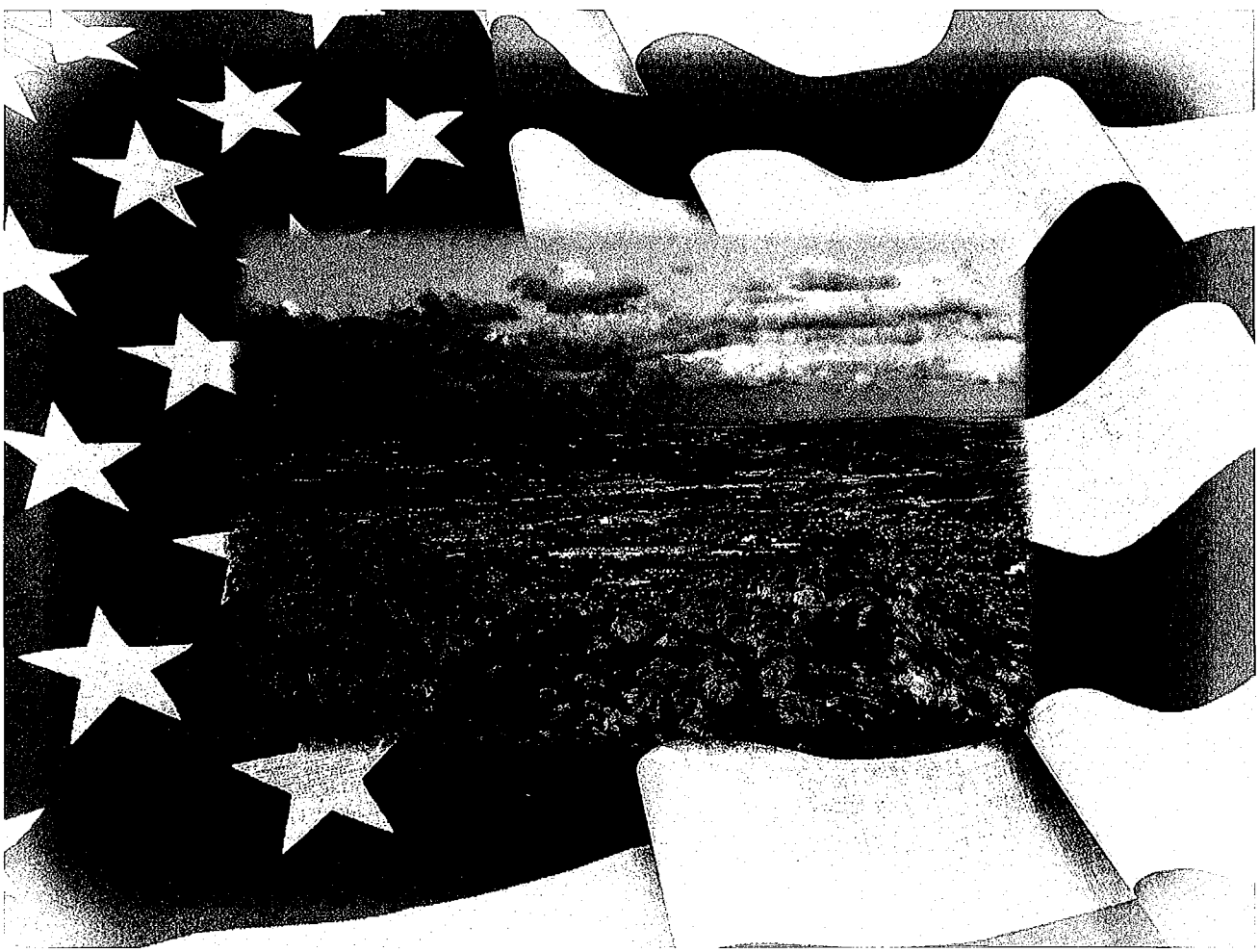
CITY OF SIMI VALLEY
STATE OF CALIFORNIA



COMPREHENSIVE
ANNUAL FINANCIAL REPORT
Fiscal Year Ended June 30, 2003

Bill Davis, Mayor Steven T. Sojka, Mayor Pro Tem
Barbra Williamson, Council Member Paul Miller, Council Member
Glen T. Becerra, Council Member

Prepared by the Department of Administrative Services

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FISCAL YEAR ENDED JUNE 30, 2003

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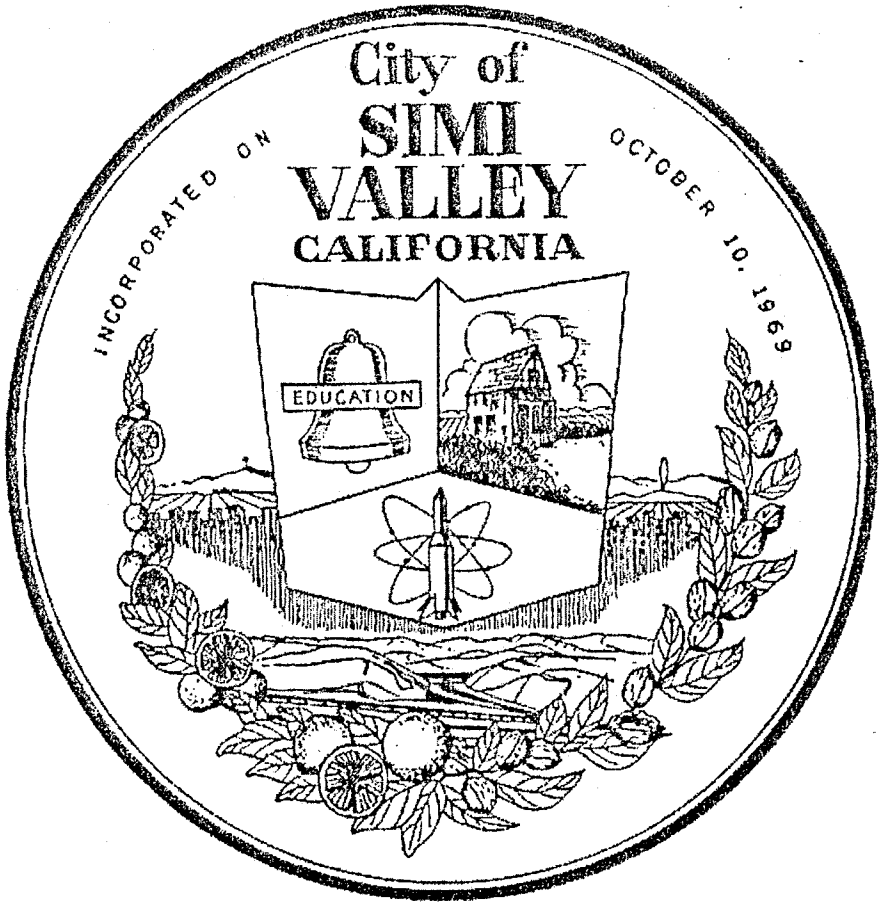

City of
SIMI
VALLEY
CALIFORNIA
INCORPORATED ON OCTOBER 10, 1969
EDUCATION

CITY OF
SIMI VALLEY

2929 Tapo Canyon Road, Simi Valley, CA 93063-2199 • (805) 583-6700 • http://www.simivalley.org

December 23, 2003

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, 2003.

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

The City's financial statements have been audited by Diehl, Evans & Company, LLP, a firm of licensed certified public accountants. The goal of the independent audit is to provide reasonable assurance that the financial statements of the City for the year ended June 30, 2003, 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, 2003 are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the City was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available in the City's separately issued Single Audit Report.

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

Profile of the City of Simi Valley

The City, incorporated in 1969, has a population of 118,090 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 four-year terms in alternate slates of two, every two years. The City's Mayor is elected at-large every two years. The Mayor presides over Council meetings and has one vote. Council members also serve as Board members of the Ventura County Waterworks District No. 8 and the Simi Valley Community Development Agency.

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

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

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

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

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

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

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

Factors Affecting Financial Condition

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

Local economy. The City currently enjoys a favorable economic environment and local indicators point to continued stability in the face of a weak state economic climate. Locally generated revenues from taxes increased by $2.1 million, or 5.7 percent over the prior fiscal year.

The region has a growing services and retail base that adds to the relative stability of employment. Major industries with headquarters or divisions located within the City's boundaries, or in close proximity, include real estate lending, health care, insurance, computer hardware, home improvement materials, and retail sales. A planned regional shopping center is expected to provide increased job opportunities.

Residential and commercial development activity remains high. Arrangements have been finalized for the construction of a regional mall with adjacent office space and multi-family housing. A 200,000 square foot mixed-use retail and residential development project is currently under construction. Five affordable housing agreements were approved during the year that will result in 200 additional housing units to expand opportunities for existing and future residents. The City continues in its negotiations with Unocal Corporation for the master planning of Alamos and Brea Canyons that encompass approximately 2,875 acres. The project currently being proposed will provide for the development of an industrial and business center, several residential components, and vast amounts of open space. Industrial growth is projected to continue in Simi Valley as corporations seeking friendly and accessible government, a safe community, and a strong labor pool continue to find Simi Valley an attractive location.

Long-term financial planning. The Simi Valley City Council has entered into an agreement with a developer to develop a Simi Valley Town Center project on a vacant City-owned site. The proposed Simi Valley Town Center will include a regional mall, office space, and 500 units of multi-family housing. Preliminary estimates point to completion within two to three years with a projected total cost to the City of $17 million. The City believes that development of the Simi Valley Town Center will generate substantial property tax and sales tax revenues that will more than offset the cost of financial participation in the project. The City's portion of financing for the project will be generated from tax-exempt obligations.

Also underway is a project to enlarge City Hall, enlarge the adjacent Senior Citizens' Center, and improve outdoor areas within the Civic Center. The City Hall portion of the project will allow for all City staff involved in development activities to be housed in the same building, thereby improving service to the public. It will also allow for the lease or disposal of the Development Services building that currently houses the staff of two City departments who will be relocated in the enlarged City Hall structure. The Senior Citizens' Center Expansion Project will allow for greatly improved services to a fast-growing segment of the population. The estimated cost of this project is $25.3 million. Financing will be provided through the issuance of Certificates of Participation.

Regulations recently adopted by the Regional Water Quality Control Board have necessitated the design and construction of an $18 million Nitrification/Denitrification Facility at the City's Water Quality Control Plant. The project, currently under construction, is financed from sanitation connection fees previously paid by developers.

Cash management policies and practices. Cash temporarily idle during the year was invested in certificates of deposits, obligations of the U.S. Government and the U.S. Treasury, and the State Treasurer's Local Agency Investment Fund. The maturities of the investments range from 1 day to 5 years with an average maturity of 12 months. The average yield on investments was 2.3 percent. Investment income includes appreciation in the fair value of investments. Increases in fair value during the current year, however, do not necessarily represent trends that will continue; nor is it always possible to realize such amounts, especially in the case of temporary changes in the fair value of investments that the government intends to hold to maturity.

Risk Management. The City employs a full-time Risk Manager to oversee the processing of claims filed against the City, to procure appropriate insurance coverages, and to design and implement loss prevention programs. The City maintains self-insured retentions for property damage, workers' compensation, and general liability of $5,000, $500,000, and $1,000,000, respectively. Various insurance carriers provide the City with excess coverage for claims that exceed these amounts. The City is fully self-insured for unemployment insurance claims. Health, dental, life, short-term, and long-term disability insurance coverages are also made available to City employees through a number of different insurance carriers.

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

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

The City also provides postretirement health benefits for certain retirees and their spouses. As of the end of the current fiscal year, there were 39 retired employees receiving these benefits, which were financed on a pay-as-you-go basis. GAAP do not require governments to report a liability in the financial statements in connection with a employer's obligation to provide these benefits.

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

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, 2003 was $38,516,654. Actual tax revenues received and appropriated during the fiscal year were well under this limit.

Awards and Acknowledgements. The Government Finance Officers Association of the United States and Canada (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, 2002. This was the twenty-third consecutive year that the City has received this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized CAFR. This report must satisfy both GAAP and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year. The City believes that its 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 and contributed to the preparation of this report, and to Diehl, Evans & Company, LLP, the City's independent auditors, who assisted and contributed to its preparation.

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

Respectfully submitted,

Steve Elam, Director
Department of Administrative Services

OFFICIALS OF THE CITY OF SIMI VALLEY

Members of the City Council

BILL DAVIS, Mayor
STEVEN T. SOJKA, Mayor Pro Tem
BARBRA WILLIAMSON, Council Member
PAUL MILLER, Council Member
GLEN T. BECERRA , Council Member

Administrative Staff

Mike Sedell . . . . . City Manager

David H. Hirsch . . . . . City Attorney

Diane Jones . . . . . Director of Community Services

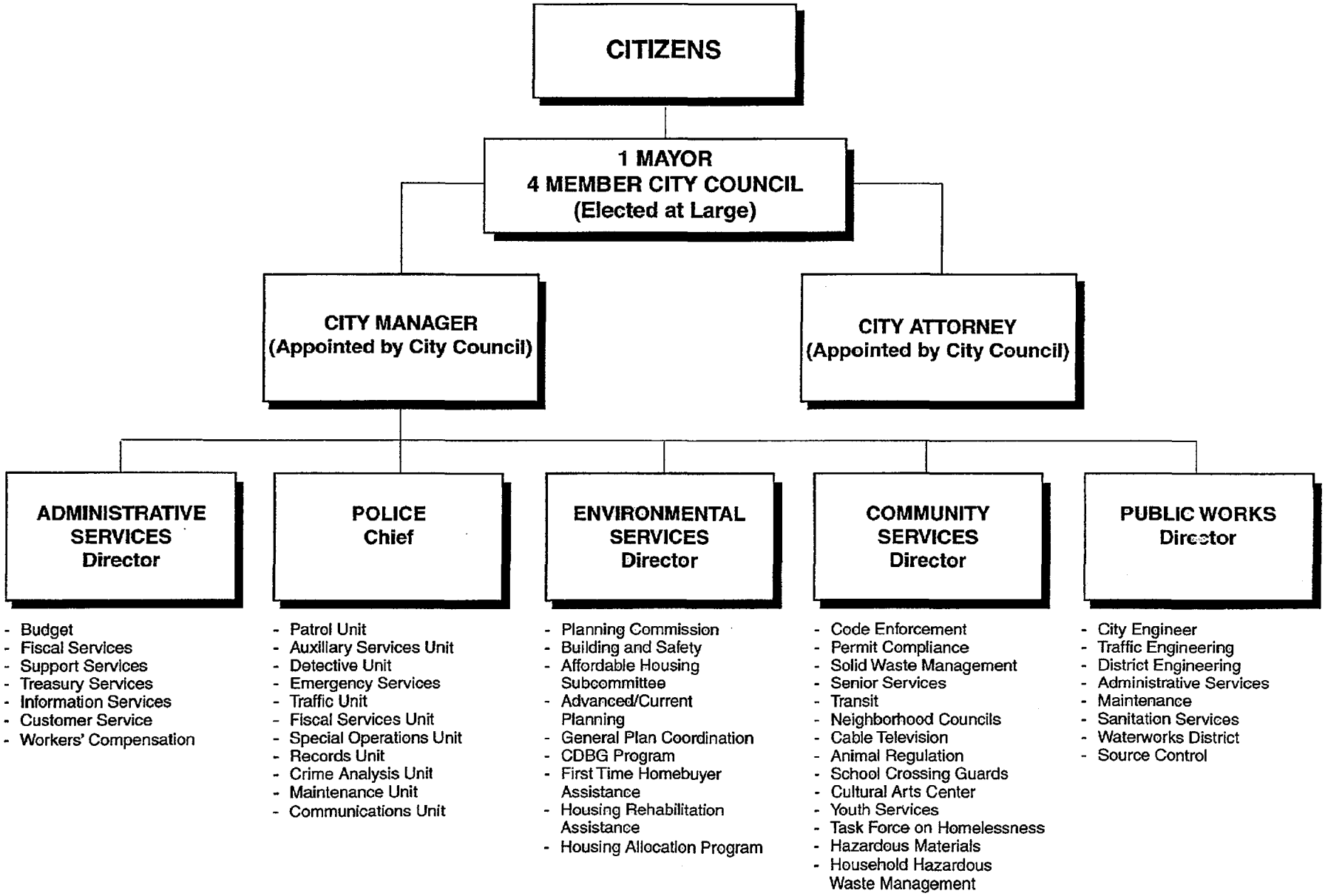
Al Boughey . . . . . Director of Environmental Services

Steve Elam . . . . . Director of Administrative Services

Timothy P. Nanson . . . . . Director of Public Works

Mark Layhew . . . . . Chief of Police

ORGANIZATION of the City of SIMI VALLEY



Certificate of Achievement for Excellence in Financial Reporting

Presented to

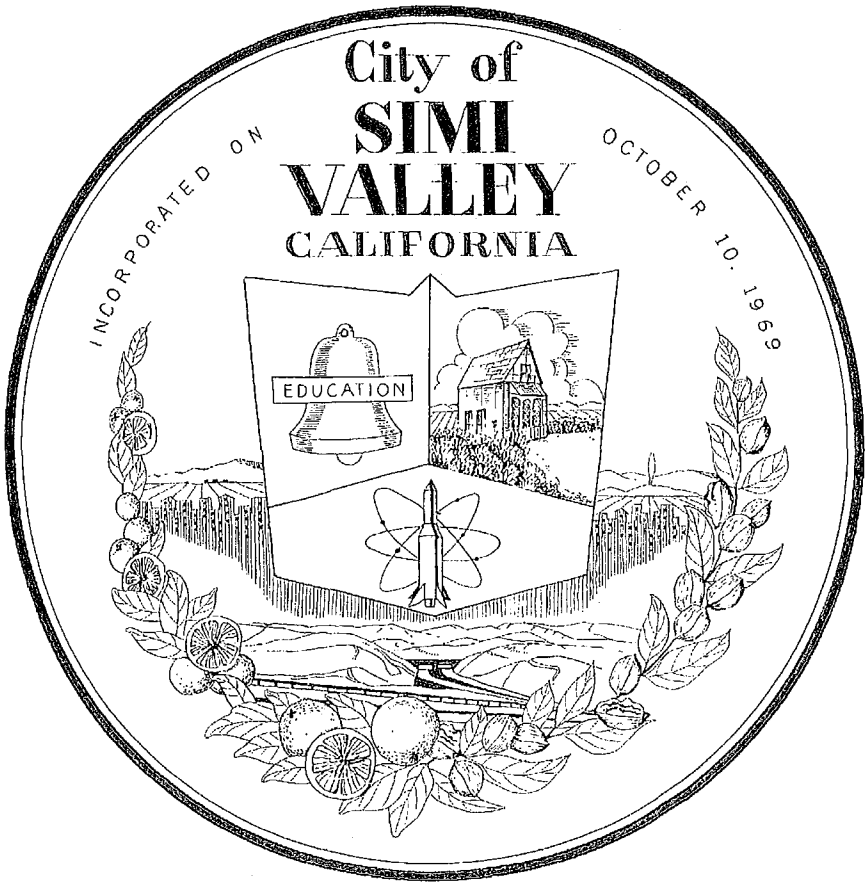
City of Simi Valley, California

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2002

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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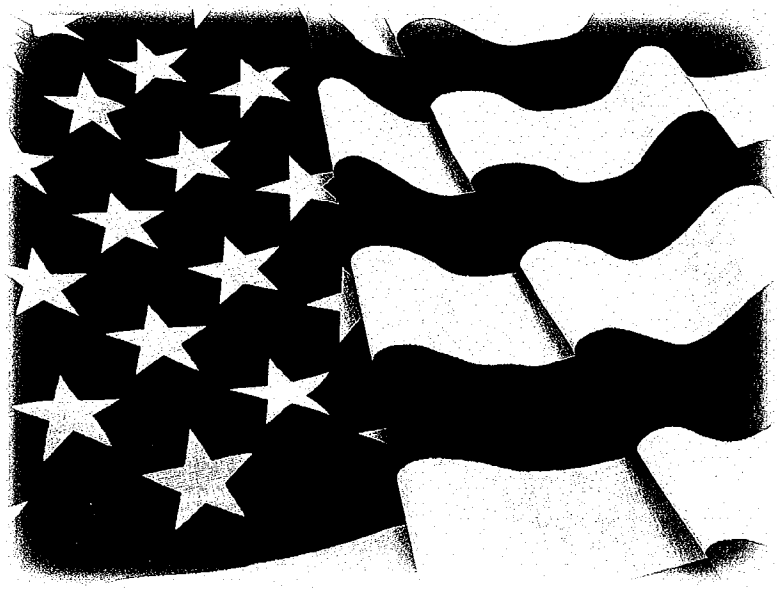

Independent Auditors' Report

DIEHL, EVANS & COMPANY, LLP
CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

A PARTNERSHIP INCLUDING ACCOUNTANCY CORPORATIONS

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*A PROFESSIONAL CORPORATION

October 17, 2003

INDEPENDENT AUDITORS' REPORT

City Council
City of Simi Valley
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, 2003, 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, 2003, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund, the Merged Tapo Canyon and West End Tax Increment and the Development Related Fees Special Revenue Funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note 1 to the basic financial statements, the accompanying financial statements reflect certain changes in the presentation of financial data required as a result of the Implementation of Governmental Accounting Standards Board Statement No. 34 for the year ended June 30, 2003.

In accordance with Government Auditing Standards, we have also issued our report dated October 17, 2003 on our consideration of the City of Simi Valley's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

The management's discussion and analysis and the Schedule of Funding Progress information 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 introductory section, other supplemental information and statistical section as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. The other supplemental information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion is fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Diehl, Evans and Company, LLP

Management's Discussion and Analysis

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, 2003. 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 $180,928,131 (*net assets*). Of this amount, $48,192,756 (*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 $27,418,461. The majority of this increase is the result of capitalizing infrastructure completed during the current fiscal year.

- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of $65,517,738, a decrease of $11,288,307 in comparison with the prior year. This decrease resulted from recording a $12 million advance from the City to the Community Development Agency (a blended component unit of the City) in special revenue funds. Prior to fiscal year 2002-03 this advance was recorded in the general long-term debt account group. Approximately half of the ending fund balance amount, $37,583,105, is *available for spending* at the government's discretion (*unreserved fund balance*).

- At the end of the current fiscal year, the unreserved/undesignated fund balance for the General fund was $5,627,722. This amount represents the *Prudent Reserve for Economic Uncertainty* established by the City Council at 13 percent of budgeted General fund expenditures.

- The City of Simi Valley's total liabilities increased by $3.8 million during the current fiscal year. The key factors in this increase were an increase in excess of $3.3 million in workers' compensation claims, and an increase of $0.3 million in the liability for compensated absences.

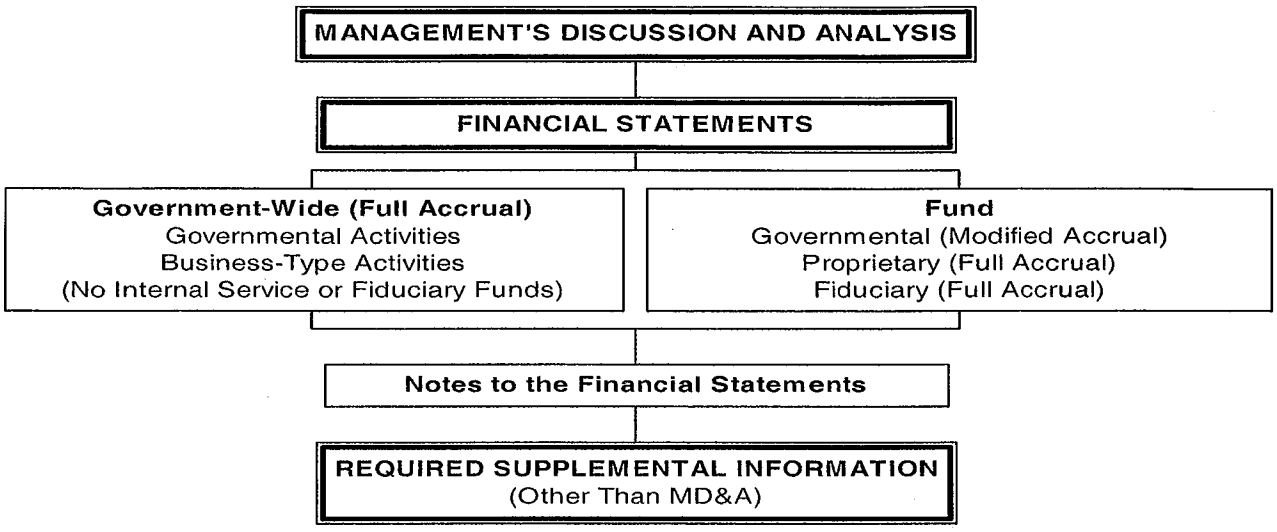
Overview of the Financial Statements

This discussion and analysis are 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

This is the first year that the City has presented its financial statements under the new reporting model created by Governmental Accounting Standards Board Statement No. 34 (GASB34), *Basic Financial Statements and Management Discussion and Analysis – for State and Local Governments*. This presentation has significantly changed both the recording and presentation of financial data. It is 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 certain restated 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 seventy individual governmental funds in its financial system and presents them grouped by related activities as six major and twenty-six 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 six major funds: the General fund, the Merged Tapo Canyon and West End Tax Increment fund, the Development Related Fees fund, the Streets and Roads fund, the Police Facility, and the Public Facility Improvements fund. Data from the other twenty-six 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 an annual appropriated budget for its General fund. A budgetary comparison statement has been provided for the General fund and the major special revenue funds to demonstrate compliance with this budget. Budgetary comparison schedules are also provided for the budgeted nonmajor special revenue funds in the *Supplementary Information* section.

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.

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 statement because the resources of these funds are *not* available to support the City's programs.

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 required supplementary information on pensions.

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 $180,928,131 at the close of the most recent fiscal year.

A significant portion of the City's net assets (37 percent) reflects its investment in capital assets net of accumulated depreciation (land, buildings, machinery and equipment), less any related debt used to acquire those assets that is still outstanding. The City uses these assets to provide 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 (33 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets (30 percent) 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 2002-03	FY 2001-02	FY 2002-03	FY 2001-02	FY 2002-03	FY 2001-02
Current and other assets	$84,564,686	$78,623,114	$37,579,333	$40,191,172	$122,144,019	$118,814,286
Capital assets	65,105,713	43,027,333	61,454,844	53,874,547	126,560,557	96,901,880
Total assets	149,670,399	121,650,447	99,034,177	94,065,719	248,704,576	215,716,166
Long-term liabilities outstanding	48,774,500	46,729,146	3,326,592	6,279,772	52,101,092	53,008,918
Other liabilities	14,971,031	8,496,629	704,322	700,949	15,675,353	9,197,578
Total liabilities	63,745,531	55,225,775	4,030,914	6,980,721	67,776,445	62,206,496
Net assets:						
Invested in capital assets, net of related debt	25,526,553	2,712,333	61,454,844	53,874,547	86,981,397	56,586,880
Restricted	24,562,489	27,825,845	21,191,489	22,723,643	45,753,978	50,549,488
Unrestricted	35,835,826	35,886,494	12,356,930	10,486,808	48,192,756	46,373,302
Total net assets	$85,924,868	$66,424,672	$95,003,263	$87,084,998	$180,928,131	$153,509,670
Total Liabilities and Net Assets	$149,670,399	$121,650,447	$99,034,177	$94,065,719	$248,704,576	$215,716,166

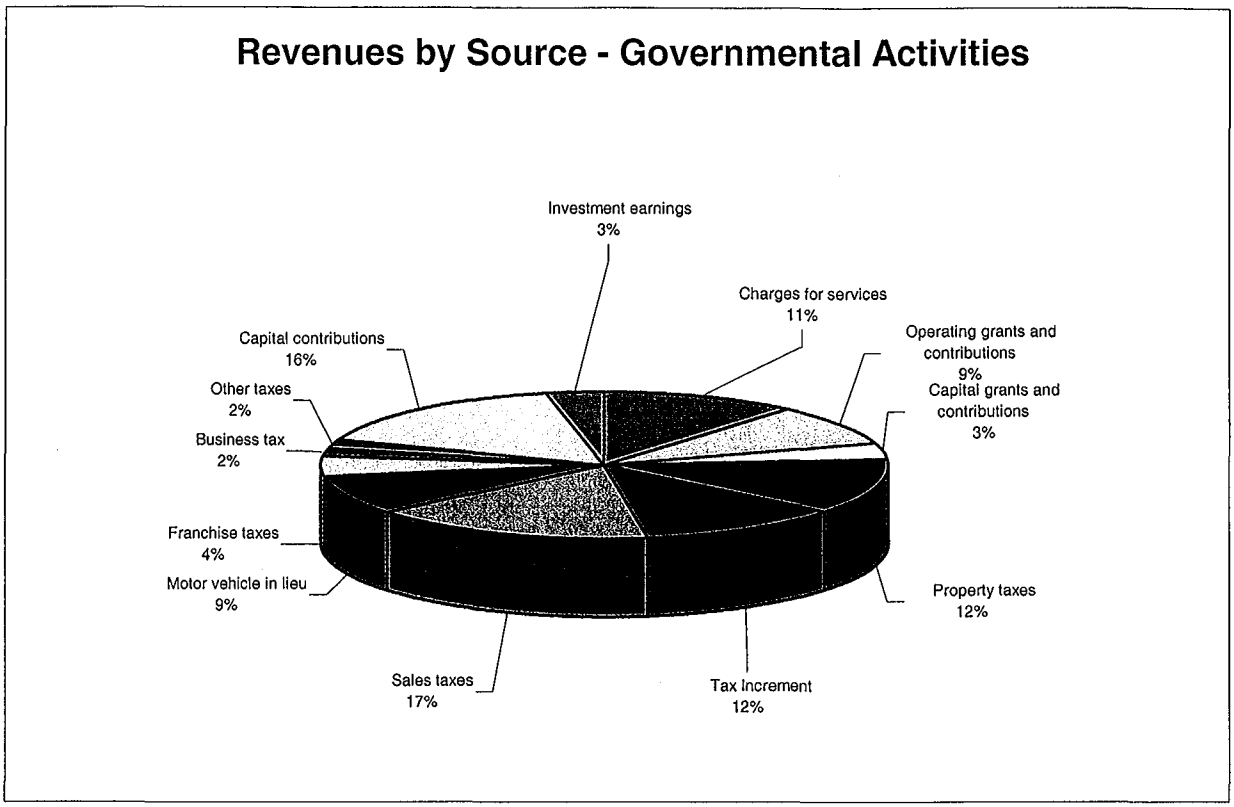
At the end of the current fiscal year, the City is able to report positive balances in all three categories of net assets, both for the government as a whole, as well as for its separate governmental and business-type activities. The same was true for the prior fiscal year.

