

Comprehensive Annual Financial Report

Year Ended

June 30, 2016



California



Comprehensive Annual Financial Report

*For The Fiscal Year Ended
June 30, 2016*

Mayor
Mary Casillas Salas

City Council

Patricia Aguilar
Pamela Bensoussan
John McCann
Steve Miesen

City Manager
Gary Halbert

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



CITY OF
CHULA VISTA

**CITY OF CHULA VISTA
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

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CITY OF
CHULA VISTA



Finance Department

December 14, 2016

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, 2016 is hereby submitted to you. The City compiles and prepares the annual financial report to provide interested parties with reliable information concerning the financial condition and results of operations for the City.

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

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

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

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

Vista's financial statements are the Chula Vista Public Financing Authority, Chula Vista Municipal Financing Authority, Chula Vista Industrial Development Authority, and Chula Vista Housing Authority.

Profile of the Government

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

Chula Vista was incorporated in 1911, and functions under a City Charter with a Council/Manager form of government. The City is governed by a four-member Council and a Mayor, who 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 and maintenance, and sewer services.

Local Economy and Prospects for the Future

Chula Vista residents enjoy all the benefits of a major city along with small town friendliness, affordable housing, and near perfect weather. The most recent data available from the San Diego Association of Governments (SANDAG) estimates that the median household income in Chula Vista is \$71,316.

The City of Chula Vista, with a population of approximately 257,989, is the second largest community in San Diego County. SANDAG projects that the City of Chula Vista will reach a population of approximately 330,381 by the year 2050. SANDAG's 2050 Growth Forecast indicates that the South County sub region will continue to host a substantial amount of the region's projected growth over the next 35 years, primarily through new development in the eastern portion of the City.

Long-Term Financial Planning

The City periodically updates a 5-Year General Fund Financial Forecast as part of its annual budget development cycle. 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. The 5-year financial forecast is intended to serve as a planning tool to bring a long-term perspective to the budget process.

During fiscal year 2016, the Finance Department updated the General Fund 5-Year Financial forecast to assess the City's ability over the next five years to continue current service levels based on projected growth, preserve the City's long-term fiscal health by aligning operating revenues and costs, and to slowly rebuild the operating reserves. The forecast anticipated

moderate revenue growth for the next five years and identified a structural imbalance beginning in fiscal year 2018, primarily due to increases in the City's CalPERS rates.

As projections are refined, the Finance Department continues to update the 5-Year forecast. Staff is currently working towards developing the City's Long-Term Financial Plan, which the 5-year forecast serves as the foundation. The long-term financial plan will provide a more in depth analysis of the City's fiscal condition to aide in proactive financial decision making.

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

Internal Controls

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

Budgetary Controls

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

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

Independent Audit

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

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

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Chula Vista for its Comprehensive Annual Financial Report for the year ended June 30, 2015. This was the 16th consecutive year that the City has received this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized Comprehensive Annual Financial Report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

Acknowledgments

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

Respectfully submitted,



David Bilby

Director of Finance/Treasurer

City of Chula Vista
List of City Officials
As of June 30, 2016

City Council

Mary Casillas Salas	Mayor
Pamela Bensoussan	Deputy Mayor
Patricia Aguilar	Councilmember
John McCann	Councilmember
Steve Miesen	Councilmember

