

Comprehensive Annual Financial Report

for the year ended
June 30, 2013



CITY OF
CHULA VISTA

California



Comprehensive Annual Financial Report

*For The Fiscal Year Ended
June 30, 2013*

Mayor
Cheryl Cox

City Council

Rudy Ramirez
Patricia Aguilar
Pamela Bensoussan
Mary Salas

City Manager
Jim Sandoval

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

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Comprehensive Annual Financial Report
For the year ended June 30, 2013**

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CITY OF
CHULA VISTA



Finance Department

December 20, 2013

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

The audited Comprehensive Annual Financial Report (CAFR) of the City of Chula Vista for the fiscal year ended June 30, 2013 is hereby submitted to you. The City compiles and prepares the annual financial report to provide interested parties with reliable information concerning the financial condition and results of operations for the City.

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

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

The City of Chula Vista is required to undergo an annual single audit in conformity with the provisions of the Revised Single Audit Act of 1996 and the United States Office of Management and Budget's Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Information related to this single audit, including a schedule of expenditures of federal awards, along with the independent auditors' reports on internal controls and compliance with applicable laws, can be found in a separately issued single audit report.

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

Profile of the Government

The City of Chula Vista is located in San Diego County with its western border adjacent to San Diego Bay, 8 miles south of Downtown San Diego and 7 miles north of the Mexican border. The City encompasses 50 square miles.

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

Local Economy and Prospects for the Future

Chula Vista residents enjoy all the benefits of a major city along with small town friendliness, affordable housing and near perfect weather. The most recent data available from the San Diego Association of Governments (SANDAG) estimates that the median income in Chula Vista is \$69,304.

The City of Chula Vista, with a population of approximately 251,613, is the second largest community in San Diego County. SANDAG projects that the City of Chula Vista will reach a population of approximately 316,467 by the year 2040. 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 20 years, primarily through new development in the eastern portion of the City.

Long-Term Financial Planning:

The City periodically updates a 5-Year General Fund Financial Forecast. The purpose of this plan is to analyze current revenue sources to determine if relevant assumptions need to be updated when projecting potential revenue growth over time. Operational expenditures are also examined to estimate cost increases over time due to inflation, increased service demands, and other factors. The goal of the 5-year financial forecast is to match the availability of revenues to service demands over time, and make adjustments to budgetary and financial plans accordingly.

During fiscal year 2013, the Finance Department updated the General Fund 5-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 due to increases in the City's CalPERS rates. 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.

Internal Control

The City has developed and put into place systems of internal controls over various accounting and transaction processing functions. Management of the City is responsible for establishing and maintaining the internal control structure. This structure is designed to ensure that the assets of the City are protected from loss, theft, or misuse. These controls are also in place to ensure that adequate accounting

information is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The idea of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of cost and benefits requires estimates and judgments by management.

Budgetary Controls

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

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

Independent Audit

Each year the City has an audit performed by an independent certified public accounting firm. This year the audit was performed by the firm of Pun & McGeady, LLP. The auditors also conducted a "single audit" designed to meet the requirements of the federal Revised Single Audit Act of 1996 and the related U.S. Office of Management and Budget's Circular A-133. The auditor's report on the basic financial statements can be found in the financial section of this report.

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

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Vista for its Comprehensive Annual Financial Report for the year ended June 30, 2012. This was the 13th consecutive year that the City has received this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized Comprehensive Annual Financial Report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

Acknowledgments

The preparation of this Comprehensive Annual Financial Report could not have been accomplished without the efficient and dedicated services of the entire finance staff throughout the fiscal year. We

would like to thank all of those individuals who assisted and contributed to the preparation of this report. Credit must also be given to the Mayor and City Council, along with the City Manager, for their continued interest in planning and conducting the operations of the City of Chula Vista in a responsible and progressive manner.

Respectfully submitted,

A handwritten signature in black ink that reads "Maria Kachadoorian". The signature is written in a cursive style with a large initial "M".

Maria Kachadoorian

Director of Finance/Treasurer

**City of Chula Vista
List of City Officials
June 30, 2013**

City Council

Cheryl Cox	Mayor
Pamela Bensoussan	Deputy Mayor
Patricia Aguilar	Councilmember
Rudy Ramirez	Councilmember
Mary Salas	Councilmember

Administration

James Sandoval	City Manager
Gary Halbert	Assistant City Manager
Kelley Bacon	Deputy City Manager/Director of Human Resources & information Technology Services
Glen Goggins	City Attorney
Donna Norris	City Clerk

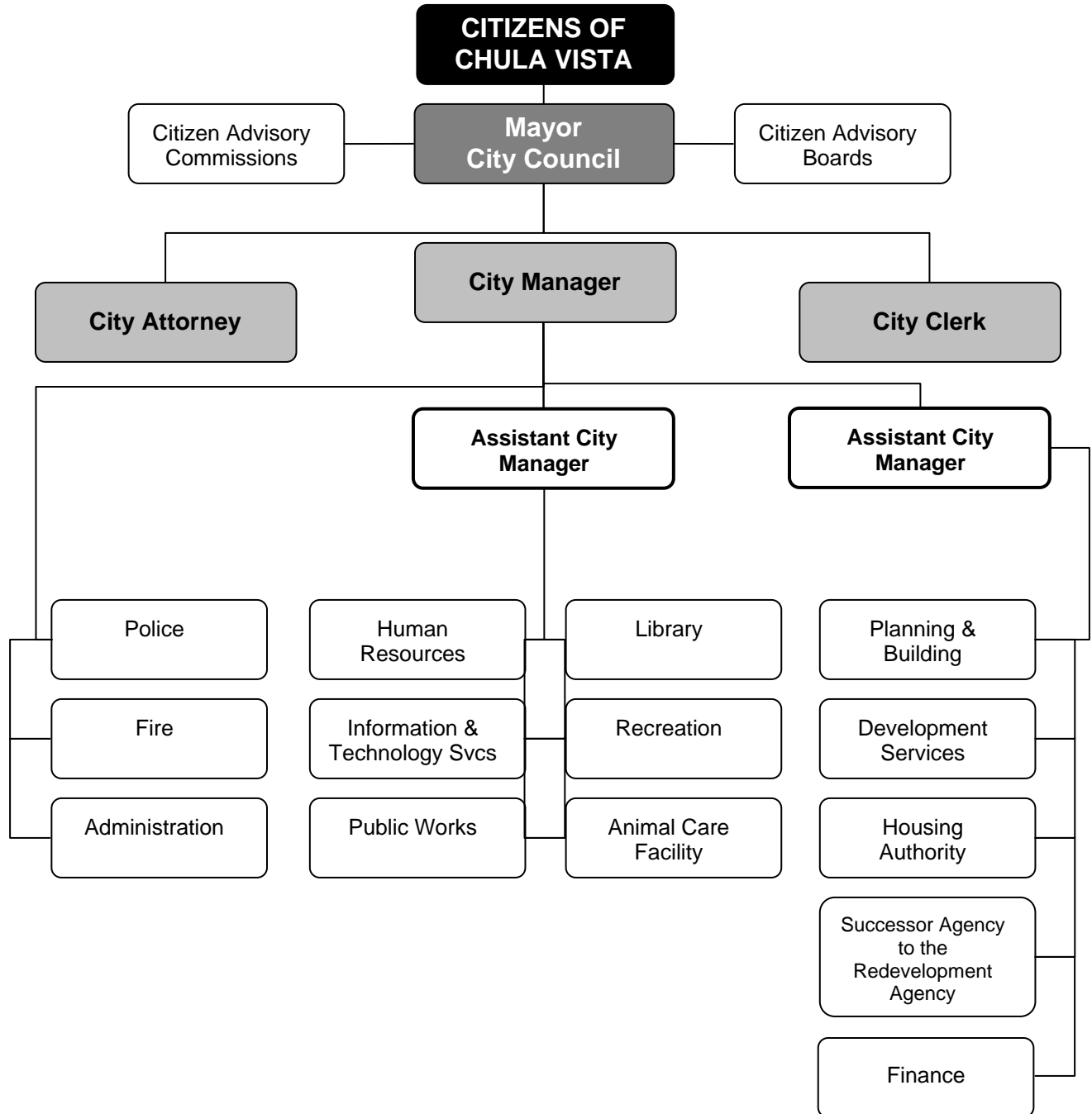
Department Heads

David Bejarano	Chief of Police
Kelly Broughton	Director of Development Services
Dave Hanneman	Fire Chief
Richard Hopkins	Director of Public Works
Maria Kachadoorian	Director of Finance/Treasurer
Betty Waznis	Director of Library & Recreation
Michael Meacham	Director of Economic Development



CITY OF CHULA VISTA

ORGANIZATION CHART





Government Finance Officers Association

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

Presented to

**City of Chula Vista
California**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2012

Executive Director/CEO



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Suite 220
San Diego, California 92122

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INDEPENDENT AUDITORS' REPORT

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

Report on Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Chula Vista, California (the "City"), as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to previously 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, 2013, and the respective changes in financial position, and where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Budgetary Comparison Schedules, and Schedules of Funding Progress on pages 7 through 20 and 93 through 99 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the Required Supplementary Information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The Introductory Section, Combining and Individual Nonmajor Fund Financial Statements and Budgetary Comparison Schedules, and Statistical Section, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

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

To the Honorable Mayor and Members of the City Council
of the City of Chula Vista
Chula Vista, California
Page 3

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 20, 2013, 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* in considering the City's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Paul J. McGeady LLP". The signature is written in a cursive style with a large initial "P" and "M".

San Diego, California
December 20, 2013

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

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, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Chula Vista, California (the "City"), as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated December 20, 2013.

Internal Control Over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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



Handwritten signature: Ron $\frac{1}{2}$ Mc Geady LLP

San Diego, California
December 20, 2013

**CITY OF CHULA VISTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2013**

As management of the City of Chula Vista, we are presenting the readers of this annual financial report a narrative overview and analysis of the financial activities of the City of Chula Vista for the fiscal year ended June 30, 2013. We encourage the readers of this document to consider the information presented here in conjunction with additional information furnished in the letter of transmittal found in the introductory section of this annual report.

FINANCIAL HIGHLIGHTS

The following outlines financial highlights for the year:

1. The assets of the City exceeded its liabilities at June 30, 2013 by \$988.3 million (net assets). Of this amount, \$205.8 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 position is \$22.3 million higher for governmental activities than last fiscal year, an increase of 25.4%. For business type activities, unrestricted net position is \$6.9 million higher than the previous year, an 8% increase.
3. The City's total net position decreased by \$6.2 million in fiscal year 2013. Net assets of governmental activities decreased by \$7.5 million, while net assets of the business type activities increased by \$1.3 million.
4. The City's governmental funds reported combined ending fund balances of \$122.2 million, an increase of \$4.5 million.
5. Total citywide liabilities increased by \$5.5 million. Liabilities for governmental activities increased by \$4.5 million and business-type activities increased by \$1.0 million.
6. The City's total long-term debt obligations had a net decrease of \$2.9 million or 2.0% during fiscal year 2013. The decrease is composed of principal reductions (\$5.1 million) and a City issued notes payable of \$2.2 million for an energy conservation project financed through the Bank of America.
7. The unassigned fund balance of the General Fund on June 30, 2013 was \$10.8 million or 8.8 percent of fiscal year 2012-13 General Fund expenditures (excluding other financing uses).
8. The City continues to record deferred revenue for collections of the City's Utility User Tax that is related to wireless telecommunications. Deferral of this revenue results in a \$4.1 million reduction in UUT revenues that were received but not recognized in fiscal year 2012-13. Recognizing this revenue in the future will be contingent upon the outcome of lawsuits related to the Utility User Tax.

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.

CITY OF CHULA VISTA
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
FOR THE YEAR ENDED JUNE 30, 2013

Government-Wide Financial Statements

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

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

The *Statement of Activities and Changes in Net Position* presents information showing how the government's net position changed during the fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g. uncollected taxes and earned but unused vacation leave). Both of the above financial statements have separate sections for three different types of 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.

Fund Financial Statements and Major Component Unit Financial Statements

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

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

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

**CITY OF CHULA VISTA
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
FOR THE YEAR ENDED JUNE 30, 2013**

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-two 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 balance. Information for the City's remaining governmental funds are combined into a single, aggregated "Other Governmental Funds" column. Individual fund data for each of these non-major governmental funds is provided in the supplementary information portion of the report.

Proprietary Funds – The City maintains two different types of proprietary funds - enterprise funds and internal service funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses an enterprise fund to account for its Sewer, Development Services and Transit activities. Internal service funds are used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for its 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 government-wide financial statements.

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

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

Notes to the Financial Statements

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

Required Supplementary Information

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net Position

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City of Chula Vista, combined net position (government and business type activities) totaled \$988.3 million at the close of the fiscal year ending June 30, 2013. This is a decrease of \$6.2 million when compared to the prior year. All of the decrease occurred in the City's governmental funds (\$7.5 million) and was offset by a \$1.3 million increase in business-type activities. On the following page is a summary schedule showing the components that make up the City's net position at June 30, 2013 and 2012.

CITY OF CHULA VISTA
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
FOR THE YEAR ENDED JUNE 30, 2013

City of Chula Vista
Net Position
Fiscal Year Ending June 30

	Governmental Activities		Business-Type Activities		Total	
	2013	2012	2013	2012	2013	2012
Current Assets	\$ 167,732,385	\$ 158,958,705	\$ 80,712,296	\$ 73,026,060	\$ 248,444,681	\$ 231,984,765
Non-Current Assets	43,146,245	41,033,397	14,516,516	14,293,954	57,662,761	55,327,351
Capital Assets	769,034,178	782,926,138	134,661,254	140,248,319	903,695,432	923,174,457
Total Assets	979,912,808	982,918,240	229,890,066	227,568,333	1,209,802,874	1,210,486,573
Current Liabilities	45,493,875	38,804,245	1,678,341	603,803	47,172,216	39,408,048
Non-Current Liabilities	174,167,681	176,380,958	148,726	194,884	174,316,407	176,575,842
Total Liabilities	219,661,556	215,185,203	1,827,067	798,687	221,488,623	215,983,890
Net Position						
Net Investment in						
Capital Assets	626,476,481	655,182,727	134,661,254	140,249,380	761,137,735	795,432,107
Restricted	21,888,309	22,929,586	-	-	21,888,309	22,929,586
Unrestricted	111,886,462	89,620,724	93,401,745	86,520,266	205,288,207	176,140,990
Total Net Position	\$ 760,251,252	\$ 767,733,037	\$ 228,062,999	\$ 226,769,646	\$ 988,314,251	\$ 994,502,683

As the table shows, an amount of \$761.1 million is reported as invested in capital assets (e.g. land, streets, sewers, buildings, improvements, equipment and work in progress), less any related debt used to acquire those assets that are still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Additional portions of the City's net assets are restricted (\$21.9 million or 2.2%) and represent resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets of \$205.3 million may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the fiscal year, the City was able to report overall 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.

Changes in Net Position

The statement of net position provides a snapshot at a given point in time of the assets and liabilities of the City. The other citywide statement provided is the *Statement of Activities and Changes in Net Position*. This statement provides the reader with information regarding the revenues, expenses and changes in net position over the fiscal year. Generally, all changes to the City's net position from one fiscal year to the next flow through the Statement of Activities. The City's net position has decreased by \$6.2 million or 0.6%, from the prior fiscal year. The net position of governmental activities has decreased by \$7.5 million, while the net position of the business type activities increased by \$1.3 million.

CITY OF CHULA VISTA
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
FOR THE YEAR ENDED JUNE 30, 2013

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

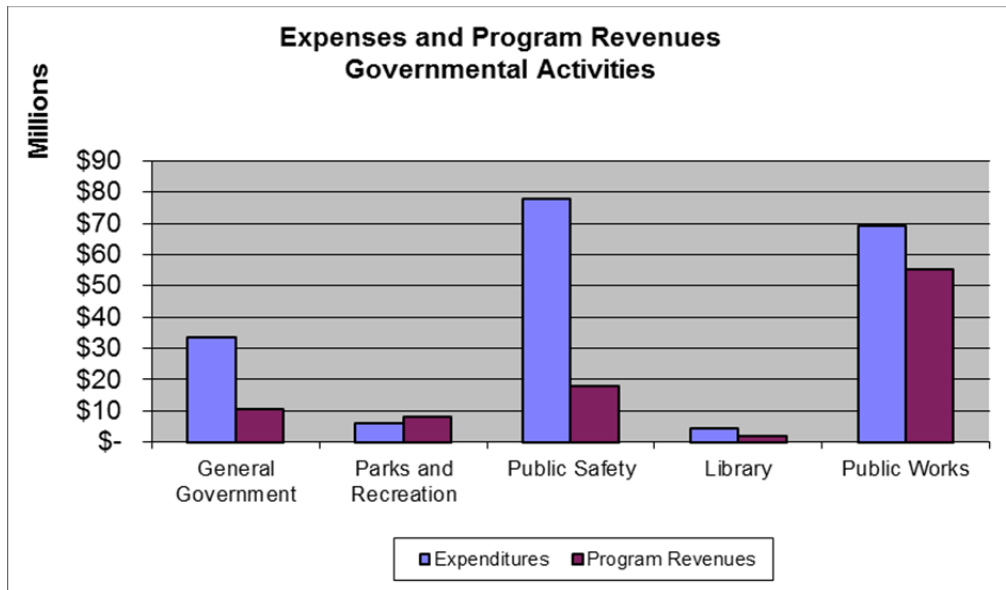
	Governmental Activities		Business-Type Activities		Total	
	2013	2012	2013	2012	2013	2012
Revenues:						
Program Revenues:						
Charges for Services	59,746,716	51,273,789	\$ 45,152,163	\$ 39,591,997	\$ 104,898,879	\$ 90,865,786
Operating Grants & Contributions	30,935,863	21,780,868	3,095,626	3,524,426	34,031,489	25,305,294
Capital Grants & Contributions	2,936,133	4,283,855	-	-	2,936,133	4,283,855
General Revenues:						
Property Taxes	45,146,022	49,721,604			45,146,022	49,721,604
Sales Taxes	28,627,785	27,275,753			28,627,785	27,275,753
Franchise Taxes	9,266,768	8,400,178			9,266,768	8,400,178
Utility User Taxes	4,428,794	3,465,136			4,428,794	3,465,136
Business License Taxes	1,260,622	1,169,307			1,260,622	1,169,307
Transient Occupancy Taxes	2,471,252	2,295,675			2,471,252	2,295,675
Property Transfer Taxes	1,125,252	779,981			1,125,252	779,981
Construction Taxes	413,552	321,252			413,552	321,252
Investment Earnings	866,861	3,615,266	261,354	1,273,689	1,128,215	4,888,955
Miscellaneous	2,034,895	1,530,568	340,888	2,326,442	2,375,783	3,857,010
Transfer from Successor Agency	239,320	-			239,320	-
Gain (Loss) Disposal of Capital Assets	82,587	-	9,021	10,905	91,608	10,905
Total Revenues	189,582,422	175,913,233	48,859,052	46,727,459	238,441,474	222,640,692
Expenses						
General Government	\$ 33,652,891	\$ 22,508,977			\$ 33,652,891	22,508,977
Public Safety	77,821,520	75,931,086			77,821,520	75,931,086
Public Works	69,297,402	76,458,061			69,297,402	76,458,061
Parks and Recreation	5,865,192	7,310,312			5,865,192	7,310,312
Library	4,224,568	4,185,624			4,224,568	4,185,624
Transit	14,560	63,021			14,560	63,021
Interest on Long-Term Debt	6,698,509	8,904,275			6,698,509	8,904,275
Sewer Funds			30,773,712	30,524,851	30,773,712	30,524,851
Transit			6,997,488	7,050,673	6,997,488	7,050,673
Bayfront Trolley Station			92,843	91,942	92,843	91,942
Sewer DIFs			122,927	129,351	122,927	129,351
Development Services Fund			5,717,312	4,730,599	5,717,312	4,730,599
Total Expenses	197,574,642	195,361,356	43,704,282	42,527,416	241,278,924	237,888,772
Increase/(Decrease) in Net Position Before Transfers	(7,992,220)	(19,448,123)	5,154,770	4,200,043	(2,837,450)	(15,248,080)
Transfers	3,861,417	4,195,190	(3,861,417)	(4,195,190)	-	-
Extraordinary Gain (Loss)	-	28,677,153			-	28,677,153
Change in Net Position	(4,130,803)	13,424,220	1,293,353	4,853	(2,837,450)	13,429,073
Net Position, Beginning of Year - Restated	764,382,055	754,308,817	226,769,646	226,764,793	991,151,701	981,073,610
Net Position, End of Year	\$ 760,251,252	\$ 767,733,037	\$ 228,062,999	\$ 226,769,646	\$ 988,314,251	\$ 994,502,683

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

Governmental Activities

Governmental activities decreased the City's net position by \$7.5 million thereby accounting for all of the City's decrease in net position. The City received a total of \$93.6 million in Program Revenues for the year an increase of \$16.3 million from the previous year. A comparison of the cost of services by function for the City's governmental activities is shown in the table below, along with the program revenues used to cover the net expenses of the governmental activities. A discussion of Program Revenues follows.

**CITY OF CHULA VISTA
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
FOR THE YEAR ENDED JUNE 30, 2013**



Total program revenues from governmental activities were \$93.4 million in fiscal year 2012-13. 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.

Charges for Services had a net increase of \$8.5 million for governmental activities when compared to the previous year. Some of the more noteworthy changes in the charges for services category are explained below:

- General Government had a net decrease of \$160,012 when compared to the prior year. It was status quo for this component of Charges for Service. The explanation is there were minor increases and decreases for staff time reimbursements. The biggest decrease was the loss of \$222,470 of reimbursements from the former Redevelopment Agency.
- Public Safety had a modest increase of \$235,052 million when compared to the prior year. There were minor increases in State Grants (\$0.1 million), reimbursements from the Port District (\$0.2 million) and Reimbursement from Other Agencies ((\$0.1 million) for the use of the City's jail. The primary decrease in revenues was for reimbursements from the Judge and HIDTA task forces (\$0.2 million).
- Public Works had an increase of \$3.0 million from the prior year. The major factors for the increase are due to increased building permit activity and collection of development impact fees for the Transportation Fee (\$1.2 million), Corporation Yard fee (\$0.2 million) and Traffic Signal Fee (\$0.1 million). There were higher tax levies for the City's open space districts (\$0.5 million) and an increase in reimbursements for staff time (\$0.5 million).
- Parks and Recreation had an increase of \$4.6 million from the prior year due to increased building permit activity in the City that resulted in higher collections of development impact fees for the Park Acquisition and Development fee (\$3.9 million) and Recreation component (\$0.5 million) of the Public Facilities fee. In addition, there was higher recreation fees (\$0.2 million) collected during the year.
- Library activities resulted in an increase of \$0.8 million from the prior year due to increased building permit activity in the City that resulted in higher collections of development impact fees for the Library component (\$0.8 million) of the Public Facilities Development Impact Fee fund.

CITY OF CHULA VISTA
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
FOR THE YEAR ENDED JUNE 30, 2013

Operating Grants and Contributions for governmental activities showed an increase of \$9.2 million from the previous fiscal year. The material items that make up most of the change are as follows.

- General Government had increased revenues of \$0.6 million over the prior year. Half of the increase is accounted for by two new grants that the city received – Be the Change (\$40,000) and San Diego Neighborhood Reinvestment (\$258,000) and the other half coming in the area of Community Development Block Grant money (\$0.3 million).
- Public Safety decreased by \$0.7 million from the prior year. The biggest single reduction when compared to the prior fiscal year was in the grant monies received from the American Recovery and Reinvestment Act (ARRA) (\$1.8 million) in fiscal year 2012. The ARRA program was terminated by the federal government in fiscal year 2012. The reduction in ARRA funds was offset by an increase in other Federal and State grants (\$0.6 million), an increase in Asset Seizure Funds (\$0.2 million) and contributions from American Medical Response to support Basic/Advanced Life Support programs in the Fire Department (\$0.2 million).
- Public Works category increased by \$9.1 million when compared to the prior year. The largest increase in this category was related to the San Diego County Transportation Sales Tax which adds 0.25% to the sales tax rate and is to be used for transportation projects (\$3.3 million). The next largest increase was in the Gas Tax funds (\$2.1 million) that are used for road improvement and maintenance. The City issued a Qualified Energy Conservation Bond during the year for a streetlight retrofit that replaced bulbs with longer-life LED bulbs (\$2.2 million). The City received increased state and federal grant funding for energy and conservation projects (\$1.0 million).
- Parks and Recreation category saw an increase of \$0.2 million from the previous fiscal year. All of the increase is provided by various donations received from community groups, CDBG funded activities and local grants for learn-to-swim programs.
- Library category showed a decrease of \$3,141 in this category. The Library received \$90,827 in this category which was for donations. Prior year revenues were \$93,968.

Capital Grants and Contributions for governmental activities had a decrease of \$1.3 million. The major components of this change are discussed below.

- General Government had reduced revenues of \$14,367 when compared to the prior year.
- Public Safety realized \$0.1 more in revenue when compared to the previous fiscal year due to receiving a federal grant that was used to upgrade the police department's crime lab.
- The Public Works component accounts for all of the decrease in Capital Grants and Contributions. This component had a decrease in revenues of \$1.8 million. The State ceased funding for the Proposition 42 Traffic Congestion Relief program (\$1.0 million) and the Proposition 1B Highway funds (\$1.4 million). The City expended all of its grant funds in the previous fiscal year that was used for bike paths (\$0.1 million) and did not receive any funds for this activity in fiscal year 2013.

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 \$96.4 million in fiscal year 2012-13. The largest percentage of general revenues received during the year for governmental activities were taxes of \$93.2 million, which included Property Taxes of \$45.1 million and Sales Taxes of \$28.6 million.

The City's General Revenues decreased as a whole by \$2.7 million when compared to the prior fiscal year. Despite the overall decrease in General Revenues there is good news in the details. As seen in the chart below, most of the discretionary revenues saw increases indicating that the City is continuing in its recovery from the recession and housing crisis.

**CITY OF CHULA VISTA
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
FOR THE YEAR ENDED JUNE 30, 2013**

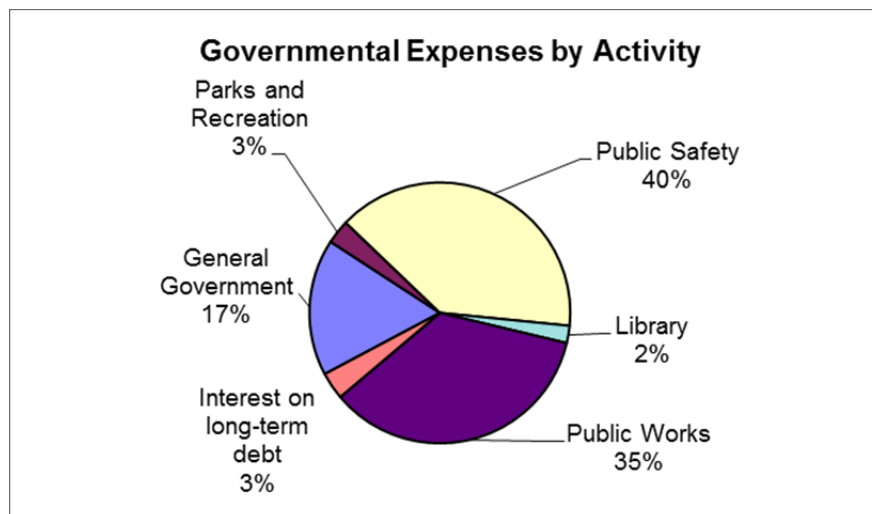
**General Revenues
as of June 30**

	2013	2012	Increase/ (Decrease)
Property Taxes	45,146,022	49,721,604	(4,575,582)
Sales Taxes	28,627,785	27,275,753	1,352,032
Franchise Taxes	9,266,768	8,400,178	866,590
Utility User Taxes	4,428,794	3,465,136	963,658
Business License Taxes	1,260,622	1,169,307	91,315
Transient Occupancy Taxes	2,471,252	2,295,675	175,577
Property Transfer Taxes	1,125,252	779,891	345,361
Construction Taxes	413,552	321,252	92,300
Investment Earnings	866,861	3,615,266	(2,748,405)
Transfer from Successor Agency	239,320	-	239,320
Miscellaneous	2,034,895	1,535,331	499,564
Total General Revenues	95,881,123	98,579,393	(2,698,270)

The reductions in property taxes are attributable to the dissolution of the redevelopment agency and receiving only enough property tax to pay for the former redevelopment agency's enforceable obligations. The loss of investment earnings is due to the current low interest environment. In addition, the General Fund was not able to collect on any of the outstanding loans to the former Redevelopment Agency and therefore did not realize interest that it is earning on the outstanding loans.

The City has prudently been recording deferred revenue for collections of the City's Utility User Tax that is related to wireless telecommunications. Deferral of this revenue results in a \$4.1 million reduction in UUT revenues that were received but not recognized in fiscal year 2012-13. Recognizing this revenue in the future will be contingent upon the outcome of lawsuits related to the Utility User Tax.

Total governmental activity type expenses were \$197.4 million in fiscal year 2012-13. The largest expenses were incurred for Public Safety, Public Works and General Government. These three activities combined account for 91.5% 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
MANAGEMENT’S DISCUSSION AND ANALYSIS (Continued)
FOR THE YEAR ENDED JUNE 30, 2013

Business Type Activities

Net position for business-type activities was \$228.1 million, an increase of \$1.3 million from the prior fiscal year. Overall expenses for the business-type activities showed a \$1.2 million increase over the previous year. The increase is due largely to an increase in staffing for the Development Services Fund (\$1.0 million) as building activity in the City continues to increase. The remaining increase is accounted for in Sewer Fund related activities (\$248,861) and a drop in expenses for Transit related activities of \$53,185.

Total program revenues for business-type activities were \$48.2 million and are composed of sewer fees (\$35.0 million), bus fares (\$2.8 million) and development fees (7.3 million). The Metropolitan Transit System, whom the City contracts with to provide transit service, provides a subsidy to make the City whole and is considered an operating grant (\$3.1 million). Total expenses for the business-type activities were \$43.7 million and were for expenses related to Sewer (\$30.8 million), Transit Operations (\$7.1 million) and processing of development permits and plans (\$5.8 million).

FUND LEVEL FINANCIAL ANALYSIS

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

Governmental Funds

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

General Fund – The General fund is used to account for the general operations of the City. It is used to account for all financial resources, except those required to be accounted for in another fund. The General Fund is always reported as a “major fund”. For the fiscal year, the General Fund reported \$121.4 million in revenues and \$122.8 million in expenditures, resulting in revenues under expenditures in the amount of \$1.4 million. After accounting for net other financing sources of \$4.7 million, General Fund fund balance increased by \$3.3 million. Total fund balance at June 30, 2013 was \$28.0 million, composed of \$49.1 million in assets combined with \$21.2 million in liabilities. Total fund balance included \$7.5 million of nonspendable or restricted fund balance, which represents that portion of fund balance that is not available for appropriation. Committed fund balance totaled \$4.4 million. This portion of fund balance includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the City Council, and remains binding unless removed in the same manner. Restricted fund balance is \$0.8 million and represents the portion of fund balance that reflects constraints placed on the use of resources that are externally imposed by creditors, grantors, contributors, or laws or regulations of other governments. Assigned fund balance, totaling \$6.6 million represents that portion of a fund balance that includes amounts that are constrained by the government’s intent to be used for specific purposes, but that are neither restricted nor committed. The City Council has delegated its authority to assign fund balance amounts to the City’s Director of Finance. The final component of total fund balance is unassigned fund balance. Totaling \$10.8 million, this is the portion of fund balance that is available for appropriation for any purpose. Unassigned fund balance represents 8.8% of total fiscal year 2012-13 General Fund expenditures.

