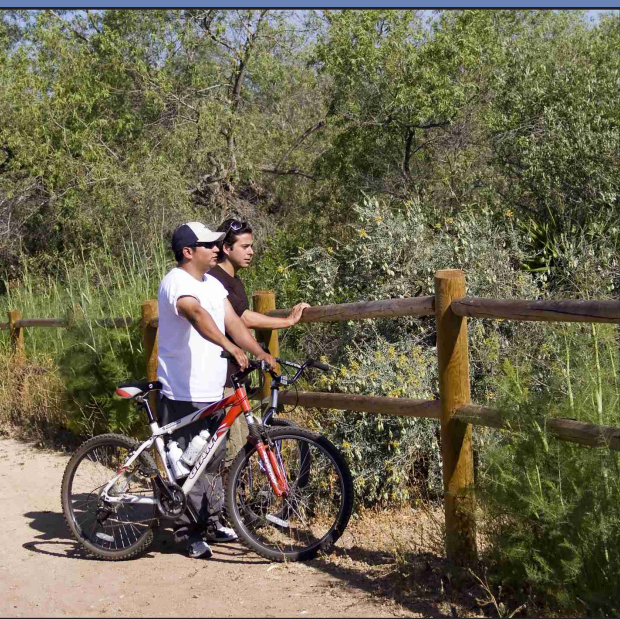




# COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the year ended  
JUNE 30, 2009



C A L I F O R N I A







# Comprehensive Annual Financial Report

*For The Fiscal Year Ended  
June 30, 2009*

*Mayor*  
Cheryl Cox

*City Council*

Steve Castaneda  
John McCann  
Rudy Ramirez  
Pamela Bensoussan

*City Manager*  
Jim Sandoval

Compiled under the direction of  
Maria Kachadoorian  
*Director of Finance/Treasurer*



**City of Chula Vista**  
**Comprehensive Annual Financial Report**  
**For the year ended June 30, 2009**

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CITY OF  
**CHULA VISTA**





November 30, 2009

**To the Honorable Mayor, Members of the City Council  
And Citizens of the City of Chula Vista, California**

The Annual Financial Report (the Report) of the City of Chula Vista for the fiscal year ended June 30, 2009 is hereby submitted in accordance with City Charter section 1017 and section 25253 of the Government Code of the State of California.

**Purpose and Management Responsibility.** This report consists of management's representations concerning the finances of the City of Chula Vista (City). Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the City has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft or misuse and to compile sufficient reliable information for the preparation of the City's financial statements in conformity with U.S. generally accepted accounting principles (GAAP).

Because the cost of internal controls should not outweigh their benefits, the City's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

**Audited Financial Statements.** The City's financial statements have been audited by Caporicci and Larson, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City for the fiscal year ended June 30, 2009, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the overall accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation.

The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion ("clean") that the City's financial statements for the fiscal year ended June 30, 2009, are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report. The professionalism and knowledge exhibited by Caporicci and Larson during their audit work is greatly appreciated.

**Organization.** This report is presented in three sections: introductory, financial and statistical.

1. The Introductory section includes this transmittal memorandum and other information to familiarize the reader with the City: a directory of officials and the City's organization chart.
2. The Financial section consists of five parts: the independent auditors' report; management's discussion and analysis; the basic financial statements; required supplementary information; non-major governmental funds and agency funds.
3. Lastly, the Statistical section includes selected financial and demographic information, generally presented on a multi-year basis.

**Transmittal Memorandum.** GAAP require that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). As noted above, the MD&A appears in the Financial Section. This letter of transmittal is designed to complement MD&A and should be read in conjunction with it.

**Single Audit for Federal Grant Programs**

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

## **GOVERNMENT**

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 serve four year overlapping terms, and are elected on a citywide basis. The City Council appoints the City Manager, City Attorney and City Clerk. Municipal services provided include police, fire, parks, recreation, libraries, planning & building, housing programs, street and drainage construction & maintenance, sewer services, etc.

## **THE REPORTING ENTITY (Activities included in the Report)**

The Report includes all activities carried out by the City as a legal entity, and also includes the activities of certain other entities for which the City Council is financially accountable as determined under the guidelines of the Governmental Accounting Standards Board. Although legally separate entities, these so called "component units" are under the City's umbrella of accountability, and therefore, their financial position and results of operations are reflected in the Report.

The component units included in the Report are:

The Redevelopment Agency of the City of Chula Vista  
The Chula Vista Industrial Development Authority  
The Chula Vista Public Financing Authority

## **ACCOUNTING SYSTEMS AND BUDGETARY CONTROL**

The basic 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 Assets. The Statement of Activities presents changes in net assets.

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. 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 present increases (revenue and other financing sources) and decreases (expenditures and other financing uses) in net current assets. 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.

In administering the City’s accounting systems, primary consideration is given to the adequacy of internal accounting controls, which include an array of administrative procedures. These controls are designed to provide reasonable, but not absolute, assurance regarding the safeguarding of assets against loss from unauthorized use or disposition, as well as the reliability of financial records for accurate and fair presentation of financial reports. The concept of reasonable assurance recognizes that the cost of specific controls should not exceed the benefits likely to be derived from exercising the controls, and that this evaluation necessarily involves estimates and judgments by management. It is believed that the City’s internal accounting controls adequately safeguard City assets and provide reasonable assurance of proper recording of financial transactions.

The City Charter assigns the Director of Finance with the responsibility to supervise and be responsible for the disbursement of all monies and have control over all expenditures to ensure that budget appropriations are not exceeded. The level of budgetary control, that is, the level at which expenditures are not to exceed Council approved appropriations, is established by department at the category level. An encumbrance (commitment) accounting system is utilized as a technique to enhance budgetary control during the year. Appropriations encumbered (committed) at year end are carried forward if authorized and are available to be used for those commitments during the subsequent year while unspent, unencumbered appropriations lapse at year end and become generally available for re-appropriation the following year.

The City Council adopts the formal budget before the beginning of each fiscal year and may amend it throughout the year as necessary. Expenditures may not exceed budgeted figures at the category level (Personnel, Supplies and Services, Other Expenses, Capital) by department. Financial status reports summarizing the year to date General Fund revenues and expenditures are presented to the City Council on a quarterly basis.

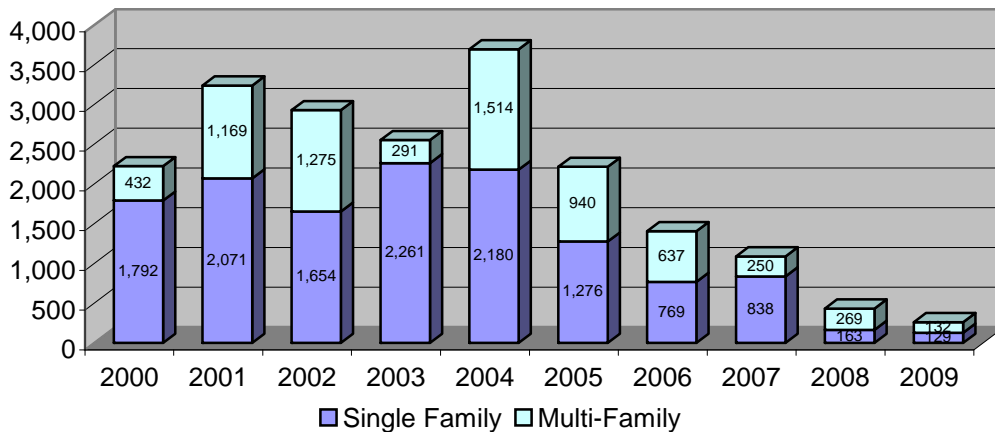
## LOCAL ECONOMY AND PROSPECTS FOR THE FUTURE

The City of Chula Vista, incorporated in 1911, is a city of great diversity, both geographically and demographically. It is a community of many choices and opportunities. The City of Chula Vista is located eight miles south of the City of San Diego and seven miles north of the Mexico border. Chula Vista's city limits cover approximately 50 square miles, which spans from the beautiful shoreline of San Diego Bay to the breathtaking mountain views in the eastern section of the city. 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 income in Chula Vista is \$74,881.

The City of Chula Vista, with a population of approximately 233,108, is the second largest community in San Diego County. SANDAG projects that the City of Chula Vista will reach a population of approximately 316,445 by the year 2030. According to the California State Department of Finance (DOF), the City is ranked number 62 in percentage population change in the state for the calendar years 2000 to 2009. The City's population grew from 173,543 to 233,108 during that period adding almost 60,000 new residents for a 34.3 percent change. However that rapid rate of growth slowed due to the collapse of the housing market. The DOF reports that from 2008 to 2009 the City added just 1,803 new residents reflecting a 1.2 percent rate of growth. SANDAG's 2030 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 21 years, primarily through new development in the eastern portion of the City.

The number of residential units built hit an all time high during calendar years 1999-2004. Due to the significant slow down in the housing market, those numbers have dramatically dropped beginning in 2005. The following graph shows the actual number of housing units completed during the last 10 calendar years.

**Residential Building Units  
Fiscal Years 1998/99 to 2007/08**



Property Taxes:

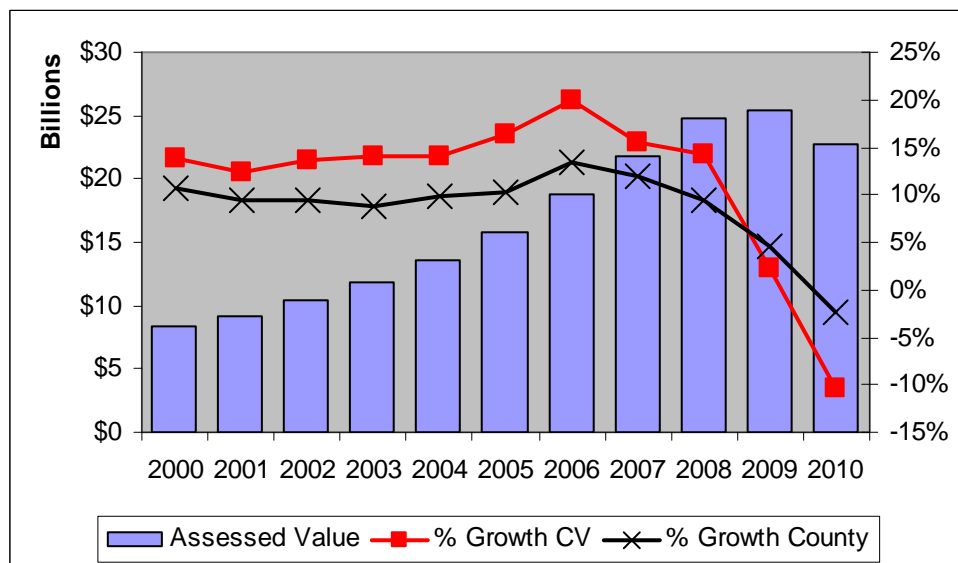
Under State law since 1979, property taxes for general government purposes are limited to one percent of the market value of the property assessed. Property tax is the City's largest revenue source, representing 20.8 percent of the General Fund revenue in fiscal year 2009.

**Property Tax Revenue**  
**Fiscal Years 1999/2000 to 2008/09**  
 (in millions)



The chart illustrates the significant increases in property tax revenue the City has received as a result of the rapid development in the east. Property tax revenue has almost quadrupled over the ten-year period. This increase in property tax revenue is of course driven by like increases in the assessed values in the City. The City's assessed values have grown at historical rates until recently with the largest percentage increase of 20 percent occurring in fiscal year 2006. Based on the most recent County Assessor Annual Valuation Report, the assessed values in Chula Vista have decreased by 10.4 percent. The City is anticipating a further decline in assessed values due to a number of factors such as the drop in housing prices, foreclosures and Proposition 8 reassessments. However the City does expect development to return at moderate levels at some point in the future.

**Assessed Values**  
**Fiscal Years 1999/2000 to 2009/10**



The sub prime mortgage debacle has greatly affected the City. The foreclosure rate has been one of the highest in the County. The City was susceptible to the sub prime mortgage meltdown due to the affordable housing available of both new and existing homes, coupled with the relative ease of obtaining a mortgage. As such when these mortgage interest rates were reset many of these new owners were unable to afford the new payments.

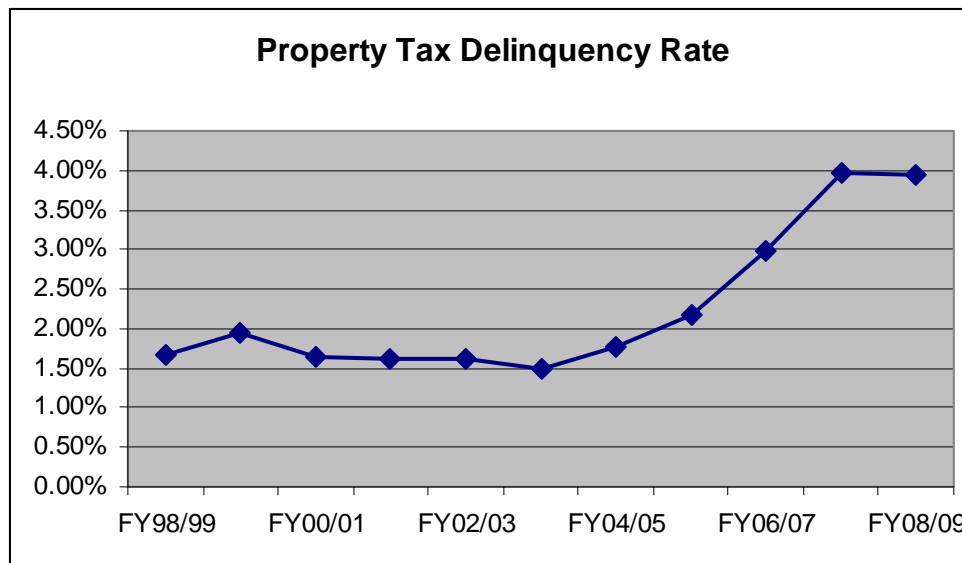
In addition, these new owners were seeing their housing prices plummet below the purchase price of the home. The City has seen dramatic decreases in median home prices since September 2007. Recent sales data indicates that the median price drops range as high as 53.2 percent in parts of the City. The chart depicts the change in median home prices for all zip codes within the City.

**Chula Vista Median Home Prices**

Zip Code	Locale	Median Price		Percent Change
		Sept 2007	Aug 2009	
91910	North	\$ 400,000	\$ 259,750	-35.1%
91911	South	\$ 376,000	\$ 230,000	-38.8%
91913	Eastlake	\$ 435,250	\$ 327,500	-24.8%
91914	NE	\$ 812,500	\$ 380,000	-53.2%
91915	SE	\$ 512,000	\$ 335,000	-34.6%

Source: San Diego Union

An additional impact on property tax revenues are the property tax delinquency rates that continue to climb as the sub-prime mortgage crisis is leaving many homeowners with mortgages that are greater than the current value of their homes. As seen in the chart below, the delinquency rate has more than doubled from an average of 1.7 percent for fiscal years 1998/99 to 2004/05 to 3.95 percent for fiscal year 2008/09.

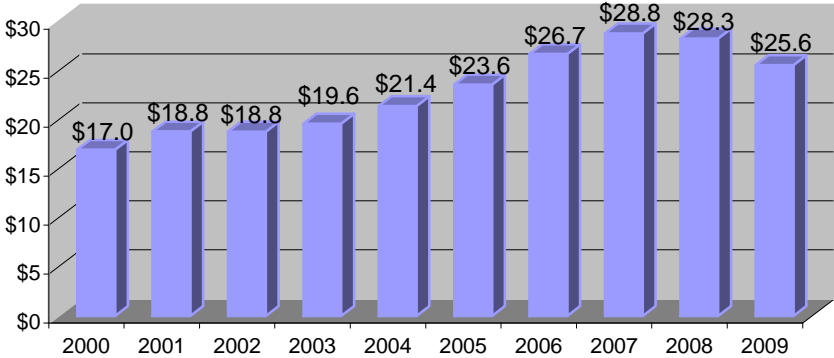


Foreclosures are having an additional negative impact on property tax revenues in the City by depressing housing values. The drop in assessed values has triggered Proposition 8, a constitutional amendment passed in 1978 that allows for a temporary reduction in assessed value when real property suffers a “decline-in-value”. Therefore, as assessed values fall, homeowners can apply for a reassessment of their homes which would lead to a reduction of property taxes based on the lower assessment. Many of these downward reassessments may not appear on property tax bills until next fiscal year requiring further adjustments to the fiscal outlook.

Sales Taxes:

The City receives 1 percent in sales and use tax revenue from all taxable retail sales occurring within City limits. These funds are collected by the State along with their 7.5 percent component of the sales and use tax and 0.25 percent designated for transportation for a total sales tax rate within San Diego County of 8.75 percent. Sales and use tax revenue is the City's second largest General Fund revenue source. In fiscal year 2009, sales taxes represented 18.2 percent of total General Fund revenues.

**Sales Tax Revenues**  
**Fiscal Years 1999/2000 to 2008/09**  
(in millions)



The growth in retail operators has made significant contributions to Chula Vista's sales tax base. Over a ten-year period between 2000-2009, Chula Vista's sales tax revenues have grown approximately 51 percent (in current dollars) with most of that growth occurring after fiscal year 1997. Due to the recent significant economic decline the City's sales tax revenues have dropped by (-9.6) percent from the previous year. It is anticipated that sales tax revenues will continue to grow at some point in the future, however that growth may not occur for several years due to the state of the national and local economies.

Long-Term Financial Planning:

As previously discussed the City is currently experiencing significant economic hardships. Long-term, the City is in a position to benefit from a vibrant and growing San Diego area economy. The City considers it essential to fund its financial reserves at a level that can endure a limited economic recession without impacting service levels and capital maintenance programs. The Council's General Fund minimum reserve level policy of 8 percent, which became effective in 1996, was established to prudently protect the fiscal solvency of the City. Reserves are important in order to mitigate the negative impact on revenues from economic fluctuations, to withstand State budget grabs and to fund unforeseen expenditure requirements.

However, the recent downturn in the economy has impacted the City's development revenues, sales tax and property taxes significantly. The City took immediate action by implementing a hiring freeze and across the board cuts and by doing so was able to mitigate any impacts to General Fund reserves. As a result the City's General Fund reserve remains unchanged at 6.7 percent as of June 30, 2009, which is below the reserve policy level of 8 percent.

On November 5, 2009, the City Council approved a revised General Fund reserve policy. This new policy increases the desired reserve level to a minimum of 23 percent of General Fund operating expenditures and is composed of the following three components:

1. **General Fund Operating Reserve (15 %).** The operating reserve will ensure that the City's finances are managed in a manner which will (1) continue to provide for the delivery of quality services, (2) maintain and enhance service delivery as the community grows in accordance with the General Plan, (3) minimize or eliminate the need to raise taxes and fees because of temporary revenue shortfalls, and (4) establish the reserves necessary to meet known and unknown future obligations and ability to respond to unexpected opportunities.
2. **Economic Contingency Reserve (5%).** The economic contingency reserve 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 and other revenues.
3. **Catastrophic Event Reserves (3%).** This reserve will set aside funds for unanticipated expenditures related to a major natural disaster in the City.

The new General Fund Reserve policy of 23 percent is a long-term goal to be achieved within the next ten years.

During fiscal year 2009, the Finance Department updated the General Fund Five Year Financial Forecast to assess the General Fund's ability over the next five years to continue current service levels based on anticipated growth. The forecast anticipated minimal to no growth for the next five years and identified a structural imbalance that resulted in budgetary cuts citywide. The Finance Department will continue to update the five-year forecast, as projections are refined. This forecast will serve as the foundation for the City's Long Term Financial Plan, which is in process. 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.

## **CASH MANAGEMENT POLICIES**

In order to maximize investment leverage, it is the City's practice to "pool" available cash from all Funds for investment purposes. In accordance with the adopted investment policy, available cash is invested with the goal of safety, meaning protection of principal, as the first priority, ensuring adequate liquidity as the second priority, and maximizing yield as the third priority. The average yield on the pooled investment portfolio during the fiscal year ending June 30, 2009 was 3.2 percent, a decrease from the prior year yield of 4.71 percent due to a decreasing interest rate environment.

## **RISK MANAGEMENT**

The City is self-insured for the first \$250,000 (increased to \$500,000 on July 1, 2009) per occurrence for its general liability losses including personal injury, property damage, errors and omission, automobile liability and employment practices liability. For those losses between \$250,000 and \$2,000,000 per occurrence, the City pools its liabilities through its membership in the San Diego Pooled Insurance Program Authority (SANDPIPA). Insurance for losses in excess of the \$2,000,000 up to \$45,000,000 is purchased on a group basis by the member cities.



SANDPIPA is a joint powers authority comprised of twelve San Diego County cities. The Board of Directors consists of one staff representative (and an alternative) from each of the member cities as designated by the city's governing body. Each member city has equal representation on the Board of Directors. The Board of Directors is liable for all actions of SANDPIPA.

The City is self-insured for the first \$1.0 million per occurrence for worker's 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, 2009, there is 160-member entities participating in the program that offers per occurrence coverage up to \$5.0 million through pooled resources and from \$5.0 million to statutory limits via group purchased excess insurance policies.

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 basic financial statements. There were no reductions in insurance coverage from the prior year and there were no insurance settlements, which exceeded coverage in each of the past three years. Additional information on the City's risk management activity can be found under note disclosure 10 to the financial statements.

## **FINANCIAL HIGHLIGHTS**

The following presents supplemental information to the MD&A, discussing the City's process of eliminating fiscal years 2008/09 and 2009/10 budget deficits in the General Fund.

In January of 2009, the Chula Vista City Council authorized a budget reduction plan to address projected shortfalls in fiscal year 2008/09 and fiscal year 2009/10 of \$3.9 million and \$20 million, respectively. The budget-balancing plan was in addition to the City's previously implemented budget reduction plans.

In total, the City has undergone four rounds of budget reductions over the last two fiscal years. These steps to reduce net costs were necessary to address decreasing revenues and increasing expenditures. Revenues are down in many categories, including:

- Decreased sales taxes, resulting from the contraction in consumer spending;
- Decreased property taxes, resulting from reduced assessed values; and
- Decreased development program revenues, resulting from the significant drop in development activity.

One round of budget reductions took effect in April 2009, with additional cuts occurring in July 2009. These budget-balancing efforts resulted in additional staffing reductions and service impacts above and beyond the previous four rounds of reductions.

The following discussion provides a summary of the reductions that were implemented in April 2009 and July 2009 and a summary of the last four rounds of budget reductions.

## FISCAL YEAR 2008/09 CUTS (BUDGET REDUCTION PLAN)

In November of 2008, the City identified a budget gap in fiscal year 2008/09 resulting from reduced revenues and unanticipated expenditures. The total gap identified in fiscal year 2008/09 was \$3.9 million. At the same time, a preliminary baseline budget for fiscal year 2009/10 was prepared. This baseline budget reflected an \$8.6 million drop in projected revenues and \$11.4 million in new expenditures. The total gap projected for fiscal year 2009/10 was \$20 million.

In order to close both the fiscal year 2008/09 gap and the fiscal year 2009/10 gaps, the City Council authorized a series of budget reductions in January 2009. The first group of net cost reductions was implemented and reduced the projected deficit for fiscal year 2008/09 to \$3.5 million and the fiscal year 2009/10 deficit to \$15.2 million. The City projected saving a total of \$3.8 million in fiscal year 2009/10 as a result of salary concessions from the City's bargaining groups (elimination or deferral of cost of living adjustments). The budget reduction plan is summarized below:

DESCRIPTION	FY 2009-10 BUDGET Balancing Plan
Salary concessions	
Elimination of management/professional COLA	\$ 390,000
Elimination of CVEA & WCE COLA	\$ 1,900,000
POA/IAFF COLA deferral	\$ 1,904,000
POA/IAFF Retirement Medical Trust	\$ (400,000)
Departmental Consolidations	\$ 500,000
Mayor & Council dept budget reductions	\$ 252,000
Reduced energy costs for street lights	\$ 100,000
Elimination of management's 401(a) program	\$ 160,000
Position Reductions and Other Miscellaneous Reductions	\$ 15,163,000
<b>Total Budgetary Balancing Plan</b>	<b>\$ 19,969,000</b>

The net change in staffing resulting from the previous and fiscal year 2008/09 budget cuts are summarized below. These reductions include cuts in the City's General Fund, Redevelopment (RDA) and Housing funds, Fleet fund, and Development Services Fund (DSF).

### SUMMARY BY DEPARTMENT – AUTHORIZED STAFFING (FTE)

DEPARTMENT	FY 2007 STAFFING	MISC REORGS	PREVIOUS REDUCTIONS	2008/09 REDUCTIONS	FY 2010 STAFFING
Mayor & Council	15.00		(1.00)	(1.00)	13.00
City Clerk	8.50		(1.00)	(1.00)	6.50
City Attorney	14.00		(2.00)	(2.00)	10.00
Administration	21.00	8.00	(3.00)	(9.00)	17.00
ITS	29.00	(1.00)	(4.00)	(5.00)	19.00
Human Resources	25.50		(5.00)	(4.50)	16.00
Finance	31.00	(1.00)	(5.00)	(3.00)	22.00
Eng & Gen Svcs	133.50	(71.50)	(27.50)	(3.50)	31.00

**SUMMARY BY DEPARTMENT – AUTHORIZED STAFFING (FTE)**

<b>DEPARTMENT</b>	<b>FY 2007 STAFFING</b>	<b>MISC REORGS</b>	<b>PREVIOUS REDUCTIONS</b>	<b>2008/09 REDUCTIONS</b>	<b>FY 2010 STAFFING</b>
Animal Shelter	22.25		(2.00)		20.25
Community Development	25.00	(24.00)	(1.00)		
Planning & Building	90.50	(41.50)	(21.00)	(3.00)	25.00
Police	381.50	(19.00)	(24.00)	(21.00)	317.50
Fire	151.00	1.00	(17.00)		135.00
Public Works	186.50	(4.50)	(7.50)	(23.00)	151.50
Recreation & Nature Ctr	43.25		(4.75)	(13.50)	25.00
Library	70.75	(2.00)	(18.00)	(10.50)	40.25
<b>GENERAL FUND TOTAL</b>	<b>1,248.25</b>	<b>(155.50)</b>	<b>(143.75)</b>	<b>(100.00)</b>	<b>849.00</b>
DSF - Planning & Building		42.50	(12.00)	(2.50)	28.00
DSF - Engineering		12.00		(2.00)	10.00
DSF - Public Works		15.00	(4.00)	(2.00)	9.00
Sewer Fund		44.00	2.00		46.00
RDA & Housing	1.00	18.00	(2.00)	(5.00)	12.00
CBAG & Police Grants		18.00	3.00		21.00
Fleet Fund	14.00		(4.00)		10.00
Transit		3.00			3.00
Environmental Services		3.00			3.00
Parking Meter	0.50				0.50
<b>OTHER FUNDS TOTAL</b>	<b>15.50</b>	<b>155.50</b>	<b>(17.00)</b>	<b>(11.50)</b>	<b>142.50</b>
<b>CITYWIDE TOTAL</b>	<b>1,263.75</b>		<b>(160.75)</b>	<b>(111.50)</b>	<b>991.50</b>

**PREVIOUS BUDGET CUTS**

The City has undergone four rounds of budget reductions over the last two years. The net cost reduction and authorized staffing reduction in full time equivalents (FTE) resulting from the budget reduction programs implemented in fiscal year 2007-08 and fiscal year 2008-09 is summarized below. These reductions include cuts in the City's General fund, Redevelopment (RDA) and Housing funds, Fleet fund, and Development Services fund (DSF).

BUDGET REDUCTION PROGRAM	FISCAL YEAR IMPLEMENTED	NET COST REDUCTION	FTE REDUCTION
April 2007	FY 2007-08	\$ 10.1 M	36.50
December 2007	FY 2007-08	\$ 15.5 M	111.00
April 2008	FY 2008-09	\$ 10.8 M	33.00
September 2008 - DSF	FY 2008-09	\$ 1.5 M	10.50
<b>Total</b>			<b>191.00</b>

The net cost reductions summarized above cannot be considered cumulatively. There are instances in which reductions were effective for a single fiscal year only (for example, freezing a vacant position for one year). The same position may have then been permanently eliminated in a later budget reduction program. The 191.00 FTE reduction total above reflects the positions that were permanently eliminated from the budget. The total does not include positions that were frozen. Savings associated with freezing positions are reflected in the net cost reduction column.

### AWARD

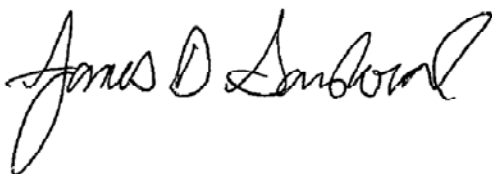
The Government Finance Officers' Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Chula Vista for its comprehensive annual financial report for the fiscal year ended June 30, 2008. In order to be awarded a Certificate 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 submitting it to the GFOA to determine its eligibility for another certificate.

### ACKNOWLEDGMENTS

Preparation of the Report and more importantly, maintaining the City's accounting records in a manner sufficient to earn the aforementioned auditors opinion is only accomplished with the continuous concerted effort of each and every staff member in the Finance Department. As such, I express my sincere appreciation for their dedicated service. I would also like to thank the City Council for their continued support in achieving excellence in financial management.

Respectfully submitted,



James Sandoval  
City Manager



Maria Kachadoorian, CPA, MPA  
Director of Finance/Treasurer

**City of Chula Vista  
List of City Officials  
June 30, 2009**

**City Council**

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Cheryl Cox Mayor  
John McCann Deputy Mayor  
Steve Castaneda Councilmember  
Rudy Ramirez Councilmember  
Pamela Bensoussan Councilmember

**Administration**

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James D. Sandoval City Manager  
Scott Tulloch Assistant City Manager  
Gary Halbert Deputy City Manager  
Bart Miesfeld City Attorney  
Donna Norris City Clerk

**Department Heads**

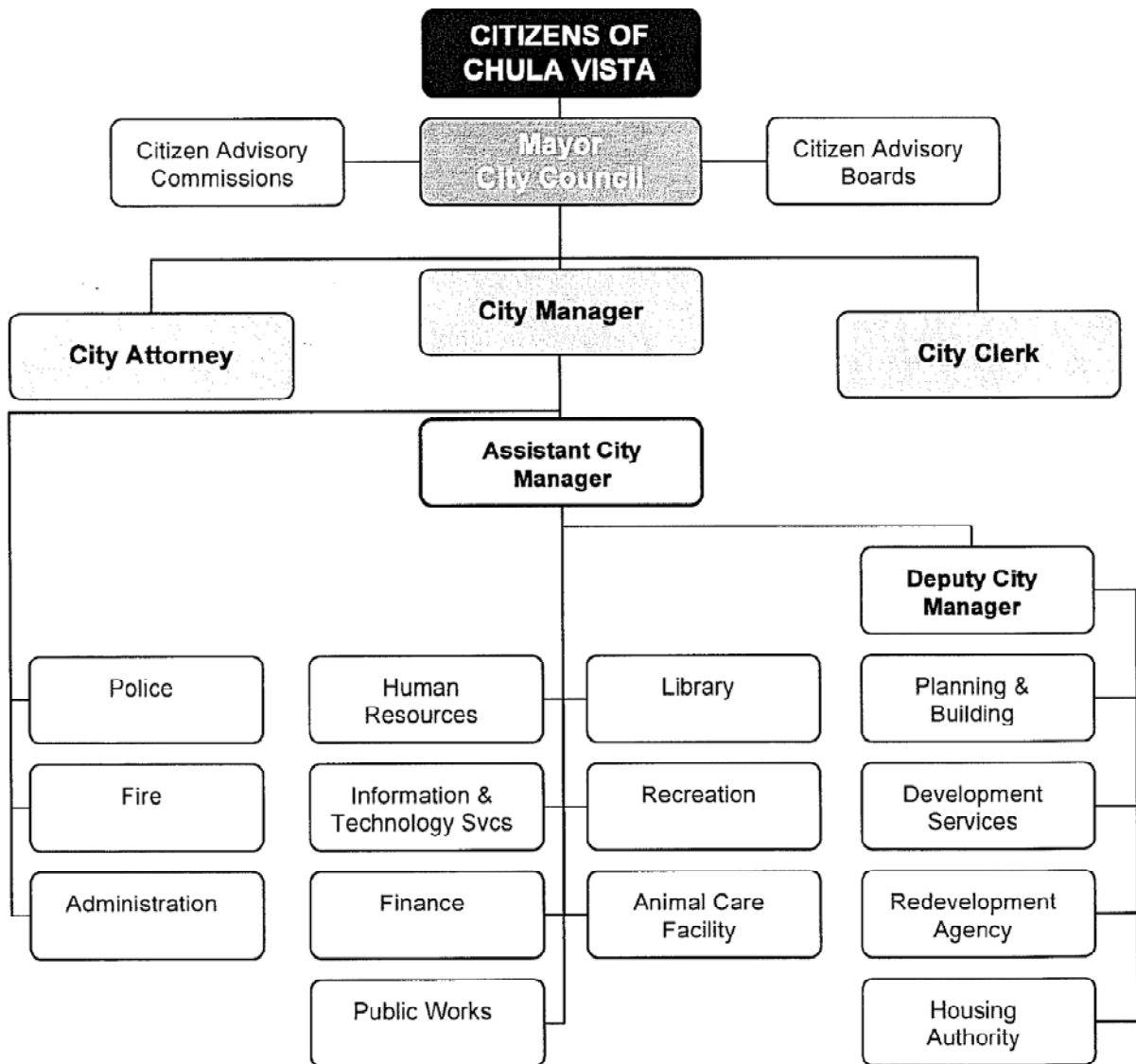
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Michael Meacham Director of Conservation and Environmental  
Services  
Gary Halbert Director of Development Services  
Maria Kachadoorian Director of Finance/Treasurer  
Dave Hanneman Fire Chief  
Kelly Bacon Director of Human Resources  
Margaret Kazmer Director of Library  
Louie Vignapiano Director of Information Technology Services  
David Bejarano Chief of Police  
Richard Hopkins Director of Public Works  
Buck Martin Director of Recreation



CITY OF  
CHULA VISTA

ORGANIZATION CHART



# 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, 2008

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



A stylized, handwritten signature in black ink, appearing to read "JEFFREY R. EMER".

President

A handwritten signature in black ink, appearing to read "Jeffrey R. Emer".

Executive Director



CITY OF  
**CHULA VISTA**



## INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Chula Vista, California (City), as of and for the year ended June 30, 2009, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

Subsequent to the financial statements date of June 30, 2009 and the year then ended, the State of California (State) has borrowed, deferred paying certain revenues and proposed taking other funds from local governments including, cities, counties, districts, and agencies. These actions by the State include:

- 8% of Property Taxes borrowed - to be repaid in three years
- Gas Tax payments deferred - two deferral periods during fiscal year 2009-2010
- Redevelopment Agency funds - to be taken for fiscal year 2009-2010 and 2010-2011

These above amounts are very significant to the local governments and may affect their ongoing operations. Certain lawsuits are in process to stop such State actions. The State Legislature has passed a bill which allows local governments to securitize the 8% of property taxes borrowed by the State. For more detailed information, see Note 16 of the Notes to Basic Financial Statements.

In our opinion, the basic 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 as of June 30, 2009, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with generally accepted accounting principles in the United States.