Administration

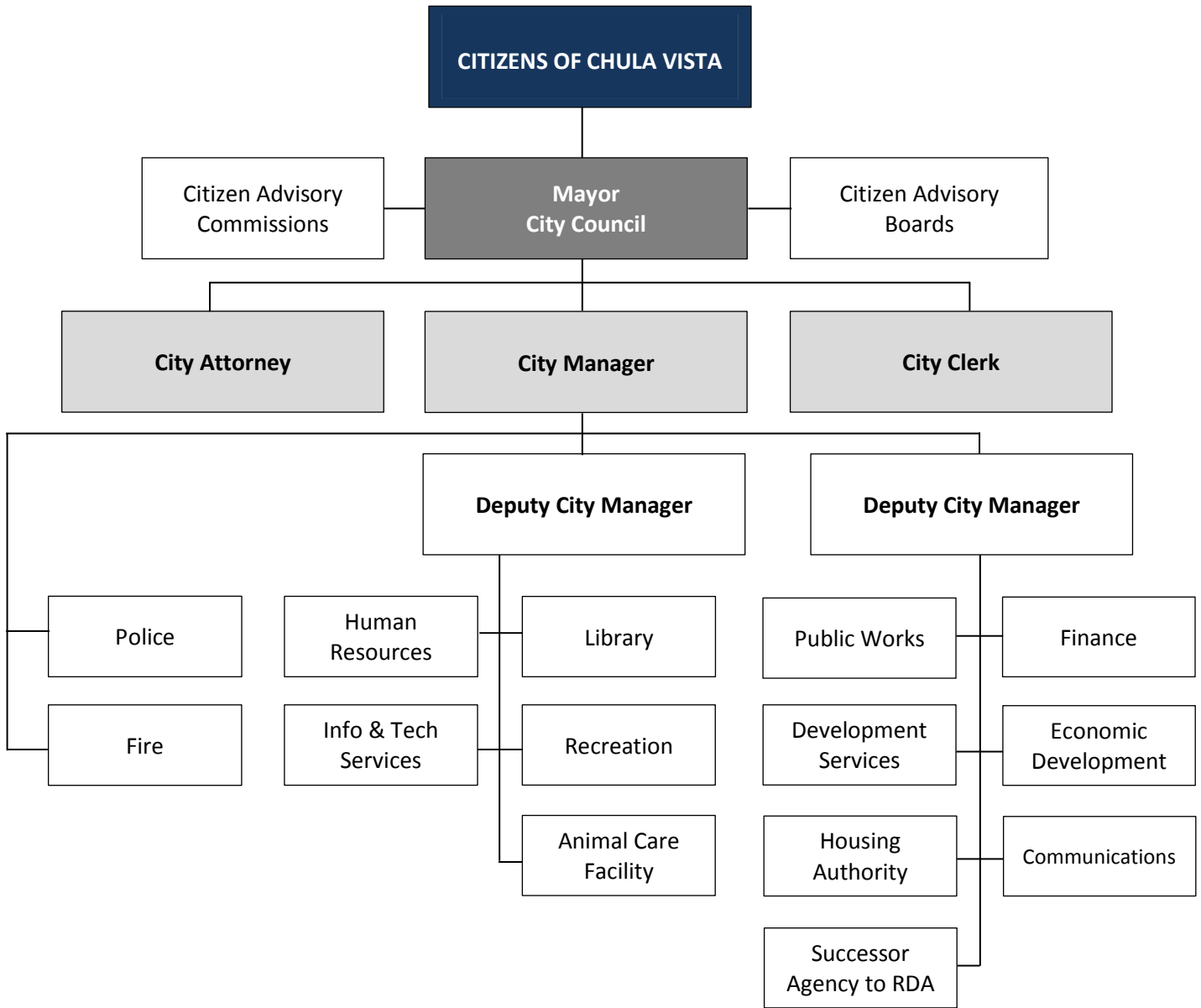
Gary Halbert	City Manager
Kelley Bacon	Deputy City Manager
Maria Kachadoorian	Deputy City Manager/Chief Financial Officer
Glen R. Googins	City Attorney
Donna Norris	City Clerk

Department Heads

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



Organizational Chart





Government Finance Officers Association

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

Presented to

**City of Chula Vista
California**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2015



Executive Director/CEO





INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Chula Vista, California, (the City) as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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



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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Chula Vista, California, as of June 30, 2016, 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, the budgetary comparison schedules for the General Fund and major special revenue funds, the schedules of changes in the net pension liability and related ratios, the schedules of plan contributions, and the schedule of funding progress as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

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

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



CPAs AND ADVISORS

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 14, 2016 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Lance, Soll & Lughard, LLP

Brea, California
December 14, 2016





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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Chula Vista, California, (the City) as of and for the year ended June 30, 2016, 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 14, 2016.

Internal Control over Financial Reporting

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

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

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

Capital Assets

In the prior year audit, the City identified certain completed construction in progress items that were not properly recorded as being placed in service, requiring management to correct this error. The previous error led management to perform an in-depth analysis of their ongoing and past projects and discovered costs that related to these projects, such as project design, management, staff time, etc., that should have been capitalized in the year they were incurred, but rather were expensed. This error was corrected by management during the year, causing a restatement of net position in the government-wide statement of activities for both governmental and business-type activities.





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

Management Response:

Consistent with the commitment made in the prior CAFR, and as referenced above in LSL's Capital Assets summary, management completed a comprehensive review and analysis of the City's Construction-In-Progress projects. This study yielded, as expected, significant restatements of net position in both governmental and business-type activities. Management is confident the issue has been fully rectified, and has established ongoing operational practices to prevent a recurrence in the future.

Accounts Payable Accrual

During our search for unrecorded liabilities, we noted an invoice relating to goods received or services performed prior to the end of the fiscal year were not recorded as a payable in the proper accounting period. Generally accepted accounting principles requires that expenditures be recognized in the period in which they are incurred and the corresponding payable be established. We recommend that management review all material invoices that are paid prior to the year-end audit being performed to ensure all necessary items are properly accrued.

Management Response:

This singular and isolated event occurred well after the 60-day accrual period, which commences July 1st and concludes in late August, but prior to the commencement of audit fieldwork by LSL on October 3rd. In addition, an accounts payable deadline of August 18th was communicated to City departments multiple times during the yearend closeout process. In the future, Management will strengthen its efforts in communicating the need for departments to provide prior year invoices by the August deadline. If late invoices are received prior to audit fieldwork, Management will amend the City's financials in compliance with proper period expenditure recognition, which may delay a future year's closeout and audit schedule.

Successor Agency Long Term Debt

As a result of our audit procedures, it was discovered that the Successor Agency, a private-purpose trust fund of the City, recorded principal payments as expenditures and did not record accrued interest amounts at the end of the fiscal year. A private-purpose trust fund uses the economics resources measurement focus employed by accrual basis of accounting. Under the accrual basis of accounting, interest expense must be accrued for the portion of the payment period prior to the end of the reporting period. Furthermore, principal payments on long term debt are only recognized as expenditures in funds that use the modified accrual basis of accounting. The accrual basis of accounting requires that these payments be offset to the liability recorded for the outstanding debt.

