

# Comprehensive Annual Financial Report

Year Ended

## June 30, 2017



California



# **Comprehensive Annual Financial Report**

*For The Fiscal Year Ended  
June 30, 2017*

*Mayor*  
Mary Casillas Salas

*City Council*

Patricia Aguilar  
Mike Diaz  
John McCann  
Stephen Padilla

*City Manager*  
Gary Halbert

Compiled under the direction of  
David Bilby  
*Director of Finance/Treasurer*



CITY OF  
**CHULA VISTA**

**CITY OF CHULA VISTA  
 COMPREHENSIVE ANNUAL FINANCIAL REPORT  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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CITY OF  
**CHULA VISTA**





## Finance Department

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December 28, 2017

Honorable Mayor, Councilmembers, and Citizens of Chula Vista  
Chula Vista City Hall  
Chula Vista, CA 91910

The audited Comprehensive Annual Financial Report (CAFR) of the City of Chula Vista for the fiscal year ended June 30, 2017 is hereby submitted to you. The City compiles and prepares the annual financial report to provide interested parties with reliable information concerning the financial condition and results of operations for the City.

The basic financial statements are audited by an independent certified public accounting firm. The purpose of the audit is to ensure that the financial statements present fairly, in all material respects, the financial position and the results of operations of the City. Responsibility for both the accuracy of the information and the completeness and fairness of the presentation, including all disclosures, rests with City management. The financial statements have been prepared in accordance with generally accepted accounting principles. This means that the statements have been prepared using guidelines that would allow the user to make a meaningful comparison to the financial statements of other similar entities. All disclosures necessary to enable the reader to gain an understanding of the City of Chula Vista's activities have been included.

Generally accepted accounting principles 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 the MD&A and should be read in conjunction with it. The City of Chula Vista's MD&A can be found immediately following the report of the independent auditors.

The City of Chula Vista is required to undergo an annual single audit in conformity with the provisions of the Revised Single Audit Act of 1996 and the United States Office of Management and Budget's Uniform Guidance. Information related to this single audit, including a schedule of expenditures of federal awards, along with the independent auditors' reports on internal controls and compliance with applicable laws, can be found in a separately issued single audit report.

The Comprehensive Annual Financial Report for the City of Chula Vista includes the activities of the primary government (City of Chula Vista) along with several "component units." A component unit is a legally separate organization or entity for which the elected officials of the primary government are financially accountable. Component units, although they are legally separate entities, are in substance part of the primary government's operations and therefore



included for financial reporting purposes. The component units included within the City of Chula Vista's financial statements are the Chula Vista Public Financing Authority, Chula Vista Municipal Financing Authority, Chula Vista Industrial Development Authority, and Chula Vista Housing Authority.

### **Profile of the Government**

The City of Chula Vista is located in San Diego County with its western border adjacent to San Diego Bay, 8 miles south of Downtown San Diego and 7 miles north of the Mexican border. The City encompasses approximately 51 square miles.

Chula Vista was incorporated in 1911, and functions under a City Charter with a Council/Manager form of government. The City is governed by a four-member Council and a Mayor, who serves four-year overlapping terms, and, in addition to the City Attorney, is elected on a citywide basis. The City Council appoints the City Manager and the City Clerk. Municipal services provided include police, fire, parks, recreation, libraries, planning & building, housing programs, street and drainage construction and maintenance, and sewer services.

### **Local Economy and Prospects for the Future**

Chula Vista residents enjoy all the benefits of a major city along with small town friendliness, affordable housing, and near perfect weather. The most recent data available from the San Diego Association of Governments (SANDAG) estimates that the median household income in Chula Vista is \$66,506.

The City of Chula Vista, with a population of approximately 265,070, is the second largest community in San Diego County. SANDAG projects that the City of Chula Vista will reach a population of approximately 330,049 by the year 2050. SANDAG's 2050 Growth Forecast indicates that the South County sub region will continue to host a substantial amount of the region's projected growth over the next 35 years, primarily through new development in the eastern portion of the City.

### **Long-Term Financial Planning**

The City updated the Five-Year General Fund Financial Forecast as part of its annual budget development process. The forecast analyzed revenue and expenditure estimates and assumptions over a five-year period. The goal of the financial forecast is to match the availability of revenues against expenditures over time, and update budgetary and financial plans accordingly. The Five-Year financial forecast is intended to serve as a planning tool to bring a long-term perspective to the budget development process.

During fiscal year 2017, the Finance Department updated the General Fund Five-Year Financial forecast to assess the City's ability over the next five years to continue current service levels based on projected growth, preserve the City's long-term fiscal health by aligning operating revenues and costs, and to slowly rebuild the operating reserves. The forecast anticipated moderate revenue growth for the next five years and identified a structural imbalance beginning in fiscal year 2019, primarily due to expenses related to pension, healthcare, and public safety staffing costs.

In fiscal year 2018, the Finance Department developed a General Fund Long-Term Financial Plan that expanded the duration of the forecast to ten years from five years. The Long-Term Financial Plan provides a more in-depth analysis of the City's fiscal condition to aide in proactive financial decision making.

The Government Finance Officers Association (GFOA) recognizes the importance of combining the forecasting of revenues and expenditures into a single financial forecast. The GFOA also recommends that a government should have a financial planning process that assesses long-term financial implications of current and proposed policies, programs, and assumptions that develop appropriate strategies to achieve its goals.

### **Internal Controls**

The City has developed and put into place systems of internal controls over various accounting and transaction processing functions. Management of the City is responsible for establishing and maintaining the internal control structure. This structure is designed to ensure that the assets of the City are protected from loss, theft, or misuse. These controls are also in place to ensure that adequate accounting information is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The idea of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of cost and benefits requires estimates and judgments by management.

### **Budgetary Controls**

The City currently adopts a single-year operating and capital budget. The provisions of these budgets are directly posted into the City's general ledger accounting system to help ensure compliance with the appropriations made by the City Council.

Activities of the general fund, special revenue funds, debt service funds, and capital project funds are adopted in the operating budget. Budgetary control (which is the policy that actual expenditures may not exceed appropriations) is at the expenditure category level within each fund. Any budget modification which would result in an appropriation increase requires City Council approval. The City Manager and Finance Director are jointly authorized to transfer appropriations up to \$15,000 within a departmental budget. Any appropriation transfers between departments or greater than \$15,000 require City Council approval. Amounts appropriated for each year in the operating budget lapse at the end of each fiscal year, unless carried forward through the encumbrance process. The City Council also adopts amounts in the operating budget for the proprietary and internal service funds to provide a level of fiscal control.

## **Independent Audit**

Each year the City has an audit performed by an independent certified public accounting firm. This year the audit was performed by the firm of Lance, Soll, and Lunghard, LLP. The auditors also conducted a "single audit" designed to meet the requirements of the federal Revised Single Audit Act of 1996 and the related U.S. Office of Management and Budget's Uniform Guidance. The auditor's report on the basic financial statements can be found in the financial section of this report.

The auditor's report on internal controls over financial reporting and compliance with applicable laws and regulations can be found in a separately issued report.

## **Awards**

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 of Chula Vista for its Comprehensive Annual Financial Report for the year ended June 30, 2016. This was the 17<sup>th</sup> 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 Comprehensive Annual Financial Report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current Comprehensive Annual Financial Report continues to meet the Certificate of Achievement Program's requirements, and we are again submitting it to GFOA to determine its eligibility for another certificate.

## **Acknowledgments**

The preparation of this Comprehensive Annual Financial Report could not have been accomplished without the efficient and dedicated services of the entire finance staff throughout the fiscal year. We would like to thank all of those individuals who assisted and contributed to the preparation of this report. Acknowledgement must also be given to the Mayor and City Council, along with the City Manager, for their continued interest in planning and conducting the operations of the City of Chula Vista in a responsible and progressive manner.

Respectfully submitted,



David Bilby

Director of Finance/Treasurer

City of Chula Vista  
List of City Officials  
As of June 30, 2017

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**City Council**

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Mary Casillas Salas	Mayor
John McCann	Deputy Mayor
Patricia Aguilar	Councilmember
Mike Diaz	Councilmember
Stephen Padilla	Councilmember

**Administration**

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Gary Halbert	City Manager
Maria Kachadoorian	Assistant City Manager
Kelley Bacon	Deputy City Manager
Glen R. Googins	City Attorney
Donna Norris	City Clerk

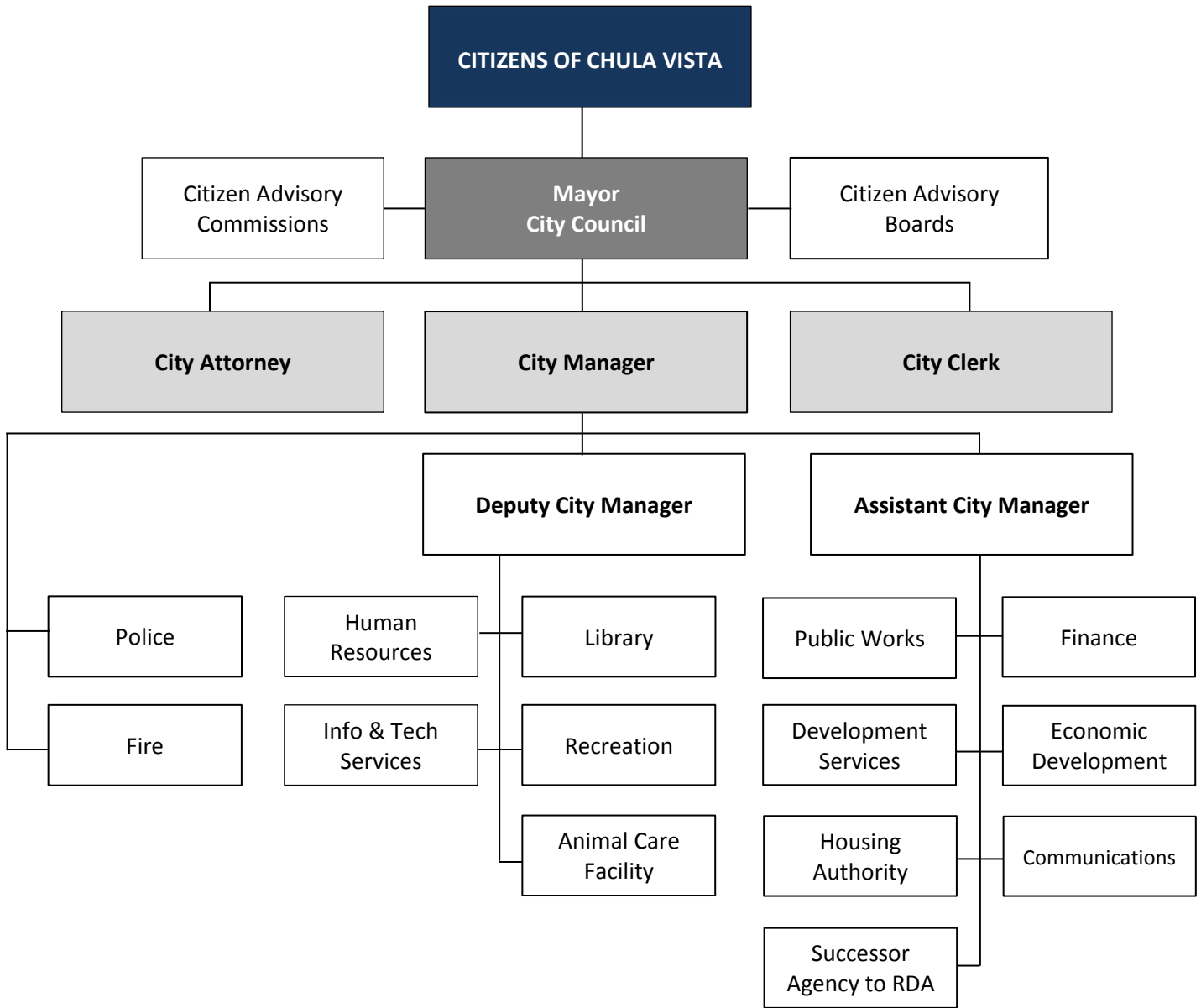
**Department Heads**

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David Bilby	Director of Finance/Treasurer
Kelly Broughton	Director of Development Services
Eric Crockett	Director of Economic Development
Jim Geering	Fire Chief
Courtney Chase	Director of Human Resources
Edward Chew	Director of Information Technology Services
Betty Waznis	Director of Library
Roxana Kennedy	Chief of Police
Richard Hopkins	Director of Public Works
Kristi McClure Huckaby	Director of Recreation



## Organizational Chart





Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**City of Chula Vista  
California**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2016**

Executive Director/CEO







## INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor and Members of the City Council  
City of Chula Vista, California

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Chula Vista, California, (the City) as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

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

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

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



To the Honorable Mayor and Members of the City Council  
City of Chula Vista, California

### ***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 Chula Vista, California, as of June 30, 2017, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Other Matters***

#### *Required Supplementary Information*

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

#### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

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



CPAs AND ADVISORS

To the Honorable Mayor and Members of the City Council  
City of Chula Vista, California

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 28, 2017 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

*Lance, Soll & Lughard, LLP*

Brea, California  
December 28, 2017





INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL  
OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE  
WITH *GOVERNMENT AUDITING STANDARDS*

To the Honorable Mayor and Members of the City Council  
City of Chula Vista, California

We have audited, in accordance with the 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, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Chula Vista, California, (the City) as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated December 28, 2017.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the following deficiencies to be material weaknesses:





To the Honorable Mayor and Members of the City Council  
City of Chula Vista, California

### **2017 – 1: Capital Assets**

We noted certain internal service fund capital costs were expensed in fiscal year 2015-16 and capitalized in the current fiscal year. The assets should have been capitalized in fiscal year 2015-16, resulting in a restatement of net position in the amount of \$90,483.

We noted certain vehicle related costs incurred in fiscal year 2017-18, were accrued for and capitalized in the current fiscal year, however, the vehicles were not delivered until fiscal year 2017-18. An adjustment of \$93,994 was made to correct the error.

We noted the Successor Agency of the Former Chula Vista RDA sold two land parcels in fiscal year 2013-14 and the disposal of the land and related loss on disposal was never recorded in the general ledger until the current fiscal year. As a result, net position was restated in the amount of \$1,448,110.

**Management Response:** The capital cost and vehicle cost recordation and asset recognition variances were isolated events, during which significant staff turnover and the implementation of a new Enterprise Resource Planning (ERP) System were occurring. With the establishment of the new ERP's purchasing, accounts payable, and capital asset tracking modules operational, these issues will be rectified. Typically, Management has advised the auditors of omitted entries from prior fiscal years, as evidenced by the land and building assets recordation project initiated by Management. These two Successor Agency parcels represent an oversight.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the following deficiencies to be significant deficiencies:

### **2017 – 2: Fair Market Value Adjustment to Cash and Investments**

We noted cash and investments were misstated primarily due to the fair market value adjustment booked by the City. The primary error was due to the City omitting the booking of the fair market value loss of \$376,726 on the SD Investment in County Pool. Overall, cash and investments were overstated by \$335,987, and as a result, an adjustment was made to correct the error.

**Management Response:** This singular and isolated event occurred as a result of Management utilizing a new investment tool, due to investment limitations related to a bond issue covenant. The oversight has been corrected and will not be duplicated going forward. In the future, Management will strengthen its efforts in communicating changes such as this one to staff, and confirm sufficient understand is achieved.

### **2017 – 3: Payroll Expenses and Related Liabilities**

We noted payroll expenses and related liabilities were misstated due to a unique transaction occurring during the current fiscal year. The City made an annual lump sum payment of its employer contributions for fiscal year 2016-17. Included in the recorded expense was the employer contributions from the last pay period in fiscal year 2015-16 for which the contributions related to both fiscal year 2015-16 and 2016-17. A portion of the employer contributions from this pay period was recorded in fiscal year 2016-17 twice, once when the payroll for the pay period was recorded and once during the booking of the lump sum payment. Payroll expenses and related liabilities were overstated by \$506,452, and as a result, an adjustment was made to correct the error.

**Management Response:** In an effort to save annual pension expense, Management exercised a pension prepayment option, for the first time in this instance. While the savings were achieved, going forward, closer inspection of accounting entries will be made to prevent this issue in the future.



To the Honorable Mayor and Members of the City Council  
City of Chula Vista, California

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed the following instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*:

#### **2017 – 4: Restatement Due to Previously Unrecorded Land**

In fiscal year 2016-17, the City learned it was the rightful owner of several land parcels which were not previously recorded in its records. A land appraisal was performed, and for the land parcels with material appraised values, the City deflated these values using the S&P Case Shiller San Diego Home Price Index 1/1987 – 7/2017. The acquisition date used to determine the appropriate index was obtained based on all information available to the City. As a result net position of governmental activities was restated in the amount of \$359,893,672.

#### **City's Response to Findings**

The City's response to the findings identified in our audit was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

#### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in cursive script that reads "Lance, Soll &amp; Lughard, LLP".

Brea, California  
December 28, 2017



**CITY OF CHULA VISTA  
MANAGEMENT’S DISCUSSION AND ANALYSIS**

As management of the City of Chula Vista, we are presenting the readers of this annual financial report a narrative overview and analysis of the financial activities of the City of Chula Vista for the fiscal year ended June 30, 2017. We encourage the readers of this document to consider the information presented here in conjunction with additional information furnished in the letter of transmittal found in the introductory section of this annual report.

**FINANCIAL HIGHLIGHTS**

The following outlines financial highlights for the year:

1. The assets of the City exceeded its liabilities at June 30, 2017 by \$1,343.3 million (net position). Of this amount, (\$150.5) million was reported as “unrestricted net position.” This figure represents an increase in unrestricted net position of \$ 4.1 million. The large negative unrestricted net position is primarily attributed to net pension liabilities, as required by Governmental Accounting Standards Board (GASB) Statements related to recognition of net pension liabilities within the City’s financial statements.
2. Total unrestricted net position is \$0.3 million lower for governmental activities than last fiscal year, a decrease of .12%. For business type activities, unrestricted net position is \$4.4 million higher than the previous year, a 6.5% increase.
3. The City’s total net position increased by \$560.8 million in fiscal year 2017. The net position of governmental activities increased by \$361.4 million, while the net position of the business type activities increased by \$199.4 million.
4. The City’s governmental funds reported combined ending fund balances of \$157.2 million, an increase of \$4.9 million, or 3.2%.
5. Total citywide liabilities increased by \$33.9 million. Liabilities for governmental activities increased by \$28.8 million and business-type activities increased by \$5.1 million.
6. The City’s total long-term debt obligations had a net decrease of \$2.4 million or 1.8% during fiscal year 2017. The decrease reflects principal payments of \$6.1 million, and refunding of \$470 thousand offset by a new capital lease for 2 Pierce Arrow CT Triple Combination Pumper Fire Engines of \$1.3 million and amortization of bond premium/discount of \$2.9 million as a result of debt refinancing.
7. On November 8, 2016, the City’s voters approved Measure P, a \$0.50 sales tax to fund infrastructure improvements throughout the City. This sales tax will be collected for 10 years, and is estimated to provide approximately \$16.0 million annually. In fiscal year 2016-17, \$3.9 million was collected.

## **OVERVIEW OF FINANCIAL STATEMENTS**

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements.

This report also contains required supplementary information (RSI) as well as other supplemental financial information.

### **Government-Wide Financial Statements**

The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to private-sector business. They are comprised of the *Statement of Net Position and Statement of Activities and Changes in Net Position*.

The *Statement of Net Position* presents information on all of the City's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating. This statement combines and consolidates governmental funds' current financial resources with capital assets and long-term obligations.

The *Statement of Activities and Changes in Net Position* presents information showing how the government's net position changed during the fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the 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 above financial statements have separate sections for three different types of activities. These three types of activities are:

*Governmental Activities* - The activities in this section are mostly supported by taxes and charges for services. The governmental activities of the City include General Government, Public Safety, Public Works, Parks and Recreation and Library.

*Business-Type Activities* – These functions normally are intended to recover all or a significant portion of their costs through user fees and charges to external users of goods and services. The business-type activities of the City include the Sewer Funds and Transit Operations.

*Discretely Presented Component Units* - The City of Chula Vista has no discretely presented component units to report upon.

## Fund Financial Statements and Major Component Unit 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 of the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

The fund financial statements provide detailed information about each of the City's most significant funds, called Major Funds. The concept of Major Funds, and the determination of which are major funds, was established by GASB Statement 34 and replaces the concept of combining like funds and presenting them in total. Instead, each Major Fund is presented individually, with all Non-major Funds summarized and presented in a single column.

**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 capacity.

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. These reconciliations are presented on the page immediately following each governmental fund financial statement.

As of Fiscal Year 2016-17, the City numerous governmental funds within the adopted budget. However, within this document, the funds are summarized as follows for presentation purposes:

<b>Fund Category</b>	<b>Major Funds</b>	<b>Non-Major Funds</b>	<b>Total</b>
General Fund	1	0	1
Special Revenue	2	14	16
Capital Project	2	8	10
Debt Service	3	2	5
Permanent	0	0	0
<b>Total Presented</b>	<b>8</b>	<b>24</b>	<b>32</b>

Each major fund is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balance. Information for the City's remaining governmental funds is combined into a single, aggregated "Other Governmental Funds" column. Individual fund data for each of these non-major governmental funds is provided in the supplementary information portion of the report.



***Proprietary Funds*** – The City maintains two different types of proprietary funds - enterprise funds and internal service funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses an enterprise fund to account for its Sewer, Development Services and Transit activities. Internal service funds are used to accumulate and allocate costs internally among the City’s various functions. The City uses internal service funds to account for its vehicle fleet, information systems, and workers’ compensation program. Because these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the governmental-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. Like the government-wide financial statements, proprietary fund financial statements use the accrual basis of accounting. There is no reconciliation needed between the government-wide financial statements for business-type activities and the proprietary fund financial statements.

***Fiduciary Funds*** – Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City’s own 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.

## **Required Supplementary Information**

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information providing a budgetary comparison statement for the general fund and sewer fund.

## **GOVERNMENT-WIDE FINANCIAL ANALYSIS**

### **Net Position**

As noted earlier, net position may serve over time as a useful indicator of a government’s financial position. In the case of the City of Chula Vista, combined net position (government and business type activities) totaled \$1,343.3 million at the close of the fiscal year ending June 30, 2017. This is a net increase of \$560.8 million when compared to the prior year. There was an increase in the City’s governmental funds of \$361.4 million and an increase in business-type activities of \$199.4 million. A summary schedule follows which shows the components that make up the City’s net position at June 30, 2017 and 2016, and both years reflect GASB 68 & 71 compliance.

**City of Chula Vista  
Net Position  
Fiscal Year Ending June 30**

	Governmental Activities		Business-Type Activities		Total	
	2017	2016	2017	2016	2017	2016
Current Assets	\$ 168,677,989	\$ 162,160,931	\$ 106,748,606	\$ 100,751,719	\$ 275,426,595	\$ 262,912,650
Non-Current Assets	7,553,881	22,933,858	(1,054,835)	(180,358)	6,499,046	22,753,500
Capital Assets	1,147,395,093	794,582,467	331,199,513	135,989,851	1,478,594,606	930,572,318
<b>Total Assets</b>	<b>1,323,626,963</b>	<b>979,677,256</b>	<b>436,893,284</b>	<b>236,561,212</b>	<b>1,760,520,247</b>	<b>1,216,238,468</b>
Deferred outflow of resources	61,912,385	23,426,528	5,432,012	2,032,642	67,344,397	25,459,170
<b>Total Deferred Outflows</b>	<b>61,912,385</b>	<b>23,426,528</b>	<b>5,432,012</b>	<b>2,032,642</b>	<b>67,344,397</b>	<b>25,459,170</b>
Current Liabilities	25,816,050	40,738,517	2,143,084	1,430,773	27,959,134	42,169,290
Non-Current Liabilities	414,896,571	371,186,031	33,134,868	28,731,695	448,031,439	399,917,726
<b>Total Liabilities</b>	<b>440,712,621</b>	<b>411,924,548</b>	<b>35,277,952</b>	<b>30,162,468</b>	<b>475,990,573</b>	<b>442,087,016</b>
Deferred inflows of resources	7,653,312	15,370,360	887,450	1,667,608	8,540,762	17,037,968
<b>Total Deferred Inflows</b>	<b>7,653,312</b>	<b>15,370,360</b>	<b>887,450</b>	<b>1,667,608</b>	<b>8,540,762</b>	<b>17,037,968</b>
Net Position						
Net Investment in Capital Assets	1,031,902,782	672,940,012	331,199,513	135,989,851	1,363,102,295	808,929,863
Restricted	128,114,370	125,439,323	2,593,403	2,803,451	130,707,773	128,242,774
Unrestricted	(222,843,737)	(222,570,459)	72,366,978	67,970,476	(150,476,759)	(154,599,983)
<b>Total Net Position</b>	<b>\$ 937,173,415</b>	<b>\$ 575,808,876</b>	<b>\$ 406,159,894</b>	<b>\$ 206,763,778</b>	<b>\$ 1,343,333,309</b>	<b>\$ 782,572,654</b>

As the table above illustrates, an amount of \$1,363.1 million is reported as invested in capital assets (e.g. land, streets, sewers, buildings, improvements, equipment and work in progress), less any related debt used to acquire those assets that are still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that 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.

A portion of the City's net position is restricted – \$130.7 million or 9.73% – and represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position – (\$150.5 million) or (11.2%) – reflects the recordation of net pension liability required per requisite GASB statements.

At the end of the fiscal year, the City was able to report overall positive balances in all three categories of net position for business-type activities, however both the government as a whole, as well as the separate governmental activities show negative unrestricted net position as a result of the required recognition of net pension liability, per GASB statements.

## Changes in Net Position

The statement of net position provides a snapshot at a given point in time of the assets and liabilities of the City. The other citywide statement provided is the *Statement of Activities and Changes in Net Position*. This statement provides the reader with information regarding the revenues, expenses and changes in net position over the fiscal year. Generally, all changes to the City's net position from one fiscal year to the next flow through the Statement of Activities.

### City of Chula Vista Summary of Changes in Net Position Fiscal Year Ending June 30

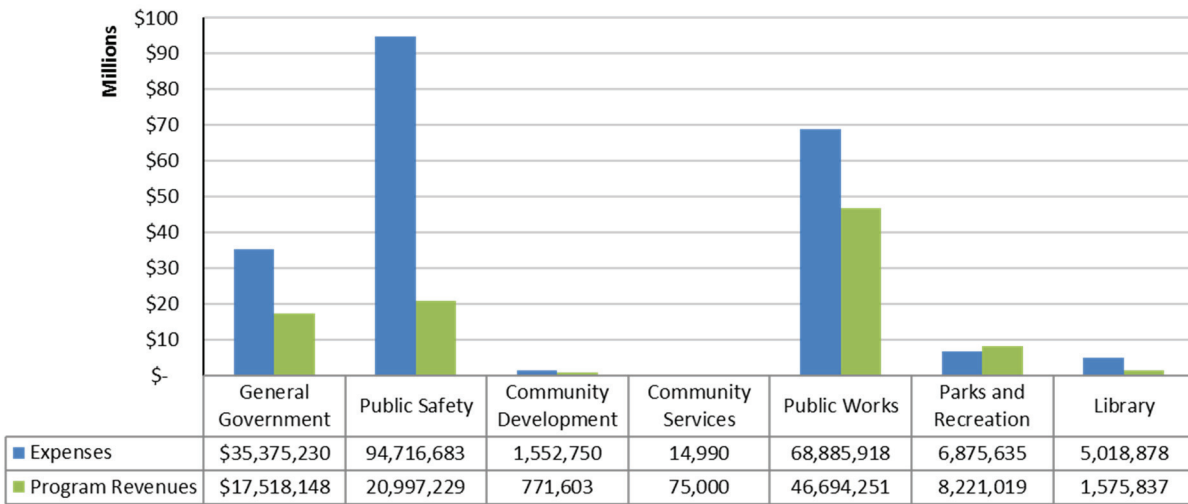
	Governmental Activities		Business-Type Activities		Total	
	2017	2016	2017	2016	2017	2016
<b>Revenues:</b>						
Program Revenues:						
Charges for Services	\$ 67,481,800	\$ 55,809,354	\$ 43,692,874	\$ 42,561,453	\$ 111,174,674	\$ 98,370,807
Operating Grants & Contributions	22,751,556	22,416,276	-	306,884	22,751,556	22,723,160
Capital Grants & Contributions	5,619,731	7,143,130	-	-	5,619,731	7,143,130
General Revenues:						
Property Taxes	53,248,196	50,136,856	-	-	53,248,196	50,136,856
Sales Taxes	36,469,033	33,317,380	-	-	36,469,033	33,317,380
Franchise Taxes	11,515,850	11,709,977	-	-	11,515,850	11,709,977
Utility User Taxes	5,786,326	5,844,248	-	-	5,786,326	5,844,248
Business License Taxes	1,558,887	1,538,595	-	-	1,558,887	1,538,595
Transient Occupancy Taxes	3,650,442	3,827,244	-	-	3,650,442	3,827,244
Property Transfer Taxes	1,176,358	1,357,573	-	-	1,176,358	1,357,573
Construction Taxes	413,914	185,625	-	-	413,914	185,625
Investment Earnings	2,954,403	6,233,144	322,527	1,357,938	3,276,930	7,591,082
Miscellaneous	1,677,271	1,034,027	198,847,750	524,616	200,525,021	1,558,643
Gain (Loss) Disposal of Capital Assets	8,970	336,661	115,703	-	124,673	336,661
<b>Total Revenues</b>	<b>214,312,737</b>	<b>200,890,090</b>	<b>242,978,854</b>	<b>44,750,891</b>	<b>457,291,591</b>	<b>245,640,981</b>
<b>Expenses:</b>						
General Government	\$ 35,375,230	\$ 25,564,824	-	-	\$ 35,375,230	\$ 25,564,824
Public Safety	94,716,683	87,749,418	-	-	94,716,683	87,749,418
Community Development	1,552,750	1,974,046	-	-	-	-
Community Services	14,990	5,632	-	-	14,990	5,632
Public Works	68,885,918	67,910,401	-	-	68,885,918	67,910,401
Parks and Recreation	6,875,635	6,834,240	-	-	6,875,635	6,834,240
Library	5,018,878	3,997,677	-	-	5,018,878	3,997,677
Interest on Long-Term Debt	4,673,047	6,073,434	-	-	4,673,047	6,073,434
Sewer Funds	-	-	32,179,875	25,234,891	32,179,875	25,234,891
Transit	-	-	39,594	86,512	39,594	86,512
Sewer DIFs	-	-	8,305	1,146,838	8,305	1,146,838
Development Services Fund	-	-	6,655,654	5,741,600	6,655,654	5,741,600
Chula Vista Mini Golf Course	-	-	27,092	-	27,092	-
Chula Vista Elite Athlete Training Ctr	-	-	449,028	-	449,028	-
<b>Total Expenses</b>	<b>217,113,131</b>	<b>200,109,672</b>	<b>39,359,548</b>	<b>32,209,841</b>	<b>254,919,929</b>	<b>230,345,467</b>
Increase/(Decrease) in Net Position Before						
Transfers	(2,800,394)	780,418	203,619,306	12,541,050	200,818,912	13,321,468
Transfers	4,180,778	2,799,555	(4,180,778)	(2,799,555)	-	-
<b>Change in Net Position</b>	<b>1,380,384</b>	<b>3,579,973</b>	<b>199,438,528</b>	<b>9,741,495</b>	<b>200,818,912</b>	<b>13,321,468</b>
Net Position, Beginning of Year - Restated	935,793,031	572,228,903	206,721,366	197,022,283	1,142,514,397	769,251,186
<b>Net Position, End of Year</b>	<b>\$ 937,173,415</b>	<b>\$ 575,808,876</b>	<b>\$ 406,159,894</b>	<b>\$ 206,763,778</b>	<b>\$ 1,343,333,309</b>	<b>\$ 782,572,654</b>

Further analysis is provided within the governmental and business-type activity sections below.

### Governmental Activities

Governmental activities increased the City’s net position by \$1.4 million, partially offsetting the City’s total decrease in net position due to GASB 68 & 71 related liabilities and restatements of beginning net position. The City received a total of \$95.9 million in program revenues from governmental activities in fiscal year 2016-17, an increase of \$10.5 million from the previous year. A comparison of the cost of services by function for the City’s governmental activities is shown in the chart below, along with the program revenues used to cover the net expenses of the governmental activities.

**Expenses and Program Revenues  
Governmental Activities**



Total program revenues from governmental activities were \$95.9 million in fiscal year 2016-17. Per GASB 34, program revenues are derived directly from the program itself or from parties outside the reporting government’s taxpayers or citizenry. They reduce the net cost of the function to be financed from the government’s general revenues. A discussion of the different Program Revenue categories and its components follows.

*Charges for Services* had a net increase of \$11.7 million for governmental activities when compared to the previous year. Changes by service category are summarized in the table below.

**Charges for Services  
As of June 30**

<b>Service Category</b>	<b>2017</b>	<b>2016</b>	<b>Increase/ (Decrease)</b>
General Government	\$ 12,317,921	\$ 6,468,756	\$ 5,849,165
Public Safety	11,997,221	11,764,603	232,618
Community Development	771,603	730,197	41,406
Public Works	32,598,199	24,218,733	8,379,466
Parks and Recreation	8,221,019	10,683,649	(2,462,630)
Library	1,575,837	1,943,416	(367,579)
<b>Total Charges for Services</b>	<b>\$ 67,481,800</b>	<b>\$ 55,809,354</b>	<b>\$ 11,672,446</b>

*Operating Grants and Contributions* for governmental activities had a net increase of \$0.3 million from the previous fiscal year. Changes by service category are summarized in the table below.

**Operating Grants and Contributions  
As of June 30**

<b>Service Category</b>	<b>2017</b>	<b>2016</b>	<b>Increase/ (Decrease)</b>
General Government	\$ 4,799,275	\$ 4,677,233	\$ 122,042
Public Safety	8,473,534	7,668,902	804,632
Public Works	9,478,747	10,070,141	(591,394)
<b>Total Charges for Services</b>	<b>\$ 22,751,556</b>	<b>\$ 22,416,276</b>	<b>\$ 335,280</b>

*Capital Grants and Contributions* for governmental activities had a net decrease of \$1.5 million from the previous fiscal year. Changes by service category are summarized in the table below.

**Capital Grants and Contribution  
As of June 30**

<b>Service Category</b>	<b>2017</b>	<b>2016</b>	<b>Increase/ (Decrease)</b>
General Government	\$ 400,952	\$ 335,587	\$ 65,365
Public Safety	526,474	1,616,414	(1,089,940)
Community Services	75,000	54,290	20,710
Public Works	4,617,305	5,136,839	(519,534)
<b>Total Charges for Services</b>	<b>\$ 5,619,731</b>	<b>\$ 7,143,130</b>	<b>\$ (1,523,399)</b>

**General Revenues** are all other revenues not categorized as program revenues such as property taxes, sales taxes and investment earnings. Total general revenues from governmental activities were \$118.5 million in fiscal year 2016-17. The largest percentage of general revenues received during the year for governmental activities were taxes of \$113.8 million, which included Property Taxes of \$53.2 million and Sales Taxes of \$36.5 million.

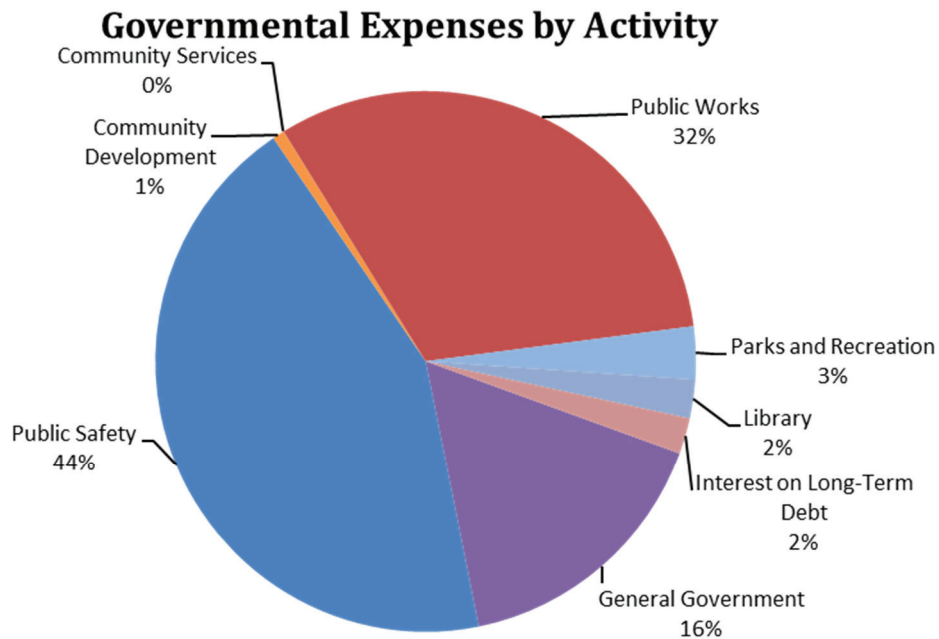
The City's General Revenues increased as a whole by \$3.3 million when compared to the prior fiscal year. While most of the revenue categories increased moderately from last year, there were significant increases in Property Taxes, Sales Taxes, Construction Taxes, and Miscellaneous Revenues. One revenue category, Investment Earnings did decrease materially from the prior year. These significant changes are described in detail below.

**General Revenues  
As of June 30**

	<b>2017</b>	<b>2016</b>	<b>Increase/ (Decrease)</b>
Property Taxes	\$ 53,248,196	\$ 50,136,856	\$ 3,111,340
Sales Taxes	36,469,033	33,317,380	3,151,653
Franchise Taxes	11,515,850	11,709,977	(194,127)
Utility User Taxes	5,786,326	5,844,248	(57,922)
Business License Taxes	1,558,887	1,538,595	20,292
Transient Occupancy Taxes	3,650,442	3,827,244	(176,802)
Property Transfer Taxes	1,176,358	1,357,573	(181,215)
Construction Taxes	413,914	185,625	228,289
Investment Earnings	2,954,403	6,233,144	(3,278,741)
Miscellaneous	1,677,271	1,034,027	643,244
<b>Total General Revenues</b>	<b>\$ 118,450,680</b>	<b>\$ 115,184,669</b>	<b>\$ 3,266,011</b>

The increase in property tax revenue can be attributed to several factors combining favorably for FY17: an increase in total assessed property value; an increase in development, as evidenced by an increase in both residential and non-residential building permits; and a decrease county-wide in both Proposition 8 parcels and total number of foreclosures. The increase in sales tax revenue is largely attributable to an increase in consumer confidence, with increased spending in casual dining, new cars, electronics, and appliances. Another contributor to the year-over-year sales tax revenue growth is a higher allocation from the countywide use tax pool as receipts expanded due to the increasing prevalence of online shopping the abnormal \$643 thousand increase in miscellaneous revenues. The decrease in Investment Earnings was largely due to the effect of fair market valuation measurements being applied to the City's portfolio as of June 30. This measurement is required per GASB requirements, however actual reductions are only realized if the City's investments are liquidated, and given that the City typically holds investments to maturity, this effect is unlikely to be realized in the future and was not realized at the end of fiscal year.

Total governmental activity type expenses were \$217.1 million in fiscal year 2016-17. The largest expenses were incurred for Public Safety, Public Works and General Government. These three activities combined account for 91.6% of all general activity expenses. These expenses do not include capital outlays, which are reflected in the City’s capital assets.



### Business Type Activities

Net position for business-type activities was \$406.2 million, an increase of \$199.4 million from the prior fiscal year. The reason for the nearly doubling of business-type net position was the acquisition of the CV Elite Athlete Training Center with contribution \$197.7 million. Overall expenses for the business-type activities showed a \$7.1 million increase over the previous year. The increase is largely attributable to Sewer related activities (6.9 million).

Total program revenues for business-type activities were \$43.7 million and are composed primarily of sewer fees (\$37.4 million) and development fees (\$7.3 million). Total expenses for the business-type activities were \$39.4 million and were for expenses related to Sewer (\$32.2 million) and processing of development permits and plans (\$6.7 million).

## **FUND LEVEL FINANCIAL ANALYSIS**

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

### **Governmental Funds**

The City uses governmental fund accounting to ensure compliance with budgetary allocations and to maintain control over resources that are legally, or otherwise, restricted for specific purposes. The following is a discussion of the individual “major” funds as shown on the Balance Sheet for Governmental Funds in the basic financial statements.

***General Fund*** – The General Fund is used to account for the general operations of the City. It is used to account for all financial resources, except those required to be accounted for in another fund. The General Fund is always reported as a “major fund”. For the fiscal year, the General Fund reported \$150.3 million in revenues and \$150.2 million in expenditures, resulting in expenditures exceeding revenues by the amount of \$30 thousand. After accounting for net other financing sources of \$4.4 million, General Fund fund balance increased by \$4.5 million.

Total fund balance at June 30, 2017 was \$41.8 million, composed of \$52.2 million in assets combined with \$5.5 million in liabilities and \$4.8 million in deferred inflows of resources. Total fund balance included \$7.4 million of nonspendable or restricted fund balance, which represents that portion of fund balance that is not available for appropriation. Restricted fund balance represents the portion of fund balance that reflects constraints placed on the use of resources that are externally imposed by creditors, grantors, contributors, or laws or regulations of other governments. As of June 30, 2017, there is no restricted fund balance in the General Fund. Committed fund balance totaled \$5.9 million. This portion of fund balance includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the City Council, and remains binding unless removed in the same manner. Assigned fund balance, totaling \$8.5 million, represents that portion of a fund balance that includes amounts that are constrained by the government’s intent to be used for specific purposes, but that are neither restricted nor committed. The City Council has delegated its authority to assign fund balance amounts to the City’s Director of Finance. The final component of total fund balance is unassigned fund balance. Totaling \$20.0 million, this is the portion of fund balance that is available for appropriation for any purpose.

***Sundry Grants Fund*** – The Sundry Grants fund is to account for miscellaneous grants such as: Supplemental Law Enforcement Services, California Library Services Act, Public Library Act, Asset Seizure, Local Law Enforcement Block Grants, federal library grants, waste management and recycling, energy conservation, parks and recreation, social service grants, Gayle McCandliss memorial cultural arts, federal assistance, CDBG program income projects, HOME project, and Community Development Block grants.



The Sundry Grants Fund had total revenues of \$14.6 million and expenditures of \$15.3 million, resulting in expenditures over revenues in the amount of \$0.6 million. The Sundry Grants Fund equity decreased by \$1.3 million for the fiscal year, after accounting for net other financing uses of \$0.7 million. Total fund balance at June 30, 2017 was \$3.0 million, composed of restricted fund balance.

***Low and Moderate-Income Housing Successor Special Revenue Fund*** - The California legislature voted to end redevelopment agencies on February 1, 2012. This fund was created as a result of the dissolution process and was formerly known as the Low and Moderate-Income Housing Fund. The City opted to become the Successor Agency to the Redevelopment Agency and to the Low and Moderate Housing Successor. For the year, this fund had revenues of \$1.2 million composed primarily of interest earnings, property rentals and loan repayments from affordable housing projects. Housing expenditure activities totaled \$0.1 million, resulting in a fund equity increase of \$1.0 million. Total fund balance as of June 30, 2017 was \$9.9 million composed entirely of restricted fund balance.

***Park Acquisition Development Fund*** - This fund was established as a depository for fees collected from developers for the purpose of providing park facilities directly benefiting and serving residents of the regulated subdivision. The Parkland Acquisition and Development in-lieu fee was adopted by the City to acquire neighborhood and community parkland and to construct park facilities.

Total revenues for this fund totaled \$0.6 million with \$0.5 million attributable to building permit fees for new development. Expenditures totaled \$0.9 million reflecting capital improvement project staff time reimbursements. Total fund equity decreased by \$0.4 million for the year. As of June 30, 2017, the fund balance totaled \$43.0 million, comprised primarily of cash (\$34.0 million) and advances to other funds (\$9.2 million). All of the \$43.0 million fund balance is designated as restricted.

***Development Impact Fee Fund*** – This fund was established as a depository for various development impact fees (DIFs). The fees are levied against all new development in the City in order to pay for the construction or improvement of public facilities as a result of City growth.

Total revenues for this fund totaled \$8.3 million attributable to building permit fees for new development. Expenditures totaled \$3.4 million, composed primarily of capital expenditures on Telegraph Canyon Drainage, Transportation DIF, and the Western Transportation DIF, which combined for \$3.0 million.

Total fund equity decreased by \$0.1 million for the year. As of June 30, 2017, this fund had a fund balance totaling \$40.8 million, comprised of mostly cash (\$33.9 million) and advances to other funds (\$8.2 million), offset partially by \$0.1 million in liabilities with the remainder of \$1.2 million in unavailable revenues. Unavailable revenue accounts for the prepayment of development impact fees before the actual building permit has been applied for. Revenue will be available once the permit application has been granted.

**City Debt Service Fund** – This fund was established to account for the principal and interest payments on City interfund debt. Total fund balance as of June 30, 2017 was negative \$19.0 million, composed entirely of unassigned fund balance. The fund balance decreased by \$0.2 million in fiscal year 2016-17 due to a restatement of interfund loan balances.

**Public Financing Authority Fund** – This fund was established to account for the principal and interest payments on the Chula Vista Public Financing Authority debt. Total fund balance as of June 30, 2017 was \$6.2 million, composed entirely of committed fund balance. The fund balance decreased by \$2.7 million in fiscal year 2016-17 due to a bond refinancing, and debt service payments.

**Municipal Financing Authority Fund** – This fund was established to account for the principal and interest payments on the Chula Vista Municipal Financing Authority debt. Total fund balance as of June 30, 2017 was \$25,000, composed entirely of restricted fund balance. The fund balance increased by \$25,000 in fiscal year 2016-17 due to a bond refinancing, and debt service payments.

### **Proprietary Funds**

The City’s Sewer Fund is reported as a “major” fund on the Statement of Net Position for Proprietary Funds in the basic financial statements.

**Sewer Fund**– The Sewer fund is used to account for all activities related to providing sewer service to the residents of Chula Vista. Resources for the fund come primarily from sewer service charges paid for by users of the system. For the fiscal year, operating revenues totaled \$37.4 million. In addition, non-operating revenues totaling \$0.4 million were realized (interest income and gain on capital asset). Operating expenses totaled \$32.1 million for the year, with the single biggest item being the cost of wastewater treatment by the City of San Diego in the amount of \$23.5 million.

After accounting for all revenues and expenses, both operating and non-operating, net position of the fund increased by \$2.6 million for the year, totaling \$242.4 million as of June 30, 2017. Of total net position, \$133.5 million is designated for sewer system infrastructure such as pump stations, sewer lines and other related equipment and therefore not available to fund the day-to-day operations of the sewer system. Total current assets total \$102.7 million, comprised of cash and investments (\$98.3 million) and accounts receivable (\$4.4 million). Fund liabilities at the end of the fiscal year totaled \$15.3 million, of which \$1.2 million were considered current liabilities. The fund has no outstanding bonded debt.

**Sewer Development Impact Fee Fund** – This fund was established as a depository for sewer development impact fees. The fees are levied against all new development in the City in order to pay for the construction or improvement of public sewer facilities as a result of City growth.

Operating revenues totaled \$0.1 million. In addition, non-operating revenues totaling \$9,000 were realized (interest income and gain on capital asset). Operating expenses totaled \$8,000 for the year, comprised of administration and depreciation. Nonoperating expenses were comprised of transfers to other funds for repayment of an interfund loan.

