2009-10

Comprehensive Annual

Civic Center Site, Circa 1950's

Financial Report

40 Years of Community Service

STATE OF CALIFORNIA

CITY OF SIMI VALLEY

FISCAL YEAR ENDED JUNE 30, 2010

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CITY OF SIMI VALLEY

FISCAL YEAR ENDED JUNE 30, 2010

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

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FISCAL YEAR ENDED JUNE 30, 2010

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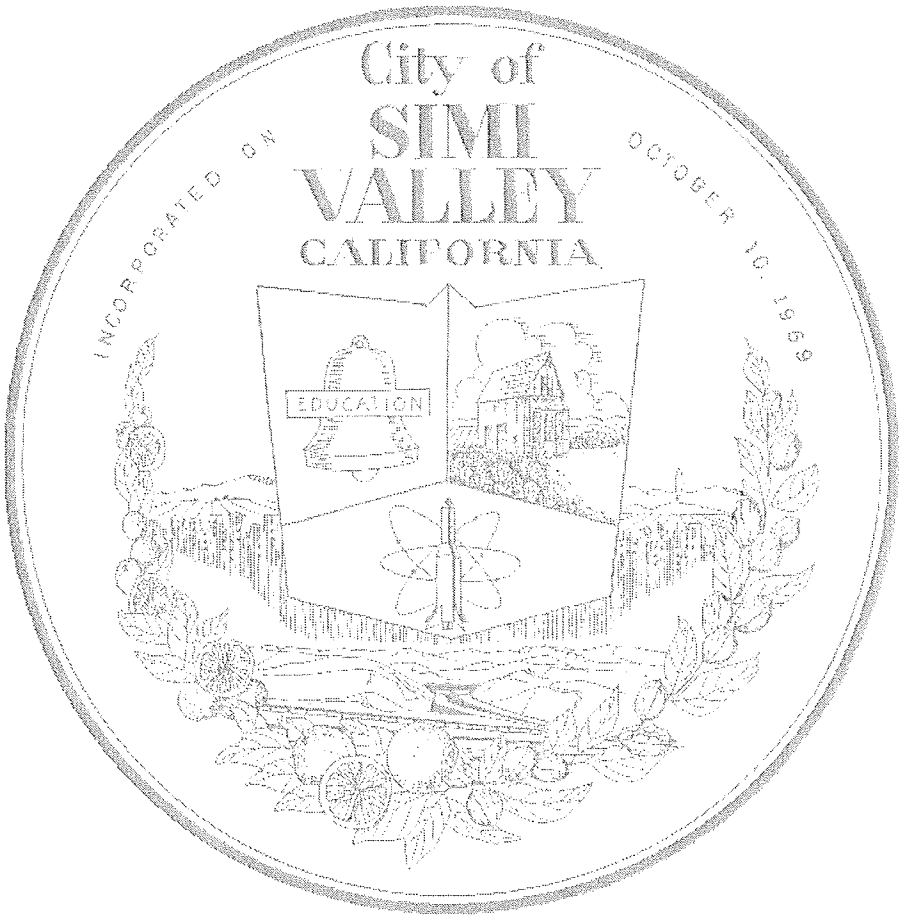

City of
SIMI
VALLEY
CALIFORNIA
INCORPORATED ON
OCTOBER 10, 1969
EDUCATION

INTRODUCTION SECTION

CITY OF SIMI VALLEY

Home of The Ronald Reagan Presidential Library

December 10, 2010

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, 2010.

This report consists of management's representations concerning the finances of the City. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the City has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the City's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material aspects.

Lance, Soll and Lunghard, LLP, a firm of licensed certified public accountants, have audited the City's financial statements. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City for the year ended June 30, 2010, 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, 2010, 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.

2929 Tapo Canyon Road, Simi Valley, CA 93063-2199 805.583.6700 www.simivalley.org

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

Profile of the City of Simi Valley

The City, incorporated in 1969, has a population of 126,329, and is the third largest of Ventura County's ten cities. It is located on the County's southeastern border, nestled between the Santa Susana Mountains and the Simi Hills. The City, which covers a land area of 38.9 square miles, has a mean elevation of 765 feet.

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

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

City government is divided into five departments: Police, Public Works, Administrative Services, Environmental Services, and Community Services. The City has its own sanitation division that collects and treats wastewater. Certain potable and reclaimed water services are provided through the legally separate Ventura County Waterworks District No. 8 which functions, in essence, as an agency of the City and therefore has been included as an integral part of the City's financial statements. The City also provides transportation services. The County of Ventura provides fire, paramedic, and animal regulation services. The Rancho Simi Recreation and Park District, an independent special district, provides leisure service facilities and activities.

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

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

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

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

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

Factors Affecting Financial Condition

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

Local economy. The City enjoyed more than ten consecutive years of General Fund growth prior to FY 2007-08. This growth was fueled by annual increases in assessed valuation, population increases, new development, the opening of a regional shopping center and a robust economy. The revenue allowed the City to accomplish a number of projects that increased the level of public safety, improved services to the public, and improved the effectiveness and efficiency of City operations. However, due to an economic downturn at the national level, an ongoing State budget crisis, and build-out at the local level, revenues have decreased in FY 2007-08, FY 2008-09, and FY 2009-10. In response to these revenue decreases, the City has trimmed its General Fund expenditures by 13.9% over the past two fiscal years.

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

While impacted by the economy and an unemployment rate of 9.2%, the City's commercial and industrial base continues to be diverse. Major industries with headquarters or divisions located within the City's boundaries, or in close proximity, include retail sales, real estate

lending, health care, insurance, computer hardware, light manufacturing, and home improvement materials.

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

Long-term financial planning. The City's population has remained virtually unchanged during the current fiscal year. Turnover in the real estate market continues to be low and no major additions to the City's property tax roll are anticipated. Property tax and sales tax revenues declined during this fiscal year, development fee revenues increased slightly as some development activity returned. However, it is unlikely that development revenues will increase significantly in the future, as the City is moving toward build-out. In addition, both discretionary and non-discretionary employment and post-employment benefits such as health insurance and retirement contributions have increased as revenues have decreased. Over the last three years, the combined result of these economic problems has necessitated significant reductions in staffing and operating expenses, coupled with the use of one-time non-General Fund resources to generate balanced budgets with only minimal impacts to the service provided to the public. In view of this structural shortfall, and with the expectation that revenues will not return to their highest levels for several years, staff is developing a strategic plan for long-term fiscal stability, including an analysis and recommendations of staffing levels, employee compensation, operational efficiencies, and economic improvements directed towards stimulating the local economy. This plan will be presented to the City Council in early 2011, and is expected to take up to five years to fully implement.

Despite this difficult financial environment, the City continues to be fiscally conservative, maintaining a prudent reserve of 13% of the General Fund expenditure budget, as well as maintaining ongoing reserves for vehicle and equipment replacement based on their useful life expectancies. The City maintains an A+ bond rating on two bond issues, and an A rating on the third bond issue. The total debt of the City and related agencies is currently $56.1 million, with debt service requirements of approximately $4.7 million per year. Reserves held for liabilities including deductible amounts for general liability and workers' compensation liability, accrued amounts for compensated employee absences, and the unfunded other post employment benefit obligation total nearly $15.1 million.

The City's Community Development Agency continues to monitor the status of its portfolio of loans made for development, acquisition, and/or rehabilitation of affordable housing; and for community and economic development purposes. During FY 2008-09, the Agency acquired three residential properties, where the owners had violated the resale restriction covenants, over encumbered the properties and abandoned them. One of the three properties was sold in July 2010. The other two properties are in the process of being rehabilitated and to be sold to eligible low-income buyers.

Financial Policies. During this year of declining revenues, the City Council implemented a number of mid-year budget adjustments to align spending with available resources while continuing to maintain service levels.

The City's vehicle replacement program was restructured. A total of 50 vehicles were scheduled for replacement in FY 2010-11. Departmental review of each vehicle resulted in the deferral of 35 vehicles for an additional year, resulting in a $0.8 million savings. Accumulated vehicle replacement funds in the amount of $0.6 million will be transferred back to the General fund in FY 2010-11.

Major Initiatives.

- The City continued to work with homeowners and developers to assure that affordable housing programs, such as: Fist Time Home Buyer, Home Rehabilitation Loans, Senior and Mobile Home Rent Subsidy, provided opportunities for low-income households and seniors.
- On December 30, 2009, the Ventura County Local Agency Formation Commission approved annexation of the Ronald Reagan Presidential Library into the City.
- More than 600 City volunteers contributed in excess of 64,000 hours to assist with various City programs and activities at the Cultural Arts Center, the Senior Center and various other City facilities.
- Major infrastructure improvement projects included: initiation of the project for widening the westbound lanes of the 118 Freeway from Tapo Canyon Road to the Los Angeles County line, and completion of the rehabilitation of major streets at seven locations through out the City with funding provided by State Proposition 1A and the Federal American Recovery and Reinvestment Act.
- In FY 2009-10 the City Council adopted a Green Building Ordinance, the first in Ventura County. Project design for various City facility improvement projects neared completion, including the replacement of outdated HVAC systems with energy-efficient models, and planning for the expansion of the Transit Maintenance Facility in accordance with U.S. Green Building Council standards, which will make it Simi Valley's first municipal LEED-certified facility.
- The Tapo Canyon water treatment plant was completed and put into operation in the winter of 2010. This facility is capable of generating up to one million gallons per day of drinkable groundwater, thus reducing the City's dependence on increasingly expensive imported water.

Gann Appropriations Limitation. Article XIIIB 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, 2010 was $56,227,579. Actual tax revenues subject to this limit and received and appropriated during the fiscal year were well under this amount.

Awards and Acknowledgements. The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2009. This was the thirtieth consecutive year (fiscal years ended 1980-2009) that the City has received this prestigious award. In order to be awarded a Certificate of Achievement, a government agency must publish an easily readable and efficiently organized CAFR. This report must satisfy both GAAP and applicable legal requirements.

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

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

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

Respectfully submitted,

James Purtee
Department of Administrative Services

OFFICIALS OF THE CITY OF SIMI VALLEY
(as of June 30, 2010)

Members of the City Council

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

Administrative Staff

Mike Sedell . . . . . City Manager

Tracy Noonan . . . . . City Attorney

James Purtee . . . . . Director of Administrative Services

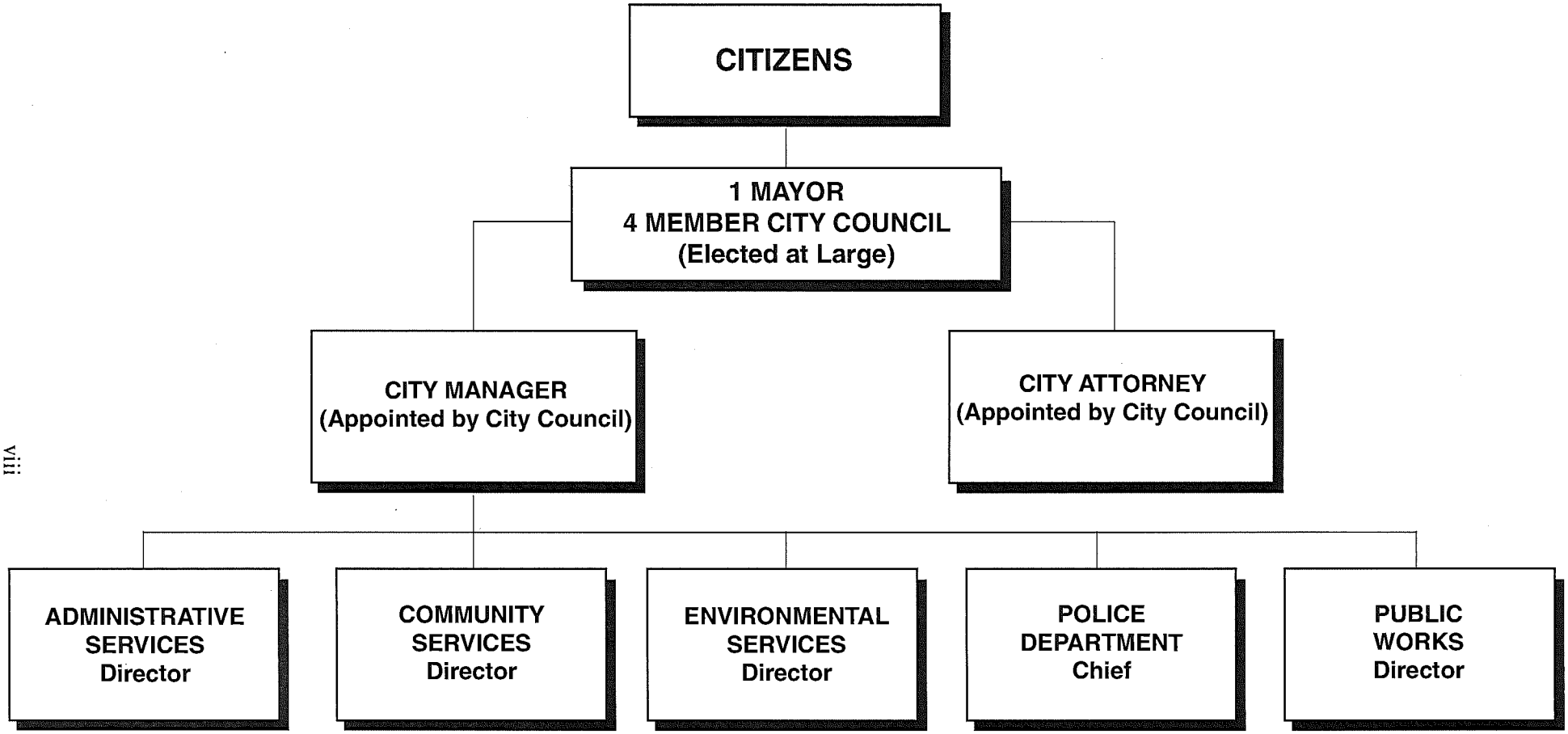
Debbie Solomon . . . . . Director of Community Services

Peter Lyons . . . . . Director of Environmental Services

Ron Fuchiwaki . . . . . Director of Public Works

Mike Lewis . . . . . Chief of Police

ORGANIZATION of the City of SIMI VALLEY



- Budget
- Fiscal Services
- Support Services
- Treasury Services
- Information Services
- Customer Services
- Workers' Compensation

- Code Enforcement
- Permit Compliance
- Solid Waste Management
- Cable Television
- Animal Regulation
- Senior Services
- Simi Valley Transit
- ADA/Dial-A-Ride Services
- Neighborhood Councils
- School Crossing Guards
- Cultural Arts Center
- Youth Services
- Task Force on Homelessness

- Planning Commission
- Affordable Housing
- Managed Growth Program
- Building and Safety
- Advanced/Current Planning
- General Plan Coordination
- CDBG Program
- First Time Homebuyer Assistance
- Housing Rehabilitation Assistance
- Building Code Compliance
- Permits & Inspections

- Patrol Unit
- Auxiliary Services Unit
- Detective Unit
- Emergency Services
- Traffic Unit
- Fiscal Services Unit
- Special Operations Unit
- Maintenance Unit
- Communications Unit
- Crime Analysis and Reporting Unit
- Records Management Unit

- City Engineer
- Traffic Engineering
- Utilities Engineering
- Administrative Services
- Maintenance Services
- Sanitation Services
- Waterworks District
- Environmental Compliance
- Hazardous Materials
- Household Hazardous Waste Management
- Water Conservation

Certificate of Achievement for Excellence in Financial Reporting

Presented to

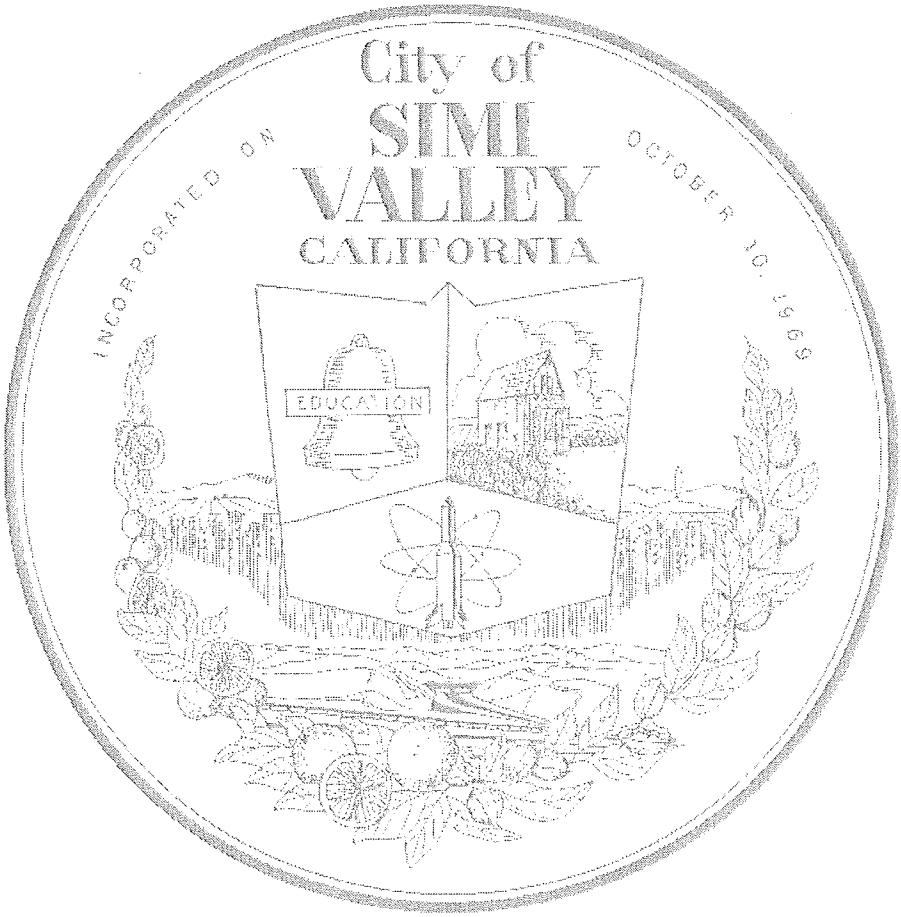
City of Simi Valley
California

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2009

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


City of
SIMI
VALLEY
CALIFORNIA
INCORPORATED ON OCTOBER 10, 1969
EDUCATION

FINANCIAL SECTION

FINANCIAL SECTION

Independent Auditors' Report

LSL
CERTIFIED PUBLIC ACCOUNTANTS

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

INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Simi Valley, California, as of and for the year ended June 30, 2010, 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, 2010, and the respective changes in financial position and cash flows, where applicable, and the respective budgetary comparisons for the General Fund, Community Development Agency Housing Administration Fund, Merged Tapo Canyon and West End Tax Increment Fund, and Development Related Fees Fund, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 2, 2010, 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.

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LSL
CERTIFIED PUBLIC ACCOUNTANTS

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

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

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

Lance, Soll & Lunghard, LLP

December 2, 2010

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, 2010. 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 $454,791,832. Of this amount, $39,694,227 (*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 $15,925,330. A $17.9 million increase in capital assets, net of related debt, and a $2.2 million increase in the restricted net assets category was partially offset by a $4.1 million decrease in unrestricted net assets.

- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of $90,813,645, a decrease of $23,040,558 in comparison with the prior year. Approximately 66% of the ending fund balance amount, or $59,512,288, is available for spending at the government's discretion (*unreserved fund balance*). However, of this amount, about $47.9 million is designated for public improvements. The remaining $11.6 million is held in special revenue funds, designated for low- and moderate-income housing projects, and special programs.

- At the end of the current fiscal year, the unreserved/undesignated fund balance for the General fund was $7,298,798. This amount represents the *Prudent Reserve* established by the City Council at 13% of budgeted General fund expenditures.

- The City of Simi Valley's total liabilities decreased by $4.5 million during the current fiscal year. This decrease is due to a $1.3 million decrease in accounts payable, a $2.4 million decrease in unearned revenue for capital project payments to vendors, a $2.0 million decrease in bonded indebtedness from scheduled debt service payments, off-set by a $1.2 million increase in other post employment benefits obligation and compensated absences.

Overview of the Financial Statements

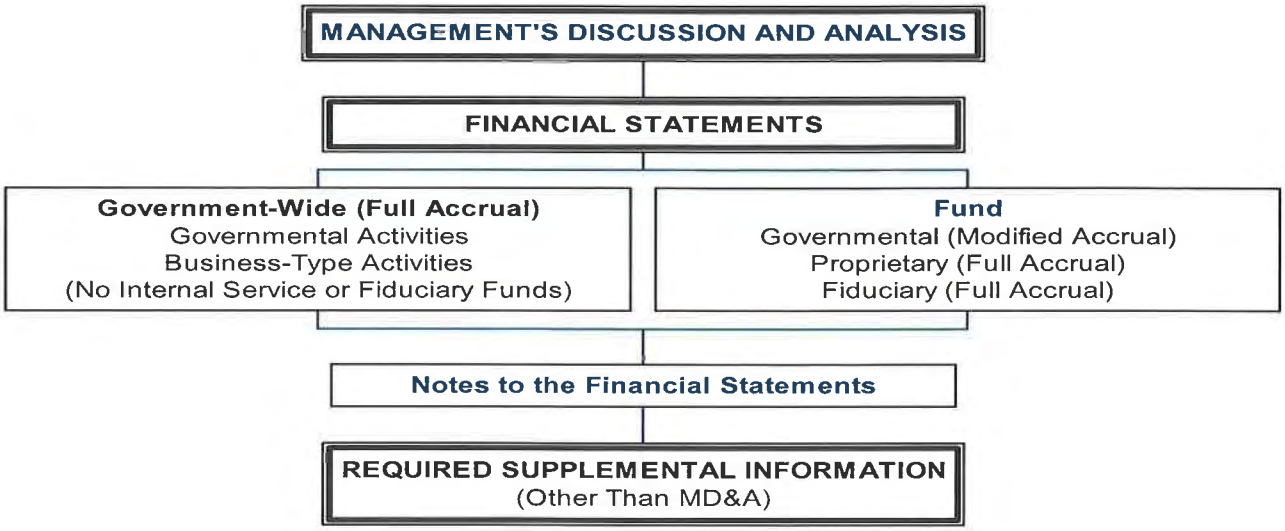
This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The basic financial statements include three components:

1) Government-wide financial statements,
2) Fund financial statements, and

3) Notes to the financial statements.

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

The following diagram displays the interrelationships of this report.



Government-wide financial statements

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

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

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

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

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 21 nonmajor separate governmental funds for this report. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the five major funds: the General fund, the Community Development Agency Housing Administration fund, the Merged Tapo Canyon and West End Tax Increment fund, the Development Related Fees fund, and the Streets and Roads fund. Data from the other 21 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* in the *Supplementary Information* section of this report.

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

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. The City holds these funds in a custodial capacity. Fiduciary funds are not reflected in the government-wide financial statements because the resources of these funds are not available to support the City's programs. A combining statement of changes in 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 $454,791,832 at the close of the most recent fiscal year.

A significant portion of the City's net assets (70%) reflects its investment in capital assets net of accumulated depreciation (land, buildings, infrastructure, machinery and equipment), less any related debt used to acquire those assets that is still outstanding. The City uses these assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investments in capital assets is reported net of related debt, the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's net assets (21%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets (9%) may be used to meet the City's ongoing obligations to citizens and creditors.

City of Simi Valley's Net Assets

	Governmental Activities		Business-Type Activities		Total	
	FY 2009-10	FY 2008-09	FY 2009-10	FY 2008-09	FY 2009-10	FY 2008-09
Current and other assets	$136,142,940	$122,524,193	$53,162,307	$50,830,501	$189,305,247	$173,354,694
Capital assets	221,287,500	231,705,198	126,957,605	121,094,906	348,245,105	352,800,104
Total assets	357,430,440	354,229,391	180,119,912	171,925,407	537,550,352	526,154,798
Long-term liabilities outstanding	66,053,802	66,917,451	943,674	813,367	66,997,476	67,730,818
Other liabilities	11,218,094	14,398,623	4,542,950	5,158,855	15,761,044	19,557,478
Total liabilities	77,271,896	81,316,074	5,486,624	5,972,222	82,758,520	87,288,296
Net assets:						
Invested in capital assets, net of related debt	192,161,001	180,128,561	126,957,605	121,094,906	319,118,606	301,223,467
Restricted	87,739,866	84,285,014	8,239,133	9,527,814	95,978,999	93,812,828
Unrestricted	257,677	8,499,742	39,436,550	35,330,465	39,694,227	43,830,207
Total net assets	$280,158,544	$272,913,317	$174,633,288	$165,953,185	$454,791,832	$438,866,502

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's Changes in Net Assets

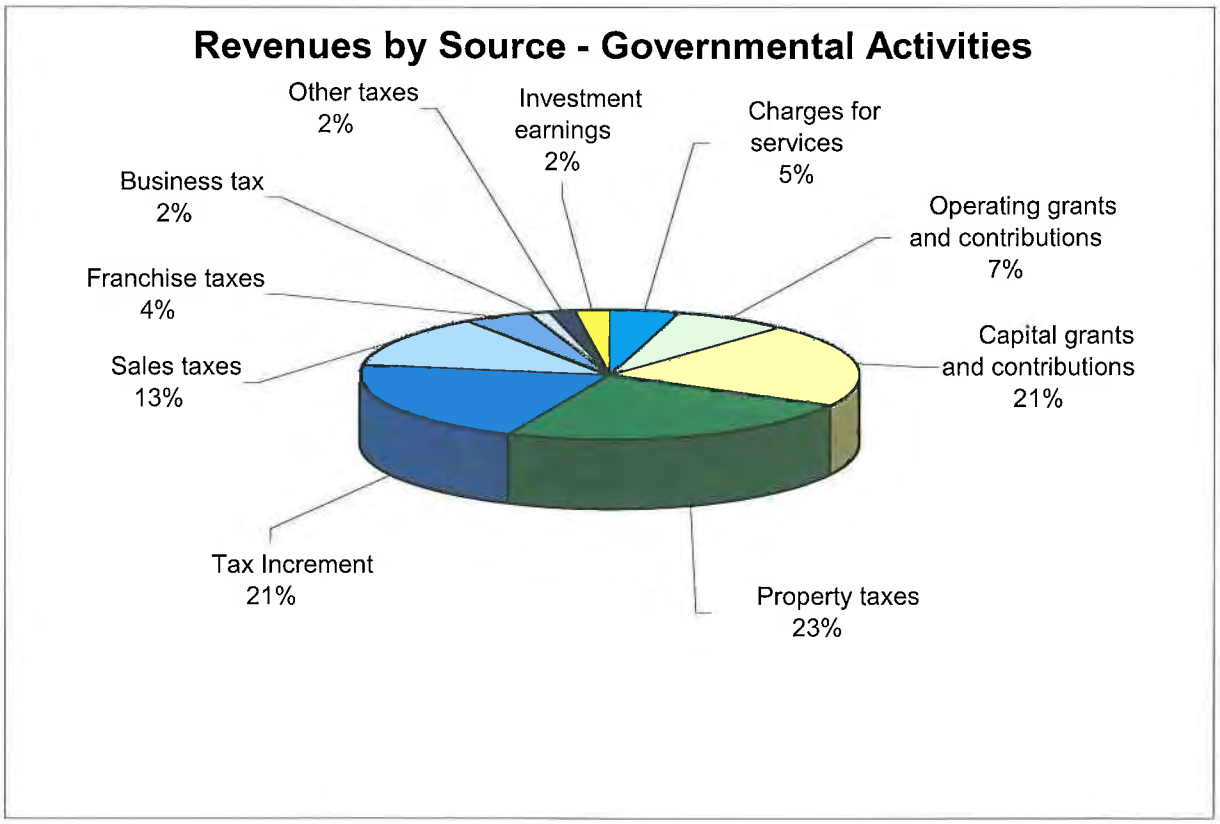
	Governmental Activities		Business-Type Activities		Total	
	FY 2009-10	FY 2008-09	FY 2009-10	FY 2008-09	FY 2009-10	FY 2008-09
Revenues:						
Program Revenues:						
Charges for services	$ 4,594,337	$ 5,201,067	$ 45,311,863	$ 45,460,795	$ 49,906,200	$ 50,661,862
Operating grants and contributions	7,436,473	8,532,799	2,352,998	2,606,392	9,789,471	11,139,191
Capital grants and contributions	21,281,299	5,077,276	7,118,535	1,969,465	28,399,834	7,046,741
General Revenues:						
Property taxes & tax increment	45,160,385	45,727,325	-	-	45,160,385	45,727,325
Other taxes	20,863,999	22,572,193	-	-	20,863,999	22,572,193
Interest on investments	2,255,728	3,894,585	1,301,289	1,956,342	3,557,017	5,850,927
Other	-	-	180,356	343,518	180,356	343,518
Total revenues	101,592,221	91,005,245	56,265,041	52,336,512	157,857,262	143,341,757
Expenses:						
General government	34,554,638	29,928,409	-	-	34,554,638	29,928,409
Community services	4,124,494	3,952,073	-	-	4,124,494	3,952,073
Planning	8,141,714	8,651,767	-	-	8,141,714	8,651,767
Public ways and facilities	15,637,194	15,937,820	-	-	15,637,194	15,937,820
Public safety	31,040,123	29,911,781	-	-	31,040,123	29,911,781
Interest on long-term debt	3,040,452	3,256,626	-	-	3,040,452	3,256,626
Indirect expense allocation	(5,744,300)	(6,035,600)	5,744,300	6,035,600	-	-
Sanitation	-	-	11,658,794	11,689,552	11,658,794	11,689,552
Water	-	-	27,103,066	26,760,562	27,103,066	26,760,562
Transit	-	-	5,223,572	5,211,906	5,223,572	5,211,906
Total expenses	90,794,315	85,602,876	49,729,732	49,697,620	140,524,047	135,300,496
Change in net assets before transfers	10,797,906	5,402,369	6,535,309	2,638,892	17,333,215	8,041,261
Transfers	(2,326,794)	(2,306,909)	2,326,794	2,306,909	-	-
Change in Net Assets	8,471,112	3,095,460	8,862,103	4,945,801	17,333,215	8,041,261
Net assets - beginning of the year, as restated	271,687,432	269,817,857	165,771,185	161,007,384	437,458,617	430,825,241
Net Assets - ending	$ 280,158,544	$ 272,913,317	$ 174,633,288	$ 165,953,185	$ 454,791,832	$ 438,866,502