Management Response:

Management's research into this issue illustrated that the requisite amendments to accounting procedures due to the former Redevelopment Agency's dissolution, and subsequent change in the fund category and type did not occur in prior years and were perpetuated through fiscal year 2015/16. Going forward, Management will make all necessary changes to the accounting processes to ensure proper recordation of Successor Agency Long Term Debt activities.



CPAs AND ADVISORS

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

Compliance and Other Matters

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

City's Response to Findings

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

Purpose of this Report

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

A handwritten signature in black ink that reads "Lance, Soll & Lughard, LLP". The signature is written in a cursive, flowing style.

Brea, California
December 14, 2016



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

As management of the City of Chula Vista, we are presenting the readers of this annual financial report a narrative overview and analysis of the financial activities of the City of Chula Vista for the fiscal year ended June 30, 2016. 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 and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at June 30, 2016 by \$782.6 million (net position). Of this amount, (\$154.6) million was reported as “unrestricted net position,” which increased \$18.7 million from the prior fiscal year. The large negative unrestricted net position is primarily attributed to net pension liabilities, as required by Governmental Accounting Standards Board (GASB) Statement No. 68 – *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27* and GASB Statement No. 71 – *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*, to be presented on the Statement of Net Position.
2. Total unrestricted net position is \$22.7 million higher for governmental activities than last fiscal year, an increase of 9.3%. For business type activities, unrestricted net position is \$4.0 million lower than the previous year, a 5.5% decrease.
3. The City’s total net position increased by \$43.7 million, including a restatement of \$30.4 million, in fiscal year 2016. The net position of governmental activities increased by \$48.4 million, including a restatement of \$44.8 million, while the net position of the business type activities decreased by \$4.7 million, including a restatement of \$14.4 million.
4. The City’s governmental funds reported combined ending fund balances of \$152.2 million, an increase of \$14.3 million, or 10.3%.
5. Total citywide liabilities increased by \$18.6 million. Liabilities for governmental activities increased by \$16.3 million and business-type activities increased by \$2.2 million.
6. The City’s total long-term debt obligations had a net decrease of \$5.4 million or 4.0% during fiscal year 2016. The decrease reflects principal payments of \$5.5 million, and refunding of \$2.3 million offset by a new capital lease for mobile data computers financing of \$377 thousand and amortization of bond premium/discount of \$2.0 million as a result of debt refinancing.

OVERVIEW OF FINANCIAL STATEMENTS

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

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

Government-Wide Financial Statements

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

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

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

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

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

Fund Financial Statements and Major Component Unit Financial Statements

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

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

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities. These reconciliations are presented on the page immediately following each governmental fund financial statement.

As of Fiscal Year 2015-16, the City has 98 appropriated governmental funds within the adopted budget. However, within this document, the funds are summarized as follows for presentation purposes:

Fund Category	Major Funds	Non-Major Funds	Total
General Fund	1	0	1
Special Revenue	3	13	16
Capital Project	2	8	10
Debt Service	2	2	4
Permanent	0	0	0
Total Presented	8	23	31

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 vehicle fleet, information systems, and workers’ compensation program. Because these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the governmental-wide financial statements.

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

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

Notes to the Financial Statements

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

Required Supplementary Information

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net Position

As noted earlier, net position may serve over time as a useful indicator of a government’s financial position. In the case of the City of Chula Vista, combined net position (government and business type activities) totaled \$782.6 million at the close of the fiscal year ending June 30, 2016. This is a net increase of \$43.7 million, which included a restatement of \$30.4 million, when compared to the prior year. There was an increase in the City’s governmental activities of \$48.4 million, including a restatement of \$44.8 million, and a decrease in business-type activities of (\$4.7 million), which included a restatement of (\$14.4 million). A summary schedule follows which shows the components that make up the City’s net position at June 30, 2016 and 2015, and both years reflect GASB 68 & 71 compliance.

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

	Governmental Activities		Business-Type Activities		Total	
	2016	2015	2016	2015	2016	2015
Current Assets	\$ 162,160,931	\$ 176,171,756	\$ 100,751,719	\$ 82,368,398	\$ 262,912,650	\$ 258,540,154
Non-Current Assets	22,933,858	(2,121,048)	(180,358)	25,107,354	22,753,500	22,986,306
Capital Assets	794,582,467	768,191,403	135,989,851	134,368,634	930,572,318	902,560,037
Deferred outflow of resources	23,426,528	20,371,528	2,032,642	1,819,669	25,459,170	22,191,197
Total Assets & deferred outflows	1,003,103,784	962,613,639	238,593,854	243,664,055	1,241,697,638	1,206,277,694
Current Liabilities	40,738,517	43,892,054	1,430,773	1,327,367	42,169,290	45,219,421
Non-Current Liabilities	371,186,031	351,729,362	28,731,695	26,585,198	399,917,726	378,314,560
Deferred inflows of resources	15,370,360	39,610,963	1,667,608	4,296,015	17,037,968	43,906,978
Total Liabilities & deferred inflows	427,294,908	435,232,379	31,830,076	32,208,580	459,124,984	467,440,959
Net Position						
Net Investment in Capital Assets	672,940,012	643,174,160	135,989,851	134,368,634	808,929,863	777,542,794
Restricted	125,439,323	129,464,688	2,803,451	5,141,430	128,242,774	134,606,118
Unrestricted	(222,570,459)	(245,257,588)	67,970,476	71,945,411	(154,599,983)	(173,312,177)
Total Net Position	\$ 575,808,876	\$ 527,381,260	\$ 206,763,778	\$ 211,455,475	\$ 782,572,654	\$ 738,836,735