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

CITY OF CHULA VISTA
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
FOR THE YEAR ENDED JUNE 30, 2013

The Sundry Grants Fund had total revenues of \$13.6 million and expenditures of \$16.7 million, resulting in revenues under expenditures in the amount of negative \$3.1 million. The Sundry Grants Fund equity decreased by \$1.8 million for the fiscal year after accounting for net other financing sources of \$1.3 million. Fund equity decreased due to the use of Sundry Grants reserves that had been collected in previous years but not spent until fiscal year 2012-13. Total fund balance at June 30, 2013 was \$5.1 million composed of nonspendable (\$3.0 million) and restricted (\$2.1 million) fund balance.

Low and Moderate Income Housing Successor Special Revenue Fund - The California legislature voted to end redevelopment agencies on February 1, 2012. This fund was created mid-year as a result of the dissolution process and was formerly known as the Low and Moderate Income Housing Fund. The City opted to become the Successor Agency to the Redevelopment Agency and to the Low and Moderate Housing Successor. For the year, this fund had revenues of \$1.0 million composed primarily of interest earnings, property rentals and loan repayments from affordable housing projects. Housing expenditure activities totaled \$0.1 million and were primarily for administrative costs that include city staff time reimbursements and a consultant to educate low income families on home ownership. Total fund balance as of June 30, 2013 was \$7.9 million composed of nonspendable (\$5.6 million) and restricted (\$2.3 million) fund balance.

City Debt Service Fund – This fund was established to account for the principal and interest payments on the City's interfund debt. At June 30, 2013, this fund had a fund balance of negative \$37.0 million. The unassigned fund balance decreased by \$0.3 million due to the payment of principal and interest on outstanding loans.

Development Impact Fee 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.

Total revenues for this fund totaled \$9.3 million with \$9.6 million attributable to building permit fees. Per GASB 31, the fair market value of investments for this fund had a write down of \$350,532 that offset the interest earnings of the fund. Other revenues of \$71,902 were for a refund from the State Department of Transportation for a bridge widening project. Expenditures totaled \$3.1 million comprised of mostly activity in the Transportation DIF in which \$2.7 million was spent on four major projects. The projects are the Otay Lakes Road widening, Willow Street Bridge widening, Heritage Road Bridge reconstruction and Rock Mountain Road overpass. Other expenditures in the Transportation DIF totaling \$0.2 million were for transportation planning and traffic calming projects. The Public Facilities DIF had staff time reimbursements of \$0.2 million. Total fund balance increased by \$2.0 million for the year. At June 30, 2013 this fund had a fund balance totaling \$47.1 million, comprised of mostly cash (\$36.1 million) and Advances to Other Funds (\$10.7 million) and offset by \$2.2 million in liabilities of which \$1.6 million is for deferred revenue. Deferred revenue accounts for the prepayment of development impact fees before the actual building permit has been applied for. Revenue will be recognized once the permit application has been granted.

Park Acquisition Development - This fund was established as a depository for fees collected from 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.

Total revenues for this fund totaled \$4.3 million with \$4.4 million attributable to building permit fees for new development. Per GASB 31, the fair market value of investments for this fund had a write down of \$127,984 that offset the interest earnings of the fund. Expenditures totaled \$3,616 comprised of staff time reimbursements for city staff. Total fund equity increased by \$4.3 million for the year. At June 30, 2013 fund balance totaled \$36.2 million, comprised primarily of cash (\$26.3 million) and Advances to Other Funds (\$10.1 million).

**CITY OF CHULA VISTA
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
FOR THE YEAR ENDED JUNE 30, 2013**

Proprietary Funds

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

Sewer Fund– The Sewer fund is used to account for all activities related to providing sewer service to the residents of Chula Vista. Resources for the fund come primarily from sewer service charges paid for by users of the system. For the fiscal year, operating revenues totaled \$35.1 million. In addition, non-operating revenues totaling \$0.3 million were realized. Non-operating revenues are composed of investment income (\$0.3 million) and a gain on sale of assets (\$4,272). Operating expenditures totaled \$30.8 million for the year with the single biggest item being the cost of wastewater treatment by the City of San Diego in the amount of \$18.5 million. After accounting for all revenues and expenses, both operating and non-operating, net position of the fund increased by \$1.8 million for the year, totaling \$219.4 million as of June 30, 2013. Of total net position, \$131.8 million is for sewer system infrastructure such as pump stations, sewer lines and other related equipment and therefore not available to fund the day-to-day operations of the sewer system. Total current assets are \$69.5 million comprised of cash and investments (\$64.6 million) and accounts receivable of \$4.8 million. Fund liabilities at the end of the fiscal year were \$549,633 of which \$367,969 were considered current liabilities. The fund has no outstanding bonded debt.

GENERAL FUND BUDGETARY HIGHLIGHTS

The final amended general fund budget totaled \$127,867,844 including \$4,586,314 in budget amendments to the originally adopted budget and encumbrances of \$2,888,185 which will fund contractual obligations and outstanding purchase orders. The General Fund's budget amendments of \$4,586,314 are summarized as follows:

Budget Amendments	Appropriation
Target Donation to the Police Department	\$ 1,800
California Cool Challenge	5,000
Target Donation for Literacy Programming	2,000
Wal-Mart Donation to the Fire Department	1,000
COPS Hiring Grant Program	174,834
Addition of 1 FTE - Animal Care Assistant	38,686
First Quarter Financial Report Budget Cleanup	7,116
Rotary Club Donation to the Fire Department	825
Fire Station 8 Vehicle Storage	9,750
Additional "Spay Shuttle" Clinics	39,000
Friends of Chula Vista Library Donation	45,000
Purchase and Rental of 610 Bay Boulevard	1,457,600
Capital Improvement Project Closure	(19,844)
Second Quarter Financial Report Budget Cleanup	(44,154)
Estate of Charlotte and Ronald Stanley Donation to the Library	10,000
Fire Department Critical Needs Budget Adjustment	250,000
Aquatica Donation for Fun Run	5,000
Advance Life Support Start-Up Costs	665,191
Advance Life Support Start-Up Costs	48,365
Third Quarter Financial Report Budget Cleanup	1,125,000
Kaboom Grant Matching Funds	8,500
FY13 Year-End Budget Clean-up	755,645
Total General Fund Budget Amendments	\$ 4,586,314

**CITY OF CHULA VISTA
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
FOR THE YEAR ENDED JUNE 30, 2013**

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, 2013, amounts to \$914.5 million, net of accumulated depreciation of \$464.9 million. This investment in capital assets includes land, buildings, improvements, machinery and equipment, infrastructure and construction in progress. Infrastructure assets are items that are normally immovable and of value only to the City such as roads, bridges, streets and sidewalks, drainage systems, lighting systems and similar items. The total change to the City's investment in capital assets for the current fiscal year was a negative \$19.4 million, net of accumulated depreciation.

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

Debt Administration

Long Term Debt - At June 30, 2013, the City had \$142.6 million in debt outstanding compared to the \$145.5 million last year, a 2.0% net decrease. The majority of this debt is in the form of Certificates of Participation (\$128.4 million) and a CDBG Section 108 Loan (\$8.3 million). The remainder of the outstanding long-term debt is in the form of vested leave time due to City employees, loans, notes payable, claims and judgments and capital lease obligations. The City has no outstanding general obligation debt.

Tax allocation bonded debt (\$42.5 million) has been transferred to the redevelopment agency successor agency and are now reported in the fiduciary funds. The City made principal payments of \$5.1 million during the fiscal year. During the fiscal year there was a \$2.2 million note issued through the Federal government's Qualified Energy Conservation Bond tax credit program to retrofit City Streetlights with LED fixtures.

During the fiscal year, the City was upgraded from an "A-" to an "A" rating by Standard & Poors for Certificates of Participation, which represents a "stable outlook. Additional information on the City's long-term debt obligations can be found in Note 6 of the Notes to the Financial Statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

Assessed Valuation and Property Tax. According to the County of San Diego Assessors' Office, the city's total assessed valuation (both secured and unsecured) for the 2012-13 fiscal year was \$21,738,959,789. This is a decrease of \$154,739,560 or 0.71% under the 2011-12 assessed valuation. It should be noted that assessed value was set as of January 1, 2012. Actual current secured property tax revenues for the fiscal year totaled \$25.9 million which is \$3.1 million more than collected in the prior year. Due to the dissolution of the redevelopment agency the City received \$2.6 million of additional property tax revenues that would have gone to the redevelopment agency prior to its dissolution.

Building Activity. The valuation of all building and related permits totaled \$296.2 million for the 2012-13 fiscal year. This is approximately 86.8% more than the valuation of \$158.5 million for these permit categories in the prior fiscal year.

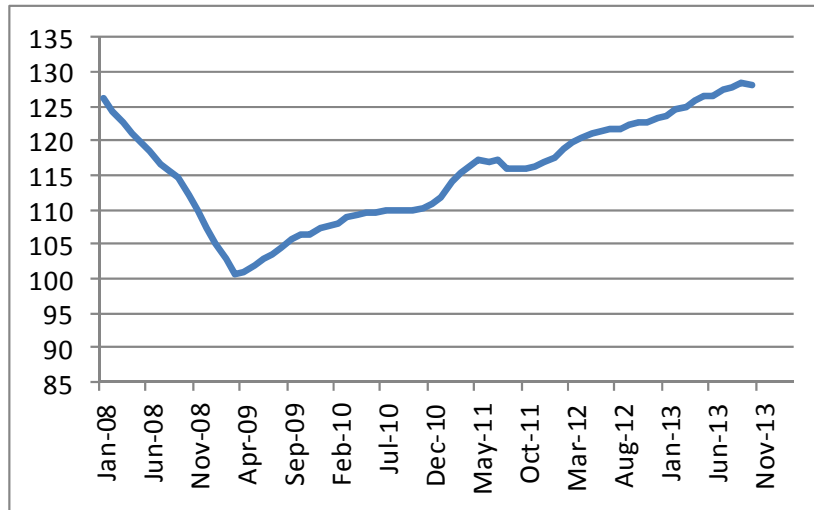
Building Permits	As of June 30			
	2013	2012	Change	
Residential	\$ 226,972,213	\$ 121,077,026	\$ 105,895,187	87.5%
Non-Residential	26,385,454	8,441,941	17,943,513	212.6%
Additions & Alterations	42,573,371	26,849,179	15,724,192	58.6%
Demolitions	244,984	2,182,111	(1,937,127)	-88.8%
Total	\$ 296,176,022	\$ 158,550,257	\$ 137,625,765	86.8%

**CITY OF CHULA VISTA
MANAGEMENT’S DISCUSSION AND ANALYSIS (Continued)
FOR THE YEAR ENDED JUNE 30, 2013**

The increase in building permits activity is a good indicator that the city is recovering from the recession.

Local Economy. The USD Burnham-Moores Center for Real Estate’s Index of Leading Economic Indicators for San Diego County rose 0.1 percent in June 2013. The gain was led by a big increase in consumer confidence and smaller positive moves in help wanted advertising and building permits. These were nearly counterbalanced by drops in initial claims for unemployment insurance and local stock prices. The four advancing components outweighed the two declining ones to push the USD Index to its tenth straight gain.

June’s increase was the 18th in 19 months for the USD Index. The outlook remains for solid growth in the local economy through the end of 2013 and into at least the first half of 2014. Average wage and salary job growth in San Diego County in the first half of 2013 was up over 26,000 compared to the first half of 2012. If that pace could be maintained over the second half of the year, it would be the best annual job growth since 2000.¹



San Diego Index of Leading Economic Indicators

July 2013 home prices in San Diego County were up 22.1% from a year ago according to DataQuick, a real estate analytical firm based in San Diego. The reported median price for all home sales was \$417,500. All of Chula Vista’s five zip codes saw increases in the median price of single-family residences according to the report. As most cities and counties across the nation, Chula Vista continues to move forward in its economic recovery.

Data for June 2013 Compared to June 2012

Zip Code	Locale	Median Price		Percent Change
		2012	2013	
91910	North	\$302,500	\$310,000	2.5%
91911	South	\$265,000	\$320,000	20.8%
91913	Eastlake	\$312,500	\$417,500	33.6%
91914	NE	\$451,000	\$645,000	43.0%
91915	SE	\$310,500	\$379,000	22.1%

¹ Burnham-Moores Center for Real Estate, University of San Diego <http://home.sandiego.edu/~agin/usdle/index.html>

**CITY OF CHULA VISTA
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
FOR THE YEAR ENDED JUNE 30, 2013**

Fiscal Year 2013-14 Budget. The City ended the 2012-13 fiscal year with unassigned fund balance of \$10.8 million. An amount of \$2.3 million of committed fund balance composed of the Economic Contingency Reserve.

In June 2013, the Chula Vista City Council adopted the 2013-14 annual operating budget which provides \$268.8 million in appropriations to fund all City operating activities. The General Fund budget totaled \$127.8 million. Due to the economic uncertainties caused by the slow economic recovery and the ever increasing threat of the State diverting City revenues to balance its own budget, the City continues to adopt a one-year budget.

The current national mortgage crisis continues to impact overall property values and property tax growth. Based on information received from the San Diego County Assessor, Chula Vista's change in net taxable assessed value for fiscal year 2012-13 is negative 0.71% when compared to the 2011-12 taxable assessed values. Management anticipated this slowdown in the housing market, and its effects on property tax revenue growth, as well as the overall condition of the economy, and adjusted revenue estimates in the 2012-13 budget accordingly.

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.

BASIC FINANCIAL STATEMENTS



CITY OF
CHULA VISTA

GOVERNMENT-WIDE FINANCIAL STATEMENTS

City of Chula Vista
Statement of Net Position
June 30, 2013

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current assets:			
Cash and investments	\$ 137,196,063	\$ 75,390,406	\$ 212,586,469
Receivables:			
Accounts	1,830,647	5,137,702	6,968,349
Taxes	8,686,955	-	8,686,955
Interest	164,910	15,750	180,660
Other	189,717	90,850	280,567
Due from other governments	6,161,268	-	6,161,268
Due from Successor Agency	13,293,691	-	13,293,691
Due from agency fund	94,016	-	94,016
Inventories and prepaid items	115,118	77,588	192,706
Total current assets	167,732,385	80,712,296	248,444,681
Noncurrent assets:			
Restricted cash and investments:			
Held by city	1,018,469	-	1,018,469
Held by fiscal agent	11,498,818	-	11,498,818
Loans receivable	44,936,923	-	44,936,923
Internal balances	(14,516,516)	14,516,516	-
Deferred charges, net	189,480	-	189,480
Net pension assets	19,071	-	19,071
Non-depreciable capital assets	96,586,888	2,195,269	98,782,157
Depreciable capital assets, net	672,447,290	132,465,985	804,913,275
Total noncurrent assets	812,180,423	149,177,770	961,358,193
Total assets	979,912,808	229,890,066	1,209,802,874

City of Chula Vista
Statement of Net Position (Continued)
June 30, 2013

	Primary Government		Total
	Governmental Activities	Business-Type Activities	
LIABILITIES			
Current liabilities:			
Accounts payable	5,240,840	206,893	5,447,733
Accrued liabilities	4,555,462	207,718	4,763,180
Interest payable	2,412,730	-	2,412,730
Unearned revenue	11,972,158	877,138	12,849,296
Compensated absences - due within one year	4,000,000	386,592	4,386,592
Settlement payable (Note 15)	8,000,000	-	8,000,000
Claims payable - due within one year	4,000,000	-	4,000,000
Long-term debt - due within one year	5,312,685	-	5,312,685
Total current liabilities	45,493,875	1,678,341	47,172,216
Noncurrent liabilities:			
Retention payable	497,731	4,565	502,296
Developer deposits	10,479,432	-	10,479,432
Pollution Remediation Obligation	150,000	-	150,000
Arbitrage liability	7,831	-	7,831
Net OPEB liability	6,027,000	-	6,027,000
Compensated absences - due in more than one year	2,739,216	144,161	2,883,377
Claims payable - due in more than one year	17,021,459	-	17,021,459
Long-term debt - due in more than one year	137,245,012	-	137,245,012
Total noncurrent liabilities	174,167,681	148,726	174,316,407
Total liabilities	219,661,556	1,827,067	221,488,623
Net Position			
Net investment in capital assets	626,476,481	134,661,254	761,137,735
Restricted:			
Community development	8,262,381	-	8,262,381
Debt service	10,617,691	-	10,617,691
Capital projects	3,008,237	-	3,008,237
Total restricted	21,888,309	-	21,888,309
Unrestricted	111,886,462	93,401,745	205,288,207
Total Net Position	\$ 760,251,252	\$ 228,062,999	\$ 988,314,251

City of Chula Vista
Statement of Activities and Changes in Net Position
For the year ended June 30, 2013

Functions/Programs	Expenses	Program Revenues			
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total Program Revenues
Primary government:					
Governmental activities:					
General government	\$ 33,652,891	\$ 5,795,838	\$ 4,786,541	\$ 51,346	\$ 10,633,725
Public safety	77,821,520	8,893,631	8,644,384	280,000	17,818,015
Public works	69,297,402	35,758,786	17,188,263	2,306,787	55,253,836
Parks and recreation	5,865,192	7,631,696	225,848	298,000	8,155,544
Library	4,224,568	1,666,765	90,827	-	1,757,592
Transit	14,560	-	-	-	-
Interest on long-term debt	6,698,509	-	-	-	-
Total governmental activities	<u>197,574,642</u>	<u>59,746,716</u>	<u>30,935,863</u>	<u>2,936,133</u>	<u>93,618,712</u>
Business-type activities:					
Sewer	30,773,712	35,011,268	-	-	35,011,268
Transit	6,997,488	2,841,619	3,002,783	-	5,844,402
Bayfront Trolley Station	92,843	-	92,843	-	92,843
Sewer Development Impact Fees	122,927	645,015	-	-	645,015
Development Services Fund	5,717,312	6,654,261	-	-	6,654,261
Total business-type activities	<u>43,704,282</u>	<u>45,152,163</u>	<u>3,095,626</u>	<u>-</u>	<u>48,247,789</u>
Total primary government	<u><u>\$ 241,278,924</u></u>	<u><u>\$ 104,898,879</u></u>	<u><u>\$ 34,031,489</u></u>	<u><u>\$ 2,936,133</u></u>	<u><u>\$ 141,866,501</u></u>

City of Chula Vista
Statement of Activities and Changes in Net Position (Continued)
For the year ended June 30, 2013

Functions/Programs	Net (Expense) Revenue and Changes in Net Position		
	Primary Government		
	Governmental Activities	Business-type Activities	Total
Primary government:			
Governmental activities:			
General government	\$ (23,019,166)	\$ -	\$ (23,019,166)
Public safety	(60,003,505)	-	(60,003,505)
Public works	(14,043,566)	-	(14,043,566)
Parks and recreation	2,290,352	-	2,290,352
Library	(2,466,976)	-	(2,466,976)
Transit	(14,560)	-	(14,560)
Interest on long-term debt	(6,698,509)	-	(6,698,509)
Total governmental activities	(103,955,930)	-	(103,955,930)
Business-type activities:			
Sewer	-	4,237,556	4,237,556
Transit	-	(1,153,086)	(1,153,086)
Bayfront Trolley Station	-	-	-
Sewer Development Impact Fees	-	522,088	522,088
Development Services Fund	-	936,949	936,949
Total business-type activities	-	4,543,507	4,543,507
Total primary government	(103,955,930)	4,543,507	(99,412,423)
General revenues:			
Taxes:			
Property taxes	45,146,022	-	45,146,022
Sales taxes	28,627,785	-	28,627,785
Property transfer taxes	1,125,252	-	1,125,252
Franchise taxes	9,266,768	-	9,266,768
Utilities user taxes	4,428,794	-	4,428,794
Business license taxes	1,260,622	-	1,260,622
Transient occupancy taxes	2,471,252	-	2,471,252
Construction taxes	413,552	-	413,552
Total taxes	92,740,047	-	92,740,047
Investment earnings	866,861	261,354	1,128,215
Miscellaneous	2,274,215	340,888	2,615,103
Gain on disposal of capital assets	82,587	9,021	91,608
Transfers	3,861,417	(3,861,417)	-
Total general revenues and transfers	99,825,127	(3,250,154)	96,574,973
Change in Net Position	(4,130,803)	1,293,353	(2,837,450)
Net Position:			
Beginning of year, as restated (Note 16)	764,382,055	226,769,646	991,151,701
End of year	\$ 760,251,252	\$ 228,062,999	\$ 988,314,251



CITY OF
CHULA VISTA

FUND FINANCIAL STATEMENTS



CITY OF
CHULA VISTA

**GOVERNMENTAL FUND
FINANCIAL STATEMENTS**

City of Chula Vista
Balance Sheet
Governmental Funds
June 30, 2013

	Major Funds			
	General Fund	Sundry Grants Special Revenue Fund	Low & Moderate Income Housing Successor Special Revenue Fund	City Debt Service Fund
ASSETS				
Cash and investments	\$ 24,347,238	\$ 4,142,948	\$ 1,639,505	\$ -
Receivables:				
Accounts	1,673,960	30,098	-	-
Taxes	7,911,510	97,732	-	-
Interest	25,816	3,832	1,663	-
Loans	79,182	17,137,269	24,929,224	-
Other	-	-	-	-
Due from other funds	4,073,822	-	-	-
Due from other governments	188,542	2,745,295	-	-
Due from Successor Agency	9,002,419	-	4,291,272	-
Due from agency fund	94,016	-	-	-
Advances to other funds	1,621,446	-	-	-
Prepaid items	104,344	9,974	-	-
Restricted cash and investments:				
Held by City	-	358,356	660,113	-
Held by fiscal agents	-	2,174,204	-	-
Total assets	\$ 49,122,295	\$ 26,699,708	\$ 31,521,777	\$ -
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 2,027,105	\$ 370,462	\$ 14,556	\$ -
Accrued Liabilities	4,127,118	326,531	-	-
Due to other funds	-	3,350,889	-	-
Retention payable	212,667	187,092	-	-
Advances from other funds	-	-	-	36,973,149
Developer deposits	-	-	-	-
Settlement payable	8,000,000	-	-	-
Deferred revenue	6,786,230	17,323,781	23,591,520	-
Total liabilities	21,153,120	21,558,755	23,606,076	36,973,149
Fund Balances:				
Nonspendable	7,481,079	3,050,919	5,628,977	-
Restricted	750,951	2,090,034	2,286,724	-
Committed	2,298,088	-	-	-
Assigned	6,648,922	-	-	-
Unassigned	10,790,135	-	-	(36,973,149)
Total fund balances	27,969,175	5,140,953	7,915,701	(36,973,149)
Total liabilities and fund balances	\$ 49,122,295	\$ 26,699,708	\$ 31,521,777	\$ -

City of Chula Vista
Balance Sheet (Continued)
Governmental Funds
June 30, 2013

	Major Funds			
	Development Impact Fund	Park Acquisition Development Fund	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash and investments	\$ 36,143,548	\$ 26,261,747	\$ 40,752,926	\$ 133,287,912
Receivables:				
Accounts	-	-	119,443	1,823,501
Taxes	-	-	677,713	8,686,955
Interest	66,073	31,110	36,416	164,910
Loans	-	-	2,791,248	44,936,923
Other	187,729	-	-	187,729
Due from other funds	-	-	873,063	4,946,885
Due from other governments	-	-	3,227,431	6,161,268
Due from Successor Agency	-	-	-	13,293,691
Due from agency fund	-	-	-	94,016
Advances to other funds	10,739,925	10,095,262	-	22,456,633
Prepaid items	-	-	800	115,118
Restricted cash and investments:				
Held by City	-	-	-	1,018,469
Held by fiscal agents	-	-	9,324,614	11,498,818
Total assets	\$ 47,137,275	\$ 36,388,119	\$ 57,803,654	\$ 248,672,828
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 573,649	\$ -	\$ 1,955,519	\$ 4,941,291
Accrued Liabilities	-	-	69,359	4,523,008
Due to other funds	-	-	1,595,996	4,946,885
Retention payable	21,307	-	76,665	497,731
Advances from other funds	-	-	-	36,973,149
Developer deposits	-	-	10,479,432	10,479,432
Settlement payable	-	-	-	8,000,000
Deferred revenue	1,595,812	155,262	6,622,546	56,075,151
Total liabilities	2,190,768	155,262	20,799,517	126,436,647
Fund Balances:				
Nonspendable	10,535,338	9,940,000	619,238	37,255,551
Restricted	34,411,169	26,292,857	26,071,557	91,903,292
Committed	-	-	10,617,691	12,915,779
Assigned	-	-	-	6,648,922
Unassigned	-	-	(304,349)	(26,487,363)
Total fund balances	44,946,507	36,232,857	37,004,137	122,236,181
Total liabilities and fund balances	\$ 47,137,275	\$ 36,388,119	\$ 57,803,654	\$ 248,672,828



CITY OF
CHULA VISTA

City of Chula Vista
Reconciliation of the Governmental Funds Balance Sheet
to the Government-Wide Statement of Net Position
June 30, 2013

Total Fund Balances - Total Governmental Funds	<u>\$ 122,236,181</u>
Amounts reported for governmental activities in the Statement of Net Position were different because:	
Deferred charges, such as bond issuance costs, were expenditures in the fund financial statements but were deferred and subject to capitalization and amortization on the Government-Wide Statement of Net Position.	<u>189,480</u>
Net pension assets were not available to pay for current period expenditures and therefore were not recorded in the governmental funds.	<u>19,071</u>
Capital assets used in governmental activities were not financial resources and therefore were not reported in governmental funds.	
Government-Wide Financial Statements	769,034,178
Less: Internal Service Funds' Capital Assets	<u>(779,645)</u>
Total capital assets	<u>768,254,533</u>
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.	<u>(2,412,730)</u>
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 Position:	
Compensated absences - due within one year	(4,000,000)
Compensated absences - due in more than one year	(2,739,216)
Claims payable - due within one year	(4,000,000)
Claims payable - due in more than one year	(17,021,459)
Long-term debt - due within one year	(5,312,685)
Long-term debt - due in more than one year	(137,245,012)
Pollution Remediation Obligation	(150,000)
Arbitrage liability	(7,831)
Net OPEB liability	(6,027,000)
Less: Amount reported in Internal Service Funds	
Compensated absences - due in more than one year	<u>68,654</u>
Total long-term liabilities	<u>(176,434,549)</u>
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 Position	(11,972,158)
Amounts reported in Governmental Fund Financial Statements	<u>56,075,151</u>
Total adjustments on deferred revenues	<u>44,102,993</u>
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 Position.	<u>4,296,273</u>
Net Position of Governmental Activities	<u><u>\$ 760,251,252</u></u>

City of Chula Vista
Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Funds
For the year ended June 30, 2013

	Major Funds			
	General Fund	Sundry Grants Special Revenue Fund	Low & Moderate Income Housing Successor Special Revenue Fund	City Debt Service Fund
REVENUES:				
Taxes	\$ 75,841,123	\$ -	\$ -	\$ -
Intergovernmental	19,542,065	11,924,928	-	-
Licenses and permits	1,395,519	-	-	-
Developer fees	-	-	-	-
Charges for services	8,357,509	1,124,763	-	-
Fines and forfeitures	1,002,946	-	-	-
Use of money and property	2,201,490	37,176	670,963	-
Transfers from Successor agency	-	-	237,450	-
Other	13,023,676	552,801	90,452	-
Total revenues	121,364,328	13,639,668	998,865	-
EXPENDITURES:				
Current:				
General government	22,742,279	1,650,945	111,743	-
Public safety	66,359,410	6,412,401	-	-
Public works	26,014,418	2,867,719	-	-
Parks and recreation	3,362,558	1,400	-	-
Library	3,182,483	59,177	-	-
Capital outlay	1,172,734	5,704,895	-	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	123	-	-
Total expenditures	122,833,882	16,696,660	111,743	-
REVENUES OVER (UNDER) EXPENDITURES	(1,469,554)	(3,056,992)	887,122	-
OTHER FINANCING SOURCES (USES):				
Issuance of debt	-	2,174,204	-	-
Transfers in	9,661,447	243,624	-	350,000
Transfers out	(4,910,795)	(1,157,394)	(29,000)	-
Total other financing sources (uses)	4,750,652	1,260,434	(29,000)	350,000
NET CHANGE IN FUND BALANCES	3,281,098	(1,796,558)	858,122	350,000
FUND BALANCE (DEFICIT):				
Beginning of year, as restated (Note 16)	24,688,077	6,937,511	7,057,579	(37,323,149)
End of year	<u>\$ 27,969,175</u>	<u>\$ 5,140,953</u>	<u>\$ 7,915,701</u>	<u>\$ (36,973,149)</u>

City of Chula Vista
Statement of Revenues, Expenditures and Changes in Fund Balance (Continued)
Governmental Funds
For the year ended June 30, 2013

	Major Funds			
	Development Impact Fund	Park Acquisition Development Fund	Other Governmental Funds	Total Governmental Funds
REVENUES:				
Taxes	\$ -	\$ -	\$ 6,609,588	\$ 82,450,711
Intergovernmental	-	-	9,486,988	40,953,981
Licenses and permits	-	-	41,309	1,436,828
Developer fees	9,588,567	4,433,468	7,720,821	21,742,856
Charges for services	-	-	13,958,541	23,440,813
Fines and forfeitures	-	-	636,835	1,639,781
Use of money and property	(350,532)	(127,984)	498,124	2,929,237
Transfers from Successor agency	-	-	1,870	239,320
Other	71,902	-	543,667	14,282,498
Total revenues	9,309,937	4,305,484	39,497,743	189,116,025
EXPENDITURES:				
Current:				
General government	233,004	-	806,108	25,544,079
Public safety	-	-	406,101	73,177,912
Public works	182,819	-	19,351,521	48,416,477
Parks and recreation	-	-	107,590	3,471,548
Library	-	-	-	3,241,660
Capital outlay	2,649,102	3,616	11,613,786	21,144,133
Debt service:				
Principal	-	-	5,113,992	5,113,992
Interest and fiscal charges	-	-	6,818,665	6,818,788
Total expenditures	3,064,925	3,616	44,217,763	186,928,589
REVENUES OVER (UNDER) EXPENDITURES	6,245,012	4,301,868	(4,720,020)	2,187,436
OTHER FINANCING SOURCES (USES):				
Issuance of debt	-	-	-	2,174,204
Transfers in	-	-	9,858,225	20,113,296
Transfers out	(4,221,342)	-	(6,233,348)	(16,551,879)
Total other financing sources (uses)	(4,221,342)	-	3,624,877	5,735,621
NET CHANGE IN FUND BALANCES	2,023,670	4,301,868	(1,095,143)	7,923,057
FUND BALANCE (DEFICIT):				
Beginning of year, as restated (Note 16)	42,922,837	31,930,989	38,099,280	114,313,124
End of year	\$ 44,946,507	\$ 36,232,857	\$ 37,004,137	\$ 122,236,181

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 Position
For the year ended June 30, 2013

