

STATE OF CALIFORNIA
CITY OF SIMI VALLEY

COMPREHENSIVE
ANNUAL FINANCIAL REPORT
2006-07

FISCAL YEAR ENDED JUNE 30, 2007



Ronald Reagan Presidential Library
Air Force One Pavilion

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

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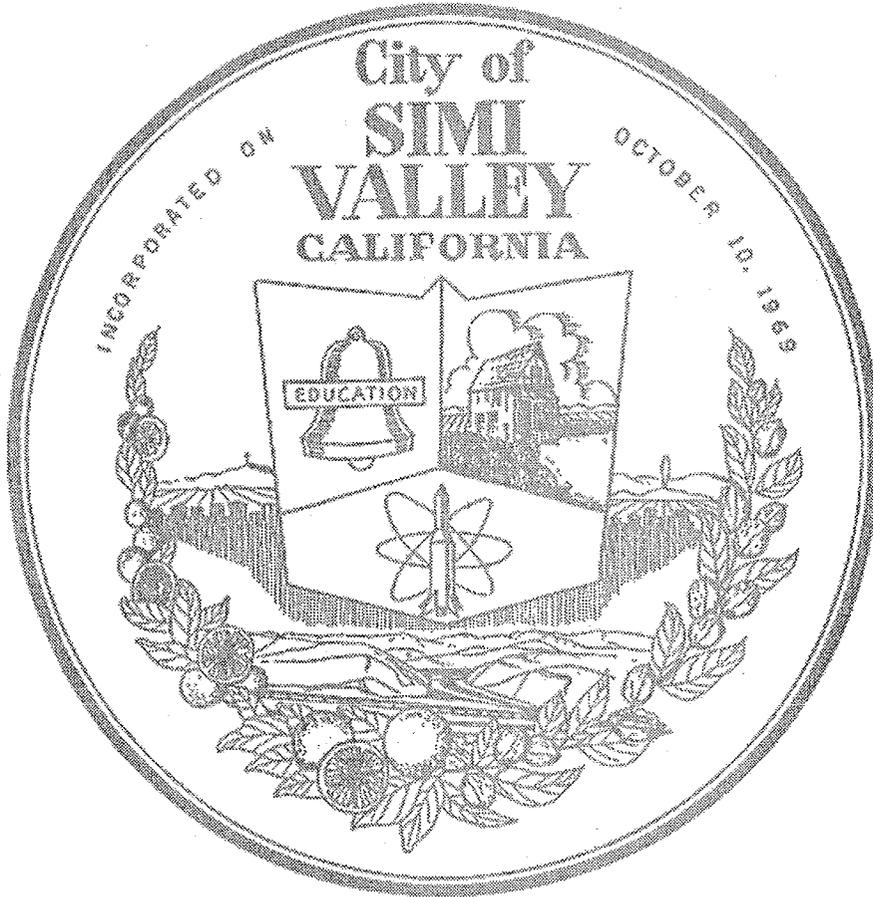
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INTRODUCTORY SECTION



CITY OF SIMI VALLEY

Home of The Ronald Reagan Presidential Library

December 15, 2007

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

State law requires that all general-purpose local governments publish within six months of the close of each fiscal year a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the comprehensive annual financial report of the City of Simi Valley for the fiscal year ended June 30, 2007.

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.

The City's financial statements have been audited by Moreland and Associates, Inc., a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City for the year ended June 30, 2007, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the City's financial statements for the fiscal year ended June 30, 2007 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 125,840 and is the third largest of Ventura County's ten cities. It is located on the County's southeastern border, nestled between the Santa Susana Mountains and the Simi Hills. The City, which covers a land area of 38.9 square miles, has a mean elevation of 765 feet.

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

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

City government is divided into five departments: Police, Public Works, Administrative Services, Environmental Services, and Community Services. The City has its own sanitation agency 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. Fire, paramedic, and animal regulation services are provided by the County of Ventura. The Rancho Simi Recreation and Park District provides leisure service activities.

The annual budget serves as the foundation for the City's financial planning and control. The budget also contains detailed goals and objectives, a working financial plan, and financial projections for the departments and agencies that comprise the City's governmental structure.

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

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

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

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

Factors Affecting Financial Condition

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

Local economy. The City continues to enjoy a favorable economic environment and local indicators point to continued stability. Locally generated revenues from taxes increased by \$3.3 million, or 7.6% over the prior fiscal year.

The region has a growing service and retail base that adds to the relative stability of employment. The unemployment rate for the City was 3.8% at June 30, 2007, while the State unemployment rate was 4.5. Major industries with headquarters or divisions located within the City's boundaries, or in close proximity, include retail sales, real estate lending, health care, insurance, computer hardware, and home improvement materials. A major regional shopping mall – the Simi Valley Town Center – opened in October 2005, and has provided increased job opportunities. The mall consists of approximately 1.3 million square feet of retail space, and includes a residential component with 500 luxury apartment units including 50 affordable units. This residential component is currently being leased with the first units occupied in October 2006.

The opening of the new Air Force One Pavilion at the Ronald Reagan Presidential Library in October 2005 continues to stimulate the local economy, as visitors from out of the area visit this impressive new facility.

Residential development activity in the City has moderated during the current fiscal year, reflective of the nation-wide trend, and is expected to moderate even more in the upcoming year. The residential real estate market has slowed and no major additions to the City's property tax roll are anticipated in the upcoming year. Although development-activity is expected to decline, sales tax revenue is expected to exceed the rate of inflation due to moderate increases in the City's population and retail sales base. Industrial growth is projected to continue in Simi Valley as corporations seeking friendly and accessible government, a safe community, and a strong labor pool continue to find Simi Valley an attractive location.

Long-term financial planning. The City's population grew by 1.5% during the current fiscal year, consistent with the growth in the past several years. This growth has demonstrated favorable impacts on the City's tax revenues. The opening of the Simi Valley Town Center regional mall in October 2005 is expected to generate significant new sales tax revenues for the City. Continued but more moderate growth in property tax revenue is anticipated in the coming fiscal year, as turnover in the real estate market has slowed and no major additions to the City's property tax roll are anticipated.

To address the continuing growth and increased demands for service, the City expanded its Senior Center facilities on the City's Civic Center campus. This 12,000 square foot expansion has doubled both the size of the current facility and the range of services available to seniors. Among the new services are: Lifelong Learning programs, a senior technology lab, and a fitness classroom. Providing services for seniors in Simi Valley is a particular priority, as seniors are among the fastest growing segment of the population. The City is also considering an expansion plan for the City Hall facility. If approved, this expansion will provide additional space and consolidate City departments in one physical location to create efficiencies of scale and improve services to the public.

Cash management policies and practices. Cash temporarily idle during the year was invested in obligations of the U.S. Government and the U.S. Treasury, the State Treasurer's Local Agency Investment Fund, and money market funds. The maturities of the investments range from one day to five years. The average yield on investments during the fiscal year was 4.6 percent. Investment income includes a reduction in the fair value of investments. Decreases in fair value during the current year, however, do not necessarily represent trends that will continue; especially in the case of temporary changes in the fair value of investments that the government intends to hold to maturity.

Risk Management. The City employs a full-time Risk Manager to oversee the processing of claims filed against the City, to procure appropriate insurance coverages, and to design and implement loss prevention programs. The City maintains self-insured retentions for property damage, workers' compensation, and general liability of \$10,000, \$500,000, and \$1,000,000, respectively. Various insurance carriers provide the City with excess coverage for claims that exceed these amounts. The City is fully self-insured for unemployment insurance claims. Health, dental, life, short-term, and long-term disability insurance coverages are also made available to City employees through a number of different insurance carriers.

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

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

The City also provides post-retirement health benefits for retirees and their spouses meeting specified service requirements. As of the end of the current fiscal year, there were 74 retired employees receiving these benefits, which were financed on a pay-as-you-go basis. GAAP do not require governments to report a liability in the financial statements in connection with an employer's obligation to provide these benefits. However, the City has been accumulating funds to pay future benefits post employment benefits.

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

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, 2007 was \$49,411,765. Actual tax revenues received and appropriated during the fiscal year were well under this limit.

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, 2006. This was the twenty-seventh consecutive year (fiscal years ended 1980-2006) that the City has received this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized CAFR. This report must satisfy both GAAP and applicable legal requirements.

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

The preparation of this report would not have been possible without the efficient and dedicated services of the entire staff of the Fiscal Services Division. Special thanks go to Lika Garg, Deputy Director/Fiscal Services, for her extensive work in preparing this report. I would also like to express my appreciation to all members of the Administrative Services Department who assisted with the preparation of this report, and to Moreland and Associates, Inc., 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 direction and support in planning and conducting the financial operations of the City in a progressive and responsible manner.

Respectfully submitted,

A handwritten signature in black ink that reads "James Purtee". The signature is written in a cursive style with a large, looped initial "J".

James Purtee
Department of Administrative Services

OFFICIALS OF THE CITY OF SIMI VALLEY
(as of June 30, 2007)

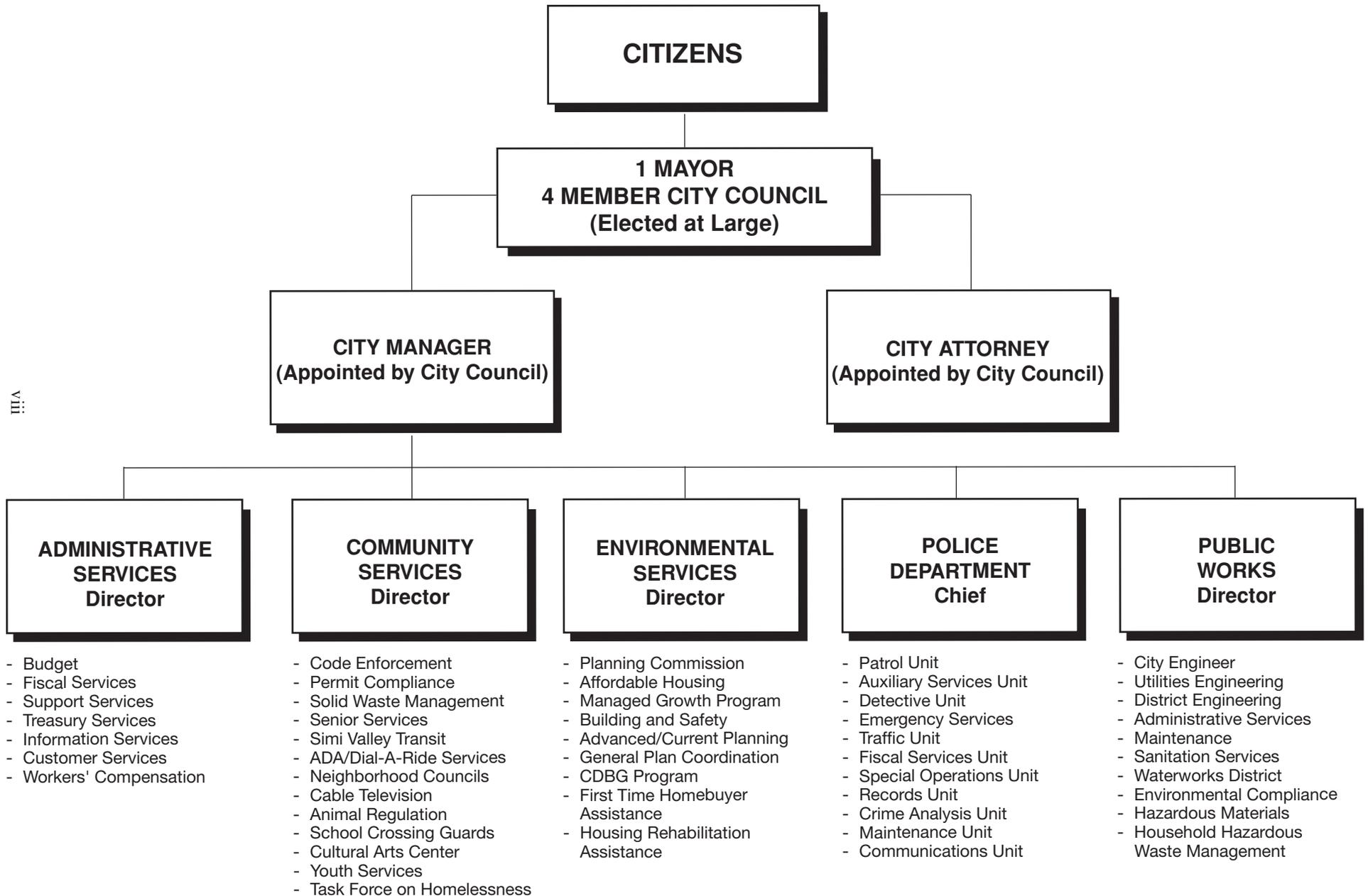
Members of the City Council

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

Administrative Staff

Mike Sedell City Manager
David H. Hirsch..... City Attorney
James Purtee Director of Administrative Services
Debbie Solomon Director of Community Services
Al Boughey Director of Environmental Services
Timothy P. NansonDirector of Public Works
Mike LewisChief of Police

ORGANIZATION of the City of SIMI VALLEY



Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Simi Valley
California

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2006

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



President

Executive Director



FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT



December 7, 2007

The Honorable City Council of
the City of Simi Valley, California

Independent Auditors' Report

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, (City) as of and for the year ended June 30, 2007, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of Simi Valley's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Simi Valley, California, as of June 30, 2007, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the general fund and major special revenue funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated December 7, 2007 on our consideration of the City of Simi Valley internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

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

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

Woodland & Associates, Inc.

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, 2007. 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 \$413,259,849. Of this amount, \$70,860,124 (*unrestricted net assets*) may be used to meet the government's ongoing obligations to citizens and creditors.
- The City's total net assets increased by \$163,916,932. The majority of this increase, \$145 million, is attributable to an increase in capital assets. The City capitalized the cost of acquiring and improving infrastructure assets incurred from July 1, 1980 to June 30, 2002. This increased the City's net assets by \$135 million. Current year increase in capital assets was \$10 million.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$94,571,136, an increase of \$8,444,621 in comparison with the prior year. Approximately 69% of the ending fund balance amount, or \$65,499,064, is available for spending at the government's discretion (*unreserved fund balance*). However, three-fourths of the unreserved fund balance (\$50 million) is designated for public improvements and other capital projects. An additional one-sixth (\$11 million) is held in special revenue funds, designated for low- and moderate-income housing projects.
- At the end of the current fiscal year, the unreserved/undesignated fund balance for the General fund was \$8,872,656. This amount represents the *Prudent Reserve for Economic Uncertainty* established by the City Council at 13% of budgeted General fund expenditures.
- The City of Simi Valley's total liabilities decreased by \$1.2 million during the current fiscal year. This decrease consists of a \$2.9 million decrease in long-term liabilities due to payment of scheduled debt service, offset by a \$1.7 million increase in accounts payable and salaries payable.

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:

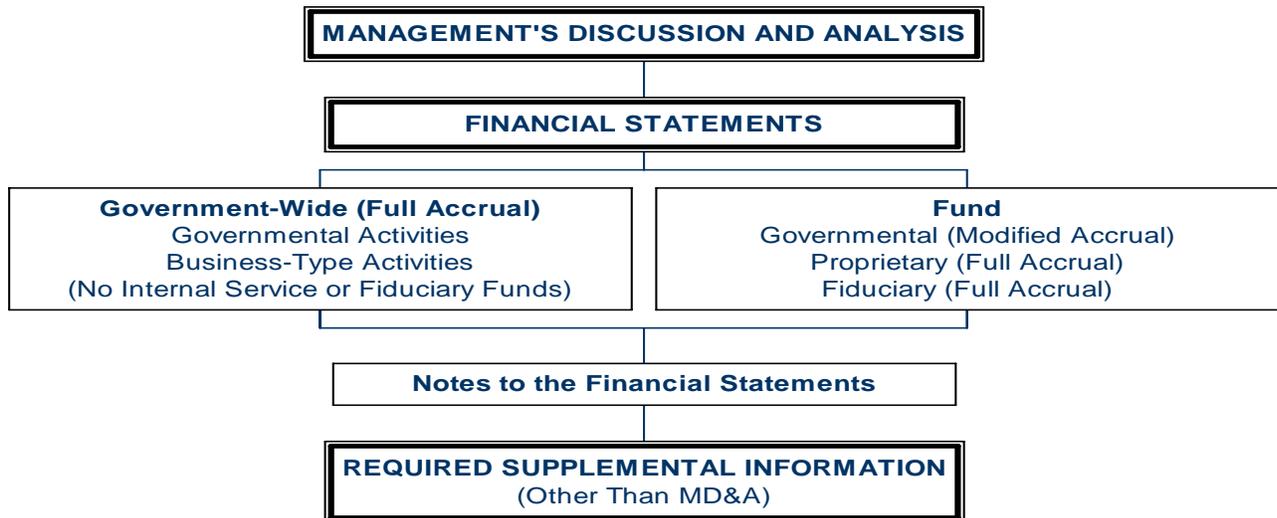
- 1) Government-wide financial statements,

CITY OF SIMI VALLEY • MANAGEMENT DISCUSSION AND ANALYSIS

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

In addition, this report also contains required supplementary information, supplementary information, and statistical information.

The following diagram displays the interrelationships of this report.



Government-wide financial statements

The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business. The City has presented information from prior years in this letter for comparative purposes.

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

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

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

CITY OF SIMI VALLEY • MANAGEMENT DISCUSSION AND ANALYSIS

safety. The business-type activities of the City include a Sanitation fund, a Waterworks District, and a Transit fund.

Fund financial statements

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

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

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

The City maintains over 70 individual governmental funds in its financial system and presents them grouped by related activities as 5 major and 25 nonmajor separate governmental funds for this report. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the five major funds: the General fund, the Community Development Agency Housing Administration fund, the Merged Tapo Canyon and West End Tax Increment fund, the Development Related Fees fund, and the Streets and Roads fund. Data from the other 25 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

CITY OF SIMI VALLEY • MANAGEMENT DISCUSSION AND ANALYSIS

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

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

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

Notes to the financial statements

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

Other information

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

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

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the City of Simi Valley, assets exceeded liabilities by \$413,259,849 at the close of the most recent fiscal year.

A significant portion of the City's net assets (64%) reflects its investment in capital assets net of accumulated depreciation (land, buildings, machinery and equipment), less any related debt used to acquire those assets that is still outstanding. The City uses these assets to provide

CITY OF SIMI VALLEY • MANAGEMENT DISCUSSION AND ANALYSIS

services to citizens; consequently these assets are not available for future spending. Although the City’s investments in capital assets is reported net of related debt, the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City’s net assets (19%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets (17%) may be used to meet the City’s ongoing obligations to citizens and creditors.

City of Simi Valley’s Net Assets

	Governmental		Business-Type		Total	
	<u>Activities</u>		<u>Activities</u>			
	<u>FY 2006-07</u>	<u>FY 2005-06</u>	<u>FY 2006-07</u>	<u>FY 2005-06</u>	<u>FY 2006-07</u>	<u>FY 2005-06</u>
Current and other assets	\$135,999,528	\$123,720,676	\$52,155,778	\$46,402,219	\$188,155,306	\$170,122,895
Capital assets	220,253,574	110,875,468	109,436,007	74,114,013	329,689,581	184,989,481
Total assets	<u>356,253,102</u>	<u>234,596,144</u>	<u>161,591,785</u>	<u>120,516,232</u>	<u>517,844,887</u>	<u>355,112,376</u>
Long-term liabilities outstanding	70,822,150	73,682,934	804,121	805,425	71,626,271	74,488,359
Other liabilities	28,562,803	27,941,838	4,395,964	3,339,262	32,958,767	31,281,100
Total liabilities	<u>99,384,953</u>	<u>101,624,772</u>	<u>5,200,085</u>	<u>4,144,687</u>	<u>104,585,038</u>	<u>105,769,459</u>
Net assets:						
Invested in capital assets, net of related debt	153,537,599	55,108,472	109,436,007	74,114,013	262,973,606	129,222,485
Restricted	60,444,524	39,933,025	18,981,595	19,733,407	79,426,119	59,666,432
Unrestricted	42,886,026	37,929,875	27,974,098	22,524,125	70,860,124	60,454,000
Total net assets	<u>\$256,868,149</u>	<u>\$132,971,372</u>	<u>\$156,391,700</u>	<u>\$116,371,545</u>	<u>\$413,259,849</u>	<u>\$249,342,917</u>

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

CITY OF SIMI VALLEY • MANAGEMENT DISCUSSION AND ANALYSIS

City of Simi Valley's Changes in Net Assets

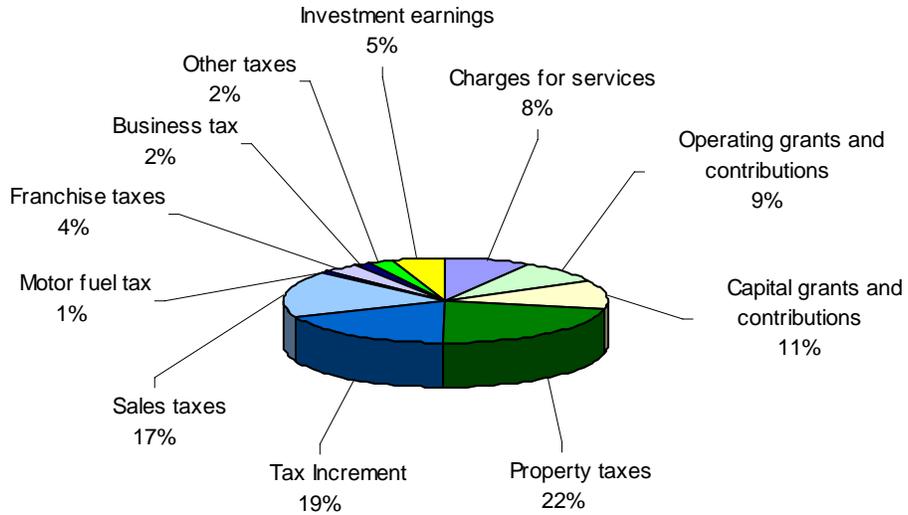
	Governmental Activities		Business-Type Activities		Total	
	FY 2006-07	FY 2005-06	FY 2006-07	FY 2005-06	FY 2006-07	FY 2005-06
Revenues:						
Program Revenues:						
Charges for services	\$ 8,589,103	\$ 15,392,846	\$ 41,522,696	\$ 36,990,455	\$ 50,111,799	\$ 52,383,301
Operating grants and contributions	9,025,966	10,231,371	2,480,838	848,402	11,506,804	11,079,773
Capital grants and contributions	7,683,123	8,234,576	707,834	2,339,931	8,390,957	10,574,507
General Revenues:						
Property taxes & tax increment	41,663,078	32,255,028	-	-	41,663,078	32,255,028
Other taxes	25,587,581	25,065,742	-	-	25,587,581	25,065,742
Capital contributions	3,178,901	3,788,253	3,275,376	8,842,544	6,454,277	12,630,797
Other	6,184,146	4,044,350	2,613,403	1,435,910	8,797,549	5,480,260
Total revenues	<u>101,911,898</u>	<u>99,012,166</u>	<u>50,600,147</u>	<u>50,457,242</u>	<u>152,512,045</u>	<u>149,469,408</u>
Expenses:						
General government	24,598,755	18,429,120	-	-	24,598,755	18,429,120
Community services	3,645,993	3,958,051	-	-	3,645,993	3,958,051
Planning	8,698,721	8,011,435	-	-	8,698,721	8,011,435
Public ways and facilities	15,837,703	15,174,460	-	-	15,837,703	15,174,460
Public safety	26,677,974	26,693,489	-	-	26,677,974	26,693,489
Interest on long-term debt	3,232,084	2,525,366	-	-	3,232,084	2,525,366
Indirect expense allocation	(5,103,000)	(4,027,800)	5,103,000	4,027,800	-	-
Sanitation	-	-	11,340,436	10,773,794	11,340,436	10,773,794
Water	-	-	24,321,032	21,957,393	24,321,032	21,957,393
Transit	-	-	4,796,632	4,952,689	4,796,632	4,952,689
Total expenses	<u>77,588,230</u>	<u>70,764,121</u>	<u>45,561,100</u>	<u>41,711,676</u>	<u>123,149,330</u>	<u>112,475,797</u>
Change in net assets before transfers	24,323,668	28,248,045	5,039,047	8,745,566	29,362,715	36,993,611
Transfers	(2,463,585)	(1,316,992)	2,463,585	1,316,992	-	-
Change in Net Assets	<u>21,860,083</u>	<u>26,931,053</u>	<u>7,502,632</u>	<u>10,062,558</u>	<u>29,362,715</u>	<u>36,993,611</u>
Net assets - beginning of the year, as restated	235,008,066	106,040,319	148,889,068	106,308,987	383,897,134	212,349,306
Net Assets - ending	<u>\$ 256,868,149</u>	<u>\$ 132,971,372</u>	<u>\$ 156,391,700</u>	<u>\$ 116,371,545</u>	<u>\$ 413,259,849</u>	<u>\$ 249,342,917</u>

During the current fiscal year the City's total net assets increased by \$29,362,715. This increase was primarily due to revenues continuing to outstrip expenses even with a decline in development activity in the City.

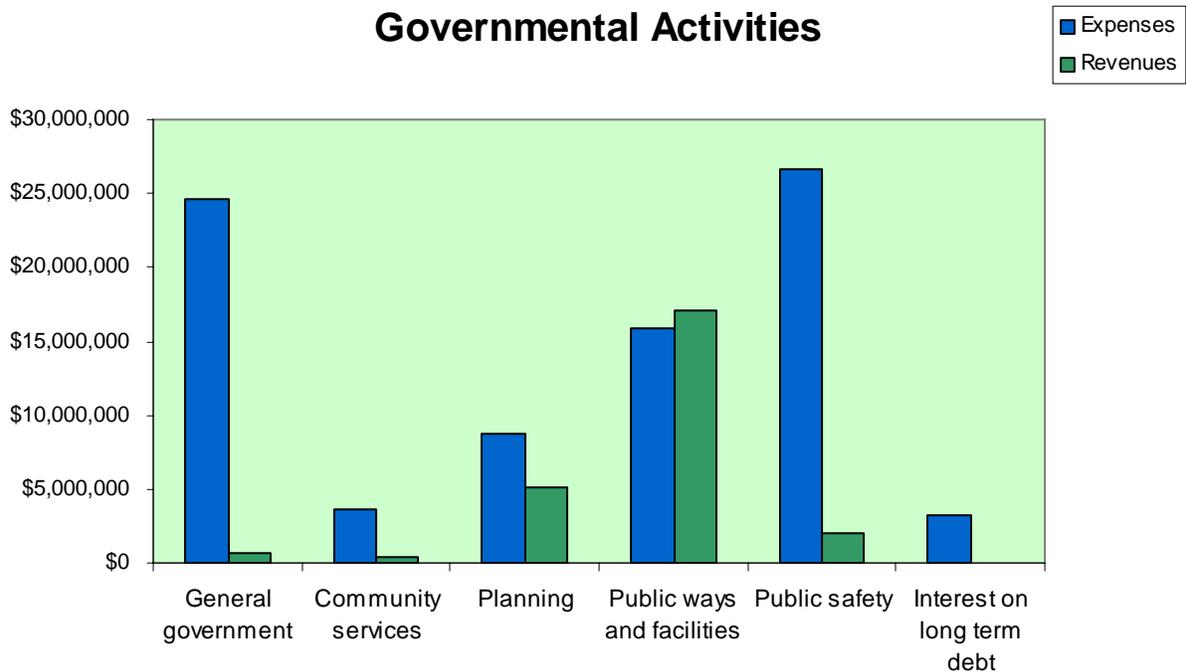
Governmental Activities. Governmental activities increased the City's net assets by \$21,860,083, accounting for 74.4% of the total growth in the net assets of the City.

