund	256,896
Successor to Community Development Agency Housing Administration fund	Nonmajor governmental funds	95,817
Total		<u>\$ 3,134,137</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>

See independent auditors' report.

CITY OF SIMI VALLEY ● NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2013

The composition of interfund transfers for the year ended June 30, 2013 is as follows:

<u>Transfers From</u>	<u>Transfers To</u>	<u>Amount</u>	<u>Purpose</u>
General	Streets and roads	\$ 868,516	Fund street projects
	Simi Valley transit system	2,343,149	Subsidy for transit operations
	Nonmajor governmental funds	4,646,200	Fund Special Problems Section, landscape zones, scheduled debt service, and contributions to replacement funds
		<u>7,857,865</u>	
Successor housing agency	General fund	27,300	Contribution for pension costs
		<u>27,300</u>	
Development related fees funds	Public facility improvements	3,075,959	Fund improvements to public facilities
	Streets and roads	62,500	Fund street projects
	Nonmajor governmental funds	<u>278,000</u>	Scheduled debt service
		<u>3,416,459</u>	
Streets and roads	General fund	308,171	Return excess funds
	Developer related fees funds	<u>680,174</u>	Return excess funds
		<u>988,345</u>	
Nonmajor governmental funds	General	7,295,680	Fund transportation needs and return excess funds
	General	9,741,174	Merge lighting maintenance fund into general fund
	Streets and roads	75,000	Fund street projects
	Nonmajor governmental	<u>12,800</u>	Contributions to replacements funds and public
		<u>17,124,654</u>	
Total governmental funds		<u>29,414,623</u>	
<u>Transfers From</u>	<u>Transfers To</u>	<u>Amount</u>	<u>Purpose</u>
Proprietary funds	General Fund	145,400	Contributions for pension costs
Proprietary funds	Nonmajor governmental funds	<u>352,800</u>	Contributions to replacement funds
		<u>498,200</u>	
Internal service funds	Nonmajor governmental funds	<u>8,000</u>	Contributions to replacement funds
Total other funds		<u>506,200</u>	
Total transfers		<u>\$29,920,823</u>	

See independent auditors' report.

CITY OF SIMI VALLEY ● NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2013

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 as of June 30, 2013 is \$2,840,862. Although final payment was not due until September 2015, the bond was paid off in October, 2013. See Note IV G Subsequent events.
- 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. 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 \$36,385,697, payable through September 2034.

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

- Claims and legal services payable of \$11,135,477, 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, 2013.
- Compensated absences liability of \$5,226,218 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 largest portion of the liability is attributable to the General Fund.

See independent auditors' report.

CITY OF SIMI VALLEY ● NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2013

- The net Other Post Employment Benefits (OPEB) liability of \$6,725,457. This liability consists of the unfunded portion of the actuarially determined Annual Required Contribution (ARC) for Fiscal Years 2008-13.

Annual debt service requirements to maturity

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

Year Ending <u>June 30:</u>	1995 Lease Revenue Bonds		Year Ending <u>June 30:</u>	2004 Certificates of Participation Refunding Bond	
	<u>Principal</u>	<u>Interest</u>		<u>Principal</u>	<u>Interest</u>
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>\$ 2,610,000</u>	<u>\$ 230,862</u>	2017	685,000	970,306
			2018	710,000	942,406
			2019-2023	4,055,000	4,208,566
			2024-2028	5,170,000	3,100,562
			2029-2033	6,640,000	1,631,563
			2034-2035	3,155,000	153,569
				<u>\$ 22,315,000</u>	<u>\$ 14,070,697</u>

Changes in long-term liabilities

Long-term liability activity for the year ended June 30, 2013, was as follows:

	<u>Balances</u> <u>June 30, 2012</u>	<u>Debt</u> <u>Incurred</u>	<u>Debt</u> <u>Retired</u>	<u>Balances</u> <u>June 30, 2013</u>	<u>Due Within</u> <u>One Year</u>
Governmental activities:					
1995 lease revenue bonds	\$ 3,385,000	\$ -	\$ (775,000)	\$ 2,610,000	\$ 820,000
2004 certificates of participation	22,900,000	-	(585,000)	22,315,000	610,000
Add (less) deferred amounts:					
Bond premium	285,726	-	(12,886)	272,840	-
Total bonds payable	<u>26,570,726</u>	<u>-</u>	<u>(1,372,886)</u>	<u>25,197,840</u>	<u>1,430,000</u>
Claims and legal services	9,560,194	4,794,331	(3,219,048)	11,135,477	3,771,530
Compensated absences	4,699,000	122,973	(596,821)	4,225,152	422,515
Net OPEB obligation	5,145,320	3,430,459	(1,850,322)	6,725,457	-
Governmental activity long-term liabilities	<u>\$ 45,975,240</u>	<u>\$ 8,347,763</u>	<u>\$ (7,039,077)</u>	<u>\$ 47,283,926</u>	<u>\$ 5,624,045</u>
Business-type activities:					
Compensated absences	957,239	67,974	(24,147)	1,001,066	100,106
Business-type activity long-term liabilities	<u>\$ 957,239</u>	<u>\$ 67,974</u>	<u>\$ (24,147)</u>	<u>\$ 1,001,066</u>	<u>\$ 100,106</u>

For governmental activities- pension, other postemployment benefits, and compensated absences, obligations are generally liquidated by the General fund, with a smaller proportion paid by the Successor Housing Agency (special revenue) fund.

See independent auditors' report.

CITY OF SIMI VALLEY ● NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2013

H. Fund balance designations

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

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, 2013, consisted of the following:

Community Facilities District (District No. 04-1)	\$8,395,000
Royal Corto Improvements (District No. 89-1)	565,000
Madera Royal (District No. 98-1)	2,025,000

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, 2013 was \$46,343,714. 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, 2013, is \$0. The Shadow Ridge

See independent auditors' report.

CITY OF SIMI VALLEY ● NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2013

bonds were redeemed on June 3, 2013 and are no longer a component of the City's conduit debt. The project is now part of a \$1.3 billion, November 22, 2013, Freddie Mac SPC portfolio offering.

- 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, 2013, is \$0. A conditional redemption was issued by Creekside's owner for October 15, 2012, the bonds were redeemed when the property was sold and are no longer a component of the City's conduit debt. The project was part of a \$1.6 billion, June 20, 2013, Freddie Mac SPC portfolio offering, therefore the bonds were redeemed prior to June 30, 2013.
- 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, 2013, is \$3,158,714. Conditional notice of full optional redemption of this debt was issued in November, 2013. See Note IV G.
- 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, 2013, is \$2,650,000.
- 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, 2013, is \$10,535,000.
- 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, 2013, is \$30,000,000.

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, 2013, no such amounts were due.

CITY OF SIMI VALLEY ● NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2013

B. Risk management

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

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

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

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

	Year ended June 30, 2013	Year ended June 30, 2012
Unpaid claims beginning of fiscal year	\$ 9,560,194	\$ 8,555,320
Incurred claims (including IBNRs)	4,794,331	3,196,805
Claims payments	(3,219,048)	(2,191,931)
Unpaid claims, end of fiscal year	\$ 11,135,477	\$ 9,560,194

C. Deferred compensation plans

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

D. Pension plans

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

See independent auditors' report.

CITY OF SIMI VALLEY ● NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2013

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>.

Funding Policy - Participants are required to contribute 7% (9% or 12% for safety employees) of their annual covered salary. The City makes the contributions required of all City employees hired before January 1, 2013 (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. Sworn employees hired after July 1, 2013 are required to contribute 12% of their covered salary.

The City is also required to contribute an employer's cost share at an actuarially determined rate; the rate is 15.590% for miscellaneous (non-safety) employees hired before January 1, 2013 and 14.840% for miscellaneous members hired after January 1, 2013). For police (safety) employees, the employer rate is 28.642% of annual covered payroll for the year ended June 30, 2013. The contribution requirements of plan members and the City are established and may be amended by CalPERS.

Annual Pension Cost - For fiscal year 2012-13, the City's required employer contribution to CalPERS was \$8,033,618. The total annual pension cost this period was \$10,420,820, which includes the employer pick-up of employee contributions totaling \$2,387,202. The required employer contribution was determined as part of the June 30, 2011, 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.

See independent auditors' report.

CITY OF SIMI VALLEY ● NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2013

<u>Miscellaneous Employees</u>	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
<u>Fiscal Year</u>			
06/30/2011	3,793,853	100%	-
06/30/2012	4,440,092	100%	-
06/30/2013	4,463,148	100%	-

<u>Safety Employees</u>	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
<u>Fiscal Year</u>			
06/30/2011	2,760,322	100%	-
06/30/2012	3,383,588	100%	-
06/30/2013	3,570,470	100%	-

Funded Status and Funding Progress

Miscellaneous Employees - As of the most recent, available actuarial report dated June 30, 2012, the plan was 81.59% funded. The actuarial accrued liability (AAL) for benefits was \$208,561,979, and the actuarial value of net assets was \$169,898,052, resulting in an unfunded actuarial liability (UAAL) of \$38,663,927. The covered payroll (annual payroll of active employees covered by the plan) was \$28,946,706, and the ratio of the UAAL to the covered payroll was 133.6%.

Safety Employees - As of the most recent, available actuarial report dated June 30, 2012, the plan was 77.7% funded. The AAL for benefits was \$128,590,727, and actuarial value of net assets was \$99,924,755, resulting in an UAAL of \$28,665,972. The covered payroll was \$11,991,164, and the ratio of the UAAL to the covered payroll was 239.1%.

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

See independent auditors' report.

CITY OF SIMI VALLEY ● NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2013

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.

Funding Policy - The City's annual pension contribution for PARS was \$59,500. Plan assets held in trust at June 30, 2013 were \$811,415. PARS funding is based on the bi-annual actuarially required contribution calculated by an independent consultant. Because the PARS benefit has been frozen, the PARS funding is no longer based on a percentage of gross payroll for Executive Management. The funding amount is based on the demographics of actual remaining plan participants, both active and retired and future plan costs derived from the bi-annual actuarial study. The most recent study was completed on December 10, 2012. Of the twenty plan participants, nine are retired with eight currently receiving PARS benefits, five are separated from the City and six are active employees.

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
06/30/2007	\$896,018	\$440,015	\$456,003	49.11%	\$1,487,691	30.65%
06/30/2009	\$1,022,434	\$527,113	\$495,321	51.55%	\$1,722,235	28.76%
06/30/2012	\$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.

See independent auditors' report.

CITY OF SIMI VALLEY ● NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2013

	<u>Less Than 10 Years Service</u>	<u>More Than 10 Years Service</u>	<u>20-25 Years**</u>	<u>More Than 20 Years Service</u>
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
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
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.

** Deputy Police Chiefs and Commanders 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 \$100,000 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 2012-13 in the amount of \$1,850,322. Each employee group's funds are maintained in a separate trust for the benefit of that particular employee group.

See independent auditors' report.

CITY OF SIMI VALLEY ● NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2013

Net OPEB Obligation

Annual required contribution	\$ 3,556,849
Interest on net OPEB obligation	154,360
Adjustment to annual required contribution	<u>(280,750)</u>
Annual OPEB cost (expense)	3,430,459
Contributions made	<u>(1,850,322)</u>
Increase/(decrease) in Net OPEB obligation	1,580,137
Net OPEB obligation - beginning of year	<u>5,145,320</u>
Net OPEB obligation - end of year	<u>\$ 6,725,457</u>

Annual OPEB Costs and Net OPEB Obligation - For Fiscal Year 2012-13, the City's annual OPEB cost (expense) of \$3,430,459 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 Enterprise Funds generally fund annual OPEB costs.

CITY OF SIMI VALLEY ● NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2013

	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>							
06/30/2011	\$ 1,105,479	\$ 10,284	\$ 29,316	\$ 478,337	43%	\$ 608,110	\$ 1,177,237
06/30/2012	\$ 1,105,479	\$ 35,317	\$ 62,739	\$ 569,076	51%	\$ 508,981	\$ 1,686,218
06/30/2013	\$ 1,086,227	\$ 50,587	\$ 92,007	\$ 1,085,373	100%	\$ (40,566)	\$ 1,645,652
<u>Sworn Employees - Management</u>							
<u>Fiscal Year</u>							
06/30/2011	\$ 415,364	\$ 3,281	\$ 8,575	\$ 210,049	51%	\$ 200,021	\$ 366,223
06/30/2012	\$ 415,364	\$ 10,987	\$ 19,517	\$ 235,095	57%	\$ 171,739	\$ 537,962
06/30/2013	\$ 485,624	\$ 16,139	\$ 29,353	\$ 235,805	49%	\$ 236,605	\$ 774,567
<u>Sworn Employees - Officers</u>							
<u>Fiscal Year</u>							
06/30/2011	\$ 1,351,905	\$ 13,556	\$ 45,018	\$ 349,004	26%	\$ 971,439	\$ 1,847,595
06/30/2012	\$ 1,351,905	\$ 55,428	\$ 98,464	\$ 420,253	31%	\$ 888,616	\$ 2,736,211
06/30/2013	\$ 1,795,960	\$ 82,086	\$ 149,299	\$ 433,410	24%	\$ 1,295,337	\$ 4,031,548
<u>Misc. Employees - General Unit</u>							
<u>Fiscal Year</u>							
06/30/2011	\$ 287,980	\$ (80)	\$ (6,366)	\$ 134,800	47%	\$ 159,466	\$ 33,735
06/30/2012	\$ 287,980	\$ 1,012	\$ 1,798	\$ 136,000	47%	\$ 151,194	\$ 184,929
06/30/2013	\$ 189,038	\$ 5,548	\$ 10,091	\$ 95,734	51%	\$ 88,761	\$ 273,690

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, 2013, the plan was 4.8% funded. The actuarial accrued liability (AAL) for benefits was \$22,837,488, and the book value of plan assets was \$1,098,847 resulting in an unfunded actuarial accrued liability (UAAL) of \$21,738,641. The covered payroll (annual payroll of active employees covered by the plan) was \$16,579,800, and the ratio of the UAAL to the covered payroll was 131.1%.

See independent auditors' report.

CITY OF SIMI VALLEY ● NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2013

Sworn Employees - As of the most recent actuarial valuation date of January 1, 2013, the plan was 3.4% funded. The AAL for benefits was \$23,130,186, and the book value of plan assets was \$795,998, resulting in an UAAL of \$22,334,188. The covered payroll was \$9,633,938, and the ratio of the UAAL to the covered payroll was 231.8%.

General Unit Employees - As of the most recent actuarial valuation date of January 1, 2013, the plan was 25.0% funded. The AAL for benefits was \$2,048,905, and the book value of plan assets was \$511,609, resulting in an UAAL of \$1,537,296. The covered payroll was \$10,836,700, and the ratio of the UAAL to the covered payroll was 14.2%.

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, 2013 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, 2013 actuarial valuation is being used, the City has not made an election with respect to an asset smoothing formula, or method.

	Miscellaneous Employees <u>Management</u>	Safety Employees <u>Sworn and Management</u>	Miscellaneous Employees <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 Miscellaneous 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

See independent auditors' report.

CITY OF SIMI VALLEY ● NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2013

F. Prior period adjustments

The requirements of Governmental Accounting Standards Board (GASB) Statement No. 65 are effective for financial statements for periods beginning after December 15, 2012. However, the City opted to implement earlier than technically required; it has been applied to the fiscal year ended June 30, 2013. GASB 65 clarifies that debt issuance costs should be expensed in the period incurred. Previous guidance had reported debt issuance costs as an asset and amortized over the life of the debt. Because the statement is retroactive, a restatement to the financial statements is required to remove any unamortized debt issuance costs off the balance sheet.