As the table above illustrates, an amount of \$808.9 million is reported as invested in capital assets (e.g. land, streets, sewers, buildings, improvements, equipment and work in progress), less any related debt used to acquire those assets that are still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

A portion of the City's net position is restricted – \$128.2 million or 16.4% – and represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position – (\$154.6 million) or (19.8%) – reflects the recordation of net pension liability required per GASB 68 & 71.

At the end of the fiscal year, the City was able to report overall positive balances in all three categories of net position for business-type activities, however both the government as a whole, as well as the separate governmental activities show negative unrestricted net position as a result of continued requisite GASB 68 & 71 compliance.

Changes in Net Position

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

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

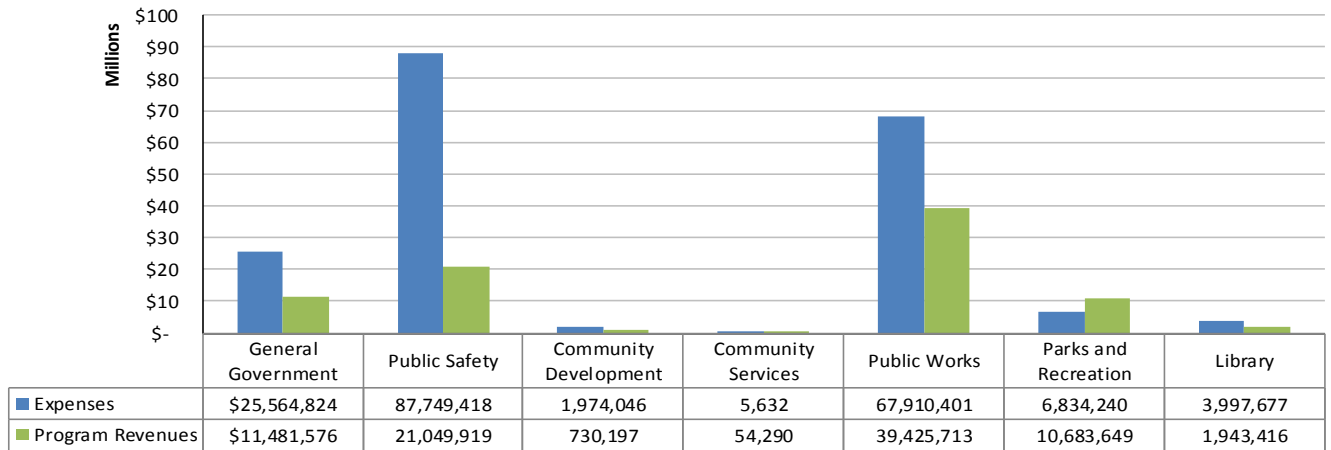
	Governmental Activities		Business-Type Activities		Total	
	2016	2015	2016	2015	2016	2015
Revenues:						
Program Revenues:						
Charges for Services	\$ 55,809,354	\$ 57,540,249	\$ 42,561,453	\$ 43,842,764	\$ 98,370,807	\$ 101,383,013
Operating Grants & Contributions	22,416,276	25,102,165	306,884	5,474,658	22,723,160	30,576,823
Capital Grants & Contributions	7,143,130	12,954,191	-	-	7,143,130	12,954,191
General Revenues:						
Property Taxes	50,136,856	47,485,292	-	-	50,136,856	47,485,292
Sales Taxes	33,317,380	30,394,291	-	-	33,317,380	30,394,291
Franchise Taxes	11,709,977	10,831,671	-	-	11,709,977	10,831,671
Utility User Taxes	5,844,248	6,364,691	-	-	5,844,248	6,364,691
Business License Taxes	1,538,595	1,407,145	-	-	1,538,595	1,407,145
Transient Occupancy Taxes	3,827,244	3,136,847	-	-	3,827,244	3,136,847
Property Transfer Taxes	1,357,573	1,118,494	-	-	1,357,573	1,118,494
Construction Taxes	185,625	366,650	-	-	185,625	366,650
Investment Earnings	6,233,144	4,219,304	1,357,938	641,978	7,591,082	4,861,282
Miscellaneous	1,034,027	14,437	524,616	2,789,595	1,558,643	2,804,032
Transfer from Successor Agency	-	-	-	-	-	-
Gain (Loss) Disposal of Capital Assets	336,661	27,882	-	-	336,661	27,882
Total Revenues	\$ 200,890,090	\$ 200,963,309	\$ 44,750,891	\$ 52,748,995	\$ 245,640,981	\$ 253,712,304
Expenses:						
General Government	\$ 25,564,824	\$ 36,486,645	\$ -	\$ -	\$ 25,564,824	\$ 36,486,645
Public Safety	87,749,418	81,002,999	-	-	87,749,418	81,002,999
Community Development	1,974,046	207,308	-	-	1,974,046	207,308
Community Services	5,632	12,837	-	-	5,632	12,837
Public Works	67,910,401	62,454,130	-	-	67,910,401	62,454,130
Parks and Recreation	6,834,240	6,441,907	-	-	6,834,240	6,441,907
Library	3,997,677	3,906,984	-	-	3,997,677	3,906,984
Interest on Long-Term Debt	6,073,434	6,601,927	-	-	6,073,434	6,601,927
Sewer Funds	-	-	25,234,891	31,615,457	25,234,891	31,615,457
Bayfront Trolley Station	-	-	-	59,863	-	59,863
Transit	-	-	86,512	4,807,985	86,512	4,807,985
Sewer DIFs	-	-	1,146,838	120,197	1,146,838	120,197
Development Services Fund	-	-	5,741,600	5,996,109	5,741,600	5,996,109
Total Expenses	200,109,672	197,114,737	32,209,841	42,599,611	232,319,513	239,714,348
Increase/(Decrease) in Net Position Before Transfers	780,418	3,848,572	12,541,050	10,149,384	13,321,468	13,997,956
Transfers	2,799,555	3,848,746	(2,799,555)	(3,848,746)	-	-
Change in Net Position	3,579,973	7,697,318	9,741,495	6,300,638	13,321,468	13,997,956
Net Position, Beginning of Year - Restated	572,228,903	519,683,942	197,022,283	205,154,837	769,251,186	724,838,779
Net Position, End of Year	\$ 575,808,876	\$ 527,381,260	\$ 206,763,778	\$ 211,455,475	\$ 782,572,654	\$ 738,836,735