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Toll Free Fax: (866) 436-0927

**Oakland**  
180 Grand Ave., Suite 1365  
Oakland, California 94612

**Orange County**  
9 Corporate Park, Suite 100  
Irvine, California 92606

**Sacramento**  
777 Campus Commons Rd., Suite 200  
Sacramento, California 95825

**San Diego**  
4858 Mercury, Suite 106  
San Diego, California 92111

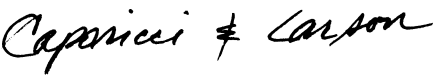
To the Honorable Mayor and Members of the City Council  
of the City of Chula Vista  
Chula Vista, California  
Page 2

In accordance with *Government Auditing Standards*, we have also issued our report dated December 7, 2009, 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

As described in Note 1 to the basic financial statements, the City implemented Governmental Accounting Standards Board Statements No. 49, *Accounting and Financial Reporting for Pollution Remediation Obligations*, No. 52, *Land and Other Real Estate Held as Investments by Endowments*, No. 55, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*, and No. 56, *Codification of Accounting and Financial Reporting Guidance Contained in AICPA Statements on Auditing Standards*.

The accompanying Required Supplementary Information, such as Management's Discussion and Analysis, budgetary information, budgetary comparison schedules and other information as listed in the table of contents, is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the Required Supplementary Information. However, we did not audit the information and express no opinion on the Required Supplementary Information.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the City's basic financial statements. The accompanying Supplementary Information is presented for purpose of additional analysis and is not a required part of the basic financial statements. The Supplementary Information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole. The Introductory and Statistical Sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on the Introduction and Statistical Sections.

  
San Diego, California  
December 7, 2009

## MANAGEMENT'S DISCUSSION AND ANALYSIS

Management of the City of Chula Vista (the "City") provides this Management Discussion and Analysis of the City's Comprehensive Annual Financial Report (CAFR) for readers of the City's financial statements. This narrative overview and analysis of the financial activities of the City is for the fiscal year ended June 30, 2009. We encourage readers to consider this information in conjunction with the additional information that is furnished in the letter of transmittal, which can be found preceding this narrative, and with the City's financial statements, which follow.

### Financial Highlights

The following outlines financial highlights for the year:

1. The assets of the City exceeded its liabilities at June 30, 2009 by \$970.2 million (net assets). Of this amount, \$154.1 million was reported as "unrestricted net assets" and may be used to meet the government's ongoing obligations to citizens and creditors.
2. Total unrestricted net assets are \$7.1 million higher than last fiscal year, an increase of 4.8%.
3. The City's total net assets decreased by \$3.9 million in fiscal year 2009. Net assets of governmental activities decreased by \$11.7 million, while net assets of the business type activities increased by \$7.8 million. The specifics of the changes in net assets will be discussed in later sections of this document.
4. The City's governmental funds reported combined ending fund balances of \$133.0 million, a decrease of \$11.1 million from the prior year due to the economic recession and the lack of housing development. Approximately, 40% of this total amount (\$53.9 million) is reserved to indicate that it is not available for new spending because it has already been committed to liquidate contracts (\$12.3 million), pay debt service (\$9.8 million) and reserved amounts for loans receivable and advances (\$31.9 million). Of the remaining balance, \$75.9 million is unreserved but has been designated primarily for capital projects.
5. Total citywide liabilities increased by \$20.2 million or 15.5%. Liabilities for governmental activities increased by \$22.2 million or 18.1% and decreased by \$1.9 million or 23.9% for business-type activities.
6. The City's total long-term debt obligations had a net decrease of \$1.0 million or 0.53% during fiscal year 2009. During the 2009 fiscal year, the Agency issued the 2008 Tax Allocation Refunding Bonds (\$21.6 million) to refinance the 2000 Tax Allocation Bonds (\$15.1 million) and to finance redevelopment activities. Reductions in the liabilities are composed of debt retirement (\$15.1 million), repayments of bond principal (\$7.1 million), repayments on loans/notes payable (\$0.2 million) and lease payments (\$0.4 million).
7. The unreserved fund balance of the General Fund on June 30, 2009 was \$12.4 million, an increase of \$0.6 million from the prior year. Included in these figures is \$1.0 million of unreserved fund balance accounted for in funds, such as the Public Liability Reserve Fund, which are considered general fund type funds for financial reporting purposes. Excluding these other general fund type funds, the available General Fund balance is \$9.3 million or 6.7% of operating expenditures.

## 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 Assets and Statement of Activities*.

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

The *Statement of Activities* presents information showing how the government's net assets changed during the fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of 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 programs or 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.

The government-wide financial statements can be found on pages 18 through 21 of this report.

### **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. Further detail on the Non-major funds is presented on pages 101 through 132 of this report.

**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.

The City has thirty-three governmental funds, of which seven are considered major funds for presentation purposes. 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 balances. The City's remaining governmental funds are combined into a single, aggregated presentation. The basic governmental fund financial statements can be found on pages 26 through 33 of this report. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements on pages 101 through 128 of this 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 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 fleet of vehicles and its information systems and equipment replacement 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.

The basic proprietary fund financial statements can be found on pages 36 through 38 of this report.

**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. The notes to the financial statements can be found on pages 42 through 92 of this report.

### 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. Required supplementary information can be found on pages 94 and 97 of this report.

## GOVERNMENT-WIDE FINANCIAL ANALYSIS

### Net Assets

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the City of Chula Vista, combined net assets (government and business type activities) totaled \$970.2 million at the close of the fiscal year ending June 30, 2009.

By far the largest portion of the City's net assets (79.6%) reflects its investment in capital assets (e.g. land, streets, sewers, buildings, machinery, and equipment), 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.

### City of Chula Vista Net Assets Fiscal Year Ending June 30

	Governmental Activities		Business-Type Activities		Total	
	2009	2008	2009	2008	2009	2008
Current Assets	182,439,255	211,351,524	\$ 53,515,983	\$ 59,508,840	\$ 235,955,238	\$ 270,860,364
Non-Current Assets	25,688,321	12,219,826	13,566,824	-	39,255,145	12,219,826
Capital Assets	802,106,573	799,567,014	148,237,562	150,004,170	950,344,135	949,571,184
Total Assets	1,010,234,149	1,023,138,364	215,320,369	209,513,010	1,225,554,518	1,232,651,374
Current Liabilities	36,455,307	51,081,807	2,222,229	4,213,852	38,677,536	55,295,659
Long-Term Liabilities	216,703,054	203,328,607	-	-	216,703,054	203,328,607
Total Liabilities	253,158,361	254,410,414	2,222,229	4,213,852	255,380,590	258,624,266
Investments in Capital						
Net of Related Debt	623,938,515	621,878,119	148,237,562	150,004,170	772,176,077	771,882,289
Restricted	43,901,854	55,166,660	-	-	43,901,854	55,166,660
Unrestricted	89,235,419	91,683,171	64,860,578	55,294,988	154,095,997	146,978,159
<b>Total Net Assets</b>	<b>\$ 757,075,788</b>	<b>\$ 768,727,950</b>	<b>\$ 213,098,140</b>	<b>\$ 205,299,158</b>	<b>\$ 970,173,928</b>	<b>\$ 974,027,108</b>

Additional portions of the City's net assets are restricted (\$43.9 million or 4.5%) and represent resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets of \$154.1 million may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of fiscal year 2008-09 the City is able to report positive balances in all three categories of net assets, both for the government as a whole, as well as for its separate governmental and business-type activities. The same situation held true for the prior fiscal year.

There was a decrease of \$11.3 million in restricted net assets reported in connection with the City's governmental activities. Almost 75% of this decrease is attributable to spending of restricted assets for designated capital projects.

## Changes in Net Assets

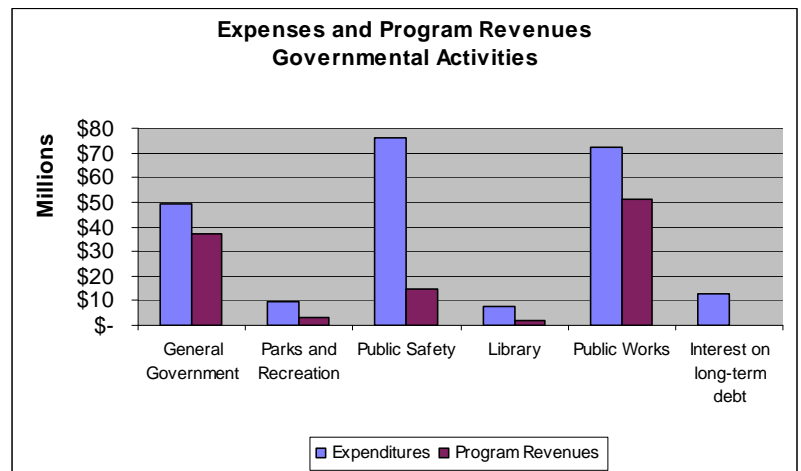
The City's net assets have decreased by \$3.9 million or 0.4%, from the prior fiscal year. All of the decrease in the net assets is attributable to the decline in revenues for governmental activities. The City has seen declines in all program revenue categories primarily due to the lack of housing development and the contribution of developer-constructed infrastructure.

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

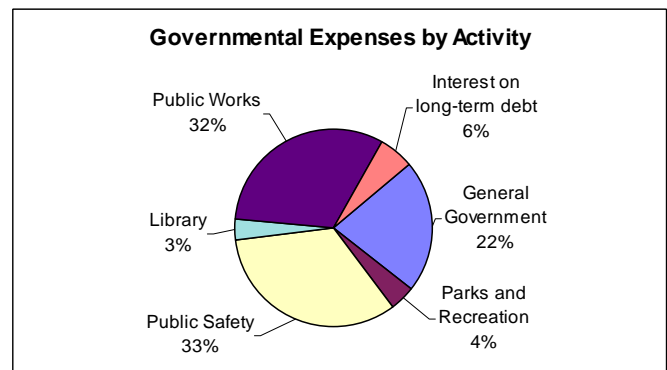
## Governmental Activities

Governmental activities decreased the City's net assets by \$11.7 million thereby accounting for all of the City's decrease in net assets. A comparison of the cost of services by function for the City's governmental activities is shown in the table below, along with the revenues used to cover the net expenses of the governmental activities. Key elements of this decrease are as follows:

- Program revenues as a whole decreased by \$58.9 million due to the lack of housing development in the City because of the sub-prime mortgage debacle and collapse of the housing market.
- General revenues as a whole decreased by \$4.4 million due to the economic recession and the high unemployment rates that have effectively curbed discretionary spending in the City.
- Due to the decrease in revenues, the City was able to reduce expenditures for governmental activities by \$20.2 million from the prior fiscal year.



Total governmental activity type expenses were \$228.3 million in fiscal year 2009. The largest expenses were incurred for Public Safety, Public Works and General Government. These three activities combined account for 87.0% of all general activity expenses. These expenses do not include capital outlays, which are reflected in the City's capital assets.

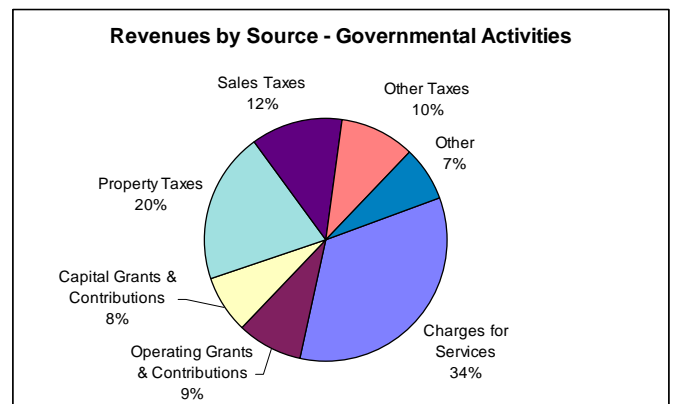


**City of Chula Vista**  
**Summary of Changes in Net Assets**  
**Fiscal Year Ending June 30**

	Governmental Activities		Business-Type Activities		Total	
	2009	2008	2009	2008	2009	2008
<b>Revenues:</b>						
Program Revenues:						
Charges for Services	72,808,623	\$ 82,267,262	\$ 34,958,371	\$ 31,338,406	\$ 107,766,994	\$ 113,605,668
Operating Grants & Contributions	18,957,467	34,498,639	3,390,228	5,378,518	22,347,695	39,877,157
Capital Grants & Contributions	16,754,583	50,632,109	-	-	16,754,583	50,632,109
General Revenues:						
Property Taxes	43,319,156	43,388,023	-	-	43,319,156	43,388,023
Sales Taxes	26,263,317	29,062,355	-	-	26,263,317	29,062,355
Franchise Taxes	9,379,964	9,662,517	-	-	9,379,964	9,662,517
Utility User Taxes	7,848,557	7,378,301	-	-	7,848,557	7,378,301
Business License Taxes	1,212,126	1,237,322	-	-	1,212,126	1,237,322
Transient Occupancy Taxes	2,302,412	2,697,286	-	-	2,302,412	2,697,286
Property Transfer Taxes	856,658	795,606	-	-	856,658	795,606
Construction Taxes	43,649	151,325	-	-	43,649	151,325
Investment Earnings	12,676,922	8,663,014	2,090,311	6,740,155	14,767,233	15,403,169
Miscellaneous	355,175	8,343,946	3,215,264	670,170	3,570,439	9,014,116
Total Revenues	212,778,609	278,777,705	43,654,174	44,127,249	256,432,783	322,904,954
<b>Expenses</b>						
General Government	\$ 49,216,220	51,609,403			49,216,220	51,609,403
Public Safety	76,097,546	78,633,467			76,097,546	78,633,467
Public Works	72,509,779	86,410,082			72,509,779	86,410,082
Parks and Recreation	9,805,893	9,650,399			9,805,893	9,650,399
Library	7,617,286	8,532,621			7,617,286	8,532,621
Interest on Long-Term Debt	13,064,138	13,656,534		62,927	13,064,138	13,719,461
Sewer Funds			23,528,217	30,323,015	23,528,217	30,323,015
Non-Major Enterprise Funds			8,446,884	8,602,987	8,446,884	8,602,987
Total Expenses	228,310,862	248,492,506	31,975,101	38,988,929	260,285,963	287,481,435
Increase/(Decrease) in Net Assets Before Transfers	(15,532,253)	30,285,199	11,679,073	5,138,320	(3,853,180)	35,423,519
Transfers	3,880,091	5,594,536	(3,880,091)	(5,594,536)	-	-
Change in Assets	(11,652,162)	35,879,735	7,798,982	(456,216)	(3,853,180)	35,423,519
Net Assets, Beginning of Year	768,727,950	732,848,215	205,299,158	205,755,374	974,027,108	938,603,589
Net Assets, End of Year	\$ 757,075,788	\$ 768,727,950	\$ 213,098,140	\$ 205,299,158	\$ 970,173,928	\$ 974,027,108

Total program revenues from governmental activities were \$108.5 million in fiscal year 2009. 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.

As reflected in the pie chart, \$72.8 million or 34% of the governmental program revenues came from Charges for Services, which includes licenses and permits, plan checking fees, developer fees, special assessments and several other fee for service type revenues. Program revenues under the Operating Grants and Contributions category totaled \$19.0 million or 9% and include restricted revenues such as Gas Tax, Transportation Sales Tax, Asset Seizure Funds and Federal and State Grants.



Capital Grants and Contributions are primarily derived from contributed capital from developers for infrastructure. Capital Grants and Contributions totaled \$16.8 million or 8% of which \$14.1 million or 84% is related to roadways funded by developers and received by the City after completion.

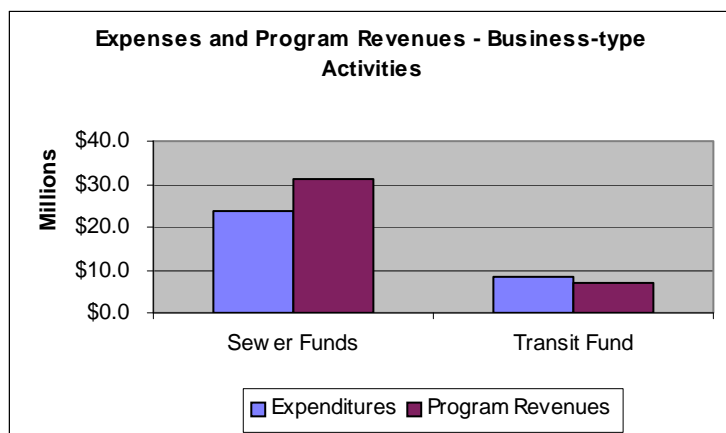


General revenues are all other revenues not categorized as program revenues such as property taxes, sales taxes and investment earnings. Total general revenues from governmental activities were \$111.4 million in fiscal year 2009. The largest percentage of general revenues received during fiscal year 2009 for governmental activities were taxes of \$91.2 million, which included Property Taxes of \$43.3 million and Sales Taxes of \$26.3 million. A percentage breakdown of all general revenues is shown in the pie chart above.

### Business Type Activities

Net assets for business-type activities were \$213.1 million, an increase of \$7.8 million from the prior fiscal year. This increase in net assets for business-type activities was offset by the decrease in net assets from governmental activities. The change in the net assets is attributable to a reduction in staffing and other cost cutting measures in the City’s sewer funds.

Total program revenues for business-type activities were \$38.3 million that were for various sewer fees (\$31.3 million) and bus fares (\$3.7 million) from the Metropolitan Transit System whom the City contracts with to provide transit service. Total expenses for the business-type activities were \$32.0 million and were for expenses related to Sewer (\$23.8 million) and Transit Operations (\$8.2 million).



## FINANCIAL ANALYSIS OF INDIVIDUAL FUNDS

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

### Governmental Funds

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

As of the end of fiscal year 2009, the City’s governmental funds reported combined ending fund balances of \$133.0 million. Approximately, \$79.1 million of this amount constitutes unreserved and undesignated fund balance, which is available for spending at the government’s discretion. The remainder of fund balance is reserved to indicate that it is not available for spending because it has already been legally committed.

**General Fund** - Included as part of the general fund category for financial reporting purposes is the General Fund, which includes the primary operating fund of the city, the Workers Compensation Fund, Flexible Spending Account Fund and the Public Liability Reserve Fund, which are considered general fund type funds for financial reporting purposes.

At the end of the current fiscal year, unreserved fund balance of the general fund was \$12.4 million, while total fund balance is \$33.1 million. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 7.7% of total general fund expenditures including transfers out, while total fund balance represents 21.7% of that same amount.

During the current year, unreserved fund balance of the general fund, excluding the other general fund type funds is \$9.3 million and remains unchanged from the prior year. The available fund balance represents 6.7% of the general fund operating budget for fiscal year 2008. This is below the City Council's targeted minimum reserve level of 8% of the operating budget for the general fund.

There is no discussion of any significant budgetary variations between original and final budget amounts and between final budget amounts and actual results because significant variances have already been discussed in this document. Management considers a variance of 10% or greater as significant.

***Sundry Grants Fund*** - This fund is to account for miscellaneous grants/revenues 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, G. McCandliss memorial cultural arts, federal assistance, CDBG Section 108 loan, CDBG program income project, HOME project, and Community Development Block grants.

The ending total fund balance for fiscal year 2009 was \$10.2 million, which is a slight decrease of \$0.4 million or 3.9% over the prior year. The unreserved portion of the total fund balance is \$7.1 million. Unreserved fund balance represents 59.2% of total fund expenditures including transfers out, while total fund balance represents 85% of that same amount.

***Redevelopment Agency*** - This fund accounts for revenue received from tax increment within the redevelopment project areas and is used to fund the Low and Moderate Income Housing fund operating expenditures and Community Housing Improvement Program loans.

The ending total fund balance for fiscal year 2009 was \$11.9 million, which is an increase of \$1.5 million or 14.2% over the prior year due to reduced expenditures for affordable housing projects. The unreserved portion of the total fund balance is \$10.2 million.

***Development Impact Fund*** - This fund was established as a depository for 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. At the end of fiscal year 2009, the unreserved fund balance was \$25.8 million, which is a decrease of \$0.6 million from the previous fiscal year due primarily to completing construction of Phase 3 of the Civic Center project which has been funded on a pay-as-you-go basis from available cash. Since these funds are collected for construction or improvements of public facilities, they have been fully designated for specific projects.

***Park Acquisition Development*** - This fund was established as 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. This in-lieu fee was adopted by the City to acquire neighborhood and community parkland and to construct parks and recreational facilities.

The Parkland Acquisition and Development fee was increased in October 2006 from \$8,962 to \$9,122 for Areas West of I-805 and \$16,644 to \$16,804 for Areas East of I-805. At the end of fiscal year 2009, the unreserved fund balance was \$32.2 million, which is a decrease of \$6.9 million due primarily to construction of Mount San Miguel Community Park. Since these funds are collected for providing parks and recreational facilities, they have been fully designated for specific projects.

**Redevelopment Agency Debt Service Fund** – This fund was established to account for tax levies, rentals, other revenues and payments of principal and interest on Redevelopment Agency loans and outstanding bonds. The unreserved fund balance decreased by \$3.3 million from \$-29.3 million to \$-26.0 million due to a combination of issuing new debt, 2008 Tax Allocation Bonds, payment of principal and interest on existing debt and the repayment of advances from the General Fund.

**City Debt Service Fund** – This fund was established to account for the principal and interest payments on the City’s long-term debt. The unreserved fund balance decreased by -\$6.5 million from \$-14.2 to \$-20.7 million for the fiscal year. The decrease is due to three interfund loans during the fiscal year. The Transportation Development Impact Fee fund made loans to the Public Facilities Development Impact Fee fund (\$5.2 million) and to the Western Transportation Development Impact Fee fund (\$180,000). In addition, the General Fund loaned the Public Facilities Development Impact Fee fund \$1.5 million.

### **Proprietary Funds**

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

**Sewer Fund**– The Sewer Fund is used to account for a variety of sewer service related revenues and expenses. The net assets for the fund increased \$9.1 million to \$202.0 million. The fund’s Investments in capital assets (i.e. sewer system infrastructure) account for \$141.9 million or 70.2% of the net assets of the fund.

Sewer Fund operating revenues increased by \$4.5 million over the prior fiscal year. An increase in sewer fees accounts for the increase. Total operating expenses for the Sewer Fund decreased by \$6.7 million compared to the last fiscal year. A majority of the decrease is in operations and administration expense, which was reduced by \$5.1 million and is related to the City’s contract with the City of San Diego. The City contracts with the City of San Diego to treat its sewage through San Diego’s treatment plant. Contractual services with the City of San Diego were decreased from the previous year because the City of San Diego did a reallocation of its charges to all participating agencies that contract with the San Diego.

### **GENERAL FUND BUDGETARY HIGHLIGHTS**

The final amended general fund budget totaled \$151.0 million, including \$2.8 million in budget amendments to the originally adopted budget and encumbrances of \$0.8 million, which will fund contractual obligations and outstanding purchase orders. The General Fund’s net cost budget amendments of \$1,450,000 are summarized as follows:

- \$1.2 million for additional public liability expenditures.
- \$250,000 for services provided by the County of San Diego Registrar of Voters.

Of the \$2.8 million in mid-year appropriations, \$1.4 million were covered by specific funding sources. As discussed previously, the available fund balance of the general fund, excluding the other general fund type funds, remained unchanged from the prior fiscal year at \$9.3 million.

## 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, 2009, amounts to \$950.3 million, net of accumulated depreciation of \$345.6 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 additions to the City's investment in capital assets for the current fiscal year was -\$1.4 million, net of accumulated depreciation.

Major capital asset additions during the current fiscal year are discussed in the City Highlights section of this document.

Additional information on the City's capital assets can be found in Note 5a of the notes to the financial statements.

### Debt Administration

*Long Term Debt* - At the end of the 2009 fiscal year, the City had \$195.9 million in debt outstanding compared to the \$196.9 million last year, a 0.5% net decrease. During the 2009 fiscal year, the Redevelopment Agency issued tax allocation bonds in the amount of \$21.6 million.

The City has no outstanding general obligation debt. The City has maintained an "A-" rating by Standard & Poor's for Certificates of Participation, which represents a "stable outlook."

The Redevelopment Agency has maintained an "A" rating for Tax Allocation Bonds from Standard & Poor's. Additional information on the City's long-term debt obligations can be found in Note 6 of the notes to the financial statements.

## ECONOMIC CLIMATE

Chula Vista, the second largest City in San Diego County, is a town in transition. Once known as a bedroom community with a strong collection of small businesses, Chula Vista is now attracting multi-national corporations. High tech companies like Hitachi, DNP America and Leviton have opened new facilities in Chula Vista during the past few years. These companies find the area a good location from which to manage their manufacturing and distribution operations both in the United States and in Mexico.

The San Diego regional economy has undergone a remarkable transformation over the past decade. The severe recession in the first half of the 1990s was the longest and deepest of the past 60 years. The downturn, subsequent recovery and expansion were not mere business or cyclical adjustments, but an extensive overhauling and restructuring of the region's basic economic drivers.

From an economy largely dominated by defense and military expenditures, San Diego industries transformed into a diversified mix of high-technology commercial endeavors. Some of these sectors were by-products of defense-based efforts, as well as capitalization of highly educated and skilled workers. Emerging growth areas include telecommunications, electronics, computers, software, and biotechnology.

International trade also contributed to the local economic recovery and dynamic performance in recent years. Cross border trade and interactions with Mexico provide tremendous economic advantages and opportunities, becoming an increasingly important facet of the local region's economic fortunes.

Mexico and Canada, U.S. partners under the North American Free Trade Agreement (NAFTA), dominate San Diego's export markets by far, accounting for more than one-half (55 percent) of all export production. San Diego clearly benefits from NAFTA, not only because the agreement further opened up the markets of our two largest customers, but also because Tijuana and Baja California, our border and economic partner, was greatly benefited and stimulated by heightened trade and dollars flowing to the region.

As discussed in the transmittal letter, the City has been hard hit by the lack of residential development, the sub-prime mortgage debacle, and one of the highest foreclosure rates in the county. These factors have reduced the growth in assessed values within the city from 20% in 2006 to -10.4% in 2009.

The City's two largest sources of discretionary General Fund revenue are property and sales taxes. The housing factors coupled with increasing unemployment of city residents has led to a leveling off of property tax revenues and actual decline in sales tax revenues from fiscal year 2008. This trend is expected to continue until at least 2010. As a result of these revenue declines the City has acted quickly to reduce expenditures to bring them more in line with revenues. For fiscal year 2009, the City reduced the General Fund operational budget by over \$20 million paring approximately 160 full time positions in a series of budget cuts.

The City's growth and development is expected to continue but not until the housing market has been corrected. The San Diego Association of Governments most recent forecast for growth estimates the City to add over 80,000 new residents to the community over the next 20 years.

### **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.



CITY OF  
**CHULA VISTA**

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# **BASIC FINANCIAL STATEMENTS**

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CITY OF  
**CHULA VISTA**



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# GOVERNMENT-WIDE FINANCIAL STATEMENTS

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**City of Chula Vista**  
**Statement of Net Assets**  
**June 30, 2009**

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
<b>Current assets:</b>			
Cash and investments	\$ 129,892,902	\$ 49,063,370	\$ 178,956,272
Receivables:			
Accounts	899,013	4,178,735	5,077,748
Taxes	11,409,503	-	11,409,503
Interest	785,553	211,745	997,298
Other	1,825,050	62,133	1,887,183
Due from other governments	6,125,880	-	6,125,880
Inventories and prepaid items	29,263	-	29,263
Restricted cash and investments:			
Held by City	13,813,043	-	13,813,043
Held by fiscal agent	17,659,048	-	17,659,048
Total current assets	182,439,255	53,515,983	235,955,238
<b>Noncurrent assets:</b>			
Loans Receivable	30,295,714	-	30,295,714
Internal balances	(13,566,824)	13,566,824	-
Deferred charges, net	1,284,558	-	1,284,558
Net pension assets, net	7,674,873	-	7,674,873
Capital assets, net	802,106,573	148,237,562	950,344,135
Total noncurrent assets	827,794,894	161,804,386	989,599,280
<b>Total assets</b>	<b>1,010,234,149</b>	<b>215,320,369</b>	<b>1,225,554,518</b>

**City of Chula Vista**  
**Statement of Net Assets, Continued**  
**June 30, 2009**

	Primary Government		Total
	Governmental Activities	Business-Type Activities	
<b>LIABILITIES</b>			
<b>Current liabilities:</b>			
Accounts payable and accrued liabilities	12,861,703	678,342	13,540,045
Interest payable	3,306,677	-	3,306,677
Unearned revenue	3,759,158	1,543,887	5,303,045
Compensated absences - due within one year	4,000,000	-	4,000,000
Claims payable - due within one year	4,200,000	-	4,200,000
Long-term debt - due within one year	8,327,769	-	8,327,769
Total current liabilities	36,455,307	2,222,229	38,677,536
<b>Noncurrent liabilities:</b>			
Retention payable	663,068	-	663,068
Developer deposits	10,084,982	-	10,084,982
Pollution Remediation Obligation	650,000	-	650,000
Arbitrage liability	63,006	-	63,006
Net OPEB liability	1,753,808	-	1,753,808
Compensated absences - due in more than one year	2,262,953	-	2,262,953
Claims payable - due in more than one year	13,669,948	-	13,669,948
Long-term debt - due in more than one year	187,555,289	-	187,555,289
Total noncurrent liabilities	216,703,054	-	216,703,054
<b>Total liabilities</b>	253,158,361	2,222,229	255,380,590
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	623,938,515	148,237,562	772,176,077
Restricted:			
Community development	18,109,027	-	18,109,027
Debt service	9,769,719	-	9,769,719
Capital projects	16,023,108	-	16,023,108
Total restricted	43,901,854	-	43,901,854
Unrestricted	89,235,419	64,860,578	154,095,997
<b>Total net assets</b>	\$ 757,075,788	\$ 213,098,140	\$ 970,173,928

See accompanying Notes to Basic Financial Statements.

**City of Chula Vista**  
**Statement of Activities and Changes in Net Assets**  
**For the year ended June 30, 2009**

Functions/Programs	Expenses	Program Revenues			Total Program Revenues
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
<b>Primary government:</b>					
<b>Governmental activities:</b>					
General government	\$ 49,216,220	\$ 35,959,181	\$ 1,069,106	\$ 58,489	\$ 37,086,776
Public safety	76,097,546	7,954,060	6,707,595	-	14,661,655
Public works	72,509,779	25,793,234	9,270,213	16,420,733	51,484,180
Parks and recreation	9,805,893	2,776,032	86,971	275,361	3,138,364
Library	7,617,286	326,116	1,823,582	-	2,149,698
Interest on long-term debt	13,064,138	-	-	-	-
Total governmental activities	228,310,862	72,808,623	18,957,467	16,754,583	108,520,673
<b>Business-type activities:</b>					
Sewer	23,528,217	31,046,180	-	-	31,046,180
Transit	8,147,424	3,679,761	3,292,932	-	6,972,693
Bayfront Trolley Station	98,800	-	97,296	-	97,296
Sewer DIFS	200,660	232,430	-	-	232,430
Total business-type activities	31,975,101	34,958,371	3,390,228	-	38,348,599
<b>Total primary government</b>	<b>\$ 260,285,963</b>	<b>\$ 107,766,994</b>	<b>\$ 22,347,695</b>	<b>\$ 16,754,583</b>	<b>\$ 146,869,272</b>

**General revenues:**

Taxes:

- Property taxes
- Sales taxes
- Property transfer taxes
- Franchise taxes
- Utilities user taxes
- Business license taxes
- Transient occupancy taxes
- Construction taxes

Total taxes

Investment earnings

Miscellaneous

**Transfers**

**Total general revenues and transfers**

**Change in net assets**

**Net assets - beginning of year**

**Net assets - end of year**

Net (Expense) Revenue and Changes in Net Assets		
Primary Government		
Governmental Activities	Business-type Activities	Total
\$ (12,129,444)	\$ -	\$ (12,129,444)
(61,435,891)	-	(61,435,891)
(21,025,599)	-	(21,025,599)
(6,667,529)	-	(6,667,529)
(5,467,588)	-	(5,467,588)
(13,064,138)	-	(13,064,138)
(119,790,189)	-	(119,790,189)
-	7,517,963	7,517,963
-	(1,174,731)	(1,174,731)
-	(1,504)	(1,504)
-	31,770	31,770
-	6,373,498	6,373,498
(119,790,189)	6,373,498	(113,416,691)
43,319,156	-	43,319,156
26,263,317	-	26,263,317
856,658	-	856,658
9,379,964	-	9,379,964
7,848,557	-	7,848,557
1,212,126	-	1,212,126
2,302,412	-	2,302,412
43,649	-	43,649
91,225,839	-	91,225,839
12,676,922	2,090,311	14,767,233
355,175	3,215,264	3,570,439
3,880,091	(3,880,091)	-
108,138,027	1,425,484	109,563,511
(11,652,162)	7,798,982	(3,853,180)
768,727,950	205,299,158	974,027,108
\$ 757,075,788	\$ 213,098,140	\$ 970,173,928



CITY OF  
**CHULA VISTA**

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# FUND FINANCIAL STATEMENTS

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CITY OF  
**CHULA VISTA**



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# **GOVERNMENTAL FUND FINANCIAL STATEMENTS**

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**City of Chula Vista**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2009**

	Major Funds				
	General Fund	Sundry Grants	Redevelopment Agency	RDA Debt Service Fund	City Debt Service Fund
<b>ASSETS</b>					
Cash and investments	\$ 6,362,226	\$ 698,695	\$ 3,822,957	\$ 1,377,759	\$ -
Receivables:					
Accounts	813,712	-	-	-	-
Taxes	10,008,394	92,325	-	-	-
Interest	87,419	7,879	20,630	7,534	-
Loans	118,750	10,278,479	19,382,191	-	-
Other	20,917	2,213	6,253	-	-
Due from other funds	-	1,249,153	1,937,623	-	-
Due from other governments	1,953,644	2,937,178	-	-	-
Advances to other funds	27,770,339	-	-	-	-
Inventories and prepaid items	29,263	-	-	-	-
Restricted cash and investments:					
Held by City	-	9,185,063	4,493,577	-	-
Held by fiscal agent	-	-	-	3,573,774	-
<b>Total assets</b>	<b>\$ 47,164,664</b>	<b>\$ 24,450,985</b>	<b>\$ 29,663,231</b>	<b>\$ 4,959,067</b>	<b>\$ -</b>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>Liabilities:</b>					
Accounts payable and accrued liabilities	\$ 5,530,444	\$ 564,842	\$ 3,560	\$ -	\$ -
Due to other funds	-	3,599,962	-	-	-
Retention payable	-	31,340	-	-	-
Advances from other funds	-	-	-	30,949,490	20,702,177
Developer deposits	-	-	-	-	-
Deferred revenue	8,484,699	10,041,001	17,737,320	-	-
<b>Total liabilities</b>	<b>14,015,143</b>	<b>14,237,145</b>	<b>17,740,880</b>	<b>30,949,490</b>	<b>20,702,177</b>
<b>Fund Balances:</b>					
Reserved:					
Encumbrances	298,763	2,813,895	50,537	-	-
Long-term receivable and advances	20,404,390	303,980	1,643,296	-	-
Debt service	-	-	-	-	-
Inventories and prepaid items	29,263	-	-	-	-
Total reserved	<b>20,732,416</b>	<b>3,117,875</b>	<b>1,693,833</b>	<b>-</b>	<b>-</b>
Unreserved:					
Designated for:					
Contingency	2,982,950	28,371	-	-	-
Capital projects	741,736	-	-	-	-
Undesignated:					
General fund	8,692,419	-	-	-	-
Special revenue	-	7,067,594	10,228,518	-	-
Debt service	-	-	-	(25,990,423)	(20,702,177)
Capital projects	-	-	-	-	-
Total unreserved	<b>12,417,105</b>	<b>7,095,965</b>	<b>10,228,518</b>	<b>(25,990,423)</b>	<b>(20,702,177)</b>
<b>Total fund balances</b>	<b>33,149,521</b>	<b>10,213,840</b>	<b>11,922,351</b>	<b>(25,990,423)</b>	<b>(20,702,177)</b>
<b>Total liabilities and fund balances</b>	<b>\$ 47,164,664</b>	<b>\$ 24,450,985</b>	<b>\$ 29,663,231</b>	<b>\$ 4,959,067</b>	<b>\$ -</b>

See accompanying Notes to Basic Financial Statements.