**Statement of Activities
Governmental Activities**

	Net Position Beginning Balance	Adjustment	Net Position Beginning as Restated
Net Position	\$ 472,145,424	\$ -	\$ 472,145,424
Unamortized bond issuance costs	-	(489,937)	(489,937)
	\$ 472,145,424	\$ (489,937)	\$ 471,655,487

Initial bond issuance costs incurred in 2004 were \$662,894, to be amortized over thirty years. Of the initial amount, \$172,957 was amortized from June 2003 through June 2012 leaving an unamortized balance of \$489,937.

G. Subsequent events

Long-term debt pay-off:

On August 12, 2013, the Council approved the early repayment of 1995 Simi Valley Public Financing Authority Lease Revenue Bonds.

In September 1995, the Simi Valley Public Financing Authority issued \$16,700,000 in Lease Revenue Bonds to refund 1977 bonds, fund construction of the Simi Valley Police Station, and fund other public projects after significant damage due to the 1994 Northridge Earthquake. The bonds were refinanced in 2001, with a balance of \$10,020,000. The current bonds were due to be fully repaid on September 1, 2015. These bonds could be called and repaid without premium or penalty on or after September 1, 2013.

If the bonds were fully amortized through 2015, interest earned on debt service funds that remain invested were estimated to be approximately \$7,634. Repayment of the bonds in September 2013 avoided future accrued interest of \$155,825. Therefore early repayment of the bonds netted the City \$142,191 in interest payment savings (\$155,825 in avoided interest payments - \$7,634 in unrealized investment interest - \$6,000 in prepayment costs = \$142,191 net savings to the City).

See independent auditors' report.

CITY OF SIMI VALLEY ● NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2013

On October 1, 2013, the Simi Valley Public Financing Authority issued a call for full redemption of the 1995 lease revenue bonds as follows:

Bond Principal	\$ 2,610,000
Interest	<u>83,615</u>
Total debt service payment	<u><u>\$ 2,693,615</u></u>

Conduit debt payoff:

The Multifamily Housing Revenue Refunding Bonds, 2002 Series A, financed the Ashlee Manor Apartments Project. These bonds represent conduit debt obligations of the City. The bonds were conditionally called for a full optional redemption on November 29, 2013.

CITY OF SIMI VALLEY ● NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2013

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

A. Reporting entity

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

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

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

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

B. Cash and investments

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

Cash and investments pooled with the City	\$ 7,101,749
Cash and investments with fiscal agent	<u>2,102,361</u>
Total cash and investments	<u>\$ 9,204,110</u>

C. Capital assets

Capital asset activity for the year ended June 30, 2013, was as follows:

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

See independent auditors’ report.

CITY OF SIMI VALLEY ● NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2013

D. Deferred outflows of resources

In accordance with GASB Statement 63, in addition to assets, the statement of financial position reports a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense / expenditure) until then. The City has only has one item that qualifies for reporting in this category. It is the deferred loss amount reported in the fiduciary funds' statement of net position. This amount is deferred and amortized over the life of the associated bond debt.

The following is a summary of deferred outflows of resources for the fiscal year ended June 30, 2013:

	<u>Balances</u> <u>June 30, 2012</u>	<u>Amortization</u>	<u>Restatement</u> <u>from</u> <u>Long Term</u> <u>Debt</u>	<u>Balances</u> <u>June 30, 2013</u>
Fiduciary activities:				
2003 tax allocation bonds				
Deferred loss amount	\$ -		\$ (303,079)	\$ (303,079)

E. Long-term debt

The Community Development Agency (CDA), formerly a blended component unit of the City, issued tax allocation bonds on behalf of the City. Effective February 1, 2012, this debt was transferred from the CDA to the Successor Agency (private purpose / fiduciary fund) as a result of dissolution. A description of long-term debt outstanding (excluding defeased debt) of the Successor Agency as of June 30, 2013, 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. The City pledged, as security for bonds issued, either directly or through the Financing Authority, a portion of tax increment revenue (including Low and Moderate Income Housing set-aside and pass through allocations) that it receives. The bonds issued were to provide financing for various capital projects, Low and Moderate Income Housing projects and to defease previously issued bonds. Assembly Bill 1X 26 provided that upon dissolution of the Redevelopment Agency, property taxes

See independent auditors' report.

CITY OF SIMI VALLEY ● NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2013

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 \$37,192,290, payable through September 2030. For the current fiscal year, principal and interest paid was \$2,083,000, and the Redevelopment Property Tax Trust Fund revenue received was \$2,361,949.

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

Year Ending <u>June 30:</u>	2003 Tax Allocation Refunding Bond	
	Principal	Interest
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	1,055,000	1,022,366
2019-2023	6,115,000	4,226,656
2024-2028	7,845,000	2,448,875
2029-2031	5,720,000	438,250
	<u>\$ 24,550,000</u>	<u>\$ 12,642,290</u>

Fiduciary fund long-term liability activity for the year ended June 30, 2013, was as follows:

	Balances June 30, 2012	Debt Incurred	Debt Retired	Restatement to Deferred Outflow of Resources	Balances June 30, 2013	Due Within One Year
Fiduciary activities:						
2003 tax allocation bonds	\$ 25,415,000	\$ -	\$ (865,000)		\$ 24,550,000	\$ 900,000
Add (less) deferred amounts:						
Bond premium	303,967	-	(16,306)		287,661	-
Deferred amount	(331,561)	-	28,482	303,079	-	-
Compensated absences	47,480	(1,822)	7,616		53,274	5,328
<u>Fiduciary long-term liabilities</u>	<u>\$ 25,434,886</u>	<u>\$ (1,822)</u>	<u>\$ (845,208)</u>	<u>\$ 303,079</u>	<u>\$ 24,890,935</u>	<u>\$ 905,328</u>

F. Deficit fund equity

As of June 30, 2013, the Private Purpose Trust, a component of the City's Fiduciary funds, has a negative net position of \$29,149,653. Below is a summary of the net position.

See independent auditors' report.

CITY OF SIMI VALLEY ● NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2013

Net Position - Beginning Balance	\$ (20,445,416)
Prior Period Adjustment - 2003 Tax Allocation Refunding Bonds	<u>(619,419)</u>
Net Position Beginning Balance as Restated	<u>(21,064,835)</u>
Total additions for the year ended June 30, 2013	2,699,611
Total deductions for the year ended June 30, 2013	<u>(10,784,429)</u>
Change in net position	<u>(8,084,818)</u>
Net Position - Ending Balance	<u>\$ (29,149,653)</u>

G. Insurance

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

H. Commitments and contingencies

At June 30, 2013, 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.

I. Prior period adjustments

The requirements of Governmental Accounting Standards Board (GASB) Statement No. 65 are effective for financial statements for periods beginning after December 15, 2012. However, the City opted to implement earlier than technically required; it has been applied to the fiscal year ended June 30, 2013. GASB 65 clarifies that debt issuance costs should be expensed in the period incurred. Previous guidance had reported debt issuance costs as an asset and amortized over the life of the debt. Because the statement is retroactive, a restatement to the financial statements is required to remove any unamortized debt issuance costs off the balance sheet.

Fiduciary Funds

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

	Net Position Beginning Balance	Adjustment	Net Position Beginning as Restated
Net Position	\$ (20,445,416)	\$ -	\$ (20,445,416)
Unamortized bond issuance costs	-	(619,419)	(619,419)
	\$ (20,445,416)	\$ (619,419)	\$ (21,064,835)

See independent auditors' report.

Required Supplementary Information

CITY OF SIMI VALLEY ● NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2013

REQUIRED SUPPLEMENTARY INFORMATION
(UNAUDITED)

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

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

Actuarial Valuation Date	Actuarial Asset Value	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL)	Funded Ratios	Covered Payroll	UAAL as a Percentage of Covered Payroll
6/30/10	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%
6/30/12	169,898,052 ¹	208,561,979	38,663,927	81.5%	28,946,708	133.6%
	99,924,755 ²	128,590,727	28,665,972	77.7%	11,991,164	239.1%

1 Miscellaneous

2 Sworn

See independent auditors' report.

CITY OF SIMI VALLEY ● NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2013

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 Liability (AAL)	Unfunded AAL (UAAL)	Funded Ratios	Covered Payroll	UAAL as a Percentage of Covered Payroll
<u>06/30/2011</u>						
01/01/2011	\$ 654,376 ¹	\$ 16,756,293	\$ 16,101,917	3.9%	\$ 17,897,334	90.0%
	760,877 ²	15,444,608	14,683,731	4.9%	9,059,737	162.1%
	354,208 ³	2,189,327	1,835,119	16.2%	11,838,318	15.5%
<u>06/30/2012</u>						
01/01/2011	\$ 672,452 ¹	\$ 16,756,293	\$ 16,083,841	4.0%	\$ 17,488,469	92.0%
	782,531 ²	15,444,608	14,662,077	5.1%	9,579,127	153.1%
	503,772 ³	2,189,327	1,685,555	23.0%	11,699,093	14.4%
<u>06/30/2013</u>						
01/01/2013	\$ 1,098,847 ¹	\$ 22,837,488	\$ 21,738,641	4.8%	\$ 16,579,800	131.1%
	795,998 ²	23,130,186	22,334,188	3.4%	9,633,938	231.8%
	511,609 ³	2,048,905	1,537,296	25.0%	10,836,700	14.2%

* OPEB trust was created on June 24, 2009

¹ Management

² Sworn

³ General Unit (defined contribution)

See independent auditors' report.

Supplementary Information

Nonmajor Governmental Funds



NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

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

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

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

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

Transportation funds account for Article 3, Article 8, 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 was dissolved effective July 1, 2012, by Council action taken on June 18, 2012. The fund balance of \$9,741,174 was transferred into the General Fund, to be set aside as an Economic Recovery fund. Prior to dissolution, the fund accounted for street lighting services and was financed primarily through property taxes levied specifically for this purpose. Commencing in FY 2012-13, those property taxes are retained by the City, and the City assumed responsibility for all assets, liabilities and operational functions of the former Lighting Maintenance District.

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.

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

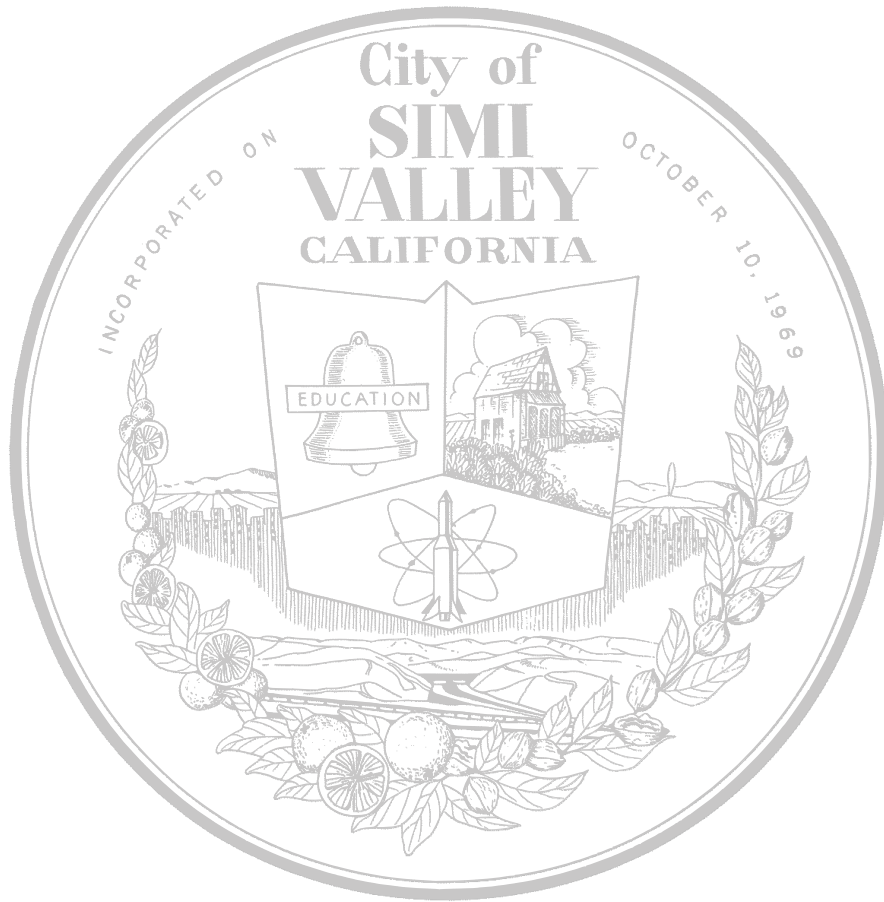
Capital Project Funds

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

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

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

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



**CITY OF SIMI VALLEY
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2013**

	<u>Special Revenue</u>			
	Calhome Grant	HOME Grant	Public, Education & Government Fees	Gasoline Tax
<u>ASSETS</u>				
Cash and investments:				
Held by city	\$ -	\$ 1,531,875	\$ 478,889	\$ -
Held by bond trustee	-	-	-	-
Taxes receivable	-	-	72,668	-
Grants receivable	73,927	-	-	-
Interest receivable	-	-	570	-
Loans receivable (net of allowance for uncollectibles)	107,737	1,722,493	-	-
TOTAL ASSETS	\$ 181,664	\$ 3,254,368	\$ 552,127	\$ -
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
<u>LIABILITIES</u>				
Accounts payable	\$ -	\$ -	\$ 5,109	\$ -
Due to other funds	113,728	81,085	-	-
TOTAL LIABILITIES	113,728	81,085	5,109	-
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Unavailable revenue-housing programs	107,737	1,722,493	-	-
Unavailable revenue-public safety	-	-	-	-
TOTAL DEFERRED INFLOWS OF RESOURCES	107,737	1,722,493	-	-
<u>FUND BALANCES</u>				
Nonspendable	-	-	-	-
Restricted				
Housing programs	-	1,450,790	-	-
Streets	-	-	-	-
Landscape	-	-	-	-
Debt service	-	-	-	-
Special programs	-	-	547,018	-
Law enforcement	-	-	-	-
Committed				
Equipment	-	-	-	-
Assigned				
Capital	-	-	-	-
Unassigned	(39,801)	-	-	-
TOTAL FUND BALANCES (DEFICITS)	(39,801)	1,450,790	547,018	-
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 181,664	\$ 3,254,368	\$ 552,127	\$ -

**CITY OF SIMI VALLEY
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2013**

Special Revenue

Transportation Funds	Green Projects	Lighting Maintenance District	Police Grants	
<u>ASSETS</u>				
Cash and investments:				
\$ 321	\$ -	\$ -	\$ 901,936	Held by city
-	-	-	-	Held by bond trustee
-	-	-	-	Taxes receivable
-	38,346	-	166,575	Grants receivable
10	-	-	872	Interest receivable
-	-	-	-	Loans receivable (net of allowance for uncollectibles)
<u>\$ 331</u>	<u>\$ 38,346</u>	<u>\$ -</u>	<u>\$ 1,069,383</u>	TOTAL ASSETS
LIABILITIES AND FUND BALANCES				
<u>LIABILITIES</u>				
\$ -	\$ 19,452	\$ -	\$ 3,805	Accounts payable
-	21,140	-	166,575	Due to other funds
-	40,592	-	170,380	TOTAL LIABILITIES
<u>DEFERRED INFLOWS OF RESOURCES</u>				
-	-	-	-	Unavailable revenue-housing programs
-	-	-	6,900	Unavailable revenue-public safety
-	-	-	6,900	TOTAL DEFERRED INFLOWS OF RESOURCES
<u>FUND BALANCES</u>				
-	-	-	-	Nonspendable
Restricted				
-	-	-	-	Housing programs
331	-	-	-	Streets
-	-	-	-	Landscape
-	-	-	-	Debt service
-	-	-	-	Special programs
-	-	-	892,103	Law enforcement
Committed				
-	-	-	-	Equipment
Assigned				
-	-	-	-	Capital
-	(2,246)	-	-	Unassigned
<u>331</u>	<u>(2,246)</u>	<u>-</u>	<u>892,103</u>	TOTAL FUND BALANCES (DEFICITS)
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
<u>\$ 331</u>	<u>\$ 38,346</u>	<u>\$ -</u>	<u>\$ 1,069,383</u>	

