



**2013-2014 COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

STATE OF CALIFORNIA
CITY OF SIMI VALLEY

FISCAL YEAR ENDED
JUNE 30, 2014



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CITY OF SIMI VALLEY

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Bob Huber, Mayor Glen T. Becerra, Mayor Pro Tem Steven T. Sojka, Council Member Mike Judge, Council Member Keith Mashburn, Council Member

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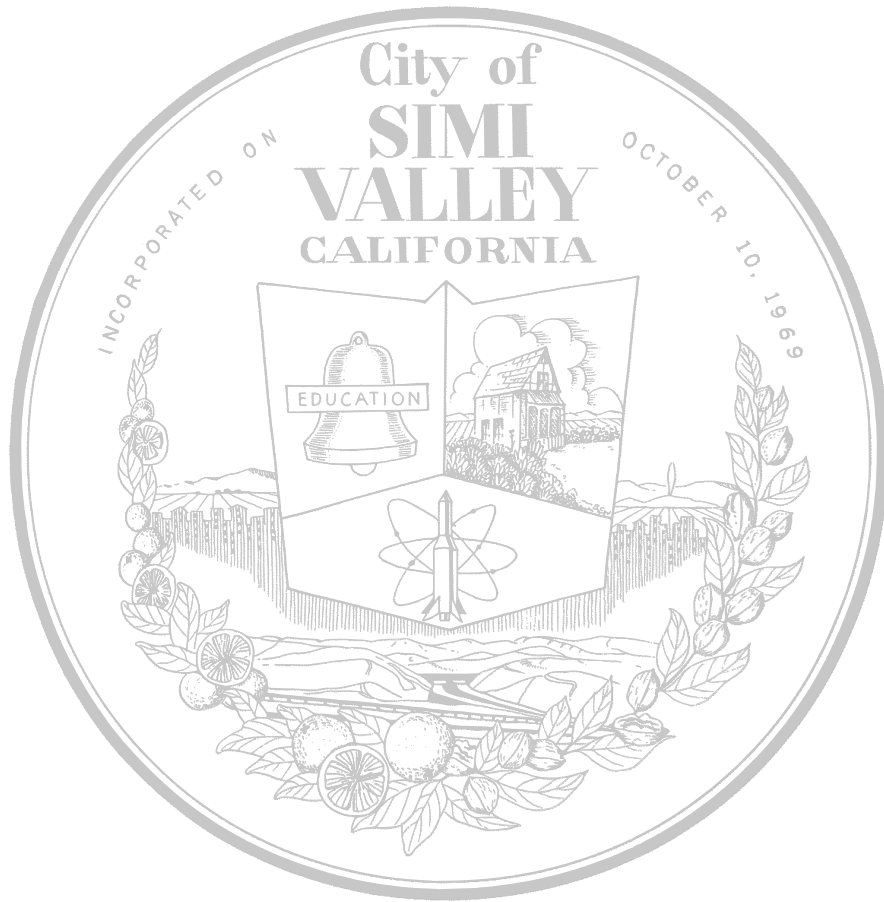
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INTRODUCTORY SECTION



CITY OF SIMI VALLEY

Home of The Ronald Reagan Presidential Library

December 22, 2014

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, 2014.

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.

Vasquez & Company, LLP, a firm of licensed certified public accountants, has audited the City's financial statements. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City for the year ended June 30, 2014, 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, 2014, 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 126,786, and is the third largest of Ventura County's ten cities. It is located on the County's southeastern border, nestled between the Santa Susana Mountains and the Simi Hills. The City, which covers a land area of 42.3 square miles, has a mean elevation of 765 feet.

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

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

redevelopment, 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 2013-14, locally generated revenues from property, sales, franchise and business taxes increased by \$2.5 million, or 5.4%, over the prior fiscal year. Over the past two fiscal years, General Fund revenues have increased 14.83%.

In recent years, the California economy has reflected a rebound, and City revenues are beginning to follow suit. At the City level, the year-over-year revenue increase experienced is positive evidence of a recovering local economy, albeit one that is accelerating much more slowly than it decelerated. The City remains in strong financial shape in comparison to most cities in the state of California, and will remain so in consideration of the conservative budget practices of the City Council.

The local unemployment rate is 5.1%, a full percentage point lower than the previous fiscal year. The City's commercial and industrial base continues to be diverse. Major industries with headquarters or divisions located within the City's boundaries, or in close proximity, include retail sales, real estate lending, health care, computer hardware, and light manufacturing.

Residential development activity in the City continues to slowly build, reflective of the nationwide trend, and is expected to continue this increase 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, reflecting a nominal decrease. Turnover in the real estate market is increasing, and further additions to the City's property tax roll are anticipated. In FY 2013-14, property tax revenues showed positive improvement, increasing by 10.5%, but sales tax revenues decreased slightly, by 1.1%. Other than two known major residential developments and a few smaller 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 by 3% FY 2014-15 and then drop back to 2% growth by FY 2018-19, and sales tax is projected to increase by 2.5% per year through FY 2018-19. The projection plan also includes assumptions that the current staffing level, with 27 full time equivalent General

Fund frozen (authorized but not funded) positions would be continued, that a modest \$0.7 million in General Fund monies would be appropriated to the City's Streets and Roads Program for FY 2014-15, and that any salary increases after FY 2013-14 will 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 committed fund balance, which equals 17% of the General Fund expenditure budget. The City also continues to set aside committed fund balance amounts for vehicle and equipment replacement based on their useful life expectancies.

The total debt of the City is currently \$21.9 million, with debt service requirements of approximately \$1.7 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. Early repayment of the bonds netted the City \$142,191 in interest payment savings.

On September 12, 2013, Standard & Poor's affirmed its 'AA+' underlying rating for the City's 2004 Certificates of Participation (COPs). On July 21 2014, the City Council and the Board of Directors of the Simi Valley Public Facilities Financing Authority approved early repayment of the 2004 COPs through the issuance and sale of Lease Revenue Refund Bonds, Series 2014A. The sale of bonds to refund the City's 2004 COP took place on August 13, 2014. This action provided cash debt service savings of approximately \$4.2 million with a net present value savings of \$3.2 million. Initial debt service savings averaged \$865,000 for the first three years, followed by annual savings averaging \$182,000 for the next 17 years. Per their August 4, 2014, report, Standard & Poor's Ratings Services assigned its 'AAA' issuer credit rating to Simi Valley and its 'AA+' rating to the Series 2014A Lease Revenue Bonds which refunded the 2004 COP. For additional information, go to www.simivalley.org/creditreport.

The total debt of the Successor Agency to the CDA, reported in the fiduciary funds, is \$24.0 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. Because of ongoing fiscal constraints, a \$0.8 million transfer from economic stabilization fund reserves was budgeted in fiscal year 2013-14 to close the financial gap. Actual results for the fiscal year resulted in an operating surplus of \$1.0 million. It should be noted that a post fiscal year closing fund balance adjustment to

write off \$2.8 million in bad debt did reduce the General Fund balance (See CAFR page 53). The City's next fiscal year budget does not anticipate utilizing economic stabilization fund reserves. Negotiations with employee groups resulted in salary increases for the first time in five years, but at mid-year, the City changed health care administrators to reduce ongoing medical benefit premiums. 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 rates due to increasing capital reserve needs and commodity costs. The City's landscape assessment districts continue to be subsidized by the General Fund. Through June 30, 2014, the City's transit operations were subsidized by the General Fund. Beginning in fiscal year 2014-15, transit operations will be substantially funded by CA State TDA Article 4 grants, eliminating the General Fund subsidy.

Major Initiatives.

- June 30, 2014 marked a successful first year of operation at the independent Simi Valley Public Library. The City continues to add to the collection and improve the facility. During the year, a steady increase in attendance at the library has been realized.
- The first Police Department Strategic Plan in many years was developed. This document will serve to effectively guide the Department into the future.
- The City Hall expansion project was completed during fiscal year 2013-14. A \$4 million addition to the existing City Hall facility consolidated the Community Services and Environmental Services Departments with other City Hall departments to provide one-stop development assistance for the public, and to improve internal communications.
- Elements of the Mayor's 2012 Economic Strategic Plan were implemented.

Recent and Planned Changes

- During the past fiscal year, the City has appointed a number of new executive managers, including a City Attorney, Director of Administrative Services, and Director of Community Services. These leadership changes will continue the ongoing vision of the City Council to provide the community with responsive, accountable, and transparent City government.
- City staff is actively moving forward in the EIMS (Enterprise Information Management System) project. Replacement of current financial, people management and land management software will provide increase efficiencies and enhanced reporting capability; this is a multi-year project.
- In an effort to address the City's long-term pension liabilities, effective July 1, 2014, all employees participating in CalPERS now participate in cost sharing for pension benefits. Depending upon the employee group and tenure with the City, employee deductions range from 3% to 12% of reportable earnings.

- In October, 2013, the City initiated a fee study seeking to close the gap between cost of services provided and fees currently charged to perform such services. Staff recommendations for fee increases will be presented the City Council in Spring, 2015.

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, 2014 was \$63,399,594. 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, 2013. This was the thirty-fourth consecutive year (fiscal years ended 1980-2013) 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. 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 Vasquez and Company, LLP, the City's independent auditors, who also contributed to its preparation.

Additionally, I would like to thank the Mayor, City Council Members, and City Manager for their continued direction and support in planning and conducting the financial operations of the City in a progressive and responsible manner.

Respectfully submitted,



Maureen McGoldrick
Department of Administrative Services

OFFICIALS OF THE CITY OF SIMI VALLEY
(as of June 30, 2014)

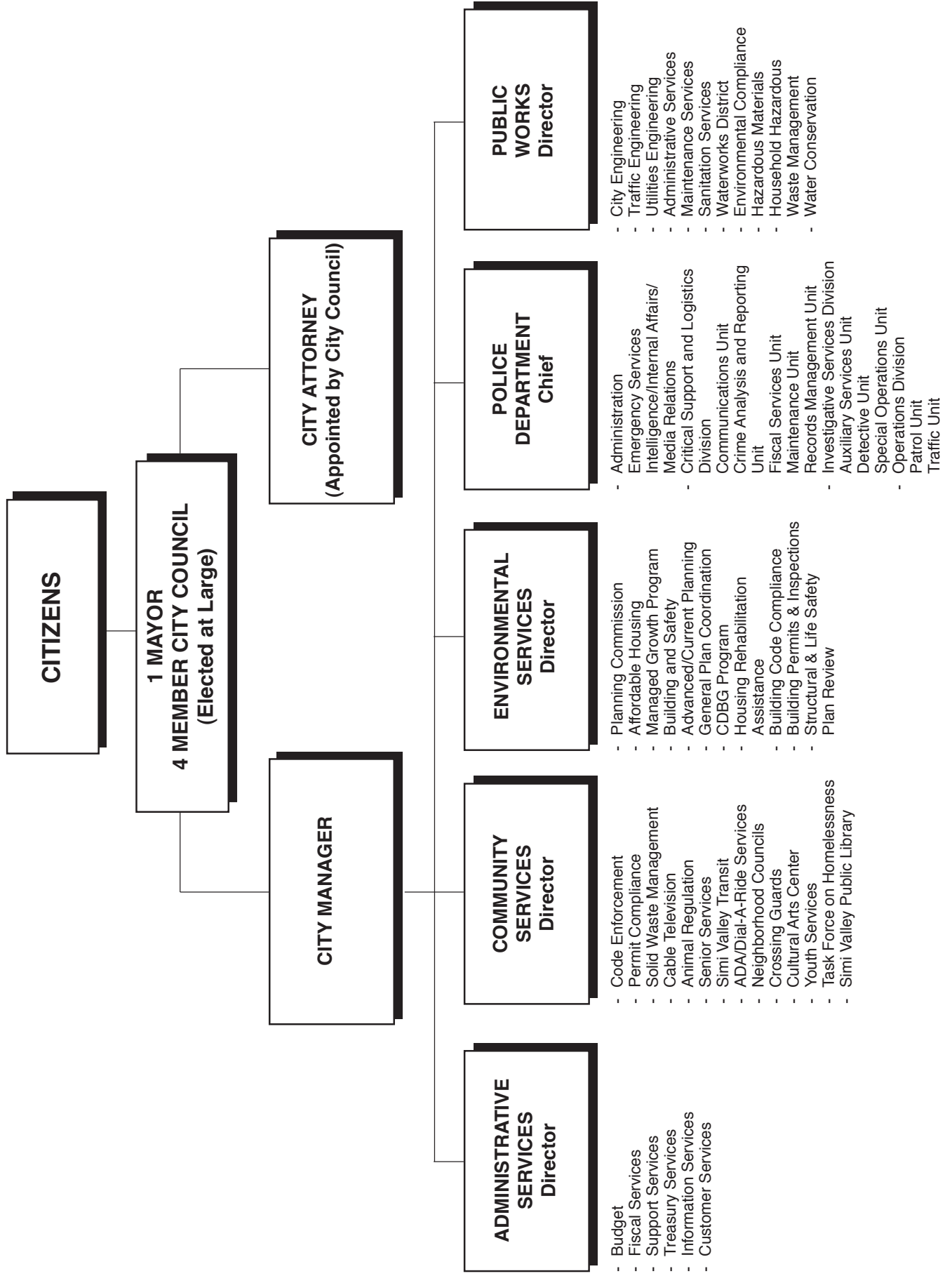
Members of the City Council

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

Administrative Staff

Eric J. Levitt City Manager
Lonnie Eldridge City Attorney
Maureen McGoldrick Director of Administrative Services
Sommer Barwick. 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
Achievement
for Excellence
in Financial
Reporting**

Presented to

**City of Simi Valley
California**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2013

Executive Director/CEO

FINANCIAL SECTION



Independent Auditors' Report

REPORT OF INDEPENDENT AUDITORS

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Simi Valley, California (the City), as of and for the year ended June 30, 2014, and the related notes to financial statements which collectively comprise the City's basic financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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



Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Simi Valley, California, as of June 30, 2014, 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.

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.

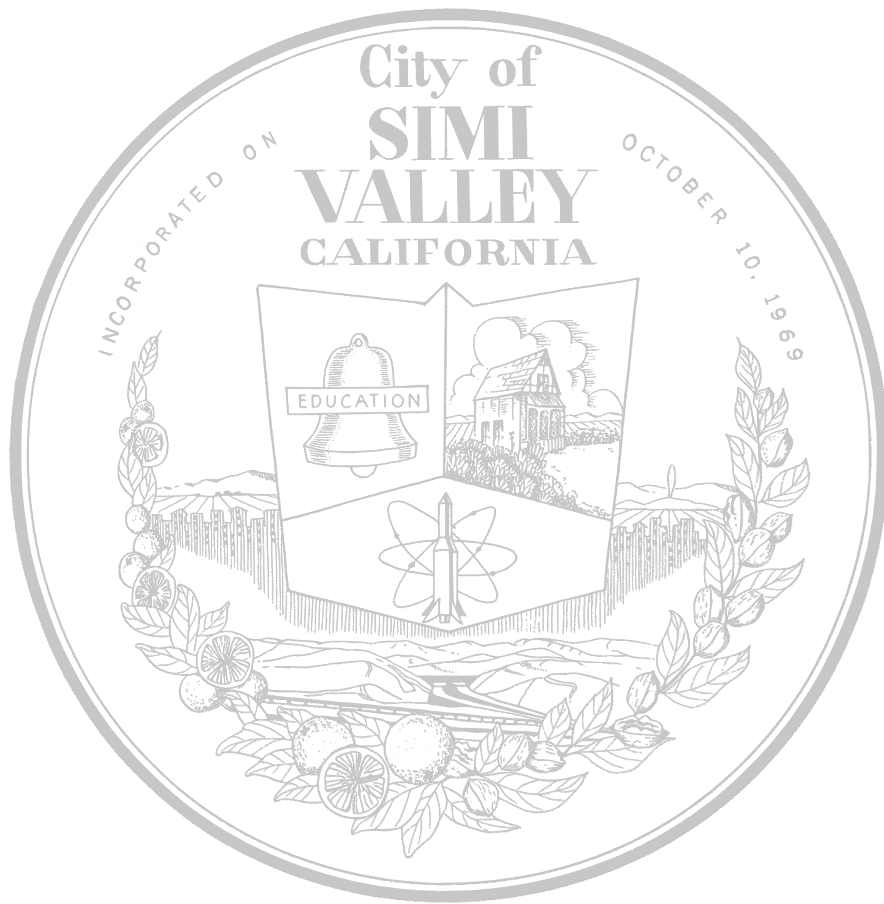


Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 24, 2014, on our consideration of the City of Simi Valley's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 the City's internal control over financial reporting and compliance.

Vasquez + Company LLP

**Los Angeles, California
December 22, 2014**



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, 2014. 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 \$457,958,251. Of this amount, \$75,235,183 (*unrestricted net position*) may be used to meet the government's ongoing obligations to citizens and creditors.
- The City's total net position increased by \$1,046,485. This amount was comprised of a \$6.9 million increase in net investment in capital assets, a \$4.3 million decrease in the restricted net position category, and a \$1.6 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 \$79,381,325, a decrease of \$1,051,048 in comparison with the prior year. Of the ending fund balance, approximately 23.3% or \$18,509,076 is Non-spendable in form; 36.2% or \$28,768,922 is Restricted for housing projects, public improvements, debt service and special programs; 32.8% or \$26,039,164 is Committed to street projects, retiree benefits, equipment replacement, economic recovery, and the prudent reserve; 7.8%, or \$6,172,214 is Assigned to capital projects; and <0.1%>, or <\$108,051> is Unassigned.
- At the end of the current fiscal year, the *Prudent Reserve* established by the City Council totaled \$11,881,778. This portion of Committed fund balance for the General fund equals is equal to 17% of budgeted General fund expenditures, including transfers out.
- The City of Simi Valley's total liabilities decreased by \$3.3 million during the current fiscal year. This is comprised of a \$3.0 million decrease in accounts payable, a \$0.6 million decrease in bonded indebtedness from scheduled debt service payments, off-set by a \$0.3 million increase in claims, legal and other post-employment benefits obligations, and compensated absences.

Overview of the Financial Statements

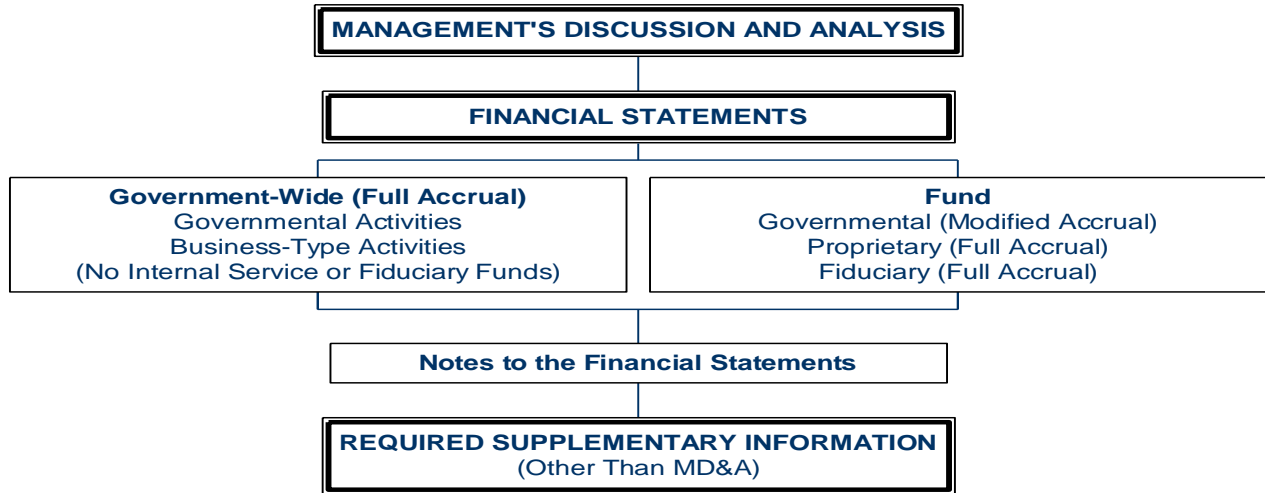
This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The basic financial statements include three components:

- 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 4 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 three major funds: the General fund, the Successor Agency to Community Development Agency Housing Administration fund, the Development Related Fees fund, and the Streets and Roads fund. Data from the other 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 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.

CITY OF SIMI VALLEY • MANAGEMENT DISCUSSION AND ANALYSIS

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 \$457,958,251 at the close of the most recent fiscal year.

A significant portion of the City's net position (70%) 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 (14%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (16%) may be used to meet the City's ongoing obligations to citizens and creditors.

City of Simi Valley's Net Position

	Governmental Activities		Business-Type Activities		Total	
	FY 2013-14	FY 2012-13	FY 2013-14	FY 2012-13	FY 2013-14	FY 2012-13
Current and other assets	\$125,279,323	\$126,489,658	\$52,583,817	\$57,279,297	\$177,863,140	\$183,768,955
Capital assets	208,771,198	207,957,769	132,775,502	129,933,391	341,546,700	337,891,160
Total assets	<u>334,050,521</u>	<u>334,447,427</u>	<u>185,359,319</u>	<u>187,212,688</u>	<u>519,409,840</u>	<u>521,660,115</u>
Long-term liabilities outstanding	41,270,663	41,659,881	977,906	900,960	42,248,569	42,560,841
Other liabilities	10,724,250	14,336,746	8,478,770	7,850,762	19,203,020	22,187,508
Total liabilities	<u>51,994,913</u>	<u>55,996,627</u>	<u>9,456,676</u>	<u>8,751,722</u>	<u>61,451,589</u>	<u>64,748,349</u>
Net position:						
Net investment in capital assets	186,806,245	182,759,929	132,775,502	129,933,391	319,581,747	312,693,320
Restricted	58,246,665	61,520,939	4,894,656	5,886,068	63,141,321	67,407,007
Unrestricted	37,002,698	34,169,932	38,232,485	42,641,507	75,235,183	76,811,439
Total net position	<u>\$282,055,608</u>	<u>\$278,450,800</u>	<u>\$175,902,643</u>	<u>\$178,460,966</u>	<u>\$457,958,251</u>	<u>\$456,911,766</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 2013-14	FY 2012-13	FY 2013-14	FY 2012-13	FY 2013-14	FY 2012-13
Revenues:						
Program Revenues:						
Charges for services	\$ 7,660,503	\$ 5,475,158	\$ 52,289,429	\$ 50,445,328	\$ 59,949,932	\$ 55,920,486
Operating grants and contributions	11,617,046	8,946,791	2,573,874	2,376,527	14,190,920	11,323,318
Capital grants and contributions	11,108,870	4,959,909	4,016,047	1,172,661	15,124,917	6,132,570
General Revenues:						
Property taxes	27,438,436	24,823,215			27,438,436	24,823,215
Other taxes	23,867,836	23,821,216			23,867,836	23,821,216
Interest on investments	1,046,411	228,258	1,030,711	345,334	2,077,122	573,592
Contributions from other governme	3,074,897	457,220			3,074,897	457,220
Other	-	-	227,858	116,183	227,858	116,183
Total revenues	85,813,999	68,711,767	60,137,919	54,456,033	145,951,918	123,167,800
Expenses:						
General government	26,760,161	25,559,674	-	-	26,760,161	25,559,674
Community services	6,042,418	4,441,851	-	-	6,042,418	4,441,851
Planning	5,521,272	5,766,990	-	-	5,521,272	5,766,990
Public ways and facilities	16,910,851	16,807,678	-	-	16,910,851	16,807,678
Public safety	30,548,834	31,460,391	-	-	30,548,834	31,460,391
Interest on long-term debt	1,059,055	1,206,096	-	-	1,059,055	1,206,096
Indirect expense allocation	(6,580,700)	(6,292,700)	6,580,700	6,292,700	-	-
Sanitation	-	-	14,146,203	12,264,964	14,146,203	12,264,964
Water	-	-	38,843,419	35,411,408	38,843,419	35,411,408
Transit	-	-	4,798,220	4,992,469	4,798,220	4,992,469
Total expenses	80,261,891	78,949,980	64,368,542	58,961,541	144,630,433	137,911,521
Change in net position before transfers	5,552,108	(10,238,213)	(4,230,623)	(4,505,508)	1,321,485	(14,743,721)
Transfers	(1,672,300)	(1,844,949)	1,672,300	1,844,949	-	-
Change in Net Position	3,879,808	(12,083,162)	(2,558,323)	(2,660,559)	1,321,485	(14,743,721)
Net position - beginning of the year,	278,450,800	291,023,899	178,460,966	181,121,525	456,911,766	472,145,424
Prior period adjustment (note IV F)	(275,000)	(489,937)			(275,000)	(489,937)
Net Position - ending	\$ 282,055,608	\$ 278,450,800	\$ 175,902,643	\$ 178,460,966	\$ 457,958,251	\$ 456,911,766

During the current fiscal year, City-wide revenues increased by \$22.7 million, and expenses increased by \$6.7 million as compared to the prior year. Property tax revenue increased by \$2.6 million, charges for services increased by \$4.0 million, capital grants and contributions increased by \$9.0 million, and revenue increased for sales, franchise and business tax revenue showed combined increases of \$0.1 million. Operating grants and contributions revenue increased by \$2.9 million. Other increases included investment earnings by \$1.5 million and contributions from other governments by \$2.6 million. Overall, change in net position increased by \$16,065,206 from the previous year.

Governmental Activities. Governmental activities increased the City's net position by \$3,879,808 as compared to a decrease of \$12.0 million in the prior year. This is a \$15.9 million swing in the positive direction and accounts for 293.6% of the City's combined increase in net position of \$1.3 million.

CITY OF SIMI VALLEY • MANAGEMENT DISCUSSION AND ANALYSIS

Across all categories, revenues reflected increases as compared to the prior fiscal year. Property taxes posted a very encouraging increase of 10.5% (\$2.6 million), and revenue for sales, franchise, business and other taxes increased by 0.2% (\$0.05 million). Capital grants and contributions increased by 124.0% (\$6.1 million). This increase is comprised of increased donated infrastructure of \$4.7 million, the addition of the Library collection valued at \$3.3 million and receipt of Prop 1B grant funds of \$0.5 million, along with a \$2.4 million decrease in public works grants. Service charges increased by 39.9% (\$2.2 million), and operating grants and contributions increased by 29.9% (\$2.7 million). Value of investments increased by 358.4% (\$0.8 million) due to the mark to market requirement to show the par value of investments as of June 30. In this case, the declining bond market improved the City's market value. Governmental funds also reflect a 572.8% (\$2.6 million) increase in contributions from other governments; this represents transfers from the Successor Agency fiduciary fund for reimbursement of housing program costs.

Changes in expenses in the functional areas ranged from a decrease of 4.3% to an increase of 36.0% in comparison with the previous fiscal year.

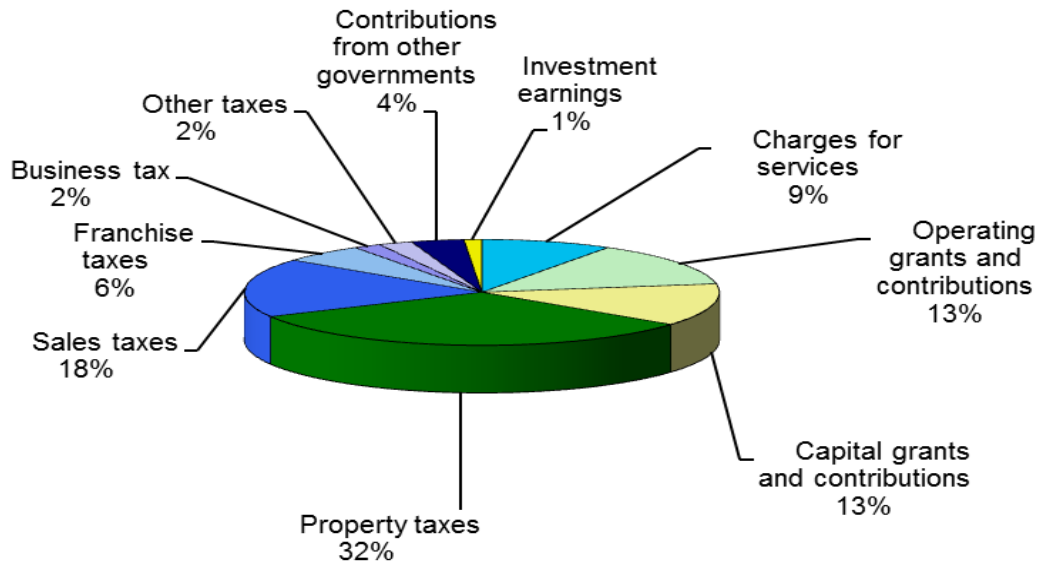
General government expenses increased by 4.7% (\$1.2 million). A significant portion of this increase is attributable to bad debt expense of \$2.8 million. During the fiscal year ended June 30, 2014, the CA State Department of Finance formally approved only \$11.0 million for repayment of the existing \$13.8 million loans between the City and Successor Agency to the Simi Valley Community Development Agency. Therefore, the difference of \$2.8 million was written off as bad debt expense. See notes II B and note III B for additional information. The increase in expenses due to bad debt was, in turn, offset by decreases in expenses for the City Hall expansion, which is close to completion.