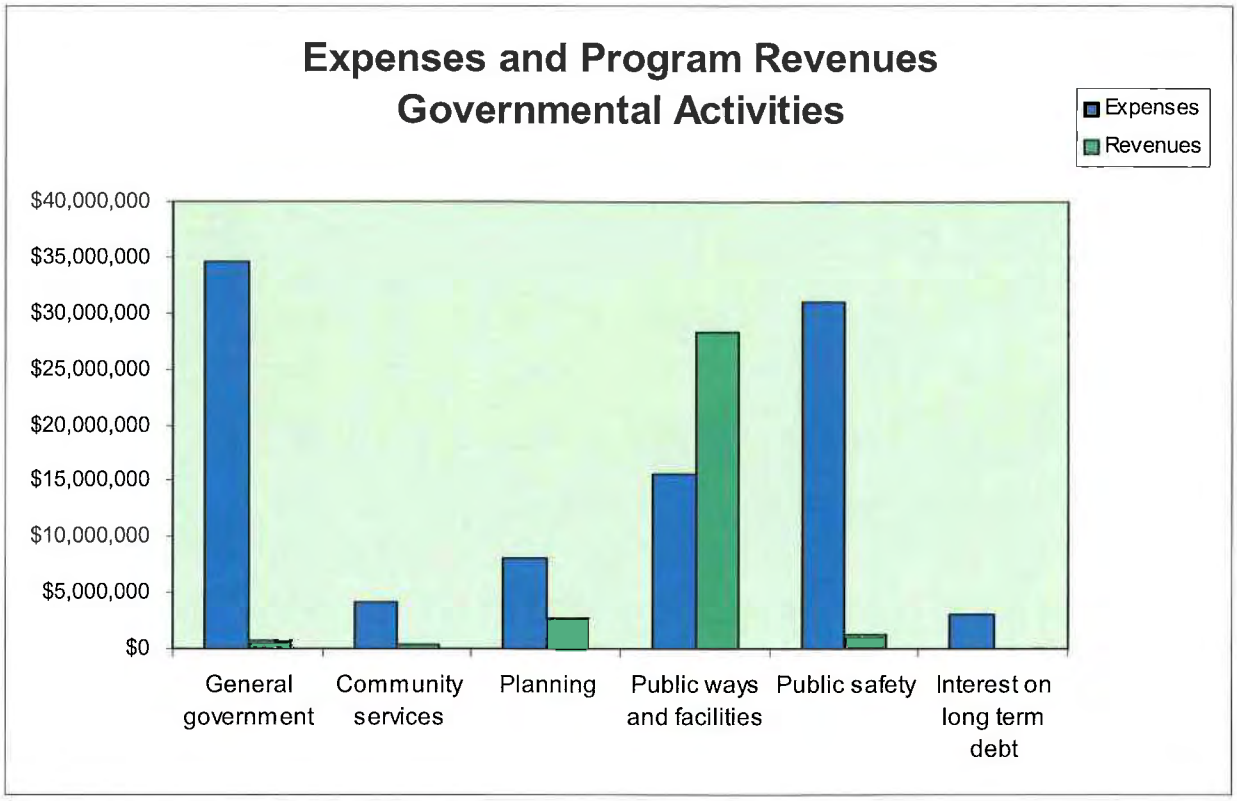
During the current fiscal year, City-wide revenues increased by $14.5 million, and expenses increased by $5.2 million as compared to the prior year. However, total net assets increased by $15,925,330. Although all revenue categories posted decreases, capital grants and contributions increased significantly due to public improvements donated by developers for completed projects accepted by the City.

Governmental Activities. Governmental activities increased the City's net assets by $8,471,112, accounting for 48.9% of the total growth in the net assets of the City. Governmental activities increased the City's net assets by $8.5 million as compared to $3.1 million in the prior year. All revenue categories posted decreases, except for capital grants and contributions.

Capital grants and contributions posted a significant increase of over $16.2 million due to an increase in the number of street projects undertaken, and $14.4 in developer-donated infrastructure for completed projects accepted by the City. Property tax revenue declined by 1.2% ($0.6 million) partly due to reassessments as the housing market continues to struggle. Service charges decreased by 11.7% ($0.6 million). Operating grants and contributions also decreased by 12.9% ($1.1 million) due to the economic downturn at the national level and the ongoing State of California budget crisis.

Expenses in the functional areas ranged from an increase of 15.5% to a decrease of 5.9% in comparison with the previous fiscal year. General government expenses increased the most, by 15.5% ($4.6 million), due in large part to the City's required $6.3 million payment into the Supplemental Educational Revenue Augmentation Fund. Planning expenses decreased the most, by 5.9% ($0.5 million), reflective of the economic downturn and decreased development activity.





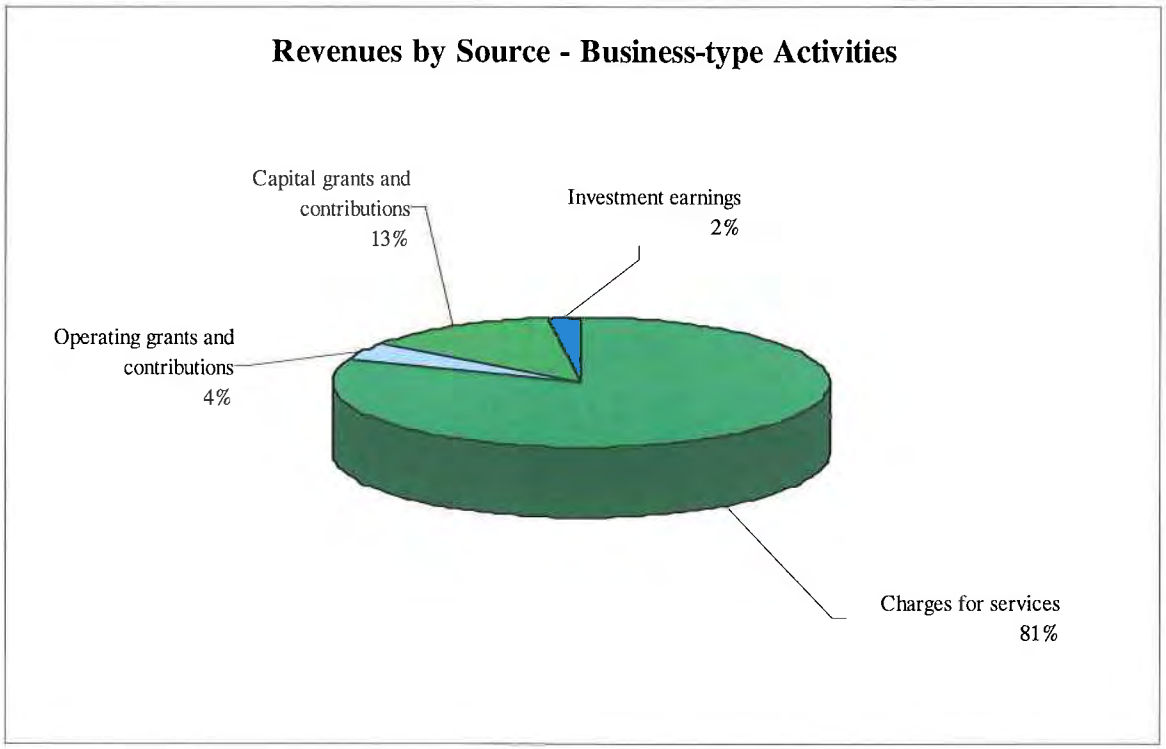
Business-type Activities. Business-type activities increased the City's net assets by $8,862,103, accounting for 51.1% of the total growth in the net assets of the City.

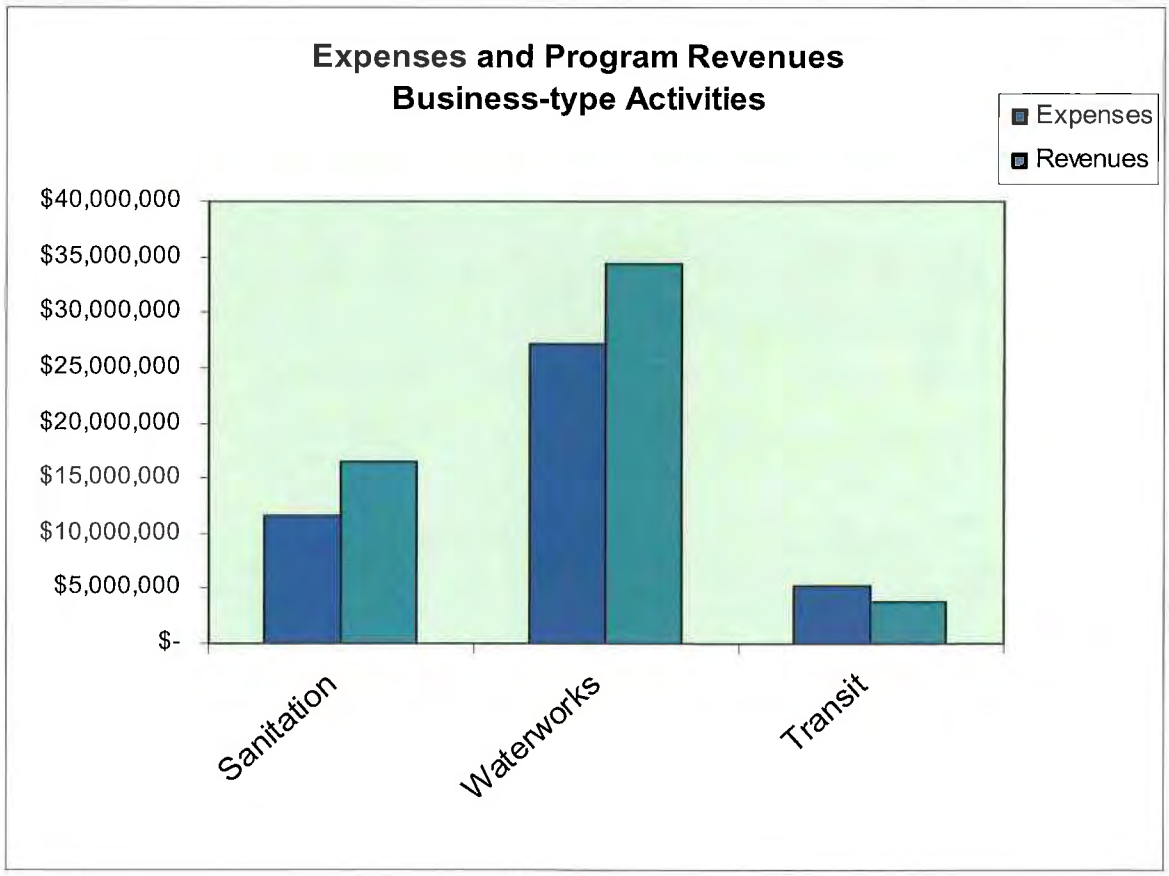
Business-type activities increased the City's net assets by $8.9 million as compared to $4.9 million in the prior year. The key elements for the increase in growth of net assets as compared to the prior year are as follows:

Capital grants and contributions increased by 261.5% ($5.1 million), mostly due to the acceptance of public improvements contributed to the City by developers. This was offset by a decrease of $1.2 in other revenue categories: a slight decrease in charges for services, a decrease in operating grants and contributions attributable to a reduction in grant monies available for operating expenses, and a 33.5% ($0.6 million) drop in interest on investments as the yield on securities the City invests in remain at low levels due to the sluggish economy.

Overall expenses increased minutely by 0.1% as compared to prior fiscal year, with most of the increase in expenses occurring in the water enterprise fund. Key elements for this increase included an increase in the cost for water purchases and the purchase of smart irrigation controllers to take advantage of rebates from Calleguas and the Metropolitan Water District offered during the fiscal year.

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


Revenues by Source - Business-type Activities
Capital grants and contributions 13%
Investment earnings 2%
Operating grants and contributions 4%
Charges for services 81%


Expenses and Program Revenues
Business-type Activities
Expenses
Revenues
$40,000,000
$35,000,000
$30,000,000
$25,000,000
$20,000,000
$15,000,000
$10,000,000
$5,000,000
$-
Sanitation
Waterworks
Transit

Financial Analysis of the Government's Funds

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

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

At the end of the current fiscal year, the City's governmental funds experienced combined ending fund balances of $90,813,645, a decrease of over $23.0 million over the prior year. Slightly less than two-thirds of this total amount ($59.5 million) constitutes *unreserved fund balance*, which is available to meet the City's current and future needs. A portion of the fund balance ($31.3 million) is *reserved* to indicate that it is not available for new spending because it has already been committed for the following purposes: (1) to liquidate contracts and purchase orders of the prior period ($1.6 million); (2) to pay debt service ($7.3 million); (3) for advances to other funds and loans receivable not due in the upcoming fiscal year ($21.8 million), and, (4) for property held for resale ($0.6 million).

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 $7,298,798, while total fund balance was $35,726,648. 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 64% of budgeted General fund expenditures.

The fund balance of the City's General fund decreased by $382,981 during the current fiscal year. The key factor of this decrease is the downturn in the economy and its sluggish recovery rate. All revenue categories, except for a slight uptick in the grants category, posted decreases. The most significant decreases were in sales tax ($1.1 million) and property taxes ($0.9 million), two categories that have figured prominently in the current state of the economy. Expenditures decreased across most functional areas, which is indicative of the City Council's and staff's efforts to reduce expenditures wherever possible.

The net change in the fund balance of the Community Development Housing Administration fund was a decrease of $16,704,218. This decrease is primarily due to a change in the presentation of loan receivables with an offset to deferred revenue rather than a reservation of fund balance.

The fund balance of the Merged Tapo Canyon and West End Tax Increment fund decreased by $2,985,093. This decrease was primarily due to the City's $6.3 million payment into the County of Ventura's Supplemental Educational Revenue Augmentation Fund in compliance with SB 26 adopted by the State legislature in July 2009.

The fund balance of the Development Related Fees fund decreased by $770,088. Development related revenues, which have declined significantly in prior years, are experiencing modest increases as some development activity returns. However, it is unlikely that development revenues will increase significantly in the future, as the City is moving toward build-out.

The fund balance of the Streets and Roads fund increased by $377,248. Budgeted projects in this fund are pre-funded with transfers from various funds. In addition, a significant portion of these expenditures is reimbursed by federal grants.

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

Unrestricted net assets of the Sanitation, Waterworks and Transit funds were $19,693,680, $18,908,912, and $225,347, respectively. The growth in total net assets for Sanitation, Waterworks and Transit funds were $2,582,569, $6,061,488 and $142,058, respectively. Other factors concerning the finances of these funds have already been addressed in the discussion of Business-type activities on page 10.

General Fund Budgetary Highlights

The difference between the General fund original expenditure budget and the final amended expenditure budget was $0.6 million and can be briefly summarized as follows:

- $0.7 million were re-appropriated for prior year commitments that were carried forward across all City departments. These consisted of approved expenditure increases in various categories and were offset by available fund balance. This amount was not included in the original adopted budget.

- $0.1 million in appropriation reductions were achieved in various categories including reductions in training and the elimination of three new vehicle purchases as a result of the City's efforts to reduce spending.

Actual expenditures were $1.9 million less than the General fund final amended expenditure budget. The significant variances are summarized below:

- $0.5 million of under-expenditures were in personnel costs due to vacancies, retirements, and reductions in salaries and benefits as negotiated with the various employee groups. All authorized positions were budgeted; however, several positions were held vacant during the current fiscal year in an effort to reduce spending.

- $1.3 million of expenditure savings were achieved in the Current Expenses category ($0.6 million in the Services category and $0.7 million in the Supplies and Materials category).

- $0.1 million of expenditure savings were achieved in the Transfers and Reimbursements categories. The required transfer to fund the Landscape Augmentation Zone was lower than anticipated.

Revenues were down by 7.5% with sales taxes and property taxes representing the largest decreases of 2.2% and 1.8%, respectively, of the total General Fund revenue categories.

Capital Asset and Debt Administration

Capital assets. The City of Simi Valley's investment in capital assets for its governmental and business type activities as of June 30, 2010, amounts to $348,245,105 (net of accumulated depreciation). This is an increase of $16,707,252 as compared to prior year.

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

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

- $7.2 million in street projects were completed.
- $14.4 million in streets, and $5.8 million in water and sewer lines were donated by developers for projects completed and accepted by the City.
- $8.2 million in street project expenses were incurred for projects in progress during the year.

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

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

	Governmental Activities		Business-Type Activities		Total	
	FY 2009-10	FY 2008-09	FY 2009-10	FY 2008-09	FY 2009-10	FY 2008-09
Land	$ 11,737,857	$ 11,737,857	$ 1,216,994	$ 1,216,994	$ 12,954,851	$ 12,954,851
Buildings	26,317,393	27,429,887	7,023,672	7,302,682	33,341,065	34,732,569
Furnishings and equipment	5,199,354	5,696,009	1,099,041	1,223,295	6,298,395	6,919,304
Computers	1,542,584	1,437,387	299,519	348,455	1,842,103	1,785,842
Vehicles	1,308,376	1,433,315	2,312,152	2,397,415	3,620,528	3,830,730
Infrastructure	162,470,084	150,696,914	95,266,235	89,951,508	257,736,319	240,648,422
Intangibles	3,500,565	3,870,831	-	-	3,500,565	3,870,831
Construction in progress	9,211,287	8,140,747	19,739,992	18,654,557	28,951,279	26,795,304
Total	$ 221,287,500	$ 210,442,947	$ 126,957,605	$ 121,094,906	$ 348,245,105	$ 331,537,853

Long-term debt. At the end of the current fiscal year, the City had total bonded debt outstanding of $56,134,553. This entire amount represents bonds secured solely by specified revenue sources (i.e., revenue bonds).

City of Simi Valley's Outstanding Bonded Debt

	Governmental Activities	
	FY 2009-10	FY 2008-09
1995 SVPFA variable rate lease revenue bonds	$ 4,815,000	$ 5,470,000
2003 tax allocation bonds	27,060,000	27,840,000
2004 certificates of participation	24,000,000	24,520,000
Less deferred amounts	259,553	260,264
Total	$ 56,134,553	$ 58,090,264

The City's bonded debt decreased by $1,955,711 (3.4%) during the current fiscal year as a result of scheduled debt service payments.

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

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

Economic Factors and Next Year's Budgets and Rates

- After several years of strong growth, General Fund revenues decreased in FY 2008-09 by 8.4%, and continued to decrease in FY 2009-10 by 7.5%. Current national economic indicators suggest that the economy is recovering; however, the pace of the recovery is very slow. Consumer spending is rising but remains significantly below what is considered typical in previous recoveries as consumers still face ongoing job losses, sluggish income growth, lower housing equity, tight credit, and uncertainty regarding future taxes and health care costs. Despite the recovery, reduced tax revenues both at the state and local level will affect the General Fund such that revenues are expected to remain relatively flat in the near future.

- To contain retiree benefit costs, the City, as of June 30, 2010, was in the process of freezing the PARS supplemental pension benefit accruals and closing the plan to new employees. In addition, the benefit structure of retiree medical benefits for sworn and management employees hired on or after January 1, 2010 has been changed from a defined benefit to a defined contribution plan. General unit employees hired on or after July 1, 2010 will not be eligible for medical benefits upon retirement.

- Development activity increased slightly in FY 2009-10 as compared to the prior year and is expected to experience modest increases during the next fiscal year.

- FY 2009-10 is the third consecutive year property tax revenue has declined and this trend is expected to continue, although at a more moderate pace. This decrease is primarily due to assessment value appeals and subsequent reductions affecting several major property holdings in the City.

- Sales and Use tax receipts declined in FY 2009-10 but are expected to increase slightly during FY 2010-11. The City's unemployment rate is currently at 9.2%.

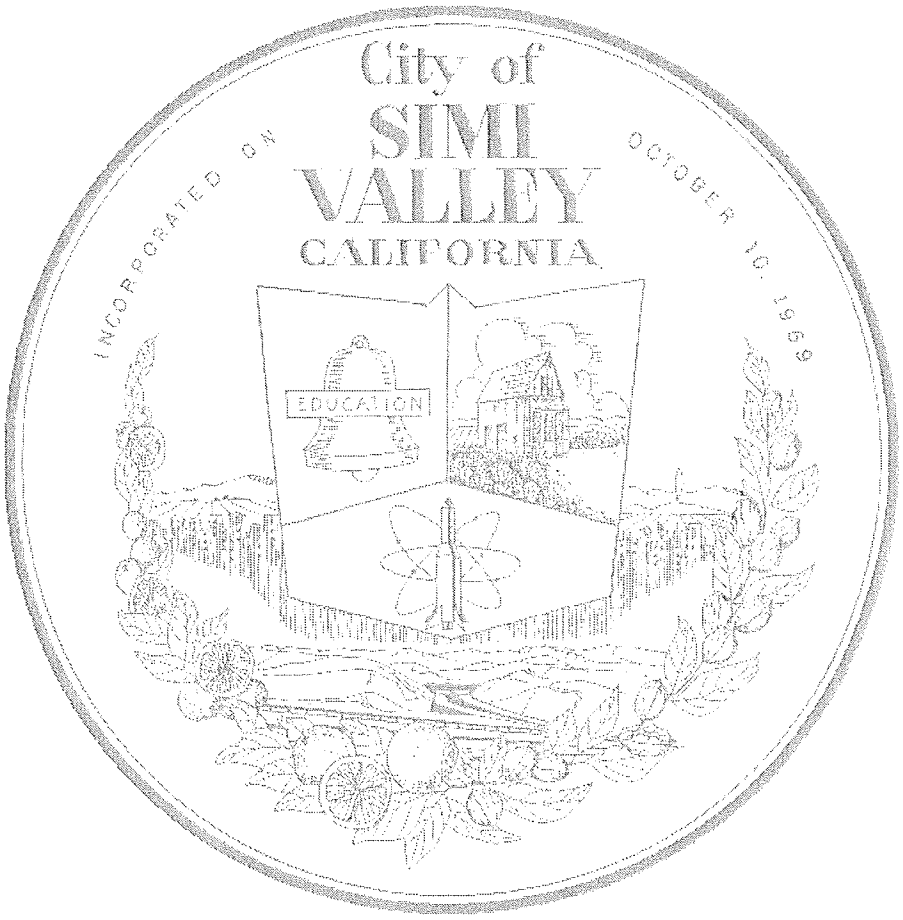
- A three-tiered water rate structure for single-family residential customers was established on January 1, 2010, and water rates were increased by 6% to 23% depending on residential water usage, and are expected to increase about 6% in the next calendar year. These increases are primarily a result of increases in the cost of water purchased from Calleguas Municipal Water District. Water rates throughout the region have increased dramatically due to the water supply shortage and the high cost of water from additional sources. There was no increase in sewer rates during this fiscal year. However, it is anticipated that the City will consider increasing sewer rates in the next fiscal year to maintain adequate cash reserves, fund the replacement of existing facilities and equipment, and construct new facilities.