Net Change in Fund Balances - Total Governmental Funds	\$ 7,923,057
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 Position, the cost of those assets was allocated over their estimated useful lives as depreciation expense. This was the amount of capital assets recorded in the current period. The amount of repairs and maintenance included in Capital Outlay was \$6,880,155.	14,263,978
Depreciation expense on capital assets was reported in the Government-Wide Statement of Activities and Changes in Net Position, but they did not require the use of current financial resources. Therefore, depreciation expense was not reported as expenditures in the Governmental Funds. This amount did not include the depreciation expense for Internal Service Funds in the amount of \$351,254.	(28,343,305)
The net effect of various miscellaneous transactions involving capital assets (i.e. sales, trade-ins, and donations) decreased Net Position.	(164,497)
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 Position. Repayment of long-term liabilities was an expenditures in governmental funds, but the repayment reduced long-term liabilities in the Government-Wide Statement of Net Position.	
Issuance of long-term debt	(2,174,204)
Principal payment of long-term debt	5,113,992
Amortization expenses were reported in the Government-Wide Statement of Activities and Changes in Net Position, but they did not require the use of current financial resources. Therefore, amortization expenses were not reported as expenditures in the Governmental Funds.	
Bond premium and discount	(39,074)
Deferred charges	(10,131)
Net pension assets	(227,001)
Certain long-term liabilities were reported in the Government-Wide Statement of Activities and Changes in Net Position, but they did not require the use of current financial resources. Therefore, long-term liabilities were not reported as expenditures in governmental funds. These amounts represented the changes in long-term liabilities from prior year.	
Changes in compensated absences	(80,623)
Changes in claims payable	1,168,405
Changes in arbitrage liability	78,674
Changes in net OPEB liabilities	(1,342,000)
Interest expense on long-term debt was reported in the Government-Wide Statement of Activities and Changes in Net Position, but it did not require the use of current financial resources. This amount represented the change in accrued interest from prior year.	90,810
Interest earned on long-term receivables did not provide current financial resources were not reported as revenues in the Governmental Funds.	392,642
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.	(781,526)
Change in Net Position of Governmental Activities	\$ (4,130,803)

PROPRIETARY FUND FINANCIAL STATEMENTS

City of Chula Vista
Statement of Net Position
Proprietary Funds
June 30, 2013

	<u>Major Fund</u> Sewer Fund	Nonmajor Enterprise Funds	<u>Total</u>	Governmental Activities Internal Service Funds
ASSETS				
Current assets:				
Cash and investments	\$ 64,598,814	\$ 10,791,592	\$ 75,390,406	\$ 3,908,151
Receivables:				
Accounts	4,841,548	296,154	5,137,702	7,146
Interest	15,750	-	15,750	-
Other	78,300	12,550	90,850	1,988
Prepaid items	6,000	71,588	77,588	-
Total current assets	<u>69,540,412</u>	<u>11,171,884</u>	<u>80,712,296</u>	<u>3,917,285</u>
Noncurrent assets:				
Advances to other funds	18,681,815	-	18,681,815	-
Capital assets, net	131,754,586	2,906,668	134,661,254	779,645
Total noncurrent assets	<u>150,436,401</u>	<u>2,906,668</u>	<u>153,343,069</u>	<u>779,645</u>
Total assets	<u>219,976,813</u>	<u>14,078,552</u>	<u>234,055,365</u>	<u>4,696,930</u>
LIABILITIES AND NET POSITION				
Liabilities:				
Current liabilities:				
Accounts payable	120,256	86,637	206,893	299,549
Retention payable	4,565	-	4,565	-
Accrued liabilities	243,148	(35,430)	207,718	32,454
Unearned revenue	-	877,138	877,138	-
Total current liabilities	<u>367,969</u>	<u>928,345</u>	<u>1,296,314</u>	<u>332,003</u>
Noncurrent liabilities:				
Advances from other funds	-	4,165,299	4,165,299	-
Compensated absences	181,664	349,089	530,753	68,654
Total noncurrent liabilities	<u>181,664</u>	<u>4,514,388</u>	<u>4,696,052</u>	<u>68,654</u>
Total liabilities	<u>549,633</u>	<u>5,442,733</u>	<u>5,992,366</u>	<u>400,657</u>
Net Position:				
Net investment in capital assets	131,754,586	2,906,668	134,661,254	779,645
Unrestricted	87,672,594	5,729,151	93,401,745	3,516,628
Total net position	<u>\$ 219,427,180</u>	<u>\$ 8,635,819</u>	<u>\$ 228,062,999</u>	<u>\$ 4,296,273</u>

City of Chula Vista
Statement of Revenues, Expenses and Changes in Net Position
Proprietary Funds
For the year ended June 30, 2013

	Major Fund Sewer Fund	Nonmajor Enterprise Funds	Total	Governmental Activities Internal Service Funds
OPERATING REVENUES:				
Charges for services	\$ 35,011,268	\$ 10,140,895	\$ 45,152,163	\$ 6,348,423
Other	41,599	299,289	340,888	270,286
Total operating revenues	35,052,867	10,440,184	45,493,051	6,618,709
OPERATING EXPENSES:				
Operations and administration	23,812,460	12,171,026	35,983,486	7,422,736
Maintenance	1,419,268	-	1,419,268	-
Depreciation	5,541,984	696,617	6,238,601	351,254
Total operating expenses	30,773,712	12,867,643	43,641,355	7,773,990
OPERATING INCOME (LOSS)	4,279,155	(2,427,459)	1,851,696	(1,155,281)
NONOPERATING REVENUES (EXPENSES):				
Intergovernmental	-	3,095,626	3,095,626	-
Interest income	314,193	(52,839)	261,354	(8,832)
Interest expense	-	(62,927)	(62,927)	-
Gain (loss) on disposal of capital assets	4,272	4,749	9,021	82,587
Total nonoperating revenues (expenses)	318,465	2,984,609	3,303,074	73,755
INCOME (LOSS) BEFORE TRANSFERS	4,597,620	557,150	5,154,770	(1,081,526)
TRANSFERS:				
Transfers in	-	439,238	439,238	300,000
Transfers out	(2,840,181)	(1,460,474)	(4,300,655)	-
Total transfers	(2,840,181)	(1,021,236)	(3,861,417)	300,000
CHANGE IN NET POSITION	1,757,439	(464,086)	1,293,353	(781,526)
NET POSITION:				
Beginning of year	217,669,741	9,099,905	226,769,646	5,077,799
End of year	\$ 219,427,180	\$ 8,635,819	\$ 228,062,999	\$ 4,296,273

City of Chula Vista
Statement of Cash Flows
Proprietary Funds
For the year ended June 30, 2013

	Major Fund Sewer Fund	Nonmajor Enterprise Funds	Total	Governmental Activities Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES:				
Cash received from customers	\$ 34,883,551	\$ 10,985,713	\$ 45,869,264	\$ -
Cash received from (payments to) other funds	(285,490)	1	(285,489)	6,381,487
Cash payments to supplier and employees for goods and services	(25,273,728)	(12,207,925)	(37,481,653)	(7,308,049)
Other operating revenues	41,599	626,467	668,066	270,286
Net cash provided (used) by operating activities	9,365,932	(595,744)	8,770,188	(656,276)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Acquisition of capital assets	(651,536)	-	(651,536)	(703,119)
Proceeds received from disposal of capital assets	4,272	4,749	9,021	82,587
Net cash provided (used) by capital and related financing activities	(647,264)	4,749	(642,515)	(620,532)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Intergovernmental	-	3,095,626	3,095,626	-
Transfers in	-	439,238	439,238	300,000
Transfers (out)	(2,840,181)	(1,460,474)	(4,300,655)	-
Net cash provided (used) by noncapital financing activities	(2,840,181)	2,074,390	(765,791)	300,000
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest income	388,428	(51,621)	336,807	(5,872)
Net cash provided (used) by investing activities	388,428	(51,621)	336,807	(5,872)
Net increase (decrease) in cash and cash equivalents	6,266,915	1,431,774	7,698,689	(982,680)
CASH AND CASH EQUIVALENTS:				
Beginning of year	58,331,899	9,359,818	67,691,717	4,890,831
End of year	<u>\$ 64,598,814</u>	<u>\$ 10,791,592</u>	<u>\$ 75,390,406</u>	<u>\$ 3,908,151</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:				
Operating income (loss)	\$ 4,279,155	\$ (2,427,459)	\$ 1,851,696	\$ (1,155,281)
Adjustments to reconcile operating loss to net cash provided (used) by operating activities:				
Depreciation	5,541,984	696,617	6,238,601	351,254
Changes in operating assets and liabilities:				
Accounts receivable	(49,417)	34,575	(14,842)	(7,146)
Other receivable	(78,300)	70,105	(8,195)	40,210
Prepaid items	31,625	(71,588)	(39,963)	-
Advances to other funds	(285,490)	-	(285,490)	-
Accounts payable	(329,166)	69,256	(259,910)	76,342
Retention payable	4,565	-	4,565	-
Accrued liabilities	243,148	(35,430)	207,718	32,454
Unearned revenue	-	740,139	740,139	-
Compensated absences	7,828	328,041	335,869	5,891
Total adjustments	5,086,777	1,831,715	6,918,492	499,005
Net cash provided (used) by operating activities	\$ 9,365,932	\$ (595,744)	\$ 8,770,188	\$ (656,276)

FIDUCIARY FUND FINANCIAL STATEMENTS

Agency Fund – This 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.

Successor Agency to the Chula Vista Redevelopment Agency Private Purpose Trust Fund – This fund is used to account for monies received from the San Diego County Auditor Controller for the repayment of the enforceable obligations of the former Chula Vista Redevelopment Agency. These funds are restricted for the sole purpose of payment of items on an approved Recognized Payment Obligation Schedule (ROPS).

City of Chula Vista
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2013

	Agency Funds	Successor Agency to the Chula Vista Redevelopment Agency Private-purpose Trust Fund
	<u> </u>	<u> </u>
ASSETS		
Cash and investments	\$ 10,329,756	\$ 3,236,936
Receivables:		
Account	-	3,204
Interest	-	2,608
Loans	-	154,252
Other	21,002	-
Restricted cash and investments	74,710,628	5,014,017
Land	-	9,502,300
Buildings, net	-	1,227,649
Total assets	<u><u>\$ 85,061,386</u></u>	<u><u>19,140,966</u></u>
LIABILITIES		
Accounts payable and accrued liabilities	\$ 234	373,460
Due to city	94,016	13,293,691
Due to fiduciary fund	-	50,849
Deferred revenue	-	154,252
Long-term debt	-	42,510,000
Due to bondholders	84,754,261	-
Refundable deposits	212,875	-
Total liabilities	<u><u>\$ 85,061,386</u></u>	<u><u>56,382,252</u></u>
Net Position		
Held in trust		<u>(37,241,286)</u>
Total net position		<u><u>\$ (37,241,286)</u></u>

City of Chula Vista
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the year ended June 30, 2013

	Successor Agency to the Chula Vista Redevelopment Agency Private-purpose Trust Fund <hr/>
ADDITIONS:	
Redevelopment Property Tax Trust Fund	4,456,770
Investment income	77,892
Miscellaneous income	343
Total additions	<hr/> 4,535,005 <hr/>
DEDUCTIONS:	
Dissolution payments to San Diego County	1,030,224
Enforceable Obligations	7,709,766
Administrative Expenses	641,531
Depreciation	47,726
Transfers out to City	239,320
Total deductions	<hr/> 9,668,567 <hr/>
Change in Net Position	(5,133,562)
Net Position:	
Beginning of year	<hr/> (32,107,724)
End of year	<hr/> \$ (37,241,286) <hr/>



CITY OF
CHULA VISTA

City of Chula Vista
Notes to Basic Financial Statements
For the year ended June 30, 2013

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City of Chula Vista
Notes to Basic Financial Statements
For the year ended June 30, 2013

Note 1 – Reporting Entity and Summary of Significant Accounting Policies

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

A. Reporting Entity

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

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

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

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

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

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

The Chula Vista Public Facilities Financing Authority (the “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 consenting 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 City does not produce separate financial statements for the Chula Vista Public Facilities Financing Authority.

City of Chula Vista
Notes to Basic Financial Statements (Continued)
For the year ended June 30, 2013

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

A. Reporting Entity (Continued)

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

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

B. Basis of Accounting and Measurement Focus

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

In 2013, the City implemented GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. The Statement of Net Position reports separate sections for Deferred Outflows of Resources, and Deferred Inflows of Resources, when applicable.

Deferred Outflows of Resources represent outflows of resources (consumption of net position) that apply to future periods and that, therefore, will not be recognized as an expense until that time.

Deferred Inflows of Resources represent inflows of resources (acquisition of net position) that apply to future periods and that, therefore, are not recognized as a revenue until that time.

Government - Wide Financial Statements

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

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

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

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

City of Chula Vista
Notes to Basic Financial Statements (Continued)
For the year ended June 30, 2013

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

B. Basis of Accounting and Measurement Focus (Continued)

Certain eliminations have been made in regards to interfund activities, payables and receivables. All internal balances in the Statement of Net Position 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 and Changes in Net Position, 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/from other funds
- Advances to/from other funds
- Transfers in/out

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 Position as presented in these statements to the Net Position presented in the Government-Wide Financial Statements. The City has presented all major funds that met the applicable criteria.

All governmental funds are accounted for on a spending or "*current financial resources*" measurement focus and the modified accrual basis of accounting. Accordingly, only current assets and current liabilities are included on the Balance Sheet. The Statement of Revenues, Expenditures and Changes in Fund Balances presents increases (revenues and other financing sources) and decreases (expenditures and other financing uses) 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 for that revenues subject to accrual (generally 60 days 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, intergovernmental revenues and other taxes. Expenditures are recorded in the accounting period in which the related fund liability is incurred.

Deferred revenues arise when potential revenues do not meet both the "measurable" and "available" criteria for recognition in the current period. Deferred 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 deferred 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.

City of Chula Vista
Notes to Basic Financial Statements (Continued)
For the year ended June 30, 2013

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

C. Basis of Accounting and Measurement Focus (Continued)

Governmental Fund Financial Statements (Continued)

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

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

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 Position, a Statement of Revenues, Expenses and Changes in Fund Net Position, and a Statement of Cash Flows for each major Proprietary Fund.

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

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

City of Chula Vista
Notes to Basic Financial Statements (Continued)
For the year ended June 30, 2013

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

B. Basis of Accounting and Measurement Focus (Continued)

Proprietary Fund Financial Statements (Continued)

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

The City reports the following major proprietary funds:

Sewer Enterprise Fund – This fund consists of several subfunds that are used to account for sewer activities:

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

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

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

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

The *Internal Service Funds* are funds used to charge other City funds for fleet management, technology replacement services and workers compensation.

Fiduciary Fund Financial Statements

Fiduciary fund financial statements include a Statement of Net Position and a Statement of Changes in Fiduciary Net Position. The City's fiduciary funds represent agency funds and private purpose trust funds. Both agency funds and the private purpose trust funds are accounted for on the full accrual basis of accounting.

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

City of Chula Vista
Notes to Basic Financial Statements (Continued)
For the year ended June 30, 2013

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

B. Basis of Accounting and Measurement Focus (Continued)

Fiduciary Fund Financial Statements (Continued)

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

C. Encumbrances

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

D. Cash, Cash Equivalents and Investments

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

Highly liquid market investments with maturities of one year or less at time of purchase are stated at amortized cost. All other investments are stated at fair value. Market value is used as fair value for those securities for which market quotations are readily available. The City reported its investments at fair value and the unrealized gain on investments amounted to \$673,959 for the fiscal year ended June 30, 2013.

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

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

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

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

E. Inventories and Prepaid items

Inventories are valued on an average-cost basis which are adjusted to annual physical counts or estimates under the consumption method of accounting and are recorded in the internal service fund. Prepaid items are items the City has paid in advance and will receive future benefit from. They are recorded under the consumption method in the General Fund, Sundry Grants Special Revenue Fund and Sewer Fund.

City of Chula Vista
Notes to Basic Financial Statements (Continued)
For the year ended June 30, 2013

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

F. Restricted Assets

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

G. Interfund Transactions

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either “due to/from other funds” or “advances to/from other funds” (i.e., the current portion of interfund loans). Any residual balances outstanding between the governmental activities and business-type activities are reported in the Governmental-Wide Financial Statements as “internal balances.”

H. Capital Assets

Capital assets are valued at historical cost or estimated historical cost if actual historical cost was not available. Donated capital assets are valued at their estimated fair market value on the date donated. City policy has set the capitalization threshold for reporting capital assets at \$10,000 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

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

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

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

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

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

H. Compensated Absences

Government-Wide Financial Statements

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

City of Chula Vista
Notes to Basic Financial Statements (Continued)
For the year ended June 30, 2013

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

H. *Compensated Absences (Continued)*

Fund Financial Statements

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

I. *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 Position.

J. *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 or the current CPI, whichever is less. The City receives a share of this basic tax levy proportionate to what it received during the years 1980-1981.

Property tax revenue is recognized in the fiscal year for which the taxes have been levied, provided the taxes are received within 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.

K. *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.

City of Chula Vista
Notes to Basic Financial Statements (Continued)
For the year ended June 30, 2013

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

L. Net Position

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

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

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

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

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

M. Fund Balances

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

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

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

Committed – Committed fund balances encompass the portion of net fund resources, the use of which is constrained by limitations that the government imposes upon itself at its highest level of decision making, normally the governing body, and that remain binding unless removed in the same manner. The City Council is considered the highest authority for the City.

Assigned – Assigned fund balances encompass the portion of net fund resources reflecting the government's intended use of resources. Assignment of resources can be done by the highest level of decision making or by a committee or official designated for that purpose. The City Council has authorized the Director of Finance for that purpose.

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

N. Spending Policy

Government-Wide Financial Statements and the Proprietary Fund Financial Statements

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

City of Chula Vista
Notes to Basic Financial Statements (Continued)
For the year ended June 30, 2013

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

N. Spending Policy

Governmental Fund Financial Statements

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

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

O. Use of Estimates

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

P. Accounting Changes

GASB has issued Statement No. 60, *Accounting and Financial Reporting for Service Concession Arrangements* ("SCA"). The requirements of this statement improve financial reporting by establishing recognition, measurement, and disclosure requirements for SCAs for both transferors and governmental operators, requiring governments to account for and report SCAs in the same manner, which improves the comparability of financial statements. This statement became effective for periods beginning after December 15, 2011 and did not have a significant impact on the City's financial statements for the year ended June 30, 2013.

GASB has issued Statement No. 61, *The Financial Reporting Entity: Omnibus – an amendment of GASB Statements No. 14 and No. 34*. The requirements of this statement result in financial reporting entity financial statements being more relevant by improving guidance for including, presenting, and disclosing information about component units and equity interest transactions of a financial reporting entity. This statement became effective for periods beginning after June 15, 2012 and did not have a significant impact on the City's financial statements for year ended June 30, 2013.

GASB has issued Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. This statement combines the authoritative accounting and financial reporting of the FASB and the American Institute of Certified Public Accountants ("AICPA"). The statement eliminates the need for financial statement preparers and auditors to determine which FASB and AICPA pronouncement provisions apply to state and local governments. This statement became effective for period beginning after December 15, 2011 and did not have a significant impact on the City's financial statements for the year ended June 30, 2013.

GASB has issued Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. The requirement of this statement standardizes the presentation of the deferred inflows and outflows of resources and their effects on a government's net position. This statement became effective for periods beginning after December 15, 2011. The implementation of this statement to the City was limited to renaming of "Net Assets" to "Net Position".

City of Chula Vista
Notes to Basic Financial Statements (Continued)
For the year ended June 30, 2013

Note 2 – Cash and Investments

The following is a summary of pooled cash and investments, including cash and investments with fiscal agents at June 30, 2013.

	<u>Government-Wide Statement of Net Assets</u>			<u>Fiduciary Funds</u>	
	<u>Governmental</u>	<u>Business-Type</u>	<u>Total</u>	<u>Statement of</u>	
	<u>Activities</u>	<u>Activities</u>		<u>Net Assets</u>	<u>Total</u>
Cash and investments	\$ 137,196,063	\$ 75,390,406	\$ 212,586,469	\$ 13,566,692	\$ 226,153,161
Restricted cash and investments:					
Held by City	1,018,469	-	1,018,469	-	1,018,469
Held by fiscal agents	11,498,818	-	11,498,818	79,724,645	91,223,463
Total restricted cash and investments	12,517,287	-	12,517,287	79,724,645	92,241,932
Total cash and investments	\$ 149,713,350	\$ 75,390,406	\$ 225,103,756	\$ 93,291,337	\$ 318,395,093

Cash, cash equivalents and investments consisted of the following at June 30, 2013:

Petty cash	\$ 7,550
Deposits with financial institution	24,976,800
Investments	202,187,281
Investments held by bond trustee	91,223,463
Total cash and investments	\$ 318,395,093

A. Deposits

The carrying amount of the City's cash deposits were \$24,976,800 at June 30, 2013. Bank balances before reconciling items were \$26,390,206 at that date, the total amount of which was insured or collateralized with securities held by the pledging financial institutions in the City's name as discussed below.

The California Government Code requires California banks and savings and loan associations to secure the City's cash deposits by pledging securities as collateral. This Code states that collateral pledged in this manner shall have the effect of perfecting a security interest in such collateral superior to those of a general creditor. Thus, collateral for cash deposits is considered to be held in the City's name.

The market value of pledged securities must equal at least 110% of the City's cash deposits. California law also allows institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150% of the City's total cash deposits. The City may waive collateral requirements for cash deposits, which are fully insured up to \$250,000 by the Federal Deposit Insurance Corporation. The City, however, has not waived the collateralization requirements.

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

City of Chula Vista
Notes to Basic Financial Statements (Continued)
For the year ended June 30, 2013

Note 2 – Cash and Investments (Continued)

B. Investments

As of June 30, 2013, the City had the following investments and maturities:

Investment Type	Fair Value	Investment Maturities					
		1 year or fewer	1 to 2 years	2-3 years	3-4 years	4-5 years	Over 5 years
LAIF	\$ 47,424,198	\$ 47,424,198	\$ -	\$ -	\$ -	\$ -	\$ -
Time Deposits	310,000	310,000	-	-	-	-	-
San Diego County Investment Pool	39,216,675	39,216,675	-	-	-	-	-
CalTrust Short-Term Fund	1,011,589	1,011,589	-	-	-	-	-
Federal Home Loan Bank	20,633,160	-	-	-	8,894,910	11,738,250	-
Federal National Mortgage Association	36,501,748	-	-	5,989,440	30,512,308	-	-
Federal Home Loan Mortgage Corporation	30,591,082	-	10,023,472	-	5,921,100	14,646,510	-
Federal Farm Credit Bank	26,498,829	-	-	-	13,760,449	12,738,380	-
Held by bond trustee:							
U.S. Treasury	2,005,380	2,005,380	-	-	-	-	-
Investment Agreements	14,577,627	811,797	-	-	-	-	13,765,830
Mutual Funds	74,640,456	74,640,456	-	-	-	-	-
Total	\$ 293,410,744	\$ 165,420,095	\$ 10,023,472	\$ 5,989,440	\$ 59,088,767	\$ 39,123,140	\$ 13,765,830

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

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

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio*	Maximum Investment in One Issuer
Bankers' Acceptance	180 days	40%	30%
Negotiable Certificates of Deposits	5 years	30%	5%
Commercial Paper	270 days	25%	10%
State and Local Agency Bond Issues	5 years	None	10%
U.S. Treasury Obligations	5 years	None	None
U.S. Agency Securitites	5 years	None	None
Repurchase Agreement	90 days	None	10%
Reverse-Purchase Agreements	92 days	20%	10%
Medium-Term Corporate Notes	5 years	30%	10%
Time Certificates of Deposits	3 years	None	10%
Money Market Funds	N/A	15%	10%
Local Agency Investment Fund (LAIF)	N/A	None	\$50 Million**
Investment Trust of California (CalTrust)	N/A	None	10%

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

** Maximum is \$50 million per account.

City of Chula Vista
Notes to Basic Financial Statements (Continued)
For the year ended June 30, 2013

Note 2 – Cash and 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 Financing Corporation	None	None	None
Resolution Funding Corporation	None	None	None
Certificates of Deposits, Time Deposits and Bankers' Acceptance	30 days	None	None
Commercial Paper	270 days	None	None
Money Market Funds	None	None	None
State Obligations	None	None	None
Municipal Obligations	None	None	None
Repurchase Agreements	None	None	None
Investment Agreements	None	None	None
Local Agency Investment Fund (LAIF)	None	None	None

C. Risks Disclosures

Interest Rate Risk

As a means of limiting its exposure to fair value losses arising from rising interest rates, the City's investment policy provides that final maturities of securities cannot exceed five years. Specific maturities of investments depend on liquidity needs. At June 30, 2013, the City's pooled cash and investments had the following maturities:

<u>Maturity</u>	<u>Percentage of Investment</u>
Less than one year	44%
One to two years	5%
Two to three years	3%
Three to four years	28%
Four to five years	19%

The weighted average maturity of the portfolio was 2.7 years.

City of Chula Vista
Notes to Basic Financial Statements (Continued)
For the year ended June 30, 2013

Note 2 – Cash and Investments (Continued)

C. Risks 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. To be eligible to receive City money, a bank, savings association, federal association, or federally insured industrial loan company shall have received an overall rating of not less than "satisfactory" in its most recent evaluation by the appropriate federal financial supervisory agency of its record of meeting the credit needs of California's communities, including low-and moderate income neighborhoods.

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

<u>Investment Type</u>	<u>Fair Value</u>	<u>Moody's</u>	<u>Standard & Poor's</u>
LAIF	\$ 47,424,198	Not Rated	Not Rated
Time Deposits	310,000	Not Rated	Not Rated
San Diego County Investment Pool	39,216,675	Not Rated	AAAf
CalTrust Short-Term Fund	1,011,589	Not Rated	Aaf
Federal Home Loan Bank	20,633,160	Aaa	AAA
Federal National Mortgage Association	36,501,748	Aaa	AAA
Federal Home Loan Mortgage Corporation	30,591,082	Aaa	AAA
Federal Farm Credit Bank	26,498,829	Aaa	AAA
	<u>\$ 202,187,281</u>		

Custodial Credit Risk

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

Concentration of Credit Risk

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

<u>Issuer</u>	<u>Investment Type</u>	<u>Fair Value</u>
Federal Home Loan Bank	Federal Agency Securities	\$ 20,633,160
Federal National Mortgage Association	Federal Agency Securities	36,501,748
Federal Home Loan Mortgage Corporation	Federal Agency Securities	30,591,082
Federal Farm Credit Bank	Federal Agency Securities	26,498,829

City of Chula Vista
Notes to Basic Financial Statements (Continued)
For the year ended June 30, 2013

Note 2 – Cash and Investments (Continued)

D. Investments in Local Agency Investment

The City is a participant in LAIF which is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The City’s investments in LAIF at June 30, 2013 included a portion of pool funds invested in Structure Notes and Asset-Backed Securities:

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 pool of assets such as principal and interest repayments from a pool of mortgages (such as Collateralized Mortgage Obligations) or credit card receivables.

As of June 30, 2013, the City had \$47,424,198 invested in LAIF, which had invested 1.96% of the pool investment funds in Structured Notes and Asset-Back Securities. 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, 2013, by multiplying its account balance with LAIF times a fair value factor determined by LAIF. This fair value factor was determined by dividing all LAIF participants’ total aggregate amortized cost by total aggregate fair value. The credit quality rating of LAIF is unrated as of June 30, 2013.

Note 3 – Receivables

A. Taxes Receivable

At June 30, 2013, the City had the following taxes receivable:

	Governmental Activities
Sales Tax	\$ 3,913,188
Highway Users Tax	474,575
Property Tax	357,297
Utilities Users Tax	963,234
Transient Occupancy Tax	514,937
Franchise Fee Tax	2,463,724
Total	\$ 8,686,955

City of Chula Vista
Notes to Basic Financial Statements (Continued)
For the year ended June 30, 2013

Note 3 – Receivables (Continued)

B. Loans Receivable

At June 30, 2013, the City had the following loans receivable, including principal and accrued interest:

	Governmental Activities		
	Principal	Deferred Interest	Total
South Bay Community Services	\$ 3,880,291	\$ 2,200,484	\$ 6,080,775
Heritage (South Bay Community Villas L.P.)	4,400,000	1,081,313	5,481,313
Girls and Boys Club Construction Loan	68,750	-	68,750
Rancho Vista Housing (Chelsea Investment Corporation)	1,500,000	398,219	1,898,219
St. Regis Park (Chelsea Investment Corp)	1,387,152	1,083,873	2,471,025
Chula Vista Rehabilitation CHIP Loans	2,011,995	169,017	2,181,012
Park Village Apts (Civic Center Barrio Housing Corporation)	191,134	-	191,134
Mobile Home Assistance Programs	36,105	-	36,105
Los Vecinos (Wakeland Housing and Development Corporation)	5,680,000	1,517,732	7,197,732
Main Plaza (Alpha III Development Inc.)	1,800,000	444,814	2,244,814
Seniors on Broadway (MAAC Project)	3,511,194	753,121	4,264,315
The Landings (Chelsea Investment Corp)	9,409,948	520,954	9,930,902
First Time Home Buyers Program	1,425,504	-	1,425,504
Neighborhood Stabilization First Time Home Buyer Program	210,800	-	210,800
NSP Rental Housing Program	1,000,000	96,682	1,096,682
Community Energy Retrofit Program	157,841	-	157,841
Total	\$ 36,670,714	\$ 8,266,209	\$ 44,936,923

South Bay Community Services

In 1998, the former Chula Vista Redevelopment Agency (RDA) 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 RDA. Deeds of trust and assignments of rent secure the notes. Principal and interest are payable annually out of any and all residual receipts derived from the property and/or operation of the property. Fund balance has been restricted in the Sundry Grants Special Revenue Fund and in the Low & Moderate Income Housing Successor Special Revenue Fund. Interest accrues annually on the unpaid balance with rates ranging from 3% to 6%. At June 30, 2013, the outstanding balance of the loan was \$6,080,775, which included a deferred interest accrual of \$2,200,484.

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

In 2002, the RDA entered into a loan agreement with South Bay Community Villas, L.P. for the development of the Heritage Town Center multi-family rental housing project. The RDA's assistance is in the form of residual receipt loan secured by a promissory note and deed of trust. The outstanding principal and interest on the loan will be repaid over fifty five years and accrues interest at 3% per annum. Payment of principal and interest on the loan is made on an annual basis, out of a fund equal to fifty percent of the net cash flow of the project (residual receipts) after debt service on bonds, payment of deferred developer fees, and reasonable operating expenses have been paid. Fund balance has been restricted in the Low and Moderate Income Housing Successor Special Revenue Fund. At June 30, 2013, the outstanding balance of the loan was \$5,481,313 which included a deferred interest accrual of \$1,081,313.

City of Chula Vista
Notes to Basic Financial Statements (Continued)
For the year ended June 30, 2013

Note 3 – Receivables (Continued)

B. Loans Receivable (Continued)

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 restricted in the General Fund. At June 30, 2013, the outstanding balance of the loan was \$68,750.

Rancho Vista Housing (Chelsea Investment Corporation)

In 2000, the City and RDA 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 a deed of trust. The outstanding principal on the loan is to be repaid over fifty-five (55) years and interest accrues at the simple interest rate of three (3%) percent per annum on unpaid principal. Payment of principal and interest, or portions thereof, on the loan is made on an annual basis, out of a fund equal to fifty (50%) percent of the net cash flow of the project. At June 30, 2013, the outstanding balance of the loan was \$1,898,219 which included a deferred interest accrual of \$398,219.