(continued)

**CITY OF SIMI VALLEY
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2013**

	Special Revenue			Debt Service
	Community Development Block Grant	Landscape Maintenance District No. 1	Total Nonmajor Special Revenue Funds	1995 Lease Revenue Bonds
<u>ASSETS</u>				
Cash and investments:				
Held by city	\$ 218,477	\$ 1,117,479	\$ 4,248,977	\$ 7,886
Held by bond trustee	-	-	-	972,934
Taxes receivable	-	-	72,668	-
Grants receivable	125,405	-	404,253	-
Interest receivable	-	2,071	3,523	-
Loans receivable (net of allowance for uncollectibles)	472,835	-	2,303,065	-
TOTAL ASSETS	\$ 816,717	\$ 1,119,550	\$ 7,032,486	\$ 980,820
 LIABILITIES AND FUND BALANCES				
<u>LIABILITIES</u>				
Accounts payable	\$ 98,112	\$ 167,487	\$ 293,965	\$ 8
Due to other funds	-	-	382,528	-
TOTAL LIABILITIES	98,112	167,487	676,493	8
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Unavailable revenue-housing programs	472,835	-	2,303,065	-
Unavailable revenue-public safety	-	-	6,900	-
TOTAL DEFERRED INFLOWS OF RESOURCES	472,835	-	2,309,965	-
<u>FUND BALANCES</u>				
Nonspendable	-	-	-	-
Restricted				
Housing programs	-	-	1,450,790	-
Streets	-	-	331	-
Landscape	-	952,063	952,063	-
Debt service	-	-	-	980,812
Special programs	245,770	-	792,788	-
Law enforcement	-	-	892,103	-
Committed				
Equipment	-	-	-	-
Assigned				
Capital	-	-	-	-
Unassigned	-	-	(42,047)	-
TOTAL FUND BALANCES (DEFICITS)	245,770	952,063	4,046,028	980,812
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 816,717	\$ 1,119,550	\$ 7,032,486	\$ 980,820

**CITY OF SIMI VALLEY
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2013**

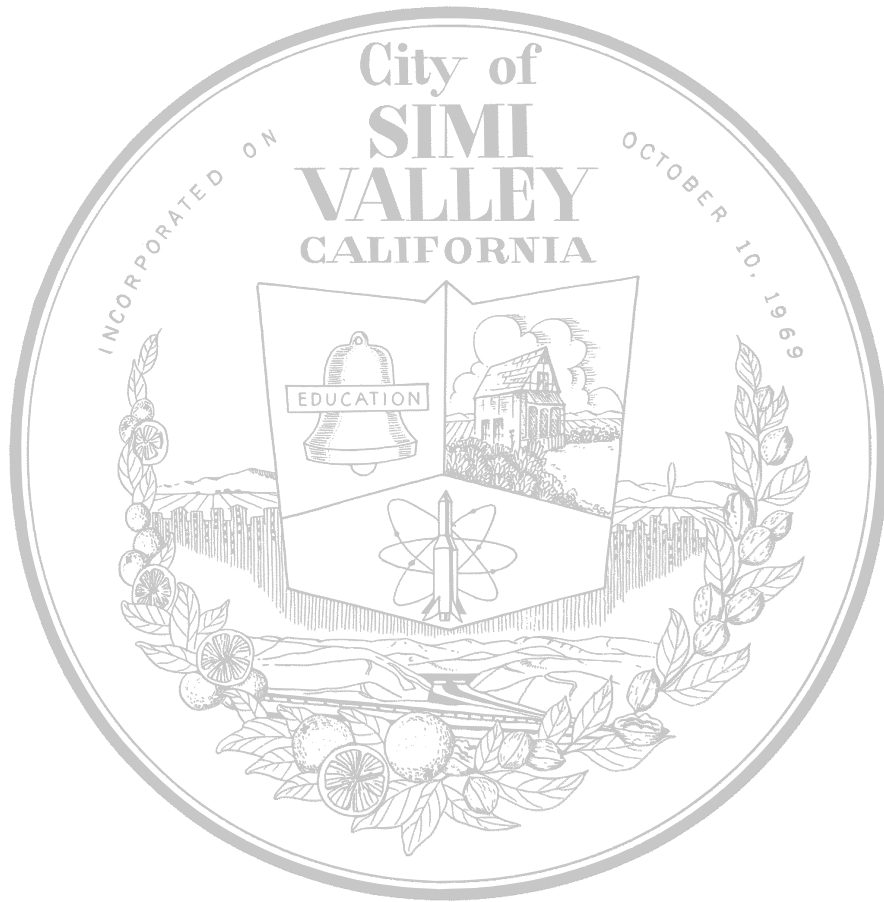
<u>Debt Service</u>		<u>Capital Projects</u>		
2004 Certificates of Participation	Total Nonmajor Debt Service	Equipment Replacement	Geographic Information System (GIS)	
				<u>ASSETS</u>
				Cash and investments:
\$ -	\$ 7,886	\$ 2,725,581	\$ 639,987	Held by city
1,656,269	2,629,203	-	-	Held by bond trustee
-	-	-	-	Taxes receivable
-	-	-	-	Grants receivable
-	-	1,326	794	Interest receivable
-	-	-	-	Loans receivable (net of allowance for uncollectibles)
<u>\$ 1,656,269</u>	<u>\$ 2,637,089</u>	<u>\$ 2,726,907</u>	<u>\$ 640,781</u>	TOTAL ASSETS
				LIABILITIES AND FUND BALANCES
				<u>LIABILITIES</u>
\$ 37	\$ 45	\$ 48,350	\$ 11,918	Accounts payable
-	-	-	-	Due to other funds
<u>37</u>	<u>45</u>	<u>48,350</u>	<u>11,918</u>	TOTAL LIABILITIES
				<u>DEFERRED INFLOWS OF RESOURCES</u>
-	-	-	-	Unavailable revenue-housing programs
-	-	-	-	Unavailable revenue-public safety
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	TOTAL DEFERRED INFLOWS OF RESOURCES
				<u>FUND BALANCES</u>
-	-	-	-	Nonspendable
				Restricted
-	-	-	-	Housing programs
-	-	-	-	Streets
-	-	-	-	Landscape
1,656,232	2,637,044	-	-	Debt service
-	-	-	-	Special programs
-	-	-	-	Law enforcement
				Committed
-	-	2,678,557	628,863	Equipment
				Assigned
-	-	-	-	Capital
-	-	-	-	Unassigned
<u>1,656,232</u>	<u>2,637,044</u>	<u>2,678,557</u>	<u>628,863</u>	TOTAL FUND BALANCES (DEFICITS)
<u>\$ 1,656,269</u>	<u>\$ 2,637,089</u>	<u>\$ 2,726,907</u>	<u>\$ 640,781</u>	TOTAL LIABILITIES AND FUND BALANCES

(continued)

**CITY OF SIMI VALLEY
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2013**

	<u>Capital Projects</u>			
	Financial Information System (FIS)	Police Capital Projects	Total Nonmajor Capital Projects	
<u>ASSETS</u>				
Cash and investments:				
Held by city	\$ 549,962	\$ 128,924	\$ 4,044,454	\$ 8,301,317
Held by bond trustee	-	-	-	2,629,203
Taxes receivable	-	-	-	72,668
Grants receivable	-	-	-	404,253
Interest receivable	656	165	2,941	6,464
Loans receivable (net of allowance for uncollectibles)	-	-	-	2,303,065
TOTAL ASSETS	\$ 550,618	\$ 129,089	\$ 4,047,395	\$ 13,716,970
LIABILITIES AND FUND BALANCES				
<u>LIABILITIES</u>				
Accounts payable	\$ -	\$ -	\$ 60,268	\$ 354,278
Due to other funds	-	-	-	382,528
TOTAL LIABILITIES	-	-	60,268	736,806
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Unavailable revenue-housing programs	-	-	-	2,303,065
Unavailable revenue-public safety	-	-	-	6,900
TOTAL DEFERRED INFLOWS OF RESOURCES	-	-	-	2,309,965
<u>FUND BALANCES</u>				
Nonspendable	-	-	-	-
Restricted				
Housing programs	-	-	-	1,450,790
Streets	-	-	-	331
Landscape	-	-	-	952,063
Debt service	-	-	-	2,637,044
Special programs	-	-	-	792,788
Law enforcement	-	-	-	892,103
Committed				
Equipment	550,618	-	3,858,038	3,858,038
Assigned				
Capital	-	129,089	129,089	129,089
Unassigned	-	-	-	(42,047)
TOTAL FUND BALANCES (DEFICITS)	550,618	129,089	3,987,127	10,670,199
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 550,618	\$ 129,089	\$ 4,047,395	\$ 13,716,970

(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, 2013**

	Special Revenue			
	Calhome Grant	HOME Grant	Public, Education & Government Fees	Gasoline Tax
<u>REVENUES</u>				
Taxes	\$ -	\$ -	\$ 295,031	\$ -
Use of money and property	2,774	810,845	2,380	-
From other governments	-	-	-	2,995,104
Grants	55,325	-	-	-
Service charges	-	-	-	-
Other revenues	-	-	-	-
Total revenues	<u>58,099</u>	<u>810,845</u>	<u>297,411</u>	<u>2,995,104</u>
<u>EXPENDITURES</u>				
Current:				
General government	-	-	-	-
Community services (CS)	-	-	43,471	-
Planning (ES)	97,900	81,085	-	-
Public ways and facilities (PW)	-	-	-	-
Public safety (PD)	-	-	-	-
Total current expenditures	<u>97,900</u>	<u>81,085</u>	<u>43,471</u>	<u>-</u>
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Other	-	-	-	-
Total debt service	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>97,900</u>	<u>81,085</u>	<u>43,471</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(39,801)</u>	<u>729,760</u>	<u>253,940</u>	<u>2,995,104</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers in	-	-	-	-
Transfers out	-	-	(12,800)	(2,995,104)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(12,800)</u>	<u>(2,995,104)</u>
NET CHANGE IN FUND BALANCES	<u>(39,801)</u>	<u>729,760</u>	<u>241,140</u>	<u>-</u>
FUND BALANCES (DEFICITS)-BEGINNING	<u>-</u>	<u>721,030</u>	<u>305,878</u>	<u>-</u>
FUND BALANCES (DEFICITS)-ENDING	<u>\$ (39,801)</u>	<u>\$ 1,450,790</u>	<u>\$ 547,018</u>	<u>\$ -</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, 2013**

<u>Special Revenue</u>				
Transportation Funds	Green Projects	Lighting Maintenance District	Police Grants	
\$ -	\$ -	\$ -	\$ -	REVENUES
34	-	-	4,437	Taxes
4,141,815	-	-	2,818	Use of money and property
-	368,717	-	1,030,746	From other governments
-	-	-	-	Grants
-	-	-	2,635	Service charges
4,141,849	368,717	-	1,040,636	Other revenues
				Total revenues
				EXPENDITURES
				Current:
-	45,113	-	-	General government
-	-	-	-	Community services (CS)
-	325,856	-	-	Planning (ES)
8,505	-	-	-	Public ways and facilities (PW)
-	-	-	312,450	Public safety (PD)
8,505	370,969	-	312,450	Total current expenditures
-	-	-	-	Capital outlay
-	-	-	-	Debt service:
-	-	-	-	Principal
-	-	-	-	Interest
-	-	-	-	Other
-	-	-	-	Total debt service
8,505	370,969	-	312,450	Total expenditures
4,133,344	(2,252)	-	728,186	EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES
-	-	-	-	OTHER FINANCING SOURCES (USES)
(4,133,310)	-	(9,741,174)	(242,266)	Transfers in
(4,133,310)	-	(9,741,174)	(242,266)	Transfers out
				Total other financing sources (uses)
34	(2,252)	(9,741,174)	485,920	NET CHANGE IN FUND BALANCES
297	6	9,741,174	406,183	FUND BALANCES (DEFICITS)-BEGINNING
\$ 331	\$ (2,246)	\$ -	\$ 892,103	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, 2013

	Special Revenue			Debt Service
	Community Development Block Grant	Landscape Maintenance District No. 1	Total Nonmajor Special Revenue Funds	1995 Lease Revenue Bonds
<u>REVENUES</u>				
Taxes	\$ -	\$ -	\$ 295,031	\$ -
Use of money and property	58,460	9,652	888,582	714
From other governments	-	-	7,139,737	-
Grants	450,742	-	1,905,530	-
Service charges	-	795,466	795,466	-
Other revenues	-	-	2,635	-
Total revenues	509,202	805,118	11,026,981	714
<u>EXPENDITURES</u>				
Current:				
General government	85,292	94,958	225,363	-
Community services (CS)	-	-	43,471	-
Planning (ES)	365,450	-	870,291	-
Public ways and facilities (PW)	-	1,619,192	1,627,697	-
Public safety (PD)	-	-	312,450	-
Total current expenditures	450,742	1,714,150	3,079,272	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	775,000
Interest	-	-	-	172,356
Other	-	-	-	4,483
Total debt service	-	-	-	951,839
Total expenditures	450,742	1,714,150	3,079,272	951,839
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	58,460	(909,032)	7,947,709	(951,125)
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers in	-	931,600	931,600	951,870
Transfers out	-	-	(17,124,654)	-
Total other financing sources (uses)	-	931,600	(16,193,054)	951,870
NET CHANGE IN FUND BALANCES	58,460	22,568	(8,245,345)	745
FUND BALANCES (DEFICITS)-BEGINNING	187,310	929,495	12,291,373	980,067
FUND BALANCES (DEFICITS)-ENDING	\$ 245,770	\$ 952,063	\$ 4,046,028	\$ 980,812

**CITY OF SIMI VALLEY
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

Debt Service			
2004	Total		
Certificates	Nonmajor	Equipment	Geographic
of	Debt	Replacement	Information
Participation	Service		System (GIS)
\$ -	\$ -	\$ -	\$ -
198	912	6,599	4,197
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
<u>198</u>	<u>912</u>	<u>6,599</u>	<u>4,197</u>
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	1,425,036	15,219
585,000	1,360,000	-	-
1,070,069	1,242,425	-	-
3,450	7,933	-	-
<u>1,658,519</u>	<u>2,610,358</u>	<u>-</u>	<u>-</u>
1,658,519	2,610,358	1,425,036	15,219
<u>(1,658,321)</u>	<u>(2,609,446)</u>	<u>(1,418,437)</u>	<u>(11,022)</u>
1,658,730	2,610,600	1,363,600	216,900
-	-	-	-
<u>1,658,730</u>	<u>2,610,600</u>	<u>1,363,600</u>	<u>216,900</u>
409	1,154	(54,837)	205,878
<u>1,655,823</u>	<u>2,635,890</u>	<u>2,733,394</u>	<u>422,985</u>
\$ 1,656,232	\$ 2,637,044	\$ 2,678,557	\$ 628,863

REVENUES

Taxes
 Use of money and property
 From other governments
 Grants
 Service charges
 Other revenues
 Total revenues

EXPENDITURES

Current:
 General government
 Community services (CS)
 Planning (ES)
 Public ways and facilities (PW)
 Public safety (PD)
 Total current expenditures

Capital outlay

Debt service:

Principal
 Interest
 Other
 Total debt service

Total expenditures

EXCESS (DEFICIENCY) OF REVENUES
 OVER EXPENDITURES

OTHER FINANCING SOURCES (USES)

Transfers in
 Transfers out
 Total other financing sources (uses)

NET CHANGE IN FUND BALANCES

FUND BALANCES (DEFICITS)-BEGINNING

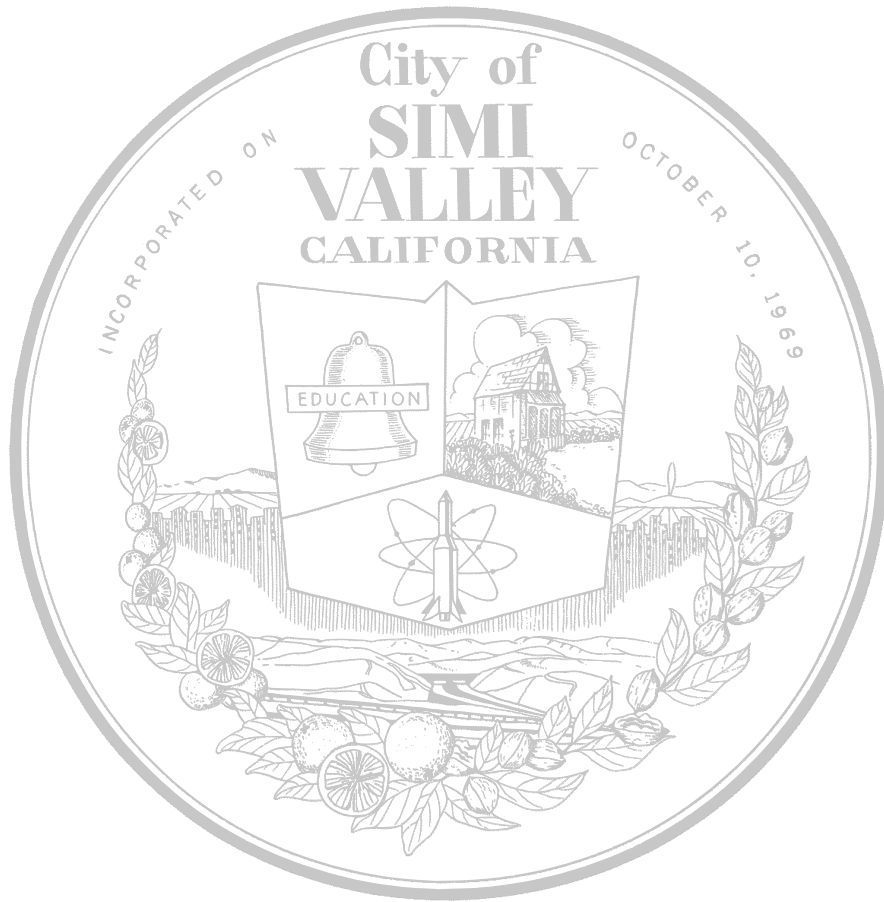
FUND BALANCES (DEFICITS)-ENDING

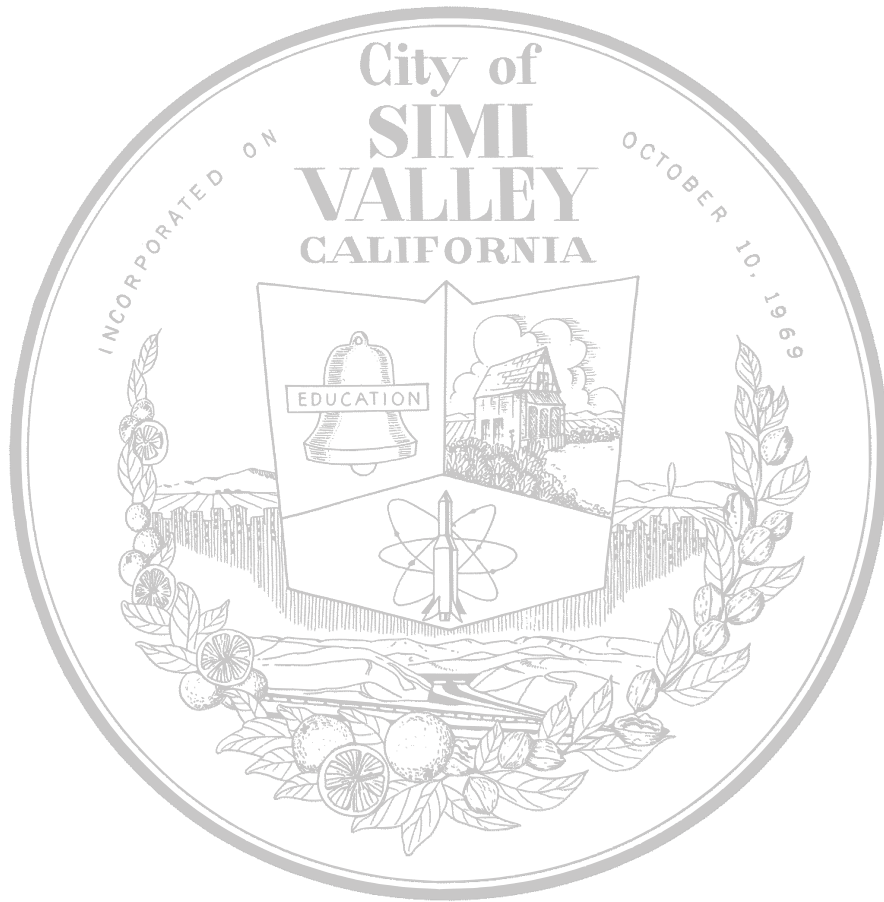
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**CITY OF SIMI VALLEY
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

	<u>Capital Projects</u>			<u>Total Nonmajor Funds</u>
	<u>Financial Information System (FIS)</u>	<u>Police Capital Projects</u>	<u>Total Nonmajor Capital Projects</u>	
<u>REVENUES</u>				
Taxes	\$ -	\$ -	\$ -	\$ 295,031
Use of money and property	3,354	790	14,940	904,434
From other governments	-	-	-	7,139,737
Grants	-	-	-	1,905,530
Service charges	-	-	-	795,466
Other revenues	3,400	46,417	49,817	52,452
Total revenues	<u>6,754</u>	<u>47,207</u>	<u>64,757</u>	<u>11,092,650</u>
<u>EXPENDITURES</u>				
Current:				
General government	-	-	-	225,363
Community services (CS)	-	-	-	43,471
Planning (ES)	-	-	-	870,291
Public ways and facilities (PW)	-	-	-	1,627,697
Public safety (PD)	-	-	-	312,450
Total current expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,079,272</u>
Capital outlay	-	-	1,440,255	1,440,255
Debt service:				
Principal	-	-	-	1,360,000
Interest	-	-	-	1,242,425
Other	-	-	-	7,933
Total debt service	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,610,358</u>
Total expenditures	<u>-</u>	<u>-</u>	<u>1,440,255</u>	<u>7,129,885</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>6,754</u>	<u>47,207</u>	<u>(1,375,498)</u>	<u>3,962,765</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers in	175,100	-	1,755,600	5,297,800
Transfers out	-	-	-	(17,124,654)
Total other financing sources (uses)	<u>175,100</u>	<u>-</u>	<u>1,755,600</u>	<u>(11,826,854)</u>
NET CHANGE IN FUND BALANCES	<u>181,854</u>	<u>47,207</u>	<u>380,102</u>	<u>(7,864,089)</u>
FUND BALANCES (DEFICITS)-BEGINNING	<u>368,764</u>	<u>81,882</u>	<u>3,607,025</u>	<u>18,534,288</u>
FUND BALANCES (DEFICITS)-ENDING	<u>\$ 550,618</u>	<u>\$ 129,089</u>	<u>\$ 3,987,127</u>	<u>\$ 10,670,199</u>

(concluded)





Schedules-Budget and Actual-Individual Funds



**CITY OF SIMI VALLEY
CALHOME
SUPPLEMENTAL SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

	Budget	Actual	Variance with Budget Positive (Negative)
<u>REVENUES</u>			
Grants	\$ 870,000	\$ 55,325	\$ (814,675)
Use of money and property	-	2,774	2,774
Total revenues	<u>870,000</u>	<u>58,099</u>	<u>(811,901)</u>
<u>EXPENDITURES</u>			
Current:			
Planning (ES):			
Housing programs	870,000	83,168	786,832
Reimbursed Expenditures		14,732	(14,732)
Total expenditures	<u>870,000</u>	<u>97,900</u>	<u>772,100</u>
 NET CHANGE IN FUND BALANCES	 -	 (39,801)	 (39,801)
 FUND BALANCES (DEFICITS)-BEGINNING	 <u>-</u>	 <u>-</u>	 <u>-</u>
 FUND BALANCES (DEFICITS)-ENDING	 <u>\$ -</u>	 <u>\$ (39,801)</u>	 <u>\$ (39,801)</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, 2013**

	Budget	Actual	Variance with Budget Positive (Negative)
<u>REVENUES</u>			
Use of money and property	\$ 81,900	\$ 810,845	\$ 728,945
Total revenues	<u>81,900</u>	<u>810,845</u>	<u>728,945</u>
<u>EXPENDITURES</u>			
Current:			
Planning:			
Materials, supplies, and services	-	-	-
Reimbursements to housing fund	-	81,085	(81,085)
Total expenditures	<u>-</u>	<u>81,085</u>	<u>(81,085)</u>
 NET CHANGE IN FUND BALANCES	 81,900	 729,760	 647,860
FUND BALANCES (DEFICITS)-BEGINNING	<u>721,030</u>	<u>721,030</u>	<u>-</u>
FUND BALANCES (DEFICITS)-ENDING	<u>\$ 802,930</u>	<u>\$ 1,450,790</u>	<u>\$ 647,860</u>

**CITY OF SIMI VALLEY
PUBLIC EDUCATION AND GOVERNMENT FEES
SUPPLEMENTAL SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

	Budget	Actual	Variance with Budget Positive (Negative)
<u>REVENUES</u>			
Taxes	\$ 220,000	\$ 295,031	\$ 75,031
Use of money and property	-	2,380	2,380
Total revenues	<u>220,000</u>	<u>297,411</u>	<u>77,411</u>
<u>EXPENDITURES</u>			
Current:			
Community services:			
Materials, supplies and services	53,600	43,471	10,129
Total expenditures	<u>53,600</u>	<u>43,471</u>	<u>10,129</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>166,400</u>	<u>253,940</u>	<u>87,540</u>
<u>OTHER FINANCING (USES)</u>			
Transfers out	<u>(12,800)</u>	<u>(12,800)</u>	-
NET CHANGE IN FUND BALANCES	153,600	241,140	87,540
FUND BALANCES (DEFICITS)-BEGINNING	<u>305,878</u>	<u>305,878</u>	-
FUND BALANCES (DEFICITS)-ENDING	<u>\$ 459,478</u>	<u>\$ 547,018</u>	<u>\$ 87,540</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, 2013

	Budget	Actual	Variance with Budget Positive (Negative)
<hr/>			
<u>REVENUES</u>			
From other governments	\$ 3,429,600	\$ 2,995,104	\$ (434,496)
<u>OTHER FINANCING SOURCES (USES)</u>			
Transfers out	(3,429,600)	(2,995,104)	434,496
NET CHANGE IN FUND BALANCES	-	-	-
FUND BALANCES (DEFICITS)-BEGINNING	-	-	-
FUND BALANCES (DEFICITS)-ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**CITY OF SIMI VALLEY
TRANSPORTATION FUNDS
SUPPLEMENTAL SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

	Budget	Actual	Variance with Budget Positive (Negative)
<u>REVENUES</u>			
Use of money and property	\$ -	\$ 34	\$ 34
From other governments	4,026,400	4,141,815	115,415
Total revenues	<u>4,026,400</u>	<u>4,141,849</u>	<u>115,449</u>
<u>EXPENDITURES</u>			
Current:			
Public ways and facilities:			
Other contract services	-	8,505	(8,505)
Total expenditures	<u>-</u>	<u>8,505</u>	<u>(8,505)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>4,026,400</u>	<u>4,133,344</u>	<u>106,944</u>
<u>OTHER FINANCING (USES)</u>			
Transfers out	<u>(4,026,400)</u>	<u>(4,133,310)</u>	<u>(106,910)</u>
NET CHANGE IN FUND BALANCES	-	34	34
FUND BALANCES (DEFICITS)-BEGINNING	<u>297</u>	<u>297</u>	<u>-</u>
FUND BALANCES (DEFICITS)-ENDING	<u>\$ 297</u>	<u>\$ 331</u>	<u>\$ 34</u>

**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, 2013**

	Budget	Actual	Variance with Budget Positive (Negative)
<u>REVENUES</u>			
Grants	\$ -	\$ 368,717	\$ 368,717
<u>EXPENDITURES</u>			
Current:			
General government:			
Personnel	-	13,440	(13,440)
Materials, supplies, and services	44,100	31,673	12,427
Total general government	44,100	45,113	(1,013)
Planning (ES):			
Personnel	-	46,910	(46,910)
Materials, supplies, and services	444,600	278,946	165,654
Total planning	444,600	325,856	118,744
Total expenditures	488,700	370,969	117,731
NET CHANGE IN FUND BALANCES	(488,700)	(2,252)	486,448
FUND BALANCES (DEFICITS)-BEGINNING	6	6	-
FUND BALANCES (DEFICITS)-ENDING	\$ (488,694)	\$ (2,246)	\$ 486,448

**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, 2013**

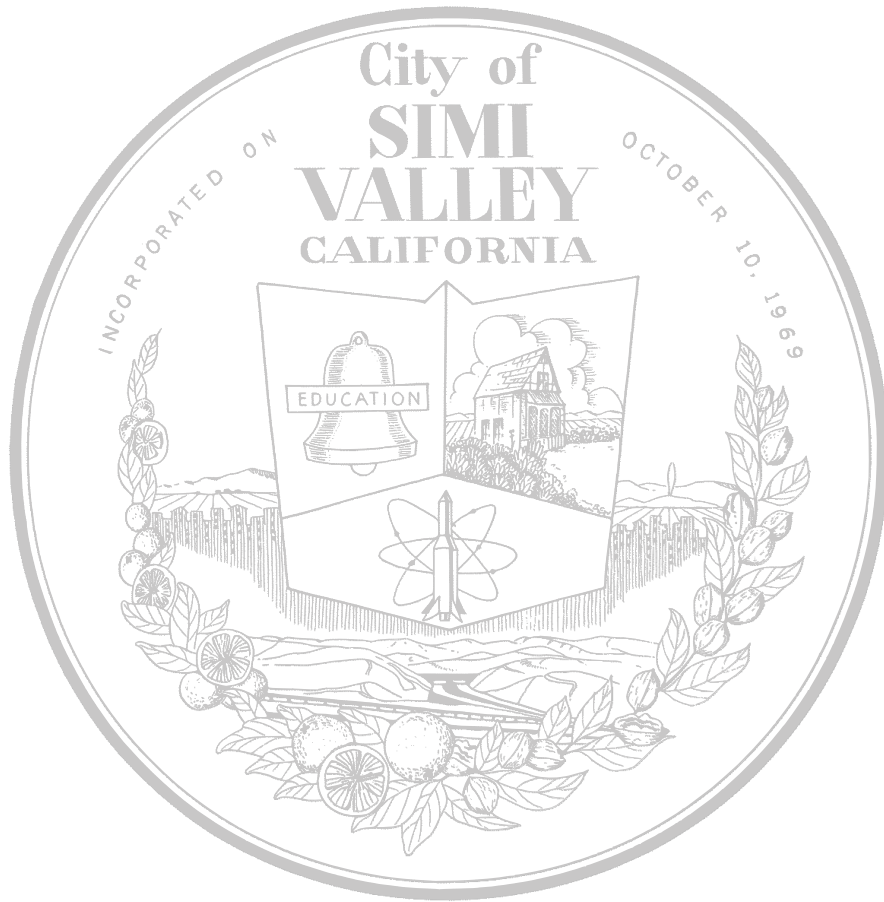
	Budget	Actual	Variance with Budget Positive (Negative)
<u>REVENUES</u>			
Use of money and property	\$ 1,000	\$ 4,437	\$ 3,437
From other governments	1,400	2,818	1,418
Grants	530,343	1,030,746	500,403
Other Revenues	-	2,635	2,635
Total revenues	<u>532,743</u>	<u>1,040,636</u>	<u>507,893</u>
<u>EXPENDITURES</u>			
Current:			
Public safety:			
Personnel	-	125,442	(125,442)
Material, supplies and services	748,543	187,008	561,535
Total public safety	<u>748,543</u>	<u>312,450</u>	<u>436,093</u>
Total expenditures	<u>748,543</u>	<u>312,450</u>	<u>436,093</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(215,800)</u>	<u>728,186</u>	<u>943,986</u>
<u>OTHER FINANCING SOURCES (USES)</u>			
Transfers out	<u>(30,000)</u>	<u>(242,266)</u>	<u>(212,266)</u>
Total other financing sources (uses)	<u>(30,000)</u>	<u>(242,266)</u>	<u>(212,266)</u>
NET CHANGE IN FUND BALANCES	(245,800)	485,920	731,720
FUND BALANCES (DEFICITS)-BEGINNING	<u>406,183</u>	<u>406,183</u>	<u>-</u>
FUND BALANCES (DEFICITS)-ENDING	<u>\$ 160,383</u>	<u>\$ 892,103</u>	<u>\$ 731,720</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, 2013**