Requests for Information

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

Basic Financial Statements

Government-Wide Financial Statements


City of
SIMI
VALLEY
CALIFORNIA
INCORPORATED ON
OCTOBER 10, 1969
EDUCATION

CITY OF SIMI VALLEY
STATEMENT OF NET ASSETS
JUNE 30, 2010

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current assets:			
Cash and investments (note III A)	$ 93,951,486	$ 34,801,814	$ 128,753,300
Accounts receivable (net of allowance for uncollectibles) (note III C)	2,958,931	6,573,211	9,532,142
Taxes receivable	4,463,103	263,031	4,726,134
Grants receivable	1,098,317	2,384,520	3,482,837
Interest receivable	338,499	151,022	489,521
Internal balances (note I D 2)	1,520,651	(1,520,651)	-
Inventories	-	1,304,893	1,304,893
Property held for resale	583,728	-	583,728
Restricted cash and investments (note III A):			
Customer deposits	-	868,414	868,414
Debt service	5,862,048	-	5,862,048
Connection fees	-	8,336,053	8,336,053
Total current assets	110,776,763	53,162,307	163,939,070
Noncurrent assets:			
Loans receivable (note III B)	24,146,171	-	24,146,171
Deferred charges	1,220,006	-	1,220,006
Capital assets (note III D):			
Capital assets not being depreciated	20,949,144	20,956,986	41,906,130
Capital assets being depreciated, net	200,338,356	106,000,619	306,338,975
Total noncurrent assets	246,653,677	126,957,605	373,611,282
Total assets	357,430,440	180,119,912	537,550,352
LIABILITIES			
Current liabilities:			
Accounts payable	2,364,469	3,146,212	5,510,681
Salaries and benefits payable	2,140,502	326,552	2,467,054
Accrued interest payable	892,589	-	892,589
Deposits	240,898	-	240,898
Liabilities payable from restricted assets	-	965,334	965,334
Unearned revenues	364,601	-	364,601
Current portion of long-term obligations	5,215,035	104,852	5,319,887
Total current liabilities	11,218,094	4,542,950	15,761,044
Noncurrent liabilities (note III G):			
Noncurrent portion of long-term obligations	66,053,802	943,674	66,997,476
Total liabilities	77,271,896	5,486,624	82,758,520
NET ASSETS			
Invested in capital assets, net of related debt	192,161,001	126,957,605	319,118,606
Restricted for:			
Capital projects	35,584,922	-	35,584,922
Debt service	7,332,580	-	7,332,580
Community development	43,844,846	-	43,844,846
Other purposes	977,518	-	977,518
Sewer connection fees and water capital improvement charges	-	8,239,133	8,239,133
Unrestricted	257,677	39,436,550	39,694,227
Total net assets	$ 280,158,544	$ 174,633,288	$ 454,791,832

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

CITY OF SIMI VALLEY
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Expenses	Indirect Expenses Allocation	Full Cost by Function	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions
Primary government:					
Governmental activities:					
General government	$ 34,554,638	$ (7,378,591)	$ 27,176,047	$ 395,880	$ 263,783
Community services (CS)	4,124,494		4,124,494	214,853	112,056
Planning (ES)	8,141,714	1,046,923	9,188,637	1,506,323	1,157,632
Public ways and facilities (PW)	15,637,194	587,368	16,224,562	1,711,132	5,339,560
Public safety (PD)	31,040,123		31,040,123	766,149	563,442
Interest on long term debt	3,040,452		3,040,452		
Total governmental activities	96,538,615	(5,744,300)	90,794,315	4,594,337	7,436,473
Business-type activities:					
Sanitation	11,658,794	2,506,600	14,165,394	14,783,194	-
Waterworks District No. 8	27,103,066	2,007,500	29,110,566	30,010,924	26,150
Transit	5,223,572	1,230,200	6,453,772	517,745	2,326,848
Total business-type activities	43,985,432	5,744,300	49,729,732	45,311,863	2,352,998
Total primary government	$ 140,524,047	$ -	$ 140,524,047	$ 49,906,200	$ 9,789,471

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

Transfers

Total general revenues, contributions and transfers

Change in net assets

Net assets-beginning

Prior period adjustment (note IV F)

Net assets-beginning, as restated

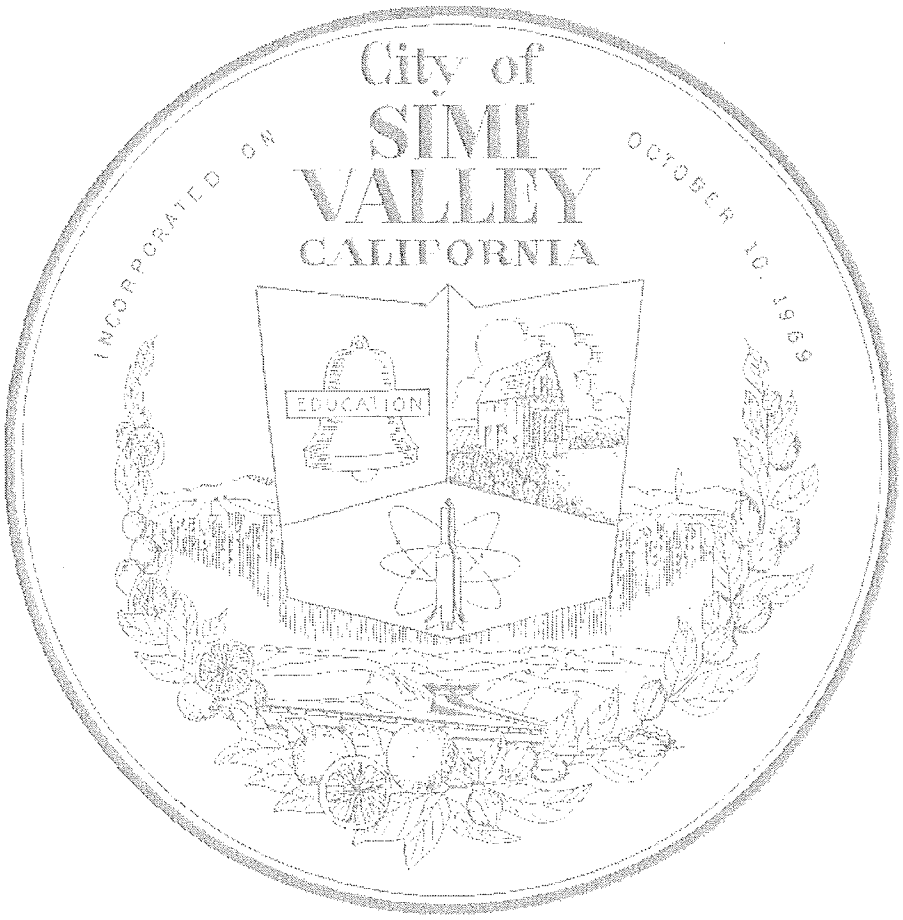
Net assets-ending

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

CITY OF SIMI VALLEY
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

Program Revenues	Net (Expense) Revenue and Changes in Net Assets			
Capital	Primary Government			
Grants and Contributions	Governmental Activities	Business-type Activities	Total	
				Primary government:
				Governmental activities:
	$ (26,516,384)	$ -	$ (26,516,384)	General government
	(3,797,585)	-	(3,797,585)	Community services (CS)
	(6,524,682)	-	(6,524,682)	Planning (ES)
21,281,299	12,107,429	-	12,107,429	Public ways and facilities (PW)
	(29,710,532)	-	(29,710,532)	Public safety (PD)
	(3,040,452)	-	(3,040,452)	Interest on long term debt
21,281,299	(57,482,206)	-	(57,482,206)	Total governmental activities
				Business-type activities:
1,685,539	-	2,303,339	2,303,339	Sanitation
4,435,664	-	5,362,172	5,362,172	Waterworks District No. 8
997,332	-	(2,611,847)	(2,611,847)	Transit
7,118,535	-	5,053,664	5,053,664	Total business-type activities
$ 28,399,834	(57,482,206)	5,053,664	(52,428,542)	Total primary government
				General revenues:
	24,022,375		24,022,375	Property taxes
	21,138,010		21,138,010	Tax increment
	12,969,115		12,969,115	Sales taxes
	369,992		369,992	Motor fuel tax
	4,304,353		4,304,353	Franchise taxes
	1,659,666		1,659,666	Business tax
	1,560,873		1,560,873	Other taxes
	2,255,728	1,301,289	3,557,017	Investment earnings
	-	180,356	180,356	Miscellaneous
	(2,326,794)	2,326,794	-	Transfers
	65,953,318	3,808,439	69,761,757	Total general revenues, contributions and transfers
	8,471,112	8,862,103	17,333,215	Change in net assets
	272,913,317	165,953,185	438,866,502	Net assets-beginning
	(1,225,885)	(182,000)	(1,407,885)	Prior period adjustment (note IV F)
	271,687,432	165,771,185	437,458,617	Net assets-beginning, as restated
	$ 280,158,544	$ 174,633,288	$ 454,791,832	Net assets-ending

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


City of
SIMI
VALLEY
CALIFORNIA
INCORPORATED ON
OCTOBER 10, 1969
EDUCATION

Fund Financial Statements

CITY OF SIMI VALLEY
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2010

		Special Revenue		
	General	Community Development Agency Housing Administration	Merged Tapo Canyon & West End Tax Increment	Development Related Fees
ASSETS				
Cash and investments:				
Held by city	$ 13,146,280	$ 13,163,867	$ 264,137	$ 21,308,760
Held by bond trustee	-	-	-	-
Accounts receivable (net of allowance for uncollectibles) (note III C)	770,747	-	115,559	-
Taxes receivable	4,300,085	1,801	7,205	-
Grants receivable	10,131	-	-	1,732
Interest receivable	95,367	45,295	7,337	62,584
Due from other funds (note III F)	2,279,995	29,148	-	-
Loans receivable (note III B)	375,344	19,755,519	-	525,456
Advances to other funds (note III F)	18,935,808	-	-	-
Property held for resale	-	583,728	-	-
Prepaid assets	135,558	-	-	-
TOTAL ASSETS	$ 40,049,315	$ 33,579,358	$ 394,238	$ 21,898,532
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable	$ 696,155	$ 37,766	$ 394,237	$ 10,125
Salaries and benefits payable	2,072,496	29,312	-	-
Due to other funds (note III F)	-	-	-	-
Advances from other funds (note III F)	-	-	13,397,729	-
Deposits	239,314	1,584	-	-
Deferred revenues	1,293,222	19,755,519	-	525,456
Unearned revenues	21,480	-	-	-
TOTAL LIABILITIES	4,322,667	19,824,181	13,791,966	535,581
FUND BALANCES				
Reserved (note III H)	19,550,414	586,228	2,150	35,260
Unreserved (note III H):				
General fund	8,877,436	-	-	-
Special revenue funds	-	13,168,949	-	21,327,691
Capital projects funds	-	-	-	-
Undesignated (note III H):				
General fund	7,298,798	-	-	-
Special revenue funds	-	-	(13,399,878)	-
Capital projects funds	-	-	-	-
TOTAL FUND BALANCES (DEFICITS)	35,726,648	13,755,177	(13,397,728)	21,362,951
TOTAL LIABILITIES AND FUND BALANCES	$ 40,049,315	$ 33,579,358	$ 394,238	$ 21,898,532

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

CITY OF SIMI VALLEY
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2010

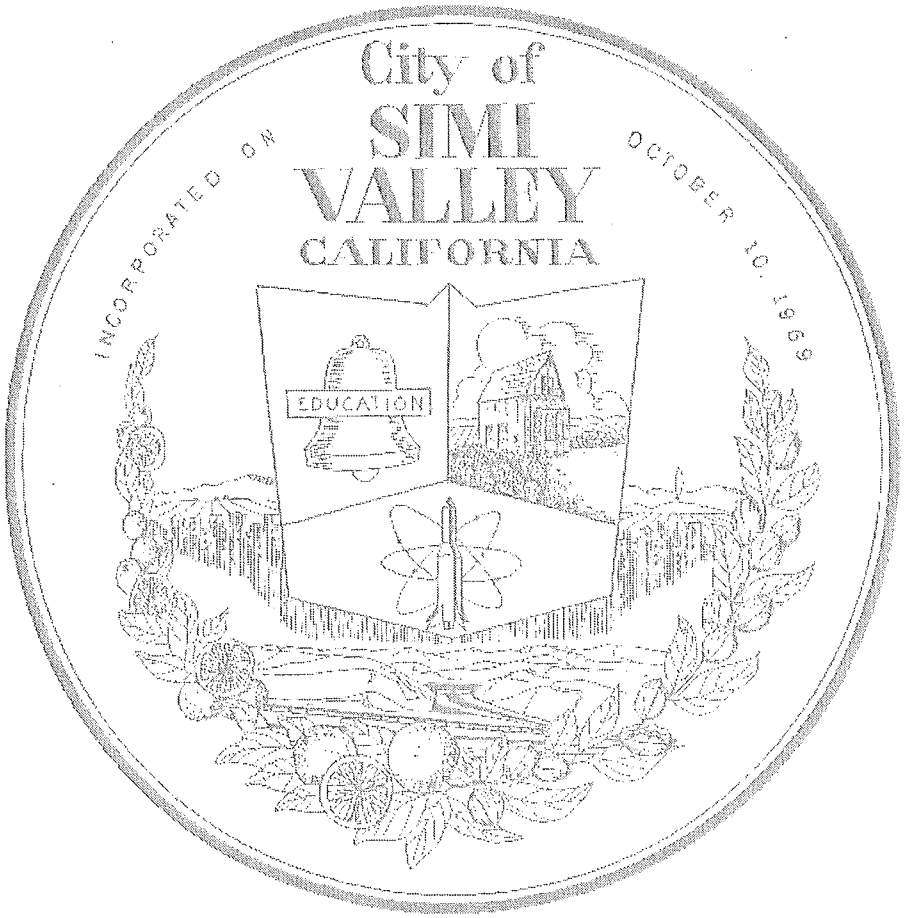
Capital Projects			
Streets & Roads	Nonmajor Governmental	Total Governmental Funds	
			ASSETS
			Cash and investments:
$ 2,048,415	$ 24,812,429	$ 74,743,888	Held by city
-	5,862,048	5,862,048	Held by bond trustee
1,967,554	105,071	2,958,931	Accounts receivable (net of allowance for uncollectibles) (note III C)
-	154,012	4,463,103	Taxes receivable
306,466	779,988	1,098,317	Grants receivable
-	72,332	282,915	Interest receivable
-	-	2,309,143	Due from other funds (note III F)
-	3,489,852	24,146,171	Loans receivable (note III B)
-	2,500,000	21,435,808	Advances to other funds (note III F)
-	-	583,728	Property held for resale
-	-	135,558	Prepaid assets
$ 4,322,435	$ 37,775,732	$ 138,019,610	TOTAL ASSETS
			LIABILITIES AND FUND BALANCES
			LIABILITIES
$ 814,387	$ 524,252	$ 2,476,922	Accounts payable
-	29,998	2,131,806	Salaries and benefits payable
-	179,881	179,881	Due to other funds (note III F)
-	3,350,079	16,747,808	Advances from other funds (note III F)
-	-	240,898	Deposits
-	3,489,852	25,064,049	Deferred revenues
-	343,121	364,601	Unearned revenues
814,387	7,917,183	47,205,965	TOTAL LIABILITIES
			FUND BALANCES
787,311	10,339,994	31,301,357	Reserved (note III H)
			Unreserved (note III H):
-	-	8,877,436	General fund
-	9,132,368	43,629,008	Special revenue funds
2,720,737	9,798,416	12,519,153	Capital projects funds
			Undesignated (note III H):
-	-	7,298,798	General fund
-	587,771	(12,812,107)	Special revenue funds
-	-	-	Capital projects funds
3,508,048	29,858,549	90,813,645	TOTAL FUND BALANCES (DEFICITS)
$ 4,322,435	$ 37,775,732	$ 138,019,610	TOTAL LIABILITIES AND FUND BALANCES

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

CITY OF SIMI VALLEY
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET ASSETS - GOVERNMENTAL ACTIVITIES
JUNE 30, 2010

Fund balances - total governmental funds		$ 90,813,645
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).		221,287,500
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds:		
Unamortized bond issuance costs		1,220,006
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.		5,248,276
Some liabilities are not due and payable in the current period and therefore are not reported in the funds:		
Accrued interest payable		(892,589)
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	$ 25,064,049	
Compensated absences payable	(4,962,036)	
OPEB obligation	(1,485,754)	
1995 Lease revenue bonds	(4,815,000)	
2003 Tax allocation bonds	(27,060,000)	
2004 Certificates of participation	(24,000,000)	
Unamortized bond premium	(648,078)	
Unamortized bond payable deferred on refunding	388,525	(37,518,294)
Net assets of governmental activities		$ 280,158,544

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


City of
SIMI
VALLEY
CALIFORNIA
INCORPORATED ON OCTOBER 10, 1969
EDUCATION

CITY OF SIMI VALLEY
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

		Special Revenue		
	General	Community Development Agency Housing Administration	Merged Tapo Canyon & West End Tax Increment	Development Related Fees
REVENUES				
Taxes	$ 41,539,743	$ -	$ -	$ -
Tax increment revenues	-	-	21,031,135	-
Licenses and permits	1,150,132	-	-	-
Fines and forfeitures	489,711	-	-	-
Use of money and property	1,098,426	492,000	124,248	378,623
From other governments	542,984	-	-	-
Grants	312,836	-	-	5,895
Service charges	1,373,045	15,470	-	1,490
Other revenues	668,475	-	48,698	-
Total revenues	47,175,352	507,470	21,204,081	386,008
EXPENDITURES				
Current:				
General government	-	839,000	226,566	96,000
Community services (CS)	3,990,430	-	-	-
Planning (ES)	5,454,824	4,961,871	-	66,987
Public ways and facilities (PW)	12,145,586	-	-	-
Public safety (PD)	27,143,916	-	-	-
Total current expenditures	48,734,756	5,800,871	226,566	162,987
Capital outlay:				
Streets and roads	-	-	-	-
Other capital projects	-	-	-	-
Total capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	300,377	-
Other	-	-	-	-
Total debt service	-	-	300,377	-
Intergovernmental	-	-	13,070,798	-
Total expenditures	48,734,756	5,800,871	13,597,741	162,987
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(1,559,404)	(5,293,401)	7,606,340	223,021
OTHER FINANCING SOURCES (USES)				
Transfers in (note III F)	6,657,612	4,227,602	-	-
Transfers out (note III F)	(5,481,189)	(23,800)	(10,591,433)	(466,200)
Total other financing sources (uses)	1,176,423	4,203,802	(10,591,433)	(466,200)
NET CHANGE IN FUND BALANCES	(382,981)	(1,089,599)	(2,985,093)	(243,179)
FUND BALANCES (DEFICITS)-BEGINNING	36,109,629	30,459,395	(10,412,635)	22,133,039
PRIOR PERIOD ADJUSTMENTS (note IV F)		(15,614,619)	-	(526,909)
FUND BALANCES (DEFICITS)-BEGINNING, AS RESTATED	36,109,629	14,844,776	(10,412,635)	21,606,130
FUND BALANCES (DEFICITS)-ENDING	$ 35,726,648	$ 13,755,177	$ (13,397,728)	$ 21,362,951

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, 2010

Capital Projects			
Streets & Roads	Nonmajor Governmental	Total Governmental Funds	
			REVENUES
$ -	$ 2,486,739	$ 44,026,482	Taxes
-	106,875	21,138,010	Tax increment revenues
-	-	1,150,132	Licenses and permits
-	-	489,711	Fines and forfeitures
-	622,622	2,715,919	Use of money and property
-	8,744,457	9,287,441	From other governments
3,328,667	1,270,503	4,917,901	Grants
-	807,531	2,197,536	Service charges
-	108,528	825,701	Other revenues
3,328,667	14,147,255	86,748,833	Total revenues
			EXPENDITURES
			Current:
-	3,443,725	4,605,291	General government
-	2,356	3,992,786	Community services (CS)
-	1,885,623	12,369,305	Planning (ES)
-	3,316,637	15,462,223	Public ways and facilities (PW)
-	951,037	28,094,953	Public safety (PD)
-	9,599,378	64,524,558	Total current expenditures
			Capital outlay:
7,422,947	-	7,422,947	Streets and roads
-	1,264,588	1,264,588	Other capital projects
7,422,947	1,264,588	8,687,535	Total capital outlay
			Debt service:
-	1,955,000	1,955,000	Principal
-	2,738,254	3,038,631	Interest
-	12,838	12,838	Other
-	4,706,092	5,006,469	Total debt service
-	38,909	13,109,707	Intergovernmental
7,422,947	15,608,967	91,328,269	Total expenditures
(4,094,280)	(1,461,712)	(4,579,436)	EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES
			OTHER FINANCING SOURCES (USES)
4,638,328	9,575,505	25,099,047	Transfers in (note III F)
(166,800)	(10,689,219)	(27,418,641)	Transfers out (note III F)
4,471,528	(1,113,714)	(2,319,594)	Total other financing sources (uses)
377,248	(2,575,426)	(6,899,030)	NET CHANGE IN FUND BALANCES
3,130,800	32,433,975	113,854,203	FUND BALANCES (DEFICITS)-BEGINNING
-	-	(16,141,528)	PRIOR PERIOD ADJUSTMENTS (note IV F)
3,130,800	32,433,975	97,712,675	FUND BALANCES (DEFICITS)-BEGINNING, AS RESTATED
$ 3,508,048	$ 29,858,549	$ 90,813,645	FUND BALANCES (DEFICITS)-ENDING

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

CITY OF SIMI VALLEY
RECONCILIATION OF THE STATEMENT OF REVENUES EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

Net change in fund balances - total governmental funds		$ (6,899,030)
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	$ 14,381,174	
Capital outlay	9,194,792	
Depreciation expense	(10,401,348)	13,174,618
The net effect of various miscellaneous transactions involving capital assets (i.e., sales and trade-ins) is to decrease net assets.		(48,399)
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	780,000	
Lease revenue bonds	655,000	
Certificates of participation	520,000	1,955,000
Expenditures that do not use current financial resources are not reported in governmental funds, but are recorded as expenses in the statement of activities.		
Triple Flip repayment by the State	489,900	
Net debt service interest accrual	29,725	
Amortization of bond issuance costs	(55,325)	
Amortization of deferral on refunding	(28,482)	
Amortized premium on bonds	29,194	
Remediation obligation	36,400	
Compensated absences (net)	48,756	
Unfunded OPEB liability	(1,003,710)	(453,542)
Loan receivable transactions offset by deferred revenue are reported as revenue and expenditures in governmental funds but they do not provide revenue or expenses in the statement of activities.		3,094,356
Internal service funds are used by the City to account for liability and workers' compensation insurance. The net expense of these funds is reported with governmental activities.		(2,351,891)
Change in net assets of governmental activities		$ 8,471,112

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

CITY OF SIMI VALLEY
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
REVENUES				
Taxes:				
Sales	$ 13,704,000	$ 13,704,000	$ 12,969,115	$ (734,885)
Property	21,155,500	21,155,500	21,042,798	(112,702)
Franchise	4,466,100	4,466,100	4,304,353	(161,747)
Business and other	3,924,500	3,924,500	3,223,477	(701,023)
Licenses and permits	1,347,400	1,347,400	1,150,132	(197,268)
From other governments	1,002,500	1,005,200	542,984	(462,216)
Grants	285,400	324,200	312,836	(11,364)
Service charges	1,455,500	1,455,500	1,373,045	(82,455)
Fines and forfeitures	749,600	749,600	489,711	(259,889)
Use of money and property	2,000,300	2,000,300	1,098,426	(901,874)
Other revenues	751,800	593,400	632,617	39,217
Total revenues	50,842,600	50,725,700	47,139,494	(3,586,206)
EXPENDITURES				
Current:				
City administration	2,977,100	3,027,000	2,892,199	134,801
Attorney	1,042,800	1,042,800	977,872	64,928
Administrative services and city-wide support (AS)*	(3,245,500)	(2,778,600)	(3,905,929)	1,127,329
Community services (CS)	4,010,400	4,020,700	3,990,430	30,270
Planning (ES)	5,138,800	5,568,400	5,454,824	113,576
Public ways and facilities (PW)	12,364,600	12,105,900	12,145,586	(39,686)
Public safety (PD)	27,733,100	27,617,200	27,143,916	473,284
Total expenditures	50,021,300	50,603,400	48,698,898	1,904,502
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	821,300	122,300	(1,559,404)	(1,681,704)
OTHER FINANCING SOURCES (USES)				
Transfers in	6,850,900	7,096,400	6,657,612	(438,788)
Transfers out	(6,938,100)	(5,541,200)	(5,481,189)	60,011
Total other financing sources (uses)	(87,200)	1,555,200	1,176,423	(378,777)
NET CHANGE IN FUND BALANCE	734,100	1,677,500	(382,981)	(2,060,481)
FUND BALANCES (DEFICITS)-BEGINNING	36,109,629	36,109,629	36,109,629	-
FUND BALANCES (DEFICITS)-ENDING	$ 36,843,729	$ 37,787,129	$ 35,726,648	$ (2,060,481)

*net of reimbursements

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

CITY OF SIMI VALLEY
COMMUNITY DEVELOPMENT AGENCY HOUSING ADMINISTRATION
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
REVENUES				
Use of money and property	$ 457,800	$ 457,800	$ 492,000	$ 34,200
Grants	-	801,700	-	(801,700)
Service charges	8,000	8,000	15,470	7,470
Total revenues	465,800	1,267,500	507,470	(760,030)
EXPENDITURES				
Current:				
General government:				
Reimbursement to general fund	780,000	839,000	839,000	-
Reimbursement from CDBG	(81,200)	(81,200)	(81,175)	(25)
Reimbursement from HOME grant	(800)	(800)	(62,535)	61,735
Total general government	698,000	757,000	695,290	61,710
Environmental services:				
Personnel	1,098,100	1,079,000	1,125,207	(46,207)
Materials, supplies and services	15,246,100	16,547,800	3,980,374	12,567,426
Total environmental services	16,344,200	17,626,800	5,105,581	12,521,219
Total expenditures	17,042,200	18,383,800	5,800,871	12,582,929
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(16,576,400)	(17,116,300)	(5,293,401)	11,822,899
OTHER FINANCING SOURCES (USES)				
Transfers in	4,155,900	4,155,900	4,227,602	71,702
Transfers out	(23,800)	(23,800)	(23,800)	-
Total other financing sources (uses)	4,132,100	4,132,100	4,203,802	71,702
NET CHANGE IN FUND BALANCES	(12,444,300)	(12,984,200)	(1,089,599)	11,894,601
FUND BALANCES (DEFICITS)-BEGINNING	30,459,395	30,459,395	30,459,395	-
PRIOR PERIOD ADJUSTMENTS (note IV F)	(15,614,619)	(15,614,619)	(15,614,619)	-
FUND BALANCES (DEFICITS)-BEGINNING, AS RESTATED	14,844,776	14,844,776	14,844,776	-
FUND BALANCES (DEFICITS)-ENDING	$ 2,400,476	$ 1,860,576	$ 13,755,177	$ 11,894,601

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, 2010

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
REVENUES				
Tax increment revenues	$ 20,709,200	$ 20,709,200	$ 21,031,135	$ 321,935
Use of money and property	141,500	141,500	124,248	(17,252)
Other revenues	-	3,500	48,698	45,198
Total revenues	20,850,700	20,854,200	21,204,081	349,881
EXPENDITURES				
Current:				
General government:				
Materials, supplies and services	223,600	252,100	57,128	194,972
Contract services	207,100	207,100	169,438	37,662
Total general government	430,700	459,200	226,566	232,634
Debt service:				
Interest	538,600	538,600	300,377	238,223
Intergovernmental	6,699,400	6,699,400	13,070,798	(6,371,398)
Total expenditures	7,668,700	7,697,200	13,597,741	(5,900,541)
EXCESS OF REVENUES OVER EXPENDITURES	13,182,000	13,157,000	7,606,340	(5,550,660)
OTHER FINANCING SOURCES (USES)				
Transfers out	(15,921,100)	(16,773,000)	(10,591,433)	6,181,567
Total other financing sources (uses)	(15,921,100)	(16,773,000)	(10,591,433)	6,181,567
NET CHANGE IN FUND BALANCES	(2,739,100)	(3,616,000)	(2,985,093)	630,907
FUND BALANCES (DEFICITS)-BEGINNING	(10,412,635)	(10,412,635)	(10,412,635)	-
FUND BALANCES (DEFICITS)-ENDING	$ (13,151,735)	$ (14,028,635)	$ (13,397,728)	$ 630,907

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, 2010

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
REVENUES				
Use of money and property	$ 495,300	$ 495,300	$ 378,623	$ (116,677)
Grants	-	190,900	5,895	(185,005)
Service charges	41,400	41,400	1,490	(39,910)
Other revenues	894,200	894,200	-	(894,200)
Total revenues	1,430,900	1,621,800	386,008	(1,235,792)
EXPENDITURES				
Current:				
General government:				
Reimbursement to general fund	96,000	96,000	96,000	-
Environmental services:				
Housing programs	585,000	865,900	66,987	798,913
Total expenditures	681,000	961,900	162,987	798,913
OTHER FINANCING SOURCES (USES)				
Transfers out	(466,200)	(466,200)	(466,200)	-
NET CHANGE IN FUND BALANCES	283,700	193,700	(243,179)	(436,879)
FUND BALANCES (DEFICITS)-BEGINNING	22,133,039	22,133,039	22,133,039	-
PRIOR PERIOD ADJUSTMENTS (note IV F)	(526,909)	(526,909)	(526,909)	-
FUND BALANCES (DEFICITS)-BEGINNING, AS RESTATED	21,606,130	21,606,130	21,606,130	-
FUND BALANCES (DEFICITS)-ENDING	$ 21,889,830	$ 21,799,830	$ 21,362,951	$ (436,879)