Majors Funds				
Development Impact Fund	Park Acquisition Development	Other Governmental Funds	Total Governmental Funds	
\$ 26,102,095	\$ 36,548,403	\$ 53,331,281	\$ 128,243,416	
-	-	85,301	899,013	
-	-	1,308,784	11,409,503	
247,655	186,102	222,329	779,548	
-	-	516,294	30,295,714	
1,755,485	-	1,005	1,785,873	
24,630,395	-	1,219,252	29,036,423	
-	-	1,235,058	6,125,880	
5,578,128	-	4,736,376	38,084,843	
-	-	-	29,263	
-	-	134,403	13,813,043	
-	-	14,085,274	17,659,048	
<u>\$ 58,313,758</u>	<u>\$ 36,734,505</u>	<u>\$ 76,875,357</u>	<u>\$ 278,161,567</u>	
\$ 3,905	\$ 901,917	\$ 5,530,578	\$ 12,535,246	
24,630,395	-	806,066	29,036,423	
-	368,776	262,952	663,068	
-	-	-	51,651,667	
-	-	10,084,982	10,084,982	
1,864,081	-	3,051,409	41,178,510	
<u>26,498,381</u>	<u>1,270,693</u>	<u>19,735,987</u>	<u>145,149,896</u>	
597,440	3,258,471	5,249,587	12,268,693	
5,380,000	-	4,130,592	31,862,258	
-	-	9,769,719	9,769,719	
-	-	-	29,263	
<u>5,977,440</u>	<u>3,258,471</u>	<u>19,149,898</u>	<u>53,929,933</u>	
-	69,900	340,577	3,421,798	
25,837,937	32,135,441	13,721,469	72,436,583	
-	-	-	8,692,419	
-	-	24,446,315	41,742,427	
-	-	-	(46,692,600)	
-	-	(518,889)	(518,889)	
<u>25,837,937</u>	<u>32,205,341</u>	<u>37,989,472</u>	<u>79,081,738</u>	
<u>31,815,377</u>	<u>35,463,812</u>	<u>57,139,370</u>	<u>133,011,671</u>	
<u>\$ 58,313,758</u>	<u>\$ 36,734,505</u>	<u>\$ 76,875,357</u>	<u>\$ 278,161,567</u>	



CITY OF  
**CHULA VISTA**

**City of Chula Vista**  
**Reconciliation of the Governmental Funds Balance Sheet**  
**to the Government-Wide Statement of Net Assets**  
**June 30, 2009**

<b>Total Fund Balances - Total Governmental Funds</b>	<b>\$ 133,011,671</b>
Amounts reported for governmental activities in the Statement of Net Assets were different because:	
Deferred charges, such as bonds issuance costs from issuing debt, were expenditures in the fund financial statements but were deferred and subject to capitalization and amortization on the Government-Wide Statement of Net Assets.	1,284,558
Net pension assets was not available to pay for current period expenditures and therefore was not recorded in the governmental funds.	7,674,873
Capital assets used in governmental activities were not financial resources and therefore were not reported in governmental funds.	
Government-Wide Financial Statements	802,106,573
Less: Internal Service Funds' Capital Assets	(1,777,439)
Total capital assets	800,329,134
Interest payable on long-term debt did not require current financial resources. Therefore, interest payable was not reported as a liability in Governmental Funds Balance Sheet.	(3,306,677)
Long-term liabilities were not due and payable in the current period and therefore were not reported in the governmental funds.	
Amount reported in Government-Wide Statement of Net Assets:	
Compensated absences - due within one year	(4,000,000)
Compensated absences - due in more than one year	(2,262,953)
Claims payable - due within one year	(4,200,000)
Claims payable - due in more than one year	(13,669,948)
Long-term debt - due within one year	(8,327,769)
Long-term debt - due in more than one year	(187,555,289)
Pollution Remediation Obligation	(650,000)
Arbitrage liability	(63,006)
Net OPEB liability	(1,753,808)
Less: Amount reported in Internal Service Funds	
Compensated absences - due in more than one year	59,133
Total long-term liabilities	(222,423,640)
Deferred revenues recorded in governmental fund financial statements resulting from activities in which revenues were earned but funds were not available were recognized as revenues in the Government-Wide Financial Statements.	
Amounts reported in Government-Wide Statement of Net Assets	(3,759,158)
Amounts reported in Governmental Fund Financial Statements	41,178,510
Total adjustments on deferred revenues	37,419,352
Internal service funds were used by management to charge the costs of certain activities to individual funds. The assets and liabilities of the internal service funds were included in governmental activities in the Government-Wide Statement of Net Assets.	3,086,517
<b>Net Assets of Governmental Activities</b>	<b>\$ 757,075,788</b>

See accompanying Notes to Basic Financial Statements.

**City of Chula Vista**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Governmental Funds**  
**For the year ended June 30, 2009**

	Major Funds				
	General Fund	Sundry Grants	Redevelopment Agency	RDA Debt Service Fund	City Debt Service Fund
<b>REVENUES:</b>					
Taxes	\$ 77,400,512	\$ -	\$ -	\$ -	\$ -
Intergovernmental	24,021,395	9,570,562	-	-	-
Licenses and permits	1,987,734	-	-	-	-
Developer fees	-	-	-	-	-
Charges for services	10,534,277	1,021,730	-	-	-
Fines and forfeitures	2,357,044	-	-	-	-
Use of money and property	5,096,660	84,709	175,563	216,440	-
Other	19,127,752	273,844	8,600	481	-
<b>Total revenues</b>	<b>140,525,374</b>	<b>10,950,845</b>	<b>184,163</b>	<b>216,921</b>	<b>-</b>
<b>EXPENDITURES:</b>					
Current:					
General government	34,868,538	1,760,910	1,073,429	1,300	-
Public safety	68,365,801	3,833,170	-	-	-
Public works	26,860,757	2,179,732	-	-	-
Parks and recreation	5,761,607	-	-	-	-
Library	7,192,979	-	-	-	-
Capital outlay	104,941	3,712,417	-	-	-
Debt service:					
Principal	139,678	-	-	1,020,000	-
Interest and fiscal charges	865,892	-	-	3,813,165	822,592
Bond issuance costs	-	-	-	844,584	-
<b>Total expenditures</b>	<b>144,160,193</b>	<b>11,486,229</b>	<b>1,073,429</b>	<b>5,679,049</b>	<b>822,592</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(3,634,819)</b>	<b>(535,384)</b>	<b>(889,266)</b>	<b>(5,462,128)</b>	<b>(822,592)</b>
<b>OTHER FINANCING SOURCES (USES):</b>					
Issuance of debt	-	665,884	-	-	-
Bond discount	-	-	-	(579,161)	-
Refunding bond issued	-	-	-	17,093,000	-
Payment to refunded bond escrow agent	-	-	-	(15,110,000)	-
Transfers in	9,641,430	-	2,915,077	9,941,097	1,198,585
Transfers out	(6,933,232)	(557,829)	(275,842)	(2,545,615)	(6,908,969)
<b>Total other financing sources (uses)</b>	<b>2,708,198</b>	<b>108,055</b>	<b>2,639,235</b>	<b>8,799,321</b>	<b>(5,710,384)</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>(926,621)</b>	<b>(427,329)</b>	<b>1,749,969</b>	<b>3,337,193</b>	<b>(6,532,976)</b>
<b>FUND BALANCE:</b>					
Beginning of year, as restated (Note 15)	34,076,142	10,641,169	10,172,382	(29,327,616)	(14,169,201)
End of year	\$ 33,149,521	\$ 10,213,840	\$ 11,922,351	\$ (25,990,423)	\$ (20,702,177)

See accompanying Notes to Basic Financial Statements.

Major Funds		Other	Total
Development Impact Fund	Park Acquisition Development	Governmental Funds	Governmental Funds
\$ -	\$ -	\$ 14,370,334	\$ 91,770,846
-	-	5,906,026	39,497,983
-	-	53,987	2,041,721
1,001,126	515,677	7,735,744	9,252,547
-	-	879,948	12,435,955
-	-	960,622	3,317,666
787,786	1,260,007	2,482,821	10,103,986
1,293,606	-	8,699,938	29,404,221
3,082,518	1,775,684	41,089,420	197,824,925
231,765	-	5,704,572	43,640,514
11,921	-	661,635	72,872,527
411,834	-	16,590,458	46,042,781
4,647	1,203,670	-	6,969,924
6,122	-	-	7,199,101
944,959	4,689,786	9,853,461	19,305,564
-	-	6,526,847	7,686,525
-	-	7,075,290	12,576,939
-	-	-	844,584
1,611,248	5,893,456	46,412,263	217,138,459
1,471,270	(4,117,772)	(5,322,843)	(19,313,534)
-	-	-	665,884
-	-	-	(579,161)
-	-	4,532,000	21,625,000
-	-	-	(15,110,000)
6,908,969	-	19,897,267	50,502,425
(4,444,115)	-	(24,924,201)	(46,589,803)
2,464,854	-	(494,934)	10,514,345
3,936,124	(4,117,772)	(5,817,777)	(8,799,189)
27,879,253	39,581,584	62,957,147	141,810,860
\$ 31,815,377	\$ 35,463,812	\$ 57,139,370	\$ 133,011,671

# City of Chula Vista

## Reconciliation of the Governmental Statement of Revenues, Expenditures, and Changes in Fund Balances to the Government-Wide Statement of Activities and Changes in Net Assets For the year ended June 30, 2009

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Net Change in Fund Balances - Total Governmental Funds \$ (8,799,189)

Amounts reported for governmental activities in the Statement of Activities were different because:

Governmental funds reported capital outlay as expenditures. However, in the Government-Wide Statement of Activities and Changes in Net Assets, the cost of those assets was allocated over their estimated useful lives as depreciation expenses. This is the amount of capital assets recorded in the current period. 11,159,711

Depreciation expense on capital assets was reported in the Government-Wide Statement of Activities and Changes in Net Assets, 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 \$1,029,924. (24,116,084)

Capital assets contributed by developers were recognized as revenue on the government-wide statement of activities. However those assets did not provide for current financial resources and therefore were not recognized as revenue on the governmental funds statement. 14,059,671

The net effect of various miscellaneous transactions involving capital assets (i.e. sales, trade-ins, and donations) decreased net assets. (15,952)

The issuance of long-term liabilities provided current financial resources to governmental funds, but issuing debt increased long-term liabilities in the Government-Wide Statement of Net Assets. 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 Assets.

Issuance of long-term debt	(665,884)
Refunding bond issued	(21,625,000)
Principal payment of long-term debt	7,686,525
Payment to refunded bond escrow agent	15,110,000

Governmental funds reported bond issuance costs and bond discount as expenditures. However, in the Government-Wide Statement of Activities and Changes in Net Assets, the bond issuance costs and bond discount were allocated over the lives of the bond.

Bond issuance costs	844,584
Bond discount	579,161

Amortization expenses were reported in the Government-Wide Statement of Activities and Changes in Net Assets, 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 and discount	(43,593)
Deferred charges	(58,732)
Net pension assets	(1,785,322)

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**Balance carried forward** (7,670,104)

See accompanying Notes to Basic Financial Statements.



# City of Chula Vista

## Reconciliation of the Governmental Statement of Revenues, Expenditures, and Changes in Fund

### Balances to the Government-Wide Statement of Activities and Changes in Net Assets, Continued

For the year ended June 30, 2009

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	<b>Balance carried over</b>	(7,670,104)
<p>Certain long-term liabilities were reported in the Government-Wide Statement of Activities and Changes in Net Assets, 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.</p>		
Changes in Compensated Absences		167,014
Changes in Claims Liabilities		(2,202,067)
Changes in Arbitrage Liabilities		16,386
Changes in Net OPEB Liabilities		(971,808)
Changes in Pollution Remediation Obligations		(650,000)
<p>Interest expense on long-term debt was reported in the Government-Wide Statement of Activities and Changes in Net Assets, but it did not require the use of current financial resources. This amount represented the change in accrued interest from prior year.</p>		
		(401,260)
<p>Interest earned on long-term receivables did not provide current financial resources were not reported as revenues in the Governmental Funds.</p>		
		860,329
<p>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.</p>		
		(800,652)
<b>Change in Net Assets of Governmental Activities</b>		<u>\$ (11,652,162)</u>



CITY OF  
**CHULA VISTA**

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# PROPRIETARY FUND FINANCIAL STATEMENTS

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**City of Chula Vista**  
**Statement of Net Assets**  
**Proprietary Funds**  
**June 30, 2009**

	Major Fund			Governmental
	Sewer	Nonmajor		Activities
	Fund	Enterprise Funds	Total	Internal
				Service Funds
<b>ASSETS</b>				
Current assets:				
Cash and investments	\$ 39,008,278	\$ 10,055,092	\$ 49,063,370	\$ 1,649,486
Receivables:				
Accounts	4,178,735	-	4,178,735	-
Interest	154,123	57,622	211,745	6,005
Other	-	62,133	62,133	39,177
Total current assets	43,341,136	10,174,847	53,515,983	1,694,668
Noncurrent assets				
Advances to other funds	17,480,413	-	17,480,413	-
Capital assets, net	141,870,409	6,367,153	148,237,562	1,777,439
Total noncurrent assets	159,350,822	6,367,153	165,717,975	1,777,439
<b>Total assets</b>	202,691,958	16,542,000	219,233,958	3,472,107
<b>LIABILITIES AND NET ASSETS</b>				
<b>Liabilities:</b>				
Current liabilities:				
Accounts payable and accrued liabilities	645,795	32,547	678,342	326,457
Unearned revenue	-	1,543,887	1,543,887	-
Total current liabilities	645,795	1,576,434	2,222,229	326,457
Noncurrent liabilities:				
Advances from other funds	-	3,913,589	3,913,589	-
Compensated absences	-	-	-	59,133
Total noncurrent liabilities	-	3,913,589	3,913,589	59,133
<b>Total liabilities</b>	645,795	5,490,023	6,135,818	385,590
<b>Net Assets:</b>				
Invested in capital assets	141,870,409	6,367,153	148,237,562	1,777,439
Unrestricted	60,175,754	4,684,824	64,860,578	1,309,078
<b>Total net assets</b>	\$ 202,046,163	\$ 11,051,977	\$ 213,098,140	\$ 3,086,517

See accompanying Notes to Basic Financial Statements.

**City of Chula Vista**  
**Statement of Revenues, Expenses and Changes in Net Assets**  
**Proprietary Funds**  
**For the year ended June 30, 2009**

	Major Fund			Governmental
	Sewer	Nonmajor		Activities
	Fund	Enterprise Funds	Total	Internal
				Service Funds
<b>OPERATING REVENUES:</b>				
Charges for services	\$ 31,046,180	\$ 3,912,191	\$ 34,958,371	\$ 3,839,510
Other	2,946,844	268,420	3,215,264	12,118
<b>Total operating revenues</b>	<b>33,993,024</b>	<b>4,180,611</b>	<b>38,173,635</b>	<b>3,851,628</b>
<b>OPERATING EXPENSES:</b>				
Operations and administration	17,469,137	7,434,579	24,903,716	3,647,401
Maintenance	837,503	38,478	875,981	-
Depreciation	5,304,169	910,900	6,215,069	1,029,924
<b>Total operating expenses</b>	<b>23,610,809</b>	<b>8,383,957</b>	<b>31,994,766</b>	<b>4,677,325</b>
<b>OPERATING INCOME (LOSS)</b>	<b>10,382,215</b>	<b>(4,203,346)</b>	<b>6,178,869</b>	<b>(825,697)</b>
<b>NONOPERATING REVENUES (EXPENSES):</b>				
Intergovernmental	-	3,390,228	3,390,228	-
Interest income	1,710,190	380,121	2,090,311	33,684
Interest expenses	-	(62,927)	(62,927)	-
Gain (loss) on disposal of capital assets	82,592	-	82,592	23,892
<b>Total nonoperating revenues (expenses)</b>	<b>1,792,782</b>	<b>3,707,422</b>	<b>5,500,204</b>	<b>57,576</b>
<b>INCOME (LOSS) BEFORE TRANSFERS</b>	<b>12,174,997</b>	<b>(495,924)</b>	<b>11,679,073</b>	<b>(768,121)</b>
<b>TRANSFERS:</b>				
Transfers in	597,573	-	597,573	-
Transfers out	(3,661,792)	(815,872)	(4,477,664)	(32,531)
<b>Total transfers</b>	<b>(3,064,219)</b>	<b>(815,872)</b>	<b>(3,880,091)</b>	<b>(32,531)</b>
<b>CHANGE IN NET ASSETS</b>	<b>9,110,778</b>	<b>(1,311,796)</b>	<b>7,798,982</b>	<b>(800,652)</b>
<b>NET ASSETS:</b>				
Beginning of year	192,935,385	12,363,773	205,299,158	3,887,169
End of year	<b>\$ 202,046,163</b>	<b>\$ 11,051,977</b>	<b>\$ 213,098,140</b>	<b>\$ 3,086,517</b>

See accompanying Notes to Basic Financial Statements.

**City of Chula Vista**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the year ended June 30, 2009**

	Major Fund	Nonmajor		Governmental
	Sewer	Enterprise		Activities
	Fund	Fund	Total	Internal
				Service Funds
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>				
Cash received from customers	\$ 31,154,122	\$ 1,663,431	\$ 32,817,553	\$ -
Cash received from (payments to) other funds	(325,768)	62,928	(262,840)	3,839,726
Cash payments to supplier and employees for goods and services	(17,986,194)	(7,472,865)	(25,459,059)	(3,737,116)
Other operating revenues	2,946,844	268,420	3,215,264	12,118
<b>Net cash provided (used) by operating activities</b>	<b>15,789,004</b>	<b>(5,478,086)</b>	<b>10,310,918</b>	<b>114,728</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>				
Acquisition of capital assets	(4,324,363)	(124,098)	(4,448,461)	(221,212)
Proceeds received from disposal of capital assets	82,592	-	82,592	23,892
<b>Net cash provided (used) by capital and related financing activities</b>	<b>(4,241,771)</b>	<b>(124,098)</b>	<b>(4,365,869)</b>	<b>(197,320)</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>				
Intergovernmental	-	3,390,228	3,390,228	-
Interest expenses	-	(62,927)	(62,927)	-
Transfers in	597,573	-	597,573	-
Transfers (out)	(3,661,792)	(815,872)	(4,477,664)	(32,531)
<b>Net cash provided (used) by noncapital financing activities</b>	<b>(3,064,219)</b>	<b>2,511,429</b>	<b>(552,790)</b>	<b>(32,531)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>				
Interest revenue	1,804,759	434,896	2,239,655	45,294
<b>Net cash provided (used) by investing activities</b>	<b>1,804,759</b>	<b>434,896</b>	<b>2,239,655</b>	<b>45,294</b>
<b>Net increase (decrease) in cash and cash investments</b>	<b>10,287,773</b>	<b>(2,655,859)</b>	<b>7,631,914</b>	<b>(69,829)</b>
<b>CASH AND CASH EQUIVALENTS:</b>				
Beginning of year	28,720,505	12,710,951	41,431,456	1,719,315
End of year	<u>\$ 39,008,278</u>	<u>\$ 10,055,092</u>	<u>\$ 49,063,370</u>	<u>\$ 1,649,486</u>
<b>RECONCILIATION OF OPERATING INCOME TO NET</b>				
<b>CASH PROVIDED (USED) BY OPERATING ACTIVITIES:</b>				
Operating income (loss)	\$ 10,382,215	\$ (4,203,346)	\$ 6,178,869	\$ (825,697)
Adjustments to reconcile operating loss to net cash provided (used) by operating activities:				
Depreciation	5,304,169	910,900	6,215,069	1,029,924
Changes in operating assets and liabilities:				
Accounts receivable	107,942	-	107,942	-
Other receivable	-	63,501	63,501	216
Advances to other funds	(325,768)	-	(325,768)	-
Accounts payable and accrued liabilities	320,446	192	320,638	(89,607)
Unearned revenue	-	(2,312,261)	(2,312,261)	-
Advances from other funds	-	62,928	62,928	-
Compensated absences	-	-	-	(108)
Total adjustments	5,406,789	(1,274,740)	4,132,049	940,425
<b>Net cash provided (used) by operating activities</b>	<b>\$ 15,789,004</b>	<b>\$ (5,478,086)</b>	<b>\$ 10,310,918</b>	<b>\$ 114,728</b>

See accompanying Notes to Basic Financial Statements.

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**FIDUCIARY FUND  
FINANCIAL STATEMENTS**

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**City of Chula Vista**  
**Statement of Fiduciary Net Assets**  
**Agency Fund**  
**June 30, 2009**

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**ASSETS**

Cash and investments	\$ 7,983,983
Restricted cash and investments:	
Held by fiscal agents	<u>136,102,877</u>
<b>Total assets</b>	<u><u>\$ 144,086,860</u></u>

**LIABILITIES**

Due to bondholders	<u>\$ 144,086,860</u>
<b>Total liabilities</b>	<u><u>\$ 144,086,860</u></u>



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# NOTES TO BASIC FINANCIAL STATEMENTS

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**City of Chula Vista**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2009**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The basic financial statements of the City of Chula Vista, California have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental agencies. The Governmental Accounting Standards Boards (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. Financial Reporting Entity**

The City of Chula Vista, California (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.

As required by generally accepted accounting principles in the United States, these basic financial statements present the City and its component units, entities for which the City is considered to be financially accountable. The City is considered to be financially accountable for an organization if the City appoints a voting majority of that organization's governing body and either the City is able to impose its will on that organization or there is a potential for that organization to provide financial benefits to or impose specific financial burdens on the City. The City is also considered to be financially accountable for an organization if that organization is fiscally dependent (i.e., it is unable to adopt its budget, levy taxes, set rates or charges, or issue bonded debt without approval from the City). In certain cases, other organizations are included as component units if the nature and significance of their relationship with the City are such that their exclusion would cause the City's financial statements to be misleading or incomplete. Blended component units, although legally separate entities are, in substance, part of the City's operations and data from these units are combined with data of the City. Each blended component unit has a June 30 year-end. The following entities are reported component units:

**Blended Component Units**

*Redevelopment Agency of the City of Chula Vista (Agency)*

The Agency was created by the City of Chula Vista City Council (City Council) in October 1972. It was established pursuant to the State of California Health and Safety Code, Section 33000 entitled "Community Redevelopment Law." Its purpose is to prepare and carry out plans for improvement, rehabilitation, and redevelopment of blighted areas within the territorial limits of the City of Chula Vista. The Agency has been included in the accompanying basic financial statements since the City Council acts as the Agency's governing board and exerts significant influence over its operations. The Agency's operations are governmental in nature and, as such, have been included in the special revenue, capital projects, and debt service funds. The financial statements of the Agency can be obtained at the Finance Department.

**City of Chula Vista**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2009**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

**A. Financial Reporting Entity, Continued**

*The Chula Vista Industrial Development Authority (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.

*Chula Vista Public Facilities Financing Authority (Financing Authority)*

The Financing Authority was established by ordinance, 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 ordinance was adopted on April 4, 1995. The governing body of the Financing Authority is comprised of the sitting members of the City Council. The 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 financial statements of the Financing Authority can be obtained at the Finance Department.

*Chula Vista Housing Authority (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 Presentation, Measurement Focus and Basis of Accounting**

The accounting policies of the City conform to generally accepted accounting principles. 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 consistent with legal and managerial requirements.

**Government-Wide Financial Statements**

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

**City of Chula Vista**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2009**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

***B. Basis of Presentation, Measurement Focus and Basis of Accounting, Continued***

**Government-Wide Financial Statements, Continued**

These basic 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 Assets. The Statement of Activities presents changes in net assets. 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

Certain eliminations have been made as prescribed by GASB Statement No. 34 in regards to interfund activities, payables and receivables. All internal balances in the Statement of Net Assets have been eliminated except those representing balances between the governmental activities and the business-type activities, which are presented as internal balances and eliminated in the total primary government column. In the Statement of Activities, internal service fund transactions have been eliminated; however, those transactions between governmental and business-type activities have not been eliminated. The following interfund activities have been eliminated:

- Due to, Due from other funds
- Advances to, Advances from other funds
- Transfers in, Transfers out

The City applies all applicable GASB pronouncements (including all NCGA Statements and Interpretations currently in effect) as well as the following pronouncements issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements: Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board (APB) Opinions, and Accounting Research Bulletins (ARB) of the committee on Accounting Procedure. The City applies all applicable FASB Statements and Interpretations issued after November 30, 1989, except those that conflict with or contradict GASB pronouncements.

**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 non-major funds aggregated. An accompanying schedule is presented to reconcile and explain the differences in net assets as presented in these statements to the net assets presented in the government-wide financial statements. The City has presented all major funds that met those qualifications.

**City of Chula Vista**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2009**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

**B. Basis of Presentation, Measurement Focus and Basis of Accounting, Continued**

**Governmental Fund Financial Statements, Continued**

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 sheets. The Statement of Revenues, Expenditures and Changes in Fund Balances present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. 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.

Revenues are recorded when received in cash, except revenues subject to accrual (up to 7 months after year-end) are recognized when due. The primary revenue sources, which have been treated as susceptible to accrual by the City, are property tax, sales tax, special assessments, intergovernmental revenues, other taxes, interest revenue, rental revenue and certain charges for services. Expenditures are recorded in the accounting period in which the related fund liability is incurred.

Unearned revenues arise when potential revenues do not meet both the “measurable” and “available” criteria for recognition in the current period. Unearned revenues also arise when the government receives resources 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, the unearned revenue is removed from the balance sheet and revenue is recognized.

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, waste management and recycling, energy conservation, emergency shelter program, HOME program, CDBG program income project, and Community Development Block grants.

*Redevelopment Agency Special Revenue Fund* – This fund was established to account for revenue received from tax increment within the redevelopment project areas and is used to fund operating expenditures, debt service and Redevelopment Agency capital projects.

*Redevelopment Agency Debt Service Fund* – This fund was established to account for debt levies, rentals, other revenues and payments of principal and interest on Redevelopment loans and outstanding bonds.

**City of Chula Vista**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2009**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

**B. Basis of Presentation, Measurement Focus and Basis of Accounting, Continued**

**Governmental Fund Financial Statements, Continued**

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

*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.

*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.

**Proprietary Fund Financial Statements**

Proprietary fund financial statements include a Statement of Net Assets, a Statement of Revenues, Expenses and Change in Net Assets, and a Statement of Cash Flows for all proprietary funds.

A 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.

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 Assets. The Statement of Revenues, Expenses and Change in Fund Net Assets presents increases (revenues) and decreases (expenses) in total net assets. 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 liability is incurred.

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 nonoperating revenues. Operating expenses are those expenses that are essential to the primary operations of the fund. All other expenses are reported as nonoperating expenses.

The City reports the following major proprietary funds:

*Sewer Enterprise Fund* – This fund consists of several 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.

**City of Chula Vista**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2009**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

**B. Basis of Presentation, Measurement Focus and Basis of Accounting, Continued**

**Proprietary Fund Financial Statements, Continued**

The Special Sewer Fund is used to account for the sale of the city's excess Metropolitan Sewerage System capacity. Use of monies in this fund is determined by the City Council.

The Trunk Sewer Capital Reserve Fund is used to account for sewerage facility participation fees received from owners or persons 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.

**Fiduciary Fund Financial Statements**

Fiduciary fund financial statements include a Statement of Net Assets. The City's fiduciary funds represent agency funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The agency funds are accounted for on the accrual basis of accounting as are the Proprietary funds explained above.

Fiduciary fund types are accounted for according to the nature of the fund. The City has only agency funds, which are purely custodial in nature (assets equal liabilities), and thus do not involve measurement of results of operations.

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.

**C. Use of Restricted and Unrestricted Net Assets**

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

**D. 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 are reported as reservations of fund balances and do not constitute GAAP basis expenditures or liabilities because the commitments will be honored during the subsequent year.

**City of Chula Vista**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2009**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

**E. 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.

In accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, 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 participates in an investment pool managed by the State of California titled Local Agency Investment Fund (LAIF) which has invested a portion of the pool funds in Structured Notes and Asset-backed Securities. LAIF's investments are subject to credit risk with the full faith and credit of the State of California collateralizing these investments. In addition, these Structured Notes and Asset-backed Securities are subject to market risk as to change in interest rates.

For purposes of reporting cash flows, the City considers each fund's share in the cash and investments pool to be cash and cash equivalents including cash with fiscal agents.

In accordance with GASB Statement No. 40, *Deposit and Investment Disclosures (an amendment of GASB Statement No. 3)*, the City adheres to 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.

**F. Inventories**

Inventories are valued on a weighted average-cost basis which are adjusted to annual physical counts or estimates under the consumption method of accounting.

**G. 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.



**City of Chula Vista**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2009**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

*H. Land Held for Resale*

Land held for resale is recorded at the lower of cost or market, but not greater than the net realizable value. An amount equal to the carrying value of land is reserved in fund balance because such assets are not available to finance the City's current operations. The amount recorded as assets held for resale and the corresponding fund balance reserved as of June 30, 2009 was \$0.

*I. Capital Assets*

Capital assets are valued at historical cost or estimated historical cost if actual historical cost was not available. Donated fixed assets are valued at their estimated fair market value on the date donated. City policy has set the capitalization threshold for reporting capital assets at \$5,000 for equipment and \$100,000 for infrastructure. Depreciation is recorded on a straight-line basis over estimated useful lives of the assets as follows:

Buildings	50 years
Improvements other than buildings	50 years
Machinery and equipment	5-12 years
Infrastructure	30-75 years

In June 1999, the Governmental Accounting Standards Board (GASB) issued Statement No. 34 which requires the inclusion of infrastructure capital assets in local governments' basic financial statements. In accordance with GASB Statement No. 34, the City has included all infrastructure.

The City defines infrastructure as the basic physical assets that allow the City to function. The assets include streets, sewer, and park lands. Each major infrastructure system can be divided into subsystems. For example the street system can be subdivided into pavement, curb 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 and proprietary funds as part of the asset cost.

For all infrastructure systems, the City elected to use the Basic Approach as defined by GASB Statement No. 34 for infrastructure reporting. The City commissioned an appraisal of City owned infrastructure and property as of June 30, 2001. This appraisal determined the original cost, which is defined as the actual cost to acquire new property in accordance with market prices at the time of first construction/acquisition.

Original costs were developed in one of three ways: (1) historical records; (2) standard unit costs appropriate for the construction/acquisition date; or (3) present cost indexed by a reciprocal factor of the price increase from the construction/acquisition date to the current date. The accumulated depreciation, defined as the total depreciation from the date of construction/acquisition to the current date on a straight line, unrecovered cost method was computed using industry accepted life expectancies for each infrastructure subsystem. The book value was then computed by deducting the accumulated depreciation from the original cost.

**City of Chula Vista**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2009**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

*J. 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**

For 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.

*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, 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. Issuance costs are reported as deferred charges.

**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 Assets.

*L. Property Taxes*

Property taxes are levied on March 1 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 lien date is January 1. 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 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 based on California 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 60 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.

**City of Chula Vista**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2009**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

**M. Use of Estimates**

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

**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 Assets/Fund Balances**

**Government-Wide Financial Statements**

Net assets are categorized as follows:

Invested in Capital Assets, Net of Related Debt – This amount consists of capital assets net of accumulated depreciation and reduced by outstanding debt that attributed to the acquisition, construction, or improvement of the assets.

Restricted Net Assets – This amount is restricted by external creditors, grantors, contributors, or laws or regulations of other governments.

Unrestricted Net Assets – This amount is all net assets that do not meet the definition of “invested in capital assets, net of related debt” or “restricted net assets.”

**Fund Financial Statements**

Reservations of fund balances of governmental funds and retained earnings of proprietary funds are created to either satisfy legal covenants, including State laws, that require a portion of the fund equity be segregated or identify the portion of the fund equity not available for future expenditures.

**P. Implementation of New GASB Pronouncements**

In fiscal year 2009, the City adopted the following Governmental Accounting Standards Board Statements:

- GASB Statement No. 49, *Accounting and Financial Reporting for Pollution Remediation Obligations*
- GASB Statement No. 52, *Land and Other Real Estate Held as Investments by Endowments*
- GASB Statement No. 55, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*
- GASB Statement No. 56, *Codification of Accounting and Financial Reporting Guidance Contained in AICPA Statements on Auditing Standards*

**City of Chula Vista**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2009**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

*P. Implementation of new GASB Pronouncements, Continued*

GASB Statement No. 49 addresses accounting and financial reporting standards for pollution (including contamination) remediation obligations, which are obligations to address the current or potential detrimental effects of existing pollution by participating in pollution remediation activities such as site assessments and cleanups.

GASB Statement No. 52 improves the quality of financial reporting by requiring endowments to report their land and other real estate investments at fair value, creating consistency in reporting among similar entities that exist to invest resources for the purpose of generating income.

GASB Statement No. 55 incorporates the hierarchy of generally accepted accounting principles (GAAP) for state and local governments into the GASB's authoritative literature. It is intended to make it easier for preparers of state and local government financial statements to identify and apply the "GAAP hierarchy," which consists of sources of accounting principles used in the preparation of financial statements so that they are presented in conformity with GAAP and the framework for selecting those principles.

GASB Statement No. 56 incorporates accounting and financial reporting guidance previously only contained in the American Institute of Certified Public Accountants (AICPA) auditing literature into the GASB's accounting and financial reporting literature for state and local governments. The Statement No. 56 guidance addresses three issues from the AICPA's literature—related party transactions, going concern considerations, and subsequent events.

**2. CASH, CASH EQUIVALENTS AND INVESTMENTS**

The City maintains a cash and investment pool, which includes cash balances and authorized investments of all funds, which the City Treasurer invests to enhance interest earnings. The pooled interest earned is allocated to the funds based on average daily cash and investment balances in these funds.

The following is a summary of pooled cash and investments, including restricted cash and investments at June 30, 2009:

	Government-Wide Statement of Net Assets			Fiduciary Funds	
	Governmental Activities	Business Type Activities	Total	Statement of Net Assets	Total
<b>Cash and Investments</b>	\$ 129,892,902	\$ 49,063,370	\$ 178,956,272	\$ 7,983,983	\$ 186,940,255
<b>Restricted Cash and Investments:</b>					
Held by City	\$ 13,813,043	\$ -	\$ 13,813,043	\$ -	\$ 13,813,043
Held by fiscal agents	17,659,048	-	17,659,048	136,102,877	153,761,925
<b>Total restricted cash and investments</b>	\$ 31,472,091	\$ -	\$ 31,472,091	\$ 136,102,877	\$ 167,574,968
<b>Total cash and investments</b>	\$ 161,364,993	\$ 49,063,370	\$ 210,428,363	\$ 144,086,860	\$ 354,515,223

**City of Chula Vista**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2009**

**2. CASH, CASH EQUIVALENTS AND INVESTMENTS, Continued**

Cash, cash equivalents, and investments consisted of the following at June 30, 2009:

Petty cash	\$ 5,900
Deposits with financial institution	24,887,430
Investments	175,859,968
Investments held by bond trustee	153,761,925
<b>Total cash and investments</b>	<b>\$ 354,515,223</b>

**A. Cash Deposits**

The carrying amount of the City's cash deposits were \$24,887,430 at June 30, 2009. Bank balances before reconciling items were \$24,338,028 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 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.