	Budget	Actual	Variance with Budget Positive (Negative)
<u>REVENUES</u>			
Use of money and property	\$ -	\$ 58,460	\$ 58,460
Grants	601,200	450,742	(150,458)
Total revenues	<u>601,200</u>	<u>509,202</u>	<u>(91,998)</u>
<u>EXPENDITURES</u>			
Current:			
General government:			
Reimbursement to general fund	<u>85,300</u>	<u>85,292</u>	<u>8</u>
Planning:			
Reimbursement to housing fund	-	-	-
Social programs	452,400	199,235	253,165
Other programs	332,600	166,215	166,385
Total planning	<u>785,000</u>	<u>365,450</u>	<u>419,550</u>
Total expenditures	<u>870,300</u>	<u>450,742</u>	<u>419,558</u>
NET CHANGE IN FUND BALANCES	(269,100)	58,460	327,560
FUND BALANCES (DEFICITS)-BEGINNING	<u>187,310</u>	<u>187,310</u>	<u>-</u>
FUND BALANCES (DEFICITS)-ENDING	<u>\$ (81,790)</u>	<u>\$ 245,770</u>	<u>\$ 327,560</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, 2013**

	Budget	Actual	Variance with Budget Positive (Negative)
<u>REVENUES</u>			
Use of money and property	\$ 27,522	\$ 9,652	\$ (17,870)
Service charges	788,593	795,466	6,873
Total revenues	<u>816,115</u>	<u>805,118</u>	<u>(10,997)</u>
<u>EXPENDITURES</u>			
Current:			
General government:			
Reimbursement to general fund	<u>95,730</u>	<u>94,958</u>	<u>772</u>
Public ways and facilities:			
Landscape Maintenance Contract	522,248	502,918	19,330
Utilities	<u>1,115,800</u>	<u>1,116,274</u>	<u>(474)</u>
Total public ways and facilities	<u>1,638,048</u>	<u>1,619,192</u>	<u>18,856</u>
Total expenditures	<u>1,733,778</u>	<u>1,714,150</u>	<u>19,628</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(917,663)</u>	<u>(909,032)</u>	<u>8,631</u>
<u>OTHER FINANCING SOURCES (USES)</u>			
Transfers in	<u>931,649</u>	<u>931,600</u>	<u>49</u>
NET CHANGE IN FUND BALANCES	13,986	22,568	8,582
FUND BALANCES (DEFICITS)-BEGINNING	<u>929,495</u>	<u>929,495</u>	<u>-</u>
FUND BALANCES (DEFICITS)-ENDING	<u>\$ 943,481</u>	<u>\$ 952,063</u>	<u>\$ 8,582</u>



Internal Service and Fiduciary Funds



**CITY OF SIMI VALLEY
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
JUNE 30, 2013**

	Liability Insurance	Workers' Compensation Insurance	GIS/Permits Operations	FIS Operations	Total
<u>ASSETS</u>					
Current assets:					
Cash and investments	\$ 7,375,080	\$ 8,807,156	\$ 51,757	\$ 14,398	\$ 16,248,391
Customer receivable	-	95	-	-	95
Interest receivable	7,917	11,114	14	44	19,089
Prepaid expenses	-	-	-	78,566	78,566
TOTAL ASSETS	7,382,997	8,818,365	51,771	93,008	16,346,141
<u>LIABILITIES</u>					
Current liabilities:					
Accounts payable	125,170	51,558	-	8,000	184,728
Salaries and benefits payable	-	14,131	-	-	14,131
Compensated absences	-	5,005	-	-	5,005
Claims and legal services payable	972,682	2,798,848	-	-	3,771,530
Total current liabilities	1,097,852	2,869,542	-	8,000	3,975,394
Noncurrent liabilities:					
Advances from other funds	2,344,000	2,344,000	-	-	4,688,000
Compensated absences	-	45,044	-	-	45,044
Claims and legal services payable	1,441,476	5,922,471	-	-	7,363,947
Total noncurrent liabilities	3,785,476	8,311,515	-	-	12,096,991
TOTAL LIABILITIES	4,883,328	11,181,057	-	8,000	16,072,385
<u>NET POSITION</u>					
Unrestricted	2,499,669	(2,362,692)	51,771	85,008	273,756
TOTAL NET POSITION	\$ 2,499,669	\$ (2,362,692)	\$ 51,771	\$ 85,008	\$ 273,756

CITY OF SIMI VALLEY
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Liability Insurance	Workers' Compensation Insurance	GIS/Permits Operations	FIS Operations	Total
<u>OPERATING REVENUES</u>					
Total charges for sales and services	\$ 1,379,600	\$ 2,771,000	\$ 91,500	\$ 131,000	\$ 4,373,100
<u>OPERATING EXPENSES</u>					
Salaries and benefits	-	359,080	-	-	359,080
Excess insurance premiums	396,527	313,848	-	-	710,375
Claims and legal expenses	1,185,410	3,622,777	-	-	4,808,187
General administration	215,400	566,000	-	-	781,400
Other	-	3,731	67,852	122,153	193,736
Total operating expenses	1,797,337	4,865,436	67,852	122,153	6,852,778
OPERATING INCOME (LOSS)	(417,737)	(2,094,436)	23,648	8,847	(2,479,678)
NONOPERATING REVENUES AND EXPENSES:					
Interest	37,256	47,987	66	192	85,501
Fair market value adjustment	(66,711)	(101,057)	-	-	(167,768)
Total non-operating expenses	(29,455)	(53,070)	66	192	(82,267)
INCOME (LOSS) BEFORE TRANSFERS	(447,192)	(2,147,506)	23,714	9,039	(2,561,945)
<u>TRANSFERS</u>					
Transfers out	(4,000)	(4,000)	-	-	(8,000)
CHANGE IN NET POSITION	(451,192)	(2,151,506)	23,714	9,039	(2,569,945)
NET POSITION-BEGINNING	2,950,861	(211,186)	28,057	75,969	2,843,701
NET POSITION-ENDING	\$ 2,499,669	\$ (2,362,692)	\$ 51,771	\$ 85,008	\$ 273,756

**CITY OF SIMI VALLEY
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

	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)	\$ 1,379,600	\$ 2,771,000	\$ 91,500	\$ 131,000	\$ 4,373,100
Cash paid for salaries and benefits	-	(356,297)	-	-	(356,297)
Cash paid for general administration	(215,400)	(566,000)	-	-	(781,400)
Cash paid for services	-	(3,731)	(68,710)	(200,719)	(273,160)
Cash paid for insurance premiums and claims	(1,366,588)	(2,461,416)	-	-	(3,828,004)
Net cash provided (used) by operating activities	<u>(202,388)</u>	<u>(616,444)</u>	<u>22,790</u>	<u>(69,719)</u>	<u>(865,761)</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	39,738	55,870	52	276	95,936
Fair market value adjustment	(66,711)	(101,057)	-	-	(167,768)
Net cash provided (used) by investing activities	<u>(26,973)</u>	<u>(45,187)</u>	<u>52</u>	<u>276</u>	<u>(71,832)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(233,361)	(665,631)	22,842	(69,443)	(945,593)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	7,608,441	9,472,787	28,915	83,841	17,193,984
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 7,375,080</u>	<u>\$ 8,807,156</u>	<u>\$ 51,757</u>	<u>\$ 14,398</u>	<u>\$ 16,248,391</u>
<u>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:</u>					
Operating income (loss)	\$ (417,737)	\$ (2,094,436)	\$ 23,648	\$ 8,847	\$ (2,479,678)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
(increase) decrease in prepaid expenses	-	-	-	(78,566)	(78,566)
Increase (decrease) in accounts payable	125,151	(9,914)	(858)	-	114,379
Increase (decrease) in accrued payroll	-	2,506	-	-	2,506
Increase (decrease) in compensated absences	-	277	-	-	277
Increase (decrease) in claims and legal services payable	90,198	1,485,123	-	-	1,575,321
Total adjustments	<u>215,349</u>	<u>1,477,992</u>	<u>(858)</u>	<u>(78,566)</u>	<u>1,613,917</u>
Net cash provided (used) by operating activities	<u>\$ (202,388)</u>	<u>\$ (616,444)</u>	<u>\$ 22,790</u>	<u>\$ (69,719)</u>	<u>\$ (865,761)</u>

**CITY OF SIMI VALLEY
COMBINING STATEMENT OF NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2013**

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	\$ 69,898	\$ -	\$ 20,374	\$ 2,956,198
Held by bond trustee	-	-	-	-
Interest receivable	-	156	31	10,234
Capital assets not being depreciated	-	849,174	-	-
TOTAL ASSETS	69,898	849,330	20,405	2,966,432
<u>DEFERRED OUTFLOWS OF RESOURCES</u>				
Deferred charge on refunding	-	-	-	-
TOTAL DEFERRED OUTFLOWS OF RESOURCES	-	-	-	-
<u>LIABILITIES</u>				
Accounts payable and accrued liabilities	16,624	-	-	-
Accrued interest payable	-	-	-	-
Intergovernmental payable	-	110,369	-	-
Due to other governments	-	256,896	-	-
Loans payable - city	-	13,826,760	21,430	-
Long-term debt:				
Due within one year	5,328	-	-	-
Due in more than one year	47,946	-	-	-
TOTAL LIABILITIES	69,898	14,194,025	21,430	-
<u>NET POSITION</u>				
Held in trust for other purposes	\$ -	\$ (13,344,695)	\$ (1,025)	\$ 2,966,432

**CITY OF SIMI VALLEY
COMBINING STATEMENT OF NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2013**

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	
				<u>ASSETS</u>
				Cash and investments:
\$ 930	\$ 2,127,378	\$ 1,926,971	\$ 7,101,749	Held by city
-	2,102,361	-	2,102,361	Held by bond trustee
192	1,666	3,136	15,415	Interest receivable
-	-	-	849,174	Capital assets not being depreciated
1,122	4,231,405	1,930,107	10,068,699	TOTAL ASSETS
				<u>DEFERRED OUTFLOWS OF RESOURCES</u>
-	303,079	-	303,079	Deferred charge on refunding
-	303,079	-	303,079	TOTAL DEFERRED OUTFLOWS OF RESOURCES
				<u>LIABILITIES</u>
-	-	-	16,624	Accounts payable and accrued liabilities
-	398,417	-	398,417	Accrued interest payable
-	-	-	110,369	Intergovernmental payable
-	-	-	256,896	Due to other governments
-	-	-	13,848,190	Loans payable - city
				Long-term debt:
-	900,000	-	905,328	Due within one year
-	23,937,661	-	23,985,607	Due in more than one year
-	25,236,078	-	39,521,431	TOTAL LIABILITIES
				<u>NET POSITION</u>
\$ 1,122	\$ (20,701,594)	\$ 1,930,107	\$ (29,149,653)	Held in trust for other purposes

**CITY OF SIMI VALLEY
COMBINING STATEMENT OF CHANGES IN NET POSITION
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

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	-	3,388	194	1,501
Contributions from other governments	236,053	-	-	-
Other contributions	-	-	-	-
Transfers in	250,000	70,000	-	-
TOTAL ADDITIONS	486,053	73,388	194	1,501
<u>DEDUCTIONS</u>				
Program expenses of former Simi Valley Community Development Agency	17,304	171,937	-	-
Administrative expenses	421,269	-	-	-
Interest and fiscal agency expenses of former Simi Valley Community Development Agency	-	-	-	-
Refunds	-	-	-	8,465,342
Contributions to other governments	-	-	-	464,854
Transfers out	-	17,500	-	-
TOTAL DEDUCTIONS	438,573	189,437	-	8,930,196
CHANGE IN NET POSITION	47,480	(116,049)	194	(8,928,695)
NET POSITION - BEGINNING, AS RESTATED	(47,480)	(13,228,646)	(1,219)	11,895,127
NET POSITION - ENDING	\$ -	\$ (13,344,695)	\$ (1,025)	\$ 2,966,432

**CITY OF SIMI VALLEY
COMBINING STATEMENT OF CHANGES IN NET POSITION
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