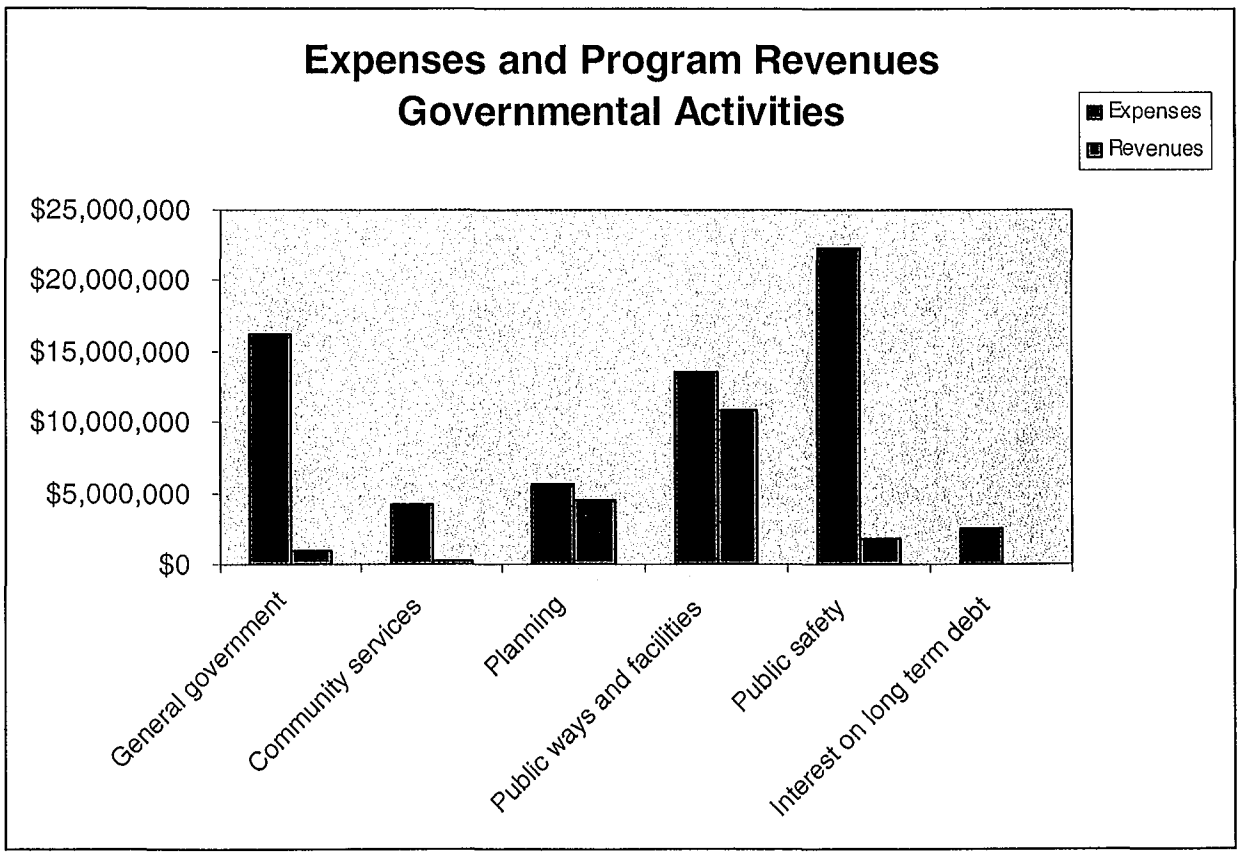
City of Simi Valley's Changes in Net Assets

	Governmental Activities		Business-Type Activities		Total	
	FY 2002-03	FY 2001-02	FY 2002-03	FY 2001-02	FY 2002-03	FY 2001-02
Revenues:						
Program Revenues:						
Charges for services	$ 8,699,447	$ 5,640,750	$28,429,276	$27,626,973	$ 37,128,723	$ 33,267,723
Operating grants and contributions	7,167,543	7,513,179	1,768,330	1,742,921	8,935,873	9,256,100
Capital grants and contributions	2,670,613	3,359,265	192,736	2,534,418	2,863,349	5,893,683
General Revenues:						
Property taxes & tax increment	18,895,135	17,410,850	-	-	18,895,135	17,410,850
Other taxes	19,149,892	18,950,771	-	-	19,149,892	18,950,771
Capital contributions	12,742,118	-	8,149,624	1,593,112	20,891,742	1,593,112
Other	9,484,312	13,321,357	855,418	1,592,214	10,339,730	14,913,571
Total revenues	78,809,060	66,196,172	39,395,384	35,089,638	118,204,444	101,285,810
Expenses:						
General government	16,213,555	17,493,403	-	-	16,213,555	17,493,403
Community services	4,196,666	2,850,260	-	-	4,196,666	2,850,260
Planning	5,695,344	6,080,134	-	-	5,695,344	6,080,134
Public ways and facilities	13,501,151	20,767,176	-	-	13,501,151	20,767,176
Public safety	22,380,396	20,118,316	-	-	22,380,396	20,118,316
Interest on long-term debt	2,487,785	3,552,996	-	-	2,487,785	3,552,996
Indirect expense allocation	(3,495,000)	(3,604,900)	3,495,000	3,604,900	-	-
Sanitation	-	-	9,649,662	10,158,274	9,649,662	10,158,274
Water	-	-	17,235,501	17,578,124	17,235,501	17,578,124
Transit	-	-	3,455,148	3,095,453	3,455,148	3,095,453
Total expenses	60,979,897	67,257,385	33,835,311	34,436,751	94,815,208	101,694,136
Change in net assets before transfers	17,829,163	(1,061,213)	5,560,073	652,887	23,389,236	(408,326)
Transfers	(1,066,859)	(1,033,012)	1,066,859	1,037,112	-	4,100
Change in Net Assets	16,762,304	(2,094,225)	6,626,932	1,689,999	23,389,236	(404,226)
Net assets - beginning of the year	69,162,564	71,256,789	88,376,331	86,686,332	157,538,895	157,943,121
Net Assets - ending	$85,924,868	$69,162,564	$95,003,263	$88,376,331	$180,928,131	$157,538,895

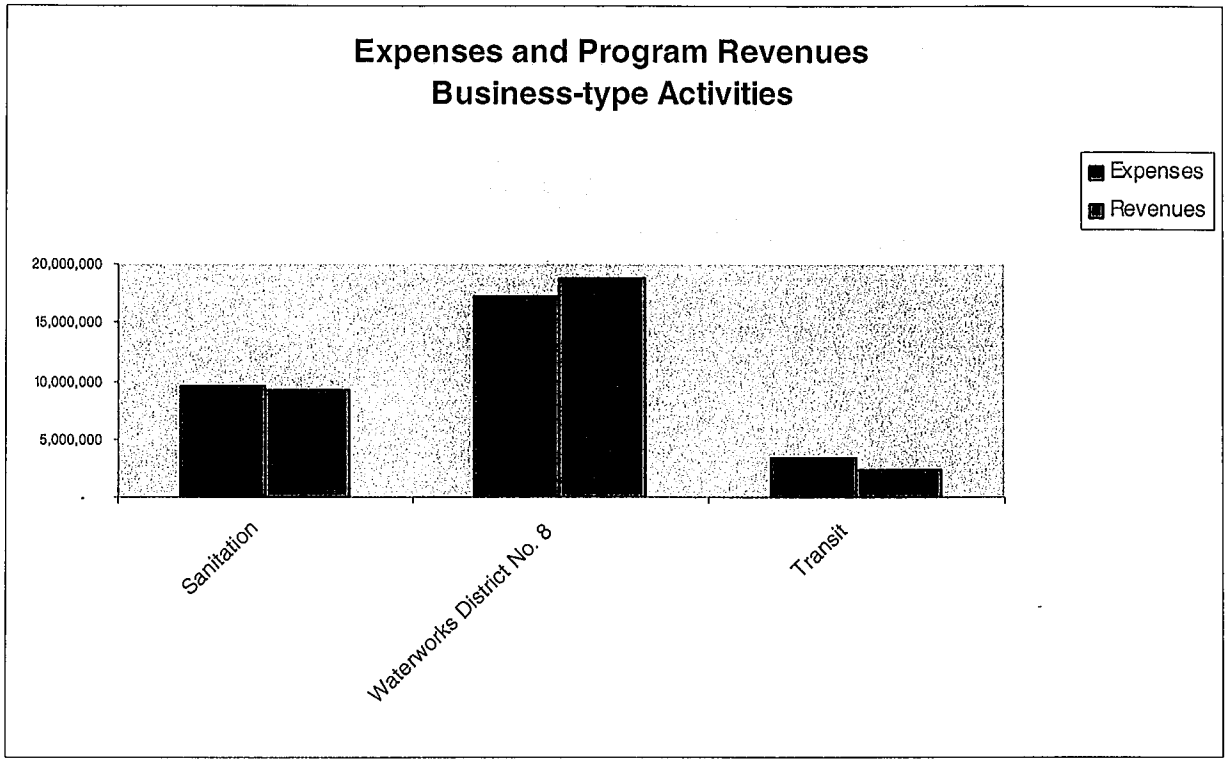
The City's total net assets increased by $23.8 million primarily as a result of implementing GASB34 and the resulting change in measurement focus and basis of accounting from the near-term inflows and outflows of spendable resources of the fund financial statements to the long-term view of the government-wide financial statements. The majority of this increase ($22 million) is the result of capitalizing governmental infrastructure, such as streets and roads, completed during the current fiscal year. Prior to fiscal year 2002-03 these expenditures were expensed. Investment in capital assets also increased in the City's business-type activities by $7 million.

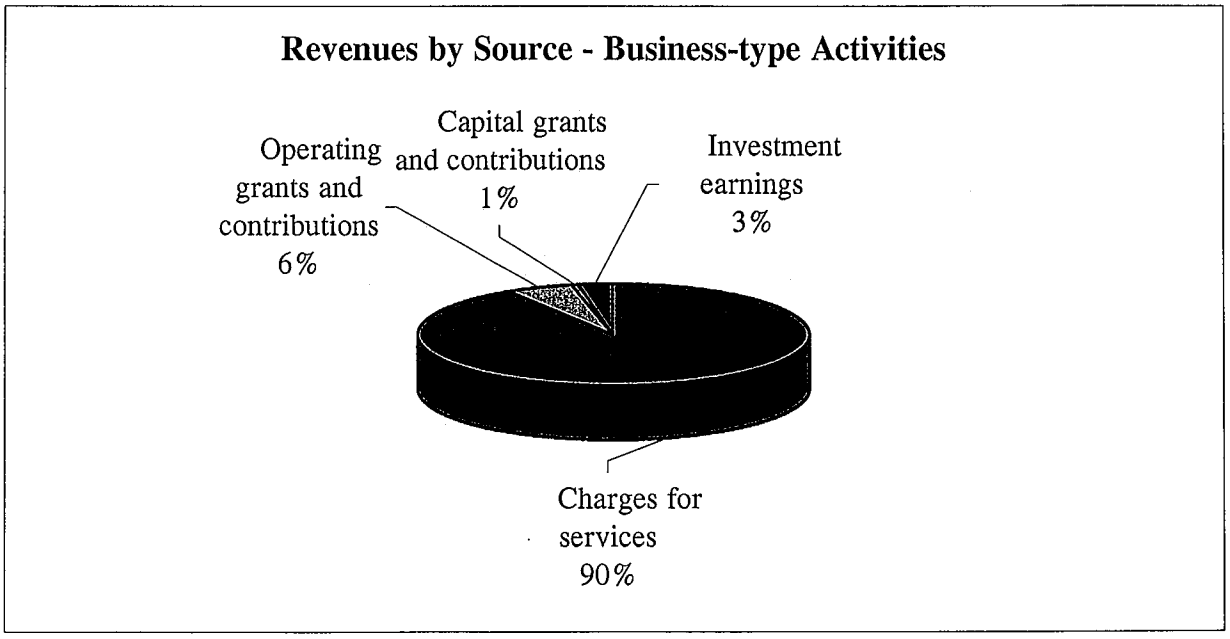
Governmental Activities. During the current fiscal year the City's net assets increased by $23,389,236. Governmental activities increased net assets by $16,762,304, accounting for 72 percent of the growth. The majority of this increase resulted from capitalizing infrastructure. However, there were slight increases in some revenue sources and decreases in some expenses. For the most part, increases in expenses closely paralleled inflation and growth in the demand for services.


Revenues by Source - Governmental Activities
Investment earnings 3%
Charges for services 11%
Operating grants and contributions 9%
Capital grants and contributions 3%
Property taxes 12%
Tax Increment 12%
Sales taxes 17%
Motor vehicle in lieu 9%
Franchise taxes 4%
Business tax 2%
Other taxes 2%
Capital contributions 16%


Expenses and Program Revenues
Governmental Activities
Expenses
Revenues
$25,000,000
$20,000,000
$15,000,000
$10,000,000
$5,000,000
$0
General government
Community services
Planning
Public ways and facilities
Public safety
Interest on long term debt

Business-type Activities. Business-type activities increased the City's net assets by $6,626,932, accounting for 28 percent of the total growth in the City's net assets. The majority of this increase resulted from capital contributions of infrastructure, completed during the fiscal year, donated to the City by developers.





Financial Analysis of the Government's Funds

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

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

At the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of $65,517,738, an increase of $3,836,749 over the prior year. Approximately half of this total amount ($37,583,105) constitutes *unreserved fund balance*, which is available to meet the City's current and future needs. The remainder of the fund balance 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 ($2,671,903); (2) to pay debt service ($4,418,047); and (3) for advances to other funds and loans receivable not due in the upcoming fiscal year.

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 $5,627,722, while total fund balance reached $30,993,657. 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 percent of budgeted General fund expenditures, established as a *Prudent Reserve for Economic Uncertainty* by the City Council.

The fund balance of the City's General fund increased by $1,301,355 during the current fiscal year. This increase is primarily due to increases in property tax revenue of $1.6 million. Of this increase, $0.4 million represents reimbursement by the County of Ventura for secondary system storm drain maintenance performed by the City in fiscal year 2001-02.

The net change in the fund balance of the Merged Tapo Canyon and West End Tax Increment fund was $1,817,531. This resulted from a 3 percent increase in tax increment revenues over the prior year and reduced activity in the project areas. The excess was used to retire a portion on the advance from the General fund. The fund had an ending fund balance of -$11,795,314, a decrease of $11,288,307 in comparison with the prior year. This decrease resulted from transferring the advance from the General fund to this fund from the Long-Term Debt Account Group.

Proprietary Funds. The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net assets of the Sanitation, Waterworks and Transit funds were $7,553,186, $4,824,172, and $80,951, respectively. The growth in net assets for Sanitation and

Waterworks was $2,714,968 and $4,802,010, respectively. Transit fund's net assets decreased by $268,591.

General Fund Budgetary Highlights

The difference between the original budget and the final amended budget was $3.8 million, and can be briefly summarized as follows:

- $0.4 million additional contribution to the Workers' Compensation Insurance fund;
- $1.3 million in excess revenue transferred to fund capital projects in the next fiscal year;
- $1.3 million in increases allocated to the Simi Valley Town Center project;
- $0.8 million in increases appropriated to fund fiscal year 2001-02 uncompleted contracts and purchase orders.

This increase was to be funded from available fund balance. However, during the year, revenues exceeded budgetary estimates and expenditures were less than budgetary estimates, thus eliminating the need to draw upon existing fund balance.

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, 2003, amounts to $126,560,557 (net of accumulated depreciation). This investment in capital assets includes land, plant and buildings, furnishings and equipment, computers and software, vehicles, and infrastructure consisting of roads and highways, and water and sewer distribution systems. The total increase in the City's investment in capital assets for the current fiscal year was 31 percent (a 51 percent increase for governmental activities, and a 14 percent increase for business-type activities).

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

- Infrastructure constructed in new developments was completed and transferred to the City. This, in addition to street projects completed by the City, reached $22.8 million.
- Configuration of an Enterprise Resource Planning system was completed and capitalized at $3.8 million.
- Vehicles and computers were replaced per the City's replacement policy for $3.3 million.

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

	Governmental Activities		Business-Type Activities		Total	
	FY 2002-03	FY 2001-02	FY 2002-03	FY 2001-02	FY 2002-03	FY 2001-02
Land	$10,235,613	$10,235,613	$ 1,235,080	$ 1,235,080	$ 11,470,693	$11,470,693
Buildings	24,206,464	25,122,703	8,658,671	8,877,852	32,865,135	34,000,555
Furnishings and equipment	554,858	648,765	1,379,871	1,296,676	1,934,729	1,945,441
Computers	1,718,239	189,881	-	-	1,718,239	189,881
Vehicles	1,546,574	1,869,134	3,810,426	1,720,054	5,357,000	3,589,188
Infrastructure	17,545,750	-	31,662,100	26,417,313	49,207,850	26,417,313
Intangibles	3,758,646	-	-	-	3,758,646	
Construction in progress	5,539,569	4,961,237	14,708,696	14,327,573	20,248,265	19,288,810
Total	$65,105,713	$43,027,333	$61,454,844	$53,874,548	$126,560,557	$96,901,881

Long-term debt. At the end of the current fiscal year, the City had total bonded debt outstanding of $40,482,825. 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 2002-03	FY 2001-02
1993 SVPFA revenue refunding bonds	$ -	$ 31,015,000
1995 SVPFA fixed rate lease revenue bonds	8,825,000	9,300,000
2003 tax allocation bonds	31,795,000	-
Less deferred amounts	(137,175)	-
Total	$ 40,482,825	$ 40,315,000

The City's bonded debt increased by $167,825 (0.42 percent) during the current fiscal year. During the current fiscal year, the City refinanced some of its existing debt to take advantage of favorable interest rates.

- The City issued tax allocation revenue refunding bonds to refinance previously outstanding lease revenue bonds. The refinancing resulted in the term of the debt being extended and an interest rate reduction being achieved, resulting in an economic gain (difference between the present values of the old and new debt service payments) of $1.2 million.

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

Economic Factors and Next Year's Budgets and Rates

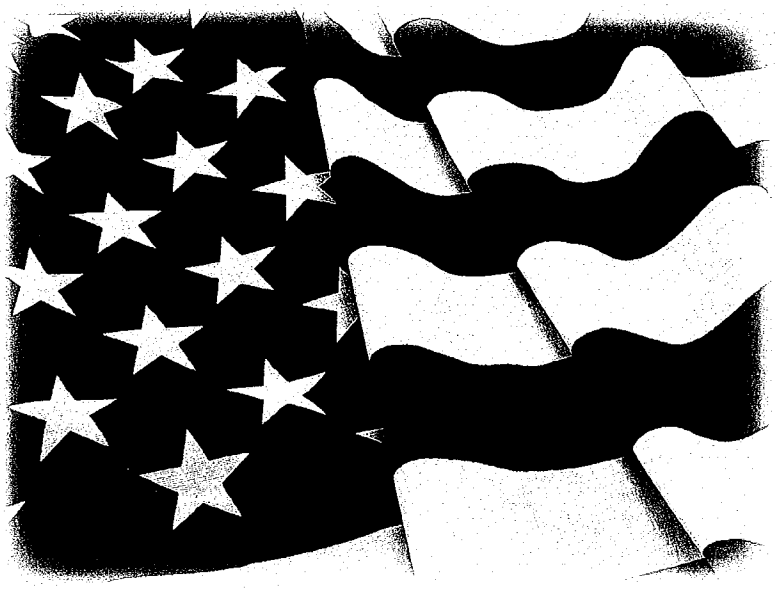
- New housing units and a strong resale market have resulted in property tax revenues outpacing inflation.
- Sales tax receipts, likewise, are exceeding inflation due to the opening of new commercial enterprises in the City. A regional mall, projected to open during 2005, is expected to have a major positive impact on sales tax revenues.
- Inflationary trends in the region compare favorably to national indices.

During the current fiscal year, fund balance in the General fund increased by $1.3 million. None of these funds have been appropriated by the City for spending in the fiscal year 2003-04 budget. The unreserved fund balance includes a prudent reserve for economic uncertainty equivalent to 13% of budgeted expenditures. In view of the current political and economic conditions at the state level, and particularly recent state actions to confiscate local government revenues, this prudent reserve may be needed on a periodic basis to maintain service levels to the City's residents.

Both water and sewer rates were increased within the last year. In February of 2003, water rates were increased by an average of 2.6% in order to maintain an adequate cash reserve, to fund the replacement of existing facilities and equipment, and to construct new facilities. In June of 2003, sewer rates were increased by 20% in order to maintain an adequate cash reserve, to fund the replacement of existing facilities and equipment, and to construct new facilities.

Requests for Information

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



Government-Wide Financial Statements

CITY OF SIMI VALLEY
STATEMENT OF NET ASSETS
JUNE 30, 2003

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current assets:			
Cash and investments (note III A)	$ 68,286,585	$ 10,684,925	$ 78,971,510
Accounts receivable (net of allowance for uncollectibles) (note III C)	1,758,038	3,573,312	5,331,350
Taxes receivable	2,925,606	213,994	3,139,600
Grants receivable	1,242,811	2,044,900	3,287,711
Interest receivable	313,347	141,193	454,540
Internal balances (note I D 2)	1,820,290	(1,820,290)	-
Inventories	-	771,257	771,257
Prepaids (note III D)	2,316,563	-	2,316,563
Restricted cash and investments (note III A):			
Customer deposits	-	690,702	690,702
Connection fees	-	21,279,340	21,279,340
Total current assets	78,663,240	37,579,333	116,242,573
Noncurrent assets:			
Loans receivable (net of allowance for uncollectibles) (notes III B & C)	4,819,718	-	4,819,718
Property held for resale	163,251	-	163,251
Deferred charges	918,477	-	918,477
Capital assets (note III E):			
Land and construction-in-progress	15,775,182	15,943,776	31,718,958
Other capital assets (net of accumulated depreciation):			
Buildings	24,206,464	8,658,671	32,865,135
Furnishings and equipment	554,858	1,379,871	1,934,729
Computers	1,718,239	-	1,718,239
Vehicles	1,546,574	3,810,426	5,357,000
Infrastructure	17,545,750	31,662,100	49,207,850
Intangibles	3,758,646	-	3,758,646
Total noncurrent assets	71,007,159	61,454,844	132,462,003
Total assets	$ 149,670,399	$ 99,034,177	$ 248,704,576
LIABILITIES			
Current liabilities:			
Accounts payable	$ 2,407,675	$ 2,091,911	$ 4,499,586
Salaries and benefits payable	1,848,664	403,313	2,251,977
Accrued interest payable	655,686	-	655,686
Liabilities payable from restricted assets	-	778,553	778,553
Deferred revenues	4,511,234	-	4,511,234
Current portion of long-term obligations (note III G)	5,547,772	52,815	5,600,587
Total current liabilities	14,971,031	3,326,592	18,297,623
Noncurrent liabilities:			
Noncurrent portion of long-term obligations (note III G)	48,774,500	704,322	49,478,822
Total liabilities	63,745,531	4,030,914	67,776,445
NET ASSETS			
Invested in capital assets, net of related debt	25,526,553	61,454,844	86,981,397
Restricted for:			
Capital projects	15,438,915	-	15,438,915
Debt service	3,762,425	-	3,762,425
Community development	496,822	-	496,822
Other purposes	4,864,327	21,191,489	26,055,816
Unrestricted	35,835,826	12,356,930	48,192,756
Total net assets	85,924,868	95,003,263	180,928,131
Total liabilities and net assets	$ 149,670,399	$ 99,034,177	$ 248,704,576

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

CITY OF SIMI VALLEY
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2003

	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	$ 16,213,555	$ (4,336,969)	$ 11,876,586	$ 748,516	$ 304,511
Community services (CS)	4,196,666	382,800	4,579,466	130,830	122,458
Planning (ES)	5,695,344	78,550	5,773,894	3,618,017	942,002
Public ways and facilities (PW)	13,501,151	380,619	13,881,770	3,293,810	5,454,147
Public safety (PD)	22,380,396	-	22,380,396	908,274	344,425
Interest on long term debt	2,487,785	-	2,487,785	-	-
Total governmental activities	64,474,897	(3,495,000)	60,979,897	8,699,447	7,167,543
Business-type activities:					
Sanitation	9,649,662	1,284,200	10,933,862	9,184,395	-
Waterworks district no. 8	17,235,501	1,509,500	18,745,001	18,854,358	-
Transit	3,455,148	701,300	4,156,448	390,523	1,768,330
Total business-type activities	30,340,311	3,495,000	33,835,311	28,429,276	1,768,330
Total primary government	$ 94,815,208	$ -	$ 94,815,208	$ 37,128,723	$ 8,935,873

General revenues:
- Property taxes
- Tax Increment
- Sales taxes
- Motor vehicle in lieu
- Franchise taxes
- Business tax
- Other taxes
- Investment earnings
- Miscellaneous

Capital contributions-unrestricted
Transfers
- Total general revenues and transfers
- Change in net assets

Net assets-beginning

Net assets-ending

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

CITY OF SIMI VALLEY
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2003

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:
$ -	$ (10,823,559)	$ -	$ (10,823,559)	General government
-	(4,326,178)	-	(4,326,178)	Community services (CS)
-	(1,213,875)	-	(1,213,875)	Planning (ES)
2,121,113	(3,012,700)	-	(3,012,700)	Public ways and facilities (PW)
549,500	(20,578,197)	-	(20,578,197)	Public safety (PD)
-	(2,487,785)	-	(2,487,785)	Interest on long term debt
2,670,613	(42,442,294)	-	(42,442,294)	Total governmental activities
				Business-type activities:
-	-	(1,749,467)	(1,749,467)	Sanitation
-	-	109,357	109,357	Waterworks district no. 8
192,736	-	(1,804,859)	(1,804,859)	Transit
192,736	-	(3,444,969)	(3,444,969)	Total business-type activities
$ 2,863,349	(42,442,294)	(3,444,969)	(45,887,263)	Total primary government
				General revenues:
	9,747,556	-	9,747,556	Property taxes
	9,147,579	-	9,147,579	Tax Increment
	12,830,405	-	12,830,405	Sales taxes
	6,951,826	-	6,951,826	Motor vehicle in lieu
	3,366,958	-	3,366,958	Franchise taxes
	1,370,609	-	1,370,609	Business tax
	1,581,920	-	1,581,920	Other taxes
	2,532,486	831,423	3,363,909	Investment earnings
	-	23,995	23,995	Miscellaneous
	12,742,118	8,149,624	20,891,742	Capital contributions-unrestricted
	(1,066,859)	1,066,859	-	Transfers
	59,204,598	10,071,901	69,276,499	Total general revenues and transfers
	16,762,304	6,626,932	23,389,236	Change in net assets
	69,162,564	88,376,331	157,538,895	Net assets-beginning
	$ 85,924,868	$ 95,003,263	$ 180,928,131	Net assets-ending