Community services expenses increased the largest amount, by 36.0% (\$1.6 million). Effective July 1, 2013, operations of the Simi Valley Library were transitioned from Ventura County to the City. The Community Services Department has oversight of Library operations, and the facility's expenses for the fiscal year ended June 30, 2014 were just over \$1.6 million.

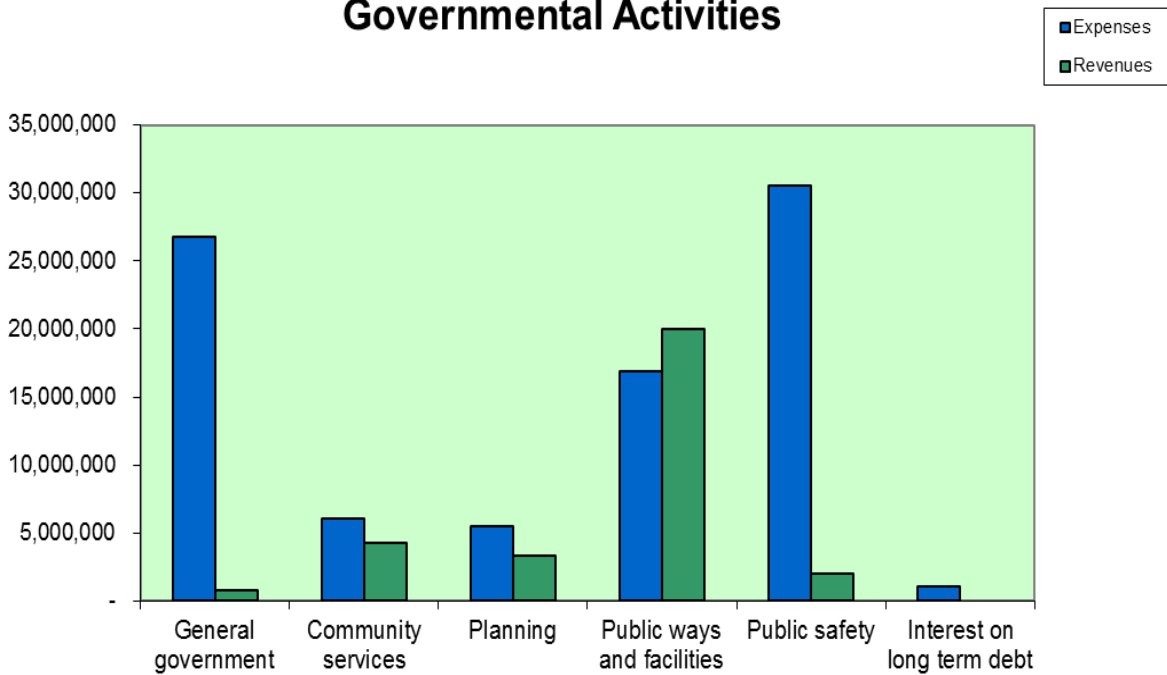
Planning expenses decreased by 4.3% (\$0.2 million). Between the current and prior fiscal year, there was a net decrease of \$0.5 million in housing loans and repayments. Offsetting this decrease, the Environmental Services Department's operational expenses increased by \$0.3 million, largely attributable to increases in salaries and benefits.

Public safety expenses decreased by 2.9% (\$0.9 million). \$0.7 is attributable to reductions in compensated absences and post-employment benefits. In addition, \$0.9 million is attributable to a decrease the Police Department's share of the Internal Service funds' losses. Offsetting these decreases, Police Department operational expenses increased by \$0.7 million; this is comprised of increases in salaries and benefits and charges for services.

Revenues by Source - Governmental Activities



Expenses and Program Revenues Governmental Activities



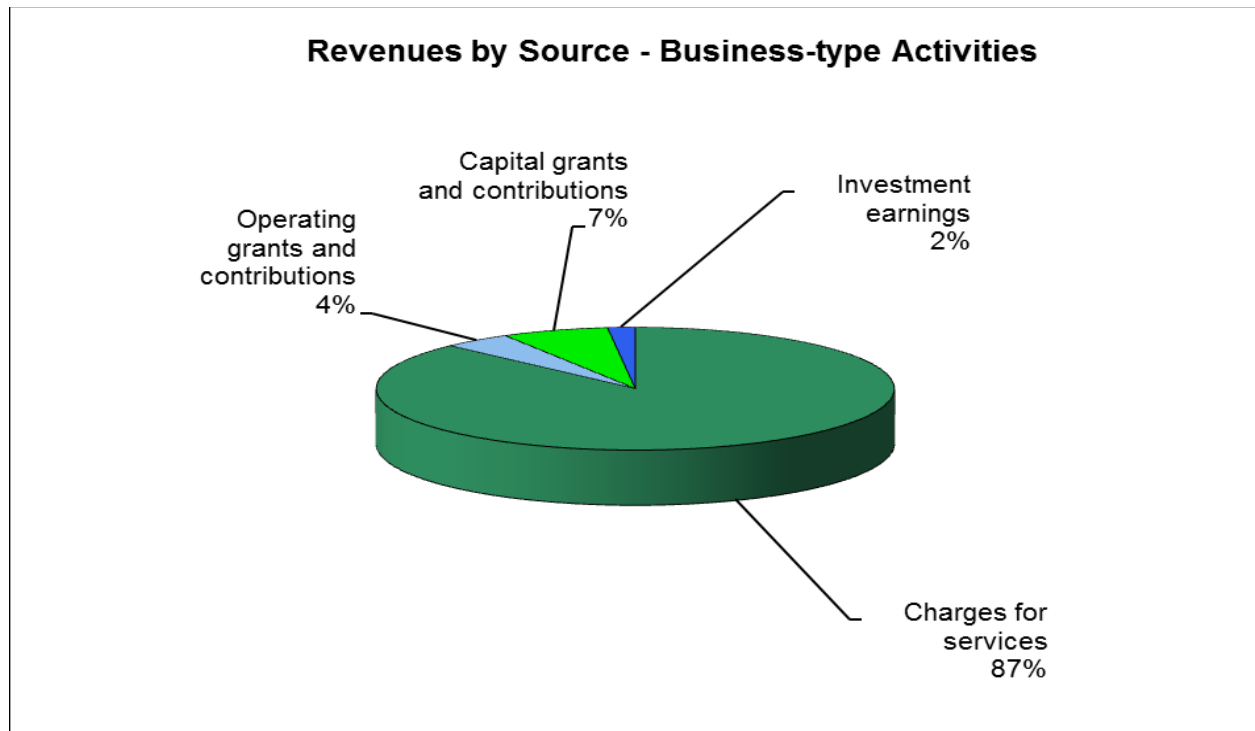
CITY OF SIMI VALLEY • MANAGEMENT DISCUSSION AND ANALYSIS

Business-type Activities. Business-type activities decreased the City's net position by \$2,558,323, as compared to a \$2.7 million decrease in the prior year. Key elements for the changes in net position during the fiscal year are as follows:

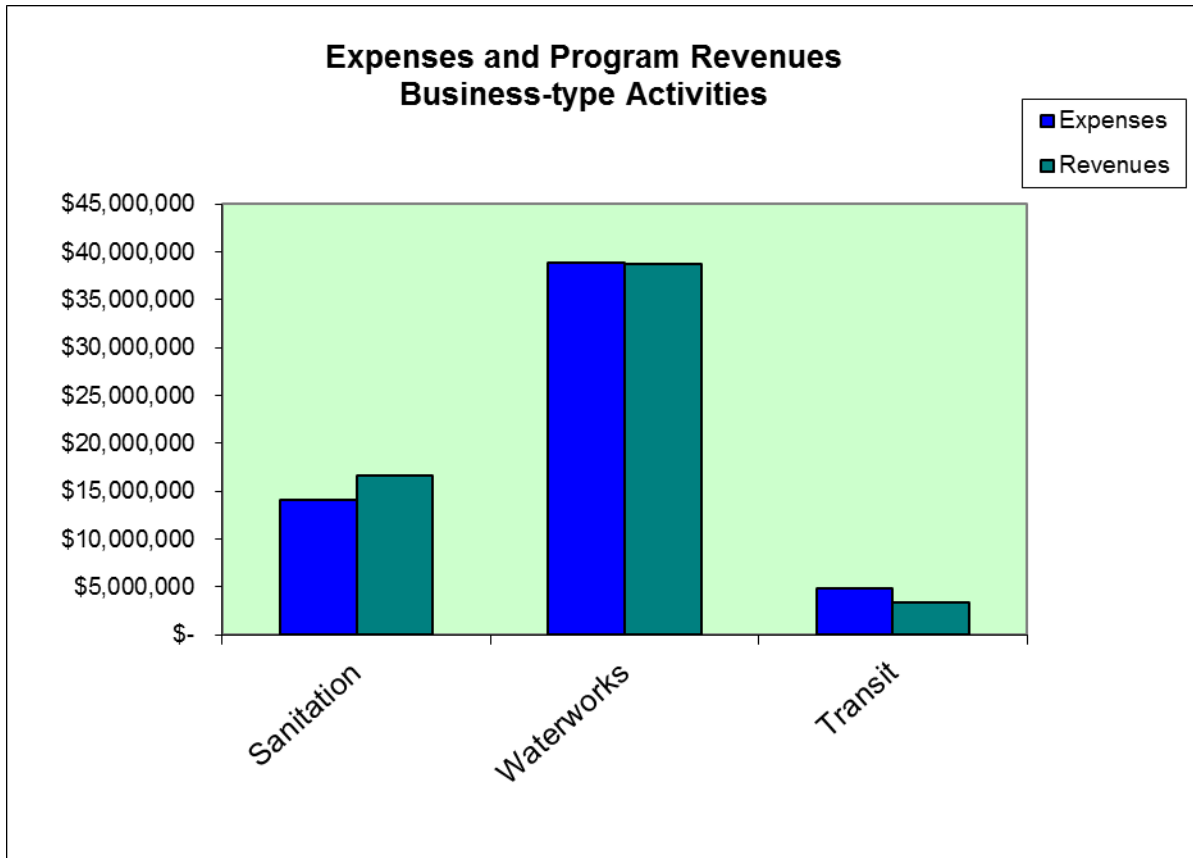
In comparison to the prior fiscal year, overall revenue increased by \$5.7 million. Charges for services increased by 3.9% (\$2.0 million), and operating grants and contributions increased by 8.3% (\$0.2 million). There was a 242.4% (\$2.8 million) increase in capital grants and contributions. The bulk of these increases are associated with contributed infrastructure and developer contributions to the Sanitation and Waterworks Funds. In addition to these increases, business-type activities experienced a 198.5% (\$0.7 million) increase in market value of investments. This was due to the mark to market requirement to show the par value of investments as of June 30. In this case, the declining bond market improved the City's market value.

Expenses increased by 9.7% (\$5.1 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 cost for water purchases. The cost for water purchases increased 13.3% (\$3.5 million). Overall, costs for maintenance projects increased by 203% (\$1.7 million) in the sanitation enterprise fund where incurred \$1.8 million was spent on upgrading electrical safety components for the water quality control plant. Costs for maintenance projects decreased in waterworks by 57.3% (\$0.6 million). The combined general administration costs for all three enterprise funds increased by 5.0% (\$0.3 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 \$0.2 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. However, in governmental funds other than the General fund, if expenditures incurred for specific purposes exceed the amounts that are restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in that fund.

At the end of the current fiscal year, the City's governmental funds experienced combined ending fund balances of \$79,381,325, a decrease of just over \$1.0 million when compared to the prior year. Of this total amount, 23.3% (\$18.5 million) is *Non-spendable* in form, comprised of long-term receivables. Of the ending governmental fund balances, 36.2% (\$28.8 million) is *Restricted* for specific activities including housing programs, public improvements, streets, landscape, debt service and law enforcement programs. Of the governmental fund balances, 32.8% is classified as *Committed*. \$14.1 million is *Committed* to street programs, retiree benefits, equipment replacement programs, and economic recovery. \$11.9 million is *Committed* to 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 remaining negative 0.1% (<\$0.1> million) in governmental fund balances is *Unassigned*. This amount is attributable to combined negative fund balance in the CalHome and Green Projects non-major special revenue funds.

The fund balance of the City's General Fund decreased by \$1.9 million during the current fiscal year. However, a significant contributing factor to the decrease is a one-time bad debt expense of \$2.8 million, which is discussed in the governmental activities portion of this document. Excluding the bad debt expense, the balance in the General Fund would have increased \$0.9 million. In comparison to last fiscal year, overall revenues in the General fund increased by \$3.5 million and expenditures (excluding bad debt expense) decreased by \$0.2. This reflects movement in a positive direction toward improvement in the overall fiscal health of the City.

The net change in the fund balance of the Successor Housing Agency (SHA) to Community Development Housing Administration fund was an increase of \$406,516. During the fiscal year, housing activity revenues exceeded expenditures by just under \$0.4 million. As compared to the FY 2012-13, overall revenues increased by \$2.5 million, and overall expenditures increased by \$2.2 million.

The fund balance of the Development Related Fees fund decreased by \$766,654. During the fiscal year, revenues exceeded expenditures by \$0.4 million. However, fund balance was reduced by net transfers out of \$1.1 million used largely for public facility improvements and debt service. Other than two known residential developments now

CITY OF SIMI VALLEY • MANAGEMENT DISCUSSION AND ANALYSIS

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 increased by \$535,127. Budgeted projects in this fund are pre-funded with transfers from various funds. In addition, a significant portion of street expenditures is reimbursed by Federal grants. During this fiscal year, expenditures for street projects totaled \$2.0 million, but associated grant funding was only \$1.6 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 was \$18,684,536, \$19,283,258, and \$329,630, respectively. The Sanitation, Waterworks and Transit funds showed reductions in net position of \$467,493, \$1,672,955, and \$435,549, 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 \$60.9 million was \$1.7 million greater than the original expenditure budget of \$59.2 million and can be briefly summarized as follows:

- \$1.1 million was due to a \$0.4 million classification error regarding the new Library's transfer back to the General Fund, and the remainder due to a budget error in the transfer from the Landscape District No. 1 fund, projected \$0.7 million too high.
- \$0.6 million was an increase in supplies and services expenditures across several departments, including carryovers from the prior fiscal year and additional uniform items, training, and consulting services.

Actual expenditures of \$59.6 million were \$1.3 million less than the General fund final amended expenditure budget of \$60.9 million. The significant variances are summarized as follows:

- \$1.3 million of expenditure savings were achieved in the Current Expenses category (savings of \$1.8 million in Salaries & Benefits and \$0.8 million in Supplies and Materials were offset by \$1.3 million in excess expenditures in the Services category).

Actual revenues were \$0.6 million more than the final budgeted amount of \$55.9 million, an overall favorable difference of 1.0%. Revenue from business taxes, licenses and permits, other governments, grants, service charges and change in book value of investments exceeded expected amounts. Collections from sales taxes, property taxes, franchise taxes, and fines and forfeitures were less than expected.

CITY OF SIMI VALLEY • MANAGEMENT DISCUSSION AND ANALYSIS

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, 2014, amounts to \$341,546,700 (net of accumulated depreciation). This is an increase of \$3,655,540 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:

- \$3.5 million in library book collections were acquired by the City
- \$2.8 million in street projects were completed
- \$5.6 million in storm drains, roads, and sidewalks were donated by developers for projects completed and accepted by the City
- \$1.4 million in sanitation and waterworks infrastructure projects were completed

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 2013-14</u>	<u>FY 2012-13</u>	<u>FY 2013-14</u>	<u>FY 2012-13</u>	<u>FY 2013-14</u>	<u>FY 2012-13</u>
Land	\$ 10,613,683	\$ 10,888,683	\$ 1,216,994	\$ 1,216,994	\$ 11,830,677	\$ 12,105,677
Buildings	23,194,326	24,532,956	7,523,416	7,820,674	30,717,742	32,353,630
Furnishings and equipment	3,678,573	4,191,567	1,007,857	1,071,050	4,686,430	5,262,617
Computers	970,072	980,762	234,989	253,377	1,205,061	1,234,139
Vehicles	1,535,958	1,338,026	2,652,666	2,811,735	4,188,624	4,149,761
Infrastructure	154,746,902	155,150,148	102,487,600	100,794,924	257,234,502	255,945,072
Intangibles	5,725,795	2,745,881	-	-	5,725,795	2,745,881
Construction in progress	8,305,889	8,129,746	17,651,980	15,964,637	25,957,869	24,094,383
Total	\$ 208,771,198	\$ 207,957,769	\$ 132,775,502	\$ 129,933,391	\$ 341,546,700	\$ 337,891,160

Long-term debt. At the end of the current fiscal year, the City had total bonded debt outstanding of \$21,964,953. This entire amount represents bonds secured solely by specified revenue sources (i.e., revenue bonds).

CITY OF SIMI VALLEY • MANAGEMENT DISCUSSION AND ANALYSIS

City of Simi Valley's Outstanding Bonded Debt

	Governmental	
	Activities	
	<u>FY 2013-14</u>	<u>FY 2012-13</u>
1995 SVPFA variable rate lease revenue bonds	\$ -	\$ 2,610,000
2004 certificates of participation	21,705,000	22,315,000
Add (less) deferred amounts	259,953	272,840
Total	<u>\$ 21,964,953</u>	<u>\$ 25,197,840</u>

On July 21 2014, the City Council and the Board of Directors of the Simi Valley Public Facilities Financing Authority approved early repayment of City of Simi Valley 2004 Certificates of Participation (COP) through the issuance and sale of Lease Revenue Refunding Bonds, Series 2014A. The sale of bonds to refund the City's 2004 COP took place on August 13, 2014. The par value of the refunding bonds, which sold at a premium, was \$18,795,000, further reducing the City's outstanding debt by \$2,910,000.

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

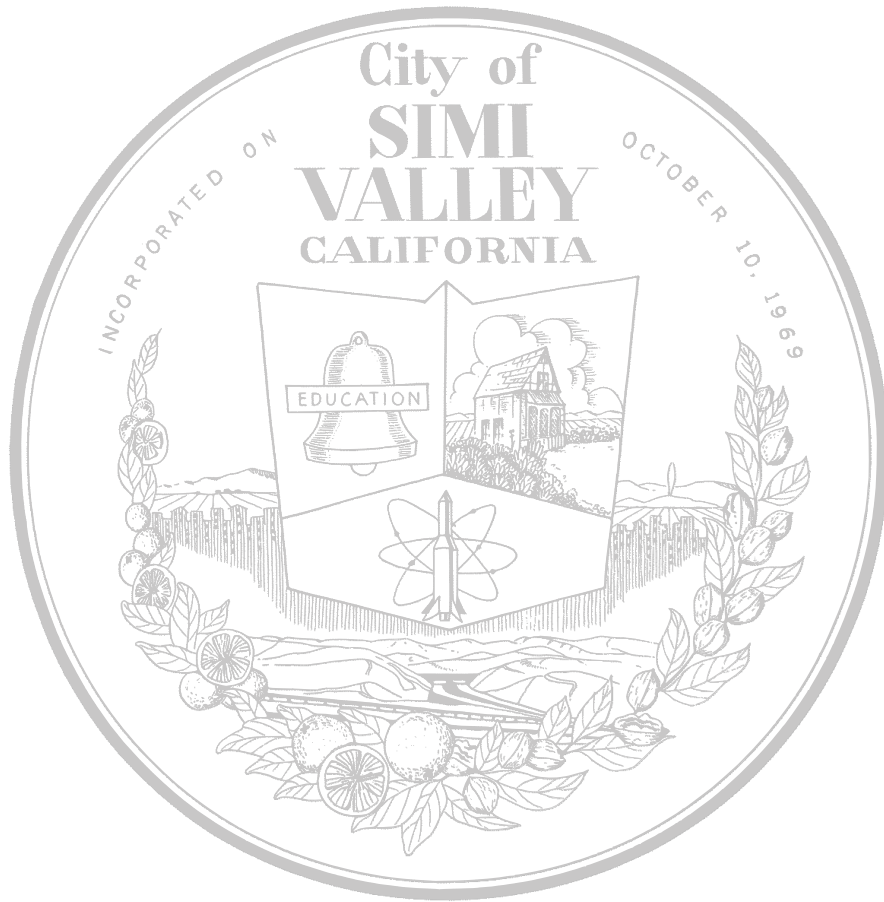
- In June 2014, the City Council adopted the FY 2014-15 annual budget. The budget represents changes in terms of format and approach, implementing a phased evolution toward a priority based budget. The General Fund Balance is projected to be higher at the end of 2014-2015 than at the beginning of 2013-2014. As in past recent years, this budget represents an attempt to plan for the future by reducing ongoing costs and eliminating a structural deficit while also ensuring that service impacts to Simi Valley residents are minimized.
- 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. Gains in the automotive sales and construction sectors have helped in Simi Valley but are mitigated by modest improvement in retail and dining. 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 2013-14 of 2.2% over FY 2012-13, the second year of positive growth since the recession. 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 2013-14 by 2.5%, a slowing from last year's increase of 3.5%, and are expected to continue a very slow pattern of upward growth. The City's unemployment rate is currently at 5.5%, which is a 0.6% improvement over the prior year.
- General Fund revenues are projected to show total growth of \$0.02 million (<1%) in FY 2014-15 over last year. Budgeted gains in property and sales tax revenues are mostly offset by an estimated \$1 million reduction in one-time development revenues realized in FY 2013-14.

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, 2014

	Governmental Activities	Business-Type Activities	Total
<u>ASSETS</u>			
Current assets:			
Cash and investments (note III A)	\$ 76,522,635	\$ 36,732,498	\$ 113,255,133
Accounts receivable (net of allowance for uncollectibles) (note III C)	718,859	8,105,253	8,824,112
Prepaid assets	56,435	-	56,435
Taxes receivable	4,617,557	218,385	4,835,942
Grants receivable	699,942	2,693,188	3,393,130
Interest receivable	73,153	48,806	121,959
Internal balances (note I D 2)	2,501,544	(2,501,544)	-
Inventories	-	1,448,520	1,448,520
Restricted cash and investments (note III A):			
Customer deposits	-	930,803	930,803
Debt service	1,656,269	-	1,656,269
Connection fees	-	4,907,908	4,907,908
Total current assets	<u>86,846,394</u>	<u>52,583,817</u>	<u>139,430,211</u>
Noncurrent assets:			
Loans receivable (note III B)	28,316,532	-	28,316,532
Loans receivable - Successor Agency (note III B)	10,116,397	-	10,116,397
Capital assets (note III D):			
Capital assets not being depreciated	18,919,572	18,868,974	37,788,546
Capital assets being depreciated, net	<u>189,851,626</u>	<u>113,906,528</u>	<u>303,758,154</u>
Total noncurrent assets	<u>247,204,127</u>	<u>132,775,502</u>	<u>379,979,629</u>
Total assets	<u>334,050,521</u>	<u>185,359,319</u>	<u>519,409,840</u>
<u>LIABILITIES</u>			
Current liabilities:			
Accounts payable	1,885,818	4,052,093	5,937,911
Salaries and benefits payable	3,125,838	514,470	3,640,308
Accrued interest payable	342,783	-	342,783
Deposits	378,099	-	378,099
Liabilities payable from restricted assets	-	944,055	944,055
Unearned revenues	-	2,859,496	2,859,496
Current portion of long-term obligations	4,991,712	108,656	5,100,368
Total current liabilities	<u>10,724,250</u>	<u>8,478,770</u>	<u>19,203,020</u>
Noncurrent liabilities (note III G):			
Noncurrent portion of long-term obligations	<u>41,270,663</u>	<u>977,906</u>	<u>42,248,569</u>
Total liabilities	<u>51,994,913</u>	<u>9,456,676</u>	<u>61,451,589</u>
<u>NET POSITION</u>			
Net investment in capital assets	186,806,245	132,775,502	319,581,747
Restricted for:			
Capital projects	18,381,286	-	18,381,286
Debt service	1,656,157	-	1,656,157
Community development	35,375,522	-	35,375,522
Other purposes	2,833,700	-	2,833,700
Sewer connection fees and water capital improvement charges	-	4,894,656	4,894,656
Unrestricted	<u>37,002,698</u>	<u>38,232,485</u>	<u>75,235,183</u>
Total net position	<u>\$ 282,055,608</u>	<u>\$ 175,902,643</u>	<u>\$ 457,958,251</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, 2014**

	<u>Expenses</u>	<u>Indirect Expenses Allocation</u>	<u>Full Cost by Function</u>	<u>Program Revenues</u>	
				<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>
Primary government:					
Governmental activities:					
General government	\$ 26,760,161	\$ (6,836,007)	\$ 19,924,154	\$ 380,835	\$ 358,412
Community services (CS)	6,042,418	-	6,042,418	911,308	108,318
Planning (ES)	5,521,272	143,993	5,665,265	2,191,796	1,124,766
Public ways and facilities (PW)	16,910,851	94,013	17,004,864	3,322,178	8,865,774
Public safety (PD)	30,548,834	17,301	30,566,135	854,386	1,159,776
Interest on long term debt	1,059,055	-	1,059,055	-	-
Total governmental activities	86,842,591	(6,580,700)	80,261,891	7,660,503	11,617,046
Business-type activities:					
Sanitation	14,146,203	3,034,700	17,180,903	14,831,706	-
Waterworks District No. 8	38,843,419	2,136,700	40,980,119	37,042,247	2,661
Transit	4,798,220	1,409,300	6,207,520	415,476	2,571,213
Total business-type activities	57,787,842	6,580,700	64,368,542	52,289,429	2,573,874
Total primary government	\$ 144,630,433	\$ -	\$ 144,630,433	\$ 59,949,932	\$ 14,190,920

General revenues:
Property taxes
Sales taxes
Franchise taxes
Business tax
Other taxes
Contributions from other governments
Investment earnings
Miscellaneous

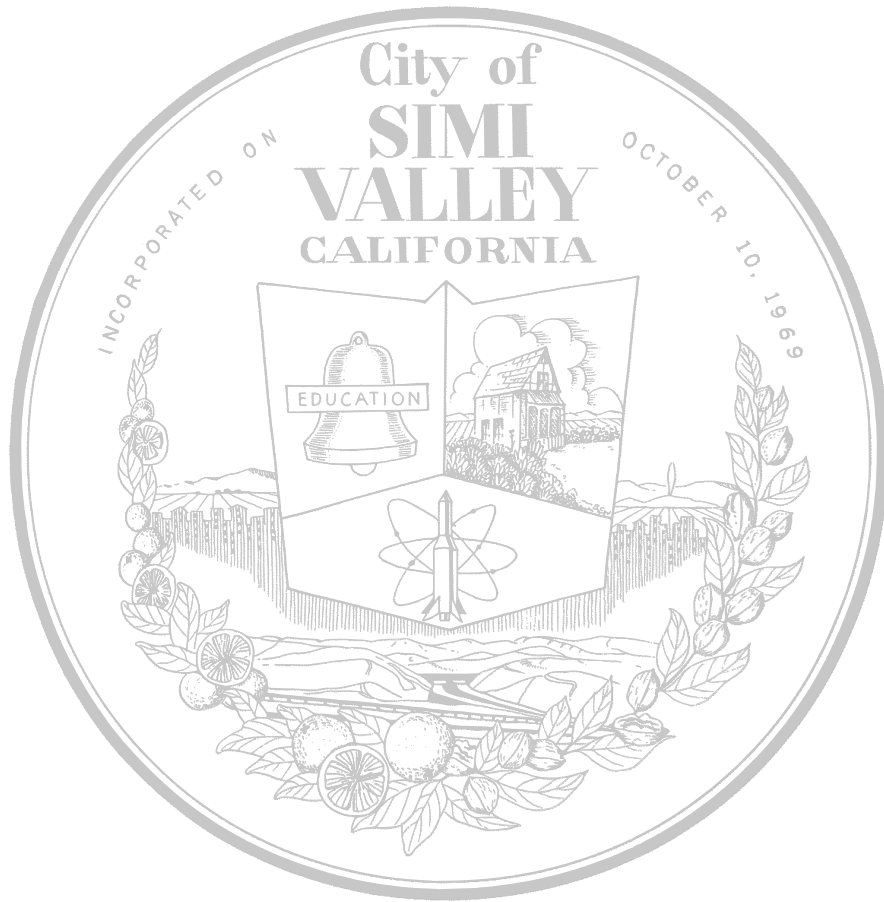
Transfers
Total general revenues, contributions and transfers
Change in net position
Net position-beginning
Prior period adjustment (note IV F)
Net position-beginning, as restated