**B. Investments**

As of June 30, 2009, the City had the following investments and maturities:

Investment Type	Fair Value	Investment Maturities (in years)				
		1 year or less	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years
LAIF	\$ 58,261,988	\$ 58,261,988	\$ -	\$ -	\$ -	\$ -
Time Deposits	310,000	310,000	-	-	-	-
CalTrust Short Term Fund	1,007,547	1,007,547	-	-	-	-
Corporate Bonds	4,073,537	-	-	4,073,537	-	-
Federal Home Loan Bank	26,059,690	-	-	6,017,813	14,066,251	5,975,626
Federal National Mortgage Association	22,066,563	-	3,020,625	7,031,875	6,074,063	5,940,000
Federal Home Loan Mortgage Corporation	26,999,080	-	-	20,042,390	-	6,956,690
Federal Farm Credit Bank	37,081,563	-	-	16,023,750	17,062,813	3,995,000
Held by bond trustee:						
U.S. Treasury	66,834,948	33,466,062	31,273,106	-	-	2,095,780
Investment Agreements	25,923,019	11,025,189	-	-	1,132,000	13,765,830
Money Market Funds	61,003,958	61,003,958	-	-	-	-
<b>Total</b>	<b>\$ 329,621,893</b>	<b>\$ 165,074,744</b>	<b>\$ 34,293,731</b>	<b>\$ 53,189,365</b>	<b>\$ 38,335,127</b>	<b>\$ 38,728,926</b>

In accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investments Pools*, investments should be stated at fair value. The City reported its investments at fair value and the unrealized losses on investments amounted to \$339,377 for the fiscal year ended June 30, 2009.

**City of Chula Vista**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2009**

**2. CASH, CASH EQUIVALENTS AND INVESTMENTS, Continued**

**B. Investments, Continued**

*Investments Authorized by the California Government Code and the City's Investment's 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.

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio*	Maximum Investment in One Issuer
Bankers' Acceptances	180 days	40%	30%
Negotiable Certificates of Deposit	5 years	30%	None
Commercial Paper	270 days	25%	10%
State and Local Agency Bond Issues	5 years	None	None
U.S. Treasury Obligations	5 years	None	None
U.S. Agency Securities	5 years	None	None
Repurchase Agreement	90 days	None	None
Reverse-Repurchase Agreements	90 days	20%	None
Medium-Term Corporate Notes	5 years	30%	None
Time Certificates of Deposit	3 years	None	None
Money Market Funds	5 years	15%	None
Local Agency Investment Fund (LAIF)	N/A	None	\$40 Million

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

**City of Chula Vista**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2009**

**2. CASH, CASH EQUIVALENTS AND INVESTMENTS, Continued**

**B. Investments, Continued**

*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.

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio*	Maximum Investment in One Issuer
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 (FICO)	None	None	None
Resolution Funding Corporation	None	None	None
Certificates of Deposits, Time Deposits and Bankers' Acceptances	30 Days	None	None
Commercial Paper	270 Days	None	None
Money Market Funds	N/A	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

**C. Risk 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. No more than 30% of the City's portfolio may be invested in securities with maturities greater than 3 years. Specific maturities of investments depend on liquidity needs. As of June 30, 2009, the City's pooled cash and investments had the following maturities:

Maturity	Percentage of Investment
Less than one year	50%
One to two years	10%
Two to three years	16%
Three to four years	12%
Four to five years	12%

The weighted average maturity of the portfolio was 1.5 years.

**City of Chula Vista**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2009**

**2. CASH, CASH EQUIVALENTS AND INVESTMENTS, Continued**

**C. Risk Disclosures, Continued**

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. 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>
State of California - Local Agency Investment Fund	\$ 58,261,988	Not Rated	Not Rated
Time Deposits	310,000	Not Rated	Not Rated
CalTrust Short Term Fund	1,007,547	Not Rated	Not Rated
Corporate Bonds	4,073,537	Aaa	AAA
Federal Home Loan Bank	26,059,690	Aa1	AA+
Federal National Mortgage Association	22,066,563	Not Rated	Not Rated
Federal Home Loan Mortgage Corporation	26,999,080	Not Rated	Not Rated
Federal Farm Credit Bank	37,081,563	Aaa	AAA
Held by bond trustee:			
U.S. Treasury	66,834,948	Not Rated	Not Rated
Investment Agreements	25,923,019	Not Rated	Not Rated
Money Market Funds	61,003,958	Not Rated	Not Rated
<b>Total Investments</b>	<b>\$ 329,621,893</b>		

Custodial Credit Risk

**Demand Deposits:**

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 \$100,000 by the Federal Deposit Insurance Corporation. The City, however, has not waived the collateralization requirements.

**Investments:**

For an investment, 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 the money market funds and LAIF, are held by a third-party custodian (BNY Western Trust). BNY is a registered member of the Federal Reserve Bank.



**City of Chula Vista**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2009**

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**2. CASH, CASH EQUIVALENTS AND INVESTMENTS, Continued**

*C. Risk Disclosures, Continued*

Concentration of Credit Risk

The investment policy of the City 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:

Issuer	Investment Tyoe	Fair Value
Federal Home Loan Bank	Federal Agency Securities	\$ 26,059,690
Federal National Mortgage Association	Federal Agency Securities	22,066,563
Federal Home Loan Mortgage Corporation	Federal Agency Securities	26,999,080
Federal Farm Credit Bank	Federal Agency Securities	37,081,563

*D. Investments in Local Agency Investment Fund*

The City invests in the Local Agency Investment Fund (LAIF), a State of California investment pool. 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, 2009, at amortized cost which approximates the fair value. The fair value is calculated by multiplying the account balance with LAIF times a fair value factor of 1.001364207 which is determined by LAIF. This fair value factor was determined by dividing all LAIF participants' total aggregate amortized cost by total aggregate fair value.

The City's investments with Local Agency Investment Funds (LAIF) at June 30, 2009, included a portion of the pooled funds invested in Structured Notes and Asset-Backed Securities. These investments included the following:

- Structured Notes are debt securities (other than asset-backed securities) whose cash flow characteristics (coupon rate, redemption amount, or stated maturity) depend upon one or more indices and/or that have embedded forwards or options.
- Asset-Backed Securities, the bulk of which are mortgage-backed securities, entitle their purchasers to receive a share of the cash flows from a pool of assets such as principal and interest repayments from a pool of mortgages (such as CMO) or credit card receivables.

As of June 30, 2009, the City had \$58,261,988 invested in LAIF, which had invested 14.71% of the pool investment funds in Medium-Term and Short-Term Structured Notes and Asset-Backed Securities.

**City of Chula Vista**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2009**

**3. RECEIVABLES**

**A. Accounts Receivable**

At June 30, 2009, the City had the following accounts and other receivables:

	Governmental Activities	Business-Type Activities	Total
Storm drain fees	\$ 85,300	\$ -	\$ 85,300
Sewer service fees	-	4,178,735	4,178,735
Staff time reimbursement	784,948	-	784,948
Miscellaneous	28,765	-	28,765
<b>Total</b>	<b>\$ 899,013</b>	<b>\$ 4,178,735</b>	<b>\$ 5,077,748</b>

**B. Taxes Receivable**

At June 30, 2009, the City had the following taxes receivable:

	Activities
Sales Tax	\$ 6,088,749
Highway Users Tax	292,781
Property Tax	1,148,042
Utility Users Tax	1,072,387
Transient Occupancy Tax	208,428
Motor Vehicle License Fee	177,613
Traffic Congestion	469,757
Franchise Fee Tax	1,951,746
<b>Total</b>	<b>\$ 11,409,503</b>

**C. Loans Receivable**

At June 30, 2009, the City had the following loans receivable, including principal and deferred interest:

	Governmental Activities		
	Principal	Deferred Interest	Total
South Bay Community Services	\$ 3,510,085	\$ 1,716,037	\$ 5,226,122
Heritage (South Bay Community Villas L.P.)	4,400,000	997,710	5,397,710
Girls and Boys Club Construction Loan	118,750	-	118,750
Rancho Vista Housing (Chelsea Investment Corporation)	1,500,000	218,220	1,718,220
St. Regis Park (Chelsea Investment Corp)	1,387,152	750,956	2,138,108
Chula Vista Rehabilitation CHIP Loans	2,153,220	174,478	2,327,698
Park Village Apts (Civic Center Barrio Housing Corporation)	216,883	-	216,883
Mobile Home Assistance Programs	55,952	-	55,952
Los Vecinos (Wakeland Housing and Development Corporation)	5,680,000	371,964	6,051,964
Main Plaza (Alpha III Development Inc.)	1,800,000	228,813	2,028,813
Seniors on Broadway (MAAC Project)	3,511,194	331,778	3,842,972
The Landings (Chelsea Investment Corp)	1,100,000	35,522	1,135,522
First Time Home Buyers Program	37,000	-	37,000
<b>Total</b>	<b>\$ 25,470,236</b>	<b>\$ 4,825,478</b>	<b>\$ 30,295,714</b>

**City of Chula Vista**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2009**

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**3. RECEIVABLES, Continued**

*C. Loans Receivable, Continued*

*South Bay Community Services*

The Agency 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 a 14-unit apartment building. In fiscal year 1998, a loan to fund the Trolley Terrace 13-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 Agency. Deed of trusts and assignment of rents 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 reserved in the Sundry Grants Special Revenue Fund and in the Agency's Low & Moderate Housing Fund. Interest accrues annually on the unpaid balance from rates ranging from 3% to 6%. At June 30, 2009, the outstanding balance of the loan was \$5,226,122 which included deferred interest accrual of \$1,716,037.

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

The Agency 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 Redevelopment Agency (Agency) assistance is in the form of residual receipt loan secured by a promissory note and deed of trust. The outstanding principal and interest on the loan will be repaid over fifty five years and shall accrue interest at 3% per annum. Payment of principal and interest on the Agency loan shall be 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 developers fee, and reasonable operating expense have been paid. Fund balance has been reserved in the Low and Moderate Income Housing Fund. At June 30, 2009, the outstanding balance of the loan was \$5,397,710 which included deferred interest accrual of \$997,710.

*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. Fund balance has been reserved in the General Fund. At June 30, 2009, the outstanding balance of the loan was \$118,750.

*Rancho Vista Housing (Chelsea Investment Corporation)*

The City and Agency have loaned \$1,500,000 to CIC Eastlake, L.P. for the development and operation of Rancho Vista Housing project, a multifamily affordable housing project. The loan is secured by promissory notes and deeds of trust. The outstanding principal and interest amount of the loan shall be repaid over fifty-five (55) years and shall accrue at the simple interest rate of three (3%) percent per annum. Payment of principal and interest, or portions thereof, on the loan shall be 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, 2009, the outstanding balance of the loan was \$1,718,220 which included deferred interest accrual of \$218,220.

**City of Chula Vista**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2009**

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**3. RECEIVABLES, Continued**

*C. Loans Receivable, Continued*

*St. Regis Park (Chelsea Investment Corporation)*

The Agency entered into a loan agreement with Chelsea Investment Corporation for the acquisition and rehabilitation of the 119-unit Pear Tree Apartments at 1025 Broadway. All units will be 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 shall be made on an annual basis out of a fund equal to 90% of the residual receipts. At June 30, 2009, the outstanding balance of the loan was \$2,138,108 which included deferred interest accrual of \$750,956.

*Chula Vista Rehabilitation CHIP Loans*

The Chula Vista Rehabilitation Community Housing Improvement Program (CHIP) is under the direct control of the Agency. 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. Fund balance has been reserved in the Redevelopment Agency Special Revenue Fund. At June 30, 2009, the outstanding balance of the loan was \$2,327,698 which included deferred interest accrual of \$174,478.

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

In 1991, the Agency 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. Interest accrues annually at 5% of the unpaid principal balance of the note. Fund balance has been reserved in the Redevelopment Agency Special Revenue Fund. At June 30, 2009, the outstanding balance of the loan was \$216,883.

*Mobile Home Assistance Programs*

The Agency entered into agreements with eligible residents of the Orange Tree Mobile home Park, whereby the Agency 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 2017 or when the property is sold. Contingent interest will be charged based on calculations specified in the agreement. Fund balance has been reserved in the Redevelopment Agency Special Revenue Fund. At June 30, 2009, the outstanding balance of the loan was \$55,952.

**City of Chula Vista**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2009**

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**3. RECEIVABLES, Continued**

**C. Loans Receivable, Continued**

Los Vecinos (Wakeland Housing and Development Corporation)

The Agency entered into a loan agreement with Wakeland Housing and Development Corporation to assist the borrower in constructing 41 affordable multifamily units for occupancy by extremely low, very low and lower income households. The loan amount of \$5,680,000 was funded by the Agency's Low & 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, 75% of the Residual Receipts" for years 31-54, until 55 years from the date the Improvement are Placed in Service, at which time all principal and unpaid interest shall be due and payable. At June 30, 2009, the outstanding balance of the loan was \$6,051,964 which included deferred interest accrual of \$371,964.

Main Plaza (Alpha III Development Inc.)

The Agency entered into a loan agreement with Main Plaza, LP (Borrower) to assist the borrower in acquiring and improving certain real property for occupancy by very low, lower and low and moderate income households. The loan bears an interest rate of 3% per annum. The loan shall be due and payable on the date that is 55 years from the date of the Agency's issuance of the Certificate of Completion. At June 30, 2009, the outstanding balance of the loan was \$2,028,813 which included deferred interest accrual of \$228,813.

Seniors on Broadway (MAAC Project)

The Agency entered into a loan agreement with Seniors on Broadway Limited Partnership to assist the borrower in acquiring and improving certain real property for occupancy by very low, lower and low and moderate income households. The loan bears an interest rate of 3% per annum. The loan shall be due and payable on the date that is 55 years from the date of the Agency's issuance of the Certificate of Completion. At June 30, 2009, the outstanding balance of the loan was \$3,842,972 which included deferred interest accrual of \$331,778.

The Landings (Chelsea Investment Corporation)

The Agency entered into a loan agreement with CIC Landings, L.P. to assist the borrower in constructing 92 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 shall be 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, 2009, the outstanding balance of the loan was \$1,135,522 which included deferred interest accrual of \$35,522.

First Time Home Buyers Program

Other loans receivable amount to \$37,000 and are loans to recipients for down payment assistance through the First Time Home Buyers Program.

**City of Chula Vista**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2009**

**4. INTERFUND TRANSACTIONS**

**A. Government-Wide Financial Statements**

**Internal Balance**

At June 30, 2009, the City had the following internal balances:

		Advances to	
		Governmental Activities	Total
Advances from	Business-type Activities	\$ 13,566,824	\$ 13,566,824
	<b>Total</b>	<b>\$ 13,566,824</b>	<b>\$ 13,566,824</b>

**Transfers**

At June 30, 2009, the City had the following operating transfers:

		Transfers Out	
		Governmental Activities	Total
Transfers In	Business-type Activities	\$ 3,880,091	\$ 3,880,091
	<b>Total</b>	<b>\$ 3,880,091</b>	<b>\$ 3,880,091</b>

**B. Fund Financial Statements**

**Due To, Due From**

As of June 30, 2009, balances were as follows:

		Payable Fund			Total
		Grants Special Revenue Funds	Development Impact Capital Projects Funds	Non-major Governmental Funds	
Receivable Fund	Sundry Grants Special Revenue Funds	\$ 1,249,153	\$ -	\$ -	\$ 1,249,153
	RDA Special Revenue Funds	1,693,136	-	244,487	1,937,623
	Development Impact Capital Projects	-	24,630,395	-	24,630,395
	Non-major Governmental Funds	657,673	-	561,579	1,219,252
	<b>Total</b>	<b>\$ 3,599,962</b>	<b>\$ 24,630,395</b>	<b>\$ 806,066</b>	<b>\$ 29,036,423</b>

The amounts of due to and due from for all funds represent one day loans which were made to cover negative cash situations that resulted from reimbursements not being received as of June 30, 2009.

**City of Chula Vista**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2009**

**4. INTERFUND TRANSACTIONS, Continued**

**B. Fund Financial Statements, Continued**

**Long-Term Advances**

As of June 30, 2009, balances were as follows:

		Advances from				Total
		General Fund	Development Impact Capital Projects	Non-major Governmental Funds	Sewer Enterprise Funds	
Advances to	Non-major Enterprise Funds	\$ -	\$ -	\$ -	\$ 3,913,589	\$ 3,913,589
	RDA Debt Service Fund	26,213,114	-	4,736,376	-	30,949,490
	City Debt Service Fund	1,557,225	5,578,128	-	13,566,824	20,702,177
	<b>Total</b>	<b>\$ 27,770,339</b>	<b>\$ 5,578,128</b>	<b>\$ 4,736,376</b>	<b>\$ 17,480,413</b>	<b>\$ 55,565,256</b>

The Agency has entered into reimbursement agreements with the City to reimburse the City for certain lease payments made by the City under various lease agreements. The balance as of June 30, 2009, was \$24,981,474.

The City Council authorized various loans to the Agency for operating purposes. The terms of the loans are indefinite. The balance as of June 30, 2009, is \$1,231,640.

The Redevelopment Agency Capital Projects Fund advanced \$15,828,397 to RDA Debt Service Fund for capital improvement projects and operating purposes. The terms of the advances are indefinite. The balance was \$4,736,376 at June 30, 2009.

The City Council authorized loans to Special Assessment District Improvement Funds for \$7,680; Salt Creek for \$15,862,919; Public Facilities DIF for \$6,954,825; and Western TDIF for \$180,528. The Assessment District loans are due and payable in 10 years, with the first payment due upon completion of the project. The Public Facilities DIF loan for \$5,200,000 is due and payable in 13 years, with the first payment due in fiscal year 2012/2013 at an interest rate of 3.80% based on the pooled investment rate. The City Council also authorized loans with indefinite terms to Store Drain Fund for \$1,609,814.

**City of Chula Vista**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2009**

**4. INTERFUND TRANSACTIONS, Continued**

**B. Fund Financial Statements, Continued**

**Transfers**

Transfers for the year ended June 30, 2009, were as follows:

	Transfers Out										Total
	Speical Revenue Funds		Debt Service Funds			Development					
	Sundry		RDA	RDA	City	Impact	Non-major	Sewer	Nonmajor	Internal	
	General	Grants				Capital	Gov't	Enterprise	Enterprise	Service	
					Projects	Funds	Funds	Funds	Fund		
General	\$ -	\$ 229,042	\$ 158,740	\$ 300,000	\$ -	\$ -	\$ 5,293,726	\$ 3,533,375	\$ 94,423	\$ 32,124	\$ 9,641,430
Redevelopment Agency											
Special Revenue	-	41,754	116,986	-	-	-	2,756,337	-	-	-	2,915,077
RDA Debt Service	-	-	-	2,237,182	-	-	7,703,915	-	-	-	9,941,097
City Debt Service	882,731	-	-	-	-	-	65,854	-	250,000	-	1,198,585
Development Impact											
Capital Projects	-	-	-	-	6,908,969	-	-	-	-	-	6,908,969
Non-major											
Governmental Funds	6,050,501	287,033	116	8,433	-	4,444,115	9,104,369	1,400	893	407	19,897,267
Sewer Enterprise Funds	-	-	-	-	-	-	-	127,017	470,556	-	597,573
<b>Total</b>	<b>\$ 6,933,232</b>	<b>\$ 557,829</b>	<b>\$ 275,842</b>	<b>\$ 2,545,615</b>	<b>\$ 6,908,969</b>	<b>\$ 4,444,115</b>	<b>\$ 24,924,201</b>	<b>\$ 3,661,792</b>	<b>\$ 815,872</b>	<b>\$ 32,531</b>	<b>\$ 51,099,998</b>

General Fund - Operating support to reimburse the general fund for City staff services and equipment. Total amount of reimbursement was \$9,641,430.

Redevelopment Agency Special Revenue Fund - Operating support and staff services in the amount of \$116,986 from Low and Mod Income Housing, \$7,000 from Home Program and \$34,754 from Community Development Block Grant; transferring 20% of gross tax increment per Health and Safety Code 33334.2 in the amount of \$938,696 from Bayfront Town Center I and \$1,817,641 from Merged Capital Project.

RDA Debt Service - Funding the debt services fund for repayment of various long-term obligations amounted to \$9,941,097.

City Debt Service - Funding debt service funds for repayment of various long-term obligations amounted to \$1,198,585.

Development Impact Capital Projects - Funding the infrastructure improvements and borrowing the funds in the amount of \$5,180,000 from the Transportation Development Impact Fee Fund and \$1,528,969 from the General Fund.

Sewer Enterprise Funds - Operating support and staff services in the amount of \$127,017 from Sewer Facility Replacement and refunding the excess project costs of \$470,556 from Poggi Canyon Sewer Basin.

Non-major Governmental Funds - Funding debt service funds for repayment of various long-term obligations and to fund various capital improvement projects amounted to \$19,897,267.



**City of Chula Vista**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2009**

**5. CAPITAL ASSETS**

**A. Government-Wide Financial Statements**

The following is a summary of capital assets for governmental activities for the year ended June 30, 2009:

	Balance July 1, 2008	Additions	Deletions	CIP Transfers	Prior Period Adjustments (Note 15)	Balance June 30, 2009
<b>Non-depreciable assets:</b>						
Land	\$ 81,160,428	\$ 354,418	\$ -	\$ -	\$ 2,260,925	\$ 83,775,771
Construction in progress	16,470,067	8,389,234	-	(18,509,760)	-	6,349,541
<b>Total nondepreciable assets</b>	<b>97,630,495</b>	<b>8,743,652</b>	<b>-</b>	<b>(18,509,760)</b>	<b>2,260,925</b>	<b>90,125,312</b>
<b>Depreciable assets:</b>						
Buildings	200,118,640	-	-	13,144,622	-	213,263,262
Improvements other than buildings	114,266,439	-	-	5,365,138	-	119,631,577
Machinery and equipment	35,392,800	994,977	(1,228,282)	-	-	35,159,495
Infrastructure	589,366,386	15,726,701	-	-	-	605,093,087
<b>Subtotal</b>	<b>939,144,265</b>	<b>16,721,678</b>	<b>(1,228,282)</b>	<b>18,509,760</b>	<b>-</b>	<b>973,147,421</b>
<b>Less accumulated depreciation:</b>						
Buildings	(27,663,040)	(4,006,064)	-	-	-	(31,669,104)
Improvements other than buildings	(28,727,490)	(2,294,062)	-	-	-	(31,021,552)
Machinery and equipment	(28,386,193)	(2,552,542)	1,187,594	-	-	(29,751,141)
Infrastructure	(152,431,023)	(16,293,340)	-	-	-	(168,724,363)
<b>Total accumulated depreciation</b>	<b>(237,207,746)</b>	<b>(25,146,008)</b>	<b>1,187,594</b>	<b>-</b>	<b>-</b>	<b>(261,166,160)</b>
<b>Total depreciable assets, net</b>	<b>701,936,519</b>	<b>(8,424,330)</b>	<b>(40,688)</b>	<b>18,509,760</b>	<b>-</b>	<b>711,981,261</b>
<b>Total governmental activities</b>	<b>\$ 799,567,014</b>	<b>\$ 319,322</b>	<b>\$ (40,688)</b>	<b>\$ -</b>	<b>\$ 2,260,925</b>	<b>\$ 802,106,573</b>

During the fiscal year ended June 30, 2009, developers donated some infrastructure assets to the City. The following is a summary of those infrastructure assets donated which were included in the additions column on the schedule above:

Infrastructure \$ 14,059,671

Governmental activities depreciation expenses for capital assets for the year ended June 30, 2009 are as follows:

General government	\$ 1,302,583
Public safety	2,377,193
Public works	17,745,653
Parks and recreation	2,455,015
Library	235,640
Internal service	<u>1,029,924</u>
<b>Total depreciation expense</b>	<b><u>\$ 25,146,008</u></b>

**City of Chula Vista**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2009**

**5. CAPITAL ASSETS, Continued**

**A. Government-Wide Financial Statements, Continued**

The following is a summary of capital assets for business-type activities:

	Balance July 1, 2008	Additions	Deletions	Balance June 30, 2009
<b>Non-depreciable assets:</b>				
Construction in progress	\$ -	\$ 983,145	\$ -	\$ 983,145
<b>Total nondepreciable assets</b>	<b>-</b>	<b>983,145</b>	<b>-</b>	<b>983,145</b>
<b>Depreciable assets:</b>				
Machinery and equipment	13,461,130	726,632	(406,050)	13,781,712
Infrastructure	215,151,026	2,738,684	-	217,889,710
<b>Subtotal</b>	<b>228,612,156</b>	<b>3,465,316</b>	<b>(406,050)</b>	<b>231,671,422</b>
<b>Less accumulated depreciation:</b>				
Machinery and equipment	(8,019,966)	(1,116,364)	406,050	(8,730,280)
Infrastructure	(70,588,020)	(5,098,705)	-	(75,686,725)
<b>Total accumulated depreciation</b>	<b>(78,607,986)</b>	<b>(6,215,069)</b>	<b>406,050</b>	<b>(84,417,005)</b>
<b>Total depreciable assets, net</b>	<b>150,004,170</b>	<b>(2,749,753)</b>	<b>-</b>	<b>147,254,417</b>
<b>Total governmental activities</b>	<b>\$ 150,004,170</b>	<b>\$ (1,766,608)</b>	<b>\$ -</b>	<b>\$ 148,237,562</b>

Depreciation expenses for business-type activities for the year ended June 30, 2009 are as follows:

Sewer	\$ 5,304,169
Transit	850,900
Sewer DIFS	60,000
<b>Total depreciation expense</b>	<b>\$ 6,215,069</b>

**City of Chula Vista**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2009**

**6. LONG-TERM DEBT**

**Governmental Activities Long-Term Debt**

Summary of changes in governmental activities long-term debt for the year ended June 30, 2009 was as follows:

	Balance July 1, 2008	Debt Issued	Debt Retired	Balance June 30, 2009	Due in one year	Due in more than one year
Tax allocation bonds	\$ 40,185,000	\$ 21,625,000	\$ (15,980,000)	\$ 45,830,000	\$ 905,000	\$ 44,925,000
Pension obligation bonds	8,820,000	-	(1,820,000)	7,000,000	2,020,000	4,980,000
Certificate of participation	135,045,000	-	(4,465,000)	130,580,000	4,595,000	125,985,000
Bond premiums	30,712	-	(1,181)	29,531	1,181	28,350
Bond discount	(457,704)	(579,161)	44,774	(992,091)	(44,774)	(947,317)
ERAF Loan	1,365,000	-	(150,000)	1,215,000	160,000	1,055,000
Section 108 loan	9,500,000	-	-	9,500,000	287,000	9,213,000
Notes payable	224,326	665,884	(29,187)	861,023	33,157	827,866
Capital leases	2,211,933	-	(352,338)	1,859,595	371,205	1,488,390
<b>Total</b>	<b>\$ 196,924,267</b>	<b>\$ 21,711,723</b>	<b>\$ (22,752,932)</b>	<b>\$ 195,883,058</b>	<b>\$ 8,327,769</b>	<b>\$ 187,555,289</b>

**A. Tax Allocation Bonds**

	Balance July 1, 2008	Debt Issued	Debt Retired	Balance June 30, 2009	Due within one year	Due in more than one year
2000 Tax Allocation Bonds	\$ 15,110,000	\$ -	\$ (15,110,000)	\$ -	\$ -	\$ -
2006 Senior Tax Allocation Refunding Bonds, Series A	13,040,000	-	(460,000)	12,580,000	480,000	12,100,000
2006 Subordinate Tax Allocation Refunding Bonds, Series B	12,035,000	-	(410,000)	11,625,000	425,000	11,200,000
2008 Tax Allocation Refunding Bonds	-	21,625,000	-	21,625,000	-	21,625,000
<b>Total</b>	<b>\$ 40,185,000</b>	<b>\$ 21,625,000</b>	<b>\$ (15,980,000)</b>	<b>\$ 45,830,000</b>	<b>\$ 905,000</b>	<b>\$ 44,925,000</b>

**City of Chula Vista**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2009**

**6. LONG-TERM DEBT, Continued**

**A. Tax Allocation Bonds, Continued**

2000 Tax Allocation Bonds

In October 2000, the Agency issued \$17,000,000 2000 Tax Allocation Bonds, to provide funds to fund a reserve account, to pay the expenses of the agency in connection with the issuance of the bonds and to finance or refinance certain redevelopment activities. The bonds consist of \$9,535,000 serial bonds which mature from 2001 to 2030 in amounts ranging from \$100,000 to \$715,000 and term bonds of \$1,440,000 and \$6,025,000 which mature in 2022 and 2029, respectively. Interest is payable semiannually on March 1 and September 1 at interest rates ranging from 4.30% to 5.375%. The bonds are subject to optional redemption on any interest payment date on or after September 1, 2004, at various redemption prices. The bonds are payable solely from certain tax increment revenues of the Agency and other funds held under the indenture. The balance outstanding at June 30, 2009, was \$0. This was refunded by 2008 Tax Allocation Refunding Bonds.

2006 Senior Tax Allocation Refunding Bonds, Series A

In July 2006, the Agency issued the 2006 Senior Tax Allocation Refunding Bonds, Series A in the amount of \$13,435,000 to refinance the Agency'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 Mod Income Housing Project. The bonds consist of serial bonds which mature in 2028. Interest is payable semiannually on March 1 and September 1 at interest rates ranging from 4.00% to 4.60%. The bonds are subject to optional redemption on any interest payment date on or after September 1, 2012, at various redemption prices. The bonds are payable solely from certain tax increment revenues of the Agency and other funds held under the indenture. The balance outstanding at June 30, 2009 was \$12,580,000.

The annual debt service requirements for the 2006 Senior Tax Allocation Refunding Bonds, Series A outstanding at June 30, 2009 were as follows:

Year Ending June 30,	Principal	Interest	Total
2010	\$ 480,000	\$ 537,545	\$ 1,017,545
2011	500,000	517,945	1,017,945
2012	520,000	497,545	1,017,545
2013	540,000	474,995	1,014,995
2014	565,000	450,133	1,015,133
2015-2019	3,205,000	1,860,009	5,065,009
2020-2024	3,935,000	1,101,059	5,036,059
2025-2028	2,835,000	223,918	3,058,918
<b>Total</b>	<b>\$ 12,580,000</b>	<b>\$ 5,663,149</b>	<b>\$ 18,243,149</b>

**City of Chula Vista**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2009**

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**6. LONG-TERM DEBT, Continued**

**A. Tax Allocation Bonds, Continued**

2006 Subordinate Tax Allocation Refunding Bonds, Series B

In July 2006, the Agency issued \$12,325,000 2006 Subordinate Tax Allocation Refunding Bonds, Series B to refinance the Agency'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 Mod Income Housing Project. The bonds consist of \$7,995,000 serial bonds which mature from 2007 to 2021 in amounts ranging from \$290,000 to \$735,000 and term bonds of \$4,330,000 which mature in 2028. Interest is payable semiannually on April 1 and October 1 at interest rates ranging from 4.00% to 6.00%. The bonds are subject to optional redemption on any interest payment date on or after October 1, 2012, at various redemption prices. The bonds are payable solely from certain tax increment revenues of the Agency and other funds held under the indenture. The balance outstanding at June 30, 2009 was \$11,625,000.

The annual debt service requirements for the 2006 Subordinate Tax Allocation Refunding Bonds, Series B outstanding at June 30, 2009 were as follows:

Year Ending June 30,	Principal	Interest	Total
2010	\$ 425,000	\$ 569,199	\$ 994,199
2011	440,000	551,084	991,084
2012	460,000	531,384	991,384
2013	480,000	510,234	990,234
2014	500,000	487,934	987,934
2015-2019	2,890,000	2,045,606	4,935,606
2020-2024	3,690,000	1,218,879	4,908,879
2025-2028	2,740,000	248,063	2,988,063
<b>Total</b>	<b>\$ 11,625,000</b>	<b>\$ 6,162,383</b>	<b>\$ 17,787,383</b>

**City of Chula Vista**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2009**

**6. LONG-TERM DEBT, Continued**

**A. Tax Allocation Bonds, Continued**

2008 Tax Allocation Refunding Bonds

In July 2008, the Agency issued the 2008 Tax Allocation Refunding Bonds in the amount of \$21,625,000 to refinance the Agency'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 consist of \$11,570,000 serial bonds which mature from 2014 to 2028 in amounts ranging from \$575,000 to \$1,020,000 and term bonds of \$3,345,000 and \$6,710,000 which mature in 2031 and 2036 respectively. Interest is payable semiannually on March 1 and September 1 at interest rates ranging from 4.00% to 4.94%. The bonds are subject to optional redemption on any interest payment date on or after September 1, 2019, at various redemption prices. The bonds are payable solely from certain tax increment revenues of the Agency and other funds held under the indenture. The balance outstanding at June 30, 2009 was \$21,625,000.

The annual debt service requirements for the 2008 Tax Allocation Refunding Bonds outstanding at June 30, 2009 were as follows:

Year Ending June 30,	Principal	Interest	Total
2010	\$ -	\$ 963,636	\$ 963,636
2011	-	963,636	963,636
2012	-	963,636	963,636
2013	-	963,636	963,636
2014	-	963,636	963,636
2015-2019	3,110,000	4,516,581	7,626,581
2020-2024	3,785,000	3,823,737	7,608,737
2025-2029	4,675,000	2,914,257	7,589,257
2030-2034	5,845,000	1,712,984	7,557,984
2035-2036	4,210,000	306,138	4,516,138
<b>Total</b>	<u>\$ 21,625,000</u>	<u>\$ 18,091,877</u>	<u>\$ 39,716,877</u>

Defeasance of Tax Allocation Bonds

In July 2008, the Agency refunded the 2000 Tax Allocation Bonds in the amount of \$15,110,000 with the \$21,625,000 2008 Tax Allocation Bonds. The net proceeds of \$20,409,050 were used to purchase direct obligations for which the full faith and credit of the United States are pledged. These securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments of the refunded debt. As a result, a portion of these bonds were considered defeased and removed from the City's long-term debt. At June 30, 2009, the outstanding balance of the defeased portion of the Tax Allocation Bonds was \$15,110,000.

**City of Chula Vista**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2009**

**6. LONG-TERM DEBT, Continued**

**A. Tax Allocation Bonds, Continued**

Pledged Revenues

The Agency has pledged tax revenues to the repayment of the Agency's debts through the final maturity of the Bonds, or early retirement of the Bonds, whichever comes first.

Tax revenues consist of tax increment revenues allocated to the Agency'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. Tax increment received in 2008-2009 was \$13,781,681 and total debt service of all Tax Allocation Bonds paid was \$3,362,522. The Bonds required 25% of net revenues. In future years, annual principal and interest payments on the Tax Allocation Bonds are expected to require 31% of tax increment revenues.

**B. Pension Obligation Bonds**

	Balance July 1, 2008	Debt Issued	Debt Retired	Balance June 30, 2009	Due in one year	Due in more than one year
POB 1994 Series	\$ 8,820,000	\$ -	\$ (1,820,000)	\$ 7,000,000	\$ 2,020,000	\$ 4,980,000
<b>Total</b>	<b>\$ 8,820,000</b>	<b>\$ -</b>	<b>\$ (1,820,000)</b>	<b>\$ 7,000,000</b>	<b>\$ 2,020,000</b>	<b>\$ 4,980,000</b>

1994 Pension Obligation Bonds

The Pension Obligation Bonds, Series 1994 were issued by the City to pay the obligations from the City to the California Public Employees Retirement System for the City's unfunded pension liability. The total issue is comprised of the following: (1) Current Interest Bonds with original amount due of \$7,415,000. These bonds mature in amounts ranging from \$310,000 in 1996 to \$1,820,000 in 2009. Interest is payable semi-annually on February 1 and August 1, beginning February 1, 1996, at interest rates ranging from 6.05% to 7.875% annually; (2) \$7,000,000 Term Bonds are due August 1, 2011, with a stated annual interest rate of 8.15% and are reflected in the annual debt service schedule below; (3) Capital Appreciation Bonds, with original amount due of \$2,371,532 matured in 2006.