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

City of
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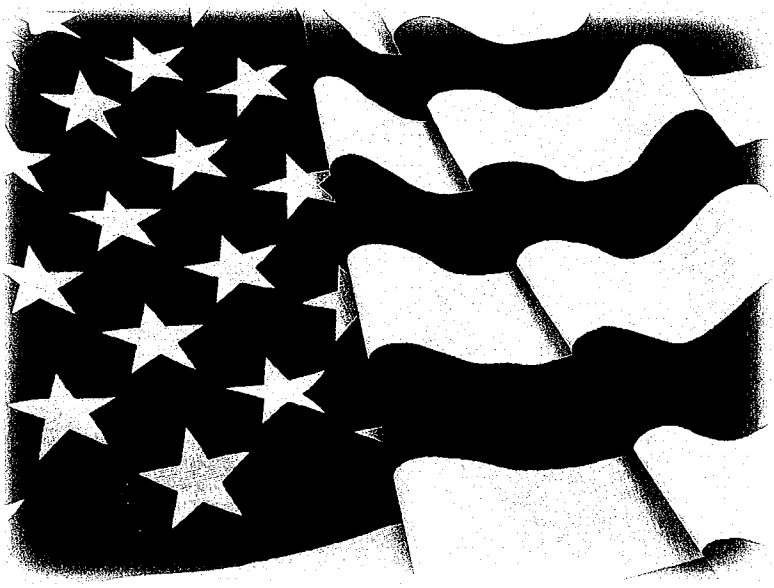
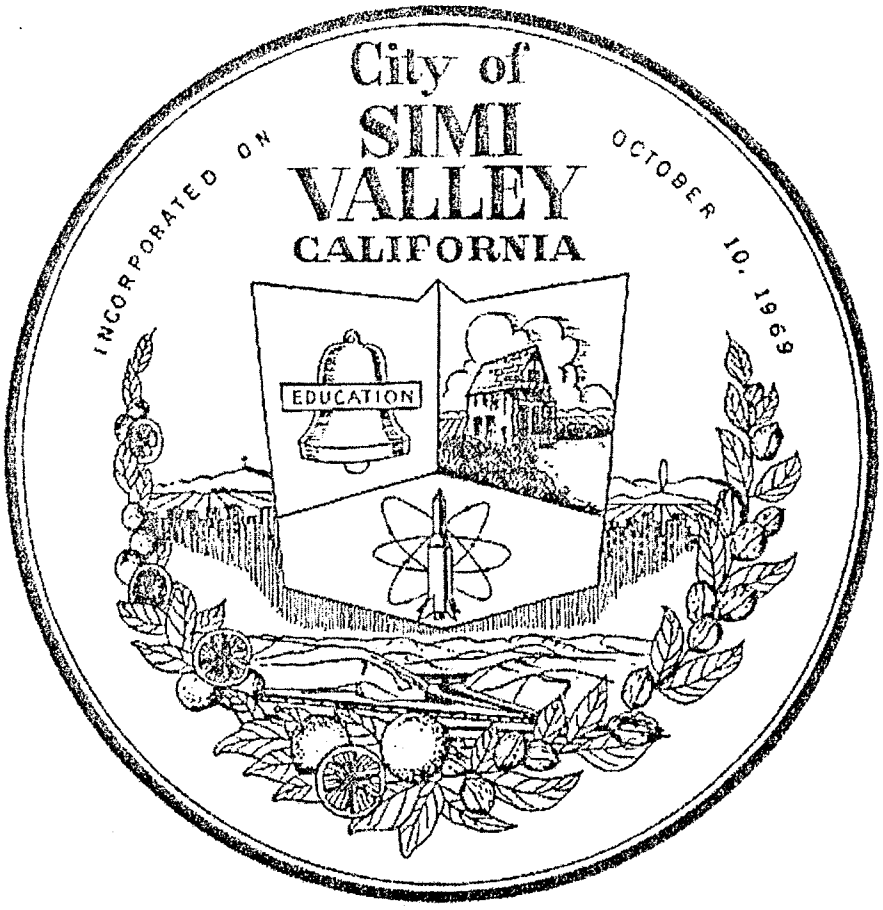


Fund Financial Statements


City of
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INCORPORATED ON OCTOBER 10, 1969
EDUCATION

CITY OF SIMI VALLEY
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2003

	General	Merged Tapo Canyon & West End Tax Increment	Development Related Fees	Streets & Roads
ASSETS				
Cash and investments (note III A):				
Held by city	$ 6,739,049	$ 62,432	$ 11,394,957	$ 2,544,087
Held by fiscal agents	-	-	-	-
Accounts receivable (net of allowance for uncollectibles) (note III C)	1,677,790	19,849	-	-
Prepaids (note III D)	-	-	-	-
Taxes receivable	2,807,316	50,996	-	-
Grants receivable	9,600	-	-	45,593
Interest receivable	114,874	14,044	55,749	635
Due from other funds (note III F)	4,364,781	-	-	-
Loans receivable (net of allowance for uncollectibles) (note III B & C)	461,300	-	-	-
Property held for resale	-	-	-	-
Advances to other funds (note III F)	17,549,816	-	-	-
TOTAL ASSETS	$ 33,724,526	$ 147,321	$ 11,450,706	$ 2,590,315
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable	$ 967,988	$ 147,323	$ 3,033	$ 7,749
Salaries and benefits payable	1,762,881	-	-	-
Due to other funds (note III F)	-	-	-	-
Advances from other funds (note III F)	-	11,795,312	-	-
Deferred revenues	-	-	-	45,593
TOTAL LIABILITIES	2,730,869	11,942,635	3,033	53,342
FUND BALANCES				
Reserved (note III H)	18,743,283	-	10,413	293,458
Unreserved, designated (note III H)	6,622,652	-	11,437,260	2,243,515
Unreserved, undesignated (note III H)	5,627,722	(11,795,314)	-	-
TOTAL FUND BALANCES (DEFICITS)	30,993,657	(11,795,314)	11,447,673	2,536,973
TOTAL LIABILITIES AND FUND BALANCES	$ 33,724,526	$ 147,321	$ 11,450,706	$ 2,590,315

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

CITY OF SIMI VALLEY
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2003

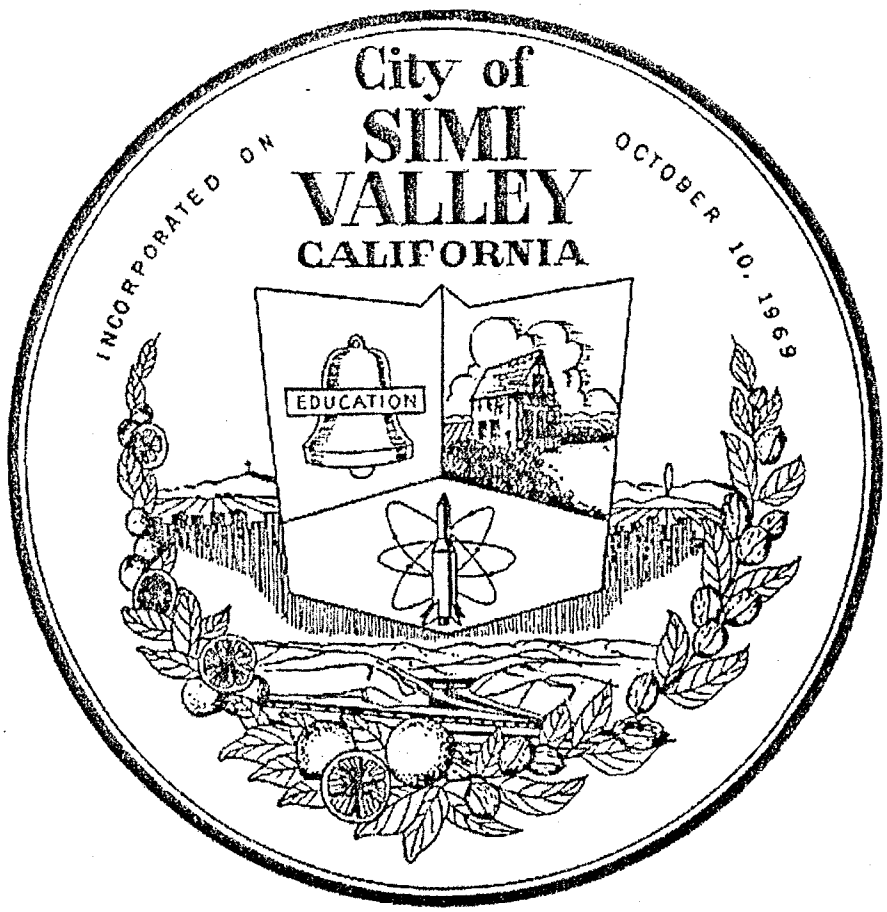
Police Facility	Public Facility Improvements	Nonmajor Governmental	Total Governmental Funds	
				ASSETS
				Cash and investments (note III A):
$ 4,111	$ 6,867,902	$ 23,408,422	$ 51,020,960	Held by city
-	-	3,240,463	3,240,463	Held by fiscal agents
-	-	60,399	1,758,038	Accounts receivable (net of allowance for uncollectibles) (note III C)
-	-	2,316,563	2,316,563	Prepaids (note III D)
-	-	67,294	2,925,606	Taxes receivable
-	-	1,187,618	1,242,811	Grants receivable
18	15,254	75,775	276,349	Interest receivable
-	-	-	4,364,781	Due from other funds (note III F)
-	-	4,358,418	4,819,718	Loans receivable (net of allowance for uncollectibles) (note III B & C)
-	-	163,251	163,251	Property held for resale
-	-	2,500,000	20,049,816	Advances to other funds (note III F)
$ 4,129	$ 6,883,156	$ 37,378,203	$ 92,178,356	TOTAL ASSETS
				LIABILITIES AND FUND BALANCES
				LIABILITIES
$ -	$ 12,035	$ 1,069,190	$ 2,207,318	Accounts payable
-	-	76,500	1,839,381	Salaries and benefits payable
1,657,992	-	987,878	2,645,870	Due to other funds (note III F)
-	3,348,380	218,124	15,361,816	Advances from other funds (note III F)
-	-	4,560,640	4,606,233	Deferred revenues
1,657,992	3,360,415	6,912,332	26,660,618	TOTAL LIABILITIES
				FUND BALANCES
1,200	383,372	8,502,907	27,934,633	Reserved (note III H)
-	3,139,369	23,000,811	46,443,607	Unreserved, designated (note III H)
(1,655,063)	-	(1,037,847)	(8,860,502)	Unreserved, undesignated (note III H)
(1,653,863)	3,522,741	30,465,871	65,517,738	TOTAL FUND BALANCES (DEFICITS)
$ 4,129	$ 6,883,156	$ 37,378,203	$ 92,178,356	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 GOVERNMENT-WIDE STATEMENT OF NET ASSETS - GOVERNMENTAL ACTIVITIES
JUNE 30, 2003

Fund balances - total governmental funds		$ 65,517,738
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 E).		65,105,713
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds:		
Deferred revenue adjustment for loan receivable	$ 95,000	
Unamortized bond issuance costs	918,477	1,013,477
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.		(522,452)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds (note III G):		
Note payable	(109,812)	
Compensated absences payable	(3,941,285)	
Accrued interest payable	(655,686)	
1995 Lease Revenue Bonds	(8,825,000)	
2003 Tax Allocation Bonds	(31,795,000)	
Unamortized bond premium	(450,724)	
Unamortized bond payable economic loss	587,899	(45,189,608)
Net assets of governmental activities		$ 85,924,868

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


City of
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CITY OF SIMI VALLEY
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2003

	General	Merged Tapo Canyon & West End Tax Increment	Development Related Fees	Streets & Roads
REVENUES				
Taxes	$ 27,671,729	$ -	$ -	$ -
Tax increment revenues	-	9,087,901	-	-
Licenses and permits	3,000,142	-	-	-
Fines and forfeitures	759,786	-	-	-
Use of money and property	956,094	80,248	273,648	3,865
From other governments	7,262,490	-	-	-
Grants	210,421	-	-	848,817
Service charges	1,840,129	139,688	553,617	-
Other revenues	783,483	10,000	610,307	-
Total revenues	42,484,274	9,317,837	1,437,572	852,682
EXPENDITURES				
Current:				
General government	3,651,989	102,751	-	-
Community services (CS)	4,468,175	-	-	-
Planning (ES)	3,140,989	-	43,295	-
Public ways and facilities (PW)	10,185,176	-	-	-
Public safety (PD)	19,217,273	-	-	-
Total current expenditures	40,663,602	102,751	43,295	-
Capital outlay:				
Streets and roads	-	-	-	1,828,988
Other capital projects	-	-	-	-
Total capital outlay	-	-	-	1,828,988
Debt service:				
Refunding escrow	-	-	-	-
Refunding bond issuance costs	-	-	-	-
Principal	-	-	-	-
Interest	-	346,210	-	-
Administration	-	-	-	-
Total debt service	-	346,210	-	-
Intergovernmental	-	3,110,408	-	-
Total expenditures	40,663,602	3,559,369	43,295	1,828,988
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	1,820,672	5,758,468	1,394,277	(976,306)
OTHER FINANCING SOURCES (USES)				
Transfers in (note III F)	5,450,884	246,424	-	640,771
Transfers out (note III F)	(5,970,201)	(4,187,361)	(1,064,761)	-
Refunding bonds issued (note III G)	-	-	-	-
Payment to refunded bond escrow agent (note III G)	-	-	-	-
Total other financing sources (uses)	(519,317)	(3,940,937)	(1,064,761)	640,771
NET CHANGE IN FUND BALANCES	1,301,355	1,817,531	329,516	(335,535)
FUND BALANCES (DEFICITS)-BEGINNING, AS RESTATED	29,692,302	(13,612,845)	11,118,157	2,872,508
FUND BALANCES (DEFICITS)-ENDING	$ 30,993,657	$ (11,795,314)	$ 11,447,673	$ 2,536,973

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, 2003

Police Facility	Public Facility Improvements	Nonmajor Governmental	Total Governmental Funds	
				REVENUES
$ -	$ -	$ 1,626,018	$ 29,297,747	Taxes
-	-	59,678	9,147,579	Tax increment revenues
-	-	-	3,000,142	Licenses and permits
-	-	-	759,786	Fines and forfeitures
95	78,636	1,062,428	2,455,014	Use of money and property
-	-	5,831,746	13,094,236	From other governments
-	-	2,536,691	3,595,929	Grants
-	-	846,888	3,380,322	Service charges
-	-	144,239	1,548,029	Other revenues
95	78,636	12,107,688	66,278,784	Total revenues
				EXPENDITURES
				Current:
-	-	2,901,883	6,656,623	General government
-	-	13,636	4,481,811	Community services (CS)
-	-	2,392,011	5,576,295	Planning (ES)
-	-	2,279,199	12,464,375	Public ways and facilities (PW)
-	-	611,277	19,828,550	Public safety (PD)
-	-	8,198,006	49,007,654	Total current expenditures
				Capital outlay:
-	-	-	1,828,988	Streets and roads
20,100	281,681	3,414,830	3,716,611	Other capital projects
20,100	281,681	3,414,830	5,545,599	Total capital outlay
				Debt service:
-	-	1,666,163	1,666,163	Refunding escrow
-	-	930,403	930,403	Refunding bond issuance costs
-	-	1,249,101	1,249,101	Principal
-	-	2,206,713	2,552,923	Interest
-	-	7,594	7,594	Administration
-	-	6,059,974	6,406,184	Total debt service
-	-	22,149	3,132,557	Intergovernmental
20,100	281,681	17,694,959	64,091,994	Total expenditures
(20,005)	(203,045)	(5,587,271)	2,186,790	EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES
				OTHER FINANCING SOURCES (USES)
-	-	9,906,142	16,244,221	Transfers in (note III F)
-	-	(6,446,557)	(17,668,880)	Transfers out (note III F)
-	-	32,251,576	32,251,576	Refunding bonds issued (note III G)
-	-	(29,176,958)	(29,176,958)	Payment to refunded bond escrow agent (note III G)
-	-	6,534,203	1,649,959	Total other financing sources (uses)
(20,005)	(203,045)	946,932	3,836,749	NET CHANGE IN FUND BALANCES
(1,633,858)	3,725,786	29,518,939	61,680,989	FUND BALANCES (DEFICITS)-BEGINNING, AS RESTATED
$ (1,653,863)	$ 3,522,741	$ 30,465,871	$ 65,517,738	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
JUNE 30, 2003

Net change in fund balances - total governmental funds		$ 3,836,749
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	$ 12,742,118	
Capital outlay	4,118,207	
Depreciation expense	(1,965,069)	
Loss on disposition of assets	(12,295)	14,882,961
Refunding of long-term debt affects current financial resources in governmental funds. Also governmental funds report premiums, issuance costs and economic gain/loss when debt is issued. However, refunding of debt does not affect net assets, and the other costs are deferred and amortized in the statement of activities.		
Issuance of tax allocation refunding bonds	(31,795,000)	
Unamortized premium on bonds	(456,576)	
Unamortized economic loss on refunding	598,121	
Unamortized issuance costs	930,403	
Debt issue refunded	30,245,000	(478,052)
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:		
Note payable	4,101	
Tax increment bonds	770,000	
Lease revenue bonds	475,000	1,249,101
Expenditures that do not use current financial resources are not reported in governmental funds, but are recorded as expenses in the statement of activities.		
Net debt service interest accrual	81,434	
Amortization of bond issuance costs	(11,926)	
Amortization of economic loss on refunding	(10,222)	
Amortized premium on bonds	5,852	
Compensated absences	(345,919)	(280,781)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		(400,299)
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.		(2,047,375)
Change in net assets of governmental activities		$ 16,762,304

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, 2003

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
REVENUES				
Taxes:				
Sales	$ 12,533,200	$ 12,533,200	$ 12,830,405	$ 297,205
Property	7,171,000	7,171,000	8,521,837	1,350,837
Franchise	3,295,800	3,295,800	3,366,958	71,158
Business and other	2,900,000	2,900,000	2,952,529	52,529
Licenses and permits	2,385,200	2,385,200	3,000,142	614,942
From other governments	7,139,900	7,139,900	7,262,490	122,590
Grants	-	-	210,421	210,421
Service charges	1,403,400	1,403,400	1,840,129	436,729
Fines and forfeitures	640,000	640,000	759,786	119,786
Use of money and property	1,588,100	1,588,100	956,094	(632,006)
Other revenues	550,500	550,500	783,483	232,983
Total revenues	39,607,100	39,607,100	42,484,274	2,877,174
EXPENDITURES				
Current:				
City administration	2,483,300	2,546,100	2,386,343	159,757
Attorney	777,400	776,800	762,544	14,256
Administrative services and city-wide support (AS)*	984,100	1,041,851	503,102	538,749
Planning (ES)	3,312,700	3,303,420	3,140,989	162,431
Community services (CS)	4,868,900	4,899,800	4,468,175	162,431
Public ways and facilities (PW)	10,978,300	11,392,700	10,185,176	1,207,524
Public safety (PD)	19,193,700	19,329,500	19,217,273	112,227
Total expenditures	42,598,400	43,290,171	40,663,602	2,357,375
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(2,991,300)	(3,683,071)	1,820,672	5,234,549
OTHER FINANCING SOURCES (USES)				
Transfers in	5,444,000	5,444,000	5,450,884	6,884
Transfers out	(2,936,600)	(6,040,443)	(5,970,201)	70,242
Total other financing sources (uses)	2,507,400	(596,443)	(519,317)	77,126
NET CHANGE IN FUND BALANCE	(483,900)	(4,279,514)	1,301,355	5,311,675
FUND BALANCE-BEGINNING, AS RESTATED	29,692,302	29,692,302	29,692,302	-
FUND BALANCE-ENDING	$ 29,208,402	$ 25,412,788	$ 30,993,657	$ 5,311,675

*net of reimbursements

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

CITY OF SIMI VALLEY
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - MERGED TAPO CANYON AND WEST END TAX INCREMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2003

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
REVENUES				
Tax increment revenues	$ 8,915,800	$ 8,915,800	$ 9,087,901	$ 172,101
Use of money and property	139,200	139,200	80,248	(58,952)
Service revenues	-	173,285	139,688	(33,597)
Other revenues	10,000	10,000	10,000	-
Total revenues	9,065,000	9,238,285	9,317,837	79,552
EXPENDITURES				
Current:				
General government:				
Reimbursement to general fund	-	389,000	-	389,000
Materials, supplies and services	604,700	611,600	42,722	568,878
Contract services	77,100	77,100	60,029	17,071
Total general government	681,800	1,077,700	102,751	974,949
Debt service:				
Interest	724,300	724,300	346,210	378,090
Intergovernmental	2,813,800	3,071,952	3,110,408	(38,456)
Total expenditures	4,219,900	4,873,952	3,559,369	1,314,583
EXCESS OF REVENUES OVER EXPENDITURES	4,845,100	4,364,333	5,758,468	1,394,135
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	246,424	246,424
Transfers out	(5,421,100)	(5,788,510)	(4,187,361)	1,601,149
Total other financing sources (uses)	(5,421,100)	(5,788,510)	(3,940,937)	1,847,573
NET CHANGE IN FUND BALANCES	(576,000)	(1,424,177)	1,817,531	3,241,708
FUND BALANCES (DEFICITS)-BEGINNING, AS RESTATED	(13,612,845)	(13,612,845)	(13,612,845)	-
FUND BALANCES (DEFICITS)-ENDING	$ (14,188,845)	$ (15,037,022)	$ (11,795,314)	$ 3,241,708

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

CITY OF SIMI VALLEY
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - DEVELOPMENT RELATED FEES
FOR THE FISCAL YEAR ENDED JUNE 30, 2003

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
REVENUES				
Use of money and property	$ 328,700	$ 336,300	$ 273,648	$ (62,652)
Service charges	408,000	418,500	553,617	135,117
Other revenues	454,100	454,100	610,307	156,207
Total revenues	1,190,800	1,208,900	1,437,572	228,672
EXPENDITURES				
Current:				
Environmental services:				
Housing programs	-	64,000	43,295	20,705
Capital outlay	-	6,300	-	6,300
Total expenditures	-	70,300	43,295	27,005
OTHER FINANCING SOURCES (USES)				
Transfers out	(1,369,800)	(1,470,200)	(1,064,761)	405,439
NET CHANGE IN FUND BALANCES	(179,000)	(331,600)	329,516	661,116
FUND BALANCES-BEGINNING	11,118,157	11,118,157	11,118,157	-
FUND BALANCES-ENDING	$ 10,939,157	$ 10,786,557	$ 11,447,673	$ 661,116

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

CITY OF SIMI VALLEY
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
JUNE 30, 2003

	Business-type Activities - Enterprise Funds				Governmental Activities Internal Service Funds
	Simi Valley Sanitation	Ventura County Waterworks District No. 8	Simi Valley Transit System	Total	
ASSETS					
Current assets:					
Cash and investments (note III A)	$ 7,531,130	$ 3,153,795	$ -	$ 10,684,925	$ 14,025,162
Customer receivable	157,628	2,424,720	-	2,582,348	-
Other receivable	210,590	736,589	43,785	990,964	-
Taxes receivable	213,994	-	-	213,994	-
Grants receivable	-	-	2,044,900	2,044,900	-
Inventories	136,897	536,423	97,937	771,257	-
Interest receivable	95,485	45,708	-	141,193	36,998
Total current assets	8,345,724	6,897,235	2,186,622	17,429,581	14,062,160
Noncurrent assets:					
Restricted cash and investments:					
Customer deposits	-	690,702	-	690,702	-
Connection fees (note III A)	14,015,099	7,264,241	-	21,279,340	-
Capital assets (net of accumulated depreciation) (note III E):					
Land	765,660	469,420	-	1,235,080	-
Buildings and improvements	6,284,178	633,678	1,740,815	8,658,671	-
Furnishings and equipment	385,730	435,913	558,228	1,379,871	-
Vehicles	383,510	238,260	3,188,656	3,810,426	-
Distribution system	20,112,930	11,541,212	7,958	31,662,100	-
Construction-in-progress	10,874,059	3,834,637	-	14,708,696	-
Total noncurrent assets	52,821,166	25,108,063	5,495,657	83,424,886	-
TOTAL ASSETS	$ 61,166,890	$ 32,005,298	$ 7,682,279	$ 100,854,467	$ 14,062,160
LIABILITIES					
Current liabilities:					
Accounts payable	$ 263,210	$ 1,768,295	$ 60,406	$ 2,091,911	$ 200,357
Salaries and benefits payable	198,013	106,711	98,589	403,313	9,283
Compensated absences	29,778	15,912	7,125	52,815	11,941
Due to other funds (note III F)	-	-	1,718,911	1,718,911	-
Claims and legal services payable	-	-	-	-	3,803,106
Total current liabilities	491,001	1,890,918	1,885,031	4,266,950	4,024,687
Current liabilities payable from restricted assets:					
Water service prepayments	-	690,702	-	690,702	-
Accounts payable restricted	36,970	50,881	-	87,851	-
Total current liabilities from restricted assets	36,970	741,583	-	778,553	-
Noncurrent liabilities:					
Advances from other funds (note III F)	-	-	-	-	4,688,000
Compensated absences	301,537	182,145	220,640	704,322	3,656
Claims and legal services payable	-	-	-	-	5,985,245
Total noncurrent liabilities	301,537	182,145	220,640	704,322	10,676,901
TOTAL LIABILITIES	829,508	2,814,646	2,105,671	5,749,825	14,701,588
NET ASSETS					
Invested in capital assets	38,806,067	17,153,120	5,495,657	61,454,844	-
Restricted	13,978,129	7,213,360	-	21,191,489	-
Unrestricted	7,553,186	4,824,172	80,951	12,458,309	(639,428)
TOTAL NET ASSETS	60,337,382	29,190,652	5,576,608	95,104,642	(639,428)
TOTAL LIABILITIES AND NET ASSETS	$61,166,890	$32,005,298	$7,682,279		$14,062,160

Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds	
Beginning adjustment	520,076
Current adjustment	(621,455)
Net assets of business-type activities	$ 95,003,263

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, 2003

	Business-type Activities - Enterprise Funds				Governmental Activities Internal Service Funds
	Simi Valley Sanitation	Ventura County Waterworks District No. 8	Simi Valley Transit System	Total	
OPERATING REVENUES					
Charges for sales and services	$ 9,184,395	$ 18,854,358	$ 390,523	$ 28,429,276	$ 3,681,500
Total operating revenues	9,184,395	18,854,358	390,523	28,429,276	3,681,500
OPERATING EXPENSES					
Salaries and benefits	4,125,007	2,302,251	2,098,189	8,525,447	239,981
Materials and supplies:					
Water purchases	-	11,465,476	-	11,465,476	-
Utilities	914,348	644,229	-	1,558,577	-
Chemicals	263,566	-	-	263,566	-
Other	194,549	488,824	293,952	977,325	4,685
Services:					
Maintenance projects	93,118	268,883	-	362,001	-
Other	1,468,470	1,109,013	411,000	2,988,483	-
Insurance	178,200	100,700	122,300	401,200	507,044
Claims and legal expenses	-	-	-	-	5,803,272
General administration	1,284,200	1,509,500	701,300	3,495,000	353,900
Depreciation	2,070,597	637,118	469,066	3,176,781	-
Total operating expenses	10,592,055	18,525,994	4,095,807	33,213,856	6,908,882
OPERATING INCOME (LOSS)	(1,407,660)	328,364	(3,705,284)	(4,784,580)	(3,227,382)
NONOPERATING REVENUES AND EXPENSES					
Grants	-	-	1,768,330	1,768,330	-
Interest	488,915	342,508	-	831,423	200,752
Other	11,099	12,896	192,736	216,731	-
Total nonoperating revenue (expenses)	500,014	355,404	1,961,066	2,816,484	200,752
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	(907,646)	683,768	(1,744,218)	(1,968,096)	(3,026,630)
CONTRIBUTIONS AND TRANSFERS					
Capital contributions	3,719,914	4,237,242	192,468	8,149,624	-
Transfers in (note III F)	-	-	1,283,159	1,283,159	362,000
Transfers out (note III F)	(97,300)	(119,000)	-	(216,300)	(4,200)
Total contributions and transfers	3,622,614	4,118,242	1,475,627	9,216,483	357,800
CHANGE IN NET ASSETS	2,714,968	4,802,010	(268,591)	7,248,387	(2,668,830)
TOTAL NET ASSETS-BEGINNING, AS RESTATED	57,622,414	24,388,642	5,845,199		2,029,402
TOTAL NET ASSETS-ENDING	$ 60,337,382	$ 29,190,652	$ 5,576,608		$ (639,428)
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds					
Current adjustment				(621,455)	
Change in net assets of business-type activities				$ 6,626,932	

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, 2003

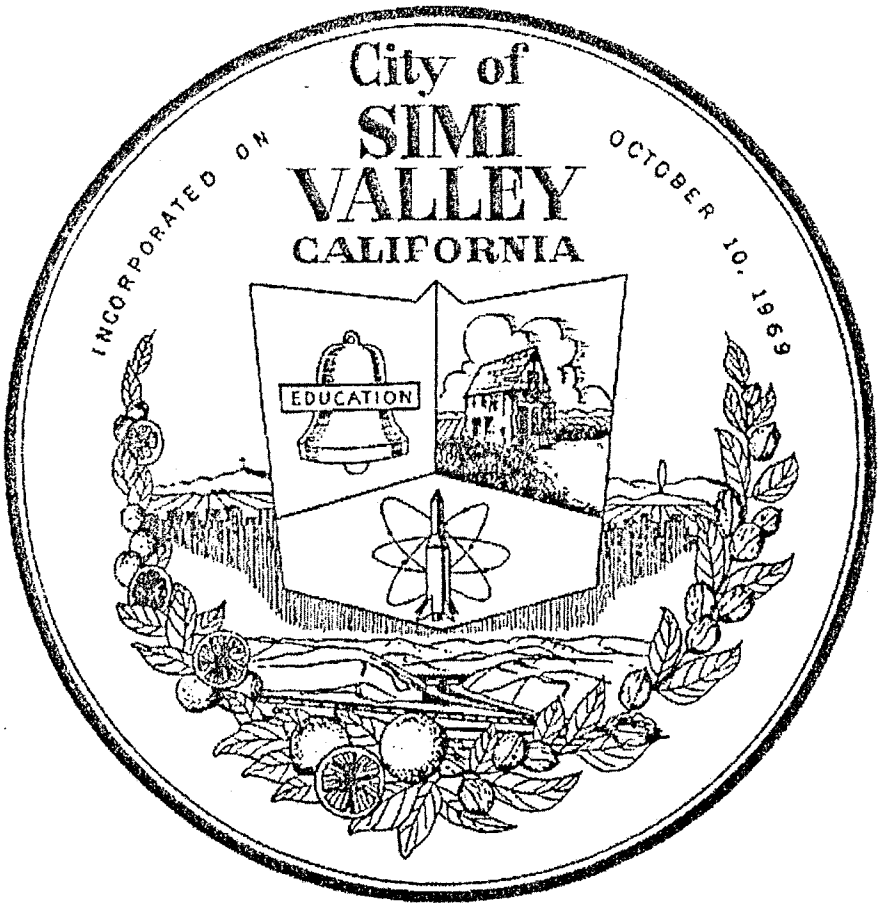
	Business-type Activities - Enterprise Funds				Governmental Activities
	Simi Valley Sanitation	Ventura County Waterworks District No. 8	Simi Valley Transit System	Totals	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES:					
Cash received from service charges and other revenues	$ 9,122,108	$ 19,273,329	$ 568,808	$ 28,964,245	$ 3,681,500
Cash paid for salaries and benefits	(4,092,833)	(2,259,632)	(2,060,301)	(8,412,766)	-
Cash paid for supplies and materials	(1,372,463)	(12,362,529)	(662,832)	(14,397,824)	-
Cash paid for general administration	-	-	-	-	(353,900)
Cash paid for services and insurance	(3,204,662)	(2,988,096)	(1,234,600)	(7,427,358)	(129,852)
Cash paid for insurance premiums and claims	-	-	-	-	(3,033,157)
Net cash used by operating activities	452,150	1,663,072	(3,388,925)	(1,273,703)	164,591
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:					
Cash paid from operating transfers	(97,300)	(119,000)	-	(216,300)	-
Cash received from grants and other governments	-	12,896	1,975,273	1,988,169	-
Cash received from interfund borrowing	-	500,000	272,840	772,840	357,800
Net cash provided (used) by noncapital financing activities	(97,300)	393,896	2,248,113	2,544,709	357,800
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:					
Sewer connection fees and water capital improvement charges	3,719,914	4,237,242	192,468	8,149,624	-
Contribution received from other governments	11,099	-	-	11,099	-
Acquisition of fixed assets	(5,942,534)	(4,597,071)	(217,473)	(10,757,078)	-
Net cash provided (used) by capital and related financing activities	(2,211,521)	(359,829)	(25,005)	(2,596,355)	-
CASH FLOWS FROM INVESTING ACTIVITIES:					
Interest on investments	588,015	382,825	-	970,840	235,218
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(1,268,656)	2,079,964	(1,165,817)	(354,509)	757,609
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	22,814,885	9,028,774	1,165,817	33,009,476	13,267,553
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 21,546,229	$ 11,108,738	$ -	$ 32,654,967	$ 14,025,162
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES:					
Capital additions	$ 2,135,114	$ 3,627,746	$ -	$ 5,762,860	$ -
Contributions in aid of construction	(2,135,114)	(3,627,746)	-	(5,762,860)	-
NET NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES	$ -	$ -	$ -	$ -	$ -
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH USED BY OPERATING ACTIVITIES:					
Operating income (loss)	$ (1,407,660)	$ 328,364	$ (3,705,284)	$ (4,784,580)	$ (3,227,382)
Adjustments to reconcile operating loss to net cash used by operating activities:					
Depreciation	2,070,597	637,118	469,066	3,176,781	-
(Increase) in accounts receivable	(62,287)	438,675	(14,451)	361,937	-
Increase (decrease) in accounts payable	(180,674)	181,009	(368,880)	(368,545)	100,746
Increase (decrease) in accrued payroll	(299,141)	(155,438)	(189,877)	(644,456)	-
Increase (decrease) in compensated absences	331,315	198,057	227,765	757,137	-
Increase (decrease) in water service prepayments	-	35,287	-	35,287	-
Increase (decrease) in claims and legal services payable	-	-	-	-	3,291,227
Adjustment for revenues and expenses classified as nonoperating	-	-	192,736	192,736	-
Total adjustments	1,859,810	1,334,708	316,359	3,510,877	3,391,973
Net cash used by operating activities	$ 452,150	$ 1,663,072	$ (3,388,925)	$ (1,273,703)	$ 164,591

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, 2003

	Total
ASSETS	
Current assets:	
Cash and investments (note III A):	
Held by city	$ 9,278,109
Held by fiscal agents	1,500,399
Interest receivable	18,002
TOTAL ASSETS	$ 10,796,510
LIABILITIES	
Current liabilities:	
Deposits and intergovernmental payable	$ 10,796,510
TOTAL CURRENT LIABILITIES	$ 10,796,510

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 • LISTING OF NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2003

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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

For the year-ended June 30, 2003, the City adopted the provisions of GASB Statement No. 34 (Statement 34) of the Governmental Accounting Standards Board, *"Basic Financial Statements - and Management's Discussion and Analysis - For State and Local Governments"*. Statement 34 established standards for external financial reporting for all state and local governmental entities which includes a statement of net assets, a statement of activities and the inclusion of a management's discussion and analysis section that provides an analysis of the City's overall financial position and changes in financial position.