Net position-ending

**CITY OF SIMI VALLEY
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

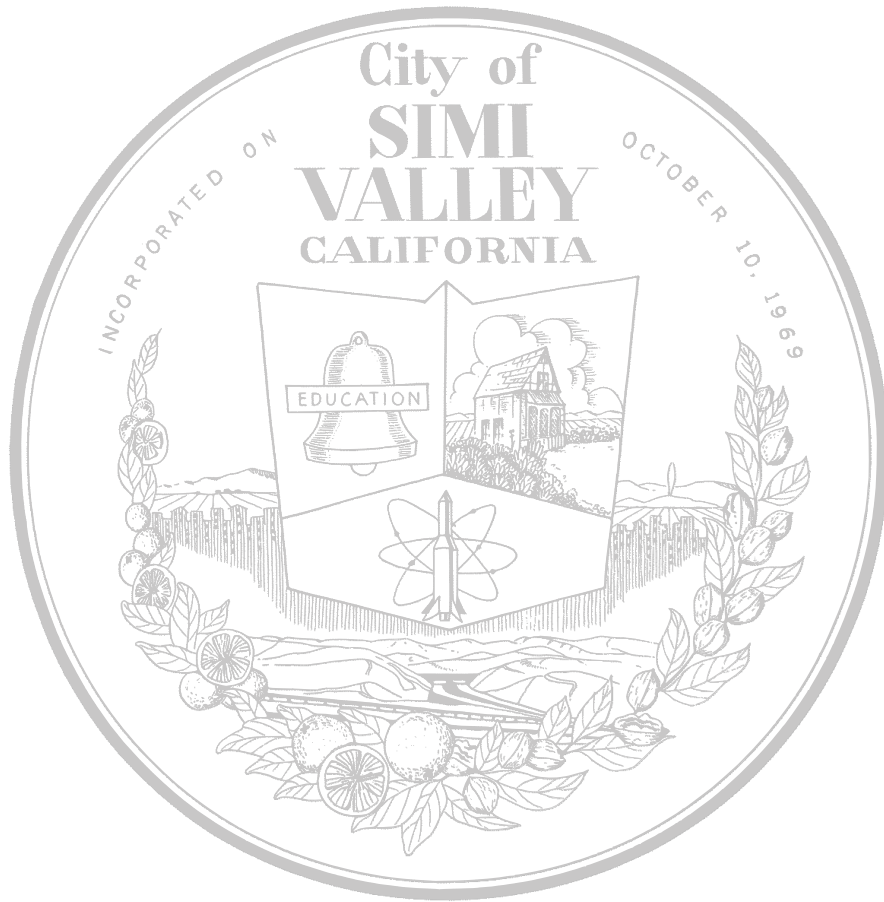
Program Revenues	Net (Expense) Revenue and Changes in Net Position			
Capital	Primary Government			
Grants and Contributions	Governmental Activities	Business-type Activities	Total	
\$ -	\$ (19,184,907)	\$ -	\$ (19,184,907)	Primary government:
3,281,997	(1,740,795)	-	(1,740,795)	Governmental activities:
-	(2,348,703)	-	(2,348,703)	General government
7,826,873	3,009,961	-	3,009,961	Community services (CS)
-	(28,551,973)	-	(28,551,973)	Planning (ES)
-	(1,059,055)	-	(1,059,055)	Public ways and facilities (PW)
				Public safety (PD)
				Interest on long term debt
<u>11,108,870</u>	<u>(49,875,472)</u>	<u>-</u>	<u>(49,875,472)</u>	Total governmental activities
1,848,925	-	(500,272)	(500,272)	Business-type activities:
1,734,150	-	(2,201,061)	(2,201,061)	Sanitation
432,972	-	(2,787,859)	(2,787,859)	Waterworks District No. 8
				Transit
<u>4,016,047</u>	<u>-</u>	<u>(5,489,192)</u>	<u>(5,489,192)</u>	Total business-type activities
<u>\$ 15,124,917</u>	<u>(49,875,472)</u>	<u>(5,489,192)</u>	<u>(55,364,664)</u>	Total primary government
	27,438,436	-	27,438,436	General revenues:
	15,440,917	-	15,440,917	Property taxes
	4,849,204	-	4,849,204	Sales taxes
	1,601,785	-	1,601,785	Franchise taxes
	1,975,930	-	1,975,930	Business tax
	3,074,897	-	3,074,897	Other taxes
	1,046,411	1,030,711	2,077,122	Contributions from other governments
	-	227,858	227,858	Investment earnings
	(1,672,300)	1,672,300	-	Miscellaneous
	<u>53,755,280</u>	<u>2,930,869</u>	<u>56,686,149</u>	Transfers
	3,879,808	(2,558,323)	1,321,485	Total general revenues, contributions and transfers
	<u>278,450,800</u>	<u>178,460,966</u>	<u>456,911,766</u>	Change in net position
	(275,000)	-	(275,000)	Net position-beginning
	<u>278,175,800</u>	<u>178,460,966</u>	<u>456,636,766</u>	Prior period adjustment (note IV F)
				Net position-beginning, as restated
<u>\$ 282,055,608</u>	<u>\$ 175,902,643</u>	<u>\$ 457,958,251</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, 2014**

	Special Revenue		
	General	SHA to Community Development Agency Housing Administration	Development Related Fees
<u>ASSETS</u>			
Cash and investments:			
Held by city	\$ 22,639,776	\$ 1,545,799	\$ 19,549,936
Held by bond trustee	-	-	-
Accounts receivable (net of allowance for uncollectibles) (note III C)	586,712	1,964	-
Taxes receivable	4,478,982	-	-
Grants receivable	58,728	-	-
Interest receivable	37,313	-	18,018
Due from other funds (note III F)	3,043,805	-	14,967
Loans receivable (note III B)	356,299	22,756,808	2,707,388
Loans receivable-Successor Agency (note III B)	10,116,397	-	-
Advances to other funds (note III F)	8,036,380	-	-
TOTAL ASSETS	\$ 49,354,392	\$ 24,304,571	\$ 22,290,309
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
<u>LIABILITIES</u>			
Accounts payable	\$ 1,136,475	\$ 74,267	\$ 9,765
Salaries and benefits payable	3,115,167	-	-
Due to other funds (note III F)	-	-	-
Advances from other funds (note III F)	-	-	-
Deposits	366,452	11,647	-
TOTAL LIABILITIES	4,618,094	85,914	9,765
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Unavailable revenue-sales tax	1,112,050	-	-
Unavailable revenue-housing programs	-	22,756,808	2,707,388
Unavailable revenue-public safety	-	-	-
TOTAL DEFERRED INFLOWS OF RESOURCES	1,112,050	22,756,808	2,707,388
<u>FUND BALANCES (note III H)</u>			
Nonspendable			
Long-term receivables	18,509,076	-	-
Restricted			
Housing programs	-	1,461,849	3,403,918
Public improvements	-	-	15,139,596
Streets	-	-	1,029,642
Landscape	-	-	-
Debt service	-	-	-
Special programs	-	-	-
Law enforcement	-	-	-
Committed			
Streets	-	-	-
Retiree benefits	846,723	-	-
Special programs	272,722	-	-
Equipment	-	-	-
Economic recovery	6,084,838	-	-
Prudent reserve	11,881,778	-	-
Assigned			
Capital	6,029,111	-	-
Unassigned	-	-	-
TOTAL FUND BALANCES (DEFICITS)	43,624,248	1,461,849	19,573,156
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 49,354,392	\$ 24,304,571	\$ 22,290,309

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

**CITY OF SIMI VALLEY
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2014**

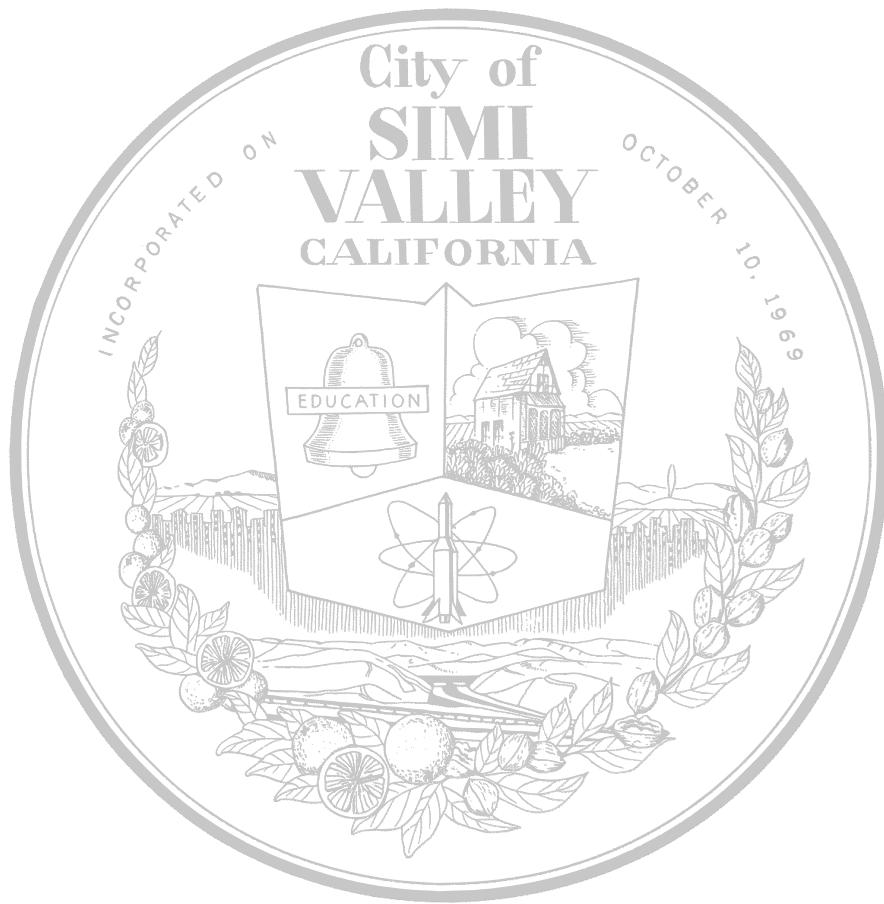
<u>Capital Projects</u>			
Streets & Roads	Nonmajor Governmental	Total Governmental Funds	
			<u>ASSETS</u>
			Cash and investments:
\$ 2,422,782	\$ 14,270,839	\$ 60,429,132	Held by city
-	1,656,269	1,656,269	Held by bond trustee
124,269	5,914	718,859	Accounts receivable (net of allowance for uncollectibles) (note III C)
-	138,575	4,617,557	Taxes receivable
26,274	614,940	699,942	Grants receivable
-	5,662	60,993	Interest receivable
-	-	3,058,772	Due from other funds (note III F)
-	2,496,037	28,316,532	Loans receivable (note III B)
-	-	10,116,397	Loans receivable-Successor Agency (note III B)
-	-	8,036,380	Advances to other funds (note III F)
<u>\$ 2,573,325</u>	<u>\$ 19,188,236</u>	<u>\$ 117,710,833</u>	TOTAL ASSETS
			LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES
			<u>LIABILITIES</u>
\$ 42,049	\$ 519,293	\$ 1,781,849	Accounts payable
-	-	3,115,167	Salaries and benefits payable
-	622,167	622,167	Due to other funds (note III F)
-	3,348,380	3,348,380	Advances from other funds (note III F)
-	-	378,099	Deposits
<u>42,049</u>	<u>4,489,840</u>	<u>9,245,662</u>	TOTAL LIABILITIES
			<u>DEFERRED INFLOWS OF RESOURCES</u>
-	-	1,112,050	Unavailable revenue-sales tax
-	2,496,037	27,960,233	Unavailable revenue-housing programs
-	11,563	11,563	Unavailable revenue-public safety
<u>-</u>	<u>2,507,600</u>	<u>29,083,846</u>	TOTAL DEFERRED INFLOWS OF RESOURCES
			<u>FUND BALANCES (note III H)</u>
			Nonspendable
-	-	18,509,076	Long-term receivables
			Restricted
-	1,523,411	6,389,178	Housing programs
-	608,761	15,748,357	Public improvements
-	1,285,105	2,314,747	Streets
-	848,183	848,183	Landscape
-	1,656,157	1,656,157	Debt service
-	1,037,576	1,037,576	Special programs
-	774,724	774,724	Law enforcement
			Committed
2,531,276	-	2,531,276	Streets
-	-	846,723	Retiree benefits
-	-	272,722	Special programs
-	4,421,827	4,421,827	Equipment
-	-	6,084,838	Economic recovery
-	-	11,881,778	Prudent reserve
			Assigned
-	143,103	6,172,214	Capital
-	(108,051)	(108,051)	Unassigned
<u>2,531,276</u>	<u>12,190,796</u>	<u>79,381,325</u>	TOTAL FUND BALANCES (DEFICITS)
<u>\$ 2,573,325</u>	<u>\$ 19,188,236</u>	<u>\$ 117,710,833</u>	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, 2014

Fund balances - total governmental funds		\$ 79,381,325
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).		208,771,198
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.		631,816
Some liabilities are not due and payable in the current period and therefore are not reported in the funds:		
Accrued interest payable		(342,783)
Revenues reported as unavailable revenue in the governmental funds are recognized in the statement of activities. These are included in the intergovernmental revenues in the governmental fund activity.		29,083,846
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	\$ (4,869,389)	
OPEB obligation	(8,635,452)	
2004 Certificates of participation	(21,705,000)	
Unamortized bond premium	(259,953)	(35,469,794)
_____		_____
Net position of governmental activities		<u>\$ 282,055,608</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, 2014**

	<u>Special Revenue</u>		
	General	SHA to Community Development Agency Housing Administration	Development Related Fees
<u>REVENUES</u>			
Taxes	\$ 49,292,458	\$ -	\$ -
Licenses and permits	1,641,301	-	-
Fines and forfeitures	567,379	-	-
Use of money and property	654,620	353,601	228,243
From other governments	341,549	-	-
Grants	304,523	-	-
Service charges	2,271,132	-	187,245
Other revenues	1,477,250	235,347	-
Contributions from other governments	-	3,073,464	-
Total revenues	56,550,212	3,662,412	415,488
<u>EXPENDITURES</u>			
Current:			
General government	8,733,449	-	-
Community services (CS)	4,104,964	-	-
Planning (ES)	4,871,822	3,256,096	41,431
Public ways and facilities (PW)	12,620,806	-	-
Public safety (PD)	29,267,481	-	-
Total current expenditures	59,598,522	3,256,096	41,431
Capital outlay:			
Streets and roads	-	-	-
Other capital projects	-	-	-
Total capital outlay	-	-	-
Debt service:			
Principal	-	-	-
Interest	-	-	-
Other	-	-	-
Total debt service	-	-	-
Total expenditures	59,598,522	3,256,096	41,431
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(3,048,310)	406,316	374,057
<u>OTHER FINANCING SOURCES (USES)</u>			
Transfers in (note III F)	9,181,169	-	-
Transfers out (note III F)	(8,075,885)	-	(1,140,711)
Total other financing sources (uses)	1,105,284	-	(1,140,711)
NET CHANGE IN FUND BALANCES	(1,943,026)	406,316	(766,654)
FUND BALANCES (DEFICITS)-BEGINNING	45,567,274	1,055,533	20,339,810
FUND BALANCES (DEFICITS)-ENDING	\$ 43,624,248	\$ 1,461,849	\$ 19,573,156

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, 2014**

Capital Projects

Streets & Roads	Nonmajor Governmental	Total Governmental Funds	
			<u>REVENUES</u>
\$ -	\$ 2,338,152	\$ 51,630,610	Taxes
-	-	1,641,301	Licenses and permits
-	-	567,379	Fines and forfeitures
-	135,315	1,371,779	Use of money and property
-	9,534,133	9,875,682	From other governments
1,570,815	1,919,909	3,795,247	Grants
-	788,869	3,247,246	Service charges
295,951	403,044	2,411,592	Other revenues
-	-	3,073,464	Contributions from other governments
<u>1,866,766</u>	<u>15,119,422</u>	<u>77,614,300</u>	Total revenues
			<u>EXPENDITURES</u>
			Current:
-	244,279	8,977,728	General government
-	1,654,618	5,759,582	Community services (CS)
-	785,628	8,954,977	Planning (ES)
-	2,062,843	14,683,649	Public ways and facilities (PW)
-	654,940	29,922,421	Public safety (PD)
-	<u>5,402,308</u>	<u>68,298,357</u>	Total current expenditures
			Capital outlay:
2,048,684	-	2,048,684	Streets and roads
-	2,297,713	2,297,713	Other capital projects
<u>2,048,684</u>	<u>2,297,713</u>	<u>4,346,397</u>	Total capital outlay
			Debt service:
-	3,220,000	3,220,000	Principal
-	1,129,784	1,129,784	Interest
-	6,710	6,710	Other
-	<u>4,356,494</u>	<u>4,356,494</u>	Total debt service
<u>2,048,684</u>	<u>12,056,515</u>	<u>77,001,248</u>	Total expenditures
<u>(181,918)</u>	<u>3,062,907</u>	<u>613,052</u>	EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES
			<u>OTHER FINANCING SOURCES (USES)</u>
766,753	7,049,890	16,997,812	Transfers in (note III F)
(49,708)	(9,395,608)	(18,661,912)	Transfers out (note III F)
<u>717,045</u>	<u>(2,345,718)</u>	<u>(1,664,100)</u>	Total other financing sources (uses)
<u>535,127</u>	<u>717,189</u>	<u>(1,051,048)</u>	NET CHANGE IN FUND BALANCES
<u>1,996,149</u>	<u>11,473,607</u>	<u>80,432,373</u>	FUND BALANCES (DEFICITS)-BEGINNING
<u>\$ 2,531,276</u>	<u>\$ 12,190,796</u>	<u>\$ 79,381,325</u>	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, 2014**

Net change in fund balances - total governmental funds \$ (1,051,048)

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	\$ 5,575,621	
Capital outlay	7,252,061	
Depreciation expense	<u>(11,739,253)</u>	1,088,429

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	2,610,000	
Certificates of participation	<u>610,000</u>	3,220,000

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	(324,338)	
Net debt service interest accrual	57,842	
Amortized premium on bonds	12,887	
Compensated absences (net)	(694,286)	
Unfunded OPEB liability	<u>(1,909,995)</u>	(2,857,890)

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. 3,200,208

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. 4,662

Internal service funds are used by the City to account for liability and workers' compensation insurance. A portion of the net expense of these funds is reported with governmental activities. 275,447

Change in net position of governmental activities \$ 3,879,808

**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, 2014**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>REVENUES</u>				
Taxes:				
Sales	\$ 16,848,100	\$ 16,848,100	\$ 15,765,255	\$ (1,082,845)
Property	25,908,000	25,908,000	25,379,173	(528,827)
Franchise	4,676,300	4,676,300	4,570,316	(105,984)
Business and other	3,447,000	3,447,000	3,577,714	130,714
Licenses and permits	1,337,700	1,337,700	1,641,301	303,601
From other governments	262,200	262,200	341,549	79,349
Grants	161,700	166,400	304,523	138,123
Service charges	1,131,700	1,131,700	2,271,132	1,139,432
Fines and forfeitures	616,000	616,000	567,379	(48,621)
Use of money and property	399,300	405,900	654,620	248,720
Other revenues	1,321,945	1,148,945	1,477,250	328,305
Total revenues	<u>56,109,945</u>	<u>55,948,245</u>	<u>56,550,212</u>	<u>601,967</u>
<u>EXPENDITURES</u>				
Current:				
City administration	3,284,400	3,360,650	5,954,242	(2,593,592)
Attorney	979,800	979,800	866,777	113,023
Administrative services and city-wide support (AS)*	3,150,800	4,226,514	1,912,430	2,314,084
Community services (CS)	4,297,945	4,453,445	4,104,964	348,481
Planning (ES)	4,944,300	4,945,500	4,871,822	73,678
Public ways and facilities (PW)	13,370,200	13,506,800	12,620,806	885,994
Public safety (PD)	29,133,400	29,382,700	29,267,481	115,219
Total expenditures	<u>59,160,845</u>	<u>60,855,409</u>	<u>59,598,522</u>	<u>1,256,887</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(3,050,900)</u>	<u>(4,907,164)</u>	<u>(3,048,310)</u>	<u>1,858,854</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers in	9,632,100	10,078,400	9,181,169	(897,231)
Transfers out	(8,252,000)	(9,037,400)	(8,075,885)	961,515
Total other financing sources (uses)	<u>1,380,100</u>	<u>1,041,000</u>	<u>1,105,284</u>	<u>64,284</u>
NET CHANGE IN FUND BALANCE	(1,670,800)	(3,866,164)	(1,943,026)	1,923,138
FUND BALANCES (DEFICITS)-BEGINNING	<u>45,567,274</u>	<u>45,567,274</u>	<u>45,567,274</u>	<u>-</u>
FUND BALANCES (DEFICITS)-ENDING	<u>\$ 43,896,474</u>	<u>\$ 41,701,110</u>	<u>\$ 43,624,248</u>	<u>\$ 1,923,138</u>

*net of reimbursements

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, 2014

	<u>Budgeted Amounts</u>		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
<u>REVENUES</u>				
Use of money and property	\$ 38,600	\$ 38,600	\$ 353,601	\$ 315,001
Service charges	20,000	20,000	-	(20,000)
Other revenues	220,000	220,000	235,347	15,347
Contributions from other governments	12,268,500	12,268,500	3,073,464	(9,195,036)
Total revenues	<u>12,547,100</u>	<u>12,547,100</u>	<u>3,662,412</u>	<u>(8,884,688)</u>
<u>EXPENDITURES</u>				
Current:				
Planning (ES):				
Materials, supplies and services	<u>12,264,200</u>	<u>12,724,200</u>	<u>3,256,096</u>	<u>9,468,104</u>
NET CHANGE IN FUND BALANCES	282,900	(177,100)	406,316	583,416
FUND BALANCES (DEFICITS)-BEGINNING	<u>1,055,533</u>	<u>1,055,533</u>	<u>1,055,533</u>	<u>-</u>
FUND BALANCES (DEFICITS)-ENDING	<u>\$ 1,338,433</u>	<u>\$ 878,433</u>	<u>\$ 1,461,849</u>	<u>\$ 583,416</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, 2014**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES</u>				
Use of money and property	\$ 359,080	\$ 411,300	\$ 228,243	\$ (183,057)
Service charges	133,200	81,000	187,245	106,245
Total revenues	<u>492,280</u>	<u>492,300</u>	<u>415,488</u>	<u>(76,812)</u>
<u>EXPENDITURES</u>				
Current:				
Planning (ES):				
Housing programs	23,200	118,500	41,431	77,069
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>469,080</u>	<u>373,800</u>	<u>374,057</u>	<u>257</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers out	(1,199,080)	(1,199,100)	(1,140,711)	58,389
NET CHANGE IN FUND BALANCES	(730,000)	(825,300)	(766,654)	58,646
FUND BALANCES (DEFICITS)-BEGINNING	<u>20,339,810</u>	<u>20,339,810</u>	<u>20,339,810</u>	<u>-</u>
FUND BALANCES (DEFICITS)-ENDING	<u>\$ 19,609,810</u>	<u>\$ 19,514,510</u>	<u>\$ 19,573,156</u>	<u>\$ 58,646</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, 2014**

	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	\$ 18,396,680	\$ 15,476,322	\$ 2,859,496	\$ 36,732,498	\$ 16,093,503
Customer receivable	607,577	6,541,562	-	7,149,139	-
Other receivable	239,130	489,149	227,835	956,114	-
Taxes receivable	218,385	-	-	218,385	-
Grants receivable	-	-	2,693,188	2,693,188	-
Inventories	541,188	690,640	216,692	1,448,520	-
Interest receivable	24,944	23,862	-	48,806	12,160
Prepaid items	-	-	-	-	56,435
Restricted cash and investments:					
Customer deposits	-	930,803	-	930,803	-
Connection fees	4,003,862	904,046	-	4,907,908	-
Total current assets	<u>24,031,766</u>	<u>25,056,384</u>	<u>5,997,211</u>	<u>55,085,361</u>	<u>16,162,098</u>
Noncurrent assets:					
Capital assets (net of accumulated depreciation) (note III D):					
Land	765,660	451,334	-	1,216,994	-
Buildings and improvements	4,460,502	564,219	2,498,695	7,523,416	-
Furnishings and equipment	381,855	198,094	662,897	1,242,846	-
Vehicles	1,067,940	264,092	1,320,634	2,652,666	-
Distribution system	63,636,373	38,848,769	2,458	102,487,600	-
Construction-in-progress	5,905,357	10,265,717	1,480,906	17,651,980	-
Total noncurrent assets	<u>76,217,687</u>	<u>50,592,225</u>	<u>5,965,590</u>	<u>132,775,502</u>	<u>-</u>
TOTAL ASSETS	<u>100,249,453</u>	<u>75,648,609</u>	<u>11,962,801</u>	<u>187,860,863</u>	<u>16,162,098</u>
LIABILITIES					
Current liabilities:					
Accounts payable	595,032	3,401,406	55,655	4,052,093	103,969
Salaries and benefits payable	221,400	173,504	119,566	514,470	10,671
Compensated absences	52,693	36,337	19,626	108,656	4,057
Due to other funds (note III F)	-	-	2,436,605	2,436,605	-
Unearned revenue	-	-	2,859,496	2,859,496	-
Claims and legal services payable	-	-	-	-	3,865,716
Current liabilities payable from restricted assets:					
Water service prepayments	-	930,803	-	930,803	-
Accounts payable restricted	-	13,252	-	13,252	-
Total current liabilities	<u>869,125</u>	<u>4,555,302</u>	<u>5,490,948</u>	<u>10,915,375</u>	<u>3,984,413</u>
Noncurrent liabilities:					
Advances from other funds (note III F)	-	-	-	-	4,688,000
Compensated absences	474,243	327,030	176,633	977,906	36,510
Claims and legal services payable	-	-	-	-	6,886,298
Total noncurrent liabilities	<u>474,243</u>	<u>327,030</u>	<u>176,633</u>	<u>977,906</u>	<u>11,610,808</u>
TOTAL LIABILITIES	<u>1,343,368</u>	<u>4,882,332</u>	<u>5,667,581</u>	<u>11,893,281</u>	<u>15,595,221</u>
NET POSITION					
Invested in capital assets	76,217,687	50,592,225	5,965,590	132,775,502	-
Restricted for:					
Sewer connection fees and water capital improvement charges	4,003,862	890,794	-	4,894,656	-
Unrestricted	<u>18,684,536</u>	<u>19,283,258</u>	<u>329,630</u>	<u>38,297,424</u>	<u>566,877</u>
TOTAL NET POSITION	<u>\$ 98,906,085</u>	<u>\$ 70,766,277</u>	<u>\$ 6,295,220</u>	<u>175,967,582</u>	<u>\$ 566,877</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds					
Beginning adjustment to unrestricted net position				(82,613)	
Current adjustment to unrestricted net position				<u>17,674</u>	
Net position of business-type activities				<u>\$ 175,902,643</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, 2014

	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	\$ 14,831,706	\$ 37,042,247	\$ 415,476	\$ 52,289,429	\$ 4,928,500
<u>OPERATING EXPENSES</u>					
Salaries and benefits	6,313,123	4,515,020	3,048,496	13,876,639	294,167
Materials and supplies:					
Water purchases	-	29,926,280	-	29,926,280	-
Utilities	807,825	828,302	-	1,636,127	-
Chemicals	400,163	-	-	400,163	-
Other	241,172	680,660	458,483	1,380,315	169,929
Services:					
Maintenance projects	2,552,009	484,843	53,989	3,090,841	-
Other	1,125,032	1,088,336	535,625	2,748,993	-
Insurance	258,500	146,000	157,200	561,700	-
Claims and legal expenses	-	-	-	-	3,480,984
General administration	3,017,725	2,119,725	1,409,300	6,546,750	816,700
Depreciation	2,475,206	1,203,901	539,301	4,218,408	-
Total operating expenses	<u>17,190,755</u>	<u>40,993,067</u>	<u>6,202,394</u>	<u>64,386,216</u>	<u>4,761,780</u>
OPERATING INCOME (LOSS)	<u>(2,359,049)</u>	<u>(3,950,820)</u>	<u>(5,786,918)</u>	<u>(12,096,787)</u>	<u>166,720</u>
<u>NONOPERATING REVENUES AND EXPENSES</u>					
Grants	-	2,661	2,571,213	2,573,874	-
Interest	259,556	771,155	-	1,030,711	134,601
Other	42,375	14,499	170,984	227,858	-
Total nonoperating revenues (expenses)	<u>301,931</u>	<u>788,315</u>	<u>2,742,197</u>	<u>3,832,443</u>	<u>134,601</u>
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	<u>(2,057,118)</u>	<u>(3,162,505)</u>	<u>(3,044,721)</u>	<u>(8,264,344)</u>	<u>301,321</u>
<u>CONTRIBUTIONS AND TRANSFERS</u>					
Capital contributions	1,848,925	1,734,150	432,972	4,016,047	-
Transfers in (note III F)	-	-	2,176,200	2,176,200	-
Transfers out (note III F)	<u>(259,300)</u>	<u>(244,600)</u>	<u>-</u>	<u>(503,900)</u>	<u>(8,200)</u>
Total contributions and transfers	<u>1,589,625</u>	<u>1,489,550</u>	<u>2,609,172</u>	<u>5,688,347</u>	<u>(8,200)</u>
CHANGE IN NET POSITION	<u>(467,493)</u>	<u>(1,672,955)</u>	<u>(435,549)</u>	<u>(2,575,997)</u>	<u>293,121</u>
NET POSITION-BEGINNING	<u>99,373,578</u>	<u>72,439,232</u>	<u>6,730,769</u>		<u>273,756</u>
NET POSITION-ENDING	<u>\$ 98,906,085</u>	<u>\$ 70,766,277</u>	<u>\$ 6,295,220</u>		<u>\$ 566,877</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds					
Current adjustment				<u>17,674</u>	
Change in net position of business-type activities				<u>\$ (2,558,323)</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, 2014