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

Governmental Activities

Governmental activities increased the City’s net position by \$3.6 million, partially offsetting the City’s total decrease in net position due to GASB 68 & 71 related liabilities and restatements of beginning net position. The City received a total of \$85.4 million in program revenues from governmental activities in fiscal year 2015-16, a decrease of \$10.2 million from the previous year. A comparison of the cost of services by function for the City’s governmental activities is shown in the chart below, along with the program revenues used to cover the net expenses of the governmental activities.

**Expenses and Program Revenues
Governmental Activities**



Total program revenues from governmental activities were \$85.4 million in fiscal year 2015-16. Per GASB 34, program revenues are derived directly from the program itself or from parties outside the reporting government’s taxpayers or citizenry. They reduce the net cost of the function to be financed from the government’s general revenues. A discussion of the different Program Revenue categories and its components follows.

Charges for Services had a net decrease of \$1.7 million for governmental activities when compared to the previous year. Changes by service category are summarized in the table below.

**Charges for Services
As of June 30**

Service Category	2016	2015	Increase/ (Decrease)
General Government	\$ 6,468,756	\$ 7,623,676	\$ (1,154,920)
Public Safety	11,764,603	12,100,712	(336,109)
Community Development	730,197	297,866	432,331
Public Works	24,218,733	31,703,848	(7,485,115)
Parks and Recreation	10,683,649	4,511,278	6,172,371
Library	1,943,416	1,302,869	640,547
Total Charges for Services	\$ 55,809,354	\$ 57,540,249	\$ (1,730,895)

Operating Grants and Contributions for governmental activities had a net decrease of \$2.7 million from the previous fiscal year. Changes by service category are summarized in the table below.

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

Service Category	2016	2015	Increase/ (Decrease)
General Government	\$ 4,677,233	\$ 4,210,277	\$ 466,956
Public Safety	7,668,902	10,393,666	(2,724,764)
Public Works	10,070,141	10,498,222	(428,081)
Total Charges for Services	\$ 22,416,276	\$ 25,102,165	\$ (2,685,889)

Capital Grants and Contributions for governmental activities had a net decrease of \$5.8 million from the previous fiscal year. Changes by service category are summarized in the table below.

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

Service Category	2016	2015	Increase/ (Decrease)
General Government	\$ 335,587	\$ 127,746	\$ 207,841
Public Safety	1,616,414	11,970,315	(10,353,901)
Community Services	54,290	26,858	27,432
Public Works	5,136,839	829,272	4,307,567
Total Charges for Services	\$ 7,143,130	\$ 12,954,191	\$ (5,811,061)

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 \$115.2 million in fiscal year 2015-16. The largest percentage of general revenues received during the year for governmental activities were taxes of \$107.9 million, which included Property Taxes of \$50.1 million and Sales Taxes of \$33.3 million.