It also requires the classification of net assets into three components - invested in capital assets, net of related debt; restricted; and unrestricted. These classifications are defined as follows:

- Invested in capital assets, net of related debt - This component of net assets consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable

to the acquisition, construction, or improvement of those assets. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds are not included in the calculation of invested in capital assets, net of related debt. Rather, that portion of the debt is included in the same net assets component as the unspent proceeds.

- Restricted - This component of net assets consists of constraints placed on net asset use through external constraints imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.

- Unrestricted net assets - This component of net assets consists of net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt".

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

The 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,
Internal service funds,
Budget to actual comparisons for nonmajor special revenue funds, and
Capital assets used in governmental operations.

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) 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 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, APB Opinions, and Accounting Research Bulletins that were issued on or before November 30, 1989 that do not conflict with or contradict GASB pronouncements. FASB pronouncements issued after November 30, 1989 are not followed in the preparation of the accompanying financial statements.

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

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

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

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

thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. 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:

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

Development Related Fees fund accounts for fees paid by developers for infrastructure construction and improvements, traffic impact mitigation, and program participation in low- and moderate-income housing programs.

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.

Police Facility fund is utilized to account for the construction of a replacement police facility funded by proceeds from lease revenue bonds.

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

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 64% of Simi Valley residents.

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

Additionally, the City reports the following fund types:

Internal service funds:

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

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

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

Fiduciary funds:

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

City Agency fund accounts for performance and other deposits held by the City.

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

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

D. Assets, liabilities, and net assets or equity

1. Deposits and investments

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

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

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

2. Receivables and payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other 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 expenditure 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 2002-03.

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

The prepaid item reflects costs applicable to future accounting periods and is recorded as a prepaid item in both the government-wide and fund financial statements.

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 $2,500 (the infrastructure limit is $50,000) 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.

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. As per GASB Statement No. 34, the City will retroactively capitalize major general infrastructure assets by the fiscal year ended June 30, 2006.

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

Assets	Years
Buildings	50
Building improvements	20
Vehicles	5-10
Machinery and equipment	3-10
Water sewer line	30-100
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.

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 except the Earthquake Disaster fund. Project-length budgets are adopted for the capital project funds. Debt service funds are not budgeted. All appropriations lapse at fiscal year end.

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

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

B. Excess of expenditures over appropriations

For fiscal year ended June 30, 2003, expenditures exceeded appropriations in the HOME grant, and Transportation nonmajor special revenue funds by $18,852 and $17,086 respectively. These over-expenditures were funded by available fund balance in both funds.

C. Deficit fund equity

The Merged Tapo Canyon and West End Tax Increment special revenue fund had a deficit fund balance of $11,975,314 as of June 30, 2003. This is due to the amount advanced from the City's general fund to the Community Development Agency, a blended component unit of the City, to finance community development projects. The advance will be repaid from available tax increment revenues.

The Police Facility capital projects fund had a deficit fund balance of $1,653,863 as of June 30, 2003. Proceeds from certificates of participation approved for issuance in fiscal year 2003-04 will be used to eliminate this deficit.

In addition, the following nonmajor funds had deficit fund balances as of June 30, 2003: the Madera Royal Tax Increment special revenue fund ($218,125), and the Integrated Police System ($198,907), Stormwater Detention Basins ($54,200), and Regional Mall ($157,892) capital improvement funds. The deficit for the Madera Royal Tax Increment fund will be eliminated by tax increment revenues to be received in Fiscal Year 2003-04. The deficits for the Integrated Police System and Stormwater Detention Basin funds will be eliminated by grant monies anticipated to be received in Fiscal Year 2003-04. A Community Facilities District will be formed to issue bonds that will eliminate the deficit in the Regional Mall fund.

III. Detailed notes on all funds

A. Deposits and investments

The cash balances of all funds held by the City are pooled and invested for the purpose of increasing interest earnings through investment activities. The interest earned on these investments is allocated to participating funds based on their average cash balances. The carrying amounts of cash and investments have been increased by $284,731 in order to reflect the fair value at June 30, 2003.

All demand deposits and certificates of deposit held 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.

Deposits are classified in three categories of credit risk as follows:

Category 1 - Insured or collateralized with securities held by the City or by the City's agent in the City's name;

Category 2 - Collateralized with securities held by the pledging financial institution's trust department or agent in the City's name; or

Category 3 - Uncollateralized.

The California Government Code authorizes local government agencies to invest with the California State Treasurer and in obligations of the U.S. Treasury, agencies, and instrumentalities; prime commercial paper, as rated by Standard and Poor's Corporation or Moody's Investors Service, Inc.; bankers' acceptances; repurchase and reverse repurchase agreements; certificates of deposit; negotiable certificates of deposit; obligations of the State of California; obligations of local agencies within California; corporate notes; mutual funds; collateralized mortgage obligations; and financial futures and financial option contracts.

All investment vehicles allowed by the California Government Code may be used by the City with the exception of commercial paper, repurchase agreements, corporate notes, mutual funds, collateralized mortgage obligations, financial futures, and financial option contracts.

The City maintains written investment policies that address a wide variety of investment practices, including primary investment objectives, investment authority, allowable investment vehicles, investment maturity terms, eligible financial institutions, capital preservation, and cash flow management. Under the City's policies, investments in the City's portfolio are intended to be held until maturity. Projected cash flow needs are the primary factor used in determining investment maturity terms. Investment reports are prepared monthly for the City Council that provide detailed information pertaining to the City's investment portfolio. All investments held in the City investment pool at year-end had maturities within five years.

Investments are also categorized into three categories of credit risk:

Category 1 - Insured or registered, or the securities are held by the City or its agent in the City's name.

Category 2 - Uninsured and unregistered, with securities held by the counterparty's trust department or agent in the City's name.

Category 3 - Uninsured and unregistered, with securities held by the counterparty's trust department or agent, but not in the City's name.

The cash and investment balances of all funds held by fiscal agents are stated at fair value and are restricted in accordance with bond indenture requirements. Investments in pools managed by other governments or held by fiscal agents in mutual funds are not required to be categorized.

The City's cash and investments at June 30, 2003, are categorized as follows:

	Category 1	Category 2	Category 3	Bank Balances	Carrying Amount
Demand Accounts:					
Demand deposits	$ 105,734	$2,886,579	$ -	$ 2,992,313	$ 2,176,386
Developer deposits	-	-	111,676	111,676	111,676
Collateralized certificates of deposit	-	88,157	-	88,157	88,157
Total Deposits	$ 105,734	$2,974,736	$ 111,676	$ 3,192,146	2,376,219

Investments:	Category 1	Category 2	Category 3	Fair Value
United States government agency securities	$ 20,021,900	$ -	$ -	$ 20,021,900
Investments with fiscal agents:				
United States treasury securities	-	181,768	-	181,741
Federal home loan mortage discount notes	-	-	1,879,460	1,879,460
	$ 20,021,900	$ 181,768	$1,879,460	22,083,101

Investments with City - not required to be categorized:	
Money market mutual funds	2,583,645
California Local Agency Investment Fund	84,677,095
Total Investments	109,343,841
Total Carrying Amount/Fair Value (Book Balances)	$111,720,060

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. Agencies may invest up to $40,000,000 in the Fund and may also invest without limitation in special bond proceeds accounts. 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 City's proportionate share of the fair value of its investments in LAIF amounted to $84,677,095. Included in LAIF's investment portfolio are certain derivative securities or similar products such as structured notes totaling $304,000,000 and asset-backed securities totaling $985,676,000. LAIF's and the City's exposure to credit, market or legal risk is not available.

Total cash and investments at year-end included the following:

Governmental activities - unrestricted	$ 68,286,585
Business-type activities - unrestricted	10,684,925
Business-type activities - restricted	21,970,042
Primary government	100,941,552
Fiduciary funds	10,778,508
Total cash and investments	$ 111,720,060

See independent auditors' report.

B. Loans receivable

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

C. Allowance for uncollectible accounts

Receivables as of year-end for the general fund and nonmajor governmental funds are listed net of allowances for uncollectibles as follows:

	General Fund	Nonmajor Governmental Funds
Accounts receivable	$ 1,898,337	$ 60,399
Loans receivable	461,300	4,393,110
Allowance for uncollectibles	(220,547)	(34,692)
	$ 2,139,090	$ 4,418,817

D. Prepaids

The prepaids are comprised of $1,200,000, which is the unspent portion of a low/moderate loan made to a developer and held in the City Agency fund; and $1,116,563 that was paid to the State of California related to the purchase of property through eminent domain. As of June 30, 2003 this transaction was not complete.

E. Capital Assets

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	$ 10,235,613	$ -	$ -	$ 10,235,613
Construction-in-progress	4,961,237	578,332	-	5,539,569
Total capital assets, not being depreciated	15,196,850	578,332	-	15,775,182
Capital assets, being depreciated:				
Buildings and improvements	31,650,264	20,100	-	31,670,364
Furnishings and equipment	4,807,439	94,735	(16,031)	4,886,143
Computers	253,364	1,743,325	-	1,996,689
Vehicles	4,739,925	314,856	(167,725)	4,887,056
Infrastructure	-	17,545,750	-	17,545,750
Intangibles	-	3,758,646	-	3,758,646
Total capital assets being depreciated	41,450,992	23,477,412	(183,756)	64,744,648

See independent auditors' report.

Less accumulated depreciation for:	Beginning Balance	Increases	Decreases	Ending Balance
Buildings and improvements	(6,527,561)	(936,339)	-	(7,463,900)
Furnishings and equipment	(4,158,674)	(188,642)	16,031	(4,331,285)
Computers	(63,483)	(214,967)	-	(278,450)
Vehicles	(2,870,791)	(625,121)	155,430	(3,340,482)
Infrastructure	-	-	-	-
Intangibles	-	-	-	-
Total accumulated depreciation	(13,620,509)	(1,965,069)	171,461	(15,414,117)
Total capital assets, being depreciated, net	27,830,483	21,512,343	(12,295)	49,330,531
Governmental activities capital assets, net	$ 43,027,333	$ 22,090,675	$ (12,295)	$ 65,105,713

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities:				
Capital assets, not being depreciated:				
Land	$ 1,235,080	$ -	$ -	$ 1,235,080
Construction-in-progress	14,327,573	4,784,370	(4,403,247)	14,708,696
Total capital assets, not being depreciated	15,562,653	4,784,370	(4,403,247)	15,943,776
Capital assets, being depreciated:				
Buildings and improvements	11,865,075	48,502	-	11,913,577
Furnishings and equipment	4,553,646	383,581	(26,206)	4,911,021
Vehicles	5,842,028	2,530,724	(997,156)	7,375,596
Distribution system	66,940,146	7,415,064	-	74,355,210
Total capital assets being depreciated	89,200,895	10,377,871	(1,023,362)	98,555,404
Less accumulated depreciation for:				
Buildings and improvements	(2,987,223)	(267,683)	-	(3,254,906)
Furnishings and equipment	(3,256,970)	(300,386)	26,206	(3,531,150)
Vehicles	(4,121,974)	(438,435)	995,239	(3,565,170)
Distribution system	(40,522,833)	(2,170,277)	-	(42,693,110)
Total accumulated depreciation	(50,889,000)	(3,176,781)	1,021,445	(53,044,336)
Total capital assets, being depreciated, net	38,311,895	7,201,090	(1,917)	45,511,068
Business-type activities capital assets, net	$ 53,874,548	$ 11,985,460	$(4,405,164)	$ 61,454,844

See independent auditors' report.

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

Governmental activities:	
General government	$ 1,075,069
Community services (CS)	21,214
Planning (ES)	37,165
Public ways and facilities (PW)	188,147
Public safety (PD)	643,474
Total depreciation expense-governmental activities	$ 1,965,069
Business-type activities:	
Sanitation	$ 2,070,597
Transit	469,066
Waterworks District No. 8	637,118
Total depreciation expense-business-type activities	$ 3,176,781

Construction commitments

The City has active construction projects as of June 30, 2003. The commitments for governmental fund projects are included in the reserved fund balances. The project commitments at year end are as follows:

Streets and roads rehabilitation, widening, and improvements	$ 293,459
Sanitation plant nitrification/denitrification upgrade project	1,173,501
Water tank oversizing projects	1,337,725
Total outstanding commitments	$ 2,804,685

F. Interfund receivables, payables, and transfers

The composition of interfund receivable and payable balances as of June 30, 2003 is as follows:
Due to / from other funds:

Receivable Fund	Payable Fund	Amount
General	Police facility	$ 1,657,992
	Simi Valley transit system	1,718,911
	Nonmajor governmental funds	987,878
Total		$ 4,364,781

Advances from / to other funds:

Receivable Fund	Payable Fund	Amount
General	Merged Tapo Canyon and West End Tax Increment	$ 9,295,312
	Public Facility Improvements	3,348,380
	Nonmajor governmental funds	218,124
	Internal service funds	4,688,000
Nonmajor governmental funds	Merged Tapo Canyon and West End Tax Increment	2,500,000
Total		$ 20,049,816

See independent auditors' report.

The interfund amounts between the General fund and the Police Facility fund, the Simi Valley Transit enterprise fund, and nonmajor governmental funds are for short-term loans to cover operations.

The advances from the General fund to the Merged Tapo Canyon and West End Tax Increment funds, and nonmajor governmental funds (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 Public Facility Improvements fund is to accumulate funds for future facility improvements, and the advance to the Internal Service funds is to maintain required reserves in accordance with actuarial valuations.

The composition of interfund transfers as of June 30, 2003 is as follows:

Transfers From	Transfers To	Amount	Purpose
General	Streets and roads	$ 248,000	Fund storm drains, minor streets, and bike facility
	Simi Valley transit system	1,283,159	Subsidy for transit operations
	Internal service funds	362,000	Subsidy for workers' compensation operations
	Nonmajor governmental funds	4,077,042	Subsidy to landscape zones, contributions to replacement funds, regional mall project, and local match for grants
		5,970,201	
Merged Tapo Canyon and West End tax increment	Nonmajor governmental funds	4,187,361	Fund CDA administration costs, 20% low and moderate income set-aside, debt service, and CDA projects
Development related fees funds	Streets and roads	100,400	Fund street projects
	Nonmajor governmental funds	964,361	For scheduled debt service
		1,064,761	
Nonmajor governmental funds	General fund	5,450,884	Fund transportation needs
	Streets and roads	292,371	Fund street projects
	Merged Tapo Canyon and West End tax increment	246,424	Refund from completed project
	Nonmajor governmental funds	456,878	Fund police projects, equipment replacement, and housing set-aside
		6,446,557	
		$ 17,668,880	

See independent auditors' report.

G. Long-term debt

The Simi Valley Public Financing Authority, a blended component unit of the City, issues all bonded debt. 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.

- Simi Valley Public Financing Authority 2003 Revenue Refunding Bonds:
  Original issue amount $31,795,000; interest rates at 2.90% to 5.75%; maturing September 1, 1994-2023. These bonds were issued to fully refund the 1993 Revenue Bond issue with a carrying amount of $30,245,000.

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

- A mortgage note payable on property held for resale of $109,812, at an interest rate of 8.45%. Monthly payments, including interest, in the amount of $1,027 are due on the first of each month.

- Claims and legal services payable of $9,788,351, 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, 2003.

- Compensated absences liability of $3,941,284 at fiscal year end. This liability consists of accumulated earned but unused annual leave of employees.

2003 Tax Allocation Bonds

In February 2003, the City issued $31,795,000 of 2003 Tax Allocation Refunding Bonds for the purpose of fully refunding the 1993 Revenue Bond issue with a carrying amount of $30,245,000. The 1993 Revenue Bond issue was called in full on February 20, 2003 and no defeased debt remained outstanding at June 30, 2003. The bonds were issued at a premium of $456,576. This amount is being added to the new debt and amortized over the life of the new debt. Issuance costs incurred of $930,403 are shown as deferred charges, and are being amortized over the life of the debt. The reacquisition price exceeded the carrying amount of redeemed debt by $598,121. This amount is being netted against the new debt and amortized over the remaining life of the refunded debt, which is shorter than the life of the new debt issued.

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 bonds are payable in annual installments ranging from $360,000 to $2,000,000 with principal payments due annually on September 1 starting September 1, 2003 to final maturity at September 1, 2030. Interest payments are due on March 1 and September 1 at interest rates ranging from 2% to 5%. The

bonds maturing on or after September 1, 2013 are subject to early redemptions without premium. Additional security is provided by a reserve fund equal to the maximum annual debt service of $2,015,160.

The refunding resulted in the term of the debt being extended and an interest rate reduction has been achieved, resulting in an economic gain (difference between the present values of the old and new debt service payments) of $1,199,285. The refunding also resulted in an increase of $4,968,350 in the cash flow required to make the new debt service payments versus the old debt service payments.

Annual debt service requirements to maturity

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

Year Ending	2003 Tax Allocation Allocation Bond		Note Payable	
June 30:	Principal	Interest	Principal	Interest
2004	$ 360,000	$ 1,456,588	$ 3,166	$ 9,158
2005	690,000	1,402,794	3,444	8,880
2006	705,000	1,388,844	3,746	8,578
2007	720,000	1,374,594	4,076	8,248
2008	730,000	1,359,181	4,433	7,891
2009-2013	4,040,000	6,384,775	28,748	32,872
2014-2018	4,870,000	5,528,509	43,788	17,832
2019-2023	6,115,000	4,226,656	18,411	1,341
2024-2028	7,845,000	2,448,875	-	-
2029-2031	5,720,000	438,250	-	-
	$ 31,795,000	$ 26,009,066	$ 109,812	$ 94,800

Year Ending	SVPFA 1995 Fixed Rate Lease Revenue Bonds	
June 30:	Principal	Interest
2004	$ 500,000	$ 463,075
2005	520,000	439,865
2006	545,000	415,098
2007	570,000	388,610
2008	595,000	360,352
2009-2013	3,485,000	1,270,850
2014-2018	2,610,000	230,863
	$ 8,825,000	$ 3,568,713

Changes in long-term liabilities

Long-term liability activity for the year ended June 30, 2003, was as follows:

	Balances July 1, 2002	Debt Incurred	Debt Retired	Balances June 30, 2003	Due Within One Year
Governmental activities:					
SVPFA 1993 revenue refunding bonds	$ 31,015,000	$ -	$ (31,015,000)	$ -	$ -
SVPFA 1995 variable rate lease revenue bonds	9,300,000	-	(475,000)	8,825,000	500,000
2003 tax allocation bonds	-	31,795,000	-	31,795,000	360,000
Add (less) deferred amounts:					
Bond premium	-	456,576	(5,852)	450,724	-
Deferred amount	-	(598,121)	10,222	(587,899)	-
Total bonds payable	40,315,000	31,653,455	(31,485,630)	40,482,825	860,000
Note payable	113,913	-	(4,101)	109,812	3,166
Claims and legal services	6,497,124	5,812,214	(2,520,987)	9,788,351	3,803,106
Compensated absences	3,579,769	1,201,007	(839,492)	3,941,284	881,500
Governmental activity long-term liabilities	$ 50,505,806	$ 38,666,676	$ (34,850,210)	$ 54,322,272	$ 5,547,772
Business-type activities:					
Compensated absences	$ 872,934	$ 166,118	$ (281,915)	$ 757,137	$ 52,815
Business-type activity long-term liabilities	$ 872,934	$ 166,118	$ (281,915)	$ 757,137	$ 52,815

See independent auditors' report.

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.

		Special Revenue Funds		Capital Project Funds				
	General Fund	Merged Tapo Canyon & West End Tax Increment	Development Related Fees Funds	Streets & Roads	Police Facility	Public Facility Improvements	Nonmajor Governmental Funds	Total Governmental Funds
FUND BALANCES								
Reserved:								
Encumbrances	$ 732,167		$ 10,413	$ 293,458	$ 1,200	$ 383,372	$ 1,251,293	$ 2,671,903
Loans receivable	461,300						170,316	631,616
Property held for resale							163,251	163,251
Advances	17,549,816						2,500,000	20,049,816
Debt service							4,418,047	4,418,047
Total reserved	18,743,283	-	10,413	293,458	1,200	383,372	8,502,907	27,934,633
Unreserved, designated:								
Cashflow	1,000,000						650,000	1,650,000
Capital projects	5,622,652		11,299,932	2,243,515			8,973,705	28,139,804
Public Improvements							4,121,134	4,121,134
Law enforcement							664,350	664,350
Special programs							1,429,340	1,429,340
Housing programs			137,328			3,139,369	7,162,282	10,438,979
Total unreserved	6,622,652	-	11,437,260	2,243,515	-	3,139,369	23,000,811	46,443,607
Unreserved, undesignated:	5,627,722	(11,795,314)	-	-	(1,655,063)	-	(1,037,847)	(8,860,502)
Total fund balances	$ 30,993,657	$ (11,795,314)	$ 11,447,673	$ 2,536,973	$ (1,653,863)	$ 3,522,741	$ 30,465,871	$ 65,517,738

See independent auditors' report.

I. Accounting restatements

Accounting restatements made during the current fiscal year were as follows:

	General Fund	Merged Tapo Cyn. & West End Tax Increment	Nonmajor Funds	Proprietary Funds
Fund balances (deficits) beginning of the year	$27,967,661	$ (218,276)	$32,975,236	$87,084,998
Restatements:				
Reduce liability for compensated absences	1,724,641	-	99,811	-
Record inventory				771,257
Increase deferred revenue for housing loans	-	-	(2,084,057)	-
Move advance from City of Simi Valley long term debt to the special revenue funds	-	(13,394,569)	(1,472,051)	-
Total restatements	1,724,641	(13,394,569)	(3,456,297)	771,257
Fund balances (deficits), as restated	$29,692,302	$ (13,612,845)	$29,518,939	$87,856,255

J. 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, 2003, consisted of the following:

Sycamore Village/Wood Ranch Improvements (District No. 94-1R)	$ 3,785,000
Royal Corto Improvements (District No. 89-1)	1,705,000
Madera Royal (District No. 98-1)	4,600,000

K. 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, 2003 was $203,328,140. The City is not involved with these bonds in any manner, as such the conduit debt obligations are not reflected in the accompanying financial statements. Listed below is a brief description of the bonds outstanding at year end:

- Variable Rate Multifamily Revenue Demand Bonds, 1985 Issue A, in the amount of $15,500,000 were issued to finance the Mayer Indian Oaks Project; the outstanding principal at June 30, 2003, is $15,500,000.

- Variable Rate Demand Multifamily Housing Revenue Bonds, 1987 Series A, were issued in the amount of $4,000,000 to finance the Ashlee Manor Apartments Project; the outstanding principal at June 30, 2003, is $3,650,000.

- 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, 2003, is $24,800,000.

- Single Family Mortgage Revenue Bonds, 1989 Series A, were issued in the amount of $15,000,000 to provide housing financial assistance; the outstanding principal at June 30, 2003, is $8,068,290.

- 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, 2003, 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, 2003, is $36,000,000.

- Multifamily Housing Revenue Refunding Bonds, Issue A of 1996, were issued in the amount of $17,900,000 to refund the Multifamily Housing Revenue Bonds, 1985 Issue A to finance the Cochran Street Project/Meadowood Village Apartments Project; the outstanding principal at June 30, 2003, is $16,165,000.

- Multifamily Housing Revenue Refunding Bonds, Series 1996 A, and Taxable Multifamily Housing Revenue Refunding Bonds, Series 1996 B, were issued in the amount of $16,844,850 to refund the Multifamily Housing Revenue Bonds, 1985 Issue C to finance the Rancho Corrales Apartments Project; the outstanding principal at June 30, 2003, is $16,844,850.

- 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, 2003, is $5,925,000.

- 1998 Commercial Mortgage Revenue Refunding Bonds were issued in the amount of $7,325,000 to refund 1981 and 1984, and refinance 1988 Commercial Mortgage revenue Bonds (Sycamore Plaza II); the outstanding principal at June 30, 2003, is $6,505,000.

- Adjustable Rate 7-Day Demand Industrial Development Revenue Bonds, Series 1984, in the amount of $3,500,000; outstanding principal at June 30, 2003, is $1,900,000.

- 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, 2003, is $3,000,000.

- 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, 2003, is $12,000,000.

- 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, 2003, 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, 2003, is $3,900,000.

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, 2003, 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. Settled claims have not exceeded this commercial coverage in any of the past three years.

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, 2003	Year ended June 30, 2002
Unpaid claims beginning of fiscal year	$ 6,497,124	$ 4,916,566
Incurred claims (including IBNRs)	5,812,214	1,682,495
Claims payments	(2,520,987)	(101,937)
Unpaid claims, end of fiscal year	$ 9,788,351	$ 6,497,124

Prior to July 1, 1992, the City participated in the Coachella Valley Joint Powers Insurance Authority currently known as Public Entity Risk Management Authority, a risk-sharing pool, for general liability claims. The City receives annual equity distributions from the pool's excess reserves based on all claims for policy years December 1, 1986 to July 1, 1992. These payments have averaged approximately $100,000 per year. Due to pending litigation on a claim no reimbursement is expected in the next fiscal year.

C. Subsequent event

On September 15, 2003 the City Council approved resolutions authorizing the issuance of Certificates of Participation (COP) of approximately $26 million to provide financing for improvements to and expansion of City Hall, Senior Citizens' Center and the Civic Center site. The COP will be repaid over a thirty-year term. The annual debt service is estimated at approximately $1.6 million. 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 Water Quality Control Plant, which has an estimated value in excess of $50 million, is proposed to serve as the leased asset during the construction period.