Governmental activities increased the City's net assets by \$21.9 million as compared to \$26.9 million in the prior year. The decrease of \$5.0 million in the City's change in net assets as compared to prior year resulted from a decline in development activity in the City, which resulted in an \$8.5 million decrease in service charges and other program revenues. However, property tax revenues increased by \$9.4 million after a full year of operation of a shopping mall that opened in the fall of 2005, sales tax revenues posted a modest increase of \$1.4 million, and investment earnings increased by \$2.3 million due to higher returns from new purchases of higher yielding securities as well as increase in the size of the investment portfolio. Taxes in various other categories decreased by \$1.7 million. Expenses across most City departments increased by \$6.8 million, while general fund's subsidy to the transit operation increased by \$1.1 million.

Revenues by Source - Governmental Activities



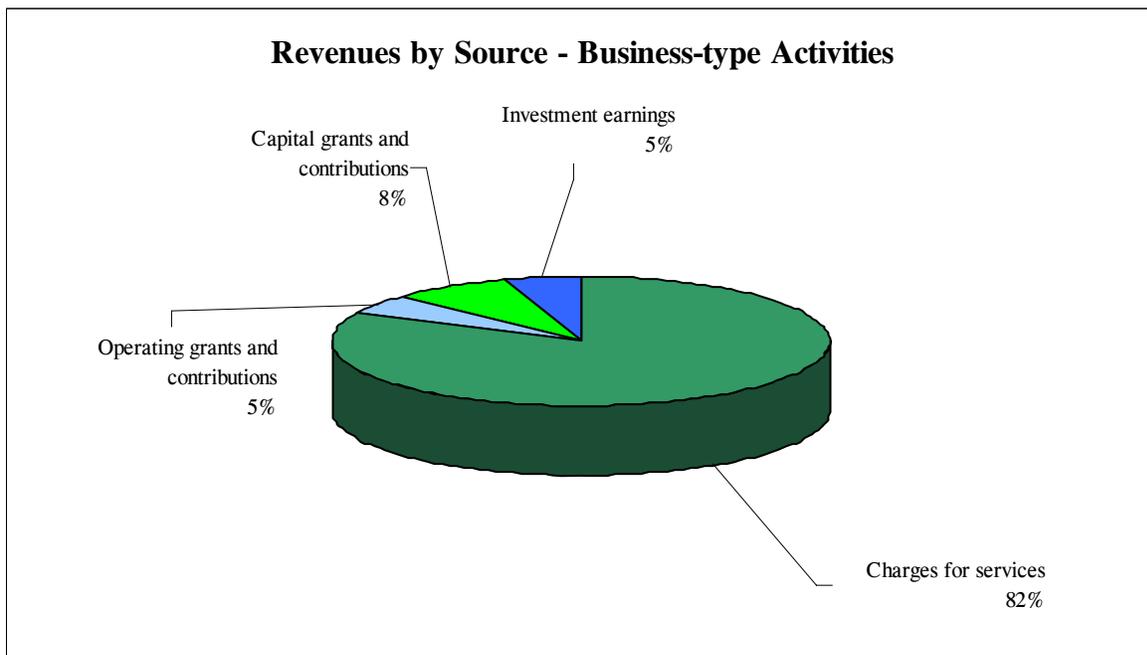
Expenses and Program Revenues Governmental Activities

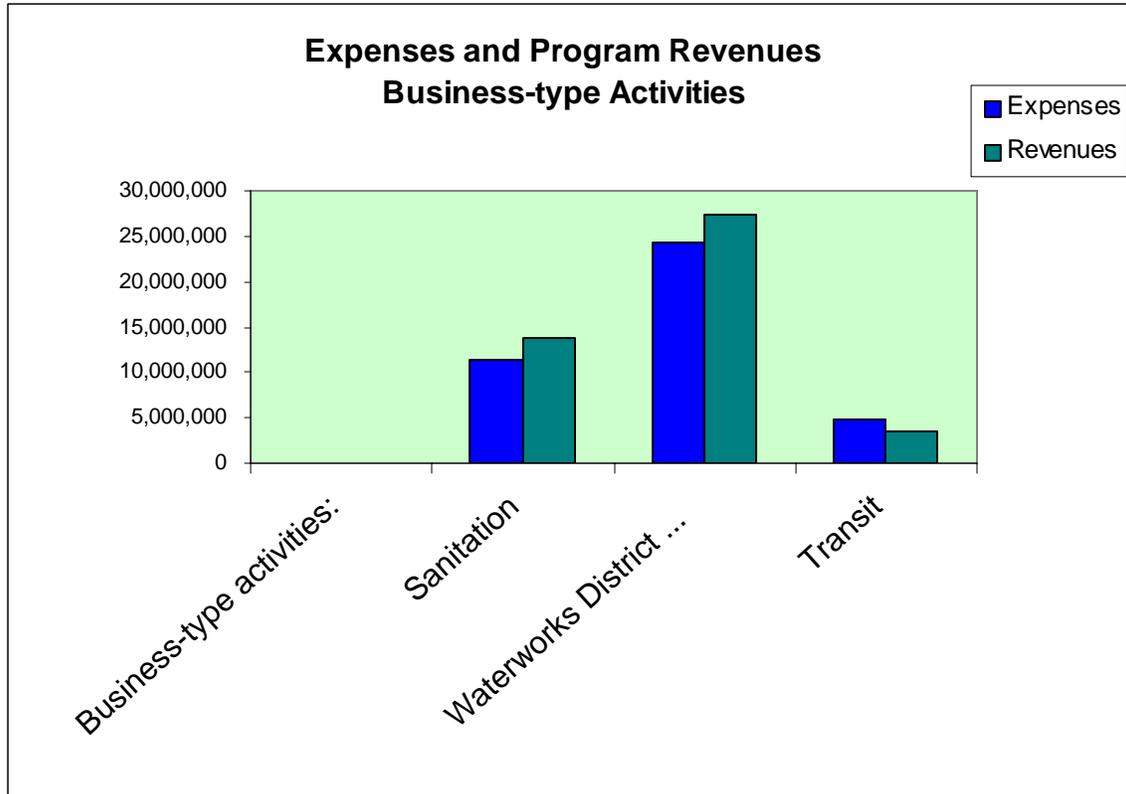


CITY OF SIMI VALLEY • MANAGEMENT DISCUSSION AND ANALYSIS

Business-type Activities. Business-type activities increased the City's net assets by \$7,502,632, accounting for 25.6% of the total growth in the net assets of the City.

Business-type activities increased the City's net assets by \$7.5 million as compared to \$10.1 million in the prior year. Operating revenues posted a modest increase over operating expenses (\$0.7 million), as a result of slight increases in the customer base and service rates. These increases in revenues offset increases in expenses, which increased moderately in most categories with the exception of water purchase costs, which increased by 17.5%, or \$2.5 million because of increases in both the customer base and water costs. Investment earnings were higher than the prior year by \$1.2 million, and transfers to other funds were lower by \$1.1 million as two major capital projects were substantially completed in the prior year. However, the decline in development activity was reflected in a \$3.3 million decrease in connection fees. Additionally, developer contributed infrastructure, which is capitalized when completed projects are accepted by the City was lower in this fiscal year than in the prior year by \$2.3 million.





Financial Analysis of the Government's Funds

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

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

At the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$94,571,136, an increase of over \$8.4 million over the prior year. Slightly more than two-thirds of this total amount (\$65.5 million) constitutes *unreserved fund balance*, which is available to meet the City's current and future needs. During this fiscal year there was a significant increase in tax revenues, particularly tax increment revenues, due to the completion of a shopping mall in the fall of 2005. Additionally, capital expenditures dropped to normal levels after the spike in capital expenditures in the prior fiscal year related to the construction of the shopping mall, and improvements to, and expansion of, the Senior Citizens' Center. A portion of the fund balance (\$29.1 million) is *reserved* to indicate that it is not available for new spending because it has already been committed for the following purposes: (1) to liquidate contracts and purchase orders of the prior period (\$3,860,133); (2) to pay debt service (\$7,369,854); and (3) for advances to other funds and loans receivable not due in the upcoming fiscal year (\$17,842,085).

CITY OF SIMI VALLEY • MANAGEMENT DISCUSSION AND ANALYSIS

The General fund is the chief operating fund of the City. At the end of the fiscal year, unreserved/undesignated fund balance of the General fund was \$8,872,656, while total fund balance was \$37,352,516. As a measure of the General fund's liquidity, it may be useful to compare both unreserved/undesignated fund balance and total fund balance to total fund expenditures. Unreserved/undesignated fund balance represents 13% of budgeted General fund expenditures, established as a *Prudent Reserve for Economic Uncertainty* by the City Council. Total fund balance represents 55% of budgeted General fund expenditures.

The fund balance of the City's General fund increased by \$554,569 during the current fiscal year. Increases in property and sales tax revenues were offset by decreases in other revenue categories. The net revenue increases were sufficient to sustain the moderate increase in expenditures across all City departments and generate the slight increase in fund balance.

The net change in the fund balance of the Community Development Housing Administration fund was an increase of \$2,265,554. This increase primarily resulted from higher set-aside revenue transfers from tax increment funds.

The fund balance of the Merged Tapo Canyon and West End Tax Increment fund increased by \$2,868,260. This increase was primarily due to increases in property tax revenue from the redevelopment area where a new shopping mall was completed in the fall of 2005.

The fund balance of the Development Related Fees fund increased by \$1,761,541. Development related revenues are on the decline as the City is getting built out. Transfers to fund projects from this fund were curtailed, which contributed to the increase in fund balance.

The fund balance of the Streets and Roads fund increased by \$2,255,305. Budgeted projects in this fund are pre-funded with transfers from various funds. In addition, a significant portion of these expenditures are reimbursed by federal grants. Revenues from these sources exceeded expenditures, even though expenditure activity on street projects was significantly higher than in the previous year.

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

Unrestricted net assets of the Sanitation, Waterworks and Transit funds were \$15,626,265, \$11,332,523, and \$184,516, respectively. The growth in total net assets for Sanitation, Waterworks, and Transit was \$2,655,892, \$3,906,945, and \$155,029, respectively. Other factors concerning the finances of these funds have already been addressed in the discussion of Business-type activities.

General Fund Budgetary Highlights

The difference between the General fund original expenditure budget and the final amended expenditure budget was \$2.1 million, and can be briefly summarized as follows:

CITY OF SIMI VALLEY • MANAGEMENT DISCUSSION AND ANALYSIS

- \$.1 million in supplemental funding was approved for high priority tree trimming projects.
- \$.1 million was appropriated for an increase in Police Dispatcher salaries.
- \$.2 million was appropriated to increase spending on the City's annual street maintenance program.
- \$1.7 million in additional increases were appropriated for prior year commitments that were carried forward, across all City departments. These consisted of approved expenditure increases in various categories, and were offset by available fund balance. This amount was not included in the original adopted budget.

Actual expenditures were \$5.0 million less than the General fund final amended expenditure budget. The significant variances are summarized below:

- \$1.7 million of under-expenditures were in personnel costs due to vacancies, particularly in the areas of Public ways and facilities, Planning and Administrative services. All authorized positions were budgeted, however, several positions were not filled during the current fiscal year.
- \$2.2 million of savings were achieved in the Services category; \$.5 million in savings was achieved in the Supplies and Materials category, and \$.1 million was under-spent in the Capital purchases category.
- \$0.5 million of savings were achieved in the Transfers category. The required transfer estimated to fund the transit operation was lower than anticipated.

In the following two revenue categories, actual receipts exceeded budgeted amounts significantly: Property Taxes and Use of Money and Property. Property taxes were expected to increase after a full year since the opening of a shopping mall in the fall of 2005, but actual revenues exceeded expectations. Interest revenue was projected based on prior year's actual receipts, but higher interest rates during the current year contributed to actual receipts exceeding budgeted amounts.

Capital Asset and Debt Administration

Capital assets. The City of Simi Valley's investment in capital assets for its governmental and business type activities as of June 30, 2007, amounts to \$329,689,581 (net of accumulated depreciation). This is an increase of \$144,700,100 as compared to prior year and consists of two components:

- Infrastructure acquired, or significantly improved from July 1, 1980 to June 30, 2002 of \$134,554,217, and

CITY OF SIMI VALLEY • MANAGEMENT DISCUSSION AND ANALYSIS

- Assets acquired during the current fiscal year of \$10,145,883.

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. The total increase in the City’s investment in capital assets, as compared to prior year, was 78%; 93% of this increase was from the retroactive reporting of infrastructure assets, and 7% of the increase was from current year acquisitions.

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

- \$7.3 million in street projects were completed.
- \$2.6 million in streets, and \$2.2 million in water and sewer lines were donated by developers for projects completed and accepted by the City.
- \$8.5 million in street projects expenses were incurred for projects in progress during the year.
- The Senior Center Expansion and the Unified Two-way Radio System projects neared completion, with \$1.1 and \$0.4 million in construction costs incurred during the year.
- The financial information system upgrade was completed with \$1.2 million in implementation costs capitalized at the end of the fiscal year.

Additional information on the City’s capital assets can be found in note III D on pages 50 - 51.

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

	<u>Governmental</u>		<u>Business-Type</u>		<u>Total</u>	
	<u>Activities</u>	<u>Activities</u>	<u>Activities</u>	<u>Activities</u>	<u>Activities</u>	<u>Activities</u>
	<u>FY 2006-07</u>	<u>FY 2005-06</u>	<u>FY 2006-07</u>	<u>FY 2005-06</u>	<u>FY 2006-07</u>	<u>FY 2005-06</u>
Land	\$ 5,407,142	\$ 8,707,247	\$ 1,216,994	\$ 1,216,994	\$ 6,624,136	\$ 9,924,241
Buildings	20,396,601	21,330,324	7,731,403	8,007,879	28,128,004	29,338,203
Furnishings and equipment	327,964	341,064	1,274,784	854,892	1,602,748	1,195,956
Computers	1,412,158	1,431,629	-	-	1,412,158	1,431,629
Vehicles	1,298,091	977,681	2,774,767	3,159,393	4,072,858	4,137,074
Infrastructure	136,773,348	25,714,207	91,114,365	41,338,580	227,887,713	67,052,787
Intangibles	4,611,362	3,006,917	-	-	4,611,362	3,006,917
Construction in progress	50,026,908	49,366,399	5,323,694	19,536,275	55,350,602	68,902,674
Total	\$220,253,574	\$110,875,468	\$109,436,007	\$74,114,013	\$329,689,581	\$184,989,481

CITY OF SIMI VALLEY • MANAGEMENT DISCUSSION AND ANALYSIS

Long-term debt. At the end of the current fiscal year, the City had total bonded debt outstanding of \$61,766,686. This entire amount represents bonds secured solely by specified revenue sources (i.e., revenue bonds).

City of Simi Valley’s Outstanding Bonded Debt

	Governmental Activities	
	<u>FY 2006-07</u>	<u>FY 2005-06</u>
1995 SVPFA variable rate lease revenue bonds	\$ 6,690,000	\$ 7,260,000
2003 tax allocation bonds	29,320,000	30,040,000
2004 certificates of participation	25,495,000	25,955,000
Less deferred amounts	261,686	262,397
Total	<u><u>\$ 61,766,686</u></u>	<u><u>\$ 63,517,397</u></u>

The City’s bonded debt decreased by \$1,750,711 (2.8%) during the current fiscal year as a result of scheduled debt service payments.

The City maintains an “A+” rating from Standard & Poor’s and has no outstanding general obligation debt at this time.

Additional information on the City’s long-term debt can be found in note III G on pages 54 – 56.

Economic Factors and Next Year’s Budgets and Rates

- Property tax receipts grew significantly during the current fiscal year, due to both strong increases in tax-increment revenue as well as growth in the “Property Tax In-Lieu” and “Tax Equity Adjustment” (TEA) components of the City’s property tax. Continued but more moderate growth in property tax revenue is anticipated in the coming fiscal year, as turnover in the real estate market has slowed and no major additions to the City’s property tax roll are anticipated.
- Development activity moderated significantly in FY 2006-07, leading to declines in development-related revenues such as building permits, planning fees, engineering plan-check, and inspection fees. Little change, or perhaps additional slight declines, in development-related revenues is anticipated in FY 2007-08.
- Sales tax receipts increased 8.6% in FY 2006-07 compared to the prior year, due mostly to increased receipts from the Simi Valley Town Center regional mall, which opened in October 2005 and operated during the entirety of the current fiscal year. Growth in sales tax revenues is expected to once again exceed the rate of inflation

CITY OF SIMI VALLEY • MANAGEMENT DISCUSSION AND ANALYSIS

during the upcoming fiscal year due to moderate increases in the City's population and retail sales base.

- Water and sewer rates were increased within the last year. Effective January 1, 2007, water rates were increased by an average of 4.6%. This increase was based on the Construction Cost Index (CCI). Effective July 1, 2007, an increase in sewer rates of 3.8% was implemented. This increase was based on the Consumer Price Index (CPI). These increases will enable the enterprises to maintain an adequate cash reserve, to fund the replacement of existing facilities and equipment, and to construct new facilities.

Requests for Information

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

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS



CITY OF SIMI VALLEY
STATEMENT OF NET ASSETS
JUNE 30, 2007

	Governmental Activities	Business-Type Activities	Total
<u>ASSETS</u>			
Current assets:			
Cash and investments (note III A)	\$ 107,455,771	\$ 23,712,994	\$ 131,168,765
Accounts receivable (net of allowance for uncollectibles) (note III C)	1,391,492	5,308,356	6,699,848
Taxes receivable	3,485,964	289,413	3,775,377
Grants receivable	374,002	2,958,896	3,332,898
Interest receivable	1,301,332	522,744	1,824,076
Internal balances (note I D 2)	1,583,445	(1,583,445)	-
Inventories	-	959,999	959,999
Restricted cash and investments (note III A):			
Customer deposits	-	875,850	875,850
Debt service	5,981,231	-	5,981,231
Connection fees	-	19,110,971	19,110,971
Total current assets	<u>121,573,237</u>	<u>52,155,778</u>	<u>173,729,015</u>
Noncurrent assets:			
Loans receivable (note III B)	13,040,310	-	13,040,310
Deferred charges	1,385,981	-	1,385,981
Capital assets (note III D):			
Capital assets not being depreciated	55,434,050	6,540,688	61,974,738
Capital assets being depreciated, net	164,819,524	102,895,319	267,714,843
Total noncurrent assets	<u>234,679,865</u>	<u>109,436,007</u>	<u>344,115,872</u>
Total assets	<u>356,253,102</u>	<u>161,591,785</u>	<u>517,844,887</u>
<u>LIABILITIES</u>			
Current liabilities:			
Accounts payable	2,745,322	3,124,375	5,869,697
Salaries and benefits payable	2,227,284	177,016	2,404,300
Accrued interest payable	970,660	-	970,660
Deposits	7,121,495	-	7,121,495
Liabilities payable from restricted assets	-	1,005,226	1,005,226
Unearned revenues	10,507,961	-	10,507,961
Current portion of long-term obligations	4,990,081	89,347	5,079,428
Total current liabilities	<u>28,562,803</u>	<u>4,395,964</u>	<u>32,958,767</u>
Noncurrent liabilities (note III G):			
Noncurrent portion of long-term obligations	70,822,150	804,121	71,626,271
Total liabilities	<u>99,384,953</u>	<u>5,200,085</u>	<u>104,585,038</u>
<u>NET ASSETS</u>			
Invested in capital assets, net of related debt	153,537,599	109,436,007	262,973,606
Restricted for:			
Capital projects	36,006,850	-	36,006,850
Debt service	11,348,547	-	11,348,547
Community development	9,826,043	-	9,826,043
Other purposes	3,263,084	18,981,595	22,244,679
Unrestricted	42,886,026	27,974,098	70,860,124
Total net assets	<u>\$ 256,868,149</u>	<u>\$ 156,391,700</u>	<u>\$ 413,259,849</u>

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**CITY OF SIMI VALLEY
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2007**

				Program Revenues	
<u>Expenses</u>	<u>Indirect Expenses Allocation</u>	<u>Full Cost by Function</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	
Primary government:					
Governmental activities:					
General government	\$ 24,598,755	\$ (6,122,760)	\$ 18,475,995	\$ 495,979	\$ 180,468
Community services (CS)	3,645,993	-	3,645,993	171,938	274,101
Planning (ES)	8,698,721	530,575	9,229,296	4,156,265	905,119
Public ways and facilities (PW)	15,837,703	489,185	16,326,888	2,782,618	7,086,414
Public safety (PD)	26,677,974	-	26,677,974	982,303	579,864
Interest on long term debt	3,232,084	-	3,232,084	-	-
Total governmental activities	82,691,230	(5,103,000)	77,588,230	8,589,103	9,025,966
Business-type activities:					
Sanitation	11,340,436	1,804,400	13,144,836	13,725,483	475
Waterworks district no. 8	24,321,032	2,347,700	26,668,732	27,250,693	228,623
Transit	4,796,632	950,900	5,747,532	546,520	2,251,740
Total business-type activities	40,458,100	5,103,000	45,561,100	41,522,696	2,480,838
Total primary government	\$ 123,149,330	\$ -	\$ 123,149,330	\$ 50,111,799	\$ 11,506,804

General revenues:

- Property taxes
- Tax Increment
- Sales taxes
- Motor fuel tax
- Franchise taxes
- Business tax
- Other taxes
- Investment earnings
- Miscellaneous
- Capital contributions-unrestricted
- Transfers

Total general revenues, contributions and transfers

Change in net assets

Net assets-beginning, as restated (note IV F)

Net assets-ending

**CITY OF SIMI VALLEY
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2007**

Program Revenues	Net (Expense) Revenue and Changes in Net Assets		
	Primary Government		
	Governmental Activities	Business-type Activities	Total
Capital			
Grants and Contributions			
\$ 12,290	\$ (17,787,258)	\$ -	\$ (17,787,258)
-	(3,199,954)	-	(3,199,954)
-	(4,167,912)	-	(4,167,912)
7,248,298	790,442	-	790,442
422,535	(24,693,272)	-	(24,693,272)
-	(3,232,084)	-	(3,232,084)
<u>7,683,123</u>	<u>(52,290,038)</u>	<u>-</u>	<u>(52,290,038)</u>
-	-	581,122	581,122
-	-	810,584	810,584
<u>707,834</u>	<u>-</u>	<u>(2,241,438)</u>	<u>(2,241,438)</u>
<u>707,834</u>	<u>-</u>	<u>(849,732)</u>	<u>(849,732)</u>
<u>\$ 8,390,957</u>	<u>(52,290,038)</u>	<u>(849,732)</u>	<u>(53,139,770)</u>
22,717,838	-	22,717,838	
18,945,240	-	18,945,240	
17,705,751	-	17,705,751	
711,694	-	711,694	
3,686,160	-	3,686,160	
1,778,116	-	1,778,116	
2,417,554	-	2,417,554	
5,472,452	2,484,909	7,957,361	
-	128,494	128,494	
3,178,901	3,275,376	6,454,277	
(2,463,585)	2,463,585	-	
<u>74,150,121</u>	<u>8,352,364</u>	<u>82,502,485</u>	
21,860,083	7,502,632	29,362,715	
<u>235,008,066</u>	<u>148,889,068</u>	<u>383,897,134</u>	
<u>\$ 256,868,149</u>	<u>\$ 156,391,700</u>	<u>\$ 413,259,849</u>	

Primary government:

Governmental activities:

General government
Community services (CS)
Planning (ES)
Public ways and facilities (PW)
Public safety (PD)
Interest on long term debt

Total governmental activities

Business-type activities:

Sanitation
Waterworks district no. 8
Transit

Total business-type activities

Total primary government

General revenues:

Property taxes
Tax Increment
Sales taxes
Motor fuel tax
Franchise taxes
Business tax
Other taxes
Investment earnings
Miscellaneous
Capital contributions-unrestricted
Transfers
Total general revenues, contributions and transfers

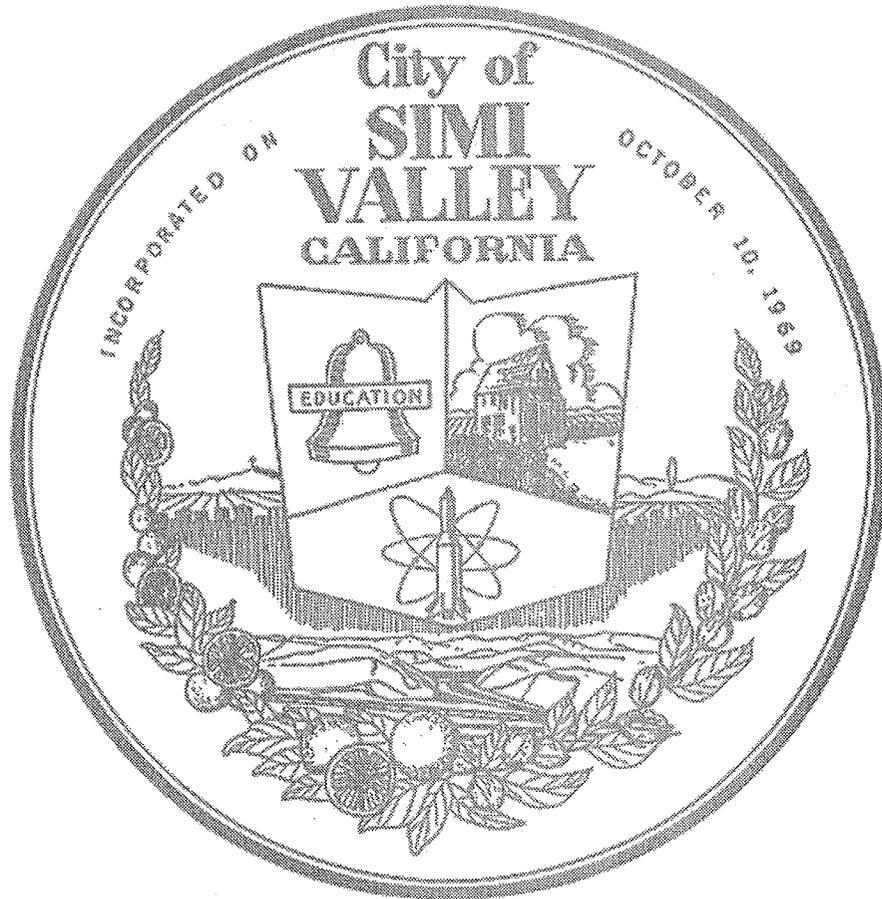
Change in net assets
Net assets-beginning, as restated (note IV F)

Net assets-ending



FUND FINANCIAL STATEMENTS





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CITY OF SIMI VALLEY
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2007