Net position of the fund was negative \$16.5 million primarily due to the aforementioned interfund loan, and was comprised of \$2.9 million in assets and \$19.4 million in liabilities. There are no deferred outflows or inflows.

***Development Services Fund*** – This fund accounts for revenues and expenditures related to the processing of development plans and permits. The fund is comprised of three divisions, Planning, Building, and Engineering, which provide direct services to property owners, developers, and the City as required for the entitlement and/or improvement of property. The services provided encompass most development activities, including land use entitlements; public infrastructure, open space, and landscape planning; public infrastructure construction, grading and building permits.

Operating revenues totaled \$7.3 million and were primarily comprised of permits and fees. Operating expenses totaled \$6.7million for the year, mostly comprised of personnel service costs. Nonoperating revenues and expenses were comprised of transfers to and from other funds for subsidies and overhead expenses, respectively.

Net position of the fund was negative \$16.5 million primarily due to long-term pension liabilities. Assets (both current and noncurrent) totaled \$0.7 million. Current liabilities were \$1.4 million and were largely attributed to obligations to other funds (\$0.9 million) and compensated absences accrual (\$0.2 million). Noncurrent liabilities totaled \$18.6 million and were mainly due to pension liabilities. Likewise, the deferred outflows and inflows, \$3.1 million and \$0.5 million, respectively were pension related.

***Chula Vista Elite Athlete Training Center (CVEATC) Fund*** – This fund was established to account for the CVEATC’s activities in partnership with Elite Athlete Services, the CVEATC operator.

There were no operating revenues in fiscal year 2016-17, as the City had only acquired the facility in January 2017. Operating expenses of \$0.4 million were comprised of startup supplies and administration, as well as depreciation. The primary recordation in this fund was the recognition of the Contribution of land and facilities in the amount of \$197.7 million within non-operating revenues.

Net position of the fund was \$197.4 million primarily due to the facility contribution from the US Olympic Committee, and was comprised of \$0.1 million in assets and \$0.2 million in liabilities. There are no deferred outflows or inflows.

## **GENERAL FUND BUDGETARY HIGHLIGHTS**

The final amended general fund budget totaled \$162,242,718 including \$10,019,642 in budget amendments to the originally adopted budget and encumbrances of \$4,506,815 which will fund contractual obligations and outstanding purchase orders. The General Funds' budget amendments of \$10,019,642 are summarized as follows:

<b>Resolution</b>	<b>Budget Amendments</b>	<b>Expenditure</b>
2016-124	Principal Management Analyst and Senior Civil Engineer Reclassification (Public Works)	\$32,212
2016-116	Senior Economic Development Specialist Classification review (Economic Development)	\$0
2016-157	Addition of 1.00 Latent Print Examiner through County of San Diego Cal-ID Program (Police)	\$23,000
2016-172	Budget adjustments related to the new ERP Software with Tyler Technologies (Various)	\$0
2016-179	Addition of Administrative Fees for Fiscal Agent Positions (Police)	\$0
2016-212	Addition of Administrative Fees for Fiscal Agent Positions (Police)	\$0
2016-239	First Quarter Budget Adjustments	\$1,505,654
2016-224	Transfer from Personnel Services to Supplies and Services for Veterinarian Svcs. (\$35,000) (Animal Care Facility)	\$0
2016-233	Reduction of Dispatch Supervisor (Police)	(\$46,661)
2016-233	Addition of Dispatcher (Police)	\$40,473
2016-233	Reduction of Sr. Mgmt. Analyst (Police)	(\$54,092)
2016-233	Addition of Supervising Public Safety Analyst (Police)	\$59,572
2016-263	FY 17 Measure P Revenues	\$3,200,000
2017-009	Business Attraction/Retention (Economic Development/Non-Departmental)	\$200,000
2017-010	Addition of Fiscal Office Spec. (Economic Development)	\$27,549
2017-013	Software for Open Counter (Economic Development/Non-Departmental)	\$86,000
2017-020	In County Contract Services (Animal Care Facility)	\$25,000
2017-028	Second Quarter Budget Adjustments	\$359,454
2017-069	Third Quarter Budget Adjustments	(\$688,951)
2017-101	Donations, Sponsorships associated with Recreation Facilities and Programs	\$31,312
2017-183	FY2017 Year-End Budget Adjustments	\$5,219,120
<b>TOTAL GENERAL FUND BUDGET AMENDMENTS</b>		<b>\$10,019,642</b>

## **CAPITAL ASSETS AND DEBT ADMINISTRATION**

### **Capital Assets**

The City's investment in capital assets for its governmental and business type activities as of June 30, 2017, amounts to \$1,487.3 million, net of accumulated depreciation of \$572.1 million. This investment in capital assets includes land, buildings, improvements, machinery and equipment, infrastructure and construction in progress. Infrastructure assets are items that are normally immovable and of value only to the City such as roads, bridges, streets and sidewalks, drainage systems, lighting systems and similar items. The total change to the City's investment in capital assets for the current fiscal year was a positive of \$546.5 million, net of accumulated depreciation. This increase in capital assets is much larger than normal for two reasons. First, staff determined that many land and building assets had not been recorded into the City's financial system dating back multiple years. Given this omission, staff conducted an analysis of the San Diego County secured property tax roll, discovered dozens of parcels, which included a potential university site and many open space parcels, and a few buildings owned by the City, and promptly recorded them. These additions totaled \$359.9 million. The second large addition was the City's acquisition of the Chula Vista Elite Athlete Training Center (the CVEATC) (formerly the US Olympic Training Center). The CVEATC acquisition, added \$180.7 million in land, buildings, and other capital facilities to the City's book of capital assets. Additional information on the City's capital assets can be found in Note 5 of the Notes to the Financial Statements.

### **Debt Administration**

**Long Term Debt** - At June 30, 2017, the City had \$127.5 million in debt outstanding compared to \$129.9 million last year, a net decrease of 1.8%. The majority of this debt is in the form of Certificates of Participation (\$106.0 million) and a CDBG Section 108 Loan (\$6.8 million). The remainder of the outstanding long-term debt is in the form of notes payable and capital lease obligations. The City has no outstanding general obligation debt.

The City made principal payments of \$4.7 million during the fiscal year. In July 2016, the Chula Vista Public Financing Authority issued \$8,600,000 in 2016 Certificates of Participation to refinance the City's outstanding 2006 Certificates of Participation (Civic Center Project Phase II). In July 2016, the Chula Vista Municipal Financing Authority issued \$25,885,000 in 2016 Lease Revenue Refunding Bonds to refinance the City's outstanding 2010 Certificates of Participation (Capital Facilities Refunding Projects).

As of June 30, 2017, the City has maintained its "AA-" rating by Standard & Poor's for Certificates of Participation, which represents a stable outlook. Additional information on the City's long-term debt obligations can be found in Note 6 of the Notes to the Financial Statements.

## **ECONOMIC FACTORS AND NEXT YEAR'S BUDGET**

### **Assessed Valuation and Property Tax**

According to the County of San Diego Assessors' Office, the city's total assessed valuation (both secured and unsecured) for the 2016-17 fiscal year was \$26,753,998,423. This is an increase of \$1,451,113,810 or 5.73% over the 2015-16 assessed valuation. It should be noted that assessed value was set as of January 1, 2016. Actual current secured property tax revenues for the 2015-16 fiscal year totaled \$29.7 million, which is \$1.2 million more than collected in the prior year.

### **Building Activity**

The valuation of all building and related permits totaled \$292.3 million for the 2016-17 fiscal year. This is approximately 15.5% more than the valuation of \$253.0 million for these permit categories in the prior fiscal year.

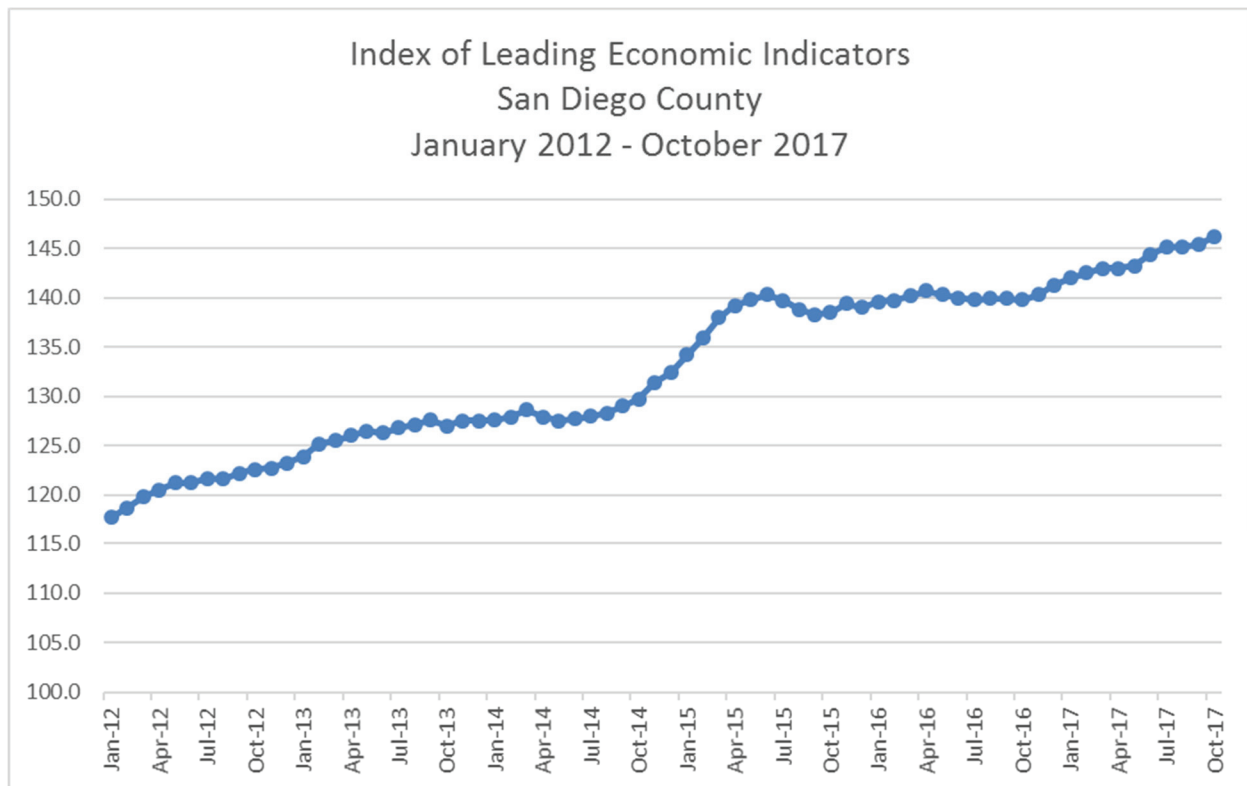
<b>Building Permit Valuation</b>	<b>As of June 30</b>		<b>Change \$</b>	<b>Change %</b>
	<b>2017</b>	<b>2016</b>		
Residential	\$ 180,578,202	\$ 114,755,592	\$ 65,822,610	57.4%
Non-Residential	29,124,307	28,537,984	\$ 586,323	2.1%
Additions & Alterations	82,497,090	109,393,752	\$ (26,896,662)	-24.6%
Demolitions	113,750	326,564	\$ (212,814)	-65.2%
Total	\$ 292,313,349	\$ 253,013,892	\$ 39,299,457	-30.3%

The year over year increase in building permits activity reflects a significant increase over the prior year in the new construction market, although current activity is still well below the peak activity during the housing boom of the mid-2000s.

## Local Economy

The USD Burnham-Moores Center for Real Estate's Index of Leading Economic Indicators for San Diego County was flat for the first four months of Fiscal Year 2016-17, after which it has risen significantly, as illustrated in the chart below. With the increases in September and October 2017, the index has been increasing for the last 12-month period, and is at its highest mark since the commencement of economic recovery after the 2007-2009 severe recession. Positive but slower growth is expected for the rest of the year and through 2018.

Consumer confidence has continued to trend upward, as the outlook for the national economy appears solid with 14 consecutive monthly increases in the National Index of Leading Economic Indicators. The second estimate of third quarter GDP growth was 3.3 percent, which is up from the 3.1 percent final GDP figure for the second quarter of 2017. The national labor market has continued to strengthen as well, with the unemployment rate falling to 4.1 percent and wage and job growth posting a solid 261,000 additions in October 2017.



June 2017 home prices in San Diego County were up 7.9% from a year ago according to Zillow Inc., a company that tracks and analyzes real estate markets. The reported median price for all San Diego County home sales was \$624,888. All of Chula Vista's five zip codes saw increases in the median price of single-family residences according to the report. Consistent with most cities and counties across the nation, Chula Vista continues to move forward in its economic recovery.



**Data for June 2017 Compared to July 2016**

Zip Code	Locale	Median Sold Price		Percent Change
		2017	2016	
91910	North	\$490,000	\$454,600	7.8%
91911	South	\$449,000	\$414,225	8.4%
91913	Eastlake	\$509,000	\$467,900	8.8%
91914	NE	\$752,450	\$668,824	12.5%
91915	SE	\$495,000	\$472,625	4.7%

**Fiscal Year 2016-17 Budget**

The City ended the 2016-17 fiscal year with an unassigned fund balance of \$20.0 million and a committed fund balance of \$5.9 million, including the \$3.6 million Economic Contingency Reserve within the General Fund.

In June 2017, the Chula Vista City Council adopted the fiscal year 2017-18 budget which provides \$373.0 million in appropriations to fund all City activities. The General Fund budget total \$166.6 million, which includes \$0.1 million for capital. The City continues to adopt a one-year budget.

The City’s property tax values are recovering in the aftermath of the national mortgage crisis from 2008-2012. Based on information received from the San Diego County Assessor, Chula Vista’s projected change in total assessed value for fiscal year 2017-18 is positive at 7.8% when compared to 2016-17 total assessed values. Management conservatively budgeted anticipated property tax revenue growth in 2017-18 at 4.5% greater than projected 2016-17 actual revenue.

**REQUESTS FOR INFORMATION**

This financial report is designed to provide a general overview of the City’s finances for all of its citizens, taxpayers, customers, investors and creditors. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the City of Chula Vista, Finance Department, 276 Fourth Avenue, Chula Vista, CA 91910.





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# **BASIC FINANCIAL STATEMENTS**

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# GOVERNMENT-WIDE FINANCIAL STATEMENTS

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## CITY OF CHULA VISTA

STATEMENT OF NET POSITION  
JUNE 30, 2017

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
<b>Current assets:</b>			
Cash and investments	\$ 127,847,136	\$ 101,454,785	\$ 229,301,921
Receivables:			
Accounts	7,227,711	5,257,545	12,485,256
Taxes	14,046,975	-	14,046,975
Accrued interest	11,803	-	11,803
Deferred loans	52,044,027	-	52,044,027
Allowance for uncollectible loans	(50,030,085)	-	(50,030,085)
Due from Successor Agency of Chula Vista RDA	10,109,831	-	10,109,831
Prepaid costs	50,635	36,276	86,911
Due from other governments	7,369,956	-	7,369,956
Total Current Assets	<u>168,677,989</u>	<u>106,748,606</u>	<u>275,426,595</u>
<b>Non-current assets:</b>			
Restricted assets:			
Cash and investments	791,245	-	791,245
Cash with fiscal agent	5,707,801	-	5,707,801
Internal balances	1,054,835	(1,054,835)	-
Capital assets not being depreciated	481,540,463	182,789,473	664,329,936
Capital assets, net of depreciation	665,854,630	148,410,040	814,264,670
Total non-current assets	<u>1,154,948,974</u>	<u>330,144,678</u>	<u>1,485,093,652</u>
<b>Total Assets</b>	<b><u>1,323,626,963</u></b>	<b><u>436,893,284</u></b>	<b><u>1,760,520,247</u></b>
<b>Deferred Outflows of Resources:</b>			
Deferred charge on refunding	5,221,466	-	5,221,466
Deferred items related to pensions	56,690,919	5,432,012	62,122,931
<b>Total Deferred Outflows of Resources</b>	<b><u>61,912,385</u></b>	<b><u>5,432,012</u></b>	<b><u>67,344,397</u></b>
<b>LIABILITIES</b>			
<b>Current liabilities:</b>			
Accounts payable	5,891,850	941,254	6,833,104
Accrued liabilities	2,598,702	337,659	2,936,361
Accrued interest	1,334,110	-	1,334,110
Retention payable	124,294	17,413	141,707
Unearned revenue	694,608	392,662	1,087,270
Compensated absences due within one year	5,104,918	454,096	5,559,014
Claims payable - due within one year	4,000,000	-	4,000,000
Short-term portion of bonds, leases, and notes payable	6,068,351	-	6,068,351
Total current liabilities	<u>25,816,833</u>	<u>2,143,084</u>	<u>27,959,917</u>
<b>Non-current liabilities:</b>			
Compensated absences - due in more than one year	2,239,880	154,800	2,394,680
Claims payable - due in more than one year	18,305,729	-	18,305,729
Net OPEB liability	10,561,591	-	10,561,591
Net pension liability	262,386,162	32,980,068	295,366,230
Long-term portion of bonds, leases, and notes payable	121,402,426	-	121,402,426
Total non-current liabilities	<u>414,895,788</u>	<u>33,134,868</u>	<u>448,030,656</u>
<b>Total Liabilities</b>	<b><u>440,712,621</u></b>	<b><u>35,277,952</u></b>	<b><u>475,990,573</u></b>
<b>Deferred Inflows of Resources:</b>			
Deferred items related to pensions	7,653,312	887,450	8,540,762
<b>Total Deferred Inflows of Resources</b>	<b><u>7,653,312</u></b>	<b><u>887,450</u></b>	<b><u>8,540,762</u></b>
<b>Net Position:</b>			
Net investment in capital assets	1,031,902,782	331,199,513	1,363,102,295
Restricted for:			
Community development projects	18,657,537	-	18,657,537
Public safety	3,951,945	-	3,951,945
Parks and recreation	260,458	-	260,458
Capital projects	105,219,537	2,593,403	107,812,940
Debt service	24,893	-	24,893
Unrestricted	(222,843,737)	72,366,978	(150,476,759)
<b>Total Net Position</b>	<b><u>\$ 937,173,415</u></b>	<b><u>\$ 406,159,894</u></b>	<b><u>\$ 1,343,333,309</u></b>

CITY OF CHULA VISTA

STATEMENT OF ACTIVITIES  
 JUNE 30, 2017

	Expenses	Program Revenues			Total Program Revenues
		Charges for Services	Operating Contributions and Grants	Capital Contributions and Grants	
<b>Functions/Programs</b>					
<b>Primary Government:</b>					
Governmental Activities:					
General government	\$ 35,375,230	\$ 12,317,921	\$ 4,799,275	\$ 400,952	\$ 17,518,148
Public safety	94,716,683	11,997,221	8,473,534	526,474	20,997,229
Community development	1,552,750	771,603	-	-	771,603
Community services	14,990	-	-	75,000	75,000
Public works	68,885,918	32,598,199	9,478,747	4,617,305	46,694,251
Parks and recreation	6,875,635	8,221,019	-	-	8,221,019
Library	5,018,878	1,575,837	-	-	1,575,837
Interest on long-term debt	4,673,047	-	-	-	-
<b>Total Governmental Activities</b>	<b>217,113,131</b>	<b>67,481,800</b>	<b>22,751,556</b>	<b>5,619,731</b>	<b>95,853,087</b>
Business-Type Activities:					
Sewer Fund	32,179,875	36,289,930	-	-	36,289,930
Transit Fund	39,594	-	-	-	-
Sewer Development Impact Fees	8,305	111,907	-	-	111,907
Development Services Fund	6,655,654	7,291,037	-	-	7,291,037
Chula Vista Mini Golf Course	27,092	-	-	-	-
CV Elite Athlete Training Ctr	449,028	-	-	-	-
<b>Total Business-Type Activities</b>	<b>39,359,548</b>	<b>43,692,874</b>	<b>-</b>	<b>-</b>	<b>43,692,874</b>
<b>Total Primary Government</b>	<b>\$ 256,472,679</b>	<b>\$ 111,174,674</b>	<b>\$ 22,751,556</b>	<b>\$ 5,619,731</b>	<b>\$ 139,545,961</b>

**General Revenues:**

- Taxes:
  - Property taxes, levied for general purpose
  - Transient occupancy taxes
  - Sales taxes
  - Franchise taxes
  - Business licenses taxes
  - Utility users tax
  - Residential Construction tax
  - Property transfer tax
  - Investment earnings
  - Miscellaneous
  - Gain on sale of capital asset

**Transfers**

**Total General Revenues and Transfers**

Change in Net Position

Net Position at Beginning of Year

Restatement of Net Position

Net Position at Beginning of Year, as restated

**Net Position at End of Year**

<b>Net (Expenses) Revenues and Changes in Net Position</b>		
<b>Primary Government</b>		
<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
\$ (17,857,082)	\$ -	\$ (17,857,082)
(73,719,454)	-	(73,719,454)
(781,147)	-	(781,147)
60,010	-	60,010
(22,191,667)	-	(22,191,667)
1,345,384	-	1,345,384
(3,443,041)	-	(3,443,041)
(4,673,047)	-	(4,673,047)
<b>(121,260,044)</b>	<b>-</b>	<b>(121,260,044)</b>
-	4,110,055	4,110,055
-	(39,594)	(39,594)
-	103,602	103,602
-	635,383	635,383
-	(27,092)	(27,092)
-	(449,028)	(449,028)
-	<b>4,333,326</b>	<b>4,333,326</b>
<b>(121,260,044)</b>	<b>4,333,326</b>	<b>(116,926,718)</b>
53,248,196	-	53,248,196
3,650,442	-	3,650,442
36,469,033	-	36,469,033
11,515,850	-	11,515,850
1,558,887	-	1,558,887
5,786,326	-	5,786,326
413,914	-	413,914
1,176,358	-	1,176,358
2,954,403	322,527	3,276,930
1,677,271	198,847,750	200,525,021
8,970	115,703	124,673
4,180,778	(4,180,778)	-
<b>122,640,428</b>	<b>195,105,202</b>	<b>317,745,630</b>
1,380,384	199,438,528	200,818,912
575,808,876	206,763,778	782,572,654
359,984,155	(42,412)	359,941,743
935,793,031	206,721,366	1,142,514,397
<b>\$ 937,173,415</b>	<b>\$ 406,159,894</b>	<b>\$ 1,343,333,309</b>





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# FUND FINANCIAL STATEMENTS

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**GOVERNMENTAL FUND  
FINANCIAL STATEMENTS**

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CITY OF CHULA VISTA

**BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2017**

	Special Revenue Funds			Capital Projects Funds	
	General	Sundry Grants	Housing Successor Agency	Park Acquisition Development	Development Impact Funds
<b>Assets:</b>					
Pooled cash and investments	\$ 11,628,059	\$ 4,344,466	\$ 7,617,904	\$ 34,070,372	\$ 33,938,964
Receivables:					
Accounts	6,622,844	282,658	-	-	-
Taxes	13,761,094	117,403	-	-	-
Accrued interest	-	-	-	-	-
Deferred loans	61,564	22,010,486	26,608,411	-	-
Allowance for uncollectible loans	(61,564)	(21,753,721)	(25,351,181)	-	-
Prepaid costs	44,248	4,366	-	-	-
Due from other governments	547,086	3,886,307	-	-	-
Due from other funds	8,229,776	-	-	-	-
Advances to other funds	1,489,995	-	-	9,219,238	8,160,323
Restricted assets:					
Cash and investments	-	25,975	765,270	-	-
Cash and investments with fiscal agents	-	-	-	-	-
Due from Successor Agency of Chula Vista RDA	9,885,147	-	224,684	-	-
<b>Total Assets</b>	<b>\$ 52,208,249</b>	<b>\$ 8,917,940</b>	<b>\$ 9,865,088</b>	<b>\$ 43,289,610</b>	<b>\$ 42,099,287</b>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances:</b>					
<b>Liabilities:</b>					
Accounts payable	\$ 3,056,156	\$ 997,467	\$ 359	\$ 272,689	\$ 60,557
Accrued liabilities	2,310,625	265,710	-	-	-
Unearned revenues	147,891	421,421	-	-	-
Retentions payable	1,089	-	-	-	5,480
Due to other funds	-	4,187,570	-	-	-
Advances from other funds	-	-	-	-	-
<b>Total Liabilities</b>	<b>5,515,761</b>	<b>5,872,168</b>	<b>359</b>	<b>272,689</b>	<b>66,037</b>
<b>Deferred Inflows of Resources:</b>					
Unavailable revenues	4,843,523	52,899	-	-	1,203,496
<b>Total Deferred Inflows of Resources</b>	<b>4,843,523</b>	<b>52,899</b>	<b>-</b>	<b>-</b>	<b>1,203,496</b>
<b>Fund Balances:</b>					
<b>Nonspendable:</b>					
Prepaid costs	44,248	-	-	-	-
Due from Successor Agency of Chula Vista RDA	5,834,630	-	-	-	-
Advances to other funds	1,489,995	-	-	-	-
<b>Restricted for:</b>					
Community development projects	-	2,546,484	9,864,729	-	-
Public safety	-	256,057	-	-	-
Parks and recreation	-	73,240	-	-	-
Capital Projects	-	117,092	-	43,016,921	40,829,754
Debt service	-	-	-	-	-
<b>Committed to:</b>					
Capital Projects	1,775,607	-	-	-	-
Debt service	-	-	-	-	-
Economic contingency	3,600,000	-	-	-	-
San Diego Authority for Freeway Emergency	557,993	-	-	-	-
Legal counsel	5,000	-	-	-	-
<b>Assigned to:</b>					
General government	4,927,704	-	-	-	-
Public safety	1,034,275	-	-	-	-
Parks and recreation	73,895	-	-	-	-
Public works	237,560	-	-	-	-
Library	8,000	-	-	-	-
Public liability	996,606	-	-	-	-
Measure P Sales Tax	1,248,299	-	-	-	-
<b>Unassigned</b>	<b>20,015,153</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Fund Balances</b>	<b>41,848,965</b>	<b>2,992,873</b>	<b>9,864,729</b>	<b>43,016,921</b>	<b>40,829,754</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 52,208,249</b>	<b>\$ 8,917,940</b>	<b>\$ 9,865,088</b>	<b>\$ 43,289,610</b>	<b>\$ 42,099,287</b>

CITY OF CHULA VISTA

**BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2017**

	Debt Service Funds			Other Governmental Funds	Total Governmental Funds
	City Debt Service	Public Financing Authority	Municipal Financing Authority		
<b>Assets:</b>					
Pooled cash and investments	\$ -	\$ 1,154,687	\$ 24,788	\$ 31,936,310	\$ 124,715,550
Receivables:					
Accounts	-	-	-	249,199	7,154,701
Taxes	-	-	-	168,478	14,046,975
Accrued interest	-	-	-	11,803	11,803
Deferred loans	-	-	-	3,363,566	52,044,027
Allowance for uncollectible loans	-	-	-	(2,863,619)	(50,030,085)
Prepaid costs	-	1,125	-	-	49,739
Due from other governments	-	-	-	2,936,563	7,369,956
Due from other funds	-	-	-	-	8,229,776
Advances to other funds	-	-	-	-	18,869,556
Restricted assets:					
Cash and investments	-	-	-	-	791,245
Cash and investments with fiscal agents	-	5,082,696	105	-	5,082,801
Due from Successor Agency of Chula Vista RDA	-	-	-	-	10,109,831
<b>Total Assets</b>	<b>\$ -</b>	<b>\$ 6,238,508</b>	<b>\$ 24,893</b>	<b>\$ 35,802,300</b>	<b>\$ 198,445,875</b>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances:</b>					
<b>Liabilities:</b>					
Accounts payable	\$ -	\$ -	\$ -	\$ 1,187,666	\$ 5,574,894
Accrued liabilities	-	-	-	11	2,576,346
Unearned revenues	-	-	-	125,296	694,608
Retentions payable	-	-	-	117,725	124,294
Due to other funds	5,767	-	-	3,063,456	7,256,793
Advances from other funds	18,960,645	-	-	-	18,960,645
<b>Total Liabilities</b>	<b>18,966,412</b>	<b>-</b>	<b>-</b>	<b>4,494,154</b>	<b>35,187,580</b>
<b>Deferred Inflows of Resources:</b>					
Unavailable revenues	-	-	-	-	6,099,918
<b>Total Deferred Inflows of Resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6,099,918</b>
<b>Fund Balances:</b>					
<b>Nonspendable:</b>					
Prepaid costs	-	-	-	-	44,248
Due from Successor Agency of Chula Vista RDA	-	-	-	-	5,834,630
Advances to other funds	-	-	-	-	1,489,995
<b>Restricted for:</b>					
Community development projects	-	-	-	6,246,324	18,657,537
Public safety	-	-	-	3,695,888	3,951,945
Parks and recreation	-	-	-	187,218	260,458
Capital Projects	-	-	-	21,255,770	105,219,537
Debt service	-	-	24,893	-	24,893
<b>Committed to:</b>					
Capital Projects	-	-	-	-	1,775,607
Debt service	-	6,238,508	-	345,095	6,583,603
Economic contingency	-	-	-	-	3,600,000
San Diego Authority for Freeway Emergency	-	-	-	-	557,993
Legal counsel	-	-	-	-	5,000
<b>Assigned to:</b>					
General government	-	-	-	-	4,927,704
Public safety	-	-	-	-	1,034,275
Parks and recreation	-	-	-	-	73,895
Public works	-	-	-	-	237,560
Library	-	-	-	-	8,000
Public liability	-	-	-	-	996,606
Measure P Sales Tax	-	-	-	-	1,248,299
<b>Unassigned</b>	<b>(18,966,412)</b>	<b>-</b>	<b>-</b>	<b>(422,149)</b>	<b>626,592</b>
<b>Total Fund Balances</b>	<b>(18,966,412)</b>	<b>6,238,508</b>	<b>24,893</b>	<b>31,308,146</b>	<b>157,158,377</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ -</b>	<b>\$ 6,238,508</b>	<b>\$ 24,893</b>	<b>\$ 35,802,300</b>	<b>\$ 198,445,875</b>



CITY OF CHULA VISTA

STATEMENT OF ACTIVITIES  
 RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS  
 TO THE STATEMENT OF NET POSITION  
 JUNE 30, 2017

Fund balances of governmental funds		\$ 157,158,377
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets net of depreciation have not been included as financial resources in governmental fund activity.		1,146,426,990
Deferred outflows related to contributions made after the actuarial measurement date for the net pension liability.		23,570,360
Deferred outflows related to difference between expected and actual experience.		1,088,891
Deferred outflows related to difference between projected and actual earnings.		31,490,723
Long-term debt and compensated absences that have not been included in the governmental fund activity:		
Bonds payable	\$ (106,025,000)	
Section 108 Loan	(6,757,000)	
Unamortized bond premiums/discounts	(7,603,488)	
Capital leases	(3,279,703)	
Claims liability	(22,305,729)	
Notes payable	(3,805,586)	
Net pension liability	(259,439,121)	
Compensated absences	(7,296,091)	(416,511,718)
Deferred outflows related to the refunding of long-term debt.		5,221,466
Governmental funds report all OPEB contributions as expenditures, however in the statement of net position any excesses or deficiencies in contributions in relation to the Annual Required Contribution (ARC) are recorded as an asset or liability.		(10,561,591)
Accrued interest payable for the current portion of interest due on Bonds has not been reported in the governmental funds.		(1,334,110)
Revenues reported as unavailable revenue in the governmental funds and recognized in the statement of activities. These are included in the intergovernmental revenues in the governmental fund activity.		6,099,918
Deferred inflows related to changes in actuarial assumptions.		(6,475,319)
Deferred inflows related to difference between expected and actual experience.		(1,156,926)
Internal service funds are used by management to charge the costs of certain activities, such as equipment management and self-insurance, to individual funds. The assets and liabilities of the internal service funds must be added to the statement of net position.		2,156,354
<b>Net Position of governmental activities</b>		<b>\$ 937,173,415</b>



## CITY OF CHULA VISTA

STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2017

	General	Special Revenue Funds		Capital Projects Funds	
		Sundry Grants	Housing Successor Agency	Park Acquisition Development	Development Impact Funds
<b>Revenues:</b>					
Taxes	\$ 113,405,092	\$ -	\$ -	\$ -	\$ -
Licenses and permits	1,266,885	-	-	-	-
Intergovernmental	1,936,757	12,683,120	-	-	-
Charges for services	10,317,929	1,191,788	-	-	-
Use of money and property	2,607,245	103,625	480,399	111,961	1
Fines and forfeitures	1,123,010	-	-	-	-
Developer participation	-	-	-	470,567	8,339,611
Miscellaneous	19,616,239	676,290	700,573	-	-
<b>Total Revenues</b>	<b>150,273,157</b>	<b>14,654,823</b>	<b>1,180,972</b>	<b>582,528</b>	<b>8,339,612</b>
<b>Expenditures:</b>					
Current:					
General government	28,166,394	1,653,376	-	885,959	-
Public safety	78,927,809	8,330,598	-	-	-
Community development	1,904,761	-	125,893	-	-
Parks and recreation	4,243,609	1,500	-	-	-
Public works	30,693,625	2,665,151	-	-	361,973
Library	3,868,100	853,020	-	-	-
Capital outlay	2,438,848	1,791,255	-	31,714	3,007,658
Debt service:					
Principal retirement	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-	-
<b>Total Expenditures</b>	<b>150,243,146</b>	<b>15,294,900</b>	<b>125,893</b>	<b>917,673</b>	<b>3,369,631</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	30,011	(640,077)	1,055,079	(335,145)	4,969,981
<b>Other Financing Sources (Uses):</b>					
Transfers in	10,166,928	213,356	-	10,782	9,461
Transfers out	(7,025,684)	(889,324)	-	(80,000)	(5,078,179)
Capital leases	1,285,053	-	-	-	-
Proceeds from issuance of bonds	-	-	-	-	-
Bond premium	-	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>4,426,297</b>	<b>(675,968)</b>	<b>-</b>	<b>(69,218)</b>	<b>(5,068,718)</b>
Net Change in Fund Balances	4,456,308	(1,316,045)	1,055,079	(404,363)	(98,737)
Fund Balances, Beginning of Year	37,392,657	4,308,918	8,809,650	43,421,284	40,928,491
<b>Fund Balances, End of Year</b>	<b>\$ 41,848,965</b>	<b>\$ 2,992,873</b>	<b>\$ 9,864,729</b>	<b>\$ 43,016,921</b>	<b>\$ 40,829,754</b>

## CITY OF CHULA VISTA

STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2017

	Debt Service Funds			Other Governmental Funds	Total Governmental Funds
	City Debt Service	Public Financing Authority	Municipal Financing Authority		
<b>Revenues:</b>					
Taxes	\$ -	\$ -	\$ -	\$ 8,057,512	\$ 121,462,604
Licenses and permits	-	-	-	24,083	1,290,968
Intergovernmental	-	-	-	8,807,583	23,427,460
Charges for services	-	-	-	15,152,377	26,662,094
Use of money and property	-	33,835	111	429,280	3,766,457
Fines and forfeitures	-	-	-	682,498	1,805,508
Developer participation	-	-	-	-	8,810,178
Miscellaneous	-	830	-	2,535,425	23,529,357
<b>Total Revenues</b>	<b>-</b>	<b>34,665</b>	<b>111</b>	<b>35,688,758</b>	<b>210,754,626</b>
<b>Expenditures:</b>					
Current:					
General government	-	8,600	1,700	2,501,974	33,218,003
Public safety	-	-	-	472,729	87,731,136
Community development	-	-	-	-	2,030,654
Parks and recreation	-	-	-	1,496	4,246,605
Public works	-	-	-	11,414,841	45,135,590
Library	-	-	-	-	4,721,120
Capital outlay	-	-	-	11,903,191	19,172,666
Debt service:					
Principal retirement	-	3,230,000	1,470,000	1,410,055	6,110,055
Interest and fiscal charges	-	3,599,105	985,578	609,581	5,194,264
Payment to refunded bond escrow agent	-	2,673,892	-	-	2,673,892
<b>Total Expenditures</b>	<b>-</b>	<b>9,511,597</b>	<b>2,457,278</b>	<b>28,313,867</b>	<b>210,233,985</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	(9,476,932)	(2,457,167)	7,374,891	520,641
<b>Other Financing Sources (Uses):</b>					
Transfers in	290,000	34,753,461	2,171,441	2,243,335	49,858,764
Transfers out	(22,320)	(51,382)	(28,091,002)	(5,940,095)	(47,177,986)
Capital leases	-	-	-	-	1,285,053
Proceeds from issuance of bonds	-	8,600,000	25,885,000	-	34,485,000
Bond premium	-	319,652	2,516,621	-	2,836,273
Payment to refunded bond escrow agent	-	(36,860,637)	-	-	(36,860,637)
<b>Total Other Financing Sources (Uses)</b>	<b>267,680</b>	<b>6,761,094</b>	<b>2,482,060</b>	<b>(3,696,760)</b>	<b>4,426,467</b>
Net Change in Fund Balances	267,680	(2,715,838)	24,893	3,678,131	4,947,108
Fund Balances, Beginning of Year	(19,234,092)	8,954,346	-	27,630,015	152,211,269
<b>Fund Balances, End of Year</b>	<b>\$ (18,966,412)</b>	<b>\$ 6,238,508</b>	<b>\$ 24,893</b>	<b>\$ 31,308,146</b>	<b>\$ 157,158,377</b>

CITY OF CHULA VISTA

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2017**

Net change in fund balances - total governmental funds	\$ 4,947,108
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds reported capital outlay as expenditures. However, in the Government-Wide Statement of Activities and Changes in Net Position, the cost of those assets was allocated over their estimated useful lives as depreciation expense. This was the amount of capital assets recorded in the current period, including donated assets of \$3,466,657.	21,023,633
Depreciation expense on capital assets was reported in the Government-Wide Statement of Activities and Changes in Net Position, but they did not require the use of current financial resources. Therefore, depreciation expense was not reported as expenditures in the Governmental Funds. This amount did not include the depreciation expense for Internal Service Funds in the amount of \$393,291.	(27,894,215)
Repayment of long-term liabilities was an expenditures in governmental funds, but the repayment reduced long-term liabilities in the Government-Wide Statement of Net Position.	
Issuance of long-term debt	(34,485,000)
Premium from issuance of long-term debt	(2,836,273)
Principal payment of long-term debt	6,110,055
Payments to refunded bond escrow agent	39,534,529
Amortization expenses were reported in the Government-Wide Statement of Activities and Changes in Net Position, but they did not require the use of current financial resources. Therefore, amortization expenses were not reported as expenditures in the Governmental Funds.	
Bond premium	479,604
Deferred charge on refunding	(324,009)
Certain long-term liabilities were reported in the Government-Wide Statement of Activities and Changes in Net Position, but they did not require the use of current financial resources. Therefore, long-term liabilities were not reported as expenditures in governmental funds. These amounts represented the changes in long-term liabilities from prior year.	
Changes in compensated absences	(131,855)
Changes in claims payable	163,210
Capital leases entered into	(1,285,053)
Changes in net OPEB liabilities	(1,103,591)
Change in pollution remediation obligatoin	150,000
Interest expense on long-term debt was reported in the Government-Wide Statement of Activities and Changes in Net Position, but it did not require the use of current financial resources. This amount represented the change in accrued interest from prior year.	365,622
Unavailable revenue related to long-term receivables previously recognized as revenue in the Government-Wide Statement of Activities was reclassified as an allowance for uncollectible loans in the Governmental Funds.	78,590
Internal service funds were used by management to charge the costs of certain activities to individual funds. The net revenue of internal service funds was reported with governmental activities.	1,014,746
Pension obligation expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	(4,426,717)
<b>Change in net position of governmental activities</b>	<b>\$ 1,380,384</b>

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**PROPRIETARY FUND  
FINANCIAL STATEMENTS**

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CITY OF CHULA VISTA

STATEMENT OF NET POSITION  
 PROPRIETARY FUNDS  
 JUNE 30, 2017

	Business-Type Activities - Enterprise Funds					Totals	Governmental Activities- Internal Service Funds
	Sewer Fund	Sewer Development Impact Fees	Development Services Fund	CV Elite Athlete Training Ctr	Other Enterprise Funds		
<b>Assets:</b>							
Current:							
Cash and investments	\$ 98,259,390	\$ 2,819,425	\$ -	\$ -	\$ 375,970	\$ 101,454,785	\$ 3,131,586
Receivables:							
Accounts	4,363,161	-	740,001	124,383	30,000	5,257,545	73,010
Prepaid costs	36,276	-	-	-	-	36,276	896
Cash with fiscal agent	-	-	-	-	-	-	625,000
<b>Total Current Assets</b>	<b>102,658,827</b>	<b>2,819,425</b>	<b>740,001</b>	<b>124,383</b>	<b>405,970</b>	<b>106,748,606</b>	<b>3,830,492</b>
Noncurrent:							
Advances to other funds	19,507,072	-	-	-	-	19,507,072	-
Capital assets - net of accumulated depreciation	133,548,373	116,684	-	197,534,456	-	331,199,513	968,103
<b>Total Noncurrent Assets</b>	<b>153,055,445</b>	<b>116,684</b>	<b>-</b>	<b>197,534,456</b>	<b>-</b>	<b>350,706,585</b>	<b>968,103</b>
<b>Total Assets</b>	<b>255,714,272</b>	<b>2,936,109</b>	<b>740,001</b>	<b>197,658,839</b>	<b>405,970</b>	<b>457,455,191</b>	<b>4,798,595</b>
<b>Deferred Outflows of Resources:</b>							
Deferred pension contributions	2,284,810	-	3,145,146	-	2,056	5,432,012	540,945
<b>Total Deferred Outflows of Resources</b>	<b>2,284,810</b>	<b>-</b>	<b>3,145,146</b>	<b>-</b>	<b>2,056</b>	<b>5,432,012</b>	<b>540,945</b>
<b>Liabilities:</b>							
Current:							
Accounts payable	743,778	-	69,019	119,457	9,000	941,254	316,956
Accrued liabilities	211,568	-	126,091	-	-	337,659	22,356
Retention payable	17,413	-	-	-	-	17,413	-
Unearned revenues	-	-	-	124,383	268,279	392,662	-
Due to other funds	-	-	940,966	4,925	27,092	972,983	-
Accrued compensated absences	230,402	-	223,694	-	-	454,096	16,706
<b>Total Current Liabilities</b>	<b>1,203,161</b>	<b>-</b>	<b>1,359,770</b>	<b>248,765</b>	<b>304,371</b>	<b>3,116,067</b>	<b>356,018</b>
Noncurrent:							
Advances from other funds	-	19,415,983	-	-	-	19,415,983	-
Accrued compensated absences	17,978	-	136,822	-	-	154,800	32,001
Net pension liability	14,036,115	-	18,440,498	-	503,455	32,980,068	2,947,041
<b>Total Noncurrent Liabilities</b>	<b>14,054,093</b>	<b>19,415,983</b>	<b>18,577,320</b>	<b>-</b>	<b>503,455</b>	<b>52,550,851</b>	<b>2,979,042</b>
<b>Total Liabilities</b>	<b>15,257,254</b>	<b>19,415,983</b>	<b>19,937,090</b>	<b>248,765</b>	<b>807,826</b>	<b>55,666,918</b>	<b>3,335,060</b>
<b>Deferred Inflows of Resources:</b>							
Deferred items related to pensions	363,205	-	496,789	-	27,456	887,450	21,067
<b>Total Deferred Inflows of Resources</b>	<b>363,205</b>	<b>-</b>	<b>496,789</b>	<b>-</b>	<b>27,456</b>	<b>887,450</b>	<b>21,067</b>
<b>Net Position:</b>							
Investment in capital assets	133,548,373	116,684	-	197,534,456	-	331,199,513	968,103
Restricted for capital projects	-	2,593,403	-	-	-	2,593,403	-
Unrestricted	108,830,250	(19,189,961)	(16,548,732)	(124,382)	(427,256)	72,539,919	1,015,310
<b>Total Net Position</b>	<b>\$ 242,378,623</b>	<b>\$ (16,479,874)</b>	<b>\$ (16,548,732)</b>	<b>\$ 197,410,074</b>	<b>\$ (427,256)</b>	<b>\$ 406,332,835</b>	<b>\$ 1,983,413</b>

Reconciliation of Net Position to the Statement of Net Position

Net Position per Statement of Net Position - Proprietary Funds	\$ 406,332,835
Prior years' accumulated adjustment to reflect the consolidation of internal service funds activities related to the enterprise funds	(138,587)
Current years' adjustments to reflect the consolidation of internal service activities related to enterprise funds	(34,354)
<b>Net Position per Statement of Net Position</b>	<b>\$ 406,159,894</b>

CITY OF CHULA VISTA

STATEMENT OF REVENUES, EXPENSES  
AND CHANGES IN FUND NET POSITION  
PROPRIETARY FUNDS  
YEAR ENDED JUNE 30, 2017

	Business-Type Activities - Enterprise Funds					Totals	Governmental Activities- Internal Service Funds
	Sewer Fund	Sewer Development Impact Fees	Development Services Fund	CV Elite Athlete Training Ctr	Other Enterprise Funds		
<b>Operating Revenues:</b>							
Sales and service charges	\$ 36,289,930	\$ 111,907	\$ 7,291,037	\$ -	\$ -	\$ 43,692,874	\$ -
Interdepartmental charges	-	-	-	-	-	-	6,802,090
Other	1,111,140	-	1,621	-	30,257	1,143,018	43,437
<b>Total Operating Revenues</b>	<b>37,401,070</b>	<b>111,907</b>	<b>7,292,658</b>	<b>-</b>	<b>30,257</b>	<b>44,835,892</b>	<b>6,845,527</b>
<b>Operating Expenses:</b>							
Administration and general	23,546,839	5,270	6,655,654	147,812	66,686	30,422,261	6,984,708
Source of supply	2,326,812	-	-	93,960	-	2,420,772	-
Cost of sales and services	-	-	-	36,980	-	36,980	-
Depreciation expense	6,271,870	3,035	-	170,276	-	6,445,181	393,291
<b>Total Operating Expenses</b>	<b>32,145,521</b>	<b>8,305</b>	<b>6,655,654</b>	<b>449,028</b>	<b>66,686</b>	<b>39,325,194</b>	<b>7,377,999</b>
Operating Income (Loss)	5,255,549	103,602	637,004	(449,028)	(36,429)	5,510,698	(532,472)
<b>Nonoperating Revenues (Expenses):</b>							
Intergovernmental	-	-	-	-	-	-	-
Interest revenue	312,919	9,337	-	-	271	322,527	3,894
Contributions	-	-	-	197,704,732	-	197,704,732	-
Gain (loss) on disposal of capital assets	115,703	-	-	-	-	115,703	8,970
<b>Total Nonoperating Revenues (Expenses)</b>	<b>428,622</b>	<b>9,337</b>	<b>-</b>	<b>197,704,732</b>	<b>271</b>	<b>198,142,962</b>	<b>12,864</b>
Income (Loss) Before Transfers	5,684,171	112,939	637,004	197,255,704	(36,158)	203,653,660	(519,608)
Transfers in	22,976	-	841,759	154,370	-	1,019,105	1,500,000
Transfers out	(3,380,608)	(22,627)	(1,796,648)	-	-	(5,199,883)	-
Changes in Net Position	2,326,539	90,312	(317,885)	197,410,074	(36,158)	199,472,882	980,392
<b>Net Position:</b>							
Beginning of Year, as previously reported	240,052,084	(16,570,186)	(16,230,847)	-	(348,686)	206,902,365	912,538
Restatements	-	-	-	-	(42,412)	(42,412)	90,483
Beginning of Fiscal Year, as restated	240,052,084	(16,570,186)	(16,230,847)	-	(391,098)	206,859,953	1,003,021
<b>End of Fiscal Year</b>	<b>\$ 242,378,623</b>	<b>\$ (16,479,874)</b>	<b>\$ (16,548,732)</b>	<b>\$ 197,410,074</b>	<b>\$ (427,256)</b>	<b>\$ 406,332,835</b>	<b>\$ 1,983,413</b>
<b>Reconciliation of Changes in Net Position to the Statement of Activities:</b>							
Changes in Net Position, per the Statement of Revenues, Expenses and Changes in Fund Net Position - Proprietary Funds						\$ 199,472,882	
Adjustment to reflect the consolidation of current fiscal year internal service funds activities related to enterprise funds						(34,354)	
<b>Changes in Net Position of Business-Type Activities per Statement of Activities</b>						<b>\$ 199,438,528</b>	