St. Regis Park (Chelsea Investment Corporation)

In 2000, the RDA 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 are affordable to low-income households. The loan is secured by a Deed of Trust and will accrue 6% interest for 52 years. Payment of principal and interest is made on an annual basis out of a fund equal to 90% of the residual receipts. At June 30, 2013, the outstanding balance of the loan was \$2,471,025 which included a deferred interest accrual of \$1,083,873.

Chula Vista Rehabilitation CHIP Loans

The Chula Vista Rehabilitation Community Housing Improvement Program (CHIP) is under the direct control of the RDA. 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 restricted in the Sundry Grants Special Revenue Fund, Housing Program Special Revenue Fund and in the Low & Moderate Housing Successor Special Revenue Fund. At June 30, 2013, the outstanding balance of the loan was \$2,181,012 which included a deferred interest accrual of \$169,017.

Park Village Apartments (Civic Center Barrio Housing Corporation)

In 1991, the RDA entered into a loan agreement with the Civic Center Barrio Housing Corporation, a California non-profit public benefit corporation. The loan was made for the purchase of land and the development of a 28-unit low-income housing project. During 1992, the loan was assigned to Park Village Apartments Ltd., a California limited partnership in which Civic Center Barrio Housing Corporation is the managing general partner. The loan is secured by a deed of trust on the property and assignment of rents. Principal and interest are payable monthly. In 2009, a second amendment to the loan was entered into changing the interest from 5% to 3% per annum on the unpaid principal balance of the note. Fund balance has been restricted in the Low and Moderate Income Housing Successor Special Revenue Fund. At June 30, 2013, the outstanding balance of the loan was \$191,134.

City of Chula Vista
Notes to Basic Financial Statements (Continued)
For the year ended June 30, 2013

Note 3 – Receivables (Continued)

B. Loans Receivable (Continued)

Mobile Home Assistance Programs

The RDA entered into agreements with eligible residents of the Orange Tree Mobile home Park, whereby the RDA loaned \$250,030 as permanent financing assistance to residents for the purpose of purchasing certain mobile home property. The loans are secured by deeds of trust on the property and mature in 2017 or when the property is sold. Contingent interest will be charged based on calculations specified in the agreement. Fund balance has been restricted in the Low and Moderate Income Housing Successor Special Revenue Fund. At June 30, 2013, the outstanding balance of the loan was \$36,105.

Los Vecinos (Wakeland Housing and Development Corporation)

In 2008, the RDA 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 Low & Moderate Income Housing Successor Special Revenue Fund. The loan bears an interest rate of 5% per annum. Principal and interest payments will be made on an annual basis out of a fund equal to 50% of the residual receipts for years 1-30 and 75% of the residual receipts for years 31-54, until 55 years from the date the improvements are placed in service, at which time, all principal and unpaid interest is due and payable. The improvements were placed in service on February 7, 2008. At June 30, 2013, the outstanding balance of the loan was \$7,197,732 which included a deferred interest accrual of \$1,517,732.

Main Plaza (Alpha III Development Inc.)

In 2003, the RDA entered into a loan agreement with Main Plaza, LP to assist in acquiring and improving certain real property for occupancy by very low, low, and moderate income households. The loan bears an interest rate of 3% per annum. The loan is due and payable on the date that is 55 years from the date of the RDA's issuance of the Certificate of Completion, which is in 2061. At June 30, 2013, the outstanding balance of the loan was \$2,244,814 which included a deferred interest accrual of \$444,814.

Seniors on Broadway (MAAC Project)

The RDA entered into a loan agreement with Seniors on Broadway, Limited Partnership to assist in acquiring and improving certain real property for occupancy by very low, low, and moderate income households. The loan bears an interest rate of 3% per annum. The loan is due and payable on the date that is 55 years from the date of the RDA's issuance of the Certificate of Completion. At June 30, 2013, the outstanding balance of the loan was \$4,264,315 which included a deferred interest accrual of \$753,121.

The Landings (Chelsea Investment Corporation)

The RDA 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 is due and payable each and every year commencing with the first anniversary of the issuance of the Certificate of Completion by the City in an amount equal to 50% of the residual receipts. At June 30, 2013, the outstanding balance of the loan was \$9,930,902 which included a deferred interest accrual of \$520,954.

City of Chula Vista
Notes to Basic Financial Statements (Continued)
For the year ended June 30, 2013

Note 3 – Receivables (Continued)

B. Loans Receivable (Continued)

First Time Home Buyers program

The Chula Vista First-Time Homebuyer Program is under the direct control of the Housing Authority and funded through U.S. Department of Housing and Urban Development HOME funds. Currently administered by Community HousingWorks, the program offers equity share deferred home gap financing loans to qualified borrowers. Loan repayments are re-deposited into the program and are redistributed as future loans. Fund balance has been restricted in the Sundry Grants Special Revenue Fund. At June 30, 2013, the outstanding balance of the loan was \$1,425,504.

Neighborhood Stabilization First Time Home Buyers program

The Chula Vista Neighborhood Stabilization First-Time Homebuyer Program and Neighborhood Stabilization Resale Program are under the direct control of the Agency and funded through U.S. Department of Housing and Urban Development Neighborhood Stabilization funds. Currently administered by Community HousingWorks, the Program offers equity share deferred home gap financing loans to qualified borrowers and an acquisition, rehabilitation, and resale option to those qualifying in targeted areas. Loan repayments are re-deposited into the program cash accounts and are redistributed as future loans. Fund balance has been restricted in the Sundry Grants Special Revenue Fund. At June 30, 2013, the outstanding balance of the loan was \$210,800.

NSP Rental Housing program

The RDA entered into a loan agreement with San Diego Community Housing Corporation to acquire and rehabilitate rental housing for very low income households. The loan is secured by promissory notes and a deed of trust. The outstanding principal and interest amount of the loan will be repaid over fifty-five (55) years and shall accrue at the simple interest rate of three (3%) percent per annum. Principal and interest are payable annually out of a fund equal to 50% of residual receipts derived from the property and/or operation of the property. Fund balance has been restricted in the Sundry Grants Special Revenue Fund. At June 30, 2013, the outstanding balance of the loan was \$1,096,682 which included deferred interest accrual of \$96,682.

Community Retrofit program

The Chula Vista Community Energy Revolving Loan Fund (RLF) is under the direct control of the City of Chula Vista and was capitalized through the American Recovery & Reinvestment Act. The RLF offers fully amortized low-interest rate home energy improvement loans to qualified borrowers residing within Chula Vista. The loans are secured by a deed of trust on the properties. Principal and interest are payable monthly. Interest accrues annually on the unpaid principal balance of the notes. Loan repayments are re-deposited into the program cash accounts and are redistributed as future loans except for loans funded by General fund. Fund balance has been restricted in the General Fund and Sundry Grants Special Revenue Fund. At June 30, 2013, the outstanding balances of the loans were \$10,432 and \$147,409, respectively.

City of Chula Vista
Notes to Basic Financial Statements (Continued)
For the year ended June 30, 2013

Note 4 – Interfund Balances and Transactions

Due to/Due from other funds

At June 30, 2013, interfund receivables and payables were as follows:

	Due To Other Funds		
	Sundry Grants Special Revenue	Nonmajor Governmental	
	Fund	Funds	Total
Due From Other Funds			
General Fund	\$ 3,350,889	\$ 722,933	\$ 4,073,822
Nonmajor Governmental Funds	-	873,063	873,063
Total	<u>\$ 3,350,889</u>	<u>\$ 1,595,996</u>	<u>\$ 4,946,885</u>

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

Long-Term Advances

At June 30, 2013, balances were as follows:

	Advances From Other Funds		
	City Debt Service	Nonmajor Enterprise	
	Fund	Fund	Total
Advances To Other Funds			
General Fund	\$ 1,621,446	\$ -	\$ 1,621,446
Developer Impact Capital Projects Fund	10,739,925	-	10,739,925
Park Acquisition Development Fund	10,095,262	-	10,095,262
Sewer Enterprise Fund	14,516,516	4,165,299	18,681,815
Total	<u>\$ 36,973,149</u>	<u>\$ 4,165,299</u>	<u>\$ 41,138,448</u>

City Council authorized loans to Public Facilities DIF for \$12,950,160 and Western DIF for \$36,094. 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 Public Facilities DIF loan for \$5,300,000 is due and payable in 13 years, with the first payment due in fiscal year 2013 at an interest rate of 0.56% based on the pooled investment rate.

City Council authorized a loan to Western PAD from Eastern PAD in the amount of \$9,630,000 to acquire the 14.41 acre site located in the lower Sweetwater Valley owned by the Redevelopment Agency and \$310,000 to acquire the 1.89 acre site located at Auto Park Place, Chula Vista. The loan will be repaid as funds become available, either as a result of credit acquisitions by the Agency or the payment of PAD fees by developers in western Chula Vista. The Agency will ensure that PAD funds are repaid to fully fund the development of the park for which they were originally collected. The balance was \$10,095,262 at June 30, 2013.

The City Council authorized loans with indefinite terms from the Trunk Sewer fund to Salt Creek for \$16,848,381, to the Storm Drain fund for \$744,612, and \$803,331 from the Sewer Facility fund for capital improvement projects.

City of Chula Vista
Notes to Basic Financial Statements (Continued)
For the year ended June 30, 2013

Note 4 – Interfund Balances and Transactions (Continued)

Transfers In/Out

Interfund transfers for the year ended June 30, 2013 were as follows:

	Transfers In						Total
	Transfers Out	General Fund	Sundry Grants Special Revenue Fund	City Debt Service Fund	Nonmajor Governmental Funds	Nonmajor Enterprise Funds	
General Fund	\$ -	\$ 156,541	\$ -	\$ 4,031,076	\$ 423,178	\$ 300,000	\$ 4,910,795
Sundry Grants Special Revenue Fund	277,585	-	-	879,809	-	-	1,157,394
Low & Moderate Income Housing Special Revenue	-	-	-	29,000	-	-	29,000
Development Impact Fund	-	59,545	-	4,161,797	-	-	4,221,342
Nonmajor Governmental Fund	5,349,267	27,538	100,000	756,543	-	-	6,233,348
Sewer Enterprise Fund	2,824,121	-	-	-	16,060	-	2,840,181
Nonmajor Enterprise Funds	1,210,474	-	250,000	-	-	-	1,460,474
Total	\$ 9,661,447	\$ 243,624	\$ 350,000	\$ 9,858,225	\$ 439,238	\$ 300,000	\$ 20,852,534

General Fund - Operating support to reimburse the General Fund for City staff services and equipment. Total amount of reimbursement was \$9,661,447.

Sundry Grants Special Revenue Fund - Transferring the General Fund's matching contribution to the federal grants in the amount of \$156,541. Reimbursing project costs from the Development Impact Funds and Assessment District Improvement Funds in the amount of \$87,083.

City Debt Service - Funding debt service funds for repayment of various long-term obligations amounted to \$350,000.

Non-major Governmental Funds - Funding debt service funds for repayment of various long-term obligations and to fund various capital improvement projects amounted to \$9,581,386. Other transfers were for operating support, staff services and capital improvement projects in the amount of \$9,000 from Home Program, \$59,000 from CDBG, and \$29,000 from Low and Moderate Income Housing to Chula Vista Housing Authority, \$614 from General Fund and \$79,224 from Transportation Sales Tax to Bicycle Facility. Transfer from General Fund to the Residential Construction Tax Fund for debt service expense in the amount of \$37,265 and staff reimbursement cost from State Recreation Grants to Residential Construction Tax in the amount of \$62,736.

Non-major Enterprise Funds - Permit subsidies from the General Fund to the Development Services Fund in the amount of \$391,178. Operating support to reimburse the Development Services Fund for services provided. Total amount of reimbursement was \$48,060.

Internal Service Funds - Operating support to reimburse the Fleet Management Fund for internal services provided. Total amount of reimbursement was \$300,000.

City of Chula Vista
Notes to Basic Financial Statements (Continued)
For the year ended June 30, 2013

Note 5 – Capital Assets

A. Government-Wide Financial Statements

Summary of changes in capital assets for governmental activities for the year ended June 30, 2013 are as follows:

	Balance			CIP	Balance
	June 30, 2012	Additions	Deletions	Transfers	June 30, 2013
Capital assets, not being depreciated:					
Land	\$ 75,213,471	\$ 1,094,540	\$ -	\$ -	\$ 76,308,011
Construction in progress	17,079,100	9,279,396	-	(6,079,619)	20,278,877
Total capital assets, not being depreciated	92,292,571	10,373,936	-	(6,079,619)	96,586,888
Capital assets, being depreciated:					
Buildings	211,702,502	926,372	-	-	212,628,874
Improvements other than buildings	129,569,741	-	-	-	129,569,741
Machinery and equipment	27,881,393	4,688,379	(828,454)	-	31,741,318
Infrastructure	647,716,692	-	-	6,079,619	653,796,311
Subtotal	1,016,870,328	5,614,751	(828,454)	6,079,619	1,027,736,244
Less accumulated depreciation					
Buildings	(43,383,844)	(4,246,236)	-	-	(47,630,080)
Improvements other than buildings	(38,305,413)	(2,742,594)	-	-	(41,048,007)
Machinery and equipment	(24,119,244)	(4,827,923)	663,957	-	(28,283,210)
Infrastructure	(220,428,260)	(17,899,397)	-	-	(238,327,657)
Subtotal	(326,236,761)	(29,716,150)	663,957	-	(355,288,954)
Total capital assets, being depreciated	690,633,567	(24,101,399)	(164,497)	6,079,619	672,447,290
Total capital assets, net	\$ 782,926,138	\$ (13,727,463)	\$ (164,497)	\$ -	\$ 769,034,178

Depreciation expense was charged to functions/programs as follows:

General government	\$ 3,135,026
Public safety	3,274,498
Public works	19,879,844
Parks and recreation	2,352,784
Library	722,744
Internal service	351,254
Total depreciation expense	\$ 29,716,150

City of Chula Vista
Notes to Basic Financial Statements (Continued)
For the year ended June 30, 2013

Note 5 – Capital Assets (Continued)

A. Government-Wide Financial Statements (Continued)

Summary of changes in capital assets for business-type activities for the year ended June 30, 2013 are as follows:

	Balance June 30, 2012	Additions	Deletions	CIP Transfers	Balance June 30, 2013
Capital assets, not being depreciated:					
Construction in progress	\$ 1,849,675	\$ 345,594	\$ -		\$ 2,195,269
Total capital assets, not being depreciated	1,849,675	345,594	-	-	2,195,269
Capital assets, being depreciated:					
Machinery and equipment	13,007,566	305,942	(26,179)	-	13,287,329
Infrastructure	227,718,283	-	-	-	227,718,283
Subtotal	240,725,849	305,942	(26,179)	-	241,005,612
Less accumulated depreciation					
Machinery and equipment	(10,943,826)	(1,054,612)	26,179	-	(11,972,259)
Infrastructure	(91,383,379)	(5,183,989)	-	-	(96,567,368)
Subtotal	(102,327,205)	(6,238,601)	26,179	-	(108,539,627)
Total capital assets, being depreciated	138,398,644	(5,932,659)	-	-	132,465,985
Total capital assets, net	\$ 140,248,319	\$ (5,587,065)	\$ -	\$ -	\$ 134,661,254

Depreciation expenses for business-type activities for the year ended June 30, 2013 are as follows:

Sewer	\$ 5,541,984
Transit	636,617
Sewer DIFS	60,000
Total depreciation expense	\$ 6,238,601

B. Fiduciary Funds Financial Statements

Summary of changes in capital assets for fiduciary funds for the year ended June 30, 2013 are as follows:

	Balance June 30, 2012	Additions	Deletions	CIP Transfers	Balance June 30, 2013
Capital assets, not being depreciated:					
Land	\$ 9,502,300	\$ -	\$ -	\$ -	\$ 9,502,300
Total capital assets, not being depreciated	9,502,300	-	-	-	9,502,300
Capital assets, being depreciated:					
Buildings	2,386,218	-	-	-	2,386,218
Subtotal	2,386,218	-	-	-	2,386,218
Less accumulated depreciation					
Buildings	(1,110,843)	(47,726)	-	-	(1,158,569)
Subtotal	(1,110,843)	(47,726)	-	-	(1,158,569)
Total capital assets, being depreciated	1,275,375	(47,726)	-	-	1,227,649
Total capital assets, net	\$ 10,777,675	\$ (47,726)	\$ -	\$ -	\$ 10,729,949

Depreciation expense for fiduciary funds for the year ended June 30, 2013 was \$47,726.

City of Chula Vista
Notes to Basic Financial Statements (Continued)
For the year ended June 30, 2013

Note 6 – Long-Term Debt

Governmental Activities Long-Term Debt

A summary of changes in governmental activities long-term debt for the year ended June 30, 2013 is as follows:

	Balance	Debt	Debt	Balance	Classification	
					June 30, 2012	Issued
Certificate of Participation	\$ 132,290,000	\$ -	\$ (3,915,000)	\$ 128,375,000	\$ 4,235,000	\$ 124,140,000
Section 108 Loan	8,594,000	-	(332,000)	8,262,000	349,000	7,913,000
Notes Payable	4,695,100	2,174,204	(461,638)	6,407,666	448,772	5,958,894
Capital Leases	685,267	-	(405,354)	279,913	279,913	-
Bond Premium	25,988	-	(1,181)	24,807	-	24,807
Bond Discount	(831,944)	-	40,255	(791,689)	-	(791,689)
Total	\$ 145,458,411	\$ 2,174,204	\$ (5,074,918)	\$ 142,557,697	\$ 5,312,685	\$ 137,245,012

A. *Certificates of Participation*

	Balance	Debt	Debt	Balance	Classification	
					June 30, 2012	Issued
2002 COP Police Facility	\$ 51,390,000	\$ -	\$ (1,460,000)	\$ 49,930,000	\$ 1,520,000	\$ 48,410,000
2003 Refunding COP	1,250,000	-	(1,030,000)	220,000	220,000	-
2004 COP Civic Ctr Ph 1	32,295,000	-	(915,000)	31,380,000	950,000	30,430,000
2006 COP Civic Ctr Ph 2	18,000,000	-	(510,000)	17,490,000	530,000	16,960,000
2010 Refunding COP Corp Yard	29,355,000	-	-	29,355,000	1,015,000	28,340,000
Total	\$132,290,000	\$ -	\$ (3,915,000)	\$128,375,000	\$ 4,235,000	\$124,140,000

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, 2013 the outstanding balance is \$49,930,000.

City of Chula Vista
Notes to Basic Financial Statements (Continued)
For the year ended June 30, 2013

Note 6 – Long-Term Debt (Continued)

Governmental Activities Long-Term Debt (Continued)

A. Certificates of Participation (Continued)

The annual debt service requirements for the 2002 Certificates of Participation outstanding at June 30, 2013 are as follows:

Year Ending June 30,	Principal	Interest	Total
2014	\$ 1,520,000	\$ 2,396,546	\$ 3,916,546
2015	1,585,000	2,332,465	3,917,465
2016	1,660,000	2,332,465	3,922,264
2017	1,735,000	2,298,784	3,921,706
2018	1,815,000	3,921,831	19,636,841
2019-2023	10,525,000	19,647,509	19,636,841
2024-2028	13,570,000	19,715,750	19,697,250
2029-2033	17,520,000	19,799,500	19,783,750
Total	\$ 49,930,000	\$ 72,444,851	\$ 94,432,662

2003 Refunding COP

In May 2003, the Chula Vista Public Financing Authority (the “Financing 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, 2013 the outstanding balance is \$220,000.

The annual debt service requirements for the 2003 Refunding Certificates of Participation outstanding at June 30, 2013 are as follows:

Year Ending June 30,	Principal	Interest	Total
2014	\$ 220,000	\$ 3,850	\$ 223,850

2004 Civic Center Project Phase I COP

In September 2004, the Chula Vista Public Financing Authority (the “Financing 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, 2013 the outstanding balance is \$31,380,000.

City of Chula Vista
Notes to Basic Financial Statements (Continued)
For the year ended June 30, 2013

Note 6 – Long-Term Debt (Continued)

Governmental Activities Long-Term Debt (Continued)

A. Certificates of Participation (Continued)

2004 Civic Center Project Phase I COP, Continued

The annual debt service requirements for the 2004 Certificates of Participation Civic Center Project Phase I outstanding at June 30, 2013 are as follows:

<u>Year Ending</u> <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	\$ 950,000	\$ 1,442,074	\$ 2,392,074
2015	985,000	1,406,449	2,391,449
2016	1,025,000	1,406,449	2,394,511
2017	1,065,000	1,387,980	2,393,511
2018	1,110,000	2,395,911	11,968,970
2019-2023	6,280,000	11,966,346	11,968,970
2024-2028	7,815,000	11,964,348	11,963,388
2029-2033	9,870,000	11,963,525	11,965,275
2034	2,280,000	2,394,000	4,786,500
Total	\$ 31,380,000	\$ 46,327,082	\$ 62,224,648

2006 Civic Center Project Phase II COP

In March 2006, the Chula Vista Public Financing Authority (the “Financing Authority”) issued \$20,325,000 in 2006 Certificates of Participation to provide funds for the construction and equipping of certain improvements to the Civic Center Complex of the City of Chula Vista and other existing City facilities, fund capitalized interest, fund a reserve fund, and pay the costs incurred in connection with the execution and delivery of the Certificates. The source of repayment of the certificates is the lease payments to be made by the City to the Authority. Interest is payable semiannually on March 1 and September 1 of each year, commencing September 1, 2006. The certificates mature in 2036 and principal is payable on March 1 each year, commencing March 1, 2008. As of June 30, 2013 the outstanding balance is \$17,490,000.

The annual debt service requirements for the 2006 Certificates of Participation Civic Center Project Phase II outstanding at June 30, 2013 are as follows:

<u>Year Ending</u> <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	\$ 530,000	\$ 740,389	\$ 1,270,389
2015	550,000	721,309	1,271,309
2016	570,000	721,309	1,270,959
2017	590,000	711,134	1,269,584
2018	615,000	1,272,459	6,349,506
2019-2023	3,445,000	6,345,919	6,349,506
2024-2028	3,895,000	6,018,925	6,184,984
2029-2033	4,255,000	5,523,425	5,522,813
2034-2035	3,040,000	277,650	4,421,074
Total	\$ 17,490,000	\$ 22,332,518	\$ 33,910,123

City of Chula Vista
Notes to Basic Financial Statements (Continued)
For the year ended June 30, 2013

Note 6 – Long-Term Debt (Continued)

Governmental Activities Long-Term Debt (Continued)

A. Certificates of Participation (Continued)

2010 Refunding COP Corp Yard

In February 2010, the Chula Vista Public Financing Authority (Authority) issued \$29,355,000 in 2010 Certificates of Participation to provide funds for the construction, reconstruction, modernization and equipping of Phase 3 of the Civic Center Complex of the City of Chula Vista, to refinance the City’s outstanding Certificates of Participation Series A of 2000 (2000 Financing Project), fund capitalized interest, fund a reserve fund, and pay the costs incurred in connection with the execution and delivery of the Certificates. The source of repayment of the certificates is the lease payments to be made by the City to the Authority. Interest is payable semiannually on March 1 and September 1 of each year, commencing September 1, 2010. The certificates mature in 2033 and principal is payable on March 1 each year, commencing March 01, 2014. As of June 30, 2013 the outstanding balance is \$ 29,355,000.

The annual debt service requirements for the 2010 Refunding Certificates of Participation Corp Yard outstanding at June 30, 2013 are as follows:

<u>Year Ending</u> <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	\$ 1,015,000	\$ 1,477,206	\$ 2,492,206
2015	1,055,000	1,436,606	2,491,606
2016	1,085,000	1,436,606	2,487,319
2017	1,130,000	1,419,463	2,494,344
2018	1,170,000	2,489,144	12,457,356
2019-2023	6,825,000	12,458,506	12,457,356
2024-2028	8,705,000	12,453,969	12,453,038
2029-2033	8,370,000	9,572,025	11,008,250
Total	<u>\$ 29,355,000</u>	<u>\$ 42,743,525</u>	<u>\$ 58,341,475</u>

B. Section 108 Loan

	<u>Balance</u> <u>June 30, 2012</u>	<u>Debt</u> <u>Issued</u>	<u>Debt</u> <u>Retired</u>	<u>Balance</u> <u>June 30, 2013</u>	<u>Classification</u>	
					<u>Due within</u> <u>One Year</u>	<u>Due in More</u> <u>Than One Year</u>
Section 108 Loan	\$ 8,594,000	\$ -	\$ (332,000)	\$ 8,262,000	\$ 349,000	\$ 7,913,000
Total	<u>\$ 8,594,000</u>	<u>\$ -</u>	<u>\$ (332,000)</u>	<u>\$ 8,262,000</u>	<u>\$ 349,000</u>	<u>\$ 7,913,000</u>

In June 2008, the City entered into a Contract for Loan Guarantee Assistance with the U.S. Department of Housing and Urban Development (“HUD”) as part of the Section 108 Loan Program in the amount of \$9,500,000. The Section 108 Loan is an “advance” of future CDBG entitlement funds and, as such, is repaid with a portion of the City’s annual entitlement. Proceeds of the loan will be used to fund multiple capital improvement projects. Debt service payments will be made with future CDBG entitlements for 20 years, with interest payments beginning with fiscal year 2009. As of June 30, 2013, the outstanding balance is \$8,262,000. The annual debt service payments are as follows:

City of Chula Vista
Notes to Basic Financial Statements (Continued)
For the year ended June 30, 2013

Note 6 – Long-Term Debt (Continued)

Governmental Activities Long-Term Debt (Continued)

B. Section 108 Loan (Continued)

Year Ending June 30,	Principal	Interest	Total
2014	\$ 349,000	\$ 403,752	\$ 752,752
2015	367,000	389,175	756,175
2016	385,000	389,175	758,242
2017	404,000	381,578	759,858
2018	425,000	762,118	3,815,100
2019-2023	2,464,000	3,814,650	3,815,100
2024-2028	3,144,000	3,775,761	3,787,573
2029	724,000	743,620	1,493,476
Total	\$ 8,262,000	\$ 10,659,829	\$ 15,938,276

C. Notes Payable

	Balance June 30, 2012	Debt Issued	Debt Retired	Balance June 30, 2013	Classification	
					Due within One Year	Due in More Than One Year
The Adamo-Parking Structure Note	\$ 82,180	\$ -	\$ (47,523)	\$ 34,657	\$ 34,657	\$ -
Taxable QECB Lease Purchase Agreement	-	2,174,204	-	2,174,204	-	2,174,204
California Energy Commission (CEC) Loan #1	660,586	-	(154,566)	506,020	154,566	351,454
California Energy Commission (CEC) Loan #2	1,959,134	-	(63,789)	1,895,345	63,789	1,831,556
California Energy Commission (CEC) Loan #3	1,747,668	-	(160,223)	1,587,445	160,223	1,427,222
SDG&E OBF Loan #1 (Parkway Boiler)	76,662	-	(8,518)	68,144	8,518	59,626
SDG&E OBF Loan #2 (Transit HVAC)	168,870	-	(27,019)	141,851	27,019	114,832
Total CEC Loans/SDG&E On-Bill Financing	4,612,920	-	(414,115)	4,198,805	414,115	3,784,690
Total	\$ 4,695,100	\$ 2,174,204	\$ (461,638)	\$ 6,407,666	\$ 448,772	\$ 5,958,894

The Adamo - Parking Structure Note

In January 1994, the City entered into a loan agreement with a private party in order to purchase certain land acquisitions 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, 2013, the outstanding balance is \$34,657. The annual debt service payments are as follows:

Year Ending June 30,	Principal	Interest	Total
2014	\$ 34,657	\$ 1,086	\$ 35,743

On December 21, 2012, the City entered into a lease purchase agreement with a private party to purchase certain energy conservation equipment. The lease/purchase agreement would bridge the financial gap between the Municipal Street Listing Retrofit Project capital costs and the available rebates for energy conservation equipment. As of June 30, 2013, the outstanding balance is \$2,174,204. The annual debt service requirements are as follows:

City of Chula Vista
Notes to Basic Financial Statements (Continued)
For the year ended June 30, 2013

Note 6 – Long-Term Debt (Continued)

Governmental Activities Long-Term Debt (Continued)

C. Notes Payable (Continued)

Taxable QECCB Lease/Purchase Agreement (Continued)

Year Ending				
June 30,	Principal	Interest	Total	
2014	\$ 171,187	\$ 127,554	\$ 298,741	
2015	182,660	77,515	260,176	
2016	184,323	70,265	254,588	
2017	186,000	62,950	248,950	
2018	187,693	55,567	243,260	
2019-2023	964,399	164,729	1,129,129	
2024-2025	297,942	11,816	309,758	
Total	<u>\$ 2,174,204</u>	<u>\$ 570,398</u>	<u>\$ 2,744,602</u>	

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

On September 25, 2007, the City Council approved Resolution 2007-241 authorizing the City’s participation in the California Energy Commission (“CEC”) and the SDG&E On-Bill Financing program. The loans would bridge the financial gap between energy conservation project capital costs and the available rebates for energy conservation equipment. As of June 30, 2013, the outstanding balance is \$4,198,805.

D. Capital Leases

	Balance	Debt	Debt	Balance	Classification
	June 30, 2012	Issued	Retired	June 30, 2013	Due within One Year
SD County Regional Comm. System	\$ 544,861	\$ -	\$ (264,948)	\$ 279,913	\$ 279,913
Medical Resuscitation Equipment	140,406	-	(140,406)	-	-
Total	<u>\$ 685,267</u>	<u>\$ -</u>	<u>\$ (405,354)</u>	<u>\$ 279,913</u>	<u>\$ 279,913</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, 2013, the outstanding balance is \$279,913.