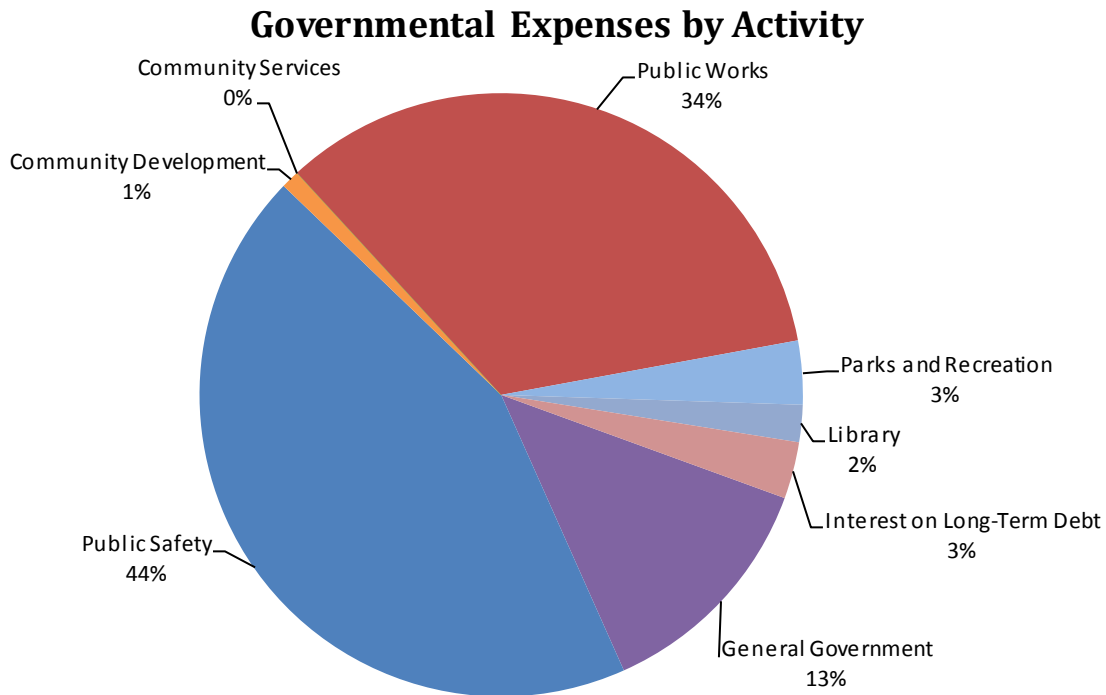
The City's General Revenues increased as a whole by \$9.8 million when compared to the prior fiscal year. While most of the revenue categories increased moderately from last year, there were significant increases in Property Taxes, Sales Taxes, Investment Earnings, and Miscellaneous Revenues, described in detail below.

**General Revenues
As of June 30**

	2016	2015	Increase/ (Decrease)
Property Taxes	\$ 50,136,856	\$ 47,485,292	\$ 2,651,564
Sales Taxes	33,317,380	30,394,291	2,923,089
Franchise Taxes	11,709,977	10,831,671	878,306
Utility User Taxes	5,844,248	6,364,691	(520,443)
Business License Taxes	1,538,595	1,407,145	131,450
Transient Occupancy Taxes	3,827,244	3,136,847	690,397
Property Transfer Taxes	1,357,573	1,118,494	239,079
Construction Taxes	185,625	366,650	(181,025)
Investment Earnings	6,233,144	4,219,304	2,013,840
Miscellaneous	1,034,027	14,437	1,019,590
Total General Revenues	\$ 115,184,669	\$ 105,338,822	\$ 9,845,847

The increase in property tax revenue can be attributed to several factors combining favorably for FY16: an increase in total assessed property value; an increase in development, as evidenced by an increase in non-residential building permits with an even larger increase in addition/alteration permits; and a decrease county-wide in both Proposition 8 parcels and total number of foreclosures. The increase in sales tax revenue is largely attributable to an increase in consumer confidence, with increased spending in casual dining, new cars, electronics, and appliances. Another contributor to the year-over-year sales tax revenue growth is a higher allocation from the countywide use tax pool as receipts expanded due to the increasing prevalence of online shopping. Investment earnings growth was primarily due to an improved cash management strategy, whereby the City began holding more cash in investments to capitalize on the return. The abnormal \$1.0 million increase in miscellaneous revenues was mainly due to recognition of revenue in the amount of \$627 thousand due the City from Senate Bill 90 and \$233 thousand in rebates received from SoCal Water Smart for irrigation controllers and conversions related to drought-tolerant turf conversions.

Total governmental activity type expenses were \$200.1 million in fiscal year 2015-16. The largest expenses were incurred for Public Safety, Public Works and General Government. These three activities combined account for 91.6% of all general activity expenses. These expenses do not include capital outlays, which are reflected in the City's capital assets.



Business Type Activities

Net position for business-type activities was \$206.8 million, a decrease of \$4.7 million from the prior fiscal year. Overall expenses for the business-type activities showed a \$10.4 million decrease over the previous year. The decrease is largely attributable to the transfer of transit operations to Metropolitan Transit Systems in January 2016 (\$4.7 million) and decreases in Sewer-related activities (\$6.4 million).