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

CITY OF SIMI VALLEY
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
JUNE 30, 2010

	Business-type Activities - Enterprise Funds				
	Simi Valley Sanitation	Ventura County Waterworks District No. 8	Simi Valley Transit System	Total	Internal Service Funds
ASSETS					
Current assets:					
Cash and investments	$ 19,184,472	$ 15,532,810	$ 84,532	$ 34,801,814	$ 19,207,598
Customer receivable	519,251	5,415,735	-	5,934,986	-
Other receivable	280,391	307,170	50,664	638,225	-
Taxes receivable	263,031	-	-	263,031	-
Grants receivable	-	-	2,384,520	2,384,520	-
Inventories	446,222	630,878	227,793	1,304,893	-
Interest receivable	75,300	75,722	-	151,022	55,584
Restricted cash and investments:					
Customer deposits	-	868,414	-	868,414	-
Connection fees	3,627,503	4,708,550	-	8,336,053	-
Total current assets	24,396,170	27,539,279	2,747,509	54,682,958	19,263,182
Noncurrent assets:					
Capital assets (net of accumulated depreciation) (note III D):					
Land	765,660	451,334	-	1,216,994	-
Buildings and improvements	5,123,657	640,184	1,259,830	7,023,671	-
Furnishings and equipment	473,163	205,434	719,963	1,398,560	-
Vehicles	392,515	410,672	1,508,965	2,312,152	-
Distribution system (note IV F)	56,835,295	38,426,483	4,458	95,266,236	-
Construction-in-progress	10,426,709	9,012,903	300,380	19,739,992	-
Total noncurrent assets	74,016,999	49,147,010	3,793,596	126,957,605	-
TOTAL ASSETS	98,413,169	76,686,289	6,541,105	181,640,563	19,263,182
LIABILITIES					
Current liabilities:					
Accounts payable	429,242	2,665,018	51,952	3,146,212	23,105
Salaries and benefits payable	148,482	98,413	79,657	326,552	8,696
Compensated absences	49,726	28,997	26,129	104,852	5,681
Due to other funds (note III F)	-	-	2,129,262	2,129,262	-
Remediation obligation	-	-	-	-	-
Claims and legal services payable	-	-	-	-	2,668,150
Current liabilities payable from restricted assets:					
Water service prepayments	-	868,414	-	868,414	-
Accounts payable restricted	55,379	41,541	-	96,920	-
Total current liabilities	682,829	3,702,383	2,287,000	6,672,212	2,705,632
Noncurrent liabilities:					
Advances from other funds (note III F)	-	-	-	-	4,688,000
Compensated absences	447,537	260,975	235,162	943,674	51,132
Claims and legal services payable	-	-	-	-	5,961,531
Total noncurrent liabilities	447,537	260,975	235,162	943,674	10,700,663
TOTAL LIABILITIES	1,130,366	3,963,358	2,522,162	7,615,886	13,406,295
NET ASSETS					
Invested in capital assets	74,016,999	49,147,010	3,793,596	126,957,605	-
Restricted for:					
Sewer connection fees and water capital improvement charges	3,572,124	4,667,009	-	8,239,133	-
Unrestricted	19,693,680	18,908,912	225,347	38,827,939	5,856,887
TOTAL NET ASSETS	$ 97,282,803	$ 72,722,931	$ 4,018,943	174,024,677	$ 5,856,887
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds					
Beginning adjustment to unrestricted net assets				532,623	
Current adjustment to unrestricted net assets				75,988	
Net assets of business-type activities				$ 174,633,288	

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, 2010

	Business-type Activities - Enterprise Funds				
	Simi Valley Sanitation	Ventura County Waterworks District No. 8	Simi Valley Transit System	Total	Internal Service Funds
OPERATING REVENUES					
Charges for sales and services	$ 14,783,194	$ 30,010,924	$ 517,745	$ 45,311,863	$ 3,758,500
OPERATING EXPENSES					
Salaries and benefits	5,995,214	3,920,389	3,219,243	13,134,846	344,508
Materials and supplies:					
Water purchases	-	19,374,552	-	19,374,552	-
Utilities	783,722	726,633	-	1,510,355	-
Chemicals	423,981	-	-	423,981	-
Other	207,455	495,941	415,099	1,118,495	4,838
Services:					
Maintenance projects	498,428	596,418	-	1,094,846	-
Other	1,638,900	1,007,422	612,783	3,259,105	-
Insurance	187,600	110,900	149,400	447,900	637,280
Claims and legal expenses	-	-	-	-	2,340,592
General administration	2,188,400	1,849,900	1,230,200	5,268,500	3,033,900
Depreciation	2,358,125	1,083,228	731,787	4,173,140	-
Total operating expenses	14,281,825	29,165,383	6,358,512	49,805,720	6,361,118
OPERATING INCOME (LOSS)	501,369	845,541	(5,840,767)	(4,493,857)	(2,602,618)
NONOPERATING REVENUES AND EXPENSES					
Grants	-	278,505	2,326,848	2,605,353	-
Interest	471,240	828,199	1,850	1,301,289	333,915
Other	68,021	23,534	88,801	180,356	-
Total nonoperating revenues (expenses)	539,261	1,130,238	2,417,499	4,086,998	333,915
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	1,040,630	1,975,779	(3,423,268)	(406,859)	(2,268,703)
CONTRIBUTIONS AND TRANSFERS					
Capital contributions	1,685,539	4,183,309	997,332	6,866,180	-
Transfers in (note III F)	26,600	26,600	2,567,994	2,621,194	-
Transfers out (note III F)	(170,200)	(124,200)	-	(294,400)	(7,200)
Total contributions and transfers	1,541,939	4,085,709	3,565,326	9,192,974	(7,200)
CHANGE IN NET ASSETS	2,582,569	6,061,488	142,058	8,786,115	(2,275,903)
TOTAL NET ASSETS-BEGINNING	94,700,234	66,661,443	4,058,885		8,132,790
PRIOR PERIOD ADJUSTMENTS (note IV F)	-	-	(182,000)		-
TOTAL NET ASSETS-BEGINNING, AS RESTATED	94,700,234	66,661,443	3,876,885		8,132,790
TOTAL NET ASSETS-ENDING	$ 97,282,803	$ 72,722,931	$ 4,018,943		$ 5,856,887
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds					
Current adjustment				75,988	
Change in net assets of business-type activities				$ 8,862,103	

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

CITY OF SIMI VALLEY
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Business-type Activities - Enterprise Funds				
	Simi Valley Sanitation	Ventura County Waterworks District No. 8	Simi Valley Transit System	Totals	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES:					
Cash received from service charges and other revenues	$ 14,984,582	$ 29,902,342	$ 649,316	$ 45,536,240	$ 3,758,500
Cash paid for salaries and benefits	(5,882,006)	(3,882,987)	(3,195,716)	(12,960,709)	(334,976)
Cash paid for supplies and materials	(2,546,675)	(20,132,839)	(539,147)	(23,218,661)	(4,838)
Cash paid for general administration	(2,188,400)	(1,849,900)	(1,230,200)	(5,268,500)	(3,033,900)
Cash paid for services and insurance	(2,357,428)	(1,729,040)	(809,183)	(4,895,651)	-
Cash paid for insurance premiums and claims	-	-	-	-	(3,122,417)
Net cash provided (used) by operating activities	2,010,073	2,307,576	(5,124,930)	(807,281)	(2,737,631)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:					
Cash paid for transfers to other funds	(143,600)	(124,200)	-	(267,800)	(7,200)
Cash received from grants and other governments	-	278,505	2,164,715	2,443,220	-
Cash received from interfund borrowing	-	-	2,732,496	2,732,496	-
Net cash provided (used) by noncapital financing activities	(143,600)	154,305	4,897,211	4,907,916	(7,200)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:					
Sewer connection fees and water capital improvement charges	73,216	75,092	-	148,308	-
Contribution received from other governments	-	-	997,332	997,332	-
Acquisition of capital assets	(2,505,681)	(1,024,195)	(686,931)	(4,216,807)	-
Net cash provided (used) by capital and related financing activities	(2,432,465)	(949,103)	310,401	(3,071,167)	-
CASH FLOWS FROM INVESTING ACTIVITIES:					
Interest on investments	524,566	862,526	1,850	1,388,942	369,705
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(41,426)	2,375,304	84,532	2,418,410	(2,375,126)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	22,853,401	18,734,470	-	41,587,871	21,582,724
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 22,811,975	$ 21,109,774	$ 84,532	$ 44,006,281	$ 19,207,598
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:					
Operating income (loss)	$ 501,369	$ 845,541	$ (5,840,767)	$ (4,493,857)	$ (2,602,618)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation	2,358,125	1,083,228	731,787	4,173,140	-
(Increase) decrease in accounts receivable	142,827	(132,396)	18,808	29,239	-
(Increase) decrease in inventory	(30,261)	(73,067)	(35,343)	(138,671)	-
Increase (decrease) in accounts payable	(1,051,822)	523,054	(135,705)	(664,473)	(148,283)
Increase (decrease) in accrued payroll	13,787	12,786	2,780	29,353	742
Increase (decrease) in compensated absences	99,422	24,617	20,748	144,787	8,790
Increase (decrease) in water service prepayments	-	4,737	-	4,737	-
Increase (decrease) in claims and legal services payable	-	-		-	3,738
Adjustment for revenues and expenses classified as nonoperating	(23,374)	19,076	112,762	108,464	-
Total adjustments	1,508,704	1,462,035	715,837	3,686,576	(135,013)
Net cash provided (used) by operating activities	$ 2,010,073	$ 2,307,576	$ (5,124,930)	$ (807,281)	$ (2,737,631)
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES:					
Capital additions	$ 1,694,257	$ (4,183,309)	$ -	$ (2,489,052)	$ -
Capital contributions	(1,694,257)	4,183,309	-	2,489,052	-
Services to be provided from settlement agreement	242,266	-	-	-	-

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

CITY OF SIMI VALLEY
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
FIDUCIARY FUNDS
JUNE 30, 2010

	Total
ASSETS	
Current assets:	
Cash and investments:	
Held by City	$ 6,944,208
Held by bond trustee	2,976,427
Accounts receivable	5,350
TOTAL ASSETS	$ 9,925,985
LIABILITIES	
Intergovernmental payable	$ 9,925,985
TOTAL LIABILITIES	$ 9,925,985

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, 2010

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I. Summary of significant accounting policies

A. Reporting entity

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

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

- Simi Valley 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 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 assets where restrictions are constraints placed on net assettheir 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 funds are presented after the government-wide financial statements. These statements display information about major funds individually and nonmajor funds in the aggregate.

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

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

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

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

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

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Under the current financial resources measurement focus, only current assets and current liabilities are generally included on their balance sheets. Their reported fund balances (net current assets) are considered a measure of "available spendable resources". Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of available spendable resources during a period. Under the modified accrual basis of accounting,

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

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

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

General fund:

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

Special revenue funds:

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

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

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

Capital project funds:

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

Enterprise funds:

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

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

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

Additionally, the City reports the following fund types:

Debt service funds:

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

Internal service funds:

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

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

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

Fiduciary funds:

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

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

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

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

D. Assets, liabilities, and net assets or equity

1. Deposits and investments

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

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

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

2. Receivables and payables

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

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

Receivables are shown net of an allowance for uncollectibles.

3. Property taxes

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

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

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

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 2009-10.

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

5. Restricted assets

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

6. Capital assets

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

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

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

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

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

7. Compensated absences

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

8. Long-term obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statements of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt. The deferred gain or loss on a refunding is netted with the debt and amortized over the shorter of the remaining life of the refunded debt or the new debt using the straight-line method.

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

9. Fund equity

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

10. Estimates

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

II. Stewardship, compliance, and accountability

A. Budgetary information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the general fund, enterprise funds, and all special revenue funds. Project-length budgets are adopted for the capital project funds. Debt service funds are not budgeted. Public Education, Government Fees Fund did not have an adopted budget for FY 2009-10, therefore no budget to actual schedule is included with the supplemental schedules. All appropriations lapse at fiscal year end.

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

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

B. Excess of expenditures over appropriations

For fiscal year ended June 30, 2010, expenditures exceeded appropriations in the Merged Tapo Canyon and West End Tax Increment (major), the Madera Royal (nonmajor), and the Lighting Maintenance District (nonmajor) special revenue funds by $5,900,541, $12,247, and $163,480 respectively. The over-expenditure in the Merged Tapo Canyon and West End Tax Increment fund resulted from a one-time take-away of funds for the Supplemental Educational Revenue Augmentation Fund (SERAF). The over-expenditure in the Madera Royal Tax Increment fund was financed by higher than budgeted revenues. The Lighting Maintenance District over-expenditure was a result of higher utility costs. The City has increased the utility costs budget by 20% for the upcoming fiscal year. In addition, the Public Works' department expenditures exceeded appropriations by $39,686. The department's expenditures were within budget for all expenditure categories. However, it was unable to meet targeted salary savings due to vacant positions being eliminated.

C. Deficit fund equity

Two special revenue funds had deficit fund balances as of June 30, 2010, the Merged Tapo Canyon and West End Tax Increment (major), and the Madera Royal Tax Increment (nonmajor) of $13,397,728, and $1,697 respectively, due to the amounts advanced from the City's general fund to the Community Development Agency, a blended component unit of the City, to finance community development projects. The advance will be repaid from available tax increment revenues.

III. Detailed notes on all funds

A. Cash and investments

The cash balances of all funds held by the City are pooled and invested for the purpose of increasing interest earnings through investment activities. The interest earned on these investments is allocated to participating funds based on their daily average cash balances. The carrying amounts of cash and investments have been increased by $998,154 in order to reflect the fair value at June 30, 2010.

Cash and investments at June 30, 2010 are classified as follows:

Statement of net assets:	
Cash and investments	$ 137,957,767
Cash and investments held by bond trustee	5,862,048
Fiduciary funds:	
Cash and investments	6,944,208
Cash and investments held by bond trustee	2,976,427
Total cash and investments	$ 153,740,450

Cash and investments at June 30, 2010 consisted of the following:

Cash on hand	$ 6,550
Deposits with financial institutions	1,609,355
Outstanding checks	(2,902,624)
Investments	155,027,169
Total cash and investments	$ 153,740,450

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

Authorized Investments	Maximum Maturity Constraints	City Policy Legal Limit (% or $)	Maximum Investment in One Issuer
Local Agency Bonds	5 years	None	None
U.S. Treasury Obligations	5 years	None	None
State Obligations	5 years	None	None
CA Local Agency Obligations	5 years	None	None
U.S. Agencies	5 years	None	None
Banker's Acceptances	180 days	40%	30%
Commercial Paper	270 days	Prohibited	10%
Negotiable Certificates of Deposit	5 years	30%	$1,000,000
CD Placement Service	5 years	30%	$1,000,000
Repurchase Agreements	1 year	Prohibited	None
Corporate Notes	5 years	Prohibited	None
Investment Pools	5 years	20%	10%
Shares of Beneficial Interest	5 years	20%	10%
Mutual Funds	5 years	20%	10%
Money Market Mutual Funds	5 years	20%	10%
Collateralized Certificates of Deposit	5 years	None	25% of S & L
Collateralized Mortgage Obligations	5 years	Prohibited	None
Financial Futures	5 years	Prohibited	None
Financial Option Contracts	5 years	Prohibited	None
County Pooled Investment Funds	N/A	$30,000,000	None
Joint Powers Authority Pool	N/A	$30,000,000	None
LAIF	N/A	$30,000,000	None

Interest Rate Risk

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

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

Investment Type	Amount	Remaining Maturity in Years: 1 Year Or Less	1-2 Years	2-5 Years
U.S. Treasury Obligations	$ 5,065,650	$ -	$ -	$ 5,065,650
U.S. Agencies	90,864,100	-	15,072,350	75,791,750
Joint Powers Authority Pool	4,768,411	4,768,411	-	-
LAIF	45,490,533	45,490,533	-	-
Held by bond trustee:				
LAIF	3,232,189	3,232,189	-	-
Money market and mutual funds	5,606,286	5,606,286	-	-
Total	$ 155,027,169	$ 59,097,419	$ 15,072,350	$ 80,857,400

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.

Investment Type	Amount	Minimum Legal Rating	Ratings as of Year End: S & P AAA	Moody Aaa	Moody Not Rated	Not Rated
U.S. Treasury Obligations	$ 5,065,650	N/A	$ -	$ -	$ -	$ 5,065,650
U.S. Agencies	90,864,100	N/A	85,778,150 *	55,573,000	35,291,100	-
Joint Powers Authority Pool	4,768,411	N/A	4,768,411		4,768,411	-
LAIF	45,490,533	N/A	-	-	-	45,490,533
Held by bond trustee:						
LAIF	3,232,189	N/A	-	-	-	3,232,189
Money market and mutual funds	5,606,286	A	5,606,286	5,606,286	-	-
Total	$ 155,027,169		$ 96,152,847	$61,179,286	$40,059,511	$ 53,788,372

* U.S. Agency investment of $5,085,950 not rated by S & P

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.
- No more than 15% of the City's portfolio shall be invested in negotiable and collateralized

Certificates of Deposits.

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

Custodial Credit Risk

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

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:

Issuer	Investment Type	Reported Amount
Federal Home Loan Bank	U.S. Agencies	$10,175,000
Federal Home Loan Mortgage Corporation	U.S. Agencies	40,354,650
Federal National Mortgage Association	U.S. Agencies	35,254,750

As of June 30, 2010, 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 Simi Valley Community Development Agency (Agency) engages in projects designed to improve, construct and preserve low- and moderate-income housing units. One of the primary means of providing affordable housing is through negotiation with developers to incorporate affordable units within new residential developments. In addition, the City maintains an active first-time homebuyer program, offering no-interest deferred loans to low-income homebuyers, as well as a home rehabilitation program, offering low-interest deferred loans to very low-, low- and median-income homeowners.

Affordable Housing Program

- Simi Valley Senior Apartments, L.P. (Las Serenas):
  In June 1994, the Agency entered into an amended and restated affordable housing agreement with Simi Valley Senior Apartments L.P. regulating the sale and transfer of Las Serenas Apartments from former owners, Yosemite Gardens, and restricting occupancy of 107 affordable units throughout the 108-unit multi-family senior housing project. The Agency also provided a $50,000 grant and a deferred loan that is due and payable 55 years from the promissory note dated February 12, 1996.

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

- Rory Lane Seniors (Seasons):
  In June 1998, the Agency entered into an affordable housing agreement with Rory Lane Seniors, L.P., to provide financial assistance in exchange for reserving 69 affordable senior units to very low-income households at an affordable rent. In December 1999, the first amendment to the affordable agreement was made to increase the Agency's financial assistance from $306,000 to $564,500. The loan is to be repaid from residual receipts and is due and payable 30 years from the certificate of occupancy dated January 1, 2005.

- Casa de Paz:
  In July 2001, the Agency entered into an affordable housing agreement with Casa de Paz Housing, Inc. to provide financial assistance for the acquisition and rehabilitation of a 14-unit apartment complex, restricting occupancy to very low income persons with disabilities. The City and Agency approved an amended affordable agreement on

November 20, 2001, to incorporate additional provisions required by HUD. The loan is due 50 years from the certificate of occupancy dated October 25, 2002.

- Association for Retarded Citizens (ARC), Ventura Co.
  In April 2002, the Agency entered into an affordable housing agreement with ARC, Ventura County, Inc., to provide financial assistance for the acquisition of four condominium units for occupancy of very low-income developmentally disabled persons. The loan is due and payable 55 years from the Affordable Housing Agreement dated August 16, 2002, or within 60 days after HUD provides notice to the developer that it will no longer provide project-based rental assistance.

- ESG Properties (Hidden Valley Apartments)
  In November 2002, the Agency entered into an amended and restated affordable housing agreement with ESG Properties to provide the financing for constructing and operating a 324-unit multifamily apartment project, Hidden Valley Apartments. The project provides affordable rental units for 65 very low- and 16 low-income households. The note is to be repaid in two installments; the first installment of $1,620,000 is due on August 1, 2036, and the second installment of $1,620,000 is due 55 years from the certificate of occupancy, dated January 15, 2004.

- Paseo Simi Senior Apartments (Vintage Paseo)
  In December 2002, the Agency entered into an affordable housing agreement with Paseo Simi Senior Apartments, L.P. to provide financial assistance for the construction and operation of a 176-unit multifamily senior apartment complex located at the southeast corner of Tapo Canyon Road and Avenida Simi. The agreement restricts the rental of 86 units to very low- and low-income senior households. Interest accrues up to the end of the 7th year following the commencement of bond amortization. Repayment of the note is to be made from residual receipts and begins in the 8th year following commencement of bond amortization; the note becomes due and payable 55 years from the last certificate of occupancy dated December 16, 2004.

- Alamo & Fairbanks Associates (Plaza del Sol)
  In September 2003, the Agency entered into an amended affordable housing agreement with Alamo & Fairbanks Associates, to assist with the financing for constructing and operating a 70-unit multi-family apartment project, Plaza del Sol Apartments. The agreement restricts the rental of 34 units to very low- and low-income household. The note is to be repaid from residual receipts and is due and payable 55 years term from the last certificate of occupancy dated August 11, 2005.

- Many Mansions (La Rahada Apartments)
  In June 2008, the Agency entered into an affordable housing agreement with Many Mansions to provide financial assistance for the acquisition and rehabilitation of an 8-unit apartment complex, La Rahada Apartments, for occupancy by extremely low-income, mentally disabled, and homeless individuals. The note is due and payable 55 years from the promissory note dated June 17, 2008.

First-Time Home Buyer Program

This program is available to low-income individuals and families with incomes up to $48,300 per year for 1-person households and $68,950 per year for 4-person households who have never owned a home or who have not owned a home in the last three years. These loans are due upon the first sale after 55 years. The Program offers low-income households a deferred payment second trust deed loan up to $50,000 per bedroom, not to exceed $200,000. Resale of the unit is restricted at a price-affordable to low-income first- time homebuyers for 55 years.

Home Rehabilitation Program

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

Mobile Home Rehabilitation Program

- This Program was established in 20001. Qualified mobile home owners are eligible to obtain a deferred 0% personal loan up to a maximum of $10,000 with no payments. The loan is forgiven if the borrower continues to reside in the mobile home five years after loan execution. If the owner moves within 5 years, the principal balance becomes due but is reduced by 20% for each full year the homeowner resided in the mobile home after the loan is issued.

Other loans receivable of the City are comprised of:

- Simi Valley Cultural Arts Center Foundation
  During Fiscal Years 1995 - 1996 the City entered into a loan agreement with the Simi Valley Cultural Arts Center Foundation to fund start up costs of the Center. One dollar of this loan is retired for every three dollars deposited in the Simi Valley Cultural Arts Center Foundation fund, or provided for operations in excess of the annual support campaign.

- El Rancho Simi Cemetery District (formerly Simi Valley Public Cemetery District)
  During Fiscal Years 1991 - 1993 the City funded capital improvements at the Cemetery for $256,797. This amount was a loan from the City to the Cemetery at an interest rate of 6.08 percent to be repaid in 10 years. The cemetery fell into financial hardship and was unable to repay this loan. In Fiscal Year 1996 the repayment terms of the loan were revised and the Cemetery's pass-thru funds were applied to retire the loan until there was a change in the Cemetery's ability to repay the loan.

- Employee Section 125 Plan
  This plan was established in 1998 to provide employees with expanded healthcare options. The City advanced the funds for startup costs to be refunded when a sufficient balance has been accumulated.

Loans receivable balances at June 30, 2010, were as follows:

	Interest Rate	Term (Yrs)	Year Due	Principal Due	Interest Due	Total
Affordable Housing Program:						
Las Serenas	0.0%	55	2051	$ 230,000	-	$ 230,000
Sorrento Villas	0.0 - 7.0%	40	2039	807,223	70,501	877,724
Seasons	3.0%	30	2035	564,500	93,143	657,643
Casa de Paz	0.0%	50	2052	122,551	-	122,551
ARC	0.0%	55	2057	175,000	-	175,000
Hidden Valley Apartments	0.0%	55	2061	3,240,000	-	3,240,000
Vintage Paseo	3.0%	55	2059	1,672,500	343,389	2,015,889
Plaza del Sol	3.0%	55	2060	1,900,000	291,202	2,191,202
La Rahada Apartments	3.0%	55	2063	250,000	15,267	265,267
Total Affordable Housing Program				8,961,774	813,502	9,775,276
First Time Homebuyer Program	Equity Share			11,934,441	-	11,934,441
Home Rehabilitation Program	0.0 - 3.0%			1,815,163	245,948	2,061,111
Total housing loans receivable				22,711,377	1,059,450	23,770,827
Other City loans receivable:						
Cultural Arts Center	0.0%			184,175	-	184,175
Cemetery District	0.0%			186,169	-	186,169
Employee Sect 125 Plan	0.0%			5,000	-	5,000
Total other City loans receivable				375,344	-	375,344
Total loans receivable				**$ 23,086,721**	**$ 1,059,450**	**$ 24,146,171**

C. Allowance for uncollectible accounts

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

	General Fund	Merged Tapo Canyon & West End Tax Increment	Streets and Roads	Nonmajor Governmental	Total
Accounts receivable	$1,397,558	$ 115,559	$1,967,554	$ 105,071	$3,585,742
Allowance for uncollectibles	(626,811)	-	-	-	(626,811)
Total accounts receivable net	$ 770,747	$ 115,559	$1,967,554	$ 105,071	$2,958,931

See independent auditors' report.

D. Capital assets

Capital asset activity for the year ended June 30, 2010, was as follows:

	Beginning Balance as Restated*	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	$ 11,737,857	$ -	$ -	$ 11,737,857
Construction-in-progress	6,314,053	8,260,403	(5,363,169)	9,211,287
Total capital assets, not being depreciated	18,051,910	8,260,403	(5,363,169)	20,949,144
Capital assets, being depreciated:				
Buildings and improvements	40,606,894	14,427		40,621,321
Furnishings and equipment	8,459,694	26,005	(426,748)	8,058,951
Computers	4,258,544	505,884	(220,139)	4,544,289
Vehicles	5,440,931	388,072	(459,661)	5,369,342
Infrastructure	231,646,572	19,744,344		251,390,916
Intangibles	5,553,985			5,553,985
Total capital assets being depreciated	295,966,620	20,678,732	(1,106,548)	315,538,804
Less accumulated depreciation for:				
Buildings and improvements	(13,177,007)	(1,126,921)		(14,303,928)
Furnishings and equipment	(2,763,685)	(522,660)	426,748	(2,859,597)
Computers	(2,821,157)	(352,288)	171,740	(3,001,705)
Vehicles	(4,007,616)	(513,011)	459,661	(4,060,966)
Infrastructure	(81,404,630)	(7,516,202)		(88,920,832)
Intangibles	(1,683,154)	(370,266)		(2,053,420)
Total accumulated depreciation	(105,857,249)	(10,401,348)	1,058,149	(115,200,448)
Total capital assets, being depreciated, net	190,109,371	10,277,384	(48,399)	200,338,356
Governmental activities capital assets, net	$ 208,161,281	$ 18,537,787	$ (5,411,568)	$ 221,287,500

*Beginning balances for construction-in-progress and infrastructure include prior period adjustments. See Note IV.F.