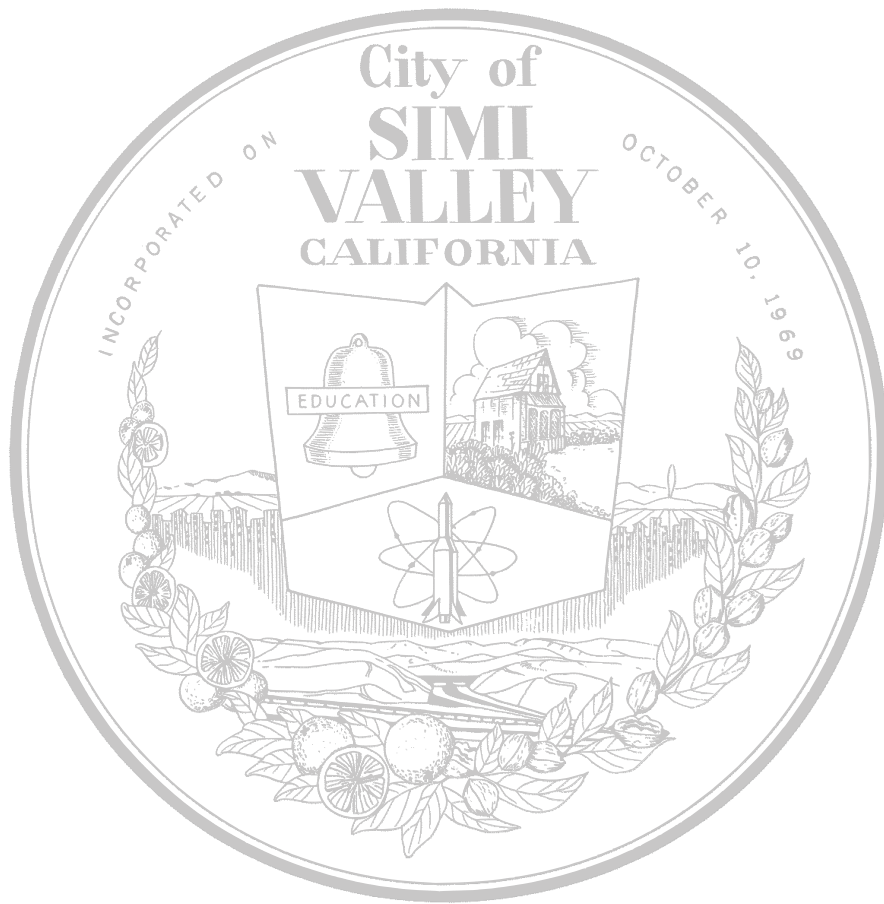
Successor Agency to the Simi Valley CDA Private-Purpose Trust Fund				
Redevelopment Obligation Retirement	2003 Tax Allocation Refunding Bonds	CDA Projects	Total Successor Agency to the Simi Valley CDA Private-Purpose Trust Fund	
				<u>ADDITIONS</u>
\$ 2,361,949	\$ -	\$ -	\$ 2,361,949	Property taxes
1,122	10,614	14,790	31,609	Investment earnings
-	-	-	236,053	Contributions from other governments
-	-	70,000	70,000	Other contributions
-	2,111,949	-	2,431,949	Transfers in
<u>2,363,071</u>	<u>2,122,563</u>	<u>84,790</u>	<u>5,131,560</u>	TOTAL ADDITIONS
				<u>DEDUCTIONS</u>
-	-	17,500	206,741	Program expenses of former Simi Valley Community Development Agency
-	-	-	421,269	Administrative expenses
-	1,226,223	-	1,226,223	Interest and fiscal agency expenses of former Simi Valley Community Development Agency
-	-	-	8,465,342	Refunds
-	-	-	464,854	Contributions to other governments
2,361,949	-	52,500	2,431,949	Transfers out
<u>2,361,949</u>	<u>1,226,223</u>	<u>70,000</u>	<u>13,216,378</u>	TOTAL DEDUCTIONS
1,122	896,340	14,790	(8,084,818)	CHANGE IN NET POSITION
-	(21,597,934)	1,915,317	(21,064,835)	NET POSITION - BEGINNING, AS RESTATED
<u>\$ 1,122</u>	<u>\$ (20,701,594)</u>	<u>\$ 1,930,107</u>	<u>\$ (29,149,653)</u>	NET POSITION - ENDING

**CITY OF SIMI VALLEY
 COMBINING STATEMENT OF FIDUCIARY NET POSITION
 AGENCY FUNDS
 JUNE 30, 2013**

	City Agency Fund	Assessment Districts - City of Simi Valley	Simi Valley Unified School District	Total Agency Funds
<u>ASSETS</u>				
Current assets:				
Cash and investments:				
Held by city	\$ 3,948,787	\$ 1,297,859	\$ 1,117,545	\$ 6,364,191
Held by bond trustee	-	2,669,567	-	2,669,567
Accounts receivable	-	1,585	1,833	3,418
TOTAL ASSETS	\$ 3,948,787	\$ 3,969,011	\$ 1,119,378	\$ 9,037,176
<u>LIABILITIES</u>				
Intergovernmental payable	\$ 3,948,787	\$ 3,969,011	\$ 1,119,378	\$ 9,037,176
TOTAL LIABILITIES	\$ 3,948,787	\$ 3,969,011	\$ 1,119,378	\$ 9,037,176

**CITY OF SIMI VALLEY
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 AGENCY FUNDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

	Balance at June 30, 2012	Additions	Deductions	Balance at June 30, 2013
AGENCY FUND - CITY OF SIMI VALLEY				
ASSETS:				
Cash and investments held by city	\$ 4,084,535	\$ 845,881	\$ 981,629	\$ 3,948,787
TOTAL ASSETS	\$ 4,084,535	\$ 845,881	\$ 981,629	\$ 3,948,787
LIABILITIES:				
Intergovernmental payable	\$ 4,084,535	\$ 845,881	\$ 981,629	\$ 3,948,787
TOTAL LIABILITIES	\$ 4,084,535	\$ 845,881	\$ 981,629	\$ 3,948,787
ASSESSMENT DISTRICTS - CITY OF SIMI VALLEY				
ASSETS:				
Cash and investments held by city	\$ 1,231,946	\$ 930,462	\$ 864,549	\$ 1,297,859
Cash and investments held by bond trustee	2,773,507	695,316	799,256	2,669,567
Accounts receivable	1,946	1,585	1,946	1,585
TOTAL ASSETS	\$ 4,007,399	\$ 1,627,363	\$ 1,665,751	\$ 3,969,011
LIABILITIES:				
Intergovernmental payable	\$ 4,007,399	\$ 1,627,363	\$ 1,665,751	\$ 3,969,011
TOTAL LIABILITIES	\$ 4,007,399	\$ 1,627,363	\$ 1,665,751	\$ 3,969,011
SIMI VALLEY UNIFIED SCHOOL DISTRICT				
ASSETS:				
Cash and investments held by city	\$ 1,116,499	\$ 9,203	\$ 8,157	\$ 1,117,545
Accounts receivable	2,879	1,833	2,879	1,833
TOTAL ASSETS	\$ 1,119,378	\$ 11,036	\$ 11,036	\$ 1,119,378
LIABILITIES:				
Intergovernmental payable	\$ 1,119,378	\$ 11,036	\$ 11,036	\$ 1,119,378
TOTAL LIABILITIES	\$ 1,119,378	\$ 11,036	\$ 11,036	\$ 1,119,378
TOTAL AGENCY FUNDS				
ASSETS:				
Cash and investments held by city	\$ 6,432,980	\$ 1,785,546	\$ 1,854,335	\$ 6,364,191
Cash and investments held by bond trustee	2,773,507	695,316	799,256	2,669,567
Accounts receivable	4,825	3,418	4,825	3,418
TOTAL ASSETS	\$ 9,211,312	\$ 2,484,280	\$ 2,658,416	\$ 9,037,176
LIABILITIES:				
Intergovernmental payable	\$ 9,211,312	\$ 2,484,280	\$ 2,658,416	\$ 9,037,176
TOTAL LIABILITIES	\$ 9,211,312	\$ 2,484,280	\$ 2,658,416	\$ 9,037,176



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.	122
<u>Revenue Capacity</u> These schedules contain information to help the reader assess the government’s most significant local revenue source, the property tax.	132
<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.	138
<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. ..	142
<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.	144

SOURCE:

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

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

	Fiscal Year				
	2003-04	2004-05	2005-06	2006-07	2007-08
Governmental activities					
Net investment in capital assets	\$ 27,714,331	\$ 39,280,006	\$ 55,108,472	\$ 153,537,599	\$ 157,564,195
Restricted	23,136,350	28,718,649	39,933,025	60,444,524	76,340,295
Unrestricted	38,529,028	38,041,664	37,929,875	42,886,026	39,459,540
Total governmental activities net position	<u>\$ 89,379,709</u>	<u>\$ 106,040,319</u>	<u>\$ 132,971,372</u>	<u>\$ 256,868,149</u>	<u>\$ 273,364,030</u>
Business-type activities					
Net investment in capital assets	\$ 66,493,449	\$ 72,475,306	\$ 74,114,013	\$ 109,436,007	\$ 112,913,342
Restricted	14,666,713	15,279,959	19,733,407	18,981,595	17,622,173
Unrestricted	15,361,347	18,553,722	22,524,125	27,974,098	31,027,488
Total business-type activities net position	<u>\$ 96,521,509</u>	<u>\$ 106,308,987</u>	<u>\$ 116,371,545</u>	<u>\$ 156,391,700</u>	<u>\$ 161,563,003</u>
Primary Government					
Net investment in capital assets	\$ 94,207,780	\$ 111,755,312	\$ 129,222,485	\$ 262,973,606	\$ 270,477,537
Restricted	37,803,063	43,998,608	59,666,432	79,426,119	93,962,468
Unrestricted	53,890,375	56,595,386	60,454,000	70,860,124	70,487,028
Total primary government net position	<u>\$ 185,901,218</u>	<u>\$ 212,349,306</u>	<u>\$ 249,342,917</u>	<u>\$ 413,259,849</u>	<u>\$ 434,927,033</u>

Continued

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

Fiscal Year					
2008-09	2009-10	2010-11	2011-12	2012-13	
					Governmental activities
\$ 180,128,561	\$ 192,161,001	\$ 193,042,793	\$ 185,373,875	\$ 182,759,929	Net investment in capital assets
84,285,014	87,739,866	86,293,818	68,151,365	61,520,939	Restricted
8,499,742	257,677	2,314,831	37,498,659	34,169,932	Unrestricted
<u>\$272,913,317</u>	<u>\$ 280,158,544</u>	<u>\$281,651,442</u>	<u>\$291,023,899</u>	<u>\$278,450,800</u>	Total governmental activities net position
					Business-type activities
\$ 121,094,906	\$ 126,957,605	\$ 130,816,874	\$ 131,301,986	\$ 129,933,391	Net investment in capital assets
9,527,814	8,239,133	6,755,144	6,472,751	5,886,068	Restricted
35,330,465	39,436,550	42,011,607	43,346,788	42,641,507	Unrestricted
<u>\$165,953,185</u>	<u>\$ 174,633,288</u>	<u>\$179,583,625</u>	<u>\$181,121,525</u>	<u>\$ 178,460,966</u>	Total business-type activities net position
					Primary Government
\$ 301,223,467	\$ 319,118,606	\$ 323,859,667	\$ 316,675,861	\$ 312,693,320	Net investment in capital assets
93,812,828	95,978,999	93,048,962	74,624,116	67,407,007	Restricted
43,830,207	39,694,227	44,326,438	80,845,447	76,811,439	Unrestricted
<u>\$438,866,502</u>	<u>\$ 454,791,832</u>	<u>\$461,235,067</u>	<u>\$472,145,424</u>	<u>\$456,911,766</u>	Total primary government net position

Concluded

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

	Fiscal Year				
	2003-04	2004-05	2005-06	2006-07	2007-08
Expenses					
Governmental activities:					
General government	\$ 10,568,288	\$ 11,514,749	\$ 13,435,816	\$ 18,475,995	\$ 21,311,700
Community services	3,306,481	3,339,200	3,958,051	3,645,993	4,076,877
Planning	11,305,548	9,451,696	8,527,778	9,229,296	11,839,627
Public ways and facilities	15,650,878	14,900,957	15,623,621	16,326,888	17,695,954
Public safety	24,888,781	24,910,100	26,693,489	26,677,974	30,600,433
Interest on long-term debt	2,089,477	2,766,273	2,525,366	3,232,084	3,123,397
Total governmental activities expenses	<u>67,809,453</u>	<u>66,882,975</u>	<u>70,764,121</u>	<u>77,588,230</u>	<u>88,647,988</u>
Business-type activities:					
Sanitation	11,614,065	12,073,824	12,198,794	13,144,836	14,391,154
Waterworks district no. 8	21,418,765	21,018,081	23,687,693	26,668,732	28,067,587
Transit	4,833,583	5,025,660	5,825,189	5,747,532	6,271,344
Total business-type activities expenses	<u>37,866,413</u>	<u>38,117,565</u>	<u>41,711,676</u>	<u>45,561,100</u>	<u>48,730,085</u>
Total primary government expenses	<u>\$ 105,675,866</u>	<u>\$ 105,000,540</u>	<u>\$ 112,475,797</u>	<u>\$ 123,149,330</u>	<u>\$ 137,378,073</u>
Program Revenues					
Governmental activities:					
Charges for services:					
General government	\$ 472,549	\$ 501,517	\$ 353,114	\$ 495,979	\$ 304,549
Community services	60,832	118,096	117,070	171,938	200,067
Planning	5,554,610	7,626,881	7,210,902	4,156,265	3,168,280
Public ways and facilities	4,621,730	8,146,699	6,708,878	2,782,618	2,605,869
Public safety	907,401	1,040,695	1,002,882	982,303	950,923
Operating grants and contributions	10,447,345	10,041,651	10,231,371	9,025,966	11,082,867
Capital grants and contributions	1,950,267	1,280,369	2,891,199	7,683,123	1,623,965
Total governmental activities program revenues	<u>24,014,734</u>	<u>28,755,908</u>	<u>28,515,416</u>	<u>25,298,192</u>	<u>19,936,520</u>
Business-type activities:					
Charges for services:					
Sanitation	10,945,852	11,964,388	12,745,553	13,725,483	14,767,859
Waterworks district no. 8	21,621,197	21,018,081	23,765,476	27,250,693	28,247,611
Transit	391,127	400,129	479,426	546,520	524,771
Operating grants and contributions	2,277,103	1,953,733	848,402	2,480,838	2,285,871
Capital grants and contributions	121,815	999,383	2,339,931	707,834	312,537
Total business-type activities program revenues	<u>35,357,094</u>	<u>36,335,714</u>	<u>40,178,788</u>	<u>44,711,368</u>	<u>46,138,649</u>
Total primary governmental program revenues	<u>\$ 59,371,828</u>	<u>\$ 65,091,622</u>	<u>\$ 68,694,204</u>	<u>\$ 70,009,560</u>	<u>\$ 66,075,169</u>
Net (Expense)/Revenue					
Governmental activities	(43,794,719)	(38,127,067)	(42,248,705)	(52,290,038)	(68,711,468)
Business-type activities	(2,509,319)	(1,781,851)	(1,532,888)	(849,732)	(2,591,436)
Total primary government net expense	<u>\$ (46,304,038)</u>	<u>\$ (39,908,918)</u>	<u>\$ (43,781,593)</u>	<u>\$ (53,139,770)</u>	<u>\$ (71,302,904)</u>

Continued

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

Fiscal Year					
2008-09	2009-10	2010-11	2011-12	2012-13	
					Expenses
					Governmental activities:
\$ 21,908,817	\$ 27,176,047	\$ 23,126,537	\$ 15,257,184	\$ 19,086,724	General government
3,952,073	4,124,494	3,925,587	4,385,668	4,441,851	Community services
9,621,707	9,188,637	8,970,708	7,606,116	5,852,282	Planning
16,951,872	16,224,562	15,796,789	16,585,197	16,902,636	Public ways and facilities
29,911,781	31,040,123	30,259,418	33,242,551	31,460,391	Public safety
3,256,626	3,040,452	2,976,163	2,044,426	1,206,096	Interest on long-term debt
<u>85,602,876</u>	<u>90,794,315</u>	<u>85,055,202</u>	<u>79,121,142</u>	<u>78,949,980</u>	Total governmental activities expenses
					Business-type activities:
14,329,152	14,165,394	14,617,402	14,286,220	15,050,164	Sanitation
28,899,962	29,110,566	31,868,849	33,913,655	37,542,008	Waterworks district no. 8
6,468,506	6,453,772	5,963,797	6,087,068	6,369,369	Transit
<u>49,697,620</u>	<u>49,729,732</u>	<u>52,450,048</u>	<u>54,286,943</u>	<u>58,961,541</u>	Total business-type activities expenses
<u>\$ 135,300,496</u>	<u>\$ 140,524,047</u>	<u>\$ 137,505,250</u>	<u>\$ 133,408,085</u>	<u>\$ 137,911,521</u>	Total primary government expenses
					Program Revenues
					Governmental activities:
					Charges for services:
\$ 438,812	\$ 395,880	\$ 324,088	\$ 298,136	\$ 281,940	General government
150,084	214,853	199,441	686,018	788,384	Community services
1,885,710	1,506,323	3,668,347	1,893,951	1,915,769	Planning
1,811,768	1,711,132	1,728,219	1,795,810	1,651,506	Public ways and facilities
914,693	766,149	770,606	844,549	837,559	Public safety
8,532,799	7,436,473	6,903,665	9,208,075	8,946,791	Operating grants and contributions
5,077,276	21,281,299	8,467,152	1,799,184	4,959,909	Capital grants and contributions
<u>18,811,142</u>	<u>33,312,109</u>	<u>22,061,518</u>	<u>16,525,723</u>	<u>19,381,858</u>	Total governmental activities program revenues
					Business-type activities:
					Charges for services:
14,780,226	14,783,194	14,527,144	14,600,252	14,733,151	Sanitation
30,138,375	30,010,924	31,426,920	33,332,611	35,285,062	Waterworks district no. 8
542,194	517,745	465,502	467,415	427,115	Transit
2,606,392	2,352,998	2,179,217	2,656,313	2,376,527	Operating grants and contributions
1,969,465	7,118,535	4,991,973	1,832,677	1,172,661	Capital grants and contributions
<u>50,036,652</u>	<u>54,783,396</u>	<u>53,590,756</u>	<u>52,889,268</u>	<u>53,994,516</u>	Total business-type activities program revenues
<u>\$ 68,847,794</u>	<u>\$ 88,095,505</u>	<u>\$ 75,652,274</u>	<u>\$ 69,414,991</u>	<u>\$ 73,376,374</u>	Total primary governmental program revenues
					Net (Expense)/Revenue
(66,791,734)	(57,482,206)	(62,993,684)	(62,595,419)	(59,568,122)	Governmental activities
339,032	5,053,664	1,140,708	(1,397,675)	(4,967,025)	Business-type activities
<u>\$ (66,452,702)</u>	<u>\$ (52,428,542)</u>	<u>\$ (61,852,976)</u>	<u>\$ (63,993,094)</u>	<u>\$ (64,535,147)</u>	Total primary government net expense