These bonds mature in the initial principal amounts ranging from \$800,000 in 2002 to \$1,095,000 in 2005 and \$480,036 in 2006. The effective annual yield on these bonds ranges from 7.690% to 8.34%. The bonds are not limited as to payment to any special source of funds of the City. The accredited value of the Pension Obligation Bonds at June 30, 2009 was \$7,000,000.

The annual debt service requirements for the Pension Obligation Bonds outstanding at June 30, 2009 are as follows:

Year Ending June 30,	Principal	Interest	Total
2010	\$ 2,020,000	\$ 486,688	\$ 2,506,688
2011	2,325,000	310,172	2,635,172
2012	2,655,000	107,859	2,762,859
<b>Total</b>	<b>\$ 7,000,000</b>	<b>\$ 904,719</b>	<b>\$ 7,904,719</b>

**City of Chula Vista**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2009**

**6. LONG-TERM DEBT, Continued**

*C. Certificates of Participation*

	Balance July 1, 2008	Additions	Deletions	Balance June 30, 2009	Due within one year	Due in more than one year
2000 COP, Series A	\$ 17,735,000	\$ -	\$ (1,025,000)	\$ 16,710,000	\$ 1,070,000	\$ 15,640,000
2002 COP Police Facility	56,660,000	-	(1,240,000)	55,420,000	1,290,000	54,130,000
2003 Refunding COP	5,085,000	-	(940,000)	4,145,000	940,000	3,205,000
2004 COP Civic Ctr Ph 1	35,675,000	-	(810,000)	34,865,000	830,000	34,035,000
2006 COP Civic Ctr Ph 2	19,890,000	-	(450,000)	19,440,000	465,000	18,975,000
<b>Total</b>	<b>\$ 135,045,000</b>	<b>\$ -</b>	<b>\$ (4,465,000)</b>	<b>\$ 130,580,000</b>	<b>\$ 4,595,000</b>	<b>\$ 125,985,000</b>

2000 COP, Series A

In October 2000, the Chula Vista Public Financing Authority (Financing Authority) issued \$25,255,000 in 2000 Certificates of Participation, Series A, to provide funds to improve the City's 800 Megahertz emergency communications system, improve the City's Corporation Yard, finance a reserve account for the certificates, and pay the costs of issuance incurred in connection with the execution and delivery of the certificates. The source of the repayments of the certificates is the lease payments to be made by the City to the Authority. The certificates mature in amounts ranging from \$855,000 in 2001 to \$1,790,000 in 2020. Interest is payable semi-annually on March 1 and September 1, at interest rates ranging from 4.25% to 5.25%. The certificates maturing after September 1, 2010, are subject to redemption at premiums ranging from zero to 2%. The outstanding balance at June 30, 2009 is \$16,710,000.

The annual debt service requirements for the 2000 Certificates of Participation outstanding at June 30, 2009 were as follows:

Year Ending June 30,	Principal	Interest	Total
2010	\$ 1,070,000	\$ 792,523	\$ 1,862,523
2011	1,120,000	744,343	1,864,343
2012	1,165,000	693,490	1,858,490
2013	1,220,000	639,218	1,859,218
2014	1,275,000	581,195	1,856,195
2015-2019	7,365,000	1,884,630	9,249,630
2020-2021	3,495,000	185,719	3,680,719
<b>Total</b>	<b>\$ 16,710,000</b>	<b>\$ 5,521,118</b>	<b>\$ 22,231,118</b>



**City of Chula Vista**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2009**

**6. LONG-TERM DEBT, Continued**

*C. Certificates of Participation, Continued*

2002 COP

In June 2002, the Chula Vista Public Financing Authority issued \$60,145,000 in 2002 Certificates of Participation to provide funds to construct the City's Police Headquarters, finance the reserve account of the certificates, to capitalize interest during construction and to pay the cost of issuance 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 February 1 and August 1 of each year commencing February 1, 2003. The certificates mature in 2032 and principal is payable on August 1 each year commencing August 1, 2005. As of June 30, 2009 the outstanding balance is \$55,420,000.

The annual debt service requirements for the 2002 Certificates of Participation outstanding at June 30, 2009 were as follows:

Year Ending June 30,	Principal	Interest	Total
2010	\$ 1,290,000	\$ 2,620,746	\$ 3,910,746
2011	1,340,000	2,568,146	3,908,146
2012	1,400,000	2,513,346	3,913,346
2013	1,460,000	2,456,146	3,916,146
2014	1,520,000	2,396,546	3,916,546
2015-2019	8,700,000	10,910,207	19,610,207
2020-2024	11,065,000	8,593,944	19,658,944
2025-2029	14,280,000	5,449,500	19,729,500
2030-2033	14,365,000	1,482,375	15,847,375
<b>Total</b>	<u>\$ 55,420,000</u>	<u>\$ 38,990,956</u>	<u>\$ 94,410,956</u>

2003 Refunding COP

In May 2003, the Chula Vista Public Financing Authority (Authority) issued its 2003 Refunding Certificates of Participation to defease the 1993 Certificates, reimburse the City for amounts it has advanced to prepay the equipment lease, finance a reserve account and pay for the cost of issuance of the Certificates. The Certificates are to be repaid from lease payments made by the City to the Authority for leasing certain property. Interest is payable semiannually on March 1 and September 1 of each year commencing September 1, 2003. The certificates mature in 2013 and principal is payable on September 1 each year commencing September 1, 2003. As of June 30, 2009 the outstanding balance is \$4,145,000.

**City of Chula Vista**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2009**

**6. LONG-TERM DEBT, Continued**

*C. Certificates of Participation, Continued*

2003 Refunding COP, Continued

The annual debt service requirements for the 2003 Refunding Certificates of Participation outstanding at June 30, 2009 were as follows:

Year Ending June 30,	Principal	Interest	Total
2010	\$ 940,000	\$ 109,905	\$ 1,049,905
2011	965,000	84,880	1,049,880
2012	990,000	56,273	1,046,273
2013	1,030,000	24,438	1,054,438
2014	220,000	3,850	223,850
<b>Total</b>	<b>\$ 4,145,000</b>	<b>\$ 279,346</b>	<b>\$ 4,424,346</b>

2004 Civic Center Project Phase I COP

In September 2004, the Chula Vista Public Financing Authority (Authority) issued \$37,240,000 in 2004 Certificates of Participation to provide funding for the first phase of the reconstruction, renovation, and equipping of the City's Civic Center Complex. Proceeds will also be used to finance the reserve account of the certificates, to capitalize interest during construction and to pay the cost of issuance 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 March 1, 2006. The certificates mature in 2034 and principal is payable on September 1 each year commencing September 1, 2006. As of June 30, 2009 the outstanding balance is \$34,865,000.

The annual debt service requirements for the 2004 Certificates of Participation Civic Center Project Phase I outstanding at June 30, 2009 were as follows:

Year Ending June 30,	Principal	Interest	Total
2010	\$ 830,000	\$ 1,561,118	\$ 2,391,118
2011	855,000	1,536,218	2,391,218
2012	885,000	1,507,361	2,392,361
2013	915,000	1,476,386	2,391,386
2014	950,000	1,442,074	2,392,074
2015-2019	5,340,000	6,630,506	11,970,506
2020-2024	6,550,000	5,413,085	11,963,085
2025-2029	8,180,000	3,785,513	11,965,513
2030-2034	10,360,000	1,604,500	11,964,500
<b>Total</b>	<b>\$ 34,865,000</b>	<b>\$ 24,956,761</b>	<b>\$ 59,821,761</b>

**City of Chula Vista**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2009**

**6. LONG-TERM DEBT, Continued**

**C. Certificates of Participation, Continued**

2006 Civic Center Project Phase II COP

In March 2006, the Chula Vista Public Financing Authority (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 certificates mature in 2036 and principal is payable on March 1 each year commencing March 1, 2008. As of June 30, 2009 the outstanding balance is \$19,440,000.

The annual debt service requirements for the 2006 Certificates of Participation Civic Center Project Phase II outstanding at June 30, 2009 were as follows:

Year Ending June 30,	Principal	Interest	Total
2010	\$ 465,000	\$ 807,199	\$ 1,272,199
2011	480,000	791,389	1,271,389
2012	495,000	775,069	1,270,069
2013	510,000	758,239	1,268,239
2014	530,000	740,389	1,270,389
2015-2019	2,960,000	3,392,937	6,352,937
2020-2024	3,590,000	2,759,873	6,349,873
2025-2029	3,895,000	1,956,563	5,851,563
2030-2034	4,445,000	1,080,006	5,525,006
2035-2036	2,070,000	140,850	2,210,850
<b>Total</b>	<b>\$ 19,440,000</b>	<b>\$ 13,202,514</b>	<b>\$ 32,642,514</b>

**D. ERAF Loan**

	Balance July 1, 2008	Debt Issued	Debt Retired	Balance June 30, 2009	Due in one year	Due in more than one year
2005 ERAF	\$ 575,000	\$ -	\$ (70,000)	\$ 505,000	\$ 75,000	\$ 430,000
2006 ERAF	790,000	-	(80,000)	710,000	85,000	625,000
<b>Total</b>	<b>\$ 1,365,000</b>	<b>\$ -</b>	<b>\$ (150,000)</b>	<b>\$ 1,215,000</b>	<b>\$ 160,000</b>	<b>\$ 1,055,000</b>

**City of Chula Vista**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2009**

**6. LONG-TERM DEBT, Continued**

**D. ERAF Loan, Continued**

2005 ERAF

In May 2005, the Agency participated in a \$765,000 Loan Agreement with the California Statewide Communities Development Authority to finance their 2005 share of ERAF Payments to the County Auditor. The annual debt service payments are:

Year Ending June 30,	Principal	Interest	Total
2010	\$ 75,000	\$ 25,570	\$ 100,570
2011	80,000	22,118	102,118
2012	80,000	18,354	98,354
2013	85,000	14,526	99,526
2014	90,000	10,356	100,356
2015	95,000	5,880	100,880
<b>Total</b>	<b>\$ 505,000</b>	<b>\$ 96,804</b>	<b>\$ 601,804</b>

2006 ERAF

In May 2006, the Agency participated in a \$930,000 Loan Agreement with the California Statewide Communities Development Authority to finance their 2006 share of ERAF Payments to the County Auditor. The annual debt service payments are:

Year Ending June 30,	Principal	Interest	Total
2010	\$ 85,000	\$ 40,632	\$ 125,632
2011	90,000	35,996	125,996
2012	95,000	31,052	126,052
2013	100,000	25,784	125,784
2014	105,000	20,188	125,188
2015-2016	235,000	22,074	257,074
<b>Total</b>	<b>\$ 710,000</b>	<b>\$ 175,726</b>	<b>\$ 885,726</b>

**E. Section 108 Loan**

	Balance July 1, 2008	Debt Issued	Debt Retired	Balance June 30, 2009	Due in one year	Due in more than one year
Section 108 loan	\$ 9,500,000	\$ -	\$ -	\$ 9,500,000	\$ 287,000	\$ 9,213,000
<b>Total</b>	<b>\$ 9,500,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 9,500,000</b>	<b>\$ 287,000</b>	<b>\$ 9,213,000</b>

**City of Chula Vista**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2009**

**6. LONG-TERM DEBT, Continued**

*E. Section 108 Loan, Continued*

Section 108 Loan

In June 2008, the City entered into a Contract for Loan Guarantee Assistance with the US 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 the next 20 years, interest payment beginning with fiscal year 2008/2009. As of June 30, 2009, the outstanding balance is \$9,500,000. The annual debt service payments are as follows:

Year Ending June 30,	Principal	Interest	Total
2010	\$ 287,000	\$ 447,471	\$ 734,471
2011	302,000	439,015	741,015
2012	317,000	428,866	745,866
2013	332,000	417,073	749,073
2014	349,000	752,752	1,101,752
2015-2019	2,027,000	1,413,215	3,440,215
2020-2024	2,587,000	1,220,062	3,807,062
2025-2029	3,299,000	475,147	3,774,147
<b>Total</b>	<b>\$ 9,500,000</b>	<b>\$ 5,593,601</b>	<b>\$ 15,093,601</b>

*F. Notes Payable*

	Balance July 1, 2008	Debt Issued	Debt Retired	Balance June 30, 2009	Due in one year	Due in more than one year
Parking Structure Note	\$ 224,326	\$ -	\$ (29,187)	\$ 195,139	\$ 33,157	\$ 161,982
California Energy Commision Loan	-	665,884	-	665,884	-	665,884
<b>Total</b>	<b>\$ 224,326</b>	<b>\$ 665,884</b>	<b>\$ (29,187)</b>	<b>\$ 861,023</b>	<b>\$ 33,157</b>	<b>\$ 827,866</b>

Parking Structure Note

In January 1994, the City entered into a note payable with a private party in order to purchase certain land and improvements for the ultimate purpose of constructing a three-level parking structure. The note calls for 240 monthly payments of principal and interest, commencing in April 1994 in the initial amount of \$2,548 and increasing 3% percent annually. The annual interest rate is 8.29%. As of June 30, 2009, the outstanding balance is \$195,139.

**City of Chula Vista**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2009**

**6. LONG-TERM DEBT, Continued**

***F. Notes Payable, Continued***

*Parking Structure Note, Continued*

The annual debt service payments are as follows:

Year Ending June 30,	Principal	Interest	Total
2010	\$ 33,157	\$ 14,956	\$ 48,113
2011	37,513	12,043	49,556
2012	42,289	8,753	51,042
2013	47,523	5,051	52,574
2014	34,657	1,086	35,743
<b>Total</b>	<u><u>\$ 195,139</u></u>	<u><u>\$ 41,889</u></u>	<u><u>\$ 237,028</u></u>

*California Energy Commission Loan*

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, 2009, the outstanding balance is \$665,884. The debt service payment will be computed after the projects have been completed.

***G. Capital Leases***

	Balance July 1, 2008	Debt Issued	Debt Retired	Balance June 30, 2009	Due in one year	Due in more than one year
SD County Regional Comm. System	\$ 1,470,345	\$ -	\$ (212,660)	\$ 1,257,685	\$ 224,676	\$ 1,033,009
Medical Resuscitation Equipment	741,588	-	(139,678)	601,910	146,529	455,381
<b>Total</b>	<u><u>\$ 2,211,933</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (352,338)</u></u>	<u><u>\$ 1,859,595</u></u>	<u><u>\$ 371,205</u></u>	<u><u>\$ 1,488,390</u></u>

*SD County Regional Communication System*

The City has participated in the San Diego County Regional Communications System (RCS). The City financed its share of the RCS network infrastructure over 14 years in the amount of \$2,809,405. The agreement with the County provided the City with full partnership in the RCS. As of June 30, 2009, the outstanding balance is \$1,257,685.

**City of Chula Vista**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2009**

**6. LONG-TERM DEBT, Continued**

*G. Capital Leases, Continued*

SD County Regional Communication System, Continued

The future minimum lease obligation and the net present value of these minimum lease payments as of June 30, 2009, were as follows:

Year Ending June 30,	Principal	Interest	Total
2010	\$ 224,676	\$ 71,059	\$ 295,735
2011	237,369	58,365	295,734
2012	250,780	44,954	295,734
2013	264,948	30,785	295,733
2014	279,912	15,815	295,727
<b>Total</b>	<b>\$ 1,257,685</b>	<b>\$ 220,978</b>	<b>\$ 1,478,663</b>

Medical Resuscitation Equipment

On April 16, 2008 the City entered into a five year lease purchase agreement for the acquisition of medical resuscitation equipment manufactured by Zoll Medical Corporation for use by the Fire Department financed by Kansas State Bank of Manhattan in the amount of \$764,224. The medical equipment replaced the existing equipment that is beyond its useful performance life. This lease agreement qualifies as a capital lease for accounting purposes and, therefore, has been recorded at the present value of the future minimum lease payments at the inception date.

The assets acquired through this capital lease are as follows:

	<u>Governmental Activities</u>
<b>Assets:</b>	
Machinery and equipment	\$ 764,224
<b>Less:</b>	
Accumulated depreciation	(63,685)
<b>Total</b>	<b>\$ 700,539</b>

The future minimum lease obligation and the net present value of these minimum lease payments as of June 30, 2009, were as follows:

Year Ending June 30,	Principal	Interest	Total
2010	\$ 146,529	\$ 25,686	\$ 172,215
2011	153,717	18,499	172,216
2012	161,257	10,959	172,216
2013	140,407	3,106	143,513
<b>Total</b>	<b>\$ 601,910</b>	<b>\$ 58,250</b>	<b>\$ 660,160</b>

**City of Chula Vista**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2009**

**6. LONG-TERM DEBT, Continued**

*H. 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 property. 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, 2009, the total special assessment debt outstanding was as follows:

	Original Amount	Outstanding June 30, 2009
CFD 06-1A Eastlake Woods, Vista, Land Swap	\$ 39,000,000	\$ 35,915,000
CFD 06-1B Eastlake Woods, Vista, Land Swap	7,880,000	7,375,000
CFD 01-2 McMillin Otay Valley Ranch Village 6	10,250,000	9,420,000
CFD 08-I Otay Ranch Village	21,655,000	20,125,000
CFD 07-I Otay Ranch Village II	28,050,000	25,435,000
CFD 12-I McMillin Otay Ranch Village 7	22,565,000	21,625,000
CFD 2001-1B San Miguel Ranch 2005 Improvement	12,230,000	11,860,000
CFD 13-I McMillin Otay Ranch Village 7	16,620,000	15,885,000
CFD 07-I McMillin Otay Ranch Village I	16,950,000	15,800,000
2005 Revenue Refunding Bonds	93,930,000	86,340,000
AD 94-I Eastlake Greens Phase II	7,464,474	3,490,000
RAD 2001-I Refunding Revenue Bonds Residential	20,445,000	15,395,000
RAD 2001-2 Refunding Revenue Bonds Commercial	9,705,000	2,530,000
SDG&E Industrial Development Revenue Bonds, 1992 Series A-D	250,000,000	150,000,000
SDG&E Industrial Development Revenue Bonds, 1996 Series A-B	98,900,000	98,900,000
SDG&E Industrial Development Revenue Bonds, 1997 Series A	25,000,000	25,000,000
SDG&E Industrial Development Revenue Bonds, 2004 Series A-F	251,265,000	251,265,000
SDG&E Industrial Development Revenue Bonds, 2006 Series A	161,240,000	161,240,000
<b>Total</b>	<b>\$ 1,093,149,474</b>	<b>\$ 957,600,000</b>



**City of Chula Vista**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2009**

**6. LONG-TERM DEBT, Continued**

**I. 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.

As of June 30, 2009, the total multifamily housing bonds outstanding were as follows:

	Original Amount	Outstanding June 30, 2009
1998 A Gateway Town Center	\$ 36,020,000	\$ -
1998 B Gateway Town Center	4,625,000	-
2000 A Pear Tree Manor Project	5,779,000	4,959,000
1999 A Villa Serena Project	5,566,500	-
1999 B Villa Serena Project	786,000	-
2007 A Oxford Terrace Apartments	2,276,000	2,136,000
2007 B Oxford Terrace Apartments	2,363,000	2,363,000
2006 A Teresina Apartment Project	37,940,000	37,940,000
2007 C The Landings Apartment	16,670,000	16,670,000
<b>Total</b>	<b>\$ 112,025,500</b>	<b>\$ 64,068,000</b>

**J. Tax and Revenue Anticipation Notes**

On July 1, 2008, the City issued Tax and Revenue Anticipation Notes, Series A-1, totaling \$25,000,000 to provide for operating cash need in FY 2009. The notes were general obligations of the City and were payable from taxes, cash receipts and other monies of the City. The notes bear an interest rate of 3% and were retired 50% on January 31, 2009 and 50% on May 31, 2009. Short-Term activities for the year ended June 30, 2009 is summarized below.

	Balance July 1, 2008	Debt Issued	Debt Retired	Balance June 30, 2009
Tax and Revenue Anticipation Notes, Series A-1	\$ -	\$ 25,000,000	\$(25,000,000)	\$ -
<b>Total</b>	<b>\$ -</b>	<b>\$ 25,000,000</b>	<b>\$(25,000,000)</b>	<b>\$ -</b>

**K. Debt Compliance**

At June 30, 2009, City management believes that the City has complied with all requirements of its various debt agreements.

**City of Chula Vista**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2009**

**7. GOVERNMENTAL ACTIVITIES - UNEARNED/DEFERRED REVENUE**

**A. Government-Wide Financial Statements**

At June 30, 2009, unearned revenue was reported as follows:

	<u>Total</u>
Public Facilities Development Impact Fee Prepayment	\$ 1,203,496
Grants	<u>2,555,662</u>
<b>Total unearned revenue</b>	<b><u>\$ 3,759,158</u></b>

**B. Fund Financial Statements**

At June 30, 2009, deferred revenue was reported as follows:

	<u>Total</u>
Interest receivable on:	
Advances to other funds	\$ 13,705,904
Loans receivable:	
South Bay Community Services	3,510,085
South Bay Community Villas, L.P.	4,638,238
St. Regis Park	1,387,152
Los Vecinos (Wakeland Housing & Development)	5,680,000
Seniors on Broadway (MAAC Project)	3,511,194
Rancho Vista Housing (Chelsea Invest. Corp)	1,500,000
Alpha III Development (Main Plaza)	1,946,608
The Landings (Chelsea Invest. Corp)	1,100,000
Long-term receivable	440,171
Public Facilities Development Impact Fee Prepayment	1,203,496
Grants	<u>2,555,662</u>
<b>Total deferred revenue</b>	<b><u>\$ 41,178,510</u></b>

**8. COMPENSATED ABSENCES**

**Government-Wide Financial Statements**

Summary of changes in governmental activities compensated absences for the year ended June 30, 2009 was as follows:

	Balance July 1, 2008	Additions	Deletions	Balance June 30, 2009	Due in one year	Due in more than one year
Compensated absences	\$ 6,430,075	\$ 3,804,879	\$ (3,972,001)	\$ 6,262,953	\$ 4,000,000	\$ 2,262,953
<b>Total</b>	<b><u>\$ 6,430,075</u></b>	<b><u>\$ 3,804,879</u></b>	<b><u>\$ (3,972,001)</u></b>	<b><u>\$ 6,262,953</u></b>	<b><u>\$ 4,000,000</u></b>	<b><u>\$ 2,262,953</u></b>

**City of Chula Vista**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2009**

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**8. COMPENSATED ABSENCES, Continued**

**Government-Wide Financial Statements, Continued**

The City's liability for vested and unpaid compensated absences (accrued vacation) has been accrued and amounts to \$6,262,953 at June 30, 2009. 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, 2009 were obligations of the following funds:

Governmental Funds	\$ 6,203,820
Fleet Management (Internal Service Fund)	<u>59,133</u>
Total	<u><u>\$ 6,262,953</u></u>

**9. OTHER REQUIRED FUND DISCLOSURES**

**A. Deficit Fund Balances**

At June 30, 2009, the following funds had deficit fund equity:

Debt Service Funds:	
Redevelopment Agency	<u>\$ (25,990,423)</u>
City Debt Service	<u><u>\$ (20,702,177)</u></u>

The Redevelopment Agency and City Debt Service funds have a deficit fund balance due to the funds booking their long term advances within each respective fund.

**10. SELF-INSURANCE ACCRUED LIABILITIES**

The City is self-insured for the first \$250,000 per occurrence for its general liability losses including personal injury, property damage, errors and omissions, automobile liability and employment practices liability. For those losses between \$250,000 and \$2,000,000 per occurrence the City pools its liabilities through its membership in the San Diego Pooled Insurance Program Authority (SANDPIPA). Insurance for losses in excess of the \$2,000,000 up to \$45,000,000 is purchased on a group basis by the member cities.

SANDPIPA is a joint powers authority comprised of twelve San Diego County cities. The Board of Directors consists of one staff representative (and an alternate) from each of the member cities as designated by the city's governing body. Each member city has equal representation on the Board of Directors. The Board of Directors is liable for all actions of SANDPIPA.

**City of Chula Vista**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2009**

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**10. SELF-INSURANCE ACCRUED LIABILITIES, Continued**

The SANDPIPA Board of Directors establishes an Executive Committee that is responsible for the administration and operation of the risk management programs of SANDPIPA, subject to the control of the Board. The Executive Committee consists of the Board President, Vice-President, Treasurer and a member at-large nominated by the Board President and approved by a vote of the Board. The Executive Committee is responsible for the oversight of all SANDPIPA operations, including preparation and submittal of the Pool's annual budget to the Board for its review and approval.

Annual pool premiums and assessments are approved by the Board of Directors and are adjusted annually based on the member city's incurred losses; the member's share of such losses and other expenses as a proportion of all member's losses; historical contributions to reserves (including reserves for IBNR losses); the cost to purchase excess liability insurance and other coverage and a proportionate share of administrative expenses.

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, 2009, there are 160 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:

	Beginning of Fiscal Year <u>Liability</u>	Claims and Changes in <u>Estimates</u>	Claim <u>Payments</u>	Balance at Fiscal Year <u>End</u>
2006-2007	\$ 12,618,048	\$ 4,617,779	\$ (3,356,238)	\$ 13,879,589
2007-2008	13,879,589	5,394,212	(3,605,920)	15,667,881
2008-2009	15,667,881	6,298,674	(4,096,607)	17,869,948

The liabilities for claims and judgments typically will be liquidated from the General Fund.

**City of Chula Vista**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2009**

**11. PENSION PLANS**

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

Plan Description

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

Funding Policy

Active plan members are required by State statute to contribute 8% for miscellaneous and 9% for safety employees of their annual covered salary. The City employer makes the contributions required of City employees on their behalf and for their account, which amounted to \$7,097,135 for the year ended June 30, 2009. The City employer is required to contribute at an actuarial determined rate of 18.317% of annual covered payroll for miscellaneous employees and 23.936% of annual covered payroll for safety employees for the fiscal year ended June 30, 2009.

Annual Pension Cost

For 2008-2009, the City's annual pension cost of \$18,938,442 for PERS was equal to the City's required and actual contributions. The required contribution was determined as part of the June 30, 2006, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions included (a) 7.75% investment rate of return (net of administrative expenses), (b) projected salary increases range from 3.25% to 14.45% for miscellaneous employees and 3.25% to 13.15% for safety employees depending on age, service, and type of employment, and (c) 3.25% per year cost-of-living adjustments. Both (a) and (b) included an inflation component of 3%. The actuarial value of PERS assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a three year period. PERS unfunded actuarial accrued liability (or surplus) for both miscellaneous and safety employees are being amortized as a level percentage of projected payrolls over a closed 20-year period for prior and current service unfunded liability.

**THREE-YEAR TREND INFORMATION FOR PERS**

Fiscal Year	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/07	\$ 17,773,292	100%	\$ -
6/30/08	19,084,940	100%	-
6/30/09	18,938,442	100%	-

**City of Chula Vista**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2009**

**11. PENSION PLANS, Continued**

**A. California Public Employees' Retirement Plan, Continued**

Annual Pension Cost, Continued

The City's changes in net pension asset for the year ended June 30, 2009, were as follows:

Annual required contribution	\$ (17,153,120)
Interest on net pension asset	733,165
Adjustment to the annual required contribution	<u>(2,518,487)</u>
Annual pension cost	(18,938,442)
Contribution made	<u>17,153,120</u>
Decrease in net pension asset	(1,785,322)
Net pension asset, beginning of the year	<u>9,460,195</u>
Net pension asset, end of year	<u><u>\$ 7,674,873</u></u>

Most Recent Actuarial Study – Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Asset Value	Entry Age Actuarial Accrued Liability	(Unfunded) Overfunded Actuarial Accrued Liability	Funded Ratio	Covered Payroll	Overfunded Actuarial Liability as Percentage of Covered Payroll
<b>Miscellaneous:</b>						
6/30/2008	\$ 245,868,607	\$ 308,462,529	\$ (62,593,922)	79.71%	\$ 49,459,253	(126.56)%
<b>Safety:</b>						
6/30/2008	\$ 226,791,902	\$ 255,548,074	\$ (28,756,172)	88.75%	\$ 33,931,276	(84.75)%

**B. Defined Contribution Pension Plan**

The City provides pension plan benefits for all of its part-time 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 Phase II Systems. 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.

For the year ended June 30, 2009, the City's total payroll and covered payroll was \$2,565,493. The City made employer contributions of \$96,206 (3.75% of current covered payroll), and employees contributed \$96,206 (3.75% of current covered payroll).

**City of Chula Vista**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2009**

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**12. OTHER POSTEMPLOYMENT BENEFITS**

Plan Description

The City provides a Retiree Healthcare Plan, which allows 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.

On April 22, 2008 the City Council approved a medical incentive program for early retirement, the City offered to pay the employees single premium until December 31, 2009 if employees retired between May 5, 2008 to June 5, 2008. On December 16, 2008, the City Council approved a third resolution to pay the employees single premium until December 31, 2010 and December 31, 2009 if employees retired between January 1, 2009 to March 27, 2009 and March 28, 2009 to June 26, 2009, respectively.

Eligibility

Employees are eligible for retiree health benefits if they retired 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, 2009:

	<u>Police</u>	<u>Fire</u>	<u>Miscellaneous</u>
Eligible active employees	228	123	638
Enrolled eligible retirees	35	17	62

The above does not reflect current retirees not enrolled in the healthcare plan who are eligible to enroll in the plan at a later date.

Funding Policy

The City offers an implied subsidy benefit paid by the City. The City's contribution is based on pay as-you-go. The retirees pay 100% of their individual premium except for the retirees who retired under the incentive plan. The City is contributing between \$379 to \$676 in monthly premiums on behalf of the employee who retired under the incentive plan.

Annual Other Postemployment Benefits (OPEB) Cost and Net OPEB Obligations

The City's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover the normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) not to exceed thirty years.

**City of Chula Vista**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2009**

**12. OTHER POSTEMPLOYMENT BENEFITS, Continued**

*Annual Other Postemployment Benefits (OPEB) Cost and Net OPEB Obligations, Continued*

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:

	Beginning Balance Net OPEB Obligation	Annual Required Contributions	Actual Contributions	Accrued Interest	Ending Balance Net OPEB Obligation
2007-2008	\$ -	\$ 1,363,000	\$ (724,248)	\$ -	\$ 638,752
2008-2009	638,752	1,407,000	(320,688)	28,744	1,753,808

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2008 and 2009 were as follows:

Fiscal Year	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Increase in Net OPEB Obligation	Net OPEB Obligation
6/30/08	\$ 1,363,000	53%	\$ 638,752	\$ 638,752
6/30/09	1,435,744	22%	1,115,056	1,753,808

Information for the year ending June 30, 2007 is not available because GASB Statement No. 45 was first implemented in 2008.

*Funding Status and Progress*

As of June 30, 2007, the most recent actuarial valuation date, the plan was not funded in its initial year of implementation. The actuarial accrued liability for benefits was \$9,608,000, and the actuarial value of assets was \$0, resulting in an unfunded actuarial liability (UAAL) of \$9,608,000 and a funded ratio (actuarial value of assets as a percentage of the actuarial liability) of 0 percent.

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**  
**For the year ended June 30, 2009**

**12. OTHER POSTEMPLOYMENT BENEFITS, Continued**

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes 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 respective of the calculations.

The actuarial cost method used for determining the benefit obligation is the Entry Age Normal Cost Method. The actuarial assumptions included a 4.50% discount rate, the inflation rate for HMO's starts at 9.7% (the increase in 2010 premiums over 2009) and grades down to 4.5% (2017 premiums over 2016) and remains at 4.5% into the future. This assumption means healthcare is assumed to increase, on the average, 7.1% for HMO's and 7.5% for PPO's a year for the next 8 years after 2009. The general inflation assumption rate is 3% and is assumed that healthcare will level off at 1.5% over general inflation. The UAAL is being amortized as a level percentage of projected payroll over 30 years.

Most Recent Actuarial Study – Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Asset Value	Entry Age Actuarial Accrued Liability	(Unfunded) Overfunded Actuarial Accrued Liability	Funded Ratio	Covered Payroll	Overfunded Actuarial Liability as Percentage of Covered Payroll
6/30/2007	\$ -	\$ 9,608,000	\$ (9,608,000)	0.00%	\$ 93,172,648	(10.31)%

**City of Chula Vista**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2009**

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**13. POLLUTION REMEDIATION OBLIGATIONS**

In accordance with GASB Statement No. 49, *Accounting and Financial Reporting for 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 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, 2009, the City identified the following sites which met one of the above obligating events:

Otay Valley

The City was cited by the County of San Diego Department of Environmental Health for exposed burn ash at Otay Valley within the City limit. The nature of pollution is illegal fill material spreading in the area. The City is preparing a remedial action plan for the County of San Diego for approval. The estimated clean-up cost for a two foot cap of clean fill material and monitoring is approximately \$500,000.

Corp Yard

The City was cited for leaking diesel fuel during the removal of the underground storage tank located at 707 F Street, Chula Vista. The City is required to install groundwater monitoring wells and to monitor for natural attenuation. The City believes that another round of monitoring at the site will be required. At June 30, 2009, the estimated installation costs of the groundwater monitoring wells and monitoring activity is approximately \$150,000. .

The City purchases pollution and remediation legal liability insurance to cover pollution legal liability, remediation legal liability, legal defense expense and contingent transportation coverage in the amount of \$10,000,000 per occurrence up to \$50,000,000 with a self-insured retention amount of \$100,000 per occurrence. At June 30, 2009, the City recorded pollution remediation obligations in the amount of \$650,000 on the Government-Wide Statement of Net Assets and allocated the total amount to General Government on the Government-Wide Statement of Activities and Changes in Net Assets. Management expects these amounts to be recovered by the insurance.

**City of Chula Vista**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2009**

**14. COMMITMENTS AND CONTINGENCIES**

The City is presently involved in certain matters of litigation that have arisen 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.

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 adjustments will result.

The General Fund has loaned an accumulated amount of \$694,173 to the Agency for unreimbursed services rendered by City staff. It is anticipated that the Agency will repay this loan from tax increment revenues. Currently, tax increment revenues are used to pay for related debt service expenditures and possible future debt issuances. As a result, the 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.

**15. PRIOR PERIOD ADJUSTMENTS**

**Fund Financial Statements**

The City recorded the following prior period adjustments:

1. Housing Authority Special Revenue Fund was incorrectly reported in the Redevelopment Agency Special Revenue Fund. On July 1, 2008, the beginning balance of Housing Authority Special Revenue Fund in the amount of \$207,243 was taken out from the Redevelopment Fund and reported separately.
2. Redevelopment Capital Projects Fund has incorrectly reported a parcel of land as land held for resale in the amount of \$2,260,925.

Accordingly, fund balances of the following funds at July 1, 2008, have been restated as follows:

	Fund Balance, as previously reported	Prior Period Adjustments	Fund Balance, as restated
<u>Governmental Funds</u>			
Redevelopment Special Revenue Fund	\$ 10,379,625	\$ (207,243)	\$ 10,172,382
Redevelopment Capital Projects Fund	9,306,864	(2,260,925)	7,045,939
Housing Authority Special Revenue Fund	-	207,243	207,243
Total	<u>\$ 19,686,489</u>	<u>\$ (2,260,925)</u>	<u>\$ 17,425,564</u>

**City of Chula Vista**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2009**

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**16. SUBSEQUENT EVENTS**

State Budget Crisis

Subsequent to the financial statements date of June 30, 2009, the State of California enacted legislation to borrow property tax payments from local governments. Property taxes borrowed by the State for fiscal year 2009-2010 were nearly \$2 billion statewide to help the State's budget shortfall. The amount to be borrowed from the City is \$4,488,610. The deferral of these funds for 3 years would have a significant impact on the City's General Fund operations and the 2009-2010 Budget. The City has assumed that these monies would not be available. Legislators and the Governor promised to allow local agencies to sell their eventual repayment from the State to investors to cover the property tax and to pay the full cost of the sale, or securitization. The Governor signed Senate Bill 67 on October 19, 2009 allowing the securitization to move forward. The City was approved by the City Council to participate in the program.