	<u>Business-type Activities - Enterprise Funds</u>				
	<u>Ventura County</u>		<u>Simi Valley</u>		<u>Internal</u>
	<u>Simi Valley</u>	<u>Waterworks</u>	<u>Transit</u>	<u>Totals</u>	
	<u>Sanitation</u>	<u>District No. 8</u>	<u>System</u>		<u>Service Funds</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES:</u>					
Cash received from service charges and other revenues	\$ 14,739,596	\$ 36,645,203	\$ 578,486	\$ 51,963,285	\$ 4,928,500
Cash paid for salaries and benefits	(6,244,018)	(4,461,410)	(3,034,346)	(13,739,774)	(307,109)
Cash paid for supplies and materials	(1,358,918)	(31,262,048)	(628,939)	(33,249,905)	-
Cash paid for general administration	(3,034,700)	(2,136,700)	(1,409,300)	(6,580,700)	(816,700)
Cash paid for services and insurance	(3,935,540)	(1,702,204)	(655,925)	(6,293,669)	(151,583)
Cash paid for insurance premiums and claims	-	-	-	-	(3,941,326)
Net cash provided (used) by operating activities	<u>166,420</u>	<u>(2,917,159)</u>	<u>(5,150,024)</u>	<u>(7,900,763)</u>	<u>(288,218)</u>
<u>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</u>					
Cash paid for transfers to other funds	(259,300)	(244,600)	-	(503,900)	(8,200)
Cash received from grants and other governments	-	2,661	2,924,151	2,926,812	-
Cash received from interfund borrowing	-	-	2,118,091	2,118,091	-
Net cash provided (used) by noncapital financing activities	<u>(259,300)</u>	<u>(241,939)</u>	<u>5,042,242</u>	<u>4,541,003</u>	<u>(8,200)</u>
<u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</u>					
Sewer connection fees and water capital improvement charges	104,092	27,555	-	131,647	-
Contribution received from other governments	-	-	719,153	719,153	-
Acquisition of capital assets	(1,474,941)	(1,827,345)	(257,251)	(3,559,537)	-
Net cash provided (used) by capital and related financing activities	<u>(1,370,849)</u>	<u>(1,799,790)</u>	<u>461,902</u>	<u>(2,708,737)</u>	<u>-</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES:</u>					
Interest on investments	270,641	787,378	16,717	1,074,736	141,530
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(1,193,088)	(4,171,510)	370,837	(4,993,761)	(154,888)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	23,593,630	21,482,681	2,488,659	47,564,970	16,248,391
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 22,400,542</u>	<u>\$ 17,311,171</u>	<u>\$ 2,859,496</u>	<u>\$ 42,571,209</u>	<u>\$ 16,093,503</u>
<u>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:</u>					
Operating income (loss)	\$ (2,359,049)	\$ (3,950,820)	\$ (5,786,918)	\$ (12,096,787)	\$ 166,720
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation	2,475,206	1,203,901	539,301	4,218,408	-
(Increase) decrease in prepaid expenses	-	-	-	-	22,131
(Increase) decrease in accounts receivable	(99,966)	(417,677)	(7,974)	(525,617)	-
(Increase) decrease in inventory	(4,146)	(37,483)	16,165	(25,464)	-
Increase (decrease) in accounts payable	94,388	210,677	(95,733)	209,332	(80,759)
Increase (decrease) in accrued payroll	1,171	17,306	15,918	34,395	(3,460)
Increase (decrease) in compensated absences	50,959	36,305	(1,767)	85,497	(9,482)
Increase (decrease) in water service prepayments	-	21,168	-	21,168	-
Increase (decrease) in claims and legal services payable	-	-	-	-	(383,368)
Adjustment for revenues and expenses classified as nonoperating	7,857	(536)	170,984	178,305	-
Total adjustments	<u>2,525,469</u>	<u>1,033,661</u>	<u>636,894</u>	<u>4,196,024</u>	<u>(454,938)</u>
Net cash provided (used) by operating activities	<u>\$ 166,420</u>	<u>\$ (2,917,159)</u>	<u>\$ (5,150,024)</u>	<u>\$ (7,900,763)</u>	<u>\$ (288,218)</u>
<u>NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES:</u>					
Capital additions	\$ (1,744,833)	\$ (1,706,595)	-	\$ (3,451,428)	-
Capital contributions	1,744,833	1,706,595	-	3,451,428	-
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, 2014**

	Private- Purpose Trust	Agency Funds
<u>ASSETS</u>		
Cash and investments:		
Held by city	\$ 3,466,172	\$ 4,655,594
Held by bond trustee	2,101,781	2,563,589
Accounts receivable	-	1,114
Interest receivable	5,977	-
Capital assets not being depreciated	1,124,174	-
TOTAL ASSETS	6,698,104	\$ 7,220,297
<u>DEFERRED OUTFLOWS OF RESOURCES</u>		
Deferred charge on refunding	274,597	-
TOTAL DEFERRED OUTFLOWS OF RESOURCES	274,597	-
<u>LIABILITIES</u>		
Accounts payable and accrued liabilities	15,321	-
Accrued interest payable	386,482	-
Intergovernmental payable	110,369	7,220,297
Loans payable - city (note III B)	10,116,397	-
Long-term debt:		
Due within one year	940,193	-
Due in more than one year	23,033,091	-
TOTAL LIABILITIES	34,601,853	\$ 7,220,297
<u>NET POSITION</u>		
Held in trust for other purposes	\$ (27,629,152)	

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

**CITY OF SIMI VALLEY
STATEMENT OF CHANGES IN NET POSITION
PRIVATE PURPOSE TRUST FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

	Private- Purpose Trust
<hr/>	
<u>ADDITIONS</u>	
Property taxes	\$ 3,119,201
Investment earnings	91,871
Contributions from other governments	151,506
Other contributions	<u>2,804,862</u>
 TOTAL ADDITIONS	 <u>6,167,440</u>
 <u>DEDUCTIONS</u>	
Program expenses of former Simi Valley Community Development Agency	144,966
Administrative expenses	401,506
Interest and fiscal agency expenses of former Simi Valley Community Development Agency	1,302,003
Contributions to other governments	<u>3,073,464</u>
 TOTAL DEDUCTIONS	 <u>4,921,939</u>
 CHANGE IN NET POSITION	 1,245,501
NET POSITION - BEGINNING, AS RESTATED (note V I)	<u>(28,874,653)</u>
NET POSITION - ENDING	<u><u>\$ (27,629,152)</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, 2014

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CITY OF SIMI VALLEY ● NOTES TO THE BASIC FINANCIAL STATEMENTS
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I. Summary of significant accounting policies

A. Reporting entity

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

- Ventura County Waterworks District No. 8 provides water services to the residents of the City of Simi Valley. The activity of the District is reported as an enterprise fund.
- Simi Valley 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

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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*.

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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

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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.

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Enterprise funds:

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

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

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

Additionally, the City reports the following fund types:

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.

CITY OF SIMI VALLEY ● NOTES TO THE BASIC FINANCIAL STATEMENTS
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Fiduciary funds:

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

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

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

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 full pass-through liability was disbursed in July 2013.

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."

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Advances between funds, as reported in the fund financial statements, are offset by a fund balance Non-spendable account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources. Receivables are shown net of an allowance for uncollectibles.

3. Property taxes

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

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

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 2013-14.

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.

CITY OF SIMI VALLEY ● NOTES TO THE BASIC FINANCIAL STATEMENTS
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6. Capital assets

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

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

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

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

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

7. Compensated absences

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

8. Long-term obligations

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

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

9. 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.
- *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,

CITY OF SIMI VALLEY ● NOTES TO THE BASIC FINANCIAL STATEMENTS
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provided they do not have a significant policy impact or affect budgeted year-end fund balances.

- *Unassigned* fund balance is the portion of fund balance that does not fall into any of the other fund balance categories. These funds are available for any legitimate government purpose. The General fund is the only fund that reports a positive unassigned fund balance amount. However, in governmental funds other than the General fund, if expenditures incurred for specific purposes exceed the amounts that are restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in that fund.

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

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. Departments within the General fund include divisions as listed in the following table. A detailed City organizational chart is included in the introductory section of this document.

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**CITY OF SIMI VALLEY ● NOTES TO THE BASIC FINANCIAL STATEMENTS
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General Fund Program Areas by Department

City administration	Attorney	Administrative services	Community services	Planning (ES)	Public ways and facilities (PW)	Public safety (PD)
City Manager	City Attorney	Budget	Code Enforcement	Planning Commission	Engineering	Administration
		Fiscal Services	Solid Waste Management	Housing Programs	Traffic Engineering	Emergency Services
		Support Services	Cable Television	Managed Growth Program	Administrative Services	Communications
		Treasury Services	Animal Regulation	Building and Safety	Maintenance Services	Crime Analysis
		Information Services	Senior Services	Advanced/Current Planning	Environmental Compliance	Fiscal Services
			Neighborhood Councils	CDBG Program		Maintenance
			Crossing Guards			Investigative Services
			Cultural Arts Center			Detectives
			Youth Services			Special Operations
			Task Force on Homelessness			Patrol
			Simi Valley Public Library			Traffic

B. Excess of expenditures over appropriations

For fiscal year ended June 30, 2014, expenditures exceeded appropriations in the Home Grant (nonmajor) special revenue fund by \$3,502. The over-expenditure was a result of an obligation payable to the General fund. When program revenue is recognized in the HOME Grant, ten percent of it is reimbursed to the General fund for costs of administering the Home housing programs. During this fiscal year, actual revenue in this fund exceeded budgeted revenue by \$38,823. Ten percent of it (\$3,882) was reimbursed to the General fund thereby causing actual expenditures to be in excess of the total budgeted amount.

Expenditures exceeded appropriations in the Gasoline Tax (nonmajor) special revenue fund by \$164,404. Actual revenues in this fund also exceeded the budgeted amount by \$164,404. The excess revenue was transferred to the General fund for costs of administering Public Works programs related to streets. As a result, the transfer expenditure line item was over budget.

Expenditures exceeded appropriations in the Transportation (nonmajor) special revenue fund by \$8,163. 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.

Expenditures exceeded appropriations in the Landscape Maintenance (nonmajor) special revenue fund by \$21,416. This is largely because actual water costs were higher than expected.

In the General Fund, expenditures for City administration exceeded appropriations by \$2,593,592. This department's expenditures were well within budget for all standard categories. However, bad debt expense of \$2,804,862 is included in the total expenditures amount. As of June 30, 2013, existing loans between the City and Successor Agency to the Simi Valley Community Development Agency (CDA) equaled \$13,848,190. During FY 2013-14, the CA State Department of Finance formally approved only \$11,043,328 for repayment via the Recognized Obligation Payments Schedule (ROPS) process associated with redevelopment dissolution. Therefore, the difference of \$2,804,862 was written off as bad debt expense.

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CITY OF SIMI VALLEY ● NOTES TO THE BASIC FINANCIAL STATEMENTS
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C. Deficit fund equity

The Private Purpose Trust fund, a component of the City's Fiduciary funds, has a negative net position of \$27,629,152 as of June 30, 2014. 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 balances. The carrying amounts of cash and investments have been decreased by \$446,668 in order to reflect the fair value at June 30, 2014.

Cash and investments at June 30, 2014 are classified as follows:

Statement of net position:

Cash and investments	\$ 119,093,844
Cash and investments held by bond trustee	1,656,269

Fiduciary funds:

Cash and investments	8,121,766
Cash and investments held by bond trustee	4,665,370

Total cash and investments	\$ 133,537,249
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Cash and investments at June 30, 2014 consisted of the following:

Cash on hand	\$ 6,500
Deposits with financial institutions	3,779,833
Outstanding checks	(825,576)
Investments	130,576,492
Total cash and investments	\$ 133,537,249

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.

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<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%	30%
Commercial Paper	270 days	Prohibited	None
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
Reverse Repurchase Agreements	92 days	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
LAIF Bond Proceeds	N/A	None	None
Voluntary Investment Program Fund	N/A	Prohibited	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, 2014

<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	\$ 56,534,540	\$ -	\$ 10,991,780	\$ 45,542,760
Joint Powers Authority Pool	4,799,230	4,799,230	-	-
LAIF	62,921,083	62,921,083	-	-
<u>Held by bond trustees:</u>				
Money market mutual funds	6,321,640	6,321,640	-	-
Total	\$ 130,576,493	\$ 74,041,953	\$ 10,991,780	\$ 45,542,760

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 Aaa-mf</u>	<u>Moody's Not Rated</u>	<u>Not Rated</u>
U.S. Agencies	\$56,534,540	N/A	\$ 56,534,540	\$ -	\$ 56,534,540	\$ -	\$ -	\$ -
Joint Powers Authority Pool	4,799,230	N/A	-	4,799,230	-	-	4,799,230	-
LAIF	62,921,083	N/A	-	-	-	-	-	62,921,083
<u>Held by bond trustees:</u>								
Money market mutual funds	6,321,640	A	-	6,321,640	-	6,321,640	-	-
Total	\$130,576,493		\$56,534,540	\$11,120,870	\$56,534,540	\$ 6,321,640	\$4,799,230	\$62,921,083

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.
- Negotiable Certificates of Deposit placed by the City shall not exceed 5% of the City's portfolio, and no more than \$1 million shall be placed with any one (1) financial institution. Additionally, Negotiable Certificates of Deposit shall only be placed with institutions having total assets in excess of \$200 million and that maintain a ratio of equity to total assets of at least 5%.

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- Investments in LAIF and other investment pools are limited to \$30 million per agency or account; the City has four active LAIF accounts, each subject to the \$30 million limit.
- 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	\$18,902,820
Federal Home Loan Bank	U.S. Agencies	12,900,230
Federal Home Loan Mortgage Corporation	U.S. Agencies	7,898,720
Federal National Mortgage Association	U.S. Agencies	16,832,770

As of June 30, 2014, 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,

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CITY OF SIMI VALLEY ● NOTES TO THE BASIC FINANCIAL STATEMENTS
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and Industrial Development Authority. Investments in LAIF are highly liquid, as deposits can be converted to cash within twenty-four hours without loss of interest. The fair value of the City's investment in this pool is reported in the accompanying financial statements at amounts based upon the City's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis.

B. Loans receivable

The City utilizes multiple sources for funding projects designed to improve, 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 to preserve the City's housing stock.

Affordable Housing Program

- **Rory Lane Seniors (Seasons Apartments):**
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 Apartments:**
In July 2001, the Agency entered into an affordable housing agreement with Casa de Paz Housing, Inc. to provide financial assistance for the acquisition and rehabilitation of a 14-unit apartment complex, restricting occupancy to very low-income persons with disabilities. The City and Agency approved an amended affordable agreement on November 20, 2001, to incorporate additional provisions required by HUD. The loan is due 50 years from the certificate of occupancy dated October 25, 2002.
- **ARC 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 by very low-income, developmentally disabled persons. The loan is due and payable 55 years from the affordable housing agreement dated August 16, 2002, or within 60 days after HUD provides notice to the developer that it will no longer provide project-based rental assistance.

CITY OF SIMI VALLEY ● NOTES TO THE BASIC FINANCIAL STATEMENTS
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- **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 \$3,240,000 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 Apartments)**
In December 2002, the Agency entered into an affordable housing agreement with Paseo Simi Senior Apartments, L.P. to provide financial assistance for the construction and operation of a 176-unit multifamily senior apartment complex located at the southeast corner of Tapo Canyon Road and Avenida Simi. The agreement restricts the rental of 86 units to very low- and low-income senior households. Interest accrues up to the end of the 7th year following the commencement of bond amortization. Repayment of the note is to be made from residual receipts and begins in the 8th year following commencement of bond amortization; the note becomes due and payable 55 years from the last certificate of occupancy dated December 16, 2004.
- **Alamo & Fairbanks Associates (Plaza del Sol Apartments)**
In September 2003, the Agency entered into an amended affordable housing agreement with Alamo & Fairbanks Associates, to assist with the financing for constructing and operating a 70-unit multi-family apartment project, Plaza del Sol Apartments. The agreement restricts the rental of 34 units to very low- and low-income households. The note is to be repaid from residual receipts and is due and payable 55 years from the last certificate of occupancy dated August 11, 2005.
- **Many Mansions (La Rahada Apartments)**
In June 2008, the Agency entered into an affordable housing agreement with Many Mansions to provide financial assistance for the acquisition and rehabilitation of an 8-unit apartment complex, La Rahada Apartments, for occupancy by extremely low-income, mentally disabled, and homeless individuals. The note is due and payable 55 years from issuance of the promissory note dated June 17, 2008.
- **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 issuance of the promissory note dated October 14, 2013.

CITY OF SIMI VALLEY ● NOTES TO THE BASIC FINANCIAL STATEMENTS
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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 two affordable housing programs - the First Time Home Buyer Program and the Mobile Home Rehab Program. Over its many years of operation, the FTHB program generated several different loan types, the most recent of which would provide \$50,000 per bedroom up to \$200,000. The City maintains 70 loans generated by this program, many of which are due and payable at the end of a 55-year term of affordability.

The Mobile Home Rehabilitation Program 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 Cemetery's ability to repay the loan. Effective, July 1, 2011, the County's pass-thru program was eliminated as part of redevelopment dissolution. The Cemetery's property tax share is now paid directly to the district, thereby removing the City's ongoing ability to directly collect upon the debt. The receivable balance reflects only outstanding principal. Because of the District's ongoing poor financial health, accrued interest has been considered uncollectible and therefore is not included in the receivable balance. The Cemetery is now under new management, and the City will again pursue a repayment plan with the new management to address this debt to the City.

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CITY OF SIMI VALLEY ● NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2014

Loans receivable balances at June 30, 2014 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	\$ 160,882	\$ 725,382
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	501,388	2,401,388
La Rahada Apartments	3.0%	55	2063	250,000	45,292	295,292
Peppertree Apartments	3.0%	2	2015	1,634,430	34,256	1,668,686
Peppertree Apartments	3.0%	55	2068	575,000	12,051	587,051
Total Affordable Housing Program				<u>10,133,981</u>	<u>1,247,814</u>	<u>11,381,795</u>
First Time Homebuyer Program:						
				<u>Principal Due</u>	<u>Interest Due</u>	<u>Total</u>
FTHB - CDA				10,730,897	-	10,730,897
FTHB - LHF				2,539,200	-	2,539,200
FTHB - HOME				1,094,444	-	1,094,444
FTHB - CDBG				20,800	-	20,800
Total First Time Homebuyer Program	Equity Share			<u>14,385,341</u>	<u>-</u>	<u>14,385,341</u>
Home Rehabilitation Program:						
				<u>Principal Due</u>	<u>Interest Due</u>	<u>Total</u>
HOME REHAB - CDA				597,952	46,164	644,116
HOME REHAB - LHF				162,812	5,376	168,188
HOME REHAB - CH				370,185	8,398	378,583
HOME REHAB - HOME				224,743	62,706	287,449
HOME REHAB - CDBG				293,542	46,098	339,640
HOME REHAB EQ - HOME				218,806	53,641	272,447
HOME REHAB EQ - CDBG				78,980	23,694	102,674
Total Home Rehabilitation Program	0.0 - 3.0%			<u>1,947,020</u>	<u>246,077</u>	<u>2,193,097</u>
Total Housing loans receivable				<u>26,466,342</u>	<u>1,493,891</u>	<u>27,960,233</u>
Other City loans receivable:						
Cultural Arts Center Foundation	0.0%			177,803	-	177,803
Cemetery District	0.0%			178,496	-	178,496
Total City loans receivable				<u>356,299</u>	<u>-</u>	<u>356,299</u>
Total loans receivable				<u>\$ 26,822,641</u>	<u>\$ 1,493,891</u>	<u>\$ 28,316,532</u>

Loans receivable – Successor Agency:

As of June 30, 2014, advances made to the former CDA from the City totaled \$10,116,397. On September 23, 2013, the Simi Valley Oversight Board adopted Resolution OB 2013 – 12 confirming the November 10, 2010 Loan between the City and the CDA was for legitimate redevelopment purposes. In correspondence dated November 5, 2013, the California Department of Finance approved the Simi Valley Oversight Board’s adoption of Resolution OB 2013 – 12. Therefore, the Simi Valley Successor Agency may now include the repayment of the loan on future Recognized Obligations Payment Schedules (ROPS). The repayment is subject to the formula outlined in California Health and Safety Code Section 34191.4(b)(2).

**CITY OF SIMI VALLEY ● NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2014**

The composition of loans between the City and the Successor Agency for the year ended June 30, 2014 is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Balances June 30, 2013</u>	<u>Debt Incurred</u>	<u>Bad Debt Expense *</u>	<u>Debt Retired</u>	<u>Balances June 30, 2014</u>
General Fund	Successor Agency - Merged Tapo Canyon and West End tax increment	\$ 13,826,760	\$ 108,181	\$ (2,804,862)	\$ (1,013,682)	\$ 10,116,397
General Fund	Successor Agency - Madera Royal tax increment	21,430	-		(21,430)	-
Total		\$ 13,848,190	\$ 108,181	\$ (2,804,862)	\$ (1,035,112)	\$ 10,116,397

*Only agreements in place, prior to the State of California's mandated dissolution of the redevelopment agencies, can be fulfilled via the ROPS process. A loan agreement between the Successor Agency to the Community Development Agency (Merged Tapo Cyn & Madera) and the General Fund was approved on 11/08/10 (Adopted Resolution No. 2010-65/CDA 2010-08) based upon the loan balance as of 6/30/10 plus estimated FY 2010-11 activity. The estimated 2010-11 activity was lower than actual activity for the fiscal year. As a result, the loan amount approved for repayment by the Department of Finance (action taken during FY 2013-14) was less than the amount carried on the City's books. The difference of \$2,804,862 was written off as bad debt expense.

C. Allowance for uncollectible accounts

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

	<u>General Fund</u>	<u>SHA to CDA Housing Admin</u>	<u>Streets and Roads</u>	<u>Nonmajor Governmental</u>	<u>Total</u>
Accounts receivable	\$ 1,254,870	\$ 1,964	\$ 124,269	\$ 5,914	\$ 1,387,017
Allowance for uncollectibles	(668,158)	-	-	-	(668,158)
Total accounts receivable net	\$ 586,712	\$ 1,964	\$ 124,269	\$ 5,914	\$ 718,859

CITY OF SIMI VALLEY ● NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2014

D. Capital assets

Capital asset activity for the year ended June 30, 2014, was as follows:

	Beginning Balance as Restated*	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land*	\$ 10,613,683	\$ -	\$ -	\$ 10,613,683
Construction-in-progress	8,129,746	3,062,995	(2,886,852)	8,305,889
Total capital assets, not being depreciated	<u>18,743,429</u>	<u>3,062,995</u>	<u>(2,886,852)</u>	<u>18,919,572</u>
Capital assets, being depreciated:				
Buildings and improvements	42,266,937	-	(180,000)	42,086,937
Furnishings and equipment	8,045,724	33,888	(135,403)	7,944,209
Computers	5,046,788	303,391	-	5,350,179
Vehicles	5,525,422	622,180	(376,289)	5,771,313
Infrastructure	269,351,526	8,344,074	-	277,695,600
Intangibles	5,944,245	3,587,138	-	9,531,383
Total capital assets being depreciated	<u>336,180,642</u>	<u>12,890,671</u>	<u>(691,692)</u>	<u>348,379,621</u>
Less accumulated depreciation for:				
Buildings and improvements	(17,733,981)	(1,165,215)	6,585	(18,892,611)
Furnishings and equipment	(3,854,157)	(541,780)	130,301	(4,265,636)
Computers	(4,066,026)	(314,081)	-	(4,380,107)
Vehicles	(4,187,396)	(363,633)	315,674	(4,235,355)
Infrastructure	(114,201,378)	(8,747,320)	-	(122,948,698)
Intangibles	(3,198,364)	(607,224)	-	(3,805,588)
Total accumulated depreciation	<u>(147,241,302)</u>	<u>(11,739,253)</u>	<u>452,560</u>	<u>(158,527,995)</u>
Total capital assets, being depreciated, net	<u>188,939,340</u>	<u>1,151,418</u>	<u>(239,132)</u>	<u>189,851,626</u>
Governmental activities capital assets, net	<u>\$ 207,682,769</u>	<u>\$ 4,214,413</u>	<u>\$ (3,125,984)</u>	<u>\$ 208,771,198</u>

*Restated in response to an audit finding by the California State Controller's Office. See Note IV F.

CITY OF SIMI VALLEY ● NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2014

	<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	15,964,637	\$ 3,148,635	(1,461,292)	17,651,980
Total capital assets, not being depreciated	<u>17,181,631</u>	<u>3,148,635</u>	<u>(1,461,292)</u>	<u>18,868,974</u>
Capital assets, being depreciated:				
Buildings and improvements	13,887,416	32,360	-	13,919,776
Furnishings and equipment	6,258,101	86,115	(69,819)	6,274,397
Vehicles	9,163,453	487,592	-	9,651,045
Distribution system	179,547,729	4,767,109	-	184,314,838
Total capital assets being depreciated	<u>208,856,699</u>	<u>5,373,176</u>	<u>(69,819)</u>	<u>214,160,056</u>
Less accumulated depreciation for:				
Buildings and improvements	(6,066,742)	(329,618)	-	(6,396,360)
Furnishings and equipment	(4,933,674)	(167,696)	69,819	(5,031,551)
Vehicles	(6,351,718)	(646,661)	-	(6,998,379)
Distribution system	(78,752,805)	(3,074,433)	-	(81,827,238)
Total accumulated depreciation	<u>(96,104,939)</u>	<u>(4,218,408)</u>	<u>69,819</u>	<u>(100,253,528)</u>
Total capital assets, being depreciated, net	<u>112,751,760</u>	<u>1,154,768</u>	<u>-</u>	<u>113,906,528</u>
Business-type activities capital assets, net	<u>\$ 129,933,391</u>	<u>\$ 4,303,403</u>	<u>\$ (1,461,292)</u>	<u>\$ 132,775,502</u>

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

Governmental activities:	
General Government	\$ 9,648,225
Community Services	212,457
Planning (ES)	366
Public Ways & Facilities (PW)	1,749,951
Public Safety	128,254
Total depreciation expense-governmental activities	<u>\$ 11,739,253</u>
Business-type activities:	
Sanitation	\$ 2,475,206
Waterworks	1,203,901
Transit	539,301
Total depreciation expense-business-type activities	<u>\$ 4,218,408</u>

CITY OF SIMI VALLEY ● NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2014

E. Construction commitments

The City has active construction projects as of June 30, 2014. 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, 2014	Remaining Commitments*
Street construction and improvements	\$ 843,501	\$ -	\$ 843,501
Sewerline improvements	886,192	422,700	463,492
Arroyo Simi Bank restoration at Water Quality Control Plant	773,453	651,914	121,539
Water Quality Control Plant Electrical Upgrades	1,927,465	1,902,180	25,285

* Amount includes possible contingencies

F. Interfund receivables, payables, and transfers

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

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Simi Valley transit system	\$ 2,436,605
	Nonmajor governmental funds	607,200
Successor to Community Development Agency Housing Administration fund	Nonmajor governmental funds	14,967
Total		<u>\$ 3,058,772</u>
 Advances from / to other funds		
<u>Receivable Fund</u>	<u>Payable Fund</u>	
General	Nonmajor governmental funds	\$ 3,348,380
	Internal Service funds	4,688,000
Total		<u>\$ 8,036,380</u>

CITY OF SIMI VALLEY ● NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2014

The composition of interfund transfers for the year ended June 30, 2014 is as follows:

<u>Transfers From</u>	<u>Transfers To</u>	<u>Amount</u>	<u>Purpose</u>
General	Streets and roads	\$ 687,497	Fund street projects
	Simi Valley transit system	2,176,200	Subsidy for transit operations
	Nonmajor governmental funds	<u>5,212,188</u>	Fund Library, landscape zones, scheduled debt service, and contributions to replacement funds
		<u>8,075,885</u>	
Development related fees funds	General fund	118,300	Fund housing program administration
	Nonmajor governmental funds	<u>1,022,411</u>	Public facility improvements and scheduled debt service
		<u>1,140,711</u>	
Streets and roads	General fund	<u>49,708</u>	Return excess funds
Nonmajor governmental funds	General fund	8,866,661	Fund transportation needs and administration of library and police programs
	Streets and roads	79,256	Fund street projects
	Nonmajor governmental funds	<u>449,691</u>	Contributions to replacement funds and public facility improvements
		<u>9,395,608</u>	
Total governmental funds		<u>18,661,912</u>	
<u>Transfers From</u>	<u>Transfers To</u>	<u>Amount</u>	<u>Purpose</u>
Proprietary funds	General Fund	146,500	Contributions for pension costs
Proprietary funds	Nonmajor governmental funds	<u>357,400</u>	Contributions to replacement funds
		<u>503,900</u>	
Internal service funds	Nonmajor governmental funds	<u>8,200</u>	Contributions to replacement funds
Total other funds		<u>512,100</u>	
Total transfers		<u>\$19,174,012</u>	

See independent auditors' report.