Continued

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

	Fiscal Year				
	2003-04	2004-05	2005-06	2006-07	2007-08
General Revenues and Other Changes in Net Position					
Governmental activities:					
Taxes:					
Property taxes ¹	\$ 10,724,918	\$ 17,290,860	\$ 19,723,474	\$ 22,717,838	\$ 24,296,361
Tax increment	10,256,245	10,608,367	12,531,554	18,945,240	20,185,134
Sales tax	13,878,702	14,829,984	16,301,320	17,705,751	16,894,319
Motor fuel tax ¹	5,686,714	2,930,485	888,988	711,694	552,184
Franchise tax	3,773,013	3,856,273	4,062,464	3,686,160	3,708,972
Business tax	1,287,934	1,355,601	1,831,590	1,778,116	1,851,630
Other taxes	1,941,061	2,250,647	2,870,368	2,417,554	1,939,615
Contributions from other governments	-	-	-	-	-
Investment earnings	1,141,578	2,270,336	2,896,300	5,472,452	5,382,599
Gain (loss) on asset disposition	144,972	(812,649)	259,062	-	-
Capital contributions-unrestricted ²	83,857	1,765,510	9,131,630	3,178,901	2,910,688
Extraordinary gain on dissolution of redevelopment agency	-	-	-	-	-
Transfers	(1,669,434)	(1,557,737)	(1,316,992)	(2,463,585)	(2,207,435)
Total governmental activities	<u>47,249,560</u>	<u>54,787,677</u>	<u>69,179,758</u>	<u>74,150,121</u>	<u>75,514,067</u>
Business-type activities:					
Investment earnings	439,098	985,444	1,323,549	2,484,909	2,598,413
Miscellaneous	54,047	2,672	112,361	128,494	186,032
Capital contributions-unrestricted ²	1,864,986	8,295,223	8,842,544	3,275,376	2,770,859
Transfers	1,669,434	1,557,737	1,316,992	2,463,585	2,207,435
Total business-type activities	<u>4,027,565</u>	<u>10,841,076</u>	<u>11,595,446</u>	<u>8,352,364</u>	<u>7,762,739</u>
Total primary government	<u>\$ 51,277,125</u>	<u>\$ 65,628,753</u>	<u>\$ 80,775,204</u>	<u>\$ 82,502,485</u>	<u>\$ 83,276,806</u>
Change in Net Position					
Governmental activities	\$ 3,454,841	\$ 16,660,610	\$ 26,931,053	\$ 21,860,083	\$ 6,802,599
Business-type activities	<u>1,518,246</u>	<u>9,059,225</u>	<u>10,062,558</u>	<u>7,502,632</u>	<u>5,171,303</u>
Total primary government	<u>\$ 4,973,087</u>	<u>\$ 25,719,835</u>	<u>\$ 36,993,611</u>	<u>\$ 29,362,715</u>	<u>\$ 11,973,902</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 POSITION
LAST TEN FISCAL YEARS**

Fiscal Year					
2008-09	2009-10	2010-11	2011-12	2012-13	
					General Revenues
					and Other Changes in Net Position
					Governmental activities:
					Taxes:
\$ 24,367,498	\$ 24,022,375	\$ 22,864,848	\$ 23,461,856	\$ 24,823,215	Property taxes ¹
21,359,827	21,138,010	19,170,235	9,262,457	-	Tax increment
13,955,998	12,969,115	14,632,972	15,018,520	15,617,678	Sales tax
427,121	369,992	641,204	-	-	Motor fuel tax ¹
4,756,938	4,304,353	4,719,987	4,789,947	4,809,762	Franchise tax
1,698,692	1,659,666	1,751,072	1,509,209	1,536,743	Business tax
1,733,444	1,560,873	1,578,252	1,692,627	1,857,033	Other taxes
-	-	-	1,280,200	457,220	Contributions from other governments
3,894,585	2,255,728	1,604,653	1,041,686	228,258	Investment earnings
-	-	-	-	-	Gain (loss) on asset disposition
-	-	-	-	-	Capital contributions-unrestricted ²
-	-	-	16,832,057	-	Extraordinary gain on dissolution of redevelopment agency
(2,306,909)	(2,326,794)	(2,476,641)	(2,143,949)	(1,844,949)	Transfers
<u>69,887,194</u>	<u>65,953,318</u>	<u>64,486,582</u>	<u>72,744,610</u>	<u>47,484,960</u>	Total governmental activities
					Business-type activities:
1,956,342	1,301,289	930,122	697,813	345,334	Investment earnings
343,518	180,356	438,359	93,813	116,183	Miscellaneous
-	-	-	-	-	Capital contributions-unrestricted ²
<u>2,306,909</u>	<u>2,326,794</u>	<u>2,476,641</u>	<u>2,143,949</u>	<u>1,844,949</u>	Transfers
<u>4,606,769</u>	<u>3,808,439</u>	<u>3,845,122</u>	<u>2,935,575</u>	<u>2,306,466</u>	Total business-type activities
<u>\$ 74,493,963</u>	<u>\$ 69,761,757</u>	<u>\$ 68,331,704</u>	<u>\$ 75,680,185</u>	<u>\$ 49,791,426</u>	Total primary government
					Change in Net Position
\$ 3,095,460	\$ 8,471,112	\$ 1,492,898	\$ 10,149,191	\$ (12,083,162)	Governmental activities
4,945,801	8,862,103	4,985,830	1,537,900	(2,660,559)	Business-type activities
<u>\$ 8,041,261</u>	<u>\$ 17,333,215</u>	<u>\$ 6,478,728</u>	<u>\$ 11,687,091</u>	<u>\$ (14,743,721)</u>	Total primary government

Concluded

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

	Fiscal Year				
	2003-04	2004-05	2005-06	2006-07	2007-08
General fund					
Reserved	\$ 17,901,412	\$ 19,006,034	\$ 20,485,438	\$ 16,758,264	\$ 17,270,243
Unreserved	14,550,312	18,434,960	16,312,509	20,594,252	20,134,592
Nonspendable, reported in:					
Long-term receivables					
Committed, reported in:					
Retiree benefits					
Special programs					
Economic recovery					
Assigned, reported in:					
Capital					
Unassigned					
Total general fund	<u>\$ 32,451,724</u>	<u>\$ 37,440,994</u>	<u>\$ 36,797,947</u>	<u>\$ 37,352,516</u>	<u>\$ 37,404,835</u>
All other government funds					
Reserved	\$ 11,978,656	\$ 14,648,683	\$ 18,731,386	\$ 12,313,808	\$ 23,160,249
Unreserved, reported in:					
Special revenue funds	12,230,705	14,756,384	23,321,320	30,922,948	33,772,808
Debt service	-	22,264,306	-	-	-
Capital projects funds	11,838,036	7,715,385	7,275,862	13,981,864	14,481,613
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>\$ 36,047,397</u>	<u>\$ 59,384,758</u>	<u>\$ 49,328,568</u>	<u>\$ 57,218,620</u>	<u>\$ 71,414,670</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.

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

		Fiscal Year			
2008-09	2009-10	2010-11	2011-12	2012-13	
\$ 16,947,665	\$ 19,550,414				General fund
19,161,964	16,176,234				Reserved
					Unreserved
		\$ 19,752,241	\$ 19,384,570	\$ 22,246,241	Nonspendable, reported in:
					Long-term receivables
		628,659	805,028	630,447	Committed, reported in:
			229,687	185,195	Retiree benefits
				6,839,684	Special programs
					Economic recovery
		9,209,774	9,304,096	4,198,811	Assigned, reported in:
		9,799,992	10,059,954	11,406,896	Capital
					Unassigned
<u>\$ 36,109,629</u>	<u>\$ 35,726,648</u>	<u>\$ 39,390,666</u>	<u>\$ 39,783,335</u>	<u>\$ 45,507,274</u>	Total general fund
\$ 27,405,118	\$ 11,750,943				All other government funds
					Reserved
35,983,148	30,816,901				Unreserved, reported in:
-	-				Special revenue funds
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	6,045,598	Restricted, reported in:
		21,277,646	19,029,472	16,794,452	Housing programs
		849,804	889,134	869,822	Public improvements
		5,892,439	7,241,174		Streets
		1,373,263	929,495	952,063	Lighting
		6,763,374	2,635,890	2,637,044	Landscape
		638,599	493,194	792,788	Debt service
		265,017	406,183	892,103	Special programs
					Law enforcement
		3,853,912	3,117,412	1,996,149	Committed, reported in:
		3,284,875	3,525,143	3,858,038	Streets
					Equipment
		1,018,979	216,560	129,089	Assigned, reported in:
		(13,848,190)	-	(42,047)	Capital
					Unassigned
<u>\$ 77,744,574</u>	<u>\$ 55,086,997</u>	<u>\$ 51,046,221</u>	<u>\$ 46,416,390</u>	<u>\$ 34,925,099</u>	Total all other governmental funds

Concluded

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

	Fiscal Year				
	2003-04	2004-05	2005-06	2006-07	2007-08
Revenues					
Taxes	\$ 31,605,628	\$ 39,583,365	\$ 44,789,216	\$ 48,305,419	\$ 48,690,897
Tax increment	10,256,245	10,608,367	12,531,554	18,945,240	20,185,134
Licenses and permits	3,910,943	5,761,949	4,489,743	2,446,051	1,863,206
Fines and forfeitures	692,871	744,172	630,175	608,633	639,866
Use of money and property	2,966,909	4,668,436	4,887,835	6,030,520	5,875,792
From other governments	12,072,537	9,228,523	8,059,121	9,178,483	7,562,068
Grants	4,662,677	3,000,993	3,641,439	8,154,157	2,824,043
Service charges	5,482,337	4,123,659	3,706,112	3,330,461	2,743,227
Other revenues	1,530,971	6,844,687	6,589,485	2,736,158	4,705,669
Contributions from other governments	-	-	-	-	-
Total revenues	<u>73,181,118</u>	<u>84,564,151</u>	<u>89,324,680</u>	<u>99,735,122</u>	<u>95,089,902</u>
Expenditures					
Current:					
General government	5,360,370	5,705,571	5,629,708	6,254,640	5,478,843
Community services	3,233,192	3,327,916	3,976,095	3,714,488	4,062,966
Planning	11,432,418	10,409,949	8,989,679	10,449,668	9,728,843
Public ways and facilities	13,847,391	14,674,133	15,380,796	16,165,062	17,794,518
Public safety	23,086,299	25,427,341	27,244,060	28,625,276	30,020,374
Capital outlay	4,916,881	12,400,928	36,854,154	11,720,213	9,542,356
Debt service:					
Principal	863,166	1,210,000	1,250,000	1,750,000	1,805,000
Interest	2,168,481	2,753,209	3,516,184	3,674,962	3,410,710
Refunding escrow	-	-	-	-	-
Bond issuance costs	-	662,894	-	-	-
Administration	-	-	-	-	-
Other	8,640	328,503	12,033	217,473	31,863
Intergovernmental	3,628,878	4,126,132	4,649,143	6,260,334	6,455,707
Total expenditures	<u>68,545,716</u>	<u>81,026,576</u>	<u>107,501,852</u>	<u>88,832,116</u>	<u>88,331,180</u>
Excess (deficiency) of revenues over expenditures	<u>4,635,402</u>	<u>3,537,575</u>	<u>(18,177,172)</u>	<u>10,903,006</u>	<u>6,758,722</u>
Other Financing Sources (Uses)					
Transfers in	18,790,186	22,547,788	44,861,615	28,486,035	26,256,128
Transfers out	(20,455,120)	(24,100,325)	(46,173,207)	(30,944,420)	(28,459,763)
Bonds issued	-	26,341,593	-	-	-
Payment to escrow agent	-	-	-	-	-
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)	<u>(1,654,019)</u>	<u>24,789,056</u>	<u>7,477,935</u>	<u>(2,458,385)</u>	<u>(2,203,635)</u>
Extraordinary gain	-	-	-	-	-
Net change in fund balances	<u>\$ 2,981,383</u>	<u>\$ 28,326,631</u>	<u>\$ (10,699,237)</u>	<u>\$ 8,444,621</u>	<u>\$ 4,555,087</u>
Debt service as a percentage of noncapital expenditures	4.72%	5.77%	6.42%	6.69%	6.66%

SOURCE:
City of Simi Valley

Continued

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

		Fiscal Year					
2008-09	2009-10	2010-11	2011-12	2012-13			
						Revenues	
\$ 46,635,899	\$ 44,026,482	\$ 45,736,089	\$ 46,313,876	\$ 48,405,537		Taxes	
21,359,827	21,138,010	19,170,235	9,262,457	-		Tax increment	
1,229,773	1,150,132	1,200,244	1,549,642	1,526,942		Licenses and permits	
644,896	489,711	566,057	590,625	562,301		Fines and forfeitures	
4,293,281	2,715,919	2,437,963	1,401,486	1,308,808		Use of money and property	
8,914,197	9,287,441	7,412,657	7,885,687	7,485,213		From other governments	
2,852,825	4,917,901	3,502,622	2,089,328	6,209,316		Grants	
2,311,017	2,197,536	1,990,630	1,992,262	1,861,540		Service charges	
1,015,381	825,701	3,092,920	1,438,435	2,320,567		Other revenues	
-	-	-	1,280,200	464,854		Contributions from other governments	
<u>89,257,096</u>	<u>86,748,833</u>	<u>85,109,417</u>	<u>73,803,998</u>	<u>70,145,078</u>		Total revenues	
						Expenditures	
						Current:	
5,113,701	4,605,291	5,865,259	5,024,456	6,760,196		General government	
3,986,859	3,992,786	3,957,419	4,274,451	4,366,229		Community services	
9,737,257	12,369,305	11,524,418	7,961,160	7,395,246		Planning	
16,488,718	15,462,223	14,871,235	14,710,961	14,558,261		Public ways and facilities	
30,202,106	28,094,953	28,081,837	28,845,564	28,918,401		Public safety	
8,345,726	8,687,535	6,029,063	3,544,377	9,466,790		Capital outlay	
						Debt service:	
1,870,000	1,955,000	2,045,000	2,130,000	1,360,000		Principal	
3,316,982	3,038,631	2,962,880	1,940,460	1,242,425		Interest	
-	-	-	-	-		Refunding escrow	
-	-	-	-	-		Bond issuance costs	
-	-	-	-	-		Administration	
14,569	12,838	16,441	13,032	7,933		Other	
<u>7,198,990</u>	<u>13,109,707</u>	<u>7,423,382</u>	<u>39,517</u>			Intergovernmental	
<u>86,274,908</u>	<u>91,328,269</u>	<u>82,776,934</u>	<u>68,483,978</u>	<u>74,075,481</u>		Total expenditures	
						Excess (deficiency) of revenues	
<u>2,982,188</u>	<u>(4,579,436)</u>	<u>2,332,483</u>	<u>5,320,020</u>	<u>(3,930,403)</u>		over expenditures	
						Other Financing Sources (Uses)	
30,315,435	25,099,047	26,735,331	16,499,059	27,577,674		Transfers in	
(32,616,244)	(27,418,641)	(29,444,572)	(18,635,008)	(29,414,623)		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>(2,300,809)</u>	<u>(2,319,594)</u>	<u>(2,709,241)</u>	<u>(2,135,949)</u>	<u>(1,836,949)</u>		Total other financing sources (uses)	
						Extraordinary gain	
<u>\$ 681,379</u>	<u>\$ (6,899,030)</u>	<u>\$ (376,758)</u>	<u>\$ (4,438,423)</u>	<u>\$ (5,767,352)</u>		Net change in fund balances	
6.59%	6.08%	6.50%	6.24%	3.86%		Debt service as a percentage of noncapital expenditures	

SOURCE:
City of Simi Valley

Concluded

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

Fiscal Year	Gross Assessed Valuation ¹				Total Secured Property ²
	Residential Property	Commercial Property	Industrial Property	Other Property	
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
2012-13	11,938,025,471	1,363,564,876	683,204,414	213,010,276	14,197,805,037

Continued

NOTES:

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

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

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

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

SOURCE:
 California Municipal Statistics, Inc.