The future minimum lease obligation and the net present value of these minimum lease payments as of June 30, 2013, are as follows:

Year Ending				
June 30,	Principal	Interest	Total	
2014	\$ 279,913	\$ 15,815	\$ 295,728	

City of Chula Vista
Notes to Basic Financial Statements (Continued)
For the year ended June 30, 2013

Note 6 – Long-Term Debt (Continued)

Fiduciary Funds Long-Term Debt

A summary of changes in fiduciary funds long-term debt for the year ended June 30, 2013 is as follows:

	Balance	Debt	Debt	Balance	Classification	
					June 30, 2012	Issued
Tax Allocations Bonds	\$ 43,005,000	\$ -	\$ (1,020,000)	\$ 41,985,000	\$ 4,235,000	\$ 124,140,000
ERAF Loan	\$ 710,000	\$ -	\$ (185,000)	\$ 525,000	\$ 195,000	\$ 330,000
Total	\$ 43,715,000	\$ -	\$ (1,205,000)	\$ 42,510,000	\$ 4,430,000	\$ 124,470,000

A. Tax Allocation Bonds

	Balance	Debt	Debt	Balance	Classification	
					June 30, 2012	Issued
2006 Senior Tax Allocation Refunding Bonds, Series A	\$ 11,080,000	\$ -	\$ (540,000)	\$ 10,540,000	\$ 565,000	\$ 9,975,000
2006 Subordinate Tax Allocation Refunding Bonds, Series B	10,300,000	-	(480,000)	9,820,000	500,000	9,320,000
2008 Tax Allocation Refunding Bonds	21,625,000	-	-	21,625,000	-	21,625,000
Total	\$ 43,005,000	\$ -	\$ (1,020,000)	\$ 41,985,000	\$ 83,970,000	\$ 124,935,000

2006 Senior Tax Allocation Refunding Bonds, Series A

In July 2006, the RDA issued the 2006 Senior Tax Allocation Refunding Bonds, Series A in the amount of \$13,435,000 to refinance the RDA's outstanding Bayfront/Town Centre Redevelopment Project 1994 Senior Tax Allocation Refunding Bonds, Series A, and to satisfy the reserve requirement for the Bonds and provide for the costs of issuing the Bonds. The original bond proceeds were used in the acquisition of property, demolition, relocation, public improvements and funding the Low and Moderate Income Housing Project. The bonds 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, 2013, at various redemption prices. The bonds are payable solely from certain tax increment revenues of the RDA and other funds held under the indenture. As of June 30, 2013, the outstanding balance is \$10,540,000. The annual debt service requirements are as follows:

Year Ending	Principal	Interest	Total
June 30,			
2014	\$ 565,000	\$ 450,133	\$ 1,015,133
2015	590,000	424,145	1,014,145
2016	615,000	424,145	1,039,145
2017	640,000	410,870	1,050,870
2018	665,000	1,011,314	1,676,314
2019-2023	3,775,000	5,045,137	8,820,137
2024-2028	3,690,000	4,062,670	7,752,670
Total	\$ 10,540,000	\$ 11,828,414	\$ 22,368,414

City of Chula Vista
Notes to Basic Financial Statements (Continued)
For the year ended June 30, 2013

Note 6 – Long-Term Debt (Continued)

Fiduciary Funds Long-Term Debt (Continued)

A. Tax Allocation Bonds (Continued)

2006 Subordinate Tax Allocation Refunding Bonds, Series B

In July 2006, the RDA issued \$12,325,000 2006 Subordinate Tax Allocation Refunding Bonds, Series B to refinance the RDA's outstanding Bayfront/Town Centre Redevelopment Project 1994 Senior Tax Allocation Refunding Bonds, Series C and D, and to satisfy the reserve requirement for the Bonds and provide for the costs of issuing the Bonds. The original bond proceeds were used in the acquisition of property, demolition, relocation, public improvements and funding the Low and Moderate Income Housing Project. The bonds 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, 2013, at various redemption prices. The bonds are payable solely from certain tax increment revenues of the Agency and other funds held under the indenture. As of June 30, 2013, the outstanding balance is \$9,820,000. The annual debt service requirements are as follows:

Year Ending			
June 30,	Principal	Interest	Total
2014	\$ 500,000	\$ 487,934	\$ 987,934
2015	525,000	464,096	989,096
2016	550,000	464,096	1,014,096
2017	575,000	451,759	1,026,759
2018	605,000	986,484	1,591,484
2019-2023	3,510,000	4,914,119	8,424,119
2024-2028	3,555,000	3,968,306	7,523,306
Total	\$ 9,820,000	\$ 11,736,794	\$ 21,556,794

2008 Tax Allocation Refunding Bonds

In July 2008, the RDA issued the 2008 Tax Allocation Refunding Bonds in the amount of \$21,625,000 to refinance the RDA's outstanding Merged Redevelopment Project 2000 Tax Allocation Bonds, to satisfy the reserve requirement for the Bonds, to provide for the costs of issuing the Bonds, and to provide funds to finance or refinance redevelopment activities. The bonds 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. As of June 30, 2013, the outstanding balance is \$21,625,000. The annual debt service requirements are as follows:

City of Chula Vista
Notes to Basic Financial Statements (Continued)
For the year ended June 30, 2013

Note 6 – Long-Term Debt (Continued)

Fiduciary Funds Long-Term Debt (Continued)

A. Tax Allocation Bonds (Continued)

2008 Tax Allocation Refunding Bonds (Continued)

Year Ending June 30,	Principal	Interest	Total
2014	-	963,636	963,636
2015	575,000	952,136	1,527,136
2016	600,000	952,136	1,552,136
2017	620,000	940,636	1,560,636
2018	645,000	1,523,936	2,168,936
2019-2023	3,635,000	7,610,881	11,245,881
2024-2028	4,475,000	7,592,858	12,067,858
2029-2033	5,585,000	7,434,113	13,019,113
2034-2037	5,490,000	666,900	6,156,900
Total	<u>\$ 21,625,000</u>	<u>\$ 28,637,233</u>	<u>\$ 50,262,233</u>

Pledged Revenues

The Successor Agency has pledged tax revenues to the repayment of the RDA's debts transferred to it on February 1, 2013 through the final maturity of the Bonds, or early retirement of the Bonds, whichever comes first.

Tax revenues consist of Redevelopment Property Tax Trust Fund distributions allocated to the RDA's project areas pursuant to Section 33670 of the Redevelopment Law excluding that portion of such tax increment revenues required to be paid under tax-sharing agreements unless the payment of such amounts has been subordinated to payment of debt services on the Bonds. Redevelopment Property Tax Trust Fund distributions earned in fiscal year 2013 was \$3,949,717 and total debt service of all Tax Allocation Bonds paid was \$2,968,865. The Bonds required 75% of net distributions. In future years, annual principal and interest payments on the Tax Allocation Bonds are expected to require 75% of Redevelopment Property Tax Trust Fund distributions.

B. ERAF Loan

	Balance June 30, 2012	Debt Issued	Debt Retired	Balance June 30, 2013	Classification	
					Due within One Year	Due in More Than One Year
2005 ERAF	\$ 270,000	\$ -	\$ (85,000)	\$ 185,000	\$ 90,000	\$ 95,000
2006 ERAF	440,000	-	(100,000)	340,000	105,000	235,000
Total	<u>\$ 710,000</u>	<u>\$ -</u>	<u>\$ (185,000)</u>	<u>\$ 525,000</u>	<u>\$ 195,000</u>	<u>\$ 330,000</u>

City of Chula Vista
Notes to Basic Financial Statements (Continued)
For the year ended June 30, 2013

Note 6 – Long-Term Debt (Continued)

Fiduciary Funds Long-Term Debt (Continued)

D. ERAF Loan, Continued

2005 ERAF

In May 2005, the RDA 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 principal balance of \$310,000 was transferred to the Successor Agency on February 1, 2013. As of June 30, 2013, the outstanding balance is \$185,000. The annual debt service requirements are as follows:

Year Ending June 30,	Principal	Interest	Total
2014	\$ 90,000	\$ 10,356	\$ 100,356
2015	95,000	5,880	100,880
Total	\$ 185,000	\$ 16,236	\$ 201,236

2006 ERAF

In May 2006, the RDA participated in a \$7930,000 Loan Agreement with the California Statewide Communities Development Authority to finance their 2006 share of ERAF Payments to the County Auditor. As of June 30, 2013, the outstanding balance is \$340,000. The annual debt service requirements are as follows:

Year Ending June 30,	Principal	Interest	Total
2014	\$ 105,000	\$ 20,188	\$ 125,188
2015	115,000	14,282	129,282
2016	120,000	7,792	127,792
Total	\$ 340,000	\$ 42,262	\$ 382,262

Special Assessment Debt – Non-City Obligations

Bonds issued to finance public improvement projects in certain assessment districts are liabilities of the property owners and are secured by liens against the assessed properties. The City acts as an agent for collection of principal and interest payments by the property owners and remittance of such monies to the bondholders. The City has no obligation or duty to pay any delinquency out of any available funds of the City. Neither the faith, credit, nor the taxing power of the City is pledged to the payment of the bonds. Therefore, none of the following obligations are included in the accompanying basic financial statements. At June 30, 2013, the special assessment debts outstanding are as follows:

City of Chula Vista
Notes to Basic Financial Statements (Continued)
For the year ended June 30, 2013

Note 6 – Long-Term Debt (Continued)

Special Assessment Debt – Non-City Obligations (Continued)

	Original Amount	Outstanding June 30, 2013
CFD 06-1A Eastlake Woods, Vista, Land Swap	\$ 39,000,000	\$ 32,960,000
CFD 06-1B Eastlake Woods, Vista, Land Swap	7,880,000	6,780,000
CFD 01-2 McMillin Otay Valley Ranch Village 6	10,250,000	8,585,000
CFD 08-I Otay Ranch Village	21,655,000	18,280,000
CFD 07-I Otay Ranch Village II	28,050,000	21,675,000
CFD 12-I McMillin Otay Ranch Village 7	22,565,000	17,265,000
CFD 2001-1B San Miguel Ranch 2005 Improvement	12,230,000	10,965,000
CFD 13-I McMillin Otay Ranch Village 7	16,620,000	9,950,000
CFD 07-I McMillin Otay Ranch Village I	16,950,000	13,830,000
2005 Revenue Refunding Bonds	93,930,000	74,650,000
AD 94-I Eastlake Greens Phase II	7,464,474	2,625,000
RAD 2001-1 Refunding Revenue Bonds Residential	20,445,000	8,865,000
RAD 2001-2 Refunding Revenue Bonds Commercial	9,705,000	1,435,000
Industrial Development Revenue Bonds, 1992 Series A-D	250,000,000	150,000,000
Industrial Development Revenue Bonds, 1996 Series A-B	98,900,000	98,900,000
Industrial Development Revenue Bonds, 1997 Series A	25,000,000	25,000,000
Industrial Development Revenue Bonds, 2004 Series A-F	251,265,000	251,265,000
Industrial Development Revenue Bonds, 2006 Series A	161,240,000	161,240,000
Total	\$ 1,093,149,474	\$ 914,270,000

Multi-Family Housing Bonds – Non-City Obligations

Bonds issued to finance public improvement and/or affordable multifamily housing projects are liabilities of the developers and are secured by liens against the assessed property. The City has no obligation or duty to pay any delinquency out of any available funds of the City. Neither the faith, credit, nor the taxing power of the City is pledged to the payment of the bonds. Therefore, none of the following obligations are included in the accompanying basic financial statements. At June 30, 2013, the multi-family housing bonds outstanding are as follows:

	Original Amount	Outstanding June 30, 2013
2000 A Pear Tree Manor Project	\$ 5,779,000	\$ 4,549,000
1999 A Villa Serena Project	5,566,500	5,055,000
2007 A Oxford Terrace Apartments	2,276,000	1,826,000
2007 B Oxford Terrace Apartments	2,363,000	2,363,000
2006 A Teresina Apartment Projects	37,940,000	37,940,000
2007 C The Landing Apartment	16,670,000	5,870,301
Total	\$ 70,594,500	\$ 57,603,301

City of Chula Vista
Notes to Basic Financial Statements (Continued)
For the year ended June 30, 2013

Note 7 – Unearned/Deferred Revenue

A. Government-Wide Financial Statements

At June 30, 2013, unearned revenue was reported as follows:

Public Facilities Development Impact Fee Prepayment	\$	1,203,496
UTT Wireless		2,486,873
Grants		9,158,927
		9,158,927
Total	\$	12,849,296

B. Governmental Fund Financial Statements

At June 30, 2013, deferred revenue was reported as follows:

Interest receivable on:		
Advances to other funds	\$	3,864,821
Loans Receivable:		
South Bay Community Services		2,171,019
South Bay Community Villas, L.P.		1,081,313
St. Regis Park		1,083,873
Chula Vista Rehabilitation CHIP Loans		257,377
Los Vecinos (Wakeland Housing & Development)		1,517,732
Seniors on Broadway (MAAC Project)		753,121
Rancho Vista Housing (Chelsea Invest Corp.)		398,219
Alpha III Development (Main Plaza)		444,814
The Landings (Chelsea Invest. Corp)		6,428,902
Long-term receivables		27,711,537
Public Facilities DIF		1,203,496
Grants		9,158,927
		9,158,927
Total	\$	56,075,151

Note 8 – Compensated Absences

Government-Wide Financial Statements – Governmental Activities

Summary of changes in governmental activities compensated absences for the year ended June 30, 2013 is as follows:

	Balance			Balance	Classification	
	July 1, 2012	Additions	Deletions		June 30, 2013	Due within One Year
Compensated Absences	\$ 6,652,700	\$ 4,202,012	\$ (4,115,496)	\$ 6,739,216	\$ 4,000,000	\$ 2,739,216
Total	\$ 6,652,700	\$ 4,202,012	\$ (4,115,496)	\$ 6,739,216	\$ 4,000,000	\$ 2,739,216

The City's liability for vested and unpaid compensated absences (accrued vacation) has been accrued and amounts to \$6,739,216 at June 30, 2013. 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 funds as the benefits vest and are earned.

City of Chula Vista
Notes to Basic Financial Statements (Continued)
For the year ended June 30, 2013

Note 8 – Compensated Absences (Continued)

Government-Wide Financial Statements – Governmental Activities (Continued)

Compensated absences at June 30, 2013 are obligations of the following funds:

Governmental Funds	\$ 6,670,562
Fleet Mangement	68,654
	\$ 6,739,216

Governmental-Wide Financial Statements – Business-Type Activities

Compensated absences at June 30, 2013 are obligations of the following funds:

	Balance July 1, 2012	Additions	Deletions	Balance June 30, 2013	Classification	
					Due within One Year	Due in More Than One Year
Compensated Absences	\$ 194,887	\$ 722,458	\$ (386,592)	\$ 530,753	\$ 386,592	\$ 144,161
Total	\$ 194,887	\$ 722,458	\$ (386,592)	\$ 530,753	\$ 386,592	\$ 144,161

Note 9 – Other Required Fund Disclosures

At June 30, 2013, the following funds had deficit fund equity:

Fund Type	Funds	Deficit
Debt Service	City Debt Services Fund	\$ (36,973,149)
Fiduciary Fund	RDA Successor Agency Private Purpose Trust Fund	\$ (32,107,724)
Special Revenue	Transportation Grants	\$ (283,783)
Special Revenue	Traffic Safety	\$ (1,042)

City Debt Service Fund - The City Debt Service fund had an accumulated deficit of \$(36,973,149), due to the fund booking its long term advances. The City expects to repay the advances via transfers from other funds.

RDA Successor Agency Private Purpose Trust - The RDA Successor Agency Private Purpose Trust fund had an accumulated deficit of \$(37,241,812), which resulted from insufficient revenues received through property tax increment. Now that the Redevelopment Agency has been dissolved, the Successor Agency expects to receive sufficient Redevelopment Property Tax Trust Fund distributions through the remaining life of the bonds to fully fund their repayment.

Transportation Grants Fund - The Transportation Grants fund had an accumulated deficit of \$(283,783), due to the fund booking its long term advances. The City expects to repay the advances via transfers from other funds.

Traffic Safety Fund - The Traffic Safety fund had an accumulated deficit of \$(1,042), due to the fund booking its long term advances. The City expects to repay the advances via transfers from other funds.

City of Chula Vista
Notes to Basic Financial Statements (Continued)
For the year ended June 30, 2013

Note 10 – Self-Insurance Accrued Liabilities

The City is self-insured for the first \$500,000 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 \$500,000 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.

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, 2013, 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:

	Balance at Beginning of Fiscal Year	Claims and Changes in Estimates	Claims Payments	Balance at End of Fiscal Year
2010-2011	\$ 18,801,604	\$ 7,960,587	\$ (4,330,098)	\$ 22,432,093
2011-2012	22,432,093	3,372,465	(3,614,694)	22,189,864
2012-2013	22,189,864	3,288,127	(4,456,532)	21,021,459

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, 2013

Note 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 employees 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. A separate report for the City's plan within the Fund is not available.

Funding Policy

Plan participants are required to contribute a percentage of their annual covered salary. The City has implemented a three Tiered structure. Participants become members of a specific tier based upon their date of membership to PERS. Miscellaneous members contribute 8%, 7% and 6.75% of covered salary for tiers 1,2,3 respectively. Safety members contribute 9% regardless of PERS membership date or tier. In addition, the City is required to make an employer contribution at an actuarial determined rate of 23.668% and 26.492% for miscellaneous and safety employees respectively, of annual covered payroll for the year ended June 30, 2013. The City's total covered payroll for the year ending June 30, 2012 was \$74,422,435. The contribution requirement of plan members and the City are established and may be amended by PERS.

Readers of this document are advised to refer directly to the full disclosure of actuarial and funding practices of the multi-employer CalPERS system, which this agency does not control. CalPERS may employ actuarial techniques such as extended smoothing and amortization periods that would result in future increases in required employer contributions which are not reflected in these financial statements, particularly in the event of any future changes in governmental financial reporting standards and system-wide funding practices. Further information on its financial practices should be requested from CalPERS.

Annual Pension Cost

For fiscal year 2013, the City's annual pension cost of \$18,188,432 for PERS was equal to the City's required and actual contributions. The required contribution was determined as part of the June 30, 2010, 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 3.55% to 14.45% for miscellaneous employees and 3.55% 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.

City of Chula Vista
Notes to Basic Financial Statements (Continued)
For the year ended June 30, 2013

Note 11 – Pension Plans (Continued)

A. California Public Employees’ Retirement Plan (Continued)

Annual Pension Cost (Continued)

THREE-YEAR TREND INFORMATION FOR PERS

Fiscal Year	Annual Pension Cost (APC)			Percentage of APC Contributed	Net Pension Obligation	Net Pension Asset
	Miscellaneous Employees	Safety Employees	Total			
6/30/2011	\$ 9,952,829	\$ 9,139,398	\$ 19,092,227	100%	\$ -	\$ 3,175,108
6/30/2012	12,563,479	11,432,810	23,996,289	100%	-	246,072
6/30/2013	9,482,754	8,705,678	18,188,432	100%	-	19,071

Most Recent Actuarial Study – Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Assets Value	Entry Age Actuarial Accrued Liability	Unfunded Actuarial Accrued Liability	Funded Ratio	Covered Payroll	Unfunded Actuarial Liability as Percentage of Covered Payroll
Miscellaneous:						
6/30/2012	\$ 299,659,390	\$ 395,972,103	\$ 96,312,713	75.7%	\$ 41,379,439	232.75%
Safety:						
6/30/2012	\$ 289,257,775	\$ 337,368,764	\$ 48,110,989	85.7%	\$ 33,042,996	145.60%

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, 2013, the City’s total hourly payroll and covered payroll was \$1,782,958. The City made employer contributions of \$66,861 (3.75% of current covered payroll), and employees contributed \$66,861 (3.75% of current covered payroll).

City of Chula Vista
Notes to Basic Financial Statements (Continued)
For the year ended June 30, 2013

Note 12 – Post Retirement Health Benefits

Plan Description

The City provides a Retiree Healthcare Plan, a single employer defined benefit 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. In fiscal year 2012, the City entered into an agreement with various bargaining groups eliminating the subsidized retiree health care rates for employees hired under the Second Tier CalPERS Retirement Plan. The postemployment benefit is a single-employer plan. The plan has not been audited and therefore, there is no audited GAAP-basis postemployment benefit plan report available.

Eligibility

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, 2013:

	Police	Fire	Miscellaneous	Total
Eligible active employee	201	124	558	883
Enrolled eligible retirees	19	9	192	220

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

Funding Policy

The City offers an implied subsidy benefit paid from the City’s general fund. The City’s contribution is based on pay-as-you-go. The retirees pay 100% of their individual premium except for the retirees who retire under the incentive plan. The City is contributing \$452 monthly in premium on behalf of one employee who retired under the incentive plan in fiscal year 2013.

Annual OPEB Cost and Net OPEB Obligation

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

City of Chula Vista
Notes to Basic Financial Statements (Continued)
For the year ended June 30, 2013

Note 12 – Post Retirement Health Benefits (Continued)

Annual OPEB Cost and Net OPEB Obligation (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:

	<u>2013</u>	<u>2012</u>	<u>2011</u>
Annual required contribution	\$ 1,974,000	\$ 1,803,000	\$ 1,470,000
Interest on net OPEB obligation	187,000	151,000	108,000
Adjustment to the annual required contribution	<u>(460,000)</u>	<u>(285,000)</u>	<u>-</u>
Net OPEB cost	1,701,000	1,669,000	1,578,000
Contribution made	<u>(359,000)</u>	<u>(537,000)</u>	<u>(574,000)</u>
Increase in net OPEB liability	1,342,000	1,132,000	1,004,000
Net OPEB liability, beginning of the year	<u>4,685,000</u>	<u>3,553,000</u>	<u>2,549,000</u>
Net OPEB liability, end of year	<u>\$ 6,027,000</u>	<u>\$ 4,685,000</u>	<u>\$ 3,553,000</u>

The City’s annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2011, 2012 and 2013 were as follows:

<u>Fiscal Year</u>	<u>Annual OPEB Cost</u>	<u>Actual Contributions</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
2010-2011	1,578,000	574,000	36%	3,553,000
2011-2012	1,669,000	537,000	32%	4,685,000
2012-2013	1,701,000	359,000	21%	6,027,000

Funded Status and Funding Progress

As of June 30, 2013, the most recent actuarial valuation date, the plan was not funded in its initial year of implementation. The actuarial accrued liability for benefits was \$13,081,000, and the actuarial value of assets was \$0, resulting in an unfunded actuarial liability (“UAAL”) of \$13,081,000 and a funded ratio (actuarial value of assets as a percentage of the actuarial liability) of 0%.

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

City of Chula Vista
Notes to Basic Financial Statements (Continued)
For the year ended June 30, 2013

Note 12 – Post Retirement Health Benefits (Continued)

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purpose are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefits costs between employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial liabilities and the actuarial assets, consistent with the long-term 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 4.0 % discount rate, the inflation rate for HMO’s starts at 8.5% (the increase in 2014 premiums over 2013) and grades down to 5.0% (2021 premiums over 2020) and remains at 5.0% into the future. This assumption means healthcare is assumed to increase, on the average, 6.75% a year for HMOs/PPOs Non-Medicare and 6.95% a year for HMOs/PPOs Medicare a year for the next seven years after 2013. 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 Assets Value	Entry Age Actuarial Accrued Liability	Unfunded Actuarial Accrued Liability	Funded Ratio	Covered Payroll	Unfunded Actuarial Liability as Percentage of Covered Payroll
6/30/2012	\$ -	\$ 13,081,000	\$ (13,081,000)	0.00%	\$ 62,923,000	(20.79)%

Note 13 – Pollution Remediation Obligations

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

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

At June 30, 2013, the City identified the following sites which met one of the above obligating events:

Corp Yard

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

City of Chula Vista
Notes to Basic Financial Statements (Continued)
For the year ended June 30, 2013

Note 13 – Pollution Remediation Obligations (Continued)

The City secured a pollution and remediation legal liability insurance to cover pollution and remediation legal liability, legal defense expense and contingent transportation coverage in the amount of \$10,000,000 per occurrence up to \$50,000,000 in aggregate liability with a self-insured retention amount of \$100,000 per occurrence. At June 30, 2013, the City recorded pollution remediation obligations in the amount of \$150,000 on the Government-Wide Statement of Net Position and allocated the total amount to General Government on the Government-Wide Statement of Activities and Changes in Net Position.

The pollution remediation costs for Corp Yard are not covered by this insurance, however, the City will be covered should there be claims against the City by third parties.

Note 14 – Commitments and Contingencies

Litigation

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

Grants

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

City Loan to Successor Agency

The General Fund has loaned a cumulative amount of \$9,002,419 including interest to the Successor Agency for unreimbursed services rendered by City staff. It is anticipated that the Agency will repay this loan from Redevelopment Property Tax Trust Fund distributions. Currently, Redevelopment Property Tax Trust Fund distributions are used to pay for related debt service expenditures and possible future debt issuance. As a result, the Successor Agency is uncertain if the amount will be repaid to the City's General Fund. Accordingly, this contingent payable has not been reported in accompanying basic financial statements. The Agency will record the contingent payable when payment is assured.

Successor Agency – Long Range Property Management Plan

The City, acting as the Successor Agency to the Chula Vista Redevelopment Agency, prepared a Long Range Property Management Plan (LRPMP) in compliance with AB 1484. The Successor Agency Oversight Board reviewed and approved the LRPMP on July 8, 2013 and submitted it to the California Department of Finance for review on July 10, 2013. The Department of Finance has not yet issued a determination letter regarding the LRPMP.

City of Chula Vista
Notes to Basic Financial Statements (Continued)
For the year ended June 30, 2013

Note 15 – Utility Tax Settlement

This is a class action civil case. The case was filed as a tax refund action. The tax at issue is the City’s Telephone Users Tax (“TUT”). Plaintiffs allege that the City has been improperly taxing cell phone use in violation of its own TUT ordinance. That 1970 ordinance states, among other things, that “mobile and marine telephone service” charges are excluded from the tax. The TUT ordinance also ties itself to the scope of the Federal Excise Tax, which has undergone substantial limitations as a result of reported federal case law.

The proposed class was certified by court order as: “All persons, including individuals, non-corporate entities, and corporations, whenever organized and existing, who have paid the Chula Vista Telephone Users Tax imposed by Chula Vista Municipal Code §3.44.030 on mobile phone services or who have paid the Telephone Users Tax on telephone services which are not taxable under section 4251 of the Internal Revenue Code.”

The amount of refund indicated in the preliminary settlement agreement between wireless phone users and the City of Chula Vista dated April 4, 2013 includes \$8 million being made available for funding for rebates and refunds of the City’s TUT and payment of litigation expenses and attorney’s fees.

The settlement makes cash rebates available to Chula Vista wireless phone users who paid taxes on their wireless phone bills from April 2010 through April 2013. Once the court has finally approved the settlement, the tax rate will be reduced from 5% to 4.75%.

Note 16 – Prior Period Adjustment

A prior period adjustment was recorded to reduce Sales Tax in lieu revenue accrual from FY 2006 due to errors the States calculation of the Sales Tax in lieu relating to the California Budget Act of 2006 for City of Chula Vista’s General Fund. Accordingly, governmental activities’ net position and general fund’s fund balances at July 1, 2012 were restated as follows:

Government-Wide Financial Statements	Governmental Activities
Beginning Net Position, as previously reported	\$ 767,733,036
Prior period adjustment	(3,350,981)
Beginning Net Position, as restated	<u>\$ 764,382,055</u>
Fund Financial Statements	
	General Fund
Beginning Fund Balance, as previously reported	\$ 28,039,058
Prior period adjustment	(3,350,981)
Beginning Fund Balance, as restated	<u>\$ 24,688,077</u>

City of Chula Vista
Notes to Basic Financial Statements (Continued)
For the year ended June 30, 2013

Note 17 – Classification of Fund Balances

	Major Funds							Total
	General	Sundry Grants	RDA	City	Development	Park Acquisition	Nonmajor	
	Fund	Special Revenue Fund	Special Revenue Fund	Debt Service Fund	Impact Fund	Development Fund	Governmental Funds	
Nonspendable								
Prepaid items	\$ 104,344	\$ 10,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 114,344
Loans receivable	7,376,735	3,040,919	5,628,977	-	10,535,338	9,940,000	619,238	37,141,207
Total nonspendable	<u>7,481,079</u>	<u>3,050,919</u>	<u>5,628,977</u>	<u>-</u>	<u>10,535,338</u>	<u>9,940,000</u>	<u>619,238</u>	<u>37,255,551</u>
Restricted								
San Diego Authority for Freeway Emergenci	750,951	-	-	-	-	-	-	750,951
SLESF - law enforcement	-	194,083	-	-	-	-	-	194,083
Police grants	-	163,920	-	-	-	-	-	163,920
Asset forfeiture - drug enforcement and education	-	307,596	-	-	-	-	-	307,596
Library services grant	-	190,079	-	-	-	-	-	190,079
Park and recreation grants	-	14,023	-	-	-	-	-	14,023
SD Neighborhood Reinvestment Program	-	230,437	-	-	-	-	-	230,437
Federal grants	-	(27,692)	-	-	-	-	-	(27,692)
State grants	-	(9,296)	-	-	-	-	-	(9,296)
ARRA grants	-	272,421	-	-	-	-	-	272,421
environ. grants	-	1,338,976	-	-	-	-	-	1,338,976
Community and housing development	-	(584,513)	2,286,724	-	-	-	1,269,767	2,971,978
Public facilities	-	-	-	-	10,712,381	-	-	10,712,381
Otay Ranch Village ramp and bridge	-	-	-	-	3,562,574	-	-	3,562,574
Transportation improvements	-	-	-	-	14,068,601	-	2,716,484	16,785,085
Telegraph Canyon drainage	-	-	-	-	6,067,613	-	-	6,067,613
Park acquisitions and development	-	-	-	-	-	26,292,857	-	26,292,857
Parking meter services	-	-	-	-	-	-	949,466	949,466
Traffic signal and safety	-	-	-	-	-	-	1,955,212	1,955,212
Storm drain	-	-	-	-	-	-	252,043	252,043
Open space maintenance	-	-	-	-	-	-	16,452,491	16,452,492
Assessment districts improvement	-	-	-	-	-	-	2,476,094	2,476,093
Total restricted	<u>750,951</u>	<u>2,090,034</u>	<u>2,286,724</u>	<u>-</u>	<u>34,411,169</u>	<u>26,292,857</u>	<u>26,071,557</u>	<u>91,903,292</u>
Committed								
Economic contingency	2,298,088	-	-	-	-	-	138,023	2,436,111
Debt service	-	-	-	-	-	-	10,479,668	10,479,668
Total committed	<u>2,298,088</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,617,691</u>	<u>12,915,779</u>
Assigned								
City Council	43,772	-	-	-	-	-	-	43,772
City Clerk	25,351	-	-	-	-	-	-	25,351
City Attorney	135,354	-	-	-	-	-	-	135,354
City Administration	19,295	-	-	-	-	-	-	19,295
Information Technology Services Department	25,599	-	-	-	-	-	-	25,599
Finance Department	10,633	-	-	-	-	-	-	10,633
Non-Departmental	863,431	-	-	-	-	-	-	863,431
Animal Care Services Department	25,000	-	-	-	-	-	-	25,000
Planning & Bulding Services	215,766	-	-	-	-	-	-	215,766
Police Department	730,652	-	-	-	-	-	-	730,652
Fire Department	250,987	-	-	-	-	-	-	250,987
Public Works Department	2,175,482	-	-	-	-	-	-	2,175,482
Recreation Department	106,990	-	-	-	-	-	-	106,990
Library	66,112	-	-	-	-	-	-	66,112
Fire Equipment Lease Fund	24,065	-	-	-	-	-	-	24,065
Public liability	1,930,433	-	-	-	-	-	-	1,930,433
Total assigned	<u>6,648,922</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,648,922</u>
Unassigned	<u>10,790,135</u>	<u>-</u>	<u>-</u>	<u>(36,973,149)</u>	<u>-</u>	<u>-</u>	<u>(304,349)</u>	<u>(26,487,363)</u>
Total fund balances	<u>\$ 27,969,175</u>	<u>\$ 5,140,953</u>	<u>\$ 7,915,701</u>	<u>\$ (36,973,149)</u>	<u>\$ 44,946,507</u>	<u>\$ 36,232,857</u>	<u>\$ 37,004,137</u>	<u>\$ 122,236,181</u>

REQUIRED SUPPLEMENTARY INFORMATION



CITY OF
CHULA VISTA

City of Chula Vista
Required Supplementary Information
For the year ended June 30, 2013

1. BUDGETARY INFORMATION

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

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

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

An annual budget for the year ended June 30, 2013, was adopted and approved by the City Council for the general, special revenue and debt service funds except for the Developer's Deposit Special Revenue fund, which is used to account for various developer deposit for development projects and is used to fund staff costs and other costs related to specific projects, and Public & Educational Government Fees Special Revenue fund, which is used to account for the 1% PEG fees. These budgets are prepared on the modified accrual basis of accounting. 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, 2013