CITY OF CHULA VISTA

STATEMENT OF CASH FLOWS  
 PROPRIETARY FUNDS  
 YEAR ENDED JUNE 30, 2017

	Business-Type Activities - Enterprise Funds					Totals	Governmental Activities- Internal Service Funds
	Sewer Fund	Sewer Development Impact Fees	Development Services Fund	CV Elite Athlete Training Ctr	Other Enterprise Funds		
<b>Cash Flows from Operating Activities:</b>							
Cash received from customers and users	\$ 38,216,549	\$ 111,907	\$ 7,042,176	\$ -	\$ 42,669	\$ 45,413,301	\$ -
Cash received from/(paid to) interfund service provided	-	-	-	-	27,092	27,092	6,772,851
Cash received from/(paid to) suppliers for goods and services	(1,767,675)	(32,657)	35,153	(11,483)	-	(1,776,662)	135,658
Cash paid to employees for services	(23,363,724)	(5,270)	(6,720,896)	(147,812)	(57,686)	(30,295,388)	(6,981,265)
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>13,085,150</b>	<b>73,980</b>	<b>356,433</b>	<b>(159,295)</b>	<b>12,075</b>	<b>13,368,343</b>	<b>(72,756)</b>
<b>Cash Flows from Non-Capital Financing Activities:</b>							
Cash transfers out	(3,380,608)	(22,627)	(1,796,648)	-	-	(5,199,883)	-
Cash transfers in	22,976	-	841,759	154,370	-	1,019,105	1,500,000
Repayment received from other funds	287,023	-	598,456	4,925	-	890,404	90,483
Repayment made to other funds	-	(77,373)	-	-	(42,412)	(119,785)	-
Advance to other funds	-	-	-	-	-	-	-
<b>Net Cash Provided (Used) by Non-Capital Financing Activities</b>	<b>(3,070,609)</b>	<b>(100,000)</b>	<b>(356,433)</b>	<b>159,295</b>	<b>(42,412)</b>	<b>(3,410,159)</b>	<b>1,590,483</b>
<b>Cash Flows from Capital and Related Financing Activities:</b>							
Acquisition and construction of capital assets	(3,950,111)	-	-	-	-	(3,950,111)	(194,245)
Advance from other funds	-	-	-	-	-	-	-
Proceeds from sales of capital assets	115,703	-	-	-	-	115,703	20,008
<b>Net Cash Provided (Used) by Capital and Related Financing Activities</b>	<b>(3,834,408)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(3,834,408)</b>	<b>(174,237)</b>
<b>Cash Flows from Investing Activities:</b>							
Interest received	312,919	9,337	-	-	271	322,527	3,894
<b>Net Cash Provided (Used) by Investing Activities</b>	<b>312,919</b>	<b>9,337</b>	<b>-</b>	<b>-</b>	<b>271</b>	<b>322,527</b>	<b>3,894</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>6,493,052</b>	<b>(16,683)</b>	<b>-</b>	<b>-</b>	<b>(30,066)</b>	<b>6,446,303</b>	<b>1,347,384</b>
Cash and Cash Equivalents at Beginning of Year	91,766,338	2,836,108	-	-	406,036	95,008,482	2,409,202
<b>Cash and Cash Equivalents at End of Year</b>	<b>\$ 98,259,390</b>	<b>\$ 2,819,425</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 375,970</b>	<b>\$ 101,454,785</b>	<b>\$ 3,756,586</b>
<b>Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:</b>							
Operating income (loss)	\$ 5,255,549	\$ 103,602	\$ 637,004	\$ (449,028)	\$ (36,429)	\$ 5,510,698	\$ (532,472)
<b>Adjustments to reconcile operating income (loss) net cash provided (used) by operating activities:</b>							
Depreciation	6,271,870	3,035	-	170,276	-	6,445,181	393,291
(Increase) decrease in accounts receivable	815,479	-	(250,482)	(124,383)	12,412	453,026	(72,676)
(Increase) decrease in taxes receivable	-	-	-	-	-	-	-
(Increase) decrease in due from other governments	-	-	-	-	-	-	-
(Increase) decrease in prepaid costs	(3,610)	-	-	-	-	(3,610)	(896)
(Increase) decrease in deferred outflows from pensions	(1,399,268)	-	(2,000,102)	-	9,000	(3,390,370)	(332,113)
Increase (decrease) in accounts payable	563,317	(32,657)	35,153	119,457	-	685,270	136,554
Increase (decrease) in due to other funds	-	-	-	-	27,092	27,092	-
Increase (decrease) in retentions payable	(570)	-	-	-	-	(570)	-
Increase (decrease) in accrued liabilities	(25,443)	-	(44,920)	-	-	(70,363)	(5,879)
Increase (decrease) in unearned revenue	-	-	-	124,383	-	124,383	-
Increase (decrease) in claims and judgments	-	-	-	-	-	-	-
Increase (decrease) in compensated absences	15,038	-	(78,275)	-	-	(63,237)	(33,675)
Increase (decrease) in net pension liability	1,933,155	-	2,497,846	-	-	4,431,001	455,287
Increase (decrease) in deferred inflows from pensions	(340,367)	-	(439,791)	-	-	(780,158)	(80,177)
<b>Total Adjustments</b>	<b>7,829,601</b>	<b>(29,622)</b>	<b>(280,571)</b>	<b>289,733</b>	<b>48,504</b>	<b>7,857,645</b>	<b>459,716</b>
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>\$ 13,085,150</b>	<b>\$ 73,980</b>	<b>\$ 356,433</b>	<b>\$ (159,295)</b>	<b>\$ 12,075</b>	<b>\$ 13,368,343</b>	<b>\$ (72,756)</b>
<b>Non-Cash Investing, Capital, and Financing Activities:</b>							
Gain/(Loss) on disposition of capital assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,970
Donated capital assets	-	-	-	197,704,732	-	197,704,732	-

CITY OF CHULA VISTA

STATEMENT OF FIDUCIARY NET POSITION  
 FIDUCIARY FUNDS  
 JUNE 30, 2017

	Agency Funds	Private-Purpose Trust Fund Successor Agency of the Former Chula Vista RDA
<b>Assets:</b>		
Pooled cash and investments	\$ 9,025,348	\$ 3,435,578
Receivables:		
Accounts	-	45,904
Notes and loans	-	128,544
Allowance for uncollectible loans	-	(128,544)
Accrued interest	1,431	-
Restricted assets:		
Cash and investments	15,048,347	-
Cash and investments with fiscal agents	30,815,087	77
Capital assets:		
Capital assets, not being depreciated	-	7,676,605
Capital assets, net of accumulated depreciation	-	1,036,754
<b>Total Assets</b>	<b>\$ 54,890,213</b>	<b>\$ 12,194,918</b>
<b>Deferred Outflows of Resources:</b>		
Deferred charge on refunding		1,586,194
<b>Total Deferred Outflows of Resources</b>		<b>\$ 1,586,194</b>
<b>Liabilities and Net Position:</b>		
<b>Liabilities:</b>		
Accounts payable	\$ 679,662	\$ 183
Accrued liabilities	-	1,345
Accrued interest	-	291,541
Unearned revenues	15,593	-
Deposits payable	14,379,302	-
Due to other governments	-	55,141
Due to the City of Chula Vista	-	10,109,832
Due to external parties/other agencies	39,815,656	-
Long-term liabilities:		
Due in one year	-	1,385,000
Due in more than one year	-	32,383,409
<b>Total Liabilities</b>	<b>\$ 54,890,213</b>	<b>44,226,451</b>
<b>Net Position:</b>		
Held in trust for other purposes		(30,445,339)
<b>Total Net Position</b>		<b>\$ (30,445,339)</b>



CITY OF CHULA VISTA

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
 FIDUCIARY FUNDS  
 YEAR ENDED JUNE 30, 2017

	<u>Private-Purpose Trust Fund</u> <u>Successor Agency of the Former Chula Vista RDA</u>
<b>Additions:</b>	
Taxes	\$ 3,870,883
Interest and change in fair value of investments	351,031
Miscellaneous	625
	<u>4,222,539</u>
<b>Total Additions</b>	<b>4,222,539</b>
<b>Deductions:</b>	
Administrative expenses	463,511
Contractual services	321,549
Interest expense	1,899,380
Depreciation expense	47,724
	<u>2,732,164</u>
<b>Total Deductions</b>	<b>2,732,164</b>
<b>Changes in Net Position</b>	<b>1,490,375</b>
Net Position - Beginning of the Year	(30,487,604)
Restatements	<u>(1,448,110)</u>
Net Position - Beginning of the Year, as restated	<u>(31,935,714)</u>
<b>Net Position - End of the Year</b>	<b>\$ (30,445,339)</b>

**CITY OF CHULA VISTA  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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**Note 1 – Reporting Entity and Summary of Significant Accounting Policies**

The basic financial statements of the City of Chula Vista, California (the “City”) have been prepared in conformity with generally accepted accounting principles of the United States of America (“U.S. GAAP”) as applied to governmental agencies. The Governmental Accounting Standards Board (“GASB”) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the City’s accounting policies are described below.

**A. Reporting Entity**

The City, incorporated in 1911, was recognized as a city in the State of California by election in 1949. The City operates under an elected Council and appointed City Manager form of government and provides the following services as authorized by its charter: public safety, community services, engineering services, planning services, public works, general administrative services and capital improvements.

The financial reporting entity consists of the primary government, the City, and its component units. Component units are legally separate entities for which the elected officials of the primary government are financially accountable. In addition, component units can be other organizations for which the primary government is accountable and their exclusion would cause the reporting entity’s financial statements to be misleading or incomplete.

Blended component units, although legally separate entities, are, in substance part of the primary government’s operation and so data from these units are combined with data of the primary government. Discretely presented component units, on the other hand, are reported in a separate column in the combined financial statements to emphasize that they are legally separate from the primary government.

The City Council acts as the governing body and is able to impose its will on the following organizations, establishing financial accountability and operational responsibility. As a result, these organizations are considered component units of the City and are included within the financial statements of the City using the blended method. All component units have a June 30 year-end. The City has no discretely presented component units.

*The Chula Vista Industrial Development Authority (the “Development Authority”)*

The Development Authority was formed in February 1982 for the purpose of promoting and developing commercial, industrial and manufacturing enterprises and encouraging employment. The governing body of the Development Authority is comprised of the members of the City Council. The Development Authority’s financial data and transactions are included within the capital projects fund type. The City does not produce separate financial statements for the Development Authority.

*The Chula Vista Public Financing Authority (the “Public Financing Authority”)*

The Public Financing Authority was established by resolution, pursuant to the City Charter and Constitution of the State of California, as a public body, to serve the public purposes of the City. The resolution was adopted on April 4, 1995. The Public Financing Authority was established by a joint exercise of powers agreement between the City and the Redevelopment Agency. The

**Note 1 – Reporting Entity and Summary of Significant Accounting Policies (Continued)**

***A. Reporting Entity (Continued)***

governing body of the Public Financing Authority is comprised of the consenting members of the City Council. The Public Financing Authority is authorized to borrow money for the purpose of financing the acquisition of bonds, notes and other obligations of, or for the purpose of making loans to the City and/or to refinance outstanding obligations of the City.

*The Chula Vista Municipal Financing Authority (the “Municipal Financing Authority”)*

The Municipal Financing Authority was established by resolution, pursuant to the City Charter and Constitution of the State of California, as a public body, to serve the public purposes of the City. The resolution was adopted on June 11, 2013. The Municipal Financing Authority was established by a joint exercise of powers agreement between the City and the Housing Authority. The governing body of the Municipal Financing Authority is comprised of the consenting members of the City Council. The Municipal Financing Authority is authorized to borrow money for the purpose of financing the acquisition of bonds, notes and other obligations of, or for the purpose of making loans to the City and/or to refinance outstanding obligations of the City.

*The Chula Vista Housing Authority (the “Housing Authority”)*

The Housing Authority was created by the City of Chula Vista City Council (“City Council”) in March 1993 to centrally coordinate and administer the City’s programs for promoting balanced housing for families of all income levels. It was established pursuant to the State of California Health and Safety Code, Section 34200. It is empowered to develop, finance and own low income housing within the territorial limits of the City of Chula Vista. It uses a variety of local, state, and federal funding sources to administer and finance these programs. It is also the financing vehicle for the issuance of bonds for housing programs and services. The Housing Authority’s financial data and transactions are included within the special revenue fund type. The City does not produce separate financial statements for the Housing Authority.

***B. Basis of Accounting and Measurement Focus***

The accounts of the City are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures or expenses, as appropriate. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained in accordance with legal and managerial requirements.

**Note 1 – Reporting Entity and Summary of Significant Accounting Policies (Continued)**

***B. Basis of Accounting and Measurement Focus (Continued)***

*Government - Wide Financial Statements*

The City's Government-Wide Financial Statements include a Statement of Net Position and a Statement of Activities. These statements present summaries of governmental and business-type activities for the City accompanied by a total column. Fiduciary activities of the City are not included in these statements.

These financial statements are presented on an "economic resources" measurement focus and the accrual basis of accounting. Accordingly, all of the City's assets and liabilities, including capital assets, as well as infrastructure assets, and long-term liabilities, are included in the accompanying Statement of Net Position. The Statement of Activities presents changes in Net Position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred.

Certain types of transactions are reported as program revenues for the City in three categories:

- Charges for services
- Operating grants and contributions
- Capital grants and contributions

*Governmental Fund Financial Statements*

Governmental Fund Financial Statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances for all major governmental funds and aggregate non-major governmental funds. An accompanying schedule is presented to reconcile and explain the differences in total fund balance as presented in these statements to the Net Position presented in the Government-Wide Financial Statements. The City has presented all major funds that met the applicable criteria.

All governmental funds are accounted for on a spending or "current financial resources" measurement focus and the modified accrual basis of accounting. Accordingly, only current assets and current liabilities are included on the Balance Sheet. The Statement of Revenues, Expenditures and Changes in Fund Balances presents increases (revenues and other financing sources) and decreases (expenditures and other financing uses) to fund balances. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period.

**Note 1 – Reporting Entity and Summary of Significant Accounting Policies (Continued)**

***B. Basis of Accounting and Measurement Focus (Continued)***

*Governmental Fund Financial Statements (Continued)*

Revenues become available when received in cash, except for revenue which is subject to accrual and are recognized when due by the City. Generally 90 days after year-end for primary revenue sources (i.e. property tax, sales tax, intergovernmental revenues and other taxes). Revenue recognition for grants is up to one year. Expenditures are recorded in the accounting period in which the related fund liability is incurred.

Unavailable revenues arise when potential revenues do not meet both the “measurable” and “available” criteria for recognition in the current period. Unearned revenues arise when the government receives cash before it has a legal claim to them, as when grant monies are received prior to incurring qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met or when the government has a legal claim to the resources, unavailable and unearned revenue is removed from the Balance Sheet and recognized as revenue.

The Reconciliation of the Fund Financial Statements to the Government-Wide Financial Statements is provided to explain the differences created by the integrated approach of GASB Statement No. 34.

The City reports the following major Governmental Funds:

*General Fund* – This is the primary operating fund of the City. It is used to account for all revenues and expenditures that are not required to be accounted for in another fund.

*Sundry Grants Special Revenue Fund* – This fund consists of miscellaneous grants/revenues such as: Supplemental law enforcement services, CBAG, California Library Services Act, asset seizure, local law enforcement block grants, California Recreation grants, Public Safety grants, ARRA grants, waste management and recycling, energy conservation, emergency shelter program, HOME program, CDBG program income project, and Community Development Block grants.

*Housing Successor Agency Special Revenue Fund* – This fund was established pursuant to Health and Safety Code Section 34176(b)(2) and is used to fund low and moderate income housing and related expenditures through the collection of property taxes. The Low and Moderate Income Housing Successor Fund was created due to the dissolution of the Chula Vista RDA. In accordance with Health and Safety Code Section 34176(b)(2), on February 1, 2013, all rights, powers, assets, liabilities, duties and obligations of the Low and Moderate Income Housing Fund were transferred to the Low and Moderate Income Housing Successor Agency special revenue fund.

*Park Acquisition Development Capital Projects Fund* – This fund is a depository for fees collected from property developers for the purpose of providing park, and recreational facilities directly benefiting and serving residents of the regulated subdivision being developed. This in-lieu fee was adopted by the City to acquire neighborhood and Community Parkland and to construct parks and recreational facilities.

*Development Impact Capital Projects Fund* – This fund was established as a depository of various development impact fees. The fees are levied against all new development in the City in order to pay for the construction or improvement of public facilities as a result of City growth.

**Note 1 – Reporting Entity and Summary of Significant Accounting Policies (Continued)**

***B. Basis of Accounting and Measurement Focus (Continued)***

*City Debt Service Fund* – This fund was established to account for principal and interest payments on the City's long-term loans.

*Public Financing Authority Debt Service Fund*- This fund is used to account for financing the acquisition of bonds, notes and other obligations of, or for the purpose of making loans to the City and / or to refinance outstanding obligations of the City.

*Municipal Financing Authority Debt Service Fund* – This fund is used to account for the financing or refinancing activities for the acquisition, construction, and improvement of public capital improvements.

*Proprietary Fund Financial Statements*

Proprietary Fund Financial Statements include a Statement of Net Position, a Statement of Revenues, Expenses and Changes in Fund Net Position, and a Statement of Cash Flows for each major Proprietary Fund and aggregate non-major proprietary funds.

A separate column representing internal service funds is also presented in these statements. However, internal service balances and activities have been combined with the governmental activities in the Government-Wide Financial Statements. The City's internal service funds include three individual funds which provide services directly to other City funds. These areas of service include Fleet and Vehicle Maintenance, Information Technology Replacement and Workers Compensation.

Proprietary funds are accounted for using the "*economic resources*" measurement focus and the accrual basis of accounting. Accordingly, all assets and liabilities (whether current or noncurrent) are included on the Statement of Net Position. The Statement of Revenues, Expenses and Changes in Fund Net Position presents increases (revenues) and decreases (expenses) in total Net Position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred. In these funds, receivables have been recorded as revenue and provisions have been made for uncollectible amounts.

Operating revenues in the proprietary funds are those revenues that are generated from the primary operations of the fund. All other revenues are reported as non-operating revenues. Operating expenses are those expenses that are essential to the primary operations of the fund. All other expenses are reported as non-operating expenses.



**Note 1 – Reporting Entity and Summary of Significant Accounting Policies (Continued)**

***B. Basis of Accounting and Measurement Focus (Continued)***

*Proprietary Fund Financial Statements (Continued)*

The City reports the following major proprietary funds:

*Sewer Enterprise Fund* – This fund consists of several sub-funds that are used to account for sewer activities:

The *Sewer Income Fund* is a depository for all monies collected to cover the cost of connecting properties to the City's public sewer system. All monies received may be used only for the acquisition, construction, reconstruction, maintenance and operation of sanitation or sewerage facilities.

The *Trunk Sewer Capital Reserve Fund* is used to account for sewerage facility participation fee received from owner or person making application for a permit to develop or modify use of any residential, commercial, industrial or other property, which increases the volume of flow into the City sewer system. All monies received shall be used for the enlargement of sewer facilities of the City so as to enhance efficiency of utilization and/or adequacy of capacity and for planning and/or evaluating any future proposals for area wide sewage treatment and/or water reclamation systems or facilities.

The *Sewer Service Revenue Fund* is a depository for all monies collected from the monthly sewer service charge. Monies in this fund may be used for construction, maintenance, or operation of sewer.

The *Sewer Facility Replacement Fund* is a depository for a portion of the revenue derived from the monthly sewer service charge. Monies in this fund shall be used solely for the purpose of refurbishment and/or replacement of sewerage facilities including related evaluation, engineering and utility modification costs.

*Development Services Fund* – This fund is a depository for a portion of developer fees and other development related activities.

*Sewer Development Impact Fees Fund* – This fund is a depository for sewer development impact fees (DIFs).

*Chula Vista Elite Athlete Training Center (CVEATC) Fund* – This fund is used to account for the CVEATC's activities in partnership with the CVEATC operator Elite Athlete Services (EAS).

*Fiduciary Fund Financial Statements*

Fiduciary fund financial statements include a Statement of Net Position and a Statement of Changes in Fiduciary Net Position. The City's fiduciary funds represent agency funds and private purpose trust funds.

**Note 1 – Reporting Entity and Summary of Significant Accounting Policies (Continued)**

***B. Basis of Accounting and Measurement Focus (Continued)***

Fiduciary fund types are accounted for according to the nature of the fund. The City's agency funds are purely custodial in nature (assets equal liabilities) and thus do not involve measurement of results of operations and therefore do not report a net position. These funds are used to account for money and property held by the City as trustee or custodian. They are also used to account for various assessment districts for which the City acts as an agent for debt service activities. The City's private purpose trust fund is a fiduciary fund type used by the City to report assets, liabilities and activities of the Successor Agency to the Chula Vista Redevelopment Agency. Its results of operations are presented on the Statement of Changes of Fiduciary Net Position. It follows the *economic resources* basis of accounting similar to proprietary funds.

The *Successor Agency* was created by the City of Chula Vista City Council (City Council) in August 2012. It was established pursuant to Assembly Bill x1 26. Its purpose is to expeditiously wind down the affairs of the dissolved RDA. The governing body of the Successor Agency is comprised of the members of the Oversight Board selected by the County of San Diego, City of Chula Vista, school and special districts. The Successor Agency has been included in the accompanying basic financial statements as a private purpose trust fund.

***C. Encumbrances***

Formal budgetary integration is employed as a management control device. Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration. Encumbrances outstanding at year-end do not constitute U.S. GAAP basis expenditures or liabilities because the commitments will be honored during the subsequent year. Therefore, the City has assigned a portion of its fund balance for future encumbrances.

***D. Cash, Cash Equivalents and Investments***

The City pools its available cash for investment purposes. The City considers pooled cash and investment amounts, with original maturities of three months or less, to be cash equivalents.

Highly liquid market investments with maturities of one year or less at time of purchase are stated at amortized cost. All other investments are stated at fair value. Market value is used as fair value for those securities for which market quotations are readily available. The City reported its investments at fair value and the unrealized loss on investments amounted to \$649,761 for the fiscal year ended June 30, 2017.

The statement of cash flows requires presentation of "cash and cash equivalents". For the purposes of the statement of cash flows, the City considers all proprietary fund pooled cash and investments as "cash and cash equivalents", as such funds are available to the various funds as needed.

**Note 1 – Reporting Entity and Summary of Significant Accounting Policies (Continued)**

***D. Cash, Cash Equivalents and Investments (Continued)***

Certain disclosure requirements, if applicable, for Deposits and Investment Risks in the following areas:

- Interest Rate Risk
- Credit Risk
  - Overall
  - Custodial Credit Risk
  - Concentration of Credit Risk
- Foreign Currency Risk

In addition, other disclosures are specified including use of certain methods to present deposits and investments, highly sensitive investments, credit quality at year-end and other disclosures.

***E. Inventories and Prepaid items***

Inventories are valued on an average-cost basis which are adjusted to annual physical counts or estimates under the consumption method of accounting and are recorded in the internal service fund.

Prepaid items are items the City has paid in advance and will receive future benefit from. They are recorded under the consumption method in the General Fund, Sundry Grants Special Revenue Fund and Sewer Fund.

***F. Restricted Assets***

Fiscal agents acting on behalf of the City hold investment funds arising from the proceeds of long-term debt issuances. The funds may be used for specific capital outlays or for the payment of certain bonds, certificate of participation or tax allocation bonds and have been invested only as permitted by specific State statutes or applicable City ordinance, resolution or bond indenture. In addition, the City restricts cash deposits from developers that are refundable.

***G. Interfund Transactions***

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” or “advances to/from other funds” (i.e., the current portion of interfund loans). Any residual balances outstanding between the governmental activities and business-type activities are reported in the Governmental-Wide Financial Statements as “internal balances.”

***H. Capital Assets***

Capital assets are valued at historical cost or estimated historical cost if actual historical cost was not available. Donated capital assets are valued at their acquisition value on the date donated. City policy has set the capitalization threshold for reporting capital assets at \$10,000 for equipment and \$50,000 for infrastructure. Depreciation is recorded on a straight-line basis over estimated useful lives of the assets as follows:

**Note 1 – Reporting Entity and Summary of Significant Accounting Policies (Continued)**

***H. Capital Assets (Continued)***

Buildings	50 years
Improvements other than buildings	50 years
Machinery and equipment	5-15 years
Infrastructure	30-75 years

The City defines infrastructure as the basic physical assets that allow the City to function. The assets include:

- Street system
- Sewer system
- Site amenities such as parking and landscaped areas used by the City in the conduct of its business

Each major infrastructure system can be divided into subsystems. For example, the street system can be subdivided into pavement, curbs and gutters, sidewalks, medians, streetlights, landscaping and land. These subsystems were not delineated in the basic financial statements. The appropriate operating department maintains information regarding the subsystems.

Interest accrued during capital assets construction, if any, is capitalized for the business-type funds as part of the asset cost.

For all infrastructure systems, the City elected to use the Basic Approach for infrastructure reporting.

***I. Compensated Absences***

*Government-Wide Financial Statements*

For governmental and business-type activities, compensated absences are recorded as expenses and liabilities as incurred.

*Fund Financial Statements*

In governmental funds, compensated absences are recorded as expenditures in the years paid, as it is the City's policy to liquidate any unpaid compensated absences at June 30 from future resources, rather than currently available financial resources. The General Fund is typically used to liquidate compensated absences. In proprietary funds, compensated absences are expensed to the various funds in the period they are earned, and such fund's share of the unpaid liability is recorded as a long-term liability of the fund.

**Note 1 – Reporting Entity and Summary of Significant Accounting Policies (Continued)**

***J. Pensions***

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the City's California Public Employees' Retirement System (CalPERS) plan (Plan) and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

***K. Long-Term Debt***

*Government-Wide Financial Statements*

Long-term debt and other financial obligations are reported as liabilities in the appropriate funds. Bond premiums and discounts, as well as issuance costs relating to bond insurance, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable premium or discount.

*Fund Financial Statements*

The fund financial statements do not present long-term debt but are shown in the Reconciliation of the Governmental Funds Balance Sheet to the Government-Wide Statement of Net Position.

***L. Deferred Outflows/Inflows of Resources***

In addition to assets, the statements of net position and governmental funds balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and will not be recognized as an outflow of resources (expense/ expenditure) until then. The City has two items that qualify for reporting in this category. One is the deferred charge on refunding reported on the statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The second item relates to deferred outflows to the net pension liability reported in the statement of net position. These outflows are the results of contributions made after the measurement period, which are recognized in the following year, the net difference between projected and actual earnings on pension plan investments and differences between expected and actual experiences, which are deferred and amortized over the expected average remaining service life time.

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

**Note 1 – Reporting Entity and Summary of Significant Accounting Policies (Continued)**

***L. Deferred Outflows/Inflows of Resources (Continued)***

These inflows are the results of changes in assumptions and differences between expected and actual experiences, which are deferred and amortized over the expected average remaining service life time.

***M. Property Taxes***

The County of San Diego, California (County) bills and collects property taxes and remits them to the City according to a payment schedule established by the County. The County's tax calendar is from July 1 to June 30. Property taxes attach as a lien on property on January 1. Taxes are levied on July 1, based on the assessed values as of the lien date, and are payable in two installments: November 1 and February 1 of each year. Property taxes become delinquent on December 10, and April 10, for the first and second installments, respectively.

The County is permitted by State law to levy taxes at 1% of full market value (at time of purchase) and can increase the property tax rate no more than 2% per year or the current CPI, whichever is less. The City receives a share of this basic tax levy proportionate to what it received during the years 1980-1981.

Property tax revenue is recognized in the fiscal year for which the taxes have been levied, provided the taxes are received within 90 days after the end of the fiscal year. Property taxes received after this date are not considered available as a resource that can be used to finance the current year operations of the City and, therefore, are not recorded as revenue until collected.

No allowance for doubtful accounts was considered necessary.

***N. Public Facilities Financing***

Interest costs incurred from the date of borrowing to the completion of the improvement project(s) are capitalized, net of interest earnings, on all proprietary fund assets acquired with tax-exempt debt.

***O. Net Position***

In governmental-wide and proprietary fund financial statements, Net Position are categorized as follows:

*Net Investment in Capital Assets* – This component of net position consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of debt that are attributable to the acquisition, construction, or improvement of those assets.

*Restricted* – This component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets.

*Unrestricted* – This component of net position is the amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

When expenses are incurred for purposes for which both restricted and unrestricted Net Position are available, the City's policy is to apply restricted Net Position first, then unrestricted Net Position as they are needed.

**Note 1 – Reporting Entity and Summary of Significant Accounting Policies (Continued)**

***P. Fund Balances***

In governmental fund financial statements, fund balances are categorized as follows:

*Nonspendable* – Items that cannot be spent because they are not in spendable form, such as prepaid items and inventories, items that are legally or contractually required to be maintained intact, such as principal of an endowment or revolving loan funds.

*Restricted* – Restricted fund balances encompass the portion of net fund resources subject to externally enforceable legal restrictions. This includes externally imposed restrictions by creditors, such as through debt covenants, grantors, contributors, laws or regulations of other governments, as well as restrictions imposed by law through constitutional provisions or enabling legislation.

*Committed* – Committed fund balances encompass the portion of net fund resources, the use of which is constrained by limitations that the City imposes upon itself at its highest level of decision making, normally the governing body, and that remain binding unless removed in the same manner. The City Council is considered the highest authority for the City that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

*Assigned* – Assigned fund balances encompass the portion of net fund resources reflecting the government's intended use of resources. Assignment of resources can be done by the highest level of decision making or by a committee or official designated for that purpose. City Council has by resolution, authorized the Director of Finance to assign fund balances. City Council may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

*Unassigned* – This amount is for any portion of the fund balances that do not fall into one of the above categories.

Sometimes the City will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.



**Note 1 – Reporting Entity and Summary of Significant Accounting Policies (Continued)**

***Q. Spending and Reserve Policy***

*Government-Wide Financial Statements and the Proprietary Fund Financial Statements*

When an expense is incurred for purposes for which both restricted and unrestricted Net Position are available, the City's policy is to apply restricted Net Position first.

*Governmental Fund Financial Statements*

When expenditures are incurred for purposes where only unrestricted fund balances are available, the City uses the unrestricted resources in the following order: committed, assigned, and unassigned.

In November 2009, the City Council adopted a resolution amending the General Fund Reserve Policy to include the following distinct reserve categories: General Fund Operating Reserve, minimum 15%, Economic Contingency Reserve, minimum 5%, and Catastrophic Event Reserves, 3%. The General Fund Operating Reserve represents unrestricted resources available for appropriation by the City Council to address extraordinary needs of an emergency nature. The Economic Contingency Committed Balance represents monies set aside to mitigate service impacts during a significant downturn in the economy which impacts City revenues such as sales tax, property tax, business license tax, etc. The Catastrophic Event Reserves are monies set aside to fund unanticipated expense related to a major disaster in the City and are associated with the City's Disaster Preparedness Program.

***R. Use of Estimates***

The preparation of basic financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts and disclosures. Actual results could differ from these estimates and assumptions.



**CITY OF CHULA VISTA  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED JUNE 30, 2017**

**Note 2 – Cash and Investments**

The following is a summary of pooled cash and investments, including cash and investments with fiscal agents at June 30, 2017.

	<b>Government-Wide Statement of Net Position</b>			<b>Fiduciary Funds</b>	
	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>	<b>Statement of Net Position</b>	<b>Total</b>
Cash and investments	\$ 127,847,136	\$ 101,454,785	\$ 229,301,921	\$ 12,460,926	\$ 241,762,847
Restricted cash and investments:					
Held by City	791,245	-	791,245	15,048,347	15,839,592
Held by fiscal agents	5,707,801	-	5,707,801	30,815,164	36,522,965
Total restricted cash and investments	6,499,046	-	6,499,046	45,863,511	52,362,557
<b>Total cash and investments</b>	<b>\$ 134,346,182</b>	<b>\$ 101,454,785</b>	<b>\$ 235,800,967</b>	<b>\$ 58,324,437</b>	<b>\$ 294,125,404</b>

Cash, cash equivalents and investments consisted of the following at June 30, 2017:

Petty cash	\$ 9,625
Deposits with financial institution	17,826,186
Investments	239,766,628
Investments held by fiscal agents	36,522,965
<b>Total cash and investments</b>	<b>\$ 294,125,404</b>

**A. Deposits**

The carrying amount of the City's cash deposits were \$17,826,186 at June 30, 2017. Bank balances before reconciling items were \$20,623,104 at that date, the total amount of which was insured or collateralized with securities held by the pledging financial institutions in the City's name as discussed below.

The California Government Code requires California banks and savings and loan associations to secure the City's cash deposits by pledging securities as collateral. This Code states that collateral pledged in this manner shall have the effect of perfecting a security interest in such collateral superior to those of a general creditor. Thus, collateral for cash deposits is considered to be held in the City's name. The market value of pledged securities must equal at least 110% of the City's cash deposits. California law also allows institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150% of the City's total cash deposits. The City may waive collateral requirements for cash deposits, which are fully insured up to \$250,000 by the Federal Deposit Insurance Corporation. The City, however, has not waived the collateralization requirements.

The City follows the practice of pooling cash and investments of all funds, except for funds required to be held by fiscal agents under the provisions of bond indentures. Interest income earned on pooled cash and investments is allocated on an accounting period basis to the various funds based on the period-end cash and investment balances. Interest income from cash and investments with fiscal agents is credited directly to the related fund.

**CITY OF CHULA VISTA  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED JUNE 30, 2017**

**Note 2 – Cash and Investments (Continued)**

***B. Investments***

As of June 30, 2017, the City had the following investments and maturities:

Investment Type	Fair Value	Investment Maturities					
		1 year or fewer	1 - 2 years	2 - 3 years	3 - 4 years	4 - 5 years	Over 5 years
LAIF	\$ 1,651,133	\$ 1,651,133	\$ -	\$ -	\$ -	\$ -	\$ -
Time Deposits	310,000	310,000	-	-	-	-	-
San Diego County Investment Pool	87,631,333	87,631,333	-	-	-	-	-
Federal National Mortgage Association	4,227,241	2,994,480	-	1,232,761	-	-	-
Federal Home Loan Mortgage Corporation	5,985,000	5,985,000	-	-	-	-	-
Federal Farm Credit Bank	614,582	614,582	-	-	-	-	-
US Treasury Notes	58,774,478	-	25,902,231	26,461,617	6,410,630	-	-
Securities	50,572,529	7,820,965	15,033,542	20,050,600	7,667,422	-	-
Money Market Funds	30,000,332	23,966,813	6,033,519	-	-	-	-
Held by bond trustee:							
Mutual Funds	36,522,965	36,522,965	-	-	-	-	-
<b>Total</b>	<b>\$ 276,289,593</b>	<b>\$ 167,497,271</b>	<b>\$ 46,969,292</b>	<b>\$ 47,744,978</b>	<b>\$ 14,078,052</b>	<b>\$ -</b>	<b>\$ -</b>

***Investments Authorized by the California Government Code and the City’s Investment Policy***

The table below identifies the investment types that are authorized for the City by the California Government Code (or the City’s investment policy, where more restrictive). The table also identifies certain provisions of the California Government Code (or the City’s investment policy, where more restrictive) that address interest rate risk, credit risk, and concentration of credit risk. This table does not address investments of debt proceeds held by bond trustee that are governed by the provisions of debt agreements of the City, rather than the general provisions of the California Government Code or the City’s investment policy.

**CITY OF CHULA VISTA  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED JUNE 30, 2017**

**Note 2 – Cash and Investments (Continued)**

**B. Investments (Continued)**

<b>Authorized Investment Type</b>	<b>Maximum Maturity</b>	<b>Maximum Percentage of Portfolio*</b>	<b>Maximum Investment in One Issuer</b>
Bankers' Acceptance	180 days	40%	5%
Negotiable Certificates of Deposits	5 years	30%	5%
Commercial Paper	270 days	25%	5%
State and Local Agency Bond Issues	5 years	None	5%
U.S. Treasury Obligations	5 years	None	None
U.S. Agency Securities	5 years	None	None
Repurchase Agreement	90 days	None	5%
Reverse-Purchase Agreements	92 days	20%	20%
Medium-Term Corporate Notes	5 years	30%	5%
Time Certificates of Deposits	3 years	None	5%
Money Market Funds	N/A	20%	10%
San Diego County Treasurer's Pooled Money Fund	N/A	None	None
Local Agency Investment Fund (LAIF)	N/A	None	\$50 Million**
Shares of Beneficial Interest issued by a JPA	N/A	None	None
Asset Backed Securities	5 years	20%	20%
Supranationals	5 years	30%	30%

\* Excluding amounts held by bond trustee that are not subject to California Government

\*\* Maximum is \$50 million per account

**Investments Authorized by Debt Agreements**

Investments of debt proceeds held by bond trustee are governed by provisions of the debt agreement rather than the general provisions of the California Government Code or the City's investment policy. The table below identifies certain provisions of these debt agreements that address interest rate risk, credit risk, and concentration of credit risk.

<b>Authorized Investment Type</b>	<b>Maximum Maturity</b>	<b>Maximum Percentage of Portfolio</b>	<b>Maximum Investment in One Issuer</b>
U.S Treasury Obligations	None	None	None
Federal Home Loan Mortgage Corporation	None	None	None
Farm Credit Banks	None	None	None
Federal Home Loan Banks	None	None	None
Federal National Mortgage Association	None	None	None
Student Loan Marketing Association	None	None	None
Financing Corporation	None	None	None
Resolution Funding Corporation	None	None	None
Certificates of Deposits, Time Deposits and Bankers' Acceptance	30 days	None	None
Commercial Paper	270 days	None	None
Money Market Funds	None	None	None
State Obligations	None	None	None
Municipal Obligations	None	None	None
Repurchase Agreements	None	None	None
Investment Agreements	None	None	None
Local Agency Investment Fund (LAIF)	None	None	None

CITY OF CHULA VISTA  
 NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
 YEAR ENDED JUNE 30, 2017

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**Note 2 – Cash and Investments (Continued)**

**C. Risks Disclosures**

**Interest Rate Risk**

As a means of limiting its exposure to fair value losses arising from rising interest rates, the City's investment policy provides that final maturities of securities cannot exceed five years. Specific maturities of investments depend on liquidity needs. At June 30, 2017, the City's pooled cash and investments had the following maturities:

<u>Maturity</u>	<u>Percentage of Investment</u>
Less than one year	55%
1 - 2 years	20%
2 - 3 years	20%
3 - 4 years	6%
4 - 5 years	0%
Over 5 years	0%

The weighted average maturity of the portfolio was 0.9 years.

**Credit Risk**

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. To be eligible to receive City money, a bank, savings association, federal association, or federally insured industrial loan company shall have received an overall rating of not less than "satisfactory" in its most recent evaluation by the appropriate federal financial supervisory agency of its record of meeting the credit needs of California's communities, including low-and moderate income neighborhoods.

The City's investments are rated by the nationally recognized statistical rating organizations as follows:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Moody's</u>	<u>Standard &amp; Poor's</u>
LAIF	\$ 1,651,133	Aa3	AA-
Time Deposits	310,000	Not Rated	Not Rated
San Diego County Investment Pool	87,631,333	Aaa	AAA
Federal National Mortgage Association	4,227,241	Aaa	AA+
Federal Home Loan Mortgage Corp.	5,985,000	Aaa	AA+
Federal Farm Credit Bank	614,582	Aaa	AA+
US Treasury Notes	58,774,478	Aaa	AA+
Securites	50,572,529	Baa1 to Aaa	BBB+ to AAA
Money Market Funds	66,523,297	Not Rated	Not Rated
	<u>\$ 276,289,593</u>		

**Note 2 – Cash and Investments (Continued)**

**C. Risks Disclosures (Continued)**

**Custodial Credit Risk**

Custodial credit risk is the risk that, in the event of the failure of the counter party, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. All securities, with the exception of LAIF and other pooled investments, are held by a third-party custodian (BNY Western Trust). BNY is a registered member of the Federal Reserve Bank.

**Concentration of Credit Risk**

The City’s investment policy contains limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. Investments in any one issuer that represent 5% or more of total City’s investments are as follows:

<u>Issuer</u>	<u>Investment Type</u>	<u>Fair Value</u>
Federal National Mortgage Association	Federal Agencies	\$ 4,227,241
Federal Home Loan Mortgage Corporation	Federal Agencies	5,985,000
Federal Farm Credit Bank	Federal Agencies	614,582

**D. Investments in Local Agency Investment**

The City is a participant in LAIF which is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California.

As of June 30, 2017, the City had \$1,651,133 invested in LAIF. LAIF determines fair value on its investment portfolio based on market quotations for those securities where market quotations are readily available and based on amortized cost or best estimate for those securities where market value is not readily available. The City valued its investments in LAIF as of June 30, 2017, by multiplying its account balance with LAIF times a fair value factor determined by LAIF. This fair value factor was determined by dividing all LAIF participants’ total aggregate amortized cost by total aggregate fair value. The credit quality rating of LAIF is unrated as of June 30, 2017.

**CITY OF CHULA VISTA  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED JUNE 30, 2017**

**Note 2 – Cash and Investments (Continued)**

**E. Fair Value Hierarchy**

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The City has the following recurring fair value measurements as of June 30, 2017:

Investment Type	Totals	Level		
		1	2	3
U.S. Agency Securities	\$ 10,826,823	\$ -	\$ 10,826,823	\$ -
U.S. Treasury Notes	58,774,478	58,774,478	-	-
Securities	50,572,529	-	50,572,529	-
Time Deposits	310,000	-	310,000	-
San Diego County Investment Pool	87,631,333	-	87,631,333	-
Money Market Mutual Funds	30,000,332	-	30,000,332	-
Held by Fiscal Agent:				
Cash & Money Market Mutual Funds	36,522,965	-	36,522,965	-
<b>Total Investments</b>	<b>\$ 274,638,460</b>	<b>\$ 58,774,478</b>	<b>\$ 215,863,982</b>	<b>\$ -</b>
<b>Investments measured at net asset value</b>				
Local Agency Investment Fund (LAIF)	\$ 1,651,133			
<b>Totals</b>	<b>1,651,133</b>			
<b>Total Investments</b>	<b>\$ 276,289,593</b>			

U.S. Treasury Notes classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Local Agency Investment Funds, U.S. Agency Securities, Corporate Notes, Time Deposits, San Diego County Investment Pool Funds and Money Market Mutual Funds classified in Level 2 of the fair value hierarchy are value using institutional bond quotes or specified fair market value factors.

**Note 3 – Receivables**

**A. Taxes Receivable**

At June 30, 2017, the City had the following taxes receivable:

	<b>Governmental Activities</b>
Sales Tax	\$ 9,694,862
Property Tax	509,352
Utilities Users Tax	657,664
Transient Occupancy Tax	540,431
Franchise Fee Tax	2,358,785
Other Taxes	285,881
<b>Total</b>	<b>\$ 14,046,975</b>

**CITY OF CHULA VISTA  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED JUNE 30, 2017**

**Note 3 – Receivables (Continued)**

**B. Loans Receivable**

At June 30, 2017, the City had the following loans receivable, including principal and accrued interest, of which, an allowance for uncollectible loans was recorded in the amount of \$50,030,085:

	Governmental Activities		
	Principal	Interest	Total
South Bay Community Services (Trolley Trestle, Muncey Manor, CNV I, CNII, and NCV II)	\$ 3,880,292	\$ 2,769,084	\$ 6,649,376
Heritage and Sunrose Apartments (South Bay Community Villas L.P.)	3,993,832	54,512	4,048,344
Girls and Boys Club Construction Loan	56,250	-	56,250
Rancho Vista Housing (Chelsea Investment Corporation)	1,500,000	578,220	2,078,220
St. Regis Park (Chelsea Investment Corp)	1,387,152	1,367,372	2,754,524
Chula Vista Rehabilitation CHIP Loans	1,903,327	147,931	2,051,258
Park Village Apts (Civic Center Barrio Housing Corporation)	161,810	-	161,810
Mobile Home Assistance Programs (Orange Tree)	36,105	-	36,105
Los Vecinos (Wakeland Housing and Development Corporation)	5,680,000	2,653,732	8,333,732
Main Plaza (Alpha III Development Inc.)	1,800,000	660,813	2,460,813
Seniors on Broadway (MAAC Project)	3,511,194	1,174,464	4,685,658
The Landings I & II (Chelsea Investment Corp)	8,971,233	1,170,140	10,141,373
First Time Home Buyers Program	5,192,127	18,855	5,210,982
NSP Rental Housing Program	1,210,800	201,588	1,412,388
Community Energy Retrofit Program	74,708	-	74,708
Lofts on Landis	1,700,000	188,486	1,888,486
	<u>\$ 41,058,830</u>	<u>\$ 10,985,197</u>	<u>\$ 52,044,027</u>

South Bay Community Services

In 1998, the former Chula Vista Redevelopment Agency (RDA) and City of Chula Vista entered into several loan agreements with South Bay Community Services, a California non-profit public benefit corporation. Prior years' loan was made to South Bay Community Services for the purpose of purchasing several properties throughout the City of Chula Vista. In fiscal year 1998, a loan to fund the Trolley Terrace 18-unit project and the Cordova Village 40-unit project were made. These projects are to provide housing to very low-income families. The funds were made available to the City through a drawdown from the U.S. Department of Housing and Urban Development. Included in the current year balance is the \$887,995 loaned by the RDA. Deeds of trust and assignments of rent secure the notes.

Principal and interest are payable annually out of any and all residual receipts derived from the property and/or operation of the property. Fund balance has been restricted in the Sundry Grants Special Revenue Fund and in the Low & Moderate Income Housing Successor Special Revenue Fund. Interest accrues annually on the unpaid balance with rates ranging from 3% to 6%. At June 30, 2017, the outstanding balance of the loan was \$6,649,376, which included an interest accrual of \$2,769,084.

Heritage (South Bay Community Villas, L.P.)

In 2002, the RDA entered into a loan agreement with South Bay Community Villas, L.P. for the development of the Heritage Town Center multi-family rental housing project. The RDA's assistance is in the form of residual receipt loan secured by a promissory note and deed of trust. The outstanding

**Note 3 – Receivables (Continued)**

***B. Loans Receivable (Continued)***

*Heritage (South Bay Community Villas, L.P.) Continued*

principal and interest on the loan will be repaid over fifty-five years and accrues interest at 3% per annum. Payment of principal and interest on the loan is made on an annual basis, out of a fund equal to fifty percent of the net cash flow of the project (residual receipts) after debt service on bonds, payment of deferred developer fees, and reasonable operating expenses have been paid. Fund balance has been restricted in the Low and Moderate Income Housing Successor Special Revenue Fund. At June 30, 2017, the outstanding balance of the loan was \$4,048,344, which included an interest accrual of \$54,512.