	General	Special Revenue	
		Community Development Agency Housing Administration	Merged Tapo Canyon & West End Tax Increment
ASSETS			
Cash and investments:			
Held by city	\$ 18,588,491	\$ 11,081,696	\$ 72,155
Held by bond trustee	-	-	-
Accounts receivable (net of allowance for uncollectibles) (note III C)	745,389	-	57,548
Taxes receivable	3,271,913	-	112,017
Grants receivable	25,790	-	-
Interest receivable	409,050	131,425	89,485
Due from other funds (note III F)	2,581,291	5,912	-
Loans receivable (net of allowance for uncollectibles) (notes III B, III C)	411,483	9,356,482	-
Advances to other funds (note III F)	14,930,602	-	-
TOTAL ASSETS	\$ 40,964,009	\$ 20,575,515	\$ 331,205
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts payable	\$ 1,273,301	\$ 8,563	\$ 331,204
Salaries and benefits payable	2,187,828	13,115	-
Due to other funds (note III F)	-	-	-
Advances from other funds (note III F)	-	-	9,264,895
Deposits	-	-	-
Deferred revenues	150,364	9,368,842	-
TOTAL LIABILITIES	3,611,493	9,390,520	9,596,099
FUND BALANCES			
Reserved (note III H)	16,758,264	150,544	5,441
Unreserved (note III H):			
General fund	11,721,596	-	-
Special revenue funds	-	11,034,451	-
Capital projects funds	-	-	-
Undesignated (note III H):			
General fund	8,872,656	-	-
Special revenue funds	-	-	(9,270,335)
Capital projects funds	-	-	-
TOTAL FUND BALANCES (DEFICITS)	37,352,516	11,184,995	(9,264,894)
TOTAL LIABILITIES AND FUND BALANCES	\$ 40,964,009	\$ 20,575,515	\$ 331,205

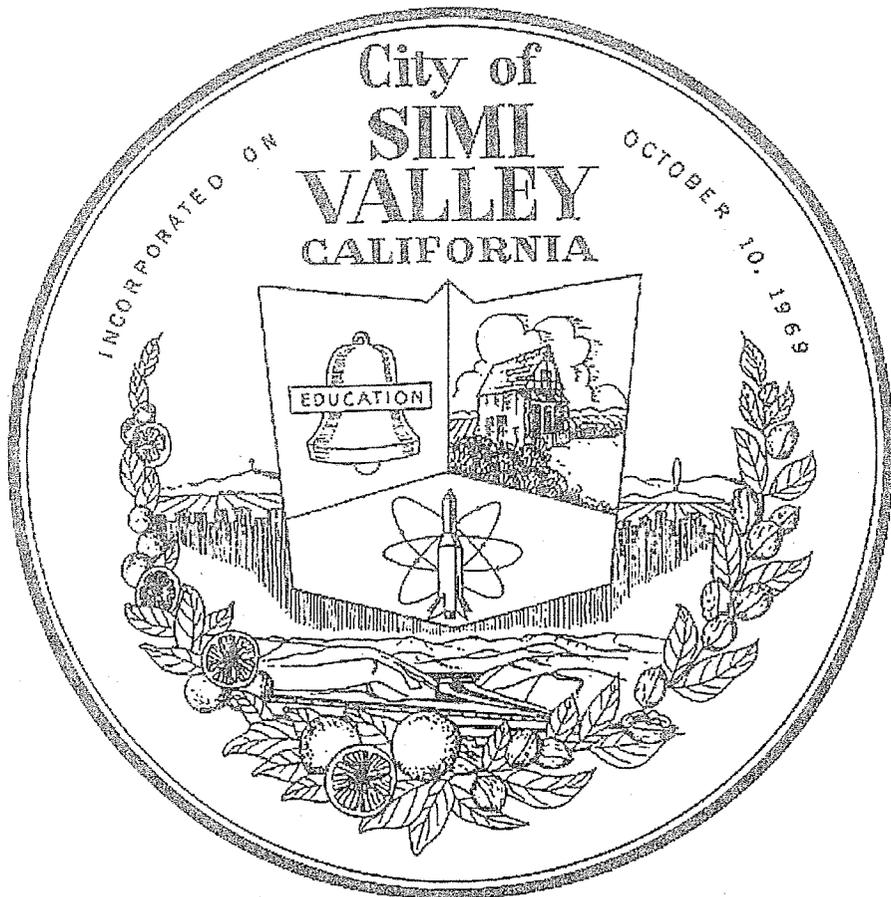
**CITY OF SIMI VALLEY
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2007**

<u>Special Revenue</u>	<u>Capital Projects</u>				
Development Related Fees	Streets & Roads	Nonmajor Governmental	Total Governmental Funds		
\$ 27,461,192	\$ 3,618,684	\$ 26,031,420	\$ 86,853,638	ASSETS	
-	-	5,981,231	5,981,231	Cash and investments:	
684	496,036	91,835	1,391,492	Held by city	
-	-	102,034	3,485,964	Held by bond trustee	
-	56,774	291,438	374,002	Accounts receivable (net of allowance for uncollectibles) (note III C)	
227,294	-	254,911	1,112,165	Taxes receivable	
3,000	-	-	2,590,203	Grants receivable	
324,440	-	2,947,905	13,040,310	Interest receivable	
-	-	2,500,000	17,430,602	Due from other funds (note III F)	
-	-	-	-	Loans receivable (net of allowance for uncollectibles) (notes III B, III C)	
-	-	-	-	Advances to other funds (note III F)	
<u>\$ 28,016,610</u>	<u>\$ 4,171,494</u>	<u>\$ 38,200,774</u>	<u>\$ 132,259,607</u>	TOTAL ASSETS	
				LIABILITIES AND FUND BALANCES	
\$ 60,261	\$ 313,335	\$ 631,255	\$ 2,617,919	LIABILITIES	
-	-	21,696	2,222,639	Accounts payable	
-	-	175,964	175,964	Salaries and benefits payable	
-	-	3,477,707	12,742,602	Due to other funds (note III F)	
7,121,495	-	-	7,121,495	Advances from other funds (note III F)	
324,440	-	2,964,206	12,807,852	Deposits	
7,506,196	313,335	7,270,828	37,688,471	Deferred revenues	
				TOTAL LIABILITIES	
90,000	1,571,643	10,496,180	29,072,072	FUND BALANCES	
-	-	-	11,721,596	Reserved (note III H)	
20,420,414	-	6,437,704	37,892,569	Unreserved (note III H):	
-	2,286,516	11,719,547	14,006,063	General fund	
-	-	-	8,872,656	Special revenue funds	
-	-	2,300,714	(6,969,621)	Capital projects funds	
-	-	(24,199)	(24,199)	Undesignated (note III H):	
<u>20,510,414</u>	<u>3,858,159</u>	<u>30,929,946</u>	<u>94,571,136</u>	General fund	
				Special revenue funds	
				Capital projects funds	
<u>\$ 28,016,610</u>	<u>\$ 4,171,494</u>	<u>\$ 38,200,774</u>	<u>\$ 132,259,607</u>	TOTAL FUND BALANCES (DEFICITS)	
				TOTAL LIABILITIES AND FUND BALANCES	

CITY OF SIMI VALLEY
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET ASSETS - GOVERNMENTAL ACTIVITIES
JUNE 30, 2007

Fund balances - total governmental funds		\$ 94,571,136
Amounts reported for governmental activities in the statement of net assets are different because:		
Capital assets in governmental activities are not financial resources and, therefore, are not reported in the governmental funds (note III D).		220,253,574
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds:		
Unamortized bond issuance costs		1,385,981
Internal service funds are used by management to charge the costs of workers' compensation and general liability. The assets and liabilities are included in governmental activities in the statement of net assets.		6,098,029
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds:		
Deferred revenue adjustment for loans receivable	\$ 2,299,892	
Accrued interest payable	(970,660)	
Compensated absences payable	(5,003,117)	
1995 Lease revenue bonds	(6,690,000)	
2003 Tax allocation bonds	(29,320,000)	
2004 Certificates of participation	(25,495,000)	
Unamortized bond premium	(735,657)	
Unamortized bond payable deferred on refunding	473,971	<u>(65,440,571)</u>
Net assets of governmental activities		<u>\$ 256,868,149</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, 2007

	General	Special Revenue	
		Community Development Agency Housing Administration	Merged Tapo Canyon & West End Tax Increment
REVENUES			
Taxes	\$ 46,062,375	\$ -	\$ -
Tax increment revenues	-	-	18,876,168
Licenses and permits	2,446,051	-	-
Fines and forfeitures	608,633	-	-
Use of money and property	2,433,787	625,071	302,964
From other governments	1,129,738	-	-
Grants	251,586	-	-
Service charges	1,951,806	18,995	-
Contributions from property owners	-	-	-
Other revenues	1,019,518	-	-
Total revenues	55,903,494	644,066	19,179,132
EXPENDITURES			
Current:			
General government	4,439,455	359,907	232,304
Community services (CS)	3,714,488	-	-
Planning (ES)	6,398,157	1,798,653	-
Public ways and facilities (PW)	13,408,429	-	-
Public safety (PD)	27,343,065	-	-
Total current expenditures	55,303,594	2,158,560	232,304
Capital outlay:			
Streets and roads	-	-	-
Other capital projects	-	-	-
Total capital outlay	-	-	-
Debt service:			
Principal	-	-	-
Interest	-	-	710,038
Other	-	-	-
Total debt service	-	-	710,038
Intergovernmental	-	-	6,235,158
Total expenditures	55,303,594	2,158,560	7,177,500
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	599,900	(1,514,494)	12,001,632
OTHER FINANCING SOURCES (USES)			
Transfers in (note III F)	7,929,614	3,789,048	-
Transfers out (note III F)	(7,974,945)	(9,000)	(9,133,372)
Total other financing sources (uses)	(45,331)	3,780,048	(9,133,372)
NET CHANGE IN FUND BALANCES	554,569	2,265,554	2,868,260
FUND BALANCES (DEFICITS)-BEGINNING	36,797,947	8,919,441	(12,133,154)
FUND BALANCES (DEFICITS)-ENDING	\$ 37,352,516	\$ 11,184,995	\$ (9,264,894)

**CITY OF SIMI VALLEY
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007**

<u>Special Revenue</u>		<u>Capital Projects</u>			
<u>Development Related Fees</u>	<u>Streets & Roads</u>	<u>Nonmajor Governmental</u>	<u>Total Governmental Funds</u>		
\$ -	\$ -	\$ 2,243,044	\$ 48,305,419	REVENUES	
-	-	69,072	18,945,240	Taxes	
-	-	-	2,446,051	Tax increment revenues	
-	-	-	608,633	Licenses and permits	
1,072,726	-	1,595,972	6,030,520	Fines and forfeitures	
-	-	8,048,745	9,178,483	Use of money and property	
-	6,199,152	1,703,419	8,154,157	From other governments	
573,218	-	786,442	3,330,461	Grants	
-	-	-	-	Service charges	
998,659	-	717,981	2,736,158	Contributions from property owners	
2,644,603	6,199,152	15,164,675	99,735,122	Other revenues	
				Total revenues	
-	-	1,222,974	6,254,640	EXPENDITURES	
-	-	-	3,714,488	Current:	
249,262	-	2,003,596	10,449,668	General government	
-	-	2,756,633	16,165,062	Community services (CS)	
-	-	1,282,211	28,625,276	Planning (ES)	
249,262	-	7,265,414	65,209,134	Public ways and facilities (PW)	
				Public safety (PD)	
				Total current expenditures	
-	8,338,747	-	8,338,747	Capital outlay:	
-	-	3,381,466	3,381,466	Streets and roads	
-	8,338,747	3,381,466	11,720,213	Other capital projects	
				Total capital outlay	
-	-	1,750,000	1,750,000	Debt service:	
-	-	2,964,924	3,674,962	Principal	
-	-	217,473	217,473	Interest	
-	-	4,932,397	5,642,435	Other	
				Total debt service	
-	-	25,176	6,260,334	Intergovernmental	
249,262	8,338,747	15,604,453	88,832,116	Total expenditures	
2,395,341	(2,139,595)	(439,778)	10,903,006	EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	
466,200	4,394,900	11,906,273	28,486,035	OTHER FINANCING SOURCES (USES)	
(1,100,000)	-	(12,727,103)	(30,944,420)	Transfers in (note III F)	
(633,800)	4,394,900	(820,830)	(2,458,385)	Transfers out (note III F)	
				Total other financing sources (uses)	
1,761,541	2,255,305	(1,260,608)	8,444,621	NET CHANGE IN FUND BALANCES	
18,748,873	1,602,854	32,190,554	86,126,515	FUND BALANCES (DEFICITS)-BEGINNING	
\$ 20,510,414	\$ 3,858,159	\$ 30,929,946	\$ 94,571,136	FUND BALANCES (DEFICITS)-ENDING	

**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, 2007**

Net change in fund balances - total governmental funds \$ 8,444,621

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	\$ 2,646,701	
Capital outlay	7,789,908	
Depreciation expense	<u>(3,095,197)</u>	7,341,412

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

Principal payments:		
Tax allocation bonds	720,000	
Lease revenue bonds	570,000	
Certificates of participation	<u>460,000</u>	1,750,000

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

Net debt service interest accrual	19,944	
Amortization of bond issuance costs	(55,325)	
Amortization of deferral on refunding	(28,482)	
Amortized premium on bonds	29,193	
Compensated absences (net)	<u>(242,825)</u>	(277,495)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. 205,264

Internal service funds are used by the City to account for liability and workers' compensation insurance. The net expense of these funds is reported with governmental activities. 4,396,281

Change in net assets of governmental activities \$ 21,860,083

**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, 2007**

	<u>Budgeted Amounts</u>		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>REVENUES</u>				
Taxes:				
Sales	\$ 19,172,600	\$ 19,172,600	\$ 17,705,751	\$ (1,466,849)
Property	19,380,300	19,380,300	20,474,794	1,094,494
Franchise	3,425,600	3,425,600	3,686,160	260,560
Business and other	4,378,700	4,378,700	4,195,670	(183,030)
Licenses and permits	3,634,600	3,634,600	2,446,051	(1,188,549)
From other governments	1,210,000	1,223,400	1,129,738	(93,662)
Grants	152,300	183,700	251,586	67,886
Service charges	1,568,100	1,568,100	1,951,806	383,706
Fines and forfeitures	735,000	735,000	608,633	(126,367)
Use of money and property	1,489,400	1,489,400	2,433,787	944,387
Other revenues	967,100	1,010,700	1,019,518	8,818
Total revenues	<u>56,113,700</u>	<u>56,202,100</u>	<u>55,903,494</u>	<u>(298,606)</u>
<u>EXPENDITURES</u>				
Current:				
City administration	3,265,500	3,355,400	3,100,832	254,568
Attorney	1,031,200	1,061,700	1,046,080	15,620
Administrative services and city-wide support (AS)*	1,463,000	867,500	292,543	574,957
Community services (CS)	4,169,500	4,306,900	3,714,488	592,412
Planning (ES)	7,106,000	7,432,200	6,398,157	1,034,043
Public ways and facilities (PW)	14,605,000	15,450,200	13,408,429	2,041,771
Public safety (PD)	26,606,500	27,298,100	27,343,065	(44,965)
Total expenditures	<u>58,246,700</u>	<u>59,772,000</u>	<u>55,303,594</u>	<u>4,468,406</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(2,133,000)</u>	<u>(3,569,900)</u>	<u>599,900</u>	<u>4,169,800</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers in	7,853,300	7,896,500	7,929,614	33,114
Transfers out	(7,915,000)	(8,479,200)	(7,974,945)	504,255
Total other financing sources (uses)	<u>(61,700)</u>	<u>(582,700)</u>	<u>(45,331)</u>	<u>537,369</u>
NET CHANGE IN FUND BALANCE	(2,194,700)	(4,152,600)	554,569	4,707,169
FUND BALANCES (DEFICITS)-BEGINNING	<u>36,797,947</u>	<u>36,797,947</u>	<u>36,797,947</u>	<u>-</u>
FUND BALANCES (DEFICITS)-ENDING	<u>\$ 34,603,247</u>	<u>\$ 32,645,347</u>	<u>\$ 37,352,516</u>	<u>\$ 4,707,169</u>

*net of reimbursements

**CITY OF SIMI VALLEY
COMMUNITY DEVELOPMENT AGENCY HOUSING ADMINISTRATION
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2007**

	<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	\$ 715,800	\$ 715,800	\$ 625,071	\$ (90,729)
Service charges	15,000	15,000	18,995	3,995
Total revenues	<u>730,800</u>	<u>730,800</u>	<u>644,066</u>	<u>(86,734)</u>
<u>EXPENDITURES</u>				
Current:				
General government:				
Reimbursement to general fund	471,900	471,900	471,900	-
Reimbursement from CDBG	(102,500)	(102,500)	(102,514)	14
Reimbursement from HOME grant	(120,000)	(120,000)	(9,479)	(110,521)
Total general government	<u>249,400</u>	<u>249,400</u>	<u>359,907</u>	<u>(110,507)</u>
Environmental services:				
Personnel	953,700	953,700	927,926	25,774
Materials, supplies and services	1,979,500	2,964,000	870,727	2,093,273
Total environmental services	<u>2,933,200</u>	<u>3,917,700</u>	<u>1,798,653</u>	<u>2,119,047</u>
Total expenditures	<u>3,182,600</u>	<u>4,167,100</u>	<u>2,158,560</u>	<u>2,008,540</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(2,451,800)</u>	<u>(3,436,300)</u>	<u>(1,514,494)</u>	<u>1,921,806</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers in	2,732,900	2,732,900	3,789,048	1,056,148
Transfers out	(9,000)	(9,000)	(9,000)	-
Total other financing sources (uses)	<u>2,723,900</u>	<u>2,723,900</u>	<u>3,780,048</u>	<u>1,056,148</u>
NET CHANGE IN FUND BALANCES	272,100	(712,400)	2,265,554	2,977,954
FUND BALANCES (DEFICITS)-BEGINNING	<u>8,919,441</u>	<u>8,919,441</u>	<u>8,919,441</u>	<u>-</u>
FUND BALANCES (DEFICITS)-ENDING	<u>\$ 9,191,541</u>	<u>\$ 8,207,041</u>	<u>\$ 11,184,995</u>	<u>\$ 2,977,954</u>

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

**CITY OF SIMI VALLEY
 MERGED TAPO CANYON AND WEST END TAX INCREMENT
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED JUNE 30, 2007**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES</u>				
Tax increment revenues	\$ 13,598,600	\$ 13,598,600	\$ 18,876,168	\$ 5,277,568
Use of money and property	86,500	86,500	302,964	216,464
Total revenues	<u>13,685,100</u>	<u>13,685,100</u>	<u>19,179,132</u>	<u>5,494,032</u>
<u>EXPENDITURES</u>				
Current:				
General government:				
Materials, supplies and services	163,200	163,200	181,777	(18,577)
Contract services	54,000	63,700	50,527	13,173
Total general government	<u>217,200</u>	<u>226,900</u>	<u>232,304</u>	<u>(5,404)</u>
Debt service:				
Interest	210,000	210,000	710,038	(500,038)
Intergovernmental				
	4,283,898	4,283,898	6,235,158	(1,951,260)
Total expenditures	<u>4,711,098</u>	<u>4,720,798</u>	<u>7,177,500</u>	<u>(2,456,702)</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>8,974,002</u>	<u>8,964,302</u>	<u>12,001,632</u>	<u>3,037,330</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers out	(7,718,600)	(17,077,700)	(9,133,372)	7,944,328
Total other financing sources (uses)	<u>(7,718,600)</u>	<u>(17,077,700)</u>	<u>(9,133,372)</u>	<u>7,944,328</u>
NET CHANGE IN FUND BALANCES	1,255,402	(8,113,398)	2,868,260	10,981,658
FUND BALANCES (DEFICITS)-BEGINNING	<u>(12,133,154)</u>	<u>(12,133,154)</u>	<u>(12,133,154)</u>	<u>-</u>
FUND BALANCES (DEFICITS)-ENDING	<u>\$ (10,877,752)</u>	<u>\$ (20,246,552)</u>	<u>\$ (9,264,894)</u>	<u>\$ 10,981,658</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, 2007**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>REVENUES</u>				
Use of money and property	\$ 455,000	\$ 455,000	\$ 1,072,726	\$ 617,726
Service charges	501,800	501,800	573,218	71,418
Other revenues	847,200	847,200	998,659	151,459
Total revenues	<u>1,804,000</u>	<u>1,804,000</u>	<u>2,644,603</u>	<u>840,603</u>
<u>EXPENDITURES</u>				
Current:				
Environmental services:				
Housing programs	182,500	765,000	249,262	515,738
Total expenditures	<u>182,500</u>	<u>765,000</u>	<u>249,262</u>	<u>515,738</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers in	-	-	466,200	466,200
Transfers out	(300,000)	(1,100,000)	(1,100,000)	-
	<u>(300,000)</u>	<u>(1,100,000)</u>	<u>(633,800)</u>	<u>466,200</u>
NET CHANGE IN FUND BALANCES	1,321,500	(61,000)	1,761,541	1,822,541
FUND BALANCES (DEFICITS)-BEGINNING	<u>18,748,873</u>	<u>18,748,873</u>	<u>18,748,873</u>	<u>-</u>
FUND BALANCES (DEFICITS)-ENDING	<u>\$ 20,070,373</u>	<u>\$ 18,687,873</u>	<u>\$ 20,510,414</u>	<u>\$ 1,822,541</u>

**CITY OF SIMI VALLEY
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
JUNE 30, 2007**

	Business-type Activities - Enterprise Funds				Internal Service Funds
	Ventura County		Simi Valley		
	Simi Valley Sanitation	Waterworks District No. 8	Transit System	Total	
ASSETS					
Current assets:					
Cash and investments	\$ 15,307,775	\$ 8,405,219	\$ -	\$ 23,712,994	\$ 20,602,133
Customer receivable	686,224	4,172,584	-	4,858,808	-
Other receivable	3,988	355,607	89,953	449,548	-
Taxes receivable	289,413	-	-	289,413	-
Grants receivable	-	-	2,958,896	2,958,896	-
Inventories	258,112	547,908	153,979	959,999	-
Interest receivable	264,518	258,226	-	522,744	189,167
Restricted cash and investments:					
Customer deposits	-	875,850	-	875,850	-
Connection fees	8,493,707	10,617,264	-	19,110,971	-
Total current assets	25,303,737	25,232,658	3,202,828	53,739,223	20,791,300
Noncurrent assets:					
Capital assets (net of accumulated depreciation) (note III D):					
Land	765,660	451,334	-	1,216,994	-
Buildings and improvements	5,621,023	567,855	1,542,525	7,731,403	-
Furnishings and equipment	137,239	134,137	1,003,408	1,274,784	-
Vehicles	349,203	322,974	2,102,590	2,774,767	-
Distribution system (note IV F)	58,263,507	32,844,900	5,958	91,114,365	-
Construction-in-progress	920,141	4,154,293	249,260	5,323,694	-
Total noncurrent assets	66,056,773	38,475,493	4,903,741	109,436,007	-
TOTAL ASSETS	91,360,510	63,708,151	8,106,569	163,175,230	20,791,300
LIABILITIES					
Current liabilities:					
Accounts payable	722,926	2,058,018	343,431	3,124,375	127,403
Salaries and benefits payable	80,510	50,111	46,395	177,016	4,646
Compensated absences	38,033	29,889	21,425	89,347	3,744
Due to other funds (note III F)	-	-	2,414,239	2,414,239	-
Claims and legal services payable	-	-	-	-	2,681,025
Current liabilities payable from restricted assets:					
Water service prepayments	-	875,850	-	875,850	-
Accounts payable restricted	-	129,376	-	129,376	-
Total current liabilities	841,469	3,143,244	2,825,490	6,810,203	2,816,818
Noncurrent liabilities:					
Advances from other funds (note III F)	-	-	-	-	4,688,000
Compensated absences	342,296	269,003	192,822	804,121	33,703
Claims and legal services payable	-	-	-	-	6,323,956
Total noncurrent liabilities	342,296	269,003	192,822	804,121	11,045,659
TOTAL LIABILITIES	1,183,765	3,412,247	3,018,312	7,614,324	13,862,477
NET ASSETS					
Invested in capital assets	66,056,773	38,475,493	4,903,741	109,436,007	-
Restricted	8,493,707	10,487,888	-	18,981,595	-
Unrestricted	15,626,265	11,332,523	184,516	27,143,304	6,928,823
TOTAL NET ASSETS	\$ 90,176,745	\$ 60,295,904	\$ 5,088,257	155,560,906	\$ 6,928,823
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds					
Beginning adjustment to unrestricted net assets				46,028	
Current adjustment to unrestricted net assets				784,766	
Net assets of business-type activities				<u>\$ 156,391,700</u>	

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

CITY OF SIMI VALLEY
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

	Business-type Activities - Enterprise Funds				Internal Service Funds
	Ventura County		Simi Valley		
	Simi Valley Sanitation	Waterworks District No. 8	Transit System	Total	
OPERATING REVENUES					
Charges for sales and services	\$ 13,725,483	\$ 27,250,693	\$ 546,520	\$ 41,522,696	\$ 5,129,598
OPERATING EXPENSES					
Salaries and benefits	5,330,344	3,255,931	3,098,727	11,685,002	292,438
Materials and supplies:					
Water purchases	-	17,049,292	-	17,049,292	-
Utilities	978,098	937,684	-	1,915,782	-
Chemicals	516,727	-	-	516,727	-
Other	162,082	659,881	506,840	1,328,803	9,463
Services:					
Maintenance projects	1,364,800	996,280	-	2,361,080	-
Other	1,573,758	659,389	549,609	2,782,756	-
Insurance	190,500	88,800	130,800	410,100	666,657
Claims and legal expenses	-	-	-	-	(1,213,748)
General administration	1,804,400	2,347,700	950,900	5,103,000	1,009,800
Depreciation	1,638,417	867,974	686,933	3,193,324	-
Total operating expenses	<u>13,559,126</u>	<u>26,862,931</u>	<u>5,923,809</u>	<u>46,345,866</u>	<u>764,610</u>
OPERATING INCOME (LOSS)	<u>166,357</u>	<u>387,762</u>	<u>(5,377,289)</u>	<u>(4,823,170)</u>	<u>4,364,988</u>
NONOPERATING REVENUES AND EXPENSES					
Grants	475	228,623	2,251,740	2,480,838	-
Interest	1,127,945	1,356,964	-	2,484,909	821,259
Other	7,826	33,109	87,559	128,494	-
Total nonoperating revenues (expenses)	<u>1,136,246</u>	<u>1,618,696</u>	<u>2,339,299</u>	<u>5,094,241</u>	<u>821,259</u>
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	<u>1,302,603</u>	<u>2,006,458</u>	<u>(3,037,990)</u>	<u>271,071</u>	<u>5,186,247</u>
CONTRIBUTIONS AND TRANSFERS					
Capital contributions	1,483,289	1,792,087	707,834	3,983,210	-
Transfers in (note III F)	-	206,000	2,485,185	2,691,185	-
Transfers out (note III F)	(130,000)	(97,600)	-	(227,600)	(5,200)
Total contributions and transfers	<u>1,353,289</u>	<u>1,900,487</u>	<u>3,193,019</u>	<u>6,446,795</u>	<u>(5,200)</u>
CHANGE IN NET ASSETS	<u>2,655,892</u>	<u>3,906,945</u>	<u>155,029</u>	<u>6,717,866</u>	<u>5,181,047</u>
TOTAL NET ASSETS-BEGINNING, AS RESTATED (note IV E)	<u>87,520,853</u>	<u>56,388,959</u>	<u>4,933,228</u>		<u>1,747,776</u>
TOTAL NET ASSETS-ENDING	<u>\$ 90,176,745</u>	<u>\$ 60,295,904</u>	<u>\$ 5,088,257</u>		<u>\$ 6,928,823</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds					
Current adjustment				<u>784,766</u>	
Change in net assets of business-type activities				<u>\$ 7,502,632</u>	