The State also enacted legislation authorizing a two-year takeaway of Redevelopment Agency funds. The estimated impact on the Redevelopment Agency is \$4,160,694 in 2009-2010 and \$855,797 in 2010-2011. This takeaway action is being litigated by the California Redevelopment Association and other parties with hope that it will be considered unconstitutional as was last year's State proposed takeaway.

In addition to the property tax borrowing and Redevelopment Agency takeaway, the State is deferring gas tax monies during 2009-2010. Amounts owed for July through September were distributed in October, and November through March payments are scheduled to be deferred until April 2010. The City uses these restricted monies for street maintenance and the deferral will result in cash flow impacts for the General Fund.

Nature Center

As a result of the budget cuts, operations of the Nature Center is scheduled be turned over to Friends of the Nature Center, a non-profit organization by the end of the fiscal year.

Certificate of Participation

The City is in the process of refunding the 2000 Certificate of Participation to take advantage of the prevailing market conditions and realize interest rate savings and/or restructure debt service for cash flow purposes. The refunding bond will be issued in February 2010 for \$10 million.

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**REQUIRED  
SUPPLEMENTARY INFORMATION**

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**City of Chula Vista**  
**Required Supplementary Information**  
**For the year ended June 30, 2009**

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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 is prepared in accordance with Generally Accepted Accounting Principles. 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 that is 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 given 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 department level. 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.

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, 2009, was adopted and approved by the City Council for the general, special revenue and debt service funds. These budgets are prepared on the modified accrual basis of accounting except that encumbrances outstanding at year-end are considered as expenditures. The budgets of the capital projects funds are primarily long-term budgets, which emphasize major programs and capital outlay plans extending over a number of years. Because of the long-term nature of these projects, annual budget comparisons are not considered meaningful, and accordingly, no budgetary information for capital projects funds is included in the accompanying basic financial statements.

**City of Chula Vista**  
**Required Supplementary Information, Continued**  
**For the year ended June 30, 2009**

**1. BUDGETARY INFORMATION, Continued**

Budgetary Comparison Schedule, General Fund

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>Revenues:</b>				
Taxes	\$ 81,839,440	\$ 81,839,440	\$ 77,400,512	\$ (4,438,928)
Intergovernmental	24,142,830	24,426,261	24,021,395	(404,866)
Licenses and permits	3,183,993	3,183,993	1,987,734	(1,196,259)
Charges for services	14,564,879	14,729,232	10,534,277	(4,194,955)
Fines and forfeitures	1,361,250	1,614,250	2,357,044	742,794
Use of money and property	2,420,586	4,163,112	5,096,660	933,548
Other	16,153,042	16,590,829	19,127,752	2,536,923
Total revenues	143,666,020	146,547,117	140,525,374	(6,021,743)
<b>Expenditures:</b>				
Current:				
General government:				
City council	1,311,626	1,311,626	1,095,704	215,922
Boards and Commissions	14,736	14,736	4,350	10,386
City clerks	971,934	1,221,934	1,027,100	194,834
City attorney	2,431,634	2,431,634	2,010,781	420,853
Administration	4,252,892	4,254,069	4,016,384	237,685
Management and information	3,824,199	3,897,270	3,393,881	503,389
Human resources	4,776,085	9,430,814	8,296,733	1,134,081
Finance	2,737,944	2,737,944	2,532,524	205,420
Planning and building	2,346,239	11,666,835	9,769,126	1,897,709
Total general government	22,667,289	36,966,862	32,146,583	4,820,279
Public safety:				
Police	47,650,522	48,005,262	45,403,732	2,601,530
Fire	22,767,420	23,466,687	22,962,069	504,618
Total public safety	70,417,942	71,471,949	68,365,801	3,106,148
Public works				
Engineering	4,704,653	4,757,076	4,535,744	221,332
General Services	24,716,673	24,726,097	22,325,013	2,401,084
Total public works	29,421,326	29,483,173	26,860,757	2,622,416
Parks and recreation	6,387,961	6,437,754	5,761,607	676,147
Library	8,083,924	8,172,342	7,192,979	979,363
Furlough and pension obligation bonds	(1,288,629)	63,961	2,721,955	(2,657,994)
Capital outlay	-	846,678	104,941	741,737
Debt services:				
Principal	-	-	139,678	(139,678)
Interest and fiscal charges	-	-	865,891	(865,891)
Total expenditures	135,689,813	153,442,719	144,160,192	9,282,527
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>7,976,207</b>	<b>(6,895,602)</b>	<b>(3,634,818)</b>	<b>3,260,784</b>
<b>Other Financing Sources (Uses)</b>				
Transfers in	12,686,973	12,686,973	9,641,429	(3,045,544)
Transfers out	(8,422,461)	(9,305,192)	(6,933,232)	2,371,960
Total other financing sources (uses)	4,264,512	3,381,781	2,708,197	(673,584)
<b>Net change in fund balance</b>	<b>\$ 12,240,719</b>	<b>\$ (3,513,821)</b>	<b>(926,621)</b>	<b>\$ 2,587,200</b>
<b>Fund balance:</b>				
Beginning of year			34,076,142	
End of year			\$ 33,149,521	

**City of Chula Vista**  
**Required Supplementary Information, Continued**  
**For the year ended June 30, 2009**

**1. BUDGETARY INFORMATION, Continued**

*Budgetary Comparison Schedule, Sundry Grants Special Revenue Fund*

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>Revenues:</b>				
Intergovernmental	\$ 8,304,641	\$ 12,416,458	\$ 9,570,562	\$ (2,845,896)
Charges for services	850,400	850,400	1,021,730	171,330
Use of money and property	-	-	84,709	84,709
Other	218,300	644,167	273,844	(370,323)
<b>Total revenues</b>	<b>9,373,341</b>	<b>13,911,025</b>	<b>10,950,845</b>	<b>(2,960,180)</b>
<b>Expenditures:</b>				
Current:				
General government	864,231	4,391,536	1,760,910	2,630,626
Public Safety	3,455,258	5,279,058	3,833,170	1,445,888
Public works	2,311,939	3,123,209	2,179,732	943,477
Parks and recreation	1,600	1,600	-	1,600
Capital outlay	378,067	12,755,396	3,712,417	9,042,979
<b>Total expenditures</b>	<b>7,011,095</b>	<b>25,550,799</b>	<b>11,486,229</b>	<b>14,064,570</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>2,362,246</b>	<b>(11,639,774)</b>	<b>(535,384)</b>	<b>11,104,390</b>
<b>Other Financing Sources (Uses)</b>				
Issuance of debt	-	-	665,884	665,884
Transfers out	(908,166)	(908,166)	(557,829)	350,337
<b>Total other financing sources (uses)</b>	<b>(908,166)</b>	<b>(908,166)</b>	<b>108,055</b>	<b>1,016,221</b>
<b>Net change in fund balance</b>	<b>\$ 1,454,080</b>	<b>\$ (12,547,940)</b>	<b>(427,329)</b>	<b>\$ 12,120,611</b>
<b>Fund balance:</b>				
Beginning of year			10,641,169	
End of year			\$ 10,213,840	



**City of Chula Vista**  
**Required Supplementary Information, Continued**  
**For the year ended June 30, 2009**

**1. BUDGETARY INFORMATION, Continued**

*Budgetary Comparison Schedule, Redevelopment Agency Special Revenue Fund*

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>Revenues:</b>				
Use of money and property	\$ 33,169	\$ 33,169	\$ 175,563	\$ 142,394
Other	-	-	8,600	8,600
Total revenues	<u>33,169</u>	<u>33,169</u>	<u>184,163</u>	<u>150,994</u>
<b>Expenditures:</b>				
Current:				
General government	<u>1,468,334</u>	<u>1,650,913</u>	<u>1,073,429</u>	<u>577,484</u>
Total expenditures	<u>1,468,334</u>	<u>1,650,913</u>	<u>1,073,429</u>	<u>577,484</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(1,435,165)</u>	<u>(1,617,744)</u>	<u>(889,266)</u>	<u>728,478</u>
<b>Other Financing Sources (Uses)</b>				
Transfers in	2,696,580	2,696,580	2,756,337	59,757
Transfers out	<u>(117,102)</u>	<u>(117,102)</u>	<u>(117,102)</u>	<u>-</u>
Total other financing sources (uses)	<u>2,579,478</u>	<u>2,579,478</u>	<u>2,639,235</u>	<u>59,757</u>
<b>Net change in fund balance</b>	<u>\$ 1,144,313</u>	<u>\$ 961,734</u>	<u>1,749,969</u>	<u>\$ 788,235</u>
<b>Fund balance:</b>				
Beginning of year			<u>10,172,382</u>	
End of year			<u>\$ 11,922,351</u>	

**City of Chula Vista**  
**Required Supplementary Information, Continued**  
**For the year ended June 30, 2009**

**PUBLIC EMPLOYEE RETIREMENT SYSTEMS (PERS)**  
**SCHEDULE OF FUNDING PROGRESS**

Miscellaneous Employees

Actuarial Valuation Date	Actuarial Asset Value	Entry Age Actuarial Accrued Liability	(Unfunded) Overfunded Actuarial Accrued Liability	Funded Ratio	Covered Payroll	Overfunded Actuarial Liability as Percentage of Covered Payroll
6/30/2006	\$ 196,921,453	\$ 257,692,801	\$ (60,771,348)	76.42%	\$ 57,654,921	(105.41)%
6/30/2007	222,787,140	281,675,066	(58,887,926)	79.09%	58,318,509	(100.98)%
6/30/2008	245,868,607	308,462,529	(62,593,922)	79.71%	49,459,253	(126.56)%

Safety Employees

Actuarial Valuation Date	Actuarial Asset Value	Entry Age Actuarial Accrued Liability	(Unfunded) Overfunded Actuarial Accrued Liability	Funded Ratio	Covered Payroll	Overfunded Actuarial Liability as Percentage of Covered Payroll
6/30/2006	\$ 190,269,514	\$ 221,829,740	\$ (31,560,226)	85.77%	\$ 31,000,407	(101.81)%
6/30/2007	208,928,683	239,978,002	(31,049,319)	87.06%	34,665,240	(89.57)%
6/30/2008	226,791,902	255,548,074	(28,756,172)	88.75%	33,931,276	(84.75)%

**OTHER POST EMPLOYMENT BENEFITS**  
**SCHEDULE OF FUNDING PROGRESS**

Actuarial Valuation Date	Actuarial Asset Value	Entry Age Actuarial Accrued Liability	(Unfunded) Overfunded Actuarial Accrued Liability	Funded Ratio	Covered Payroll	Overfunded Actuarial Liability as Percentage of Covered Payroll
6/30/2007	\$ -	\$ 9,608,000	\$ (9,608,000)	0.00%	\$ 93,172,648	(10.31)%

OPEB information is not available in earlier years as the City adopted GASB Statement No. 45 in 2008.

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# SUPPLEMENTARY INFORMATION

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CITY OF  
CHULA VISTA

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# NON-MAJOR GOVERNMENTAL FUNDS

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## SPECIAL REVENUE FUNDS:

*Transportation Grants* - This fund is used to account for revenues and expenditures received from the State under the Street and Safety Code Sections 2106, 2107 and 2107.5. The allocations must be spent for street maintenance or construction and a limited amount for engineering.

*Parking Meter* - This fund is used to account for revenues from on/off street parking and issued parking citations within the parking district. The funds derived must be expended for a purpose substantially connected with the problem of traffic regulation and control in the parking district.

*Traffic Safety* - This fund is a depository for all monies derived from vehicle code fines (excluding parking violations). The fines are collected through the County court system and remitted to the City monthly. These monies may be expended only for traffic control devices and equipment and maintenance thereof or for the maintenance, improvement or construction of public streets.

*Town Centre I* - This fund is used to account for revenues from an in lieu parking fee. The in lieu parking fee applies to any developer of a new commercial building or addition to an existing commercial building within the Downtown Parking district. Use of monies in this fund is restricted for the purchase or development of parking sites.

*Developer Deposits* - This fund is used to account for revenues received from various developers for development projects and is used to fund staff costs, and other costs related to specific projects.

*Open Space Districts* - This fund is a depository for all monies received for all flat rate property tax assessments levied against benefiting property owners for the maintenance of open space areas.

*Housing Programs* - This fund is for federal housing rehabilitation monies held in trust by Bank of America for issuance of housing rehab loans to qualified low and moderate income recipients.

*Traffic Signals* - This fund accounts for fees from developers for all new traffic signal construction.

*Transportation Sales Tax* - This fund was established for the receipt and disbursement of all transportation sales tax revenues for the City.

*Storm Drain* - This fund is a depository for all monies collected from the monthly storm drain service charge. Monies in this fund may be used for storm drain purposes.

*Housing Authority* - This fund is used to account for revenues and expenditures received from Local, State and Federal governments for the City's program in promoting balanced housing for families of all income levels.

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# NON-MAJOR GOVERNMENTAL FUNDS

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## DEBT SERVICE FUNDS:

*Public Financing Authority* - 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.

*1994 POB* - This fund receives payments from the City for payment of principal and interest due on 1994 taxable pension obligation bonds.

*Notes Payable* - This fund is used for the payment of principal and interest on various notes payable.

*SD Regional Comm System* - This fund is used to account for the City's portion of the infrastructure and financing costs of the San Diego County regional communications systems (RCS).

*Poway Road Beautification Fund* - Used to account for money provided by donors restricted to beautification efforts along Poway Road.

## CAPITAL PROJECTS FUNDS:

*Residential Construction Tax* - This fund is a depository for fees levied for the construction, replacement or conversion of all dwelling units within the City including hotels and motels.

*Highway Safety* - This fund is depository for the revenues received from State per Proposition 1B. Funds must be spent for transportation projects to relieve congestion, improve the movement of goods, improve air quality and security of the transportation system.

*Bicycle Facility* - This fund was established as a depository for local Transportation Development Act funds (Article 3.0) received from the County for the purpose of bicycle related programs.

*Industrial Development Authority* - This fund was established to account for staff costs in assisting in the issuance of industrial development bonds. A fee of 1/8 of 1% is charged to reimburse costs incurred.

*Redevelopment Capital Projects* - This fund was established to account for capital improvement projects related to various redevelopment areas.

*Assessment District Improvements* - This fund was established as a depository for monies received from issuance of bonds for various assessment districts. The monies are used to finance the construction of public works improvements in the related districts.

*Capital Improvement Program* - This fund was established to set aside monies for capital improvement projects. This fund does not generate revenues from any source except by transfer from other funds and interest earned on monies in the fund. Monies transferred to the fund are expended for budgeted capital improvement projects and monies remaining after completion of a project are transferred back to the fund from which the project was originally financed.

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# NON-MAJOR GOVERNMENTAL FUNDS

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## CAPITAL PROJECTS FUNDS, Continued:

*Transportation Partnership* - This fund is a depository for the revenues received from the State and Local Transportation Partnership Program. Funds must be spent for street purposes.

*Other Transportation Program* - This fund is a depository for the revenues received from the Federal Highway Safety Improvement Program. Funds must be spent for street, public highway bridges and other regional surface transportation programs.

*Transportation Equity Act* - This fund was established to account for reimbursable capital improvement program such as highway safety, transit, and other surface transportation programs from FY98 through FY2003 as required by PL 105-178.

*Traffic Congestion Relief* - This fund is a depository for the revenues received from Traffic Congestion Relief Fund as required by AB2928. The monies must be spent for street or road maintenance or reconstruction.

**City of Chula Vista**  
**Combining Balance Sheet**  
**Non-Major Governmental Funds**  
**June 30, 2009**

	Special Revenue					
	Transportation Grants	Parking Meter	Traffic Safety	Town Centre I	Developer Deposits	Open Space Districts
<b>ASSETS</b>						
Cash and investments	\$ 262,231	\$ 249,435	\$ 173,656	\$ 48,683	\$ 10,633,136	\$ 11,424,034
Receivables:						
Accounts	-	-	-	-	-	-
Taxes	292,780	-	-	-	-	168,087
Interest	32	843	4,330	232	-	51,620
Loans	-	-	-	-	-	-
Other	-	-	-	-	-	-
Due from other funds	-	-	657,673	-	-	-
Due from other governments	-	-	-	-	-	-
Advances to other funds	-	-	-	-	-	-
Restricted cash and investments:						
Held by City	-	-	-	-	-	-
Held by fiscal agent	-	-	-	-	-	-
<b>Total assets</b>	<b>\$ 555,043</b>	<b>\$ 250,278</b>	<b>\$ 835,659</b>	<b>\$ 48,915</b>	<b>\$ 10,633,136</b>	<b>\$ 11,643,741</b>
<b>LIABILITIES AND FUND BALANCES</b>						
<b>Liabilities:</b>						
Accounts payable and accrued liabilities	\$ -	\$ 22,625	\$ -	\$ -	\$ 648,154	\$ 583,746
Due to other funds	-	-	-	-	-	-
Retention payable	-	-	-	-	-	-
Developer deposits	-	-	-	-	9,984,982	-
Deferred revenue	-	-	-	-	-	-
<b>Total liabilities</b>	<b>-</b>	<b>22,625</b>	<b>-</b>	<b>-</b>	<b>10,633,136</b>	<b>583,746</b>
<b>Fund Balances:</b>						
Reserved for:						
Encumbrances	-	26,223	-	-	-	8,033
Long-term receivable and advances	-	-	-	-	-	-
Debt service	-	-	-	-	-	-
Inventories and prepaid items	-	-	-	-	-	-
Total reserved	<b>-</b>	<b>26,223</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>8,033</b>
Unreserved:						
Designated for:						
Contingency	31,994	106,028	-	-	-	-
Capital projects	-	-	-	-	-	657,016
Undesignated:						
Special revenue	523,049	95,402	835,659	48,915	-	10,394,946
Debt service	-	-	-	-	-	-
Capital projects	-	-	-	-	-	-
Total unreserved	555,043	201,430	835,659	48,915	-	11,051,962
<b>Total fund balances</b>	<b>555,043</b>	<b>227,653</b>	<b>835,659</b>	<b>48,915</b>	<b>-</b>	<b>11,059,995</b>
<b>Total liabilities and fund balances</b>	<b>\$ 555,043</b>	<b>\$ 250,278</b>	<b>\$ 835,659</b>	<b>\$ 48,915</b>	<b>\$ 10,633,136</b>	<b>\$ 11,643,741</b>



Special Revenue					Debt Service		
Housing Programs	Traffic Signals	Transportation Sales Tax	Storm Drain	Housing Authority	Public Financing Authority	1994 POB	Notes Payable
\$ -	\$ 3,886,546	\$ 12,627,755	\$ 32,838	\$ 390,696	\$ 794,105	\$ 593	\$ 2
-	-	-	85,301	-	-	-	-
-	-	-	620	-	-	-	-
-	19,239	71,868	464	1,254	1,738	-	-
516,294	-	-	-	-	-	-	-
1,005	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
13,980	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
134,403	-	-	-	-	-	-	-
-	-	-	-	-	8,986,946	1	-
<u>\$ 665,682</u>	<u>\$ 3,905,785</u>	<u>\$ 12,699,623</u>	<u>\$ 119,223</u>	<u>\$ 391,950</u>	<u>\$ 9,782,789</u>	<u>\$ 594</u>	<u>\$ 2</u>
\$ 41,556	\$ -	\$ 1,159,714	\$ 2,209	\$ 38,283	\$ 13,847	\$ -	\$ -
244,487	-	-	-	-	-	-	-
-	-	242,822	-	-	-	-	-
-	-	-	-	100,000	-	-	-
2,090	-	-	-	-	-	-	-
<u>288,133</u>	<u>-</u>	<u>1,402,536</u>	<u>2,209</u>	<u>138,283</u>	<u>13,847</u>	<u>-</u>	<u>-</u>
25,420	9,857	2,853,277	-	-	-	-	-
514,204	-	-	-	-	-	-	-
-	-	-	-	-	9,768,942	594	2
-	-	-	-	-	-	-	-
<u>539,624</u>	<u>9,857</u>	<u>2,853,277</u>	<u>-</u>	<u>-</u>	<u>9,768,942</u>	<u>594</u>	<u>2</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
(162,075)	3,895,928	8,443,810	117,014	253,667	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>(162,075)</u>	<u>3,895,928</u>	<u>8,443,810</u>	<u>117,014</u>	<u>253,667</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>377,549</u>	<u>3,905,785</u>	<u>11,297,087</u>	<u>117,014</u>	<u>253,667</u>	<u>9,768,942</u>	<u>594</u>	<u>2</u>
<u>\$ 665,682</u>	<u>\$ 3,905,785</u>	<u>\$ 12,699,623</u>	<u>\$ 119,223</u>	<u>\$ 391,950</u>	<u>\$ 9,782,789</u>	<u>\$ 594</u>	<u>\$ 2</u>

(Continued)

**City of Chula Vista**  
**Combining Balance Sheet**  
**Non-Major Governmental Funds, Continued**  
**June 30, 2009**

	Debt Service		Capital Projects			
	SD Regional Comm System	Residential Construction Tax	Highway Safety	Bicycle Facility	Industrial Development Authority	Redevelopment Capital Projects
<b>ASSETS</b>						
Cash and investments	\$ 181	\$ 1,150,809	\$ 3,354,122	\$ 99,864	\$ 10,247	\$ 3,340,135
Receivables:						
Accounts	-	-	-	-	-	-
Taxes	-	-	-	-	-	376,715
Interest	-	7,291	17,511	769	53	24,065
Loans	-	-	-	-	-	-
Other	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	505,179
Due from other governments	-	-	-	-	-	440,171
Advances to other funds	-	-	-	-	-	4,736,376
Restricted cash and investments:						
Held by City	-	-	-	-	-	-
Held by fiscal agent	-	-	-	-	-	3,653,815
<b>Total assets</b>	<b>\$ 181</b>	<b>\$ 1,158,100</b>	<b>\$ 3,371,633</b>	<b>\$ 100,633</b>	<b>\$ 10,300</b>	<b>\$ 13,076,456</b>
<b>LIABILITIES AND FUND BALANCES</b>						
<b>Liabilities:</b>						
Accounts payable and accrued liabilities	\$ -	\$ 31,170	\$ -	\$ 21,394	\$ -	\$ 2,506,580
Due to other funds	-	-	-	-	-	505,179
Retention payable	-	-	-	-	-	-
Developer deposits	-	-	-	-	-	-
Deferred revenue	-	-	-	79,239	-	1,560,158
<b>Total liabilities</b>	<b>-</b>	<b>31,170</b>	<b>-</b>	<b>100,633</b>	<b>-</b>	<b>4,571,917</b>
<b>Fund Balances:</b>						
Reserved for:						
Encumbrances	-	36,358	-	-	-	-
Loans receivables and advances	-	-	-	-	-	3,616,388
Debt service	181	-	-	-	-	-
Inventories and prepaid items	-	-	-	-	-	-
Total reserved	<b>181</b>	<b>36,358</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,616,388</b>
Unreserved:						
Designated for:						
Contingency	-	202,555	-	-	-	-
Capital projects	-	888,017	3,371,633	-	10,300	4,888,151
Undesignated:						
Special revenue	-	-	-	-	-	-
Debt service	-	-	-	-	-	-
Capital projects	-	-	-	-	-	-
Total unreserved	<b>-</b>	<b>1,090,572</b>	<b>3,371,633</b>	<b>-</b>	<b>10,300</b>	<b>4,888,151</b>
<b>Total fund balances</b>	<b>181</b>	<b>1,126,930</b>	<b>3,371,633</b>	<b>-</b>	<b>10,300</b>	<b>8,504,539</b>
<b>Total liabilities and fund balances</b>	<b>\$ 181</b>	<b>\$ 1,158,100</b>	<b>\$ 3,371,633</b>	<b>\$ 100,633</b>	<b>\$ 10,300</b>	<b>\$ 13,076,456</b>

Capital Projects							
Assessment District Improvement Funds	Capital Improvement Program	Transportation Partnership Fund	Other Transportation Program Fund	Transportation Equity Act	Traffic Congestion Relief Fund	Total Other Governmental Funds	
\$ 2,460,183	\$ -	\$ 40,892	\$ 1,490,372	\$ -	\$ 860,766	\$ 53,331,281	
-	-	-	-	-	-	85,301	
825	-	-	-	-	469,757	1,308,784	
10,568	-	211	7,375	-	2,866	222,329	
-	-	-	-	-	-	516,294	
-	-	-	-	-	-	1,005	
-	-	-	56,400	-	-	1,219,252	
-	-	-	724,507	56,400	-	1,235,058	
-	-	-	-	-	-	4,736,376	
-	-	-	-	-	-	134,403	
-	1,444,512	-	-	-	-	14,085,274	
<u>\$ 2,471,576</u>	<u>\$ 1,444,512</u>	<u>\$ 41,103</u>	<u>\$ 2,278,654</u>	<u>\$ 56,400</u>	<u>\$ 1,333,389</u>	<u>\$ 76,875,357</u>	
\$ -	\$ 50,839	\$ -	\$ 410,461	\$ -	\$ -	\$ 5,530,578	
-	-	-	-	56,400	-	806,066	
-	-	-	20,130	-	-	262,952	
-	-	-	-	-	-	10,084,982	
-	-	-	76,533	-	1,333,389	3,051,409	
-	50,839	-	507,124	56,400	1,333,389	19,735,987	
-	-	-	2,290,419	-	-	5,249,587	
-	-	-	-	-	-	4,130,592	
-	-	-	-	-	-	9,769,719	
-	-	-	-	-	-	-	
-	-	-	2,290,419	-	-	19,149,898	
-	-	-	-	-	-	340,577	
2,471,576	1,393,673	41,103	-	-	-	13,721,469	
-	-	-	-	-	-	24,446,315	
-	-	-	-	-	-	-	
-	-	-	(518,889)	-	-	(518,889)	
<u>2,471,576</u>	<u>1,393,673</u>	<u>41,103</u>	<u>(518,889)</u>	<u>-</u>	<u>-</u>	<u>37,989,472</u>	
<u>2,471,576</u>	<u>1,393,673</u>	<u>41,103</u>	<u>1,771,530</u>	<u>-</u>	<u>-</u>	<u>57,139,370</u>	
<u>\$ 2,471,576</u>	<u>\$ 1,444,512</u>	<u>\$ 41,103</u>	<u>\$ 2,278,654</u>	<u>\$ 56,400</u>	<u>\$ 1,333,389</u>	<u>\$ 76,875,357</u>	

(Concluded)

**City of Chula Vista**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Non-Major Governmental Funds**  
**For the year ended June 30, 2005**

	Special Revenue					
	Transportation Grants	Parking Meter	Traffic Safety	Town Centre I	Developer Deposits	Open Space Districts
<b>REVENUES:</b>						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	3,721,666	-	-	-	-	-
Licenses and permits	-	39,593	-	-	-	-
Developer fees	-	-	-	-	7,735,744	-
Charges for services	-	-	-	12,870	-	-
Fines and forfeitures	-	143,946	798,031	-	-	-
Use of money and property	(5,210)	365,523	32,395	1,700	117,919	346,042
Other	23,211	170	-	-	-	7,770,777
<b>Total revenues</b>	<b>3,739,667</b>	<b>549,232</b>	<b>830,426</b>	<b>14,570</b>	<b>7,853,663</b>	<b>8,116,819</b>
<b>EXPENDITURES:</b>						
Current:						
General government	-	-	-	-	-	-
Public safety	-	372,747	279,530	-	-	-
Public works	-	-	-	-	7,853,663	8,435,783
Capital outlay	16,356	101,587	-	11,823	-	-
Debt Service:						
Principal	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-
<b>Total expenditures</b>	<b>16,356</b>	<b>474,334</b>	<b>279,530</b>	<b>11,823</b>	<b>7,853,663</b>	<b>8,435,783</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>3,723,311</b>	<b>74,898</b>	<b>550,896</b>	<b>2,747</b>	<b>-</b>	<b>(318,964)</b>
<b>OTHER FINANCING SOURCES (USES):</b>						
Refunding bond issued	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Transfers out	(3,617,312)	(127)	(534,140)	-	-	-
<b>Total other financing sources (uses)</b>	<b>(3,617,312)</b>	<b>(127)</b>	<b>(534,140)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>105,999</b>	<b>74,771</b>	<b>16,756</b>	<b>2,747</b>	<b>-</b>	<b>(318,964)</b>
<b>FUND BALANCES:</b>						
Beginning of year, as restated (Note 15)	449,044	152,882	818,903	46,168	-	11,378,959
End of year	\$ 555,043	\$ 227,653	\$ 835,659	\$ 48,915	\$ -	\$ 11,059,995

Special Revenue				Debt Service			
Housing Programs	Traffic Signals	Transportation Sales Tax	Storm Drain	Housing Authority	Public Financing Authority	1994 POB	Notes Payable
\$ -	\$ -	\$ 545,000	\$ -	\$ -	\$ -	\$ -	\$ -
13,981	-	-	-	-	-	-	-
-	-	-	14,394	-	-	-	-
-	-	-	-	-	-	-	-
-	247,828	-	574,886	44,364	-	-	-
-	-	-	18,645	-	-	-	-
850	129,332	464,580	3,695	8,901	473,203	89	-
-	-	69,352	-	772,684	-	-	-
14,831	377,160	1,078,932	611,620	825,949	473,203	89	-
232,106	-	-	-	779,525	22,957	2,475	-
-	-	-	-	-	9,358	-	-
-	9,455	-	291,557	-	-	-	-
-	708,448	6,117,387	-	-	-	-	-
-	-	-	-	-	4,465,000	1,820,000	29,187
-	-	-	-	-	6,047,246	640,412	304,558
232,106	717,903	6,117,387	291,557	779,525	10,544,561	2,462,887	333,745
(217,275)	(340,743)	(5,038,455)	320,063	46,424	(10,071,358)	(2,462,798)	(333,745)
-	-	-	-	-	-	-	-
-	-	-	-	-	9,363,488	2,460,324	333,745
-	(338)	-	(290,548)	-	-	-	-
-	(338)	-	(290,548)	-	9,363,488	2,460,324	333,745
(217,275)	(341,081)	(5,038,455)	29,515	46,424	(707,870)	(2,474)	-
594,824	4,246,866	16,335,542	87,499	207,243	10,476,812	3,068	2
\$ 377,549	\$ 3,905,785	\$ 11,297,087	\$ 117,014	\$ 253,667	\$ 9,768,942	\$ 594	\$ 2

(Continued)

**City of Chula Vista**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Non-Major Governmental Funds, Continued**  
**For the year ended June 30, 2005**

	Debt Service		Capital Projects			
	SD Regional Comm System	Residential Construction Tax	Highway Safety	Bicycle Facility	Industrial Development Authority	Redevelopment Capital Projects
<b>REVENUES:</b>						
Taxes	\$ -	\$ 43,650	\$ -	\$ -	\$ -	\$ 13,781,684
Intergovernmental	-	-	-	121,832	-	-
Licenses and permits	-	-	-	-	-	-
Developer fees	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-
Use of money and property	7	41,829	145,608	5,038	346	193,123
Other	-	-	-	-	-	28,194
<b>Total revenues</b>	<b>7</b>	<b>85,479</b>	<b>145,608</b>	<b>126,870</b>	<b>346</b>	<b>14,003,001</b>
<b>EXPENDITURES:</b>						
Current:						
General government	-	-	-	-	-	4,667,509
Public safety	-	-	-	-	-	-
Public works	-	-	-	-	-	-
Capital outlay	-	172,536	463,932	126,870	-	685,551
Debt Service:						
Principal	212,660	-	-	-	-	-
Interest and fiscal charges	83,074	-	-	-	-	-
<b>Total expenditures</b>	<b>295,734</b>	<b>172,536</b>	<b>463,932</b>	<b>126,870</b>	<b>-</b>	<b>5,353,060</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(295,727)</b>	<b>(87,057)</b>	<b>(318,324)</b>	<b>-</b>	<b>346</b>	<b>8,649,941</b>
<b>OTHER FINANCING SOURCES (USES):</b>						
Refunding bond issued	-	-	-	-	-	4,532,000
Transfers in	295,734	-	-	-	-	7,443,976
Transfers out	-	(646,608)	-	-	-	(19,167,317)
<b>Total other financing sources (uses)</b>	<b>295,734</b>	<b>(646,608)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(7,191,341)</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>7</b>	<b>(733,665)</b>	<b>(318,324)</b>	<b>-</b>	<b>346</b>	<b>1,458,600</b>
<b>FUND BALANCES:</b>						
Beginning of year, as restated	174	1,860,595	3,689,957	-	9,954	7,045,939
End of year	\$ 181	\$ 1,126,930	\$ 3,371,633	\$ -	\$ 10,300	\$ 8,504,539

Assessment District Improvement Funds	Capital Improvement Program	Transportation Partnership Fund	Other Transportation Program Fund	Transportation Equity Act	Traffic Congestion Relief Fund	Total Other Governmental Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 14,370,334
-	-	-	1,389,453	31,728	627,366	5,906,026
-	-	-	-	-	-	53,987
-	-	-	-	-	-	7,735,744
-	-	-	-	-	-	879,948
-	-	-	-	-	-	960,622
72,238	9,157	1,322	50,612	-	24,522	2,482,821
35,550	-	-	-	-	-	8,699,938
107,788	9,157	1,322	1,440,065	31,728	651,888	41,089,420
-	-	-	-	-	-	5,704,572
-	-	-	-	-	-	661,635
-	-	-	-	-	-	16,590,458
-	413,480	12,995	990,768	31,728	-	9,853,461
-	-	-	-	-	-	6,526,847
-	-	-	-	-	-	7,075,290
-	413,480	12,995	990,768	31,728	-	46,412,263
107,788	(404,323)	(11,673)	449,297	-	651,888	(5,322,843)
-	-	-	-	-	-	4,532,000
-	-	-	-	-	-	19,897,267
(15,854)	-	(69)	-	-	(651,888)	(24,924,201)
(15,854)	-	(69)	-	-	(651,888)	(494,934)
91,934	(404,323)	(11,742)	449,297	-	-	(5,817,777)
2,379,642	1,797,996	52,845	1,322,233	-	-	62,957,147
\$ 2,471,576	\$ 1,393,673	\$ 41,103	\$ 1,771,530	\$ -	\$ -	\$ 57,139,370

(Concluded)



CITY OF  
**CHULA VISTA**



# City of Chula Vista

## Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

### RDA Debt Service Fund - Major Governmental Fund

For the year ended June 30, 2009

	Final Budget	Actual Amounts	Variance with Final Budget
<b>Revenues:</b>			
Use of money and property	\$ 74,000	\$ 216,440	\$ 142,440
Other	-	481	481
Total revenues	<u>74,000</u>	<u>216,921</u>	<u>142,921</u>
<b>Expenditures:</b>			
Current:			
General government	-	1,300	(1,300)
Debt service:			
Principal	1,445,000	1,020,000	425,000
Interest and fiscal charges	3,581,946	3,813,165	(231,219)
Bond issuance cost	-	844,584	(844,584)
Total expenditures	<u>5,026,946</u>	<u>5,679,049</u>	<u>(652,103)</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(4,952,946)</u>	<u>(5,462,128)</u>	<u>(509,182)</u>
<b>Other Financing Sources (Uses)</b>			
Bond discount	-	(579,161)	(579,161)
Refunding bond issued	-	17,093,000	17,093,000
Payments to escrow agent trust	-	(15,110,000)	(15,110,000)
Transfers in	5,347,946	9,941,097	4,593,151
Transfers out	(1,155,797)	(2,545,615)	(1,389,818)
Total other financing sources (uses)	<u>4,192,149</u>	<u>8,799,321</u>	<u>4,607,172</u>
<b>Net change in fund balance</b>	<u>\$ (760,797)</u>	<u>3,337,193</u>	<u>\$ 4,097,990</u>
<b>Fund balance:</b>			
Beginning of year		<u>(29,327,616)</u>	
End of year		<u>\$ (25,990,423)</u>	