Total program revenues for business-type activities were \$42.9 million and are composed primarily of sewer fees (\$36.1 million) and development fees (\$6.5 million). Total expenses for the business-type activities were \$32.2 million and were for expenses related to Sewer (\$26.4 million) and processing of development permits and plans (\$5.7 million).

FUND LEVEL FINANCIAL ANALYSIS

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

Governmental Funds

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

General Fund – The General Fund is used to account for the general operations of the City. It is used to account for all financial resources, except those required to be accounted for in another fund. The General Fund is always reported as a “major fund”. For the fiscal year, the General Fund reported \$136.9 million in revenues and \$138.8 million in expenditures, resulting in expenditures exceeding revenues by the amount of \$1.8 million. After accounting for net other financing sources of \$3.1 million, General Fund fund balance increased by \$1.2 million.

Total fund balance at June 30, 2016 was \$37.4 million, composed of \$47.6 million in assets combined with \$5.5 million in liabilities and \$4.7 million in deferred inflows of resources. Total fund balance included \$7.4 million of nonspendable or restricted fund balance, which represents that portion of fund balance that is not available for appropriation. Restricted fund balance represents the portion of fund balance that reflects constraints placed on the use of resources that are externally imposed by creditors, grantors, contributors, or laws or regulations of other governments. As of June 30, 2016, there is no restricted fund balance in the General Fund. Committed fund balance totaled \$6.4 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. Assigned fund balance, totaling \$5.8 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. Totalling \$17.9 million, this is the portion of fund balance that is available for appropriation for any purpose.

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

The Sundry Grants Fund had total revenues of \$13.5 million and expenditures of \$12.8 million, resulting in revenues over expenditures in the amount of \$0.7 million. The Sundry Grants Fund equity decreased by \$0.03 million for the fiscal year, after accounting for net other financing uses of \$0.8 million. Total fund balance at June 30, 2016 was \$4.3 million, composed of restricted fund balance.

Low and Moderate Income Housing Successor Special Revenue Fund - The California legislature voted to end redevelopment agencies on February 1, 2012. This fund was created as a result of the dissolution process and was formerly known as the Low and Moderate Income Housing Fund. The City opted to become the Successor Agency to the Redevelopment Agency and to the Low and Moderate Housing Successor. For the year, this fund had revenues of \$1.6 million composed primarily of interest earnings, property rentals and loan repayments from affordable housing projects. Housing expenditure activities totaled \$2.0 million, resulting in a fund equity decrease of \$0.3 million. Total fund balance as of June 30, 2016 was \$8.8 million composed entirely of restricted fund balance.

City Debt Service Fund – This fund was established to account for the principal and interest payments on the City’s interfund debt. Total fund balance as of June 30, 2016 was negative \$19.2 million, composed entirely of unassigned fund balance. The fund balance increased by \$18.0 million in fiscal year 2015-16 due to a restatement of interfund loan balances.

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

Total revenues for this fund totaled \$9.0 million; with \$8.5 million attributable to building permit fees for new development. Expenditures totaled \$2.1 million, composed primarily of capital expenditures on Telegraph Canyon Drainage, Transportation DIF, and the Western Transportation DIF, which combined for \$1.5 million.

Total fund equity increased by \$1.9 million for the year. As of June 30, 2016, this fund had a fund balance totaling \$40.9 million, comprised of mostly cash (\$34.1 million) and advances to other funds (\$8.1 million), offset partially by \$0.1 million in liabilities with the remainder of \$1.2 million in unavailable revenues. Unavailable revenue accounts for the prepayment of development impact fees before the actual building permit has been applied for. Revenue will be available once the permit application has been granted.

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

Total revenues for this fund totaled \$3.7 million with \$3.2 million attributable to building permit fees for new development. Expenditures totaled \$47,822, reflecting capital improvement project staff time reimbursements. Total fund equity increased by \$3.6 million for the year. As of June 30, 2016, the fund balance totaled \$43.4 million, comprised primarily of cash (\$34.1 million) and advances to other funds (\$9.3 million). All of the \$43.4 million fund balance is designated as restricted.

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 \$36.2 million. In addition, non-operating revenues totaling \$1.3 million were realized (interest income). Operating expenses totaled \$25.2 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 \$18.0 million.

After accounting for all revenues and expenses, both operating and non-operating, and a one-time restatement of \$0.8 million, net position of the fund increased by \$18.8 million for the year, totaling \$240.1 million as of June 30, 2016. Of total net position, \$134.0 million is designated for sewer system infrastructure such as pump stations, sewer lines and other related equipment and therefore not available to fund the day-to-day operations of the sewer system. Total current assets total \$97.0 million, comprised of cash and investments (\$91.8 million) and accounts receivable (\$5.2 million). Fund liabilities at the end of the fiscal year totaled \$12.8 million, of which \$659,923 were considered current liabilities. The fund has no outstanding bonded debt.