CITY OF SIMI VALLEY
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

	Business-type Activities - Enterprise Funds				
	Simi Valley	Ventura County	Simi Valley	Totals	Internal
	Sanitation	Waterworks District No. 8	Transit System		
<u>CASH FLOWS FROM OPERATING ACTIVITIES:</u>					
Cash received from service charges and other revenues	\$ 13,683,447	\$ 26,589,391	\$ 572,370	\$ 40,845,208	\$ 5,129,598
Cash paid for salaries and benefits	(5,279,129)	(3,230,664)	(3,078,944)	(11,588,737)	(285,695)
Cash paid for supplies and materials	(1,712,757)	(18,621,050)	(522,112)	(20,855,919)	-
Cash paid for general administration	(1,804,400)	(2,347,700)	(950,900)	(5,103,000)	(1,009,800)
Cash paid for services and insurance	(2,627,809)	(1,603,967)	(405,005)	(4,636,781)	(9,463)
Cash paid for insurance premiums and claims	-	-	-	-	(1,855,096)
Net cash provided (used) by operating activities	2,259,352	786,010	(4,384,591)	(1,339,229)	1,969,544
<u>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</u>					
Cash paid for transfers to other funds	(130,000)	(97,600)	-	(227,600)	-
Cash received from grants and other governments	475	228,623	1,636,669	1,865,767	-
Cash received from interfund borrowing	-	206,000	2,882,065	3,088,065	(5,200)
Net cash provided (used) by noncapital financing activities	(129,525)	337,023	4,518,734	4,726,232	(5,200)
<u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</u>					
Sewer connection fees and water capital improvement charges	2,523,926	2,780,262	-	5,304,188	-
Contribution received from other governments	-	-	707,834	707,834	-
Acquisition of capital assets	(3,644,430)	(3,499,276)	(841,977)	(7,985,683)	-
Net cash provided (used) by capital and related financing activities	(1,120,504)	(719,014)	(134,143)	(1,973,661)	-
<u>CASH FLOWS FROM INVESTING ACTIVITIES:</u>					
Interest on investments	1,064,528	1,267,954	-	2,332,482	746,865
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	2,073,851	1,671,973	-	3,745,824	2,711,209
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	21,727,631	18,226,360	-	39,953,991	17,890,924
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 23,801,482	\$ 19,898,333	\$ -	\$ 43,699,815	\$ 20,602,133
<u>NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES:</u>					
Capital additions	\$ 925,732	\$ 1,306,583	\$ -	\$ 2,232,315	\$ -
Capital contributions	(925,732)	(1,306,583)	-	(2,232,315)	-
	\$ -	\$ -	\$ -	\$ -	\$ -
<u>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:</u>					
Operating income (loss)	\$ 166,357	\$ 387,762	\$ (5,377,289)	\$ (4,823,170)	\$ 4,364,988
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation	1,638,417	867,974	686,933	3,193,324	-
(Increase) decrease in accounts receivable	(40,748)	(664,302)	(61,720)	(766,770)	-
(Increase) decrease in inventory	(57,138)	(13,171)	(15,272)	(85,581)	-
Increase (decrease) in accounts payable	501,249	140,502	275,404	917,155	83,198
Increase (decrease) in accrued payroll	12,260	6,203	(287)	18,176	1,142
Increase (decrease) in compensated absences	38,955	19,064	20,070	78,089	5,601
Increase (decrease) in water service prepayments	-	41,978	-	41,978	-
Increase (decrease) in claims and legal services payable	-	-	-	-	(2,485,385)
Adjustment for revenues and expenses classified as nonoperating	-	-	87,570	87,570	-
Total adjustments	2,092,995	398,248	992,698	3,483,941	(2,395,444)
Net cash provided (used) by operating activities	\$ 2,259,352	\$ 786,010	\$ (4,384,591)	\$ (1,339,229)	\$ 1,969,544

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

**CITY OF SIMI VALLEY
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
FIDUCIARY FUNDS
JUNE 30, 2007**

	<u>Total</u>
<u>ASSETS</u>	
Current assets:	
Cash and investments:	
Held by City	\$ 3,423,805
Held by bond trustee	6,154,883
Accounts receivable	<u>39,530</u>
TOTAL ASSETS	<u>\$ 9,618,218</u>
<u>LIABILITIES</u>	
Intergovernmental payable	<u>\$ 9,618,218</u>
TOTAL LIABILITIES	<u>\$ 9,618,218</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, 2007

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CITY OF SIMI VALLEY • NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2007

I. Summary of significant accounting policies

A. Reporting entity

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

- Ventura County Waterworks District No. 8 provides water services to the residents of the City of Simi Valley. The activity of the District is reported as an Enterprise Fund.
- Simi Valley Community Development Agency established under "Community Redevelopment Law" in the California Health and Safety Code serves to eliminate blight, enhance job creation and retention, and improve the tax base for the City by promoting development. The activity of the Agency is reported in special revenue, debt service and capital projects funds.
- Simi Valley Industrial Development Authority facilitates certain types of development projects.
- Simi Valley Public Financing Authority provides a financing mechanism for various public projects. The activity of the Authority is reported in the debt service funds.

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

B. Financial statements

The basic financial statements of the City are comprised of:

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

In addition, supplementary information is provided for:

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

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

See independent auditors' report.

CITY OF SIMI VALLEY • NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2007

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

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

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

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

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

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include: (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment; and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Fund financial statements for the City's governmental, enterprise, and internal service

CITY OF SIMI VALLEY • NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2007

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

Proprietary funds distinguish *operating* revenues and expenses from *non-operating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the sanitation, water and transit funds, and of the City's internal service funds are charges to customers for sales and services. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenue and expenses not meeting this definition are reported as non-operating revenues and expenses.

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

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

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

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and fiduciary fund financial statements. Under the economic resources measurement focus, all (both current and long-term) economic resources and obligations of the government are reported. Under the accrual basis of accounting, revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Under the current financial resources measurement focus, only current assets and current liabilities are generally included on their balance sheets. Their reported fund balances (net current assets) are considered a measure of "available spendable resources". Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of available spendable resources during a period. Under the modified accrual basis of accounting, revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period, except reimbursement grant revenues, which are considered available, if they are collected within 180 days of the end of the current fiscal period. Expenditures generally are

CITY OF SIMI VALLEY • NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2007

recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

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

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

General fund:

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

Special revenue funds:

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

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

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

Capital project funds:

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

Enterprise funds:

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

Ventura County Waterworks District No. 8 fund accounts for the activities of the District, a blended component unit of the government. The District provides water services to 65% of Simi Valley residents.

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

CITY OF SIMI VALLEY • NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2007

Additionally, the City reports the following fund types:

Internal service funds:

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

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

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

Fiduciary funds:

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

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

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

D. Assets, liabilities, and net assets or equity

1. Deposits and investments

The government's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

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

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

2. Receivables and payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other

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funds.” Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances.”

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

Receivables are shown net of an allowance for uncollectibles.

3. Property taxes

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

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

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

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 2006-07.

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

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5. *Restricted assets*

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

6. *Capital assets*

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

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

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

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

<u>Assets</u>	<u>Years</u>
Buildings	50
Building improvements	25
Vehicles	4-7
Machinery and equipment	3-10
Water sewer line	30-100
Intangibles	15
Infrastructure	25-50

7. *Compensated absences*

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

8. *Long-term obligations*

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statements of

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net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt. The deferred gain or loss on a refunding is netted with the debt and amortized over the shorter of the remaining life of the refunded debt or the new debt using the straight-line method.

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

9. Fund equity

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

10. Estimates

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

II. Stewardship, compliance, and accountability

A. Budgetary information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the general fund, enterprise funds, and all special revenue funds. Project-length budgets are adopted for the capital project funds. Debt service funds are not budgeted. All appropriations lapse at fiscal year end.

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

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

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B. Excess of expenditures over appropriations

For fiscal year ended June 30, 2007, expenditures exceeded appropriations in the Merged Tapo Canyon and West End Tax Increment (major), the Madera Royal Tax Increment (nonmajor), the Transportation (nonmajor), the Lighting Maintenance District (nonmajor) and the Landscape Zones (nonmajor) special revenue funds by \$2,456,702, \$2,746, \$45,883, \$71,315 and \$8,140 respectively. The over-expenditures in the Merged Tapo Canyon and West End Tax Increment, and the Madera Royal Tax Increment funds were financed by higher than budgeted revenues. The Transportation funds over-expenditure resulted from transmitting pass-thru grants to the Park District received in prior years. The Lighting Maintenance District and the Landscape Zones over-expenditures were a result of higher utility costs. These over-expenditures were also financed by higher than budgeted revenues. Expenditures exceeded appropriations in the General fund, Public Safety (Police Department) by \$44,965. This overage was in the salary overtime line item, as some authorized positions remained vacant during the year. However, these over-expenditures did not exceed the total General fund expenditure appropriation as approved by the City Council.

C. Deficit fund equity

One major fund, the Merged Tapo Canyon and West End Tax Increment special revenue fund had a deficit fund balance as of June 30, 2007 of \$9,264,894, due to the amount advanced from the City's general fund to the Community Development Agency, a blended component unit of the City, to finance community development projects. The advance will be repaid from available tax increment revenues.

In addition, two nonmajor funds had deficit fund balances as of June 30, 2007: the Madera Royal Tax Increment special revenue fund (\$129,326), and the Regional Mall capital project fund (\$96,424). Tax increment revenues to be received in Fiscal Year 2007-08 will eliminate the deficit for the Madera Royal Tax Increment fund. The deficit in the Regional Mall fund will be eliminated by drawdown of bond proceeds from the Certificates of Participation issued on September 2, 2004.

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 cash balances. The carrying amounts of cash and investments have been decreased by \$276,642 in order to reflect the fair value at June 30, 2007.

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Cash and investments at June 30, 2007 are classified as follows:

Statement of net assets:	
Cash and investments	\$ 151,155,586
Cash and investments held by bond trustee	5,981,231
Fiduciary funds:	
Cash and investments	3,423,805
Cash and investments held by bond trustee	6,154,883
Total cash and investments	<u>\$ 166,715,505</u>

Cash and investments at June 30, 2007 consisted of the following:

Cash on hand	\$ 6,250
Deposits with financial institutions	327,734
Investments	166,381,521
Total cash and investments	<u>\$ 166,715,505</u>

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

<u>Authorized Investments</u>	<u>Maximum Maturity Constraints</u>	<u>City Policy Legal Limit (% or \$)</u>	<u>Maximum Investment in One Issuer</u>
City Bonds	5 years	None	None
United States Treasuries	5 years	None	None
State Bonds	5 years	None	None
Municipal Bonds	5 years	None	None
Federal Agencies	5 years	None	None
Banker's Acceptances	180 days	40%	30%
Certificates of Deposit	5 years	30%	None
Collateralized Certificates of Deposit	5 years	25%	None
Mutual funds	N/A	20%	10%
Money market mutual funds	N/A	20%	10%
Local agency investment pool	N/A	\$30,000,000 ¹	None

Interest Rate Risk

To minimize the impact of changes in market interest rates the City holds investments to maturity, matches investment maturities with specific cash flow requirements, invests in a combination of

¹ Per entity

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shorter term and longer term investments, and invests in securities maturing in 5 years or less from the settlement date.

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

<u>Investment Type</u>	<u>Amount</u>	<u>Remaining Maturity in Months</u>		
		<u>12 Months Or Less</u>	<u>13 to 24 Months</u>	<u>25 to 60 Months</u>
U.S. Treasury securities	\$ 4,985,150	\$ 4,985,150	\$ -	\$ -
U.S. Government agency securities	84,753,250	9,989,100	34,792,150	39,972,000
Local agency investment pool	64,396,490	64,396,490	-	-
Money market funds	110,517	110,517	-	-
<u>Held by bond trustee:</u>				
Local agency investment pool	3,231,300	3,231,300	-	-
Money market and mutual funds	8,904,814	8,904,814	-	-
Total	\$ 166,381,521	\$ 91,617,371	\$34,792,150	\$39,972,000

Credit Risk

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

<u>Investment Type</u>	<u>Amount</u>	<u>Minimum Legal Rating</u>	<u>Exempt From Disclosure</u>	<u>Ratings as of Year End</u>		
				<u>S & P AAA</u>	<u>Moody Aaa</u>	<u>Not Rated</u>
U.S. Treasury securities	\$ 4,985,150	N/A	\$ 4,985,150	-	\$ -	-
U.S. Government agency securities	84,753,250	N/A	-	84,753,250	84,753,250	-
Local agency investment pool	64,396,490	N/A	-	-	-	64,396,490
Money market funds	110,517	A	-	-	-	110,517
<u>Held by bond trustee:</u>						
Local agency investment pool	3,231,300	N/A	-	-	-	3,231,300
Money market and mutual funds	8,904,814	A	-	-	-	8,904,814
Total	\$ 166,381,521		\$ 4,985,150	\$ 84,753,250	\$84,753,250	\$ 76,643,121

Concentration of Credit Risk

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

- No more than 15% of the City's portfolio (exclusive of investments in government agency issues and LAIF) shall be invested with one financial institution.
- No more than 25% of the City's portfolio shall be invested in collateralized certificates of deposit issued by Savings and Loan institutions.

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- Investments of bond proceeds, held by fiscal agents, in LAIF shall be limited to \$30 million per bond issue.

Custodial Credit Risk

All demand deposits and certificates of deposit held by the City are entirely insured or collateralized. The California Government Code requires California banks and savings and loan associations to secure a local government agency's deposits by pledging government securities with a market value equal to 110% of the deposits or pledging first trust deed mortgage notes with a market value equal to 150% of the total deposits.

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

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

<u>Issuer</u>	<u>Investment Type</u>	<u>Reported Amount</u>
Federal Home Loan Bank	Federal agency securities	\$59,767,150
Freddie Mac	Federal agency securities	19,989,200

As of June 30, 2007, the City had no investments which were uninsured, unregistered and not held in the City's name.

Investment in State Investment Pool

The City is a voluntary participant in the California Local Agency Investment Fund (LAIF) that is regulated by California Code Section 16429 under the oversight of the Treasurer of the State of California. In addition to the primary City account, LAIF accounts are also maintained for the following blended component units of the City: Waterworks District No. 8, Community Development Agency, and Industrial Development Authority. Investments in LAIF are highly liquid, as deposits can be converted to cash within twenty-four hours without loss of interest. The fair value of the City's investment in this pool is reported in the accompanying financial statements at amounts based upon the City's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis.

B. Loans receivable

The City provides amortizable and deferred payment home rehabilitation loans, first time homebuyer and affordable housing loans to qualifying low-income households under programs accounted for in the Special Revenue funds. The loan receivable is offset against deferred revenue as these amounts are dependent on future events like residual receipts and sale of property.

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C. Allowance for uncollectible accounts

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

	Merged					<u>Total</u>
	<u>General Fund</u>	<u>Tapo Canyon & West End Tax Increment</u>	<u>Development Related Fees</u>	<u>Streets and Roads</u>	<u>Nonmajor Governmental</u>	
Accounts receivable	\$1,275,161	\$ 57,548	\$ 684	\$ 496,036	\$ 91,835	\$1,921,264
Allowance for uncollectibles	(529,772)	-	-	-	-	(529,772)
Total accounts receivable net	<u>\$ 745,389</u>	<u>\$ 57,548</u>	<u>\$ 684</u>	<u>496,036</u>	<u>91,835</u>	<u>\$1,391,492</u>

D. Capital assets

	<u>Beginning Balance as Restated*</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 8,707,247	\$ 206,562	\$ (3,506,667)	\$ 5,407,142
Construction-in-progress	49,366,399	10,386,425	(9,725,916)	50,026,908
Total capital assets, not being depreciated	<u>58,073,646</u>	<u>10,592,987</u>	<u>(13,232,583)</u>	<u>55,434,050</u>
Capital assets, being depreciated:				
Buildings and improvements	31,517,405	-	-	31,517,405
Furnishings and equipment	4,054,381	206,512	(745,561)	3,515,332
Computers	2,982,514	491,316	(43,827)	3,430,003
Vehicles	4,860,387	733,845	(115,156)	5,479,076
Infrastructure	194,742,585	9,931,788	-	204,674,373
Intangibles	3,758,646	2,019,147	(223,808)	5,553,985
Total capital assets being depreciated	<u>241,915,918</u>	<u>13,382,608</u>	<u>(1,128,352)</u>	<u>254,170,174</u>
Less accumulated depreciation for:				
Buildings and improvements	(10,187,081)	(933,723)	-	(11,120,804)
Furnishings and equipment	(3,713,317)	(91,243)	617,192	(3,187,368)
Computers	(1,550,885)	(510,770)	43,810	(2,017,845)
Vehicles	(3,882,706)	(406,408)	108,129	(4,180,985)
Infrastructure	(66,991,684)	(909,341)	-	(67,901,025)
Intangibles	(751,729)	(249,333)	58,439	(942,623)
Total accumulated depreciation	<u>(87,077,402)</u>	<u>(3,100,818)</u>	<u>827,570</u>	<u>(89,350,650)</u>
Total capital assets, being depreciated, net	<u>154,838,516</u>	<u>10,281,790</u>	<u>(300,782)</u>	<u>164,819,524</u>
Governmental activities capital assets, net	<u>\$ 212,912,162</u>	<u>\$ 20,874,777</u>	<u>\$ (13,533,365)</u>	<u>\$ 220,253,574</u>

*Beginning balances include retroactive infrastructure. See Note IV.F.

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	<u>Beginning Balance as Restated*</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 1,216,994	\$ -	\$ -	\$ 1,216,994
Construction-in-progress	19,536,275	2,995,356	(17,207,937)	5,323,694
Total capital assets, not being depreciated	20,753,269	2,995,356	(17,207,937)	6,540,688
Capital assets, being depreciated:				
Buildings and improvements	12,070,043	-	-	12,070,043
Furnishings and equipment	4,764,685	645,342	(41,910)	5,368,117
Vehicles	8,390,785	335,304	(239,985)	8,486,104
Distribution system	132,359,516	19,221,919	(39,423)	151,542,012
Total capital assets being depreciated	157,585,029	20,202,565	(321,318)	177,466,276
Less accumulated depreciation for:				
Buildings and improvements	(4,062,164)	(276,476)	-	(4,338,640)
Furnishings and equipment	(3,909,793)	(232,669)	49,129	(4,093,333)
Vehicles	(5,231,392)	(719,933)	239,988	(5,711,337)
Distribution system	(58,503,413)	(1,964,246)	40,012	(60,427,647)
Total accumulated depreciation	(71,706,762)	(3,193,324)	329,129	(74,570,957)
Total capital assets, being depreciated, net	85,878,267	17,009,241	7,811	102,895,319
Business-type activities capital assets, net	\$ 106,631,536	\$ 20,004,597	\$ (17,200,126)	\$ 109,436,007

**Beginning balances include donated infrastructure from previous years. See Note IV.F.

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

Governmental activities:	
General Government	\$ 1,650,230
Community Services	5,504
Public Ways & Facilities (PW)	938,688
Public Safety	506,396
Total depreciation expense-governmental activities	\$ 3,100,818
Business-type activities:	
Sanitation	\$ 1,638,417
Waterworks	867,974
Transit	686,933
Total depreciation expense-business-type activities	\$ 3,193,324

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E. Construction commitments

The City has active construction projects as of June 30, 2007. 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:

Water tank construction and improvements projects	\$1,554,951
Water Quality Control Plant upgrades	562,064
Hansen work order system	144,965
Sewerline improvements	122,044
Water and recycled water master plan updates	83,016
Wastewater collection system rehabilitation plan	46,148
Total construction commitments	\$2,513,188

F. Interfund receivables, payables, and transfers

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

Due to / from other funds

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Simi Valley transit system	\$ 2,414,239
	Nonmajor governmental funds	167,052
Community development agency		
Housing administration fund	Nonmajor governmental funds	5,912
Development related fees		3,000
Total		\$ 2,590,203

Advances from / to other funds

<u>Receivable Fund</u>	<u>Payable Fund</u>	
General	Merged Tapo Canyon and West End Tax Increment	\$ 6,764,895
	Nonmajor governmental funds (Public Facility Imprv)	3,348,380
	Nonmajor governmental funds (Madera Royal)	129,327
	Internal Service funds	4,688,000
Nonmajor governmental funds	Merged Tapo Canyon and West End Tax Increment	2,500,000
Total		\$ 17,430,602

The advances from the General fund to the Merged Tapo Canyon and West End Tax Increment fund, and nonmajor governmental fund (Madera Royal Tax Increment fund) are to fund various CDA projects. This advance will be repaid from available tax increment revenues. The advance from the General fund to the nonmajor governmental fund (Public Facility Improvements fund) is to accumulate funds for future facility improvements, and the advance to the Internal Service funds is to maintain required reserves in accordance with actuarial valuations. The advance from

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nonmajor governmental funds (Lighting Maintenance District) to the Merged Tapo Canyon and West End Tax Increment fund funded the purchase of land for the mall site and will also be repaid from available tax increment revenues.

The composition of interfund transfers for the year ended June 30, 2007 is as follows:

<u>Transfers From</u>	<u>Transfers To</u>	<u>Amount</u>	<u>Purpose</u>
General	Streets and roads	\$ 1,653,100	Fund street projects, sound walls, and traffic signals
	Simi Valley transit system	2,485,185	Subsidy for transit operations
	Nonmajor governmental funds	3,836,660	Fund capital improvement projects, landscape zones, and contributions to pension and replacement funds
		<u>7,974,945</u>	
CDA housing administration	Nonmajor governmental funds	<u>9,000</u>	Contributions to pension and replacement funds
Merged Tapo Canyon and West End tax increment	CDA housing administration	3,775,234	Fund 20% low and moderate income set-aside
	Ventura County Waterworks District No. 8	206,000	Fund water-line replacement
	Nonmajor governmental funds	5,152,138	Fund CDA admin costs, scheduled debt service, and capital improvement projects
		<u>9,133,372</u>	
Development related fees funds	Streets and roads	1,100,000	Fund street projects
		<u>1,100,000</u>	
Nonmajor governmental funds	General fund	7,929,614	Fund transportation needs
	CDA housing administration	13,814	Fund 20% low and moderate income set-aside
	Streets and roads	1,641,800	Fund street projects
	Development related fees	466,200	Fund capital project
	Nonmajor governmental funds	2,675,675	Fund capital projects, public facility improvements, and contributions to pension and replacement funds
		<u>12,727,103</u>	
Total governmental funds		<u>30,944,420</u>	
Proprietary funds	Nonmajor governmental funds	227,600	Contributions to pension and replacement funds
Internal service activities	Nonmajor governmental funds	5,200	Contributions to pension, and replacement funds
Total		<u>\$31,177,220</u>	

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G. Long-term debt

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

- **Simi Valley Public Financing Authority 1995 Fixed Rate Lease Revenue Bonds:**
Original issue amount \$16,620,000; interest rates at 4.00% to 5.75%; maturing September 1, 2000-2015. The bonds are payable in annual installments ranging from \$260,000 to \$920,000. These bonds were issued to finance certain capital improvements, including the Police Facility and are secured by the Police Facility. The balance as of June 30, 2007 was \$6,690,000.
- **Community Development Agency 2003 Tax Allocation Bonds:**
Original issue amount \$31,795,000; interest rates at 2.0% to 5.0%; maturing September 1, 2003-2030. The bonds are payable in annual installments ranging from \$360,000 to \$2,000,000. These bonds were issued to fully refund the 1993 Revenue Bond issue with a carrying amount of \$30,245,000. They were issued at a premium, which has been added to the new debt and is being amortized over the life of the bonds. The excess reacquisition price has been netted against the new debt and is being amortized over the remaining life of the refunded debt. Issuance costs are shown as deferred charges and are being amortized over the life of the bonds. The 2003 Tax Allocation Bonds are secured by a lien on tax increment revenues net of low- and moderate-income housing set-asides and tax sharing agreements. The balance as of June 30, 2007 was \$29,320,000.
- **City of Simi Valley 2004 Certificates of Participation (COP):**
Original issue amount \$25,955,000; interest rates at 3.75% to 5.0%; maturing September 1, 2006-2034. The COP are payable in annual installments ranging from \$460,000 to \$1,615,000. They were issued at a premium, which has been added to the new debt and is being amortized over the life of the bonds. Issuance costs are shown as deferred charges and are being amortized over the life of the bonds. These COP were issued to provide financing for improvements to and expansion of the Senior Citizens' Center and public capital improvements relating to the construction of a shopping mall. The annual lease/debt service payments will be supported by contributions from various City funds based on the benefit received. The identified funds have the long-term financial capacity to support the required payments. To meet the conditions of the COP financing structure and to avoid costly capitalized interest costs during the construction period, the City's Wastewater Treatment Plant, which has an estimated value in excess of \$50 million, is the leased asset during the construction period. The balance outstanding as of June 30, 2007 was \$25,495,000.

CITY OF SIMI VALLEY • NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2007

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

- Claims and legal services payable of \$9,004,981, consisting of general liability and workers' compensation liability. These liabilities are estimated based on the requirements of Governmental Accounting Standards Board Statement No. 10, and include estimated claims incurred but not yet reported as of June 30, 2007.
- Compensated absences liability of \$5,934,032 at fiscal year end. This liability consists of accumulated earned but unused annual leave of employees charged to the General fund, certain Special Revenue funds, Enterprise funds and the Workers' Compensation – Internal Service fund. The liability is liquidated from the funds to which an employee is charged.