D. Other post employment benefits

The City provides post-retirement health benefits to all management and sworn (police) employees per resolution numbers 2003-53 and 2001-54, respectively. The benefits vary depending upon a retiree's years of service and bargaining unit. The City pays 100 percent of premiums for health care coverage for the two groups as follows:

	Number of Years Covered			
	Less Than 10 Years Service	More Than 10 Years Service	More Than 20 Years Service	
Management employees:				
Employee only	4	10	1 additional year for each year over 20	
Employee plus one dependent	2	5	½ additional year for each year over 20	
			20-25 Years Service*	More Than 25 Years Service*
Sworn (police) employees:				
Employee only	2	10	up to 20 years	life -time coverage
Employee plus one dependent	1	5	up to 20 years	life -time coverage

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

See independent auditors' report.

As of year end, there were 39 retirees who met the eligibility requirements and were receiving health care benefits. The City finances the plan on a pay-as-you-go basis. For the year ended June 30, 2003, the City paid $228,941 for these benefits. However, the City is accumulating funds to pay future benefits. Assets in the amount of $235,371 had been set side as of the end of the fiscal year.

E. 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.

F. Pension plans

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

California Public Employees' Retirement System

Plan Description - The City contributes to the PERS, an agent multiple-employer public employee defined benefit pension plan. PERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. PERS acts as a common investment and administrative agent for participating public entities within the State of California. Benefit provisions and all other requirements are established by State statute and City ordinance. Copies of PERS' annual financial report may be obtained from their executive office located at 400 P Street, Sacramento, CA 95814.

Funding Policy - Participants are required to contribute 7% (9% for safety employees) of their annual covered salary. The City makes the contributions required of City employees on their behalf and for their account. The City is required to contribute at an actuarially determined rate: the rate is 0.000% for non-safety employees and 4.413% for police employees of annual covered payroll for the year ended June 30, 2003. The contribution requirements of plan members and the City are established and may be amended by PERS.

Annual Pension Cost - For fiscal year 2002-03, the City's annual pension cost of $415,407 for PERS was equal to the City's required and actual contributions. The required contribution was determined as part of the June 30, 2000, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions included: (a) 8.25% investment rate of return (net of administrative expenses), (b) projected annual salary increases that vary from 3.75% to 14.20% by category and duration of service, (for safety members, rates are also dependent on entry age) and (c) 2% per year cost-of-living adjustments. Both (a) and (b) included an inflation component of 3.5%. The actuarial value of PERS assets was determined using a technique that smooths the

effect of short-term volatility in the market value of investments over a three-year period. PERS unfunded actuarial accrued liability (or excess assets) is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at June 30, 2003, was 22 years for miscellaneous employees and 15 years for safety employees.

	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
Miscellaneous Employees			
Fiscal Year			
6/30/2001	$ -	100%	$ -
6/30/2002	-	100%	-
6/30/2003	-	100%	-

	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
Safety Employees			
Fiscal Year			
6/30/2001	$ -	100%	$ -
6/30/2002	-	100%	-
6/30/2003	415,407	100%	-

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

Plan Description - The City established a Public Agency Retirement System, Retirement Enhancement Plan (PARS-REP) for executive management employees, effective July 1, 2001. PARS is a defined benefit 401(a) tax-qualified multiple agency trust. It meets the requirements of a pension trust under California Government code. The plan provides supplemental retirement benefits in addition to PERS. Phase II Systems is the PARS Trust Administrator. Upon meeting 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, 2002. 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, 2003 was $1,071,842. The City's annual pension cost of $61,845 for PARS was equal to the City's required and actual contribution. Plan assets held in trust at June 30, 2003 were $120,897.

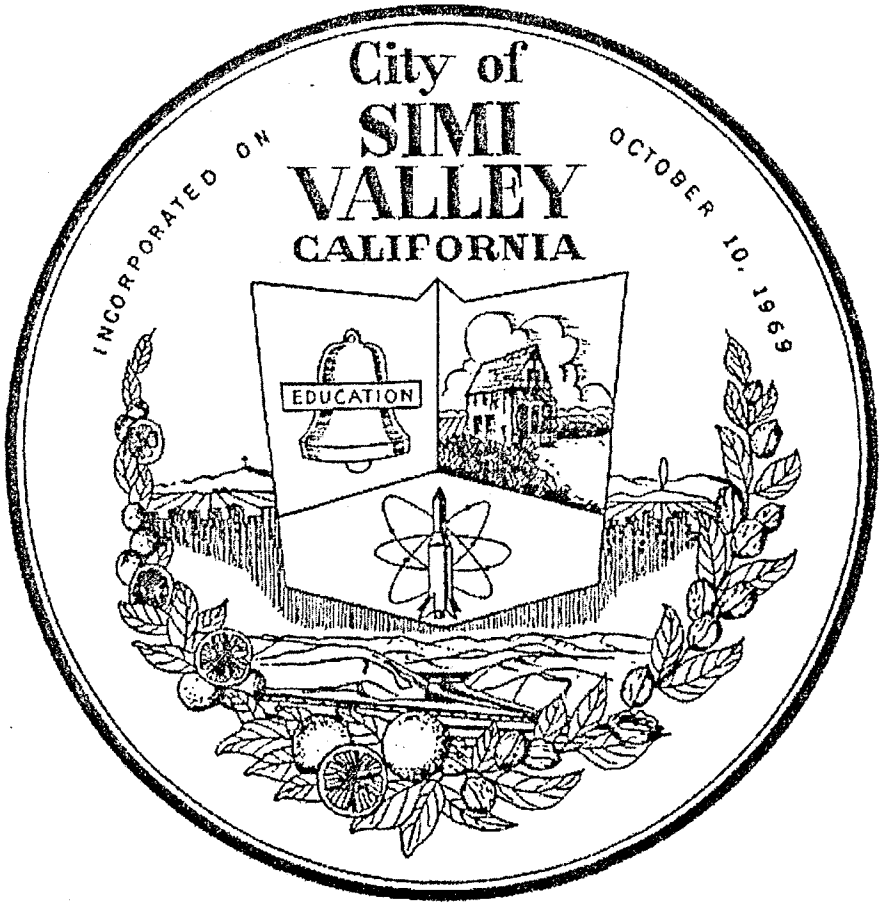
REQUIRED SUPPLEMENTARY INFORMATION

Schedule of Funding Progress
California Public Employees' Retirement System

Actuarial Valuation Date	Actuarial Asset Value	Entry Age Actuarial Accrual Liability	Unfunded Liability/ (Excess Assets)	Unfunded Ratio	Covered Payroll	Unfunded Actuarial Liability as Percentage of Covered Payroll
6/30/00	$74,389,076[1]	$ 58,293,806	$ (16,095,270)	127.6%	$21,165,085	-76.0%
	51,512,239[2]	46,958,638	(4,553,601)	109.7%	7,633,568	-59.7%
6/30/01	78,424,152[1]	67,301,357	(11,122,795)	116.5%	23,239,009	-47.9%
	53,416,671[2]	52,305,381	(1,111,290)	102.1%	8,330,788	-13.3%
6/30/02	75,705,431[1]	74,866,283	(839,148)	101.1%	24,023,055	-3.5%
	50,578,817[2]	57,165,005	6,586,188	88.5%	8,690,720	75.8%

[1] Miscellaneous
[2] Sworn

See independent auditors' report.


City of
SIMI
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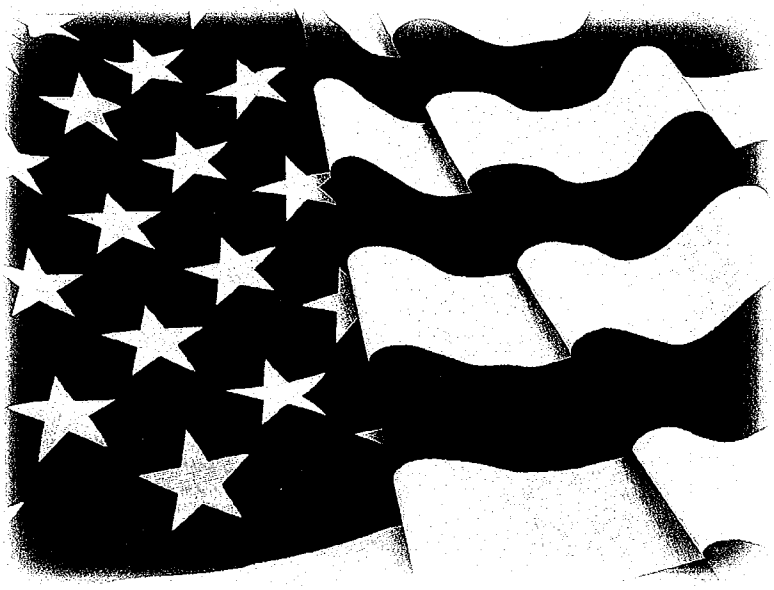
EDUCATION



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.

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

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

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

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

Transportation funds account for Article 3 and Article 8 funds received pursuant to State of California, Transportation Development Act. 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 was 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

1993 Revenue Refunding Bonds fund was established to account for the debt service transactions related to the 1993 Revenue Bonds issued to advance refund the outstanding 1983 Certificates of Participation as well as the 1987, 1988, and 1990 Tax Allocation Bonds.

1995 Lease Revenue Bond 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.

Capital Project Funds

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

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

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

Geographic Information System 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.

Tapo Street Bridge fund accounts for the construction of a bridge across the Arroyo Simi at the south terminus of Tapo Street.

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

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

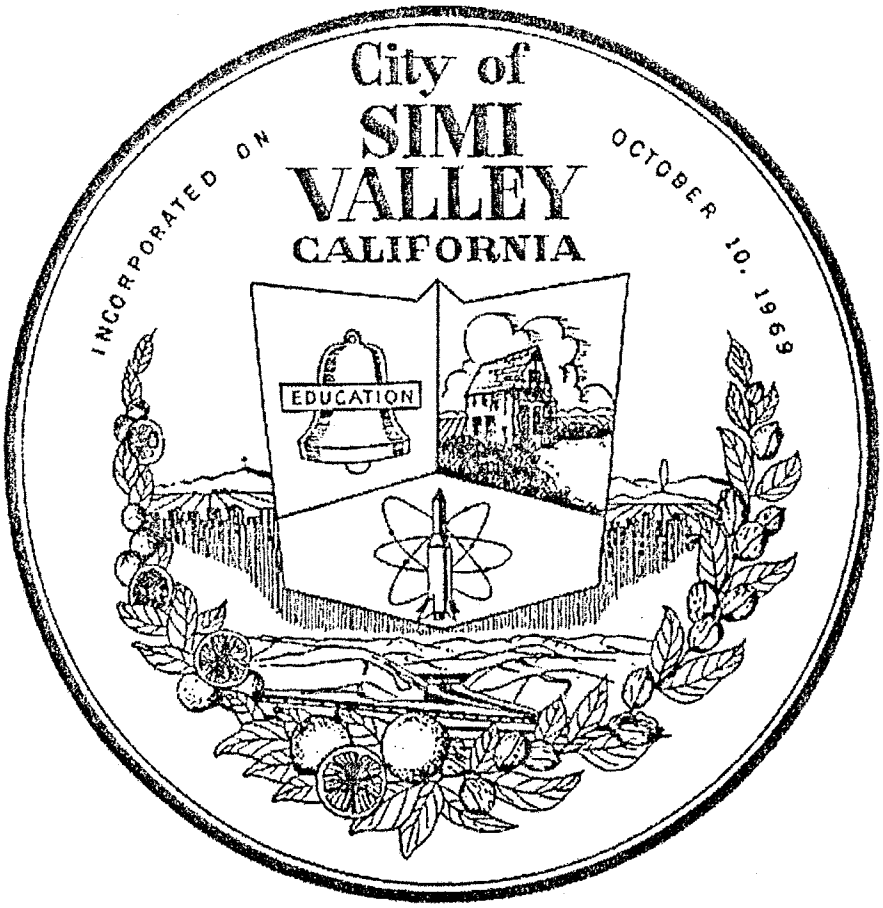
Stormwater Detention Basins fund accounts for the construction of several stormwater detention basins.

Madera Royal Improvements fund accounts for the proceeds of the Madera Royal Assessment Bonds, issued to fund public improvements.

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

Unified Two-Way Radio fund accounts for the replacement of the two-way radio system with a new unified, trunked two-way radio system.

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


City of
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EDUCATION

CITY OF SIMI VALLEY
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2003

	Special Revenue			
	Community Development Agency Administration	Community Development Agency Housing Administration	Madera Royal Tax Increment	HOME Grant
ASSETS				
Cash and investments (note III A):				
Held by city	$ -	$ 5,528,949	$ 1,051	$ 536,822
Held by fiscal agents	-	-	-	-
Accounts receivable (net of allowance for uncollectibles) (note III C)	-	11,285	-	45,000
Prepaids (note III D)	-	2,316,563	-	-
Taxes receivable	-	-	-	-
Grants receivable	-	-	-	-
Interest receivable	-	20,260	111	-
Loans receivable (net of allowance for uncollectibles) (note III B & C)	170,316	2,009,045	-	1,539,594
Property held for resale	-	163,251	-	-
Advances to other funds (note III F)	-	-	-	-
TOTAL ASSETS	$ 170,316	$ 10,049,353	$ 1,162	$ 2,121,416
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable	$ 1,776	$ 434,870	$ 1,163	$ 40,000
Salaries and benefits payable	5,108	46,638	-	-
Due to other funds (note III F)	163,432	-	-	-
Advances from other funds (note III F)	-	-	218,124	-
Deferred revenues	-	2,009,045	-	1,584,594
TOTAL LIABILITIES	170,316	2,490,553	219,287	1,624,594
FUND BALANCES				
Reserved for encumbrances	13,255	233,267	-	-
Reserved for loans receivable	170,316	-	-	-
Reserved for property held for resale	-	163,251	-	-
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	-	-	-	496,822
Designated for housing programs	-	7,162,282	-	-
Undesignated	(183,571)	-	(218,125)	-
TOTAL FUND BALANCES (DEFICITS)	-	7,558,800	(218,125)	496,822
TOTAL LIABILITIES AND FUND BALANCES	$ 170,316	$ 10,049,353	$ 1,162	$ 2,121,416

CITY OF SIMI VALLEY
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2003

Special Revenue				
Gasoline Tax	Transportation Funds	Lighting Maintenance District	Police Grants	
				ASSETS
				Cash and investments (note III A):
$ -	$ 380,290	$ 3,716,788	$ 699,413	Held by city
-	-	-	-	Held by fiscal agents
-	-	4,114	-	Accounts receivable (net of allowance for uncollectibles) (note III C)
-	-	-	-	Prepaids (note III D)
-	-	67,294	-	Taxes receivable
-	79,840	-	-	Grants receivable
-	2,495	18,742	-	Interest receivable
-	-	-	-	Loans receivable (net of allowance for uncollectibles) (note III B & C)
-	-	-	-	Property held for resale
-	-	2,500,000	-	Advances to other funds (note III F)
$ -	$ 462,625	$ 6,306,938	$ 699,413	TOTAL ASSETS
				LIABILITIES AND FUND BALANCES
				LIABILITIES
$ -	$ -	$ 83,090	$ 4,244	Accounts payable
-	-	-	24,754	Salaries and benefits payable
-	-	-	-	Due to other funds (note III F)
-	-	-	-	Advances from other funds (note III F)
-	-	-	-	Deferred revenues
-	-	83,090	28,998	TOTAL LIABILITIES
				FUND BALANCES
-	2,521	32,224	6,065	Reserved for encumbrances
-	-	-	-	Reserved for loans receivable
-	-	-	-	Reserved for property held for resale
-	-	2,500,000	-	Reserved for advances to other funds
-	-	-	-	Reserved for debt service
				Unreserved:
-	-	400,000	-	Designated for cash flow
-	-	-	-	Designated for capital projects
-	-	3,291,624	-	Designated for public improvements
-	-	-	664,350	Designated for law enforcement
-	460,104	-	-	Designated for special programs
-	-	-	-	Designated for housing programs
-	-	-	-	Undesignated
-	462,625	6,223,848	670,415	TOTAL FUND BALANCES (DEFICITS)
$ -	$ 462,625	$ 6,306,938	$ 699,413	TOTAL LIABILITIES AND FUND BALANCES

(continued)

CITY OF SIMI VALLEY
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2003

	Special Revenue			
	Community Development Block Grant	Retiree Benefits	Landscape Maintenance District No. 1	Total Nonmajor Special Revenue Funds
ASSETS				
Cash and investments (note III A):				
Held by city	$ 588,225	$ 234,583	$ 1,153,259	$ 12,839,380
Held by fiscal agents	-	-	-	-
Accounts receivable (net of allowance for uncollectibles) (note III C)	-	-	-	60,399
Prepaids (note III D)	-	-	-	2,316,563
Taxes receivable	-	-	-	67,294
Grants receivable	104,742	-	-	184,582
Interest receivable	-	788	4,915	47,311
Loans receivable (net of allowance for uncollectibles) (note III B & C)	639,463	-	-	4,358,418
Property held for resale	-	-	-	163,251
Advances to other funds (note III F)	-	-	-	2,500,000
TOTAL ASSETS	$ 1,332,430	$ 235,371	$ 1,158,174	$ 22,537,198
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable	$ 44,751	$ -	$ 78,664	$ 688,558
Salaries and benefits payable	-	-	-	76,500
Due to other funds (note III F)	-	-	-	163,432
Advances from other funds (note III F)	-	-	-	218,124
Deferred revenues	639,463	-	-	4,233,102
TOTAL LIABILITIES	684,214	-	78,664	5,379,716
FUND BALANCES				
Reserved for encumbrances	175,802	-	-	463,134
Reserved for loans receivable	-	-	-	170,316
Reserved for property held for resale	-	-	-	163,251
Reserved for advances to other funds	-	-	-	2,500,000
Reserved for debt service	-	-	-	-
Unreserved:				
Designated for cash flow	-	-	250,000	650,000
Designated for capital projects	-	-	-	-
Designated for public improvements	-	-	829,510	4,121,134
Designated for law enforcement	-	-	-	664,350
Designated for special programs	472,414	-	-	1,429,340
Designated for housing programs	-	-	-	7,162,282
Undesignated	-	235,371	-	(166,325)
TOTAL FUND BALANCES (DEFICITS)	648,216	235,371	1,079,510	17,157,482
TOTAL LIABILITIES AND FUND BALANCES	$ 1,332,430	$ 235,371	$ 1,158,174	$ 22,537,198

CITY OF SIMI VALLEY
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2003

Debt Service				
1993 Revenue Refunding Bonds	1995 Lease Revenue Bonds	2003 Tax Allocation Refunding Bonds	Total Nonmajor Debt Service	
				ASSETS
				Cash and investments (note III A):
$ 1,802	$ -	$ 1,167,049	$ 1,168,851	Held by city
-	1,092,084	2,148,379	3,240,463	Held by fiscal agents
-	-	-	-	Accounts receivable (net of allowance for uncollectibles) (note III C)
-	-	-	-	Prepaids (note III D)
-	-	-	-	Taxes receivable
-	-	-	-	Grants receivable
225	7,250	1,322	8,797	Interest receivable
-	-	-	-	Loans receivable (net of allowance for uncollectibles) (note III B & C)
-	-	-	-	Property held for resale
-	-	-	-	Advances to other funds (note III F)
$ 2,027	$ 1,099,334	$ 3,316,750	$ 4,418,111	TOTAL ASSETS
				LIABILITIES AND FUND BALANCES
				LIABILITIES
$ -	$ -	$ -	$ -	Accounts payable
-	-	-	-	Salaries and benefits payable
-	-	-	-	Due to other funds (note III F)
-	-	-	-	Advances from other funds (note III F)
-	-	-	-	Deferred revenues
-	-	-	-	TOTAL LIABILITIES
				FUND BALANCES
-	64	-	64	Reserved for encumbrances
-	-	-	-	Reserved for loans receivable
-	-	-	-	Reserved for property held for resale
				Reserved for advances to other funds
2,027	1,099,270	3,316,750	4,418,047	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
-	-	-	-	Designated for housing programs
-	-	-	-	Undesignated
2,027	1,099,334	3,316,750	4,418,111	TOTAL FUND BALANCES (DEFICITS)
$ 2,027	$ 1,099,334	$ 3,316,750	$ 4,418,111	TOTAL LIABILITIES AND FUND BALANCES

(continued)

CITY OF SIMI VALLEY
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2003

	Capital Projects			
	CDA Projects	Cultural Arts Facility	Equipment Replacement	Geographic Information System (GIS)
ASSETS				
Cash and investments (note III A):				
Held by city	$ 3,405,973	$ 23,806	$ 3,985,804	$ 158,326
Held by fiscal agents	-	-	-	-
Accounts receivable (net of allowance for uncollectibles) (note III C)	-	-	-	-
Prepaids (note III D)	-	-	-	-
Taxes receivable	-	-	-	-
Grants receivable	-	-	-	-
Interest receivable	15,233	-	2,159	769
Loans receivable (net of allowance for uncollectibles) (note III B & C)	-	-	-	-
Property held for resale	-	-	-	-
Advances to other funds (note III F)	-	-	-	-
TOTAL ASSETS	$ 3,421,206	$ 23,806	$ 3,987,963	$ 159,095
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable	$ -	$ -	$ 102,162	$ 1,093
Salaries and benefits payable	-	-	-	-
Due to other funds (note III F)	-	-	-	-
Advances from other funds (note III F)	-	-	-	-
Deferred revenues	-	-	-	-
TOTAL LIABILITIES	-	-	102,162	1,093
FUND BALANCES				
Reserved for encumbrances	62,364	-	100,692	104
Reserved for loans receivable	-	-	-	-
Reserved for property held for resale	-	-	-	-
Reserved for advances to other funds	-	-	-	-
Reserved for debt service	-	-	-	-
Unreserved:				
Designated for cash flow	-	-	-	-
Designated for capital projects	3,358,842	23,806	3,785,109	157,898
Designated for public improvements	-	-	-	-
Designated for law enforcement	-	-	-	-
Designated for special programs	-	-	-	-
Designated for housing programs	-	-	-	-
Undesignated	-	-	-	-
TOTAL FUND BALANCES (DEFICITS)	3,421,206	23,806	3,885,801	158,002
TOTAL LIABILITIES AND FUND BALANCES	$ 3,421,206	$ 23,806	$ 3,987,963	$ 159,095

CITY OF SIMI VALLEY
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2003

Capital Projects				
Tapo Street Bridge	Integrated Police System (IPS)	Financial Information System (FIS)	Stormwater Detention Basins	
				ASSETS
				Cash and investments (note III A):
$ -	$ -	$ 170,126	$ -	Held by city
-	-	-	-	Held by fiscal agents
-	-	-	-	Accounts receivable (net of allowance for uncollectibles) (note III C)
-	-	-	-	Prepaids (note III D)
-	-	-	-	Taxes receivable
-	729,181	-	273,855	Grants receivable
-	-	-	-	Interest receivable
-	-	-	-	Loans receivable (net of allowance for uncollectibles) (note III B & C)
-	-	-	-	Property held for resale
-	-	-	-	Advances to other funds (note III F)
$ -	$ 729,181	$ 170,126	$ 273,855	TOTAL ASSETS
				LIABILITIES AND FUND BALANCES
				LIABILITIES
$ -	$ 69,867	$ 12,148	$ 64,856	Accounts payable
-	-	-	-	Salaries and benefits payable
-	584,884	-	208,998	Due to other funds (note III F)
-	-	-	-	Advances from other funds (note III F)
-	273,337	-	54,201	Deferred revenues
-	928,088	12,148	328,055	TOTAL LIABILITIES
				FUND BALANCES
-	553,911	-	59,629	Reserved for encumbrances
-	-	-	-	Reserved for loans receivable
-	-	-	-	Reserved for property held for resale
-	-	-	-	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
-	-	-	-	Designated for housing programs
-	(752,818)	157,978	(113,829)	Undesignated
-	(198,907)	157,978	(54,200)	TOTAL FUND BALANCES (DEFICITS)
$ -	$ 729,181	$ 170,126	$ 273,855	TOTAL LIABILITIES AND FUND BALANCES

(continued)

CITY OF SIMI VALLEY
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2003

	Capital Projects			
	Madera Royal Improvements	Police Capital Projects	Unified Two-Way Radio System	Regional Mall
ASSETS				
Cash and investments (note III A):				
Held by city	$ 334,729	$ 25,000	$ 1,296,427	$ -
Held by fiscal agents	-	-	-	-
Accounts receivable (net of allowance for uncollectibles) (note III C)	-	-	-	-
Prepaids (note III D)	-	-	-	-
Taxes receivable	-	-	-	-
Grants receivable	-	-	-	-
Interest receivable	1,506	-	-	-
Loans receivable (net of allowance for uncollectibles) (note III B & C)	-	-	-	-
Property held for resale	-	-	-	-
Advances to other funds (note III F)	-	-	-	-
TOTAL ASSETS	$ 336,235	$ 25,000	$ 1,296,427	$ -
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable	$ -	$ -	$ 3,178	$ 127,328
Salaries and benefits payable	-	-	-	-
Due to other funds (note III F)	-	-	-	30,564
Advances from other funds (note III F)	-	-	-	-
Deferred revenues	-	-	-	-
TOTAL LIABILITIES	-	-	3,178	157,892
FUND BALANCES				
Reserved for encumbrances	-	-	6,434	4,961
Reserved for loans receivable	-	-	-	-
Reserved for property held for resale	-	-	-	-
Reserved for advances to other funds	-	-	-	-
Reserved for debt service	-	-	-	-
Unreserved:				
Designated for cash flow	-	-	-	-
Designated for capital projects	336,235	25,000	1,286,815	-
Designated for public improvements	-	-	-	-
Designated for law enforcement	-	-	-	-
Designated for special programs	-	-	-	-
Designated for housing programs	-	-	-	-
Undesignated	-	-	-	(162,853)
TOTAL FUND BALANCES (DEFICITS)	336,235	25,000	1,293,249	(157,892)
TOTAL LIABILITIES AND FUND BALANCES	$ 336,235	$ 25,000	$ 1,296,427	$ -

CITY OF SIMI VALLEY
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2003

Total Nonmajor Capital Projects	Total Nonmajor Funds	
		ASSETS
		Cash and investments (note III A):
$ 9,400,191	$ 23,408,422	Held by city
-	3,240,463	Held by fiscal agents
-	60,399	Accounts receivable (net of allowance for uncollectibles) (note III C)
-	2,316,563	Prepaids (note III D)
-	67,294	Taxes receivable
1,003,036	1,187,618	Grants receivable
19,667	75,775	Interest receivable
-	4,358,418	Loans receivable (net of allowance for uncollectibles) (note III B & C)
-	163,251	Property held for resale
-	2,500,000	Advances to other funds (note III F)
$ 10,422,894	$ 37,378,203	TOTAL ASSETS
		LIABILITIES AND FUND BALANCES
		LIABILITIES
$ 380,632	$ 1,069,190	Accounts payable
-	76,500	Salaries and benefits payable
824,446	987,878	Due to other funds (note III F)
-	218,124	Advances from other funds (note III F)
327,538	4,560,640	Deferred revenues
1,532,616	6,912,332	TOTAL LIABILITIES
		FUND BALANCES
788,095	1,251,293	Reserved for encumbrances
-	170,316	Reserved for loans receivable
-	163,251	Reserved for property held for resale
-	2,500,000	Reserved for advances to other funds
-	4,418,047	Reserved for debt service
		Unreserved:
-	650,000	Designated for cash flow
8,973,705	8,973,705	Designated for capital projects
-	4,121,134	Designated for public improvements
-	664,350	Designated for law enforcement
-	1,429,340	Designated for special programs
-	7,162,282	Designated for housing programs
(871,522)	(1,037,847)	Undesignated
8,890,278	30,465,871	TOTAL FUND BALANCES (DEFICITS)
$ 10,422,894	$ 37,378,203	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, 2003

	Special Revenue			
	Community Development Agency Administration	Community Development Agency Housing Administration	Madera Royal Tax Increment	HOME Grant
REVENUES				
Taxes	$ -	$ -	$ -	$ -
Tax increment revenues	-	-	59,678	-
Use of money and property	-	635,217	152	47,647
From other governments	-	-	-	-
Grants	-	-	-	-
Service charges	-	31,296	-	-
Other revenues	-	-	-	-
Total revenues	-	666,513	59,830	47,647
EXPENDITURES				
Current:				
General government	365,300	279,041	750	13,852
Community services (CS)	-	-	-	-
Planning (ES)	528,794	1,653,897	-	5,000
Public ways and facilities (PW)	-	-	-	-
Public safety (PD)	-	-	-	-
Total current expenditures	894,094	1,932,938	750	18,852
Capital outlay	-	-	-	-
Debt service:				
Refunding escrow	-	-	-	-
Refunding bond issuance costs	-	-	-	-
Principal	-	4,101	-	-
Interest	-	7,508	5,463	-
Other	-	-	-	-
Total debt service	-	11,609	5,463	-
Intergovernmental	-	-	22,149	-
Total expenditures	894,094	1,944,547	28,362	18,852
EXCESS (DEFICIENCY) OF REVENUES OVER OVER EXPENDITURES	(894,094)	(1,278,034)	31,468	28,795
OTHER FINANCING SOURCES (USES)				
Transfers in (note III F)	879,601	1,829,517	-	-
Transfers out (note III F)	(3,300)	(2,500)	(11,937)	-
Refunding bonds issued	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-
Total other financing sources (uses)	876,301	1,827,017	(11,937)	-
NET CHANGE IN FUND BALANCES	(17,793)	548,983	19,531	28,795
FUND BALANCES (DEFICITS)-BEGINNING, AS RESTATED	17,793	7,009,817	(237,656)	468,027
FUND BALANCES (DEFICITS)-ENDING	$ -	$ 7,558,800	$ (218,125)	$ 496,822