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

<u>Gross Assessed Valuation ¹</u>					
<u>Utility ³</u>	<u>Unsecured</u>	<u>Total</u>	<u>Percent Change</u>	<u>Total Direct Tax Rate</u>	<u>Fiscal Year</u>
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
2,322,792	358,752,359	14,558,880,188	-0.8%	1.00%	2012-13
					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>2003-04</u>	<u>2004-05</u>	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</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	0.000297	-	-	-	-
Simi Valley Unified School District	0.024700	0.065800	0.051200	0.048900	0.048300
Metropolitan Water District	0.006100	0.005800	0.005200	0.004700	0.004500
Ventura College District	0.016600	0.013000	0.013000	0.012700	0.005000
Total direct and overlapping	<u><u>1.047697</u></u>	<u><u>1.084600</u></u>	<u><u>1.069400</u></u>	<u><u>1.066300</u></u>	<u><u>1.057800</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.

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>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</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
0.048400	0.051900	0.054400	0.057800	0.061500	Simi Valley Unified School District
0.004300	0.004300	0.003700	0.003700	0.003500	Metropolitan Water District
0.015200	0.013900	0.015100	0.014000	0.019100	Ventura College District
<u><u>1.067900</u></u>	<u><u>1.070100</u></u>	<u><u>1.073200</u></u>	<u><u>1.075500</u></u>	<u><u>1.084100</u></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	2013			2004		
	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	\$ 120,026,139	1	0.78%	-		
Tishman Speyer Archstone	105,550,072	2	0.69%	-		
Fountains Apt Ltd	77,856,859	3	0.51%	\$ 43,599,646	4	0.39%
NF Marina LP	69,934,400	4	0.46%	-		
Fairfield Rancho Corrales	45,365,100	5	0.30%	-		
Mountaingate Associates LLC	45,308,361	6	0.29%	-		
Stone Creek Investors	42,587,239	7	0.28%	36,717,461	6	0.33%
ESG Properties I LLC	42,038,183	8	0.27%	-		
CLF Simi Valley Business TR	37,000,000	9	0.24%	-		
Simi Entertainment Plaza LP	36,862,437	10	0.24%	31,523,018	7	0.28%
Shea Homes Ltd	-			110,461,226	1	0.99%
Countrywide Funding Corporation	-			90,917,127	2	0.81%
Big Sky Country Club LLC	-			43,940,874	3	0.39%
Acacia Credit Fund 9-A LLC	-			37,014,616	5	0.33%
Casden Creekside LP	-			26,585,538	8	0.24%
Essex Meadowood	-			26,547,662	9	0.24%
Western Pacific Housing	-			26,065,836	10	0.23%
Total Taxable Assessed Value Ten Largest Taxpayers	\$ 622,528,790		4.05%	\$ 473,373,004		4.23%

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
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%	990,712	129,779,326	93.65%
2006-07	29,433,179 ¹	26,416,030	89.75%	770,603	27,186,633	92.37%
2007-08	32,687,821	29,366,179	89.84%	592,035	29,958,214	91.65%
2008-09	34,099,599	30,065,640	88.17%	216,346	30,281,986	88.80%
2009-10	33,690,500	27,706,277	82.24%	116,924	27,823,201	82.58%
2010-11	32,672,899	28,924,095	88.53%	136,284	29,060,379	88.94%
2011-12	31,380,139	27,921,798	88.98%	117,635	28,039,433	89.35%
2012-13	31,451,572	28,397,076	90.29%		28,397,076	90.29%

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.

NOTES:

Data presented for Fiscal Years 2003-04 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.

In Fiscal Year 2012-13, collections in subsequent years decreased for tax years 2005-06 and 2005-07. This is a result of Supplemental Refunds due to values decreasing upon change of ownership.

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 ²	Debt Per Capita ²
	Tax Allocation Bonds ¹	Lease Revenue Bonds	Certificates of Participation			
2004	\$ 31,435,000	\$ 8,325,000	-	\$ 39,760,000	1.10%	332.47
2005	30,745,000	7,805,000	\$ 25,955,000	64,505,000	1.71%	531.84
2006	30,040,000	7,260,000	25,955,000	63,255,000	1.59%	510.43
2007	29,320,000	6,690,000	25,495,000	61,505,000	1.51%	488.76
2008	28,590,000	6,095,000	25,015,000	59,700,000	1.41%	473.28
2009	27,840,000	5,470,000	24,520,000	57,830,000	1.33%	457.88
2010	27,060,000	4,815,000	24,000,000	55,875,000	1.40%	442.30
2011	26,250,000	4,120,000	23,460,000	53,830,000	1.21%	425.98
2012	-	3,385,000	22,900,000	26,285,000	0.63%	207.83
2013	-	2,610,000	22,315,000	24,925,000	0.54%	196.53

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 D.

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

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

SOURCE:
City of Simi Valley
US Census Bureau

**CITY OF SIMI VALLEY
COMPUTATION OF DIRECT AND OVERLAPPING DEBT
JUNE 30, 2013 (See Notes)**

2012-13 Assessed Valuation	\$	14,558,880,188
Less Redevelopment Agency Incremental Valuation		-
Adjusted Assessed Valuation	<u>\$</u>	<u>14,558,880,188</u>

	Outstanding Debt 6/30/13	Percentage Applicable ¹	Estimated Share of Overlapping Debt 6/30/13
<u>Overlapping and Assessment Debt Repaid with Property Taxes</u>			
Metropolitan Water District	\$ 165,085,000	0.693 %	\$ 1,144,039
Ventura County Community College District	308,659,326	13.923	42,974,638
Simi Valley Unified School District	109,905,064	96.694	106,271,603
City of Simi Valley Community Facilities Dist No.2004-1	8,395,000	100.000	8,395,000
City of Simi Valley 1915 Act Bonds	2,590,000	100.000	2,590,000
<u>Overlapping Other Debt</u>			
Ventura County General Fund Obligations	388,450,000	13.917	54,060,587
Ventura County Superintendent of Schools Certificates	11,510,000	13.917	1,601,847
Simi Valley Unified School District Certificates	10,180,000	96.694	<u>9,843,449</u>
Total overlapping and assessment debt			226,881,163
<u>City Direct Debt</u>			
City of Simi Valley Lease Revenue Bonds	2,610,000	100.000	2,610,000
City of Simi Valley Certificates of Participation	22,315,000	100.000	<u>22,315,000</u>
Total direct debt			24,925,000
Total direct and overlapping debt			<u>\$ 251,806,163</u>

NOTES:

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

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

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				
	2004	2005	2006	2007	2008
Debt limit	\$ 374,617,357	\$ 411,117,996	\$ 456,872,754	\$ 529,328,334	\$ 574,605,416
Total net debt applicable to limit	-	-	-	-	-
Legal debt margin	<u>\$ 374,617,357</u>	<u>\$ 411,117,996</u>	<u>\$ 456,872,754</u>	<u>\$ 529,328,334</u>	<u>\$ 574,605,416</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					
2009	2010	2011	2012	2013	
\$ 581,664,189	\$ 557,545,466	\$ 554,782,685	\$ 550,211,813	\$ 545,958,007	Debt limit
-	-	-	-	-	Total net debt applicable to limit
<u>\$ 581,664,189</u>	<u>\$ 557,545,466</u>	<u>\$ 554,782,685</u>	<u>\$ 550,211,813</u>	<u>\$ 545,958,007</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 2013

Assessed value	\$	14,558,880,188
Debt limit (3.75% of assessed value) ¹	\$	545,958,007
General obligation bonds		-
Legal debt margin	\$	545,958,007

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
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%
2013	126,827	4,600,269	36,272	37.2	18,360	6.1%

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**

<u>Employer</u>	<u>2013</u>			<u>2004</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Employed Labor Force</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Employed Labor Force</u>
Simi Valley Unified School District	2,177	1	3.23%	2,509	2	3.88%
Simi Valley Hospital & Health Care	832	2	1.23%	710	4	1.10%
City of Simi Valley	529	3	0.78%	638	5	0.99%
Aerovironment Inc	465	4	0.69%	-		
Rancho Simi Parks & Recreation District	408	5	0.61%	300	9	0.46%
Vons Grocery Stores	354	6	0.53%	440	6	0.68%
Meggitt Safety Systems, Inc	330	7	0.49%	-		
Milgard Manufacturing, Inc	287	8	0.43%	-		
Albertson's	244	9	0.36%	376	7	0.58%
Polytainer, Inc	224	10	0.33%	304	8	0.47%
Countrywide Home Loans ¹	-			5,673	1	8.78%
Farmers Insurance Group	-			988	3	1.53%
Home Depot	-			275	10	0.43%
Total	<u>5,850</u>		<u>8.68%</u>	<u>12,213</u>		<u>18.91%</u>

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-five employers surveyed by the City of Simi Valley, fifty employers responded (77%).

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									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
General government	67	67	70	70	68	62	55	57	55	57
Community services	31	32	34	35	35	34	34	32	29	28
Planning	62	63	61	62	60	56	54	51	49	42
Public ways and facilities	114	111	107	110	102	102	97	92	92	89
Public safety										
Sworn police personnel	122	122	120	125	127	122	118	119	123	120
Civilians	66	63	70	68	64	58	57	55	52	52
Sanitation	52	53	53	53	60	54	54	54	53	56
Waterworks district no. 8	40	40	38	38	37	41	43	43	43	44
Transit	40	42	43	46	46	47	46	42	40	41
Total	594	593	596	607	599	576	558	545	536	529

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									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
General government										
Business tax applications and renewals	10,426	8,696	8,546	8,675	8,735	9,253	10,310	10,177	10,257	9,764
Business tax receipts issued	7,808	7,514	8,273	8,316	8,211	8,312	8,352	9,463	9,196	9,060
Business tax revenues (\$)	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	1,536,702
Community services										
Cultural arts center events	232	220	334	227	211	380	372	349	334	344
Cultural arts center attendance	34,000	28,400	31,000	31,345	31,070	40,475	40,682	40,994	35,418	39,388
Senior center attendance	109,300	101,000	107,000	126,838	141,528	162,961	184,511	187,968	189,302	192,107
Planning										
Building permits	2,693	2,738	2,891	2,004	1,700	1,232	1,196	1,362	1,623	1,590
Plumbing, mechanical, and electrical permits	5,015	5,679	5,220	3,716	2,691	2,366	1,899	2,284	2,590	2,592
Permit valuation (thousands \$)	216,442	415,846	284,767	99,392	74,530	38,025	34,197	37,685	49,992	47,316
Public Safety										
Arrests	3,201	3,818	3,686	3,552	4,170	4,051	3,310	3,507	3,857	3,472
Enforcement citations	9,878	10,249	11,585	10,905	10,280	10,941	6,350	7,301	6,827	7,688
Public ways and facilities										
Street resurfacing (miles)	14.34	6.43	5.86	7.68	0.46	13.57	16.57	9.66	2.23	6.66
Sanitation										
Wastewater customers	34,502	35,059	35,192	35,289	35,451	36,483	36,428	36,250	36,604	36,704
Average dry weather flow (MGD)	9.20	8.84	9.50	8.80	10.00	9.50	9.30	9.20	8.80	8.60
Waterworks district no. 8										
Customers	23,292	23,757	25,195	25,375	25,452	25,642	24,920	24,942	25,059	25,156 ¹
Water delivered (million gallons)	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	7,784.1
Transit										
Fixed-route revenue miles	353,999	367,787	449,223	509,743	477,005	464,784	471,267	415,973	420,295	400,425
Fixed-route passengers	432,833	432,714	450,106	483,653	454,440	477,032	479,456	435,416	417,156	434,512
Fixed-route revenue hours	23,449	24,114	28,526	30,893	30,768	31,189	31,223	26,177	25,776	24,882
Paratransit revenue miles	260,121	235,556	238,061	240,979	199,570	189,810	189,264	179,944	180,763	184,074
Paratransit passengers	39,637	40,199	42,815	45,210	43,457	48,123	51,204	47,054	45,756	46,290
Paratransit revenue hours	20,383	20,690	19,059	18,959	17,976	17,663	17,571	17,604	17,486	18,966

NOTE:

1. Balance of community, approximately 13,310 customers, serviced by Golden State Water Co. during fiscal year 2013.

SOURCE:
City of Simi Valley
Golden State Water Co.

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

<u>Function</u>	<u>Fiscal Year</u>									
	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Public safety										
Police stations	1	1	1	1	1	1	1	1	1	1
Fleet size	94	94	96	97	97	93	90	91	91	94
Public ways and facilities										
Streets (miles)	306.25	307.67	308.03	308.62	321.00	322.71	324.10	324.10	324.91	324.91
Streetlights ¹	7,494	7,551	7,645	7,660	7,701	7,687	7,815	7,932	7,937	7,942
Traffic signals ²	107	108	116	117	117	118	118	121	121	121
Sanitation										
Sewerlines (miles) ³	400	400	400	400	400	362	362	362	374	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	375
Fire hydrants	-	-	2,700	2,750	2,755	2,773	2,844	2,844	2,844	2,844
Storage capacity (million gallons)	-	-	51	53.5	53.5	53.5	55.8	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	0	0
Paratransit Vehicles	11	13	13	12	12	10	12	12	11	11

NOTES:

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

1. Streetlights are owned by Southern California Edison.
2. Traffic signals listed are those owned by the City. Fourteen additional signals, owned by Caltrans, are located at freeway ramps.
3. Collection system information was estimated for FY2004 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