1. BUDGETARY INFORMATION (Continued)

Budget Comparison Schedule, General Fund

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES:				
Taxes	84,032,418	84,032,418	\$ 75,841,123	\$ (8,191,295)
Intergovernmental	1,539,171	2,663,127	19,542,065	16,878,938
Licenses and permits	825,630	1,015,630	1,395,519	379,889
Charges for services	6,712,128	7,334,984	8,357,509	1,022,525
Fines and forfeitures	2,199,885	2,199,885	1,002,946	(1,196,939)
Use of money and property	2,234,999	2,285,498	2,201,490	(84,008)
Other	13,841,680	14,651,506	13,023,676	(1,627,830)
Total revenues	111,385,911	114,183,048	121,364,328	7,181,280
EXPENDITURES:				
Current:				
General government:				
City council	1,301,464	1,399,375	1,198,390	200,985
Boards and Commissions	10,076	10,076	7,210	2,866
City clerks	838,722	918,722	775,149	143,573
City attorney	2,452,390	2,534,696	2,475,240	59,456
Administration	1,849,012	2,016,602	1,973,150	43,452
Management and information	2,912,845	2,925,647	2,897,505	28,142
Human resources	3,791,885	3,745,198	3,378,580	366,618
Finance	3,265,377	3,265,377	3,252,688	12,689
Non-Departmental	1,168,977	3,942,209	4,259,534	(317,325)
Planning and building	2,770,245	2,872,771	2,524,833	347,938
Total general government	20,360,993	23,630,673	22,742,279	888,394
Public safety:				
Police	43,963,270	43,919,881	42,480,862	1,439,019
Fire	22,795,614	24,196,731	23,878,548	318,183
Total public safety	66,758,884	68,116,612	66,359,410	1,757,202
Public works:				
Engineering	22,129,226	22,160,336	22,070,269	90,067
General services	4,078,629	3,938,800	3,944,149	(5,349)
Total public works	26,207,855	26,099,136	26,014,418	84,718
Parks and recreation	3,581,151	3,673,267	3,362,558	310,709
Library	3,202,657	3,262,210	3,182,483	79,727
Capital outlay	1,065,486	3,085,946	1,172,734	1,913,212
Total expenditures	121,177,026	127,867,844	122,833,882	5,033,962
REVENUES OVER (UNDER) EXPENDITURES	(9,791,115)	(13,684,796)	(1,469,554)	12,215,242
Other Financing Sources (Uses)				
Transfers in	10,614,758	11,908,758	9,661,447	(2,247,311)
Transfers out	4,072,250	4,932,555	(4,910,795)	(9,843,350)
Total other financing sources (uses)	14,687,008	16,841,313	4,750,652	(12,090,661)
Net change in fund balance	\$ 4,895,893	\$ 3,156,517	3,281,098	\$ 124,581
Fund Balance:				
Beginning of year			24,688,077	
End of year			\$ 27,969,175	

City of Chula Vista
Required Supplementary Information (Continued)
For the year ended June 30, 2013

1. BUDGETARY INFORMATION (Continued)

Budget Comparison Schedule, Sundry Grants Special Revenue Fund

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES:				
Intergovernmental	\$ 15,440,519	\$ 20,949,448	\$ 11,924,928	\$ (9,024,520)
Charges for services	979,000	979,000	1,124,763	145,763
Use of money and property	20,000	20,000	37,176	17,176
Other	191,000	200,889	552,801	351,912
Total revenues	<u>16,630,519</u>	<u>22,149,337</u>	<u>13,639,668</u>	<u>(8,509,669)</u>
EXPENDITURES:				
Current:				
General government	3,694,537	5,653,840	1,650,945	4,002,895
Public safety	7,178,410	9,537,461	6,412,401	3,125,060
Public works	4,387,999	6,190,194	2,867,719	3,322,475
Parks and recreation	1,200	28,696	1,400	27,296
Library	281,270	281,270	59,177	222,093
Capital outlay	2,625,222	10,459,991	5,704,895	4,755,096
Debt Service:				
Interest and fiscal charges	2,625,222	10,459,991	123	10,459,868
Total expenditures	<u>20,793,860</u>	<u>42,611,443</u>	<u>16,696,660</u>	<u>25,914,783</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(4,163,341)</u>	<u>(20,462,106)</u>	<u>(3,056,992)</u>	<u>17,405,114</u>
OTHER FINANCING SOURCES (USES):				
Issuance of debt	-	-	2,174,204	2,174,204
Transfers in	204,649	165,416	243,624	78,208
Transfers out	(1,083,246)	(1,049,648)	(1,157,394)	(107,746)
Total other financing sources (uses)	<u>(878,597)</u>	<u>(884,232)</u>	<u>1,260,434</u>	<u>2,144,666</u>
Net change in fund balance	<u>\$ (5,041,938)</u>	<u>\$ (21,346,338)</u>	<u>(1,796,558)</u>	<u>\$ 19,549,780</u>
Fund Balance:				
Beginning of year			<u>6,937,511</u>	
End of year			<u>\$ 5,140,953</u>	

City of Chula Vista
Required Supplementary Information (Continued)
For the year ended June 30, 2013

1. BUDGETARY INFORMATION (Continued)

Budget Comparison Schedule, Low and Moderate Income Housing Successor Special Revenue Fund

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES:				
Use of money and property	\$ 17,885	\$ 17,885	\$ 670,963	\$ 653,078
Transfers from Successor Agency	1,857,673	1,857,673	237,450	(1,620,223)
Other	-	-	90,452	90,452
Total revenues	<u>1,875,558</u>	<u>1,875,558</u>	<u>998,865</u>	<u>(876,693)</u>
EXPENDITURES:				
Current:				
General government	<u>162,975</u>	<u>162,975</u>	<u>111,743</u>	<u>51,232</u>
Total expenditures	<u>162,975</u>	<u>162,975</u>	<u>111,743</u>	<u>51,232</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>1,712,583</u>	<u>1,712,583</u>	<u>887,122</u>	<u>(825,461)</u>
OTHER FINANCING SOURCES (USES):				
Transfers out	<u>(29,000)</u>	<u>(29,000)</u>	<u>(29,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>5,742,764</u>	<u>5,742,764</u>	<u>(29,000)</u>	<u>(3,129,461)</u>
Net change in fund balance	<u>\$ 7,455,347</u>	<u>\$ 7,455,347</u>	<u>858,122</u>	<u>\$ (6,597,225)</u>
Fund Balance:				
Beginning of year			<u>7,057,579</u>	
End of year			<u>\$ 7,915,701</u>	

City of Chula Vista
Required Supplementary Information (Continued)
For the year ended June 30, 2013

2. SCHEDULE OF FUNDING PROGRESS

PUBLIC EMPLOYEE RETIREMENT SYSTEMS (PERS)
SCHEDULE OF FUNDING PROGRESS

Miscellaneous Employees

Actuarial Valuation Date	Actuarial Assets Value	Entry Age Actuarial Accrued Liability	Unfunded Actuarial Accrued Liability	Funded Ratio	Covered Payroll	Unfunded Actuarial Liability as Percentage of Covered Payroll
6/30/2010	\$ 271,275,031	\$ 355,519,797	\$ 84,244,766	76.30%	\$ 43,498,397	193.67%
6/30/2011	\$ 287,943,786	\$ 381,582,655	\$ 93,638,869	75.46%	\$ 41,109,611	227.78%
6/30/2012	\$ 299,659,390	\$ 395,972,103	\$ 96,312,713	75.68%	\$ 41,379,439	232.75%

Safety Employees

Actuarial Valuation Date	Actuarial Assets Value	Entry Age Actuarial Accrued Liability	Unfunded Actuarial Accrued Liability	Funded Ratio	Covered Payroll	Unfunded Actuarial Liability as Percentage of Covered Payroll
6/30/2010	\$ 255,698,516	\$ 295,764,402	\$ 40,065,886	86.45%	\$ 34,298,135	116.82%
6/30/2011	\$ 273,750,352	\$ 319,838,087	\$ 46,087,735	85.59%	\$ 34,000,483	135.55%
6/30/2012	\$ 289,257,775	\$ 337,368,764	\$ 48,110,989	85.74%	\$ 33,042,996	145.60%

OTHER POST EMPLOYMENT BENEFITS
SCHEDULE OF FUNDING PROGRESS

Actuarial Valuation Date	Actuarial Assets Value	Entry Age Actuarial Accrued Liability	Unfunded Actuarial Accrued Liability	Funded Ratio	Covered Payroll	Unfunded Actuarial Liability as Percentage of Covered Payroll
6/30/2009	\$ -	\$ 11,885,000	\$ (11,885,000)	0.00%	\$ 69,087,000	(17.20)%
6/30/2011	\$ -	\$ 13,617,000	\$ (13,617,000)	0.00%	\$ 73,651,000	(18.49)%
6/30/2013	\$ -	\$ 13,081,000	\$ (13,081,000)	0.00%	\$ 62,923,000	(20.79)%



CITY OF
CHULA VISTA

SUPPLEMENTARY INFORMATION

NON-MAJOR GOVERNMENTAL FUNDS

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.

Mobile Park Fee - This fund was established to account for the Mobilehome Park Space Rent Review Admin Fee to reimburse the city for all staff time and other costs associated with administering the review.

Public & Educational Government (PEG) Fees - This fund was established to account for the 1% PEG fees.

NON-MAJOR GOVERNMENTAL FUNDS

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.

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

Lease Payable - 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) and lease purchase of the Fire Department's medical resuscitation equipment.

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 a 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.

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.

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.

City of Chula Vista
Combining Balance Sheet
Non-Major Governmental Funds
June 30, 2013

Special Revenue

	Transportation Grants	Parking Meter	Traffic Safety	Town Centre I	Developer Deposits	Open Space Districts
ASSETS						
Cash and investments	\$ 3,612,035	\$ 959,499	\$ 5,569	\$ 50,626	\$ 10,914,272	\$ 17,427,323
Receivables:						
Accounts	-	35,401	-	-	-	-
Taxes	474,575	-	-	-	-	39,923
Interest	4,928	1,082	92	64	-	20,077
Loans	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-
Due from other governments	-	-	-	-	-	-
Prepaid items	-	-	-	-	-	-
Restricted cash and investments:						
Held by fiscal agent	-	-	-	-	-	-
Total assets	\$ 4,091,538	\$ 995,982	\$ 5,661	\$ 50,690	\$ 10,914,272	\$ 17,487,323
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable	\$ -	\$ 46,516	\$ 6,703	\$ -	\$ 434,840	\$ 1,034,832
Accrued liabilities	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-
Retention payable	55,921	-	-	-	-	-
Developer deposits	-	-	-	-	10,479,432	-
Deferred revenue	4,319,400	-	-	-	-	-
Total liabilities	4,375,321	46,516	6,703	-	10,914,272	1,034,832
Fund Balances:						
Nonspendable	-	-	-	-	-	-
Restricted	-	949,466	-	50,690	-	16,452,491
Committed	-	-	-	-	-	-
Unassigned	(283,783)	-	(1,042)	-	-	-
Total fund balances	(283,783)	949,466	(1,042)	50,690	-	16,452,491
Total liabilities and fund balances	\$ 4,091,538	\$ 995,982	\$ 5,661	\$ 50,690	\$ 10,914,272	\$ 17,487,323

City of Chula Vista
Combining Balance Sheet (Continued)
Non-Major Governmental Funds
June 30, 2013

Special Revenue

	Housing Programs	Traffic Signals	Transportation Sales Tax	Storm Drain	Housing Authority	Mobile Park Fees
ASSETS						
Cash and investments	\$ 46,014	\$ 1,972,478	\$ -	\$ 205,415	\$ 415,647	\$ 34,220
Receivables:						
Accounts	21,442	-	-	62,480	-	120
Taxes	-	-	-	558	-	-
Interest	-	2,953	1,238	250	476	64
Loans	629,741	-	-	-	2,161,507	-
Due from other funds	-	-	873,063	-	-	-
Due from other governments	1,380	-	1,755,617	-	-	-
Prepaid items	-	-	-	-	-	-
Restricted cash and investments:						
Held by fiscal agent	-	-	-	-	-	-
Total assets	\$ 698,577	\$ 1,975,431	\$ 2,629,918	\$ 268,703	\$ 2,577,630	\$ 34,404
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable	\$ -	\$ 20,219	\$ 302,247	\$ 16,660	\$ 84	\$ 4,770
Accrued liabilities	-	-	-	-	69,359	-
Due to other funds	-	-	-	-	-	-
Retention payable	-	-	14,309	-	-	-
Developer deposits	-	-	-	-	-	-
Deferred revenue	98,863	-	-	-	2,161,507	-
Total liabilities	98,863	20,219	316,556	16,660	2,230,950	4,770
Fund Balances:						
Nonspendable	619,238	-	-	-	-	-
Restricted	-	1,955,212	2,313,362	252,043	346,680	29,634
Committed	-	-	-	-	-	-
Unassigned	(19,524)	-	-	-	-	-
Total fund balances	599,714	1,955,212	2,313,362	252,043	346,680	29,634
Total liabilities and fund balances	\$ 698,577	\$ 1,975,431	\$ 2,629,918	\$ 268,703	\$ 2,577,630	\$ 34,404

(Continued)

City of Chula Vista
Combining Balance Sheet (Continued)
Non-Major Governmental Funds
June 30, 2013

	Special Revenue		Debt Service		Capital Projects	
	Public Education & Govt Fee	Public Financing Authority	Notes Payable	Lease Payable	Residential Construction Tax	Highway Safety
ASSETS						
Cash and investments	\$ 464,206	\$ 1,227,209	\$ 5,558	\$ 275,290	\$ 215,222	\$ 412,613
Receivables:						
Accounts	-	-	-	-	-	-
Taxes	162,657	-	-	-	-	-
Interest	228	606	192	25	392	798
Loans	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-
Due from other governments	-	-	-	-	-	-
Prepaid items	-	800	-	-	-	-
Restricted cash and investments:						
Held by fiscal agent	-	9,324,614	-	-	-	-
Total assets	\$ 627,091	\$ 10,553,229	\$ 5,750	\$ 275,315	\$ 215,614	\$ 413,411
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable	\$ -	\$ (114,899)	\$ -	\$ -	\$ -	\$ 301
Accrued liabilities	-	-	-	-	-	-
Due to other funds	-	331,502	-	-	-	-
Retention payable	-	-	-	-	-	-
Developer deposits	-	-	-	-	-	-
Deferred revenue	-	-	-	-	-	42,776
Total liabilities	-	216,603	-	-	-	43,077
Fund Balances:						
Nonspendable	-	-	-	-	-	-
Restricted	627,091	-	-	-	215,614	370,334
Committed	-	10,336,626	5,750	275,315	-	-
Unassigned	-	-	-	-	-	-
Total fund balances	627,091	10,336,626	5,750	275,315	215,614	370,334
Total liabilities and fund balances	\$ 627,091	\$ 10,553,229	\$ 5,750	\$ 275,315	\$ 215,614	\$ 413,411

(Continued)

City of Chula Vista
Combining Balance Sheet (Continued)
Non-Major Governmental Funds
June 30, 2013

	Capital Projects					Total Other Governmental Funds
	Bicycle Facility	Industrial Development Authority	Assessment District Improvements	Transportation Partnership	Other Transportation Program	
ASSETS						
Cash and investments	\$ -	\$ 50	\$ 2,480,952	\$ 28,728	\$ -	\$ 40,752,926
Receivables:						
Accounts	-	-	-	-	-	119,443
Taxes	-	-	-	-	-	677,713
Interest	-	8	2,907	36	-	36,416
Loans	-	-	-	-	-	2,791,248
Due from other funds	-	-	-	-	-	873,063
Due from other governments	-	-	-	-	1,470,434	3,227,431
Prepaid items	-	-	-	-	-	800
Restricted cash and investments:						
Held by fiscal agent	-	-	-	-	-	9,324,614
Total assets	\$ -	\$ 58	\$ 2,483,859	\$ 28,764	\$ 1,470,434	\$ 57,803,654
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable	\$ -	\$ -	\$ 7,765	\$ -	\$ 195,481	\$ 1,955,519
Accrued liabilities	-	-	-	-	-	69,359
Due to other funds	-	-	-	-	1,264,494	1,595,996
Retention payable	-	-	-	-	6,435	76,665
Developer deposits	-	-	-	-	-	10,479,432
Deferred revenue	-	-	-	-	-	6,622,546
Total liabilities	-	-	7,765	-	1,466,410	20,799,517
Fund Balances:						
Nonspendable	-	-	-	-	-	619,238
Restricted	-	58	2,476,094	28,764	4,024	26,071,557
Committed	-	-	-	-	-	10,617,691
Unassigned	-	-	-	-	-	(304,349)
Total fund balances	-	58	2,476,094	28,764	4,024	37,004,137
Total liabilities and fund balances	\$ -	\$ 58	\$ 2,483,859	\$ 28,764	\$ 1,470,434	\$ 57,803,654

(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, 2013

Special Revenue

	Transportation Grants	Parking Meter	Traffic Safety	Town Centre I	Developer Deposits	Open Space Districts
REVENUES:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	5,666,602	-	-	-	-	-
Licenses and permits	-	42,489	-	-	-	-
Developer fees	-	-	-	-	7,720,821	-
Charges for services	-	-	-	-	-	12,142,260
Fines and forfeitures	-	209,862	426,373	-	-	-
Use of money and property	(18,810)	349,730	(613)	(266)	17,745	(82,226)
Transfers from Successor agency	-	-	-	-	-	-
Other	3,678	-	-	-	-	-
Total revenues	5,651,470	602,081	425,760	(266)	7,738,566	12,060,034
EXPENDITURES:						
Current:						
General government	-	-	-	-	-	-
Public safety	-	361,557	37,227	-	-	-
Public works	-	-	-	-	7,738,566	11,355,550
Parks and recreation	-	-	-	-	-	-
Capital outlay	1,827,174	2,125	-	-	-	-
Debt Service:						
Principal	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-
Total expenditures	1,827,174	363,682	37,227	-	7,738,566	11,355,550
REVENUES OVER (UNDER) EXPENDITURES	3,824,296	238,399	388,533	(266)	-	704,484
OTHER FINANCING SOURCES (USES):						
Transfers in	-	-	-	-	-	-
Transfers out	(4,439,428)	-	(492,669)	-	-	-
Total other financing sources (uses)	(4,439,428)	-	(492,669)	-	-	-
NET CHANGE IN FUND BALANCES	(615,132)	238,399	(104,136)	(266)	-	704,484
FUND BALANCES:						
Beginning of year	331,349	711,067	103,094	50,956	-	15,748,007
End of year	\$ (283,783)	\$ 949,466	\$ (1,042)	\$ 50,690	\$ -	\$ 16,452,491

City of Chula Vista
Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Continued)
Non-Major Governmental Funds
For the year ended June 30, 2013

Special Revenue

	Housing Programs	Traffic Signals	Transportation Sales Tax	Storm Drain	Housing Authority	Mobile Park Fees
REVENUES:						
Taxes	\$ -	\$ -	\$ 6,196,036	\$ -	\$ -	\$ -
Intergovernmental	12,083	-	1,582,504	-	-	-
Licenses and permits	-	-	-	(1,180)	-	-
Developer fees	-	-	-	-	-	-
Charges for services	68	240,397	-	587,887	230,513	129,650
Fines and forfeitures	-	-	-	600	-	-
Use of money and property	1,560	(13,937)	(4,140)	(961)	(5,868)	(191)
Transfers from Successor agency	-	-	-	-	-	-
Other	37,635	24,945	2,068	-	456,505	-
Total revenues	51,346	251,405	7,776,468	586,346	681,150	129,459
EXPENDITURES:						
Current:						
General government	24,878	-	-	-	773,492	-
Public safety	-	-	-	-	-	-
Public works	-	1,962	-	247,835	-	-
Parks and recreation	-	-	-	-	-	99,825
Capital outlay	-	946,457	6,545,663	-	-	-
Debt Service:						
Principal	-	-	-	-	-	-
Interest and fiscal charges	555	-	-	-	-	-
Total expenditures	25,433	948,419	6,545,663	247,835	773,492	99,825
REVENUES OVER (UNDER) EXPENDITURES	25,913	(697,014)	1,230,805	338,511	(92,342)	29,634
OTHER FINANCING SOURCES (USES):						
Transfers in	-	-	-	-	97,000	-
Transfers out	-	-	(79,224)	(340,463)	(166,085)	-
Total other financing sources (uses)	-	-	(79,224)	(340,463)	(69,085)	-
NET CHANGE IN FUND BALANCES	25,913	(697,014)	1,151,581	(1,952)	(161,427)	29,634
FUND BALANCES:						
Beginning of year	573,801	2,652,226	1,161,781	253,995	508,107	-
End of year	\$ 599,714	\$ 1,955,212	\$ 2,313,362	\$ 252,043	\$ 346,680	\$ 29,634

(Continued)

City of Chula Vista
Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Continued)
Non-Major Governmental Funds
For the year ended June 30, 2013

	Special Revenue	Debt Service		Capital Projects		
	Public Education & Govt Fee	Public Financing Authority	Notes Payable	Lease Payable	Residential Construction Tax	Highway Safety
REVENUES:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 413,552	\$ -
Intergovernmental	-	-	1,149	-	-	130,753
Licenses and permits	-	-	-	-	-	-
Developer fees	-	-	-	-	-	-
Charges for services	627,766	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-
Use of money and property	(675)	276,668	(591)	(88)	(2,279)	(4,512)
Transfers from Successor agency	-	1,870	-	-	-	-
Other	-	-	-	-	-	-
Total revenues	627,091	278,538	558	(88)	411,273	126,241
EXPENDITURES:						
Current:						
General government	-	7,738	-	-	-	-
Public safety	-	7,317	-	-	-	-
Public works	-	-	-	-	-	-
Parks and recreation	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	126,240
Debt Service:						
Principal	-	3,915,000	793,638	405,354	-	-
Interest and fiscal charges	-	6,199,463	584,754	33,893	-	-
Total expenditures	-	10,129,518	1,378,392	439,247	-	126,240
REVENUES OVER (UNDER) EXPENDITURES	627,091	(9,850,980)	(1,377,834)	(439,335)	411,273	1
OTHER FINANCING SOURCES (USES):						
Transfers in	-	7,767,272	1,099,867	714,247	100,001	-
Transfers out	-	-	-	-	(677,319)	-
Total other financing sources (uses)	-	7,767,272	1,099,867	714,247	(577,318)	-
NET CHANGE IN FUND BALANCES	627,091	(2,083,708)	(277,967)	274,912	(166,045)	1
FUND BALANCES:						
Beginning of year	-	12,420,334	283,717	403	381,659	370,333
End of year	\$ 627,091	\$ 10,336,626	\$ 5,750	\$ 275,315	\$ 215,614	\$ 370,334

(Continued)

City of Chula Vista
Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Continued)
Non-Major Governmental Funds
For the year ended June 30, 2013

	Capital Projects					Total Other Governmental Funds
	Bicycle Facility	Industrial Development Authority	Assessment District Improvements	Transportation Partnership	Other Transportation Program	
REVENUES:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,609,588
Intergovernmental	(72,230)	-	-	-	2,166,127	9,486,988
Licenses and permits	-	-	-	-	-	41,309
Developer fees	-	-	-	-	-	7,720,821
Charges for services	-	-	-	-	-	13,958,541
Fines and forfeitures	-	-	-	-	-	636,835
Use of money and property	-	(46)	(12,226)	(150)	-	498,124
Transfers from Successor agency	-	-	-	-	-	1,870
Other	-	-	18,836	-	-	543,667
Total revenues	(72,230)	(46)	6,610	(150)	2,166,127	39,497,743
EXPENDITURES:						
Current:						
General government	-	-	-	-	-	806,108
Public safety	-	-	-	-	-	406,101
Public works	7,608	-	-	-	-	19,351,521
Parks and recreation	-	-	7,765	-	-	107,590
Capital outlay	-	-	-	-	2,166,127	11,613,786
Debt Service:						
Principal	-	-	-	-	-	5,113,992
Interest and fiscal charges	-	-	-	-	-	6,818,665
Total expenditures	7,608	-	7,765	-	2,166,127	44,217,763
REVENUES OVER (UNDER) EXPENDITURES	(79,838)	(46)	(1,155)	(150)	-	(4,720,020)
OTHER FINANCING SOURCES (USES):						
Transfers in	79,838	-	-	-	-	9,858,225
Transfers out	-	(10,622)	(27,538)	-	-	(6,233,348)
Total other financing sources (uses)	79,838	(10,622)	(27,538)	-	-	3,624,877
NET CHANGE IN FUND BALANCES	-	(10,668)	(28,693)	(150)	-	(1,095,143)
FUND BALANCES:						
Beginning of year	-	10,726	2,504,787	28,914	4,024	38,099,280
End of year	\$ -	\$ 58	\$ 2,476,094	\$ 28,764	\$ 4,024	\$ 37,004,137

(Concluded)

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, 2013

	Final Budget	Actual Amounts	Variance with Final Budget
Revenues:			
Intergovernmental	\$ 6,158,439	\$ 5,666,602	\$ (491,837)
Use of money and property	-	(18,810)	(18,810)
Other	-	3,678	3,678
Total revenues	<u>6,158,439</u>	<u>5,651,470</u>	<u>(506,969)</u>
Expenditures:			
Capital outlay	<u>5,489,006</u>	<u>1,827,174</u>	<u>3,661,832</u>
Total expenditures	<u>5,489,006</u>	<u>1,827,174</u>	<u>3,661,832</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>669,433</u>	<u>3,824,296</u>	<u>3,154,863</u>
Other Financing Sources (Uses):			
Transfers out	<u>(4,439,428)</u>	<u>(4,439,428)</u>	<u>-</u>
Total other financing sources (uses)	<u>(4,439,428)</u>	<u>(4,439,428)</u>	<u>-</u>
Net change in fund balance	<u><u>\$ (3,769,995)</u></u>	<u>(615,132)</u>	<u><u>\$ 3,154,863</u></u>
Fund Balance:			
Beginning of year		<u>331,349</u>	
End of year		<u><u>\$ (283,783)</u></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, 2013

	Final Budget	Actual Amounts	Variance with Final Budget
Revenues:			
Licenses and permits	\$ 24,000	\$ 42,489	\$ 18,489
Fines and forfeitures	200,000	209,862	9,862
Use of money and property	376,000	349,730	(26,270)
Total revenues	600,000	602,081	2,081
Expenditures:			
Current:			
Public safety	435,775	361,557	74,218
Capital outlay	517,839	2,125	515,714
Total expenditures	953,614	363,682	589,932
REVENUES OVER (UNDER) EXPENDITURES			
	(353,614)	238,399	592,013
Net change in fund balance	\$ (353,614)	238,399	\$ 592,013
Fund Balance:			
Beginning of year		711,067	
End of year		\$ 949,466	

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, 2013

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
Revenues:			
Fines and forfeitures	\$ 488,640	\$ 426,373	\$ (62,267)
Use of money and property	-	(613)	(613)
Total revenues	<u>488,640</u>	<u>425,760</u>	<u>(62,880)</u>
Expenditures:			
Current:			
Public safety	<u>38,500</u>	<u>37,227</u>	<u>1,273</u>
Total expenditures	<u>38,500</u>	<u>37,227</u>	<u>1,273</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>450,140</u>	<u>388,533</u>	<u>(61,607)</u>
Other Financing Sources (Uses):			
Transfers out	<u>(534,140)</u>	<u>(492,669)</u>	<u>41,471</u>
Total other financing sources (uses)	<u>(534,140)</u>	<u>(492,669)</u>	<u>41,471</u>
Net change in fund balance	<u>\$ (84,000)</u>	<u>(104,136)</u>	<u>\$ (20,136)</u>
Fund Balance:			
Beginning of year		<u>103,094</u>	
End of year		<u>\$ (1,042)</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, 2013

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
Revenues:			
Use of money and property	\$ -	\$ (266)	\$ (266)
Total revenues	<u>-</u>	<u>(266)</u>	<u>(266)</u>
Expenditures:			
Capital outlay	10,433	-	10,433
Total expenditures	<u>10,433</u>	<u>-</u>	<u>10,433</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(10,433)</u>	<u>(266)</u>	<u>10,167</u>
Net change in fund balance	<u><u>\$ (10,433)</u></u>	<u>(266)</u>	<u><u>\$ 10,167</u></u>
Fund Balance:			
Beginning of year		<u>50,956</u>	
End of year		<u><u>\$ 50,690</u></u>	

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, 2013

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
Revenues:			
Charges for services	\$ 12,014,967	\$ 12,142,260	\$ 127,293
Use of money and property	-	(82,226)	(82,226)
Total revenues	<u>12,014,967</u>	<u>12,060,034</u>	<u>45,067</u>
Expenditures:			
Current:			
Public works	<u>12,144,805</u>	<u>11,355,550</u>	<u>789,255</u>
Total expenditures	<u>12,144,805</u>	<u>11,355,550</u>	<u>789,255</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(129,838)</u>	<u>704,484</u>	<u>834,322</u>
Net change in fund balance	<u><u>\$ (129,838)</u></u>	<u>704,484</u>	<u><u>\$ 834,322</u></u>
Fund Balance:			
Beginning of year		<u>15,748,007</u>	
End of year		<u><u>\$ 16,452,491</u></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, 2013

	Final Budget	Actual Amounts	Variance with Final Budget
Revenues:			
Intergovernmental	\$ 244,000	\$ 12,083	\$ (231,917)
Charges for services	-	68	68
Use of money and property	-	1,560	1,560
Other	-	37,635	37,635
Total revenues	244,000	51,346	(192,654)
Expenditures:			
Current:			
General government	264,570	24,878	239,692
Debt service:			
Interest and fiscal charges	-	555	(555)
Total expenditures	264,570	25,433	239,137
REVENUES OVER (UNDER) EXPENDITURES	(20,570)	25,913	46,483
Net change in fund balance	\$ (20,570)	25,913	\$ 46,483
Fund Balance:			
Beginning of year		573,801	
End of year		\$ 599,714	

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, 2013

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
Revenues:			
Charges for services	\$ 175,000	\$ 240,397	\$ 65,397
Use of money and property	-	(13,937)	(13,937)
Other	-	24,945	24,945
Total revenues	<u>175,000</u>	<u>251,405</u>	<u>76,405</u>
Expenditures:			
Current:			
Public works	15,000	1,962	13,038
Capital outlay	<u>1,933,158</u>	<u>946,457</u>	<u>986,701</u>
Total expenditures	<u>1,948,158</u>	<u>948,419</u>	<u>999,739</u>
REVENUES OVER (UNDER) EXPENDITURES			
	<u>(1,773,158)</u>	<u>(697,014)</u>	<u>1,076,144</u>
Net change in fund balance	<u><u>\$ (1,773,158)</u></u>	<u>(697,014)</u>	<u><u>\$ 1,076,144</u></u>
Fund Balance:			
Beginning of year		<u>2,652,226</u>	
End of year		<u><u>\$ 1,955,212</u></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, 2013

	Final Budget	Actual Amounts	Variance with Final Budget
Revenues:			
Taxes	\$ 5,310,873	\$ 6,196,036	\$ 885,163
Intergovernmental	-	1,582,504	1,582,504
Use of money and property	-	(4,140)	(4,140)
Other	-	2,068	2,068
Total revenues	<u>5,310,873</u>	<u>7,776,468</u>	<u>2,465,595</u>
Expenditures:			
Capital outlay	<u>14,687,547</u>	<u>6,545,663</u>	<u>8,141,884</u>
Total expenditures	<u>14,687,547</u>	<u>6,545,663</u>	<u>8,141,884</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(9,376,674)</u>	<u>1,230,805</u>	<u>10,607,479</u>
Other Financing Sources (Uses):			
Transfers out	<u>(79,224)</u>	<u>(79,224)</u>	<u>-</u>
Total other financing sources (uses)	<u>(79,224)</u>	<u>(79,224)</u>	<u>-</u>
Net change in fund balance	<u><u>\$ (9,455,898)</u></u>	<u>1,151,581</u>	<u><u>\$ 10,607,479</u></u>
Fund Balance:			
Beginning of year		<u>1,161,781</u>	
End of year		<u><u>\$ 2,313,362</u></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, 2013