*Girls and Boys Club Construction Loan*

The City has made a loan of \$250,000 for construction of a new facility for the Boys and Girls Club. The loan is interest free and will be repaid with equal annual payments over 20 years, starting in February 1999. At June 30, 2017, the outstanding balance of the loan was \$56,250.

*Rancho Vista Housing (Chelsea Investment Corporation)*

In 2000, the former RDA loaned \$1,000,000 using low and moderate income housing funds and the City loaned \$500,000 using HOME funds to CIC Eastlake, L.P. for the development and operation of Rancho Vista Housing Project, a multifamily housing project. The loan is secured by promissory notes and deed of trusts. The outstanding principal on the loan is to be repaid over fifty-five (55) years and interest accrues at the simple interest rate of three (3%) percent per annum on unpaid principal. Payment of principal and interest, or portions thereof, on the loan is made on an annual basis, out of a fund equal to fifty (50%) percent of the net cash flow of the project. At June 30, 2017, the outstanding balance of the loan was \$2,078,220 which included an interest accrual of \$578,220.

*St. Regis Park (Chelsea Investment Corporation)*

In 2000, the former RDA entered into a loan agreement with Chelsea Investment Corporation for the acquisition and rehabilitation of the 119-unit multi-family housing project (formerly known as Pear Tree Apartments) at 1025 Broadway. All units are affordable to low-income households. The loan is secured by a Deed of Trust and will accrue 6% interest for 52 years. Payment of principal and interest is made on an annual basis out of a fund equal to 90% of the residual receipts. At June 30, 2017, the outstanding balance of the loan was \$2,754,524 which included an interest accrual of \$1,367,372.

*Chula Vista Rehabilitation CHIP Loans*

The Chula Vista Rehabilitation Community Housing Improvement Program (CHIP) is under the direct control of the Housing Authority acting as the Successor Housing Entity for those loans that were funded using low and moderate income housing funds. CHIP loans funded by CDBG or HOME funds are also managed by the Housing Authority. CHIP offers deferred and low interest rate home improvement loans to qualified borrowers residing within a target area. Loan repayments are re-deposited into the program cash accounts and are redistributed as future loans. At June 30, 2017, the outstanding balance of the loan was \$2,051,258 which included an interest accrual of \$147,931.



**Note 3 – Receivables (Continued)**

***B. Loans Receivable (Continued)***

*Park Village Apartments (Civic Center Barrio Housing Corporation)*

In 1991, the former RDA entered into a loan agreement with the Civic Center Barrio Housing Corporation, a California non-profit public benefit corporation. The loan was made for the purchase of land and the development of a 28 - unit low-income housing project. During 1992, the loan was assigned to Park Village Apartments Ltd., a California limited partnership in which Civic Center Barrio Housing Corporation is the managing general partner. The loan is secured by a deed of trust on the property and assignment of rents. Principal and interest are payable monthly. In 2009, a second amendment to the loan was entered into changing the interest from 3% to 5% per annum on the unpaid principal balance of the note. At June 30, 2017, the outstanding balance of the loan was \$161,810.

*Mobile Home Assistance Programs*

The former RDA entered into agreements with eligible residents of the Orange Tree Mobile home Park, whereby the RDA loaned \$250,030 as permanent financing assistance to residents for the purpose of purchasing certain mobile home property. The loans are secured by deeds of trust on the property and mature in 2018 or when the property is sold. Contingent interest will be charged based on calculations specified in the agreement. At June 30, 2017, the outstanding balance of the loan was \$36,105.

*Los Vecinos (Wakeland Housing and Development Corporation)*

In 2008, the former RDA entered into a loan agreement with Wakeland Housing and Development Corporation to assist the borrower in constructing 41 affordable multi-family rental housing units for occupancy by extremely low, very low, and low income households. The loan amount of \$5,680,000 was funded by the Low and Moderate Income Housing Fund. The loan bears an interest rate of 5% per annum. Principal and interest payments will be made on an annual basis out of a fund equal to 50% of the residual receipts for years 1-30 and 75% of the residual receipts for years 31-54, until 55 years from the date the improvements are placed in service, at which time, all principal and unpaid interest is due and payable. The improvements were placed in service on February 7, 2008. At June 30, 2017, the outstanding balance of the loan was \$8,333,732 which included an interest accrual of \$2,653,732.

*Main Plaza (Alpha III Development Inc.)*

In 2003, the former RDA and City entered into a loan agreement with Main Plaza, LP to assist in acquiring and improving certain real property for occupancy by very low, low, and moderate income households. The loan bears an interest rate of 3% per annum. The loan is due and payable on the date that is 55 years from the date of the City's issuance of the Certificate of Completion, which is in 2061. At June 30, 2017, the outstanding balance of the loan was \$2,460,813 which included an interest accrual of \$660,813.

*Seniors on Broadway (MAAC Project)*

The City entered into a loan agreement with Seniors on Broadway, Limited Partnership to assist in acquiring and improving certain real property for occupancy by very low, low, and moderate income households. The loan bears an interest rate of 3% per annum. The loan is due and payable on the date that is 55 years from the date of the City's issuance of the Certificate of Completion. At

**Note 3 – Receivables (Continued)**

***B. Loans Receivable (Continued)***

*Seniors on Broadway (MAAC Project) Continued*

June 30, 2017, the outstanding balance of the loan was \$4,685,658 which included an interest accrual of \$1,174,464.

*The Landings I & II (Chelsea Investment Corporation)*

The City entered into a loan agreement with CIC Landings, L.P. to assist the borrower in constructing 91 affordable multifamily apartment units for occupancy by extremely low, very low and lower income households. The loan bears an interest rate of 3% per annum. The loan is due and payable each and every year commencing with the first anniversary of the issuance of the Certificate of Completion by the City in an amount equal to City's proportionate share of the Residual Receipts for the previous calendar year based upon a pro rata share of fifty percent (50%) of Residual Receipts with the California Department of Housing and Community Development and its Multi-Family Housing Program.

The City and RDA entered into loan agreements with Landings II, L.P. to assist with constructing 141 affordable multi-family rental housing units for occupancy by very low and low income households. The loans are due and payable each and every year commencing with the first anniversary of the issuance of the Certificate of Completion by the City in an amount equal to 50% of the residual receipts.

At June 30, 2017, the outstanding balance of the loan was \$10,141,373 which included an interest accrual of \$1,170,140.

*First Time Home Buyers Program*

The Chula Vista First-Time Homebuyer Program is under the direct control of the City and its Housing Authority. The Programs is funded through U.S. Department of Housing and Urban Development HOME Investment Partnership Act and Neighborhood Stabilization Program funds. Cal Home funds from the State of California Department of Housing and Community Development are also used to fund loans. The Program is currently administered by Springboard CDFI, (formerly known as Community Housing Works Realty and Lending). The program offers low interest loans or equity share deferred gap financing loans to qualified borrowers. Loan repayments are re-deposited into the program and are redistributed as future loans. At June 30, 2017, the outstanding balance of the loan was \$5,210,982 which included an interest accrual of \$18,855.

*NSP Rental Housing Program*

The City entered into a two separate loan agreements with San Diego Community Housing Corporation to acquire and rehabilitate rental housing for very low income households. The loans are secured by promissory notes and a deed of trusts. The outstanding principal and interest amount of the loan will be repaid over fifty-five (55) years and shall accrue at the simple interest rate of three (3%) percent per annum. Principal and interest are payable annually out of a fund equal to 50% of residual receipts derived from the property and/or operation of the property. At June 30, 2017, the outstanding balance of the loan was \$1,412,388 which included an interest accrual of \$201,588.

**CITY OF CHULA VISTA  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED JUNE 30, 2017**

**Note 3 – Receivables (Continued)**

***B. Loans Receivable (Continued)***

*Community Retrofit Program*

The Chula Vista Community Energy Revolving Loan Fund (RLF) is under the direct control of the City of Chula Vista and was capitalized through the American Recovery & Reinvestment Act. The RLF offers fully amortized low-interest rate home energy improvement loans to qualified borrowers residing within Chula Vista. The loans are secured by a deed of trust on the properties. Principal and interest are payable monthly. Interest accrues annually on the unpaid principal balance of the notes. Loan repayments are re-deposited into the program cash accounts and are redistributed as future loans except for loans funded by General fund. At June 30, 2017, the outstanding balances of the loans were \$5,314 and \$69,394, respectively.

*Lofts on Landis*

The City has adopted a Housing Element of the General Plan which sets forth the objective of providing balances and varied housing opportunities throughout the City to satisfy needs and desires of various age, income and ethnic groups of the community. The Housing Authority found that the City’s financial participation in the development of the Landis Project will be a sound investment based upon the Developer’ ability to effectively service the City’s housing needs and priorities expressed in the housing Element and Consolidated plan. At June 30, 2017, the outstanding balance of the loan was \$1,888,486 which included an interest accrual of \$188,486.

**Note 4 – Interfund Balances and Transactions**

*Due to/Due from other funds*

At June 30, 2017, interfund receivables and payables were as follows:

<b>Due To Other Funds</b>							
<b>Due from Other Funds</b>	Sundry Grants	City Debt Service	Development Services	CV Elite Athlete Training Center	Nonmajor Enterprise Funds	Nonmajor Governmental Funds	Total
General Fund	\$ 4,187,570	\$ 5,767	\$ 940,966	\$ 4,925	\$ 27,092	\$ 3,063,456	\$ 8,229,776
Total	<u>\$ 4,187,570</u>	<u>\$ 5,767</u>	<u>\$ 940,966</u>	<u>\$ 4,925</u>	<u>\$ 27,092</u>	<u>\$ 3,063,456</u>	<u>\$ 8,229,776</u>

Current interfund balances arise in the normal course of operations to cover cash shortages and are expected to be repaid shortly after the end of the fiscal year.

**CITY OF CHULA VISTA  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED JUNE 30, 2017**

**Note 4 – Interfund Balances and Transactions (Continued)**

Long-Term Advances

At June 30, 2017, balances were as follows:

Advances to Other Funds	Advances From Other Funds		
	City Debt Service Fund	Sewer Development	
		Impact Fees Fund	Total
General Fund	\$ 1,489,995	\$ -	\$ 1,489,995
Development Impacts Fund	8,160,323	-	8,160,323
Park Acquisition Development Fund	9,219,238	-	9,219,238
Sewer Enterprise Fund	91,089	19,415,983	19,507,072
Total	\$ 18,960,645	\$ 19,415,983	\$ 38,376,628

City Council authorized loans to the Public Facilities DIF in the amount of \$1,528,969 to help fund the Civic Center expansion. The loan will be repaid as funds become available, through the payment of DIF fees by developers. The balance was \$1,489,995 at June 30, 2017. In accordance with Council Policy No. 220-06, approved via Resolution 2015-028, the financing costs shall be calculated using the City's pooled investment earning rate on a quarterly basis.

Per Resolution 2015-035 of the City Council, interfund loans from the Transportation Development Impact Fee to the Fire Suppression System expansion component of the Public Development Impact Fee were consolidated into one loan totaling \$10,500,000. The balance for the loan was \$8,160,323 at June 30, 2017. In accordance with Council Policy No. 220-06, approved via Resolution 2015-028, the financing costs shall be calculated using the City's pooled investment earning rate on a quarterly basis.

City Council authorized a loan to Western PAD from Eastern PAD in the amount of \$9,630,000 to acquire the 14.41 acre site located in the lower Sweetwater Valley owned by the Redevelopment Agency and \$310,000 to acquire the 1.89 acre site located at Auto Park Place, Chula Vista. Per Resolution 2015-035 of the City Council, these loans were consolidated. The loan will be repaid as funds become available, either as a result of credit acquisitions by the Agency or the payment of PAD fees by developers in western Chula Vista; in conjunction with Council Policy No 200-06, approved via Resolution 2015-028, the financing costs shall be calculated using the City's pooled investment earning rate on a quarterly basis. The balance was \$9,219,238 at June 30, 2017. The Agency will ensure that PAD funds are repaid to fully fund the development of the park for which they were originally collected.

The City Council authorized and set terms for loans from the Trunk Sewer fund to Salt Creek for \$16,848,381, to the Storm Drain fund for \$744,612, and \$803,331 from the Sewer Facility fund for capital improvement projects, via Resolution 2015-035. In accordance with Council Policy No. 220-06, approved via Resolution 2015-028, the financing costs shall be calculated using the City's pooled investment earning rate on a quarterly basis. The balance was \$19,507,072 at June 30, 2017.

**CITY OF CHULA VISTA  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED JUNE 30, 2017**

**Note 4 – Interfund Balances and Transactions (Continued)**

Transfers In/Out

Interfund transfers for the year ended June 30, 2017 were as follows:

Transfers Out	Transfers In											Total	
	General Fund	Sundry Grants Special Revenue Fund	Public Financing Authority	Park Acquisition Development	Development Impact Fees	City Debt Service	Sewer Fund	Chula Vista Elite Athlete Training Center	Municipal Financing Authority	Development Services Fund	Internal Service Funds		Non-Major Governmental Funds
General Fund	\$ -	\$ 145,421	\$ 2,456,451	\$ -	\$ -	\$ -	\$ -	\$ 154,370	\$ 610,633	\$ 752,697	\$ 1,500,000	\$ 1,406,112	\$ 7,025,684
Sundry Grants Special Revenue	107,585	-	-	-	-	-	-	-	-	-	-	781,739	889,324
Public Financing Authority	30	-	-	-	-	-	-	-	26,488	-	-	24,864	51,382
Park Acquisition Development	-	-	-	-	-	80,000	-	-	-	-	-	-	80,000
City Debt Service	1,728	-	-	10,782	9,461	-	349	-	-	-	-	-	22,320
Sewer Fund	3,364,671	-	-	-	-	-	-	-	-	15,937	-	-	3,380,608
Municipal Financing Authority	-	-	28,091,002	-	-	-	-	-	-	-	-	-	28,091,002
Development Services Fund	1,796,648	-	-	-	-	-	-	-	-	-	-	-	1,796,648
Development Impact	-	-	3,543,859	-	-	-	-	-	1,534,320	-	-	-	5,078,179
Sewer Development Impact	-	-	-	-	-	-	22,627	-	-	-	-	-	22,627
Non-Major Governmental Funds	4,896,266	67,935	662,149	-	-	210,000	-	-	-	73,125	-	30,620	5,940,095
Total	\$ 10,166,928	\$ 213,356	\$ 34,753,461	\$ 10,782	\$ 9,461	\$ 290,000	\$ 22,976	\$ 154,370	\$ 2,171,441	\$ 841,759	\$ 1,500,000	\$ 2,243,335	\$ 52,377,869

General Fund – Operating support to reimburse the General Fund for City staff services and equipment. Total amount of reimbursement was \$10,166,928.

Sundry Grants Special Revenue Fund – Transferring the General Fund’s matching contribution to the federal grants in the amount of \$213,356.

Public Financing Authority – Funding debt service funds for repayment of various long-term obligations amounted to \$6,662,459. Refunding of the 2010 COP (PFA) by the 2016 LRRB (MFA) amounted to \$28,091,002.

Park Acquisition Development – Interfund loan repayment for long-term obligation between the Western PAD and the Eastern PAD amounted to \$10,782.

Development Impact Fees – Interfund loan repayment for long-term obligation amounted to \$9,461.

City Debt Service – Interfund loan repayments of \$290,000 between governmental funds was tracked through this fund.

Sewer Fund – Interfund loan repayment for long-term obligation between Salt Creek Trunk Sewer DIF and Trunk Sewer Capital Reserve Fund; and between the Storm Drain Revenue Fund and the Sewer Facility Replacement Fund.

Chula Vista Elite Athlete Training Center - Reimbursements from General fund: \$39,324 for telecom site license fee and \$115,046 for billed/unpaid utility expenses.

Municipal Financing Authority - Funding debt service fund for repayment of long-term obligation amounted to \$2,171,441.

Development Services Fund - Operating support to reimburse the Development Services Fund for services provided; \$752,697 reimbursement from the General Fund; \$15,937 from Sewer Services; and \$73,125 from the Chula Vista Housing Authority.

Internal Service Funds - \$1,500,000 was transferred to the Worker’s Compensation fund to reimburse the fund for worker’s compensation expenses.

**CITY OF CHULA VISTA  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED JUNE 30, 2017**

**Note 4 – Interfund Balances and Transactions (Continued)**

*Transfers In/Out Continued*

*Non-major Governmental Funds* - Funding debt service funds for repayment of various long-term obligations amounted to \$2,243,335. Transfer from General Fund in the amount of \$1,406,112 for various debt obligations. Transfer from Community Development Block Grant (CDBG) to Section 108 Loan in the amount of \$759,858 and repayment of energy conservation loan of \$21,881. Transfer from 2010 Certificates of Participation to fund Otay Ranch Village 1 AD 97-2 in the amount of \$24,864. Various transfers between Non-Major Funds in the amount of \$30,620.

**Note 5 – Capital Assets**

**A. Government-Wide Financial Statements**

Summary of changes in capital assets for governmental activities for the year ended June 30, 2017 are as follows:

	Balance July 1, 2016, as restated	Additions	Deletions	CIP Transfers	Balance June 30, 2017
<b>Capital assets, not being depreciated:</b>					
Land	\$ 436,830,968	\$ -	\$ -	\$ -	\$ 436,830,968
Construction in progress	42,723,129	15,243,272	-	(13,256,906)	44,709,495
<b>Total capital assets, not being depreciated</b>	<b>479,554,097</b>	<b>15,243,272</b>	<b>-</b>	<b>(13,256,906)</b>	<b>481,540,463</b>
<b>Capital assets, being depreciated:</b>					
Buildings	204,944,548	-	-	-	204,944,548
Improvements other than buildings	129,569,741	-	-	2,799,998	132,369,739
Machinery and equipment	31,065,223	2,507,572	(959,905)	-	32,612,890
Infrastructure	731,384,812	3,466,657	-	10,456,908	745,308,377
<b>Subtotal</b>	<b>1,096,964,324</b>	<b>5,974,229</b>	<b>(959,905)</b>	<b>13,256,906</b>	<b>1,115,235,554</b>
Less accumulated depreciation					
Buildings	(53,310,516)	(4,010,519)	-	-	(57,321,035)
Improvements other than buildings	(49,039,661)	(2,614,017)	-	-	(51,653,678)
Machinery and equipment	(25,200,167)	(1,635,002)	948,864	-	(25,886,305)
Infrastructure	(294,491,938)	(20,027,968)	-	-	(314,519,906)
<b>Subtotal</b>	<b>(422,042,282)</b>	<b>(28,287,506)</b>	<b>948,864</b>	<b>-</b>	<b>(449,380,924)</b>
<b>Total capital assets, being depreciated</b>	<b>674,922,042</b>	<b>(22,313,277)</b>	<b>(11,041)</b>	<b>13,256,906</b>	<b>665,854,630</b>
<b>Total governmental activities</b>	<b>\$ 1,154,476,139</b>	<b>\$ (7,070,005)</b>	<b>\$ (11,041)</b>	<b>\$ -</b>	<b>\$ 1,147,395,093</b>

**CITY OF CHULA VISTA  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED JUNE 30, 2017**

**Note 5 – Capital Assets (Continued)**

**A. Government-Wide Financial Statements (Continued)**

Depreciation expense was charged to functions/programs as follows:

General government	\$ 1,367,590
Public safety	2,673,121
Public works	21,125,480
Parks and recreation	2,490,283
Library	237,741
Internal service	393,291
	<u>\$ 28,287,506</u>

Summary of changes in capital assets for business-type activities for the year ended June 30, 2017, are as follows:

	Balance July 1, 2016	Additions	Deletions	CIP Transfers	Balance June 30, 2017
<b>Capital assets, not being depreciated:</b>					
Land	\$ -	\$ 180,677,144	\$ -	\$ -	\$ 180,677,144
Construction in progress	1,264,833	2,361,613	-	(1,514,117)	2,112,329
<b>Total capital assets, not being depreciated</b>	<u>1,264,833</u>	<u>183,038,757</u>	<u>-</u>	<u>(1,514,117)</u>	<u>182,789,473</u>
<b>Capital assets, being depreciated:</b>					
Buildings and structures	-	17,027,588	-	-	17,027,588
Machinery and equipment	4,844,634	1,588,498	(608,720)	-	5,824,412
Infrastructure	245,367,447	-	-	1,514,117	246,881,564
<b>Subtotal</b>	<u>250,212,081</u>	<u>18,616,086</u>	<u>(608,720)</u>	<u>1,514,117</u>	<u>269,733,564</u>
Less accumulated depreciation					
Buildings and structures	-	(170,276)	-	-	(170,276)
Machinery and equipment	(3,021,544)	(699,637)	608,720	-	(3,112,461)
Infrastructure	(112,465,519)	(5,575,268)	-	-	(118,040,787)
<b>Subtotal</b>	<u>(115,487,063)</u>	<u>(6,445,181)</u>	<u>608,720</u>	<u>-</u>	<u>(121,323,524)</u>
<b>Total capital assets, being depreciated</b>	<u>134,725,018</u>	<u>12,170,905</u>	<u>-</u>	<u>1,514,117</u>	<u>148,410,040</u>
<b>Total business-type activities</b>	<u>\$ 134,368,634</u>	<u>\$ 195,209,662</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 331,199,513</u>

Depreciation expense for business-type activities for the year ended June 30, 2017, are as follows:

CV Elite Training Center	\$ 170,276
Sewer	6,271,870
Sewer DIFS	3,035
	<u>\$ 6,445,181</u>

**CITY OF CHULA VISTA  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED JUNE 30, 2017**

**Note 5 – Capital Assets (Continued)**

**B. Fiduciary Funds Financial Statements**

Summary of changes in capital assets for fiduciary funds for the year ended June 30, 2017, are as follows:

	Balance July 1, 2016, as restated	Additions	Deletions	Balance June 30, 2017
<b>Capital assets, not being depreciated:</b>				
Land	\$ 7,676,605	\$ -	\$ -	\$ 7,676,605
<b>Total capital assets, not being depreciated</b>	<b>7,676,605</b>	<b>-</b>	<b>-</b>	<b>7,676,605</b>
<b>Capital assets, being depreciated:</b>				
Buildings	2,386,218	-	-	2,386,218
<b>Subtotal</b>	<b>2,386,218</b>	<b>-</b>	<b>-</b>	<b>2,386,218</b>
Less accumulated depreciation				
Buildings	(1,301,740)	(47,724)	-	(1,349,464)
<b>Subtotal</b>	<b>(1,301,740)</b>	<b>(47,724)</b>	<b>-</b>	<b>(1,349,464)</b>
<b>Total capital assets, being depreciated</b>	<b>1,084,478</b>	<b>(47,724)</b>	<b>-</b>	<b>1,036,754</b>
<b>Total fiduciary activities</b>	<b>\$ 8,761,083</b>	<b>\$ (47,724)</b>	<b>\$ -</b>	<b>\$ 8,713,359</b>

Depreciation expense for fiduciary funds for the year ended June 30, 2017, was \$47,724.

**Note 6 – Long-Term Debt**

**Governmental Activities Long-Term Debt**

A summary of changes in governmental activities long-term debt for the year ended June 30, 2017, is as follows:

	Balance June 30, 2016	Debt Issued	Debt Retired	Balance June 30, 2017	Classification	
					Due within One Year	Due in More Than One Year
Certificate of Participation	\$ 111,195,000	\$ 34,485,000	\$ (39,655,000)	\$ 106,025,000	\$ 4,635,000	\$ 101,390,000
Section 108 Loan	7,161,000	-	(404,000)	6,757,000	425,000	6,332,000
Notes Payable	4,338,577	-	(532,991)	3,805,586	536,098	3,269,488
Capital Leases	2,467,714	1,285,053	(473,064)	3,279,703	472,253	2,807,450
Bond Premium	5,246,819	2,836,273	(479,604)	7,603,488	-	7,603,488
Bond Discount	(540,623)	-	540,623	-	-	-
<b>Total</b>	<b>\$ 129,868,487</b>	<b>\$ 38,606,326</b>	<b>\$ (41,004,036)</b>	<b>\$ 127,470,777</b>	<b>\$ 6,068,351</b>	<b>\$ 121,402,426</b>



**CITY OF CHULA VISTA  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED JUNE 30, 2017**

**Note 6 – Long-Term Debt (Continued)**

**Governmental Activities Long-Term Debt (Continued)**

**A. Certificates of Participation**

	Balance June 30, 2016	Debt Issued	Debt Retired	Balance June 30, 2017	Classification	
					Due within One Year	Due in More Than One Year
2006 COP Civic Ctr Ph2	\$ 8,755,000	\$ -	\$ (8,755,000)	\$ -	\$ -	\$ -
2010 Refunding COP Corp Yard	26,200,000	-	(26,200,000)	-	-	-
2014 Refunding COP	42,835,000	-	(1,665,000)	41,170,000	1,730,000	39,440,000
2015 Refunding COP	33,405,000	-	(1,565,000)	31,840,000	1,620,000	30,220,000
2016 Refunding COP	-	8,600,000	-	8,600,000	-	8,600,000
2016 Lease Revenue Refunding Bt	-	25,885,000	(1,470,000)	24,415,000	1,285,000	23,130,000
<b>Total</b>	<b>\$ 111,195,000</b>	<b>\$ 34,485,000</b>	<b>\$ (39,655,000)</b>	<b>\$ 106,025,000</b>	<b>\$ 4,635,000</b>	<b>\$ 101,390,000</b>

2006 Civic Center Project Phase II COP

In March 2006, the Chula Vista Public Financing Authority (the “Financing Authority”) issued \$20,325,000 in 2006 Certificates of Participation to provide funds for the construction and equipping of certain improvements to the Civic Center Complex of the City of Chula Vista and other existing City facilities, fund capitalized interest, fund a reserve fund, and pay the costs incurred in connection with the execution and delivery of the Certificates. The source of repayment of the certificates is the lease payments to be made by the City to the Authority. Interest is payable semiannually on March 1 and September 1 of each year, commencing September 1, 2006. The bonds were partially refunded in the prior year with the issuance of the 2015 Refunding Certificates of Participation and fully refunded in the current year with the issuance of the 2016 Refunding Certificates of Participation.

2010 Refunding COP Corp Yard

In February 2010, the Chula Vista Public Financing Authority (Authority) issued \$29,355,000 in 2010 Certificates of Participation to provide funds for the construction, reconstruction, modernization and equipping of Phase 3 of the Civic Center Complex of the City of Chula Vista, to refinance the City’s outstanding Certificates of Participation Series A of 2000 (2000 Financing Project), fund capitalized interest, fund a reserve fund, and pay the costs incurred in connection with the execution and delivery of the Certificates. The source of repayment of the certificates is the lease payments to be made by the City to the Authority. Interest is payable semiannually on March 1 and September 1 of each year, commencing September 1, 2010. The bonds were fully refunded in the current year with the issuance of the 2016 Lease Revenue Refunding Bonds.

**CITY OF CHULA VISTA  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED JUNE 30, 2017**

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**Note 6 – Long-Term Debt (Continued)**

**Governmental Activities Long-Term Debt (Continued)**

**A. Certificates of Participation (Continued)**

2014 Refunding COP

In February 2014, the Chula Vista Public Financing Authority (Authority) issued \$45,920,000 in 2014 Certificates of Participation to refinance the City’s outstanding 2002 Certificates of Participation (Police Facility Project), fund a reserve fund, and pay the costs incurred in connection with the execution and delivery of the Certificates. The source of repayment of the certificates is the lease payments to be made by the City to the Authority. Interest is payable semiannually on April 1 and October 1 of each year, commencing October 1, 2014. The certificates mature in 2032 and principal is payable on October 1 each year, commencing October 1, 2014. As of June 30, 2017, the outstanding balance is \$41,170,000.

The annual debt service requirements for the 2014 Certificates of Participation outstanding at June 30, 2017, are as follows:

Year Ending June 30,	Principal	Interest	Total
2018	\$ 1,730,000	\$ 1,867,131	\$ 3,597,131
2019	1,810,000	1,791,806	3,601,806
2020	1,895,000	1,703,706	3,598,706
2021	2,000,000	1,606,331	3,606,331
2022	2,100,000	1,503,831	3,603,831
2023-2027	12,280,000	5,784,406	18,064,406
2028-2032	15,770,000	2,433,981	18,203,981
2033	3,585,000	73,941	3,658,941
<b>Total</b>	<b>\$ 41,170,000</b>	<b>\$ 16,765,133</b>	<b>\$ 57,935,133</b>

2015 Refunding COP

In August 2015, the Chula Vista Public Financing Authority (Authority) issued \$34,330,000 in 2015 Certificates of Participation to refinance the City’s outstanding 2004 Certificates of Participation (Civic Center Project Phase) and a portion of the 2006 Certificates of Participation (Civic Center Project Phase II), fund a reserve fund, and pay the costs incurred in connection with the execution and delivery of the Certificates. The refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$445,970, which is reported as a deferred outflow of resources in the accompanying financial statements and amortized over the remaining life of the refunded debt. The City completed the refunding to reduce its total debt service payments by \$4,384,723 and to obtain an economic gain (difference between the present values of the old and new debt services payments) of \$3,073,833. The source of repayment of the certificates is the lease payments to be made by the City to the Authority. Interest is payable semi-annually on March 1 and September 1 of each year, commencing March 1, 2016. The certificates mature in 2034 and principal is payable on March 1 each year, commencing October 1, 2015. As of June 30, 2017, the outstanding balance is \$31,840,000.

**CITY OF CHULA VISTA  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED JUNE 30, 2017**

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**Note 6 – Long-Term Debt (Continued)**

**Governmental Activities Long-Term Debt (Continued)**

**A. Certificates of Participation (Continued)**

2015 Refunding COP Continued

The annual debt service requirements for the 2015 Certificates of Participation outstanding at June 30, 2017, are as follows:

Year Ending June 30,	Principal	Interest	Total
2018	\$ 1,620,000	\$ 1,306,063	\$ 2,926,063
2019	1,680,000	1,241,263	2,921,263
2020	1,765,000	1,157,263	2,922,263
2021	1,860,000	1,069,013	2,929,013
2022	1,945,000	976,013	2,921,013
2023-2027	10,280,000	3,511,688	13,791,688
2028-2032	8,730,000	1,779,344	10,509,344
2033-2034	3,960,000	243,675	4,203,675
<b>Total</b>	<b>\$ 31,840,000</b>	<b>\$ 11,284,322</b>	<b>\$ 43,124,322</b>

2016 Refunding COP

In July 2016, the Chula Vista Public Financing Authority (Authority) issued \$8,600,000 in 2016 Certificates of Participation (Certificates) to current refund all of the City’s outstanding 2006 Certificates of Participation (Civic Center Project – Phase 2), to satisfy the reserve requirement with respect to the Certificates and to pay the costs of issuance of the Certificates. The refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$221,204, which is reported as a deferred outflow of resources in the accompanying financial statements and amortized over the remaining life of the refunded debt. The City completed the refunding to reduce its total debt service payments by \$1,144,525 and to obtain an economic gain (difference between the present values of the old and new debt services payments) of \$973,849. The source of repayment of the certificates is the lease payments to be made by the City to the Authority. Interest is payable semi-annually on March 1 and September 1 of each year, commencing March 1, 2017. The certificates mature in 2036 and principal is payable on March 1 each year, commencing March 1, 2027. As of June 30, 2017, the outstanding balance is \$8,600,000.

**CITY OF CHULA VISTA  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED JUNE 30, 2017**

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**Note 6 – Long-Term Debt (Continued)**

**Governmental Activities Long-Term Debt (Continued)**

**A. Certificates of Participation (Continued)**

2016 Refunding COP Continued

The annual debt service requirements for the 2016 Certificates of Participation outstanding at June 30, 2017, are as follows:

Year Ending June 30,	Principal	Interest	Total
2018	\$ -	\$ 282,550	\$ 282,550
2019	-	282,550	282,550
2020	-	282,550	282,550
2021	-	282,550	282,550
2022	-	282,550	282,550
2023-2027	735,000	1,412,750	2,147,750
2028-2032	4,070,000	1,026,650	5,096,650
2033-2036	3,795,000	289,050	4,084,050
<b>Total</b>	<b>\$ 8,600,000</b>	<b>\$ 4,141,200</b>	<b>\$ 12,741,200</b>

2016 Lease Revenue Refunding Bonds

In July 2016, the Chula Vista Municipal Financing Authority (Authority) issued \$25,885,000 in 2016 Lease Revenue Refunding Bonds to refinance an existing lease by advance refunding the City's outstanding 2010 Certificates of Participation (Capital Facilities Refunding Projects) and to pay the costs of issuance of the Bonds. The refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$4,898,948, which is reported as a deferred outflow of resources in the accompanying financial statements and amortized over the remaining life of the refunded debt. The City completed the refunding to reduce its total debt service payments by \$2,167,047 and to obtain an economic gain (difference between the present values of the old and new debt services payments) of \$2,293,798. The source of repayment of the certificates is the lease payments to be made by the City to the Authority. Interest is payable semi-annually on November 1 and May 1 of each year, commencing November 1, 2016. The certificates mature in 2033 and principal is payable on May 1 each year, commencing May 1, 2017. As of June 30, 2017, the outstanding balance is \$24,415,000.

**CITY OF CHULA VISTA  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED JUNE 30, 2017**

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**Note 6 – Long-Term Debt (Continued)**

**Governmental Activities Long-Term Debt (Continued)**

**A. Certificates of Participation (Continued)**

*2016 Lease Revenue Refunding Bonds (Continued)*

The annual debt service requirements for the 2016 Lease Revenue Refunding Bonds outstanding at June 30, 2017, are as follows:

Year Ending June 30,	Principal	Interest	Total
2018	\$ 1,285,000	\$ 858,625	\$ 2,143,625
2019	1,330,000	820,075	2,150,075
2020	1,370,000	780,175	2,150,175
2021	1,410,000	739,075	2,149,075
2022	1,460,000	682,675	2,142,675
2023-2027	8,245,000	2,487,775	10,732,775
2028-2032	8,430,000	1,057,775	9,487,775
2033	885,000	24,338	909,338
<b>Total</b>	<b>\$ 24,415,000</b>	<b>\$ 7,450,513</b>	<b>\$ 31,865,513</b>

**A. Section 108 Loan**

In June 2008, the City entered into a Contract for Loan Guarantee Assistance with the U.S. Department of Housing and Urban Development (“HUD”) as part of the Section 108 Loan Program in the amount of \$9,500,000. The Section 108 Loan is an “advance” of future CDBG entitlement funds and, as such, is repaid with a portion of the City’s annual entitlement. Proceeds of the loan will be used to fund multiple capital improvement projects. Debt service payments will be made with future CDBG entitlements for 20 years, with interest payments beginning with fiscal year 2009.

As of June 30, 2017, the outstanding balance is \$6,757,000. The annual debt service payments are as follows:

Year Ending June 30,	Principal	Interest	Total
2018	\$ 425,000	\$ 337,118	\$ 762,118
2019	446,000	317,126	763,126
2020	468,000	295,428	763,428
2021	492,000	271,830	763,830
2022	516,000	246,599	762,599
2023-2027	2,994,000	793,574	3,787,574
2028-2029	1,416,000	77,475	1,493,475
<b>Total</b>	<b>\$ 6,757,000</b>	<b>\$ 2,339,150</b>	<b>\$ 9,096,150</b>

**CITY OF CHULA VISTA  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED JUNE 30, 2017**

**Note 6 – Long-Term Debt (Continued)**

**Governmental Activities Long-Term Debt (Continued)**

***B. Notes Payable***

	Balance June 30, 2016	Debt Issued	Debt Retired	Balance June 30, 2017	Classification	
					Due within One Year	Due in More Than One Year
Taxable QECB Lease Purchase Agreement	\$ 1,636,034	\$ -	\$ (186,000)	\$ 1,450,034	\$ 187,693	\$ 1,262,341
California Energy Commission (CEC) Loan #1	4,344	-	(4,344)	-	-	-
California Energy Commission (CEC) Loan #2	1,520,749	-	(132,530)	1,388,219	136,537	1,251,682
California Energy Commission (CEC) Loan #3	1,074,068	-	(174,579)	899,489	176,329	723,160
SDG&E OBF Loan #1 (Parkway Boiler)	42,588	-	(8,519)	34,069	8,519	25,550
SDG&E OBF Loan #2 (Transit HVAC)	60,794	-	(27,019)	33,775	27,020	6,755
Total CEC Loans/SDG&E On Bill Financing	2,702,543	-	(346,991)	2,355,552	348,405	2,007,147
<b>Total</b>	<b>\$ 4,338,577</b>	<b>\$ -</b>	<b>\$ (532,991)</b>	<b>\$ 3,805,586</b>	<b>\$ 536,098</b>	<b>\$ 3,269,488</b>

**Taxable QECB Lease/Purchase Agreement**

On December 31, 2012, the City entered into a lease purchase agreement with a private party to purchase certain energy conservation equipment. The lease/purchase agreement would bridge the financial gap between the Municipal Street Listing Retrofit Project capital costs and the available rebates for energy conservation equipment.

As of June 30, 2017, the outstanding balance is \$1,450,034. The annual debt service requirements are as follows:

Year Ending June 30,	Principal	Interest	Total
2018	\$ 187,693	\$ 55,568	\$ 243,261
2019	189,401	48,118	237,519
2020	191,125	40,600	231,725
2021	192,864	33,015	225,879
2022	194,619	25,360	219,979
2023-2025	494,332	29,452	523,784
<b>Total</b>	<b>\$ 1,450,034</b>	<b>\$ 232,113</b>	<b>\$ 1,682,147</b>

**California Energy Commission Loans/SDG&E On-Bill Financing**

On September 25, 2007, the City Council approved Resolution 2007-241 authorizing the City’s participation in the California Energy Commission (“CEC”) and the SDG&E On-Bill Financing program. The loans would bridge the financial gap between energy conservation project capital costs and the available rebates for energy conservation equipment.

As of June 30, 2017, the outstanding balance is \$2,355,552. The annual debt service requirements are as follows:

CITY OF CHULA VISTA  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED JUNE 30, 2017

Note 6 – Long-Term Debt (Continued)

Governmental Activities Long-Term Debt (Continued)

B. Notes Payable (Continued)

California Energy Commission Loans/SDG&E On-Bill Financing (Continued)

Year Ending June 30,	Principal	Interest	Total
2018	\$ 348,405	\$ 49,190	\$ 397,595
2019	334,034	43,296	377,330
2020	333,218	37,357	370,575
2021	339,497	31,078	370,575
2022	337,311	24,745	362,056
2023-2026	663,087	45,586	708,673
Total	\$ 2,355,552	\$ 231,252	\$ 2,586,804

C. Capital Leases

	Balance June 30, 2016	Debt Issued	Debt Retired	Balance June 30, 2017	Classification	
					Due within One Year	Due in More Than One Year
Solar Energy Financing	\$ 1,731,726	\$ -	\$ (192,191)	\$ 1,539,535	\$ 179,976	\$ 1,359,559
Osh Kosh Capital	422,583	-	(79,771)	342,812	82,076	260,736
Marlin Panasonic	313,405	-	(90,035)	223,370	95,579	127,791
PNC Equipment	-	1,285,053	(111,067)	1,173,986	114,622	1,059,364
Total	\$ 2,467,714	\$ 1,285,053	\$ (473,064)	\$ 3,279,703	\$ 472,253	\$ 2,807,450

Solar Energy Financing

On July 23, 2013, the City Council approved Resolution 2013-149 authorizing the City to utilize a \$2,121,500 Tax-Exempt Facility Lease Purchase Agreement with Banc of America, which would be repaid through the annual energy cost savings.

The future minimum lease obligation and the net present value of these minimum lease payments as of June 30, 2017, are as follows:

Year Ending June 30,	Principal	Interest	Total
2018	\$ 179,976	\$ 59,188	\$ 239,164
2019	125,834	51,893	177,727
2020	68,576	48,105	116,681
2021	74,259	45,339	119,598
2022	80,242	42,346	122,588
2023-2027	502,477	157,997	660,474
2028-2031	508,171	44,475	552,646
Total	\$ 1,539,535	\$ 449,343	\$ 1,988,878

**CITY OF CHULA VISTA  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED JUNE 30, 2017**

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**Note 6 – Long-Term Debt (Continued)**

**Governmental Activities Long-Term Debt (Continued)**

**C. Capital Leases (Continued)**

Osh Kosh Capital

On October 1, 2013, the City Council approved Resolution 2013-204 authorizing the City to enter into a seven-year lease purchase agreement with Osh Kosh Capital for the acquisition of a Pierce Arrow XT Triple Combination Pumper Fire Engine at a price of \$578,224.

The future minimum lease obligation and the net present value of these minimum lease payments as of June 30, 2017, are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 82,076	\$ 9,907	\$ 91,983
2019	84,448	7,535	91,983
2020	86,888	5,095	91,983
2021	89,400	2,584	91,984
Total	<u>\$ 342,812</u>	<u>\$ 25,121</u>	<u>\$ 367,933</u>

Marlin Panasonic

On March 4, 2015, the City Council approved Resolution 2015-044 authorizing the City to enter into a five-year lease purchase agreement with Marlin Business Bank for the acquisition of 99 Panasonic Toughbooks at a price of \$377,487.

The future minimum lease obligation and the net present value of these minimum lease payments as of June 30, 2017, are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 95,579	\$ 10,784	\$ 106,363
2019	101,464	4,899	106,363
2020	26,327	263	26,590
Total	<u>\$ 223,370</u>	<u>\$ 15,946</u>	<u>\$ 239,316</u>



**CITY OF CHULA VISTA  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED JUNE 30, 2017**

**Note 6 – Long-Term Debt (Continued)**

**Governmental Activities Long-Term Debt (Continued)**

**C. Capital Leases (Continued)**

PNC Equipment Lease

In November 2015, the City entered into a capital lease agreement with PNC Equipment Finance for the acquisition of two Pierce Arrow XT Triple Combination Pumper/Fire Engines. The lease term is ten years and the lease amount is \$1,285,053 to be paid in annual installments beginning November 2016.

The future minimum lease obligation and the net present value of these minimum lease payments as of June 30, 2017, are as follows:

<b>Year Ending June 30,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2018	\$ 114,622	\$ 37,567	\$ 152,189
2019	118,289	33,900	152,189
2020	122,075	30,114	152,189
2021	125,981	26,208	152,189
2022	130,012	22,177	152,189
2023-2026	563,007	45,750	608,757
<b>Total</b>	<b>\$ 1,173,986</b>	<b>\$ 195,716</b>	<b>\$ 1,369,702</b>

**Fiduciary Funds Long-Term Debt**

**A. Tax Allocation Bonds**

	<b>Balance June 30, 2016</b>	<b>Debt Issued</b>	<b>Debt Retired</b>	<b>Balance June 30, 2017</b>	<b>Classification</b>	
					<b>Due within One Year</b>	<b>Due in More Than One Year</b>
2006 Senior Tax Allocation Refunding Bonds, Series A	\$ 8,770,000	\$ -	\$ (8,770,000)	\$ -	\$ -	\$ -
2006 Subordinate Tax Allocation Refunding Bonds, Series B	8,245,000	-	(8,245,000)	-	-	-
2008 Tax Allocation Refunding Bonds	20,450,000	-	(20,450,000)	-	-	-
2016 Tax Allocation Refunding Bonds	-	29,315,000	-	29,315,000	1,385,000	27,930,000
Bond Premium	-	4,687,799	(234,390)	4,453,409	-	-
<b>Total</b>	<b>\$ 37,465,000</b>	<b>\$ 34,002,799</b>	<b>\$ (37,699,390)</b>	<b>\$ 33,768,409</b>	<b>\$ 1,385,000</b>	<b>\$ 27,930,000</b>

**Note 6 – Long-Term Debt (Continued)**

**Fiduciary Funds Long-Term Debt (Continued)**

**A. Tax Allocation Bonds (Continued)**

2006 Senior Tax Allocation Refunding Bonds, Series A

In July 2006, the RDA issued the 2006 Senior Tax Allocation Refunding Bonds, Series A in the amount of \$13,435,000 to refinance the RDA's outstanding Bayfront/Town Centre Redevelopment Project 1994 Senior Tax Allocation Refunding Bonds, Series A, and to satisfy the reserve requirement for the Bonds and provide for the costs of issuing the Bonds. The original bond proceeds were used in the acquisition of property, demolition, relocation, public improvements and funding the Low and Moderate Income Housing Project. The bonds are payable solely from certain tax increment revenues of the Agency and other funds held under the indenture. The bonds were fully refunded in the current year with the issuance of the 2016 Tax Allocation Refunding Bonds.

2006 Subordinate Tax Allocation Refunding Bonds, Series B

In July 2006, the RDA issued \$12,325,000 2006 Subordinate Tax Allocation Refunding Bonds, Series B to refinance the RDA's outstanding Bayfront/Town Centre Redevelopment Project 1994 Senior Tax Allocation Refunding Bonds, Series C and D, and to satisfy the reserve requirement for the Bonds and provide for the costs of issuing the Bonds. The original bond proceeds were used in the acquisition of property, demolition, relocation, public improvements and funding the Low and Moderate Income Housing Project. The bonds are payable solely from certain tax increment revenues of the Agency and other funds held under the indenture. The bonds were fully refunded in the current year with the issuance of the 2016 Tax Allocation Refunding Bonds.

2008 Tax Allocation Refunding Bonds

In July 2008, the RDA issued the 2008 Tax Allocation Refunding Bonds in the amount of \$21,625,000 to refinance the RDA's outstanding Merged Redevelopment Project 2000 Tax Allocation Bonds, to satisfy the reserve requirement for the Bonds, to provide for the costs of issuing the Bonds, and to provide funds to finance or refinance redevelopment activities. The bonds are payable solely from certain tax increment revenues of the Agency and other funds held under the indenture. The bonds were fully refunded in the current year with the issuance of the 2016 Tax Allocation Refunding Bonds.

**CITY OF CHULA VISTA  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED JUNE 30, 2017**

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**Note 6 – Long-Term Debt (Continued)**

**Fiduciary Funds Long-Term Debt (Continued)**

**A. Tax Allocation Bonds (Continued)**

2016 Tax Allocation Refunding Bonds

In July 2016, the Successor Agency to the Redevelopment Agency of the City of Chula Vista (the Successor Agency) issued \$29,315,000 in 2016 Tax Allocation Refunding Bonds to refinance the following obligations of the Former Agency:

- Bayfront/Town Centre Redevelopment Project 2006 Senior Tax Allocation Refunding Bonds, Series A, currently outstanding in the principal amount of \$8,770,000;
- Bayfront/Town Centre Redevelopment Project 2006 Subordinate Tax Allocation Refunding Bonds, Series B, currently outstanding in the principal amount of \$8,245,000; and
- 2008 Tax Allocation Refunding Bonds (Merged Redevelopment Project), currently outstanding in the principal amount of \$20,450,000.

The refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$1,669,678, which is reported as a deferred outflow of resources in the accompanying financial statements and amortized over the remaining life of the refunded debt. The City completed the refunding to reduce its total debt service payments by \$9,561,410 and to obtain an economic gain (difference between the present values of the old and new debt services payments) of \$4,617,835. Interest is payable semi-annually on April 1 and October 1 of each year, commencing April 1, 2017. The certificates mature in 2037 and principal is payable on October 1 each year, commencing October 1, 2017. As of June 30, 2017, the outstanding balance is \$29,315,000.