Annual debt service requirements to maturity

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

Year Ending	2003 Tax Allocation		Year Ending	1995 Lease Revenue	
	Refunding Bond			Bonds	
June 30:	Principal	Interest	June 30:	Principal	Interest
2008	\$ 730,000	\$ 1,359,181	2008	\$ 595,000	\$ 360,352
2009	750,000	1,335,969	2009	625,000	330,150
2010	780,000	1,305,369	2010	655,000	295,694
2011	810,000	1,276,606	2011	695,000	256,882
2012	835,000	1,248,831	2012	735,000	215,769
2013-2017	4,680,000	5,724,144	2013-2016	3,385,000	403,218
2018-2022	5,820,000	4,535,334		\$ 6,690,000	\$ 1,862,065
2023-2027	7,470,000	2,833,438			
2028-2031	7,445,000	767,375			
	<u>\$ 29,320,000</u>	<u>\$ 20,386,247</u>			

Year Ending	2004 Certificates of Participation	
	Refunding Bond	
June 30:	Principal	Interest
2008	\$ 480,000	\$ 1,175,969
2009	495,000	1,156,469
2010	520,000	1,136,169
2011	540,000	1,114,969
2012	560,000	1,092,970
2013-2017	3,170,000	5,104,100
2018-2022	3,880,000	4,384,634
2023-2027	4,915,000	3,352,688
2028-2032	6,315,000	1,955,438
2033-2035	4,620,000	343,905
	<u>\$ 25,495,000</u>	<u>\$ 20,817,311</u>

CITY OF SIMI VALLEY • NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2007

Changes in long-term liabilities

Long-term liability activity for the year ended June 30, 2007, was as follows:

	<u>Balances</u> <u>June 30, 2006</u>	<u>Debt</u> <u>Incurred</u>	<u>Debt</u> <u>Retired</u>	<u>Balances</u> <u>June 30, 2007</u>	<u>Due Within</u> <u>One Year</u>
Governmental activities:					
1995 lease revenue bonds	\$ 7,260,000	\$ -	\$ (570,000)	\$ 6,690,000	\$ 595,000
2003 tax allocation bonds	30,040,000	-	(720,000)	29,320,000	730,000
Add (less) deferred amounts:					
Bond premium	401,805	-	(16,307)	385,498	-
Deferred amount	(502,453)	-	28,482	(473,971)	-
2004 certificates of participation	25,955,000	-	(460,000)	25,495,000	480,000
Add (less) deferred amounts:					
Bond premium	363,045	-	(12,886)	350,159	-
Total bonds payable	<u>63,517,397</u>	<u>-</u>	<u>(1,750,711)</u>	<u>61,766,686</u>	<u>1,805,000</u>
Claims and legal services	11,490,366	(1,243,845)	(1,241,540)	9,004,981	2,681,025
Compensated absences	<u>4,792,138</u>	<u>2,406,397</u>	<u>(2,157,971)</u>	<u>5,040,564</u>	<u>504,056</u>
Governmental activity long-term liabilities	<u>\$ 79,799,901</u>	<u>\$ 1,162,552</u>	<u>\$ (5,150,222)</u>	<u>\$ 75,812,231</u>	<u>\$ 4,990,081</u>
Business-type activities:					
Compensated absences	<u>815,379</u>	<u>156,178</u>	<u>(78,089)</u>	<u>893,468</u>	<u>89,347</u>
Business-type activity long-term liabilities	<u>\$ 815,379</u>	<u>\$ 156,178</u>	<u>\$ (78,089)</u>	<u>\$ 893,468</u>	<u>\$ 89,347</u>

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

H. Fund balance reserves and designations

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

CITY OF SIMI VALLEY • NOTES TO THE BASIC FINANCIAL STATEMENTS
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	Special Revenue Funds				Capital Projects Fund	Nonmajor Govern- mental Funds	Total Govern- mental Funds
	General Fund	Community Development	Merged Tapo Canyon & West End	Development Related Fees Funds	Streets & Roads		
		Agency Housing Administration	Tax Increment				
FUND BALANCES							
Reserved:							
Encumbrances	\$ 1,416,179	\$ 150,544	\$ 5,441	\$ 90,000	\$ 1,571,643	\$ 626,326	\$ 3,860,133
Loans receivable	411,483	-	-	-	-	-	411,483
Advances	14,930,602	-	-	-	-	2,500,000	17,430,602
Debt service	-	-	-	-	-	7,369,854	7,369,854
Total reserved	<u>16,758,264</u>	<u>150,544</u>	<u>5,441</u>	<u>90,000</u>	<u>1,571,643</u>	<u>10,496,180</u>	<u>29,072,072</u>
Unreserved, designated:							
Cash flow	1,000,000	-	-	-	-	650,000	1,650,000
Capital projects	10,721,596	-	-	-	2,286,516	11,719,547	24,727,659
Public improvements	-	-	-	20,420,414	-	4,879,692	25,300,106
Law enforcement	-	-	-	-	-	254,957	254,957
Special programs	-	-	-	-	-	653,055	653,055
Housing programs	-	11,034,451	-	-	-	-	11,034,451
Total unreserved, designated	<u>11,721,596</u>	<u>11,034,451</u>	<u>-</u>	<u>20,420,414</u>	<u>2,286,516</u>	<u>18,157,251</u>	<u>63,620,228</u>
Unreserved, undesignated:	<u>8,872,656</u>	<u>-</u>	<u>(9,270,335)</u>	<u>-</u>	<u>-</u>	<u>2,276,515</u>	<u>1,878,836</u>
Total fund balances	<u>\$ 37,352,516</u>	<u>\$ 11,184,995</u>	<u>\$ (9,264,894)</u>	<u>\$ 20,510,414</u>	<u>\$ 3,858,159</u>	<u>\$ 30,929,946</u>	<u>\$ 94,571,136</u>

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, 2007, consisted of the following:

Community Facilities District (District No. 04-1)	\$ 8,775,000
Sycamore Village/Wood Ranch Improvements (District No. 94-1R)	1,415,000
Royal Corto Improvements (District No. 89-1)	1,335,000
Madera Royal (District No. 98-1)	3,115,000

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, 2007 was \$168,809,558. The City is not involved with these bonds in any manner, as such the conduit debt obligations are not reflected in the accompanying financial statements. Listed below is a brief description of the bonds outstanding at year-end:

- Variable Rate Multifamily Revenue Demand Bonds, 1985 Issue A, in the amount of \$15,500,000 were issued to finance the Mayer Indian Oaks Project; the outstanding principal at June 30, 2007, is \$15,500,000.

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- Variable Rate Demand Multifamily Housing Revenue Bonds, Series 1989, were issued in the amount of \$25,000,000 to finance the Shadowridge Apartments Project; the outstanding principal at June 30, 2007, is \$24,800,000.
- Variable Rate Demand Multifamily Housing Revenue Refunding Bonds, 1993 Series A, were issued in the amount of \$22,070,000 to refund Multifamily Housing Revenue Bonds, 1984 Series A to finance the Creekside Village Apartments Project; the outstanding principal at June 30, 2007, is \$19,070,000.
- 1995 Remarketing of the Variable Rate Demand Multifamily Housing Revenue Refunding Bonds, Series 1990, in the amount of \$37,000,000 to finance the Lincoln Wood Ranch Project; the outstanding principal at June 30, 2007, is \$36,000,000.
- Multifamily Housing Revenue Refunding Bonds, Series 1996 A, and Taxable Multifamily Housing Revenue Refunding Bonds, Series 1996 B, were issued in the amount of \$16,844,850 to refund the Multifamily Housing Revenue Bonds, 1985 Issue C to finance the Rancho Corrales Apartments Project; the outstanding principal at June 30, 2007, is \$16,500,000.
- Multifamily Housing Revenue Bonds, Series 1998A, were issued in the amount of \$6,165,000 to finance the Sorrento Villas Apartments Project; the outstanding principal at June 30, 2007, is \$5,530,000.
- Multifamily Housing Revenue Refunding Bonds, 2002 Series A, were issued in the amount of \$3,650,000 to refinance Multifamily Housing Revenue Bonds, 1987, Series A, which financed the Ashlee Manor Apartments Project; the outstanding principal at June 30, 2007, is \$3,604,558.
- 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, 2007, is \$2,945,000.
- 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, 2007, is \$11,760,000.
- Variable Rate Demand Multifamily Housing Revenue Bonds, Series 2002A were issued in the amount of \$30,000,000 to finance the Parker Ranch Project; the outstanding principal at June 30, 2007, is \$30,000,000.
- Variable Rate Demand Multifamily Housing Revenue Bonds, Taxable Series 2002A-T were issued in the amount of \$3,900,000 to finance the Parker Ranch Project; the outstanding principal at June 30, 2007, is \$3,100,000.

CITY OF SIMI VALLEY • NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2007

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, 2007, no such amounts were due.

B. Risk management

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

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

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

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

	Year ended June 30, 2007	Year ended June 30, 2006
Unpaid claims beginning of fiscal year	\$ 11,490,366	\$ 11,444,576
Incurred claims (including IBNRs)	(1,243,845)	2,899,204
Claims payments	(1,241,540)	(2,853,414)
Unpaid claims, end of fiscal year	\$ 9,004,981	\$ 11,490,366

C. Other post employment benefits

The City provides post-retirement health benefits to all management and sworn (police) employees per resolution numbers 2007-31 and 2005-47, respectively. The benefits vary depending upon a retiree's years of service and bargaining unit. The City pays 100 percent of premiums for health care coverage for these two groups. Additionally, the City provides health benefits to general unit employees per resolution number 2006-11. The City pays an amount equal to the premium of the lowest cost health care plan for this group.

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	Number of Years Covered*			
	Less Than 10 Years	More Than 10 Years	More Than 20 Years	
Management employees:				
Employee only	4	10	1 additional year for each year over 20	
Employee plus one dependent	2	5	Additional 6 months for each year over 20	
	10 Years	More Than 28 Years	More Than 10 Years	
General unit employees:**				
Employee only	2	8	4 months for each additional year over 10 up to maximum of 8 years	
Employee plus one dependent	1	4	2 months for each additional year over 10 up to maximum of 4 years	
	Less Than 10 Years	More Than 10 Years	20-25 Years***	More Than 25 Years***
Sworn (police) employees:				
Employee only	2	10	up to 20 years	life-time coverage
Employee plus one dependent	1	5	up to 20 years	life-time coverage

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

** For employees retired prior to June 30, 2006. Benefit structure for employees retired subsequently is pending.

*** Police captains and lieutenants are also eligible for these benefits.

As of year-end, there were 74 retirees who met the eligibility requirements and were receiving health care benefits. The City finances the plans on a pay-as-you-go basis. For the year ended June 30, 2007, the City paid \$554,320 for these benefits. However, the City is accumulating funds to pay future benefits. Assets in the amount of \$2,244,128 have been set aside in the Retiree Benefits nonmajor special revenue fund, as of the end of the fiscal year.

D. 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.

E. Pension plans

The City participates in the statewide Public Employees' Retirement System (PERS) 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 PERS, an agent multiple-employer public employee defined benefit pension plan. PERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. PERS acts as a common investment and administrative agent for participating public entities within the State of

See independent auditors' report.

CITY OF SIMI VALLEY • NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2007

California. Benefit provisions and all other requirements are established by State statute and City ordinance. Copies of PERS' annual financial report may be obtained from their executive office located at 400 P Street, Sacramento, CA 95814.

Funding Policy - Participants are required to contribute 7% (9% for safety employees) of their annual covered salary. The City makes the contributions required of City employees on their behalf and for their account. The City is required to contribute at an actuarially determined rate: the rate is 11.892% for non-safety employees and 21.677% for police employees of annual covered payroll for the year ended June 30, 2007. The contribution requirements of plan members and the City are established and may be amended by PERS.

Annual Pension Cost - For fiscal year 2006-07, the City's annual pension cost of \$6,024,030 for PERS was equal to the City's required and actual contributions. The required contribution was determined as part of the June 30, 2004, actuarial valuation using the entry age actuarial cost method. The actuarial assumptions included: (a) 7.75% investment rate of return (net of administrative expenses), (b) projected annual salary increases that vary from 3.25% to 14.45% by category and duration of service, (for safety members, rates are also dependent on entry age) and (c) 3% inflation component. The actuarial value of PERS assets was determined using a technique that smooths the effect of short-term volatility in the market value of investments over a three-year period. PERS' 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>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
<u>Fiscal Year</u>			
6/30/2005	\$ 2,315,965	100%	-
6/30/2006	3,584,974	100%	-
6/30/2007	3,609,528	100%	-

<u>Safety Employees</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
<u>Fiscal Year</u>			
6/30/2005	\$ 2,490,543	100%	-
6/30/2006	2,894,309	100%	-
6/30/2007	2,414,502	100%	-

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

Plan Description - The City established a Public Agency Retirement System, Retirement Enhancement Plan (PARS-REP) for executive management employees, effective July 1, 2001. PARS is a defined benefit 401(a) tax-qualified multiple agency trust. It meets the requirements of a pension trust under California Government code. The plan provides supplemental retirement benefits in addition to PERS. Phase II Systems is the PARS Trust Administrator. Upon meeting

CITY OF SIMI VALLEY • NOTES TO THE BASIC FINANCIAL STATEMENTS
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the eligibility requirements, plan members receive a monthly lifetime benefit of one-twelfth the sum of: 0.004 times their final average compensation multiplied by their years of City service prior to July 1, 2001, and .005 times their final average compensation multiplied by their years of City service after June 30, 2001. The City has full discretionary authority to control, amend, modify or terminate this plan at any time.

Funding Policy - The City contributes 5.77% of eligible employee gross wages. The annual covered payroll for the year ended June 30, 2007 was \$1,506,462. The City's annual pension cost of \$79,803 for PARS was equal to the City's required and actual contribution. Plan assets held in trust at June 30, 2007 were \$440,015.

F. Prior period adjustments

The City adopted the provisions of GASB Statement 34 for the year ended June 30, 2003, and has been reporting infrastructure assets on a prospective basis since then. Retroactive reporting of all major general infrastructure assets that were acquired or significantly reconstructed, or that received significant improvements, in fiscal years ending after June 30, 1980, through the fiscal year ended June 30, 2002, is required with the fiscal year ended June 30, 2007. Accordingly, the City has restated the beginning net asset balances for the government-wide financial statements to reflect the retroactive reporting requirement. The adjustments were made to the beginning balances of the Infrastructure asset class and its related accumulated depreciation under governmental activities in Note III. D.

In addition, the beginning balances for the Infrastructure asset class, Distribution System, and its related accumulated depreciation under business-type activities in Note III. D has also been restated to include developer-donated infrastructure not previously recorded in fiscal years ending after June 30, 1980, through the fiscal year ended June 30, 2002. The beginning net asset balances for the following Business-type Activities - Enterprise Funds, Simi Valley Sanitation and Ventura County Waterworks District No. 8, have also been restated.

The adjustments, net of accumulated depreciation, are shown in the following table:

	Net Assets -		Net Assets -
	<u>Beginning Balance</u>	<u>Adjustment</u>	Beginning Balance
Government-wide:			<u>as Restated</u>
Governmental activities	132,971,372	102,036,694	235,008,066
Business-type activities	116,371,545	32,517,523	148,889,068
Business-type Activities - Enterprise Funds:			
Simi Valley Sanitation	71,226,149	16,294,704	87,520,853
Ventura County Waterworks District No. 8	40,166,140	16,222,819	56,388,959

REQUIRED SUPPLEMENTARY INFORMATION

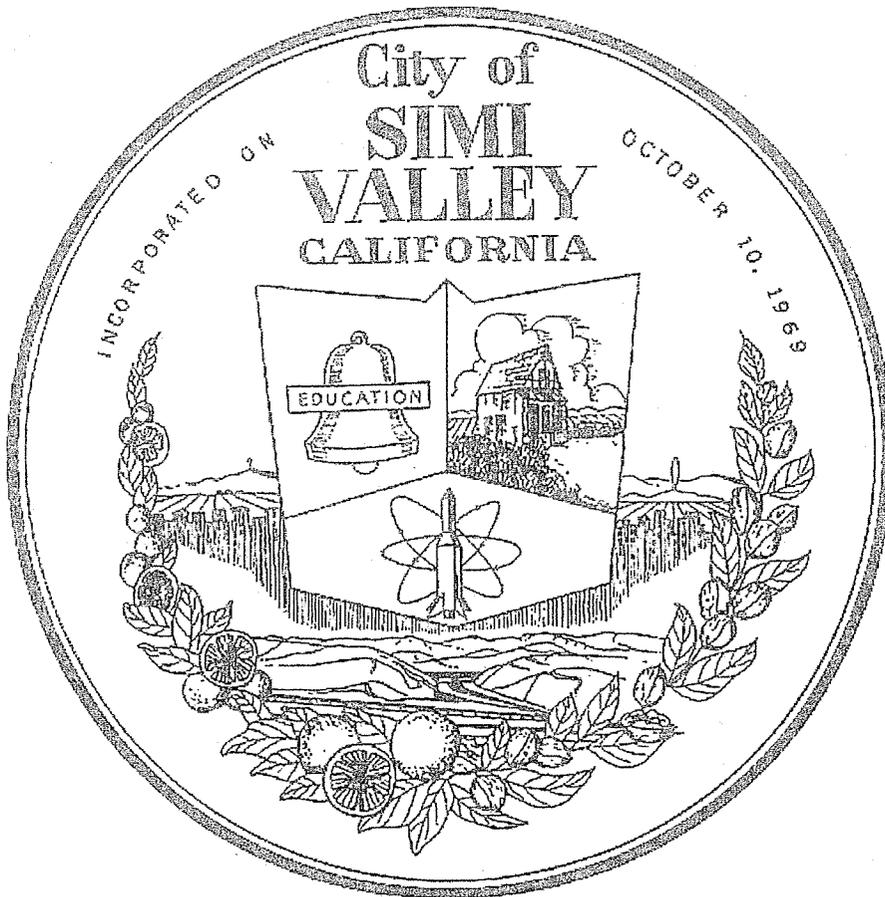
REQUIRED SUPPLEMENTARY INFORMATION
(UNAUDITED)

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

Actuarial Valuation Date	Actuarial Asset Value	Entry Age Accrual Liability	Unfunded Liability/ (Excess Assets)	Funded Ratios	Covered Payroll	Unfunded Actuarial Liability as Percentage of Covered Payroll
6/30/04	85,706,404 ¹	102,338,399	16,631,995	83.7%	26,366,490	63.1%
	56,597,438 ²	70,618,337	14,020,899	80.1%	10,075,924	139.2%
6/30/05	96,629,417 ¹	115,676,934	19,047,517	83.5%	27,722,082	68.7%
	62,342,492 ²	78,269,004	15,926,512	79.7%	10,441,304	152.5%
6/30/06	107,683,489 ¹	127,989,444	20,305,955	84.1%	28,806,429	70.5%
	68,719,375 ²	85,048,473	16,329,098	80.8%	10,660,117	153.2%

¹ Miscellaneous

² Sworn



SUPPLEMENTARY INFORMATION

NONMAJOR GOVERNMENTAL FUNDS



NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

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

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

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

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 AB 2928 – Traffic Congestion Relief funds received pursuant to State of California, Transportation Development Act and Senate Bill 1662. These funds are restricted for the improvement and maintenance of street systems, and State allocations for street and mass transit improvements.

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

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

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

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

Retiree Benefits fund accounts for post employment retirement benefits.

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

Debt Service Funds

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

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

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

Capital Project Funds

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

Cultural Arts Facility fund was established to account for the acquisition and renovation for historical preservation of the Old Methodist Church for the purpose of providing a Cultural Arts Facility.

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

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

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

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

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

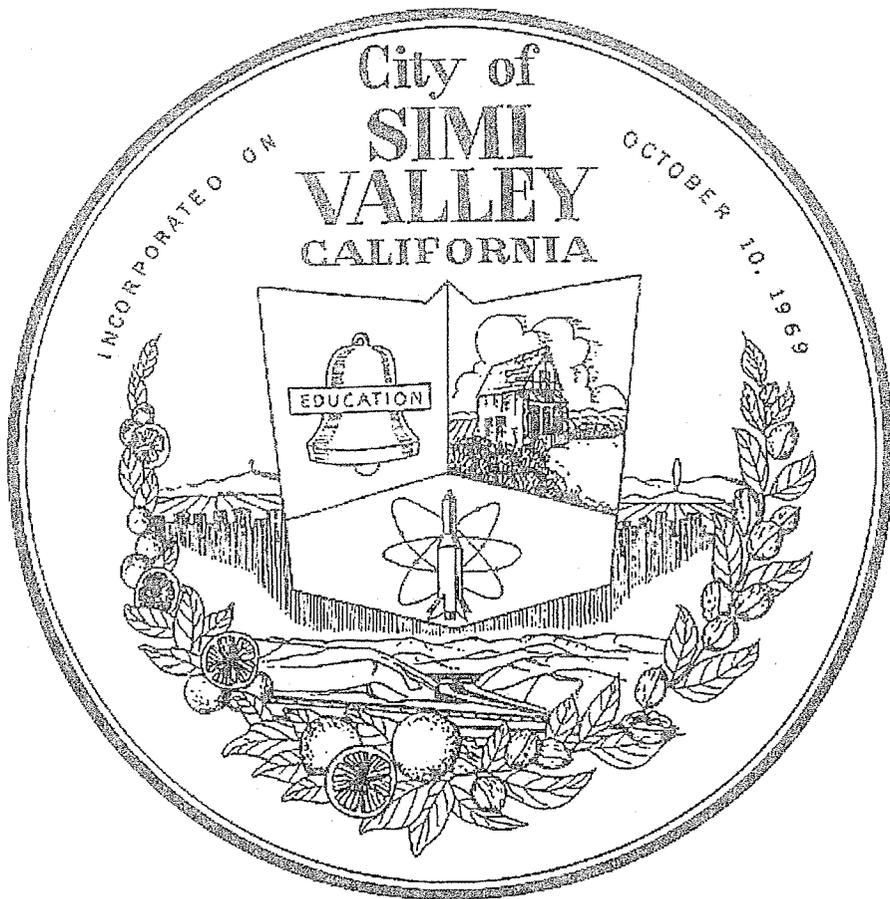
Stormwater Detention Basins fund accounts for the construction of several stormwater detention basins.

Police Facility fund accounts for the construction of a replacement police facility funded by proceeds from lease revenue bonds.

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

Unified Two-Way Radio System fund accounts for the replacement of the City's various two-way radio systems with a new unified two-way radio system.

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



**CITY OF SIMI VALLEY
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2007**

	Special Revenue			
	Community Development Agency Administration	Madera Royal Tax Increment	HOME Grant	Gasoline Tax
ASSETS				
Cash and investments:				
Held by city	\$ 23,895	\$ 3,368	\$ 555,792	\$ -
Held by bond trustee	-	-	-	-
Accounts receivable (net of allowance for uncollectibles)	-	-	65,074	-
Taxes receivable	-	-	-	-
Grants receivable	-	-	-	-
Interest receivable	-	386	4,636	-
Loans receivable (net of allowance for uncollectibles)	-	-	2,359,770	-
Advances to other funds	-	-	-	-
TOTAL ASSETS	\$ 23,895	\$ 3,754	\$ 2,985,272	\$ -
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ 15,244	\$ 3,753	\$ 1,548	\$ -
Salaries and benefits payable	8,651	-	-	-
Due to other funds	-	-	8,912	-
Advances from other funds	-	129,327	-	-
Deferred revenues	-	-	2,359,770	-
TOTAL LIABILITIES	23,895	133,080	2,370,230	-
FUND BALANCES				
Reserved for encumbrances	2,287	-	-	-
Reserved for advances to other funds	-	-	-	-
Reserved for debt service	-	-	-	-
Unreserved:				
Designated for cash flow	-	-	-	-
Designated for capital projects	-	-	-	-
Designated for public improvements	-	-	-	-
Designated for law enforcement	-	-	-	-
Designated for special programs	-	-	615,042	-
Undesignated	(2,287)	(129,326)	-	-
TOTAL FUND BALANCES (DEFICITS)	-	(129,326)	615,042	-
TOTAL LIABILITIES AND FUND BALANCES	\$ 23,895	\$ 3,754	\$ 2,985,272	\$ -

**CITY OF SIMI VALLEY
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2007**

Special Revenue

Transportation Funds	Lighting Maintenance District	Police Grants	Community Development Block Grant
\$ 55,575	\$ 4,399,214	\$ 311,930	\$ 314,153
-	-	-	-
-	25,186	-	-
-	102,034	-	-
6,839	-	41,026	200,225
1,295	53,461	3,587	354
-	-	-	588,135
-	2,500,000	-	-
\$ 63,709	\$ 7,079,895	\$ 356,543	\$ 1,102,867

ASSETS

Cash and investments:
 Held by city
 Held by bond trustee
 Accounts receivable (net of allowance for uncollectibles)
 Taxes receivable
 Grants receivable
 Interest receivable
 Loans receivable (net of allowance for uncollectibles)
 Advances to other funds

TOTAL ASSETS

LIABILITIES AND FUND BALANCES

LIABILITIES

Accounts payable
 Salaries and benefits payable
 Due to other funds
 Advances from other funds
 Deferred revenues

TOTAL LIABILITIES

FUND BALANCES

Reserved for encumbrances
 Reserved for advances to other funds
 Reserved for debt service
 Unreserved:
 Designated for cash flow
 Designated for capital projects
 Designated for public improvements
 Designated for law enforcement
 Designated for special programs
 Undesignated

TOTAL FUND BALANCES (DEFICITS)

TOTAL LIABILITIES AND FUND BALANCES

\$ 25,696	\$ 130,043	\$ 26,758	\$ 91,293
-	-	13,045	-
-	-	16,414	54,214
-	-	-	-
-	-	16,301	588,135
25,696	130,043	72,518	733,642
-	-	29,068	181,026
-	2,500,000	-	-
-	-	-	-
-	400,000	-	-
-	-	-	-
-	4,049,852	-	-
-	-	254,957	-
38,013	-	-	-
-	-	-	188,199
38,013	6,949,852	284,025	369,225
\$ 63,709	\$ 7,079,895	\$ 356,543	\$ 1,102,867

(continued)

**CITY OF SIMI VALLEY
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2007**

	Special Revenue		
	Retiree Benefits	Landscape Maintenance District No. 1	Total Nonmajor Special Revenue Funds
<u>ASSETS</u>			
Cash and investments:			
Held by city	\$ 2,216,893	\$ 1,287,808	\$ 9,168,628
Held by bond trustee	-	-	-
Accounts receivable (net of allowance for uncollectibles)	-	-	90,260
Taxes receivable	-	-	102,034
Grants receivable	-	-	248,090
Interest receivable	27,235	17,549	108,503
Loans receivable (net of allowance for uncollectibles)	-	-	2,947,905
Advances to other funds	-	-	2,500,000
TOTAL ASSETS	\$ 2,244,128	\$ 1,305,357	\$ 15,165,420
LIABILITIES AND FUND BALANCES			
<u>LIABILITIES</u>			
Accounts payable	\$ -	\$ 179,037	\$ 473,372
Salaries and benefits payable	-	-	21,696
Due to other funds	-	-	79,540
Advances from other funds	-	-	129,327
Deferred revenues	-	-	2,964,206
TOTAL LIABILITIES	-	179,037	3,668,141
<u>FUND BALANCES</u>			
Reserved for encumbrances	-	46,480	258,861
Reserved for advances to other funds	-	-	2,500,000
Reserved for debt service	-	-	-
Unreserved:			
Designated for cash flow	-	250,000	650,000
Designated for capital projects	-	-	-
Designated for public improvements	-	829,840	4,879,692
Designated for law enforcement	-	-	254,957
Designated for special programs	-	-	653,055
Undesignated	2,244,128	-	2,300,714
TOTAL FUND BALANCES (DEFICITS)	2,244,128	1,126,320	11,497,279
TOTAL LIABILITIES AND FUND BALANCES	\$ 2,244,128	\$ 1,305,357	\$ 15,165,420

**CITY OF SIMI VALLEY
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2007**

Debt Service				
1995 Lease Revenue Bonds	2003 Tax Allocation Refunding Bonds	2004 Certificates of Participation	Total Nonmajor Debt Service	
\$ -	\$ 1,335,537	\$ -	\$ 1,335,537	Cash and investments:
1,058,977	2,156,985	2,765,269	5,981,231	Held by city
-	-	-	-	Held by bond trustee
-	-	-	-	Accounts receivable (net of allowance for uncollectibles)
-	-	-	-	Taxes receivable
-	-	-	-	Grants receivable
4,092	28,125	20,933	53,150	Interest receivable
-	-	-	-	Loans receivable (net of allowance for uncollectibles)
-	-	-	-	Advances to other funds
\$ 1,063,069	\$ 3,520,647	\$ 2,786,202	\$ 7,369,918	TOTAL ASSETS
\$ -	\$ -	\$ -	\$ -	LIABILITIES AND FUND BALANCES
-	-	-	-	LIABILITIES
-	-	-	-	Accounts payable
-	-	-	-	Salaries and benefits payable
-	-	-	-	Due to other funds
-	-	-	-	Advances from other funds
-	-	-	-	Deferred revenues
-	-	-	-	TOTAL LIABILITIES
64	-	-	64	FUND BALANCES
-	-	-	-	Reserved for encumbrances
-	-	-	-	Reserved for advances to other funds
1,063,005	3,520,647	2,786,202	7,369,854	Reserved for debt service
-	-	-	-	Unreserved:
-	-	-	-	Designated for cash flow
-	-	-	-	Designated for capital projects
-	-	-	-	Designated for public improvements
-	-	-	-	Designated for law enforcement
-	-	-	-	Designated for special programs
-	-	-	-	Undesignated
1,063,069	3,520,647	2,786,202	7,369,918	TOTAL FUND BALANCES (DEFICITS)
\$ 1,063,069	\$ 3,520,647	\$ 2,786,202	\$ 7,369,918	TOTAL LIABILITIES AND FUND BALANCES