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities:				
Capital assets, not being depreciated:				
Land	$ 1,216,994	$ -	$ -	$ 1,216,994
Construction-in-progress	18,654,557	4,113,661	(3,028,226)	19,739,992
Total capital assets, not being depreciated	19,871,551	4,113,661	(3,028,226)	20,956,986
Capital assets, being depreciated:				
Buildings and improvements	12,196,811	-	-	12,196,811
Furnishings and equipment	6,015,080	11,907	(55,980)	5,971,007
Vehicles	8,833,161	706,157	(346,703)	9,192,615
Distribution system	156,587,968	-	8,281,745	164,869,713
Total capital assets being depreciated	183,633,020	718,064	7,879,062	192,230,146
Less accumulated depreciation for:				
Buildings and improvements	(4,894,129)	(279,010)	-	(5,173,139)
Furnishings and equipment	(4,443,330)	(163,005)	33,888	(4,572,447)
Vehicles	(6,435,746)	(764,107)	319,390	(6,880,463)
Distribution system	(66,636,460)	(2,967,018)	-	(69,603,478)
Total accumulated depreciation	(82,409,665)	(4,173,140)	353,278	(86,229,527)
Total capital assets, being depreciated, net	101,223,355	(3,455,076)	8,232,340	106,000,619
Business-type activities capital assets, net	$ 121,094,906	$ 658,585	$ 5,204,114	$ 126,957,605

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

Governmental activities:	
General Government	$ 9,097,404
Community Services	606
Public Ways & Facilities (PW)	1,090,581
Public Safety	212,757
Total depreciation expense-governmental activities	$ 10,401,348
Business-type activities:	
Sanitation	$ 2,358,125
Waterworks	1,083,228
Transit	731,787
Total depreciation expense-business-type activities	$ 4,173,140

See independent auditors' report.

E. Construction commitments

The City has active construction projects as of June 30, 2010. 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:

Sewerline improvements	$ 556,274
Water Quality Control Plant upgrades	259,408
Transit facilities improvements	172,811
Water and recycled water master plan	117,881
Water tank construction and improvements	92,154
Water treatment plant construction and improvements	35,405
Nitrification/denitrification facility modifications	29,668
Total contruction commitments	$ 1,263,601

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

Receivable Fund	Payable Fund	Amount
General	Simi Valley transit system	$ 2,129,262
	Nonmajor governmental funds	150,733
Community development agency housing administration fund	Nonmajor governmental funds	29,148
Total		$ 2,309,143

Advances from / to other funds

Receivable Fund	Payable Fund	
General	Merged Tapo Canyon and West End tax increment	$ 10,897,729
	Nonmajor governmental funds	3,350,079
	Internal Service funds	4,688,000
Nonmajor governmental funds	Merged Tapo Canyon and West End tax increment	2,500,000
Total		$ 21,435,808

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

See independent auditors' report.

The composition of interfund transfers for the year ended June 30, 2010 is as follows:

Transfers From	Transfers To	Amount	Purpose
General	Simi Valley transit system	2,567,994	Subsidy for transit operations
	Nonmajor governmental funds	2,913,195	Fund Special Problems Section, landscape zones, scheduled debt service, and contributions to pension and replacement funds
		5,481,189	
CDA housing administration	Nonmajor governmental funds	23,800	Contributions to pension and replacement funds
Merged Tapo Canyon and West End tax increment	CDA housing administration	4,206,227	Fund 20% low and moderate income set-aside
	Streets and roads	560,496	Fund street projects
	Nonmajor governmental funds	5,824,710	Fund CDA admin costs, scheduled debt service, and capital improvement projects
		10,591,433	
Development related fees funds	Nonmajor governmental funds	466,200	Scheduled debt service
Streets and roads	General fund	166,800	Return excess funds
Nonmajor governmental funds	General	6,490,812	Fund transportation needs, and return excess funds
	CDA housing administration	21,375	Fund 20% low and moderate income set-aside
	Streets and roads	4,077,832	Fund street projects
		10,689,219	
	Proprietary funds	53,200	Return excess funds
	Nonmajor governmental funds	46,000	Contributions to pension and replacements funds
		10,689,219	
Total governmental funds		27,418,641	

Transfers From	Transfers To	Amount	Purpose
Proprietary funds	Nonmajor governmental funds	294,400	Contributions to pension and replacement funds
Internal service activities	Nonmajor governmental funds	7,200	Contributions to replacement fund
		301,600	
Total		$27,720,241	

G. Long-term debt

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

- Simi Valley Public Financing Authority 1995 Fixed Rate Lease Revenue Bonds:
  Original issue amount $16,620,000; interest rates at 4.00% to 5.75%; maturing September 1, 2000-2015. The bonds are payable in annual installments ranging from $260,000 to $920,000. These bonds were issued to finance certain capital improvements, including the Police Facility and are secured by the Police Facility. Total interest and principal remaining on the bonds is $5,690,868, payable through September 2015.

- Community Development Agency 2003 Tax Allocation Bonds:
  Original issue amount $31,795,000; interest rates at 2.0% to 5.0%; maturing September 1, 2003-2030. The bonds are payable in annual installments ranging from $360,000 to $2,000,000. These bonds were issued to fully refund the 1993 Revenue Bond issue with a carrying amount of $30,245,000. They were issued at a premium, which has been added to the new debt and is being amortized over the life of the bonds. The excess reacquisition price has been netted against the new debt and is being amortized over the remaining life of the refunded debt. Issuance costs are shown as deferred charges and are being amortized over the life of the bonds. The 2003 Tax Allocation Bonds are secured by a lien on tax increment revenues net of low- and moderate-income housing set-asides and tax sharing agreements. The tax increment revenues are projected to produce at least 125 percent of the debt service requirements over the life of the bonds. Total interest and principal remaining on the bonds is $43,445,729, payable through September 2030. For the current fiscal year principal and interest paid, and the tax increment revenues net of pass-thrus and set-asides were $2,085,969, and $9,888,871, respectively.

- City of Simi Valley 2004 Certificates of Participation (COP):
  Original issue amount $25,955,000; interest rates at 3.75% to 5.0%; maturing September 1, 2006-2034. The COP are payable in annual installments ranging from $460,000 to $1,615,000. They were issued at a premium, which has been added to the new debt and is being amortized over the life of the bonds. Issuance costs are shown as deferred charges and are being amortized over the life of the bonds. These COP were issued to provide financing for improvements to and expansion of the Senior Citizens' Center and public capital improvements relating to the construction of a shopping mall. The annual lease/debt service payments will be supported by contributions from various City funds based on the benefit received. The identified funds have the long-term financial capacity to support the required payments. To meet the conditions of the COP financing structure and to avoid costly capitalized interest costs during the construction period, the City's Wastewater Treatment Plant, which has an estimated value in excess of $50 million, is the leased asset during the construction period. Total interest and principal remaining on the bonds is $41,348,703, payable through September 2034.

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

- Claims and legal services payable of $8,629,681, 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, 2010.

- Compensated absences liability of $6,067,375 at fiscal year end. This liability consists of accumulated earned but unused annual leave of employees charged to the General fund,

certain Special Revenue funds, Enterprise funds and the Workers' Compensation - Internal Service fund. The liability is liquidated from the funds to which an employee is charged.

- The net Other Post Employment Benefits (OPEB) liability of $1,485,754. This liability consists of the unfunded portion of the actuarially determined Annual Required Contribution (ARC) for Fiscal Years 2008-10.

Annual debt service requirements to maturity

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

Year Ending June 30:	2003 Tax Allocation Refunding Bond Principal	Interest
2011	810,000	1,276,606
2012	835,000	1,248,831
2013	865,000	1,218,000
2014	900,000	1,183,781
2015	935,000	1,147,081
2016-2020	5,295,000	5,079,148
2021-2025	6,765,000	3,557,907
2026-2030	8,655,000	1,624,375
2031	2,000,000	50,000
	$ 27,060,000	$ 16,385,729

Year Ending June 30:	1995 Lease Revenue Bonds Principal	Interest
2011	695,000	256,881
2012	735,000	215,769
2013	775,000	172,356
2014	820,000	126,500
2015	870,000	77,912
2016	920,000	26,450
	$ 4,815,000	$ 875,868

Year Ending June 30:	2004 Certificates of Participation Refunding Bond Principal	Interest
2011	540,000	1,114,969
2012	560,000	1,092,969
2013	585,000	1,070,069
2014	610,000	1,046,169
2015	635,000	1,021,269
2016-2020	3,565,000	4,701,637
2021-2025	4,455,000	3,809,728
2026-2030	5,715,000	2,556,687
2031-2035	7,335,000	935,206
	$ 24,000,000	$ 17,348,703

Changes in long-term liabilities

Long-term liability activity for the year ended June 30, 2010, was as follows:

	Balances June 30, 2009	Debt Incurred	Debt Retired	Balances June 30, 2010	Due Within One Year
Governmental activities:					
1995 lease revenue bonds	$ 5,470,000	$ -	$ (655,000)	$ 4,815,000	$ 695,000
2003 tax allocation bonds	27,840,000	-	(780,000)	27,060,000	810,000
Add (less) deferred amounts:					
Bond premium	352,885	-	(16,306)	336,579	-
Deferred amount	(417,007)	-	28,482	(388,525)	-
2004 certificates of participation	24,520,000	-	(520,000)	24,000,000	540,000
Add (less) deferred amounts:					
Bond premium	324,386	-	(12,887)	311,499	-
Total bonds payable	58,090,264	-	(1,955,711)	56,134,553	2,045,000
Claims and legal services	8,625,943	2,286,681	(2,282,943)	8,629,681	2,668,150
Compensated absences	5,058,815	1,306,721	(1,346,687)	5,018,849	501,885
Net OPEB obligation	482,044	2,418,710	(1,415,000)	1,485,754	-
Governmental activity long-term liabilities	$ 72,257,066	$ 6,012,112	$(7,000,341)	$ 71,268,837	$ 5,215,035
Business-type activities:					
Compensated absences	903,740	146,746	(1,960)	1,048,526	104,852
Business-type activity long-term liabilities	$ 903,740	$ 146,746	$ (1,960)	$ 1,048,526	$ 104,852

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

H. Fund balance reserves and designations

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

Fund Balances – Reserved, Designated and Undesignated

		Special Revenue Funds			Capital Projects Fund		
	General Fund	Community Development Agency Housing Administration	Merged Tapo Canyon & West End Tax Increment	Development Related Fees Funds	Streets & Roads	Nonmajor Governmental Funds	Total Governmental Funds
FUND BALANCES							
Reserved:							
Encumbrances	$ 239,262	$ 2,500	$ 2,150	$ 35,260	$ 787,311	$ 507,413	$ 1,573,896
Loans receivable	375,344	-	-	-	-	-	375,344
Property held for resale	-	583,728	-	-	-	-	583,728
Advances	18,935,808	-	-	-	-	2,500,000	21,435,808
Debt service	-	-	-	-	-	7,332,581	7,332,581
Total reserved	19,550,414	586,228	2,150	35,260	787,311	10,339,994	31,301,357
Unreserved, designated:							
Cash flow	1,000,000	-	-	-	-	650,000	1,650,000
Capital projects	7,877,436	-	-	-	2,720,737	9,798,416	20,396,589
Public Improvements	-	-	-	21,327,691	-	6,174,824	27,502,515
Law enforcement	-	-	-	-	-	189,585	189,585
Special programs	-	-	-	-	-	2,117,959	2,117,959
Housing programs	-	13,168,949	-	-	-	-	13,168,949
Total unreserved, designated	8,877,436	13,168,949	-	21,327,691	2,720,737	18,930,784	65,025,597
Unreserved, undesignated:	7,298,798	-	(13,399,878)	-	-	587,771	(5,513,309)
Total fund balances	$ 35,726,648	$ 13,755,177	$ (13,397,728)	$ 21,362,951	$ 3,508,048	$ 29,858,549	$ 90,813,645

I. Assessment district bonds

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

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

Community Facilities District (District No. 04-1)	$ 8,640,000
Royal Corto Improvements (District No. 89-1)	910,000
Madera Royal (District No. 98-1)	2,320,000

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, 2010 was $134,136,298. The City is not involved with these bonds in any manner, as such the conduit debt obligations are not reflected in

the accompanying financial statements. Listed below is a brief description of the bonds outstanding at year-end:

- Variable Rate Demand Multifamily Housing Revenue Bonds, Series 1989, were issued in the amount of $25,000,000 to finance the Shadowridge Apartments Project; the outstanding principal at June 30, 2010, 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, 2010, 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, 2010, is $36,000,000.

- Multifamily Housing Revenue Bonds, Series 1998A, were issued in the amount of $6,165,000 to finance the Sorrento Villas Apartments Project; the outstanding principal at June 30, 2010, is $5,170,000.

- 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, 2010, is $3,401,298.

- 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, 2010, is $2,810,000.

- 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, 2010, is $11,185,000.

- 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, 2010, 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, 2010, is $1,700,000.

IV. Other information

A. Arbitrage rebate liability

The City is required to rebate to the federal government the excess investment earnings on bond proceeds if the yield on those earnings exceeds the effective yield on the related bonds issued.

Rebates are payable every five years or upon the maturity of the bonds, whichever is earlier. At June 30, 2010, 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, 2010	Year ended June 30, 2009
Unpaid claims beginning of fiscal year	$ 8,625,943	$ 11,003,790
Incurred claims (including IBNRs)	2,286,681	(239,119)
Claims payments	(2,282,943)	(2,138,728)
Unpaid claims, end of fiscal year	$ 8,629,681	$ 8,625,943

C. Deferred compensation plans

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

D. Pension plans

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

California Public Employees' Retirement System

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

Funding Policy - Participants are required to contribute 7% (9% for safety employees) of their annual covered salary. The City makes the contributions required of City employees on their behalf and for their account. The City is required to contribute at an actuarially determined rate: the rate is 12.468% for non-safety employees and 24.013% for police employees of annual covered payroll for the year ended June 30, 2010. The contribution requirements of plan members and the City are established and may be amended by CalPERS.

Annual Pension Cost - For fiscal year 2009-10, the City's annual pension cost of $6,699,451 for CalPERS was equal to the City's required and actual contributions. The required contribution was determined as part of the June 30, 2007, actuarial valuation using the entry age actuarial cost method. The actuarial assumptions included: (a) 7.75% investment rate of return (net of administrative expenses), (b) projected annual salary increases that vary from 3.25% to 14.45% for non-safety employees, and 3.25% to 13.15% for police employees, depending on age, service, and type of employment, and (c) 3% inflation component. The actuarial value of CalPERS assets was determined using a technique that smooths the effect of volatility in the market value of investments over a fifteen-year period. CalPERS' initial unfunded liabilities are amortized over a closed period that depends on the plan's date of entry into CalPERS. Subsequent plan amendments are amortized as a level percentage of pay over a closed 20-year period.

Miscellaneous Employees Fiscal Year	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/2008	3,726,988	100%	-
6/30/2009	3,841,841	100%	-
6/30/2010	3,823,180	100%	-

Safety Employees Fiscal Year	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/2008	2,723,228	100%	-
6/30/2009	2,961,465	100%	-
6/30/2010	2,876,271	100%	-

See independent auditors' report.

Funded Status and Funding Progress

Miscellaneous Employees - As of the most recent actuarial valuation date of June 30, 2009, the plan was 79.3% funded. The actuarial accrued liability (AAL) for benefits was $178,006,319, and actuarial value of net assets was $141,241,746, resulting in an unfunded actuarial liability (UAAL) of $36,764,573. The covered payroll (annual payroll of active employees covered by the plan) was $31,175,985, and the ratio of the UAAL to the covered payroll was 117.9%.

Sworn Employees - As of the most recent actuarial valuation date of June 30, 2009, the plan was 77.5% funded. The AAL for benefits was $110,338,886, and actuarial value of net assets was $85,459,810, resulting in an UAAL of $24,879,076. The covered payroll was $12,578,932, and the ratio of the UAAL to the covered payroll was 197.8%.

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

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

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

Funding Policy - The City contributes 5.77% of eligible employee gross wages. The annual covered payroll for the year ended June 30, 2010 was $1,626,110. The City's annual pension cost of $93,826 for PARS was $18,375 less than the annual actuarial required contribution. Plan assets held in trust at June 30, 2010 were $643,112.

E. Other post employment benefits

The City provides post-retirement health benefits to the various employee groups, which vary depending upon a retiree's years of service and bargaining unit.

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

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

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

* Only employees who retire from the City are eligible to receive these benefits. This benefit is only for employees hired on or prior to June 20, 2010. Management employees hired on or after June 21, 2010 receive a contribution of $200/month to a retiree savings account.

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

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

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

The City provides a defined contribution of $90,000 per year to the Police Officers' Association to be used by the Association for dental and vision coverage for its Sworn members.

Funding Policy – The contribution requirement of Management employees is established and may be amended by the City Council. Contribution requirements of Sworn and General Unit

employees can be amended via the negotiation process. Currently, contributions are not required from Management and Sworn Plan members. The actuarially determined annual required contribution (ARC), based on parameters of GASB Statement No. 45, was partially funded for Fiscal Year 2009-10 in the amount of $1,415,000. Each employee group's funds are maintained in a separate trust for the benefit of that particular employee group.

Net OPEB Obligation

Annual required contribution	$ 2,411,822
Adjustments to annual required contribution	6,888
Annual OPEB Cost	2,418,710
Contributions made	(1,415,000)
Increase in net OPEB obligation	1,003,710
Net OPEB obligation-beginning of the year	482,044
Net OPEB obligation-end of the year	$ 1,485,754

Annual OPEB Costs and Net OPEB Obligation - For Fiscal Year 2009-10, the City's annual OPEB cost (expense) of $2,418,710 was greater than the ARC. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover the annual normal cost and the amortization of unfunded actuarial liabilities (UAL) over a thirty-year period. Since this fiscal year is the second year since implementation of GASB Statement 45, information on the annual OPEB cost, percentage of annual OPEB cost contributed, and net OPEB obligation is only available for two fiscal years, and is presented in the table below, for each of the City's covered employee groups. Three-year trend information will be presented next year.

	Adjusted Annual Required Contribution (ARC)	Actual Contribution (Net of Adjustments)	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
Miscellaneous Employees - Management				
Fiscal Year				
6/30/2009	$ 938,431	$ 752,300	80%	$ 186,131
6/30/2010	$ 941,111	$ 558,115	59%	$ 382,996
Sworn Employees - Management				
Fiscal Year				
6/30/2009	$ 321,226	$ 286,124	89%	$ 35,102
6/30/2010	$ 322,143	$ 191,043	59%	$ 131,100
Sworn Employees - Officers				
Fiscal Year				
6/30/2009	$ 1,058,867	$ 614,860	58%	$ 444,007
6/30/2010	$ 1,061,891	$ 629,742	59%	$ 432,149
Miscellaneous Employees - General Unit				
Fiscal Year				
6/30/2009	$ 93,298	$ 276,494	296%	$ (183,196)
6/30/2010	$ 93,565	$ 36,100	39%	$ 57,465

See independent auditors' report.

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

Management Employees - As of the most recent actuarial valuation date of January 1, 2009, the plan was 0.0% funded*. The actuarial accrued liability (AAL) for benefits was $13,242,514, and actuarial value of net assets was $0 resulting in an unfunded actuarial accrued liability (UAAL) of $13,242,514. The covered payroll (annual payroll of active employees covered by the plan) was $18,435,958, and the ratio of the UAAL to the covered payroll was 71.8%.

Sworn Employees - As of the most recent actuarial valuation date of January 1, 2009, the plan was 0.0% funded*. The AAL for benefits was $10,056,965, and actuarial value of net assets was $0, resulting in an UAAL of $10,056,965. The covered payroll was $11,977,985, and the ratio of the UAAL to the covered payroll was 84.0%.

General Unit Employees - As of the most recent actuarial valuation date of January 1, 2009, the plan was 0.0% funded*. The AAL for benefits was $1,119,291, and actuarial value of net assets was $0, resulting in an UAAL of $1,119,291. The covered payroll was $12,229,853, and the ratio of the UAAL to the covered payroll was 9.2%.

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

*The OPEB trust was established and funded in June 2009.

Actuarial Methods and Assumptions – Projection of benefits are based on the substantive plan (the plan as understood by the employer and the plan members) based on written plan documents and historical information regarding practices with respect to employer and employee contributions and other factors. In the January 1, 2009 actuarial valuation, the Entry Age Normal method, using level percentage of payroll to allocate OPEB costs over years of service was used. This method determines an attribution period as the difference between the date of hire and the expected date of retirement. Actuarial assumptions used for each of the City's covered employee groups are presented in the table below. Since the January 1, 2009 actuarial valuation is being used City has not made an election with respect to an asset smoothing formula, or method.

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

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

F. Prior period adjustments

The City accounts for principal balances of affordable housing loans provided to low-income families in Special Revenue funds. Generally accepted accounting principles (GAAP) require that accrued interest on the loans also be recorded. Accordingly, the City has restated beginning net asset balances of Governmental Activities by $1,055,781 to reflect the retroactive adjustment. In addition, beginning net assets of Governmental Activities have been restated by $2,281,666 to expense non-capitalizable project expenses accumulated in construction in progress in prior years.

In the prior fiscal year revenue was accrued for a JARC grant to Transit prior to expenses being incurred. To correct the over statement of revenue the City has restated beginning net assets of Business-type activities, and Proprietary fund balances by $182,000.

In the fund financial statements City funded housing loans were offset by a reservation of fund balance, whereas grant funded loans were offset by deferred revenue. For consistency, the City has offset all loans with deferred revenue. Accordingly, beginning governmental fund balances have been restated by $16,141,528.

	Net Assets - Beginning Balance	Adjustment	Net Assets - Beginning Balance as Restated
Government-wide	$ 272,913,317	$ -	$ 272,913,317
Housing loans off-set with deferred revenue		1,055,781	1,055,781
Expensed non-capitalizable projects		(2,281,666)	(2,281,666)
	$ 272,913,317	$ (1,225,885)	$ 271,687,432
Business-type activities			
JARC grant funds unexpended	$ 165,953,185	$ (182,000)	$ 165,771,185

	Fund Balance - Beginning Balance	Adjustment	Fund Balance - Beginning Balance as Restated
Governmental funds	$ 113,854,203	$ -	$ 113,854,203
Housing loans off-set with deferred revenue		(16,141,528)	(16,141,528)
	$ 113,854,203	$ (16,141,528)	$ 97,712,675
Proprietary funds			
JARC grant funds unexpended	$ 173,553,352	$ (182,000)	$ 173,371,352

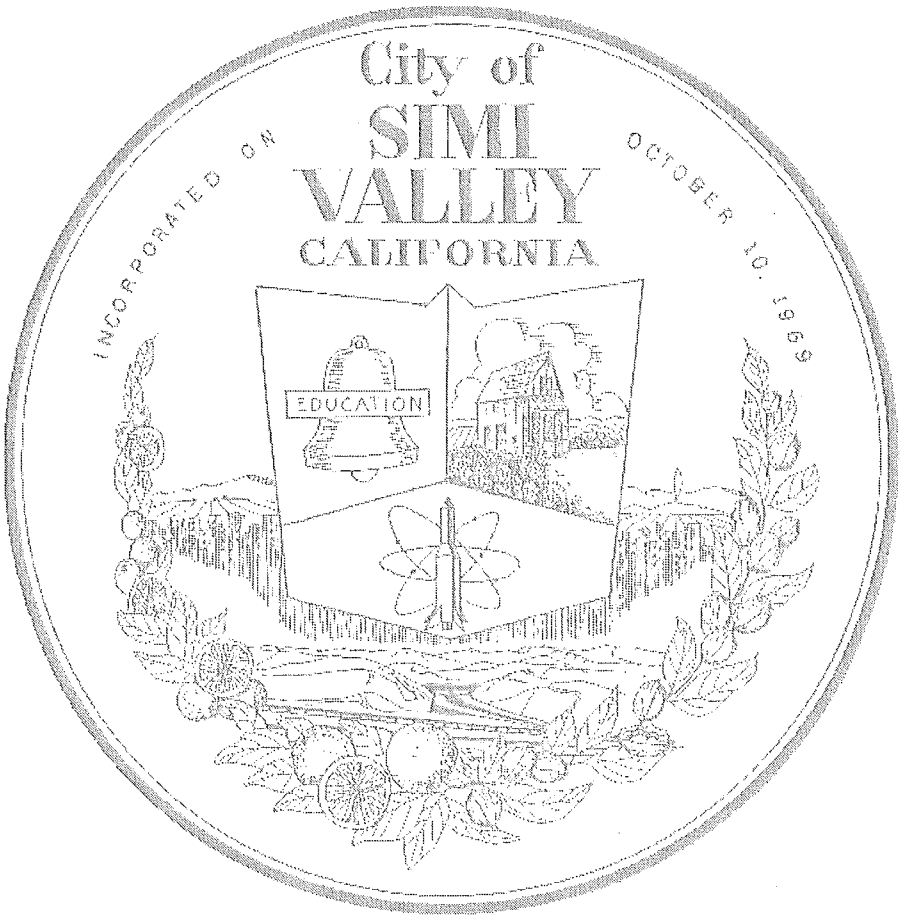
G. Subsequent events

SERAF Tax Increment Revenue Shift for fiscal year 2009-2010 and 2010-2011

On July 23, 2009, the California Legislature passed SB 26, requiring a shift in tax increment revenues during fiscal years 2009-2010 and 2010-2011 to be deposited into the county Supplemental Educational Revenue Augmentation Fund (SERAF), which is to be distributed to meet the State's Prop 98 obligations to schools. The City paid $6,266,772 as its SERAF share for fiscal year 2009-2010 and it is estimated that the City's share of the SERAF shift for fiscal year 2010-2011 will amount to approximately $1,295,303. In October 2009, the California Redevelopment Association (CRA) and its member agencies filed a legal action in an attempt to stop these amounts from having to be paid; however, in May 2010, Sacramento Superior Court upheld the legislation. This decision is in the process of being appealed by CRA and its member agencies.

Sale of Land Held for Resale

On July 7, 2010, the City received proceeds from the sale of one of the properties held for resale in the Community Development Agency Housing Administration fund. The sales price of $345,100 was reduced by settlement charges and a loan to the first-time homebuyer resulting in net proceeds of $191,672.05.


City of
SIMI
VALLEY
CALIFORNIA
INCORPORATED ON OCTOBER 10, 1969
EDUCATION

Required Supplementary Information

REQUIRED SUPPLEMENTARY INFORMATION
(UNAUDITED)

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

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

Actuarial Valuation Date	Actuarial Asset Value	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL)	Funded Ratios	Covered Payroll	UAAL as a Percentage of Covered Payroll
6/30/07	$121,013,620 [1]	$143,870,263	$22,856,643	84.1%	$30,726,928	74.4%
	74,907,152 [2]	93,016,343	18,109,191	80.5%	11,290,210	160.4%
6/30/08	132,388,641 [1]	158,055,081	25,666,440	83.8%	31,035,447	82.7%
	80,800,480 [2]	100,157,787	19,357,307	80.7%	12,058,733	160.5%
6/30/09	141,241,746 [1]	178,006,319	36,764,573	79.3%	31,175,985	117.9%
	85,459,810 [2]	110,338,886	24,879,076	77.5%	12,578,932	197.8%

1 Miscellaneous
2 Sworn

See independent auditors' report.