The annual debt service requirements for the 2016 Tax Allocation Refunding Bonds outstanding at June 30, 2017, are as follows:

Year Ending June 30,	Principal	Interest	Total
2018	\$ 1,385,000	\$ 1,171,750	\$ 2,556,750
2019	1,665,000	1,132,925	2,797,925
2020	1,725,000	1,082,075	2,807,075
2021	1,770,000	1,020,800	2,790,800
2022	1,840,000	948,600	2,788,600
2023-2027	9,665,000	3,566,900	13,231,900
2028-2032	5,370,000	1,902,250	7,272,250
2033-2037	5,895,000	605,000	6,500,000
<b>Total</b>	<b>\$ 29,315,000</b>	<b>\$ 11,430,300</b>	<b>\$ 40,745,300</b>

**CITY OF CHULA VISTA  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED JUNE 30, 2017**

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**Note 6 – Long-Term Debt (Continued)**

**Fiduciary Funds Long-Term Debt (Continued)**

**A. Tax Allocation Bonds (Continued)**

Pledged Revenues

The Successor Agency has pledged tax revenues to the repayment of the RDA’s debts transferred to it on February 1, 2012 through the final maturity of the Bonds, or early retirement of the Bonds, whichever comes first. Tax revenues consist of Redevelopment Property Tax Trust Fund distributions allocated to the RDA’s project areas pursuant to Section 33670 of the Redevelopment Law excluding that portion of such tax increment revenues required to be paid under tax-sharing agreements unless the payment of such amounts has been subordinated to payment of debt services on the Bonds. Redevelopment Property Tax Trust Fund distributions earned in fiscal year 2017 was \$3,589,342 and total debt service of all Tax Allocation Bonds paid was \$849,680. The Bonds required 75% of net distributions. In future years, annual principal and interest payments on the Tax Allocation Bonds are expected to require 75% of Redevelopment Property Tax Trust Fund distributions.

**Special Assessment Debt – Non-City Obligations**

Bonds issued to finance public improvement projects in certain assessment districts are liabilities of the property owners and are secured by liens against the assessed properties. The City acts as an agent for collection of principal and interest payments by the property owners and remittance of such monies to the bondholders. The City has no obligation or duty to pay any delinquency out of any available funds of the City. Neither the faith, credit, nor the taxing power of the City is pledged to the payment of the bonds. Therefore, none of the following obligations are included in the accompanying basic financial statements. At June 30, 2017, the special assessment debts outstanding are as follows:

	<b>Original Amount</b>	<b>Outstanding June 30, 2017</b>
Special Tax Revenue Refunding Bonds, Series 2013	\$ 72,100,000	\$ 63,625,000
Special Tax Revenue Refunding Bonds, Series 2015A	30,460,000	29,770,000
Revenue Refunding Bonds, Series 2015B	43,695,000	41,860,000
AD 94-I Eastlake Greens Phase II	7,464,474	1,485,000
Industrial Development Revenue Bonds, 2004 Series A-F	251,265,000	251,265,000
Industrial Development Revenue Bonds, 2006 Series A	161,240,000	161,240,000
<b>Total</b>	<b>\$ 566,224,474</b>	<b>\$ 549,245,000</b>

**CITY OF CHULA VISTA  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED JUNE 30, 2017**

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**Note 6 – Long-Term Debt (Continued)**

**Multi-Family Housing Bonds – Non-City Obligations**

Bonds issued to finance public improvement and/or affordable multifamily housing projects are liabilities of the developers and are secured by liens against the assessed property. The City has no obligation or duty to pay any delinquency out of any available funds of the City. Neither the faith, credit, nor the taxing power of the City is pledged to the payment of the bonds. Therefore, none of the following obligations are included in the accompanying basic financial statements. At June 30, 2017, the multi-family housing bonds outstanding are as follows:

	<u>Original Amount</u>	<u>Outstanding June 30, 2017</u>
2000 A Pear Tree Manor Project	\$ 5,779,000	\$ 3,999,000
1999 A Villa Serena Project	5,566,500	4,350,000
2007 A Oxford Terrace Apartments	2,276,000	1,721,000
2007 B Oxford Terrace Apartments	2,363,000	2,363,000
2006 A Teresina Apartment Projects	37,940,000	37,940,000
2007 C The Landing Apartment	16,670,000	5,714,347
2013 A Congregational Tower	20,540,000	20,186,520
2016 A-1 Duetta Apts Homes	1,813,855	13,520,501
2016 A-3 Duetta Apts Homes Junior	725,000	725,000
2016 B-1 Volta Apts Homes	3,089,522	14,461,127
2016 B-3 Volga Apts Homes Junior	775,000	775,000
<b>Total</b>	<u>\$ 97,537,877</u>	<u>\$ 105,755,495</u>

**Note 7 – Unearned/Unavailable Revenue**

**A. Government-Wide Financial Statements**

At June 30, 2017, unearned revenue was reported as follows:

Grants	<u>\$ 1,087,270</u>
<b>Total</b>	<u>\$ 1,087,270</u>

**B. Governmental Fund Financial Statements**

At June 30, 2017, unavailable revenue was reported as follows:

Long-term receivables	\$ 4,843,523
Public Facilities DIF	1,203,496
Grants	<u>52,899</u>
<b>Total</b>	<u>\$ 6,099,918</u>

**CITY OF CHULA VISTA  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED JUNE 30, 2017**

**Note 8 – Compensated Absences**

Government-Wide Financial Statements – Governmental Activities

Summary of changes in governmental activities compensated absences for the year ended June 30, 2017, is as follows:

	Balance June 30, 2016	Additions	Deletions	Balance June 30, 2017	Classification	
					Due within One Year	Due in More Than One Year
Compensated Absences	\$ 7,246,998	\$ 5,134,743	\$ (5,036,943)	\$ 7,344,798	\$ 5,104,918	\$ 2,239,880
<b>Total</b>	<b>\$ 7,246,998</b>	<b>\$ 5,134,743</b>	<b>\$ (5,036,943)</b>	<b>\$ 7,344,798</b>	<b>\$ 5,104,918</b>	<b>\$ 2,239,880</b>

The City’s liability for vested and unpaid compensated absences (accrued vacation) has been accrued and amounts to \$7,344,978 at June 30, 2017. For the governmental activities claims and judgments and compensated absences are generally liquidated by the general fund. In business-type funds, the liabilities are reported in the fund as the benefits vest and are earned.

Compensated absences at June 30, 2017, are obligations of the following funds:

Governmental Funds	\$ 7,296,091
Fleet Management	48,707
<b>Total</b>	<b>\$ 7,344,798</b>

Governmental-Wide Financial Statements – Business-Type Activities

Compensated absences at June 30, 2017, are obligations of the following funds:

	Balance June 30, 2016	Additions	Deletions	Balance June 30, 2017	Classification	
					Due within One Year	Due in More Than One Year
Compensated Absences	\$ 672,133	\$ 428,255	\$ (491,492)	\$ 608,896	\$ 454,096	\$ 154,800
<b>Total</b>	<b>\$ 672,133</b>	<b>\$ 428,255</b>	<b>\$ (491,492)</b>	<b>\$ 608,896</b>	<b>\$ 454,096</b>	<b>\$ 154,800</b>
Development Services				\$ 360,516		
Sewer				248,380		
				<b>\$ 608,896</b>		

**CITY OF CHULA VISTA  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED JUNE 30, 2017**

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**Note 9 – Other Required Fund Disclosures**

At June 30, 2017, the following non-major funds had deficit fund equity:

Fund Type	Funds	Deficit
Capital Projects	Bicycle Facility	\$ 4,460
Capital Projects	Other Transportation Program Fund	171,768
Capital Projects	Capital Projects Fund	245,921
Enterprise	Transit Fund	513,688
Internal Service	Fleet Management	315,823

*Bicycle Facility* – The Bicycle Facility Fund had an accumulated deficit of \$4,460 due to non-reimbursable expenditures that were incurred. The City does not expect to eliminate the deficit.

*Other Transportation Program Fund* – The Other Transportation Program Fund had an accumulated deficit of \$171,768 due to unreimbursed funds. The City expects to eliminate the deficit in future years when the funds are reimbursed.

*Capital Projects Fund* – The Capital Projects Fund had an accumulated deficit of \$245,921 due to unreimbursed funds. The City expects to eliminate the deficit in future years when the funds are reimbursed.

*Transit Fund* – The Transit Fund had an accumulated deficit of \$513,688, due to the implementation of GASB 68. The City expects to eliminate the deficit in future years via transfers from other funds.

*Fleet Management Fund* – The Fleet Management Fund had an accumulated deficit of \$315,823, due to the implementation of GASB 68. The City expects to eliminate the deficit in future years via transfers from other funds.

**Note 10 – Self-Insurance Accrued Liabilities**

The City, in compliance with its workers’ compensation obligations, has a self-insurance workers’ compensation program. Currently, Tristar administers the program on behalf of the City under an agreement between Tristar and San Diego Pooled Insurance Program Authority ("SANDPIPA"; "SANDPIPA Agreement"). The City along with other cities in the county, are participants in the agreement. SANDPIPA, as an entity, is dissolving and the SANDPIPA Agreement will end on July 31, 2016. The City seeks to continue to have Tristar administer the City's self-insurance workers’ compensation program for an additional eleven months, until June 30, 2017.

California employers, including the cities, are required to provide for workers’ compensation when the employees are injured on the job and the City of Chula Vista, in compliance with its workers compensation obligations, has a self-insurance workers’ compensation program. To administer City of Chula Vista's workers’ compensation program. The City requires a qualified workers’ compensation claims management service company (commonly called "Third Party Administrators" or "TPA") to supervise and administer the workers’ compensation claims made upon the City's self-insurance program.

**CITY OF CHULA VISTA  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED JUNE 30, 2017**

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**Note 10 – Self-Insurance Accrued Liabilities (Continued)**

Tristar, for many years, has provided to the City workers compensation claims management services via an agreement between Tristar and SANDPIPA ("SANDPIPA Agreement"). The City, along with other cities in the county, was a participant in the aforementioned SANDPIPA Agreement. SANDPIPA is dissolving as an entity and the SANDPIPA Agreement will expires on July 31, 2016. As a result, the City will no longer have an agreement with Trista to administer the City's workers compensation program.

The City desires to enter into an agreement with Tristar ("Tristar Agreement") so that Tristar can continue to supervise and administer the workers compensation claims made upon the City's self-insurance workers compensation program for an addition eleven (11) month period, ending June 30, 2017. Tristar as provided workers' compensation program administration services to the City in the past and can continue to do so for the term in the proposed agreement, with no interruption in the service, particular given that the SANDPIPA Agreement will end on July 31, 2016.

The City is self-insured for the first \$1,000,000 per occurrence for workers' compensation liabilities. Excess workers' compensation coverage is obtained through participation in the CSAC Excess Insurance Authority's Excess Workers' Compensation Program. As of June 30, 2017, there are 277 member entities participating in the program that offers per occurrence coverage up to \$5,000,000 through pooled resources and from \$5,000,000 to statutory limits via group purchased excess insurance policies.

Only the probable amounts of loss as estimated by the City's Risk Manager and Attorney, including an estimate of incurred-but-not reported losses, have been recorded as liabilities in the accompanying basic financial statements. There were no reductions in insurance from the prior year and there were no insurance settlements that exceeded coverage in each of the past three years.

The aggregate change in the balance of claims payable as recorded in the Governmental Activities were as follows:

	Balance June 30, 2016	Claims and Changes in Estimates	Claims Payments	Balance June 30, 2017
2014-2015	\$ 22,361,235	\$ 4,470,778	\$ (4,221,708)	\$ 22,610,305
2015-2016	22,610,305	6,077,047	(6,218,413)	22,468,939
2016-2017	22,468,939	8,274,909	(8,438,119)	22,305,729

The City determines that \$4,000,000 of the \$22,305,729 to be short term. The liabilities for claims and judgments are typically liquidated from the General Fund.



**Note 11 – Pension Plans**

***A. California Public Employees' Retirement Plans***

***Plan Description***

All qualified permanent and probationary employees are eligible to participate in the City's Miscellaneous Plan or the City's Safety Plan, both agent multiple-employer defined benefit pension plans administered by the California Public Employees' Retirement System (CalPERS), which acts as a common investment and administrative agent for its participating member employers. Benefit provisions under the Plans are established by State statute and City resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

***Benefits Provided***

CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Members with five years of total service are eligible to retire at age 50 (52 under PEPRA) with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

The Plan's provisions and benefits in effect at June 30, 2017, are summarized as follows:

**CITY OF CHULA VISTA  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED JUNE 30, 2017**

**Note 11 – Pension Plans (Continued)**

**A. California Public Employees’ Retirement Plans**

**Benefits Provided (Continued)**

	<b>Miscellaneous Plan</b>		
	<b>Tier 1*</b>	<b>Tier 2</b>	<b>PEPRA</b>
Hire date	Prior to April 22, 2011	New Member on or after April 22, 2011 but prior to January 1, 2013	New Member on or after January 1, 2013
Benefit formula	3% @ 60	2% @ 60	2% @ 62
Benefit vesting schedule	5 years service	5 years service	5 years service
Benefit payments	monthly for life	monthly for life	monthly for life
Retirement age	50	50	52
Monthly benefits, as a % of eligible compensation	2.0% to 3.0%	1.092% to 2.418%	1.0% to 2.5%
Required employee contribution rates	8.0%	7.0%	6.75%
Required employer contribution rates	29.693%	29.693%	12.816%

	<b>Safety Fire Plan</b>		
	<b>Tier 1*</b>	<b>Tier 2</b>	<b>PEPRA</b>
Hire date	Prior to April 22, 2011	New Member on or after April 22, 2011 but prior to January 1, 2013	New Member on or after January 1, 2013
Benefit formula	3% @ 50	3% @ 55	2.7% @ 57
Benefit vesting schedule	5 years service	5 years service	5 years service
Benefit payments	monthly for life	monthly for life	monthly for life
Retirement age	50	50	50
Monthly benefits, as a % of eligible compensation	3.00%	2.4% to 3.0%	2.0% to 2.7%
Required employee contribution rates	9.0%	9.0%	12.25%
Required employer contribution rates	33.691%	33.691%	24.069%

	<b>Safety Police Plan</b>		
	<b>Tier 1*</b>	<b>Tier 2</b>	<b>PEPRA</b>
Hire date	Prior to April 22, 2011	New Member on or after April 22, 2011 but prior to January 1, 2013	New Member on or after January 1, 2013
Benefit formula	3% @ 50	3% @ 55	2.7% @ 57
Benefit vesting schedule	5 years service	5 years service	5 years service
Benefit payments	monthly for life	monthly for life	monthly for life
Retirement age	50	50	50
Monthly benefits, as a % of eligible compensation	3.00%	2.4% to 3.0%	2.0% to 2.7%
Required employee contribution rates	9.0%	9.0%	12.25%
Required employer contribution rates	33.691%	33.691%	24.069%

\*Closed to new entrants

**CITY OF CHULA VISTA  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED JUNE 30, 2017**

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**Note 11 – Pension Plans (Continued)**

**A. California Public Employees’ Retirement Plans (Continued)**

**Employees Covered**

At June 30, 2017, the following employees were covered by the benefit terms of the plans:

<b>Miscellaneous Plan</b>	
Inactive employees or beneficiaries currently receiving benefits	708
Inactive employees entitled to but not yet receiving benefits	632
Active employees	605
<b>Total</b>	<u><u>1,945</u></u>
<b>Safety Plan</b>	
Inactive employees or beneficiaries currently receiving benefits	319
Inactive employees entitled to but not yet receiving benefits	113
Active employees	322
<b>Total</b>	<u><u>754</u></u>

**Contribution**

Section 20814(c) of the California Public Employees’ Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for both Plans are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The City is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. \$10,214,768 and \$13,859,572 of contributions for the Miscellaneous and Safety Plan respectively, were recognized as a reduction to the net pension liability for fiscal year ending June 30, 2017.

**Net Pension Liability**

The City’s net pension liability for each Plan is measured as the total pension liability, less the pension plan’s fiduciary net position. The net pension liability of the Plans is measured as of June 30, 2016, using an annual actuarial valuation as of June 30, 2015 rolled forward to June 30, 2016 using standard update procedures. A summary of principal assumptions and methods used to determine the net pension liability is shown below.

**Note 11 – Pension Plans (Continued)**

**A. California Public Employees’ Retirement Plans (Continued)**

***Net Pension Liability (Continued)***

The total pension liabilities in the June 30, 2015 actuarial valuations were determined using the following actuarial assumptions:

Actuarial Cost Method	Entry Age Normal in accordance with the requirements of GASB Statement No. 68
Actuarial Assumptions	
Discount Rate	7.65%
Inflation	2.75%
Salary Increases	Varies by Entry Age and Service
Mortality Rate Table (1)	Derived using CalPERS’ Membership Data for all Funds
Post Retirement Benefit Increase	Contract COLA up to 2.75% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.75% thereafter

(1) The mortality table used was developed based on CalPERS’ specific data. The table includes 20 years of mortality improvements using Society of Actuaries Scale BB. For more details on this table, please refer to the 2014 experience study report.

All other actuarial assumptions used in the June 30, 2015 valuation were based on the results of an actuarial experience study for the period from 1997 to 2011, including updates to salary increase, mortality and retirement rates. The Experience Study report can be obtained at CalPERS’ website under Forms and Publications.

***Change of Assumptions***

There were no changes of assumptions.

***Discount Rate***

The discount rate used to measure the total pension liability was 7.65 percent. To determine whether the municipal bond rate should be used in the calculation of the discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. The tests revealed the assets would not run out. Therefore, the current 7.65 percent discount rate is appropriate and the use of the municipal bond rate calculation is not deemed necessary. The long-term expected discount rate of 7.65 percent is applied to all plans in the Public Employees’ Retirement Fund (PERF). The cash flows used in the testing were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years. The stress test results are presented in a detailed report called “GASB Crossover Testing Report” that can be obtained at CalPERS website under the GASB 68 section.

**Note 11 – Pension Plans (Continued)**

**A. California Public Employees’ Retirement Plans (Continued)**

***Discount Rate (Continued)***

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, staff took into account both short-term and long-term market return expectations as well as the expected pension fund (PERF) cash flows. Taking into account historical returns of all the Public Employees Retirement Funds’ asset classes (which includes the agent plan and two cost-sharing plans or PERF A, B, and C funds), expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each PERF fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equal to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

The table below reflects long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. The target allocation shown was adopted by the Board effective on July 1, 2015.

<b>Asset Class</b>	<b>New Strategic Allocation</b>	<b>Real Return Years 1 - 10 (1)</b>	<b>Real Return Years 11+ (2)</b>
Global Equity	51.00%	5.25%	5.71%
Global Fixed Income	20.00	0.99	2.43
Inflation Sensitive	6.00	0.45	3.36
Private Equity	10.00	6.83	6.95
Real Estate	10.00	4.50	5.13
Infrastructure and Forestland	2.00	4.50	5.09
Liquidity	1.00	(0.55)	(1.05)

- (1) An expected inflation of 2.5% used for this period
- (2) An expected inflation of 3.0% used for this period

**CITY OF CHULA VISTA  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED JUNE 30, 2017**

**Note 11 – Pension Plans (Continued)**

**A. California Public Employees’ Retirement Plans (Continued)**

**Changes in the Net Pension Liability**

The following table shows the changes in net pension liability recognized over the measurement period.

	<b>Miscellaneous Plan</b>		
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability/(Assets) (c)=(a)-(b)
Balance at: 6/30/2015 (Valuation Date)	\$ 474,412,350	\$ 327,365,459	\$ 147,046,891
Changes Recognized for the Measurement Period:			
Service Cost	8,451,918	-	8,451,918
Interest on the Total Pension Liability	35,618,575	-	35,618,575
Difference between Expected and Actual Experience	(2,524,995)	-	(2,524,995)
Changes of Assumptions	-	-	-
Plan to Plan Resource Movement	-	-	-
Contribution from the Employer	-	12,461,946	(12,461,946)
Contributions from Employees	-	3,764,641	(3,764,641)
Net Investment Income	-	1,747,676	(1,747,676)
Benefit Payments including Refunds of Employee Contributions	(21,022,078)	(21,022,078)	-
Administrative Expense	-	(199,512)	199,512
Net Changes During 2015-16	<b>20,523,420</b>	<b>(3,247,327)</b>	<b>23,770,747</b>
Balance at: 6/30/2016 (Measurement Date)	<b>\$ 494,935,770</b>	<b>\$ 324,118,132</b>	<b>\$ 170,817,638</b>

	<b>Safety Plan</b>		
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability/(Assets) (c)=(a)-(b)
Balance at: 6/30/2015 (Valuation Date)	\$ 417,807,186	\$ 319,795,324	\$ 98,011,862
Changes Recognized for the Measurement Period:			
Service Cost	9,971,492	-	9,971,492
Interest on the Total Pension Liability	31,658,073	-	31,658,073
Difference between Expected and Actual Experience	768,421	-	768,421
Changes of Assumptions	-	-	-
Contribution from the Employer	-	10,971,712	(10,971,712)
Contributions from Employees	-	3,420,273	(3,420,273)
Net Investment Income	-	1,664,170	(1,664,170)
Benefit Payments including Refunds of Employee Contributions	(19,460,670)	(19,460,670)	-
Administrative Expense	-	(194,899)	194,899
Net Changes During 2015-16	<b>22,937,316</b>	<b>(3,599,414)</b>	<b>26,536,730</b>
Balance at: 6/30/2016 (Measurement Date)	<b>\$ 440,744,502</b>	<b>\$ 316,195,910</b>	<b>\$ 124,548,592</b>

CITY OF CHULA VISTA  
 NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
 YEAR ENDED JUNE 30, 2017

Note 11 – Pension Plans (Continued)

A. California Public Employees’ Retirement Plans (Continued)

*Sensitivity of the Net Pension Liability to Changes in the Discount Rates*

The following presents the net pension liability of the Plans as of the measurement date, calculated using the discount rate of 7.65 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (6.65 percent) or 1 percentage-point higher (8.65 percent) than the current rate:

	Discount Rate - 1% (6.65%)	Current Discount Rate (7.65%)	Discount Rate +1% (8.65%)
Miscellaneous Plan	\$ 237,410,364	\$ 170,817,638	\$ 115,785,876
Safety Plan	187,306,891	124,548,592	73,319,002
<b>TOTAL</b>	<b>\$ 424,717,255</b>	<b>\$ 295,366,230</b>	<b>\$ 189,104,878</b>

*Pension Plan Fiduciary Net Position*

Detailed information about the plans’ fiduciary net position is available in the separately issued CalPERS financial reports. See CalPERS website for additional information.

*Pension Expense and Deferred Outflows and Deferred Inflows of Resources Related to Pensions*

For the year ended June 30, 2017, the City of Chula Vista incurred a pension expense of \$14,641,403 and \$15,269,370 for the Miscellaneous and Safety Plans, respectively. At June 30, 2017, the City of Chula Vista has deferred outflows and deferred inflows of resources related to pensions as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
<b>Miscellaneous Plan</b>		
Pension contributions subsequent to measurement date	\$ 10,864,203	\$ -
Difference between Expected and Actual Experience	264,560	1,553,843
Changes of Assumptions	-	2,428,770
Net Difference between Projected and Actual Earnings on Pension Plan		
Investments	17,747,369	-
<b>Total</b>	<b>\$ 28,876,132</b>	<b>\$ 3,982,613</b>
<b>Safety Plan</b>		
Pension contributions subsequent to measurement date	\$ 14,965,975	\$ -
Difference between Expected and Actual Experience	880,059	-
Changes of Assumptions	-	4,558,149
Net Difference between Projected and Actual Earnings on Pension Plan		
Investments	17,400,765	-
<b>Total</b>	<b>\$ 33,246,799</b>	<b>\$ 4,558,149</b>
<b>Total All Plans</b>	<b>\$ 62,122,931</b>	<b>\$ 8,540,762</b>

**CITY OF CHULA VISTA  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED JUNE 30, 2017**

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**Note 11 – Pension Plans (Continued)**

**A. California Public Employees’ Retirement Plans (Continued)**

The \$10,864,203 and \$14,965,975 for the Miscellaneous and Safety Plan, respectively, reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2018. Other amounts reported as deferred outflows or deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Measurement Period ended	Miscellaneous		
	Plan	Safety Plan	Total
<b>June 30:</b>	<b>Deferred Outflows/(Inflows) of Resources</b>		
2017	\$ (591,635)	\$ 1,101,164	\$ 509,529
2018	1,961,037	1,101,165	3,062,202
2019	8,063,194	6,864,846	14,928,040
2020	4,596,720	4,655,500	9,252,220

**B. Defined Contribution Pension Plan**

The City provides pension plan benefits for all of its part-time hourly employees through a defined contribution plan (Public Agency Retirement Plan). In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. The plan is administered by Public Agency Retirement Services (PARS). All part-time employees are eligible to participate from the date of employment. Federal legislation requires contributions of at least 7.5% to a retirement plan, and City Council resolved to match the employees’ contributions of 3.75%. The City’s contributions for each employee (and interest earned by the accounts) are fully vested immediately. The authority to establish or amend the plan’s provisions resides with City Council.

For the year ended June 30, 2017, the City’s total hourly payroll (for eligible PARS members) and covered payroll was \$2,677,770. The City made employer contributions of \$100,416 (3.75% of current covered payroll), and employees contributed \$100,416 (3.75% of current covered payroll).

**C. Deferred Compensation 457B Plan**

The City offers to its employees an optional deferred compensation plan created in accordance with Section 457 of the Internal Revenue Code. This plan is available to substantially all employees and allows participants to defer a portion of their current income until future years, up to a maximum of \$18,000 (in whole dollars) per calendar year, so as to shelter such funds and earnings from state and federal taxation until withdrawal. The deferred compensation is not available to participants until termination, retirement, death, or unforeseeable emergency. This plan is administered through a third-party administrator. The City does not perform the investing function and has no fiduciary accountability for the plan. Thus, plan assets and any related liability to plan participants have been excluded from the City’s financial statements. At June 30, 2017, the balance in the plan was \$87,015,596.



**Note 12 – Post Retirement Health Benefits**

***Plan Description***

The City provides a Retiree Healthcare Plan, a single employer defined benefit plan, which allows eligible retirees to purchase healthcare coverage under the City's medical plan. Retirees pay 100% of the premiums. Retirees not eligible for Medicare pay the same healthcare premiums as active employees, even though retiree's healthcare costs are greater than that of active employees. This results in an implied subsidy of retiree's healthcare costs by the City. In fiscal year 2012, the City entered into an agreement with various bargaining groups eliminating the subsidized retiree health care rates for employees hired under the Second Tier CalPERS Retirement Plan. The City subsequently established a third tier for employee benefits – employees hired in this tier are not eligible for this benefit.

The postemployment benefit is a single-employer plan. The plan has not been audited and therefore, there is no audited GAAP-basis postemployment benefit plan report available.

***Eligibility***

Tier 1 employees are eligible for retiree health benefits if they retire from the City on or after age 50 (unless disabled) and are eligible for PERS pension. The benefits are available only to employees who retired from the City. Membership of the plan consisted of the following at June 30, 2017:

	<u>Police</u>	<u>Fire</u>	<u>Miscellaneous</u>	<u>Total</u>
Eligible active employee	135	97	388	620
Enrolled eligible retirees	37	16	184	237

The information above does not reflect eligible retirees that are in the process of enrolling in the healthcare plan.

***Funding Policy***

The City offers an implied subsidy benefit paid from the City's general fund. The City's contribution is based on pay-as-you-go. Tier 1 retirees pay 100% of their individual (subsidized) premium. Retirees under Tier 2 and Tier 3 will pay 100% of the unsubsidized (unblended) health care premiums.

***Annual OPEB Cost and Net OPEB Obligation***

The City's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution ("ARC") of the employer, an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) not to exceed thirty years.

The following table shows the components of the City's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the City's net OPEB obligation:

**CITY OF CHULA VISTA  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED JUNE 30, 2017**

**Note 12 – Post Retirement Health Benefits (Continued)**

***Annual OPEB Cost and Net OPEB Obligation (Continued)***

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Annual required contribution	\$ 2,100,893	\$ 2,039,000	\$ 1,920,000
Interest on net OPEB obligation	331,030	337,000	295,000
Adjustment to the annual required contribution	<u>(831,892)</u>	<u>(912,000)</u>	<u>(767,000)</u>
Annual OPEB cost	1,600,031	1,464,000	1,448,000
Contribution made	<u>(496,440)</u>	<u>(434,000)</u>	<u>(389,000)</u>
Increase in net OPEB liability	1,103,591	1,030,000	1,059,000
Net OPEB liability, beginning of the year	<u>9,458,000</u>	<u>8,428,000</u>	<u>7,369,000</u>
Net OPEB liability, end of the year	<u>\$ 10,561,591</u>	<u>\$ 9,458,000</u>	<u>\$ 8,428,000</u>

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2015, 2016 and 2017 were as follows:

<u>Fiscal Year</u>	<u>Annual OPEB Cost</u>	<u>Actual Contributions</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
2014-2015	1,448,000	389,000	27%	8,428,000
2015-2016	1,464,000	434,000	30%	9,458,000
2016-2017	1,600,031	496,440	31%	10,561,591

***Funded Status and Funding Progress***

As of June 30, 2017, the most recent actuarial valuation date, the plan was not funded in its initial year of implementation. The actuarial accrued liability for benefits was \$17,269,108, and the actuarial value of assets was \$0, resulting in an unfunded actuarial liability (“UAAL”) of \$17,269,108 and a funded ratio (actuarial value of assets as a percentage of the actuarial liability) of 0%.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about the future employment, mortality and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for the benefits.

**CITY OF CHULA VISTA  
 NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
 YEAR ENDED JUNE 30, 2017**

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**Note 12 – Post Retirement Health Benefits (Continued)**

*Actuarial Methods and Assumptions*

Projections of benefits for financial reporting purpose are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefits costs between employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial liabilities and the actuarial assets, consistent with the long-term perspective of the calculations.

The June 30, 2017 valuation used the entry age normal actuarial cost method. The actuarial assumptions included a 3.50% investment rate of return the four initial trend rates for medical cost are 7.00%, 6.50%, 6.005, and 5.50% to an ultimate rate of 3.94% after 56 years.

*Most Recent Actuarial Study – Schedule of Funding Progress*

<u>Actuarial Valuation Date</u>	<u>Actuarial Assets Value</u>	<u>Entry Age Actuarial Accrued Liability</u>	<u>Unfunded Actuarial Accrued Liability</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>Unfunded Actuarial Liability as Percentage of Covered Payroll</u>
6/30/2017	\$ -	\$17,269,108	\$(17,269,108)	0.00%	\$50,776,906	34%

**Note 13 – Pollution Remediation Obligations**

The City is required to estimate the components of expected pollution remediation outlays and determine whether outlays for those components should be accrued as a liabilities or, if appropriate, capitalized when goods and services are acquired if one of the following five specified obligating events occurs:

- The City is compelled to take pollution remediation action because of an imminent endangerment;
- The City violates a pollution prevention-related permit or license;
- The City is named, or evidence indicates that it will be named, by a regulator as a responsible party or potentially responsible party for remediation, or as a government responsible for sharing costs;
- The City is named, or evidence indicates that it will be named, in a lawsuit to compel participation in pollution remediation;
- The City commences or legally obligates itself to commence pollution remediation.

At June 30, 2016, the City identified the following sites which met one of the above obligating events:

*Corp Yard*

The estimate installation costs of groundwater monitoring wells and monitoring activity was approximately \$150,000. This estimate is based on the installation of additional ground water monitoring wells and about five years to get the site closed with the cost of \$20,000 per year in testing and reporting and about \$10,000 a year in staff time. This estimate was subject to the test result or changes in applicable laws or regulations. The intent was to monitor for natural attenuation, however, the City believed that after another round of monitoring, the site will be closed.

The City secured a pollution and remediation legal liability insurance to cover pollution and remediation legal liability, legal defense expense and contingent transportation coverage in the amount of \$10,000,000 per occurrence up to \$50,000,000 in aggregate liability with a self-insured retention amount of \$100,000 per occurrence. As of June 30, 2017, the City was relieved of this pollution remediation obligation.

**CITY OF CHULA VISTA  
 NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
 YEAR ENDED JUNE 30, 2017**

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**Note 14 – Commitments and Contingencies**

***Litigation***

The City is presently involved in certain matters of litigation that have risen in the normal course of conducting City business. City management believes, based upon consultation with the City Attorney, that these cases, in the aggregate, are not expected to result in a material adverse financial impact on the City. Additionally, City management believes that the City’s insurance programs are sufficient to cover any potential losses should an unfavorable outcome materialize.

***Grants***

The City participates in a number of federally assisted grant programs, including those from the U.S. Department of Housing and Urban Development, U.S. Department of Justice, U.S. Department of Treasury, U.S. Department of Transportation, and the U.S. Department of Education. Receipts from these grant programs are subject to audit to determine if the monies were expended in accordance with appropriate statutes, grant terms and regulations. The City believes no significant liabilities will result on this audit.

***Construction Commitments***

The following material construction commitments existed at June 30, 2017:

Project Name	Contract Amount	Expenditures to date as of June 30, 2017	Remaining Commitments
Storm Drain Rehabilitation	\$ 1,094,999	\$ 102,523	\$ 992,476
Phase 2 Willow Street Bridge Replacement	15,186,666	2,144,978	13,041,688
Major Pavement Rehabilitation FY16/17	2,367,445	-	2,367,445

***Encumbrances***

At June 30, 2017, there were encumbrances of \$8,207,041 in the major funds, and \$13,513,820 in the non-major funds.

***City Loan to Successor Agency***

The General Fund has loaned a cumulative amount of \$9,885,147 including interest to the Successor Agency for unreimbursed services rendered by City staff. It is anticipated that the Agency will repay this loan from Redevelopment Property Tax Trust Fund distributions. Currently, Redevelopment Property Tax Trust Fund distributions are used to pay for related debt service expenditures and possible future debt issuance. As a result, the Successor Agency is uncertain if the amount will be repaid to the City’s General Fund. Accordingly, this contingent payable has not been reported in the accompanying basic financial statements. The Agency will record the contingent payable when payment is assured.

**CITY OF CHULA VISTA  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED JUNE 30, 2017**

**Note 14 – Commitments and Contingencies (Continued)**

**Successor Agency – Long Range Property Management Plan**

The City, acting as the Successor Agency to the Chula Vista Redevelopment Agency, prepared a Long Range Property Management Plan (LRPMP) in compliance with AB 1484. The Successor Agency Oversight Board reviewed and approved the LRPMP on May 12, 2014, and submitted it to the California Department of Finance for review on May 27, 2014. The Department of Finance approved the LRPMP in their July 15, 2014, determination letter.

**Note 15 – Classification of Fund Balances**

	Major Funds								Total	
	General Fund	Sundry Grants Special Revenue Fund	Housing Successor Agency Fund	City Debt Service Fund	Public Financing Authority	Municipal Financing Authority	Development Impact Fund	Park Acquisition Development Fund		Other Governmental Funds
<b>Nonspendable</b>										
Prepaid items	\$ 44,248	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 44,248
Due from Successor Agency of Chula Vista RDA	5,834,630	-	-	-	-	-	-	-	-	5,834,630
Advances to other funds	1,489,995	-	-	-	-	-	-	-	-	1,489,995
<b>Total nonspendable</b>	<b>7,368,873</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7,368,873</b>
<b>Restricted</b>										
Local law enforcement	-	602,299	-	-	-	-	-	-	-	602,299
Asset forfeiture	-	227,726	-	-	-	-	-	-	-	227,726
Library services	-	23,916	-	-	-	-	-	-	-	23,916
HOME Program	-	1,019,873	-	-	-	-	-	-	-	1,019,873
Energy conservation	-	(352,261)	-	-	-	-	-	-	-	(352,261)
Cultural arts	-	12,028	-	-	-	-	-	-	-	12,028
CDBG Home Programs	-	560,088	-	-	-	-	-	-	-	560,088
Environmental services	-	724,322	-	-	-	-	-	-	-	724,322
Waste management, recycling and environ. grants	-	36,933	-	-	-	-	-	-	-	36,933
Community and housing development	-	17,863	9,864,729	-	-	-	-	-	637,596	10,520,188
American Recovery and Reinvestment Act 2009	-	117,092	-	-	-	-	-	-	-	117,092
Public facilities	-	-	-	-	-	-	7,117,572	-	-	7,117,572
Emergency shelter	-	2,994	-	-	-	-	-	-	-	2,994
Transportation improvements	-	-	-	-	-	-	25,089,349	-	4,363,851	29,453,200
Telegraph Canyon drainage	-	-	-	-	-	-	4,113,574	-	-	4,113,574
East Urban Cener millenia Ped Bridge DIF	-	-	-	-	-	-	4,509,259	-	-	4,509,259
Park acquisitions and development	-	-	-	-	-	-	-	43,016,921	-	43,016,921
Parking meter services	-	-	-	-	-	-	-	-	1,416,304	1,416,304
Public Educational & Govt. Fee	-	-	-	-	-	-	-	-	1,588,835	1,588,835
Traffic signal and safety	-	-	-	-	-	-	-	-	2,278,686	2,278,686
Storm drain	-	-	-	-	-	-	-	-	402,831	402,831
Open space maintenance	-	-	-	-	-	-	-	-	17,496,571	17,496,571
Telecom Utility Tax	-	-	-	-	-	-	-	-	262,221	262,221
Mobilehome Admin Fee	-	-	-	-	-	-	-	-	187,218	187,218
Assessment districts improvement	-	-	-	-	-	-	-	-	2,487,620	2,487,620
Town Center I	-	-	-	-	-	-	-	-	52,625	52,625
OR V2 Pub Benefit Contribution	-	-	-	-	-	-	-	-	210,842	210,842
<b>Total restricted</b>	<b>-</b>	<b>2,992,873</b>	<b>9,864,729</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>40,829,754</b>	<b>43,016,921</b>	<b>31,385,200</b>	<b>128,089,477</b>
<b>Committed</b>										
Economic contingency	3,600,000	-	-	-	-	-	-	-	-	3,600,000
Capital projects	1,775,607	-	-	-	-	-	-	-	-	1,775,607
San Diego Authority for Freeway Emergencies	557,993	-	-	-	-	-	-	-	-	557,993
Legal Council	5,000	-	-	-	-	-	-	-	-	5,000
Debt service	-	-	-	-	6,238,508	24,893	-	-	345,095	6,608,496
<b>Total committed</b>	<b>5,938,600</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6,238,508</b>	<b>24,893</b>	<b>-</b>	<b>-</b>	<b>345,095</b>	<b>12,547,096</b>
<b>Assigned</b>										
Boards & Commissions	-	-	-	-	-	-	-	-	-	-
City Clerk	75,000	-	-	-	-	-	-	-	-	75,000
City Attorney	74,559	-	-	-	-	-	-	-	-	74,559
City Administration	15,000	-	-	-	-	-	-	-	-	15,000
Information Technology Services Department	94,670	-	-	-	-	-	-	-	-	94,670
Human Resources	40,000	-	-	-	-	-	-	-	-	40,000
Finance Department	28,700	-	-	-	-	-	-	-	-	28,700
Non-Departmental	4,385,705	-	-	-	-	-	-	-	-	4,385,705
Animal Care Services	7,035	-	-	-	-	-	-	-	-	7,035
Community Development Department	207,035	-	-	-	-	-	-	-	-	207,035
Police Department	204,177	-	-	-	-	-	-	-	-	204,177
Fire Department	830,098	-	-	-	-	-	-	-	-	830,098
Public Works Department	237,560	-	-	-	-	-	-	-	-	237,560
Recreation Department	73,895	-	-	-	-	-	-	-	-	73,895
Library	8,000	-	-	-	-	-	-	-	-	8,000
Public liability	996,606	-	-	-	-	-	-	-	-	996,606
Measure P Sales Tax	1,248,299	-	-	-	-	-	-	-	-	1,248,299
<b>Total assigned</b>	<b>8,526,339</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>8,526,339</b>
<b>Unassigned</b>	<b>20,015,153</b>	<b>-</b>	<b>-</b>	<b>(18,966,412)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(422,149)</b>	<b>626,592</b>
<b>Total fund balances</b>	<b>\$ 41,848,965</b>	<b>\$ 2,992,873</b>	<b>\$ 9,864,729</b>	<b>\$ (18,966,412)</b>	<b>\$ 6,238,508</b>	<b>\$ 24,893</b>	<b>\$ 40,829,754</b>	<b>\$ 43,016,921</b>	<b>\$ 31,308,146</b>	<b>\$ 157,158,377</b>

**CITY OF CHULA VISTA  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED JUNE 30, 2017**

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**Note 16 – Prior Period Adjustments**

The City recorded prior period adjustments of fund balances and net position during the current year due to the following:

*Transit Fund* – In fiscal year 2015-16, the City accrued a receivable and revenue in the amount of \$42,412 for funds that were never received.

*Fleet Management Fund* – In fiscal year 2015-16, the City expensed costs in the amount of \$90,483 that should have been capitalized.

*Successor Agency of the Former Chula Vista RDA* – In fiscal year 2013-14, the Successor Agency sold two land parcels in exchange for cash. The land was not disposed of in the accounting records until fiscal year 2016-17 and the loss on disposal was never recorded, resulting in a restatement of \$1,448,110.

*Governmental Activities* – In fiscal year 2016-17, the City learned it was the rightful owner of several land parcels which were not previously recorded in its records. A land appraisal was performed, and for the land parcels with material appraised values, the City deflated these values using the S&P Case Shiller San Diego Home Price Index 1/1987 – 7/2017. The acquisition date used to determine the appropriate index was obtained based on all information available to the City. As a result net position of governmental activities was restated in the amount of \$359,893,672.

**Note 17 – Subsequent Events**

In August 2016, the City entered into a capital lease agreement with JP Morgan Chase Bank, N.A. for the acquisition of one Pierce Fire Engine. The equipment has not yet been delivered as of June 30, 2017. The lease term is ten years and the lease amount is \$1,229,470 to be paid in annual installments beginning in August 2017.

In July 2017, the Chula Vista Municipal Financing Authority approved the issuance of the 2017 Lease Revenue Bonds. The bonds were issued to finance infrastructure, facilities and equipment and to pay the costs of the issuance of the bonds.

In December 2017, the Chula Vista Municipal Financing Authority approved the issuance of the Lease Revenue Bonds Series 2017A and. The bonds were issued to finance photovoltaic energy systems at various City facilities, capitalize interest on the Bonds and pay costs incurred in connection with the issuance of the Bonds.

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# REQUIRED SUPPLEMENTARY INFORMATION

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CITY OF CHULA VISTA

**BUDGETARY COMPARISON SCHEDULE BY DEPARTMENT  
GENERAL FUND  
YEAR ENDED JUNE 30, 2017**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 37,392,657	\$ 37,392,657	\$ 37,392,657	\$ -
<b>Resources (Inflows):</b>				
Taxes	108,557,059	111,757,059	113,405,092	1,648,033
Licenses and permits	1,321,085	1,321,085	1,266,885	(54,200)
Intergovernmental	1,828,662	1,871,423	1,936,757	65,334
Charges for services	8,632,155	9,006,427	10,317,929	1,311,502
Use of money and property	2,731,601	2,731,862	2,607,245	(124,617)
Fines and forfeitures	1,020,700	1,160,700	1,123,010	(37,690)
Miscellaneous	10,700,717	18,947,063	19,616,239	669,176
Transfers in	12,457,171	15,385,567	10,166,928	(5,218,639)
Capital leases	1,285,053	1,619,632	1,285,053	(334,579)
<b>Amounts Available for Appropriations</b>	<b>185,926,860</b>	<b>201,193,475</b>	<b>199,117,795</b>	<b>(2,075,680)</b>
<b>Charges to Appropriation (Outflow):</b>				
Current				
City council	1,567,718	1,553,069	1,431,869	121,200
City clerk	1,050,570	1,105,043	925,500	179,543
City attorney	2,975,762	3,039,784	2,823,503	216,281
Administration	2,023,495	2,076,854	2,050,141	26,713
Information technology	3,864,353	3,944,792	3,640,339	304,453
Human resources	3,623,061	7,407,297	6,835,947	571,350
Finance	3,644,748	3,615,605	3,439,434	176,171
Non-departmental	2,065,295	7,349,241	4,694,246	2,654,995
Board and commissions	10,179	19,179	14,662	4,517
Building and planning	2,671,459	2,655,012	2,310,753	344,259
Public safety				
Police	50,003,989	50,640,648	50,246,837	393,811
Fire	27,653,366	29,674,962	28,680,972	993,990
Community development				
Community Development	1,949,298	2,239,007	1,904,761	334,246
Parks and recreation				
Parks and recreation	4,298,513	4,454,128	4,243,609	210,519
Public works				
Public Works	28,849,452	31,378,497	30,693,625	684,872
Library				
Library	3,907,686	3,887,825	3,868,100	19,725
Capital outlay	1,828,501	4,806,439	2,438,848	2,367,591
Transfers out	7,012,810	12,067,052	7,025,684	5,041,368
<b>Total Charges to Appropriations</b>	<b>149,000,255</b>	<b>171,914,434</b>	<b>157,268,830</b>	<b>14,645,604</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 36,926,605</b>	<b>\$ 29,279,041</b>	<b>\$ 41,848,965</b>	<b>\$ 12,569,924</b>

CITY OF CHULA VISTA

**BUDGETARY COMPARISON SCHEDULE BY DEPARTMENT  
SUNDRY GRANTS  
YEAR ENDED JUNE 30, 2017**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 4,308,918	\$ 4,308,918	\$ 4,308,918	\$ -
<b>Resources (Inflows):</b>				
Intergovernmental	12,286,516	14,926,472	12,683,120	(2,243,352)
Charges for services	1,262,279	1,262,279	1,191,788	(70,491)
Use of money and property	99,000	99,000	103,625	4,625
Miscellaneous	326,769	335,974	676,290	340,316
Transfers in	198,347	282,982	213,356	(69,626)
<b>Amounts Available for Appropriations</b>	<b>18,481,829</b>	<b>21,215,625</b>	<b>19,177,097</b>	<b>(2,038,528)</b>
<b>Charges to Appropriation (Outflow):</b>				
Current				
Administration	142,400	147,400	242,270	(94,870)
Non-departmental	1,488,522	4,259,501	1,411,106	2,848,395
Police	8,115,257	10,081,902	8,330,598	1,751,304
Parks and recreation	1,600	1,600	1,500	100
Public Works	3,883,224	4,008,516	2,665,151	1,343,365
Library	78,754	1,018,318	853,020	165,298
Capital outlay	870,802	1,892,805	1,791,255	101,550
Transfers out	904,130	942,730	889,324	53,406
<b>Total Charges to Appropriations</b>	<b>15,484,689</b>	<b>22,352,772</b>	<b>16,184,224</b>	<b>6,168,548</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 2,997,140</b>	<b>\$ (1,137,147)</b>	<b>\$ 2,992,873</b>	<b>\$ 4,130,020</b>

CITY OF CHULA VISTA

**BUDGETARY COMPARISON SCHEDULE BY DEPARTMENT  
HOUSING SUCCESSOR AGENCY  
YEAR ENDED JUNE 30, 2017**

	<b>Budget Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
Budgetary Fund Balance, July 1	\$ 8,809,650	\$ 8,809,650	\$ 8,809,650	\$ -
<b>Resources (Inflows):</b>				
Use of money and property	15,000	15,000	480,399	465,399
Miscellaneous	-	-	700,573	700,573
Transfers in	963,931	963,931	-	(963,931)
<b>Amounts Available for Appropriations</b>	<b>9,788,581</b>	<b>9,788,581</b>	<b>9,990,622</b>	<b>202,041</b>
<b>Charges to Appropriation (Outflow):</b>				
Current				
Housing	3,630,064	3,630,064	125,893	3,504,171
<b>Total Charges to Appropriations</b>	<b>3,630,064</b>	<b>3,630,064</b>	<b>125,893</b>	<b>3,504,171</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 6,158,517</b>	<b>\$ 6,158,517</b>	<b>\$ 9,864,729</b>	<b>\$ 3,706,212</b>

## CITY OF CHULA VISTA

**MISCELLANEOUS PLAN  
 SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS  
 AS OF JUNE 30, FOR THE LAST TEN FISCAL YEARS (1)**

	<u>2015</u>	<u>2016</u>	<u>2017</u>
<b>TOTAL PENSION LIABILITY</b>			
Service Cost	\$ 8,696,183	\$ 8,570,421	\$ 8,451,918
Interest	32,359,841	34,103,210	35,618,575
Difference Between expected and Actual Experience	-	925,960	(2,524,995)
Changes in Assumptions	-	(8,500,698)	-
Benefit Payments, Including Refunds of employee Contributions	(18,639,387)	(19,539,333)	(21,022,078)
<b>Net Change in Total Pension Liability</b>	<b>\$ 22,416,637</b>	<b>\$ 15,559,560</b>	<b>\$ 20,523,420</b>
<b>Total Pension Liability - Beginning</b>	<b>436,436,153</b>	<b>458,852,790</b>	<b>474,412,350</b>
<b>Total Pension Liability - Ending (a)</b>	<b>\$ 458,852,790</b>	<b>\$ 474,412,350</b>	<b>\$ 494,935,770</b>
<b>PLAN FIDUCIARY NET POSITION</b>			
Contribution - Employer	\$ 9,134,182	\$ 13,499,144	\$ 12,461,946
Contribution - Employee	4,555,300	3,679,749	3,764,641
Plan to Plan Resource Movement	-	5,268	-
Net Investment Income	48,303,496	7,195,063	1,747,676
Benefit Payments, Including Refunds of Employee Contributions	(18,639,387)	(19,539,333)	(21,022,078)
Administrative Expense	-	(368,694)	(199,512)
<b>Net Change in Fiduciary Net Position</b>	<b>\$ 43,353,591</b>	<b>\$ 4,471,197</b>	<b>\$ (3,247,327)</b>
<b>Plan Fiduciary Net Position - Beginning</b>	<b>279,540,671</b>	<b>322,894,262</b>	<b>327,365,459</b>
<b>Plan Fiduciary Net Position - Ending (b)</b>	<b>\$ 322,894,262</b>	<b>\$ 327,365,459</b>	<b>\$ 324,118,132</b>
<b>Plan Net Pension Liability/(Assets) - Ending (a) - (b)</b>	<b>\$ 135,958,528</b>	<b>\$ 147,046,891</b>	<b>\$ 170,817,638</b>
<b>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</b>	<b>70.37%</b>	<b>69.00%</b>	<b>65.49%</b>
<b>Covered-Employee Payroll</b>	<b>\$ 42,760,249</b>	<b>\$ 44,135,521</b>	<b>\$ 45,990,463</b>
<b>Plan Net Pension Liability/(Asset) as a Percentage of Covered-Employee Payroll</b>	<b>317.96%</b>	<b>333.17%</b>	<b>371.42%</b>

(1) Historical information is required only for measurement for which GASB 68 is applicable. Fiscal Year 2015 was the first year of implementation, therefore only three years are shown.