# City of Chula Vista

## Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

### City Debt Service Fund - Major Governmental Fund

For the year ended June 30, 2009

	Final Budget	Actual Amounts	Variance with Final Budget
<b>Expenditures:</b>			
Debt service:			
Interest and fiscal charges	\$ 371,317	\$ 822,592	\$ (451,275)
Total expenditures	<u>371,317</u>	<u>822,592</u>	<u>(451,275)</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(371,317)</u>	<u>(822,592)</u>	<u>(451,275)</u>
<b>Other Financing Sources (Uses)</b>			
Transfers in	419,518	1,198,585	779,067
Transfers out	<u>(5,248,201)</u>	<u>(6,908,969)</u>	<u>(1,660,768)</u>
Total other financing sources (uses)	<u>(4,828,683)</u>	<u>(5,710,384)</u>	<u>(881,701)</u>
<b>Net change in fund balance</b>	<u>\$ (5,200,000)</u>	<u>(6,532,976)</u>	<u>\$ (1,332,976)</u>
<b>Fund balance:</b>			
Beginning of year		<u>(14,169,201)</u>	
End of year		<u>\$ (20,702,177)</u>	

# City of Chula Vista

## Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual Transportation Grants Special Revenue Fund For the year ended June 30, 2009

	Final Budget	Actual Amounts	Variance with Final Budget
<b>Revenues:</b>			
Intergovernmental	\$ 4,142,716	\$ 3,721,666	\$ (421,050)
Use of money and property	-	(5,210)	(5,210)
Other	-	23,211	23,211
Total revenues	<u>4,142,716</u>	<u>3,739,667</u>	<u>(403,049)</u>
<b>Expenditures:</b>			
Capital outlay	58,044	16,356	41,688
Total expenditures	<u>58,044</u>	<u>16,356</u>	<u>41,688</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>4,084,672</u>	<u>3,723,311</u>	<u>(361,361)</u>
<b>Other Financing Sources (Uses)</b>			
Transfers out	(4,269,200)	(3,617,312)	651,888
Total other financing sources (uses)	<u>(4,269,200)</u>	<u>(3,617,312)</u>	<u>651,888</u>
<b>Net change in fund balance</b>	<u>\$ (184,528)</u>	105,999	<u>\$ 290,527</u>
<b>Fund balance:</b>			
Beginning of year		449,044	
End of year		<u>\$ 555,043</u>	

# City of Chula Vista

## Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

### Parking Meter Special Revenue Fund

For the year ended June 30, 2009

	Final Budget	Actual Amounts	Variance with Final Budget
<b>Revenues:</b>			
Licenses and permits	\$ 37,000	\$ 39,593	\$ 2,593
Fines and forfeitures	76,053	143,946	67,893
Use of money and property	248,719	365,523	116,804
Other	-	170	170
Total revenues	<u>361,772</u>	<u>549,232</u>	<u>187,460</u>
<b>Expenditures:</b>			
Current:			
Public safety	363,153	372,747	(9,594)
Capital outlay	190,860	101,587	89,273
Total expenditures	<u>554,013</u>	<u>474,334</u>	<u>79,679</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(192,241)</u>	<u>74,898</u>	<u>267,139</u>
<b>Other Financing Sources (Uses)</b>			
Transfers out	(127)	(127)	-
Total other financing sources (uses)	<u>(127)</u>	<u>(127)</u>	<u>-</u>
Net change in fund balance	<u>\$ (192,368)</u>	<u>74,771</u>	<u>\$ 267,139</u>
<b>Fund balance:</b>			
Beginning of year		<u>152,882</u>	
End of year		<u>\$ 227,653</u>	

# City of Chula Vista

## Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

### Traffic Safety Special Revenue Fund

For the year ended June 30, 2009

	Final Budget	Actual Amounts	Variance with Final Budget
<b>Revenues:</b>			
Fines and forfeitures	\$ 532,920	\$ 798,031	\$ 265,111
Use of money and property	-	32,395	32,395
Total revenues	<u>532,920</u>	<u>830,426</u>	<u>297,506</u>
<b>Expenditures:</b>			
Current:			
Public safety	343,355	279,530	63,825
Total expenditures	<u>343,355</u>	<u>279,530</u>	<u>63,825</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>189,565</u>	<u>550,896</u>	<u>361,331</u>
<b>Other Financing Sources (Uses)</b>			
Transfers out	(534,140)	(534,140)	-
Total other financing sources (uses)	<u>(534,140)</u>	<u>(534,140)</u>	<u>-</u>
<b>Net change in fund balance</b>	<u>\$ (344,575)</u>	<u>16,756</u>	<u>\$ 361,331</u>
<b>Fund balance:</b>			
Beginning of year		<u>818,903</u>	
End of year		<u>\$ 835,659</u>	

# City of Chula Vista

## Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

### Town Centre I Special Revenue Fund

For the year ended June 30, 2009

	Final Budget	Actual Amounts	Variance with Final Budget
<b>Revenues:</b>			
Charges for services	\$ -	\$ 12,870	\$ 12,870
Use of money and property	-	1,700	1,700
Total revenues	-	14,570	14,570
<b>Expenditures:</b>			
Capital outlay	22,256	11,823	10,433
Total expenditures	22,256	11,823	10,433
REVENUES OVER (UNDER) EXPENDITURES	(22,256)	2,747	25,003
Net change in fund balance	\$ (22,256)	2,747	\$ 25,003
<b>Fund balance:</b>			
Beginning of year		46,168	
End of year		\$ 48,915	

# City of Chula Vista

## Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

### Open Space Districts Special Revenue Fund

For the year ended June 30, 2009

	Final Budget	Actual Amounts	Variance with Final Budget
<b>Revenues:</b>			
Use of money and property	\$ -	\$ 346,042	\$ 346,042
Other	10,475,403	7,770,777	(2,704,626)
Total revenues	<u>10,475,403</u>	<u>8,116,819</u>	<u>(2,358,584)</u>
<b>Expenditures:</b>			
Current:			
Public works	10,545,600	8,435,783	2,109,817
Total expenditures	<u>10,545,600</u>	<u>8,435,783</u>	<u>2,109,817</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(70,197)</u>	<u>(318,964)</u>	<u>(248,767)</u>
Net change in fund balance	<u>\$ (70,197)</u>	<u>(318,964)</u>	<u>\$ (248,767)</u>
<b>Fund balance:</b>			
Beginning of year		<u>11,378,959</u>	
End of year		<u>\$ 11,059,995</u>	

# City of Chula Vista

## Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

### Housing Programs Special Revenue Fund

For the year ended June 30, 2009

	Final Budget	Actual Amounts	Variance with Final Budget
<b>Revenues:</b>			
Intergovernmental	\$ 225,582	\$ 13,981	\$ (211,601)
Use of money and property	-	850	850
Total revenues	<u>225,582</u>	<u>14,831</u>	<u>(210,751)</u>
<b>Expenditures:</b>			
Current:			
General governments	<u>504,160</u>	<u>232,106</u>	<u>272,054</u>
Total expenditures	<u>504,160</u>	<u>232,106</u>	<u>272,054</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(278,578)</u>	<u>(217,275)</u>	<u>61,303</u>
Net change in fund balance	<u>\$ (278,578)</u>	<u>(217,275)</u>	<u>\$ 61,303</u>
<b>Fund balance:</b>			
Beginning of year		<u>594,824</u>	
End of year		<u>\$ 377,549</u>	



# City of Chula Vista

## Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

### Traffic Signals Special Revenue Fund

For the year ended June 30, 2009

	Final Budget	Actual Amounts	Variance with Final Budget
<b>Revenues:</b>			
Charges for services	\$ 551,241	\$ 247,828	\$ (303,413)
Use of money and property	-	129,332	129,332
Total revenues	<u>551,241</u>	<u>377,160</u>	<u>(174,081)</u>
<b>Expenditures:</b>			
Current:			
Public works	18,167	9,455	8,712
Capital outlay	3,248,281	708,448	2,539,833
Total expenditures	<u>3,266,448</u>	<u>717,903</u>	<u>2,548,545</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(2,715,207)</u>	<u>(340,743)</u>	<u>2,374,464</u>
<b>Other Financing Sources (Uses)</b>			
Transfers out	<u>(338)</u>	<u>(338)</u>	<u>-</u>
Total other financing sources (uses)	<u>(338)</u>	<u>(338)</u>	<u>-</u>
<b>Net change in fund balance</b>	<u>\$ (2,715,545)</u>	<u>(341,081)</u>	<u>\$ 2,374,464</u>
<b>Fund balance:</b>			
Beginning of year		<u>4,246,866</u>	
End of year		<u>\$ 3,905,785</u>	

# City of Chula Vista

## Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

### Transportation Sales Tax Special Revenue Fund

For the year ended June 30, 2009

	Final Budget	Actual Amounts	Variance with Final Budget
<b>Revenues:</b>			
Taxes	\$ 4,577,000	\$ 545,000	\$ (4,032,000)
Use of money and property	-	464,580	464,580
Other	-	69,352	69,352
Total revenues	<u>4,577,000</u>	<u>1,078,932</u>	<u>(3,498,068)</u>
<b>Expenditures:</b>			
Capital outlay	<u>15,732,265</u>	<u>6,117,387</u>	<u>9,614,878</u>
Total expenditures	<u>15,732,265</u>	<u>6,117,387</u>	<u>9,614,878</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(11,155,265)</u>	<u>(5,038,455)</u>	<u>6,116,810</u>
Net change in fund balance	<u>\$ (11,155,265)</u>	<u>(5,038,455)</u>	<u>\$ 6,116,810</u>
<b>Fund balance:</b>			
Beginning of year		<u>16,335,542</u>	
End of year		<u>\$ 11,297,087</u>	

# City of Chula Vista

## Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

### Storm Drain Special Revenue Fund

For the year ended June 30, 2009

	Final Budget	Actual Amounts	Variance with Final Budget
<b>Revenues:</b>			
Licenses and permits	\$ 138,945	\$ 14,394	\$ (124,551)
Charges for services	441,715	574,886	133,171
Fines and forfeitures	-	18,645	18,645
Use of money and property	-	3,695	3,695
Total revenues	<u>580,660</u>	<u>611,620</u>	<u>30,960</u>
<b>Expenditures:</b>			
Current:			
Public works	259,450	291,557	(32,107)
Capital outlay	33,367	-	33,367
Total expenditures	<u>292,817</u>	<u>291,557</u>	<u>1,260</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>287,843</u>	<u>320,063</u>	<u>32,220</u>
<b>Other Financing Sources (Uses)</b>			
Transfers in	(290,548)	(290,548)	-
Total other financing sources (uses)	<u>(290,548)</u>	<u>(290,548)</u>	<u>-</u>
<b>Net change in fund balance</b>	<u>\$ (2,705)</u>	<u>29,515</u>	<u>\$ 32,220</u>
<b>Fund balance:</b>			
Beginning of year		<u>87,499</u>	
End of year		<u>\$ 117,014</u>	

# City of Chula Vista

## Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual Housing Authority Special Revenue Fund For the year ended June 30, 2009

	Final Budget	Actual Amounts	Variance with Final Budget
<b>Revenues:</b>			
Charges for services	\$ 63,442	\$ 44,364	\$ (19,078)
Use of money and property	-	8,901	8,901
Other	949,000	772,684	(176,316)
Total revenues	<u>1,012,442</u>	<u>825,949</u>	<u>(186,493)</u>
<b>Expenditures:</b>			
Current:			
General government	866,125	779,525	86,600
Total expenditures	<u>866,125</u>	<u>779,525</u>	<u>86,600</u>
Net change in fund balance	<u>\$ 146,317</u>	46,424	<u>\$ (99,893)</u>
<b>Fund balance:</b>			
Beginning of year		<u>207,243</u>	
End of year		<u>\$ 253,667</u>	

# City of Chula Vista

## Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

### Public Financing Authority Debt Service Fund

For the year ended June 30, 2009

	Final Budget	Actual Amounts	Variance with Final Budget
<b>Revenues:</b>			
Use of money and property	\$ -	\$ 473,203	\$ 473,203
Total revenues	-	473,203	473,203
<b>Expenditures:</b>			
Current:			
General government	18,000	22,957	(4,957)
Public safety	10,800	9,358	1,442
Debt service:			
Principal	4,465,000	4,465,000	-
Interest and fiscal charges	6,047,246	6,047,246	-
Total expenditures	10,541,046	10,544,561	(3,515)
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(10,541,046)</b>	<b>(10,071,358)</b>	<b>469,688</b>
<b>Other Financing Sources (Uses)</b>			
Transfers in	10,441,083	9,363,488	(1,077,595)
Total other financing sources (uses)	10,441,083	9,363,488	(1,077,595)
<b>Net change in fund balance</b>	<b>\$ (99,963)</b>	<b>(707,870)</b>	<b>\$ (607,907)</b>
<b>Fund balance:</b>			
Beginning of year		10,476,812	
End of year		\$ 9,768,942	

# City of Chula Vista

## Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

### 1994 POB Debt Service Fund

For the year ended June 30, 2009

	Final Budget	Actual Amounts	Variance with Final Budget
<b>Revenues:</b>			
Use of money and property	\$ -	\$ 89	\$ 89
Total revenues	<u>-</u>	<u>89</u>	<u>89</u>
<b>Expenditures:</b>			
Current:			
General government	2,500	2,475	25
Debt service:			
Principal	1,820,000	1,820,000	-
Interest and fiscal charges	<u>640,413</u>	<u>640,412</u>	<u>1</u>
Total expenditures	<u>2,462,913</u>	<u>2,462,887</u>	<u>26</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(2,462,913)</u>	<u>(2,462,798)</u>	<u>115</u>
<b>Other Financing Sources (Uses)</b>			
Transfers in	<u>2,462,913</u>	<u>2,460,324</u>	<u>(2,589)</u>
Total other financing sources (uses)	<u>2,462,913</u>	<u>2,460,324</u>	<u>(2,589)</u>
<b>Net change in fund balance</b>	<u>\$ -</u>	<u>(2,474)</u>	<u>\$ (2,474)</u>
<b>Fund balance:</b>			
Beginning of year		<u>3,068</u>	
End of year		<u>\$ 594</u>	

# City of Chula Vista

## Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

### Notes Payable Debt Service Fund

For the year ended June 30, 2009

	Final Budget	Actual Amounts	Variance with Final Budget
<b>Expenditures:</b>			
Debt service:			
Principal	\$ 306,187	\$ 29,187	\$ 277,000
Interest and fiscal charges	377,895	304,558	73,337
Total expenditures	<u>684,082</u>	<u>333,745</u>	<u>350,337</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(684,082)</u>	<u>(333,745)</u>	<u>350,337</u>
<b>Other Financing Sources (Uses)</b>			
Transfers in	<u>684,082</u>	<u>333,745</u>	<u>(350,337)</u>
Total other financing sources (uses)	<u>684,082</u>	<u>333,745</u>	<u>(350,337)</u>
<b>Net change in fund balance</b>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
<b>Fund balance:</b>			
Beginning of year		<u>2</u>	
End of year		<u>\$ 2</u>	

# City of Chula Vista

## Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

### SD Regional Comm System Debt Service Fund

For the year ended June 30, 2009

	Final Budget	Actual Amounts	Variance with Final Budget
<b>Revenues:</b>			
Use of money and property	\$ -	\$ 7	\$ 7
Total revenues	-	7	7
<b>Expenditures:</b>			
Debt service:			
Principal	212,660	212,660	-
Interest and fiscal charges	83,074	83,074	-
Total expenditures	295,734	295,734	-
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(295,734)</b>	<b>(295,727)</b>	<b>7</b>
<b>Other Financing Sources (Uses)</b>			
Transfers in	295,734	295,734	-
Total other financing sources (uses)	295,734	295,734	-
<b>Net change in fund balance</b>	<b>\$ -</b>	<b>7</b>	<b>\$ 7</b>
<b>Fund balance:</b>			
Beginning of year		174	
End of year		\$ 181	



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# NONMAJOR ENTERPRISE FUNDS

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*Transit Fund* - This fund is used to account for the maintenance and development of the transit related

*Bayfront Trolley Fund* - This fund is used to account for the maintenance and development of the Bayfront

*Sewer DIFS Fund* - This 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.

**City of Chula Vista**  
**Combining Statement of Net Assets**  
**Nonmajor Enterprise Funds**  
**June 30, 2009**

	Transit Fund	Bayfront Trolley Station	Sewer DIFS Fund	Total
<b>ASSETS</b>				
Current assets:				
Cash and investments	\$ 1,617,591	\$ 9,949	\$ 8,427,552	\$ 10,055,092
Receivables:				
Interest	14,255	284	43,083	57,622
Other	62,133	-	-	62,133
Total current assets	<u>1,693,979</u>	<u>10,233</u>	<u>8,470,635</u>	<u>10,174,847</u>
Noncurrent assets:				
Capital assets, net	<u>4,064,830</u>	<u>-</u>	<u>2,302,323</u>	<u>6,367,153</u>
Total noncurrent assets	<u>4,064,830</u>	<u>-</u>	<u>2,302,323</u>	<u>6,367,153</u>
<b>Total assets</b>	<u>5,758,809</u>	<u>10,233</u>	<u>10,772,958</u>	<u>16,542,000</u>
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable and accrued liabilities	11,650	2,797	18,100	32,547
Unearned revenues	<u>1,538,519</u>	<u>5,368</u>	<u>-</u>	<u>1,543,887</u>
Total current liabilities	<u>1,550,169</u>	<u>8,165</u>	<u>18,100</u>	<u>1,576,434</u>
Noncurrent liabilities:				
Advances from other funds	<u>-</u>	<u>-</u>	<u>3,913,589</u>	<u>3,913,589</u>
Total noncurrent liabilities	<u>-</u>	<u>-</u>	<u>3,913,589</u>	<u>3,913,589</u>
<b>Total liabilities</b>	<u>1,550,169</u>	<u>8,165</u>	<u>3,931,689</u>	<u>5,490,023</u>
<b>NET ASSETS</b>				
Invested in capital assets	4,064,830	-	2,302,323	6,367,153
Unrestricted	<u>143,810</u>	<u>2,068</u>	<u>4,538,946</u>	<u>4,684,824</u>
<b>Total net assets</b>	<u>\$ 4,208,640</u>	<u>\$ 2,068</u>	<u>\$ 6,841,269</u>	<u>\$ 11,051,977</u>

**City of Chula Vista**  
**Combining Statement of Revenues, Expenses, and Changes in Net Assets**  
**Nonmajor Enterprise Funds**  
**For the year ended June 30, 2009**

	Transit Fund	Bayfront Trolley Station	Sewer DIFS Fund	Total
<b>OPERATING REVENUES:</b>				
Charges for services	\$ 3,679,761	\$ -	\$ 232,430	\$ 3,912,191
Other	268,420	-	-	268,420
<b>Total operating revenues</b>	<b>3,948,181</b>	<b>-</b>	<b>232,430</b>	<b>4,180,611</b>
<b>OPERATING EXPENSES:</b>				
Operation and administration	7,285,819	98,800	49,960	7,434,579
Maintenance	10,705	-	27,773	38,478
Depreciation	850,900	-	60,000	910,900
<b>Total operating expenses</b>	<b>8,147,424</b>	<b>98,800</b>	<b>137,733</b>	<b>8,383,957</b>
<b>Operating income (loss)</b>	<b>(4,199,243)</b>	<b>(98,800)</b>	<b>94,697</b>	<b>(4,203,346)</b>
<b>NONOPERATING REVENUES:</b>				
Intergovernmental	3,292,932	97,296	-	3,390,228
Interest revenue	90,824	1,504	287,793	380,121
Interest expenses	-	-	(62,927)	(62,927)
<b>Total nonoperating revenues</b>	<b>3,383,756</b>	<b>98,800</b>	<b>224,866</b>	<b>3,707,422</b>
<b>Income (loss) before transfers</b>	<b>(815,487)</b>	<b>-</b>	<b>319,563</b>	<b>(495,924)</b>
<b>TRANSFERS:</b>				
Transfers out	(95,316)	-	(720,556)	(815,872)
<b>Total transfers</b>	<b>(95,316)</b>	<b>-</b>	<b>(720,556)</b>	<b>(815,872)</b>
<b>Net increase (decrease) in net assets</b>	<b>(910,803)</b>	<b>-</b>	<b>(400,993)</b>	<b>(1,311,796)</b>
<b>NET ASSETS:</b>				
Beginning of year	5,119,443	2,068	7,242,262	12,363,773
End of year	<u>\$ 4,208,640</u>	<u>\$ 2,068</u>	<u>\$ 6,841,269</u>	<u>\$ 11,051,977</u>

**City of Chula Vista**  
**Combining Statement of Cash Flows**  
**Nonmajor Enterprise Funds**  
**For the year ended June 30, 2009**

	Transit Fund	Bayfront Trolley Station	Sewer DIFS Fund	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>				
Cash received from customers	\$ 1,583,141	\$ (152,140)	\$ 232,430	\$ 1,663,431
Cash received from other funds	-	-	62,928	62,928
Cash payments to suppliers and employees for goods and services	(7,308,406)	(97,315)	(67,144)	(7,472,865)
Other operating revenues	268,420	-	-	268,420
<b>Net cash provided (used) by operating activities</b>	<b>(5,456,845)</b>	<b>(249,455)</b>	<b>228,214</b>	<b>(5,478,086)</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>				
Acquisition of capital assets	(41,775)	-	(82,323)	(124,098)
<b>Net cash provided by noncapital financing activities</b>	<b>(41,775)</b>	<b>-</b>	<b>(82,323)</b>	<b>(124,098)</b>
<b>CASH FLOWS FROM NONCAPITAL AND RELATED FINANCING ACTIVITIES:</b>				
Intergovernmental	3,292,932	97,296	-	3,390,228
Interest expenses	-	-	(62,927)	(62,927)
Transfers (out)	(95,316)	-	(720,556)	(815,872)
<b>Net cash provided (used) by noncapital and related financing activities</b>	<b>3,197,616</b>	<b>97,296</b>	<b>(783,483)</b>	<b>2,511,429</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>				
Interest revenue	107,604	2,133	325,159	434,896
<b>Net cash used by investing activities</b>	<b>107,604</b>	<b>2,133</b>	<b>325,159</b>	<b>434,896</b>
<b>Net increase (decrease) in cash and investments</b>	<b>(2,193,400)</b>	<b>(150,026)</b>	<b>(312,433)</b>	<b>(2,655,859)</b>
<b>CASH AND INVESTMENTS:</b>				
Beginning of year	3,810,991	159,975	8,739,985	12,710,951
End of year	\$ 1,617,591	\$ 9,949	\$ 8,427,552	\$ 10,055,092
<b>RECONCILIATION OF OPERATING INCOME TO NET</b>				
<b>CASH PROVIDED (USED) BY OPERATING ACTIVITIES:</b>				
Operating income (loss)	\$ (4,199,243)	\$ (98,800)	\$ 94,697	\$ (4,203,346)
Adjustments to reconcile operating loss to net cash provided (used) by operating activities:				
Depreciation	850,900	-	60,000	910,900
Changes in operating assets and liabilities:				
Other receivable	63,501	-	-	63,501
Accounts payable and accrued liabilities	(11,882)	1,485	10,589	192
Unearned revenue	(2,160,121)	(152,140)	-	(2,312,261)
Advances from other funds	-	-	62,928	62,928
Total adjustments	(1,257,602)	(150,655)	133,517	(1,274,740)
<b>Net cash provided (used) by operating activities</b>	<b>\$ (5,456,845)</b>	<b>\$ (249,455)</b>	<b>\$ 228,214</b>	<b>\$ (5,478,086)</b>

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# INTERNAL SERVICE FUNDS

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*Internal Service Funds* are used to finance and account for special activities and services performed by a designated City department for other departments on a cost reimbursement basis.

*Fleet Management* - This fund was established to account for vehicle and equipment services provided to City departments. Revenue accruing to this fund comes from charges to City departments benefiting from services provided.

*Technology Replacement* - This fund was established to account for computer and other technology services provided to City departments. Revenue accruing to this fund comes from charges to city departments benefiting from services provided.

**City of Chula Vista**  
**Combining Statement of Net Assets**  
**All Internal Service Funds**  
**June 30, 2009**

	Fleet Management	Technology Replacement	Total
<b>ASSETS</b>			
Current assets:			
Cash and investments	\$ 1,626,987	\$ 22,499	\$ 1,649,486
Receivables:			
Interest	5,784	221	6,005
Other	39,177	-	39,177
Total current assets	<u>1,671,948</u>	<u>22,720</u>	<u>1,694,668</u>
Noncurrent assets:			
Capital assets, net	<u>1,777,439</u>	-	<u>1,777,439</u>
Total noncurrent assets	<u>1,777,439</u>	-	<u>1,777,439</u>
<b>Total assets</b>	<u>3,449,387</u>	<u>22,720</u>	<u>3,472,107</u>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable and accrued liabilities	<u>326,179</u>	278	<u>326,457</u>
Total current liabilities	<u>326,179</u>	<u>278</u>	<u>326,457</u>
Noncurrent liabilities:			
Compensated absences	<u>59,133</u>	-	<u>59,133</u>
Total noncurrent liabilities	<u>59,133</u>	-	<u>59,133</u>
<b>Total liabilities</b>	<u>385,312</u>	<u>278</u>	<u>385,590</u>
<b>NET ASSETS</b>			
Invested in capital assets	1,777,439	-	1,777,439
Unrestricted	<u>1,286,636</u>	<u>22,442</u>	<u>1,309,078</u>
<b>Total net assets</b>	<u>\$ 3,064,075</u>	<u>\$ 22,442</u>	<u>\$ 3,086,517</u>

**City of Chula Vista**  
**Combining Statement of Revenues, Expenses, and Changes in Net Assets**  
**All Internal Service Funds**  
**For the year ended June 30, 2009**

	Fleet Management	Technology Replacement	Total
<b>OPERATING REVENUES:</b>			
Charges for services	\$ 3,839,510	\$ -	\$ 3,839,510
Other	12,118	-	12,118
<b>Total operating revenues</b>	<b>3,851,628</b>	<b>-</b>	<b>3,851,628</b>
<b>OPERATING EXPENSES:</b>			
Operation and administration	3,637,165	10,236	3,647,401
Depreciation	1,029,924	-	1,029,924
<b>Total operating expenses</b>	<b>4,667,089</b>	<b>10,236</b>	<b>4,677,325</b>
<b>Operating income (loss)</b>	<b>(815,461)</b>	<b>(10,236)</b>	<b>(825,697)</b>
<b>NONOPERATING REVENUES:</b>			
Interest revenue	32,308	1,376	33,684
Gain on disposal of capital assets	23,892	-	23,892
<b>Total nonoperating revenues</b>	<b>56,200</b>	<b>1,376</b>	<b>57,576</b>
<b>Income (loss) before transfers</b>	<b>(759,261)</b>	<b>(8,860)</b>	<b>(768,121)</b>
<b>TRANSFERS:</b>			
Transfers in	-	-	-
Transfers out	(32,531)	-	(32,531)
<b>Total transfers</b>	<b>(32,531)</b>	<b>-</b>	<b>(32,531)</b>
<b>Net increase (decrease) in net assets</b>	<b>(791,792)</b>	<b>(8,860)</b>	<b>(800,652)</b>
<b>NET ASSETS:</b>			
Beginning of year	3,855,867	31,302	3,887,169
End of year	<u>\$ 3,064,075</u>	<u>\$ 22,442</u>	<u>\$ 3,086,517</u>

**City of Chula Vista**  
**Combining Statement of Cash Flows**  
**All Internal Service Funds**  
**For the year ended June 30, 2009**

	Fleet Management	Technology Replacement	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Cash received from other funds	\$ 3,839,726	\$ -	\$ 3,839,726
Cash payments to suppliers and employees for goods and services	(3,684,979)	(52,137)	(3,737,116)
Other operating revenues	12,118	-	12,118
<b>Net cash provided (used) by operating activities</b>	<b>166,865</b>	<b>(52,137)</b>	<b>114,728</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>			
Acquisition of capital assets	(221,212)	-	(221,212)
Proceeds received from disposal of capital assets	23,892	-	23,892
<b>Net cash provided by noncapital financing activities</b>	<b>(197,320)</b>	<b>-</b>	<b>(197,320)</b>
<b>CASH FLOWS FROM NONCAPITAL AND RELATED FINANCING ACTIVITIES:</b>			
Transfers (out)	(32,531)	-	(32,531)
<b>Net cash provided (used) by noncapital and related financing activities</b>	<b>(32,531)</b>	<b>-</b>	<b>(32,531)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Interest revenue	43,617	1,677	45,294
<b>Net cash used by investing activities</b>	<b>43,617</b>	<b>1,677</b>	<b>45,294</b>
<b>Net increase (decrease) in cash and investments</b>	<b>(19,369)</b>	<b>(50,460)</b>	<b>(69,829)</b>
<b>CASH AND INVESTMENTS:</b>			
Beginning of year	1,646,356	72,959	1,719,315
End of year	<b>\$ 1,626,987</b>	<b>\$ 22,499</b>	<b>\$ 1,649,486</b>
<b>RECONCILIATION OF OPERATING INCOME TO NET</b>			
<b>CASH PROVIDED (USED) BY OPERATING ACTIVITIES:</b>			
Operating income (loss)	\$ (815,461)	\$ (10,236)	\$ (825,697)
Adjustments to reconcile operating loss to net cash provided (used) by operating activities:			
Depreciation	1,029,924	-	1,029,924
Changes in operating assets and liabilities:			
Other receivable	216	-	216
Accounts payable and accrued liabilities	(47,706)	(41,901)	(89,607)
Compensated absences	(108)	-	(108)
Total adjustments	982,326	(41,901)	940,425
<b>Net cash provided (used) by operating activities</b>	<b>\$ 166,865</b>	<b>\$ (52,137)</b>	<b>\$ 114,728</b>



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# FIDUCIARY FUND

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## AGENCY FUND

The Agency Fund is used to account for assets held by the City in a trustee capacity for individuals, private organizations, other governments, and/or other funds.

*Special Assessment District* - This fund accounts for all money collected to pay for debt services of the various assessment districts for which the City acts as paying agent but has no legal commitment or obligation.