CITY OF SIMI VALLEY ● NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2014

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:

- 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. As of June 30, 2014, total interest and principal remaining on the bonds is \$34,729,528. Although final payment was not due until September 2034, the debt was paid off in August, 2014. See Note IV G Subsequent events.

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

- Claims and legal services payable of \$10,752,014, 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, 2014.
- Compensated absences liability of \$5,996,518 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.
- The net Other Post Employment Benefits (OPEB) liability of \$8,635,452. This liability consists of the unfunded portion of the actuarially determined Annual Required Contribution (ARC) for Fiscal Years 2008-14.

See independent auditors' report.

CITY OF SIMI VALLEY ● NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2014

Annual debt service requirements to maturity

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

2004 Certificates of Participation Refunding Bond					
Year Ending					
June 30:	Principal		Interest		Total
2015	\$ 635,000	\$	1,021,269	\$	1,656,269
2016	655,000		996,287		1,651,287
2017	685,000		970,306		1,655,306
2018	710,000		942,406		1,652,406
2019	740,000		913,406		1,653,406
2020-2024	4,250,000		4,015,997		8,265,997
2025-2029	5,435,000		2,835,438		8,270,438
2030-2034	6,980,000		1,291,063		8,271,063
2035	1,615,000		38,356		1,653,356
	<u>\$ 21,705,000</u>	<u>\$</u>	<u>13,024,528</u>	<u>\$</u>	<u>34,729,528</u>

Changes in long-term liabilities

Long-term liability activity for the year ended June 30, 2014, was as follows:

	Balances		Debt		Debt		Balances		Due Within
	June 30, 2013		Incurred		Retired		June 30, 2014		One Year
Governmental activities:									
1995 lease revenue bonds	\$ 2,610,000	\$	-	\$	(2,610,000)	\$	-	\$	-
2004 certificates of participation	22,315,000		-	(610,000)		21,705,000		635,000	
Add (less) deferred amounts:									
Bond premium	272,840		-	(12,887)		259,953		-	
Total bonds payable	25,197,840		-	(3,232,887)		21,964,953		635,000	
Claims and legal services	11,135,477		2,792,868		(3,176,331)	10,752,014		3,865,716	
Compensated absences	4,225,152		2,134,750		(1,449,946)	4,909,956		490,996	
Net OPEB obligation	6,725,457		3,382,402		(1,472,407)	8,635,452		-	
Governmental activity									
long-term liabilities	<u>\$ 47,283,926</u>	<u>\$</u>	<u>8,310,020</u>	<u>\$</u>	<u>(9,331,571)</u>	<u>\$</u>	<u>46,262,375</u>	<u>\$</u>	<u>4,991,712</u>
Business-type activities:									
Compensated absences	1,001,066		142,008		(56,512)	1,086,562		108,656	
Business-type activity									
long-term liabilities	<u>\$ 1,001,066</u>	<u>\$</u>	<u>142,008</u>	<u>\$</u>	<u>(56,512)</u>	<u>\$</u>	<u>1,086,562</u>	<u>\$</u>	<u>108,656</u>

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

CITY OF SIMI VALLEY ● NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2014

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, 2014, consisted of the following:

Community Facilities District (District No. 04-1)	\$8,285,000
Royal Corto Improvements (District No. 89-1)	425,000
Madera Royal (District No. 98-1)	1,915,000

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, 2014 was \$42,585,000. The City is not involved with these bonds in any manner; as such, the conduit debt obligations are not reflected in the accompanying financial statements. Listed below is a brief description of the bonds outstanding at year-end:

CITY OF SIMI VALLEY ● NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2014

- 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, 2014, is \$2,590,000.
- 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, 2014, is \$10,295,000.
- 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, 2014, is \$29,700,000.

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, 2014, no such amounts were due.

B. Risk management

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

Under this program, the City is self-insured for up to \$1 million for each general liability claim and up to \$750,000 for each workers' compensation claim. The City purchases commercial insurance for property loss, as well as for claims in excess of the preceding coverage amounts.

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

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

CITY OF SIMI VALLEY ● NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2014

	Year ended June 30, 2014	Year ended June 30, 2013
Unpaid claims beginning of fiscal year	\$ 11,135,477	\$ 9,560,194
Incurred claims (including IBNRs)	2,792,868	4,794,331
Claims payments	(3,176,331)	(3,219,048)
Unpaid claims, end of fiscal year	\$ 10,752,014	\$ 11,135,477

C. Deferred compensation plans

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

D. Pension plans

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

California Public Employees' Retirement System

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

Funding Policy - Participants are required to contribute 7% (9% or 12% for safety employees) of their annual covered salary. Except for members of the General Unit, the City makes the contributions required of City employees hired before January 1, 2013 on their behalf and for their account. General Unit employees hired prior to July 1, 2010 were required to contribute 3.97% of their covered salary, and the City contributed 3.03%. Effective February 24, 2014, General Unit employees hired prior to July 1, 2010 are required to contribute 4.97% of their covered salary, and the City contributes 2.03%. 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, and are considered new members to the CalPERS system, are required to contribute 12% of their covered salary.

See independent auditors' report.

CITY OF SIMI VALLEY ● NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2014

The City is also required to contribute an employer's cost share at an actuarially determined rate; the rate is 15.899% for miscellaneous (non-safety) employees. For police (safety) employees, the employer rate is 29.884% of annual covered payroll for the year ended June 30, 2014. The contribution requirements of plan members and the City are established and may be amended by CalPERS.

Annual Pension Cost - For fiscal year 2013-14, the City's required employer contribution to CalPERS was \$8,284,157. The City's total annual pension cost this period was \$11,243,413, which includes the employer pick-up of employee contributions totaling \$2,359,256. The required employer contribution was determined as part of the June 30, 2012, 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.

<u>Miscellaneous Employees</u>	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
<u>Fiscal Year</u>			
06/30/2012	\$ 4,440,092	100%	-
06/30/2013	4,463,148	100%	-
06/30/2014	4,561,061	100%	-
<u>Safety Employees</u>	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
<u>Fiscal Year</u>			
06/30/2012	\$ 3,383,588	100%	-
06/30/2013	3,570,470	100%	-
06/30/2014	3,723,096	100%	-

Annual Pension Cost as presented in this table reflects the required Employer share of contributions (does not include Employee member contributions paid by the City/Employer)

CITY OF SIMI VALLEY ● NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2014

Funded Status and Funding Progress

Miscellaneous Employees - As of the most recent, available actuarial report dated June 30, 2013, the plan was 72.3% funded. The actuarial accrued liability (AAL) for benefits was \$220,139,262, and the actuarial value of net assets was \$159,177,494, resulting in an unfunded actuarial liability (UAAL) of \$60,961,768. The covered payroll (annual payroll of active employees covered by the plan) was \$28,132,580, and the ratio of the UAAL to the covered payroll was 216.7%.

Safety Employees - As of the most recent, available actuarial report dated June 30, 2013, the plan was 69.9% funded. The AAL for benefits was \$133,761,865, and the actuarial value of net assets was \$93,523,682, resulting in an UAAL of \$40,238,183. The covered payroll was \$12,107,796, and the ratio of the UAAL to the covered payroll was 332.3%.

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

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

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

Funding Policy - The City's annual pension contribution for PARS was \$60,000. Plan assets held in trust at June 30, 2014 were \$854,974. 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.

CITY OF SIMI VALLEY ● NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2014

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, Sworn Management, and Sworn (police) employees’ retiree health benefits are provided per resolution numbers 2014-18, 2013-60, and 2013-55, respectively. The benefits vary depending upon a retiree’s years of service and employee unit. The City currently contributes up to \$1,500/month for Management employees for employee only, or employee plus one dependent. The City currently pays 100 percent of premiums for health care coverage for employee, or employee plus one dependent, for a specified period, for the Sworn Management and Sworn Units. Additionally, the City provides funding for retiree health benefits to General Unit employees under a defined contribution plan, per resolution numbers 2002-55 and 2014-03. The defined contribution is currently set by contract at 1.00% of salary for General Unit members.

CITY OF SIMI VALLEY ● NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2014

		<u>More Than 10 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	
		<u>Less Than 10 Years Service</u>	<u>More Than 10 Years Service</u>	<u>More Than 20 Years Service</u>
			20-25 Years**	More Than 25 Years**
Sworn (police) employees:***				
Employee only	2 years	10 years	up to 20 years	life-time coverage
Employee plus one dependent	1 year	5 years	up to 20 years	life-time coverage
		<u>10 Years Service</u>		<u>More Than 10 Years Service</u>
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 (Sworn Management) 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 2013-14 in the amount of \$1,472,407. Each employee group's funds are maintained in a separate trust for the benefit of that particular employee group.

CITY OF SIMI VALLEY ● NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2014

Net OPEB Obligation

Annual required contribution	\$ 3,556,849
Interest on net OPEB obligation	201,764
Adjustment to annual required contribution	<u>(376,211)</u>
Annual OPEB cost (expense)	3,382,402
Contributions made	<u>(1,472,407)</u>
Increase/(decrease) in Net OPEB obligation	1,909,995
Net OPEB obligation - beginning of year	<u>6,725,457</u>
Net OPEB obligation - end of year	<u>\$ 8,635,452</u>

Annual OPEB Costs and Net OPEB Obligation - For Fiscal Year 2013-14, the City's annual OPEB cost (expense) of \$3,382,402 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, 2014**

	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>							
06/30/2012	\$ 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
06/30/2014	\$ 1,086,227	\$ 49,370	\$ 92,055	\$ 672,927	62%	\$ 370,615	\$ 2,016,267
<u>Sworn Employees - Management</u>							
<u>Fiscal Year</u>							
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
06/30/2014	\$ 485,624	\$ 23,237	\$ 43,328	\$ 231,356	48%	\$ 234,177	\$ 1,008,744
<u>Sworn Employees - Officers</u>							
<u>Fiscal Year</u>							
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
06/30/2014	\$ 1,795,960	\$ 120,946	\$ 225,518	\$ 443,846	25%	\$ 1,247,542	\$ 5,279,090
<u>Misc. Employees - General Unit</u>							
<u>Fiscal Year</u>							
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
06/30/2014	\$ 189,038	\$ 8,211	\$ 15,310	\$ 124,278	66%	\$ 57,661	\$ 331,351

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 (non-sworn) - As of the most recent actuarial valuation date of January 1, 2013, the plan was 6.5% funded. The actuarial accrued liability (AAL) for benefits was \$15,400,659, and the book value of plan assets was \$1,000,092 resulting in an unfunded actuarial accrued liability (UAAL) of \$14,400,567. The covered payroll (annual payroll of active employees covered by the plan) was \$14,623,475, and the ratio of the UAAL to the covered payroll was 98.5%.

See independent auditors' report.

CITY OF SIMI VALLEY ● NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2014

Sworn Management Employees - As of the most recent actuarial valuation date of January 1, 2013, the plan was 1.8% funded. The AAL for benefits was \$7,436,829, and the book value of plan assets was \$134,683, resulting in an UAAL of \$7,302,146. The covered payroll was \$1,603,353, and the ratio of the UAAL to the covered payroll was 455.4%.

Sworn Employees - As of the most recent actuarial valuation date of January 1, 2013, the plan was 3.6% funded. The AAL for benefits was \$23,130,186, and the book value of plan assets was \$824,286, resulting in an UAAL of \$22,305,900. The covered payroll was \$9,270,473, and the ratio of the UAAL to the covered payroll was 240.6%.

General Unit Employees - As of the most recent actuarial valuation date of January 1, 2013, the plan was 25.8% funded. The AAL for benefits was \$2,048,905, and the book value of plan assets was \$528,367, resulting in an UAAL of \$1,520,538. The covered payroll was \$11,597,033, and the ratio of the UAAL to the covered payroll was 13.1%.

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.

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.

CITY OF SIMI VALLEY ● NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2014

	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

F. Prior period adjustments

In response to an audit finding by the California State Controller's Office, which took place in May, 2014, a capital asset (land – Civic Center site) previously recorded as an asset of the General Fund has been restated as part of the Successor Agency to the Simi Valley Community Development Agency.

Governmental activities
Capital assets - Land

Land, beginning balance	\$ 10,888,683
Transfer to Successor Agency	<u>(275,000)</u>
Land, beginning balance as restated	<u><u>\$ 10,613,683</u></u>

G. Subsequent events

Long-term debt pay-off:

On July 21 2014, the City Council and the Board of Directors of the Simi Valley Public Facilities Financing Authority approved early repayment of City of Simi Valley 2004 Certificates of Participation (COP) through the issuance and sale of Lease Revenue Refunding Bonds, Series 2014A.

The original issue amount of the COP was \$25,955,000; interest rates at 3.75% to 5.0%, maturing September 1, 2006-2034. The debt was 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.

See independent auditors' report.

CITY OF SIMI VALLEY ● NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2014

When the refunding option was presented to Council in July, 2014, cash debt service savings were estimated at \$3.4 million with a net present value savings of \$2.6 million. The initial debt service savings estimate averaged \$819,000 for the first three years followed by annual savings averaging \$146,000 for the next 18 years.

As of June 30, 2014, interest and principal remaining on the bonds, if fully amortized, totaled \$34,729,528, payable through September 2034. The sale of bonds to refund the City's 2004 COP took place on August 13, 2014.

When concluded, the refunding provided cash debt service savings of approximately \$4.2 million with a net present value savings of \$3.2 million. Initial debt service savings averaged \$865,000 for the first three years, followed by annual savings averaging \$182,000 for the next 18 years.

The Simi Valley Public Facilities Financing Authority call issued for full redemption of the 2004 COP resulted in the following:

Sources of Funds:

Par Value of Lease Revenue Bonds	\$18,795,000
Net Original Issue Premium	1,972,747
Debt Service Reserve Fund	<u>1,656,269</u>
Total Sources of Funds	<u>\$22,424,016</u>

Uses of Funds:

Beginning Escrow Account Balance	\$22,221,984
Underwriter's Discount	50,935
Issuance Costs	150,000
Contingency	<u>1,097</u>
Total Uses of Funds	<u>\$22,424,016</u>

From Financial Advisor Final Pricing Report Exhibit date August 13, 2014.

Pending Litigation

As of December 4, 2014, there is potential exposure to liability of \$100,000, or more, for eleven matters. These cases have been either filed as formal litigation or at the pre-litigations claims stage and may ultimately result in liability to the City.

One matter, disclosed publicly in bond offer documents, concerns the city-owned Water Quality Control Plant (WQCP), a tertiary waste water treatment facility. On May 8, 2014, the Los Angeles Regional Water Quality control Board (Regional Board) reissued the National Pollutant Discharge Elimination system Permit (NPDES) for the WQCP. The revised permit contains more stringent limits than were previously in effect, and the City will not likely be able to achieve immediate and full compliance with the new limits. The new requirements could potentially result in the City incurring \$12 million or more in capital construction costs and approximately \$1 million or more in annual operational

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CITY OF SIMI VALLEY ● NOTES TO THE BASIC FINANCIAL STATEMENTS
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costs. In addition, civil as well as criminal liabilities might be imposed which could, in some cases, amount to as much as \$37,500 per day.

The City has evaluated events subsequent to June 30, 2014 to assess the need for potential recognition or disclosure in the financial statements. Such events were evaluated through December 22, 2014, the date the financial statements were available to be issued. Based upon this evaluation, it was determined that no other subsequent events occurred that require recognition or additional disclosure in the financial statements.

H. Governmental Accounting Standards Board (GASB) Statements issued but not yet effective

The Governmental Accounting Standards Board (GASB) has issued several pronouncements prior to June 30, 2014, that have effective dates which may impact future financial presentations. Management has not yet determined any impact the implementation of the following statements may have on the financial statements of the City.

GASB No. 68 - GASB has issued Statement No. 68, Accounting and Financial Reporting for Pensions - an Amendment of GASB Statement No. 27. The requirements of this Statement will improve the decision-usefulness of information in employer and governmental nonemployer contributing entity financial reports and will enhance its value for assessing accountability and interperiod equity by requiring recognition of the entire net pension liability and a more comprehensive measure of pension expense. Decision-usefulness and accountability also will be enhanced through new note disclosures and required supplementary information. The provisions of this Statement are effective for financial statements for periods beginning after June 15, 2014.

GASB No. 69 - GASB has issued Statement No. 69, Government Combinations and Disposals of Government Operations. This Statement establishes accounting and financial reporting standards related government combinations and disposals of government operations. As used in this Statement, the term government combinations include a variety of transactions referred to as mergers, acquisitions, and transfers of operations. This Statement requires disclosures to be made about government combinations and disposals of government operations to enable financial statement users to evaluate the nature and financial effects of those transactions. The provisions of this Statement are effective for financial statements for periods beginning after December 15, 2013.

GASB No. 70 - GASB has issued Statement No. 70, Accounting and Financial Reporting for Nonexchange Financial Guarantees. The objective of this Statement is to improve accounting and financial reporting by state and local governments that extend and receive nonexchange financial guarantees. The provisions of this Statement are effective for reporting periods beginning after June 15, 2013.

CITY OF SIMI VALLEY ● NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2014

GASB No. 71 - GASB has issued Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68. The objective of this Statement is to address an issue regarding application of the transition provisions of Statement No. 68, Accounting and Financial Reporting for Pensions. The issue relates to amounts association with contributions, if any, made by a state or local government employer or nonemployer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability. The provisions of this Statement are effective for financial statements for periods beginning after June 15, 2014.

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:

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FISCAL YEAR ENDED JUNE 30, 2014

Cash and investments pooled with the City	\$ 3,466,172
Cash and investments with fiscal agent	<u>2,101,781</u>
Total cash and investments	<u><u>\$ 5,567,953</u></u>

C. Capital assets

Capital asset activity for the year ended June 30, 2014, was as follows:

	Beginning Balance <u>as Restated*</u>	<u>Increases</u>	<u>Decreases</u>	Ending Balance
Land	\$ 1,124,174	\$ -	\$ -	\$ 1,124,174
Capital assets, net	<u>\$ 1,124,174</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,124,174</u>

*In response to an audit finding by the California State Controller's Office. See Note V I.

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, 2014:

	<u>Balances June 30, 2013</u>	<u>Amortization</u>	<u>Balances June 30, 2014</u>
Fiduciary activities:			
2003 tax allocation bonds			
Deferred loss amount	<u>\$ (303,079)</u>	<u>\$ 28,482</u>	<u>\$ (274,597)</u>

See independent auditors' report.

CITY OF SIMI VALLEY ● NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2014

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, 2014, 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 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 \$35,108,509, payable through September 2030. For the current fiscal year, principal and interest paid was \$2,083,781, and the Redevelopment Property Tax Trust Fund revenue received was \$3,119,201.

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

2003 Tax Allocation Refunding Bond			
Year Ending			
June 30:	Principal	Interest	Total
2015	\$ 935,000	\$ 1,147,081	\$ 2,082,081
2016	970,000	1,108,375	2,078,375
2017	1,010,000	1,066,906	2,076,906
2018	1,055,000	1,022,366	2,077,366
2019	1,100,000	970,412	2,070,412
2010-2024	6,435,000	3,898,994	10,333,994
2025-2029	8,240,000	2,046,750	10,286,750
2030-2031	3,905,000	197,625	4,102,625
	\$ 23,650,000	\$ 11,458,509	\$ 35,108,509

CITY OF SIMI VALLEY ● NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2014

Fiduciary fund long-term liability activity for the year ended June 30, 2014, was as follows:

	<u>Balances</u> <u>June 30, 2013</u>		<u>Debt</u> <u>Incurred</u>		<u>Debt</u> <u>Retired</u>		<u>Balances</u> <u>June 30, 2014</u>		<u>Due Within</u> <u>One Year</u>
Fiduciary activities:									
2003 tax allocation bonds	\$ 24,550,000	\$	-	\$	(900,000)	\$	23,650,000	\$	935,000
Add (less) deferred amounts:									
Bond premium	287,661		-		(16,306)		271,355		-
Compensated absences	53,274		5,452		(6,797)		51,929		5,193
Fiduciary long-term liabilities	\$ 24,890,935	\$	5,452	\$	(923,103)	\$	23,973,284	\$	940,193

F. Deficit fund equity

As of June 30, 2014, the Private Purpose Trust, a component of the City's Fiduciary funds, has a negative net position of \$27,629,152. Below is a summary of the net position.

Net Position - Beginning Balance	\$ (29,149,653)
Prior Period Adjustment - Capital Assets	<u>275,000</u>
Net Position Beginning Balance as Restated	<u>(28,874,653)</u>
Total additions for the year ended June 30, 2014	9,372,259
Total deductions for the year ended June 30, 2014	<u>(8,126,758)</u>
Change in net position	<u>1,245,501</u>
Net Position - Ending Balance	<u><u>\$ (27,629,152)</u></u>

G. Insurance

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

H. Commitments and contingencies

At June 30, 2014, 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.

CITY OF SIMI VALLEY ● NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2014

I. Prior period adjustments

In response to an audit finding by the California State Controller's Office, which took place in May, 2014, a capital asset (land - Civic Center site) previously recorded as an asset of the General Fund has been restated as part of the Successor Agency to the Simi Valley Community Development Agency.

Successor Agency
Merged Tapo Canyon & West End Tax Increment Fund

Capital assets, beginning balance as previously reported	\$ 849,174
Transfer from General fund	<u>275,000</u>
Capital assets, beginning balance as restated	<u><u>\$ 1,124,174</u></u>

Net position - beginning, as previously reported	\$(13,344,695)
Increase in capital assets	<u>275,000</u>
Net position - beginning, as restated	<u><u>\$(13,069,695)</u></u>

Required Supplementary Information

CITY OF SIMI VALLEY ● NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2014

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
6/30/11	\$ 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%
6/30/13	159,177,494 ¹	220,139,262	60,961,768	72.3%	28,132,580	216.7%
	93,523,682 ²	133,761,865	40,238,183	69.9%	12,107,796	332.3%

1 Miscellaneous

2 Sworn

CITY OF SIMI VALLEY ● NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2014

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	Book Value of Plan Assets	Actuarial Liability (AAL)	Unfunded AAL (UAAL)	Funded Ratios	Covered Payroll	UAAL as a Percentage of Covered Payroll	
<u>06/30/2012</u>							<u>06/30/2012</u>
01/01/2011	\$ 543,131 ¹	\$ 10,687,625	\$ 10,144,494	5.1%	\$ 16,066,285	63.1%	
	129,321 ²	6,068,668	5,939,347	2.1%	1,422,184	417.6%	
	782,531 ³	15,444,608	14,662,077	5.1%	9,579,127	153.1%	
	503,772 ⁴	2,189,327	1,685,555	23.0%	11,699,093	14.4%	
<u>06/30/2013</u>							<u>06/30/2013</u>
01/01/2013	\$ 967,820 ¹	\$ 15,400,659	\$ 14,432,839	6.3%	\$ 15,075,532	95.7%	
	131,028 ²	7,436,829	7,305,801	1.8%	1,504,268	485.7%	
	795,998 ³	23,130,186	22,334,188	3.4%	9,633,938	231.8%	
	511,609 ⁴	2,048,905	1,537,296	25.0%	10,836,700	14.2%	
<u>06/30/2014</u>							<u>06/30/2014</u>
01/01/2013	\$ 1,000,092 ¹	\$ 15,400,659	\$ 14,400,567	6.5%	\$ 14,623,475	98.5%	
	134,683 ²	7,436,829	7,302,146	1.8%	1,603,353	455.4%	
	824,286 ³	23,130,186	22,305,900	3.6%	9,270,473	240.6%	
	528,367 ⁴	2,048,905	1,520,538	25.8%	11,597,033	13.1%	

¹ Management (non-sworn)

² Sworn Management

³ Sworn

⁴ General Unit (defined contribution)

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, and Proposition 1B funds received pursuant to State of California, Transportation Development Act and Port Security Bond Act of 2006. These funds are restricted for the improvement and maintenance of street systems, and State allocations for street, mass transit, and safety and security improvements. Proposition 1B funds are also utilized in the Simi Valley Transit enterprise fund.

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.

Library Services fund accounts for property tax revenue funding and donations from Simi Valley Friends of the Library (a non-profit organization) used for expenditures to operate the Simi Valley Public Library. On July 1, 2013, the City contracted with Library Systems & Services, LLC (LSSI) to assume day-to-day operations of the Library.

Police Grants funds account for funding received from various governmental entities for police activities. Current programs and funding sources include:

- Reimbursement for City's participation in joint agency drug enforcement efforts from the U.S. Department of Justice, Drug Enforcement Administration, and the State of California,
- State funding for front-line municipal police services, including anti-gang and community crime prevention programs, and
- Local Law Enforcement Block Grant funding from the Bureau of Justice Assistance, U.S. Department of Justice for purchasing police equipment, or expanding existing capabilities.

Community Development Block Grant (CDBG) fund accounts for the receipt and expenditure of CDBG funds allocated to the City by the U.S. Department of Housing and Urban Development.

Landscape Maintenance District No. 1 fund accounts for benefit assessments, primarily perimeter landscaping in the public rights-of-way. The general fund finances landscape maintenance costs not associated with specific neighborhoods.

Debt Service Funds

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. This debt was paid in full on October 31, 2013.

2004 Certificates of Participation fund was established to account for the debt service transactions related to this issuance. In August, 2014, this debt was repaid through the issuance of Lease Revenue Refunding Bonds, Series 2014A.

Capital Project Funds

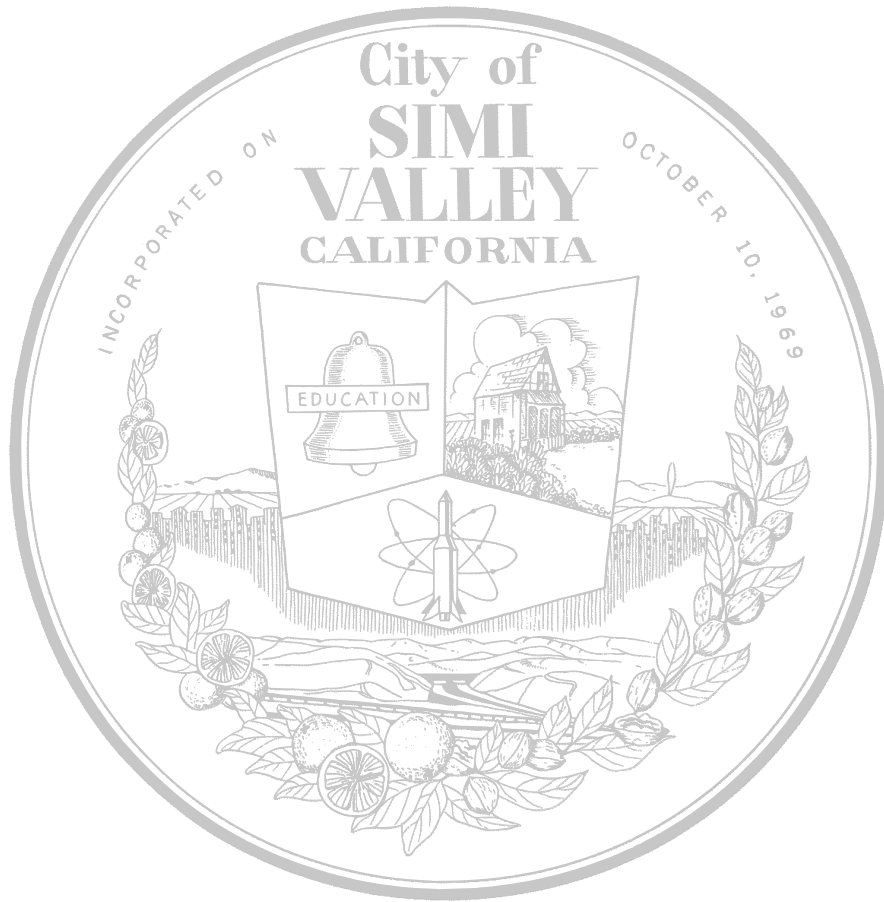
Equipment Replacement funds account for the replacement of personal computers, terminals, and printers; and establish a reserve for the replacement of vehicles.