**Notes to Schedule:**

Benefit Changes: The figures above do not include any liability impact that may have resulted from plan changes which occurred after June 30, 2015. This applies to voluntary benefit changes as well as any offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes).

Changes of Assumptions: In 2016, there were no changes. In 2015, amounts reported reflect an adjustment of the discount rate from 7.5 percent (net of administrative expense) to 7.65 percent (without a reduction for pension plan administrative expense.) In 2014, amount reported were based on the 7.5 percent discount rate.

CITY OF CHULA VISTA

MISCELLANEOUS PLAN  
 SCHEDULE OF PLAN CONTRIBUTIONS  
 AS OF JUNE 30, FOR THE LAST TEN FISCAL YEARS (1)

	2015	2016	2017
Actuarially Determined Contribution	\$ 9,637,382	\$ 10,214,678	\$ 10,864,203
Contribution in Relation to the Actuarially Determined Contribution	(9,637,382)	(10,214,678)	(10,864,203)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -
Covered-Employee Payroll	\$ 44,135,521	\$ 45,990,463	\$ 44,435,640
Contributions as a Percentage of Covered-Employee Payroll	21.84%	22.21%	24.45%

(1) Historical information is required only for measurement for which GASB 68 is applicable. FY 2014/15 was the first year of implementation, therefore only three years are shown.

**Note to Schedule:**

Valuation Date:

June 30, 2014

Methods and assumptions used to determine contribution rates:

Actuarial cost method  
 Amortization method/period  
 Inflation  
 Salary Increases  
 Payroll Growth  
 Investment rate of return  
 Retirement age

Entry age normal cost method  
 Level percentage of payroll, closed  
 2.75%  
 3.30% to 14.20%  
 3.00%  
 7.65% net of pension investment and  
 The probabilities of retirement are based on the 2010 CalPERS  
 Experience Study for the period from 1997 to 2007.  
 The probabilities of mortality are based on the 2010 CalPERS  
 Experience Study for the period from 1997 to 2007. Pre-retirement  
 and post-retirement mortality rates include 5 years of projected  
 mortality improvement using Scale AA published by the Society of  
 Actuaries.

Mortality

CITY OF CHULA VISTA

**SAFETY PLAN  
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS  
AS OF JUNE 30, FOR THE LAST TEN FISCAL YEARS (1)**

MEASUREMENT PERIOD	2015	2016	2017
<b>TOTAL PENSION LIABILITY</b>			
Service Cost	\$ 10,220,233	\$ 9,646,806	\$ 9,971,492
Interest	28,334,465	29,979,452	31,658,073
Difference Between expected and Actual Experience	-	460,215	37,817,316
Changes in Assumptions	-	(7,813,969)	-
Benefit Payments, Including Refunds of employee Contributions	(15,869,862)	(17,767,853)	(19,460,670)
<b>Net Change in Total Pension Liability</b>	<b>22,684,836</b>	<b>14,504,651</b>	<b>59,986,211</b>
<b>Total Pension Liability - Beginning</b>	<b>380,617,699</b>	<b>403,302,535</b>	<b>417,807,186</b>
<b>Total Pension Liability - Ending (a)</b>	<b>\$ 403,302,535</b>	<b>\$ 417,807,186</b>	<b>\$ 477,793,397</b>
<b>PLAN FIDUCIARY NET POSITION</b>			
Contribution - Employer	\$ 11,684,174	\$ 7,555,357	\$ 10,971,712
Contribution - Employee	3,157,921	3,230,989	3,420,273
Net Investment Income	47,649,285	6,999,744	1,664,170
Benefit Payments, Including Refunds of Employee Contributions	(15,869,862)	(17,767,853)	(19,460,670)
Administrative Expense	-	(359,830)	(194,899)
<b>Net Change in Fiduciary Net Position</b>	<b>46,621,518</b>	<b>(341,593)</b>	<b>(3,599,414)</b>
<b>Plan Fiduciary Net Position - Beginning</b>	<b>273,515,399</b>	<b>320,136,917</b>	<b>319,795,324</b>
<b>Plan Fiduciary Net Position - Ending (b)</b>	<b>\$ 320,136,917</b>	<b>\$ 319,795,324</b>	<b>\$ 316,195,910</b>
<b>Plan Net Pension Liability/(Assets) - Ending (a) - (b)</b>	<b>\$ 83,165,618</b>	<b>\$ 98,011,862</b>	<b>\$ 161,597,487</b>
<b>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</b>	<b>79.38%</b>	<b>76.54%</b>	<b>66.18%</b>
<b>Covered-Employee Payroll</b>	<b>\$ 34,243,101</b>	<b>\$ 34,117,846</b>	<b>\$ 37,174,663</b>
<b>Plan Net Pension Liability/(Asset) as a Percentage of Covered-Employee Payroll</b>	<b>242.87%</b>	<b>287.27%</b>	<b>434.70%</b>

(1) Historical information is required only for measurement for which GASB 68 is applicable. Fiscal Year 2015 was the first year of implementation, therefore only three years are shown.

**Notes to Schedule:**

Benefit Changes: The figures above do not include any liability impact that may have resulted from plan changes which occurred after June 30, 2015. This applies to voluntary benefit changes as well as any offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes).

Changes of Assumptions: In 2016, there were no changes. In 2015, amounts reported reflect an adjustment of the discount rate from 7.5 percent (net of administrative expense) to 7.65 percent (without a reduction for pension plan administrative expense.) In 2014, amount reported were based on the 7.5 percent discount rate.

**CITY OF CHULA VISTA**

**SAFETY PLAN  
SCHEDULE OF PLAN CONTRIBUTIONS  
AS OF JUNE 30, FOR THE LAST TEN FISCAL YEARS (1)**

	<u>2015</u>	<u>2016</u>	<u>2017</u>
Actuarially Determined Contribution	\$ 12,553,815	\$ 13,859,572	\$ 14,965,975
Contribution in Relation to the Actuarially Determined Contribution	(12,553,815)	(13,859,572)	(14,965,975)
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered-Employee Payroll	\$ 34,117,846	\$ 37,174,663	\$ 37,817,316
Contributions as a Percentage of Covered-Employee Payroll	36.80%	37.28%	39.57%

(1) Historical information is required only for measurement for which GASB 68 is applicable. FY 2014/15 was the first year of implementation, therefore only three years are shown.

**Note to Schedule:**

Valuation Date:

June 30, 2014

Methods and assumptions used to determine contribution rates:

Actuarial cost method  
Amortization method/period  
Inflation  
Salary Increases  
Payroll Growth  
Investment rate of return  
Retirement age

Entry age normal cost method  
Level percentage of payroll, closed  
2.75%  
3.30% to 14.20%  
3.00%  
7.65% net of pension investment and  
The probabilities of retirement are based on the 2010 CalPERS  
Experience Study for the period from 1997 to 2007.

Mortality

The probabilities of mortality are based on the 2010 CalPERS  
Experience Study for the period from 1997 to 2007. Pre-retirement  
and post-retirement mortality rates include 5 years of projected  
mortality improvement using Scale AA published by the Society of  
Actuaries.



CITY OF CHULA VISTA

REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF FUNDING PROGRESS  
 YEAR ENDED JUNE 30, 2017

*Other Post Employment Benefits - Schedule of Funding Progress*

<b>Actuarial Valuation Date</b>	<b>Actuarial Assets Value</b>	<b>Entry Age Actuarial Accrued Liability</b>	<b>Unfunded Actuarial Accrued Liability</b>	<b>Funded Ratio</b>	<b>Covered Payroll</b>	<b>Unfunded Actuarial Liability as Percentage of Covered Payroll</b>
6/30/2009	\$ -	\$ 11,885,000	\$ (11,885,000)	0.00%	\$ 69,087,000	-17.20%
6/30/2011	-	13,617,000	(13,617,000)	0.00%	73,651,000	-18.49%
6/30/2013	-	13,081,000	(13,081,000)	0.00%	62,923,000	-20.79%
6/30/2014	-	12,877,000	(12,877,000)	0.00%	58,224,000	-22.12%
6/30/2017	-	17,269,108	(17,269,108)	0.00%	50,776,906	-34.01%

**CITY OF CHULA VISTA**

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
YEAR ENDED JUNE 30, 2017**

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**1. BUDGETARY INFORMATION**

An annual budget is adopted by the City Council prior to the first day of the fiscal year. The budget process includes submittal of each department's budget request for the next fiscal year, a detailed review of each department's proposed budget by the City Manager, and a final City Manager recommended budget transmitted to the City Council for its review before the required date of adoption. Once transmitted to the City Council, the proposed budget is made available for public inspection. A public hearing is held to give the public the opportunity to comment upon the proposed budget. Notice of such public hearing is published in a newspaper of general circulation.

The adoption of the budget is accomplished by the approval of a Budget Resolution. The legal level of budgetary control is at the expenditure function level. Any budget modification, which would result in an appropriation increase, requires City Council approval. The City Manager is authorized to transfer appropriations up to \$15,000 within a departmental budget. Any appropriation transfers between departments or greater than \$15,000 require City Council approval.

Reported budget figures are as originally adopted or subsequently amended plus prior year continuing appropriations. Such budget amendments during the year, including those related to supplemental appropriations, did not cause these reported budget amounts to be significantly different than the originally adopted budget amounts. All appropriations which are not obligated, encumbered or expended at the end of the fiscal year lapse and become a part of the unreserved fund balance which may be appropriated for the next fiscal year.

An annual budget for the year ended June 30, 2017, was adopted and approved by City Council for the general, special revenue, capital project and debt service funds except for the Developer Deposit and V2 Pub Benefit Contribution Special Revenue funds, and the Industrial Development Authority Capital Project fund. These budgets are prepared on the modified accrual basis of accounting.

Expenditures for the year ended June 30, 2017, exceeded appropriations of the General and Major Special Revenue as follows:

<u>Fund</u>	<u>Expenditures</u>	<u>Appropriations</u>	<u>Excess</u>
Sundry Grants Fund:			
Administration	\$ 242,270	\$ 147,400	\$ (94,870)



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# SUPPLEMENTARY INFORMATION

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CITY OF CHULA VISTA

COMBINING BALANCE SHEET  
 NON-MAJOR GOVERNMENTAL FUNDS  
 JUNE 30, 2017

	<u>Special Revenue Funds</u>				
	<u>Transportation Grants</u>	<u>Parking Meter</u>	<u>Traffic Safety</u>	<u>Traffic Signal</u>	<u>Storm Drain</u>
<b>Assets:</b>					
Pooled cash and investments	\$ 1,987,691	\$ 1,469,234	\$ 162,159	\$ 2,085,566	\$ 370,203
Receivables:					
Accounts	-	28,720	42,004	-	71,185
Taxes	-	-	-	-	-
Accrued interest	-	-	-	-	-
Deferred loans	-	-	-	-	-
Allowance for uncollectible deferred loans	-	-	-	-	-
Due from other governments	-	-	-	-	-
<b>Total Assets</b>	<b><u>\$ 1,987,691</u></b>	<b><u>\$ 1,497,954</u></b>	<b><u>\$ 204,163</u></b>	<b><u>\$ 2,085,566</u></b>	<b><u>\$ 441,388</u></b>
<b>Liabilities and Fund Balances:</b>					
<b>Liabilities:</b>					
Accounts payable	\$ 62,652	\$ 81,650	\$ 2,431	\$ 8,612	\$ 38,557
Accrued liabilities	-	-	-	-	-
Unearned revenues	-	-	-	-	-
Retentions payable	117,725	-	-	-	-
Due to other funds	-	-	-	-	-
<b>Total Liabilities</b>	<b><u>180,377</u></b>	<b><u>81,650</u></b>	<b><u>2,431</u></b>	<b><u>8,612</u></b>	<b><u>38,557</u></b>
<b>Fund Balances:</b>					
<b>Restricted for:</b>					
Community development projects	1,807,314	-	-	-	-
Public safety	-	1,416,304	201,732	2,076,954	-
Parks and recreation	-	-	-	-	-
Capital Projects	-	-	-	-	402,831
<b>Committed to:</b>					
Debt service	-	-	-	-	-
<b>Unassigned</b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>
<b>Total Fund Balances</b>	<b><u>1,807,314</u></b>	<b><u>1,416,304</u></b>	<b><u>201,732</u></b>	<b><u>2,076,954</u></b>	<b><u>402,831</u></b>
<b>Total Liabilities and Fund Balances</b>	<b><u>\$ 1,987,691</u></b>	<b><u>\$ 1,497,954</u></b>	<b><u>\$ 204,163</u></b>	<b><u>\$ 2,085,566</u></b>	<b><u>\$ 441,388</u></b>

CITY OF CHULA VISTA

COMBINING BALANCE SHEET  
 NON-MAJOR GOVERNMENTAL FUNDS  
 JUNE 30, 2017

(CONTINUED)

	Special Revenue Funds			
	Town Center I	Open Space Districts	Housing Programs	Housing Authority
<b>Assets:</b>				
Pooled cash and investments	\$ 52,625	\$ 18,011,468	\$ 109,902	\$ 1,971,602
Receivables:				
Accounts	-	1,026	472	30,135
Taxes	-	62,735	-	-
Accrued interest	-	-	11,803	-
Deferred loans	-	-	599,164	2,764,402
Allowance for uncollectible deferred loans	-	-	(99,217)	(2,764,402)
Due from other governments	-	-	15,472	-
<b>Total Assets</b>	<b>\$ 52,625</b>	<b>\$ 18,075,229</b>	<b>\$ 637,596</b>	<b>\$ 2,001,737</b>
<b>Liabilities and Fund Balances:</b>				
<b>Liabilities:</b>				
Accounts payable	\$ -	\$ 558,675	\$ -	\$ -
Accrued liabilities	-	-	-	-
Unearned revenues	-	-	-	-
Retentions payable	-	-	-	-
Due to other funds	-	19,983	-	-
<b>Total Liabilities</b>	<b>-</b>	<b>578,658</b>	<b>-</b>	<b>-</b>
<b>Fund Balances:</b>				
<b>Restricted for:</b>				
Community development projects	-	-	637,596	2,001,737
Public safety	-	-	-	-
Parks and recreation	-	-	-	-
Capital Projects	52,625	17,496,571	-	-
<b>Committed to:</b>				
Debt service	-	-	-	-
<b>Unassigned</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Fund Balances</b>	<b>52,625</b>	<b>17,496,571</b>	<b>637,596</b>	<b>2,001,737</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 52,625</b>	<b>\$ 18,075,229</b>	<b>\$ 637,596</b>	<b>\$ 2,001,737</b>

CITY OF CHULA VISTA

COMBINING BALANCE SHEET  
 NON-MAJOR GOVERNMENTAL FUNDS  
 JUNE 30, 2017

	Special Revenue Funds				
	Transportation Sales Tax	Mobile Park Fee	Public Education and Govt Fee	Utility Tax Settlement	V2 Pub Benefit Contribution
<b>Assets:</b>					
Pooled cash and investments	\$ 367,203	\$ 187,252	\$ 1,504,211	\$ 283,154	\$ 210,842
Receivables:					
Accounts	-	-	-	-	-
Taxes	-	-	105,743	-	-
Accrued interest	-	-	-	-	-
Deferred loans	-	-	-	-	-
Allowance for uncollectible deferred loans	-	-	-	-	-
Due from other governments	83,073	-	-	-	-
<b>Total Assets</b>	<b>\$ 450,276</b>	<b>\$ 187,252</b>	<b>\$ 1,609,954</b>	<b>\$ 283,154</b>	<b>\$ 210,842</b>
<b>Liabilities and Fund Balances:</b>					
<b>Liabilities:</b>					
Accounts payable	\$ 129,193	\$ 34	\$ 21,108	\$ 20,933	\$ -
Accrued liabilities	-	-	11	-	-
Unearned revenues	90,785	-	-	-	-
Retentions payable	-	-	-	-	-
Due to other funds	-	-	-	-	-
<b>Total Liabilities</b>	<b>219,978</b>	<b>34</b>	<b>21,119</b>	<b>20,933</b>	<b>-</b>
<b>Fund Balances:</b>					
<b>Restricted for:</b>					
Community development projects	-	-	1,588,835	-	210,842
Public safety	-	-	-	-	-
Parks and recreation	-	187,218	-	-	-
Capital Projects	230,298	-	-	262,221	-
<b>Committed to:</b>					
Debt service	-	-	-	-	-
<b>Unassigned</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Fund Balances</b>	<b>230,298</b>	<b>187,218</b>	<b>1,588,835</b>	<b>262,221</b>	<b>210,842</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 450,276</b>	<b>\$ 187,252</b>	<b>\$ 1,609,954</b>	<b>\$ 283,154</b>	<b>\$ 210,842</b>

CITY OF CHULA VISTA

COMBINING BALANCE SHEET  
 NON-MAJOR GOVERNMENTAL FUNDS  
 JUNE 30, 2017

(CONTINUED)

	Capital Projects Funds				
	Residential Construction Tax	Highway Safety	Bicycle Facility	Industrial Development Authority	Assessment District Improvement
<b>Assets:</b>					
Pooled cash and investments	\$ 323,552	\$ 850	\$ -	\$ 52	\$ 2,487,620
Receivables:					
Accounts	-	-	29,376	-	-
Taxes	-	-	-	-	-
Accrued interest	-	-	-	-	-
Deferred loans	-	-	-	-	-
Allowance for uncollectible deferred loans	-	-	-	-	-
Due from other governments	-	-	-	-	-
<b>Total Assets</b>	<b>\$ 323,552</b>	<b>\$ 850</b>	<b>\$ 29,376</b>	<b>\$ 52</b>	<b>\$ 2,487,620</b>
<b>Liabilities and Fund Balances:</b>					
<b>Liabilities:</b>					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued liabilities	-	-	-	-	-
Unearned revenues	-	-	-	-	-
Retentions payable	-	-	-	-	-
Due to other funds	-	-	33,836	-	-
<b>Total Liabilities</b>	<b>-</b>	<b>-</b>	<b>33,836</b>	<b>-</b>	<b>-</b>
<b>Fund Balances:</b>					
<b>Restricted for:</b>					
Community development projects	-	-	-	-	-
Public safety	-	850	-	-	-
Parks and recreation	-	-	-	-	-
Capital Projects	323,552	-	-	52	2,487,620
<b>Committed to:</b>					
Debt service	-	-	-	-	-
<b>Unassigned</b>	<b>-</b>	<b>-</b>	<b>(4,460)</b>	<b>-</b>	<b>-</b>
<b>Total Fund Balances</b>	<b>323,552</b>	<b>850</b>	<b>(4,460)</b>	<b>52</b>	<b>2,487,620</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 323,552</b>	<b>\$ 850</b>	<b>\$ 29,376</b>	<b>\$ 52</b>	<b>\$ 2,487,620</b>



CITY OF CHULA VISTA

COMBINING BALANCE SHEET  
 NON-MAJOR GOVERNMENTAL FUNDS  
 JUNE 30, 2017

	Capital Projects Funds			Debt Service Funds	
	Transportation Partnership Fund	Other Transportation Program Fund	Capital Projects Fund	Notes Payable	Lease Payable
<b>Assets:</b>					
Pooled cash and investments	\$ 48	\$ -	\$ -	\$ 257,656	\$ 93,420
Receivables:					
Accounts	-	26,992	-	-	19,289
Taxes	-	-	-	-	-
Accrued interest	-	-	-	-	-
Deferred loans	-	-	-	-	-
Allowance for uncollectible deferred loans	-	-	-	-	-
Due from other governments	-	2,838,018	-	-	-
<b>Total Assets</b>	<b>\$ 48</b>	<b>\$ 2,865,010</b>	<b>\$ -</b>	<b>\$ 257,656</b>	<b>\$ 112,709</b>
<b>Liabilities and Fund Balances:</b>					
<b>Liabilities:</b>					
Accounts payable	\$ -	\$ 263,821	\$ -	\$ -	\$ -
Accrued liabilities	-	-	-	-	-
Unearned revenues	-	34,511	-	-	-
Retentions payable	-	-	-	-	-
Due to other funds	-	2,738,446	245,921	25,270	-
<b>Total Liabilities</b>	<b>-</b>	<b>3,036,778</b>	<b>245,921</b>	<b>25,270</b>	<b>-</b>
<b>Fund Balances:</b>					
<b>Restricted for:</b>					
Community development projects	-	-	-	-	-
Public safety	48	-	-	-	-
Parks and recreation	-	-	-	-	-
Capital Projects	-	-	-	-	-
<b>Committed to:</b>					
Debt service	-	-	-	232,386	112,709
<b>Unassigned</b>	<b>-</b>	<b>(171,768)</b>	<b>(245,921)</b>	<b>-</b>	<b>-</b>
<b>Total Fund Balances</b>	<b>48</b>	<b>(171,768)</b>	<b>(245,921)</b>	<b>232,386</b>	<b>112,709</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 48</b>	<b>\$ 2,865,010</b>	<b>\$ -</b>	<b>\$ 257,656</b>	<b>\$ 112,709</b>

CITY OF CHULA VISTA

COMBINING BALANCE SHEET  
 NON-MAJOR GOVERNMENTAL FUNDS  
 JUNE 30, 2017

	<b>Total Governmental Funds</b>
	<u>                    </u>
<b>Assets:</b>	
Pooled cash and investments	\$ 31,936,310
Receivables:	
Accounts	249,199
Taxes	168,478
Accrued interest	11,803
Deferred loans	3,363,566
Allowance for uncollectible deferred loans	(2,863,619)
Due from other governments	<u>2,936,563</u>
<b>Total Assets</b>	<b><u>\$ 35,802,300</u></b>
<b>Liabilities and Fund Balances:</b>	
<b>Liabilities:</b>	
Accounts payable	\$ 1,187,666
Accrued liabilities	11
Unearned revenues	125,296
Retentions payable	117,725
Due to other funds	<u>3,063,456</u>
<b>Total Liabilities</b>	<b><u>4,494,154</u></b>
<b>Fund Balances:</b>	
<b>Restricted for:</b>	
Community development projects	6,246,324
Public safety	3,695,888
Parks and recreation	187,218
Capital Projects	21,255,770
<b>Committed to:</b>	
Debt service	345,095
<b>Unassigned</b>	<u>(422,149)</u>
<b>Total Fund Balances</b>	<b><u>31,308,146</u></b>
<b>Total Liabilities and Fund Balances</b>	<b><u>\$ 35,802,300</u></b>

## CITY OF CHULA VISTA

COMBINING STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES  
NON-MAJOR GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2017

	Special Revenue Funds				
	Transportation Grants	Parking Meter	Traffic Safety	Traffic Signal	Storm Drain
<b>Revenues:</b>					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	24,083	-	-	-
Intergovernmental	5,073,513	-	-	-	-
Charges for services	-	-	-	183,663	621,526
Use of money and property	8,297	326,965	457	6,542	1,191
Fines and forfeitures	-	194,376	483,114	-	5,008
Miscellaneous	-	-	-	-	-
<b>Total Revenues</b>	<b>5,081,810</b>	<b>545,424</b>	<b>483,571</b>	<b>190,205</b>	<b>627,725</b>
<b>Expenditures:</b>					
Current:					
General government	963,084	-	-	-	-
Public safety	-	448,433	24,296	-	-
Parks and recreation	-	-	-	-	-
Public works	-	-	-	4,100	236,661
Capital outlay	822,845	37,601	-	137,554	-
Debt service:					
Principal retirement	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
<b>Total Expenditures</b>	<b>1,785,929</b>	<b>486,034</b>	<b>24,296</b>	<b>141,654</b>	<b>236,661</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	3,295,881	59,390	459,275	48,551	391,064
<b>Other Financing Sources (Uses):</b>					
Transfers in	-	-	-	4,024	-
Transfers out	(4,265,447)	-	(399,140)	-	(210,000)
<b>Total Other Financing Sources (Uses)</b>	<b>(4,265,447)</b>	<b>-</b>	<b>(399,140)</b>	<b>4,024</b>	<b>(210,000)</b>
Net Change in Fund Balances	(969,566)	59,390	60,135	52,575	181,064
Fund Balances, Beginning of Year	2,776,880	1,356,914	141,597	2,024,379	221,767
<b>Fund Balances, End of Year</b>	<b>\$ 1,807,314</b>	<b>\$ 1,416,304</b>	<b>\$ 201,732</b>	<b>\$ 2,076,954</b>	<b>\$ 402,831</b>

CITY OF CHULA VISTA

COMBINING STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES  
NON-MAJOR GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2017

(CONTINUED)

	Special Revenue Funds			
	Town Center I	Open Space Districts	Housing Programs	Housing Authority
<b>Revenues:</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	-	26,351	-
Charges for services	-	13,423,106	-	924,082
Use of money and property	181	48,920	-	19,380
Fines and forfeitures	-	-	-	-
Miscellaneous	-	-	29,365	1,155,514
<b>Total Revenues</b>	<b>181</b>	<b>13,472,026</b>	<b>55,716</b>	<b>2,098,976</b>
<b>Expenditures:</b>				
Current:				
General government	-	-	29,569	632,797
Public safety	-	-	-	-
Parks and recreation	-	-	-	-
Public works	-	10,514,298	-	-
Capital outlay	-	175,739	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
<b>Total Expenditures</b>	<b>-</b>	<b>10,690,037</b>	<b>29,569</b>	<b>632,797</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	181	2,781,989	26,147	1,466,179
<b>Other Financing Sources (Uses):</b>				
Transfers in	-	-	-	-
Transfers out	-	-	-	(254,697)
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(254,697)</b>
Net Change in Fund Balances	181	2,781,989	26,147	1,211,482
Fund Balances, Beginning of Year	52,444	14,714,582	611,449	790,255
<b>Fund Balances, End of Year</b>	<b>\$ 52,625</b>	<b>\$ 17,496,571</b>	<b>\$ 637,596</b>	<b>\$ 2,001,737</b>

CITY OF CHULA VISTA

COMBINING STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES  
NON-MAJOR GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2017

	Special Revenue Funds				
	Transportation Sales Tax	Mobile Park Fee	Education and Govt Fee	Utility Tax Settlement	V2 Pub Benefit Contribution
<b>Revenues:</b>					
Taxes	\$ 7,643,598	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-
Intergovernmental	341,822	-	-	-	-
Charges for services	-	-	-	-	-
Use of money and property	-	710	4,351	2,512	208
Fines and forfeitures	-	-	-	-	-
Miscellaneous	53,378	67,410	599,685	-	210,634
<b>Total Revenues</b>	<b>8,038,798</b>	<b>68,120</b>	<b>604,036</b>	<b>2,512</b>	<b>210,842</b>
<b>Expenditures:</b>					
Current:					
General government	-	50,707	226,811	520,174	-
Public safety	-	-	-	-	-
Parks and recreation	-	-	-	-	-
Public works	612,459	-	-	-	-
Capital outlay	6,757,162	-	60,109	59,777	-
Debt service:					
Principal retirement	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
<b>Total Expenditures</b>	<b>7,369,621</b>	<b>50,707</b>	<b>286,920</b>	<b>579,951</b>	<b>-</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	669,177	17,413	317,116	(577,439)	210,842
<b>Other Financing Sources (Uses):</b>					
Transfers in	44,922	-	-	-	-
Transfers out	-	-	-	(66,935)	-
<b>Total Other Financing Sources (Uses)</b>	<b>44,922</b>	<b>-</b>	<b>-</b>	<b>(66,935)</b>	<b>-</b>
Net Change in Fund Balances	714,099	17,413	317,116	(644,374)	210,842
Fund Balances, Beginning of Year	(483,801)	169,805	1,271,719	906,595	-
<b>Fund Balances, End of Year</b>	<b>\$ 230,298</b>	<b>\$ 187,218</b>	<b>\$ 1,588,835</b>	<b>\$ 262,221</b>	<b>\$ 210,842</b>

## CITY OF CHULA VISTA

COMBINING STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES  
NON-MAJOR GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2017

(CONTINUED)

	Capital Projects Funds				
	Residential Construction Tax	Highway Safety	Bicycle Facility	Industrial Development Authority	Assessment District Improvement
<b>Revenues:</b>					
Taxes	\$ 413,914	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-
Intergovernmental	-	-	74,372	-	-
Charges for services	-	-	-	-	-
Use of money and property	-	73	-	1	7,579
Fines and forfeitures	-	-	-	-	-
Miscellaneous	-	-	-	-	9,429
<b>Total Revenues</b>	<b>413,914</b>	<b>73</b>	<b>74,372</b>	<b>1</b>	<b>17,008</b>
<b>Expenditures:</b>					
Current:					
General government	-	-	78,832	-	-
Public safety	-	-	-	-	-
Parks and recreation	-	-	-	-	1,496
Public works	-	-	-	-	-
Capital outlay	-	46,050	-	-	47,040
Debt service:					
Principal retirement	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
<b>Total Expenditures</b>	<b>-</b>	<b>46,050</b>	<b>78,832</b>	<b>-</b>	<b>48,536</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	413,914	(45,977)	(4,460)	1	(31,528)
<b>Other Financing Sources (Uses):</b>					
Transfers in	343,910	-	-	-	24,864
Transfers out	(662,149)	-	-	-	(60,127)
<b>Total Other Financing Sources (Uses)</b>	<b>(318,239)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(35,263)</b>
Net Change in Fund Balances	95,675	(45,977)	(4,460)	1	(66,791)
Fund Balances, Beginning of Year	227,877	46,827	-	51	2,554,411
<b>Fund Balances, End of Year</b>	<b>\$ 323,552</b>	<b>\$ 850</b>	<b>\$ (4,460)</b>	<b>\$ 52</b>	<b>\$ 2,487,620</b>

CITY OF CHULA VISTA

COMBINING STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES  
NON-MAJOR GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2017

	Capital Projects Funds			Debt Service Funds	
	Transportation Partnership Fund	Other Transportation Program Fund	Capital Projects Fund	Notes Payable	Lease Payable
<b>Revenues:</b>					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-
Intergovernmental	-	3,291,525	-	-	-
Charges for services	-	-	-	-	-
Use of money and property	49	-	-	1,227	637
Fines and forfeitures	-	-	-	-	-
Miscellaneous	-	-	-	364,842	45,168
<b>Total Revenues</b>	<b>49</b>	<b>3,291,525</b>	<b>-</b>	<b>366,069</b>	<b>45,805</b>
<b>Expenditures:</b>					
Current:					
General government	-	-	-	-	-
Public safety	-	-	-	-	-
Parks and recreation	-	-	-	-	-
Public works	29,755	-	17,568	-	-
Capital outlay	-	3,445,720	313,594	-	-
Debt service:					
Principal retirement	-	-	-	943,182	466,873
Interest and fiscal charges	-	-	-	476,969	132,612
<b>Total Expenditures</b>	<b>29,755</b>	<b>3,445,720</b>	<b>331,162</b>	<b>1,420,151</b>	<b>599,485</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(29,706)	(154,195)	(331,162)	(1,054,082)	(553,680)
<b>Other Financing Sources (Uses):</b>					
Transfers in	-	-	15,594	1,291,859	518,162
Transfers out	-	(21,600)	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>(21,600)</b>	<b>15,594</b>	<b>1,291,859</b>	<b>518,162</b>
Net Change in Fund Balances	(29,706)	(175,795)	(315,568)	237,777	(35,518)
Fund Balances, Beginning of Year	29,754	4,027	69,647	(5,391)	148,227
<b>Fund Balances, End of Year</b>	<b>\$ 48</b>	<b>\$ (171,768)</b>	<b>\$ (245,921)</b>	<b>\$ 232,386</b>	<b>\$ 112,709</b>

CITY OF CHULA VISTA

COMBINING STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES  
NON-MAJOR GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2017

	<b>Total Governmental Funds</b>
<b>Revenues:</b>	
Taxes	\$ 8,057,512
Licenses and permits	24,083
Intergovernmental	8,807,583
Charges for services	15,152,377
Use of money and property	429,280
Fines and forfeitures	682,498
Miscellaneous	2,535,425
	<hr/>
<b>Total Revenues</b>	<b>35,688,758</b>
	<hr/>
<b>Expenditures:</b>	
Current:	
General government	2,501,974
Public safety	472,729
Parks and recreation	1,496
Public works	11,414,841
Capital outlay	11,903,191
Debt service:	
Principal retirement	1,410,055
Interest and fiscal charges	609,581
	<hr/>
<b>Total Expenditures</b>	<b>28,313,867</b>
	<hr/>
Excess (Deficiency) of Revenues Over (Under) Expenditures	7,374,891
	<hr/>
<b>Other Financing Sources (Uses):</b>	
Transfers in	2,243,335
Transfers out	(5,940,095)
	<hr/>
<b>Total Other Financing Sources (Uses)</b>	<b>(3,696,760)</b>
	<hr/>
Net Change in Fund Balances	3,678,131
	<hr/>
Fund Balances, Beginning of Year	27,630,015
	<hr/>
<b>Fund Balances, End of Year</b>	<b>\$ 31,308,146</b>
	<hr/>



CITY OF CHULA VISTA

BUDGETARY COMPARISON SCHEDULE BY EXPENDITURE CATEGORY  
 GENERAL FUND  
 YEAR ENDED JUNE 30, 2017

	Personnel Services	Supplies and Services	Utilities	Other Expenses	Operating Capital	Transfers Out	Actual Amounts	Final Budget	Variance with Final Budget Positive (Negative)
Current:									
City council	\$ 1,382,563	\$ 34,356	\$ 14,950	\$ -	\$ -	\$ -	\$ 1,431,869	\$ 1,553,069	\$ 121,200
City clerk	753,811	171,245	444	-	-	-	925,500	1,105,043	179,543
City attorney	2,398,889	423,130	1,484	-	-	-	2,823,503	3,039,784	216,281
Administration	1,876,095	173,386	660	-	-	-	2,050,141	2,076,854	26,713
Information technology	2,381,315	1,256,109	2,915	-	-	-	3,640,339	3,944,792	304,453
Human resources	2,112,370	1,570,411	1,731	3,151,435	-	-	6,835,947	7,407,297	571,350
Finance	3,190,284	246,472	1,652	1,026	-	-	3,439,434	3,615,605	176,171
Non-departmental	365,226	3,425,157	1,038	137,116	765,709	-	4,694,246	7,349,241	2,654,995
Board and commissions	-	14,662	-	-	-	-	14,662	19,179	4,517
Building and planning	2,187,792	121,181	1,765	15	-	-	2,310,753	2,655,012	344,259
Police	46,377,400	3,256,353	498,220	114,864	-	-	50,246,837	50,640,648	393,811
Fire	25,821,518	2,658,873	200,581	-	-	-	28,680,972	29,674,962	993,990
Community development	1,713,734	188,942	646	-	1,439	-	1,904,761	2,239,007	334,246
Parks and recreation	3,116,415	598,543	357,471	171,180	-	-	4,243,609	4,454,128	210,519
Public works	20,443,995	5,843,932	3,956,478	449,220	-	-	30,693,625	31,378,497	684,872
Library	3,364,397	213,462	289,691	550	-	-	3,868,100	3,887,825	19,725
Capital outlay	-	-	-	-	2,438,848	-	2,438,848	4,806,439	2,367,591
Transfers out	-	-	-	-	-	7,025,684	7,025,684	12,067,052	5,041,368
<b>Total Expenditures</b>	<b>\$ 117,485,804</b>	<b>\$ 20,196,214</b>	<b>\$ 5,329,726</b>	<b>\$ 4,025,406</b>	<b>\$ 3,205,996</b>	<b>\$ 7,025,684</b>	<b>\$ 157,268,830</b>	<b>\$ 171,914,434</b>	<b>\$ 14,645,604</b>

CITY OF CHULA VISTA

BUDGETARY COMPARISON SCHEDULE BY EXPENDITURE CATEGORY  
 SUNDRY GRANTS  
 YEAR ENDED JUNE 30, 2017

	Personnel Services	Supplies and Services	Utilities	Other Expenses	Operating Capital	Transfers Out	Actual Amounts	Final Budget	Variance with Final Budget Positive (Negative)
Current:									
Administration	\$ -	\$ 242,270	\$ -	\$ -	\$ -	\$ -	\$ 242,270	\$ 147,400	\$ (94,870)
Non-departmental	46,956	20,484	1,102	497,997	844,567	-	1,411,106	4,259,501	2,848,395
Police	6,241,976	1,776,267	-	267,291	45,064	-	8,330,598	10,081,902	1,751,304
Parks and recreation	-	-	-	1,500	-	-	1,500	1,600	100
Public works	741,904	1,052,652	7,858	858,860	3,877	-	2,665,151	4,008,516	1,343,365
Library	37,093	27,427	-	-	788,500	-	853,020	1,018,318	165,298
Capital outlay	-	-	-	-	1,791,255	-	1,791,255	1,892,805	101,550
Transfers out	-	-	-	-	-	889,324	889,324	942,730	53,406
<b>Total Expenditures</b>	<b>\$ 7,067,929</b>	<b>\$ 3,119,100</b>	<b>\$ 8,960</b>	<b>\$ 1,625,648</b>	<b>\$ 3,473,263</b>	<b>\$ 889,324</b>	<b>\$ 16,184,224</b>	<b>\$ 22,352,772</b>	<b>\$ 6,168,548</b>

CITY OF CHULA VISTA

BUDGETARY COMPARISON SCHEDULE BY EXPENDITURE CATEGORY  
 HOUSING SUCCESSOR AGENCY  
 YEAR ENDED JUNE 30, 2017

	Personnel Services	Supplies and Services	Loans to Outside Entities	Other Expenses	Operating Capital	Transfers Out	Actual Amounts	Final Budget	Variance with Final Budget Positive (Negative)
Current:									
Housing	\$ 117,009	\$ 4,737	\$ -	\$ 1,447	\$ 2,700	\$ -	\$ 125,893	\$ 3,630,064	\$ 3,504,171
<b>Total Expenditures</b>	<b>\$ 117,009</b>	<b>\$ 4,737</b>	<b>\$ -</b>	<b>\$ 1,447</b>	<b>\$ 2,700</b>	<b>\$ -</b>	<b>\$ 125,893</b>	<b>\$ 3,630,064</b>	<b>\$ 3,504,171</b>

CITY OF CHULA VISTA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
 TRANSPORTATION GRANTS  
 YEAR ENDED JUNE 30, 2017

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Intergovernmental	\$ 5,258,582	\$ 5,258,582	\$ 5,073,513	\$ (185,069)
Use of money and property	-	-	8,297	8,297
<b>Total Revenues</b>	<b>5,258,582</b>	<b>5,258,582</b>	<b>5,081,810</b>	<b>(176,772)</b>
<b>Expenditures:</b>				
Current:				
General government	-	78,081	963,084	(885,003)
Capital outlay	1,300,000	2,435,930	822,845	1,613,085
<b>Total Expenditures</b>	<b>1,300,000</b>	<b>2,514,011</b>	<b>1,785,929</b>	<b>728,082</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	3,958,582	2,744,571	3,295,881	551,310
<b>Other Financing Sources (Uses):</b>				
Transfers out	(4,259,428)	(4,265,447)	(4,265,447)	-
<b>Total Other Financing Sources (Uses)</b>	<b>(4,259,428)</b>	<b>(4,265,447)</b>	<b>(4,265,447)</b>	<b>-</b>
Net Change in Fund Balances	(300,846)	(1,520,876)	(969,566)	551,310
Fund Balances, Beginning of Year	2,776,880	2,776,880	2,776,880	-
<b>Fund Balances, End of Year</b>	<b>\$ 2,476,034</b>	<b>\$ 1,256,004</b>	<b>\$ 1,807,314</b>	<b>\$ 551,310</b>

CITY OF CHULA VISTA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
 PARKING METER  
 YEAR ENDED JUNE 30, 2017

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Licenses and permits	\$ 35,000	\$ 35,000	\$ 24,083	\$ (10,917)
Use of money and property	350,000	350,000	326,965	(23,035)
Fines and forfeitures	200,000	200,000	194,376	(5,624)
<b>Total Revenues</b>	<b>585,000</b>	<b>585,000</b>	<b>545,424</b>	<b>(39,576)</b>
<b>Expenditures:</b>				
Current:				
Public safety	441,248	491,248	448,433	42,815
Capital outlay	-	137,122	37,601	99,521
<b>Total Expenditures</b>	<b>441,248</b>	<b>628,370</b>	<b>486,034</b>	<b>142,336</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	143,752	(43,370)	59,390	102,760
Net Change in Fund Balances	143,752	(43,370)	59,390	102,760
Fund Balances, Beginning of Year	1,356,914	1,356,914	1,356,914	-
<b>Fund Balances, End of Year</b>	<b>\$ 1,500,666</b>	<b>\$ 1,313,544</b>	<b>\$ 1,416,304</b>	<b>\$ 102,760</b>

CITY OF CHULA VISTA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
 TRAFFIC SAFETY  
 YEAR ENDED JUNE 30, 2017

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Use of money and property	\$ -	\$ -	\$ 457	\$ 457
Fines and forfeitures	437,640	437,640	483,114	45,474
<b>Total Revenues</b>	<b>437,640</b>	<b>437,640</b>	<b>483,571</b>	<b>45,931</b>
<b>Expenditures:</b>				
Current:				
Public safety	38,500	38,500	24,296	14,204
<b>Total Expenditures</b>	<b>38,500</b>	<b>38,500</b>	<b>24,296</b>	<b>14,204</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	399,140	399,140	459,275	60,135
<b>Other Financing Sources (Uses):</b>				
Transfers out	(399,140)	(399,140)	(399,140)	-
<b>Total Other Financing Sources (Uses)</b>	<b>(399,140)</b>	<b>(399,140)</b>	<b>(399,140)</b>	<b>-</b>
Net Change in Fund Balances	-	-	60,135	60,135
Fund Balances, Beginning of Year	141,597	141,597	141,597	-
<b>Fund Balances, End of Year</b>	<b>\$ 141,597</b>	<b>\$ 141,597</b>	<b>\$ 201,732</b>	<b>\$ 60,135</b>

CITY OF CHULA VISTA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
 TRAFFIC SIGNAL  
 YEAR ENDED JUNE 30, 2017

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Charges for services	\$ 200,000	\$ 200,000	\$ 183,663	\$ (16,337)
Use of money and property	-	-	6,542	6,542
<b>Total Revenues</b>	<b>200,000</b>	<b>200,000</b>	<b>190,205</b>	<b>(9,795)</b>
<b>Expenditures:</b>				
Current:				
Public works	15,000	15,000	4,100	10,900
Capital outlay	495,010	1,146,667	137,554	1,009,113
<b>Total Expenditures</b>	<b>510,010</b>	<b>1,161,667</b>	<b>141,654</b>	<b>1,020,013</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(310,010)	(961,667)	48,551	1,010,218
Net Change in Fund Balances	(310,010)	(957,642)	52,575	1,010,217
Fund Balances, Beginning of Year	2,024,379	2,024,379	2,024,379	-
<b>Fund Balances, End of Year</b>	<b>\$ 1,714,369</b>	<b>\$ 1,066,737</b>	<b>\$ 2,076,954</b>	<b>\$ 1,010,217</b>

CITY OF CHULA VISTA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
 STORM DRAIN  
 YEAR ENDED JUNE 30, 2017

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Licenses and permits	\$ 23,750	\$ 23,750	\$ -	\$ (23,750)
Charges for services	555,500	555,500	621,526	66,026
Use of money and property	-	-	1,191	1,191
Fines and forfeitures	5,000	5,000	5,008	8
<b>Total Revenues</b>	<b>584,250</b>	<b>584,250</b>	<b>627,725</b>	<b>43,475</b>
<b>Expenditures:</b>				
Current:				
General government	-	-	-	-
Public works	348,900	348,920	236,661	112,259
<b>Total Expenditures</b>	<b>348,900</b>	<b>348,920</b>	<b>236,661</b>	<b>112,259</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	235,350	235,330	391,064	155,734
<b>Other Financing Sources (Uses):</b>				
Transfers out	(210,000)	(210,000)	(210,000)	-
<b>Total Other Financing Sources (Uses)</b>	<b>(210,000)</b>	<b>(210,000)</b>	<b>(210,000)</b>	<b>-</b>
Net Change in Fund Balances	25,350	25,330	181,064	155,734
Fund Balances, Beginning of Year	221,767	221,767	221,767	-
<b>Fund Balances, End of Year</b>	<b>\$ 247,117</b>	<b>\$ 247,097</b>	<b>\$ 402,831</b>	<b>\$ 155,734</b>