**City of Chula Vista**  
**Statement of Changes in Assets and Liabilities**  
**Agency Fund**  
**For the year ended June 30, 2009**

	Balance July 1, 2008	Additions	Deletions	Balance June 30, 2009
<b><u>Special Assessment District</u></b>				
<b>Assets:</b>				
Cash and investments	\$ 7,446,279	\$ 26,271,590	\$ (25,733,886)	\$ 7,983,983
Restricted cash and investments:				
Held by fiscal agents	156,534,018	12,071,885	(32,503,026)	136,102,877
<b>Total assets</b>	<b>\$ 163,980,297</b>	<b>\$ 38,343,475</b>	<b>\$ (58,236,912)</b>	<b>\$ 144,086,860</b>
<b>Liabilities:</b>				
Due to bondholders	\$ 163,980,297	\$ 38,343,475	\$ (58,236,912)	\$ 144,086,860
<b>Total liabilities</b>	<b>\$ 163,980,297</b>	<b>\$ 38,343,475</b>	<b>\$ (58,236,912)</b>	<b>\$ 144,086,860</b>

# CITY OF CHULA VISTA

## Statistical Section

June 30, 2009

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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	<u>Page No.</u>
<b>Financial Trends</b>	<b>140 - 144</b>
<p>These schedules contain information to help the reader understand how the city's financial performance and well-being have changed over time.</p>	
<b>Revenue Capacity</b>	<b>145 - 148</b>
<p>These schedules contain information to help the reader assess the factors affecting the city's ability to generate its property and sales taxes.</p>	
<b>Debt Capacity</b>	<b>149 - 154</b>
<p>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.</p>	
<b>Demographic and Economic Information</b>	<b>156 - 158</b>
<p>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.</p>	
<b>Operating Information</b>	<b>159 - 162</b>
<p>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.</p>	

**City of Chula Vista**  
**Net Assets by Component**  
**Last Eight Fiscal Years**  
**(accrual basis of accounting)**

	Fiscal Year							
	2002	2003	2004	2005	2006	2007	2008	2009
Governmental activities:								
Invested in capital assets, net of related debt	\$ 382,552,076	\$ 456,096,957	\$ 537,716,998	\$ 600,317,974	\$ 662,230,041	\$ 715,090,838	\$ 621,878,119	\$ 623,938,515
Restricted	27,640,955	55,203,919	55,283,141	72,468,247	75,916,972	69,516,915	55,166,660	43,901,854
Unrestricted	77,110,077	103,843,928	110,825,189	111,448,751	95,782,921	126,026,156	91,683,171	89,235,419
Total governmental activities net assets	<u>487,303,108</u>	<u>615,144,804</u>	<u>703,825,328</u>	<u>784,234,972</u>	<u>833,929,934</u>	<u>910,633,909</u>	<u>768,727,950</u>	<u>757,075,788</u>
Business-type activities:								
Invested in capital assets, net of related debt	7,951,380	7,156,534	6,217,348	7,423,479	6,540,514	5,658,433	150,004,170	148,237,562
Restricted	-	-	-	-	-	-	-	-
Unrestricted	1,424,557	362,007	381,697	580,735	500,299	335,824	55,294,988	64,860,578
Total business-type activities net assets	<u>9,375,937</u>	<u>7,518,541</u>	<u>6,599,045</u>	<u>8,004,214</u>	<u>7,040,813</u>	<u>5,994,257</u>	<u>205,299,158</u>	<u>213,098,140</u>
Primary government:								
Invested in capital assets, net of related debt	390,763,965	463,253,491	543,934,346	607,741,453	668,770,555	720,749,271	771,882,289	772,176,077
Restricted	27,640,955	55,203,919	55,283,141	72,468,247	75,916,972	69,516,915	55,166,660	43,901,854
Unrestricted	70,214,464	104,205,935	111,206,886	112,029,486	96,283,220	126,361,980	146,978,159	154,095,997
Total primary government net assets	<u>\$ 488,619,384</u>	<u>\$ 622,663,345</u>	<u>\$ 710,424,373</u>	<u>\$ 792,239,186</u>	<u>\$ 840,970,747</u>	<u>\$ 916,628,166</u>	<u>\$ 974,027,108</u>	<u>\$ 970,173,928</u>

*The City of Chula Vista implemented GASB 34 for the fiscal year ended June 30, 2002. Information prior to the implementation of GASB 34 is not available. Sewer funds were converted to an enterprise fund in fiscal year 2008.*

**City of Chula Vista**  
**Changes in Net Assets**  
**Last Eight Fiscal Years**  
**(accrual basis of accounting)**

	Fiscal Year							
	2002	2003	2004	2005	2006	2007	2008	2009
Expenses:								
Governmental activities:								
General government	\$ 36,023,946	\$ 36,112,144	\$ 37,542,162	\$ 42,591,851	\$ 53,566,425	\$ 45,249,650	\$ 51,609,403	\$ 49,216,220
Public safety	44,047,317	46,795,935	54,974,182	63,368,815	72,887,220	77,136,782	78,633,467	76,097,546
Public works	60,084,674	60,981,126	71,482,668	79,723,824	102,122,564	103,117,608	86,410,082	72,509,779
Parks and recreation	8,976,959	7,213,329	5,854,495	7,757,251	8,085,160	9,353,280	9,650,399	9,805,893
Library	7,205,111	8,110,316	8,845,277	8,890,126	10,412,973	10,320,817	8,532,621	7,617,286
Interest on long-term debt	10,438,706	9,322,463	12,827,332	12,656,986	12,263,808	12,032,833	13,656,534	13,064,138
Total governmental activities expenses	<u>166,776,713</u>	<u>168,535,313</u>	<u>191,526,116</u>	<u>214,988,853</u>	<u>259,338,150</u>	<u>257,210,970</u>	<u>248,492,506</u>	<u>228,310,862</u>
Business-type activities:								
Transit	7,073,358	7,797,769	7,257,722	7,475,184	7,447,393	7,330,560	8,301,081	8,147,424
Bayfront Trolley Station	102,583	79,593	85,567	98,900	86,595	103,691	98,406	98,800
Sewer funds	-	-	-	-	-	-	30,323,015	23,528,217
Sewer DIFs	-	-	-	-	-	-	203,500	200,660
Interest on long-term debt	-	-	-	-	-	-	62,927	-
Total business-type activities expenses	<u>7,175,941</u>	<u>7,877,362</u>	<u>7,343,289</u>	<u>7,574,084</u>	<u>7,533,988</u>	<u>7,434,251</u>	<u>38,988,929</u>	<u>31,975,101</u>
Total primary government expenses	<u>173,952,654</u>	<u>176,412,675</u>	<u>198,869,405</u>	<u>222,562,937</u>	<u>266,872,138</u>	<u>264,645,221</u>	<u>287,481,435</u>	<u>260,285,963</u>
Program revenues:								
Governmental activities:								
Charges for services:								
General government	23,990,385	29,530,624	35,075,023	37,464,481	52,310,629	45,255,716	38,563,085	35,959,181
Public safety	4,465,958	5,003,310	9,991,565	9,555,756	11,598,587	7,311,407	8,148,817	7,954,060
Public works	31,651,057	34,193,401	46,862,521	40,020,387	52,749,415	45,520,978	23,112,265	25,793,234
Parks and recreation	1,559,120	1,534,116	25,000,748	15,702,515	26,935,981	19,106,017	11,881,147	2,776,032
Library	290,393	603,136	2,751,059	2,220,368	2,693,087	818,285	561,948	326,116
Operating grants and contributions	24,516,560	23,272,659	17,426,744	22,226,690	19,464,389	16,646,713	34,498,639	18,957,467
Capital grants and contributions	1,627,819	2,190,909	1,783,068	79,419,189	57,074,381	85,608,765	50,632,109	16,754,583
Total governmental activities program revenues	<u>88,101,292</u>	<u>96,328,155</u>	<u>138,890,728</u>	<u>206,609,386</u>	<u>222,826,469</u>	<u>220,267,881</u>	<u>167,398,010</u>	<u>108,520,673</u>
Business-type activities:								
Charges for services:								
Transit	2,289,591	2,319,322	2,525,349	2,425,531	2,526,487	2,433,008	1,660,821	3,679,761
Sewer funds	-	-	-	-	-	-	29,138,449	31,046,180
Sewer DIFs	-	-	-	-	-	-	539,136	232,430
Operating grants and contributions	2,621,995	3,610,307	3,805,056	4,231,445	-	-	5,378,518	3,390,228
Capital grants and contributions	3,248,226	-	-	1,971,311	-	-	-	-
Total business-type activities program revenues	<u>8,159,812</u>	<u>5,929,629</u>	<u>6,330,405</u>	<u>8,628,287</u>	<u>2,526,487</u>	<u>2,433,008</u>	<u>36,716,924</u>	<u>38,348,599</u>
Total primary government program revenues	<u>96,261,104</u>	<u>102,257,784</u>	<u>145,221,133</u>	<u>215,237,673</u>	<u>225,352,956</u>	<u>222,700,889</u>	<u>204,114,934</u>	<u>146,869,272</u>

**City of Chula Vista**  
**Changes in Net Assets**  
**Last Eight Fiscal Years**  
**(accrual basis of accounting)**

	Fiscal Year							
	2002	2003	2004	2005	2006	2007	2008	2009
Net revenues (expenses):								
Governmental activities	(78,675,421)	(72,207,158)	(52,635,388)	(8,379,467)	(36,511,681)	(36,943,089)	(81,094,496)	(119,790,189)
Business-type activities	983,871	(1,947,733)	(1,012,884)	1,054,203	(5,007,501)	(5,001,243)	(2,272,005)	6,373,498
Total net revenues (expenses)	<u>(77,691,550)</u>	<u>(74,154,891)</u>	<u>(53,648,272)</u>	<u>(7,325,264)</u>	<u>(41,519,182)</u>	<u>(41,944,332)</u>	<u>(83,366,501)</u>	<u>(113,416,691)</u>
General revenues and other changes in net assets:								
Governmental activities:								
Taxes:								
Property taxes	20,101,086	22,472,649	26,674,527	27,074,211	32,597,672	38,882,122	43,388,023	43,319,156
Sales tax	18,812,328	19,612,779	21,421,090	23,600,000	30,915,515	32,817,351	29,062,355	26,263,317
Other taxes	24,842,617	14,844,449	25,826,828	23,373,749	22,218,942	21,400,961	21,922,357	21,643,366
Investment income	18,215,420	14,372,650	5,651,048	11,678,930	10,195,710	13,386,872	8,663,014	12,676,922
Other general revenues	18,188,635	155,683,692	58,912,431	4,887,489	5,261,428	7,137,140	8,343,946	355,175
Transfers	45,626	45,626	42,876	34,900	122,588	22,618	5,594,536	3,880,091
Total governmental activities	<u>100,205,712</u>	<u>227,031,845</u>	<u>138,528,800</u>	<u>90,649,279</u>	<u>101,311,855</u>	<u>113,647,064</u>	<u>116,974,231</u>	<u>108,138,027</u>
Business-type activities:								
Investment income	316,569	118,056	20,715	56,485	78,605	167,734	6,740,155	2,090,311
Miscellaneous	(6,423)	17,907	115,549	329,381	4,088,083	3,809,571	670,170	3,215,264
Transfers	(45,626)	(45,626)	(42,876)	(34,900)	(122,588)	(22,618)	(5,594,536)	(3,880,091)
Total business-type activities	<u>264,520</u>	<u>90,337</u>	<u>93,388</u>	<u>350,966</u>	<u>4,044,100</u>	<u>3,954,687</u>	<u>1,815,789</u>	<u>1,425,484</u>
Total primary government	<u>100,470,232</u>	<u>227,122,182</u>	<u>138,622,188</u>	<u>91,000,245</u>	<u>105,355,955</u>	<u>117,601,751</u>	<u>118,790,020</u>	<u>109,563,511</u>
Changes in net assets								
Governmental activities	21,530,291	154,824,687	85,893,412	82,269,812	64,800,174	76,703,975	35,879,735	(11,652,162)
Business-type activities	<u>1,248,391</u>	<u>(1,857,396)</u>	<u>(919,496)</u>	<u>1,405,169</u>	<u>(963,401)</u>	<u>(1,046,556)</u>	<u>(456,216)</u>	<u>7,798,982</u>
Total primary government	<u>\$ 22,778,682</u>	<u>\$ 152,967,291</u>	<u>\$ 84,973,916</u>	<u>\$ 83,674,981</u>	<u>\$ 63,836,773</u>	<u>\$ 75,657,419</u>	<u>\$ 35,423,519</u>	<u>\$ (3,853,180)</u>

The City of Chula Vista implemented GASB 34 for the fiscal year ended June 30, 2002. Information prior to the implementation of GASB 34 is not available. Sewer funds were converted to an enterprise fund in fiscal year 2008.

**City of Chula Vista**  
**Fund Balances of Governmental Funds**  
**Last Eight Fiscal Years**  
**(modified accrual basis of accounting)**

	Fiscal Year							
	2002	2003	2004	2005	2006	2007	2008	2009
General fund:								
Reserved	\$ 21,978,726	\$ 21,358,332	\$ 20,096,238	\$ 22,214,965	\$ 21,771,010	\$ 22,249,346	\$ 22,258,951	\$ 20,732,415
Unreserved	<u>34,340,826</u>	<u>28,694,894</u>	<u>25,191,333</u>	<u>19,287,213</u>	<u>18,114,943</u>	<u>13,252,911</u>	<u>11,817,191</u>	<u>12,417,106</u>
Total general fund	<u>56,319,552</u>	<u>50,053,226</u>	<u>45,287,571</u>	<u>41,502,178</u>	<u>39,885,953</u>	<u>35,502,257</u>	<u>34,076,142</u>	<u>33,149,521</u>
All other governmental funds:								
Reserved	73,298,604	106,439,367	98,145,262	98,226,224	64,859,111	65,710,720	26,305,432	32,847,517
Unreserved, reported in:								
Debt service funds	(41,639,285)	(28,318,787)	(39,678,141)	(40,817,038)	(42,861,708)	(44,404,278)	(43,496,817)	(46,692,600)
Capital projects funds	129,796,298	73,977,363	81,760,701	94,472,902	113,659,937	92,093,271	79,153,680	71,109,669
Special revenue funds	<u>46,650,553</u>	<u>38,423,739</u>	<u>41,395,612</u>	<u>48,987,258</u>	<u>57,893,321</u>	<u>64,843,682</u>	<u>48,033,348</u>	<u>42,565,836</u>
Total all other governmental funds	<u>\$ 208,106,170</u>	<u>\$ 190,521,682</u>	<u>\$ 181,623,434</u>	<u>\$ 200,869,346</u>	<u>\$ 193,550,661</u>	<u>\$ 178,243,395</u>	<u>\$ 109,995,643</u>	<u>\$ 99,830,422</u>

*The City of Chula Vista implemented GASB 34 for the fiscal year ended June 30, 2002. Information prior to the implementation of GASB 34 is not available. Sewer funds were converted to an enterprise fund in fiscal year 2008.*

**City of Chula Vista**  
**Changes in Fund Balances of Governmental Funds**  
**Last Eight Fiscal Years**  
**(modified accrual basis of accounting)**

	Fiscal Year							
	2002	2003	2004	2005	2006	2007	2008	2009
<b>Revenues:</b>								
Taxes	\$ 64,314,781	\$ 58,729,882	\$ 72,842,579	\$ 81,190,971	\$ 86,509,678	\$ 92,821,711	\$ 103,543,735	\$ 91,770,846
Licenses and permits	3,484,799	4,596,975	5,533,743	3,946,733	3,441,613	2,870,424	2,767,850	2,041,721
Fines and forfeitures	1,452,879	1,507,652	1,568,585	1,398,146	1,724,862	2,226,822	2,671,545	3,317,666
Investment income	20,519,517	13,874,221	5,113,371	10,199,902	7,946,878	13,570,315	10,890,132	10,103,986
Developer fees	10,639,125	25,613,027	44,032,302	22,625,331	50,551,528	24,058,397	17,318,134	9,252,547
Intergovernmental	31,307,984	31,868,289	24,600,541	43,647,460	41,847,938	36,385,796	43,962,835	39,497,983
Charges for services	35,194,542	38,994,778	44,940,117	41,850,292	43,823,886	52,694,312	15,679,753	12,435,955
Other	22,812,525	21,862,659	25,318,879	28,232,712	30,012,125	23,567,613	30,427,119	29,404,221
Total revenues	189,726,152	197,047,483	223,950,117	233,091,547	265,858,508	248,195,390	227,261,103	197,824,925
<b>Expenditures</b>								
<b>Current:</b>								
General government	34,016,579	35,884,084	38,239,086	46,054,981	49,628,483	46,904,990	49,596,883	43,640,514
Public safety	40,871,945	45,781,808	52,491,410	61,673,449	67,913,584	73,245,978	74,781,055	72,872,527
Public works	39,375,210	49,118,238	54,430,850	56,220,867	72,296,203	75,720,582	57,789,303	46,042,781
Parks and recreation	7,978,726	4,820,255	4,824,714	5,369,192	6,210,040	7,503,259	6,869,089	6,969,924
Library	6,932,684	7,803,208	7,583,333	8,957,574	9,734,444	9,660,809	8,224,897	7,199,101
Capital outlay	54,614,051	66,522,243	56,039,237	61,134,157	72,988,853	36,472,182	29,525,186	19,305,564
<b>Debt service:</b>								
Principal retirement	4,516,442	7,046,207	13,362,073	4,936,247	6,054,618	30,892,802	7,884,493	7,686,525
Interest and fiscal charges	10,217,834	9,817,072	10,910,758	12,059,211	12,260,244	12,289,908	12,224,973	12,576,939
Bond issuance cost	-	-	-	-	-	514,994	34,485	844,584
Total expenditures	198,523,471	226,793,115	237,881,461	256,405,678	297,086,469	293,205,504	246,930,364	217,138,459
Excess (deficiency) of revenues over (under) expenditures	(8,797,319)	(29,745,632)	(13,931,344)	(23,314,131)	(31,227,961)	(45,010,114)	(19,669,261)	(19,313,534)
<b>Other financing sources (uses):</b>								
Transfers in	44,485,931	43,317,265	26,894,272	84,773,947	55,698,112	53,900,545	26,104,914	50,502,425
Transfers out	(44,357,179)	(43,178,867)	(26,789,382)	(84,678,601)	(52,132,246)	(53,835,509)	(20,400,837)	(46,589,803)
Proceeds from long-term debt	-	-	-	765,000	-	-	-	665,884
Proceeds from bond sale	60,145,000	11,320,000	-	37,240,000	21,255,000	25,760,000	10,264,224	21,625,000
Payment to escrow agent trust	-	-	-	-	-	-	-	(15,110,000)
Bond premium/(bond discount)	-	-	-	35,254	-	(505,884)	-	(579,161)
Proceeds from sale of capital assets	-	-	162,551	639,050	-	-	-	-
Total other financing sources (uses)	60,273,752	11,458,398	267,441	38,774,650	24,820,866	25,319,152	15,968,301	10,514,345
<b>Extraordinary item:</b>								
Forgiveness of debt	-	(5,635,850)	-	-	-	-	-	-
Total extraordinary item	-	(5,635,850)	-	-	-	-	-	-
Net change in fund balances	\$ 51,476,433	\$ (23,923,084)	\$ (13,663,903)	\$ 15,460,519	\$ (6,407,095)	\$ (19,690,962)	\$ (3,700,960)	\$ (8,799,189)
<b>Debt service as a percentage of noncapital expenditures</b>								
	10.2%	10.5%	13.3%	8.7%	8.2%	17.0%	8.8%	10.6%

The City of Chula Vista implemented GASB 34 for the fiscal year ended June 30, 2002. Information prior to the implementation of GASB 34 is not available. 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			Taxable Assessed Value	Total Direct Tax Rate
	Secured	Unsecured	Less: Exemptions	Taxable Assessed Value <sup>1</sup>	Secured	Unsecured	Less: Exemptions <sup>2</sup>		
2000	\$ 7,854,468,090	\$ 502,416,173	\$ (268,612,195)	\$ 8,088,272,068	\$ 443,796,518	\$ 62,434,166		\$ 506,230,684	0.144%
2001	8,812,650,702	326,184,542	(296,831,109)	8,842,004,135	486,277,371	72,978,911		559,256,282	0.144%
2002	9,948,410,787	442,676,336	(262,190,235)	10,128,896,888	420,217,884	165,288,557		585,506,441	0.144%
2003	11,489,756,820	359,527,956	(303,902,966)	11,545,381,810	578,332,766	92,744,520		671,077,286	0.144%
2004	13,186,377,450	387,657,132	(349,913,333)	13,224,121,249	548,945,714	84,234,008		633,179,722	0.144%
2005	15,390,029,359	402,366,184	(426,140,493)	15,366,255,050	617,179,700	82,759,507		699,939,207	0.144%
2006	18,481,902,606	442,863,514	(452,332,435)	18,472,433,685	735,529,147	82,456,175		817,985,322	0.144%
2007	21,254,352,374	582,720,155	(496,479,594)	21,340,592,935	846,124,571	202,760,284		1,048,884,855	0.144%
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	0.144%
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	0.144%

<sup>1</sup>Includes redevelopment incremental valuation

<sup>2</sup>Redevelopment 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

**City of Chula Vista**  
**Direct and Overlapping Property Tax Rates**  
**(Rate per \$100 of assessed value)**  
**Last Ten Fiscal Years**

	Fiscal Year									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
City Direct Rates:										
City basic rate	0.144	0.144	0.144	0.144	0.144	0.144	0.144	0.144	0.144	0.144
Overlapping Rates:										
Chula Vista Elementary School District Bonds	0.025	0.025	0.024	0.026	0.027	0.028	0.027	0.027	0.020	0.018
Sweetwater Union High School District Bonds	-	-	0.025	0.022	0.020	0.018	0.023	0.020	0.047	0.046
Southwestern Community College Bonds	-	-	0.015	0.013	0.007	0.013	0.015	0.014	0.013	0.013
MWD D/S Remainder of SDCWA 15019999	0.009	0.009	0.008	0.007	0.006	0.006	0.005	0.005	0.005	0.0043
CWA South Bay Irrigation Debt Service	0.001	0.001	0.001	0.001	0.001	-	-	-	-	-
County of San Diego	<u>1.000</u>	<u>1.000</u>	<u>1.000</u>	<u>1.000</u>	<u>1.000</u>	<u>1.000</u>	<u>1.000</u>	<u>1.000</u>	<u>1.000</u>	<u>1.000</u>
Total Direct Rate	<u>1.035</u>	<u>1.035</u>	<u>1.073</u>	<u>1.069</u>	<u>1.061</u>	<u>1.065</u>	<u>1.070</u>	<u>1.066</u>	<u>1.084</u>	<u>1.081</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	2009			2000		
	Taxable Assessed Value	Rank	Percent of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percent of Total City Taxable Assessed Value
San Diego Expressway Limited	\$ 852,000,000	1	3.43%	n/a	n/a	n/a
JPB Development <sup>1</sup>	658,525,097	2	2.65%	n/a	n/a	n/a
Village II of Otay HB SUB	302,617,988	3	1.22%	n/a	n/a	n/a
Equity Residential	244,346,081	4	0.98%	n/a	n/a	n/a
Regulo Place Apartments Investor	227,230,960	5	0.92%	n/a	n/a	n/a
GGP-Otay Ranch LP	194,702,833	6	0.78%	n/a	n/a	n/a
Rohr Inc.	168,162,566	7	0.68%	n/a	n/a	n/a
Shea Homes Ltd Partnership	108,564,317	8	0.44%	n/a	n/a	n/a
Roman Catholic Bishop of San Diego	85,713,620	9	0.35%	n/a	n/a	n/a
Rancho Mesa LP	<u>85,503,816</u>	10	<u>0.34%</u>	n/a	n/a	n/a
	<u>\$ 2,927,367,278</u>		<u>11.79%</u>			

The amounts shown above include assessed value data for both the City and the Redevelopment Agency. 2000 data is not available from the County of San Diego.

<sup>1</sup> Otay Ranch has increased in value from prior periods due to further research which concluded that significant additional assessments were a part of the same taxing entity and will be included going forward.

Source: County of San Diego Property Tax Services

**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
2000	\$ 10,133,358	\$ 9,936,521	98.06%	\$ 106,647	\$ 10,043,167	99.11%
2001	11,254,079	11,069,156	98.36%	125,706	11,194,861	99.47%
2002	12,806,109	12,597,591	98.37%	96,550	12,694,141	99.13%
2003	14,293,880	14,061,319	98.37%	112,257	14,173,576	99.16%
2004	16,200,005	15,959,723	98.52%	116,784	16,076,507	99.24%
2005	18,652,193	18,324,623	98.24%	106,497	18,431,120	98.81%
2006	22,096,604	21,617,022	97.83%	162,806	21,779,829	98.57%
2007	25,159,692	24,409,063	97.02%	209,442	24,618,505	97.85%
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%

<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.

Source: County of San Diego Property Tax Services

**City of Chula Vista**  
**Ratios of Outstanding Debt by Type**  
**Last Ten Fiscal Years**

Fiscal Year Ended June 30	Governmental Activities					Percentage of Personal Income <sup>1</sup>	Debt Per Capita <sup>1</sup>
	Pension Obligation	Tax Allocation	Loans	Certificates of Participation	Total Governmental Activities		
	Bonds	Bonds					
2000	\$ 16,419,851	\$ 27,255,000	\$ 46,726,701	\$ 13,215,000	\$ 103,616,552	1.67%	\$ 631
2001	15,971,354	43,855,000	55,689,108	37,240,000	152,755,462	2.29%	880
2002	15,456,449	43,330,000	10,397,443	95,245,000	164,428,892	2.40%	905
2003	14,799,025	42,750,000	7,462,505	104,225,000	169,236,530	2.39%	885
2004	13,985,870	42,125,000	7,315,971	92,920,000	156,346,841	2.13%	779
2005	12,991,962	41,240,000	8,193,481	127,599,255	190,024,698	2.42%	910
2006	11,795,000	40,295,000	9,811,786	144,240,000	206,141,786	2.52%	949
2007	10,415,000	41,275,000	10,054,806	139,845,000	201,589,806	2.43%	902
2008	8,820,000	40,185,000	19,304,342	135,045,000	203,354,342	2.36%	895
2009	7,000,000	45,830,000	18,070,127	130,580,000	201,480,127	2.31%	874

<sup>1</sup> These ratios are calculated using personal income and population for the prior calendar year.

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		
	2000	\$ 16,420	\$ 27,255		
2001	15,971	43,855	59,826	0.68%	345
2002	15,456	43,330	58,786	0.58%	324
2003	14,799	42,750	57,549	0.50%	301
2004	13,986	42,125	56,111	0.42%	279
2005	12,992	41,240	54,232	0.35%	260
2006	11,795	40,295	52,090	0.28%	240
2007	10,415	41,275	51,690	0.24%	231
2008	8,820	40,185	49,005	0.20%	216
2009	7,000	45,830	52,830	0.21%	229

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, 2009**

2008-09 Assessed Valuation:	\$ 24,823,395,749
Redevelopment Incremental Valuation:	<u>1,167,448,745</u>
Adjusted Assessed Valuation:	\$ 23,655,947,004

	Total Debt		City's Share of
	<u>6/30/09</u>	<u>% Applicable (1)</u>	<u>Debt 6/30/09</u>
<b><u>OVERLAPPING TAX AND ASSESSMENT DEBT:</u></b>			
Metropolitan Water District	\$ 293,425,000	1.281%	\$ 3,758,774
Otay Municipal Water District, I.D. No. 27	8,395,000	99.997	8,394,748
Southwestern Community College District	84,254,962	57.014	48,037,124
Sweetwater Union High School District	347,829,415	66.740	232,141,352
Chula Vista City School District	81,050,000	87.585	70,987,643
City of Chula Vista Community Facilities Districts	240,100,000	100.	240,100,000
Sweetwater Union High School District Community Facilities Districts	198,030,108	3.978-100.	184,242,894
Chula Vista City School District Community Facilities Districts	6,790,000	100.	6,790,000
City of Chula Vista 1915 Act Bonds	34,469,386	100.	<u>34,469,386</u>
TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT			\$ 828,921,921
<b><u>DIRECT AND OVERLAPPING GENERAL FUND DEBT:</u></b>			
San Diego County General Fund Obligations	\$ 462,405,000	6.621%	\$ 30,615,835
San Diego County Pension Obligations	986,677,916	6.621	65,327,945
San Diego County Superintendent of Schools Obligations	16,395,000	6.621	1,085,513
Southwestern Community College District Certificates of Participation	1,700,000	57.014	<sup>1</sup> 969,238
Sweetwater Union High School District Certificates of Participation	12,810,000	66.740	8,549,394
Chula Vista City School District Certificates of Participation	128,975,000	87.585	112,962,754
<b>City of Chula Vista Certificates of Participation</b>	<b>130,580,000</b>	<b>100.</b>	<b>130,580,000</b>
<b>City of Chula Vista Pension Obligations</b>	<b>7,000,000</b>	<b>100.</b>	<b>7,000,000</b>
Otay Municipal Water District Certificates of Participation	63,635,000	66.375	<u>42,237,731</u>
TOTAL GROSS DIRECT AND OVERLAPPING GENERAL FUND DEBT			\$ 399,328,410
Less: Otay Municipal Water District Certificates of Participation			42,237,731
Sweetwater Union High School District QZABs supported by investment fund payments			<u>3,337,000</u>
TOTAL NET DIRECT AND OVERLAPPING GENERAL FUND DEBT			\$ 353,753,679
GROSS COMBINED TOTAL DEBT			\$ 1,228,250,331 <sup>(2)</sup>
NET COMBINED TOTAL DEBT			\$ 1,182,675,600

(1) Percentage of overlapping agency's assessed valuation located within boundaries of the city.

(2) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and tax allocation bonds and non-bonded capital lease obligations.

**Ratios to 2008-09 Assessed Valuation:**

Total Overlapping Tax and Assessment Debt.....	3.34%
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**Ratios to Adjusted Assessed Valuation:**

<b>Combined Direct Debt (\$137,580,000).....</b>	<b>0.58%</b>
Gross Combined Total Debt.....	5.19%
Net Combined Total Debt.....	5.00%

**STATE SCHOOL BUILDING AID REPAYABLE AS OF 06/30/09:** \$0

Source: California Municipal Statistics, Inc.

**City of Chula Vista**  
**Legal Debt Margin Information**  
**Last Ten Fiscal Years**

	Fiscal Year				
	2000	2001	2002	2003	2004
Assessed valuation	\$ 8,088,272,068	\$ 8,842,004,135	\$ 10,128,896,888	\$ 11,545,381,810	\$ 13,224,121,249
Conversion percentage	<u>25%</u>	<u>25%</u>	<u>25%</u>	<u>25%</u>	<u>25%</u>
Adjusted assessed valuation	2,022,068,017	2,210,501,034	2,532,224,222	2,886,345,453	3,306,030,312
Debt limit percentage	<u>15%</u>	<u>15%</u>	<u>15%</u>	<u>15%</u>	<u>15%</u>
Debt limit	303,310,203	331,575,155	379,833,633	432,951,818	495,904,547
Total net debt applicable to limit:					
Pension obligation bonds	<u>16,419,851</u>	<u>15,971,354</u>	<u>15,456,449</u>	<u>14,799,025</u>	<u>13,985,870</u>
Legal debt margin	<u>\$ 286,890,352</u>	<u>\$ 315,603,801</u>	<u>\$ 364,377,184</u>	<u>\$ 418,152,793</u>	<u>\$ 481,918,677</u>
Total debt applicable to the limit as a percentage of debt limit	5.4%	4.8%	4.1%	3.4%	2.8%

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



Fiscal Year					
2005	2006	2007	2008	2009	
\$ 15,366,255,050	\$ 18,472,433,685	\$ 21,340,592,935	\$ 24,358,502,560	\$ 24,823,395,749	
<u>25%</u>	<u>25%</u>	<u>25%</u>	<u>25%</u>	<u>25%</u>	
3,841,563,763	4,618,108,421	5,335,148,234	6,089,625,640	6,205,848,937	
<u>15%</u>	<u>15%</u>	<u>15%</u>	<u>15%</u>	<u>15%</u>	
576,234,564	692,716,263	800,272,235	913,443,846	930,877,341	
<u>12,991,962</u>	<u>11,795,000</u>	<u>10,415,000</u>	<u>8,820,000</u>	<u>7,000,000</u>	
<u>\$ 563,242,602</u>	<u>\$ 680,921,263</u>	<u>\$ 789,857,235</u>	<u>\$ 904,623,846</u>	<u>\$ 923,877,341</u>	
2.3%	1.7%	1.3%	1.0%	0.8%	

**City of Chula Vista**  
**Pledged-Revenue Coverage**  
**Last Ten Fiscal Years**

Fiscal Year Ended June 30	Tax Allocation Bonds				Coverage
	Tax Increment	Debt Service			
		Principal	Interest		
2000	\$ 6,388,669	\$ 370,000	\$ 2,179,841	2.51	
2001	7,590,243	400,000	2,477,730	2.64	
2002	7,032,187	525,000	2,980,373	2.01	
2003	7,822,428	580,000	2,943,058	2.22	
2004	10,317,573	625,000	2,902,851	2.92	
2005	8,939,444	885,000	2,855,288	2.39	
2006	10,404,880	945,000	2,797,726	2.78	
2007	11,935,618	995,000	2,735,150	3.20	
2008	13,793,329	1,090,000	1,965,103	4.51	
2009	13,781,683	870,000	1,728,722	5.30	

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



CITY OF  
**CHULA VISTA**

**City of Chula Vista**  
**Demographic and Economic Statistics**  
**Last Ten Calendar Years**

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<u>Year</u>	<u>Total Population</u>	<u>Pct. of S.D. County Population</u>	<u>Pct. Change from Previous Year</u>	<u>Median Age</u>	<u>Avg. Household Size</u>
1999	164,200	6.0%	2.9%	n/a	n/a
2000	173,556	6.2%	5.7%	33.0	2.99
2001	181,619	6.3%	4.6%	32.8	3.02
2002	191,236	6.5%	5.3%	32.8	2.95
2003	200,757	6.8%	5.0%	32.9	3.09
2004	208,802	6.9%	4.0%	33.0	3.03
2005	217,143	7.2%	4.0%	33.2	3.03
2006	223,490	7.3%	2.9%	33.4	3.05
2007	227,242	7.4%	1.7%	33.4	3.07
2008	230,397	7.4%	1.4%	33.3	3.12

Sources: SANDAG, Current Estimates (Oct. 2009)  
California Department of Finance  
California Employment Development Department  
U.S. Census Bureau, Census 2000 and American Community Survey  
U.S. Bureau of Economic Analysis

Note: Dollar values are inflation-adjusted to 2008

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<u>Educational Attainment</u>						Per Capita Personal Income
<u>% High School Graduate</u>	<u>% Bachelor's Degree or Higher</u>	<u>Pct. Below Poverty</u>	<u>Unemployment Rate</u>	<u>Personal Income (In Thousands)</u>		
n/a	n/a	n/a	n/a	\$ 6,206,500	\$	37,800
79.0%	22.0%	11.0%	4.6%	6,659,900		38,370
n/a	n/a	n/a	4.9%	6,852,900		37,730
n/a	n/a	n/a	6.1%	7,094,100		37,100
n/a	n/a	n/a	6.1%	7,336,500		36,540
n/a	n/a	n/a	5.6%	7,858,600		37,640
79.0%	25.0%	9.1%	5.1%	8,172,500		37,640
82.0%	24.0%	11.0%	4.7%	8,292,000		37,100
80.0%	25.0%	9.1%	5.4%	8,621,600		37,940
81.0%	26.0%	8.5%	7.0%	8,720,800		37,850

**City of Chula Vista  
Principal Employers  
Current Year and Nine Years Ago**

Employer	2009		2000 <sup>1</sup>	
	Number of Employees	Percent of Total Employment	Number of Employees	Percent of Total Employment
Sweetwater Union High School District	4,435	9.45%	n/a	n/a
Chula Vista Elementary School District	2,753	5.86%	n/a	n/a
Southwestern Community College	2,400	5.11%	n/a	n/a
Rohr Inc/Goodrich Aerospace	1,903	4.05%	n/a	n/a
Sharp Chula Vista Medical Center	1,799	2.88%	n/a	n/a
City of Chula Vista	1,350	3.83%	n/a	n/a
Scripps Mercy Hospital Chula Vista	1,079	2.30%	n/a	n/a
Wal-Mart	950	2.02%	n/a	n/a
United Parcel Service	627	1.34%	n/a	n/a
Target	604	1.29%	n/a	n/a

<sup>1</sup> 2000 data is not available

"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 Human Resources Department  
Chula Vista Elementary School District Human Resources Department  
Southwestern Community College Human Resources Department

**City of Chula Vista**  
**Full-time and Part-time City Employees**  
**by Function**  
**Last Ten Fiscal Years**

<u>Function</u>	<u>Full-Time and Part-time Employees as of June 30</u>									
	<u>2000</u> <sup>1</sup>	<u>2001</u> <sup>1</sup>	<u>2002</u> <sup>1</sup>	<u>2003</u>	<u>2004</u> <sup>2</sup>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
General government	103	105	98	225	465	193	380	324	302	272
Public safety	309	327	362	413	480	528	518	548	504	476
Public works/engr	230	249	269	295	249	335	198	237	188	181
Parks and recreation	495	529	559	162	-	175	230	242	223	169
Library	-	-	-	216	182	217	252	227	196	189
Planning and building	74	84	92	92	99	91	97	83	68	63
Total	<u>1,211</u>	<u>1,294</u>	<u>1,380</u>	<u>1,403</u>	<u>1,475</u>	<u>1,539</u>	<u>1,675</u>	<u>1,661</u>	<u>1,481</u>	<u>1,350</u>

<sup>1</sup> Library employee count included in Parks and Recreation count

<sup>2</sup> Parks and Recreation employee count included in General Government count

Source: City Finance Department

**City of Chula Vista**  
**Operating Indicators**  
**by Function**  
**Last Ten Fiscal Years**

	Fiscal Year			
	2000	2001	2002	2003
Police:				
Citizen-initiated calls for service	76,738	73,977	71,859	71,268
Fire:				
Number of emergency calls <sup>1</sup>	6,654	7,128	7,626	8,088
Inspections	n/a	n/a	n/a	n/a
Public works:				
Street resurfacing/maintenance <sup>2</sup> (square feet)	142,622.2	307,619.5	151,576.5	218,632.1
Parks and recreation:				
Number of recreation classes	1,076	1,136	1,126	2,261
Number of facility rentals	n/a	762	1,096	897
Library:				
Circulation	1,198,645	1,192,670	1,268,587	1,308,148
Attendance	965,406	1,209,986	1,009,061	1,044,755
Sewer:				
New connections	1,633	2,314	2,464	2,652
Average daily sewage treatment (millions of gallons)	14.3	15.0	15.2	16.3

<sup>1</sup> Figure for 2005 represents the calendar year instead of fiscal year.

<sup>2</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



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Fiscal Year					
2004	2005	2006	2007	2008	2009
71,000	74,106	73,075	74,277	74,192	70,051
8,420	9,907	n/a	14,853	14,548	14,983
n/a	n/a	1,780	2,119	n/a	3,676
252,788.5	142,863.8	230,598.4	157,903.0	77,507.2	108,745.0
1,819	1,709	1,821	2,231	2,575	2,149
402	680	610	855	1,217	969
1,308,709	1,414,295	1,467,799	1,344,115	1,265,720	1,160,139
1,070,560	1,121,119	1,170,168	1,148,024	1,296,245	820,243
2,480	1,934	488	529	165	468
15.8	17.0	16.9	17.0	16.8	16.5

**City of Chula Vista  
Capital Asset Statistics  
by Function  
Last Ten Fiscal Years**

	Fiscal Year					Fiscal Year				
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Fire:										
Fire stations	6	6	7	7	7	8	9	9	9	9
Public works:										
Streets (miles)	n/a	n/a	356.2	358.8	370.9	373.8	387.3	403.3	416.9	421.0
Streetlights	n/a	n/a	7,107	7,547	8,047	8,368	8,501	8,953	9,013	9,026
Traffic signals	149	152	161	170	188	199	220	238	253	267
Parks and recreation:										
Community parks	6	6	6	6	6	6	9	9	9	9
Recreation facilities	8	8	8	9	9	9	12	12	12	11
Library:										
Libraries	2	2	2	2	2	2	2	2	2	2
Sewer:										
Sewer pipes (miles)	n/a	n/a	338.6	428.2	448.1	455.8	471.3	484.2	493.8	496.5
Storm drains (miles)	n/a	n/a	173.0	182.3	191.9	219.9	228.6	234.0	244.7	245.3
Maximum daily treatment capacity (millions of gallons)	19.8	19.8	19.8	19.8	19.8	20.9	20.9	20.9	20.9	20.9

Note: Data is not available for the fiscal years marked as n/a

Source: City of Chula Vista