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

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

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

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



**CITY OF SIMI VALLEY
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2014**

	Special Revenue			
	CalHome Grant	HOME Grant	Public, Education & Government Fees	Gasoline Tax
<u>ASSETS</u>				
Cash and investments:				
Held by city	\$ -	\$ 1,530,813	\$ 714,927	\$ -
Held by bond trustee	-	-	-	-
Accounts receivable (net of allowance for uncollectibles)	-	-	-	-
Taxes receivable	-	-	74,056	-
Grants receivable	191,667	-	-	-
Interest receivable	-	-	628	-
Loans receivable (net of allowance for uncollectibles)	378,583	1,654,340	-	-
TOTAL ASSETS	\$ 570,250	\$ 3,185,153	\$ 789,611	\$ -
 LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
<u>LIABILITIES</u>				
Accounts payable	\$ 39,000	\$ -	\$ 400	\$ -
Salaries and benefits payable	-	-	-	-
Due to other funds	247,711	7,402	-	-
Advances from other funds	-	-	-	-
TOTAL LIABILITIES	286,711	7,402	400	-
 <u>DEFERRED INFLOWS OF RESOURCES</u>				
Unavailable revenue-housing programs	378,583	1,654,340	-	-
Unavailable revenue-public safety	-	-	-	-
TOTAL DEFERRED INFLOWS OF RESOURCES	378,583	1,654,340	-	-
 <u>FUND BALANCES</u>				
Nonspendable	-	-	-	-
Restricted				
Housing programs	-	1,523,411	-	-
Public improvements	-	-	-	-
Streets	-	-	-	-
Landscape	-	-	-	-
Debt service	-	-	-	-
Special programs	-	-	789,211	-
Law enforcement	-	-	-	-
Committed				
Equipment	-	-	-	-
Assigned				
Capital	-	-	-	-
Unassigned	(95,044)	-	-	-
TOTAL FUND BALANCES (DEFICITS)	(95,044)	1,523,411	789,211	-
 TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	 \$ 570,250	 \$ 3,185,153	 \$ 789,611	 \$ -

**CITY OF SIMI VALLEY
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2014**

Special Revenue

Transportation Funds	Green Projects	Library Services	Police Grants	
ASSETS				
Cash and investments:				
\$ 1,292,840	\$ -	\$ 309,782	\$ 795,180	Held by city
-	-	-	-	Held by bond trustee
-	-	5,914	-	Accounts receivable (net of allowance for uncollectibles)
-	-	64,519	-	Taxes receivable
-	-	-	220,209	Grants receivable
428	-	-	987	Interest receivable
-	-	-	-	Loans receivable (net of allowance for uncollectibles)
\$ 1,293,268	\$ -	\$ 380,215	\$ 1,016,376	TOTAL ASSETS
LIABILITIES AND FUND BALANCES				
LIABILITIES				
\$ 8,163	\$ 1,628	\$ 132,100	\$ 27,732	Accounts payable
-	-	-	-	Salaries and benefits payable
-	11,379	-	202,357	Due to other funds
-	-	-	-	Advances from other funds
8,163	13,007	132,100	230,089	TOTAL LIABILITIES
DEFERRED INFLOWS OF RESOURCES				
-	-	-	-	Unavailable revenue-housing programs
-	-	-	11,563	Unavailable revenue-public safety
-	-	-	11,563	TOTAL DEFERRED INFLOWS OF RESOURCES
FUND BALANCES				
-	-	-	-	Nonspendable
Restricted				
-	-	-	-	Housing programs
-	-	-	-	Public improvements
1,285,105	-	-	-	Streets
-	-	-	-	Landscape
-	-	-	-	Debt service
-	-	248,115	-	Special programs
-	-	-	774,724	Law enforcement
Committed				
-	-	-	-	Equipment
Assigned				
-	-	-	-	Capital
-	(13,007)	-	-	Unassigned
1,285,105	(13,007)	248,115	774,724	TOTAL FUND BALANCES (DEFICITS)
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
\$ 1,293,268	\$ -	\$ 380,215	\$ 1,016,376	

**CITY OF SIMI VALLEY
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2014**

	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	\$ -	\$ 934,660	\$ 5,578,202	\$ -
Held by bond trustee	-	-	-	-
Accounts receivable (net of allowance for uncollectibles)	-	-	5,914	-
Taxes receivable	-	-	138,575	-
Grants receivable	203,064	-	614,940	-
Interest receivable	-	1,331	3,374	-
Loans receivable (net of allowance for uncollectibles)	463,114	-	2,496,037	-
TOTAL ASSETS	\$ 666,178	\$ 935,991	\$ 8,837,042	\$ -
 LIABILITIES AND FUND BALANCES				
<u>LIABILITIES</u>				
Accounts payable	\$ 49,496	\$ 87,808	\$ 346,327	\$ -
Salaries and benefits payable	-	-	-	-
Due to other funds	153,318	-	622,167	-
Advances from other funds	-	-	-	-
TOTAL LIABILITIES	202,814	87,808	968,494	-
 <u>DEFERRED INFLOWS OF RESOURCES</u>				
Unavailable revenue-housing programs	463,114	-	2,496,037	-
Unavailable revenue-public safety	-	-	11,563	-
TOTAL DEFERRED INFLOWS OF RESOURCES	463,114	-	2,507,600	-
 <u>FUND BALANCES</u>				
Nonspendable	-	-	-	-
Restricted				
Housing programs	-	-	1,523,411	-
Public improvements	-	-	-	-
Streets	-	-	1,285,105	-
Landscape	-	848,183	848,183	-
Debt service	-	-	-	-
Special programs	250	-	1,037,576	-
Law enforcement	-	-	774,724	-
Committed				
Equipment	-	-	-	-
Assigned				
Capital	-	-	-	-
Unassigned	-	-	(108,051)	-
TOTAL FUND BALANCES (DEFICITS)	250	848,183	5,360,948	-
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 666,178	\$ 935,991	\$ 8,837,042	\$ -

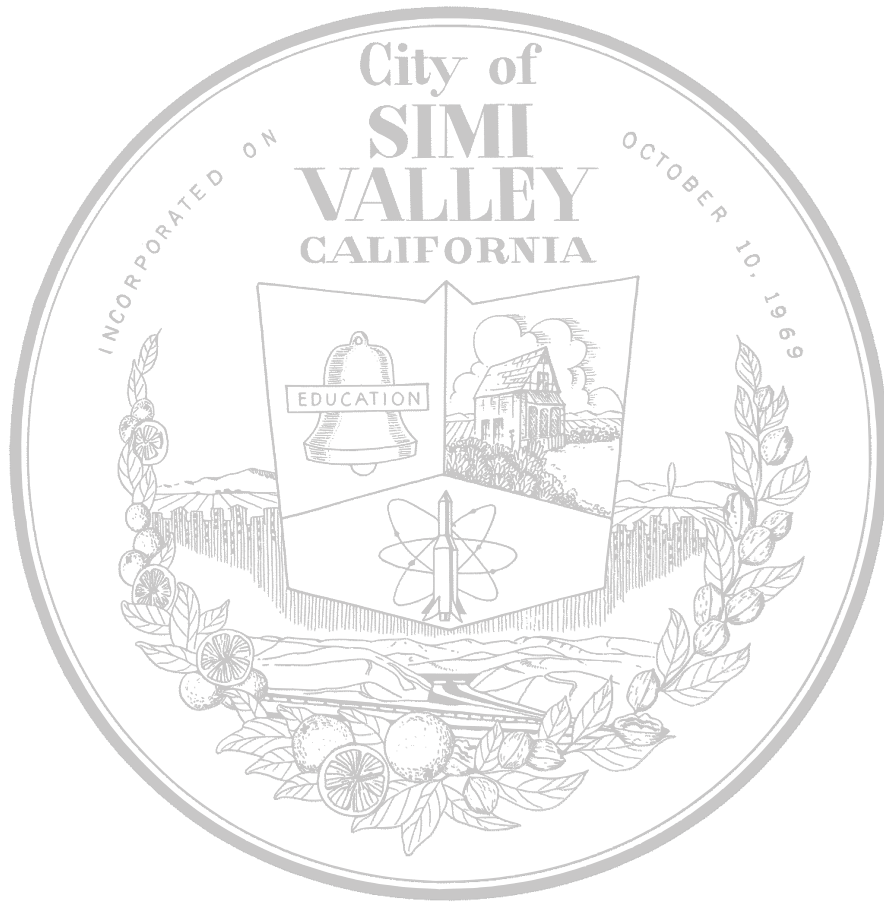
**CITY OF SIMI VALLEY
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2014**

Debt Service		Capital Projects			
2004 Certificates of Participation	Total Nonmajor Debt Service	Equipment Replacement	Geographic Information System (GIS)		
					<u>ASSETS</u>
					Cash and investments:
\$ -	\$ -	\$ 2,943,238	\$ 835,347		Held by city
1,656,269	1,656,269	-	-		Held by bond trustee
-	-	-	-		Accounts receivable (net of allowance for uncollectibles)
-	-	-	-		Taxes receivable
-	-	-	-		Grants receivable
-	-	782	696		Interest receivable
-	-	-	-		Loans receivable (net of allowance for uncollectibles)
\$ 1,656,269	\$ 1,656,269	\$ 2,944,020	\$ 836,043		TOTAL ASSETS
					LIABILITIES AND FUND BALANCES
					<u>LIABILITIES</u>
\$ 112	\$ 112	\$ 72,277	\$ 830		Accounts payable
-	-	-	-		Salaries and benefits payable
-	-	-	-		Due to other funds
-	-	-	-		Advances from other funds
112	112	72,277	830		TOTAL LIABILITIES
					<u>DEFERRED INFLOWS OF RESOURCES</u>
-	-	-	-		Unavailable revenue-housing programs
-	-	-	-		Unavailable revenue-public safety
-	-	-	-		TOTAL DEFERRED INFLOWS OF RESOURCES
					<u>FUND BALANCES</u>
-	-	-	-		Nonspendable
					Restricted
-	-	-	-		Housing programs
-	-	-	-		Public improvements
-	-	-	-		Streets
-	-	-	-		Landscape
1,656,157	1,656,157	-	-		Debt service
-	-	-	-		Special programs
-	-	-	-		Law enforcement
					Committed
-	-	2,871,743	835,213		Equipment
					Assigned
-	-	-	-		Capital
-	-	-	-		Unassigned
1,656,157	1,656,157	2,871,743	835,213		TOTAL FUND BALANCES (DEFICITS)
\$ 1,656,269	\$ 1,656,269	\$ 2,944,020	\$ 836,043		TOTAL LIABILITIES AND FUND BALANCES

**CITY OF SIMI VALLEY
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2014**

	<u>Capital Projects</u>				
	Public Facility Improvements	Financial Information System (FIS)	Police Capital Projects	Total Nonmajor Capital Projects	Total Nonmajor Funds
<u>ASSETS</u>					
Cash and investments:					
Held by city	\$ 4,028,116	\$ 715,905	\$ 170,031	\$ 8,692,637	\$ 14,270,839
Held by bond trustee	-	-	-	-	1,656,269
Accounts receivable (net of allowance for uncollectibles)	-	-	-	-	5,914
Taxes receivable	-	-	-	-	138,575
Grants receivable	-	-	-	-	614,940
Interest receivable	-	651	159	2,288	5,662
Loans receivable (net of allowance for uncollectibles)	-	-	-	-	2,496,037
TOTAL ASSETS	\$ 4,028,116	\$ 716,556	\$ 170,190	\$ 8,694,925	\$ 19,188,236
 LIABILITIES AND FUND BALANCES					
<u>LIABILITIES</u>					
Accounts payable	\$ 70,975	\$ 1,685	\$ 27,087	\$ 172,854	\$ 519,293
Salaries and benefits payable	-	-	-	-	-
Due to other funds	-	-	-	-	622,167
Advances from other funds	3,348,380	-	-	3,348,380	3,348,380
TOTAL LIABILITIES	3,419,355	1,685	27,087	3,521,234	4,489,840
 <u>DEFERRED INFLOWS OF RESOURCES</u>					
Unavailable revenue-housing programs	-	-	-	-	2,496,037
Unavailable revenue-public safety	-	-	-	-	11,563
TOTAL DEFERRED INFLOWS OF RESOURCES	-	-	-	-	2,507,600
 <u>FUND BALANCES</u>					
Nonspendable	-	-	-	-	-
Restricted					
Housing programs	-	-	-	-	1,523,411
Public improvements	608,761	-	-	608,761	608,761
Streets	-	-	-	-	1,285,105
Landscape	-	-	-	-	848,183
Debt service	-	-	-	-	1,656,157
Special programs	-	-	-	-	1,037,576
Law enforcement	-	-	-	-	774,724
Committed					
Equipment	-	714,871	-	4,421,827	4,421,827
Assigned					
Capital	-	-	143,103	143,103	143,103
Unassigned	-	-	-	-	(108,051)
TOTAL FUND BALANCES (DEFICITS)	608,761	714,871	143,103	5,173,691	12,190,796
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 4,028,116	\$ 716,556	\$ 170,190	\$ 8,694,925	\$ 19,188,236

(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, 2014**

	Special Revenue			
	CalHome Grant	HOME Grant	Public, Education & Government Fees	Gasoline Tax
REVENUES				
Taxes	\$ -	\$ -	\$ 278,888	\$ -
Use of money and property	5,030	80,023	3,835	-
From other governments	-	-	-	3,843,804
Grants	227,188	-	-	-
Service charges	-	-	-	-
Other revenues	-	-	-	-
Total revenues	232,218	80,023	282,723	3,843,804
EXPENDITURES				
Current:				
General government	-	-	-	-
Community services (CS)	-	-	27,730	-
Planning (ES)	287,461	7,402	-	-
Public ways and facilities (PW)	-	-	-	-
Public safety (PD)	-	-	-	-
Total current expenditures	287,461	7,402	27,730	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Other	-	-	-	-
Total debt service	-	-	-	-
Total expenditures	287,461	7,402	27,730	-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(55,243)	72,621	254,993	3,843,804
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	(12,800)	(3,843,804)
Total other financing sources (uses)	-	-	(12,800)	(3,843,804)
NET CHANGE IN FUND BALANCES	(55,243)	72,621	242,193	-
FUND BALANCES (DEFICITS)-BEGINNING	(39,801)	1,450,790	547,018	-
FUND BALANCES (DEFICITS)-ENDING	\$ (95,044)	\$ 1,523,411	\$ 789,211	\$ -

**CITY OF SIMI VALLEY
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

Special Revenue

Transportation Funds	Green Projects	Library Services	Police Grants	
\$ -	\$ -	\$ 2,059,264	\$ -	REVENUES
2,902	-	1,261	6,177	Taxes
5,655,133	-	-	35,196	Use of money and property
-	88,697	-	980,903	From other governments
-	-	3,577	-	Grants
-	-	123,201	-	Service charges
5,658,035	88,697	2,187,303	1,022,276	Other revenues
				Total revenues
				EXPENDITURES
				Current:
-	13,675	-	-	General government
-	-	1,626,888	-	Community services (CS)
-	12,411	-	-	Planning (ES)
8,163	-	-	-	Public ways and facilities (PW)
-	-	-	654,940	Public safety (PD)
8,163	26,086	1,626,888	654,940	Total current expenditures
-	-	-	-	Capital outlay
-	-	-	-	Debt service:
-	-	-	-	Principal
-	-	-	-	Interest
-	-	-	-	Other
-	-	-	-	Total debt service
8,163	26,086	1,626,888	654,940	Total expenditures
5,649,872	62,611	560,415	367,336	EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES
				OTHER FINANCING SOURCES (USES)
-	-	-	-	Transfers in
(4,365,098)	(73,372)	(252,300)	(484,715)	Transfers out
(4,365,098)	(73,372)	(252,300)	(484,715)	Total other financing sources (uses)
1,284,774	(10,761)	308,115	(117,379)	NET CHANGE IN FUND BALANCES
331	(2,246)	(60,000)	892,103	FUND BALANCES (DEFICITS)-BEGINNING
\$ 1,285,105	\$ (13,007)	\$ 248,115	\$ 774,724	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, 2014**

	Special Revenue			Debt Service
	Community Development Block Grant	Landscape Maintenance District No. 1	Total Nonmajor Special Revenue Funds	1995 Lease Revenue Bonds
REVENUES				
Taxes	\$ -	\$ -	\$ 2,338,152	\$ -
Use of money and property	15,138	7,258	121,624	-
From other governments	-	-	9,534,133	-
Grants	623,121	-	1,919,909	-
Service charges	-	785,292	788,869	-
Other revenues	178,229	-	301,430	-
Total revenues	816,488	792,550	15,004,117	-
EXPENDITURES				
Current:				
General government	136,591	94,013	244,279	-
Community services (CS)	-	-	1,654,618	-
Planning (ES)	478,354	-	785,628	-
Public ways and facilities (PW)	447,063	1,607,617	2,062,843	-
Public safety (PD)	-	-	654,940	-
Total current expenditures	1,062,008	1,701,630	5,402,308	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	2,610,000
Interest	-	-	-	83,615
Other	-	-	-	2,338
Total debt service	-	-	-	2,695,953
Total expenditures	1,062,008	1,701,630	5,402,308	2,695,953
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(245,520)	(909,080)	9,601,809	(2,695,953)
OTHER FINANCING SOURCES (USES)				
Transfers in	-	805,200	805,200	1,715,141
Transfers out	-	-	(9,032,089)	-
Total other financing sources (uses)	-	805,200	(8,226,889)	1,715,141
NET CHANGE IN FUND BALANCES	(245,520)	(103,880)	1,374,920	(980,812)
FUND BALANCES (DEFICITS)-BEGINNING	245,770	952,063	3,986,028	980,812
FUND BALANCES (DEFICITS)-ENDING	\$ 250	\$ 848,183	\$ 5,360,948	\$ -

**CITY OF SIMI VALLEY
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

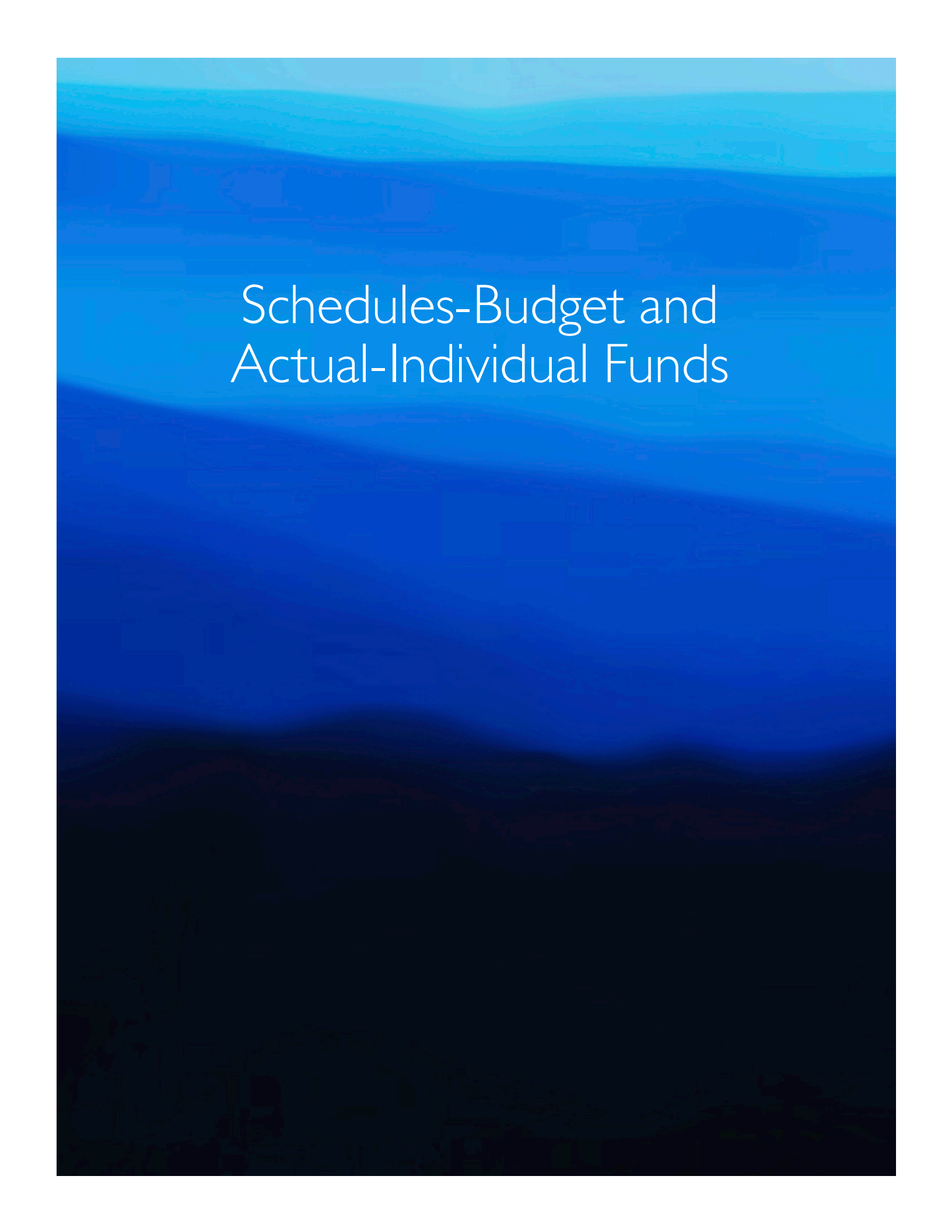
Debt Service				
2004	Total			
Certificates	Nonmajor	Equipment	Geographic	
of	Debt	Replacement	Information	
Participation	Service		System (GIS)	
\$ -	\$ -	\$ -	\$ -	
-	-	4,167	4,052	
-	-	-	-	
-	-	-	-	
-	-	25,594	-	
-	-	29,761	4,052	
				REVENUES
				Taxes
				Use of money and property
				From other 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
(1,660,541)	(4,356,494)	(1,264,114)	(111,722)	
				OTHER FINANCING SOURCES (USES)
				Transfers in
				Transfers out
				Total other financing sources (uses)
(75)	(980,887)	193,186	206,350	NET CHANGE IN FUND BALANCES
1,656,232	2,637,044	2,678,557	628,863	FUND BALANCES (DEFICITS)-BEGINNING
\$ 1,656,157	\$ 1,656,157	\$ 2,871,743	\$ 835,213	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, 2014**

	<u>Capital Projects</u>				Total Nonmajor Capital Projects	Total Nonmajor Funds
	Public Facility Improvements	Financial Information System (FIS)	Police Capital Projects			
<u>REVENUES</u>						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,338,152
Use of money and property	640	3,890	942	13,691	-	135,315
From other governments	-	-	-	-	-	9,534,133
Grants	-	-	-	-	-	1,919,909
Service charges	-	-	-	-	-	788,869
Other revenues	-	3,400	72,620	101,614	-	403,044
Total revenues	640	7,290	73,562	115,305	-	15,119,422
<u>EXPENDITURES</u>						
Current:						
General government	-	-	-	-	-	244,279
Community services (CS)	-	-	-	-	-	1,654,618
Planning (ES)	-	-	-	-	-	785,628
Public ways and facilities (PW)	-	-	-	-	-	2,062,843
Public safety (PD)	-	-	-	-	-	654,940
Total current expenditures	-	-	-	-	-	5,402,308
Capital outlay	810,379	18,137	59,548	2,297,713	-	2,297,713
Debt service:						
Principal	-	-	-	-	-	3,220,000
Interest	-	-	-	-	-	1,129,784
Other	-	-	-	-	-	6,710
Total debt service	-	-	-	-	-	4,356,494
Total expenditures	810,379	18,137	59,548	2,297,713	-	12,056,515
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(809,739)	(10,847)	14,014	(2,182,408)	-	3,062,907
<u>OTHER FINANCING SOURCES (USES)</u>						
Transfers in	918,611	175,100	-	2,869,083	-	7,049,890
Transfers out	(363,519)	-	-	(363,519)	-	(9,395,608)
Total other financing sources (uses)	555,092	175,100	-	2,505,564	-	(2,345,718)
NET CHANGE IN FUND BALANCES	(254,647)	164,253	14,014	323,156	-	717,189
FUND BALANCES (DEFICITS)-BEGINNING	863,408	550,618	129,089	4,850,535	-	11,473,607
FUND BALANCES (DEFICITS)-ENDING	\$ 608,761	\$ 714,871	\$ 143,103	\$ 5,173,691	\$ -	\$ 12,190,796

(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, 2014**

	Budget	Actual	Variance with Budget Positive (Negative)
<u>REVENUES</u>			
Grants	\$ 430,000	\$ 227,188	\$ (202,812)
Use of money and property	-	5,030	5,030
Total revenues	<u>430,000</u>	<u>232,218</u>	<u>(197,782)</u>
<u>EXPENDITURES</u>			
Current:			
Planning (ES):			
Housing programs	436,646	269,494	167,152
Reimbursed Expenditures	30,000	17,967	12,033
Total expenditures	<u>466,646</u>	<u>287,461</u>	<u>179,185</u>
 NET CHANGE IN FUND BALANCES	 (36,646)	 (55,243)	 (18,597)
FUND BALANCES (DEFICITS)-BEGINNING	<u>(39,801)</u>	<u>(39,801)</u>	<u>-</u>
FUND BALANCES (DEFICITS)-ENDING	<u>\$ (76,447)</u>	<u>\$ (95,044)</u>	<u>\$ (18,597)</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, 2014

	Budget	Actual	Variance with Budget Positive (Negative)
<hr/>			
<u>REVENUES</u>			
Use of money and property	\$ 41,200	\$ 80,023	\$ 38,823
<hr/>			
<u>EXPENDITURES</u>			
Current:			
Planning:			
Reimbursements to general fund	3,900	7,402	(3,502)
<hr/>			
NET CHANGE IN FUND BALANCES	37,300	72,621	35,321
FUND BALANCES (DEFICITS)-BEGINNING	1,450,790	1,450,790	-
<hr/>			
FUND BALANCES (DEFICITS)-ENDING	\$ 1,488,090	\$ 1,523,411	\$ 35,321
<hr/>			

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, 2014

	Budget	Actual	Variance with Budget Positive (Negative)
<u>REVENUES</u>			
Taxes	\$ 275,000	\$ 278,888	\$ 3,888
Use of money and property	1,600	3,835	2,235
Total revenues	<u>276,600</u>	<u>282,723</u>	<u>6,123</u>
<u>EXPENDITURES</u>			
Current:			
Community services:			
Materials, supplies and services	<u>147,100</u>	<u>27,730</u>	<u>119,370</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>129,500</u>	<u>254,993</u>	<u>125,493</u>
<u>OTHER FINANCING (USES)</u>			
Transfers out	<u>(12,800)</u>	<u>(12,800)</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	116,700	242,193	125,493
FUND BALANCES (DEFICITS)-BEGINNING	<u>547,018</u>	<u>547,018</u>	<u>-</u>
FUND BALANCES (DEFICITS)-ENDING	<u>\$ 663,718</u>	<u>\$ 789,211</u>	<u>\$ 125,493</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, 2014

	Budget	Actual	Variance with Budget Positive (Negative)
<u>REVENUES</u>			
From other governments	\$ 3,679,400	\$ 3,843,804	\$ 164,404
<u>OTHER FINANCING SOURCES (USES)</u>			
Transfers out	(3,679,400)	(3,843,804)	(164,404)
NET CHANGE IN FUND BALANCES	-	-	-
FUND BALANCES (DEFICITS)-BEGINNING	-	-	-
FUND BALANCES (DEFICITS)-ENDING	\$ -	\$ -	\$ -

**CITY OF SIMI VALLEY
TRANSPORTATION FUNDS
SUPPLEMENTAL SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

	Budget	Actual	Variance with Budget Positive (Negative)
<u>REVENUES</u>			
Use of money and property	\$ -	\$ 2,902	\$ 2,902
From other governments	4,777,700	5,655,133	877,433
Total revenues	4,777,700	5,658,035	880,335
 <u>EXPENDITURES</u>			
Current:			
Public ways and facilities:			
Other contract services	-	8,163	(8,163)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	4,777,700	5,649,872	872,172
 <u>OTHER FINANCING (USES)</u>			
Transfers out	(4,852,700)	(4,365,098)	487,602
NET CHANGE IN FUND BALANCES	(75,000)	1,284,774	1,359,774
FUND BALANCES (DEFICITS)-BEGINNING	331	331	-
FUND BALANCES (DEFICITS)-ENDING	\$ (74,669)	\$ 1,285,105	\$ 1,359,774