CITY OF SIMI VALLEY
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2003

Special Revenue				
Gasoline Tax	Transportation Funds	Lighting Maintenance District	Police Grants	
				REVENUES
$ -	$ -	$ 1,626,018	$ -	Taxes
-	-	-	-	Tax increment revenues
-	10,572	170,945	2,898	Use of money and property
2,158,322	3,648,424	25,000	-	From other governments
-	-	-	317,483	Grants
-	-	20,225	-	Service charges
-	-	103,883	-	Other revenues
2,158,322	3,658,996	1,946,071	320,381	Total revenues
				EXPENDITURES
				Current:
-	-	328,600	-	General government
-	-	-	-	Community services (CS)
-	-	-	-	Planning (ES)
-	32,886	1,141,752	-	Public ways and facilities (PW)
-	-	-	611,277	Public safety (PD)
-	32,886	1,470,352	611,277	Total current expenditures
-	-	-	237,080	Capital outlay
				Debt service:
-	-	-	-	Refunding escrow
-	-	-	-	Refunding bond issuance costs
-	-	-	-	Principal
-	-	-	-	Interest
-	-	-	-	Other
-	-	-	-	Total debt service
-	-	-	-	Intergovernmental
-	32,886	1,470,352	848,357	Total expenditures
2,158,322	3,626,110	475,719	(527,976)	EXCESS (DEFICIENCY) OF REVENUES OVER OVER EXPENDITURES
				OTHER FINANCING SOURCES (USES)
-	-	-	983,616	Transfers in (note III F)
(2,158,322)	(3,477,962)	(108,371)	(382,185)	Transfers out (note III F)
-	-	-	-	Refunding bonds issued
-	-	-	-	Payment to refunded bond escrow agent
(2,158,322)	(3,477,962)	(108,371)	601,431	Total other financing sources (uses)
-	148,148	367,348	73,455	NET CHANGE IN FUND BALANCES
-	314,477	5,856,500	596,960	FUND BALANCES (DEFICITS)-BEGINNING, AS RESTATED
$ -	$ 462,625	$ 6,223,848	$ 670,415	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, 2003

	Special Revenue			
	Community Development Block Grant	Retiree Benefits	Landscape Maintenance District No. 1	Total Nonmajor Special Revenue Funds
REVENUES				
Taxes	$ -	$ -	$ -	$ 1,626,018
Tax increment revenues	-	-	-	59,678
Use of money and property	36,975	2,371	23,463	930,240
From other governments	-	-	-	5,831,746
Grants	857,503	-	-	1,174,986
Service charges	-	-	795,367	846,888
Other revenues	-	10,800	-	114,683
Total revenues	894,478	13,171	818,830	10,584,239
EXPENDITURES				
Current:				
General government	410,476	-	52,019	1,450,038
Community services (CS)	13,636	-	-	13,636
Planning (ES)	204,320	-	-	2,392,011
Public ways and facilities (PW)	232,417	-	872,144	2,279,199
Public safety (PD)	-	-	-	611,277
Total current expenditures	860,849	-	924,163	6,746,161
Capital outlay	-	-	-	237,080
Debt service:				
Refunding escrow	-	-	-	-
Refunding bond issuance costs	-	-	-	-
Principal	-	-	-	4,101
Interest	-	-	-	12,971
Other	-	-	-	-
Total debt service	-	-	-	17,072
Intergovernmental	-	-	-	22,149
Total expenditures	860,849	-	924,163	7,022,462
EXCESS (DEFICIENCY) OF REVENUES OVER OVER EXPENDITURES	33,629	13,171	(105,333)	3,561,777
OTHER FINANCING SOURCES (USES)				
Transfers in (note III F)	-	222,200	200,000	4,114,934
Transfers out (note III F)	-	-	-	(6,144,577)
Refunding bonds issued	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-
Total other financing sources (uses)	-	222,200	200,000	(2,029,643)
NET CHANGE IN FUND BALANCES	33,629	235,371	94,667	1,532,134
FUND BALANCES (DEFICITS)-BEGINNING, AS RESTATED	614,587	-	984,843	15,625,348
FUND BALANCES (DEFICITS)-ENDING	$ 648,216	$ 235,371	$ 1,079,510	$ 17,157,482

CITY OF SIMI VALLEY
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2003

Debt Service				
1993 Revenue Refunding Bonds	1995 Lease Revenue Bonds	2003 Tax Allocation Refunding Bonds	Total Nonmajor Debt Service	
				REVENUES
$ -	$ -	$ -	$ -	Taxes
-	-	-	-	Tax increment revenues
14,221	12,173	5,238	31,632	Use of money and property
-	-	-	-	From other governments
-	-	-	-	Grants
-	-	-	-	Service charges
29,556	-	-	29,556	Other revenues
43,777	12,173	5,238	61,188	Total revenues
				EXPENDITURES
				Current:
-	-	-	-	General government
-	-	-	-	Community services (CS)
-	-	-	-	Planning (ES)
-	-	-	-	Public ways and facilities (PW)
-	-	-	-	Public safety (PD)
-	-	-	-	Total current expenditures
-	-	-	-	Capital outlay
				Debt service:
-	-	1,666,163	1,666,163	Refunding escrow
-	-	930,403	930,403	Refunding bond issuance costs
770,000	475,000	-	1,245,000	Principal
864,109	484,775	844,858	2,193,742	Interest
3,008	4,586	-	7,594	Other
1,637,117	964,361	3,441,424	6,042,902	Total debt service
-	-	-	-	Intergovernmental
1,637,117	964,361	3,441,424	6,042,902	Total expenditures
(1,593,340)	(952,188)	(3,436,186)	(5,981,714)	EXCESS (DEFICIENCY) OF REVENUES OVER OVER EXPENDITURES
				OTHER FINANCING SOURCES (USES)
-	964,361	1,167,297	2,131,658	Transfers in (note III F)
(55,556)	-	-	(55,556)	Transfers out (note III F)
-	-	32,251,576	32,251,576	Refunding bonds issued
(2,511,021)	-	(26,665,937)	(29,176,958)	Payment to refunded bond escrow agent
(2,566,577)	964,361	6,752,936	5,150,720	Total other financing sources (uses)
(4,159,917)	12,173	3,316,750	(830,994)	NET CHANGE IN FUND BALANCES
4,161,944	1,087,161	-	5,249,105	FUND BALANCES (DEFICITS)-BEGINNING, AS RESTATED
$ 2,027	$ 1,099,334	$ 3,316,750	$ 4,418,111	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, 2003

	Capital Projects			
	CDA Projects	Cultural Arts Facility	Equipment Replacement	Geographic Information System (GIS)
REVENUES				
Taxes	$ -	$ -	$ -	$ -
Tax increment revenues	-	-	-	-
Use of money and property	78,561	-	11,932	4,423
From other governments	-	-	-	-
Grants	-	-	-	-
Service charges	-	-	-	-
Other revenues	-	-	-	-
Total revenues	78,561	-	11,932	4,423
EXPENDITURES				
Current:				
General government	-	82	-	1,593
Community services (CS)	-	-	-	-
Planning (ES)	-	-	-	-
Public ways and facilities (PW)	-	-	-	-
Public safety (PD)	-	-	-	-
Total current expenditures	-	82	-	1,593
Capital outlay	340,698	83,998	661,067	60,999
Debt service:				
Refunding escrow	-	-	-	-
Refunding bond issuance costs	-	-	-	-
Principal	-	-	-	-
Interest	-	-	-	-
Other	-	-	-	-
Total debt service	-	-	-	-
Intergovernmental	-	-	-	-
Total expenditures	340,698	84,080	661,067	62,592
EXCESS (DEFICIENCY) OF REVENUES OVER OVER EXPENDITURES	(262,137)	(84,080)	(649,135)	(58,169)
OTHER FINANCING SOURCES (USES)				
Transfers in (note III F)	340,698	105,103	1,213,000	11,380
Transfers out (note III F)	-	-	-	-
Refunding bonds issued	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-
Total other financing sources (uses)	340,698	105,103	1,213,000	11,380
NET CHANGE IN FUND BALANCES	78,561	21,023	563,865	(46,789)
FUND BALANCES (DEFICITS)-BEGINNING, AS RESTATED	3,342,645	2,783	3,321,936	204,791
FUND BALANCES (DEFICITS)-ENDING	$ 3,421,206	$ 23,806	$ 3,885,801	$ 158,002

CITY OF SIMI VALLEY
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2003

Capital Projects				
Tapo Street Bridge	Integrated Police System (IPS)	Financial Information System (FIS)	Stormwater Detention Basins	
				REVENUES
$ -	$ -	$ -	$ -	Taxes
-	-	-	-	Tax increment revenues
-	1,725	-		Use of money and property
-	-	-	-	From other governments
-	455,844	-	905,861	Grants
-	-	-	-	Service charges
-	-	-	-	Other revenues
-	457,569	-	905,861	Total revenues
				EXPENDITURES
				Current:
-	19,085	2,793	-	General government
-	-	-	-	Community services (CS)
-	-	-	-	Planning (ES)
-	-	-	-	Public ways and facilities (PW)
-	-	-	-	Public safety (PD)
-	19,085	2,793	-	Total current expenditures
-	1,443,726	31,289	411,914	Capital outlay
				Debt service:
-	-	-	-	Refunding escrow
-	-	-	-	Refunding bond issuance costs
-	-	-	-	Principal
-	-	-	-	Interest
-	-	-	-	Other
-	-	-	-	Total debt service
-	-	-	-	Intergovernmental
-	1,462,811	34,082	411,914	Total expenditures
-	(1,005,242)	(34,082)	493,947	EXCESS (DEFICIENCY) OF REVENUES OVER OVER EXPENDITURES
				OTHER FINANCING SOURCES (USES)
-	297,269	256,700	-	Transfers in (note III F)
(246,424)	-	-	-	Transfers out (note III F)
-	-	-	-	Refunding bonds issued
-	-	-	-	Payment to refunded bond escrow agent
(246,424)	297,269	256,700	-	Total other financing sources (uses)
(246,424)	(707,973)	222,618	493,947	NET CHANGE IN FUND BALANCES
246,424	509,066	(64,640)	(548,147)	FUND BALANCES (DEFICITS)-BEGINNING, AS RESTATED
$ -	$ (198,907)	$ 157,978	$ (54,200)	FUND BALANCES (DEFICITS)-ENDING

(continued)

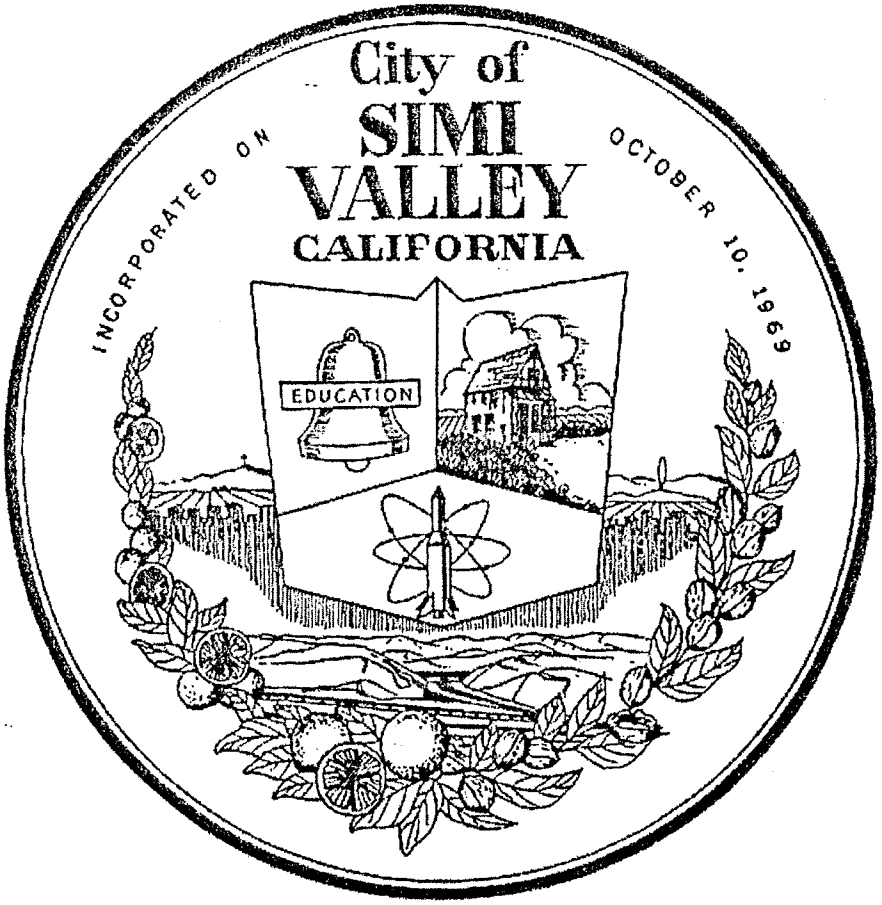
CITY OF SIMI VALLEY
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2003

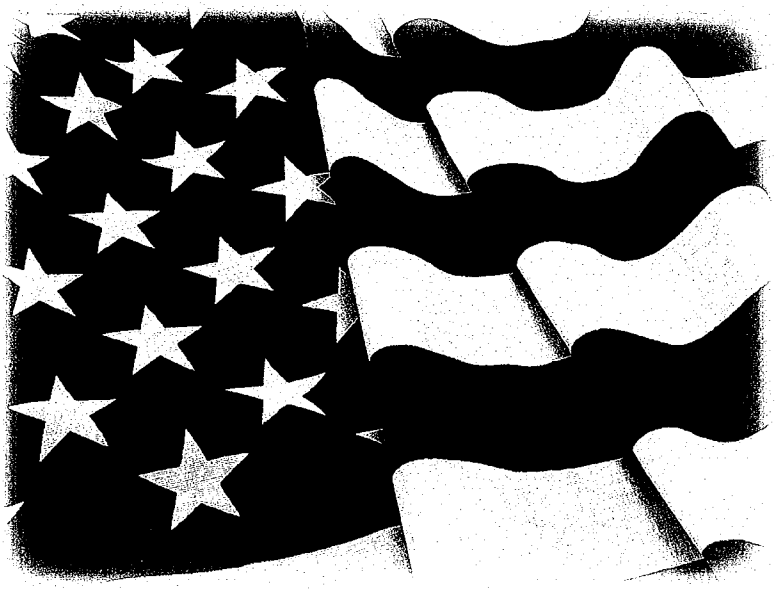
	Capital Projects			
	Madera Royal Improvements	Police Capital Projects	Unified Two-Way Radio System	Regional Mall
REVENUES				
Taxes	$ -	$ -	$ -	$ -
Tax increment revenues	-	-	-	-
Use of money and property	3,915	-	-	-
From other governments	-	-	-	-
Grants	-	-	-	-
Service charges	-	-	-	-
Other revenues	-	-	-	-
Total revenues	3,915	-	-	-
EXPENDITURES				
Current:				
General government	-	-	-	1,428,292
Community services (CS)	-	-	-	-
Planning (ES)	-	-	-	-
Public ways and facilities (PW)	-	-	-	-
Public safety (PD)	-	-	-	-
Total current expenditures	-	-	-	1,428,292
Capital outlay	107,308	-	36,751	-
Debt service:				
Refunding escrow	-	-	-	-
Refunding bond issuance costs	-	-	-	-
Principal	-	-	-	-
Interest	-	-	-	-
Other	-	-	-	-
Total debt service	-	-	-	-
Intergovernmental	-	-	-	-
Total expenditures	107,308	-	36,751	1,428,292
EXCESS (DEFICIENCY) OF REVENUES OVER OVER EXPENDITURES	(103,393)	-	(36,751)	(1,428,292)
OTHER FINANCING SOURCES (USES)				
Transfers in (note III F)	-	25,000	140,000	1,270,400
Transfers out (note III F)	-	-	-	-
Refunding bonds issued	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-
Total other financing sources (uses)	-	25,000	140,000	1,270,400
NET CHANGE IN FUND BALANCES	(103,393)	25,000	103,249	(157,892)
FUND BALANCES (DEFICITS)-BEGINNING, AS RESTATED	439,628	-	1,190,000	-
FUND BALANCES (DEFICITS)-ENDING	$ 336,235	$ 25,000	$ 1,293,249	$ (157,892)

CITY OF SIMI VALLEY
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2003

Total Nonmajor Capital Project Funds	Total Nonmajor Funds	
		REVENUES
$ -	$ 1,626,018	Taxes
-	59,678	Tax increment revenues
100,556	1,062,428	Use of money and property
-	5,831,746	From other governments
1,361,705	2,536,691	Grants
-	846,888	Service charges
-	144,239	Other revenues
1,462,261	12,107,688	Total revenues
		EXPENDITURES
		Current:
1,451,845	2,901,883	General government
-	13,636	Community services (CS)
-	2,392,011	Planning (ES)
-	2,279,199	Public ways and facilities (PW)
-	611,277	Public safety (PD)
1,451,845	8,198,006	Total current expenditures
3,177,750	3,414,830	Capital outlay
		Debt service:
-	1,666,163	Refunding escrow
-	930,403	Refunding bond issuance costs
-	1,249,101	Principal
-	2,206,713	Interest
-	7,594	Other
-	6,059,974	Total debt service
-	22,149	Intergovernmental
4,629,595	17,694,959	Total expenditures
(3,167,334)	(5,587,271)	EXCESS (DEFICIENCY) OF REVENUES OVER OVER EXPENDITURES
		OTHER FINANCING SOURCES (USES)
3,659,550	9,906,142	Transfers in (note III F)
(246,424)	(6,446,557)	Transfers out (note III F)
-	32,251,576	Refunding bonds issued
-	(29,176,958)	Payment to refunded bond escrow agent
3,413,126	6,534,203	Total other financing sources (uses)
245,792	946,932	NET CHANGE IN FUND BALANCES
8,644,486	29,518,939	FUND BALANCES (DEFICITS)-BEGINNING, AS RESTATED
$ 8,890,278	$ 30,465,871	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
SUPPLEMENTAL SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - COMMUNITY DEVELOPMENT AGENCY ADMINISTRATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2003

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
REVENUES				
Other revenues	$ -	$ -	$ -	$ -
EXPENDITURES				
Current:				
General government:				
Reimbursement to general fund	327,200	365,300	365,300	-
Environmental services:				
Personnel	383,600	391,900	364,847	27,053
Materials, supplies and services	224,300	224,300	163,947	60,353
Total environmental services	607,900	616,200	528,794	87,406
Capital outlay	-	-	-	-
Total expenditures	935,100	981,500	894,094	87,406
(DEFICIENCY) OF REVENUES OVER EXPENDITURES	(935,100)	(981,500)	(894,094)	87,406
OTHER FINANCING SOURCES (USES)				
Transfers in	938,400	938,400	879,601	(58,799)
Transfers out	(3,300)	(3,300)	(3,300)	-
Total other financing sources (uses)	935,100	935,100	876,301	(58,799)
NET CHANGE IN FUND BALANCES	-	(46,400)	(17,793)	28,607
FUND BALANCES-BEGINNING, AS RESTATED	17,793	17,793	17,793	-
FUND BALANCES (DEFICITS)-ENDING	$ 17,793	$ (28,607)	$ -	$ 28,607

CITY OF SIMI VALLEY
SUPPLEMENTAL SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - COMMUNITY DEVELOPMENT AGENCY HOUSING ADMINISTRATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2003

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
REVENUES				
Use of money and property	$ 386,800	$ 386,800	$ 635,217	$ 248,417
Service charges	18,600	18,600	31,296	12,696
Total revenues	405,400	405,400	666,513	261,113
EXPENDITURES				
Current:				
General government:				
Reimbursement to general fund	374,500	382,800	382,800	-
Reimbursement from CDBG	(89,900)	(89,900)	(89,906)	6
Reimbursement from HOME grant	(307,500)	(307,500)	(13,853)	(293,647)
Total general government	(22,900)	(14,600)	279,041	(293,641)
Environmental services:				
Personnel	642,500	644,400	662,996	(18,596)
Materials, supplies and services	2,872,000	7,808,500	990,901	6,817,599
Total environmental services	3,514,500	8,452,900	1,653,897	6,799,003
Capital outlay	-	1,104,000	-	1,104,000
Debt service:				
Principal	4,375	4,375	4,101	274
Interest	8,125	8,125	7,508	617
Total debt service	12,500	12,500	11,609	891
Total expenditures	3,504,100	9,554,800	1,944,547	7,610,253
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(3,098,700)	(9,149,400)	(1,278,034)	7,871,366
OTHER FINANCING SOURCES				
Transfers in	1,795,700	1,795,700	1,829,517	33,817
Transfers out	(2,500)	(2,500)	(2,500)	-
Total other financing sources (uses)	1,793,200	1,793,200	1,827,017	33,817
NET CHANGE IN FUND BALANCES	(1,305,500)	(7,356,200)	548,983	7,905,183
FUND BALANCES-BEGINNING, AS RESTATED	7,009,817	7,009,817	7,009,817	-
FUND BALANCES (DEFICITS)-ENDING	$ 5,704,317	$ (346,383)	$ 7,558,800	$ 7,905,183

CITY OF SIMI VALLEY
SUPPLEMENTAL SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - MADERA ROYAL TAX INCREMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2003

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
REVENUES				
Tax increment revenues	$ 62,300	$ 62,300	$ 59,678	$ (2,622)
Use of money and property	600	600	152	(448)
Total revenues	62,900	62,900	59,830	(3,070)
EXPENDITURES				
Current:				
General government:				
Materials, supplies, and services	700	700	750	(50)
Debt service:				
Interest	14,400	14,400	5,463	8,937
Intergovernmental	22,900	22,900	22,149	751
Total expenditures	38,000	38,000	28,362	9,638
EXCESS OF REVENUES OVER EXPENDITURES	24,900	24,900	31,468	6,568
OTHER FINANCING SOURCES (USES)				
Transfers out	(12,500)	(12,500)	(11,937)	563
NET CHANGE IN FUND BALANCES	12,400	12,400	19,531	7,131
FUND BALANCES (DEFICITS)-BEGINNING, AS RESTATED	(237,656)	(237,656)	(237,656)	-
FUND BALANCES (DEFICITS)-ENDING	$ (225,256)	$ (225,256)	$ (218,125)	$ 7,131

CITY OF SIMI VALLEY
SUPPLEMENTAL SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - HOME GRANT
FOR THE FISCAL YEAR ENDED JUNE 30, 2003

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
REVENUES				
Use of money and property	$ -	$ -	$ 47,647	$ 47,647
EXPENDITURES				
Current:				
General government:				
Reimbursement to housing fund	-	-	13,852	(13,852)
Environmental services:				
Housing programs	-	-	5,000	(5,000)
Total expenditures	-	-	18,852	(18,852)
EXCESS OF REVENUES OVER EXPENDITURES	-	-	28,795	28,795
FUND BALANCES (DEFICITS)-BEGINNING, AS RESTATED	468,027	468,027	468,027	-
FUND BALANCES (DEFICITS)-ENDING	$ 468,027	$ 468,027	$ 496,822	$ 28,795

CITY OF SIMI VALLEY
SUPPLEMENTAL SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GASOLINE TAX
FOR THE FISCAL YEAR ENDED JUNE 30, 2003

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
REVENUES				
From other governments	$ 2,193,000	$ 2,193,000	$ 2,158,322	$ (34,678)
OTHER FINANCING SOURCES (USES)				
Transfers out	(2,193,000)	(2,193,000)	(2,158,322)	34,678
NET CHANGE IN FUND BALANCES	-	-	-	-
FUND BALANCES-BEGINNING	-	-	-	-
FUND BALANCES-ENDING	$ -	$ -	$ -	$ -

CITY OF SIMI VALLEY
SUPPLEMENTAL SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - TRANSPORTATION FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2003

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
REVENUES				
Use of money and property	$ -	$ -	$ 10,572	$ 10,572
From other governments	3,251,000	3,251,000	3,648,424	397,424
Total revenues	3,251,000	3,251,000	3,658,996	407,996
EXPENDITURES				
Current:				
Public works:				
Materials, supplies, and services	-	15,800	32,886	(17,086)
OTHER FINANCING (USES)				
Transfers out	(3,251,000)	(3,436,400)	(3,477,962)	(41,562)
NET CHANGE IN FUND BALANCES	-	(201,200)	148,148	349,348
FUND BALANCES (DEFICITS)-BEGINNING	314,477	314,477	314,477	-
FUND BALANCES-ENDING	$ 314,477	$ 113,277	$ 462,625	$ 349,348

CITY OF SIMI VALLEY
SUPPLEMENTAL SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - LIGHTING MAINTENANCE DISTRICT
FOR THE FISCAL YEAR ENDED JUNE 30, 2003

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
REVENUES				
Taxes	$ 1,455,200	$ 1,455,200	$ 1,626,018	$ 170,818
Use of money and property	235,400	235,400	170,945	(64,455)
From other governments	25,600	25,600	25,000	(600)
Service charges	3,000	3,000	20,225	17,225
Other revenues	-	-	103,883	103,883
Total revenues	1,719,200	1,719,200	1,946,071	226,871
EXPENDITURES				
Current:				
General government:				
Reimbursement to general fund	290,600	328,600	328,600	-
Public works:				
Utilities	923,300	923,300	798,942	124,358
Supplies and materials	1,000	1,000	241	759
Services	456,700	456,700	342,569	114,131
Total public works	1,381,000	1,381,000	1,141,752	239,248
Total expenditures	1,671,600	1,709,600	1,470,352	239,248
EXCESS OF REVENUES OVER EXPENDITURES	47,600	9,600	475,719	466,119
OTHER FINANCING SOURCES (USES)				
Transfers out	(342,400)	(347,100)	(108,371)	238,729
NET CHANGE IN FUND BALANCES	(294,800)	(337,500)	367,348	704,848
FUND BALANCES (DEFICITS)-BEGINNING	5,856,500	5,856,500	5,856,500	-
FUND BALANCES-ENDING	$ 5,561,700	$ 5,519,000	$ 6,223,848	$ 704,848

CITY OF SIMI VALLEY
SUPPLEMENTAL SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - POLICE GRANTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2003

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
REVENUES				
Use of money and property	$ 4,300	$ 4,300	$ 2,898	$ (1,402)
Grants	429,600	462,521	317,483	(145,038)
Total revenues	433,900	466,821	320,381	(146,440)
EXPENDITURES				
Current:				
Police:				
Personnel	648,100	648,100	581,181	66,919
Material, supplies and services	25,200	26,700	30,096	(3,396)
Capital purchases	-	292,979	237,080	55,899
Total expenditures	673,300	967,779	848,357	119,422
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(239,400)	(500,958)	(527,976)	(27,018)
OTHER FINANCING SOURCES (USES)				
Transfers in	323,400	911,158	983,616	72,458
Transfers out	(8,800)	(259,558)	(382,185)	(122,627)
Total other financing sources (uses)	314,600	651,600	601,431	(50,169)
NET CHANGE IN FUND BALANCES	75,200	150,642	73,455	(77,187)
FUND BALANCES (DEFICITS)-BEGINNING, AS RESTATED	596,960	596,960	596,960	-
FUND BALANCES-ENDING	$ 672,160	$ 747,602	$ 670,415	$ (77,187)

CITY OF SIMI VALLEY
SUPPLEMENTAL SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - COMMUNITY DEVELOPMENT BLOCK GRANT
FOR THE FISCAL YEAR ENDED JUNE 30, 2003

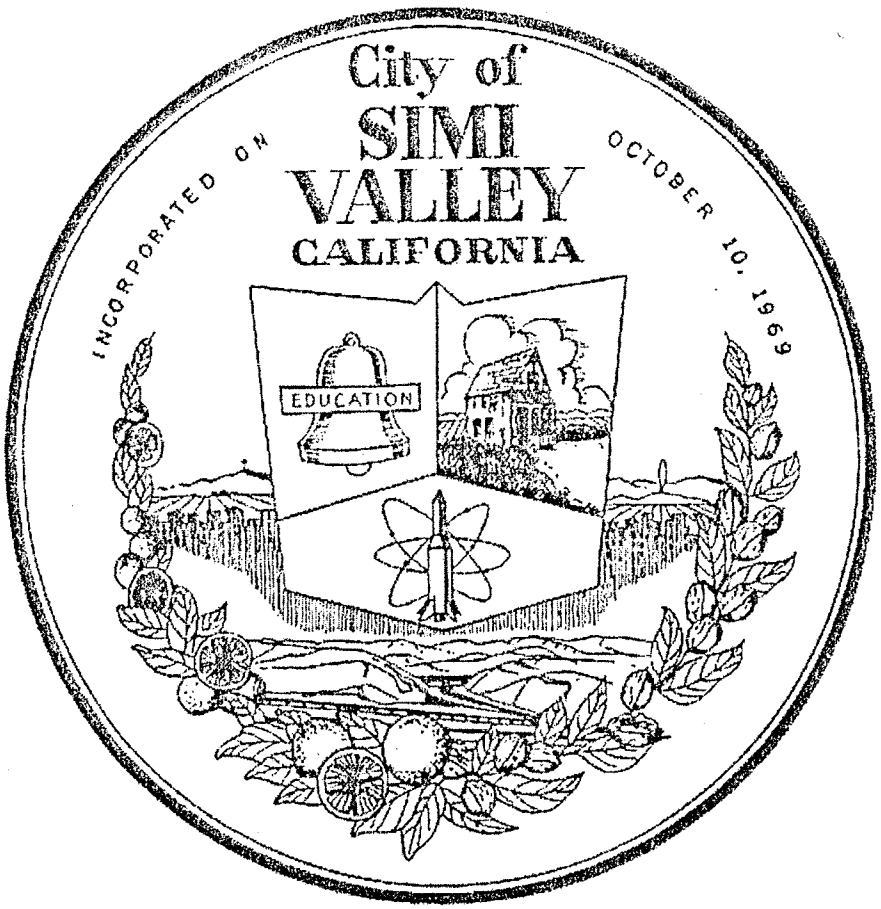
	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
REVENUES				
Use of money and property	$ -	$ -	$ 36,975	$ 36,975
Grants	1,140,822	1,140,822	857,503	(283,319)
Total revenues	1,140,822	1,140,822	894,478	(246,344)
EXPENDITURES				
General government:				
Reimbursement to general fund	88,550	88,600	78,550	10,050
Public facility improvements	-	466,000	331,926	134,074
Total general government	88,550	554,600	410,476	144,124
Community services:				
Senior programs	3,000	68,949	1,636	67,313
Other programs	66,206	66,706	12,000	54,706
Total community services	69,206	135,655	13,636	122,019
Environmental services:				
Reimbursement to housing fund	89,906	89,900	89,906	(6)
Social programs	170,714	227,449	82,772	144,677
Housing programs	39,000	167,975	31,492	136,483
Other programs	-	38,842	150	38,692
Total environmental services	299,620	524,166	204,320	319,846
Public works:				
Curbs, gutters, sidewalks, and street repair	683,446	985,669	188,972	796,697
Other repairs	-	39,322	43,445	(4,123)
Total public works	683,446	1,024,991	232,417	792,574
Total expenditures	1,140,822	2,239,412	860,849	1,378,563
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	(1,098,590)	33,629	1,132,219
FUND BALANCES (DEFICITS)-BEGINNING, AS RESTATED	614,587	614,587	614,587	-
FUND BALANCES (DEFICITS)-ENDING	$ 614,587	$ (484,003)	$ 648,216	$ 1,132,219