CITY OF CHULA VISTA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
 TOWN CENTER I  
 YEAR ENDED JUNE 30, 2017

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Use of money and property	\$ -	\$ -	\$ 181	\$ 181
<b>Total Revenues</b>	<b>-</b>	<b>-</b>	<b>181</b>	<b>181</b>
<b>Expenditures:</b>				
Capital outlay	-	10,120	-	10,120
<b>Total Expenditures</b>	<b>-</b>	<b>10,120</b>	<b>-</b>	<b>10,120</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	(10,120)	181	10,301
Net Change in Fund Balances	-	(10,120)	181	10,301
Fund Balances, Beginning of Year	52,444	52,444	52,444	-
<b>Fund Balances, End of Year</b>	<b>\$ 52,444</b>	<b>\$ 42,324</b>	<b>\$ 52,625</b>	<b>\$ 10,301</b>

CITY OF CHULA VISTA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
 OPEN SPACE DISTRICTS  
 YEAR ENDED JUNE 30, 2017

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Charges for services	\$ 11,994,382	\$ 11,995,902	\$ 13,423,106	\$ 1,427,204
Use of money and property	-	-	48,920	48,920
<b>Total Revenues</b>	<b>11,994,382</b>	<b>11,995,902</b>	<b>13,472,026</b>	<b>1,476,124</b>
<b>Expenditures:</b>				
Current:				
Public works	12,000,385	12,014,871	10,514,298	1,500,573
Capital outlay	-	176,383	175,739	644
<b>Total Expenditures</b>	<b>12,000,385</b>	<b>12,191,254</b>	<b>10,690,037</b>	<b>1,501,217</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(6,003)	(195,352)	2,781,989	2,977,341
Net Change in Fund Balances	(6,003)	(195,352)	2,781,989	2,977,341
Fund Balances, Beginning of Year	14,714,582	14,714,582	14,714,582	-
<b>Fund Balances, End of Year</b>	<b>\$ 14,708,579</b>	<b>\$ 14,519,230</b>	<b>\$ 17,496,571</b>	<b>\$ 2,977,341</b>

CITY OF CHULA VISTA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
 HOUSING PROGRAMS  
 YEAR ENDED JUNE 30, 2017

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Intergovernmental	\$ 328,574	\$ 328,574	\$ 26,351	\$ (302,223)
Other revenues	-	-	29,365	29,365
<b>Total Revenues</b>	<b>328,574</b>	<b>328,574</b>	<b>55,716</b>	<b>(272,858)</b>
<b>Expenditures:</b>				
Current:				
General government	328,574	526,719	29,569	497,150
<b>Total Expenditures</b>	<b>328,574</b>	<b>526,719</b>	<b>29,569</b>	<b>497,150</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	(198,145)	26,147	224,292
Net Change in Fund Balances	-	(198,145)	26,147	224,292
Fund Balances, Beginning of Year	611,449	611,449	611,449	-
<b>Fund Balances, End of Year</b>	<b>\$ 611,449</b>	<b>\$ 413,304</b>	<b>\$ 637,596</b>	<b>\$ 224,292</b>

CITY OF CHULA VISTA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
 HOUSING AUTHORITY  
 YEAR ENDED JUNE 30, 2017

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Charges for services	\$ -	\$ -	\$ 924,082	\$ 924,082
Use of money and property	-	-	19,380	19,380
Other revenues	974,671	974,671	1,155,514	180,843
<b>Total Revenues</b>	<b>974,671</b>	<b>974,671</b>	<b>2,098,976</b>	<b>1,124,305</b>
<b>Expenditures:</b>				
Current:				
General government	719,974	722,372	632,797	89,575
<b>Total Expenditures</b>	<b>719,974</b>	<b>722,372</b>	<b>632,797</b>	<b>89,575</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	254,697	252,299	1,466,179	1,213,880
<b>Other Financing Sources (Uses):</b>				
Transfers out	(254,697)	(254,697)	(254,697)	-
<b>Total Other Financing Sources (Uses)</b>	<b>(254,697)</b>	<b>(254,697)</b>	<b>(254,697)</b>	<b>-</b>
Net Change in Fund Balances	-	(2,398)	1,211,482	1,213,880
Fund Balances, Beginning of Year	790,255	790,255	790,255	-
<b>Fund Balances, End of Year</b>	<b>\$ 790,255</b>	<b>\$ 787,857</b>	<b>\$ 2,001,737</b>	<b>\$ 1,213,880</b>

CITY OF CHULA VISTA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
 TRANSPORTATION SALES TAX  
 YEAR ENDED JUNE 30, 2017

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Taxes	\$ 8,239,131	\$ 8,239,131	\$ 7,643,598	\$ (595,533)
Intergovernmental	47,969	189,434	341,822	152,388
Use of money and property	-	-	-	-
Other revenues	-	-	53,378	53,378
<b>Total Revenues</b>	<b>8,287,100</b>	<b>8,428,565</b>	<b>8,038,798</b>	<b>(389,767)</b>
<b>Expenditures:</b>				
Current:				
Public works	-	-	612,459	(612,459)
Capital outlay	8,072,131	16,154,163	6,757,162	9,397,001
<b>Total Expenditures</b>	<b>8,072,131</b>	<b>16,154,163</b>	<b>7,369,621</b>	<b>8,784,542</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	214,969	(7,725,598)	669,177	8,394,775
<b>Other Financing Sources (Uses):</b>				
Transfers in	-	48,155	44,922	(3,233)
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>48,155</b>	<b>44,922</b>	<b>(3,233)</b>
Net Change in Fund Balances	214,969	(7,677,443)	714,099	8,391,542
Fund Balances, Beginning of Year	(483,801)	(483,801)	(483,801)	-
<b>Fund Balances, End of Year</b>	<b>\$ (268,832)</b>	<b>\$ (8,161,244)</b>	<b>\$ 230,298</b>	<b>\$ 8,391,542</b>

CITY OF CHULA VISTA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
 MOBILE PARK FEE  
 YEAR ENDED JUNE 30, 2017

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Use of money and property	\$ -	\$ -	\$ 710	\$ 710
Other revenues	65,000	65,000	67,410	2,410
<b>Total Revenues</b>	<b>65,000</b>	<b>65,000</b>	<b>68,120</b>	<b>3,120</b>
<b>Expenditures:</b>				
Current:				
General government	91,000	91,000	50,707	40,293
<b>Total Expenditures</b>	<b>91,000</b>	<b>91,000</b>	<b>50,707</b>	<b>40,293</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(26,000)	(26,000)	17,413	43,413
Net Change in Fund Balances	(26,000)	(26,000)	17,413	43,413
Fund Balances, Beginning of Year	169,805	169,805	169,805	-
<b>Fund Balances, End of Year</b>	<b>\$ 143,805</b>	<b>\$ 143,805</b>	<b>\$ 187,218</b>	<b>\$ 43,413</b>

CITY OF CHULA VISTA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
 PUBLIC EDUCATION AND GOVT FEE  
 YEAR ENDED JUNE 30, 2017

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Use of money and property	\$ -	\$ -	\$ 4,351	\$ 4,351
Other revenues	600,000	600,000	599,685	(315)
<b>Total Revenues</b>	<b>600,000</b>	<b>600,000</b>	<b>604,036</b>	<b>4,036</b>
<b>Expenditures:</b>				
Current:				
General government	300,000	340,565	226,811	113,754
Capital outlay	300,000	363,562	60,109	303,453
<b>Total Expenditures</b>	<b>600,000</b>	<b>704,127</b>	<b>286,920</b>	<b>417,207</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	(104,127)	317,116	421,243
Net Change in Fund Balances	-	(104,127)	317,116	421,243
Fund Balances, Beginning of Year	1,271,719	1,271,719	1,271,719	-
<b>Fund Balances, End of Year</b>	<b>\$ 1,271,719</b>	<b>\$ 1,167,592</b>	<b>\$ 1,588,835</b>	<b>\$ 421,243</b>

CITY OF CHULA VISTA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
 UTILITY TAX SETTLEMENT  
 YEAR ENDED JUNE 30, 2017

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Use of money and property	\$ -	\$ -	\$ 2,512	\$ 2,512
<b>Total Revenues</b>	<b>-</b>	<b>-</b>	<b>2,512</b>	<b>2,512</b>
<b>Expenditures:</b>				
Current:				
General government	473,826	713,449	520,174	193,275
Capital outlay	-	59,832	59,777	55
<b>Total Expenditures</b>	<b>473,826</b>	<b>773,281</b>	<b>579,951</b>	<b>193,330</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(473,826)	(773,281)	(577,439)	195,842
<b>Other Financing Sources (Uses):</b>				
Transfers out	-	(66,935)	(66,935)	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>(66,935)</b>	<b>(66,935)</b>	<b>-</b>
Net Change in Fund Balances	(473,826)	(840,216)	(644,374)	195,842
Fund Balances, Beginning of Year	906,595	906,595	906,595	-
<b>Fund Balances, End of Year</b>	<b>\$ 432,769</b>	<b>\$ 66,379</b>	<b>\$ 262,221</b>	<b>\$ 195,842</b>



CITY OF CHULA VISTA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
V2 PUB BENEFIT CONTRIBUTION  
YEAR ENDED JUNE 30, 2017

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Use of money and property	\$ -	\$ -	\$ 208	\$ 208
Other revenues	-	-	210,634	210,634
<b>Total Revenues</b>	<b>-</b>	<b>-</b>	<b>210,842</b>	<b>210,842</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	210,842	210,842
Net Change in Fund Balances	-	-	210,842	210,842
<b>Fund Balances, End of Year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 210,842</b>	<b>\$ 210,842</b>

CITY OF CHULA VISTA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
 PARK ACQUISITION DEVELOPMENT  
 YEAR ENDED JUNE 30, 2017

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Use of money and property	\$ -	\$ -	\$ 111,961	\$ 111,961
Developer participation	700,000	700,000	470,567	(229,433)
<b>Total Revenues</b>	<b>700,000</b>	<b>700,000</b>	<b>582,528</b>	<b>(117,472)</b>
<b>Expenditures:</b>				
Current:				
General government	100,000	4,138,781	885,959	3,252,822
Capital outlay	-	700,417	31,714	668,703
<b>Total Expenditures</b>	<b>100,000</b>	<b>4,839,198</b>	<b>917,673</b>	<b>3,921,525</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	600,000	(4,139,198)	(335,145)	3,804,053
<b>Other Financing Sources (Uses):</b>				
Transfers in	450,000	450,000	10,782	(439,218)
Transfers out	(450,000)	(450,000)	(80,000)	370,000
Net Change in Fund Balances	600,000	(4,139,198)	(404,363)	3,734,835
Fund Balances, Beginning of Year	43,421,284	43,421,284	43,421,284	-
<b>Fund Balances, End of Year</b>	<b>\$ 44,021,284</b>	<b>\$ 39,282,086</b>	<b>\$ 43,016,921</b>	<b>\$ 3,734,835</b>

CITY OF CHULA VISTA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
 RESIDENTIAL CONSTRUCTION TAX  
 YEAR ENDED JUNE 30, 2017

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Taxes	\$ 325,505	\$ 325,505	\$ 413,914	\$ 88,409
<b>Total Revenues</b>	<b>325,505</b>	<b>325,505</b>	<b>413,914</b>	<b>88,409</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	325,505	325,505	413,914	88,409
<b>Other Financing Sources (Uses):</b>				
Transfers in	340,910	343,910	343,910	-
Transfers out	(666,415)	(666,415)	(662,149)	4,266
<b>Total Other Financing Sources (Uses)</b>	<b>(325,505)</b>	<b>(322,505)</b>	<b>(318,239)</b>	<b>4,266</b>
Net Change in Fund Balances	-	3,000	95,675	92,675
Fund Balances, Beginning of Year	227,877	227,877	227,877	-
<b>Fund Balances, End of Year</b>	<b>\$ 227,877</b>	<b>\$ 230,877</b>	<b>\$ 323,552</b>	<b>\$ 92,675</b>

CITY OF CHULA VISTA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
 HIGHWAY SAFETY  
 YEAR ENDED JUNE 30, 2017

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Use of money and property	\$ -	\$ -	\$ 73	\$ 73
<b>Total Revenues</b>	<b>-</b>	<b>-</b>	<b>73</b>	<b>73</b>
<b>Expenditures:</b>				
Capital outlay	-	46,050	46,050	-
<b>Total Expenditures</b>	<b>-</b>	<b>46,050</b>	<b>46,050</b>	<b>-</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	(46,050)	(45,977)	73
Net Change in Fund Balances	-	(46,050)	(45,977)	73
Fund Balances, Beginning of Year	46,827	46,827	46,827	-
<b>Fund Balances, End of Year</b>	<b>\$ 46,827</b>	<b>\$ 777</b>	<b>\$ 850</b>	<b>\$ 73</b>

CITY OF CHULA VISTA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
 BICYCLE FACILITY  
 YEAR ENDED JUNE 30, 2017

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Intergovernmental	\$ 65,000	\$ 65,000	\$ 74,372	\$ 9,372
<b>Total Revenues</b>	<b>65,000</b>	<b>65,000</b>	<b>74,372</b>	<b>9,372</b>
<b>Expenditures:</b>				
Current:				
General government	65,000	78,863	78,832	31
<b>Total Expenditures</b>	<b>65,000</b>	<b>78,863</b>	<b>78,832</b>	<b>31</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	(13,863)	(4,460)	9,403
Net Change in Fund Balances	-	(13,863)	(4,460)	9,403
<b>Fund Balances, End of Year</b>	<b>\$ -</b>	<b>\$ (13,863)</b>	<b>\$ (4,460)</b>	<b>\$ 9,403</b>

CITY OF CHULA VISTA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
 ASSESSMENT DISTRICT IMPROVEMENT  
 YEAR ENDED JUNE 30, 2017

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Use of money and property	\$ -	\$ -	\$ 7,579	\$ 7,579
Other revenues	-	-	9,429	9,429
<b>Total Revenues</b>	<b>-</b>	<b>-</b>	<b>17,008</b>	<b>17,008</b>
<b>Expenditures:</b>				
Current:				
Parks and recreation	2,500	2,500	1,496	1,004
Capital outlay	-	47,040	47,040	-
<b>Total Expenditures</b>	<b>2,500</b>	<b>49,540</b>	<b>48,536</b>	<b>1,004</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,500)	(49,540)	(31,528)	18,012
<b>Other Financing Sources (Uses):</b>				
Transfers in	-	24,870	24,864	(6)
Transfers out	-	(63,070)	(60,127)	2,943
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>(38,200)</b>	<b>(35,263)</b>	<b>2,937</b>
Net Change in Fund Balances	(2,500)	(87,740)	(66,791)	20,949
Fund Balances, Beginning of Year	2,554,411	2,554,411	2,554,411	-
<b>Fund Balances, End of Year</b>	<b>\$ 2,551,911</b>	<b>\$ 2,466,671</b>	<b>\$ 2,487,620</b>	<b>\$ 20,949</b>

CITY OF CHULA VISTA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
 DEVELOPMENT IMPACT FUNDS  
 YEAR ENDED JUNE 30, 2017

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Use of money and property	\$ -	\$ -	\$ 1	\$ 1
Developer participation	4,551,600	4,551,600	8,339,611	3,788,011
<b>Total Revenues</b>	<b>4,551,600</b>	<b>4,551,600</b>	<b>8,339,612</b>	<b>3,788,012</b>
<b>Expenditures:</b>				
Current:				
Public works	855,300	856,800	361,973	494,827
Capital outlay	2,036,102	7,724,733	3,007,658	4,717,075
<b>Total Expenditures</b>	<b>2,891,402</b>	<b>8,581,533</b>	<b>3,369,631</b>	<b>5,211,902</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,660,198	(4,029,933)	4,969,981	8,999,914
<b>Other Financing Sources (Uses):</b>				
Transfers in	1,045,000	1,045,000	9,461	(1,035,539)
Transfers out	(7,719,591)	(6,155,315)	(5,078,179)	1,077,136
<b>Total Other Financing Sources (Uses)</b>	<b>(6,674,591)</b>	<b>(5,110,315)</b>	<b>(5,068,718)</b>	<b>41,597</b>
Net Change in Fund Balances	(5,014,393)	(9,140,248)	(98,737)	9,041,511
Fund Balances, Beginning of Year	40,928,491	40,928,491	40,928,491	-
<b>Fund Balances, End of Year</b>	<b>\$ 35,914,098</b>	<b>\$ 31,788,243</b>	<b>\$ 40,829,754</b>	<b>\$ 9,041,511</b>

CITY OF CHULA VISTA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
 TRANSPORTATION PARTNERSHIP FUND  
 YEAR ENDED JUNE 30, 2017

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Use of money and property	\$ -	\$ -	\$ 49	\$ 49
<b>Total Revenues</b>	<b>-</b>	<b>-</b>	<b>49</b>	<b>49</b>
<b>Expenditures:</b>				
Capital outlay	-	29,755	-	29,755
<b>Total Expenditures</b>	<b>-</b>	<b>29,755</b>	<b>29,755</b>	<b>-</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	(29,755)	(29,706)	49
Net Change in Fund Balances	-	(29,755)	(29,706)	49
Fund Balances, Beginning of Year	29,754	29,754	29,754	-
<b>Fund Balances, End of Year</b>	<b>\$ 29,754</b>	<b>\$ (1)</b>	<b>\$ 48</b>	<b>\$ 49</b>



CITY OF CHULA VISTA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
 OTHER TRANSPORTATION PROGRAM FUND  
 YEAR ENDED JUNE 30, 2017

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Intergovernmental	\$ 6,637,647	\$ 6,637,647	\$ 3,291,525	\$ (3,346,122)
<b>Total Revenues</b>	<b>6,637,647</b>	<b>6,637,647</b>	<b>3,291,525</b>	<b>(3,346,122)</b>
<b>Expenditures:</b>				
Capital outlay	6,637,647	18,192,024	3,445,720	14,746,304
<b>Total Expenditures</b>	<b>6,637,647</b>	<b>18,192,024</b>	<b>3,445,720</b>	<b>14,746,304</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	(11,554,377)	(154,195)	11,400,182
<b>Other Financing Sources (Uses):</b>				
Transfers out	-	(21,602)	(21,600)	2
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>(21,602)</b>	<b>(21,600)</b>	<b>2</b>
Net Change in Fund Balances	-	(11,575,979)	(175,795)	11,400,184
Fund Balances, Beginning of Year	4,027	4,027	4,027	-
<b>Fund Balances, End of Year</b>	<b>\$ 4,027</b>	<b>\$ (11,571,952)</b>	<b>\$ (171,768)</b>	<b>\$ 11,400,184</b>

CITY OF CHULA VISTA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
 CAPITAL PROJECTS FUND  
 YEAR ENDED JUNE 30, 2017

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Other revenues	\$ 87,609	\$ 213,488	\$ -	\$ (213,488)
<b>Total Revenues</b>	<b>87,609</b>	<b>213,488</b>	<b>-</b>	<b>(213,488)</b>
<b>Expenditures:</b>				
Current:				
Public works	-	17,568	17,568	-
Capital outlay	-	599,231	313,594	285,637
<b>Total Expenditures</b>	<b>-</b>	<b>616,799</b>	<b>331,162</b>	<b>285,637</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	87,609	(403,311)	(331,162)	72,149
<b>Other Financing Sources (Uses):</b>				
Transfers in	-	15,594	15,594	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>15,594</b>	<b>15,594</b>	<b>-</b>
Net Change in Fund Balances	87,609	(387,717)	(315,568)	72,149
Fund Balances, Beginning of Year	69,647	69,647	69,647	-
<b>Fund Balances, End of Year</b>	<b>\$ 157,256</b>	<b>\$ (318,070)</b>	<b>\$ (245,921)</b>	<b>\$ 72,149</b>

CITY OF CHULA VISTA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
 NOTES PAYABLE  
 YEAR ENDED JUNE 30, 2017

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Use of money and property	\$ -	\$ -	\$ 1,227	\$ 1,227
Other revenues	129,001	129,001	364,842	235,841
<b>Total Revenues</b>	<b>129,001</b>	<b>129,001</b>	<b>366,069</b>	<b>237,068</b>
<b>Expenditures:</b>				
Debt service:				
Principal retirement	922,790	944,690	943,182	1,508
Interest and fiscal charges	479,110	479,110	476,969	2,141
<b>Total Expenditures</b>	<b>1,401,900</b>	<b>1,423,800</b>	<b>1,420,151</b>	<b>3,649</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,272,899)	(1,294,799)	(1,054,082)	240,717
<b>Other Financing Sources (Uses):</b>				
Transfers in	1,272,899	1,294,799	1,291,859	(2,940)
<b>Total Other Financing Sources (Uses)</b>	<b>1,272,899</b>	<b>1,294,799</b>	<b>1,291,859</b>	<b>(2,940)</b>
Net Change in Fund Balances	-	-	237,777	237,777
Fund Balances, Beginning of Year	(5,391)	(5,391)	(5,391)	-
<b>Fund Balances, End of Year</b>	<b>\$ (5,391)</b>	<b>\$ (5,391)</b>	<b>\$ 232,386</b>	<b>\$ 237,777</b>

CITY OF CHULA VISTA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
 LEASE PAYABLE  
 YEAR ENDED JUNE 30, 2017

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Use of money and property	\$ -	\$ -	\$ 637	\$ 637
Other revenues	44,000	44,000	45,168	1,168
<b>Total Revenues</b>	<b>44,000</b>	<b>44,000</b>	<b>45,805</b>	<b>1,805</b>
<b>Expenditures:</b>				
Debt service:				
Principal retirement	503,400	503,400	466,873	36,527
Interest and fiscal charges	138,100	138,100	132,612	5,488
<b>Total Expenditures</b>	<b>641,500</b>	<b>641,500</b>	<b>599,485</b>	<b>42,015</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(597,500)	(597,500)	(553,680)	43,820
<b>Other Financing Sources (Uses):</b>				
Transfers in	560,708	560,708	518,162	(42,546)
<b>Total Other Financing Sources (Uses)</b>	<b>560,708</b>	<b>560,708</b>	<b>518,162</b>	<b>(42,546)</b>
Net Change in Fund Balances	(36,792)	(36,792)	(35,518)	1,274
Fund Balances, Beginning of Year	148,227	148,227	148,227	-
<b>Fund Balances, End of Year</b>	<b>\$ 111,435</b>	<b>\$ 111,435</b>	<b>\$ 112,709</b>	<b>\$ 1,274</b>

CITY OF CHULA VISTA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
 CITY DEBT SERVICE  
 YEAR ENDED JUNE 30, 2017

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Other Financing Sources (Uses):</b>				
Transfers in	\$ 2,964,162	\$ 1,830,000	\$ 290,000	\$ (1,540,000)
Transfers out	(2,964,162)	(1,830,000)	(22,320)	1,807,680
Fund Balances, Beginning of Year	(19,234,092)	(19,234,092)	(19,234,092)	-
<b>Fund Balances, End of Year</b>	<b>\$ (19,234,092)</b>	<b>\$ (19,234,092)</b>	<b>\$ (18,966,412)</b>	<b>\$ 267,680</b>

CITY OF CHULA VISTA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
 PUBLIC FINANCING AUTHORITY  
 YEAR ENDED JUNE 30, 2017

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Use of money and property	\$ -	\$ 23,540	\$ 33,835	\$ 10,295
Other revenues	-	850	830	(20)
<b>Total Revenues</b>	<b>-</b>	<b>24,390</b>	<b>34,665</b>	<b>10,275</b>
<b>Expenditures:</b>				
Current:				
General government	20,005	16,415	8,600	7,815
Debt service:				
Principal retirement	4,360,010	11,985,110	3,230,000	8,755,110
Interest and fiscal charges	5,057,120	3,614,520	3,599,105	15,415
Payment to refunded bond escrow agent	-	-	2,673,892	(2,673,892)
<b>Total Expenditures</b>	<b>9,437,135</b>	<b>15,616,045</b>	<b>9,511,597</b>	<b>6,104,448</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(9,437,135)	(15,591,655)	(9,476,932)	6,114,723
<b>Other Financing Sources (Uses):</b>				
Transfers in	9,437,135	42,851,300	34,753,461	(8,097,839)
Transfers out	-	(12,491,310)	(51,382)	12,439,928
Proceeds from the issuance of bonds	-	8,600,020	8,600,000	(20)
Bond premium	-	319,670	319,652	(18)
Payment to refunded bond escrow agent	-	(26,200,100)	(36,860,637)	(10,660,537)
<b>Total Other Financing Sources (Uses)</b>	<b>9,437,135</b>	<b>13,079,580</b>	<b>6,761,094</b>	<b>(6,318,486)</b>
Net Change in Fund Balances	-	(2,512,075)	(2,715,838)	(203,763)
Fund Balances, Beginning of Year	8,954,346	8,954,346	8,954,346	-
<b>Fund Balances, End of Year</b>	<b>\$ 8,954,346</b>	<b>\$ 6,442,271</b>	<b>\$ 6,238,508</b>	<b>\$ (203,763)</b>

CITY OF CHULA VISTA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
MUNICIPAL FINANCING AUTHORITY  
YEAR ENDED JUNE 30, 2017

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Use of money and property	\$ -	\$ 100	\$ 111	\$ 11
<b>Total Revenues</b>	<b>-</b>	<b>100</b>	<b>111</b>	<b>11</b>
<b>Expenditures:</b>				
Current:				
General government	-	5,000	1,700	3,300
Debt service:				
Principal retirement	-	1,470,000	1,470,000	-
Interest and fiscal charges	-	986,740	985,578	1,162
Payment to refunded bond escrow agent	-	-	-	-
<b>Total Expenditures</b>	<b>-</b>	<b>2,461,740</b>	<b>2,457,278</b>	<b>4,462</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	(2,461,640)	(2,457,167)	4,473
<b>Other Financing Sources (Uses):</b>				
Transfers in	-	4,677,870	2,171,441	(2,506,429)
Transfers out	-	(26,200,100)	(28,091,002)	(1,890,902)
Proceeds from the issuance of bonds	-	25,885,010	25,885,000	(10)
Bond premium	-	2,516,630	2,516,621	(9)
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>6,879,410</b>	<b>2,482,060</b>	<b>(4,397,350)</b>
Net Change in Fund Balances	-	4,417,770	24,893	(4,392,877)
Fund Balances, Beginning of Year	-	-	-	-
<b>Fund Balances, End of Year</b>	<b>\$ -</b>	<b>\$ 4,417,770</b>	<b>\$ 24,893</b>	<b>\$ (4,392,877)</b>

CITY OF CHULA VISTA

COMBINING STATEMENT OF NET POSITION  
 NON-MAJOR PROPRIETARY FUNDS  
 JUNE 30, 2017

	Business-Type Activities - Enterprise Funds			
	Bayfront Trolley Station	Transit Fund	Chula Vista Mini Golf Course	Totals
<b>Assets:</b>				
Current:				
Cash and investments	\$ 83,524	\$ 292,446	\$ -	\$ 375,970
Receivables:				
Accounts	-	-	30,000	30,000
<b>Total Current Assets</b>	<b>83,524</b>	<b>292,446</b>	<b>30,000</b>	<b>405,970</b>
<b>Total Assets</b>	<b>83,524</b>	<b>292,446</b>	<b>30,000</b>	<b>405,970</b>
<b>Deferred Outflows of Resources:</b>				
Deferred pension contributions	-	2,056	-	2,056
<b>Total Deferred Outflows of Resources</b>	<b>-</b>	<b>2,056</b>	<b>-</b>	<b>2,056</b>
<b>Liabilities:</b>				
Current:				
Accounts payable	-	9,000	-	9,000
Unearned revenues	-	268,279	-	268,279
Due to other funds	-	-	27,092	27,092
<b>Total Current Liabilities</b>	<b>-</b>	<b>277,279</b>	<b>27,092</b>	<b>304,371</b>
Noncurrent:				
Net pension liability	-	503,455	-	503,455
<b>Total Noncurrent Liabilities</b>	<b>-</b>	<b>503,455</b>	<b>-</b>	<b>503,455</b>
<b>Total Liabilities</b>	<b>-</b>	<b>780,734</b>	<b>27,092</b>	<b>807,826</b>
<b>Deferred Inflows of Resources:</b>				
Deferred items related to pensions	-	27,456	-	27,456
<b>Total Deferred Inflows of Resources</b>	<b>-</b>	<b>27,456</b>	<b>-</b>	<b>27,456</b>
<b>Net Position:</b>				
Unrestricted	83,524	(513,688)	2,908	(427,256)
<b>Total Net Position</b>	<b>\$ 83,524</b>	<b>\$ (513,688)</b>	<b>\$ 2,908</b>	<b>\$ (427,256)</b>



CITY OF CHULA VISTA

COMBINING STATEMENT OF REVENUES, EXPENSES  
AND CHANGES IN FUND NET POSITION  
NON-MAJOR PROPRIETARY FUNDS  
YEAR ENDED JUNE 30, 2017

	Business-Type Activities - Enterprise Funds			Totals
	Bayfront Trolley Station	Transit Fund	Chula Vista Mini Golf Course	
<b>Operating Revenues:</b>				
Other	\$ 257	\$ -	\$ 30,000	\$ 30,257
<b>Total Operating Revenues</b>	<b>257</b>	<b>-</b>	<b>30,000</b>	<b>30,257</b>
<b>Operating Expenses:</b>				
Administration and general	-	39,594	27,092	66,686
<b>Total Operating Expenses</b>	<b>-</b>	<b>39,594</b>	<b>27,092</b>	<b>66,686</b>
Operating Income (Loss)	257	(39,594)	2,908	(36,429)
<b>Nonoperating Revenues (Expenses):</b>				
Interest revenue	271	-	-	271
<b>Total Nonoperating Revenues (Expenses)</b>	<b>271</b>	<b>-</b>	<b>-</b>	<b>271</b>
Income (Loss)	528	(39,594)	2,908	(36,158)
Changes in Net Position	528	(39,594)	2,908	(36,158)
<b>Net Position:</b>				
Beginning of Year, as originally reported	82,996	(431,682)	-	(348,686)
Restatements	-	(42,412)	-	(42,412)
Beginning of Fiscal Year	82,996	(474,094)	-	(391,098)
<b>End of Fiscal Year</b>	<b>\$ 83,524</b>	<b>\$ (513,688)</b>	<b>\$ 2,908</b>	<b>\$ (427,256)</b>

CITY OF CHULA VISTA

COMBINING STATEMENT OF CASH FLOWS  
 NON-MAJOR PROPRIETARY FUNDS  
 YEAR ENDED JUNE 30, 2017

	Business-Type Activities - Enterprise Funds			
	Bayfront Trolley Station	Transit Fund	Chula Vista Mini Golf Course	Totals
<b>Cash Flows from Operating Activities:</b>				
Cash received from customers and users	\$ 257	\$ 42,412	\$ -	\$ 42,669
Cash received from/(paid to) interfund service provided	-	-	27,092	27,092
Cash paid to employees for services	-	(30,594)	(27,092)	(57,686)
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>257</b>	<b>11,818</b>	<b>-</b>	<b>12,075</b>
<b>Cash Flows from Non-Capital Financing Activities:</b>				
Repayment made to other funds	-	(42,412)	-	(42,412)
<b>Net Cash Provided (Used) by Non-Capital Financing Activities</b>	<b>-</b>	<b>(42,412)</b>	<b>-</b>	<b>(42,412)</b>
<b>Cash Flows from Investing Activities:</b>				
Interest received	271	-	-	271
<b>Net Cash Provided (Used) by Investing Activities</b>	<b>271</b>	<b>-</b>	<b>-</b>	<b>271</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>528</b>	<b>(30,594)</b>	<b>-</b>	<b>(30,066)</b>
Cash and Cash Equivalents at Beginning of Year	82,996	323,040	-	406,036
<b>Cash and Cash Equivalents at End of Year</b>	<b>\$ 83,524</b>	<b>\$ 292,446</b>	<b>\$ -</b>	<b>\$ 375,970</b>
<b>Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:</b>				
Operating income (loss)	\$ 257	\$ (39,594)	\$ 2,908	\$ (36,429)
<b>Adjustments to reconcile operating income (loss) net cash provided (used) by operating activities:</b>				
(Increase) decrease in accounts receivable	-	42,412	(30,000)	12,412
Increase (decrease) in accounts payable	-	9,000	-	9,000
Increase (decrease) in due to other funds	-	-	27,092	27,092
<b>Total Adjustments</b>	<b>-</b>	<b>51,412</b>	<b>(2,908)</b>	<b>48,504</b>
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>\$ 257</b>	<b>\$ 11,818</b>	<b>\$ -</b>	<b>\$ 12,075</b>
<b>Non-Cash Investing, Capital, and Financing Activities:</b>				
Restatement of net position	\$ -	\$ (42,412)	\$ -	\$ (42,412)

CITY OF CHULA VISTA

COMBINING STATEMENT OF NET POSITION  
INTERNAL SERVICE FUNDS  
JUNE 30, 2017

	Governmental Activities - Internal Service Funds			
	Fleet Management	Technology Replacement	Workers Compensation	Totals
<b>Assets:</b>				
Current:				
Cash and investments	\$ 1,412,265	\$ 2,650	\$ 1,716,671	\$ 3,131,586
Receivables:				
Accounts	66,228	-	6,782	73,010
Prepaid costs	896	-	-	896
Restricted:				
Cash with fiscal agent	-	-	625,000	625,000
<b>Total Current Assets</b>	<b>1,479,389</b>	<b>2,650</b>	<b>2,348,453</b>	<b>3,830,492</b>
Noncurrent:				
Capital assets - net of accumulated depreciation	968,103	-	-	968,103
<b>Total Noncurrent Assets</b>	<b>968,103</b>	<b>-</b>	<b>-</b>	<b>968,103</b>
<b>Total Assets</b>	<b>2,447,492</b>	<b>2,650</b>	<b>2,348,453</b>	<b>4,798,595</b>
<b>Deferred Outflows of Resources:</b>				
Deferred pension contributions	540,945	-	-	540,945
<b>Total Deferred Outflows of Resources</b>	<b>540,945</b>	<b>-</b>	<b>-</b>	<b>540,945</b>
<b>Liabilities:</b>				
Current:				
Accounts payable	265,089	-	51,867	316,956
Accrued liabilities	22,356	-	-	22,356
Accrued compensated absences	16,706	-	-	16,706
<b>Total Current Liabilities</b>	<b>304,151</b>	<b>-</b>	<b>51,867</b>	<b>356,018</b>
Noncurrent:				
Accrued compensated absences	32,001	-	-	32,001
Net pension liability	2,947,041	-	-	2,947,041
<b>Total Noncurrent Liabilities</b>	<b>2,979,042</b>	<b>-</b>	<b>-</b>	<b>2,979,042</b>
<b>Total Liabilities</b>	<b>3,283,193</b>	<b>-</b>	<b>51,867</b>	<b>3,335,060</b>
<b>Deferred Inflows of Resources:</b>				
Deferred items related to pensions	21,067	-	-	21,067
<b>Total Deferred Inflows of Resources</b>	<b>21,067</b>	<b>-</b>	<b>-</b>	<b>21,067</b>
<b>Net Position:</b>				
Investment in capital assets	968,103	-	-	968,103
Unrestricted	(1,283,926)	2,650	2,296,586	1,015,310
<b>Total Net Position</b>	<b>\$ (315,823)</b>	<b>\$ 2,650</b>	<b>\$ 2,296,586</b>	<b>\$ 1,983,413</b>

CITY OF CHULA VISTA

COMBINING STATEMENT OF REVENUES, EXPENSES  
AND CHANGES IN FUND NET POSITION  
INTERNAL SERVICE FUNDS  
YEAR ENDED JUNE 30, 2017

	<b>Governmental Activities - Internal Service Funds</b>			
	<b>Fleet Management</b>	<b>Technology Replacement</b>	<b>Workers Compensation</b>	<b>Totals</b>
<b>Operating Revenues:</b>				
Interdepartmental charges	\$ 3,206,863	\$ -	\$ 3,595,227	\$ 6,802,090
Other	43,437	-	-	43,437
<b>Total Operating Revenues</b>	<b>3,250,300</b>	<b>-</b>	<b>3,595,227</b>	<b>6,845,527</b>
<b>Operating Expenses:</b>				
Administration and general	3,131,650	127,349	3,725,709	6,984,708
Depreciation expense	393,291	-	-	393,291
<b>Total Operating Expenses</b>	<b>3,524,941</b>	<b>127,349</b>	<b>3,725,709</b>	<b>7,377,999</b>
Operating Income (Loss)	(274,641)	(127,349)	(130,482)	(532,472)
<b>Nonoperating Revenues (Expenses):</b>				
Interest revenue	3,894	-	-	3,894
Gain (loss) on disposal of capital assets	8,970	-	-	8,970
<b>Total Nonoperating Revenues (Expenses)</b>	<b>12,864</b>	<b>-</b>	<b>-</b>	<b>12,864</b>
Income (Loss) Before Transfers	(261,777)	(127,349)	(130,482)	(519,608)
Transfers in	-	-	1,500,000	1,500,000
Changes in Net Position	(261,777)	(127,349)	1,369,518	980,392
<b>Net Position:</b>				
Beginning of Year, as originally reported	(144,529)	129,999	927,068	912,538
Restatements	90,483	-	-	90,483
Beginning of Fiscal Year	(54,046)	129,999	927,068	1,003,021
<b>End of Fiscal Year</b>	<b>\$ (315,823)</b>	<b>\$ 2,650</b>	<b>\$ 2,296,586</b>	<b>\$ 1,983,413</b>

CITY OF CHULA VISTA

COMBINING STATEMENT OF CASH FLOWS  
INTERNAL SERVICE FUNDS  
YEAR ENDED JUNE 30, 2017

	<u>Governmental Activities - Internal Service Funds</u>			
	<u>Fleet Management</u>	<u>Technology Replacement</u>	<u>Workers Compensation</u>	<u>Totals</u>
<b>Cash Flows from Operating Activities:</b>				
Cash received from/(paid to) interfund service provided	\$ 3,184,406	\$ -	\$ 3,588,445	\$ 6,772,851
Cash paid to suppliers for goods and services	83,791	-	51,867	135,658
Cash paid to employees for services	(3,128,207)	(127,349)	(3,725,709)	(6,981,265)
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>139,990</b>	<b>(127,349)</b>	<b>(85,397)</b>	<b>(72,756)</b>
<b>Cash Flows from Non-Capital Financing Activities:</b>				
Cash transfers in	-	-	1,500,000	1,500,000
Repayment received from other funds	90,483	-	-	90,483
<b>Net Cash Provided (Used) by Non-Capital Financing Activities</b>	<b>90,483</b>	<b>-</b>	<b>1,500,000</b>	<b>1,590,483</b>
<b>Cash Flows from Capital and Related Financing Activities:</b>				
Acquisition and construction of capital assets	(194,245)	-	-	(194,245)
Proceeds from sales of capital assets	20,008	-	-	20,008
<b>Net Cash Provided (Used) by Capital and Related Financing Activities</b>	<b>(174,237)</b>	<b>-</b>	<b>-</b>	<b>(174,237)</b>
<b>Cash Flows from Investing Activities:</b>				
Interest received	3,894	-	-	3,894
<b>Net Cash Provided (Used) by Investing Activities</b>	<b>3,894</b>	<b>-</b>	<b>-</b>	<b>3,894</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>60,130</b>	<b>(127,349)</b>	<b>1,414,603</b>	<b>1,347,384</b>
Cash and Cash Equivalents at Beginning of Year	1,352,135	129,999	927,068	2,409,202
<b>Cash and Cash Equivalents at End of Year</b>	<b>\$ 1,412,265</b>	<b>\$ 2,650</b>	<b>\$ 2,341,671</b>	<b>\$ 3,756,586</b>
<b>Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:</b>				
Operating income (loss)	\$ (274,641)	\$ (127,349)	\$ (130,482)	\$ (532,472)
<b>Adjustments to reconcile operating income (loss) net cash provided (used) by operating activities:</b>				
Depreciation	393,291	-	-	393,291
(Increase) decrease in accounts receivable	(65,894)	-	(6,782)	(72,676)
(Increase) decrease in deferred outflows from pensions	(332,113)	-	-	(332,113)
(Increase) decrease in prepaid costs	(896)	-	-	(896)
Increase (decrease) in accounts payable	84,687	-	51,867	136,554
Increase (decrease) in accrued liabilities	(5,879)	-	-	(5,879)
Increase (decrease) in compensated absences	(33,675)	-	-	(33,675)
Increase (decrease) in net pension liability	455,287	-	-	455,287
Increase (decrease) in deferred inflows from pensions	(80,177)	-	-	(80,177)
<b>Total Adjustments</b>	<b>414,631</b>	<b>-</b>	<b>45,085</b>	<b>459,716</b>
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>\$ 139,990</b>	<b>\$ (127,349)</b>	<b>\$ (85,397)</b>	<b>\$ (72,756)</b>
<b>Non-Cash Investing, Capital, and Financing Activities:</b>				
Gain/(Loss) on disposition of capital assets	\$ 8,970	\$ -	\$ -	\$ 8,970

CITY OF CHULA VISTA

COMBINING STATEMENT OF NET POSITION  
 ALL AGENCY FUNDS  
 JUNE 30, 2017

	<u>Flexible Spending Account</u>	<u>Special Assessment District</u>	<u>Miscellaneous Deposits</u>	<u>Totals</u>
<b>Assets:</b>				
Pooled cash and investments	\$ 269,694	\$ 8,755,654	\$ -	\$ 9,025,348
Receivables:				
Accrued interest	-	-	1,431	1,431
Restricted assets:				
Cash and investments	-	-	15,048,347	15,048,347
Cash and investments with fiscal agents	-	30,815,087	-	30,815,087
<b>Total Assets</b>	<b><u>\$ 269,694</u></b>	<b><u>\$ 39,570,741</u></b>	<b><u>\$ 15,049,778</u></b>	<b><u>\$ 54,890,213</u></b>
<b>Liabilities:</b>				
Accounts payable	\$ 10,507	\$ 110	\$ 669,045	\$ 679,662
Unearned revenues	14,162	-	1,431	15,593
Deposits payable	-	-	14,379,302	14,379,302
Due to external parties/other agencies	245,025	39,570,631	-	39,815,656
<b>Total Liabilities</b>	<b><u>\$ 269,694</u></b>	<b><u>\$ 39,570,741</u></b>	<b><u>\$ 15,049,778</u></b>	<b><u>\$ 54,890,213</u></b>

CITY OF CHULA VISTA

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
 ALL AGENCY FUNDS  
 YEAR ENDED JUNE 30, 2017

	<u>Balance</u> 7/1/2016	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> 6/30/2017
<b><u>Flexible Spending Account</u></b>				
<b>Assets:</b>				
Pooled cash and investments	\$ 151,241	\$ 1,113,434	\$ 994,981	\$ 269,694
<b>Total Assets</b>	<b><u>\$ 151,241</u></b>	<b><u>\$ 1,113,434</u></b>	<b><u>\$ 994,981</u></b>	<b><u>\$ 269,694</u></b>
<b>Liabilities:</b>				
Accounts payable	\$ -	\$ 19,007	\$ 8,500	\$ 10,507
Unearned revenues	14,162	-	-	14,162
Due to external parties/other agencies	137,079	1,563,217	1,455,271	245,025
<b>Total Liabilities</b>	<b><u>\$ 151,241</u></b>	<b><u>\$ 1,582,224</u></b>	<b><u>\$ 1,463,771</u></b>	<b><u>\$ 269,694</u></b>
<b><u>Special Assessment District</u></b>				
<b>Assets:</b>				
Pooled cash and investments	\$ 8,289,365	\$ 16,117,434	\$ 15,651,145	\$ 8,755,654
Restricted assets:				
Cash and investments with fiscal agents	30,604,895	9,027,236	8,817,044	30,815,087
<b>Total Assets</b>	<b><u>\$ 38,894,260</u></b>	<b><u>\$ 25,144,670</u></b>	<b><u>\$ 24,468,189</u></b>	<b><u>\$ 39,570,741</u></b>
<b>Liabilities:</b>				
Accounts payable	\$ -	\$ 18,965	\$ 18,855	\$ 110
Due to external parties/other agencies	38,894,260	80,683,010	80,006,639	39,570,631
<b>Total Liabilities</b>	<b><u>\$ 38,894,260</u></b>	<b><u>\$ 80,701,975</u></b>	<b><u>\$ 80,025,494</u></b>	<b><u>\$ 39,570,741</u></b>
<b><u>Miscellaneous Deposits</u></b>				
<b>Assets:</b>				
Receivables:				
Accrued interest	\$ -	\$ 2,862	\$ 1,431	\$ 1,431
Restricted assets:				
Cash and investments	-	36,149,360	21,101,013	15,048,347
<b>Total Assets</b>	<b><u>\$ -</u></b>	<b><u>\$ 36,152,222</u></b>	<b><u>\$ 21,102,444</u></b>	<b><u>\$ 15,049,778</u></b>
<b>Liabilities:</b>				
Accounts payable	\$ -	\$ 5,218,075	\$ 4,549,030	\$ 669,045
Unearned revenues	-	2,862	1,431	1,431
Deposits payable	-	40,454,179	26,074,877	14,379,302
<b>Total Liabilities</b>	<b><u>\$ -</u></b>	<b><u>\$ 45,675,116</u></b>	<b><u>\$ 30,625,338</u></b>	<b><u>\$ 15,049,778</u></b>
<b><u>Totals - All Agency Funds</u></b>				
<b>Assets:</b>				
Pooled cash and investments	\$ 8,440,606	\$ 17,230,868	\$ 16,646,126	\$ 9,025,348
Receivables:				
Accrued interest	-	2,862	1,431	1,431
Restricted assets:				
Cash and investments	-	36,149,360	21,101,013	15,048,347
Cash and investments with fiscal agents	30,604,895	9,027,236	8,817,044	30,815,087
<b>Total Assets</b>	<b><u>\$ 39,045,501</u></b>	<b><u>\$ 62,410,326</u></b>	<b><u>\$ 46,565,614</u></b>	<b><u>\$ 54,890,213</u></b>
<b>Liabilities:</b>				
Accounts payable	\$ -	\$ 5,256,047	\$ 4,576,385	\$ 679,662
Unearned revenues	14,162	2,862	1,431	15,593
Pass-through payables	-	-	-	-
Deposits payable	-	40,454,179	26,074,877	14,379,302
Due to external parties/other agencies	39,031,339	82,246,227	81,461,910	39,815,656
<b>Total Liabilities</b>	<b><u>\$ 39,045,501</u></b>	<b><u>\$ 127,959,315</u></b>	<b><u>\$ 112,114,603</u></b>	<b><u>\$ 54,890,213</u></b>

# CITY OF CHULA VISTA

## Statistical Section

06/30

This part of the City of Chula Vista's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the city's overall financial health.