**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, 2014**

	Budget	Actual	Variance with Budget Positive (Negative)
<u>REVENUES</u>			
Grants	\$ 97,100	\$ 88,697	\$ (8,403)
<u>EXPENDITURES</u>			
Current:			
General government:			
Personnel	-	4,980	(4,980)
Materials, supplies, and services	102,300	8,695	93,605
Total general government	102,300	13,675	88,625
Planning (ES):			
Personnel	-	8,960	(8,960)
Materials, supplies, and services	-	3,451	(3,451)
Total planning	-	12,411	(12,411)
Total expenditures	102,300	26,086	76,214
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(5,200)	62,611	67,811
<u>OTHER FINANCING (USES)</u>			
Transfers out	(88,400)	(73,372)	15,028
NET CHANGE IN FUND BALANCES	(93,600)	(10,761)	82,839
FUND BALANCES (DEFICITS)-BEGINNING	(2,246)	(2,246)	-
FUND BALANCES (DEFICITS)-ENDING	\$ (95,846)	\$ (13,007)	\$ 82,839

**CITY OF SIMI VALLEY
LIBRARY SERVICES
SUPPLEMENTAL SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

	Budget	Actual	Variance with Budget Positive (Negative)
<u>REVENUES</u>			
Taxes	\$ 1,862,000	\$ 2,059,264	\$ 197,264
Fines and forfeitures	-	24,004	24,004
Use of money and property	-	1,261	1,261
Service charges	-	3,577	3,577
Other revenues	-	99,197	99,197
Total revenues	1,862,000	2,187,303	325,303
<u>EXPENDITURES</u>			
Current:			
Community services:			
Materials, supplies and services	1,678,700	1,626,888	51,812
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	183,300	560,415	377,115
<u>OTHER FINANCING (USES)</u>			
Transfers out	(252,300)	(252,300)	-
NET CHANGE IN FUND BALANCES	(69,000)	308,115	377,115
FUND BALANCES (DEFICITS)-BEGINNING	(60,000)	(60,000)	-
FUND BALANCES (DEFICITS)-ENDING	\$ (129,000)	\$ 248,115	\$ 377,115

**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, 2014**

	Budget	Actual	Variance with Budget Positive (Negative)
<u>REVENUES</u>			
Use of money and property	\$ 1,000	\$ 6,177	\$ 5,177
From other governments	30,000	35,196	5,196
Grants	752,600	980,903	228,303
Total revenues	<u>783,600</u>	<u>1,022,276</u>	<u>238,676</u>
<u>EXPENDITURES</u>			
Current:			
General government:			
Reimbursement to general fund	<u>18,000</u>	<u>17,301</u>	<u>699</u>
Public safety:			
Material, supplies and services	<u>1,027,200</u>	<u>637,639</u>	<u>389,561</u>
Total expenditures	<u>1,045,200</u>	<u>654,940</u>	<u>390,260</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(261,600)</u>	<u>367,336</u>	<u>628,936</u>
<u>OTHER FINANCING SOURCES (USES)</u>			
Transfers out	<u>(379,900)</u>	<u>(484,715)</u>	<u>(104,815)</u>
NET CHANGE IN FUND BALANCES	(641,500)	(117,379)	524,121
FUND BALANCES (DEFICITS)-BEGINNING	<u>892,103</u>	<u>892,103</u>	<u>-</u>
FUND BALANCES (DEFICITS)-ENDING	<u>\$ 250,603</u>	<u>\$ 774,724</u>	<u>\$ 524,121</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, 2014**

	Budget	Actual	Variance with Budget Positive (Negative)
<u>REVENUES</u>			
Use of money and property	\$ -	\$ 15,138	\$ 15,138
Grants	803,000	623,121	(179,879)
Other revenues	-	178,229	178,229
Total revenues	<u>803,000</u>	<u>816,488</u>	<u>13,488</u>
<u>EXPENDITURES</u>			
Current:			
General government:			
Reimbursement to general fund	<u>136,600</u>	<u>136,591</u>	<u>9</u>
Planning:			
Social programs	919,202	478,354	440,848
Other programs	447,050	447,063	(13)
Total planning	<u>1,366,252</u>	<u>925,417</u>	<u>440,835</u>
Total expenditures	<u>1,502,852</u>	<u>1,062,008</u>	<u>440,844</u>
NET CHANGE IN FUND BALANCES	(699,852)	(245,520)	454,332
FUND BALANCES (DEFICITS)-BEGINNING	<u>245,770</u>	<u>245,770</u>	<u>-</u>
FUND BALANCES (DEFICITS)-ENDING	<u>\$ (454,082)</u>	<u>\$ 250</u>	<u>\$ 454,332</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, 2014**

	Budget	Actual	Variance with Budget Positive (Negative)
<u>REVENUES</u>			
Use of money and property	\$ 27,181	\$ 7,258	\$ (19,923)
Service charges	788,593	785,292	(3,301)
Total revenues	815,774	792,550	(23,224)
<u>EXPENDITURES</u>			
Current:			
General government:			
Reimbursement to general fund	95,486	94,013	1,473
Public ways and facilities:			
Landscape Maintenance Contract	1,064,300	997,615	66,685
Utilities	520,428	610,002	(89,574)
Total public ways and facilities	1,584,728	1,607,617	(22,889)
Total expenditures	1,680,214	1,701,630	(21,416)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(864,440)	(909,080)	(44,640)
<u>OTHER FINANCING SOURCES (USES)</u>			
Transfers in	805,234	805,200	34
NET CHANGE IN FUND BALANCES	(59,206)	(103,880)	(44,674)
FUND BALANCES (DEFICITS)-BEGINNING	952,063	952,063	-
FUND BALANCES (DEFICITS)-ENDING	\$ 892,857	\$ 848,183	\$ (44,674)



Internal Service and Fiduciary Funds

**CITY OF SIMI VALLEY
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
JUNE 30, 2014**

	Liability Insurance	Workers' Compensation Insurance	GIS/Permits Operations	FIS Operations	Total
<u>ASSETS</u>					
Current assets:					
Cash and investments	\$ 7,159,963	\$ 8,790,556	\$ 73,525	\$ 69,459	\$ 16,093,503
Interest receivable	5,099	6,990	55	16	12,160
Prepaid expenses	-	-	-	56,435	56,435
TOTAL ASSETS	7,165,062	8,797,546	73,580	125,910	16,162,098
<u>LIABILITIES</u>					
Current liabilities:					
Accounts payable	50,776	48,978	215	4,000	103,969
Salaries and benefits payable	-	10,671	-	-	10,671
Compensated absences	-	4,057	-	-	4,057
Claims and legal services payable	940,675	2,925,041	-	-	3,865,716
Total current liabilities	991,451	2,988,747	215	4,000	3,984,413
Noncurrent liabilities:					
Advances from other funds	2,344,000	2,344,000	-	-	4,688,000
Compensated absences	-	36,510	-	-	36,510
Claims and legal services payable	1,502,722	5,383,576	-	-	6,886,298
Total noncurrent liabilities	3,846,722	7,764,086	-	-	11,610,808
TOTAL LIABILITIES	4,838,173	10,752,833	215	4,000	15,595,221
<u>NET POSITION</u>					
Unrestricted	2,326,889	(1,955,287)	73,365	121,910	566,877
TOTAL NET POSITION	\$ 2,326,889	\$ (1,955,287)	\$ 73,365	\$ 121,910	\$ 566,877

CITY OF SIMI VALLEY
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Liability Insurance	Workers' Compensation Insurance	GIS/Permits Operations	FIS Operations	Total
<u>OPERATING REVENUES</u>					
Total charges for sales and services	\$ 1,496,600	\$ 3,209,400	\$ 91,500	\$ 131,000	\$ 4,928,500
<u>OPERATING EXPENSES</u>					
Salaries and benefits	-	294,167	-	-	294,167
Excess insurance premiums	399,720	285,428	-	-	685,148
Claims and legal expenses	1,106,245	1,689,591	-	-	2,795,836
General administration	215,400	601,300	-	-	816,700
Other	-	5,533	70,265	94,131	169,929
Total operating expenses	1,721,365	2,876,019	70,265	94,131	4,761,780
OPERATING INCOME (LOSS)	(224,765)	333,381	21,235	36,869	166,720
NONOPERATING REVENUES AND EXPENSES:					
Interest	55,985	78,224	359	33	134,601
INCOME (LOSS) BEFORE TRANSFERS	(168,780)	411,605	21,594	36,902	301,321
<u>TRANSFERS</u>					
Transfers out	(4,000)	(4,200)	-	-	(8,200)
CHANGE IN NET POSITION	(172,780)	407,405	21,594	36,902	293,121
NET POSITION-BEGINNING	2,499,669	(2,362,692)	51,771	85,008	273,756
NET POSITION-ENDING	\$ 2,326,889	\$ (1,955,287)	\$ 73,365	\$ 121,910	\$ 566,877

**CITY OF SIMI VALLEY
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

	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)	\$ 1,496,600	\$ 3,209,400	\$ 91,500	\$ 131,000	\$ 4,928,500
Cash paid for salaries and benefits	-	(307,109)	-	-	(307,109)
Cash paid for general administration	(215,400)	(601,300)	-	-	(816,700)
Cash paid for services	-	(5,533)	(70,050)	(76,000)	(151,583)
Cash paid for insurance premiums and claims	(1,551,120)	(2,390,206)	-	-	(3,941,326)
Net cash provided (used) by operating activities	<u>(269,920)</u>	<u>(94,748)</u>	<u>21,450</u>	<u>55,000</u>	<u>(288,218)</u>
<u>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</u>					
Transfers to other funds	(4,000)	(4,200)	-	-	(8,200)
Net cash provided (used) by noncapital financing activities	<u>(4,000)</u>	<u>(4,200)</u>	<u>-</u>	<u>-</u>	<u>(8,200)</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES:</u>					
Interest on investments	58,803	82,348	318	61	141,530
Net cash provided (used) by investing activities	<u>58,803</u>	<u>82,348</u>	<u>318</u>	<u>61</u>	<u>141,530</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(215,117)	(16,600)	21,768	55,061	(154,888)
CASH AND CASH EQUIVALENTS, BEGINNING 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>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 7,159,963</u>	<u>\$ 8,790,556</u>	<u>\$ 73,525</u>	<u>\$ 69,459</u>	<u>\$ 16,093,503</u>
<u>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:</u>					
Operating income (loss)	\$ (224,765)	\$ 333,381	\$ 21,235	\$ 36,869	\$ 166,720
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
(increase) decrease in prepaid expenses	-	-	-	22,131	22,131
Increase (decrease) in accounts payable	(74,394)	(2,580)	215	(4,000)	(80,759)
Increase (decrease) in accrued payroll	-	(3,460)	-	-	(3,460)
Increase (decrease) in compensated absences	-	(9,482)	-	-	(9,482)
Increase (decrease) in claims and legal services payable	29,239	(412,607)	-	-	(383,368)
Total adjustments	<u>(45,155)</u>	<u>(428,129)</u>	<u>215</u>	<u>18,131</u>	<u>(454,938)</u>
Net cash provided (used) by operating activities	<u>\$ (269,920)</u>	<u>\$ (94,748)</u>	<u>\$ 21,450</u>	<u>\$ 55,000</u>	<u>\$ (288,218)</u>

**CITY OF SIMI VALLEY
COMBINING STATEMENT OF NET POSITION
PRIVATE PURPOSE TRUST FUND
JUNE 30, 2014**

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	\$ 67,250	\$ (312,060)	\$ -	\$ 202,703
Held by bond trustee	-	-	-	-
Interest receivable	-	(181)	22	2,320
Capital assets not being depreciated	-	1,124,174	-	-
TOTAL ASSETS	67,250	811,933	22	205,023
<u>DEFERRED OUTFLOWS OF RESOURCES</u>				
Deferred charge on refunding	-	-	-	-
TOTAL DEFERRED OUTFLOWS OF RESOURCES	-	-	-	-
<u>LIABILITIES</u>				
Accounts payable and accrued liabilities	15,321	-	-	-
Accrued interest payable	-	-	-	-
Intergovernmental payable	-	110,369	-	-
Loans payable - city	-	10,116,397	-	-
Long-term debt:				
Due within one year	5,193	-	-	-
Due in more than one year	46,736	-	-	-
TOTAL LIABILITIES	67,250	10,226,766	-	-
<u>NET POSITION</u>				
Held in trust for other purposes	\$ -	\$ (9,414,833)	\$ 22	\$ 205,023

**CITY OF SIMI VALLEY
COMBINING STATEMENT OF NET POSITION
PRIVATE PURPOSE TRUST FUND
JUNE 30, 2014**

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	
\$ 6,660	\$ 1,565,979	\$ 1,935,640	\$ 3,466,172	ASSETS
-	2,101,781	-	2,101,781	Cash and investments:
1,001	713	2,102	5,977	Held by city
-	-	-	1,124,174	Held by bond trustee
				Interest receivable
				Capital assets not being depreciated
7,661	3,668,473	1,937,742	6,698,104	TOTAL ASSETS
-	274,597	-	274,597	DEFERRED OUTFLOWS OF RESOURCES
-	274,597	-	274,597	Deferred charge on refunding
				TOTAL DEFERRED OUTFLOWS OF RESOURCES
-	-	-	15,321	LIABILITIES
-	386,482	-	386,482	Accounts payable and accrued liabilities
-	-	-	110,369	Accrued interest payable
-	-	-	-	Intergovernmental payable
-	-	-	-	Due to other governments
-	-	-	10,116,397	Loans payable - city
				Long-term debt:
-	935,000	-	940,193	Due within one year
-	22,986,355	-	23,033,091	Due in more than one year
-	24,307,837	-	34,601,853	TOTAL LIABILITIES
\$ 7,661	\$ (20,364,767)	\$ 1,937,742	\$ (27,629,152)	NET POSITION
				Held in trust for other purposes

**CITY OF SIMI VALLEY
COMBINING STATEMENT OF CHANGES IN NET POSITION
PRIVATE PURPOSE TRUST FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

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	-	-	125	69,955
Contributions from other governments	151,506	-	-	-
Other contributions	-	2,804,862	-	-
Transfers in	250,000	1,429,787	922	-
TOTAL ADDITIONS	401,506	4,234,649	1,047	69,955
<u>DEDUCTIONS</u>				
Program expenses of former Simi Valley Community Development Agency	-	144,966	-	-
Administrative expenses	401,506	-	-	-
Interest and fiscal agency expenses of former Simi Valley Community Development Agency	-	111,171	-	-
Contributions to other governments	-	253,650	-	2,819,814
Transfers out	-	70,000	-	11,550
TOTAL DEDUCTIONS	401,506	579,787	-	2,831,364
CHANGE IN NET POSITION	-	3,654,862	1,047	(2,761,409)
NET POSITION - BEGINNING, AS RESTATED	-	(13,069,695)	(1,025)	2,966,432
NET POSITION - ENDING	\$ -	\$ (9,414,833)	\$ 22	\$ 205,023

**CITY OF SIMI VALLEY
COMBINING STATEMENT OF CHANGES IN NET POSITION
PRIVATE PURPOSE TRUST FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

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>
\$ 3,119,201	\$ -	\$ -	\$ 3,119,201	Property taxes
6,539	3,549	11,703	91,871	Investment earnings
-	-	-	151,506	Contributions from other governments
-	-	-	2,804,862	Other contributions
-	1,524,110	-	3,204,819	Transfers in
<u>3,125,740</u>	<u>1,527,659</u>	<u>11,703</u>	<u>9,372,259</u>	TOTAL ADDITIONS
				<u>DEDUCTIONS</u>
-	-	-	144,966	Program expenses of former Simi Valley Community Development Agency
-	-	-	401,506	Administrative expenses
-	1,190,832	-	1,302,003	Interest and fiscal agency expenses of former Simi Valley Community Development Agency
-	-	-	3,073,464	Contributions to other governments
3,119,201	-	4,068	3,204,819	Transfers out
<u>3,119,201</u>	<u>1,190,832</u>	<u>4,068</u>	<u>8,126,758</u>	TOTAL DEDUCTIONS
6,539	336,827	7,635	1,245,501	CHANGE IN NET POSITION
1,122	(20,701,594)	1,930,107	(28,874,653)	NET POSITION - BEGINNING, AS RESTATED
<u>\$ 7,661</u>	<u>\$ (20,364,767)</u>	<u>\$ 1,937,742</u>	<u>\$ (27,629,152)</u>	NET POSITION - ENDING

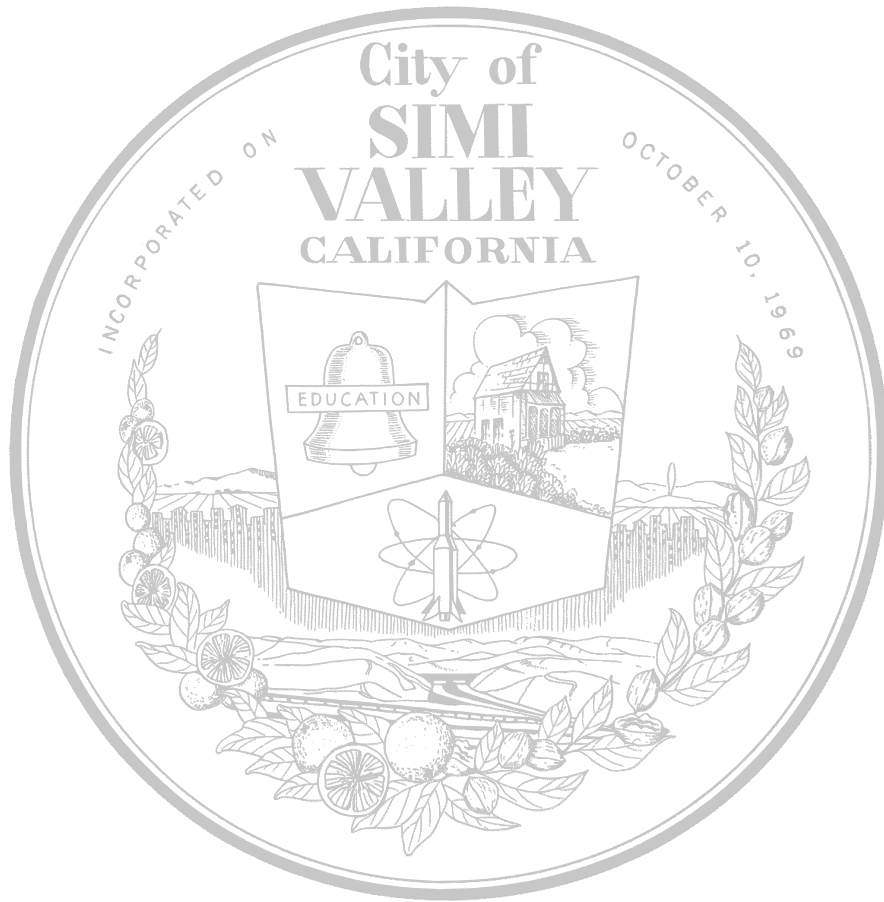
**CITY OF SIMI VALLEY
COMBINING STATEMENT OF NET POSITION
AGENCY FUNDS**

JUNE 30, 2014

	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	\$ 3,324,814	\$ 1,330,780	\$ -	\$ 4,655,594
Held by bond trustee	-	2,563,589	-	2,563,589
Accounts receivable	-	1,114	-	1,114
TOTAL ASSETS	\$ 3,324,814	\$ 3,895,483	\$ -	\$ 7,220,297
<u>LIABILITIES</u>				
Intergovernmental payable	\$ 3,324,814	\$ 3,895,483	\$ -	\$ 7,220,297
TOTAL LIABILITIES	\$ 3,324,814	\$ 3,895,483	\$ -	\$ 7,220,297

CITY OF SIMI VALLEY
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Balance at June 30, 2013	Additions	Deductions	Balance at June 30, 2014
AGENCY FUND - CITY OF SIMI VALLEY				
ASSETS:				
Cash and investments held by city	\$ 3,948,787	\$ 1,225,341	\$ 1,849,314	\$ 3,324,814
TOTAL ASSETS	<u>\$ 3,948,787</u>	<u>\$ 1,225,341</u>	<u>\$ 1,849,314</u>	<u>\$ 3,324,814</u>
LIABILITIES:				
Intergovernmental payable	\$ 3,948,787	\$ 1,225,341	\$ 1,849,314	\$ 3,324,814
TOTAL LIABILITIES	<u>\$ 3,948,787</u>	<u>\$ 1,225,341</u>	<u>\$ 1,849,314</u>	<u>\$ 3,324,814</u>
ASSESSMENT DISTRICTS - CITY OF SIMI VALLEY				
ASSETS:				
Cash and investments held by city	\$ 1,297,859	\$ 917,807	\$ 884,886	\$ 1,330,780
Cash and investments held by bond trustee	2,669,567	1,570,134	1,676,112	2,563,589
Accounts receivable	1,585	1,114	1,585	1,114
TOTAL ASSETS	<u>\$ 3,969,011</u>	<u>\$ 2,489,055</u>	<u>\$ 2,562,583</u>	<u>\$ 3,895,483</u>
LIABILITIES:				
Intergovernmental payable	\$ 3,969,011	\$ 2,489,055	\$ 2,562,583	\$ 3,895,483
TOTAL LIABILITIES	<u>\$ 3,969,011</u>	<u>\$ 2,489,055</u>	<u>\$ 2,562,583</u>	<u>\$ 3,895,483</u>
SIMI VALLEY UNIFIED SCHOOL DISTRICT				
ASSETS:				
Cash and investments held by city	\$ 1,117,545	\$ 1,835	\$ 1,119,380	\$ -
Accounts receivable	1,833	-	1,833	-
TOTAL ASSETS	<u>\$ 1,119,378</u>	<u>\$ 1,835</u>	<u>\$ 1,121,213</u>	<u>\$ -</u>
LIABILITIES:				
Intergovernmental payable	\$ 1,119,378	\$ 1,835	\$ 1,121,213	\$ -
TOTAL LIABILITIES	<u>\$ 1,119,378</u>	<u>\$ 1,835</u>	<u>\$ 1,121,213</u>	<u>\$ -</u>
TOTAL AGENCY FUNDS				
ASSETS:				
Cash and investments held by city	\$ 6,364,191	\$ 2,144,983	\$ 3,853,580	\$ 4,655,594
Cash and investments held by bond trustee	2,669,567	1,570,134	1,676,112	2,563,589
Accounts receivable	3,418	1,114	3,418	1,114
TOTAL ASSETS	<u>\$ 9,037,176</u>	<u>\$ 3,716,231</u>	<u>\$ 5,533,110</u>	<u>\$ 7,220,297</u>
LIABILITIES:				
Intergovernmental payable	\$ 9,037,176	\$ 3,716,231	\$ 5,533,110	\$ 7,220,297
TOTAL LIABILITIES	<u>\$ 9,037,176</u>	<u>\$ 3,716,231</u>	<u>\$ 5,533,110</u>	<u>\$ 7,220,297</u>



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.	124
<u>Revenue Capacity</u> These schedules contain information to help the reader assess the government’s most significant local revenue source, the property tax.	134
<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.	140
<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. ..	144
<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.	146

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				
	2004-05	2005-06	2006-07	2007-08	2008-09
Governmental activities					
Net investment in capital assets	\$ 39,280,006	\$ 55,108,472	\$ 153,537,599	\$ 157,564,195	\$ 180,128,561
Restricted	28,718,649	39,933,025	60,444,524	76,340,295	84,285,014
Unrestricted	38,041,664	37,929,875	42,886,026	39,459,540	8,499,742
Total governmental activities net position	<u>\$ 106,040,319</u>	<u>\$ 132,971,372</u>	<u>\$ 256,868,149</u>	<u>\$ 273,364,030</u>	<u>\$ 272,913,317</u>
Business-type activities					
Net investment in capital assets	\$ 72,475,306	\$ 74,114,013	\$ 109,436,007	\$ 112,913,342	\$ 121,094,906
Restricted	15,279,959	19,733,407	18,981,595	17,622,173	9,527,814
Unrestricted	18,553,722	22,524,125	27,974,098	31,027,488	35,330,465
Total business-type activities net position	<u>\$ 106,308,987</u>	<u>\$ 116,371,545</u>	<u>\$ 156,391,700</u>	<u>\$ 161,563,003</u>	<u>\$ 165,953,185</u>
Primary Government					
Net investment in capital assets	\$ 111,755,312	\$ 129,222,485	\$ 262,973,606	\$ 270,477,537	\$ 301,223,467
Restricted	43,998,608	59,666,432	79,426,119	93,962,468	93,812,828
Unrestricted	56,595,386	60,454,000	70,860,124	70,487,028	43,830,207
Total primary government net position	<u>\$ 212,349,306</u>	<u>\$ 249,342,917</u>	<u>\$ 413,259,849</u>	<u>\$ 434,927,033</u>	<u>\$ 438,866,502</u>

Continued

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

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

Concluded

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

	Fiscal Year				
	2004-05	2005-06	2006-07	2007-08	2008-09
Expenses					
Governmental activities:					
General government	\$ 11,514,749	\$ 13,435,816	\$ 18,475,995	\$ 21,311,700	\$ 21,908,817
Community services	3,339,200	3,958,051	3,645,993	4,076,877	3,952,073
Planning	9,451,696	8,527,778	9,229,296	11,839,627	9,621,707
Public ways and facilities	14,900,957	15,623,621	16,326,888	17,695,954	16,951,872
Public safety	24,910,100	26,693,489	26,677,974	30,600,433	29,911,781
Interest on long-term debt	2,766,273	2,525,366	3,232,084	3,123,397	3,256,626
Total governmental activities expenses	<u>66,882,975</u>	<u>70,764,121</u>	<u>77,588,230</u>	<u>88,647,988</u>	<u>85,602,876</u>
Business-type activities:					
Sanitation	12,073,824	12,198,794	13,144,836	14,391,154	14,329,152
Waterworks district no. 8	21,018,081	23,687,693	26,668,732	28,067,587	28,899,962
Transit	5,025,660	5,825,189	5,747,532	6,271,344	6,468,506
Total business-type activities expenses	<u>38,117,565</u>	<u>41,711,676</u>	<u>45,561,100</u>	<u>48,730,085</u>	<u>49,697,620</u>
Total primary government expenses	<u>\$ 105,000,540</u>	<u>\$ 112,475,797</u>	<u>\$ 123,149,330</u>	<u>\$ 137,378,073</u>	<u>\$ 135,300,496</u>
Program Revenues					
Governmental activities:					
Charges for services:					
General government	\$ 501,517	\$ 353,114	\$ 495,979	\$ 304,549	\$ 438,812
Community services	118,096	117,070	171,938	200,067	150,084
Planning	7,626,881	7,210,902	4,156,265	3,168,280	1,885,710
Public ways and facilities	8,146,699	6,708,878	2,782,618	2,605,869	1,811,768
Public safety	1,040,695	1,002,882	982,303	950,923	914,693
Operating grants and contributions	10,041,651	10,231,371	9,025,966	11,082,867	8,532,799
Capital grants and contributions	1,280,369	2,891,199	7,683,123	1,623,965	5,077,276
Total governmental activities program revenues	<u>28,755,908</u>	<u>28,515,416</u>	<u>25,298,192</u>	<u>19,936,520</u>	<u>18,811,142</u>
Business-type activities:					
Charges for services:					
Sanitation	11,964,388	12,745,553	13,725,483	14,767,859	14,780,226
Waterworks district no. 8	21,018,081	23,765,476	27,250,693	28,247,611	30,138,375
Transit	400,129	479,426	546,520	524,771	542,194
Operating grants and contributions	1,953,733	848,402	2,480,838	2,285,871	2,606,392
Capital grants and contributions	999,383	2,339,931	707,834	312,537	1,969,465
Total business-type activities program revenues	<u>36,335,714</u>	<u>40,178,788</u>	<u>44,711,368</u>	<u>46,138,649</u>	<u>50,036,652</u>
Total primary governmental program revenues	<u>\$ 65,091,622</u>	<u>\$ 68,694,204</u>	<u>\$ 70,009,560</u>	<u>\$ 66,075,169</u>	<u>\$ 68,847,794</u>
Net (Expense)/Revenue					
Governmental activities	(38,127,067)	(42,248,705)	(52,290,038)	(68,711,468)	(66,791,734)
Business-type activities	(1,781,851)	(1,532,888)	(849,732)	(2,591,436)	339,032
Total primary government net expense	<u>\$ (39,908,918)</u>	<u>\$ (43,781,593)</u>	<u>\$ (53,139,770)</u>	<u>\$ (71,302,904)</u>	<u>\$ (66,452,702)</u>