(continued)

**CITY OF SIMI VALLEY
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2007**

Capital Projects

	CDA Projects	Cultural Arts Facility	Equipment Replacement	Geographic Information System (GIS)
<u>ASSETS</u>				
Cash and investments:				
Held by city	\$ 1,854,619	\$ 26,058	\$ 4,574,822	\$ 162,739
Held by bond trustee	-	-	-	-
Accounts receivable (net of allowance for uncollectibles)	-	-	-	-
Taxes receivable	-	-	-	-
Grants receivable	-	-	-	-
Interest receivable	22,898	318	8,626	2,067
Loans receivable (net of allowance for uncollectibles)	-	-	-	-
Advances to other funds	-	-	-	-
TOTAL ASSETS	\$ 1,877,517	\$ 26,376	\$ 4,583,448	\$ 164,806
LIABILITIES AND FUND BALANCES				
<u>LIABILITIES</u>				
Accounts payable	\$ 10,000	\$ -	\$ 18,627	\$ 19,664
Salaries and benefits payable	-	-	-	-
Due to other funds	-	-	-	-
Advances from other funds	-	-	-	-
Deferred revenues	-	-	-	-
TOTAL LIABILITIES	10,000	-	18,627	19,664
<u>FUND BALANCES</u>				
Reserved for encumbrances	88,798	-	118,135	103
Reserved for advances to other funds	-	-	-	-
Reserved for debt service	-	-	-	-
Unreserved:				
Designated for cash flow	-	-	-	-
Designated for capital projects	1,778,719	26,376	4,446,686	145,039
Designated for public improvements	-	-	-	-
Designated for law enforcement	-	-	-	-
Designated for special programs	-	-	-	-
Undesignated	-	-	-	-
TOTAL FUND BALANCES (DEFICITS)	1,867,517	26,376	4,564,821	145,142
TOTAL LIABILITIES AND FUND BALANCES	\$ 1,877,517	\$ 26,376	\$ 4,583,448	\$ 164,806

**CITY OF SIMI VALLEY
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2007**

Capital Projects

Integrated Police System (IPS)	Public Facility Improvements	Financial Information System (FIS)	Stormwater Detention Basins	
\$ 33,024	\$ 8,559,924	\$ 130,859	\$ 72,479	
-	-	-	-	
-	-	-	1,575	
-	-	-	-	
43,348	-	-	-	
-	58,364	-	-	
-	-	-	-	
-	-	-	-	
-	-	-	-	
\$ 76,372	\$ 8,618,288	\$ 130,859	\$ 74,054	
				ASSETS
				Cash and investments:
				Held by city
				Held by bond trustee
				Accounts receivable (net of allowance for uncollectibles)
				Taxes receivable
				Grants receivable
				Interest receivable
				Loans receivable (net of allowance for uncollectibles)
				Advances to other funds
				TOTAL ASSETS
				LIABILITIES AND FUND BALANCES
\$ 60,632	\$ 17,278	\$ 11,960	\$ -	
-	-	-	-	
-	-	-	-	
-	3,348,380	-	-	
-	-	-	-	
60,632	3,365,658	11,960	-	
				LIABILITIES
				Accounts payable
				Salaries and benefits payable
				Due to other funds
				Advances from other funds
				Deferred revenues
				TOTAL LIABILITIES
1,591	138,580	15,865	629	
-	-	-	-	
-	-	-	-	
-	-	-	-	
-	-	-	-	
14,149	5,114,050	103,034	-	
-	-	-	-	
-	-	-	-	
-	-	-	-	
-	-	-	73,425	
15,740	5,252,630	118,899	74,054	
				FUND BALANCES
				Reserved for encumbrances
				Reserved for advances to other funds
				Reserved for debt service
				Unreserved:
				Designated for cash flow
				Designated for capital projects
				Designated for public improvements
				Designated for law enforcement
				Designated for special programs
				Undesignated
				TOTAL FUND BALANCES (DEFICITS)
\$ 76,372	\$ 8,618,288	\$ 130,859	\$ 74,054	TOTAL LIABILITIES AND FUND BALANCES

(continued)

**CITY OF SIMI VALLEY
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2007**

	Capital Projects		
	Police Facility	Police Capital Projects	Unified Two-Way Radio System
<u>ASSETS</u>			
Cash and investments:			
Held by city	\$ -	\$ 80,645	\$ 32,086
Held by bond trustee	-	-	-
Accounts receivable (net of allowance for uncollectibles)	-	-	-
Taxes receivable	-	-	-
Grants receivable	-	-	-
Interest receivable	-	985	-
Loans receivable (net of allowance for uncollectibles)	-	-	-
Advances to other funds	-	-	-
TOTAL ASSETS	\$ -	\$ 81,630	\$ 32,086
LIABILITIES AND FUND BALANCES			
<u>LIABILITIES</u>			
Accounts payable	\$ -	\$ -	\$ 19,722
Salaries and benefits payable	-	-	-
Due to other funds	-	-	-
Advances from other funds	-	-	-
Deferred revenues	-	-	-
TOTAL LIABILITIES	-	-	19,722
<u>FUND BALANCES</u>			
Reserved for encumbrances	1,200	2,500	-
Reserved for advances to other funds	-	-	-
Reserved for debt service	-	-	-
Unreserved:			
Designated for cash flow	-	-	-
Designated for capital projects	-	79,130	12,364
Designated for public improvements	-	-	-
Designated for law enforcement	-	-	-
Designated for special programs	-	-	-
Undesignated	(1,200)	-	-
TOTAL FUND BALANCES (DEFICITS)	-	81,630	12,364
TOTAL LIABILITIES AND FUND BALANCES	\$ -	\$ 81,630	\$ 32,086

**CITY OF SIMI VALLEY
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2007**

Capital Projects			
Regional Mall	Total Nonmajor Capital Projects	Total Nonmajor Funds	
\$ -	\$ 15,527,255	\$ 26,031,420	ASSETS
-	-	5,981,231	Cash and investments:
-	1,575	91,835	Held by city
-	-	102,034	Held by bond trustee
-	43,348	291,438	Accounts receivable (net of allowance for uncollectibles)
-	93,258	254,911	Taxes receivable
-	-	2,947,905	Grants receivable
-	-	2,500,000	Interest receivable
-	-	-	Loans receivable (net of allowance for uncollectibles)
-	-	-	Advances to other funds
\$ -	\$ 15,665,436	\$ 38,200,774	TOTAL ASSETS
			LIABILITIES AND FUND BALANCES
\$ -	\$ 157,883	\$ 631,255	LIABILITIES
-	-	21,696	Accounts payable
96,424	96,424	175,964	Salaries and benefits payable
-	3,348,380	3,477,707	Due to other funds
-	-	2,964,206	Advances from other funds
-	-	-	Deferred revenues
96,424	3,602,687	7,270,828	TOTAL LIABILITIES
-	367,401	626,326	FUND BALANCES
-	-	2,500,000	Reserved for encumbrances
-	-	7,369,854	Reserved for advances to other funds
-	-	650,000	Reserved for debt service
-	-	-	Unreserved:
-	-	-	Designated for cash flow
-	11,719,547	11,719,547	Designated for capital projects
-	-	4,879,692	Designated for public improvements
-	-	254,957	Designated for law enforcement
-	-	653,055	Designated for special programs
-	-	-	Undesignated
(96,424)	(24,199)	2,276,515	
(96,424)	12,062,749	30,929,946	TOTAL FUND BALANCES (DEFICITS)
\$ -	\$ 15,665,436	\$ 38,200,774	TOTAL LIABILITIES AND FUND BALANCES

(concluded)

**CITY OF SIMI VALLEY
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2007**

	Special Revenue			
	Community Development Agency Administration	Madera Royal Tax Increment	HOME Grant	Gasoline Tax
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Tax increment revenues	-	69,072	-	-
Use of money and property	-	888	203,292	-
From other governments	-	-	-	2,251,558
Grants	-	-	266,026	-
Service charges	-	-	-	-
Other revenues	-	-	-	-
Total revenues	-	69,960	469,318	2,251,558
EXPENDITURES				
Current:				
General government	499,800	732	9,479	-
Community services (CS)	-	-	-	-
Planning (ES)	767,547	-	708,409	-
Public ways and facilities (PW)	-	-	-	-
Public safety (PD)	-	-	-	-
Total current expenditures	1,267,347	732	717,888	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	6,951	-	-
Other	-	-	-	-
Total debt service	-	6,951	-	-
Intergovernmental	-	25,176	-	-
Total expenditures	1,267,347	32,859	717,888	-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(1,267,347)	37,101	(248,570)	2,251,558
OTHER FINANCING SOURCES (USES)				
Transfers in	1,288,447	-	-	-
Transfers out	(21,100)	(13,814)	-	(2,251,558)
Total other financing sources (uses)	1,267,347	(13,814)	-	(2,251,558)
NET CHANGE IN FUND BALANCES	-	23,287	(248,570)	-
FUND BALANCES (DEFICITS)-BEGINNING	-	(152,613)	863,612	-
FUND BALANCES (DEFICITS)-ENDING	\$ -	\$ (129,326)	\$ 615,042	\$ -

**CITY OF SIMI VALLEY
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2007**

Special Revenue				
Transportation Funds	Lighting Maintenance District	Police Grants	Community Development Block Grant	
\$ -	\$ 2,243,044	\$ -	\$ -	REVENUES
-	-	-	-	Taxes
8,306	336,455	14,891	50,220	Tax increment revenues
5,766,841	24,583	-	-	Use of money and property
-	-	674,141	574,147	From other governments
-	239	-	-	Grants
-	25,186	-	-	Service charges
-	-	-	-	Other revenues
5,775,147	2,629,507	689,032	624,367	Total revenues
				EXPENDITURES
				Current:
-	428,400	-	58,675	General government
-	-	-	-	Community services (CS)
-	-	-	527,640	Planning (ES)
45,883	1,281,815	-	-	Public ways and facilities (PW)
-	-	1,282,211	-	Public safety (PD)
45,883	1,710,215	1,282,211	586,315	Total current expenditures
-	-	-	-	Capital outlay
				Debt service:
-	-	-	-	Principal
-	-	-	-	Interest
-	201,500	-	-	Other
-	201,500	-	-	Total debt service
				Intergovernmental
45,883	1,911,715	1,282,211	586,315	Total expenditures
5,729,264	717,792	(593,179)	38,052	EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES
				OTHER FINANCING SOURCES (USES)
-	-	455,863	-	Transfers in
(6,191,656)	(287,500)	(47,796)	-	Transfers out
(6,191,656)	(287,500)	408,067	-	Total other financing sources (uses)
(462,392)	430,292	(185,112)	38,052	NET CHANGE IN FUND BALANCES
500,405	6,519,560	469,137	331,173	FUND BALANCES (DEFICITS)-BEGINNING
\$ 38,013	\$ 6,949,852	\$ 284,025	\$ 369,225	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, 2007**

	Special Revenue		
	Retiree Benefits	Landscape Maintenance District No. 1	Total Nonmajor Special Revenue Funds
REVENUES			
Taxes	\$ -	\$ -	\$ 2,243,044
Tax increment revenues	-	-	69,072
Use of money and property	103,154	61,082	778,288
From other governments	-	-	8,042,982
Grants	-	-	1,514,314
Service charges	-	786,203	786,442
Other revenues	18,600	-	43,786
Total revenues	<u>121,754</u>	<u>847,285</u>	<u>13,477,928</u>
EXPENDITURES			
Current:			
General government	165,103	60,785	1,222,974
Community services (CS)	-	-	-
Planning (ES)	-	-	2,003,596
Public ways and facilities (PW)	-	1,428,935	2,756,633
Public safety (PD)	-	-	1,282,211
Total current expenditures	<u>165,103</u>	<u>1,489,720</u>	<u>7,265,414</u>
Capital outlay	-	-	-
Debt service:			
Principal	-	-	-
Interest	-	-	6,951
Other	-	-	201,500
Total debt service	<u>-</u>	<u>-</u>	<u>208,451</u>
Intergovernmental	-	-	25,176
Total expenditures	<u>165,103</u>	<u>1,489,720</u>	<u>7,499,041</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(43,349)</u>	<u>(642,435)</u>	<u>5,978,887</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	665,300	686,800	3,096,410
Transfers out	-	-	(8,813,424)
Total other financing sources (uses)	<u>665,300</u>	<u>686,800</u>	<u>(5,717,014)</u>
NET CHANGE IN FUND BALANCES	621,951	44,365	261,873
FUND BALANCES (DEFICITS)-BEGINNING	<u>1,622,177</u>	<u>1,081,955</u>	<u>11,235,406</u>
FUND BALANCES (DEFICITS)-ENDING	<u>\$ 2,244,128</u>	<u>\$ 1,126,320</u>	<u>\$ 11,497,279</u>

**CITY OF SIMI VALLEY
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007**

Debt Service				
1995 Lease Revenue Bonds	2003 Tax Allocation Refunding Bonds	2004 Certificates of Participation	Total Nonmajor Debt Service	
\$ -	\$ -	\$ -	\$ -	REVENUES
-	-	-	-	Taxes
50,865	118,921	165,256	335,042	Tax increment revenues
-	-	-	-	Use of money and property
-	-	-	-	From other governments
-	-	-	-	Grants
-	-	-	-	Service charges
-	-	-	-	Other revenues
50,865	118,921	165,256	335,042	Total revenues
-	-	-	-	EXPENDITURES
-	-	-	-	Current:
-	-	-	-	General government
-	-	-	-	Community services (CS)
-	-	-	-	Planning (ES)
-	-	-	-	Public ways and facilities (PW)
-	-	-	-	Public safety (PD)
-	-	-	-	Total current expenditures
-	-	-	-	Capital outlay
570,000	720,000	460,000	1,750,000	Debt service:
388,610	1,374,594	1,194,769	2,957,973	Principal
8,378	3,350	4,245	15,973	Interest
966,988	2,097,944	1,659,014	4,723,946	Other
-	-	-	-	Total debt service
-	-	-	-	Intergovernmental
966,988	2,097,944	1,659,014	4,723,946	Total expenditures
(916,123)	(1,979,023)	(1,493,758)	(4,388,904)	EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES
962,221	1,957,252	1,585,822	4,505,295	OTHER FINANCING SOURCES (USES)
-	-	(994,110)	(994,110)	Transfers in
962,221	1,957,252	591,712	3,511,185	Transfers out
-	-	-	-	Total other financing sources (uses)
46,098	(21,771)	(902,046)	(877,719)	NET CHANGE IN FUND BALANCES
1,016,971	3,542,418	3,688,248	8,247,637	FUND BALANCES (DEFICITS)-BEGINNING
\$ 1,063,069	\$ 3,520,647	\$ 2,786,202	\$ 7,369,918	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, 2007**

Capital Projects

	CDA Projects	Cultural Arts Facility	Equipment Replacement	Geographic Information System (GIS)
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Tax increment revenues	-	-	-	-
Use of money and property	142,351	1,193	34,478	7,663
From other governments	-	-	-	-
Grants	-	-	-	-
Service charges	-	-	-	-
Other revenues	-	-	-	-
Total revenues	<u>142,351</u>	<u>1,193</u>	<u>34,478</u>	<u>7,663</u>
EXPENDITURES				
Current:				
General government	-	-	-	-
Community services (CS)	-	-	-	-
Planning (ES)	-	-	-	-
Public ways and facilities (PW)	-	-	-	-
Public safety (PD)	-	-	-	-
Total current expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Capital outlay	<u>155,815</u>	<u>-</u>	<u>707,580</u>	<u>123,165</u>
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Other	-	-	-	-
Total debt service	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Intergovernmental	-	-	-	-
Total expenditures	<u>155,815</u>	<u>-</u>	<u>707,580</u>	<u>123,165</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(13,464)</u>	<u>1,193</u>	<u>(673,102)</u>	<u>(115,502)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	73,000	-	997,600	146,700
Transfers out	(1,653,369)	-	-	-
Total other financing sources (uses)	<u>(1,580,369)</u>	<u>-</u>	<u>997,600</u>	<u>146,700</u>
NET CHANGE IN FUND BALANCES	(1,593,833)	1,193	324,498	31,198
FUND BALANCES (DEFICITS)-BEGINNING	3,461,350	25,183	4,240,323	113,944
FUND BALANCES (DEFICITS)-ENDING	<u>\$ 1,867,517</u>	<u>\$ 26,376</u>	<u>\$ 4,564,821</u>	<u>\$ 145,142</u>

**CITY OF SIMI VALLEY
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007**

Capital Projects

Integrated Police System (IPS)	Public Facility Improvements	Financial Information System (FIS)	Stormwater Detention Basins	
\$	-	\$	-	\$
-	-	-	-	-
-	293,110	-	-	-
-	-	-	5,763	-
73,723	-	-	103,091	-
-	-	-	-	-
-	-	72,995	-	-
<u>73,723</u>	<u>293,110</u>	<u>72,995</u>	<u>108,854</u>	<u>-</u>
REVENUES				
Taxes				
Tax increment revenues				
Use of money and property				
From other governments				
Grants				
Service charges				
Other revenues				
Total revenues				
EXPENDITURES				
Current:				
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
Total current expenditures				
<u>98,826</u>	<u>1,496,902</u>	<u>230,078</u>	<u>7,582</u>	<u>-</u>
Capital outlay				
Debt service:				
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
Total debt service				
<u>98,826</u>	<u>1,496,902</u>	<u>230,078</u>	<u>7,582</u>	<u>-</u>
Intergovernmental				
Total expenditures				
<u>(25,103)</u>	<u>(1,203,792)</u>	<u>(157,083)</u>	<u>101,272</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES				
1,596	1,307,303	125,000	-	-
-	(800,000)	-	-	-
<u>1,596</u>	<u>507,303</u>	<u>125,000</u>	<u>-</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)				
Transfers in				
Transfers out				
Total other financing sources (uses)				
(23,507)	(696,489)	(32,083)	101,272	-
NET CHANGE IN FUND BALANCES				
<u>39,247</u>	<u>5,949,119</u>	<u>150,982</u>	<u>(27,218)</u>	<u>-</u>
FUND BALANCES (DEFICITS)-BEGINNING				
\$ 15,740	\$ 5,252,630	\$ 118,899	\$ 74,054	-
FUND BALANCES (DEFICITS)-ENDING				

(continued)

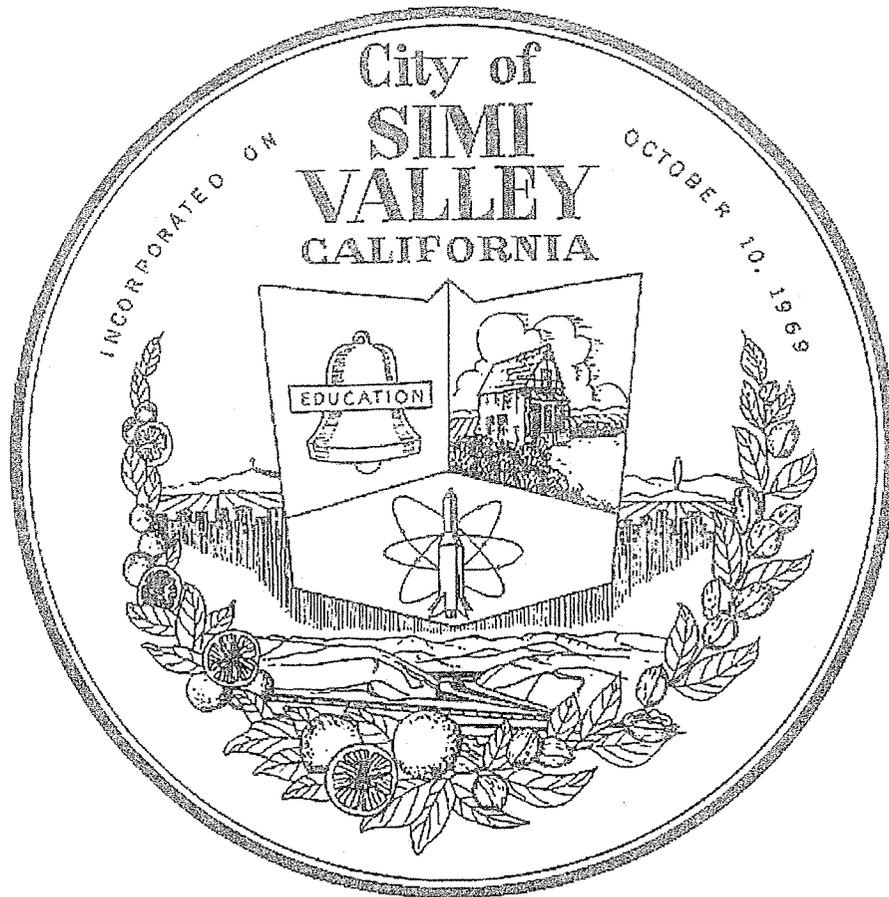
**CITY OF SIMI VALLEY
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2007**

	Capital Projects		
	Police Facility	Police Capital Projects	Unified Two-Way Radio System
REVENUES			
Taxes	\$ -	\$ -	\$ -
Tax increment revenues	-	-	-
Use of money and property	155	3,692	-
From other governments	-	-	-
Grants	-	-	12,291
Service charges	-	-	-
Other revenues	-	-	466,200
Total revenues	<u>155</u>	<u>3,692</u>	<u>478,491</u>
EXPENDITURES			
Current:			
General government	-	-	-
Community services (CS)	-	-	-
Planning (ES)	-	-	-
Public ways and facilities (PW)	-	-	-
Public safety (PD)	-	-	-
Total current expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Capital outlay	-	-	426,518
Debt service:			
Principal	-	-	-
Interest	-	-	-
Other	-	-	-
Total debt service	<u>-</u>	<u>-</u>	<u>-</u>
Intergovernmental	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>426,518</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>155</u>	<u>3,692</u>	<u>51,973</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	1,653,369	-	-
Transfers out	-	-	(466,200)
Total other financing sources (uses)	<u>1,653,369</u>	<u>-</u>	<u>(466,200)</u>
NET CHANGE IN FUND BALANCES	1,653,524	3,692	(414,227)
FUND BALANCES (DEFICITS)-BEGINNING	<u>(1,653,524)</u>	<u>77,938</u>	<u>426,591</u>
FUND BALANCES (DEFICITS)-ENDING	<u>\$ -</u>	<u>\$ 81,630</u>	<u>\$ 12,364</u>

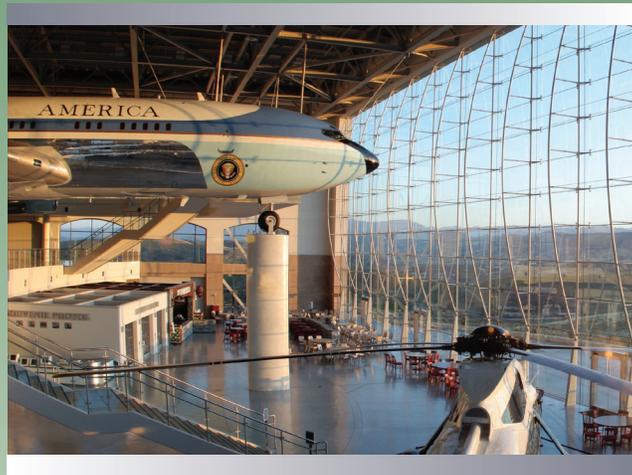
**CITY OF SIMI VALLEY
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2007**

<u>Capital Projects</u>			
Regional Mall	Total Nonmajor Capital Project Funds	Total Nonmajor Funds	
\$ -	\$ -	\$ 2,243,044	<u>REVENUES</u>
-	-	69,072	Taxes
-	482,642	1,595,972	Tax increment revenues
-	5,763	8,048,745	Use of money and property
-	189,105	1,703,419	From other governments
-	-	786,442	Grants
135,000	674,195	717,981	Service charges
135,000	1,351,705	15,164,675	Other revenues
			Total revenues
			<u>EXPENDITURES</u>
			Current:
-	-	1,222,974	General government
-	-	-	Community services (CS)
-	-	2,003,596	Planning (ES)
-	-	2,756,633	Public ways and facilities (PW)
-	-	1,282,211	Public safety (PD)
-	-	7,265,414	Total current expenditures
135,000	3,381,466	3,381,466	Capital outlay
			Debt service:
-	-	1,750,000	Principal
-	-	2,964,924	Interest
-	-	217,473	Other
-	-	4,932,397	Total debt service
-	-	25,176	Intergovernmental
135,000	3,381,466	15,604,453	Total expenditures
-	(2,029,761)	(439,778)	EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES
			<u>OTHER FINANCING SOURCES (USES)</u>
-	4,304,568	11,906,273	Transfers in
-	(2,919,569)	(12,727,103)	Transfers out
-	1,384,999	(820,830)	Total other financing sources (uses)
-	(644,762)	(1,260,608)	NET CHANGE IN FUND BALANCES
(96,424)	12,707,511	32,190,554	FUND BALANCES (DEFICITS)-BEGINNING
\$ (96,424)	\$ 12,062,749	\$ 30,929,946	FUND BALANCES (DEFICITS)-ENDING

(concluded)



SCHEDULES-BUDGET AND ACTUAL-INDIVIDUAL FUNDS



**CITY OF SIMI VALLEY
COMMUNITY DEVELOPMENT AGENCY ADMINISTRATION
SUPPLEMENTAL SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2007**

	Budget	Actual	Variance with Budget Positive (Negative)
<u>REVENUES</u>			
Other revenues	\$ -	\$ -	\$ -
<u>EXPENDITURES</u>			
Current:			
General government:			
Reimbursement to general fund	499,800	499,800	-
Environmental services:			
Personnel	572,200	522,961	49,239
Materials, supplies and services	350,000	244,586	105,414
Total environmental services	922,200	767,547	154,653
Total expenditures	1,422,000	1,267,347	154,653
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(1,422,000)	(1,267,347)	154,653
<u>OTHER FINANCING SOURCES (USES)</u>			
Transfers in	1,383,000	1,288,447	(94,553)
Transfers out	(21,100)	(21,100)	-
Total other financing sources (uses)	1,361,900	1,267,347	(94,553)
NET CHANGE IN FUND BALANCES	(60,100)	-	60,100
FUND BALANCES (DEFICITS)-BEGINNING	-	-	-
FUND BALANCES (DEFICITS)-ENDING	\$ (60,100)	\$ -	\$ 60,100

CITY OF SIMI VALLEY
MADERA ROYAL TAX INCREMENT
SUPPLEMENTAL SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

	Budget	Actual	Variance with Budget Positive (Negative)
<u>REVENUES</u>			
Tax increment revenues	\$ 65,800	\$ 69,072	\$ 3,272
Use of money and property	400	888	488
Total revenues	<u>66,200</u>	<u>69,960</u>	<u>3,760</u>
<u>EXPENDITURES</u>			
Current:			
General government:			
Materials, supplies, and services	-	732	(732)
Debt service:			
Interest	6,100	6,951	(851)
Intergovernmental	<u>24,013</u>	<u>25,176</u>	<u>(1,163)</u>
Total expenditures	<u>30,113</u>	<u>32,859</u>	<u>(2,746)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>36,087</u>	<u>37,101</u>	<u>1,014</u>
<u>OTHER FINANCING SOURCES (USES)</u>			
Transfers out	<u>(13,200)</u>	<u>(13,814)</u>	<u>(614)</u>
NET CHANGE IN FUND BALANCES	22,887	23,287	400
FUND BALANCES (DEFICITS)-BEGINNING	<u>(152,613)</u>	<u>(152,613)</u>	<u>-</u>
FUND BALANCES (DEFICITS)-ENDING	<u>\$ (129,726)</u>	<u>\$ (129,326)</u>	<u>\$ 400</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, 2007