REQUIRED SUPPLEMENTARY INFORMATION
(UNAUDITED)

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

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

SCHEDULE OF FUNDING PROGRESS

Actuarial Valuation Date	Actuarial Value of Assets*	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL)	Funded Ratios	Covered Payroll	UAAL as a Percentage of Covered Payroll
					6/30/2009	
1/1/2009	$ - [1]	$ 13,242,514	$ 13,242,514	0.0%	$ 18,757,012	70.6%
	- [2]	10,056,965	10,056,965	0.0%	12,802,111	78.6%
	- [3]	1,119,291	1,119,291	0.0%	12,608,311	8.9%
					6/30/2010	
1/1/2009	$ - [1]	$ 13,242,514	$ 13,242,514	0.0%	$ 18,435,958	71.8%
	- [2]	10,056,965	10,056,965	0.0%	11,977,985	84.0%
	- [3]	1,119,291	1,119,291	0.0%	12,229,853	9.2%

*OPEB trust was created on June 24, 2009

[1]Management

[2]Sworn

[3]General Unit (defined contribution)

See independent auditors' report.

Supplementary Information

Nonmajor Governmental Funds

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

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.

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

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

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

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

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

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

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

Retiree Benefits fund accounts for post employment retirement benefits.

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

Debt Service Funds

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

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

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

Capital Project Funds

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

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

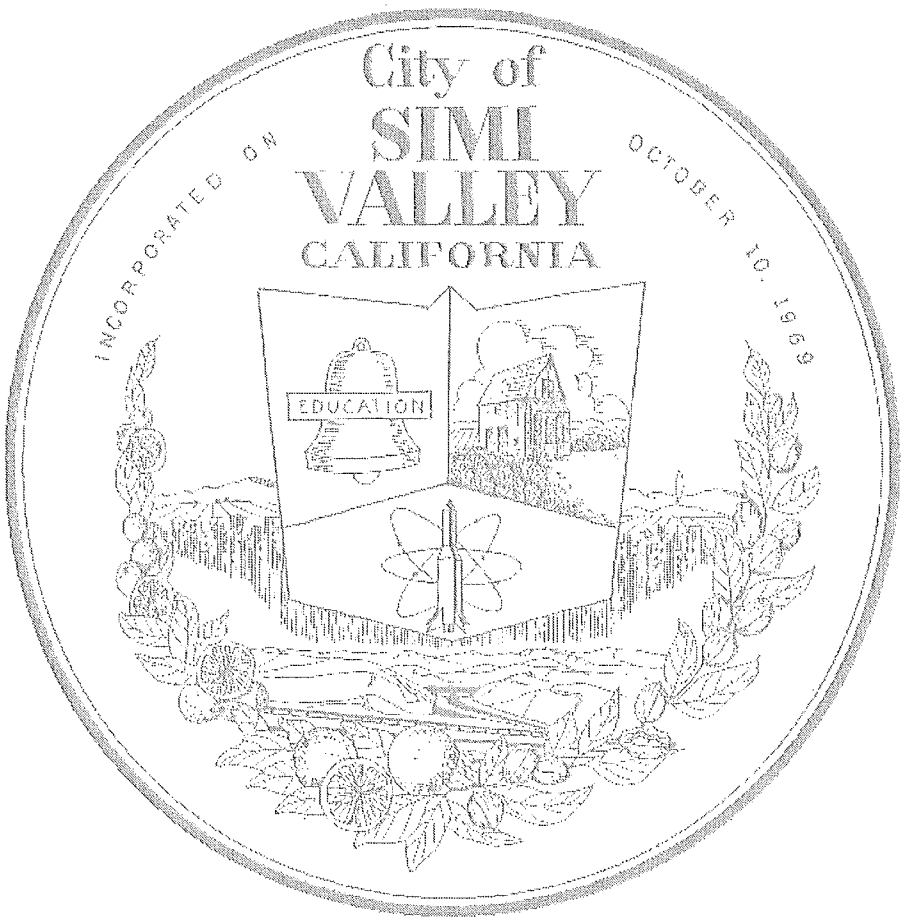
Geographic Information System (GIS) fund accounts for geographic based information related to economic development, land use, demographic information, mapping for crime analysis, traffic safety management, permit issuance, and work order administration.

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


City of
SIMI
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CALIFORNIA
INCORPORATED ON OCTOBER 10, 1969
EDUCATION

CITY OF SIMI VALLEY
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2010

	Special Revenue			
	Community Development Agency Administration	Madera Royal Tax Increment	HOME Grant	Public, Education, and Government Fees
ASSETS				
Cash and investments:				
Held by city	$ 38,254	$ 1,640	$ 496,244	$ 126,565
Held by bond trustee	-	-	-	-
Accounts receivable (net of allowance for uncollectibles)	-	-	-	-
Taxes receivable	-	-	-	70,068
Grants receivable	-	-	-	-
Interest receivable	-	65	144	229
Loans receivable (net of allowance for uncollectibles)	-	-	2,861,791	-
Advances to other funds	-	-	-	-
TOTAL ASSETS	$ 38,254	$ 1,705	$ 3,358,179	$ 196,862
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable	$ 23,771	$ 1,703	$ -	$ 344
Salaries and benefits payable	14,483	-	-	-
Due to other funds	-	-	29,148	-
Advances from other funds	-	1,699	-	-
Deferred revenues	-	-	2,861,791	-
Unearned revenues	-	-	-	-
TOTAL LIABILITIES	38,254	3,402	2,890,939	344
FUND BALANCES				
Reserved for encumbrances	3,760	-	-	-
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	-	-	467,240	196,518
Undesignated	(3,760)	(1,697)	-	-
TOTAL FUND BALANCES (DEFICITS)	-	(1,697)	467,240	196,518
TOTAL LIABILITIES AND FUND BALANCES	$ 38,254	$ 1,705	$ 3,358,179	$ 196,862

CITY OF SIMI VALLEY
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2010

Special Revenue				
Gasoline Tax	Transportation Funds	Lighting Maintenance District	Police Grants	
				ASSETS
				Cash and investments:
$ -	$ 1,470,517	$ 5,622,416	$ 136,843	Held by city
-	-	-	-	Held by bond trustee
-	-	26,949	3,562	Accounts receivable (net of allowance for uncollectibles)
-		83,944	-	Taxes receivable
-	317,802	-	244,617	Grants receivable
-	9,003	19,165	774	Interest receivable
-	-	-	-	Loans receivable (net of allowance for uncollectibles)
-	-	2,500,000	-	Advances to other funds
$ -	$ 1,797,322	$ 8,252,474	$ 385,796	TOTAL ASSETS
				LIABILITIES AND FUND BALANCES
				LIABILITIES
$ -	$ -	$ 134,856	$ 1,140	Accounts payable
-	-	-	15,515	Salaries and benefits payable
-	-	-	140,480	Due to other funds
-	-	-	-	Advances from other funds
-	-	-	-	Deferred revenues
-	343,121	-	-	Unearned revenues
-	343,121	134,856	157,135	TOTAL LIABILITIES
				FUND BALANCES
-	-	-	39,076	Reserved for encumbrances
-	-	2,500,000	-	Reserved for advances to other funds
-	-	-	-	Reserved for debt service
				Unreserved:
-	-	400,000	-	Designated for cash flow
-	-	-	-	Designated for capital projects
-	-	5,217,618	-	Designated for public improvements
-	-	-	189,585	Designated for law enforcement
-	1,454,201	-	-	Designated for special programs
-	-	-	-	Undesignated
-	1,454,201	8,117,618	228,661	TOTAL FUND BALANCES (DEFICITS)
$ -	$ 1,797,322	$ 8,252,474	$ 385,796	TOTAL LIABILITIES AND FUND BALANCES

(continued)

CITY OF SIMI VALLEY
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2010

	Special Revenue			
	Community Development Block Grant	Retiree Benefits	Landscape Maintenance District No. 1	Total Nonmajor Special Revenue Funds
ASSETS				
Cash and investments:				
Held by city	$ -	$ 610,375	$ 1,345,338	$ 9,848,192
Held by bond trustee	-	-	-	-
Accounts receivable (net of allowance for uncollectibles)	-	15,668	-	46,179
Taxes receivable	-	-	-	154,012
Grants receivable	148,608	-	-	711,027
Interest receivable	-	5,686	5,891	40,957
Loans receivable (net of allowance for uncollectibles)	628,061	-	-	3,489,852
Advances to other funds	-	-	-	2,500,000
TOTAL ASSETS	$ 776,669	$ 631,729	$ 1,351,229	$ 16,790,219
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable	$ 76,074	$ -	$ 144,023	$ 381,911
Salaries and benefits payable	-	-	-	29,998
Due to other funds	10,253	-	-	179,881
Advances from other funds	-	-	-	1,699
Deferred revenues	628,061	-	-	3,489,852
Unearned revenues	-	-	-	343,121
TOTAL LIABILITIES	714,388	-	144,023	4,426,462
FUND BALANCES				
Reserved for encumbrances	100,782	-	-	143,618
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	-	-	957,206	6,174,824
Designated for law enforcement	-	-	-	189,585
Designated for special programs	-	-	-	2,117,959
Undesignated	(38,501)	631,729	-	587,771
TOTAL FUND BALANCES (DEFICITS)	62,281	631,729	1,207,206	12,363,757
TOTAL LIABILITIES AND FUND BALANCES	$ 776,669	$ 631,729	$ 1,351,229	$ 16,790,219

CITY OF SIMI VALLEY
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2010

Debt Service				
1995 Lease Revenue Bonds	2003 Tax Allocation Refunding Bonds	2004 Certificates of Participation	Total Nonmajor Debt Service	
				ASSETS
				Cash and investments:
$ 7,612	$ 1,457,599	$ -	$ 1,465,211	Held by city
972,931	2,105,379	2,783,738	5,862,048	Held by bond trustee
-	-	-	-	Accounts receivable (net of allowance for uncollectibles)
-	-	-	-	Taxes receivable
-	-	-	-	Grants receivable
16	3,766	1,540	5,322	Interest receivable
-	-	-	-	Loans receivable (net of allowance for uncollectibles)
-	-	-	-	Advances to other funds
$ 980,559	$ 3,566,744	$ 2,785,278	$ 7,332,581	TOTAL ASSETS
				LIABILITIES AND FUND BALANCES
				LIABILITIES
$ -	$ -	$ -	$ -	Accounts payable
-	-	-	-	Salaries and benefits payable
-	-	-	-	Due to other funds
-	-	-	-	Advances from other funds
-	-	-	-	Deferred revenues
-	-	-	-	Unearned revenues
-	-	-	-	TOTAL LIABILITIES
				FUND BALANCES
-	-	-	-	Reserved for encumbrances
-	-	-	-	Reserved for advances to other funds
980,559	3,566,744	2,785,278	7,332,581	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
980,559	3,566,744	2,785,278	7,332,581	TOTAL FUND BALANCES (DEFICITS)
$ 980,559	$ 3,566,744	$ 2,785,278	$ 7,332,581	TOTAL LIABILITIES AND FUND BALANCES

(continued)

CITY OF SIMI VALLEY
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2010

	Capital Projects			
	CDA Projects	Equipment Replacement	Geographic Information System (GIS)	Public Facility Improvements
ASSETS				
Cash and investments:				
Held by city	$ 1,859,764	$ 3,186,531	$ 253,544	$ 7,750,310
Held by bond trustee	-	-	-	-
Accounts receivable (net of allowance for uncollectibles)	-	58,892	-	-
Taxes receivable	-	-	-	-
Grants receivable	-	-	-	68,961
Interest receivable	6,453	2,167	775	16,360
Loans receivable (net of allowance for uncollectibles)	-	-	-	-
Advances to other funds	-	-	-	-
TOTAL ASSETS	$ 1,866,217	$ 3,247,590	$ 254,319	$ 7,835,631
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable	$ -	$ 113,772	$ 1,819	$ 18,750
Salaries and benefits payable	-	-	-	-
Due to other funds	-	-	-	-
Advances from other funds	-	-	-	3,348,380
Deferred revenues	-	-	-	-
Unearned revenues	-	-	-	-
TOTAL LIABILITIES	-	113,772	1,819	3,367,130
FUND BALANCES				
Reserved for encumbrances	77,000	74,270	17,900	153,814
Reserved for advances to other funds	-	-	-	-
Reserved for debt service	-	-	-	-
Unreserved:				
Designated for cash flow	-	-	-	-
Designated for capital projects	1,789,217	3,059,548	234,600	4,314,687
Designated for public improvements	-	-	-	-
Designated for law enforcement	-	-	-	-
Designated for special programs	-	-	-	-
Undesignated	-	-	-	-
TOTAL FUND BALANCES (DEFICITS)	1,866,217	3,133,818	252,500	4,468,501
TOTAL LIABILITIES AND FUND BALANCES	$ 1,866,217	$ 3,247,590	$ 254,319	$ 7,835,631

CITY OF SIMI VALLEY
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2010

Capital Projects					
Financial Information System (FIS)	Stormwater Detention Basins	Police Capital Projects	Total Nonmajor Capital Projects	Total Nonmajor Funds	
					ASSETS
					Cash and investments:
$ 363,019	$ -	$ 85,858	$ 13,499,026	$ **24,812,429**	Held by city
-	-	-	-	**5,862,048**	Held by bond trustee
-	-	-	58,892	**105,071**	Accounts receivable (net of allowance for uncollectibles)
-	-	-	-	**154,012**	Taxes receivable
-	-	-	68,961	**779,988**	Grants receivable
-	-	298	26,053	**72,332**	Interest receivable
-	-	-	-	**3,489,852**	Loans receivable (net of allowance for uncollectibles)
-	-	-	-	**2,500,000**	Advances to other funds
$ 363,019	$ -	$ 86,156	$ 13,652,932	$ **37,775,732**	TOTAL ASSETS
					LIABILITIES AND FUND BALANCES
					LIABILITIES
$ 8,000	$ -	$ -	$ 142,341	$ **524,252**	Accounts payable
-	-	-	-	**29,998**	Salaries and benefits payable
-	-	-	-	**179,881**	Due to other funds
-	-	-	3,348,380	**3,350,079**	Advances from other funds
-	-	-	-	**3,489,852**	Deferred revenues
-	-	-	-	**343,121**	Unearned revenues
8,000	-	-	3,490,721	**7,917,183**	TOTAL LIABILITIES
					FUND BALANCES
40,811	-	-	363,795	**507,413**	Reserved for encumbrances
-	-	-	-	**2,500,000**	Reserved for advances to other funds
-	-	-	-	**7,332,581**	Reserved for debt service
					Unreserved:
-	-	-	-	**650,000**	Designated for cash flow
314,208	-	86,156	9,798,416	**9,798,416**	Designated for capital projects
-	-	-	-	**6,174,824**	Designated for public improvements
-	-	-	-	**189,585**	Designated for law enforcement
-	-	-	-	**2,117,959**	Designated for special programs
-	-	-	-	**587,771**	Undesignated
355,019	-	86,156	10,162,211	**29,858,549**	TOTAL FUND BALANCES (DEFICITS)
$ 363,019	$ -	$ 86,156	$ 13,652,932	$ **37,775,732**	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, 2010

	Special Revenue			
	Community Development Agency Administration	Madera Royal Tax Increment	HOME Grant	Public, Education, and Government Fees
REVENUES				
Taxes	$ -	$ -	$ -	$ 145,377
Tax increment revenues	-	106,875	-	-
Use of money and property	-	551	166,720	1,750
From other governments	-	-	-	-
Grants	-	-	-	-
Service charges	-	-	-	-
Other revenues	-	-	-	-
Total revenues	-	107,426	166,720	147,127
EXPENDITURES				
Current:				
General government	1,242,400	915	-	223
Community services (CS)	-	-	-	2,356
Planning	866,303	-	62,535	-
Public ways and facilities	-	-	-	-
Public safety	-	-	-	-
Total current expenditures	2,108,703	915	62,535	2,579
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	1,023	-	-
Other	-	-	-	-
Total debt service	-	1,023	-	-
Intergovernmental	-	38,909	-	-
Total expenditures	2,108,703	40,847	62,535	2,579
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(2,108,703)	66,579	104,185	144,548
OTHER FINANCING SOURCES (USES)				
Transfers in	2,129,103	-	-	-
Transfers out	(20,400)	(21,375)	-	-
Total other financing sources (uses)	2,108,703	(21,375)	-	-
NET CHANGE IN FUND BALANCES	-	45,204	104,185	144,548
FUND BALANCES (DEFICITS)-BEGINNING	-	(46,901)	363,055	51,970
FUND BALANCES (DEFICITS)-ENDING	$ -	$ (1,697)	$ 467,240	$ 196,518

CITY OF SIMI VALLEY
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

Special Revenue				
Gasoline Tax	Transportation Funds	Lighting Maintenance District	Police Grants	
				REVENUES
$ -	$ -	$ 2,341,362	$ -	Taxes
-	-	-	-	Tax increment revenues
-	58,355	184,172	4,486	Use of money and property
2,048,260	6,671,241	24,956	-	From other governments
-	-	-	502,702	Grants
-	-	4,043	-	Service charges
-	-	-	4,036	Other revenues
2,048,260	6,729,596	2,554,533	511,224	Total revenues
				EXPENDITURES
				Current:
-	-	482,100	-	General government
-	-	-	-	Community services (CS)
-	-	-	-	Planning
-	-	1,585,880	-	Public ways and facilities
-	-	-	951,037	Public safety
-	-	2,067,980	951,037	Total current expenditures
-	-	-	-	Capital outlay
				Debt service:
-	-	-	-	Principal
-	-	-	-	Interest
-	-	-	-	Other
-	-	-	-	Total debt service
-	-	-	-	Intergovernmental
-	-	2,067,980	951,037	Total expenditures
2,048,260	6,729,596	486,553	(439,813)	EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES
				OTHER FINANCING SOURCES (USES)
-	-	-	706,995	Transfers in
(2,048,260)	(6,354,694)	(869,500)	(231,796)	Transfers out
(2,048,260)	(6,354,694)	(869,500)	475,199	Total other financing sources (uses)
-	374,902	(382,947)	35,386	NET CHANGE IN FUND BALANCES
-	1,079,299	8,500,565	193,275	FUND BALANCES (DEFICITS)-BEGINNING
$ -	$ 1,454,201	$ 8,117,618	$ 228,661	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, 2010

	Special Revenue			
	Community Development Block Grant	Retiree Benefits	Landscape Maintenance District No. 1	Total Nonmajor Special Revenue Funds
REVENUES				
Taxes	$ -	$ -	$ -	$ 2,486,739
Tax increment revenues	-	-	-	106,875
Use of money and property	49,477	30,186	40,094	535,791
From other governments	-	-	-	8,744,457
Grants	695,754	-	-	1,198,456
Service charges	-	-	803,488	807,531
Other revenues	-	13,800	-	17,836
Total revenues	745,231	43,986	843,582	13,897,685
EXPENDITURES				
Current:				
General government	111,923	1,500,896	105,268	3,443,725
Community services (CS)	-	-	-	2,356
Planning	956,785	-	-	1,885,623
Public ways and facilities	-	-	1,730,757	3,316,637
Public safety	-	-	-	951,037
Total current expenditures	1,068,708	1,500,896	1,836,025	9,599,378
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	1,023
Other	-	-	-	-
Total debt service	-	-	-	1,023
Intergovernmental	-	-	-	38,909
Total expenditures	1,068,708	1,500,896	1,836,025	9,639,310
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(323,477)	(1,456,910)	(992,443)	4,258,375
OTHER FINANCING SOURCES (USES)				
Transfers in	-	281,800	1,166,000	4,283,898
Transfers out	-	-	-	(9,546,025)
Total other financing sources (uses)	-	281,800	1,166,000	(5,262,127)
NET CHANGE IN FUND BALANCES	(323,477)	(1,175,110)	173,557	(1,003,752)
FUND BALANCES (DEFICITS)-BEGINNING	385,758	1,806,839	1,033,649	13,367,509
FUND BALANCES (DEFICITS)-ENDING	$ 62,281	$ 631,729	$ 1,207,206	$ 12,363,757

CITY OF SIMI VALLEY
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

Debt Service				
1995 Lease Revenue Bonds	2003 Tax Allocation Refunding Bonds	2004 Certificates of Participation	Total Nonmajor Debt Service	
				REVENUES
$ -	$ -	$ -	$ -	Taxes
-	-	-	-	Tax increment revenues
387	14,839	7,842	23,068	Use of money and property
-	-	-	-	From other governments
-	-	-	-	Grants
-	-	-	-	Service charges
-	-	-	-	Other revenues
387	14,839	7,842	23,068	Total revenues
				EXPENDITURES
				Current:
-	-	-	-	General government
-	-	-	-	Community services (CS)
-	-	-	-	Planning
-	-	-	-	Public ways and facilities
-	-	-	-	Public safety
-	-	-	-	Total current expenditures
-	-	-	-	Capital outlay
				Debt service:
655,000	780,000	520,000	1,955,000	Principal
295,694	1,305,368	1,136,169	2,737,231	Interest
4,651	4,600	3,587	12,838	Other
955,345	2,089,968	1,659,756	4,705,069	Total debt service
-	-	-	-	Intergovernmental
955,345	2,089,968	1,659,756	4,705,069	Total expenditures
(954,958)	(2,075,129)	(1,651,914)	(4,682,001)	EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES
				OTHER FINANCING SOURCES (USES)
954,792	2,092,173	1,659,813	4,706,778	Transfers in
-	-	-	-	Transfers out
954,792	2,092,173	1,659,813	4,706,778	Total other financing sources (uses)
(166)	17,044	7,899	24,777	NET CHANGE IN FUND BALANCES
980,725	3,549,700	2,777,379	7,307,804	FUND BALANCES (DEFICITS)-BEGINNING
$ 980,559	$ 3,566,744	$ 2,785,278	$ 7,332,581	FUND BALANCES (DEFICITS)-ENDING

(continued)

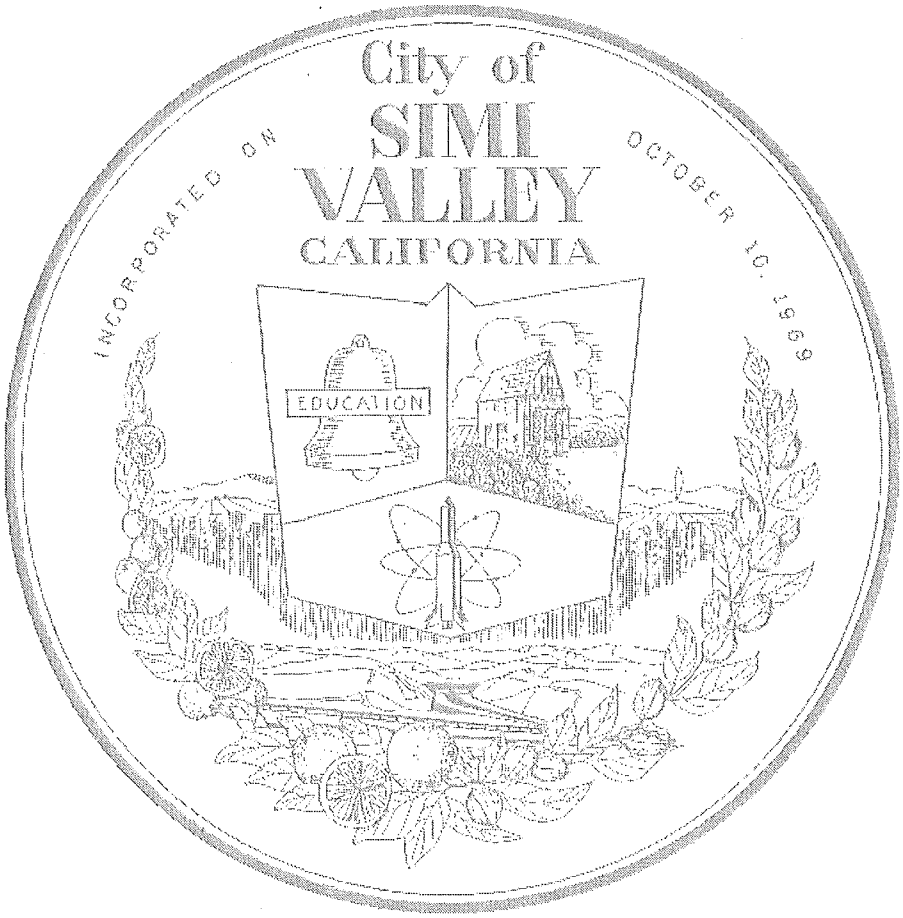
CITY OF SIMI VALLEY
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Capital Projects			
	CDA Projects	Equipment Replacement	Geographic Information System (GIS)	Public Facility Improvements
REVENUES				
Taxes	$ -	$ -	$ -	$ -
Tax increment revenues	-	-	-	-
Use of money and property	39,925	11,993	4,802	5,200
From other governments	-	-	-	-
Grants	-	-	-	72,047
Service charges	-	-	-	-
Other revenues	-	83,892	-	-
Total revenues	39,925	95,885	4,802	77,247
EXPENDITURES				
Current:				
General government	-	-	-	-
Community services (CS)	-	-	-	-
Planning	-	-	-	-
Public ways and facilities	-	-	-	-
Public safety	-	-	-	-
Total current expenditures	-	-	-	-
Capital outlay	67,800	904,701	53,754	73,623
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Other	-	-	-	-
Total debt service	-	-	-	-
Intergovernmental	-	-	-	-
Total expenditures	67,800	904,701	53,754	73,623
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(27,875)	(808,816)	(48,952)	3,624
OTHER FINANCING SOURCES (USES)				
Transfers in	67,800	251,900	75,100	4,229
Transfers out	-	(520,400)	-	(600,000)
Total other financing sources (uses)	67,800	(268,500)	75,100	(595,771)
NET CHANGE IN FUND BALANCES	39,925	(1,077,316)	26,148	(592,147)
FUND BALANCES (DEFICITS)-BEGINNING	1,826,292	4,211,134	226,352	5,060,648
FUND BALANCES (DEFICITS)-ENDING	$1,866,217	$ 3,133,818	$ 252,500	$ 4,468,501

CITY OF SIMI VALLEY
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

Capital Projects					
Financial Information System (FIS)	Stormwater Detention Basins	Police Capital Projects	Total Nonmajor Capital Projects	Total Nonmajor Funds	
					REVENUES
$ -	$ -	$ -	$ -	$ **2,486,739**	Taxes
-	-	-	-	**106,875**	Tax increment revenues
-	-	1,843	63,763	**622,622**	Use of money and property
-	-	-	-	**8,744,457**	From other governments
-	-	-	72,047	**1,270,503**	Grants
-	-	-	-	**807,531**	Service charges
6,800	-	-	90,692	**108,528**	Other revenues
6,800	-	1,843	226,502	**14,147,255**	Total revenues
					EXPENDITURES
					Current:
-	-	-	-	**3,443,725**	General government
-	-	-	-	**2,356**	Community services (CS)
-	-	-	-	**1,885,623**	Planning
-	-	-	-	**3,316,637**	Public ways and facilities
-	-	-	-	**951,037**	Public safety
-	-	-	-	**9,599,378**	Total current expenditures
164,710	-	-	1,264,588	**1,264,588**	Capital outlay
					Debt service:
-	-	-	-	**1,955,000**	Principal
-	-	-	-	**2,738,254**	Interest
-	-	-	-	**12,838**	Other
-	-	-	-	**4,706,092**	Total debt service
-	-	-	-	**38,909**	Intergovernmental
164,710	-	-	1,264,588	**15,608,967**	Total expenditures
(157,910)	-	1,843	(1,038,086)	**(1,461,712)**	EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES
					OTHER FINANCING SOURCES (USES)
185,800	-	-	584,829	**9,575,505**	Transfers in
-	(22,794)	-	(1,143,194)	**(10,689,219)**	Transfers out
185,800	(22,794)	-	(558,365)	**(1,113,714)**	Total other financing sources (uses)
27,890	(22,794)	1,843	(1,596,451)	**(2,575,426)**	NET CHANGE IN FUND BALANCES
327,129	22,794	84,313	11,758,662	**32,433,975**	FUND BALANCES (DEFICITS)-BEGINNING
$ 355,019	$ -	$ 86,156	$ 10,162,211	$ 29,858,549	FUND BALANCES (DEFICITS)-ENDING