Continued

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

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

Continued

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

	Fiscal Year				
	2004-05	2005-06	2006-07	2007-08	2008-09
General Revenues and Other Changes in Net Position					
Governmental activities:					
Taxes:					
Property taxes ¹	\$ 17,290,860	\$ 19,723,474	\$ 22,717,838	\$ 24,296,361	\$ 24,367,498
Tax increment	10,608,367	12,531,554	18,945,240	20,185,134	21,359,827
Sales tax	14,829,984	16,301,320	17,705,751	16,894,319	13,955,998
Motor fuel tax ¹	2,930,485	888,988	711,694	552,184	427,121
Franchise tax	3,856,273	4,062,464	3,686,160	3,708,972	4,756,938
Business tax	1,355,601	1,831,590	1,778,116	1,851,630	1,698,692
Other taxes	2,250,647	2,870,368	2,417,554	1,939,615	1,733,444
Contributions from other governments	-	-	-	-	-
Investment earnings	2,270,336	2,896,300	5,472,452	5,382,599	3,894,585
Gain (loss) on asset disposition	(812,649)	259,062	-	-	-
Capital contributions-unrestricted ²	1,765,510	9,131,630	3,178,901	2,910,688	-
Extraordinary gain on dissolution of redevelopment agency	-	-	-	-	-
Transfers	<u>(1,557,737)</u>	<u>(1,316,992)</u>	<u>(2,463,585)</u>	<u>(2,207,435)</u>	<u>(2,306,909)</u>
Total governmental activities	<u>54,787,677</u>	<u>69,179,758</u>	<u>74,150,121</u>	<u>75,514,067</u>	<u>69,887,194</u>
Business-type activities:					
Investment earnings	985,444	1,323,549	2,484,909	2,598,413	1,956,342
Miscellaneous	2,672	112,361	128,494	186,032	343,518
Capital contributions-unrestricted ²	8,295,223	8,842,544	3,275,376	2,770,859	-
Transfers	<u>1,557,737</u>	<u>1,316,992</u>	<u>2,463,585</u>	<u>2,207,435</u>	<u>2,306,909</u>
Total business-type activities	<u>10,841,076</u>	<u>11,595,446</u>	<u>8,352,364</u>	<u>7,762,739</u>	<u>4,606,769</u>
Total primary government	<u>\$ 65,628,753</u>	<u>\$ 80,775,204</u>	<u>\$ 82,502,485</u>	<u>\$ 83,276,806</u>	<u>\$ 74,493,963</u>
Change in Net Position					
Governmental activities	\$ 16,660,610	\$ 26,931,053	\$ 21,860,083	\$ 6,802,599	\$ 3,095,460
Business-type activities	<u>9,059,225</u>	<u>10,062,558</u>	<u>7,502,632</u>	<u>5,171,303</u>	<u>4,945,801</u>
Total primary government	<u>\$ 25,719,835</u>	<u>\$ 36,993,611</u>	<u>\$ 29,362,715</u>	<u>\$ 11,973,902</u>	<u>\$ 8,041,261</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					
2009-10	2010-11	2011-12	2012-13	2013-14	
					General Revenues
					and Other Changes in Net Position
					Governmental activities:
					Taxes:
\$ 24,022,375	\$ 22,864,848	\$ 23,461,856	\$ 24,823,215	\$ 27,438,436	Property taxes ¹
21,138,010	19,170,235	9,262,457	-	-	Tax increment
12,969,115	14,632,972	15,018,520	15,617,678	15,440,917	Sales tax
369,992	641,204	-	-	-	Motor fuel tax ¹
4,304,353	4,719,987	4,789,947	4,809,762	4,849,204	Franchise tax
1,659,666	1,751,072	1,509,209	1,536,743	1,601,785	Business tax
1,560,873	1,578,252	1,692,627	1,857,033	1,975,930	Other taxes
-	-	1,280,200	457,220	3,074,897	Contributions from other governments
2,255,728	1,604,653	1,041,686	228,258	1,046,411	Investment earnings
-	-	-	-	-	Gain (loss) on asset disposition
-	-	-	-	-	Capital contributions-unrestricted ²
-	-	16,832,057	-	-	Extraordinary gain on dissolution of redevelopment agency
<u>(2,326,794)</u>	<u>(2,476,641)</u>	<u>(2,143,949)</u>	<u>(1,844,949)</u>	<u>(1,672,300)</u>	Transfers
<u>65,953,318</u>	<u>64,486,582</u>	<u>72,744,610</u>	<u>47,484,960</u>	<u>53,755,280</u>	Total governmental activities
					Business-type activities:
1,301,289	930,122	697,813	345,334	1,030,711	Investment earnings
180,356	438,359	93,813	116,183	227,858	Miscellaneous
-	-	-	-	-	Capital contributions-unrestricted ²
2,326,794	2,476,641	2,143,949	1,844,949	1,672,300	Transfers
<u>3,808,439</u>	<u>3,845,122</u>	<u>2,935,575</u>	<u>2,306,466</u>	<u>2,930,869</u>	Total business-type activities
<u>\$ 69,761,757</u>	<u>\$ 68,331,704</u>	<u>\$ 75,680,185</u>	<u>\$ 49,791,426</u>	<u>\$ 56,686,149</u>	Total primary government
					Change in Net Position
\$ 8,471,112	\$ 1,492,898	\$ 10,149,191	\$ (12,083,162)	\$ 3,879,808	Governmental activities
8,862,103	4,985,830	1,537,900	(2,660,559)	(2,558,323)	Business-type activities
<u>\$ 17,333,215</u>	<u>\$ 6,478,728</u>	<u>\$ 11,687,091</u>	<u>\$ (14,743,721)</u>	<u>\$ 1,321,485</u>	Total primary government

Concluded

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

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

Continued

NOTE:

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

In fiscal year 2013-14, the reporting of fund balance set aside for Prudent reserve was corrected, moving the amount from the Unassigned category to the Committed category.

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

		Fiscal Year					
2009-10	2010-11	2011-12	2012-13	2013-14			
\$ 19,550,414						General fund	
16,176,234						Reserved	
						Unreserved	
	\$ 19,752,241	\$ 19,384,570	\$ 22,246,241	\$ 18,509,076		Nonspendable, reported in:	
						Long-term receivables	
	628,659	805,028	630,447	846,723		Committed, reported in:	
		229,687	185,195	272,722		Retiree benefits	
			6,839,684	6,084,838		Special programs	
	-	-	-	11,881,778		Economic recovery	
						Prudent reserve	
	9,209,774	9,304,096	4,198,811	6,029,111		Assigned, reported in:	
	9,799,992	10,059,954	11,406,896	-		Capital	
						Unassigned	
<u>\$ 35,726,648</u>	<u>\$ 39,390,666</u>	<u>\$ 39,783,335</u>	<u>\$ 45,507,274</u>	<u>\$ 43,624,248</u>		Total general fund	
\$ 11,750,943						All other government funds	
						Reserved	
30,816,901						Unreserved, reported in:	
-						Special revenue funds	
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	6,389,178		Restricted, reported in:	
	21,277,646	19,029,472	16,794,452	15,748,357		Housing programs	
	849,804	889,134	869,822	2,314,747		Public improvements	
	5,892,439	7,241,174	-	-		Streets	
	1,373,263	929,495	952,063	848,183		Lighting	
	6,763,374	2,635,890	2,637,044	1,656,157		Landscape	
	638,599	493,194	792,788	1,037,576		Debt service	
	265,017	406,183	892,103	774,724		Special programs	
						Law enforcement	
	3,853,912	3,117,412	1,996,149	2,531,276		Committed, reported in:	
	3,284,875	3,525,143	3,858,038	4,421,827		Streets	
						Equipment	
	1,018,979	216,560	129,089	143,103		Assigned, reported in:	
	(13,848,190)	-	(42,047)	(108,051)		Capital	
						Unassigned	
<u>\$ 55,086,997</u>	<u>\$ 51,046,221</u>	<u>\$ 46,416,390</u>	<u>\$ 34,925,099</u>	<u>\$ 35,757,077</u>		Total all other governmental funds	

Concluded

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

	Fiscal Year				
	2004-05	2005-06	2006-07	2007-08	2008-09
Revenues					
Taxes	\$ 39,583,365	\$ 44,789,216	\$ 48,305,419	\$ 48,690,897	\$ 46,635,899
Tax increment	10,608,367	12,531,554	18,945,240	20,185,134	21,359,827
Licenses and permits	5,761,949	4,489,743	2,446,051	1,863,206	1,229,773
Fines and forfeitures	744,172	630,175	608,633	639,866	644,896
Use of money and property	4,668,436	4,887,835	6,030,520	5,875,792	4,293,281
From other governments	9,228,523	8,059,121	9,178,483	7,562,068	8,914,197
Grants	3,000,993	3,641,439	8,154,157	2,824,043	2,852,825
Service charges	4,123,659	3,706,112	3,330,461	2,743,227	2,311,017
Other revenues	6,844,687	6,589,485	2,736,158	4,705,669	1,015,381
Contributions from other governments	-	-	-	-	-
Total revenues	<u>84,564,151</u>	<u>89,324,680</u>	<u>99,735,122</u>	<u>95,089,902</u>	<u>89,257,096</u>
Expenditures					
Current:					
General government	5,705,571	5,629,708	6,254,640	5,478,843	5,113,701
Community services	3,327,916	3,976,095	3,714,488	4,062,966	3,986,859
Planning	10,409,949	8,989,679	10,449,668	9,728,843	9,737,257
Public ways and facilities	14,674,133	15,380,796	16,165,062	17,794,518	16,488,718
Public safety	25,427,341	27,244,060	28,625,276	30,020,374	30,202,106
Capital outlay	12,400,928	36,854,154	11,720,213	9,542,356	8,345,726
Debt service:					
Principal	1,210,000	1,250,000	1,750,000	1,805,000	1,870,000
Interest	2,753,209	3,516,184	3,674,962	3,410,710	3,316,982
Refunding escrow	-	-	-	-	-
Bond issuance costs	662,894	-	-	-	-
Administration	-	-	-	-	-
Other	328,503	12,033	217,473	31,863	14,569
Intergovernmental	<u>4,126,132</u>	<u>4,649,143</u>	<u>6,260,334</u>	<u>6,455,707</u>	<u>7,198,990</u>
Total expenditures	<u>81,026,576</u>	<u>107,501,852</u>	<u>88,832,116</u>	<u>88,331,180</u>	<u>86,274,908</u>
Excess (deficiency) of revenues over expenditures	<u>3,537,575</u>	<u>(18,177,172)</u>	<u>10,903,006</u>	<u>6,758,722</u>	<u>2,982,188</u>
Other Financing Sources (Uses)					
Transfers in	22,547,788	44,861,615	28,486,035	26,256,128	30,315,435
Transfers out	(24,100,325)	(46,173,207)	(30,944,420)	(28,459,763)	(32,616,244)
Bonds issued	26,341,593	-	-	-	-
Payment to escrow agent	-	-	-	-	-
Proceeds from loans, notes & cash advances	-	-	-	-	-
Gain on property held for sale	-	3,446,150	-	-	-
Refund excess reserves	-	-	-	-	-
Payments of notes payable	-	-	-	-	-
Contributions	-	5,343,377	-	-	-
Total other financing sources (uses)	<u>24,789,056</u>	<u>7,477,935</u>	<u>(2,458,385)</u>	<u>(2,203,635)</u>	<u>(2,300,809)</u>
Extraordinary gain	-	-	-	-	-
Net change in fund balances	<u>\$ 28,326,631</u>	<u>\$ (10,699,237)</u>	<u>\$ 8,444,621</u>	<u>\$ 4,555,087</u>	<u>\$ 681,379</u>
Debt service as a percentage of noncapital expenditures	5.77%	6.42%	6.69%	6.66%	6.59%

Continued

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

		Fiscal Year					
2009-10	2010-11	2011-12	2012-13	2013-14			
						Revenues	
\$ 44,026,482	\$ 45,736,089	\$ 46,313,876	\$ 48,405,537	\$ 51,630,610		Taxes	
21,138,010	19,170,235	9,262,457	-	-		Tax increment	
1,150,132	1,200,244	1,549,642	1,526,942	1,641,301		Licenses and permits	
489,711	566,057	590,625	562,301	567,379		Fines and forfeitures	
2,715,919	2,437,963	1,401,486	1,308,808	1,371,779		Use of money and property	
9,287,441	7,412,657	7,885,687	7,485,213	9,875,682		From other governments	
4,917,901	3,502,622	2,089,328	6,209,316	3,795,247		Grants	
2,197,536	1,990,630	1,992,262	1,861,540	3,247,246		Service charges	
825,701	3,092,920	1,438,435	2,320,567	2,411,592		Other revenues	
-	-	1,280,200	464,854	3,073,464		Contributions from other governments	
<u>86,748,833</u>	<u>85,109,417</u>	<u>73,803,998</u>	<u>70,145,078</u>	<u>77,614,300</u>		Total revenues	
						Expenditures	
						Current:	
4,605,291	5,865,259	5,024,456	6,760,196	8,977,728		General government	
3,992,786	3,957,419	4,274,451	4,366,229	5,759,582		Community services	
12,369,305	11,524,418	7,961,160	7,395,246	8,954,977		Planning	
15,462,223	14,871,235	14,710,961	14,558,261	14,683,649		Public ways and facilities	
28,094,953	28,081,837	28,845,564	28,918,401	29,922,421		Public safety	
8,687,535	6,029,063	3,544,377	9,466,790	4,346,397		Capital outlay	
						Debt service:	
1,955,000	2,045,000	2,130,000	1,360,000	3,220,000		Principal	
3,038,631	2,962,880	1,940,460	1,242,425	1,129,784		Interest	
-	-	-	-	-		Refunding escrow	
-	-	-	-	-		Bond issuance costs	
-	-	-	-	-		Administration	
12,838	16,441	13,032	7,933	6,710		Other	
<u>13,109,707</u>	<u>7,423,382</u>	<u>39,517</u>	<u>-</u>	<u>-</u>		Intergovernmental	
<u>91,328,269</u>	<u>82,776,934</u>	<u>68,483,978</u>	<u>74,075,481</u>	<u>77,001,248</u>		Total expenditures	
						Excess (deficiency) of revenues over expenditures	
<u>(4,579,436)</u>	<u>2,332,483</u>	<u>5,320,020</u>	<u>(3,930,403)</u>	<u>613,052</u>			
						Other Financing Sources (Uses)	
25,099,047	26,735,331	16,499,059	27,577,674	16,997,812		Transfers in	
(27,418,641)	(29,444,572)	(18,635,008)	(29,414,623)	(18,661,912)		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>(2,319,594)</u>	<u>(2,709,241)</u>	<u>(2,135,949)</u>	<u>(1,836,949)</u>	<u>(1,664,100)</u>		Total other financing sources (uses)	
						Extraordinary gain	
<u>\$ (6,899,030)</u>	<u>\$ (376,758)</u>	<u>\$ (4,438,423)</u>	<u>\$ (5,767,352)</u>	<u>\$ (1,051,048)</u>		Net change in fund balances	
						Debt service as a percentage of noncapital expenditures	
6.08%	6.50%	6.24%	3.86%	6.24%			

Concluded

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

Gross Assessed Valuation ¹					
Fiscal Year	Residential Property	Commercial Property	Industrial Property	Other Property	Total Secured Property ²
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
2013-14	12,406,140,958	1,380,245,496	698,325,303	219,989,056	14,704,700,813

Continued

NOTES:

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

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

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

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

SOURCE:
 California Municipal Statistics, Inc.

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

Gross Assessed Valuation ¹					
Utility ³	Unsecured	Total	Percent Change	Total Direct Tax Rate	Fiscal Year
4,468,429	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
2,322,792	348,853,900	15,055,877,505	3.4%	1.00%	2013-14
					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>2004-05</u>	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>
Basic Tax Levy per Article 13A of California State Constitution	1.000000	1.000000	1.000000	1.000000	1.000000
City	-	-	-	-	-
Total direct	<u>1.000000</u>	<u>1.000000</u>	<u>1.000000</u>	<u>1.000000</u>	<u>1.000000</u>
County Flood Control District	-	-	-	-	-
Simi Valley Unified School District	0.065800	0.051200	0.048900	0.048300	0.048400
Metropolitan Water District	0.005800	0.005200	0.004700	0.004500	0.004300
Ventura Community College District	0.013000	0.013000	0.012700	0.005000	0.015200
Total direct and overlapping	<u><u>1.084600</u></u>	<u><u>1.069400</u></u>	<u><u>1.066300</u></u>	<u><u>1.057800</u></u>	<u><u>1.067900</u></u>

Continued

NOTES:

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

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

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

<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</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
0.051900	0.054400	0.057800	0.061500	0.059800	Simi Valley Unified School District
0.004300	0.003700	0.003700	0.003500	0.003500	Metropolitan Water District
0.013900	0.015100	0.014000	0.019100	0.016700	Ventura Community College District
<u><u>1.070100</u></u>	<u><u>1.073200</u></u>	<u><u>1.075500</u></u>	<u><u>1.084100</u></u>	<u><u>1.080000</u></u>	Total direct and overlapping

Concluded

SOURCE:
California Municipal Statistics, Inc.

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

Taxpayer	2014			2005		
	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	\$ 123,145,846	1	0.84%	-		
Tishman Speyer Archstone & Smith	105,550,072	2	0.72%	-		
Fountains Apartments Ltd	77,856,859	3	0.53%	\$ 69,487,867	3	0.57%
NF Marina LP	69,934,400	4	0.48%	-		
South Street Center, Lessor	53,273,195	5	0.36%	-		
Fairfield Rancho Corrales	45,365,100	6	0.31%	-		
Mountaingate Associates LLC	45,308,361	7	0.31%	-		
Stone Creek Investors	42,587,239	8	0.29%	37,437,135	7	0.31%
ESG Properties I LLC	42,038,183	9	0.29%	37,016,390	8	0.30%
CLF Simi Valley Business Trust	37,000,000	10	0.25%	-		
Countrywide Funding Corporation	-			92,463,782	1	0.76%
Shea Homes Ltd	-			88,715,569	2	0.73%
Big Sky Country Club LLC	-			44,703,401	4	0.37%
D R Horton LA Holding Co	-			43,360,552	5	0.36%
Western Pacific Housing	-			37,549,928	6	0.31%
Simi Entertainment Plaza LP	-			32,293,476	9	0.27%
Davidon Homes	-			29,051,789	10	0.24%
Total Taxable Assessed Value Ten Largest Taxpayers	\$ 642,059,255		4.37%	\$ 512,079,889		4.20%

SOURCE:
California Municipal Statistics, Inc.
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
2004-05	\$ 128,172,093	\$ 125,407,288	97.84%	\$ 470,878	\$ 125,878,166	98.21%
2005-06	138,585,819	128,788,614	92.93%	619,836	129,408,450	93.38%
2006-07	29,433,179 ¹	26,664,943	90.59%	521,798	27,186,741	92.37%
2007-08	32,687,821	29,366,179	89.84%	411,367	29,777,546	91.10%
2008-09	34,099,599	30,065,640	88.17%	162,628	30,228,268	88.65%
2009-10	33,690,500	27,706,277	82.24%	82,175	27,788,452	82.48%
2010-11	32,672,899	28,924,095	88.53%	82,927	29,007,022	88.78%
2011-12	31,380,139	27,921,798	88.98%	76,158	27,997,956	89.22%
2012-13	31,451,572	28,397,076	90.29%	84,552	28,481,628	90.56%
2013-14	32,257,545	29,392,698	91.12%		29,392,698	91.12%

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 2004-05 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.

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 ⁴	Debt Per Capita ⁴
	Tax Allocation Bonds ^{1,2}	Lease Revenue Bonds ³	Certificates of Participation ²			
2005	30,632,177	7,805,000	\$ 26,330,931	64,768,108	1.71%	534.01
2006	29,939,352	7,260,000	26,318,045	63,517,397	1.60%	512.55
2007	29,231,527	6,690,000	25,845,159	61,766,686	1.51%	490.84
2008	28,513,702	6,095,000	25,352,273	59,960,975	1.41%	475.35
2009	27,775,878	5,470,000	24,844,386	58,090,264	1.34%	459.94
2010	27,008,054	4,815,000	24,311,499	56,134,553	1.41%	444.35
2011	26,210,230	4,120,000	23,758,612	54,088,842	1.22%	428.03
2012	-	3,385,000	23,185,726	26,570,726	0.63%	210.09
2013	-	2,610,000	22,587,840	25,197,840	0.55%	198.68
2014	-	-	21,964,953	21,964,953	0.45%	173.24

NOTES:

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

2. Presented net of original issuance premiums, discounts, and adjustments. Details regarding the City's outstanding debt can be found in the notes to the financial statements.

3. On August 12, 2013, the Council approved the early repayment of 1995 Simi Valley Public Financing Authority Lease Revenue Bonds and a call for full redemption of the bonds occurred on October 1, 2013.

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

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

SOURCE:
City of Simi Valley
US Census Bureau

**CITY OF SIMI VALLEY
COMPUTATION OF DIRECT AND OVERLAPPING DEBT
JUNE 30, 2014 (See Notes)**

	Outstanding Debt 6/30/14	Percentage Applicable ¹	Estimated Share of Overlapping Debt 6/30/14
<u>Overlapping and Assessment Debt Repaid with Property Taxes</u>			
Metropolitan Water District	\$ 132,275,000	0.689 %	\$ 911,375
Ventura County Community College District	300,628,714	13.948	41,931,693
Simi Valley Unified School District	106,577,404	96.722	103,083,797
City of Simi Valley Community Facilities Dist No.2004-1	8,285,000	100.000	8,285,000
City of Simi Valley 1915 Act Bonds	2,335,000	100.000	2,335,000
<u>Overlapping Other Debt</u>			
Ventura County General Fund Obligations	398,360,000	13.943	55,543,335
Ventura County Superintendent of Schools Certificates	11,160,000	13.943	1,556,039
Simi Valley Unified School District Certificates	9,575,000	96.722	9,261,132
Total overlapping and assessment debt			222,907,371
<u>City Direct Debt</u>			
City of Simi Valley Certificates of Participation	21,705,000	100.000	21,705,000
Total direct debt			21,705,000
Total direct and overlapping debt			<u>\$ 244,612,371</u>

NOTES:

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

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

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

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

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

	Fiscal Year				
	2005	2006	2007	2008	2009
Debt limit	\$ 411,117,996	\$ 456,872,754	\$ 529,328,334	\$ 574,605,416	\$ 581,664,189
Total net debt applicable to limit	-	-	-	-	-
Legal debt margin	<u>\$ 411,117,996</u>	<u>\$ 456,872,754</u>	<u>\$ 529,328,334</u>	<u>\$ 574,605,416</u>	<u>\$ 581,664,189</u>
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					
2010	2011	2012	2013	2014	
\$ 557,545,466	\$ 554,782,685	\$ 550,211,813	\$ 545,958,007	\$ 564,595,406	Debt limit
-	-	-	-	-	Total net debt applicable to limit
<u>\$ 557,545,466</u>	<u>\$ 554,782,685</u>	<u>\$ 550,211,813</u>	<u>\$ 545,958,007</u>	<u>\$ 564,595,406</u>	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 2014

Assessed value	\$	15,055,877,505
Debt limit (3.75% of assessed value) ¹	\$	564,595,406
General obligation bonds		-
Legal debt margin	\$	564,595,406

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 Income¹	Median Age	Public School Enrollment	Unemployment Rate
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%
2014	126,786	4,832,195	38,113	41.1	18,047	5.1%

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>2014</u>			<u>2005</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	2,311	1	3.32%	2,395	2	3.65%
Simi Valley Hospital & Health Care	839	2	1.20%	859	4	1.31%
Rancho Simi Parks & Recreation District	613	3	0.88%	303	9	0.46%
City of Simi Valley	519	4	0.74%	644	5	0.98%
Meggitt Safety Systems, Inc	503	5	0.72%	293	10	0.45%
Wal-Mart, Inc.	426	6	0.61%	-		
Aerovironment Inc	398	7	0.57%	-		
Vons Grocery Stores	352	8	0.51%	440	7	0.67%
Milgard Manufacturing, Inc	310	9	0.44%	485	6	0.74%
Albertson's	247	10	0.35%	375	8	0.57%
Countrywide Home Loans ¹	-			5,216	1	7.95%
Farmers Insurance Group	-			2,050	3	3.13%
Total	<u>6,518</u>		<u>9.35%</u>	<u>13,060</u>		<u>19.91%</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 fifty-eight employers surveyed by the City of Simi Valley, forty-nine employers responded (84%).

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

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

<u>Function</u>	<u>Full & Part Time Employees as of June 30¹</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>	<u>2014</u>
General government	67	70	70	68	62	55	57	55	57	57
Community services	32	34	35	35	34	34	32	29	28	29
Planning	63	61	62	60	56	54	51	49	42	40
Public ways and facilities	111	107	110	102	102	97	92	92	89	88
Public safety										
Sworn police personnel	122	120	125	127	122	118	119	123	120	119
Civilians	63	70	68	64	58	57	55	52	52	52
Sanitation	53	53	53	60	54	54	54	53	56	51
Waterworks district no. 8	40	38	38	37	41	43	43	43	44	45
Transit	<u>42</u>	<u>43</u>	<u>46</u>	<u>46</u>	<u>47</u>	<u>46</u>	<u>42</u>	<u>40</u>	<u>41</u>	<u>38</u>
Total	<u>593</u>	<u>596</u>	<u>607</u>	<u>599</u>	<u>576</u>	<u>558</u>	<u>545</u>	<u>536</u>	<u>529</u>	<u>519</u>

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									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General government										
Business tax applications and renewals	8,696	8,546	8,675	8,735	9,253	10,310	10,177	10,257	9,764	9,709
Business tax receipts issued	7,514	8,273	8,316	8,211	8,312	8,352	9,463	9,196	9,060	8,936
Business tax revenues (\$)	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	1,601,875
Community services										
Cultural arts center events	220	334	227	211	380	372	349	334	344	362
Cultural arts center attendance	28,400	31,000	31,345	31,070	40,475	40,682	40,994	35,418	39,388	38,643
Senior center attendance	101,000	107,000	126,838	141,528	162,961	184,511	187,968	189,302	192,107	182,368
Planning										
Building permits	2,738	2,891	2,004	1,700	1,232	1,196	1,362	1,623	1,590	2,382
Plumbing, mechanical, and electrical permits	5,679	5,220	3,716	2,691	2,366	1,899	2,284	2,590	2,592	3,473
Permit valuation (thousands \$)	415,846	284,767	99,392	74,530	38,025	34,197	37,685	49,992	47,316	55,300
Public Safety										
Arrests	3,818	3,686	3,552	4,170	4,051	3,310	3,507	3,857	3,472	2,961
Enforcement citations	10,249	11,585	10,905	10,280	10,941	6,350	7,301	6,827	7,688	8,518
Public ways and facilities										
Street resurfacing (miles)	6.43	5.86	7.68	0.46	13.57	16.57	9.66	2.23	6.66	5.67
Sanitation										
Wastewater customers	35,059	35,192	35,289	35,451	36,483	36,428	36,250	36,604	36,704	36,796
Average dry weather flow (MGD)	8.84	9.50	8.80	10.00	9.50	9.30	9.20	8.80	8.60	8.50
Waterworks district no. 8										
Customers	23,757	25,195	25,375	25,452	25,642	24,920	24,942	25,059	25,156	25,093 ¹
Water delivered (million gallons)	8,125.6	8,128.0	8,137.0	8,679.0	7,981.4	7,192.0	6,502.0	6,305.1	7,352.8	8,083.5
Transit										
Fixed-route revenue miles	367,787	449,223	509,743	477,005	464,784	471,267	415,973	420,295	400,425	426,057
Fixed-route passengers	432,714	450,106	483,653	454,440	477,032	479,456	435,416	417,156	434,512	347,929
Fixed-route revenue hours	24,114	28,526	30,893	30,768	31,189	31,223	26,177	25,776	24,882	25,551
Paratransit revenue miles	235,556	238,061	240,979	199,570	189,810	189,264	179,944	180,763	184,074	183,407
Paratransit passengers	40,199	42,815	45,210	43,457	48,123	51,204	47,054	45,756	46,290	50,308
Paratransit revenue hours	20,690	19,059	18,959	17,976	17,663	17,571	17,604	17,486	18,966	29,637

NOTE:

1. Balance of community, approximately 13,365 customers, serviced by Golden State Water Co. during fiscal year 2014.

SOURCE:
City of Simi Valley
Golden State Water Co.

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

Function	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Public safety										
Police stations	1	1	1	1	1	1	1	1	1	1
Fleet size	94	96	97	97	93	90	91	91	94	96
Public ways and facilities										
Streets (miles)	307.67	308.03	308.62	321.00	322.71	324.10	324.10	324.91	324.91	326.91
Streetlights ¹	7,551	7,645	7,660	7,701	7,687	7,815	7,932	7,937	7,942	8,241
Traffic signals ²	108	116	117	117	118	118	121	121	121	121
Sanitation										
Sewerlines (miles) ³	400	400	400	400	362	362	362	374	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	380
Fire hydrants	-	2,700	2,750	2,755	2,773	2,844	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	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	0	0	0
Paratransit Vehicles	13	13	12	12	10	12	12	11	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 FY2005 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