	Budget	Actual	Variance with Budget Positive (Negative)
<u>REVENUES</u>			
Use of money and property	\$ 204,400	\$ 203,292	\$ (1,108)
Grants	284,800	266,026	(18,774)
Total revenues	<u>489,200</u>	<u>469,318</u>	<u>(19,882)</u>
<u>EXPENDITURES</u>			
Current:			
General government:			
Reimbursement to housing fund	120,000	9,479	110,521
Environmental services	<u>705,000</u>	<u>708,409</u>	<u>(3,409)</u>
Total expenditures	<u>825,000</u>	<u>717,888</u>	<u>107,112</u>
NET CHANGE IN FUND BALANCES	(335,800)	(248,570)	87,230
FUND BALANCES (DEFICITS)-BEGINNING	<u>863,612</u>	<u>863,612</u>	-
FUND BALANCES (DEFICITS)-ENDING	<u>\$ 527,812</u>	<u>\$ 615,042</u>	<u>\$ 87,230</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, 2007

	Budget	Actual	Variance with Budget Positive (Negative)
<u>REVENUES</u>			
From other governments	\$ 2,218,000	\$ 2,251,558	\$ 33,558
<u>OTHER FINANCING SOURCES (USES)</u>			
Transfers out	(2,218,000)	(2,251,558)	(33,558)
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, 2007**

	Budget	Actual	Variance with Budget Positive (Negative)
<u>REVENUES</u>			
Use of money and property	\$ -	\$ 8,306	\$ 8,306
From other governments	5,792,500	5,766,841	(25,659)
Total revenues	<u>5,792,500</u>	<u>5,775,147</u>	<u>(17,353)</u>
<u>EXPENDITURES</u>			
Current:			
Public works:			
Other contract services	-	45,883	(45,883)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	5,792,500	5,729,264	(63,236)
<u>OTHER FINANCING (USES)</u>			
Transfers out	(6,191,600)	(6,191,656)	(56)
NET CHANGE IN FUND BALANCES	(399,100)	(462,392)	(63,292)
FUND BALANCES (DEFICITS)-BEGINNING	<u>500,405</u>	<u>500,405</u>	-
FUND BALANCES (DEFICITS)-ENDING	<u>\$ 101,305</u>	<u>\$ 38,013</u>	<u>\$ (63,292)</u>

**CITY OF SIMI VALLEY
LIGHTING MAINTENANCE DISTRICT
SUPPLEMENTAL SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2007**

	Budget	Actual	Variance with Budget Positive (Negative)
<u>REVENUES</u>			
Taxes	\$ 1,977,700	\$ 2,243,044	\$ 265,344
Use of money and property	172,500	336,455	163,955
From other governments	24,500	24,583	83
Service charges	500	239	(261)
Other revenues	-	25,186	25,186
Total revenues	<u>2,175,200</u>	<u>2,629,507</u>	<u>454,307</u>
<u>EXPENDITURES</u>			
Current:			
General government:			
Reimbursement to general fund	428,400	428,400	-
Public works:			
Utilities	780,000	869,339	(89,339)
Services	430,500	412,476	18,024
Total public works	<u>1,210,500</u>	<u>1,281,815</u>	<u>(71,315)</u>
Debt service:			
Other	201,500	201,500	-
Total expenditures	<u>1,840,400</u>	<u>1,911,715</u>	<u>(71,315)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	334,800	717,792	382,992
<u>OTHER FINANCING SOURCES (USES)</u>			
Transfers out	<u>(287,500)</u>	<u>(287,500)</u>	-
NET CHANGE IN FUND BALANCES	47,300	430,292	382,992
FUND BALANCES (DEFICITS)-BEGINNING	<u>6,519,560</u>	<u>6,519,560</u>	-
FUND BALANCES (DEFICITS)-ENDING	<u>\$ 6,566,860</u>	<u>\$ 6,949,852</u>	<u>\$ 382,992</u>

**CITY OF SIMI VALLEY
POLICE GRANTS
SUPPLEMENTAL SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2007**

	Budget	Actual	Variance with Budget Positive (Negative)
<u>REVENUES</u>			
Use of money and property	\$ 6,900	\$ 14,891	\$ 7,991
Grants	455,200	674,141	218,941
Total revenues	<u>462,100</u>	<u>689,032</u>	<u>226,932</u>
<u>EXPENDITURES</u>			
Current:			
Public safety:			
Personnel	811,300	671,168	140,132
Material, supplies and services	695,000	611,043	83,957
Total public safety	<u>1,506,300</u>	<u>1,282,211</u>	<u>224,089</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(1,044,200)</u>	<u>(593,179)</u>	<u>451,021</u>
<u>OTHER FINANCING SOURCES (USES)</u>			
Transfers in	440,248	455,863	15,615
Transfers out	(57,644)	(47,796)	9,848
Total other financing sources (uses)	<u>382,604</u>	<u>408,067</u>	<u>25,463</u>
NET CHANGE IN FUND BALANCES	(661,596)	(185,112)	476,484
FUND BALANCES (DEFICITS)-BEGINNING	<u>469,137</u>	<u>469,137</u>	<u>-</u>
FUND BALANCES (DEFICITS)-ENDING	<u>\$ (192,459)</u>	<u>\$ 284,025</u>	<u>\$ 476,484</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, 2007

	Budget	Actual	Variance with Budget Positive (Negative)
<u>REVENUES</u>			
Use of money and property	\$ -	\$ 50,220	\$ 50,220
Grants	-	574,147	574,147
Total revenues	-	624,367	624,367
<u>EXPENDITURES</u>			
General government:			
Reimbursement to general fund	58,675	58,675	-
Environmental services:			
Reimbursement to housing fund	102,514	102,514	-
Social programs	304,975	301,060	3,915
Other programs	-	124,066	(124,066)
Total environmental services	407,489	527,640	(120,151)
Public works:			
Curbs, gutters, sidewalks, and street repair	201,685	-	201,685
Total expenditures	667,849	586,315	81,534
NET CHANGE IN FUND BALANCES	(667,849)	38,052	705,901
FUND BALANCES (DEFICITS)-BEGINNING	331,173	331,173	-
FUND BALANCES (DEFICITS)-ENDING	\$ (336,676)	\$ 369,225	\$ 705,901

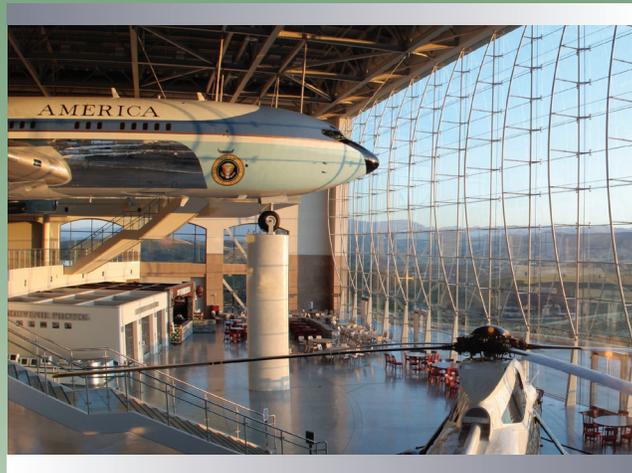
CITY OF SIMI VALLEY
RETIREE BENEFITS
SUPPLEMENTAL SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

	Budget	Actual	Variance with Budget Positive (Negative)
<u>REVENUES</u>			
Use of money and property	\$ 20,000	\$ 103,154	\$ 83,154
Other revenues	18,600	18,600	-
Total revenues	<u>38,600</u>	<u>121,754</u>	<u>83,154</u>
<u>EXPENDITURES</u>			
Current:			
General government:			
Retiree benefits	<u>571,500</u>	<u>165,103</u>	<u>406,397</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(532,900)	(43,349)	489,551
<u>OTHER FINANCING SOURCES (USES)</u>			
Transfers in	<u>665,300</u>	<u>665,300</u>	-
NET CHANGE IN FUND BALANCES	132,400	621,951	489,551
FUND BALANCES (DEFICITS)-BEGINNING	<u>1,622,177</u>	<u>1,622,177</u>	-
FUND BALANCES (DEFICITS)-ENDING	<u>\$ 1,754,577</u>	<u>\$ 2,244,128</u>	<u>\$ 489,551</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, 2007

	Budget	Actual	Variance with Budget Positive (Negative)
<u>REVENUES</u>			
Use of money and property	\$ 27,739	\$ 61,082	\$ 33,343
Service charges	797,391	786,203	(11,188)
Total revenues	<u>825,130</u>	<u>847,285</u>	<u>22,155</u>
<u>EXPENDITURES</u>			
Current:			
General government:			
Reimbursement to general fund	60,785	60,785	-
Public works:			
Utilities	350,608	479,851	(129,243)
Landscape maintenance contract	1,028,987	942,580	86,407
Other contract services	41,200	6,504	34,696
Total public works	<u>1,420,795</u>	<u>1,428,935</u>	<u>(8,140)</u>
Total expenditures	<u>1,481,580</u>	<u>1,489,720</u>	<u>(8,140)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(656,450)	(642,435)	14,015
<u>OTHER FINANCING SOURCES (USES)</u>			
Transfers in	633,275	686,800	53,525
NET CHANGE IN FUND BALANCES	(23,175)	44,365	67,540
FUND BALANCES (DEFICITS)-BEGINNING	<u>1,081,955</u>	<u>1,081,955</u>	-
FUND BALANCES (DEFICITS)-ENDING	<u>\$ 1,058,780</u>	<u>\$ 1,126,320</u>	<u>\$ 67,540</u>

INTERNAL SERVICE AND FIDUCIARY FUNDS



**CITY OF SIMI VALLEY
COMBINING STATEMENT OF NET ASSETS
INTERNAL SERVICE FUNDS
JUNE 30, 2007**

	Liability Insurance	Workers' Compensation Insurance	Total
<u>ASSETS</u>			
Current assets:			
Cash and investments	\$ 6,945,439	\$ 13,656,694	\$ 20,602,133
Interest receivable	56,740	132,427	189,167
TOTAL ASSETS	7,002,179	13,789,121	20,791,300
<u>LIABILITIES</u>			
Current liabilities:			
Accounts payable	95,670	31,733	127,403
Salaries and benefits payable	-	4,646	4,646
Compensated absences	-	3,744	3,744
Claims and legal services payable	397,529	2,283,496	2,681,025
Total current liabilities	493,199	2,323,619	2,816,818
Noncurrent liabilities:			
Advances from other funds	2,344,000	2,344,000	4,688,000
Compensated absences	-	33,703	33,703
Claims and legal services payable	757,065	5,566,891	6,323,956
Total noncurrent liabilities	3,101,065	7,944,594	11,045,659
TOTAL LIABILITIES	3,594,264	10,268,213	13,862,477
<u>NET ASSETS</u>			
Unrestricted	3,407,915	3,520,908	6,928,823
TOTAL NET ASSETS	\$ 3,407,915	\$ 3,520,908	\$ 6,928,823

CITY OF SIMI VALLEY
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
INTERNAL SERVICE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

	Liability Insurance	Workers' Compensation Insurance	Total
<u>OPERATING REVENUES</u>			
Charges for sales and services	\$ 1,343,000	\$ 3,771,000	\$ 5,114,000
Deposit refunds	15,598	-	15,598
Total operating revenues	<u>1,358,598</u>	<u>3,771,000</u>	<u>5,129,598</u>
<u>OPERATING EXPENSES</u>			
Salaries and benefits	-	292,438	292,438
Excess insurance premiums	411,270	255,387	666,657
Claims and legal expenses	(218,102)	(995,646)	(1,213,748)
General administration	872,000	137,800	1,009,800
Other	-	9,463	9,463
Total operating expenses	<u>1,065,168</u>	<u>(300,558)</u>	<u>764,610</u>
OPERATING INCOME (LOSS)	<u>293,430</u>	<u>4,071,558</u>	<u>4,364,988</u>
NONOPERATING REVENUES AND EXPENSES:			
Interest	<u>259,557</u>	<u>561,702</u>	<u>821,259</u>
INCOME (LOSS) BEFORE TRANSFERS	552,987	4,633,260	5,186,247
<u>TRANSFERS</u>			
Transfers out	<u>(1,300)</u>	<u>(3,900)</u>	<u>(5,200)</u>
CHANGE IN NET ASSETS	551,687	4,629,360	5,181,047
TOTAL NET ASSETS-BEGINNING	<u>2,856,228</u>	<u>(1,108,452)</u>	<u>1,747,776</u>
TOTAL NET ASSETS-ENDING	<u>\$ 3,407,915</u>	<u>\$ 3,520,908</u>	<u>\$ 6,928,823</u>

**CITY OF SIMI VALLEY
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007**

	Liability Insurance	Workers' Compensation Insurance	Totals
<u>CASH FLOWS FROM OPERATING ACTIVITIES:</u>			
Cash received from service charges and other revenues (net of refunds)	\$ 1,358,598	\$ 3,771,000	\$ 5,129,598
Cash paid for general administration	(872,000)	(137,800)	(1,009,800)
Cash paid for salaries and benefits	-	(285,695)	(285,695)
Cash paid for insurance premiums and claims	(524,583)	(1,330,513)	(1,855,096)
Cash paid for insurance services	-	(9,463)	(9,463)
Net cash provided (used) by operating activities	<u>(37,985)</u>	<u>2,007,529</u>	<u>1,969,544</u>
<u>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</u>			
Transfers to other funds	(1,300)	(3,900)	(5,200)
Net cash provided (used) by noncapital financing activities	<u>(1,300)</u>	<u>(3,900)</u>	<u>(5,200)</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES:</u>			
Interest on investments	246,024	500,841	746,865
Net cash provided (used) by investing activities	<u>246,024</u>	<u>500,841</u>	<u>746,865</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	206,739	2,504,470	2,711,209
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	6,738,700	11,152,224	17,890,924
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 6,945,439</u>	<u>\$ 13,656,694</u>	<u>\$ 20,602,133</u>
<u>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:</u>			
Operating income (loss)	\$ 293,430	\$ 4,071,558	\$ 4,364,988
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Increase (decrease) in accounts payable	95,670	(12,472)	83,198
Increase (decrease) in accrued payroll	-	1,142	1,142
Increase (decrease) in compensated absences	-	5,601	5,601
Increase (decrease) in claims and legal services payable	(427,085)	(2,058,300)	(2,485,385)
Total adjustments	<u>(331,415)</u>	<u>(2,064,029)</u>	<u>(2,395,444)</u>
Net cash provided (used) by operating activities	<u>\$ (37,985)</u>	<u>\$ 2,007,529</u>	<u>\$ 1,969,544</u>

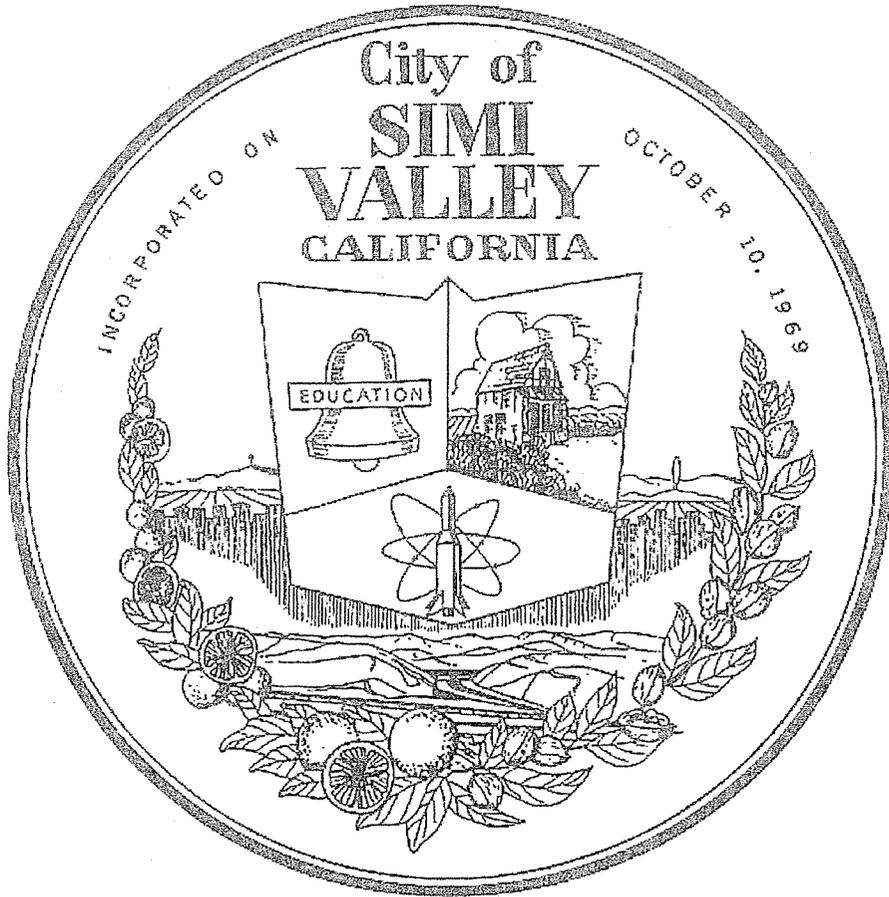
**CITY OF SIMI VALLEY
 COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
 FIDUCIARY FUNDS
 JUNE 30, 2007**

	Assessment Districts - City of Simi Valley	Tax Increment Pass-Through Simi Valley Unified School District	Tax Increment Pass-Through Ventura County Community College District	Total
<u>ASSETS</u>				
Current assets:				
Cash and investments:				
Held by City	\$ 2,426,411	\$ 740,408	\$ 256,986	\$ 3,423,805
Held by bond trustee	6,154,883	-	-	6,154,883
Accounts receivable	26,038	10,752	2,740	39,530
TOTAL ASSETS	\$ 8,607,332	\$ 751,160	\$ 259,726	\$ 9,618,218

<u>LIABILITIES</u>				
Intergovernmental payable	\$ 8,607,332	\$ 751,160	\$ 259,726	\$ 9,618,218
TOTAL LIABILITIES	\$ 8,607,332	\$ 751,160	\$ 259,726	\$ 9,618,218

**CITY OF SIMI VALLEY
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 FIDUCIARY FUNDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2007**

	Balance at June 30, 2006	Additions	Deletions	Balance at June 30, 2007
ASSESSMENT DISTRICT - CITY OF SIMI VALLEY				
ASSETS:				
Cash and investments held by city	\$ 2,802,379	\$ 4,635,595	\$ 5,011,563	\$ 2,426,411
Cash and investments held by bond trustee	4,209,280	5,098,164	3,152,561	6,154,883
Accounts receivable	23,686	26,038	23,686	26,038
TOTAL ASSETS	\$ 7,035,345	\$ 9,759,797	\$ 8,187,810	\$ 8,607,332
LIABILITIES:				
Intergovernmental payable	\$ 7,035,345	\$ 9,759,797	\$ 8,187,810	\$ 8,607,332
TOTAL LIABILITIES	\$ 7,035,345	\$ 9,759,797	\$ 8,187,810	\$ 8,607,332
SIMI VALLEY UNIFIED SCHOOL DISTRICT				
ASSETS:				
Cash and investments held by city	\$ 522,410	\$ 1,022,124	\$ 804,126	\$ 740,408
Accounts receivable	4,085	10,752	4,085	10,752
TOTAL ASSETS	\$ 526,495	\$ 1,032,876	\$ 808,211	\$ 751,160
LIABILITIES:				
Intergovernmental payable	\$ 526,495	\$ 1,032,876	\$ 808,211	\$ 751,160
TOTAL LIABILITIES	\$ 526,495	\$ 1,032,876	\$ 808,211	\$ 751,160
VENTURA COUNTY COMMUNITY COLLEGE DISTRICT				
ASSETS:				
Cash and investments held by city	\$ 147,910	\$ 265,178	\$ 156,102	\$ 256,986
Accounts receivable	1,199	2,741	1,200	2,740
TOTAL ASSETS	\$ 149,109	\$ 267,919	\$ 157,302	\$ 259,726
LIABILITIES:				
Intergovernmental payable	\$ 149,109	\$ 267,919	\$ 157,302	\$ 259,726
TOTAL LIABILITIES	\$ 149,109	\$ 267,919	\$ 157,302	\$ 259,726
TOTAL AGENCY FUNDS				
ASSETS:				
Cash and investments held by city	\$ 3,472,699	\$ 5,922,897	\$ 5,971,791	\$ 3,423,805
Cash and investments held by bond trustee	4,209,280	5,098,164	3,152,561	6,154,883
Accounts receivable	28,970	39,531	28,971	39,530
TOTAL ASSETS	\$ 7,710,949	\$ 11,060,592	\$ 9,153,323	\$ 9,618,218
LIABILITIES:				
Intergovernmental payable	\$ 7,710,949	\$ 11,060,592	\$ 9,153,323	\$ 9,618,218
TOTAL LIABILITIES	\$ 7,710,949	\$ 11,060,592	\$ 9,153,323	\$ 9,618,218



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.	103
<u>Revenue Capacity</u> These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.	111
<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.....	118
<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.	122
<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.....	124

SOURCE:

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



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

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

This is the fifth year reporting net assets by component. Current year totals will continue to be added to this schedule until ten years are listed.

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

	Fiscal Year				
	2002-03	2003-04	2004-05	2005-06	2006-07
Expenses					
Governmental activities:					
General government	\$ 11,876,586	\$ 10,568,288	\$ 11,514,749	\$ 13,435,816	\$ 18,475,995
Community services	4,579,466	3,306,481	3,339,200	3,958,051	3,645,993
Planning	5,773,894	11,305,548	9,451,696	8,527,778	9,229,296
Public ways and facilities	13,881,770	15,650,878	14,900,957	15,623,621	16,326,888
Public safety	22,380,396	24,888,781	24,910,100	26,693,489	26,677,974
Interest on long-term debt	2,487,785	2,089,477	2,766,273	2,525,366	3,232,084
Total governmental activities expenses	<u>60,979,897</u>	<u>67,809,453</u>	<u>66,882,975</u>	<u>70,764,121</u>	<u>77,588,230</u>
Business-type activities:					
Sanitation	10,933,862	11,614,065	12,073,824	12,198,794	13,144,836
Waterworks district no. 8	18,745,001	21,418,765	21,018,081	23,687,693	26,668,732
Transit	4,156,448	4,833,583	5,025,660	5,825,189	5,747,532
Total business-type activities expenses	<u>33,835,311</u>	<u>37,866,413</u>	<u>38,117,565</u>	<u>41,711,676</u>	<u>45,561,100</u>
Total primary government expenses	<u>\$ 94,815,208</u>	<u>\$ 105,675,866</u>	<u>\$ 105,000,540</u>	<u>\$ 112,475,797</u>	<u>\$ 123,149,330</u>
Program Revenues					
Governmental activities:					
Charges for services:					
General government	\$ 748,516	\$ 472,549	\$ 501,517	\$ 353,114	\$ 495,979
Community services	130,830	60,832	118,096	117,070	171,938
Planning	3,618,017	5,554,610	7,626,881	7,210,902	4,156,265
Public ways and facilities	3,293,810	4,621,730	8,146,699	6,708,878	2,782,618
Public safety	908,274	907,401	1,040,695	1,002,882	982,303
Operating grants and contributions	7,167,543	10,447,345	10,041,651	10,231,371	9,025,966
Capital grants and contributions	2,670,613	1,950,267	1,280,369	2,891,199	7,683,123
Total governmental activities program revenues	<u>18,537,603</u>	<u>24,014,734</u>	<u>28,755,908</u>	<u>28,515,416</u>	<u>25,298,192</u>
Business-type activities:					
Charges for services:					
Sanitation	9,184,395	10,945,852	11,964,388	12,745,553	13,725,483
Waterworks district no. 8	18,854,358	21,621,197	21,018,081	23,765,476	27,250,693
Transit	390,523	391,127	400,129	479,426	546,520
Operating grants and contributions	1,768,330	2,277,103	1,953,733	848,402	2,480,838
Capital grants and contributions	192,736	121,815	999,383	2,339,931	707,834
Total business-type activities program revenues	<u>30,390,342</u>	<u>35,357,094</u>	<u>36,335,714</u>	<u>40,178,788</u>	<u>44,711,368</u>
Total primary governmental program revenues	<u>\$ 48,927,945</u>	<u>\$ 59,371,828</u>	<u>\$ 65,091,622</u>	<u>\$ 68,694,204</u>	<u>\$ 70,009,560</u>
Net (Expense)/Revenue					
Governmental activities	(42,442,294)	(43,794,719)	(38,127,067)	(42,248,705)	(52,290,038)
Business-type activities	(3,444,969)	(2,509,319)	(1,781,851)	(1,532,888)	(849,732)
Total primary government net expense	<u>\$ (45,887,263)</u>	<u>\$ (46,304,038)</u>	<u>\$ (39,908,918)</u>	<u>\$ (43,781,593)</u>	<u>\$ (53,139,770)</u>

Continued

**CITY OF SIMI VALLEY
CHANGES IN NET ASSETS (Continued)
LAST FIVE FISCAL YEARS**

	Fiscal Year				
	2002-03	2003-04	2004-05	2005-06	2006-07
General Revenues and Other Changes in Net Assets					
Governmental activities:					
Taxes:					
Property taxes ¹	\$ 9,747,556	\$ 10,724,918	\$ 17,290,860	\$ 19,723,474	\$ 22,717,838
Tax increment	9,147,579	10,256,245	10,608,367	12,531,554	18,945,240
Sales tax	12,830,405	13,878,702	14,829,984	16,301,320	17,705,751
Motor fuel tax ¹	6,951,826	5,686,714	2,930,485	888,988	711,694
Franchise tax	3,366,958	3,773,013	3,856,273	4,062,464	3,686,160
Business tax	1,370,609	1,287,934	1,355,601	1,831,590	1,778,116
Other taxes	1,581,920	1,941,061	2,250,647	2,870,368	2,417,554
Investment earnings	2,532,486	1,141,578	2,270,336	2,896,300	5,472,452
Gain (loss) on asset disposition		144,972	(812,649)	259,062	-
Capital contributions-unrestricted	12,742,118	83,857	1,765,510	9,131,630	3,178,901
Transfers	(1,066,859)	(1,669,434)	(1,557,737)	(1,316,992)	(2,463,585)
Total governmental activities	<u>59,204,598</u>	<u>47,249,560</u>	<u>54,787,677</u>	<u>69,179,758</u>	<u>74,150,121</u>
Business-type activities:					
Investment earnings	831,423	439,098	985,444	1,323,549	2,484,909
Miscellaneous	23,995	54,047	2,672	112,361	128,494
Capital contributions-unrestricted	8,149,624	1,864,986	8,295,223	8,842,544	3,275,376
Transfers	1,066,859	1,669,434	1,557,737	1,316,992	2,463,585
Total business-type activities	<u>10,071,901</u>	<u>4,027,565</u>	<u>10,841,076</u>	<u>11,595,446</u>	<u>8,352,364</u>
Total primary government	<u>\$ 69,276,499</u>	<u>\$ 51,277,125</u>	<u>\$ 65,628,753</u>	<u>\$ 80,775,204</u>	<u>\$ 82,502,485</u>
Change in Net Assets					
Governmental activities	\$ 16,762,304	\$ 3,454,841	\$ 16,660,610	\$ 26,931,053	\$ 21,860,083
Business-type activities	6,626,932	1,518,246	9,059,225	10,062,558	7,502,632
Total primary government	<u>\$ 23,389,236</u>	<u>\$ 4,973,087</u>	<u>\$ 25,719,835</u>	<u>\$ 36,993,611</u>	<u>\$ 29,362,715</u>

Concluded

NOTE:

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.