CITY OF SIMI VALLEY
SUPPLEMENTAL SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - RETIREE BENEFITS
FOR THE FISCAL YEAR ENDED JUNE 30, 2003

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
REVENUES				
Use of money and property	$ -	$ 3,500	$ 2,371	$ (1,129)
Other revenues	-	-	10,800	10,800
Total revenues	-	3,500	13,171	9,671
OTHER FINANCING SOURCES (USES)				
Transfers in	236,500	233,000	222,200	(10,800)
NET CHANGE IN FUND BALANCES	236,500	236,500	235,371	(1,129)
FUND BALANCES-BEGINNING	-	-	-	-
FUND BALANCES (DEFICITS)-ENDING	$ 236,500	$ 236,500	$ 235,371	$ (1,129)

CITY OF SIMI VALLEY
SUPPLEMENTAL SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - LANDSCAPE MAINTENANCE DISTRICT NO. 1
FOR THE FISCAL YEAR ENDED JUNE 30, 2003

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
REVENUES				
Use of money and property	$ 25,700	$ 25,684	$ 23,463	$ (2,221)
Service charges	828,800	828,759	795,367	(33,392)
Total revenues	854,500	854,443	818,830	(35,613)
EXPENDITURES				
Current:				
General government:				
Reimbursement to general fund	109,200	52,649	52,019	630
Public works:				
Utilities	298,500	298,456	295,889	2,567
Landscape maintenance contract	562,800	562,761	550,867	11,894
Other contract services	68,800	68,815	25,388	43,427
Total public works	930,100	930,032	872,144	57,888
Total expenditures	1,039,300	982,681	924,163	58,518
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(184,800)	(128,238)	(105,333)	22,905
OTHER FINANCING SOURCES				
Transfers in	98,900	200,000	200,000	-
NET CHANGE IN FUND BALANCES	(85,900)	71,762	94,667	22,905
FUND BALANCES (DEFICITS)-BEGINNING	984,843	984,843	984,843	-
FUND BALANCES (DEFICITS)-ENDING	$ 898,943	$ 1,056,605	$ 1,079,510	$ 22,905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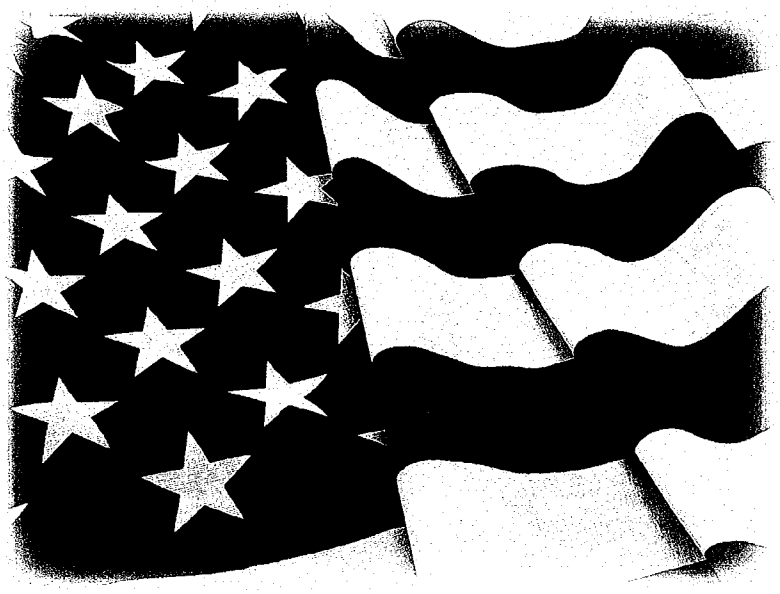


Internal Service and Fiduciary Funds

CITY OF SIMI VALLEY
STATEMENT OF NET ASSETS
INTERNAL SERVICE FUNDS
JUNE 30, 2003

	Liability Insurance	Workers' Compensation Insurance	Total
ASSETS			
Current assets:			
Cash and investments (note III A)	$ 8,840,366	$ 5,184,796	$ 14,025,162
Interest receivable	28,570	8,428	36,998
TOTAL ASSETS	8,868,936	5,193,224	14,062,160
LIABILITIES			
Current liabilities:			
Accounts payable	25,649	174,708	200,357
Salaries and benefits payable	-	9,283	9,283
Compensated absences	-	11,941	11,941
Claims and legal services payable	1,055,522	2,747,584	3,803,106
Total current liabilities	1,081,171	2,943,516	4,024,687
Noncurrent liabilities:			
Advances from other funds (note III F)	2,344,000	2,344,000	4,688,000
Compensated absences	-	3,656	3,656
Claims and legal services payable	1,287,194	4,698,051	5,985,245
Total noncurrent liabilities	3,631,194	7,045,707	10,676,901
TOTAL LIABILITIES	4,712,365	9,989,223	14,701,588
NET ASSETS			
Invested in capital assets	-	-	-
Unrestricted	4,156,571	(4,795,999)	(639,428)
TOTAL NET ASSETS	4,156,571	(4,795,999)	(639,428)
TOTAL LIABILITIES AND NET ASSETS	$8,868,936	$5,193,224	$14,062,160

CITY OF SIMI VALLEY
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
INTERNAL SERVICE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2003

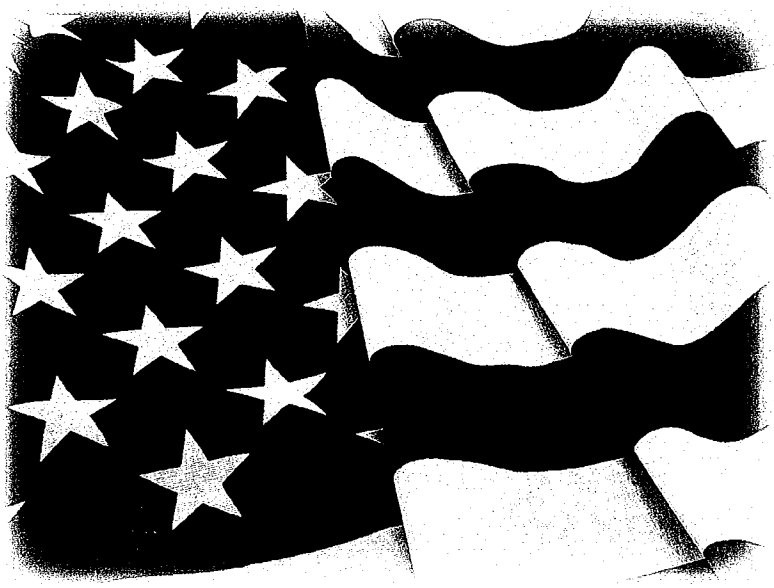
	Liability Insurance	Workers' Compensation Insurance	Total
OPERATING REVENUES			
Charges for sales and services	$ 1,383,300	$ 2,298,200	$ 3,681,500
Total operating revenues	1,383,300	2,298,200	3,681,500
OPERATING EXPENSES			
Salaries and benefits	-	239,981	239,981
Excess insurance premiums	333,364	173,680	507,044
Claims and legal expenses	637,011	5,166,261	5,803,272
General administration	217,900	136,000	353,900
Other	-	4,685	4,685
Total operating expenses	1,188,275	5,720,607	6,908,882
OPERATING INCOME (LOSS)	195,025	(3,422,407)	(3,227,382)
NONOPERATING REVENUES AND EXPENSES:			
Interest	154,017	46,735	200,752
Total nonoperating revenue (expenses)	154,017	46,735	200,752
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	349,042	(3,375,672)	(3,026,630)
TRANSFERS			
Transfers in (note III F)	-	362,000	362,000
Transfers out (note III F)	(1,400)	(2,800)	(4,200)
Total transfers	(1,400)	359,200	357,800
CHANGE IN NET ASSETS	347,642	(3,016,472)	(2,668,830)
TOTAL NET ASSETS-BEGINNING	3,808,929	(1,779,527)	2,029,402
TOTAL NET ASSETS-ENDING	$ 4,156,571	$ (4,795,999)	$ (639,428)

CITY OF SIMI VALLEY
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2003

	Liability Insurance	Workers' Compensation Insurance	Totals
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash received from service charges and other revenues (net of refunds)	$ 1,383,300	$ 2,298,200	$ 3,681,500
Cash paid for general administration	(217,900)	(136,000)	(353,900)
Cash paid for services	-	(125,167)	(125,167)
Cash paid for insurance premiums and claims	(721,523)	(2,311,634)	(3,033,157)
Cash paid for insurance services	-	(4,685)	(4,685)
Net cash provided (used) by operating activities	443,877	(279,286)	164,591
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Transfers from other funds	-	362,000	362,000
Transfers to other funds	(1,400)	(2,800)	(4,200)
Net cash provided (used) by noncapital financing activities	(1,400)	359,200	357,800
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest on investments	175,443	59,775	235,218
NET INCREASE IN CASH AND CASH EQUIVALENTS	617,920	139,689	757,609
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	8,222,446	5,045,107	13,267,553
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 8,840,366	$ 5,184,796	$ 14,025,162
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH USED BY OPERATING ACTIVITIES:			
Operating income (loss)	$ 195,025	$ (3,422,407)	$ (3,227,382)
Adjustments to reconcile operating loss to net cash provided (used) by operating activities:			
Increase (decrease) in accounts payable	(14,068)	114,814	100,746
Increase (decrease) in claims and legal service payable	262,920	3,028,307	3,291,227
Total adjustments	248,852	3,143,121	3,391,973
Net cash provided (used) by operating activities	$ 443,877	$ (279,286)	$ 164,591

CITY OF SIMI VALLEY
COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
FIDUCIARY FUNDS
JUNE 30, 2003

	City Agency Fund	Assessment District - City of Simi Valley	Tax Increment Pass-Through Simi Valley Unified School District	Tax Increment Pass-Through Ventura County Community College District	Total Current Year
ASSETS					
Current assets:					
Cash and investments (note III A):					
Held by city	$ 6,384,217	$ 2,739,289	$ 41,963	$ 112,640	$ 9,278,109
Held by fiscal agents	95,989	1,404,410	-	-	1,500,399
Interest receivable	93	16,615	864	430	18,002
TOTAL ASSETS	$ 6,480,299	$ 4,160,314	$ 42,827	$ 113,070	$ 10,796,510
LIABILITIES					
Current liabilities:					
Deposits and intergovernmental payable	$ 6,480,299	$ 4,160,314	$ 42,827	$ 113,070	$ 10,796,510
TOTAL CURRENT LIABILITIES	$ 6,480,299	$ 4,160,314	$ 42,827	$ 113,070	$ 10,796,510



Capital Assets- Governmental Funds

CITY OF SIMI VALLEY
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
COMPARATIVE SCHEDULES BY SOURCE
JUNE 30, 2003 AND 2002

	2003	2002
Governmental funds capital assets:		
Land	$ 10,235,613	$ 10,235,613
Buildings and improvements	31,670,364	31,650,264
Furnishings and equipment	4,886,143	4,807,439
Computers	1,996,689	253,365
Vehicles	4,887,056	4,739,925
Infrastructure	17,545,750	-
Intangibles	3,758,646	-
Construction-in-progress	5,539,569	4,961,237
Total governmental funds capital assets	$ 80,519,830	$ 56,647,843
Investments in governmental funds capital assets by source:		
General fund	$ 23,977,117	$ 24,096,912
Special revenue funds	7,339,423	7,103,088
Capital projects funds	36,431,838	25,418,508
Donations	12,771,453	29,335
Total governmental funds capital assets	$ 80,519,830	$ 56,647,843

CITY OF SIMI VALLEY
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE BY FUNCTION AND ACTIVITY
JUNE 30, 2003

Function and Activity	Land	Buildings and Improvements	Furnishings and Equipment	Computers	Vehicles
GENERAL GOVERNMENT:					
City council	$ -	$ -	$ 88,788	$ -	$ -
City manager	-	-	32,829	-	25,000
City attorney	-	-	12,542	-	-
General services	-	-	2,073,151	255,510	18,559
General government	9,244,413	11,523,822	-	-	-
Total general government	9,244,413	11,523,822	2,207,310	255,510	43,559
COMMUNITY SERVICES	991,200	6,814,073	54,936	-	111,952
ENVIRONMENTAL SERVICES	-	-	115,274	-	251,816
PUBLIC WORKS:					
Administration	-	-	109,142	-	166,405
Engineering services	-	-	107,300	5,032	33,260
Parkway and tree maintenance	-	-	15,198	-	375,578
Street and storm drain maintenance	-	-	60,980	-	782,699
Building maintenance	-	-	15,272	-	148,579
Traffic maintenance	-	-	19,342	-	-
Vehicle maintenance	-	-	37,924	-	22,493
Source control	-	-	6,576	3,110	-
Sanitation	-	-	32,251	-	229,479
Total public works	-	-	403,985	8,142	1,758,493
POLICE	-	13,332,469	2,104,638	1,733,037	2,721,236
TOTAL GOVERNMENTAL FUNDS CAPITAL ASSETS	$ 10,235,613	$ 31,670,364	$ 4,886,143	$ 1,996,689	$ 4,887,056

CITY OF SIMI VALLEY
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE BY FUNCTION AND ACTIVITY
JUNE 30, 2003

Infrastructure	Intangibles	Construction in Progress	Totals	Function and Activity
				GENERAL GOVERNMENT:
$ -	$ -	$ -	$ 88,788	City council
-	-	-	57,829	City manager
-	-	-	12,542	City attorney
-	-	104,904	2,452,124	General services
17,545,750	3,758,646	5,249,785	47,322,416	General government
17,545,750	3,758,646	5,354,689	49,933,699	Total general government
-	-	81,543	8,053,704	COMMUNITY SERVICES
-	-	-	367,090	ENVIRONMENTAL SERVICES
				PUBLIC WORKS:
-	-	-	275,547	Administration
-	-	-	145,592	Engineering services
-	-	-	390,776	Parkway and tree maintenance
-	-	-	843,679	Street and storm drain maintenance
-	-	-	163,851	Building maintenance
-	-	-	19,342	Traffic maintenance
-	-	-	60,417	Vehicle maintenance
-	-	-	9,686	Source control
-	-	-	261,730	Sanitation
-	-	-	2,170,620	Total public works
-	-	103,337	19,994,717	POLICE
$ 17,545,750	$ 3,758,646	$ 5,539,569	$ 80,519,830	TOTAL GOVERNMENTAL FUNDS CAPITAL ASSETS

CITY OF SIMI VALLEY
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE OF CHANGES BY FUNCTION AND ACTIVITY
FOR THE FISCAL YEAR ENDED JUNE 30, 2003

Function and Activity	Governmental Funds Capital Assets July 1, 2002	Additions	Deductions	Governmental Funds Capital Assets June 30, 2003
GENERAL GOVERNMENT:				
City council	$ 88,788	$ -	$ -	$ 88,788
City manager	57,829	-	-	57,829
City attorney	12,542	-	-	12,542
General services	2,357,162	94,962	-	2,452,124
General government	25,543,693	21,778,723	-	47,322,416
Total general government	28,060,014	21,873,685	-	49,933,699
COMMUNITY SERVICES	7,969,706	83,998	-	8,053,704
ENVIRONMENTAL SERVICES	354,329	29,623	16,862	367,090
PUBLIC WORKS:				
Administration	234,931	40,616	-	275,547
Engineering services	154,246	-	8,654	145,592
Parkway and tree maintenance	429,519	-	38,743	390,776
Street and storm drain maintenance	904,173	2,925	63,419	843,679
Building maintenance	191,849	-	27,998	163,851
Traffic maintenance	19,342	-	-	19,342
Vehicle maintenance	60,417	-	-	60,417
Source control	9,686	-	-	9,686
Sanitation	272,324	-	10,594	261,730
Total public works	2,276,487	43,541	149,408	2,170,620
POLICE	17,987,307	2,024,896	17,486	19,994,717
TOTAL GOVERNMENTAL FUNDS CAPITAL ASSETS	$ 56,647,843	$ 24,055,743	$ 183,756	$ 80,519,830

STATISTICAL OVERVIEW ● FISCAL YEAR ENDED JUNE 30, 2003

LOCATION:	Southeastern Ventura County, 40 Miles Northwest of Downtown Los Angeles
INCORPORATED:	October 10,1969
FORM OF GOVERNMENT:	Council / Manager Mayor/Four Member City Council Elected-at-Large

POPULATION (July 1, 2003):

City Residents	118,090	Growth Area Residents	120,538

PHYSICAL SIZE - SQUARE MILES:

Incorporated Area	38.9	Growth Area	100.0

STREETS:

Estimated Miles of Paved Streets	304.83
Number of Street Lights	7,239

BUILDING PERMITS:

Permits Issued	2,532
Approximate Value (In Thousands of Dollars)	$182,953

BUSINESS TAX RECEIPTS:

Applications/Renewals Processed	10,392
Receipts Issued	7,420
Business Tax Revenues	$1,370,609

SANITATION SERVICES (Waste Water Collection and Treatment):

Customer Accounts	30,824	Plant Capacity	12.5 MGD
Miles of Sewerline	450	Average Daily Plant Flows	9.0 MGD

WATER SERVICES (Retail Sale of Water):

	Number of Accounts	Water Delivered (Million Gallons)
Customers	23,051	7,067.7
Sales To Other Agencies	2	502.9
TOTAL	23,055	7,570.5

Note: Balance of community (approximately 13,800 customers) serviced by Southern California Water Co.

AUTHORIZED POSITIONS:
(Excluding Temporary Employees)

	General Fund	Special Funds and Districts	Total 2003	Total 2002
General Government	64	13	77	76
Community Services	38	44	82	79
Environmental Services	59	7	66	66
Police	181	5	186	186
Public Works	127	94	221	221
TOTAL	469	163	632	628

Authorized Number of Sworn Police Personnel	120
Ratio of Sworn Police Personnel per 1,000 Population	1.016

SOURCES: City of Simi Valley, Southern California Edison, Southern California Water Company

GOVERNMENTAL REVENUES & NET OTHER FINANCING SOURCES ● LAST TEN FISCAL YEARS (Note 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
1993-94	9,068,055	7,183,799	3,030,673	912,326	245,146	1,668,087	7,941,280
1994-95	8,785,180	7,873,366	3,583,323	1,138,223	245,359	1,875,540	7,727,478
1995-96	10,493,079	7,523,998	4,035,933	1,677,776	184,552	4,120,067	8,192,192
1996-97	11,018,800	8,644,433	4,089,201	2,112,957	213,651	4,152,681	8,862,833
1997-98	11,826,311	8,483,344	4,572,733	3,893,592	216,620	3,290,813	9,200,874
1998-99	12,377,023	9,303,124	5,049,560	5,374,911	439,538	4,006,134	9,851,690
1999-00	13,437,709	10,629,416	6,747,708	4,433,952	499,286	4,188,541	10,932,877
2000-01	16,528,655	11,774,505	5,586,143	2,933,635	662,042	4,976,977	12,380,349
2001-02	17,410,850	12,683,123	6,267,648	2,611,829	747,781	2,964,359	13,169,562
2002-03	19,295,434	12,830,405	6,319,487	3,000,142	759,786	2,455,014	13,094,236

NOTE: 1. Includes all Governmental Fund Types.

SOURCE: City of Simi Valley

Continued

Revenues

Grants	Service Charges	Other Revenues	Total Revenues	Net Other Financing Sources	Total	Fiscal Year
2,536,030	1,559,236	689,563	34,834,195	4,975,525	39,809,720	1993-94
6,067,977	2,545,989	1,431,776	41,274,211	1,544,117	42,818,328	1994-95
6,783,057	3,620,107	1,035,494	47,666,255	17,743,314	65,409,569	1995-96
3,584,733	4,564,986	733,470	47,977,745	697,680	48,675,425	1996-97
7,691,643	6,379,594	896,243	56,451,767	787,441	57,239,208	1997-98
4,539,949	7,405,749	1,441,800	59,789,478	2,158,877	61,948,355	1998-99
2,936,444	4,903,711	5,972,621	64,682,265	2,150,377	66,832,642	1999-00
4,516,394	3,840,862	1,192,439	64,392,001	426,234	64,818,235	2000-01
4,727,219	3,574,203	2,075,997	66,232,571	368,109	66,600,680	2001-02
3,595,929	3,380,322	1,548,029	66,278,784	1,649,959	67,928,743	2002-03

Concluded

GOVERNMENTAL EXPENDITURES BY FUNCTION ● LAST TEN FISCAL YEARS (Note 1)

Current Expenditures

Fiscal Year	General Government	Community Services	Environmental Services	Public Works	Police Department	Total Current Expenditures
1993-94	3,491,195	-	4,370,750	9,181,146	11,649,446	28,692,537
1994-95	4,522,601	-	6,427,006	10,732,444	12,355,952	34,038,003
1995-96	5,133,570	-	5,890,617	12,035,962	12,872,431	35,932,580
1996-97	5,088,289	2,294,638	5,024,756	10,394,226	14,023,538	36,825,447
1997-98	4,751,880	2,330,782	5,640,296	10,906,437	14,783,720	38,413,115
1998-99	5,322,519	2,474,621	4,576,395	12,370,788	15,106,774	39,851,097
1999-00	3,676,924	2,775,374	5,574,574	10,660,175	16,030,718	38,717,765
2000-01	4,764,663	2,953,456	6,939,661	11,601,786	17,277,973	43,537,539
2001-02	4,739,066	3,022,864	5,851,490	12,293,447	18,643,300	44,550,167
2002-03	6,656,623	4,481,811	5,576,295	12,464,375	19,828,550	49,007,654

NOTE: 1. Includes all Governmental Fund Types.

SOURCE: City of Simi Valley

Continued

GOVERNMENTAL EXPENDITURES BY FUNCTION ● LAST TEN FISCAL YEARS (Note 1)

Current Expenditures				
Capital Projects	Debt Service	Inter-governmental	Total Expenditures	Fiscal Year
8,392,764	2,626,850	2,123,014	41,835,165	1993-94
7,794,773	4,242,113	2,004,351	48,079,240	1994-95
8,852,575	5,176,299	1,689,092	51,650,546	1995-96
4,164,576	4,896,162	1,682,408	47,568,593	1996-97
10,717,282	4,637,948	1,779,799	55,548,144	1997-98
10,767,241	8,875,831	1,886,084	61,380,253	1998-99
10,365,422	6,102,486	2,383,287	57,568,960	1999-00
8,884,332	5,533,625	2,601,450	60,556,946	2000-01
12,576,967	6,339,232	2,771,780	66,238,146	2001-02
5,545,599	6,406,184	3,132,557	64,091,994	2002-03

Concluded

CITY OF SIMI VALLEY
GOVERNMENT-WIDE REVENUES BY SOURCE
CURRENT FISCAL YEAR

	Program Revenues			General Revenues			
Fiscal Year	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Taxes	Unrestricted Investment Earnings	Misc.	Total
2002-03	$37,128,723	$ 8,935,873	$ 2,863,349	$44,996,853	$ 3,363,909	$20,915,737	$118,204,444

This is the first year of implementation of the government-wide revenues by source. Current year totals will continue to be added to this schedule until ten years are listed.

CITY OF SIMI VALLEY
GOVERNMENT-WIDE EXPENSES BY PROGRAM
CURRENT FISCAL YEAR

Fiscal Year	General Government	Community Services	Planning	Public Ways and Facilities	Public Safety	Interest on Long-Term Debt	Sanitation	Waterworks District No. 8	Transit	Total
2002-03	$16,213,555	$ 4,196,666	$ 5,695,344	$13,501,151	$22,380,396	$ 2,487,785	$ 9,649,662	$17,235,501	$ 3,455,148	$94,815,208

This is the first year of implementation of the government-wide expenses by program. Current year totals will continue to be added to this schedule until ten years are listed.

ASSESSED VALUE OF TAXABLE PROPERTY ● LAST TEN FISCAL YEARS (Note 1)

Fiscal Year	Gross Assessed Valuation (Note 2)				Percentage Change
	Secured	Utility	Unsecured	Total	
1993-94.....	5,596,722,513	5,498,519	231,064,503	5,833,285,535	1.4%
1994-95.....	5,714,721,423	5,611,471	230,802,177	5,951,135,071	2.0%
1995-96.....	5,510,443,834	5,736,023	233,031,687	5,749,211,544	-3.4%
1996-97.....	5,569,048,383	5,754,999	236,759,341	5,811,562,723	1.1%
1997-98.....	5,742,072,685	4,739,718	247,874,934	5,994,687,337	3.2%
1998-99.....	6,121,314,502	5,041,906	267,403,389	6,393,759,797	6.7%
1999-00.....	6,804,211,563	4,521,505	263,487,140	7,072,220,208	10.6%
2000-01.....	7,652,960,223	4,436,680	314,152,975	7,971,549,878	12.7%
2001-02.....	8,338,284,943	4,535,050	319,123,415	8,661,943,408	8.7%
2002-03.....	9,001,962,570	4,738,971	309,184,285	9,315,885,826	7.5%

NOTES:

1. 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.

2. 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.

SOURCE: Ventura County Auditor-Controller

DIRECT AND OVERLAPPING PROPERTY TAX RATES ● LAST TEN FISCAL YEARS (Note 1)

	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03
CITY OF SIMI VALLEY	$ --	$ --	$ --	$ --	$ --	$ --	$ --	$ --	$ --	$ --
County of Ventura:										
General	--	--	--	--	--	--	--	--	--	--
Library District	--	--	--	--	--	--	--	--	--	--
Fire District	--	--	--	--	--	--	--	--	--	--
Flood Control District	--	--	--	--	--	--	--	--	--	--
Schools - All Agencies Combined	--	--	--	--	--	--	--	--	--	--
Rancho Simi Recreation & Park District	--	--	--	--	--	--	--	--	--	--
Simi Valley County Sanitation District	--	--	--	--	--	--	--	--	--	--
Simi Valley Lighting Maintenance District	--	--	--	--	--	--	--	--	--	--
All Other Agencies	--	--	--	--	--	--	--	--	--	--
Bonded Debt Tax Rates										
All Agencies Combined	0.107169	0.105845	0.105675	0.056557	0.055209	0.052284	0.047239	0.040618	0.036032	0.050824
Proposition 13 Maximum Tax Rate	1.000000	1.000000	1.000000	1.000000	1.000000	1.000000	1.000000	1.000000	1.000000	1.000000
Total.....	$1.107169	$1.105845	$1.105675	$1.056557	$1.055209	$1.052284	$1.047239	$1.040618	$1.036032	$1.050824

NOTE: 1. Property tax rates are levied per $100 of assessed valuation. The tax rate information provided is for Tax Rate Area 09006, which is the largest tax rate area in the City.

SOURCE: Ventura County Auditor-Controller

SECURED PROPERTY TAX ROLL LEVIES AND COLLECTIONS (Note 1)
TOTAL CHARGES WITHIN THE CITY OF SIMI VALLEY (Note 2)
LAST TEN FISCAL YEARS

Fiscal Year	Total Secured Tax Levy	Current Year Collections	Current Year Delinquencies	Percent Delinquent
1993-94.....	67,058,320	65,747,030	1,311,290	2.0%
1994-95.....	65,789,860	63,283,153	2,506,707	3.8%
1995-96.....	71,952,255	70,409,225	1,543,030	2.1%
1996-97.....	69,151,624	67,651,062	1,500,562	2.2%
1997-98.....	71,153,843	69,933,781	1,220,062	1.7%
1998-99.....	72,416,397	71,199,814	1,216,583	1.7%
1999-00.....	79,350,486	77,904,659	1,445,827	1.8%
2000-01.....	89,282,371	87,675,785	1,606,586	1.8%
2001-02.....	96,624,697	94,486,989	2,137,708	2.2%
2002-03.....	104,460,998	102,875,792	1,585,206	1.5%

NOTES:

1. The secured property tax roll is composed of ad valorem taxes, as well as special assessments, and is calculated by the Ventura County Auditor-Controller. The Ventura County Tax Collector is responsible for all property tax roll collections within the City of Simi Valley.

2. The passage of Proposition 13 on June 6, 1978, established a maximum County-wide levy for general revenue purposes of 1% of market value. Voter-approved tax rates for the retirement of long-term debt were excluded from this levy limit as well as assessments based on benefit rather than property valuation. Due to the County-wide nature of this maximum levy and subsequent allocation formula as derived for its distribution, it is no longer possible to identify general purpose tax rates for specific taxing entities. As such, data is provided for the total secured levy and collections within the boundaries of the City of Simi Valley rather than individual taxing entities. In addition, as noted previously, the City did not levy a general purpose property tax subsequent to the passage of Proposition 13.