(concluded)


City of
SIMI
VALLEY
CALIFORNIA
INCORPORATED ON OCTOBER 10, 1969
EDUCATION

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, 2010

	Budget	Actual	Variance with Budget Positive (Negative)
EXPENDITURES			
Current:			
General government:			
Reimbursement to general fund	1,242,400	1,242,400	-
Planning:			
Personnel	599,100	578,157	20,943
Materials, supplies and services	515,300	288,146	227,154
Total planning	1,114,400	866,303	248,097
Total expenditures	2,356,800	2,108,703	248,097
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(2,356,800)	(2,108,703)	248,097
OTHER FINANCING SOURCES (USES)			
Transfers in	2,227,200	2,129,103	(98,097)
Transfers out	(20,400)	(20,400)	-
Total other financing sources (uses)	2,206,800	2,108,703	(98,097)
NET CHANGE IN FUND BALANCES	(150,000)	-	150,000
FUND BALANCES (DEFICITS)-BEGINNING	-	-	-
FUND BALANCES (DEFICITS)-ENDING	$ (150,000)	$ -	$ 150,000

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, 2010

	Budget	Actual	Variance with Budget Positive (Negative)
REVENUES			
Tax increment revenues	$ 70,500	$ 106,875	$ 36,375
Use of money and property	900	551	(349)
Total revenues	71,400	107,426	36,026
EXPENDITURES			
Current:			
General government:			
Materials, supplies, and services	800	915	(115)
Debt service:			
Interest	2,100	1,023	1,077
Intergovernmental	25,700	38,909	(13,209)
Total expenditures	28,600	40,847	(12,247)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	42,800	66,579	23,779
OTHER FINANCING SOURCES (USES)			
Transfers out	(14,100)	(21,375)	(7,275)
NET CHANGE IN FUND BALANCES	28,700	45,204	16,504
FUND BALANCES (DEFICITS)-BEGINNING	(46,901)	(46,901)	-
FUND BALANCES (DEFICITS)-ENDING	$ (18,201)	$ (1,697)	$ 16,504

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, 2010

	Budget	Actual	Variance with Budget Positive (Negative)
REVENUES			
Use of money and property	$ 60,500	$ 166,720	$ 106,220
Total revenues	60,500	166,720	106,220
EXPENDITURES			
Current:			
Planning	65,800	62,535	3,265
Total expenditures	65,800	62,535	3,265
NET CHANGE IN FUND BALANCES	(5,300)	104,185	109,485
FUND BALANCES (DEFICITS)-BEGINNING	363,055	363,055	-
FUND BALANCES (DEFICITS)-ENDING	$ 357,755	$ 467,240	$ 109,485

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, 2010

	Budget	Actual	Variance with Budget Positive (Negative)
REVENUES			
From other governments	$ 2,099,200	$ 2,048,260	$ (50,940)
OTHER FINANCING SOURCES (USES)			
Transfers out	(2,099,200)	(2,048,260)	50,940
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, 2010

	Budget	Actual	Variance with Budget Positive (Negative)
REVENUES			
Use of money and property	$ 11,300	$ 58,355	$ 47,055
From other governments	4,713,000	6,671,241	1,958,241
Total revenues	4,724,300	6,729,596	2,005,296
OTHER FINANCING (USES)			
Transfers out	(7,255,700)	(6,354,694)	901,006
NET CHANGE IN FUND BALANCES	(2,531,400)	374,902	2,906,302
FUND BALANCES (DEFICITS)-BEGINNING	1,079,299	1,079,299	-
FUND BALANCES (DEFICITS)-ENDING	$ (1,452,101)	$ 1,454,201	$ 2,906,302

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, 2010

	Budget	Actual	Variance with Budget Positive (Negative)
REVENUES			
Taxes	$ 2,320,000	$ 2,341,362	$ 21,362
Use of money and property	329,100	184,172	(144,928)
From other governments	25,000	24,956	(44)
Service charges	1,000	4,043	3,043
Other revenues	-		-
Total revenues	2,675,100	2,554,533	(120,567)
EXPENDITURES			
Current:			
General government:			
Reimbursement to general fund	482,100	482,100	-
Public ways and facilities:			
Utilities	927,000	1,099,553	(172,553)
Services	495,400	486,327	9,073
Total public ways and facilities	1,422,400	1,585,880	(163,480)
Total expenditures	1,904,500	2,067,980	(163,480)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	770,600	486,553	(284,047)
OTHER FINANCING SOURCES (USES)			
Transfers in			-
Transfers out	(787,800)	(869,500)	(81,700)
Total other financing sources (uses)	(787,800)	(869,500)	(81,700)
NET CHANGE IN FUND BALANCES	(17,200)	(382,947)	(365,747)
FUND BALANCES (DEFICITS)-BEGINNING	8,500,565	8,500,565	-
FUND BALANCES (DEFICITS)-ENDING	$ 8,483,365	$ 8,117,618	$ (365,747)

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, 2010

	Budget	Actual	Variance with Budget Positive (Negative)
REVENUES			
Use of money and property	$ 6,300	$ 4,486	$ (1,814)
Grants	1,125,700	502,702	(622,998)
Other Revenues	-	4,036	4,036
Total revenues	1,132,000	511,224	(620,776)
EXPENDITURES			
Current:			
Public safety:			
Personnel	897,700	773,856	123,844
Material, supplies and services	410,600	177,181	233,419
Total public safety	1,308,300	951,037	357,263
Total expenditures	1,308,300	951,037	357,263
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(176,300)	(439,813)	(263,513)
OTHER FINANCING SOURCES (USES)			
Transfers in	729,700	706,995	(22,705)
Transfers out	(272,100)	(231,796)	40,304
Total other financing sources (uses)	457,600	475,199	17,599
NET CHANGE IN FUND BALANCES	281,300	35,386	(245,914)
FUND BALANCES (DEFICITS)-BEGINNING	193,275	193,275	-
FUND BALANCES (DEFICITS)-ENDING	$ 474,575	$ 228,661	$ (245,914)

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, 2010

	Budget	Actual	Variance with Budget Positive (Negative)
REVENUES			
Use of money and property	$ -	$ 49,477	$ 49,477
Grants	2,002,621	695,754	(1,306,867)
Total revenues	2,002,621	745,231	(1,257,390)
EXPENDITURES			
Current:			
General government:			
Reimbursement to general fund	111,923	111,923	-
Planning:			
Reimbursement to housing fund	81,175	81,175	-
Social programs	402,823	269,261	133,562
Other programs	1,406,700	606,349	800,351
Total planning	1,890,698	956,785	933,913
Total expenditures	2,002,621	1,068,708	933,913
NET CHANGE IN FUND BALANCES	-	(323,477)	(323,477)
FUND BALANCES (DEFICITS)-BEGINNING	385,758	385,758	-
FUND BALANCES (DEFICITS)-ENDING	$ 385,758	$ 62,281	$ (323,477)

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, 2010

	Budget	Actual	Variance with Budget Positive (Negative)
REVENUES			
Use of money and property	$ 55,300	$ 30,186	$ (25,114)
Other revenues	13,800	13,800	-
Total revenues	69,100	43,986	(25,114)
EXPENDITURES			
Current:			
General government:			
Retiree benefits	1,500,000	1,500,000	-
Material, supplies and services		896	
Total expenditures	1,500,000	1,500,896	-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(1,430,900)	(1,456,910)	(26,010)
OTHER FINANCING SOURCES (USES)			
Transfers in	281,800	281,800	-
NET CHANGE IN FUND BALANCES	(1,149,100)	(1,175,110)	(26,010)
FUND BALANCES (DEFICITS)-BEGINNING	1,806,839	1,806,839	-
FUND BALANCES (DEFICITS)-ENDING	$ 657,739	$ 631,729	$ (26,010)

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, 2010

	Budget	Actual	Variance with Budget Positive (Negative)
REVENUES			
Use of money and property	$ 33,600	$ 40,094	$ 6,494
Service charges	788,600	803,488	14,888
Total revenues	822,200	843,582	21,382
EXPENDITURES			
Current:			
General government:			
Reimbursement to general fund	113,700	105,268	8,432
Public ways and facilities:			
Utilities	579,500	382,244	197,256
Landscape maintenance contract	1,301,200	1,283,774	17,426
Other contract services	49,400	64,739	(15,339)
Total public ways and facilities	1,930,100	1,730,757	199,343
Total expenditures	2,043,800	1,836,025	207,775
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(1,221,600)	(992,443)	229,157
OTHER FINANCING SOURCES (USES)			
Transfers in	1,345,000	1,166,000	(179,000)
NET CHANGE IN FUND BALANCES	123,400	173,557	50,157
FUND BALANCES (DEFICITS)-BEGINNING	1,033,649	1,033,649	-
FUND BALANCES (DEFICITS)-ENDING	$ 1,157,049	$ 1,207,206	$ 50,157

Internal Service and Fiduciary Funds

CITY OF SIMI VALLEY
COMBINING STATEMENT OF NET ASSETS
INTERNAL SERVICE FUNDS
JUNE 30, 2010

	Liability Insurance	Workers' Compensation Insurance	Total
ASSETS			
Current assets:			
Cash and investments	$ 6,635,165	$ 12,572,433	$ 19,207,598
Interest receivable	13,440	42,144	55,584
TOTAL ASSETS	6,648,605	12,614,577	19,263,182
LIABILITIES			
Current liabilities:			
Accounts payable	11,462	11,643	23,105
Salaries and benefits payable	-	8,696	8,696
Compensated absences	-	5,681	5,681
Claims and legal services payable	682,209	1,985,941	2,668,150
Total current liabilities	693,671	2,011,961	2,705,632
Noncurrent liabilities:			
Advances from other funds	2,344,000	2,344,000	4,688,000
Compensated absences	-	51,132	51,132
Claims and legal services payable	1,397,242	4,564,289	5,961,531
Total noncurrent liabilities	3,741,242	6,959,421	10,700,663
TOTAL LIABILITIES	4,434,913	8,971,382	13,406,295
NET ASSETS			
Unrestricted	2,213,692	3,643,195	5,856,887
TOTAL NET ASSETS	$ 2,213,692	$ 3,643,195	$ 5,856,887

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, 2010

	Liability Insurance	Workers' Compensation Insurance	Total
OPERATING REVENUES			
Total charges for sales and services	$ 1,553,500	$ 2,205,000	$ 3,758,500
OPERATING EXPENSES			
Salaries and benefits	-	344,508	344,508
Excess insurance premiums	353,920	283,360	637,280
Claims and legal expenses	561,940	1,778,652	2,340,592
General administration	266,500	2,767,400	3,033,900
Other	-	4,838	4,838
Total operating expenses	1,182,360	5,178,758	6,361,118
OPERATING INCOME (LOSS)	371,140	(2,973,758)	(2,602,618)
NONOPERATING REVENUES AND EXPENSES:			
Interest	79,462	254,453	333,915
INCOME (LOSS) BEFORE TRANSFERS	450,602	(2,719,305)	(2,268,703)
TRANSFERS			
Transfers out	(3,600)	(3,600)	(7,200)
CHANGE IN NET ASSETS	447,002	(2,722,905)	(2,275,903)
TOTAL NET ASSETS-BEGINNING	1,766,690	6,366,100	8,132,790
TOTAL NET ASSETS-ENDING	$ 2,213,692	$ 3,643,195	$ 5,856,887

CITY OF SIMI VALLEY
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Liability Insurance	Workers' Compensation Insurance	Totals
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash received from service charges and other revenues (net of refunds)	$ 1,553,500	$ 2,205,000	$ 3,758,500
Cash paid for general administration	(266,500)	(2,767,400)	(3,033,900)
Cash paid for salaries and benefits	-	(334,976)	(334,976)
Cash paid for insurance premiums and claims	(1,156,536)	(1,965,881)	(3,122,417)
Cash paid for other expenses	-	(4,838)	(4,838)
Net cash provided (used) by operating activities	130,464	(2,868,095)	(2,737,631)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Transfers to other funds	(3,600)	(3,600)	(7,200)
Net cash provided (used) by noncapital financing activities	(3,600)	(3,600)	(7,200)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest on investments	89,166	280,539	369,705
Net cash provided (used) by investing activities	89,166	280,539	369,705
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	216,030	(2,591,156)	(2,375,126)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	6,419,135	15,163,589	21,582,724
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 6,635,165	$ 12,572,433	$ 19,207,598
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:			
Operating income (loss)	$ 371,140	$ (2,973,758)	$ (2,602,618)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Increase (decrease) in accounts payable	(145,461)	(2,822)	(148,283)
Increase (decrease) in accrued payroll	-	742	742
Increase (decrease) in compensated absences	-	8,790	8,790
Increase (decrease) in claims and legal services payable	(95,215)	98,953	3,738
Total adjustments	(240,676)	105,663	(135,013)
Net cash provided (used) by operating activities	$ 130,464	$ (2,868,095)	$ (2,737,631)

CITY OF SIMI VALLEY
COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
FIDUCIARY FUNDS
JUNE 30, 2010

	City Agency Fund	Assessment Districts - City of Simi Valley	Tax Increment Pass-Through Simi Valley Unified School District	Tax Increment Pass-Through Ventura County Community College District	Total
ASSETS					
Current assets:					
Cash and investments:					
Held by City	$ 4,843,662	$ 1,116,579	$ 713,320	$ 270,647	$ 6,944,208
Held by bond trustee	-	2,976,427	-	-	2,976,427
Accounts receivable	-	2,923	1,854	573	5,350
TOTAL ASSETS	$ 4,843,662	$ 4,095,929	$ 715,174	$ 271,220	$ 9,925,985
LIABILITIES					
Intergovernmental payable	$ 4,843,662	$ 4,095,929	$ 715,174	$ 271,220	$ 9,925,985
TOTAL LIABILITIES	$ 4,843,662	$ 4,095,929	$ 715,174	$ 271,220	$ 9,925,985

CITY OF SIMI VALLEY
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Balance at June 30, 2009	Additions	Deletions	Balance at June 30, 2010
AGENCY FUND - CITY OF SIMI VALLEY				
ASSETS:				
Cash and investments held by city	$ 4,377,235	$ 2,415,150	$ 1,948,723	$ 4,843,662
TOTAL ASSETS	$ 4,377,235	$ 2,415,150	$ 1,948,723	$ 4,843,662
LIABILITIES:				
Intergovernmental payable	$ 4,377,235	$ 2,415,150	$ 1,948,723	$ 4,843,662
TOTAL LIABILITIES	$ 4,377,235	$ 2,415,150	$ 1,948,723	$ 4,843,662
ASSESSMENT DISTRICT - CITY OF SIMI VALLEY				
ASSETS:				
Cash and investments held by city	$ 1,093,058	$ 912,117	$ 888,596	$ 1,116,579
Cash and investments held by bond trustee	3,074,363	670,877	768,813	2,976,427
Accounts receivable	4,108	2,923	4,108	2,923
TOTAL ASSETS	$ 4,171,529	$ 1,585,917	$ 1,661,517	$ 4,095,929
LIABILITIES:				
Intergovernmental payable	$ 4,171,529	$ 1,585,917	$ 1,661,517	$ 4,095,929
TOTAL LIABILITIES	$ 4,171,529	$ 1,585,917	$ 1,661,517	$ 4,095,929
SIMI VALLEY UNIFIED SCHOOL DISTRICT				
ASSETS:				
Cash and investments held by city	$ 172,897	$ 1,151,297	$ 610,874	$ 713,320
Accounts receivable	7,924	1,854	7,924	1,854
TOTAL ASSETS	$ 180,821	$ 1,153,151	$ 618,798	$ 715,174
LIABILITIES:				
Intergovernmental payable	$ 180,821	$ 1,153,151	$ 618,798	$ 715,174
TOTAL LIABILITIES	$ 180,821	$ 1,153,151	$ 618,798	$ 715,174
VENTURA COUNTY COMMUNITY COLLEGE DISTRICT				
ASSETS:				
Cash and investments held by city	$ 309,140	$ 286,549	$ 325,042	$ 270,647
Accounts receivable	1,167	573	1,167	573
TOTAL ASSETS	$ 310,307	$ 287,122	$ 326,209	$ 271,220
LIABILITIES:				
Intergovernmental payable	$ 310,307	$ 287,122	$ 326,209	$ 271,220
TOTAL LIABILITIES	$ 310,307	$ 287,122	$ 326,209	$ 271,220
TOTAL AGENCY FUNDS				
ASSETS:				
Cash and investments held by city	$ 5,952,330	$ 4,765,113	$ 3,773,235	$ 6,944,208
Cash and investments held by bond trustee	3,074,363	670,877	768,813	2,976,427
Accounts receivable	13,199	5,350	13,199	5,350
TOTAL ASSETS	$ 9,039,892	$ 5,441,340	$ 4,555,247	$ 9,925,985
LIABILITIES:				
Intergovernmental payable	$ 9,039,892	$ 5,441,340	$ 4,555,247	$ 9,925,985
TOTAL LIABILITIES	$ 9,039,892	$ 5,441,340	$ 4,555,247	$ 9,925,985

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.

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Financial Trends
These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time. 108

Revenue Capacity
These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax. 118

Debt Capacity
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..... 126

Demographic and Economic Information
These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place. 130

Operating Information
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..... 132

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 EIGHT FISCAL YEARS

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

Continued

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

CITY OF SIMI VALLEY
NET ASSETS BY COMPONENT
LAST EIGHT FISCAL YEARS

Fiscal Year				
2006-07	**2007-08**	**2008-09**	**2009-10**	
				Governmental activities
$153,537,599	$157,564,195	$180,128,561	$192,161,001	Invested in capital assets, net of related debt
60,444,524	76,340,295	84,285,014	87,739,866	Restricted
42,886,026	39,459,540	8,499,742	257,677	Unrestricted
$256,868,149	$273,364,030	$272,913,317	$280,158,544	Total governmental activites net assets
				Business-type activities
$109,436,007	$112,913,342	$121,094,906	$126,957,605	Invested in capital assets, net of related debt
18,981,595	17,622,173	9,527,814	8,239,133	Restricted
27,974,098	31,027,488	35,330,465	39,436,550	Unrestricted
$156,391,700	$161,563,003	$165,953,185	$174,633,288	Total business-type activities net assets
				Primary Government
$262,973,606	$270,477,537	$301,223,467	$319,118,606	Invested in capital assets, net of related debt
79,426,119	93,962,468	93,812,828	95,978,999	Restricted
70,860,124	70,487,028	43,830,207	39,694,227	Unrestricted
$413,259,849	$434,927,033	$438,866,502	$454,791,832	Total primary government net assets

Concluded

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

CITY OF SIMI VALLEY
CHANGES IN NET ASSETS
LAST EIGHT FISCAL YEARS

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

Continued

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

CITY OF SIMI VALLEY
CHANGES IN NET ASSETS
LAST EIGHT FISCAL YEARS

Fiscal Year 2006-07	2007-08	2008-09	2009-10	
				Expenses
				Governmental activities:
$ 18,475,995	$ 21,311,700	$ 21,908,817	$ 27,176,047	General government
3,645,993	4,076,877	3,952,073	4,124,494	Community services
9,229,296	11,839,627	9,621,707	9,188,637	Planning
16,326,888	17,695,954	16,951,872	16,224,562	Public ways and facilities
26,677,974	30,600,433	29,911,781	31,040,123	Public safety
3,232,084	3,123,397	3,256,626	3,040,452	Interest on long-term debt
77,588,230	88,647,988	85,602,876	90,794,315	Total governmental activities expenses
				Business-type activities:
13,144,836	14,391,154	14,329,152	14,165,394	Sanitation
26,668,732	28,067,587	28,899,962	29,110,566	Waterworks district no. 8
5,747,532	6,271,344	6,468,506	6,453,772	Transit
45,561,100	48,730,085	49,697,620	49,729,732	Total business-type activities expenses
$ 123,149,330	$ 137,378,073	$ 135,300,496	$ 140,524,047	Total primary government expenses
				Program Revenues
				Governmental activities:
				Charges for services:
$ 495,979	$ 304,549	$ 438,812	$ 395,880	General government
171,938	200,067	150,084	214,853	Community services
4,156,265	3,168,280	1,885,710	1,506,323	Planning
2,782,618	2,605,869	1,811,768	1,711,132	Public ways and facilities
982,303	950,923	914,693	766,149	Public safety
9,025,966	11,082,867	8,532,799	7,436,473	Operating grants and contributions
7,683,123	1,623,965	5,077,276	21,281,299	Capital grants and contributions
25,298,192	19,936,520	18,811,142	33,312,109	Total governmental activities program revenues
				Business-type activities:
				Charges for services:
13,725,483	14,767,859	14,780,226	14,783,194	Sanitation
27,250,693	28,247,611	30,138,375	30,010,924	Waterworks district no. 8
546,520	524,771	542,194	517,745	Transit
2,480,838	2,285,871	2,606,392	2,352,998	Operating grants and contributions
707,834	312,537	1,969,465	7,118,535	Capital grants and contributions
44,711,368	46,138,649	50,036,652	54,783,396	Total business-type activities program revenues
$ 70,009,560	$ 66,075,169	$ 68,847,794	$ 88,095,505	Total primary governmental program revenues
				Net (Expense)/Revenue
(52,290,038)	(68,711,468)	(66,791,734)	(57,482,206)	Governmental activities
(849,732)	(2,591,436)	339,032	5,053,664	Business-type activities
$ (53,139,770)	$ (71,302,904)	$ (66,452,702)	$ (52,428,542)	Total primary government net expense

Continued

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

CITY OF SIMI VALLEY
CHANGES IN NET ASSETS
LAST EIGHT FISCAL YEARS

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

Continued

NOTES:

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

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

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

CITY OF SIMI VALLEY
CHANGES IN NET ASSETS
LAST EIGHT FISCAL YEARS

Fiscal Year				
2006-07	**2007-08**	**2008-09**	**2009-10**	
				General Revenues and Other Changes in Net Assets
				Governmental activities:
				Taxes:
$ 22,717,838	$ 24,296,361	$ 24,367,498	$ 24,022,375	Property taxes [1]
18,945,240	20,185,134	21,359,827	21,138,010	Tax increment
17,705,751	16,894,319	13,955,998	12,969,115	Sales tax
711,694	552,184	427,121	369,992	Motor fuel tax [1]
3,686,160	3,708,972	4,756,938	4,304,353	Franchise tax
1,778,116	1,851,630	1,698,692	1,659,666	Business tax
2,417,554	1,939,615	1,733,444	1,560,873	Other taxes
5,472,452	5,382,599	3,894,585	2,255,728	Investment earnings
-	-	-	-	Gain (loss) on asset disposition
3,178,901	2,910,688	-	-	Capital contributions-unrestricted [2]
(2,463,585)	(2,207,435)	(2,306,909)	(2,326,794)	Transfers
74,150,121	75,514,067	69,887,194	65,953,318	Total governmental activities
				Business-type activities:
2,484,909	2,598,413	1,956,342	1,301,289	Investment earnings
128,494	186,032	343,518	180,356	Miscellaneous
3,275,376	2,770,859	-		Capital contributions-unrestricted [2]
2,463,585	2,207,435	2,306,909	2,326,794	Transfers
8,352,364	7,762,739	4,606,769	3,808,439	Total business-type activities
$ 82,502,485	$ 83,276,806	$ 74,493,963	$ 69,761,757	Total primary government
				Change in Net Assets
$ 21,860,083	$ 6,802,599	$ 3,095,460	$ 8,471,112	Governmental activities
7,502,632	5,171,303	4,945,801	8,862,103	Business-type activities
$ 29,362,715	$ 11,973,902	$ 8,041,261	$ 17,333,215	Total primary government

Concluded

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

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

	Fiscal Year				
	2000-01	**2001-02**	**2002-03**	**2003-04**	**2004-05**
General fund					
Reserved	$ 13,183,323	$ 20,288,031	$ 18,743,283	$ 17,901,412	$ 19,006,034
Unreserved	12,829,655	7,486,603	12,250,374	14,550,312	18,434,960
Total general fund	$ 26,012,978	$ 27,774,634	$ 30,993,657	$ 32,451,724	$ 37,440,994
All other government funds					
Reserved	$ 15,126,919	$ 14,421,027	$ 9,191,350	$ 11,978,656	$ 14,648,683
Unreserved, reported in:					
Special revenue funds	25,011,661	23,605,317	13,502,727	12,230,705	14,756,384
Debt service	-	-	-	-	22,264,306
Capital projects funds	10,291,953	11,005,067	11,830,004	11,838,036	7,715,385
Total all other governmental funds	$ 50,430,533	$ 49,031,411	$ 34,524,081	$ 36,047,397	$ 59,384,758

Continued

SOURCE:
City of Simi Valley

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

Fiscal Year					
2005-06	**2006-07**	**2007-08**	**2008-09**	**2009-10**	
					General fund
$ 20,485,438	$ 16,758,264	$ 17,270,243	$ 16,947,665	$ 19,550,414	Reserved
16,312,509	20,594,252	20,134,592	19,161,964	16,176,234	Unreserved
$ 36,797,947	$ 37,352,516	$ 37,404,835	$ 36,109,629	$ 35,726,648	Total general fund
					All other government funds
$ 18,731,386	$ 12,313,808	$ 23,160,249	$ 27,405,118	$ 11,750,943	Reserved
					Unreserved, reported in:
23,321,320	30,922,948	33,772,808	35,983,148	30,816,901	Special revenue funds
-	-	-	-	-	Debt service
7,275,862	13,981,864	14,481,613	14,356,308	12,519,153	Capital projects funds
$ 49,328,568	$ 57,218,620	$ 71,414,670	$ 77,744,574	$ 55,086,997	Total all other governmental funds