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

	Fiscal Year				
	1997-98	1998-99	1999-00	2000-01	2001-02
General fund					
Reserved	\$ 12,943,417	\$ 12,283,455	\$ 12,823,990	\$ 13,183,323	\$ 20,288,031
Unreserved	8,189,507	11,097,021	13,623,995	12,829,655	7,486,603
Total general fund	<u>\$ 21,132,924</u>	<u>\$ 23,380,476</u>	<u>\$ 26,447,985</u>	<u>\$ 26,012,978</u>	<u>\$ 27,774,634</u>
All other government funds					
Reserved	\$ 24,919,258	\$ 20,523,882	\$ 16,589,981	\$ 15,126,919	\$ 14,421,027
Unreserved, reported in:					
Special revenue funds	12,828,050	18,300,332	21,196,755	25,011,661	23,605,317
Debt service	-	-	-	-	-
Capital projects funds	2,794,279	999,405	8,197,965	10,291,953	11,005,067
Total all other governmental funds	<u>\$ 40,541,587</u>	<u>\$ 39,823,619</u>	<u>\$ 45,984,701</u>	<u>\$ 50,430,533</u>	<u>\$ 49,031,411</u>

Continued

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

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

Concluded

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

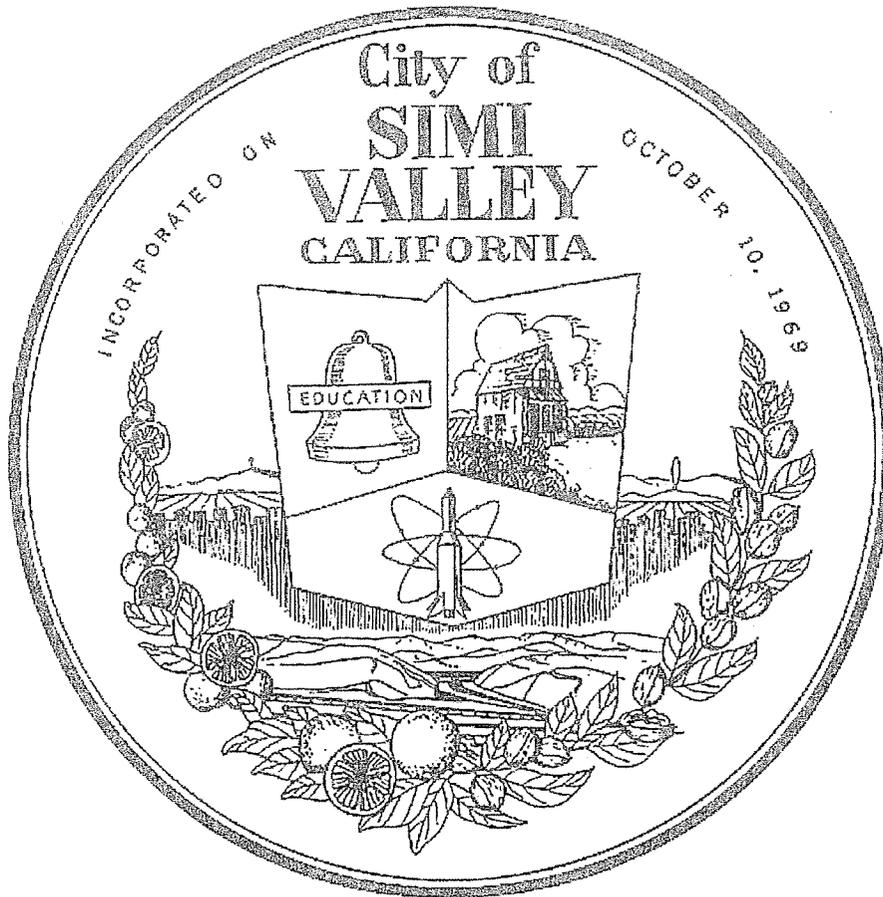
	Fiscal Year				
	1997-98	1998-99	1999-00	2000-01	2001-02
Revenues					
Taxes	\$ 19,188,802	\$ 20,746,962	\$ 23,450,201	\$ 25,693,896	\$ 27,555,182
Tax increment	5,693,586	5,982,745	7,364,632	8,195,407	8,806,439
Licenses and permits	3,893,592	5,374,911	4,433,952	2,933,635	2,611,829
Fines and forfeitures	216,620	439,538	499,286	662,042	747,781
Use of money and property	3,290,813	4,006,134	4,188,541	4,976,977	2,964,359
From other governments	9,200,874	9,851,690	10,932,877	12,380,349	13,169,562
Grants	7,691,643	4,539,949	2,936,444	4,516,394	4,727,219
Service charges	6,379,594	7,405,749	4,903,711	3,840,862	3,574,203
Other revenues	896,243	1,441,800	5,972,621	1,192,439	2,075,997
Total revenues	56,451,767	59,789,478	64,682,265	64,392,001	66,232,571
Expenditures					
Current:					
General government	4,751,880	5,322,519	3,676,924	4,764,663	4,739,066
Community services	2,330,782	2,474,621	2,775,374	2,953,456	3,022,864
Planning	5,640,296	4,576,395	5,574,574	6,939,661	5,851,490
Public ways and facilities	10,906,437	12,370,788	10,660,175	11,601,786	12,293,447
Public safety	14,783,720	15,106,774	16,030,718	17,277,973	18,643,300
Capital outlay	10,717,282	10,767,241	10,365,422	8,884,332	12,576,967
Debt service:					
Principal	1,321,538	5,655,468	2,752,528	2,261,222	3,518,781
Interest	3,124,549	3,076,717	2,900,146	3,259,940	2,805,898
Refunding escrow	-	-	-	-	-
Bond issuance costs	177,629	-	344,122	-	-
Administration	14,232	143,646	105,690	12,463	14,553
Other	-	-	-	-	-
Intergovernmental	1,779,799	1,886,084	2,383,287	2,601,450	2,771,780
Total expenditures	55,548,144	61,380,253	57,568,960	60,556,946	66,238,146
Excess of revenues over (under) expenditures	903,623	(1,590,775)	7,113,305	3,835,055	(5,575)
Other Financing Sources (Uses)					
Transfers in	22,591,518	18,118,447	21,543,602	18,798,165	19,243,028
Transfers out	(23,053,351)	(18,752,910)	(20,348,462)	(19,730,005)	(20,276,040)
Bonds issued	-	-	-	-	-
Payment to escrow agent	-	-	-	-	-
Proceeds from loans, notes & cash advances	1,249,274	2,793,340	580,237	1,358,074	1,401,121
Gain on property held for sale	-	-	375,000	-	-
Refund excess reserves	-	-	-	-	-
Payments of notes payable	-	-	-	-	-
Contributions	-	-	-	-	-
Total other financing sources (uses)	787,441	2,158,877	2,150,377	426,234	368,109
Net change in fund balances	\$ 1,691,064	\$ 568,102	\$ 9,263,682	\$ 4,261,289	\$ 362,534
Debt service as a percentage of noncapital expenditures	10.35%	17.54%	12.93%	10.71%	11.81%

Continued

CITY OF SIMI VALLEY
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS (Continued)
LAST TEN FISCAL YEARS

Fiscal Year					
2002-03	2003-04	2004-05	2005-06	2006-07	
					Revenues
\$ 29,297,747	\$ 31,605,628	\$ 39,583,365	\$ 44,789,216	\$ 48,305,419	Taxes
9,147,579	10,256,245	10,608,367	12,531,554	18,945,240	Tax increment
3,000,142	3,910,943	5,761,949	4,489,743	2,446,051	Licenses and permits
759,786	692,871	744,172	630,175	608,633	Fines and forfeitures
2,455,014	2,966,909	4,668,436	4,887,835	6,030,520	Use of money and property
13,094,236	12,072,537	9,228,523	8,059,121	9,178,483	From other governments
3,595,929	4,662,677	3,000,993	3,641,439	8,154,157	Grants
3,380,322	5,482,337	4,123,659	3,706,112	3,330,461	Service charges
1,548,029	1,530,971	6,844,687	6,589,485	2,736,158	Other revenues
<u>66,278,784</u>	<u>73,181,118</u>	<u>84,564,151</u>	<u>89,324,680</u>	<u>99,735,122</u>	Total revenues
					Expenditures
					Current:
6,656,623	5,360,370	5,705,571	5,629,708	6,254,640	General government
4,481,811	3,233,192	3,327,916	3,976,095	3,714,488	Community services
5,576,295	11,432,418	10,409,949	8,989,679	10,449,668	Planning
12,464,375	13,847,391	14,674,133	15,380,796	16,165,062	Public ways and facilities
19,828,550	23,086,299	25,427,341	27,244,060	28,625,276	Public safety
5,545,599	4,916,881	12,400,928	36,854,154	11,720,213	Capital outlay
					Debt service:
1,249,101	863,166	1,210,000	1,250,000	1,750,000	Principal
2,552,923	2,168,481	2,753,209	3,516,184	3,674,962	Interest
1,666,163	-	-	-	-	Refunding escrow
930,403	-	662,894	-	-	Bond issuance costs
7,594	-	-	-	-	Administration
-	8,640	328,503	12,033	217,473	Other
<u>3,132,557</u>	<u>3,628,878</u>	<u>4,126,132</u>	<u>4,649,143</u>	<u>6,260,334</u>	Intergovernmental
<u>64,091,994</u>	<u>68,545,716</u>	<u>81,026,576</u>	<u>107,501,852</u>	<u>88,832,116</u>	Total expenditures
2,186,790	4,635,402	3,537,575	(18,177,172)	10,903,006	Excess of revenues over (under) expenditures
					Other Financing Sources (Uses)
16,244,221	18,790,186	22,547,788	44,861,615	28,486,035	Transfers in
(17,668,880)	(20,455,120)	(24,100,325)	(46,173,207)	(30,944,420)	Transfers out
32,251,576	-	26,341,593	-	-	Bonds issued
(29,176,958)	-	-	-	-	Payment to escrow agent
-	-	-	-	-	Proceeds from loans, notes & cash advances
-	144,972	-	3,446,150	-	Gain on property held for sale
-	(24,245)	-	-	-	Refund excess reserves
-	(109,812)	-	-	-	Payments of notes payable
-	-	-	5,343,377	-	Contributions
<u>1,649,959</u>	<u>(1,654,019)</u>	<u>24,789,056</u>	<u>7,477,935</u>	<u>(2,458,385)</u>	Total other financing sources (uses)
<u>\$ 3,836,749</u>	<u>\$ 2,981,383</u>	<u>\$ 28,326,631</u>	<u>\$ (10,699,237)</u>	<u>\$ 8,444,621</u>	Net change in fund balances
10.68%	4.73%	7.22%	6.75%	7.38%	Debt service as a percentage of noncapital expenditures
Concluded					

SOURCE:
City of Simi Valley



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

Fiscal Year	Gross Assessed Valuation ¹				Percent Change	Total Direct Tax Rate
	Secured	Utility ²	Unsecured	Total		
1997-98	5,742,072,685	4,739,718	247,874,934	5,994,687,337	3.2%	1.00%
1998-99	6,121,314,502	5,041,906	267,403,389	6,393,759,797	6.7%	1.00%
1999-00	6,804,211,563	4,521,505	263,487,140	7,072,220,208	10.6%	1.00%
2000-01	7,652,960,223	4,436,680	314,152,975	7,971,549,878	12.7%	1.00%
2001-02	8,338,284,943	4,535,050	319,123,415	8,661,943,408	8.7%	1.00%
2002-03	9,001,962,570	4,738,971	309,184,285	9,315,885,826	7.5%	1.00%
2003-04	9,674,185,767	4,137,416	311,473,006	9,989,796,189	7.2%	1.00%
2004-05	10,657,955,181	4,468,429	300,722,955	10,963,146,565	9.7%	1.00%
2005-06	11,865,261,607	4,078,386	313,933,434	12,183,273,427	11.1%	1.00%
2006-07	13,749,651,553	3,821,485	361,949,212	14,115,422,250	15.9%	1.00%

NOTE:

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

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

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

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

	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>
Basic Tax Levy per Article 13A of California State Constitution	1.000000	1.000000	1.000000	1.000000	1.000000
City	-	-	-	-	-
Total direct	<u>1.000000</u>	<u>1.000000</u>	<u>1.000000</u>	<u>1.000000</u>	<u>1.000000</u>
County Flood Control District	0.007009	0.005084	0.003439	0.001618	0.001632
Simi Valley Unified School District	0.039300	0.038300	0.034900	0.030200	0.026700
Metropolitan Water District	0.008900	0.008900	0.008900	0.008800	0.007700
Ventura College District	-	-	-	-	-
Total direct and overlapping	<u><u>1.055209</u></u>	<u><u>1.052284</u></u>	<u><u>1.047239</u></u>	<u><u>1.040618</u></u>	<u><u>1.036032</u></u>

Continued

NOTE:

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>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>	<u>2005-06</u>	<u>2006-07</u>	
1.000000	1.000000	1.000000	1.000000	1.000000	Basic Tax Levy per Article 13A of California State Constitution
-	-	-	-	-	City
<u>1.000000</u>	<u>1.000000</u>	<u>1.000000</u>	<u>1.000000</u>	<u>1.000000</u>	Total direct
0.000624	0.000297	-	-	-	County Flood Control District
0.025700	0.024700	0.065800	0.051200	0.048900	Simi Valley Unified School District
0.006700	0.006100	0.005800	0.005200	0.004700	Metropolitan Water District
0.017800	0.016600	0.013000	0.013000	0.012700	Ventura College District
<u>1.050824</u>	<u>1.047697</u>	<u>1.084600</u>	<u>1.069400</u>	<u>1.066300</u>	Total direct and overlapping
					Concluded

SOURCE:
Ventura County Auditor-Controller

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

Taxpayer	2007			1998		
	Taxable Assessed Value	Rank	Percent of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percent of Total City Taxable Assessed Value
Simi Valley Mall LLC	\$ 146,604,806	1	0.96%	\$ -		0.00%
Countrywide Home Loans/Countrywide Funding Corporation	96,656,231	2	0.63%	23,732,129	5	0.40%
Fountains Apt Ltd	72,347,957	3	0.47%	-		0.00%
Jefferson at Simi Valley, LP	64,140,419	4	0.42%	-		0.00%
Fairfield Rancho Corrales	48,475,088	5	0.32%	-		0.00%
Big Sky Country Club	41,932,250	6	0.27%	-		0.00%
Mountaingate Associates, LLC	39,361,855	7	0.26%	25,330,548	3	0.42%
Tapo Canyon Warehouse, Inc	38,964,000	8	0.25%	-		0.00%
Stone Creek Investors	38,917,562	9	0.25%	-		0.00%
ESG Properties I LLC	38,511,843	10	0.25%	-		0.00%
Lincoln Wood Ranch				30,977,801	1	0.52%
Essex Meadowood				25,728,800	2	0.43%
Westgate Development				25,207,432	4	0.42%
Micom Communications Corporation				23,620,914	6	0.39%
Mayer Creekside Association				22,528,928	7	0.38%
Fritz B Burns Foundation				21,528,700	8	0.36%
F I G Holding Company				20,000,000	9	0.33%
MOW William C W-NAI				16,629,464	10	0.28%
Total Taxable Assessed Value Ten Largest Taxpayers	\$ 625,912,011		4.08%	\$ 235,284,716		3.92%

SOURCE:
Ventura County Auditor-Controller

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

Fiscal Year	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percent of Levy		Amount	Percent of Levy
1997-98	\$ 71,153,843	\$ 69,933,781	98.29%		\$ 69,933,781	98.29%
1998-99	72,416,397	71,199,814	98.32%		71,199,814	98.32%
1999-00	79,350,486	77,904,659	98.18%		77,904,659	98.18%
2000-01	89,282,371	87,675,785	98.20%		87,675,785	98.20%
2001-02	96,624,697	94,486,989	97.79%		94,486,989	97.79%
2002-03	104,460,998	102,875,792	98.48%		102,875,792	98.48%
2003-04	113,380,764	111,280,050	98.15%		111,280,050	98.15%
2004-05	128,172,093	125,407,288	97.84%		125,407,288	97.84%
2005-06	138,585,819	128,788,614	92.93%	\$ 487,056	129,275,670	93.28%
2006-07	28,777,381	28,091,722	97.62%		28,091,722	97.62%

NOTE:

Data presented for Fiscal Years 1997-98 thru 2005-06 consisted of the total secured levy and collections for all taxing entities within the boundaries of the City of Simi Valley. Proposition 13, enacted on June 6, 1978, established a maximum County-wide levy for general purpose revenues of 1% of market value. The complexity of the distribution formula made it difficult for the County to identify general purpose tax rates for specific taxing entities during these years.

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

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

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

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

Revenues

Fiscal Year	Property Taxes	Sales Taxes	Other Taxes	Licenses and Permits	Fines and Forfeitures	Use of Money and Property	From Other Gov't's
1997-98	11,826,311	8,483,344	4,572,733	3,893,592	216,620	3,290,813	9,200,874
1998-99	12,377,023	9,303,124	5,049,560	5,374,911	439,538	4,006,134	9,851,690
1999-00	13,437,709	10,629,416	6,747,708	4,433,952	499,286	4,188,541	10,932,877
2000-01	16,528,655	11,774,505	5,586,143	2,933,635	662,042	4,976,977	12,380,349
2001-02	17,410,850	12,683,123	6,267,648	2,611,829	747,781	2,964,359	13,169,562
2002-03	19,295,434	12,830,405	6,319,487	3,000,142	759,786	2,455,014	13,094,236
2003-04	20,981,163	13,878,702	7,002,008	3,910,943	692,871	2,966,909	12,072,537
2004-05	27,899,227	14,829,984	7,462,521	5,761,949	744,172	4,668,436	9,228,523
2005-06	32,255,028	16,301,320	8,764,422	4,489,743	630,175	4,887,835	8,059,121
2006-07	41,663,078	17,705,751	7,881,830	2,446,051	608,633	6,030,520	9,178,483

Continued

NOTE:

1. Includes all Governmental Fund Types.

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

Revenues						
Grants	Service Charges	Other Revenues	Total Revenues	Net Other Financing Sources	Total	Fiscal Year
7,691,643	6,379,594	896,243	56,451,767	787,441	57,239,208	1997-98
4,539,949	7,405,749	1,441,800	59,789,478	2,158,877	61,948,355	1998-99
2,936,444	4,903,711	5,972,621	64,682,265	2,150,377	66,832,642	1999-00
4,516,394	3,840,862	1,192,439	64,392,001	426,234	64,818,235	2000-01
4,727,219	3,574,203	2,075,997	66,232,571	368,109	66,600,680	2001-02
3,595,929	3,380,322	1,548,029	66,278,784	1,649,959	67,928,743	2002-03
4,662,677	5,482,337	1,530,971	73,181,118	(1,654,019)	71,527,099	2003-04
3,000,993	4,123,659	6,844,687	84,564,151	24,789,056	109,353,207	2004-05
3,641,439	3,706,112	11,932,862	94,668,057	2,134,558	96,802,615	2005-06
8,154,157	3,330,461	2,736,158	99,735,122	(2,458,385)	97,276,737	2006-07

Concluded

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

Fiscal Year	Governmental Activities					Total Primary Government	Percent of Personal Income ²	Debt Per Capita ²
	Loans	Tax Allocation Bonds	Lease Revenue Bonds	Certificates of Participation	Special Assessment Bonds ¹			
1998	\$ -	\$33,760,000	\$14,820,000	\$ -	\$27,113,512	\$75,693,512	2.88%	\$ 711.94
1999	1,625,000	33,115,000	10,720,000	-	21,305,488	65,140,488	2.32%	594.64
2000	275,000	32,445,000	10,020,000	-	18,871,184	61,336,184	2.05%	545.56
2001	-	31,745,000	9,760,000	-	18,035,344	59,540,344	1.87%	514.53
2002	-	31,015,000	9,300,000	-	21,497,968	61,812,968	1.85%	526.37
2003	-	31,795,000	8,825,000	-	18,750,000	59,370,000	1.71%	502.75
2004	-	31,435,000	8,325,000	-	17,690,000	57,450,000	1.59%	480.39
2005	-	30,745,000	7,805,000	25,955,000	17,405,000	81,910,000	2.17%	675.35
2006	-	30,040,000	7,260,000	25,955,000	16,600,000	79,855,000	2.01%	644.39
2007	-	29,320,000	6,690,000	25,495,000	15,710,000	77,215,000	1.89%	613.60

NOTE:

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

1. The City is not obligated for these bonds.
2. See Schedule of Demographic and Economic Statistics for personal income and population data.

SOURCE:
City of Simi Valley
US Census Bureau

**CITY OF SIMI VALLEY
COMPUTATION OF DIRECT AND OVERLAPPING DEBT
JUNE 30, 2007 (See Note)**

2006-07 Assessed Valuation	\$	14,115,422,250
Less Redevelopment Agency Incremental Valuation		1,625,142,115
Adjusted Assessed Valuation	\$	12,490,280,135

	Outstanding Debt 6/30/07	Percentage Applicable	Estimated Share of Overlapping Debt
<u>Overlapping and Assessment Debt Repaid with Property Taxes</u>			
Metropolitan Water District	\$ 359,115,000	0.769 %	\$ 2,761,594
Ventura County Community College District	135,780,000	14.189	19,265,824
Simi Valley Unified School District	115,065,925	96.558	111,105,356
City of Simi Valley Community Facilities Dist No.2004-1	8,775,000	100.000	8,775,000
City of Simi Valley 1915 Act Bonds	6,935,000	100.000	6,935,000
<u>Overlapping Other Debt</u>			
Ventura County General Fund Obligations	81,265,000	14.186	11,528,253
Ventura County Pension Obligations	12,310,000	14.186	1,746,297
Ventura County Superintendent of Schools Certificates	13,305,000	14.186	1,887,447
Simi Valley Unified School District Certificates	12,945,000	96.558	12,499,433
Rancho Simi Recreation & Park District Authority	1,090,000	82.721	901,659
Total overlapping and assessment debt			177,405,863
<u>City Direct Debt</u>			
City of Simi Valley Lease Revenue Bonds	6,690,000	100.000	6,690,000
City of Simi Valley Certificates of Participation	25,495,000	100.000	25,495,000
Total direct debt			32,185,000
Total direct and overlapping debt			\$ 209,590,863

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.

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

	Fiscal Year				
	1998	1999	2000	2001	2002
Debt limit	\$230,360,473	\$239,765,992	\$265,208,258	\$298,933,120	\$324,822,878
Total net debt applicable to limit	-	-	-	-	-
Legal debt margin	<u>\$230,360,473</u>	<u>\$239,765,992</u>	<u>\$265,208,258</u>	<u>\$298,933,120</u>	<u>\$324,822,878</u>
Total net debt applicable to the limit as a percentage of debt limit	0%	0%	0%	0%	0%

Continued

NOTE:

1. The general laws of the State of California for municipalities actually provide for a legal debt limit of 15% of gross assessed valuation. However, this provision was enacted when assessed valuation was established based on 25% of market value. Effective with FY 1981-82, taxable property is assessed at 100% of market value. Although the debt limit provision has not been amended by the State since this change, the percentage has been proportionately modified to 3.75% for the purposes of this calculation for consistency with the original intent of the State's debt limit.

SOURCES:

City of Simi Valley
Ventura County Auditor-Controller

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

Fiscal Year						
2003	2004	2005	2006	2007		
\$349,345,718	\$374,617,357	\$411,117,996	\$456,872,754	529,328,334		Debt limit
-	-	-	-	-		Total net debt applicable to limit
<u>\$349,345,718</u>	<u>\$374,617,357</u>	<u>\$411,117,996</u>	<u>\$456,872,754</u>	<u>\$529,328,334</u>		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 2007

Assessed value	\$	14,115,422,250
Debt limit (3.75% of assessed value) ¹	\$	529,328,334
General obligation bonds		-
Legal debt margin	\$	529,328,334

SOURCES:
City of Simi Valley
Ventura County Auditor-Controller

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

Fiscal Year	Population	Personal Income (in thousands)	Per Capita Personal Income ¹	Median Age	Public School Enrollment	Unemployment Rate
1998	106,320	\$ 2,631,314	\$ 24,749	34.1	19,490	N/A
1999	109,546	2,811,717	25,667	34.4	20,160	N/A
2000	112,428	2,989,011	26,586	34.7	20,393	3.6%
2001	115,719	3,182,851	27,505	35.0	20,960	3.6%
2002	117,432	3,337,770	28,423	35.3	21,127	4.5%
2003	118,090	3,464,997	29,342	35.6	21,359	4.7%
2004	119,590	3,618,793	30,260	35.9	21,377	4.4%
2005	121,286	3,781,576	31,179	36.2	21,329	3.8%
2006	123,924	3,977,713	32,098	36.5	21,205	3.6%
2007	125,840	4,085,521	32,466	35.8	21,040	3.8%

NOTE:

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

SOURCES:

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

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

<u>Employer</u>	<u>2007</u>			<u>1998</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> ¹
Countrywide Home Loans	3,500	1	5.19%	2,500	1	4.19%
Simi Valley Unified School District	2,100	2	3.11%	2,040	2	3.42%
Farmers Insurance Group	900	3	1.33%	692	4	1.16%
City of Simi Valley	662	4	0.98%	564	5	0.95%
Simi Valley Hospital & Health Care	633	5	0.94%	985	3	1.65%
Vons Grocery Stores	417	6	0.62%	-		
Meggitt Safety Systems, Inc	400	7	0.59%	-		
Rancho Simi Parks & Recreation District	362	8	0.54%	-		
Milgard Manufacturing	341	9	0.51%	-		
Albertson's Inc	334	10	0.49%	-		
Dataproducs	-			550	6	0.92%
Bugle Boy	-			435	7	0.73%
Micom Communications Corp	-			425	8	0.71%
Schlumberger Technology Inc	-			419	9	0.70%
Eltron International	-			380	10	0.64%
Total	<u>9,649</u>		<u>14.29%</u>	<u>8,990</u>		<u>10.89%</u>

NOTES:

Employers are only those who responded to City survey.

1. Percentage of employed labor force for 1998 based on trend data.

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 30 ^{1,2}</u>									
	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
General government	57	60	62	63	62	68	67	67	70	70
Community services	27	28	30	34	34	35	31	32	34	35
Planning	56	55	59	63	60	58	62	63	61	62
Public ways and facilities	111	111	114	114	118	117	114	111	107	110
Public safety										
Sworn police personnel	115	115	115	119	120	120	122	122	122 ³	125
Civilians	57	57	63	65	68	69	66	63	68	68
Sanitation	53	55	56	59	55	54	52	53	53	53
Waterworks district no. 8	37	38	39	36	39	40	40	40	38	38
Transit	<u>22</u>	<u>22</u>	<u>23</u>	<u>37</u>	<u>41</u>	<u>41</u>	<u>40</u>	<u>42</u>	<u>43</u>	<u>46</u>
Total	<u>535</u>	<u>541</u>	<u>561</u>	<u>590</u>	<u>597</u>	<u>602</u>	<u>594</u>	<u>593</u>	<u>596</u>	<u>607</u>

NOTE:

1. Totals do not include temporary employees. As of 6/30/07 there were 25 temporary employees.
2. Totals do not include part time crossing guards.
3. Two police officer trainees included in fiscal year 2006 total.

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

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

NOTE:

1. Balance of community, 13,364 customers, serviced by Golden State Water Co. for fiscal year 2007

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

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

NOTES:

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

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