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<b>Financial Trends</b>	<b>181-185</b>
These schedules contain information to help the reader understand how the city's financial performance and well-being have changed over time.	
<b>Revenue Capacity</b>	<b>186-189</b>
These schedules contain information to help the reader assess the factors affecting the city's ability to generate its property and sales taxes.	
<b>Debt Capacity</b>	<b>190-194</b>
These schedules present information to help the reader assess the affordability of the city's current levels of outstanding debt and the city's ability to issue additional debt in the future.	
<b>Demographic and Economic Information</b>	<b>195-197</b>
These schedules offer demographic and economic indicators to help the reader understand the environment within which the city's financial activities take place and to help make comparisons over time and with other governments.	
<b>Operating Information</b>	<b>198-199</b>
These schedules contain information about the city's operations and resources to help the reader understand how the city's financial information relates to the services the city provides and the activities it performs.	





**CITY OF CHULA VISTA**  
**Net Assets by Component**  
**Last Ten Fiscal Years**  
**(accrual basis of accounting)**

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Governmental activities:</b>										
Invested in capital assets, net of related debt	\$ 621,878,119	\$ 623,938,515	\$ 634,377,842	\$ 634,409,385	\$ 655,182,727	\$ 626,476,481	\$ 649,314,016	\$ 643,174,160	\$ 672,940,012	\$ 1,031,902,782
Restricted	55,166,660	43,901,854	49,193,256	47,168,636	22,929,585	21,888,309	107,106,257	129,460,665	125,439,323	128,114,370
Unrestricted	91,683,171	89,235,419	73,916,496	72,730,796	89,620,724	111,886,462	22,522,443	(245,432,296)	(222,570,459)	(222,843,737)
<b>Total governmental activities net assets</b>	<b>768,727,950</b>	<b>757,075,788</b>	<b>757,487,594</b>	<b>754,308,817</b>	<b>767,733,036</b>	<b>760,251,252</b>	<b>778,942,716</b>	<b>527,202,529</b>	<b>575,808,876</b>	<b>937,173,415</b>
<b>Business-type activities:</b>										
Invested in capital assets, net of related debt	150,004,170	148,237,562	152,384,420	146,550,585	140,248,319	134,661,254	136,513,268	134,368,634	135,989,851	331,199,513
Restricted	-	-	-	-	-	-	-	5,141,430	2,803,451	2,593,403
Unrestricted	55,294,988	64,860,578	74,385,651	80,214,208	86,521,327	93,401,745	97,393,640	71,945,411	67,970,476	72,366,978
<b>Total business-type activities net assets</b>	<b>205,299,158</b>	<b>213,098,140</b>	<b>226,770,071</b>	<b>226,764,793</b>	<b>226,769,646</b>	<b>228,062,999</b>	<b>233,906,908</b>	<b>211,455,475</b>	<b>206,763,778</b>	<b>406,159,894</b>
<b>Primary government:</b>										
Invested in capital assets, net of related debt	771,882,289	772,176,077	786,762,262	780,959,970	795,431,046	761,137,735	785,827,284	777,542,794	808,929,863	1,363,102,295
Restricted	55,166,660	43,901,854	49,193,256	47,168,636	22,929,585	21,888,309	107,106,257	134,602,095	128,242,774	130,707,773
Unrestricted	146,978,159	154,095,997	148,302,147	152,945,004	176,142,051	205,288,207	119,916,083	(173,486,885)	(154,599,983)	(150,476,759)
<b>Total primary government net assets</b>	<b>\$ 974,027,108</b>	<b>\$ 970,173,928</b>	<b>\$ 984,257,665</b>	<b>\$ 981,073,610</b>	<b>\$ 994,502,682</b>	<b>\$ 988,314,251</b>	<b>\$ 1,012,849,624</b>	<b>\$ 738,658,004</b>	<b>\$ 782,572,654</b>	<b>\$ 1,343,333,309</b>

*Sewer funds were converted to an enterprise fund in fiscal year 2008.*

**CITY OF CHULA VISTA**  
**Changes in Net Position**  
**Last Ten Fiscal Years**  
**(accrual basis of accounting)**

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Expenses:</b>										
Governmental activities:										
General government	\$ 51,609,403	\$ 49,216,220	\$ 51,136,412	\$ 46,457,112	\$ 22,508,977	\$ 33,652,891	\$ 25,386,867	\$ 36,486,645	\$ 25,564,824	\$ 35,375,230
Public safety	78,633,467	76,097,546	74,008,767	75,664,246	75,931,086	77,821,520	74,896,803	81,002,999	87,749,418	94,716,683
Community Development								207,308	1,974,046	1,552,750
Community Services								12,837	5,632	14,990
Public works	86,410,082	72,509,779	69,524,903	71,857,158	76,458,061	69,297,402	63,312,155	62,454,130	67,910,401	68,885,918
Parks and recreation	9,650,399	9,805,893	7,849,907	6,995,489	7,310,312	5,865,192	6,118,351	6,441,907	6,834,240	6,875,635
Library	8,532,621	7,617,286	4,826,602	4,509,999	4,185,624	4,224,568	4,092,263	3,906,984	3,997,677	5,018,878
Transit					63,021	14,560				
Interest on long-term debt	13,656,534	13,064,138	11,217,753	11,538,707	8,904,275	6,698,509	7,287,461	6,601,927	6,073,434	4,673,047
Total governmental activities expenses	248,492,506	228,310,862	218,564,344	217,022,711	195,361,356	197,574,642	181,093,900	197,114,737	200,109,672	217,113,131
Business-type activities:										
Transit	8,301,081	8,147,424	7,571,898	7,075,998	7,050,673	6,997,488	6,875,214	4,807,985	86,512	39,594
Bayfront Trolley Station	98,406	98,800	94,802	91,788	91,942	92,843	61,823	59,863		
Sewer funds	30,323,015	23,528,217	29,240,616	30,245,584	30,524,851	30,773,712	26,046,175	31,615,457	25,234,891	32,179,875
Sewer DIFs	203,500	200,660	126,019	123,629	129,351	122,927	129,279	120,197	1,146,838	8,305
Development Services Fund					4,730,599	5,717,312	6,113,133	5,996,109	5,741,600	6,655,654
Chula Vista Mini Golf Course										27,092
CV Elite Athlete Training Ctr										449,028
Interest on long-term debt	62,927									
Total business-type activities expenses	38,988,929	31,975,101	37,033,335	37,536,999	42,527,416	43,704,282	39,225,624	42,599,611	32,209,841	39,359,548
Total primary government expenses	287,481,435	260,285,963	255,597,679	254,559,710	237,888,772	241,278,924	220,319,524	239,714,348	232,319,513	256,472,679
Program revenues:										
Governmental activities:										
Charges for services:										
General government	38,563,085	35,959,181	32,419,505	29,785,079	5,955,849	5,795,838	8,767,069	7,623,676	6,468,756	12,317,921
Public safety	8,148,817	7,954,060	8,833,813	7,989,893	8,658,579	8,893,631	10,198,058	12,100,712	11,764,603	11,997,221
Community Development								297,866	730,197	771,603
Public works	23,112,265	25,793,234	28,761,170	33,378,070	32,767,261	35,758,786	30,495,980	31,703,848	24,218,733	32,598,199
Parks and recreation	11,881,147	2,776,032	2,559,668	3,599,653	3,051,842	7,631,696	5,292,433	4,511,278	10,683,649	8,221,019
Library	561,948	326,116	505,044	967,908	840,258	1,666,765	1,078,592	1,302,869	1,943,416	1,575,837
Operating grants and contributions	34,498,639	18,957,467	17,984,120	31,976,818	21,780,868	30,935,863	29,456,557	25,102,165	22,416,276	22,751,556
Capital grants and contributions	50,632,109	16,754,583	23,711,994	4,781,625	4,283,855	2,936,133	1,921,554	12,954,191	7,143,130	5,619,731
Total governmental activities program revenues	167,398,010	108,520,673	114,775,314	112,479,046	77,338,512	93,618,712	87,210,243	95,596,605	85,368,760	95,853,087

**CITY OF CHULA VISTA**  
**Changes in Net Position**  
**Last Ten Fiscal Years**  
**(accrual basis of accounting)**

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Business-type activities:</b>										
Charges for services:										
Transit	1,660,821	3,679,761	3,335,334	2,534,385	2,671,538	2,841,619	2,672,231	1,503,262	-	-
Sewer funds	29,138,449	31,046,180	36,284,081	32,257,256	32,571,135	35,011,268	33,190,660	36,054,603	35,775,374	36,289,930
Sewer DJFs	539,136	232,430	166,303	443,599	174,667	645,015	268,092	166,333	239,143	111,907
Development Services Fund	-	-	-	-	4,174,657	6,654,261	6,338,495	6,118,566	6,546,936	7,291,037
Operating grants and contributions	5,378,518	3,390,228	3,357,566	3,431,988	3,524,426	3,095,626	3,800,358	5,474,658	306,884	-
Capital grants and contributions	-	-	-	-	-	-	-	-	-	-
Total business-type activities	36,716,924	38,348,599	43,143,284	38,667,228	43,116,423	48,247,789	46,269,836	49,317,422	42,868,337	43,692,874
Total primary government	204,114,934	146,869,272	157,918,598	151,146,274	120,454,935	141,866,501	133,480,079	144,914,027	128,237,097	139,545,961
Net revenues (expenses):										
Governmental activities	(81,094,496)	(119,790,189)	(103,789,030)	(104,543,665)	(118,022,844)	(103,955,930)	(93,883,657)	(101,518,132)	(114,740,912)	(121,260,044)
Business-type activities	(2,272,005)	6,373,498	6,109,949	1,130,229	589,007	4,543,507	7,044,212	6,717,811	10,658,496	4,333,326
Total net revenues (expenses)	(83,366,501)	(113,416,691)	(97,679,081)	(103,413,436)	(117,433,837)	(99,412,423)	(86,839,445)	(94,800,321)	(104,082,416)	(116,926,718)
<b>General revenues and other changes in net assets:</b>										
Governmental activities:										
Taxes:										
Property taxes	43,388,023	43,319,156	41,798,577	39,437,025	49,721,604	45,146,022	45,266,172	47,485,292	50,136,856	53,248,196
Sales tax	29,062,355	26,263,317	23,674,601	26,702,443	27,275,753	28,627,785	29,171,174	30,394,291	33,317,380	36,469,033
Other taxes	21,922,357	21,643,366	21,927,677	17,485,387	16,431,529	18,966,240	32,145,209	23,225,498	24,463,262	24,101,777
Investment income	8,663,014	12,676,922	5,744,616	9,108,662	3,615,266	866,861	1,944,988	4,219,304	6,233,144	2,954,403
Other general revenues	8,343,946	355,175	7,581,794	5,193,653	1,530,568	2,356,802	686,054	14,437	1,034,027	8,970
Miscellaneous	-	-	-	-	-	-	-	27,882	336,661	1,677,271
Transfers	5,594,536	3,880,091	3,473,571	3,437,718	4,195,190	3,861,417	3,551,004	3,848,746	2,799,555	4,180,778
Total general revenues and transfers	116,974,231	108,138,027	104,200,836	101,364,888	102,769,910	99,825,127	112,764,601	109,215,450	118,320,885	122,640,428
Extraordinary gain	-	-	-	-	28,677,153	-	-	-	-	-
Total governmental activities	116,974,231	108,138,027	104,200,836	101,364,888	131,447,063	99,825,127	112,764,601	109,215,450	118,320,885	122,640,428
Business-type activities:										
Investment income	6,740,155	2,090,311	1,785,660	1,288,478	1,273,689	261,354	1,505,052	641,978	1,357,938	322,527
Miscellaneous	670,170	3,215,264	9,249,893	1,013,733	2,337,347	349,909	845,650	2,789,595	524,616	198,847,750
Gain on Sale of Capital Asset	(5,594,536)	(3,880,091)	(3,473,571)	(3,437,718)	(4,195,190)	(3,861,417)	(3,551,004)	(3,848,746)	(2,799,555)	115,703
Transfers	1,815,789	1,425,484	7,561,982	(1,135,507)	(584,154)	(3,250,154)	(1,200,302)	(417,173)	(917,001)	(4,180,778)
Total business-type activities	118,790,020	109,563,511	111,762,818	100,229,381	130,862,909	96,574,973	111,564,299	108,798,277	117,403,884	317,745,630
<b>Changes in net assets</b>										
Governmental activities	35,879,735	(11,652,162)	411,806	(3,178,777)	13,424,219	(4,130,803)	18,880,944	7,697,318	3,579,973	1,380,384
Business-type activities	(456,216)	7,798,982	13,671,931	(5,278)	4,853	1,293,353	5,843,910	6,300,638	9,741,495	199,438,528
Total primary government	\$ 35,423,519	\$ (3,853,180)	\$ 14,083,737	\$ (3,184,055)	\$ 13,429,072	\$ (2,837,450)	\$ 24,724,854	\$ 13,997,956	\$ 13,321,468	\$ 200,818,912

*Sewer funds were converted to an enterprise fund in fiscal year 2008.*

**CITY OF CHULA VISTA**  
**Fund Balances of Governmental Funds**  
**Last Ten Fiscal Years**  
**(modified accrual basis of accounting)**

	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General fund:										
Nonspendable	\$ -	\$ -	\$ -	\$ 11,258,150	\$ 8,799,026	\$ 7,481,079	\$ 7,424,812	\$ 7,419,002	\$ 1,527,055	\$ 7,363,413
Restricted	-	-	-	127,883	-	750,951	-	-	-	-
Committed	-	-	-	7,178,838	4,375,207	2,298,088	6,215,601	7,602,021	6,417,095	5,938,600
Assigned	-	-	-	5,298,536	2,895,545	6,648,922	4,807,244	4,688,124	4,315,568	8,526,339
Unassigned	-	-	-	11,876,992	11,969,280	10,790,135	14,511,252	16,412,879	25,132,939	20,020,613
Reserved	22,258,951	20,732,416	19,478,496	-	-	-	-	-	-	-
Unreserved	11,817,191	12,417,105	13,703,304	-	-	-	-	-	-	-
Total general fund	34,076,142	33,149,521	33,181,800	35,740,399	28,039,058	27,969,175	32,958,909	36,122,026	37,392,657	41,848,965
All other governmental funds:										
Nonspendable	-	-	-	21,669,849	30,763,746	\$ 29,774,472	\$ 23,537,524	\$ 7,419,002	\$ 1,527,055	\$ -
Restricted	-	-	-	109,944,736	83,439,558	91,152,341	107,106,257	129,464,688	-	31,385,200
Committed	-	-	-	17,370,613	12,842,477	10,617,691	10,677,564	17,186,197	6,417,095	345,095
Assigned	-	-	-	(2,402,991)	-	-	-	4,688,124	29,448,507	-
Unassigned	-	-	-	(59,092,342)	(37,420,734)	(37,277,498)	(40,451,233)	(20,803,239)	25,132,939	(422,149)
Reserved	26,305,432	33,197,517	61,852,404	-	-	-	-	-	-	-
Unreserved, reported in:										
Debt service funds	(43,496,817)	(46,692,600)	(56,280,718)	-	-	-	-	-	-	-
Capital projects funds	78,496,664	70,791,397	58,595,303	-	-	-	-	-	-	-
Special revenue funds	48,690,364	42,565,836	27,334,131	-	-	-	-	-	-	-
Total all other governmental funds	\$ 109,995,643	\$ 99,862,150	\$ 91,501,120	\$ 87,489,865	\$ 89,625,047	\$ 94,267,006	\$ 100,870,112	\$ 137,954,772	\$ 62,525,596	\$ 31,308,146

*Sewer funds were converted to an enterprise fund in fiscal year 2008.*

CITY OF CHULA VISTA

Changes in Fund Balances of Governmental Funds

Last Ten Fiscal Years

(modified accrual basis of accounting)

	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Revenues:										
Taxes	\$ 103,543,735	\$ 91,770,846	\$ 87,263,934	\$ 88,878,664	\$ 96,868,086	\$ 82,450,711	\$ 106,825,885	\$ 112,594,714	\$ 110,452,962	\$ 121,462,604
Licenses and permits	2,767,850	2,041,721	2,274,964	2,887,150	1,253,806	1,436,828	1,355,342	1,322,254	1,328,020	1,290,968
Fines and forfeitures	2,671,545	3,317,666	3,124,021	2,348,565	2,065,246	1,639,781	1,685,268	2,280,880	1,942,656	1,805,508
Investment income	10,890,132	10,103,986	6,299,595	8,716,624	5,077,920	2,929,237	4,698,387	5,044,602	3,766,457	3,766,457
Developer fees	17,318,134	9,252,547	11,700,991	16,498,744	13,966,814	21,742,856	9,515,921	7,484,592	11,657,266	8,810,178
Intergovernmental	43,962,835	39,497,983	41,965,596	48,177,707	21,861,011	40,953,981	28,647,410	26,409,294	23,868,074	23,427,460
Charges for services	15,679,753	12,435,955	11,877,763	11,743,505	20,907,330	23,440,813	20,748,232	20,112,124	22,647,645	26,662,094
Other	30,427,119	29,404,221	31,918,308	28,163,311	13,382,050	14,521,818	14,896,960	15,932,194	15,839,288	23,229,357
Total revenues	227,261,103	197,824,925	196,425,172	207,414,270	175,382,263	189,116,025	188,373,405	191,180,654	194,742,456	210,754,626
Expenditures										
Current:										
General government	49,596,883	43,640,514	45,966,934	39,701,396	23,833,011	25,544,079	29,341,881	26,413,901	29,087,838	33,218,003
Public safety	74,781,055	72,872,527	72,080,790	70,693,779	71,917,414	73,177,912	76,457,979	80,235,099	83,637,644	87,731,136
Public works	57,789,303	46,042,781	45,778,665	48,056,229	47,911,105	48,416,477	40,894,934	41,459,698	49,775,141	45,135,590
Community Development										
Parks and recreation	6,869,089	6,969,924	5,255,812	4,030,767	4,215,643	3,471,548	3,590,441	3,746,349	1,974,046	2,030,654
Library	8,224,897	7,199,101	4,563,849	3,870,646	3,672,661	3,241,660	3,810,004	3,625,949	4,059,567	4,246,605
Capital outlay	29,525,186	19,305,564	27,628,148	34,215,021	16,182,888	21,144,133	15,347,338	22,216,530	3,969,307	4,721,120
Debt service:										
Principal retirement	7,884,493	7,686,525	7,301,362	7,911,995	8,423,156	5,113,992	54,040,855	5,340,205	34,980,737	6,110,055
Interest and fiscal charges	12,224,973	12,576,939	11,585,816	11,094,106	9,229,775	6,818,788	7,850,448	6,678,144	6,437,941	5,194,264
Bond issuance cost	34,485	844,584	-	-	-	-	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-	-	-	-	-	422,751	2,673,892
Total expenditures	246,930,364	217,138,459	220,161,376	219,573,939	185,385,653	186,928,589	231,333,880	189,715,875	227,321,580	210,233,985
Excess (deficiency) of revenues over (under) expenditures	(19,669,261)	(19,313,534)	(23,736,204)	(12,159,669)	(10,003,390)	2,187,436	(42,960,475)	1,464,779	(32,578,924)	520,641
Other financing sources (uses):										
Transfers in	26,104,914	50,502,425	61,296,934	56,989,583	33,900,786	20,113,296	30,478,465	21,708,446	27,905,430	49,858,764
Transfers out	(20,400,837)	(46,589,803)	(57,815,981)	(53,551,865)	(32,638,610)	(16,551,879)	(27,503,760)	(18,897,272)	(25,949,256)	(47,177,986)
Proceeds from long-term debt	-	665,884	29,355,000	42,286	3,963,104	2,174,204	2,121,500	578,224	377,487	-
Proceeds from bond sale	10,264,224	21,625,000	207,372	-	-	-	45,920,000	-	34,330,000	34,485,000
Payment to escrow agent trust	-	(15,110,000)	(16,710,000)	-	-	-	-	-	(7,135,000)	(36,860,637)
Bond premium/(bond discount)	-	(579,161)	(925,872)	-	-	-	3,537,111	-	2,262,493	2,836,273
Capital Leases	-	-	-	-	-	-	-	-	-	1,285,053
Proceeds from sale of capital assets	-	-	-	9,630,000	-	-	-	-	-	-
Total other financing sources (uses)	15,968,301	10,514,345	15,407,453	13,110,004	5,225,280	5,735,621	54,553,316	3,389,398	31,791,154	4,426,467
Extraordinary item:										
Loss on dissolution of the Chula Vista Redevelopment Agency	-	-	-	-	(3,191,040)	-	-	-	-	-
Total extraordinary item	-	-	-	-	(3,191,040)	-	-	-	-	-
Net change in fund balances	\$ (3,700,960)	\$ (8,799,189)	\$ (8,328,751)	\$ 950,335	\$ (7,969,150)	\$ 7,923,057	\$ 11,592,841	\$ 4,854,177	\$ (787,770)	\$ 4,947,108
Debt service as a percentage of noncapital expenditures	8.8%	10.2%	9.6%	9.4%	10.1%	6.9%	30.3%	7.4%	20.7%	6.2%

Sewer funds were converted to an enterprise fund in fiscal year 2008.

**CITY OF CHULA VISTA**  
**Assessed Value and Estimated Actual Value of Taxable Property**  
**Last Ten Fiscal Years**

Fiscal Year Ended June 30	City				Redevelopment Agency/Successor Agency <sup>1</sup>				Total Direct Tax Rate
	Secured	Unsecured	Less: Exemptions	Taxable Assessed Value <sup>2</sup>	Secured	Unsecured	Less: Exemptions <sup>3</sup>	Taxable Assessed Value	
2008	24,381,647,068	544,113,016	(567,257,524)	24,358,502,560	1,058,205,677	94,614,761	-	1,152,820,438	0.1438%
2009	24,861,548,900	565,347,815	(603,500,966)	24,823,395,749	1,061,746,125	105,702,620	-	1,167,448,745	0.1438%
2010	22,168,954,872	610,945,054	(682,909,923)	22,096,990,003	1,094,004,250	131,944,885	-	1,225,949,135	0.1438%
2011	21,341,397,693	577,214,653	(683,167,117)	21,235,445,229	1,042,561,908	130,433,921	-	1,172,995,829	0.1438%
2012	21,280,088,193	613,792,400	(739,917,158)	21,153,963,435	1,054,772,168	157,330,744	-	1,212,102,912	0.1438%
2013	21,173,362,084	565,751,305	(796,316,481)	20,942,796,908	1,045,060,350	97,973,502	-	1,143,033,852	0.1438%
2014	21,922,151,025	555,819,631	(831,701,747)	21,646,268,909	1,150,985,609	104,386,694	-	1,255,372,303	0.1438%
2015	23,413,030,465	542,342,957	(864,933,069)	23,090,440,353	1,142,294,084	101,995,779	-	1,244,289,863	0.1438%
2016	24,754,131,895	549,312,047	(847,445,301)	24,455,998,641	1,209,286,482	117,991,956	-	1,327,278,438	0.1438%
2017	26,210,551,258	543,505,450	(977,982,199)	25,776,074,509	1,246,659,237	107,794,167	-	1,354,453,404	0.1438%

<sup>1</sup> Redevelopment Agency dissolved as of January 31, 2012. Successor Agency formed February 1, 2012.

<sup>2</sup> Includes redevelopment incremental valuation.

<sup>3</sup> Redevelopment Agency/Successor Agency exemptions are included in City exemption data as they are not reported separately.

**NOTE:**

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

Source: County of San Diego Property Tax Services  
Valuation Report, Tax Rate by Tax Rate Area, ACAP 345B

**CITY OF CHULA VISTA**  
**Direct and Overlapping Property Tax Rates**  
**(Rate per \$100 of assessed value)**  
**Last Ten Fiscal Years**

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
City Direct Rates:										
City basic rate	0.1438	0.1438	0.1438	0.1438	0.1438	0.1438	0.1438	0.1438	0.1438	0.1438
Overlapping Rates:										
Chula Vista Elementary School District Bonds	0.0203	0.0176	0.0251	0.0261	0.0259	0.0253	0.0463	0.0475	0.04301	0.04323
Sweetwater Union High School District Bonds	0.0471	0.0462	0.0558	0.0552	0.0608	0.0586	0.0582	0.0541	0.05169	0.05162
Southwestern Community College Bonds	0.0125	0.0132	0.0344	0.0364	0.0331	0.0375	0.0368	0.0358	0.03961	0.03856
MWD D/S Remainder of SDCWA 15019999	0.0045	0.0043	0.0043	0.0037	0.0037	0.0035	0.0035	0.0035	0.0035	0.0035
County of San Diego**	<u>1.0000</u>	<u>1.0000</u>	<u>1.0000</u>	<u>1.0000</u>	<u>1.0000</u>	<u>1.0000</u>	<u>1.0000</u>	<u>1.0000</u>	<u>1.0000</u>	<u>1.0000</u>
Total Overlapping Rates	<u>1.0844</u>	<u>1.0813</u>	<u>1.1196</u>	<u>1.1213</u>	<u>1.1235</u>	<u>1.1249</u>	<u>1.1448</u>	<u>1.1409</u>	<u>1.1378</u>	<u>1.1369</u>

Breakdown of the County of San Diego 1.00 Rate:\*\*

County General	0.15920355
Gen Elem Chula Vista	0.29103670
High Sweetwater Union	0.18823068
Southwestern Community College	0.05072194
County School Service	0.00757296
County School Service - Capital Outlay	0.00190859
Childrens Institutions Tuition	0.00161434
Regional Occupational Centers	0.00483027
Chula Vista Project (19/84601)	0.00019695
Chula Vista Project (19/84602)	0.00039390
Educational Revenue Augmentation Fund	0.14676995
Chula Vista City	0.14375071
South Bay Irrigation	0.00000000
CWA South Bay Irrigation	0.00376946
San Diego Unified Port	<u>0.00000000</u>
Total	<u>1.00000000</u>

NOTE:

In 1978, California voters passed Proposition 13 which sets the property tax rate at a 1.00% fixed amount. This 1.00% is shared by all taxing agencies for which the subject property resides within. In addition to the 1.00% fixed amount, property owners are charged taxes as a percentage of assessed property values for the payment of school bonds and other debt service. Overlapping rates may vary by tax rate area. The data listed in this table is representative of tax rate area 001001.

Source: County of San Diego Property Tax Services



**CITY OF CHULA VISTA**  
**Principal Property Tax Payers**  
**Current Year and Nine Years Ago**

Taxpayer	2017			2008		
	Taxable Assessed Value	Rank	Percent of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percent of Total City Taxable Assessed Value
Rohr Inc.	\$ 198,528,281	1	0.77%	177,103,974	3	0.73%
Homefed Otay Land II LLC	155,952,435	2	0.61%			-
John Hancock Life Insurance Co	144,662,789	3	0.56%			-
GGP Otay Ranch LP	119,625,786	4	0.46%	259,573,098	2	1.07%
Regulo Place Apt Investors L	105,233,043	5	0.41%			
Brisa Acquisitions LLC	102,677,670	6	0.40%			
Vista Pacific Villas LP	93,361,400	7	0.36%			
JBP Development	85,611,502	8	0.33%			
HCA Properties	80,567,753	9	0.31%	-		
BREFMCA LLC	77,685,406	10	0.30%			
Village II of Otay HB Sub GP				350,954,456	1	1.44%
Shea Homes Ltd Partnership	-		-	173,481,320	4	0.71%
Rancho Mesa LP	-		-	164,892,023	5	0.68%
Village II of Otay LP	-		-	163,433,695	6	0.67%
Gateway Chula Vista 2 LLC	-		-	140,210,419	7	0.58%
Otay Ranch II Sun 12 LLC	-		-	129,711,974	8	0.53%
Otay Ranch Twenty - Two LLC	-		-	109,644,058	9	0.45%
Winding Walk Residential LLC				<u>90,273,611</u>	10	0.37%
	<u>\$ 1,163,906,065</u>		<u>4.52%</u>	<u>1,759,278,628</u>		<u>7.23%</u>

The amounts shown above include assessed value data for both the City and the Redevelopment Successor Agency.

Source: MuniServices, LLC  
County of San Diego Property Tax Services PT Base Tab Taxable Assessed Value for FYE

**CITY OF CHULA VISTA**  
**Property Tax Levies and Collections**  
**Last Ten Fiscal Years**

Fiscal Year Ended June 30	Taxes Levied for the Fiscal Year <sup>1</sup>	Collected within the Fiscal Year of Levy		Collections in Subsequent Years <sup>2</sup>	Total Collections to Date	
		Amount	Percent of Levy		Amount	Percent of Levy
2008	28,641,734	27,506,299	96.04%	460,875	27,967,173	97.64%
2009	29,304,771	28,147,698	96.05%	765,703	28,913,402	98.66%
2010	26,246,478	25,313,706	96.45%	538,429	25,852,135	98.50%
2011	25,325,126	24,773,002	97.82%	134,325	24,907,328	98.35%
2012	25,373,780	24,669,632	97.22%	(35,474)	24,634,158	97.09%
2013	25,352,454	24,982,072	98.54%	117,973	25,100,045	99.00%
2014	26,063,753	25,758,225	98.83%	39,776	25,798,000	98.98%
2015	27,726,666	27,398,740	98.82%	36,404	27,435,143	98.95%
2016	29,083,269	28,800,156	99.03%	68,973	28,869,128	99.26%
2017	30,632,668	30,388,650	99.20%	49,984	30,438,634	99.37%

<sup>1</sup> Levy amounts do not include supplemental taxes.

<sup>2</sup> Collection amounts represent delinquencies collected for all prior years during the current tax year. Total delinquent collections are reduced by any refunds processed from prior year tax collections.

Source: County of San Diego Property Tax Services ACAP234A 1%

**CITY OF CHULA VISTA**  
**Ratios of Outstanding Debt by Type**  
**Last Ten Fiscal Years**

Fiscal Year Ended June 30	Governmental Activities				Total Governmental Activities	Percentage of Personal Income <sup>1</sup>	Debt Per Capita <sup>1</sup>
	Pension Obligation Bonds	Tax Allocation Bonds	Loans	Certificates of Participation			
2008	8,820,000	40,185,000	19,304,342	135,045,000	203,354,342	2.15%	878
2009	7,000,000	45,830,000	18,736,012	130,580,000	202,146,012	2.03%	857
2010	4,980,000	44,925,000	17,686,144	139,700,000	207,291,144	2.24%	866
2011	2,655,000	43,985,000	16,876,860	136,060,000	199,576,860	1.91%	818
2012	-	43,005,000	19,673,344	132,290,000	194,968,344	1.85%	791
2013	-	<sup>-2</sup>	14,182,697	128,375,000	142,557,697	1.39%	568
2014	-	<sup>-2</sup>	18,366,623	121,650,000	140,016,623	1.34%	546
2015	-	<sup>-2</sup>	17,849,316	117,590,000	135,439,316	1.23%	520
2016	-	<sup>-2</sup>	18,673,487	111,195,000	129,868,487	1.12%	494
2017	-	<sup>-2</sup>	21,445,777	106,025,000	127,470,777	1.04%	481

<sup>1</sup> These ratios are calculated using personal income and population for the prior calendar year.

<sup>2</sup> Tax Allocation Bonds transferred to Successor Agency and shown as fiduciary fund.

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

**CITY OF CHULA VISTA**

**Ratio of General Bonded Debt Outstanding**

**Last Ten Fiscal Years  
(In Thousands, except Per Capita)**

Fiscal Year Ended June 30	Outstanding General Bonded Debt			Percent of Assessed Value <sup>1</sup>	Per Capita
	Pension Obligation Bonds	Tax Allocation Bonds	Total		
2008	8,820	40,185	49,005	0.20%	212
2009	7,000	45,830	52,830	0.21%	224
2010	4,980	44,925	49,905	0.23%	208
2011	2,655	43,985	46,640	0.22%	191
2012	-	43,005	43,005	0.20%	174
2013	-	41,985	41,985	0.20%	167
2014	-	40,920	40,920	0.19%	160
2015	-	39,230	39,230	0.17%	151
2016		37,465	37,465	0.15%	142
2017		29,315	29,315	0.11%	111

General bonded debt is debt payable with governmental fund resources and general obligation bonds recorded in enterprise funds (of which, the City has none).

<sup>1</sup> Assessed value has been used because the actual value of taxable property is not readily available in the State of California.

**CITY OF CHULA VISTA**  
**Direct and Overlapping Debt**  
**June 30, 2017**

2016-17 Assessed Valuation: \$25,776,074,509

<u>OVERLAPPING TAX AND ASSESSMENT DEBT:</u>	Total Debt 6/30/17	% Applicable (1)	City's Share of Debt 6/30/17
Metropolitan Water District	\$ 74,905,000	0.996%	\$ 746,054
Otay Municipal Water District, I.D. No. 27	3,995,000	99.996	3,994,840
Southwestern Community College District	326,088,676	51.349	167,443,274
Sweetwater Union High School District	391,939,739	61.283	240,192,430
Chula Vista City School District	48,750,000	87.351	42,583,613
Chula Vista City School District Schools Facilities Improvement Dist 1	83,580,000	78.315	65,455,677
National School District	26,050,000	2.871	747,896
City of Chula Vista Community Facilities Districts	133,015,000	100.	133,015,000
Sweetwater Union High School District Community Facilities District No. 1	25,605,016	100.	25,605,016
Sweetwater Union High School District Community Facilities District No. 2	151,544		#VALUE!
Sweetwater Union High School District Community Facilities Districts No. 3	8,154,962	100.	8,154,962
Sweetwater Union High School District Community Facilities Districts No. 4	4,328,476	100.	4,328,476
Sweetwater Union High School District Community Facilities Districts No. 5	2,159,502	80.884	1,746,692
Sweetwater Union High School District Community Facilities Districts No. 6	9,490,443	100.	9,490,443
Sweetwater Union High School District Community Facilities Districts No. 10	6,061,760	15.812	958,485
Sweetwater Union High School District Community Facilities Districts No. 11	6,317,491	100.	6,317,491
Sweetwater Union High School District Community Facilities Districts No. 12	2,850,922	100.	2,850,922
Sweetwater Union High School District Community Facilities Districts No. 13	3,646,528	100.	3,646,528
Sweetwater Union High School District Community Facilities Districts No. 14	6,762,651	100.	6,762,651
Sweetwater Union High School District Community Facilities Districts No. 15	3,959,087	100.	3,959,087
Sweetwater Union High School District Community Facilities Districts No. 16	4,224,289	100.	4,224,289
Sweetwater Union High School District Community Facilities Districts No. 17	6,516,392	100.	6,516,392
Sweetwater Union High School District Community Facilities Districts No. 18	151,544	100.	151,544
City of Chula Vista 1915 Act Bonds	5,695,000	100.	5,695,000
California Statewide Communities Development Authority 1915 Act Bonds	489,134	100.	489,134
<b>TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT</b>			<b>#VALUE!</b>
 <u>DIRECT AND OVERLAPPING GENERAL FUND DEBT:</u>			
San Diego County General Fund Obligations	\$291,180,000	5.516%	\$ 16,061,489
San Diego County Pension Obligation Bonds	605,520,000	5.516	33,400,483
San Diego County Superintendent of Schools Obligations	11,800,000	5.516	650,888
Southwestern Community College District Certificates of Participation	890,000	51.349	457,006
Sweetwater Union High School District General Fund Obligations	43,565,000	61.283	26,697,939
Chula Vista City School District Certificates of Participation	158,000,000	87.351	138,014,580
<b>City of Chula Vista Certificates of Participation</b>	<b>106,025,000</b>	<b>100%</b>	<b>106,025,000</b>
 <b>TOTAL GROSS DIRECT AND OVERLAPPING GENERAL FUND DEBT</b>			 <b>\$ 321,307,385</b>
 <u>OVERLAPPING TAX INCREMENT DEBT (Successor Agency):</u>	 \$ 29,315,000	 99.141%	 \$ 29,063,184
 <b>TOTAL DIRECT DEBT</b>			 <b>\$ 106,025,000</b>
<b>TOTAL OVERLAPPING DEBT</b>			<b>\$ 989,573,009</b>
 <b>COMBINED TOTAL DEBT</b>			 <b>##### (2)</b>

(1) The percentage of the overlapping debt applicable to the city is estimated using taxable assessed property value. Applicable percentages were estimated by determining the portion of the overlapping district's assessed value that is within the boundaries of the city divided by the district's total taxable assessed value.

(2) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded capital lease obligations. Qualified Zone Academy Bonds are included based on principal due at maturity.

Ratios to 2016-17 Assessed Valuation:

Total Overlapping Tax and Assessment Debt.....	2.89%
<b>Total Direct Debt (\$106,025,000).....</b>	<b>0.41%</b>
Combined Total Debt.....	4.25%

Ratios to Redevelopment Successor Agency Incremental Valuation (\$1,354,453,404):

Total Overlapping Tax Increment Debt.....	2.15%
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**CITY OF CHULA VISTA**  
**Legal Debt Margin Information**  
**Last Ten Fiscal Years**

	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Assessed valuation	\$ 24,358,502,560	\$ 24,823,395,749	\$ 22,096,990,003	\$ 21,235,445,229	\$ 21,153,963,435	\$ 20,942,796,908	\$ 21,646,268,909	\$ 23,090,440,353	\$ 24,455,998,641	\$ 25,776,074,509
Conversion percentage	<u>25%</u>	<u>25%</u>	<u>25%</u>	<u>25%</u>	<u>25%</u>	<u>25%</u>	<u>25%</u>	<u>25%</u>	<u>25%</u>	<u>25%</u>
Adjusted assessed valuation	6,089,625,640	6,205,848,937	5,524,247,501	5,308,861,307	5,288,490,859	5,235,699,227	5,411,567,227	5,772,610,088	6,113,999,660	6,444,018,627
Debt limit percentage	<u>15%</u>	<u>15%</u>	<u>15%</u>	<u>15%</u>	<u>15%</u>	<u>15%</u>	<u>15%</u>	<u>15%</u>	<u>15%</u>	<u>15%</u>
Debt limit	913,443,846	930,877,341	828,637,125	796,329,196	793,273,629	785,354,884	811,735,084	865,891,513	917,099,949	966,602,794
Total net debt applicable to limit: Pension obligation bonds	8,820,000	7,000,000	4,980,000	2,655,000	-	-	-	-	-	-
Legal debt margin	\$ 904,623,846	\$ 923,877,341	\$ 823,657,125	\$ 793,674,196	\$ 793,273,629	\$ 785,354,884	\$ 811,735,084	\$ 865,891,513	\$ 917,099,949	\$ 966,602,794
Total debt applicable to the limit as a percentage of debt limit	1.0%	0.8%	0.6%	0.3%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

The Government Code of the State of California provides for a legal debt limit of 15% of gross assessed valuation. However, this provision was enacted when assessed valuation was based upon 25% of market value. Effective with the 1981-82 fiscal year, each parcel is now assessed at 100% of market value (as of the most recent change in ownership for that parcel). The computations shown above reflect a conversion of assessed valuation data for each fiscal year from the current full valuation perspective to the 25% level that was in effect at the time that the legal debt margin was enacted by the State of California for local governments located within the state.

Source: City Finance Department  
County of San Diego Property Tax Services

**CITY OF CHULA VISTA**  
**Pledged-Revenue Coverage**  
**Last Ten Fiscal Years**

Fiscal Year Ended June 30	Tax Allocation Bonds			
	Tax Increment	Debt Service		Coverage
		Principal	Interest	
2008	13,793,329	1,090,000	1,965,103	4.51
2009	13,781,683	870,000	1,728,722	5.30
2010	13,884,637	905,000	2,070,381	4.67
2011	13,822,938	940,000	2,032,665	4.65
2012	10,931,615	980,000	1,992,565	3.68
2013	3,949,717	1,020,000	1,948,865	1.33
2014	6,144,015	1,065,000	1,901,703	2.07
2015	5,648,052	1,690,000	1,840,378	1.60
2016	5,042,979	1,765,000	1,765,765	1.43
2017	3,589,342	0	849,680	4.22

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

**CITY OF CHULA VISTA**  
**Demographic and Economic Statistics**  
**Last Ten Calendar Years**

Year	Total Population <sup>1</sup>	Pct. of S.D. County Population <sup>1</sup>	Pct. Change from Previous Year <sup>1</sup>	Median Age <sup>1</sup>	Avg. Household Size <sup>1</sup>	Educational Attainment		Pct. Below Poverty <sup>2</sup>	Unemployment Rate <sup>3</sup>	Personal Income (In Thousands) <sup>4</sup>	Per Capita Personal Income <sup>4</sup>
						% High School Graduate <sup>2</sup>	% Bachelor's Degree or Higher <sup>2</sup>				
2007	231,597	7.7%	2.1%	33.9	3.10	79.6%	25.4%	9.1%	5.4%	9,437,814	42,046
2008	235,767	7.8%	1.8%	33.8	3.13	81.0%	25.7%	8.5%	7.1%	9,976,700	42,316
2009	239,369	7.8%	1.5%	33.9	3.16	80.0%	25.5%	11.5%	11.0%	9,264,738	38,705
2010	243,916	7.9%	1.9%	33.8	3.21	83.0%	29.1%	8.4%	13.3%	10,429,312	42,758
2011	246,475	7.9%	1.0%	33.6	3.23	82.2%	25.7%	11.6%	12.8%	10,535,629	42,745
2012	250,774	8.0%	1.7%	33.7	3.24	81.3%	27.9%	11.9%	11.4%	10,263,266	40,926
2013	256,366	8.0%	2.2%	33.8	3.26	79.0%	25.6%	15.6%	9.8%	10,452,158	40,770
2014	260,416	8.1%	1.6%	33.9	3.28	80.4%	27.8%	12.8%	8.1%	11,011,936	42,286
2015	263,028	8.1%	1.0%	34.0	3.29	82.3%	29.8%	10.6%	6.5%	11,639,304	44,251
2016	264,911	8.1%	0.7%	34.2	3.29	80.1%	27.4%	10.5%	5.9%	12,302,415	46,308

Source: Data compiled by SANDAG Service Bureau. <sup>1</sup> SANDAG, Current Estimates; <sup>2</sup> American Community Survey 1-Year Estimates; <sup>3</sup> California Employment Development Department; <sup>4</sup> SANDAG estimates based on U.S. Census Bureau, Census 2000, Census 2010, American Community Survey, and U.S. Bureau of Economic Analysis.

Notes: Year-to-year variation for socio-economic data (education, poverty, unemployment) are the result of both actual change and sampling error. Dollar values are inflation-adjusted to 2015 dollars. Per capita Personal Income was estimated by using BEA Personal Income for the Region and was adjusted based on the Census 2000 and ACS jurisdiction proportions.



**CITY OF CHULA VISTA**  
**Principal Employers**  
**Current Year and Nine Years Ago**

<u>Employer</u>	<u>2017</u>		<u>2008</u>	
	<u>Number of Employees</u>	<u>Percent of Total Employment</u>	<u>Number of Employees</u>	<u>Percent of Total Employment</u>
Sweetwater Union High School District	4,371	7.01%	4,598	9.17%
Chula Vista Elementary School District	3,370	5.41%	2,669	5.32%
Rohr Inc./Goodrich Aerospace	2,468	3.96%	1,903	3.79%
Sharp Chula Vista Medical Center	2,131	3.42%	1,410	2.81%
Southwestern Community College	1,411	2.26%	2,100	4.19%
Wal-Mart	1,523	2.44%	950	1.94%
City of Chula Vista	1,202	1.93%	1,481	2.95%
Scripps Mercy Hospital Chula Vista	1,045	1.68%	1,032	2.06%
Costco	685	1.10%	623	1.24%
Aquatica	566	0.91%	-	-
United Parcel Service	-	-	656	1.31%

"Total Employment" as used above represents the total employment of all employers located within City limits.

Source: State Employment Development Department  
City Finance Department  
Sweetwater Union High School District  
Chula Vista Elementary School District  
Southwestern Community College

**CITY OF CHULA VISTA**  
**Full-time and Part-time City Employees**  
**by Function**  
**Last Ten Fiscal Years**

<u>Function</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
General Government	302	272	273	258	269	282	312	288	205	210
Public safety	504	476	468	448	432	432	425	469	470	474
Public Works/Engr	188	181	175	155	159	164	161	161	241	228
Parks and Recreation	223	169	164	112	115	115	130	161	176	153
Library	196	189	73	41	76	82	77	88	70	77
Development Services	68	63	62	54	55	49	49	49	57	55
Total	<u>1,481</u>	<u>1,350</u>	<u>1,215</u>	<u>1,068</u>	<u>1,106</u>	<u>1,124</u>	<u>1,154</u>	<u>1,216</u>	<u>1,219</u>	<u>1,197</u>

Source: City Finance Department

**CITY OF CHULA VISTA**

**Operating Indicators  
by Function**

**Last Ten Fiscal Years**

	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Police:</b>										
Citizen-initiated calls for service	74,192	70,051	68,601	65,186	64,885	66,319	65,645	64,486	67,512	65,672
<b>Fire:</b>										
Number of emergency calls	14,548	14,983	11,490	11,319	12,863	12,950	14,787	18,328	19,612	19,612
Inspections	n/a	3,676	2,898	2,389	2,205	2,390	2,262	4,209	4,207	4,207
<b>Public works:</b>										
Street resurfacing/maintenance <sup>1</sup> (square feet)	77,507	108,745	84,276	99,978	55,398	121,428	38,087	61,640	39,338	61,640
<b>Parks and recreation:</b>										
Number of recreation classes	2,575	2,149	2,301	2,008	1,914	2,572	2,456	2,388	3,859	3,124
Number of facility rentals	1,217	969	1,175	1,524	2,028	1,915	1,781	1,921	1,573	1,482
<b>Library:</b>										
Circulation	1,265,720	1,160,139	985,157	952,847	982,688	992,005	954,071	839,616	706,594	706,594
Attendance	1,296,245	820,243	605,979	614,841	722,310	832,975	822,895	803,535	857,475	857,475
<b>Sewer:</b>										
New connections	165	468	469	287	646	968	553	210	2211	211
Average daily sewage treatment (millions of gallons)	16.8	16.5	16.2	16.3	15.9	15.7	15.5	15.5	15.4	20.9

<sup>1</sup> Excludes filling of potholes and crack sealing.

Note: Data is not available for the fiscal years marked as n/a.

Source: City of Chula Vista

**CITY OF CHULA VISTA**  
**Capital Asset Statistics**  
**by Function**

**Last Ten Fiscal Years**

	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Fire:										
Fire stations	9	9	9	9	9	9	9	9	9	9
Public works:										
Streets (miles)	416.9	421.0	429.5	429.5	429.5	429.5	433.9	433.9	433.9	433.9
Streetlights	9,013	9,026	9,052	9,054	9,066	9,069	9,069	9,069	9,144	9,282
Traffic signals	253	267	267	268	269	273	273	273	275	275
Parks and recreation:										
Parks (acreage) <sup>1</sup>	504.1	504.1	504.1	523.1	530.7	530.7	527.7	557.2	557.2	708
Recreation facilities	12	11	11	11	11	11	11	11	11	11
Library:										
Libraries	2	2	2	2	3	3	3	3	3	3
Sewer:										
Sewer pipes (miles)	493.8	496.5	505.0	505.0	505.0	505.0	511.3	514.315 <sup>2</sup>	514.6	514.6
Storm drains (miles)	244.7	245.3	248.9	248.9	249.0	249.0	255.2	263.209 <sup>3</sup>	266.2	269.6
Maximum daily treatment capacity (millions of gallons)	20.9	20.9	20.9	20.9	20.9	20.9	20.9	20.9	20.9	20.9

<sup>1</sup> Includes community, neighborhood, special purpose, mini, and urban parks.

<sup>2</sup> Updated 2015 Sewer pipes (miles) per GASB 34 FY 2015

<sup>3</sup> Updated 2015 Storm Drain (miles) per GASB 34 FY 2015

Source: City of Chula Vista