	Final Budget	Actual Amounts	Variance with Final Budget
Revenues:			
Licenses and permits	\$ 32,000	\$ (1,180)	\$ (33,180)
Charges for services	549,361	587,887	38,526
Fines and forfeitures	5,000	600	(4,400)
Use of money and property	-	(961)	(961)
Total revenues	<u>586,361</u>	<u>586,346</u>	<u>(15)</u>
Expenditures:			
Current:			
Public works	<u>293,980</u>	<u>247,835</u>	<u>46,145</u>
Total expenditures	<u>293,980</u>	<u>247,835</u>	<u>46,145</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>292,381</u>	<u>338,511</u>	<u>46,130</u>
Other Financing Sources (Uses):			
Transfers out	<u>(340,463)</u>	<u>(340,463)</u>	<u>-</u>
Total other financing sources (uses)	<u>(340,463)</u>	<u>(340,463)</u>	<u>-</u>
Net change in fund balance	<u><u>\$ (48,082)</u></u>	<u>(1,952)</u>	<u><u>\$ 46,130</u></u>
Fund Balance:			
Beginning of year		<u>253,995</u>	
End of year		<u><u>\$ 252,043</u></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, 2013

	Final Budget	Actual Amounts	Variance with Final Budget
Revenues:			
Charges for services	\$ 71,000	\$ 230,513	\$ 159,513
Use of money and property	-	(5,868)	(5,868)
Other	507,101	456,505	(50,596)
Total revenues	<u>578,101</u>	<u>681,150</u>	<u>103,049</u>
Expenditures:			
Current:			
General government	836,780	773,492	63,288
Total expenditures	<u>836,780</u>	<u>773,492</u>	<u>63,288</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(258,679)</u>	<u>(92,342)</u>	<u>166,337</u>
Other Financing Sources (Uses):			
Transfers in	97,000	97,000	-
Transfers out	(166,085)	(166,085)	-
Total other financing sources (uses)	<u>(69,085)</u>	<u>(69,085)</u>	<u>-</u>
Net change in fund balance	<u>\$ (327,764)</u>	<u>(161,427)</u>	<u>\$ 166,337</u>
Fund Balance:			
Beginning of year		<u>508,107</u>	
End of year		<u>\$ 346,680</u>	

City of Chula Vista
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Mobilehome Admin Fee Fund
For the year ended June 30, 2013

	Final Budget	Actual Amounts	Variance with Final Budget
Revenues:			
Charges for services	\$ 120,071	\$ 129,650	\$ 9,579
Use of money and property	-	(191)	(191)
Total revenues	120,071	129,459	9,388
Expenditures:			
Current:			
General government	120,071	99,825	20,246
Total expenditures	120,071	99,825	20,246
REVENUES OVER			
(UNDER) EXPENDITURES	-	29,634	29,634
Net change in fund balance	\$ -	29,634	\$ 29,634
Fund Balance:			
Beginning of period		-	
End of period		\$ 29,634	

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, 2013

	Final Budget	Actual Amounts	Variance with Final Budget
Revenues:			
Use of money and property	\$ -	\$ 276,668	\$ 276,668
Transfers from Successor Agency	-	1,870	1,870
Total revenues	<u>-</u>	<u>278,538</u>	<u>278,538</u>
Expenditures:			
Current:			
General government	12,000	7,738	4,262
Public safety	9,500	7,317	2,183
Debt service:			
Principal	3,915,000	3,915,000	-
Interest and fiscal charges	<u>6,192,416</u>	<u>6,199,463</u>	<u>(7,047)</u>
Total expenditures	<u>10,128,916</u>	<u>10,129,518</u>	<u>(602)</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(10,128,916)</u>	<u>(9,850,980)</u>	<u>277,936</u>
Other Financing Sources (Uses):			
Transfers in	<u>8,871,713</u>	<u>7,767,272</u>	<u>1,104,441</u>
Total other financing sources (uses)	<u>8,871,713</u>	<u>7,767,272</u>	<u>1,104,441</u>
Net change in fund balance	<u>\$ (1,257,203)</u>	<u>(2,083,708)</u>	<u>\$ (826,505)</u>
Fund Balance:			
Beginning of year		<u>12,420,334</u>	
End of year		<u>\$ 10,336,626</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, 2013

	Final Budget	Actual Amounts	Variance with Final Budget
Revenues:			
Intergovernmental	\$ -	\$ 1,149	\$ 1,149
Use of money and property	-	(591)	(591)
Total revenues	<u>-</u>	<u>558</u>	<u>558</u>
Expenditures:			
Debt service:			
Principal	-	793,638	(793,638)
Interest and fiscal charges	-	584,754	(584,754)
Total expenditures	<u>-</u>	<u>1,378,392</u>	<u>(1,378,392)</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>-</u>	<u>(1,377,834)</u>	<u>(1,377,834)</u>
Other Financing Sources (Uses):			
Transfers in	<u>1,194,476</u>	<u>1,099,867</u>	<u>(94,609)</u>
Total other financing sources (uses)	<u>1,194,476</u>	<u>1,099,867</u>	<u>(94,609)</u>
Net change in fund balance	<u><u>\$ 1,194,476</u></u>	<u><u>(277,967)</u></u>	<u><u>\$ (1,472,443)</u></u>
Fund Balance:			
Beginning of year		<u>283,717</u>	
End of year		<u><u>\$ 5,750</u></u>	

City of Chula Vista
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Lease Payable Debt Service Fund
For the year ended June 30, 2013

	Final Budget	Actual Amounts	Variance with Final Budget
Revenues:			
Use of money and property	\$ -	\$ (88)	\$ (88)
Total revenues	-	(88)	(88)
Expenditures:			
Debt service:			
Principal	-	405,354	(405,354)
Interest and fiscal charges	-	33,893	(33,893)
Total expenditures	-	439,247	(439,247)
REVENUES OVER (UNDER) EXPENDITURES	-	(439,335)	(439,335)
Other Financing Sources (Uses):			
Transfers in	-	714,247	714,247
Total other financing sources (uses)	-	714,247	714,247
Net change in fund balance	\$ -	274,912	\$ 274,912
Fund Balance:			
Beginning of year		403	
End of year		<u>\$ 275,315</u>	



CITY OF
CHULA VISTA

NON-MAJOR ENTERPRISE FUNDS

projects.

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

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.

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

City of Chula Vista
Combining Statement of Net Position
Non-Major Enterprise Funds
June 30, 2013

	Transit Fund	Bayfront Trolley Station Fund	Sewer DIFS Fund	Development Services Fund	Total
ASSETS					
Current assets:					
Cash and investments	\$ 1,048,550	\$ 12,746	\$ 9,126,931	\$ 603,365	\$ 10,791,592
Receivables:					
Accounts	4,749	-	-	291,405	296,154
Other	962	-	11,588	-	12,550
Prepaid items	-	-	-	71,588	71,588
Total current assets	<u>1,054,261</u>	<u>12,746</u>	<u>9,138,519</u>	<u>966,358</u>	<u>11,171,884</u>
Noncurrent assets:					
Capital assets, net	805,281	-	2,101,387	-	2,906,668
Total noncurrent assets	<u>805,281</u>	<u>-</u>	<u>2,101,387</u>	<u>-</u>	<u>2,906,668</u>
Total assets	<u>1,859,542</u>	<u>12,746</u>	<u>11,239,906</u>	<u>966,358</u>	<u>14,078,552</u>
LIABILITIES					
Current liabilities:					
Accounts payable	5,558	3,298	-	77,781	86,637
Accrued liabilities	6,603	-	-	(42,033)	(35,430)
Unearned revenues	867,690	9,448	-	-	877,138
Total current liabilities	<u>879,851</u>	<u>12,746</u>	<u>-</u>	<u>35,748</u>	<u>928,345</u>
Noncurrent liabilities:					
Advances from other funds	-	-	4,165,299	-	4,165,299
Compensated absences	21,911	-	-	327,178	349,089
Total noncurrent liabilities	<u>21,911</u>	<u>-</u>	<u>4,165,299</u>	<u>327,178</u>	<u>4,514,388</u>
Total liabilities	<u>901,762</u>	<u>12,746</u>	<u>4,165,299</u>	<u>362,926</u>	<u>5,442,733</u>
NET POSITION					
Net investment in capital assets	805,281	-	2,101,387	-	2,906,668
Unrestricted	152,499	-	4,973,220	603,432	5,729,151
Total net position	<u>\$ 957,780</u>	<u>\$ -</u>	<u>\$ 7,074,607</u>	<u>\$ 603,432</u>	<u>\$ 8,635,819</u>

City of Chula Vista
Combining Statement of Revenues, Expenses, and Changes in Net Position
Non-Major Enterprise Funds
For the year ended June 30, 2013

	Transit Fund	Bayfront Trolley Station Fund	Sewer DIFS Fund	Development Services Fund	Total
OPERATING REVENUES:					
Charges for services	\$ 2,841,619	\$ -	\$ 645,015	\$ 6,654,261	\$ 10,140,895
Other	299,219	-	-	70	299,289
Total operating revenues	3,140,838	-	645,015	6,654,331	10,440,184
OPERATING EXPENSES:					
Operations and administration	6,360,871	92,843	-	5,717,312	12,171,026
Depreciation	636,617	-	60,000	-	696,617
Total operating expenses	6,997,488	92,843	60,000	5,717,312	12,867,643
Operating income (loss)	(3,856,650)	(92,843)	585,015	937,019	(2,427,459)
NONOPERATING REVENUES:					
Intergovernmental	3,002,783	92,843	-	-	3,095,626
Interest income	(4,223)	-	(48,616)	-	(52,839)
Interest expense	-	-	(62,927)	-	(62,927)
Gain (loss) on disposal of capital assets	4,749	-	-	-	4,749
Total nonoperating revenues	3,003,309	92,843	(111,543)	-	2,984,609
Income (loss) before transfers	(853,341)	-	473,472	937,019	557,150
TRANSFERS:					
Transfers in	-	-	-	439,238	439,238
Transfers out	(34,750)	-	(250,000)	(1,175,724)	(1,460,474)
Total transfers	(34,750)	-	(250,000)	(736,486)	(1,021,236)
Net increase (decrease) in net position	(888,091)	-	223,472	200,533	(464,086)
NET POSITION:					
Beginning of year	1,845,871	-	6,851,135	402,899	9,099,905
End of year	<u>\$ 957,780</u>	<u>\$ -</u>	<u>\$ 7,074,607</u>	<u>\$ 603,432</u>	<u>\$ 8,635,819</u>

City of Chula Vista
Combining Statement of Cash Flows
Non-Major Enterprise Funds
For the year ended June 30, 2013

	Transit Fund	Bayfront Trolley Station Fund	Sewer DIFS Fund	Development Services Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES:					
Cash received from customers	\$ 3,635,923	\$ 9,448	\$ 647,818	\$ 6,692,524	\$ 10,985,713
Cash received from other funds	-	-	1	-	1
Cash payments to suppliers and employees for goods and services	(6,355,062)	(90,634)	-	(5,762,229)	(12,207,925)
Other operating revenues	299,219	-	-	327,248	626,467
Net cash provided (used) by operating activities	(2,419,920)	(81,186)	647,819	1,257,543	(595,744)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:					
Proceeds received from disposal of capital assets	4,749	-	-	-	4,749
Net cash provided by capital and related financing activities	4,749	-	-	-	4,749
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:					
Intergovernmental	3,002,783	92,843	-	-	3,095,626
Transfer in	-	-	-	439,238	439,238
Transfers (out)	(34,750)	-	(250,000)	(1,175,724)	(1,460,474)
Net cash provided (used) by noncapital financing activities	2,968,033	92,843	(250,000)	(736,486)	2,074,390
CASH FLOWS FROM INVESTING ACTIVITIES:					
Interest revenue	(3,005)	-	(48,616)	-	(51,621)
Net cash (used) by investing activities	(3,005)	-	(48,616)	-	(51,621)
Net increase in cash and cash equivalents	549,857	11,657	349,203	521,057	1,431,774
CASH AND CASH EQUIVALENT:					
Beginning of year	498,693	1,089	8,777,728	82,308	9,359,818
End of year	<u>\$ 1,048,550</u>	<u>\$ 12,746</u>	<u>\$ 9,126,931</u>	<u>\$ 603,365</u>	<u>\$ 10,791,592</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:					
Operating income (loss)	\$ (3,856,650)	\$ (92,843)	\$ 585,015	\$ 937,019	\$ (2,427,459)
Adjustments to reconcile operating loss to net cash provided (used) by operating activities:					
Depreciation	636,617	-	60,000	-	696,617
Changes in operating assets and liabilities:					
Accounts receivable	(3,688)	-	-	38,263	34,575
Prepaid items	-	-	-	(71,588)	(71,588)
Other receivable	67,302	-	2,803	-	70,105
Accounts payable	(1,657)	2,209	-	68,704	69,256
Accrued liabilities	6,603	-	-	(42,033)	(35,430)
Unearned revenue	730,690	9,448	-	-	740,138
Compensated absences	863	-	-	327,178	328,041
Total adjustments	1,436,730	11,657	62,804	320,524	1,831,715
Net cash provided (used) by operating activities	\$ (2,419,920)	\$ (81,186)	\$ 647,819	\$ 1,257,543	\$ (595,744)

Internal Service Funds

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.

Stores Inventory - This fund accounts for the City's Warehouse and Central Stores operation. The source of revenue is a reimbursement of costs for items purchased by other departments.

City of Chula Vista
Combining Statement of Net Position
All Internal Service Funds
June 30, 2013

	Fleet Management	Technology Replacement	Workers Compensation	Total
ASSETS				
Current assets:				
Cash and investments	\$ 1,705,192	\$ 2,650	\$ 2,200,309	\$ 3,908,151
Receivables:				
Accounts	7,146	-	-	7,146
Other	1,988	-	-	1,988
Total current assets	<u>1,714,326</u>	<u>2,650</u>	<u>2,200,309</u>	<u>3,917,285</u>
Noncurrent assets:				
Capital assets, net	<u>779,645</u>	-	-	<u>779,645</u>
Total noncurrent assets	<u>779,645</u>	<u>-</u>	<u>-</u>	<u>779,645</u>
Total assets	<u>2,493,971</u>	<u>2,650</u>	<u>2,200,309</u>	<u>4,696,930</u>
LIABILITIES				
Current liabilities:				
Accounts payable	299,549	-	-	299,549
Accrued liabilities	32,454	-	-	32,454
Total current liabilities	<u>332,003</u>	<u>-</u>	<u>-</u>	<u>332,003</u>
Noncurrent liabilities:				
Compensated absences	<u>68,654</u>	-	-	<u>68,654</u>
Total noncurrent liabilities	<u>68,654</u>	<u>-</u>	<u>-</u>	<u>68,654</u>
Total liabilities	<u>400,657</u>	<u>-</u>	<u>-</u>	<u>400,657</u>
NET POSITION				
Net investment in capital assets	779,645	-	-	779,645
Unrestricted	<u>1,313,669</u>	<u>2,650</u>	<u>2,200,309</u>	<u>3,516,628</u>
Total net position	<u>\$ 2,093,314</u>	<u>\$ 2,650</u>	<u>\$ 2,200,309</u>	<u>\$ 4,296,273</u>

City of Chula Vista
Combining Statement of Revenues, Expenses, and Changes in Net Position
All Internal Service Funds
For the year ended June 30, 2013

	Fleet Management	Technology Replacement	Workers Compensation	Total
OPERATING REVENUES:				
Charges for services	\$ 3,438,593	\$ -	\$ 2,909,830	\$ 6,348,423
Other	270,286	-	-	270,286
Total operating revenues	3,708,879	-	2,909,830	6,618,709
OPERATING EXPENSES:				
Operations and administration	3,692,316	362	3,730,058	7,422,736
Depreciation	351,254	-	-	351,254
Total operating expenses	4,043,570	362	3,730,058	7,773,990
Operating income (loss)	(334,691)	(362)	(820,228)	(1,155,281)
NONOPERATING REVENUES:				
Interest income	(8,832)	-	-	(8,832)
Gain (loss) on disposal of capital assets	82,587	-	-	82,587
Total nonoperating revenues	73,755	-	-	73,755
Income (loss) before transfers	(260,936)	(362)	(820,228)	(1,081,526)
TRANSFERS:				
Transfers in	300,000	-	-	300,000
Total transfers	300,000	-	-	300,000
Net increase (decrease) in net position	39,064	(362)	(820,228)	(781,526)
NET POSITION:				
Beginning of year	2,054,250	3,012	3,020,537	5,077,799
End of year	<u>\$ 2,093,314</u>	<u>\$ 2,650</u>	<u>\$ 2,200,309</u>	<u>\$ 4,296,273</u>

City of Chula Vista
Combining Statement of Cash Flows
All Internal Service Funds
For the year ended June 30, 2013

	Fleet Management	Technology Replacement	Workers Compensation	Total
CASH FLOWS FROM OPERATING ACTIVITIES:				
Cash received from other funds	\$ 3,471,657	\$ -	\$ 2,909,830	\$ 6,381,487
Cash payments to suppliers and employees for goods and services	(3,577,629)	(362)	(3,730,058)	(7,308,049)
Other operating revenues	270,286	-	-	270,286
Net cash provided (used) by operating activities	164,314	(362)	(820,228)	(656,276)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Acquisition of capital assets	(703,119)	-	-	(703,119)
Proceeds received from disposal of capital assets	82,587	-	-	82,587
Net cash (used) by capital and related financing activities	(620,532)	-	-	(620,532)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Transfers in	300,000	-	-	300,000
Net cash provided by noncapital financing activities	300,000	-	-	300,000
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest revenue	(5,872)	-	-	(5,872)
Net cash used by investing activities	(5,872)	-	-	(5,872)
Net (decrease) in cash and cash equivalents	(162,090)	(362)	(820,228)	(982,680)
CASH AND CASH EQUIVALENT:				
Beginning of year	1,867,282	3,012	3,020,537	4,890,831
End of year	<u>\$ 1,705,192</u>	<u>\$ 2,650</u>	<u>\$ 2,200,309</u>	<u>\$ 3,908,151</u>
RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:				
Operating (loss)	\$ (334,691)	\$ (362)	\$ (820,228)	\$ (1,155,281)
Adjustments to reconcile operating loss to net cash provided (used) by operating activities:				
Depreciation	351,254	-	-	351,254
Changes in operating assets and liabilities:				
Accounts receivable	(7,146)	-	-	(7,146)
Other receivable	40,210	-	-	40,210
Accounts payable	76,342	-	-	76,342
Accrued liabilities	32,454	-	-	32,454
Compensated absences	5,891	-	-	5,891
Total adjustments	499,005	-	-	499,005
Net cash provided (used) by operating activities	\$ 164,314	\$ (362)	\$ (820,228)	\$ (656,276)

FIDUCIARY FUNDS

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.

Miscellaneous Deposits - This fund accounts for all money collected to pay for certain deposits.

City of Chula Vista
Statement of Changes in Assets and Liabilities
Agency Fund
For the year ended June 30, 2013

	Balance July 1, 2012	Additions	Deletions	Balance June 30, 2013
<u>Special Assessment District</u>				
Assets:				
Cash and investments	\$ 7,796,044	\$ 2,247,589	\$ -	\$ 10,043,633
Restricted cash and investments:				
Held by fiscal agents	72,918,839	1,791,789	-	74,710,628
Total assets	\$ 80,714,883	\$ 4,039,378	\$ -	\$ 84,754,261
Liabilities:				
Due to bondholders	\$ 80,712,162	\$ 4,042,099	\$ -	\$ 84,754,261
Accounts Payable	2,721	-	(2,721)	-
Total liabilities	\$ 80,714,883	\$ 4,042,099	\$ (2,721)	\$ 84,754,261
<u>Miscellaneous Deposits</u>				
Assets:				
Cash and investments	\$ 13,257	\$ -	\$ -	\$ 286,123
Other Receivables	19,787	-	-	21,002
Total assets	\$ 33,044	\$ -	\$ -	\$ 307,125
Liabilities:				
Refundable deposits	\$ 33,044	\$ 214,922	\$ (34,857)	\$ 212,875
Accounts Payable	-	-	-	234
Due to City	-	94,016	-	94,016
Total liabilities	\$ 33,044	\$ 308,938	\$ (34,857)	\$ 307,125
<u>Total - All Agency Funds</u>				
Assets:				
Cash and investments	\$ 7,809,301	\$ 2,247,589	\$ -	\$ 10,329,756
Restricted cash and investments:				
Held by fiscal agents	72,918,839	1,791,789	-	74,710,628
Other Receivables	19,787	-	-	21,002
Total assets	\$ 80,747,927	\$ 4,039,378	\$ -	\$ 85,061,386
Liabilities:				
Accounts Payable	\$ 2,721	\$ -	\$ (2,721)	\$ 234
Due to bondholders	80,712,162	4,042,099	-	84,754,261
Due to City	-	94,016	-	94,016
Refundable Deposits	33,044	214,922	(34,857)	212,875
Total liabilities	\$ 80,747,927	\$ 4,351,037	\$ (37,578)	\$ 85,061,386

STATISTICAL SECTION

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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These schedules contain information to help the reader understand how the city's financial performance and well-being have changed over time.	
Revenue Capacity	143-146
These schedules contain information to help the reader assess the factors affecting the city's ability to generate its property and sales taxes.	
Debt Capacity	147-151
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.	
Demographic and Economic Information	152-153
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.	
Operating Information	154-156
These schedules contain information about the city's operations and resources to help the reader understand how the city's financial information relates to the services the city provides and the activities it performs.	

CITY OF CHULA VISTA
Net Assets by Component
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Governmental activities:										
Invested in capital assets, net of related debt	\$ 537,716,998	\$ 600,317,974	\$ 662,230,041	\$ 715,090,838	\$ 621,878,119	\$ 623,938,515	\$ 634,377,842	\$ 634,409,385	\$ 655,182,727	\$ 626,476,481
Restricted	55,283,141	72,468,247	75,916,972	69,516,915	55,166,660	43,901,854	49,193,256	47,168,636	22,929,585	21,888,309
Unrestricted	110,825,189	111,448,751	95,782,921	126,026,156	91,683,171	89,235,419	73,916,496	72,730,796	89,620,724	112,373,335
Total governmental activities net assets	703,825,328	784,234,972	833,929,934	910,633,909	768,727,950	757,073,788	757,487,594	754,308,817	767,733,036	760,738,125
Business-type activities:										
Invested in capital assets, net of related debt	6,217,348	7,423,479	6,540,514	5,658,433	150,004,170	148,237,562	152,384,420	146,550,585	140,248,319	134,661,254
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	381,697	580,735	500,299	335,824	55,294,988	64,860,578	74,385,651	80,214,208	86,521,327	93,401,745
Total business-type activities net assets	6,599,045	8,004,214	7,040,813	5,994,257	205,299,158	213,098,140	226,770,071	226,764,793	226,769,646	228,062,999
Primary government:										
Invested in capital assets, net of related debt	543,934,346	607,741,453	668,770,555	720,749,271	771,882,289	772,176,077	786,762,262	780,959,970	795,431,046	761,137,735
Restricted	55,283,141	72,468,247	75,916,972	69,516,915	55,166,660	43,901,854	49,193,256	47,168,636	22,929,585	21,888,309
Unrestricted	111,206,886	112,029,486	96,283,220	126,361,980	146,978,159	154,095,997	148,302,147	152,945,004	176,142,051	205,775,080
Total primary government net assets	710,424,373	792,239,186	840,970,747	916,628,166	974,027,108	970,173,928	984,257,665	981,073,610	994,502,682	988,801,124

Sewer funds were converted to an enterprise fund in fiscal year 2008.

CITY OF CHULA VISTA
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Expenses:										
Governmental activities:										
General government	\$ 37,542,162	\$ 42,591,851	\$ 53,566,425	\$ 45,249,650	\$ 51,609,403	\$ 49,216,220	\$ 51,136,412	\$ 46,457,112	\$ 22,508,977	\$ 33,488,394
Public safety	54,974,182	63,368,815	72,887,220	77,136,782	78,633,467	76,097,546	74,008,767	75,664,246	75,931,086	77,821,520
Public works	71,482,668	79,723,824	102,122,564	103,117,608	86,410,082	72,509,779	69,524,903	71,857,158	76,458,061	69,297,402
Parks and recreation	5,854,495	7,757,251	8,085,160	9,353,280	9,650,399	9,805,893	7,849,907	6,995,489	7,310,312	5,865,192
Library	8,845,277	8,890,126	10,412,973	10,320,817	8,532,621	7,617,286	4,826,602	4,509,999	4,185,624	4,224,568
Transit	-	-	-	-	-	-	-	-	63,021	14,560
Interest on long-term debt	12,827,332	12,656,986	12,263,808	12,032,833	13,656,534	13,064,138	11,217,753	11,538,707	8,904,275	6,698,509
Total governmental activities expenses	<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>	<u>218,564,344</u>	<u>217,022,711</u>	<u>195,361,356</u>	<u>197,410,145</u>
Business-type activities:										
Transit	7,257,722	7,475,184	7,447,393	7,330,560	8,301,081	8,147,424	7,571,898	7,075,998	7,050,673	6,997,488
Bayfront Trolley Station	85,567	98,900	86,595	103,691	98,406	98,800	94,802	91,788	91,942	92,843
Sewer funds	-	-	-	-	30,323,015	23,528,217	29,240,616	30,245,584	30,524,851	30,773,712
Sewer DIFs	-	-	-	-	203,500	200,660	126,019	123,629	129,351	122,927
Development Services Fund	-	-	-	-	-	-	-	-	4,730,599	5,717,312
Interest on long-term debt	-	-	-	-	62,927	-	-	-	-	-
Total business-type activities expenses	<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>	<u>37,033,335</u>	<u>37,536,999</u>	<u>42,527,416</u>	<u>43,704,282</u>
Total primary government expenses	<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>	<u>255,597,679</u>	<u>254,559,710</u>	<u>237,888,772</u>	<u>241,114,427</u>
Program revenues:										
Governmental activities:										
Charges for services:										
General government	25,937,307	23,523,277	33,955,790	45,255,716	38,563,085	35,959,181	32,419,505	29,785,079	5,955,849	15,792,366
Public safety	9,991,565	9,555,756	11,598,587	7,311,407	8,148,817	7,954,060	8,833,813	7,989,893	8,658,579	7,616,048
Public works	46,862,521	40,020,387	52,749,415	45,520,978	23,112,265	25,793,234	28,761,170	33,378,070	32,767,261	26,937,055
Parks and recreation	25,000,748	15,702,515	26,935,981	19,106,017	11,881,147	2,776,032	2,559,668	3,599,653	3,051,842	7,585,045
Library	2,751,059	2,220,368	2,693,087	818,285	561,948	326,116	505,044	967,908	840,258	1,651,705
Operating grants and contributions	17,426,744	22,226,690	19,464,389	16,646,713	34,498,639	18,957,467	17,984,120	31,976,818	21,780,868	30,935,863
Total governmental activities	<u>1,783,068</u>	<u>79,419,189</u>	<u>57,074,381</u>	<u>85,608,765</u>	<u>50,632,109</u>	<u>16,754,583</u>	<u>23,711,994</u>	<u>4,781,625</u>	<u>4,283,855</u>	<u>2,936,133</u>
Program revenues	<u>129,753,012</u>	<u>192,668,182</u>	<u>204,471,630</u>	<u>220,267,881</u>	<u>167,398,010</u>	<u>108,520,673</u>	<u>114,775,314</u>	<u>112,479,046</u>	<u>77,338,512</u>	<u>93,454,215</u>

City of Chula Vista
Changes in Net Position
Last Ten Fiscal Years (Continued)
(accrual basis of accounting)

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Business-type activities:										
Charges for services:										
Transit	2,525,349	2,425,531	2,526,487	2,433,008	1,660,821	3,679,761	3,335,334	2,534,385	2,671,538	2,841,619
Sewer funds	-	-	-	-	29,138,449	31,046,180	36,284,081	32,257,256	32,571,135	35,011,268
Sewer DIFs	-	-	-	-	539,136	232,430	166,303	443,599	174,667	645,015
Development Services Fund	-	-	-	-	-	-	-	-	4,174,657	6,654,261
Operating grants and contributions	3,805,056	4,231,445	-	-	5,378,518	3,390,228	3,357,566	3,431,988	3,524,426	3,095,626
Capital grants and contributions	-	1,971,311	-	-	-	-	-	-	-	-
Total business-type activities	-	-	-	-	-	-	-	-	-	-
program revenues	6,330,405	8,628,287	2,526,487	2,433,008	36,716,924	38,348,599	43,143,284	38,667,228	43,116,423	48,247,789
Total primary government	136,083,417	201,296,469	206,998,117	222,700,889	204,114,934	146,869,272	157,918,598	151,146,274	120,454,935	141,702,004
Net revenues (expenses):										
Governmental activities	(61,773,104)	(22,320,671)	(54,866,520)	(36,943,089)	(81,094,496)	(119,790,189)	(103,789,030)	(104,543,665)	(118,022,844)	(103,955,930)
Business-type activities	(1,012,884)	1,054,203	(5,007,501)	(5,001,243)	(2,272,005)	6,373,498	6,109,949	1,130,229	589,007	4,543,507
Total net revenues (expenses)	(62,785,988)	(21,266,468)	(59,874,021)	(41,944,332)	(83,366,501)	(113,416,691)	(97,679,081)	(103,413,436)	(117,433,837)	(99,412,423)
General revenues and other changes in net assets:										
Governmental activities:										
Taxes:										
Property taxes	26,674,527	27,074,211	32,597,672	38,882,122	43,388,023	43,319,156	41,798,577	39,437,025	49,721,604	45,146,022
Sales tax	21,421,090	23,600,000	30,915,515	32,817,351	29,062,355	26,263,317	23,674,601	26,702,443	27,275,753	28,627,785
Other taxes	25,826,828	23,373,749	41,578,824	21,400,961	21,922,357	21,643,366	21,927,677	17,485,387	16,431,529	19,453,113
Investment income	5,651,048	11,678,930	10,195,710	13,386,872	8,663,014	12,676,922	5,744,616	9,108,662	3,615,266	866,861
Other general revenues	68,050,147	18,828,693	4,256,385	7,137,140	8,343,946	355,175	7,581,794	5,193,653	1,530,568	2,117,482
Transfers	42,876	34,900	122,588	22,618	5,594,536	3,880,091	3,473,571	3,437,718	4,195,190	4,100,737
Total general revenues and transfers	147,666,516	104,590,483	119,666,694	113,647,064	116,974,231	108,138,027	104,200,836	101,364,888	102,769,910	100,312,000
Extraordinary gain	-	-	-	-	-	-	-	-	28,677,153	-
Total governmental activities	147,666,516	104,590,483	119,666,694	113,647,064	116,974,231	108,138,027	104,200,836	101,364,888	131,447,063	100,312,000
Business-type activities:										
Investment income	20,715	56,485	78,605	167,734	6,740,155	2,090,311	1,785,660	1,288,478	1,273,689	261,354
Miscellaneous	115,549	329,381	4,088,083	3,809,571	670,170	3,215,264	9,249,893	1,013,733	2,337,347	349,909
Transfers	(42,876)	(34,900)	(122,588)	(22,618)	(5,594,536)	(3,880,091)	(3,473,571)	(3,437,718)	(4,195,190)	(3,861,417)
Total business-type activities	93,388	350,966	4,044,100	3,954,687	1,815,789	1,425,484	7,561,982	(1,135,507)	(584,154)	(3,250,154)
Total primary government	147,759,904	104,941,449	123,710,794	117,601,751	118,790,020	109,563,511	111,762,818	100,229,381	130,862,909	97,061,846
Changes in net assets										
Governmental activities	85,893,412	82,269,812	64,800,174	76,703,975	35,879,735	(11,652,162)	411,806	(3,178,777)	13,424,219	(3,643,930)
Business-type activities	(919,496)	1,405,169	(963,401)	(1,046,556)	(456,216)	7,798,982	13,671,931	(5,278)	4,853	1,293,353
Total primary government	\$ 84,973,916	\$ 83,674,981	\$ 63,836,773	\$ 75,657,419	\$ 35,423,519	\$ (3,853,180)	\$ 14,083,737	\$ (3,184,055)	\$ 13,429,072	\$ (2,350,577)

Sewer funds were converted to an enterprise fund in fiscal year 2008.