SOURCE: California Municipal Statistics, Inc.

COMPUTATION OF LEGAL DEBT MARGIN • FISCAL YEAR ENDED JUNE 30, 2003

Gross Assessed Valuation	$9,315,885,826
Legal Debt Limit - 3.75% of Gross Assessed Valuation	349,345,718

General Obligation Bonded Debt	$0
Other Long-Term Debt:	
Advances Payable	12,013,436
SVPFA 1995 Lease Revenue Bonds	8,825,000
2003 Tax Allocation Refunding Bonds	31,795,000
Accrued Benefits	3,941,284
Note Payable	109,812
Total General Long-term Debt	56,684,532
LESS DEDUCTIONS ALLOWED BY LAW:	
Advanced Payables	12,013,436
Bonded Debt Exempted by Law	40,620,000
Accrued Benefits	3,941,284
Note Payable	109,812
Total Deductions Allowed by Law	56,684,532
TOTAL DEBT APPLICABLE TO COMPUTED LIMIT	$0

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

SOURCE: Ventura County Auditor Controller, City of Simi Valley

DIRECT AND OVERLAPPING BONDED DEBT • JUNE 30, 2003 (See Note)

BONDED DEBT BY AGENCY:	Percentage Applicable to the City of Simi Valley	Amount Applicable to the City of Simi Valley
Ventura County General Fund Obligations	13.778 %	$11,493,064
Ventura County Pension Obligations	13.778	12,304,647
Metropolitan Water District	0.742	3,327,770
Ventura County Flood Control District, Zone 3	26.046	76,381
Ventura County Community College District	13.784	11,716,400
Simi Valley Unified School District	96.270	23,419,846
Simi Valley Unified School District Certificates	96.270	13,617,222
Rancho Simi Recreation & Park District Authority	80.205	1,541,269
Ventura County Community College District Certificates	13.783	1,322,575
City of Simi Valley 1915 Act Bonds	100.000	9,925,000
City of Simi Valley General Fund Obligations	100.000	8,825,000
TOTAL GROSS DIRECT AND OVERLAPPING BONDED DEBT		97,569,174
LESS SELF-SUPPORTING ISSUES:		
Lease-Revenue Bonds		23,764,797
1915 Act Bonds		9,925,000
TOTAL SELF-SUPPORTING ISSUES		33,689,797
TOTAL NET DIRECT AND OVERLAPPING BONDED DEBT		$63,879,377

RATIO OF BONDED DEBT TO ASSESSED VALUATION AND POPULATION:

Gross Assessed Valuation	$9,315,885,826
Population	118,090

	Amount	Percentage of Gross Assessed Valuation	Per Capita Bonded Debt
Direct and Overlapping Bonded Debt:			
Gross	$97,569,174	1.05%	$826
Net	63,879,377	0.69%	541
Overlapping Bonded Debt:			
Gross	$78,819,174	0.85%	$667
Net	55,054,377	0.59%	466
Direct Bonded Debt:			
Gross	18,750,000	0.20%	159
Net	8,825,000	0.09%	75

NOTE: Includes certificates of participation. Excludes tax and revenue anticipation notes, revenue and tax allocation bonds, and non-bonded capital lease obligations.

SOURCE: California Municipal Statistics, Inc.

POPULATION AND HOUSING ● CITY OF SIMI VALLEY AND GROWTH AREA (Note 1)

Population and Housing o City of Simi Valley o Last Ten Calendar Years

Year	Population	Annual Increase	Annual Percentage Increase	Housing Units	Annual Increase	Annual Percentage Increase
1994	101,987	616	0.6%	33,853	232	0.7%
1995	102,403	416	0.4%	33,986	133	0.4%
1996	103,859	1,456	1.4%	34,502	516	1.5%
1997	105,249	1,390	1.3%	34,947	445	1.3%
1998	106,320	1,071	1.0%	35,290	343	1.0%
1999	109,546	3,226	3.0%	36,429	1,139	3.2%
2000	112,428	2,882	2.6%	37,452	1,023	2.8%
2001	115,719	3,291	2.9%	38,359	907	2.4%
2002	117,432	1,713	1.5%	38,906	547	1.4%
2003	118,090	658	0.6%	39,116	210	0.5%

Housing Characteristics ● City of Simi Valley ● 2003

	Number	Percentage
Single Family Units	31,351	80.15%
2-4 Unit Structures	1,542	3.94%
5 or more Unit Structures	5,374	13.74%
Mobile Homes	849	2.17%
Total	39,116	100.00%

Population Data ● Simi Valley Growth Area (Note 2)

Actual		Projected	
1960	8,000	2005	129,220
1965	43,000	2010	133,653
1970	60,000	2015	138,276
1975	73,000	2020	140,452
1980	79,400		
1985	90,640		
1990	103,220		
1995	112,650		
2000	114,876		
2003	120,538		

NOTES: 1. Population and housing data is provided as of July 1 of each year.

2. The Simi Valley Growth Area includes the population within the City limits as well as surrounding unincorporated areas. The population projections provided are the official estimates adopted by the City of Simi Valley.

SOURCE: Department of Environmental Services, City of Simi Valley

MAJOR SOURCES OF EMPLOYMENT • FISCAL YEAR ENDED JUNE 30, 2003
FULL/PART TIME

Manufacturing	Number of Employees	Principal Product
Milgard Manufacturing Inc.	385	Windows and Doors
Polytainer Inc.	318	Plastic Bottles
Meggitt Safey Systems	227	Fire Protection Systems
Hitachi Printing Solutions	223	Imaging Supplies
Computer Parts Unlimited	213	Computer Parts
Schlumberger Technology Inc.	163	Memory Test Systems
Cerwin Vega Inc.	140	Loudspeakers
PSI Bearings	137	Aerospace Bearings
Standard Abrasives	134	Abrasive Products
ALCOA Fastening Systems	130	Aircraft & Automotive Parts
Datron/Advance Technologies	103	Antenna Systems
Qualstar Corp.	93	Tape Libraries and Tape Drives
Honeywell-Hughey & Phillips	92	Airport Lighting
Cardkey Systems	80	Security Systems

Services and Retail	Number of Employees	Principal Product
Countrywide Funding Corp.	5,063	Financing
Simi Valley Unified School District	2,873	Education
Farmers Insurance Group	1,011	Regional Insurance Service Center
Simi Valley Hospital & Health Care	900	Health Services
City of Simi Valley	613	City Government
Rancho Simi Recreation & Park District	270	Parks Services
Target Department Store	250	Department Store
Wal-Mart	227	Department Store
Home Depot	226	Home Improvement Store
Price Costco	208	Warehouse Store
Adventist Media Center	152	Production Studio
CNM Network	152	Nationwide Fiberoptic Network
Mervyn's Department Store	141	Department Store
Albertsons Grocery Store	129	Grocery Store
Grand Vista Hotel of Simi Valley	104	Hotel
Warner/Elektra/Atlantic	100	Music Distribution Facility
Ralphs Grocery Store	99	Grocery Store
Vons	49	Grocery Store

SOURCE: Department of Administrative Services, City of Simi Valley

SCHEDULE OF BUILDING PERMITS AND VALUATIONS ● LAST TEN FISCAL YEARS (See Note)

	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03
BUILDING PERMITS ISSUED:										
Single-Family Residential	111	278	378	383	761	1,001	927	469	364	262
Multi-Family Residential	-	16	9	10	13	17	10	-	-	43
Mobile Homes	13	15	16	14	20	25	13	7	7	8
Relocation & Demolitions	7	10	6	10	3	18	4	7	11	6
Subtotal: Residential	131	319	409	417	797	1,061	954	483	382	319
Industrial	1	1	2	3	6	15	3	4	9	1
Commercial	14	23	3	4	6	24	32	35	26	46
Institutional	-	-	-	3	1	8	1	-	1	4
Subtotal: Non-Residential	15	24	5	10	13	47	36	39	36	51
Additions & Conversions	1,533	2,073	1,637	1,467	1,446	1,557	1,531	1,509	1,725	1,721
Swimming Pools	89	95	104	142	128	240	268	293	296	263
Other Improvements	140	164	177	129	194	235	347	227	215	178
Subtotal: Other Permits	1,762	2,332	1,918	1,738	1,768	2,032	2,146	2,029	2,236	2,162
Total Permits Issued	1,908	2,675	2,332	2,165	2,578	3,140	3,136	2,551	2,654	2,532
BUILDING PERMIT VALUATIONS: (In Thousands of Dollars)										
Single-Family Residential	$22,930	$45,604	$67,050	$77,978	$181,988	$235,270	$227,143	$116,062	$88,345	$82,536
Multi-Family Residential	-	9,101	4,084	5,210	6,434	11,037	3,427	-	-	33,790
Mobile Homes	-	-	-	-	-	-	-	-	-	-
Relocations & Demolitions	-	-	81	-	-	-	-	-	-	-
Subtotal: Residential	22,930	54,705	71,215	83,188	188,422	246,307	230,570	116,062	88,345	116,326
Industrial	6,638	34	532	4,567	20,066	6,815	2,021	5,359	9,701	534
Commercial	5,055	3,879	7,440	1,531	6,111	35,392	12,718	1,460	7,757	25,987
Institutional	-	-	-	-	1,024	6,011	1,127	-	32	3,103
Subtotal: Non-Residential	11,693	3,913	7,972	6,098	27,201	48,218	15,866	6,818	17,490	29,624
Additions & Conversions	20,827	24,810	17,570	14,640	21,939	39,848	26,314	20,725	23,580	25,275
Swimming Pools	900	1,093	1,139	1,938	1,850	4,786	6,528	9,304	9,265	8,998
Other Improvements	615	1,226	2,343	1,128	3,324	4,898	5,502	3,337	3,154	2,729
Subtotal: Other Permits	22,342	27,129	21,052	17,706	27,113	49,532	38,344	33,365	35,999	37,002
Total Permit Valuations	$56,965	$85,747	$100,239	$106,992	$242,736	$344,057	$284,780	$156,246	$141,834	$182,952

NOTE: Excludes special permits (plumbing, mechanical, electrical, grading, etc.), as well as plan check permits.

SOURCE: Department of Environmental Services, City of Simi Valley

SCHEDULE OF TAXABLE SALES AND PERMITS BY CATEGORY • LAST TEN CALENDAR YEARS

	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001
SALES (In Thousands of Dollars)										
Apparel Stores	$14,980	$17,158	$20,027	$17,787	$16,876	$17,099	$14,537	$14,046	$16,040	$15,539
General Merchandise	75,320	73,517	75,181	73,412	96,028	123,655	133,093	162,873	190,809	207,699
Drug Stores	16,932	21,469	20,770	15,090	15,488	N/A	N/A	N/A	N/A	N/A
Food Stores	69,493	62,513	67,636	64,237	61,824	61,248	63,426	67,584	68,980	71,223
Packaged Liquor Stores	4,255	4,674	5,115	4,479	4,430	N/A	N/A	N/A	N/A	N/A
Eating & Drinking Places	66,880	69,830	79,343	78,524	79,783	82,566	85,290	93,140	106,138	111,258
Home Furnishings & Appliances	9,542	8,814	12,028	10,252	9,602	10,499	10,887	15,400	17,713	18,964
Building Materials & Farm Tools	36,343	36,960	52,434	51,817	50,789	53,936	60,960	91,303	102,487	117,440
Auto Dealers & Supplies	75,679	83,383	81,580	99,194	98,944	115,622	127,065	137,943	159,907	186,499
Service Stations	61,656	64,470	62,728	62,586	61,377	64,836	59,013	65,945	75,893	79,450
Other Retail Stores	54,249	51,732	65,486	65,700	69,067	78,896	79,076	90,848	100,202	102,925
Subtotal: Retail Stores	485,329	494,520	542,328	543,078	564,208	608,357	633,347	739,082	838,169	910,997
All Other Outlets	122,968	129,023	152,859	148,793	168,595	183,373	194,654	194,618	204,365	216,992
Total: All Outlets	$608,297	$623,543	$695,187	$691,871	$732,803	$791,730	$828,001	$933,700	$1,042,534	$1,127,989
PERMITS										
Apparel Stores	45	41	52	47	41	34	34	40	38	45
General Merchandise	16	16	14	15	15	30	29	33	31	32
Drug Stores	13	13	13	13	13	N/A	N/A	N/A	N/A	N/A
Food Stores	50	48	58	56	54	56	61	62	60	62
Packaged Liquor Stores	21	22	21	18	20	N/A	N/A	N/A	N/A	N/A
Eating & Drinking Places	178	179	182	186	189	185	182	195	206	216
Home Furnishings & Appliances	60	60	53	47	49	53	51	57	53	56
Building Materials & Farm Tools	27	28	26	27	25	27	23	25	27	28
Auto Dealers & Supplies	35	32	34	33	33	34	35	42	41	39
Service Stations	34	32	37	33	29	26	26	26	25	30
Other Retail Stores	253	257	271	283	284	301	308	371	392	431
Subtotal: Retail Stores	732	728	761	758	752	746	749	851	873	939
All Other Outlets	2,663	2,581	2,525	2,464	2,458	2,380	2,425	2,269	2,121	2,086
Total: All Outlets	3,395	3,309	3,286	3,222	3,210	3,126	3,174	3,120	2,994	3,025

SOURCE: State Board of Equalization, State of California

SCHEDULE OF BUSINESS TAX CERTIFICATES ISSUED ● FISCAL YEAR ENDED JUNE 30, 2003

	No. of Businesses	Percent: Simi Valley Businesses Excluding Home Occupations	Percent: Total
Located Within City Limits:			
Services	1,244	51.4%	16.8%
Retail Trade	699	28.9%	9.4%
Finance, Insurance, and Real Estate	187	7.7%	2.5%
Manufacturing	144	6.0%	1.9%
Construction	83	3.4%	1.1%
Wholesale Trade	48	2.0%	0.6%
Transportation and Public Utilities	6	0.2%	0.1%
Agriculture, Forestry and Fishing	8	0.3%	0.1%
Total (excluding home occupations)	2,419	100.0%	32.6%
Home Occupations	3,074		41.4%
Total Simi Valley Businesses	5,493		74.0%
Located In Surrounding Unincorporated Areas:			
Home Occupations	648		8.7%
Other Businesses	1,279		17.2%
Total Businesses Outside Simi Valley	1,927		26.0%
TOTAL	7,420		100.0%

SOURCE: City of Simi Valley

SCHEDULE OF BANK DEPOSITS ● LAST TEN FISCAL YEARS

	Banking Institutions	Savings & Loan Institutions	Credit Unions	Total
DEPOSIT AMOUNTS (In Thousands of Dollars):				
1993-1994.....	533,189	208,578	6,714	748,481
1994-1995.....	510,443	229,449	6,223	746,115
1995-1996.....	334,668	377,879	-	712,547
1996-1997.....	356,511	371,587	-	728,098
1997-1998.....	379,712	385,740	-	765,452
1998-1999.....	431,438	373,212	-	804,650
1999-2000.....	470,837	362,863	-	833,700
2000-2001.....	516,423	392,333	-	908,756
2001-2002.....	642,517	354,313	-	996,830
2002-2003.....	718,369	389,493	-	1,107,862
NUMBER OF INSTITUTIONS/BRANCHES:				
1993-1994.....	18	7	1	26
1994-1995.....	16	7	1	24
1995-1996.....	11	5	-	16
1996-1997.....	10	7	-	17
1997-1998.....	10	6	-	16
1998-1999.....	9	5	-	14
1999-2000.....	9	5	-	14
2000-2001.....	9	5	-	14
2001-2002.....	12	5	-	17
2002-2003.....	12	7	-	19

SOURCE: Federal Department Insurance Corporation (FDIC)

MUNICIPAL SERVICES PROVIDED BY OTHER AGENCIES OR PRIVATE COMPANIES
FISCAL YEARS ENDED JUNE 30, 2003 AND 2002

ANIMAL REGULATION:	County of Ventura, Animal Regulation Department
MOORPARK COMMUNITY COLLEGE:	Ventura County Community College District
RESIDENTIAL REFUSE COLLECTION:	Private Companies Operating Under City Franchise

PUBLIC ELEMENTARY AND SECONDARY SCHOOLS: Simi Valley Unified School District

	No. of Schools	2002-2003 Enrollment	No. of Schools	2001-2002 Enrollment
Elementary (K-6)	21	10,918	20	11,004
Middle School (6-8)	3	3,750	3	3,558
Senior High (9-12)	3	5,543	3	5,406
Continuation (9-12)	1	266	1	317
Special Education	-	738	-	717
Independent Study	1	144	1	125
TOTAL	29	21,359	28	21,127

SIMI VALLEY LIBRARY: County of Ventura, Library Services Agency

	2003	2002
Building Square Footage	36,000	36,000
No. of Volumes (Estimate)	135,000	135,000

FIRE PROTECTION: County of Ventura, Fire Protection District

2003: 5 Fire Stations with 57 Firefighters, 6 Firefighter Paramedics and 3 Battalion Chiefs
5 Fire Engines, 2 Utility Vehicles, 1 Ladder Truck, 1 Water Tender, 1 Foam Trailer
1 Brush Engine, 2 Paramedic Squad Cars, 2 Battalion Chief Vehicles

2002: 5 Fire Stations with 57 Firefighters, 6 Firefighter Paramedics and 3 Battalion Chiefs
5 Fire Engines, 2 Utility Vehicles, 1 Ladder Truck, 1 Water Tender, 1 Foam Trailer
1 Brush Engine, 2 Paramedic Squad Cars, 2 Battalion Chief Vehicles

(Continued)

MUNICIPAL SERVICES PROVIDED BY OTHER AGENCIES OR PRIVATE COMPANIES (Continued)
FISCAL YEARS ENDED JUNE 30, 2003 AND 2002

ELECTIONS: County of Ventura, County Clerk and Recorder

Last Two State-Wide Elections	November 5,2002	March 5, 2002
Number of Registered Voters in Ventura Co	391,160	385,140
Voter Turn-Out:		
Number of Ballots Cast.....	199,708	128,611
Percentage Voter Turn-Out.....	51.1%	33.4%

WATER SERVICES: Regional Wholesaler (Primary Source of Supply for Community)
Calleguas Municipal Water District

Retail Sale of Water	2003	2002
Southern California Water Company (Estimate).....	13,800	13,167
Balance of Community Serviced by the City.....	23,051	22,923

RECREATION AND PARKS: Rancho Simi Recreation and Park District

	2003					2002
	Developed		Undeveloped			
	Sites	Acres	Sites	Acres	Total Acres	Total Acres
Community Parks-Urban.....	4.0	102.2	4.0	22.3	124.4	124.4
Community Parks-Theme:						
Golf Courses.....	2.0	180.2	2.0	10.3	190.5	190.5
Other Uses.....	3.0	22.5	4.0	209.1	231.6	231.6
Neighborhood Parks.....	22.0	125.7	8.0	26.0	151.7	151.7
Natural Parks.....	1.0	3.0	3.0	355.7	358.7	358.7
Open Space.....	0.0	0.0	15.0	3,000.6	3,000.6	1282.5
TOTAL SIMI VALLEY.....	32.0	433.5	36.0	3,624.0	4,057.5	2,339.4
Oakpark/Agoura Area.....	11.0	195.0	4.0	1,316.0	1,511.0	1,511.0
TOTAL.....	43.0	628.5	40.0	4,940.0	5,568.5	3,850.4

(Concluded)

PRINCIPAL PROPERTY TAXPAYERS ● CITY OF SIMI VALLEY
FISCAL YEAR ENDED JUNE 30, 2003

Taxpayer	Assessed Value	Percent
Countrywide Funding Corporation	$89,612,276	0.88%
Fountains Apt Ltd	42,750,977	0.42%
Stone Creek Investors	36,054,857	0.35%
Simi Entertainment Plaza LP	30,938,875	0.30%
Essex Meadowood	26,065,606	0.26%
Casden Creekside LP	25,986,692	0.26%
Big Sky Country Club LLC	25,373,962	0.25%
F I G Holding Co	24,000,000	0.24%
Strategic Performance Fund - II	21,641,047	0.21%
Casa Group LLC	21,333,200	0.21%
Total Taxable Assessed Value Ten Largest Taxpayers	343,757,492	3.38%
Total Taxable Assessed Value Other Taxpayers	9,826,174,288	96.62%
Total Taxable Assessed Value All Taxpayers	$10,169,931,780	100.00%

SOURCE: Ventura County Auditor-Controller

DEMOGRAPHIC CHARACTERISTICS · 2000 U.S. CENSUS · OVERVIEW

The following statistical summaries of selected demographic information regarding the City of Simi Valley are based on data generated from the 2000 U.S. Census and have been included in the Statistical Tables section of the City's Comprehensive Annual Financial Report:

Population and Household Characteristics
- ·Population and Housing By Household Type
- ·Population By Age and Sex

Housing Characteristics
- ·Age of Year-Round Housing Stock
- ·Housing Valuations
- ·Tenure of Householder

Education and Employment Characteristics
- ·Years of School Completed
- ·Labor Force Status
- ·Class of Worker

Labor Force Characteristics
- ·Employment By Occupation
- ·Employment By Industry

Income and Transportation Characteristics
- ·Household and Family Income (1999)
- ·Median, Mean, and Per Capita Income for Households and Families (1999)
- ·Family Workers and Income (1999)
- ·Means of Transportation to Work

All census data is provided as of April 1, 2000 unless otherwise indicated. Additional 2000 U.S. Census information is available upon request from the City of Simi Valley, Department of Environmental Services, for the City in its entirety as well as by each of the 40 neighborhood areas within the City.

POPULATION AND HOUSEHOLD CHARACTERISTICS · 2000 U.S. CENSUS

Population and Housing by Household Type

	Population	Units
Family Households:		
Householder	28,952	*
Spouse	23,258	*
Children and other relatives	44,295	*
Total families	96,505	28,952
Non-relatives	3,534	*
Total family households	100,039	28,952
Non-Family Households:		
Male	3,540	*
Female	3,929	*
Non-Relatives	3,043	*
Total Non-Family households	10,512	7,469
Total Households	110,551	36,421
Group Quarters	800	*
Vacant Units:		
For sale	*	263
For rent	*	320
Rented or sold, not occupied	*	114
Seasonal Units	*	50
Total Vacant Units	*	851
Total	111,351	37,272

POPULATION AND HOUSEHOLD CHARACTERISTICS · 2000 U.S. CENSUS

Population by Age and Sex

	Male	Female	Total	Percent of Total
Under 5 years	4,248	3,915	8,163	7.3%
5 - 9 years.	4,823	4,716	9.539	8.6
10 - 14 years	4,565	4,472	9,037	8.1
15 - 19 years	3,969	3,778	7,747	7.0
20 - 24 years	3,080	2,899	5,979	5.4
25 - 29 years	3,315	3,481	6,796	6.1
30 - 34 years	4,378	4,580	8,958	8.0
35 - 39 years	5,186	5,282	10,468	9.4
40 - 44 years	5,214	5,191	10,405	9.3
45 - 49 years	4,291	4,432	8,723	7.8
50 - 54 years	3,804	3,879	7,683	6.9
55 - 59 years	2,734	2,778	5,512	5.0
60 - 64 years.	1,938	1,899	3,837	3.5
65 - 74 years	2,320	2,709	5,029	4.5
75 - 84 years	1,003	1,666	2,669	2.4
85 years or older	230	576	806	0.7
Total Population	55,098	56,253	111,351	100.0%

HOUSING CHARACTERISTICS · 2000 U.S. CENSUS

Age of Year-Round Housing Stock

Year Structure Built	Number	Percent
1999 to March 2000	1,667	4.5%
1995 to 1998	2,249	6.0
1990 to 1994	2,097	5.6
1980 to 1989	8,974	24.0
1970 to 1979	8,583	23.0
1960 to 1969	11,984	32.1
1950 to 1959	1,301	3.5
1940 to 1949	271	0.7
1939 or earlier	204	0.6
Total year-round housing stock	37,330	100.0%
Median Year Built	1976	

Housing Valuations · Specified Owner-Occupied Housing

	Number	Percent
Less than $50,000	67	0.3%
50,000 to 99,999	108	0.4
100,000 to 149,999	873	3.4
150,000 to 199,999	5,072	19.8
200,000 to 249,999	8,344	32.7
250,000 to 299,999	5,034	19.7
300,000 to 399,999	3,438	13.5
400,000 to 499,999	1,539	6.0
500,000 to 749,999	945	3.7
750,000 to 999,999	93	0.4
1,000,000 or more	35	0.1
Total	25,548	100.0%
Median value	$239,900	

LABOR FORCE CHARACTERISTICS · 2000 U.S. CENSUS

Labor Force Status · Person 16 Years and Over

	Number	Percent of Labor Force	Percent of Total
Labor force:			
Employed	57,001	95.8%	68.4%
Unemployed	2,509	4.2	3.0
Total labor force	59,510	100.0%	71.4
Armed Forces	63	*	0.1
Not in labor force	23,761	*	28.5
Total	83,334	*	100.0%

Class of Worker · Employed Persons 16 Years and Older

	Number	Percent
Private wage and salary workers (Profit)	42,845	75.2%
Private wage and salary workers (Non-profit)	2,781	4.9
Local government workers	4,571	8.0
State government workers	1,048	1.8
Federal government workers	850	1.5
Self-employed workers	4,776	8.4
Unpaid family workers	130	0.2
Total	57,001	100.0%

LABOR FORCE CHARACTERISTICS · 2000 U.S. CENSUS

Employment by Occupation · Employed Persons 16 Years and Older

	Number	Percent
Management, business and financial operations:		
Management occupations	6,903	12.1%
Business and financial operations	3,511	6.2
Professional and related occupations:		
Computer and mathematical occupations	1,905	3.3
Architecture and engineering occupations	1,689	3.0
Education, training and library occupations	2,784	4.9
Arts, design, entertainment, sports and media occupations	1,335	2.3
Healthcare practitioners and technical occupations	2,070	3.6
Other professional and related occupations	1,591	2.8
Sales and office occupations:		
Sales and related occupations	7,408	13.0
Office and administrative support occupations	10,097	17.7
Service Occupations:		
Protective service	1,357	2.4
Food preparation and serving related occupations	1,886	3.3
Building and grounds maintenance	1,267	2.2
Healthcare support, Personal care and service occupations	2,541	4.5
Farming, forestry, and fishing	98	0.2
Production, transportation, and material moving occupations		
Production	3,572	6.3
Transportation and material moving occupations	2,175	3.8
Construction and maintenance occupations		
Construction and extraction occupations	2,787	4.9
Installation, maintenance, and repair occupations	2,025	3.5
TOTAL	57,001	100.0%

LABOR FORCE CHARACTERISTICS · 2000 U.S. CENSUS

Employment by Industry · Employed Persons 16 Years and Older

	Number	Percent
Agriculture, forestry, fisheries, and mining	260	0.5%
Construction	3,909	6.9
Manufacturing	8,602	15.1
Wholesale trade	2,016	3.5
Retail trade	6,924	12.1
Transportation and warehousing, and utilities	1,919	3.4
Information	3,306	5.8
Finance, insurance and real estate	7,129	12.5
Professional, scientific, and waste management services:		
Professional, scientific, and technical services	3,646	6.4
Management, administrative and support services	2,066	3.6
Arts, entertainment, recreation, accommodation and food services	3,527	6.2
Education, health, and social services:		
Educational services	4,039	7.1
Health care and social assistance	4,866	8.5
Public administration	2,050	3.6
Other services	2,742	4.8
Total	57,001	100.0%

INCOME AND TRANSPORTATION CHARACTERISTICS · 2000 U.S. CENSUS

Household and Family Income · 1999

	Households		Families	
	Number	Percent	Number	Percent
Less than $ 10,000	1,246	3.4%	657	2.3%
10,000 - 14,999	1,040	2.9	566	1.9
15,000 - 19,999	847	2.3	543	.9
20,000 - 29,999	2,199	6.0	1,477	5.1
30,000 - 39,999	2,975	8.1	2,248	7.7
40,000 - 49,999	3,266	8.9	2,619	9.0
50,000 - 59,999	3,266	8.9	2,619	9.0
60,000 - 74,999	4,831	13.2	3,975	13.6
75,000 - 99,999	7,306	20.0	6,330	21.7
100,000 - 124,999	4,336	11.9	3,697	12.6
125,000 - 149,999	2,059	5.6	1,711	5.9
150,000 - 199,999	2,027	5.6	1,778	6.1
200,000 or more	1,238	3.4	1,109	3.8
Total	36,543	100.0%	29,164	100.0%

Median and Per Capita Incomes · Households and Families · 1999

	Household	Families
Median income	$ 70,370	$75,140
Mean income	$ 80,925	$85,585

Per Capita income ..... $ 26,586

Family Workers · 1999

	Families		
	Number	Percent	Income
No worker	1,897	6.5%	$32,049
1 worker	8,267	28.3	71,630
2 workers	14,214	48.8	93,777
3 or more workers	4,786	16.4	106,579
Total reported	29,164	100.0%	$85,585

INCOME AND TRANSPORTATION CHARACTERISTICS · 2000 U.S. CENSUS

Means of Transportation to Work · Worker 16 Years or Older

	Number	Percent
Car, truck, or van:		
Drive alone	44,615	79.6%
Carpool	7,258	12.9
Public transportation	804	1.4
Motorcycle	183	0.3
Bicycle	314	0.6
Walk	550	1.0
Other means	252	0.5
Total requiring transportation	53,967	96.3
Work at home	2,098	3.7
Total	56,074	100.0%