Concluded

SOURCE:
City of Simi Valley

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

	Fiscal Year				
	2000-01	2001-02	2002-03	2003-04	2004-05
Revenues					
Taxes	$ 25,693,896	$ 27,555,182	$ 29,297,747	$ 31,605,628	$ 39,583,365
Tax increment	8,195,407	8,806,439	9,147,579	10,256,245	10,608,367
Licenses and permits	2,933,635	2,611,829	3,000,142	3,910,943	5,761,949
Fines and forfeitures	662,042	747,781	759,786	692,871	744,172
Use of money and property	4,976,977	2,964,359	2,455,014	2,966,909	4,668,436
From other governments	12,380,349	13,169,562	13,094,236	12,072,537	9,228,523
Grants	4,516,394	4,727,219	3,595,929	4,662,677	3,000,993
Service charges	3,840,862	3,574,203	3,380,322	5,482,337	4,123,659
Other revenues	1,192,439	2,075,997	1,548,029	1,530,971	6,844,687
Total revenues	64,392,001	66,232,571	66,278,784	73,181,118	84,564,151
Expenditures					
Current:					
General government	4,764,663	4,739,066	6,656,623	5,360,370	5,705,571
Community services	2,953,456	3,022,864	4,481,811	3,233,192	3,327,916
Planning	6,939,661	5,851,490	5,576,295	11,432,418	10,409,949
Public ways and facilities	11,601,786	12,293,447	12,464,375	13,847,391	14,674,133
Public safety	17,277,973	18,643,300	19,828,550	23,086,299	25,427,341
Capital outlay	8,884,332	12,576,967	5,545,599	4,916,881	12,400,928
Debt service:					
Principal	2,261,222	3,518,781	1,249,101	863,166	1,210,000
Interest	3,259,940	2,805,898	2,552,923	2,168,481	2,753,209
Refunding escrow	-	-	1,666,163	-	-
Bond issuance costs	-	-	930,403	-	662,894
Administration	12,463	14,553	7,594	-	-
Other	-	-	-	8,640	328,503
Intergovernmental	2,601,450	2,771,780	3,132,557	3,628,878	4,126,132
Total expenditures	60,556,946	66,238,146	64,091,994	68,545,716	81,026,576
Excess of revenues over (under) expenditures	3,835,055	(5,575)	2,186,790	4,635,402	3,537,575
Other Financing Sources (Uses)					
Transfers in	18,798,165	19,243,028	16,244,221	18,790,186	22,547,788
Transfers out	(19,730,005)	(20,276,040)	(17,668,880)	(20,455,120)	(24,100,325)
Bonds issued	-	-	32,251,576	-	26,341,593
Payment to escrow agent	-	-	(29,176,958)	-	-
Proceeds from loans, notes & cash advances	1,358,074	1,401,121	-	-	-
Gain on property held for sale	-	-	-	144,972	-
Refund excess reserves	-	-	-	(24,245)	-
Payments of notes payable	-	-	-	(109,812)	-
Contributions	-	-	-	-	-
Total other financing sources (uses)	426,234	368,109	1,649,959	(1,654,019)	24,789,056
Net change in fund balances	$ 4,261,289	$ 362,534	$ 3,836,749	$ 2,981,383	$ 28,326,631
Debt service as a percentage of noncapital expenditures	10.71%	11.81%	6.34%	4.72%	5.77%

Continued

SOURCE:
City of Simi Valley

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

Fiscal Year					
2005-06	2006-07	2007-08	2008-09	2009-10	
					Revenues
$ 44,789,216	$ 48,305,419	$ 48,690,897	$ 46,635,899	$ 44,026,482	Taxes
12,531,554	18,945,240	20,185,134	21,359,827	21,138,010	Tax increment
4,489,743	2,446,051	1,863,206	1,229,773	1,150,132	Licenses and permits
630,175	608,633	639,866	644,896	489,711	Fines and forfeitures
4,887,835	6,030,520	5,875,792	4,293,281	2,715,919	Use of money and property
8,059,121	9,178,483	7,562,068	8,914,197	9,287,441	From other governments
3,641,439	8,154,157	2,824,043	2,852,825	4,917,901	Grants
3,706,112	3,330,461	2,743,227	2,311,017	2,197,536	Service charges
6,589,485	2,736,158	4,705,669	1,015,381	825,701	Other revenues
89,324,680	99,735,122	95,089,902	89,257,096	86,748,833	Total revenues
					Expenditures
					Current:
5,629,708	6,254,640	5,478,843	5,113,701	4,605,291	General government
3,976,095	3,714,488	4,062,966	3,986,859	3,992,786	Community services
8,989,679	10,449,668	9,728,843	9,737,257	12,369,305	Planning
15,380,796	16,165,062	17,794,518	16,488,718	15,462,223	Public ways and facilities
27,244,060	28,625,276	30,020,374	30,202,106	28,094,953	Public safety
36,854,154	11,720,213	9,542,356	8,345,726	8,687,535	Capital outlay
					Debt service:
1,250,000	1,750,000	1,805,000	1,870,000	1,955,000	Principal
3,516,184	3,674,962	3,410,710	3,316,982	3,038,631	Interest
-	-	-	-	-	Refunding escrow
-	-	-	-	-	Bond issuance costs
-	-	-	-	-	Administration
12,033	217,473	31,863	14,569	12,838	Other
4,649,143	6,260,334	6,455,707	7,198,990	13,109,707	Intergovernmental
107,501,852	88,832,116	88,331,180	86,274,908	91,328,269	Total expenditures
(18,177,172)	10,903,006	6,758,722	2,982,188	(4,579,436)	Excess of revenues over (under) expenditures
					Other Financing Sources (Uses)
44,861,615	28,486,035	26,256,128	30,315,435	25,099,047	Transfers in
(46,173,207)	(30,944,420)	(28,459,763)	(32,616,244)	(27,418,641)	Transfers out
-	-	-	-	-	Bonds issued
-	-	-	-	-	Payment to escrow agent
-	-	-	-	-	Proceeds from loans, notes & cash advances
3,446,150	-	-	-	-	Gain on property held for sale
-	-	-	-	-	Refund excess reserves
-	-	-	-	-	Payments of notes payable
5,343,377	-	-	-	-	Contributions
7,477,935	(2,458,385)	(2,203,635)	(2,300,809)	(2,319,594)	Total other financing sources (uses)
$ (10,699,237)	$ 8,444,621	$ 4,555,087	$ 681,379	$ (6,899,030)	Net change in fund balances
6.42%	6.69%	6.66%	6.59%	6.08%	Debt service as a percentage of noncapital expenditures

Concluded

SOURCE:
City of Simi Valley

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

	Gross Assessed Valuation [1]					
Fiscal Year	Secured	Utility [2]	Unsecured	Total	Percent Change	Total Direct Tax Rate
2000-01	7,652,960,223	4,436,680	314,152,975	7,971,549,878	12.7%	1.00%
2001-02	8,338,284,943	4,535,050	319,123,415	8,661,943,408	8.7%	1.00%
2002-03	9,001,962,570	4,738,971	309,184,285	9,315,885,826	7.5%	1.00%
2003-04	9,674,185,767	4,137,416	311,473,006	9,989,796,189	7.2%	1.00%
2004-05	10,657,955,181	4,468,429	300,722,955	10,963,146,565	9.7%	1.00%
2005-06	11,865,261,607	4,078,386	313,933,434	12,183,273,427	11.1%	1.00%
2006-07	13,749,651,553	3,821,485	361,949,212	14,115,422,250	15.9%	1.00%
2007-08	14,923,264,537	2,626,282	396,920,281	15,322,811,100	8.6%	1.00%
2008-09	15,106,591,466	2,626,282	401,827,296	15,511,045,044	1.2%	1.00%
2009-10	14,462,957,257	2,626,282	402,295,019	14,867,878,558	-4.1%	1.00%

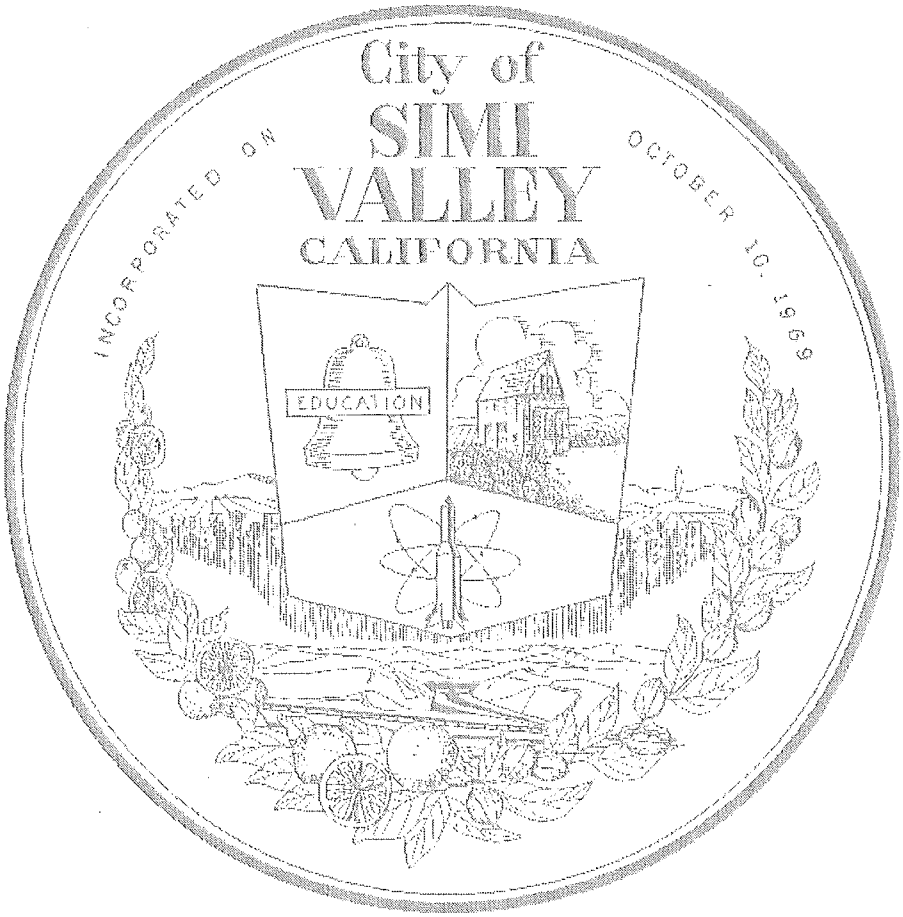
NOTES:

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

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

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

SOURCE:
California Municipal Statistics, Inc.


City of
SIMI
VALLEY
CALIFORNIA
INCORPORATED ON
OCTOBER 10, 1969
EDUCATION

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

	2000-01	2001-02	2002-03	2003-04	2004-05
Basic Tax Levy per Article 13A of California State Constitution	1.000000	1.000000	1.000000	1.000000	1.000000
City	-	-	-	-	-
Total direct	1.000000	1.000000	1.000000	1.000000	1.000000
County Flood Control District	0.001618	0.001632	0.000624	0.000297	-
Simi Valley Unified School District	0.030200	0.026700	0.025700	0.024700	0.065800
Metropolitan Water District	0.008800	0.007700	0.006700	0.006100	0.005800
Ventura College District	-	-	0.017800	0.016600	0.013000
Total direct and overlapping	1.040618	1.036032	1.050824	1.047697	1.084600

Continued

NOTES:

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

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

SOURCE:
California Municipal Statistics, Inc.

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

2005-06	2006-07	2007-08	2008-09	2009-10	
1.000000	1.000000	1.000000	1.000000	1.000000	Basic Tax Levy per Article 13A of California State Constitution
-	-	-	-	-	City
1.000000	1.000000	1.000000	1.000000	1.000000	Total direct
-	-	-	-	-	County Flood Control District
0.051200	0.048900	0.048300	0.048400	0.051900	Simi Valley Unified School District
0.005200	0.004700	0.004500	0.004300	0.004300	Metropolitan Water District
0.013000	0.012700	0.005000	0.015200	0.013900	Ventura College District
1.069400	1.066300	1.057800	1.067900	1.070100	Total direct and overlapping

Concluded

SOURCE:
California Municipal Statistics, Inc.

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

	2010			2001		
Taxpayer	Taxable Assessed Value	Rank	Percent of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percent of Total City Taxable Assessed Value
Bank of America	$ 144,338,503	1	0.94%	-		
Simi Valley Mall LLC	134,018,839	2	0.87%	-		
Tishman Speyer Archstone	86,498,000	3	0.56%	-		
Mountaingate Associates LLC	82,859,758	4	0.54%	-		
Fountains Apt Ltd	75,052,196	5	0.49%	-		
South Street Center LLC	45,180,440	6	0.29%	-		
CLF Simi Valley Business TR/ CLF Galena SV Business TR	42,336,000	7	0.27%	-		
Stone Creek Investors	40,598,841	8	0.26%	$ 34,766,546	5	0.41%
ESG Properties I LLC	40,021,044	9	0.26%	-		
Tapo Canyon Warehouse Inc	35,600,000	10	0.23%			
Countrywide Funding Corporation	-			59,005,196	1	0.69%
BPP/Mountaingate Inc.	-			49,886,345	2	0.59%
Lincoln Wood Ranch	-			41,048,145	3	0.48%
Big Sky Country Club LLC	-			34,892,238	4	0.41%
Simi Entertainment Plaza	-			30,204,222	6	0.36%
Essex Meadowood	-			25,102,971	7	0.30%
Casden Creekside LP				24,978,950	8	0.29%
F I G Holding Co	-			21,520,000	9	0.25%
Casa Group LLC	-			20,515,680	10	0.24%
Total Taxable Assessed Value Ten Largest Taxpayers	$ 726,503,621		4.72%	$ 341,920,293		4.02%

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[2]
2000-01	$ 89,282,371	$ 87,675,785	98.20%		$ 87,675,785	98.20%
2001-02	96,624,697	94,486,989	97.79%		94,486,989	97.79%
2002-03	104,460,998	102,875,792	98.48%		102,875,792	98.48%
2003-04	113,380,764	111,280,050	98.15%		111,280,050	98.15%
2004-05	128,172,093	125,407,288	97.84%		125,407,288	97.84%
2005-06	138,585,819	128,788,614	92.93%	$ 487,056	129,275,670	93.28%
2006-07	28,777,381 [1]	28,091,722	97.62%	584,200	28,675,922	99.65%
2007-08	31,938,610	31,051,904	97.22%	990,158	32,042,062	100.32%
2008-09	33,393,397	32,847,916	98.37%	942,132	33,790,048	101.19%
2009-10	33,058,816	32,756,358	99.09%		32,756,358	99.09%

NOTE:

Data presented for Fiscal Years 2000-01 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.

2. Ventura County Tax Collector presents subsequent year collections as a lump sum total of all prior years collected within the fiscal year. This methodology may cause the percent of levy collected to exceed 100 percent.

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

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

SOURCE:
Ventura County Controller-Auditor

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

Revenues

Fiscal Year	Property Taxes	Sales Taxes	Other Taxes	Licenses and Permits	Fines and Forfeitures	Use of Money and Property	From Other Govt's
2000-01	16,528,655	11,774,505	5,586,143	2,933,635	662,042	4,976,977	12,380,349
2001-02	17,410,850	12,683,123	6,267,648	2,611,829	747,781	2,964,359	13,169,562
2002-03	19,295,434	12,830,405	6,319,487	3,000,142	759,786	2,455,014	13,094,236
2003-04	20,981,163	13,878,702	7,002,008	3,910,943	692,871	2,966,909	12,072,537
2004-05	27,899,227	14,829,984	7,462,521	5,761,949	744,172	4,668,436	9,228,523
2005-06	32,255,028	16,301,320	8,764,422	4,489,743	630,175	4,887,835	8,059,121
2006-07	41,663,078	17,705,751	7,881,830	2,446,051	608,633	6,030,520	9,178,483
2007-08	44,481,495	16,894,319	7,500,217	1,863,206	639,866	5,875,792	7,562,068
2008-09	45,727,325	14,079,329	8,189,072	1,229,773	644,896	4,293,281	8,914,197
2009-10	44,522,170	12,969,115	7,673,207	1,150,132	489,711	2,715,919	9,287,441

Continued

NOTE:

1. Includes all Governmental Fund Types.

SOURCE:
City of Simi Valley

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
4,516,394	3,840,862	1,192,439	64,392,001	426,234	64,818,235	2000-01
4,727,219	3,574,203	2,075,997	66,232,571	368,109	66,600,680	2001-02
3,595,929	3,380,322	1,548,029	66,278,784	1,649,959	67,928,743	2002-03
4,662,677	5,482,337	1,530,971	73,181,118	(1,654,019)	71,527,099	2003-04
3,000,993	4,123,659	6,844,687	84,564,151	24,789,056	109,353,207	2004-05
3,641,439	3,706,112	11,932,862	94,668,057	2,134,558	96,802,615	2005-06
8,154,157	3,330,461	2,736,158	99,735,122	(2,458,385)	97,276,737	2006-07
2,824,043	2,743,227	4,705,669	95,089,902	(2,203,635)	92,886,267	2007-08
2,852,825	2,311,017	1,015,381	89,257,096	(2,300,809)	86,956,287	2008-09
4,917,901	2,197,536	825,701	86,748,833	(2,319,594)	84,429,239	2009-10

Concluded

SOURCE:
City of Simi Valley

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

	Governmental Activities						
Fiscal Year	Tax Allocation Bonds	Lease Revenue Bonds	Certificates of Participation	Special Assessment Bonds [1]	Total Primary Government	Percent of Personal Income [2]	Debt Per Capita [2]
2001	$31,745,000	$ 9,760,000	-	$ 18,035,344	$ 59,540,344	1.87%	514.53
2002	31,015,000	9,300,000	-	21,497,968	61,812,968	1.85%	526.37
2003	31,795,000	8,825,000	-	18,750,000	59,370,000	1.71%	502.75
2004	31,435,000	8,325,000	-	17,690,000	57,450,000	1.59%	480.39
2005	30,745,000	7,805,000	$ 25,955,000	17,405,000	81,910,000	2.17%	675.35
2006	30,040,000	7,260,000	25,955,000	16,600,000	79,855,000	2.01%	644.39
2007	29,320,000	6,690,000	25,495,000	15,710,000	77,215,000	1.89%	613.60
2008	28,590,000	6,095,000	25,015,000	12,380,000	72,080,000	1.70%	571.42
2009	27,840,000	5,470,000	24,520,000	12,150,000	69,980,000	1.61%	554.08
2010	27,060,000	4,815,000	24,000,000	11,870,000	67,745,000	1.70%	536.26

NOTES:

Details regarding the City's outstanding debt can be found in the notes to the financial statements.
1. The City is not obligated for these bonds.
2. See Schedule of Demographic and Economic Statistics for personal income and population data.

SOURCE:
City of Simi Valley
US Census Bureau

CITY OF SIMI VALLEY
COMPUTATION OF DIRECT AND OVERLAPPING DEBT
JUNE 30, 2010 (See Notes)

2009-10 Assessed Valuation	$	14,867,878,558
Less Redevelopment Agency Incremental Valuation		2,080,897,988
Adjusted Assessed Valuation	$	12,786,980,570

	Outstanding Debt 6/30/10	Percentage Applicable[1]	Estimated Share of Overlapping Debt 6/30/10
Overlapping and Assessment Debt Repaid with Property Taxes			
Metropolitan Water District	$ 264,220,000	0.707 %	$ 1,868,035
Ventura County Community College District	315,947,814	13.501	42,656,114
Simi Valley Unified School District	154,147,828	96.230	148,336,455
City of Simi Valley Community Facilities Dist No.2004-1	8,640,000	100.000	8,640,000
City of Simi Valley 1915 Act Bonds	3,230,000	100.000	3,230,000
Overlapping Other Debt			
Ventura County General Fund Obligations	108,610,000	13.498	14,660,178
Ventura County Superintendent of Schools Certificates	12,445,000	13.498	1,679,826
Simi Valley Unified School District Certificates	11,735,000	96.230	11,292,591
Rancho Simi Recreation & Park District Authority	340,000	82.048	278,963
Total overlapping and assessment debt			232,642,162
City Direct Debt			
City of Simi Valley Lease Revenue Bonds	4,815,000	100.000	4,815,000
City of Simi Valley Certificates of Participation	24,000,000	100.000	24,000,000
Total direct debt			28,815,000
Total direct and overlapping debt			$ 261,457,162

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.

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

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

	Fiscal Year				
	2001	**2002**	**2003**	**2004**	**2005**
Debt limit	$298,933,120	$324,822,878	$349,345,718	$374,617,357	$411,117,996
Total net debt applicable to limit	-	-	-	-	-
Legal debt margin	$298,933,120	$324,822,878	$349,345,718	$374,617,357	$411,117,996
Total net debt applicable to the limit as a percentage of debt limit	0%	0%	0%	0%	0%

Continued

NOTE:

1. California Government Code, Section 43605 sets the debt limit at 15%. The Code section was enacted when assessed valuations were based on 25% of full market value. This has since changed to 100% of full market value. Thus, the limit shown is 3.75% (one-fourth the limit of 15%).

SOURCE:
California Municipal Statistics, Inc.

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

Fiscal Year					
2006	**2007**	**2008**	**2009**	**2010**	
$456,872,754	$529,328,334	$574,605,416	$581,664,189	$557,545,466	Debt limit
-	-	-	-	-	Total net debt applicable to limit
$456,872,754	$529,328,334	$574,605,416	$581,664,189	$557,545,466	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 2010

Assessed value	$	14,867,878,558
Debt limit (3.75% of assessed value) [1]	$	557,545,446
General obligation bonds		-
Legal debt margin	$	557,545,446

SOURCE:
California Municipal Statistics, Inc.

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

Fiscal Year	Population	Personal Income (in thousands)	Per Capita Personal Income [1]	Median Age	Public School Enrollment	Unemployment Rate
2001	115,719	$ 3,182,851	$ 27,505	35.0	20,960	3.6%
2002	117,432	3,337,770	28,423	35.3	21,127	4.5%
2003	118,090	3,464,997	29,342	35.6	21,359	4.7%
2004	119,590	3,618,793	30,260	35.9	21,377	4.4%
2005	121,286	3,781,576	31,179	36.2	21,329	3.8%
2006	123,924	3,977,713	32,098	36.5	21,205	3.6%
2007	125,840	4,085,521	32,466	35.8	21,040	3.8%
2008	126,142	4,246,949	33,668	35.9	21,700	5.0%
2009	126,300	4,338,026	34,347	38.8	21,500	8.5%
2010	126,329	3,978,227	31,491	37.4	20,681	8.8%

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 inflation adjusted by the US Census Bureau.

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

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

	2010			2001		
Employer	**Employees**	**Rank**	**Percentage of Employed Labor Force**	**Employees**	**Rank**	**Percentage of Employed Labor Force**
Simi Valley Unified School District	3,207	1	4.59%	2,400	2	3.86%
Farmers Insurance Group	1,200	2	1.72%	1,000	3	1.61%
Simi Valley Hospital & Health Care	927	3	1.33%	897	4	1.44%
City of Simi Valley	568	4	0.81%	629	5	1.01%
Aerovironment Inc	480	5	0.69%	-		
Rancho Simi Parks & Recreation District	383	6	0.55%	-		
Vons Grocery Stores	369	7	0.53%	-		
Meggitt Safety Systems, Inc	323	8	0.46%	-		
Wal-Mart	250	9	0.36%	-		
Milgard Manufacturing, Inc	245	10	0.35%	290	8	0.47%
Countrywide Home Loans[1]	-			4,350	1	6.99%
Albertsons Grocery Store	-			380	6	0.61%
Aware Products	-			375	7	0.60%
Cerwin Vega Inc	-			270	9	0.43%
Target Store	-			250	10	0.40%
Total	7,952		11.39%	10,841		17.43%

NOTE:

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

Of fifty-three employers surveyed by the City of Simi Valley, forty-three employers responded (81%).

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

	Full & Part Time Employees as of June 30 [1]									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Function										
General government	63	62	68	67	67	70	70	68	62	55
Community services	34	34	35	31	32	34	35	35	34	34
Planning	63	60	58	62	63	61	62	60	56	54
Public ways and facilities	114	118	117	114	111	107	110	102	102	97
Public safety										
Sworn police personnel	119	120	120	122	122	120	125	127	122	118
Civilians	65	68	69	66	63	70	68	64	58	57
Sanitation	59	55	54	52	53	53	53	60	54	54
Waterworks district no. 8	36	39	40	40	40	38	38	37	41	43
Transit	37	41	41	40	42	43	46	46	47	46
Total	590	597	602	594	593	596	607	599	576	558

NOTE:

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

SOURCE:
City of Simi Valley

CITY OF SIMI VALLEY
OPERATING INDICATORS BY FUNCTION
LAST NINE FISCAL YEARS

	Fiscal Year								
	2002	2003	2004	2005	2006	2007	2008	2009	2010
Function									
General government									
Business tax applications and renewals	10,286	10,392	10,426	8,696	8,546	8,675	8,735	9,253	10,310
Business tax receipts issued	7,081	7,420	7,808	7,514	8,273	8,316	8,211	8,312	8,352
Business tax revenues ($)	1,397,335	1,370,609	1,287,934	1,355,601	1,831,590	1,778,116	1,851,630	1,698,692	1,662,604
Community services									
Cultural arts center events	213	230	232	220	334	227	211	380	372
Cultural arts center attendance	24,200	27,900	34,000	28,400	31,000	31,345	31,070	40,475	40,682
Senior center attendance	107,100	102,000	109,300	101,000	107,000	126,838	141,528	162,961	184,511
Planning									
Building permits	2,654	2,532	2,693	2,738	2,891	2,004	1,700	1,232	1,196
Plumbing, mechanical, and electrical permits	4,390	4,487	5,015	5,679	5,220	3,716	2,691	2,366	1,899
Permit valuation (thousands $)	141,835	182,953	216,442	415,846	284,767	99,392	74,530	38,025	34,197
Public Safety									
Arrests	3,613	3,281	3,201	3,818	3,686	3,552	4,170	4,051	3,310
Enforcement citations	12,164	11,948	9,878	10,249	11,585	10,905	10,280	10,941	6,350
Public ways and facilities									
Street resurfacing (miles)	13.99	3.52	14.34	6.43	5.86	7.68	0.46	13.57	16.57
Sanitation									
Wastewater customers	30,789	30,824	34,502	35,059	35,192	35,289	35,451	36,483	36,428
Average dry weather flow (MGD)	9.00	9.00	9.20	8.84	9.50	8.80	10.00	9.50	9.30
Waterworks district no. 8									
Customers	22,925	23,053	23,292	23,757	25,195	25,375	25,452	25,642	24,920 [1]
Water delivered (million gallons)	7,126.9	7,570.5	8,188.3	8,125.6	8,128.0	8,137.0	8,679.0	7,981.4	7,192.0
Transit									
Fixed-route revenue miles	371,601	354,000	353,999	367,787	449,223	509,743	477,005	464,784	471,267
Fixed-route passengers	398,401	393,854	432,833	432,714	450,106	483,653	454,440	477,032	479,456
Fixed-route revenue hours	26,303	20,300	23,449	24,114	28,526	30,893	30,768	31,189	31,223
Paratransit revenue miles	280,883	276,500	260,121	235,556	238,061	240,979	199,570	189,810	189,264
Paratransit passengers	44,172	42,484	39,637	40,199	42,815	45,210	43,457	48,123	51,204
Paratransit revenue hours	25,290	25,310	20,383	20,690	19,059	18,959	17,976	17,663	17,571

NOTE:

1. Balance of community, approximately 13,300 customers, serviced by Golden State Water Co. for fiscal year 2010.

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

SOURCE:
City of Simi Valley
Golden State Water Co.

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

	Fiscal Year								
Function	**2002**	**2003**	**2004**	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**
Public safety									
Police stations	1	1	1	1	1	1	1	1	1
Fleet size	91	94	94	94	96	97	97	93	90
Public ways and facilities									
Streets (miles)	297.74	304.83	306.25	307.67	308.03	308.62	321.00	322.71	324.10
Streetlights [1]	7,190	7,239	7,494	7,551	7,645	7,660	7,701	7,687	7,815
Traffic signals [2]	103	107	107	108	116	117	117	118	118
Sanitation									
Sewerlines (miles) [3]	450	450	500	500	400	400	400	362	362
Treatment capacity (millon gallons per day)	12.5	12.5	12.5	12.5	12.5	12.5	12.5	12.5	12.5
Waterworks district no. 8 [4]									
Water mains (miles)	-	-	-	-	370	375	375	375	375
Fire hydrants	-	-	-	-	2,700	2,750	2,755	2,773	2,844
Storage capacity (million gallons)	-	-	-	-	51	53.5	53.5	53.5	55.8
Transit									
Buses - 40 foot	11	11	11	11	11	11	11	11	11
Buses - 35 foot	2	2	2	2	2	2	2	2	2
Paratransit Vehicles	10	11	11	13	13	12	12	10	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. In fiscal year 2009 the number was derived from a Sewer System Management Plan update.
4. Waterworks district no 8 information will continue to be reported prospectively.

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

Source:
City of Simi Valley
Southern California Edison