CITY OF CHULA VISTA
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
General fund:										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 11,258,150	\$ 8,799,026	\$ 7,481,079
Restricted	-	-	-	-	-	-	-	127,883	-	-
Committed	-	-	-	-	-	-	-	7,178,838	4,375,207	5,358,125
Assigned	-	-	-	-	-	-	-	5,298,536	2,895,545	4,339,836
Unassigned	-	-	-	-	-	-	-	11,876,992	11,969,280	11,277,008
Reserved	20,096,238	22,214,965	21,771,010	22,249,346	22,258,951	20,732,416	19,478,496	-	-	-
Unreserved	25,191,333	19,287,213	18,114,943	13,252,911	11,817,191	12,417,105	13,703,304	-	-	-
Total general fund	45,287,571	41,502,178	39,885,953	35,502,257	34,076,142	33,149,521	33,181,800	35,740,399	28,039,058	28,456,048
All other governmental funds:										
Nonspendable	-	-	-	-	-	-	-	21,669,849	30,763,746	29,774,471
Restricted	-	-	-	-	-	-	-	109,944,736	83,439,558	90,072,792
Committed	-	-	-	-	-	-	-	17,370,613	12,842,477	12,839,422
Assigned	-	-	-	-	-	-	-	(2,402,991)	-	-
Unassigned	-	-	-	-	-	-	-	(59,092,342)	(37,420,734)	(36,992,672)
Reserved	98,145,262	98,226,224	64,859,111	65,710,718	26,305,432	33,197,517	61,852,404	-	-	-
Unreserved, reported in:										
Debt service funds	(39,678,141)	(40,817,038)	(42,861,708)	(44,404,278)	(43,496,817)	(46,692,600)	(56,280,718)	-	-	-
Capital projects funds	81,760,701	94,472,902	113,659,937	92,093,271	78,496,664	70,791,397	58,595,303	-	-	-
Special revenue funds	41,395,612	48,987,258	57,893,321	64,843,684	48,690,364	42,565,836	27,334,131	-	-	-
Total all other governmental funds	\$ 181,623,434	\$ 200,869,346	\$ 193,550,661	\$ 178,243,395	\$ 109,995,643	\$ 99,862,150	\$ 91,501,120	\$ 87,489,865	\$ 89,625,047	\$ 95,694,013

Sewer funds were converted to an enterprise fund in fiscal year 2008.

CITY OF CHULA VISTA
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Revenues:										
Taxes	\$ 72,842,579	\$ 85,192,455	\$ 86,509,678	\$ 93,100,434	\$ 103,543,735	\$ 91,770,846	\$ 87,263,934	\$ 88,878,664	\$ 96,868,086	\$ 82,937,584
Licenses and permits	5,533,743	3,946,733	3,441,613	2,870,424	2,767,850	2,041,721	2,274,964	2,887,150	1,253,806	1,436,828
Fines and forfeitures	1,568,585	1,398,146	1,724,862	2,226,822	2,671,545	3,317,666	3,124,021	2,348,565	2,065,246	1,639,781
Investment income	5,113,371	10,199,902	7,946,878	13,570,315	10,890,132	10,103,986	6,299,595	8,716,624	5,077,920	2,929,237
Developer fees	44,032,202	22,625,331	50,551,528	24,058,397	17,318,134	9,252,547	11,700,991	16,498,744	13,966,814	21,742,856
Intergovernmental	24,600,541	43,647,938	41,847,938	36,107,073	43,962,835	39,497,983	41,965,596	48,177,707	21,861,011	40,953,981
Charges for services	44,940,117	41,850,292	43,823,886	52,694,312	15,679,753	12,435,955	11,877,763	11,743,505	20,907,330	23,440,813
Other	25,318,879	24,231,228	30,012,125	23,567,613	30,427,119	29,404,221	31,918,308	28,163,311	13,382,050	14,282,498
Total revenues	223,950,117	233,091,547	265,858,508	248,195,390	227,261,103	197,824,925	196,425,172	207,414,270	175,382,263	189,363,578
Expenditures										
Current:										
General government	38,239,086	46,054,981	49,628,483	46,904,990	49,596,883	43,640,514	45,966,934	39,701,396	23,833,011	25,544,079
Public safety	52,491,410	61,673,449	67,913,584	73,245,978	74,781,055	72,872,527	72,080,790	70,693,779	71,917,414	73,177,912
Public works	54,430,850	56,220,867	72,296,203	75,720,582	57,789,303	46,042,781	45,778,665	48,056,229	47,911,105	48,416,477
Parks and recreation	4,824,714	5,369,192	6,210,040	7,503,259	6,869,089	6,969,924	5,255,812	4,030,767	4,215,643	3,471,548
Library	7,583,333	8,957,574	9,734,444	9,660,809	8,224,897	7,199,101	4,563,849	3,870,646	3,672,661	3,241,660
Capital outlay	56,039,237	61,134,157	72,988,853	36,472,182	29,525,186	19,305,564	27,628,148	34,215,021	16,182,888	21,144,133
Debt service:										
Principal retirement	13,362,073	4,936,247	6,054,618	30,892,802	7,884,493	7,686,525	7,301,362	7,911,995	8,423,156	5,113,992
Interest and fiscal charges	10,910,758	12,059,211	12,260,244	12,289,908	12,224,973	12,576,939	11,585,816	11,094,106	9,229,775	6,818,788
Bond issuance cost	-	-	-	514,994	34,485	844,584	-	-	-	-
Total expenditures	237,881,461	256,405,678	297,086,469	293,205,504	246,930,364	217,138,459	220,161,376	219,573,939	185,383,653	186,928,589
Excess (deficiency) of revenues over (under) expenditures	(13,931,344)	(23,314,131)	(31,227,961)	(45,010,114)	(19,669,261)	(19,313,534)	(23,736,204)	(12,159,669)	(10,003,390)	2,434,989
Other financing sources (uses):										
Transfers in	26,894,272	84,773,947	55,698,112	53,900,545	26,104,914	50,502,425	61,296,934	56,989,583	33,900,786	20,352,616
Transfers out	(26,789,382)	(84,678,601)	(52,132,246)	(53,835,509)	(20,400,837)	(46,589,803)	(57,815,981)	(53,551,865)	(32,638,610)	(16,551,879)
Proceeds from long-term debt	-	765,000	-	-	-	665,884	29,355,000	42,286	3,963,104	2,174,204
Proceeds from bond sale	-	37,240,000	21,255,000	25,760,000	10,264,224	21,625,000	207,372	-	-	-
Payment to escrow agent trust	-	-	-	-	-	(15,110,000)	(16,710,000)	-	-	-
Bond premium/(bond discount)	-	35,254	-	(505,884)	-	(579,161)	(925,872)	-	-	-
Proceeds from sale of capital assets	162,551	639,050	-	-	-	-	-	9,630,000	-	-
Total other financing sources (uses)	267,441	38,774,650	24,820,866	25,319,152	15,968,301	10,514,345	15,407,453	13,110,004	5,225,280	5,974,941
Extraordinary item:										
Forgiveness of debt	-	-	-	-	-	-	-	-	-	-
Loss on dissolution of the Chula Vista Redevelopment Agency	-	-	-	-	-	-	-	-	(3,191,040)	-
Total extraordinary item	-	-	-	-	-	-	-	-	(3,191,040)	-
Net change in fund balances	\$ (13,663,903)	\$ 15,460,519	\$ (6,407,095)	\$ (19,690,962)	\$ (3,700,960)	\$ (8,799,189)	\$ (8,328,751)	\$ 950,335	\$ (7,969,150)	\$ 8,409,930
Debt service as a percentage of noncapital expenditures	12.9%	8.4%	10.1%	16.7%	8.8%	10.2%	9.6%	9.4%	10.1%	6.8%

Sewer funds were converted to an enterprise fund in fiscal year 2008.

CITY OF CHULA VISTA
Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years

Fiscal Year Ended June 30	City			Redevelopment Agency/Successor Agency ¹			Total Direct Tax Rate	
	Secured	Unsecured	Less: Exemptions	Taxable Assessed Value ²	Secured	Unsecured		Less: Exemptions ³
2004	13,186,377,450	387,657,132	(349,913,333)	13,224,121,249	548,945,714	84,234,008	633,179,722	0.1437%
2005	15,390,029,359	402,366,184	(426,140,493)	15,366,255,050	617,179,700	82,759,507	699,939,207	0.1438%
2006	18,481,902,606	442,863,514	(452,332,435)	18,472,433,685	735,529,147	82,456,175	817,985,322	0.1438%
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	0.1438%
2008	24,381,647,068	544,113,016	(567,257,524)	24,358,502,560	1,058,205,677	94,614,761	1,152,820,438	0.1438%
2009	24,861,548,900	565,347,815	(603,500,966)	24,823,395,749	1,061,746,125	105,702,620	1,167,448,745	0.1438%
2010	22,168,954,872	610,945,054	(682,909,923)	22,096,990,003	1,094,004,250	131,944,885	1,225,949,135	0.1438%
2011	21,341,397,693	577,214,653	(683,167,117)	21,235,445,229	1,042,561,908	130,433,921	1,172,995,829	0.1438%
2012	21,280,088,193	613,792,400	(739,917,158)	21,153,963,435	1,054,772,168	157,330,744	1,212,102,912	0.1438%
2013	21,173,362,084	565,751,305	(796,316,481)	20,942,796,908	1,045,060,350	97,973,502	1,143,033,852	0.1438%

¹ Redevelopment Agency dissolved as of January 31, 2012. Successor Agency formed February 1, 2012.

² Includes redevelopment incremental valuation.

³ Redevelopment Agency/Successor Agency exemptions are included in City exemption data as they are not reported separately.

NOTE:

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

Source: County of San Diego Property Tax Services

CITY OF CHULA VISTA
Direct and Overlapping Property Tax Rates
(Rate per \$100 of assessed value)
Last Ten Fiscal Years

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
City Direct Rates:										
City basic rate	0.1437	0.1438	0.1438	0.1438	0.1438	0.1438	0.1438	0.1438	0.1438	0.1438
Overlapping Rates:										
Chula Vista Elementary School District Bonds	0.0272	0.0281	0.0274	0.0266	0.0203	0.0176	0.0251	0.0261	0.0259	0.0253
Sweetwater Union High School District Bonds	0.0196	0.0182	0.0225	0.0202	0.0471	0.0462	0.0558	0.0552	0.0608	0.0586
Southwestern Community College Bonds	0.0073	0.0130	0.0151	0.0141	0.0125	0.0132	0.0344	0.0364	0.0331	0.0375
MWD D/S Remainder of SDCWA 15019999	0.0061	0.0058	0.0052	0.0047	0.0045	0.0043	0.0043	0.0037	0.0037	0.0035
CWA South Bay Irrigation Debt Service	0.0007	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
County of San Diego**	<u>1.0000</u>	<u>1.0000</u>	<u>1.0000</u>	<u>1.0000</u>	<u>1.0000</u>	<u>1.0000</u>	<u>1.0000</u>	<u>1.0000</u>	<u>1.0000</u>	<u>1.0000</u>
Total Overlapping Rates	<u>1.0608</u>	<u>1.0651</u>	<u>1.0702</u>	<u>1.0655</u>	<u>1.0844</u>	<u>1.0813</u>	<u>1.1196</u>	<u>1.1213</u>	<u>1.1235</u>	<u>1.1249</u>

Breakdown of the County of San Diego 1.00 Rate:**

County General	0.15920355
Gen Elem Chula Vista	0.29103670
High Sweetwater Union	0.18823068
Southwestern Community College	0.05072194
County School Service	0.00757296
County School Service - Capital Outlay	0.00190859
Childrens Institutions Tuition	0.00161434
Regional Occupational Centers	0.00483027
Chula Vista Project (19/84601)	0.00019695
Chula Vista Project (19/84602)	0.00039390
Educational Revenue Augmentation Fund	0.14676995
Chula Vista City	0.14375071
South Bay Irrigation	0.00000000
CWA South Bay Irrigation	0.00376946
San Diego Unified Port	<u>0.00000000</u>
Total	<u>1.00000000</u>

NOTE:

In 1978, California voters passed Proposition 13 which sets the property tax rate at a 1.00% fixed amount. This 1.00% is shared by all taxing agencies for which the subject property resides within. In addition to the 1.00% fixed amount, property owners are charged taxes as a percentage of assessed property values for the payment of school bonds and other debt service. Overlapping rates may vary by tax rate area. The data listed in this table is representative of tax rate area 001001.

Source: County of San Diego Property Tax Services

CITY OF CHULA VISTA
Principal Property Tax Payers
Current Year and Nine Years Ago

Taxpayer	2013			2004		
	Taxable Assessed Value	Rank	Percent of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percent of Total City Taxable Assessed Value
Rohr Inc.	\$ 181,597,655	1	0.87%	182,862,681	1	1.38%
JPB Development	131,242,850	2	0.63%			-
Equity Residential	118,922,698	3	0.57%			-
GGP-Otay Ranch LP	118,496,741	4	0.57%			-
Regulo Place Apartments Invest	92,893,489	5	0.44%			-
Bre Properties Inc.	85,724,074	6	0.41%	87,094,112	5	0.66%
Corky McMillin Homes	74,138,192	7	0.35%	127,125,453	3	0.96%
Chula Vista Center LLC	74,126,926	8	0.35%	63,224,180	9	0.48%
Camden USA Inc.	64,164,161	9	0.31%			-
Essel LP	51,942,960	10	0.25%			-
Otay Project LP	-		-	131,180,180	2	0.99%
Eastlake Company LLC	-		-	101,282,512	4	0.77%
Duke Energy South Bay LLP	-		-	71,909,542	6	0.54%
SSR Realty Advisors/CALSTRS	-		-	67,773,900	7	0.51%
Trimark San Miguel Ranch	-		-	64,362,704	8	0.49%
Gateway Chula Vista LLC	-		-	54,642,974	10	0.41%
	<u>\$ 993,249,746</u>		<u>4.74%</u>	<u>951,458,238</u>		<u>7.19%</u>

The amounts shown above include assessed value data for both the City and the Redevelopment Agency.

Source: MuniServices, LLC
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 ¹	Collected within the Fiscal Year of Levy		Collections in Subsequent Years ²	Total Collections to Date	
		Amount	Percent of Levy		Amount	Percent of Levy
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%
2010	26,246,478	25,313,706	96.45%	538,429	25,852,135	98.50%
2011	25,325,126	24,773,002	97.82%	134,325	24,907,328	98.35%
2012	25,373,780	24,669,632	97.22%	(35,474)	24,634,158	97.09%
2013	25,352,454	24,982,072	98.54%	117,973	25,100,045	99.00%

¹ Levy amounts do not include supplemental taxes.

² Collection amounts represent delinquencies collected for all prior years during the current tax year.

Total delinquent collections are reduced by any refunds processed from prior year tax collections.

Source: County of San Diego Property Tax Services

CITY OF CHULA VISTA
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year Ended June 30	Governmental Activities				Total Governmental Activities	Percentage of Personal Income ¹	Debt Per Capita ¹
	Pension Obligation	Tax Allocation	Loans	Certificates of Participation			
	Bonds	Bonds					
2004	13,985,870	42,125,000	7,315,971	92,920,000	156,346,841	1.90%	774
2005	12,991,962	41,240,000	8,193,481	127,599,255	190,024,698	2.15%	901
2006	11,795,000	40,295,000	9,811,786	144,240,000	206,141,786	2.23%	937
2007	10,415,000	41,275,000	9,573,012	139,845,000	201,108,012	2.11%	887
2008	8,820,000	40,185,000	19,304,342	135,045,000	203,354,342	2.09%	878
2009	7,000,000	45,830,000	18,736,012	130,580,000	202,146,012	2.02%	857
2010	4,980,000	44,925,000	17,686,144	139,700,000	207,291,144	2.16%	866
2011	2,655,000	43,985,000	16,876,860	136,060,000	199,576,860	2.00%	818
2012	-	43,005,000	19,673,344	132,290,000	194,968,344	1.92%	793
2013	-	- ²	14,182,697	128,375,000	142,557,697	1.38%	572

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

² Tax Allocation Bonds transferred to Successor Agency and shown as fiduciary fund.

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

CITY OF CHULA VISTA
Ratio of General Bonded Debt Outstanding
Last Ten Fiscal Years
(In thousands, except Per Capita)

Fiscal Year Ended June 30	Outstanding General Bonded Debt			Percent of Assessed Value ¹	Per Capita
	Pension Obligation Bonds	Tax Allocation Bonds	Total		
	2004	13,986	42,125		
2005	12,992	41,240	54,232	0.35%	257
2006	11,795	40,295	52,090	0.28%	237
2007	10,415	41,275	51,690	0.24%	228
2008	8,820	40,185	49,005	0.20%	212
2009	7,000	45,830	52,830	0.21%	224
2010	4,980	44,925	49,905	0.23%	208
2011	2,655	43,985	46,640	0.22%	191
2012	-	43,005	43,005	0.20%	175
2013	-	41,985	41,985	0.20%	168

General bonded debt is debt payable with governmental fund resources and general obligation bonds recorded in enterprise funds (of which, the City has none).

¹ 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, 2013

2012-13 Assessed Valuation: \$20,942,796,908

<u>OVERLAPPING TAX AND ASSESSMENT DEBT:</u>	Total Debt 6/30/13	% Applicable (1)	City's Share of Debt 6/30/13
Metropolitan Water District	\$ 165,085,000	0.996%	\$ 1,644,247
Otay Municipal Water District, I.D. No. 27	6,235,000	99.995	6,234,688
Southwestern Community College District	235,884,345	50.575	119,298,507
Sweetwater Union High School District	361,299,415	60.436	218,354,914
Chula Vista City School District	64,215,000	86.933	55,824,026
Chula Vista City School District Schools Facilities Improvement Dist 1	31,000,000	80.949	25,094,190
City of Chula Vista Community Facilities Districts	205,885,000	100.	205,885,000 (2)
Sweetwater Union High School District Community Facilities Districts	143,023,149	15.812-100.	133,865,124
Chula Vista City School District Community Facilities Districts	5,040,000	99.718	5,025,787
City of Chula Vista 1915 Act Bonds	22,945,015	100.	<u>22,945,015</u>
TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT			\$ 794,171,498
 <u>DIRECT AND OVERLAPPING GENERAL FUND DEBT:</u>			
San Diego County General Fund Obligations	\$ 399,780,000	5.481%	\$ 21,911,942
San Diego County Pension Obligations	753,897,748	5.481	41,321,136
San Diego County Superintendent of Schools Obligations	17,462,500	5.481	957,120
Southwestern Community College District Certificates of Participation	1,245,000	50.575	629,659
Sweetwater Union High School District General Fund Obligations	37,775,000	60.436	22,829,699
Chula Vista City School District Certificates of Participation	140,585,000	86.933	122,214,758
City of Chula Vista Certificates of Participation	128,375,000	100.	128,375,000
Otay Municipal Water District Certificates of Participation	48,145,000	62.920	<u>30,292,834</u>
TOTAL GROSS DIRECT AND OVERLAPPING GENERAL FUND DEBT			\$ 368,532,148
Less: Otay Municipal Water District Certificates of Participation			<u>30,292,834</u>
TOTAL NET DIRECT AND OVERLAPPING GENERAL FUND DEBT			\$ 338,239,314
 <u>OVERLAPPING TAX INCREMENT DEBT (Successor Agency):</u>	 \$ 41,985,000	 99.038-100.%	 \$ 41,776,968
 TOTAL DIRECT DEBT			 \$ 128,375,000
TOTAL GROSS OVERLAPPING DEBT			\$ 1,076,105,614
TOTAL NET OVERLAPPING DEBT			\$ 1,045,812,780
 GROSS COMBINED TOTAL DEBT			 \$ 1,204,480,614 (3)
NET COMBINED TOTAL DEBT			\$ 1,174,187,780

- (1) The percentage of overlapping debt applicable to the city is estimated using taxable assessed property value. Applicable percentages were estimated by determining the portion of the overlapping district's assessed value that is within the boundaries of the city divided by the district's total taxable assessed value.
- (2) Excludes refunding issues dated 8/21/13. Includes issues to be refunded.
- (3) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded capital lease obligations. Qualified Zone Academy Bonds are included based on principal due at maturity.

Ratios to 2012-13 Assessed Valuation:

Total Overlapping Tax and Assessment Debt.....	3.79%
Total Direct Debt (\$128,375,000).....	0.61%
Gross Combined Total Debt.....	5.75%
Net Combined Total Debt.....	5.61%

Ratios to Redevelopment Incremental Valuation (\$1,143,033,852):

Total Overlapping Tax Increment Debt.....	3.65%
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CITY OF CHULA VISTA
Legal Debt Margin Information
Last Ten Fiscal Years

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Assessed valuation	\$ 13,224,121,249	\$ 15,366,255,050	\$ 18,472,433,685	\$ 21,340,592,935	\$ 24,358,502,560	\$ 24,823,395,749	\$ 22,096,990,003	\$ 21,235,443,229	\$ 21,153,963,435	\$ 20,942,796,908
Conversion percentage	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%
Adjusted assessed valuation	3,306,030,312	3,841,563,763	4,618,108,421	5,335,148,234	6,089,625,640	6,205,848,937	5,524,247,501	5,308,861,307	5,288,490,859	5,235,699,227
Debt limit percentage	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%
Debt limit	495,904,547	576,234,564	692,716,263	800,272,235	913,443,846	930,877,341	828,657,125	796,329,196	793,273,629	785,354,884
Total net debt applicable to limit:										
Pension obligation bonds	13,985,870	12,991,962	11,795,000	10,415,000	8,820,000	7,000,000	4,980,000	2,655,000	-	-
Legal debt margin	\$ 481,918,677	\$ 563,242,602	\$ 680,921,263	\$ 789,857,235	\$ 904,623,846	\$ 923,877,341	\$ 823,657,125	\$ 793,674,196	\$ 793,273,629	\$ 785,354,884
Total debt applicable to the limit as a percentage of debt limit	2.8%	2.3%	1.7%	1.3%	1.0%	0.8%	0.6%	0.3%	0.0%	0.0%

The Government Code of the State of California provides for a legal debt limit of 15% of gross assessed valuation. However, this provision was enacted when assessed valuation was based upon 25% of market value. Effective with the 1981-82 fiscal year, each parcel is now assessed at 100% of market value (as of the most recent change in ownership for that parcel). The computations shown above reflect a conversion of assessed valuation data for each fiscal year from the current full valuation perspective to the 25% level that was in effect at the time that the legal debt margin was enacted by the State of California for local governments located within the state.

Source: City Finance Department
County of San Diego Property Tax Services

CITY OF CHULA VISTA
Pledged-Revenue Coverage
Last Ten Fiscal Years

Fiscal Year Ended June 30	Tax Allocation Bonds			
	Tax Increment	Debt Service		Coverage
		Principal	Interest	
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
2010	13,884,637	905,000	2,070,381	4.67
2011	13,822,938	940,000	2,032,665	4.65
2012	10,931,615	980,000	1,992,565	3.68
2013	3,949,717	1,020,000	1,948,865	1.33

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

CITY OF CHULA VISTA
Demographic and Economic Statistics
Last Ten Calendar Years

Year	Total Population ¹	Pet. of S.D. County Population ¹	Pet. Change from Previous Year ¹	Median Age ¹	Avg. Household Size ¹	Educational Attainment			Unemployment Rate ³	Personal Income (In Thousands) ⁴	Per Capita Personal Income ⁴
						% High School Graduate ²	% Bachelor's Degree or Higher ²	Pct. Below Poverty ²			
2003	202,094	6.9%	5.3%	33.5	3.04	n/a	n/a	n/a	6.1%	8,227,300	40,710
2004	211,018	7.1%	4.4%	33.7	3.07	n/a	n/a	n/a	5.6%	8,846,600	41,920
2005	219,939	7.4%	4.2%	34.0	3.09	78.5%	24.7%	9.1%	5.1%	9,249,000	42,050
2006	226,838	7.6%	3.1%	33.9	3.12	81.7%	24.1%	11.0%	4.7%	9,520,300	41,970
2007	231,597	7.7%	2.1%	33.9	3.13	79.6%	25.4%	9.1%	5.4%	9,732,600	42,020
2008	235,767	7.8%	1.8%	33.8	3.16	81.0%	25.7%	8.5%	7.0%	10,006,700	42,440
2009	239,369	7.8%	1.5%	33.9	3.20	80.0%	25.5%	11.5%	11.2%	9,583,600	40,040
2010	243,916	7.9%	1.9%	33.5	3.21	83.0%	29.1%	8.4%	12.3%	9,970,300	40,880
2011	245,987	7.9%	0.8%	34.1	3.21	82.2%	25.7%	11.6%	11.7%	10,173,000	41,360
2012	249,382	7.9%	1.4%	34.0	3.21	81.3%	27.9%	11.9%	10.4%	10,355,000	41,520

Source: Data compiled by SANDAG Service Bureau. ¹ SANDAG, Current Estimates; ² American Community Survey 1-Year Estimates; ³ California Employment Development Department; ⁴ SANDAG estimates based on U.S. Census Bureau, Census 2000, Census 2010, American Community Survey, and U.S. Bureau of Economic Analysis.

Notes: Year-to-year variation for socio-economic data (education, poverty, unemployment) are the result of both actual change and sampling error. Dollar values are inflation-adjusted to 2012 dollars. Per capita Personal Income was estimated by using BEA Personal Income for the Region and adjusted based on the Census 2000 and ACS jurisdiction proportions. In 2013, population, median age, and average household size are estimated based on historic trends between 2003 and 2012.

CITY OF CHULA VISTA
Principal Employers
Current Year and Nine Years Ago

<u>Employer</u>	2013		2004 ¹	
	<u>Number of Employees</u>	<u>Percent of Total Employment</u>	<u>Number of Employees</u>	<u>Percent of Total Employment</u>
Sweetwater Union High School District	4,076	7.65%	n/a	n/a
Chula Vista Elementary School District	2,788	5.23%	n/a	n/a
Rohr Inc./Goodrich Aerospace	2,469	4.63%	n/a	n/a
Sharp Chula Vista Medical Center	1,736	3.26%	n/a	n/a
Southwestern Community College	1,562	2.93%	n/a	n/a
Wal-Mart	1,242	2.33%	n/a	n/a
Scripps Mercy Hospital Chula Vista	1,139	2.14%	n/a	n/a
Target	664	1.25%	n/a	n/a
Costco Wholesale Corp	534	1.00%	n/a	n/a
Aquatica San Diego	501	0.94%	n/a	n/a

¹ 2004 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
Chula Vista Elementary School District
Southwestern Community College

CITY OF CHULA VISTA
Full-time and Part-time City Employees
by Function
Last Ten Fiscal Years

<u>Function</u>	<u>Full-Time and Part-time Employees as of June 30</u>									
	<u>2004</u> ¹	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
General government	465	193	380	324	302	272	273	258	269	282
Public safety	480	528	518	548	504	476	468	448	432	432
Public works/engr	249	335	198	237	188	181	175	155	159	164
Parks and recreation	-	175	230	242	223	169	164	112	115	115
Library	182	217	252	227	196	189	73	41	76	82
Planning and building	99	91	97	83	68	63	62	54	55	49
Total	<u>1,475</u>	<u>1,539</u>	<u>1,675</u>	<u>1,661</u>	<u>1,481</u>	<u>1,350</u>	<u>1,215</u>	<u>1,068</u>	<u>1,106</u>	<u>1,124</u>

¹ 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					Fiscal Year				
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Police:										
Citizen-initiated calls for service	71,000	74,106	73,075	74,277	74,192	70,051	68,601	65,186	64,885	66,319
Fire:										
Number of emergency calls ¹	8,420	9,907	n/a	14,853	14,548	14,983	11,490	11,319	12,863	12,950
Inspections	n/a	n/a	1,780	2,119	n/a	3,676	2,898	2,389	2,205	2,390
Public works:										
Street resurfacing/maintenance ² (square feet)	252,789	142,864	230,598	157,903	77,507	108,745	84,276	99,978	55,398	121,428
Parks and recreation:										
Number of recreation classes	1,819	1,709	1,821	2,231	2,575	2,149	2,301	2,008	1,914	2,572
Number of facility rentals	402	680	610	855	1,217	969	1,175	1,524	2,028	1,915
Library:										
Circulation	1,308,709	1,414,295	1,467,799	1,344,115	1,265,720	1,160,139	985,157	952,847	982,688	992,005
Attendance	1,070,560	1,121,119	1,170,168	1,148,024	1,296,245	820,243	605,979	614,841	722,310	832,975
Sewer:										
New connections	2,480	1,934	488	529	165	468	469	287	646	968
Average daily sewage treatment (millions of gallons)	15.8	17.0	16.9	17.0	16.8	16.5	16.2	16.3	15.9	15.7

¹ Figure for 2005 represents the calendar year instead of fiscal year.

² Excludes filling of potholes and crack sealing.

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

Source: City of Chula Vista

CITY OF CHULA VISTA
Capital Asset Statistics
by Function
Last Ten Fiscal Years

	Fiscal Year					Fiscal Year				
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Fire:										
Fire stations	7	8	9	9	9	9	9	9	9	9
Public works:										
Streets (miles)	370.9	373.8	387.3	403.3	416.9	421.0	429.5	429.5	429.5	429.5
Streetlights	8,047	8,368	8,501	8,953	9,013	9,026	9,052	9,054	9,066	9,069
Traffic signals	188	199	220	238	253	267	267	268	269	273
Parks and recreation:										
Parks (acreage) ¹	394.6	406.4	482.8	504.1	504.1	504.1	504.1	523.1	530.7	530.7
Recreation facilities	9	9	12	12	12	11	11	11	11	11
Library:										
Libraries	2	2	2	2	2	2	2	2	3	3
Sewer:										
Sewer pipes (miles)	448.1	455.8	471.3	484.2	493.8	496.5	505.0	505.0	505.0	505.0
Storm drains (miles)	191.9	219.9	228.6	234.0	244.7	245.3	248.9	248.9	249.0	249.0
Maximum daily treatment capacity (millions of gallons)	19.8	20.9	20.9	20.9	20.9	20.9	20.9	20.9	20.9	20.9

¹ Includes community, neighborhood, special purpose, mini, and urban parks.

Source: City of Chula Vista