GENERAL FUND BUDGETARY HIGHLIGHTS

The final amended general fund budget totaled \$150,457,482 including \$5,321,194 in budget amendments to the originally adopted budget and encumbrances of \$5,330,119 which will fund contractual obligations and outstanding purchase orders. The General Funds' budget amendments of \$5,321,194 are summarized as follows:

Budget Amendments	Appropriation
Department of Homeland Security funding to purchase Contraband Inspection Kit	\$ 21,599
San Ysidro Health Center amended lease agreement	\$ 40,000
Lease Agreement with Auctions in Motion (AIM) for 610 Bay Boulevard	\$ 10,000
Chula Vista Mid-Managers/Professionals and Unrepresented Mid-Managers, Professionals, and Confidential employees without a represented counterpart salary adjustments	\$ 244,511
Additional funding for the Animal Care Facility Roof Replacement	\$ 33,736
Western Council of Engineers salary adjustments	\$ 29,590
Chula Vista Employees Association salary adjustments	\$ 301,020
First Quarter Budget Adjustments	\$ 916,295
Funding for unanticipated attorney services expenses	\$ 460,000
Second Quarter Budget Adjustments	\$ 1,044,742
CA State Library Grant to purchase various computer and networking equipment and consulting services to deliver high speed broadband internet access	\$ 30,000
Funding for consulting services related to the establishment of the CV University Partnership and assistance in the University recruitment process	\$ 200,000
Funding for construction of a ThinkABit Lab at the Civic Center Library	\$ 59,650
Funding for the Microsoft Enterprise Agreement	\$ 372,628
LakeFest 2016	\$ 4,000
CA State Library funding for the "Veterans Connect @ the Library" project	\$ 2,550
Sponsorship and Grant funding for Recreation Facilities and Programs	\$ 12,184
Capital Improvement Project and Non-CIP Project Closures	\$ (82,864)
Third Quarter Budget Adjustments	\$ 1,287,970
FY2016 Year-End Budget Adjustments	\$ 333,583
Total General Fund Budget Amendments	\$ 5,321,194

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, 2016, amounts to \$940.8 million, net of accumulated depreciation of \$538.8 million. This investment in capital assets includes land, buildings, improvements, machinery and equipment, infrastructure and construction in progress. Infrastructure assets are items that are normally immovable and of value only to the City such as roads, bridges, streets and sidewalks, drainage systems, lighting systems and similar items. The total change to the City's investment in capital assets for the current fiscal year was a positive of \$27.6 million, net of accumulated depreciation. In FY16, staff committed to finding additional fixed assets that were not capitalized from 1999-2015, and these additions totaled \$34 million. 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, 2016, the City had \$129.9 million in debt outstanding compared to the \$135.3 million last year, a net decrease of 4.0%. The majority of this debt is in the form of Certificates of Participation (\$111.2 million) and a CDBG Section 108 Loan (\$7.2 million). The remainder of the outstanding long-term debt is in the form of loans, notes payable, and capital lease obligations. The City has no outstanding general obligation debt.

The City made principal payments of \$5.5 million during the fiscal year. In August 2015, the Chula Vista Public Financing Authority issued \$34,330,000 in 2015 Certificates of Participation to refinance the City's outstanding 2004 Certificates of Participation (Civic Center Project Phase) and a portion of the 2006 Certificates of Participation (Civic Center Project Phase II).

As of June 30, 2016, the City has maintained its "AA-" rating by Standard & Poor's for Certificates of Participation, which represents a stable outlook. Additional information on the City's long-term debt obligations can be found in Note 6 of the Notes to the Financial Statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

Assessed Valuation and Property Tax

According to the County of San Diego Assessors' Office, the city's total assessed valuation (both secured and unsecured) for the 2015-16 fiscal year was \$25,302,884,613. This is an increase of \$1,347,673,718 or 5.63% over the 2014-15 assessed valuation. It should be noted that assessed value was set as of January 1, 2015. Actual current secured property tax revenues for the 2015-16 fiscal year totaled \$28.5 million, which is \$1.75 million more than collected in the prior year.

Building Activity

The valuation of all building and related permits totaled \$255.0 million for the 2015-16 fiscal year. This is approximately 3% more than the valuation of \$248.0 million for these permit categories in the prior fiscal year.

Building Permit Valuation	As of June 30			
	2016	2015	Change \$	Change %
Residential	\$ 114,928,824	\$ 175,417,974	\$ (60,489,150)	-34.5%
Non-Residential	28,537,984	18,257,535	10,280,449	56.3%
Additions & Alterations	111,252,194	53,329,828	57,922,366	108.6%
Demolitions	326,564	1,021,998	(695,434)	-68.0%
Total	\$ 255,045,566	\$ 248,027,335	\$ 7,018,231	2.8%

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

Local Economy

The USD Burnham-Moores Center for Real Estate's Index of Leading Economic Indicators for San Diego County was flat in September 2016. There were modest increases in the outlook on the national economy, consumer confidence, and local stock prices, with decreases in building permits, initial claims for unemployment, and help wanted advertising. Over the last 12 months, the index has increased just 1.1%, with a couple of notable bright spots: Consumer confidence in September 2016 had its best monthly gain in a year and a half; In August 2016, local stock prices were up for the fourth month in a row; And, after falling in August, the national index of Leading Economic Indicators turned around and was positive in September. The unchanged reading in September leaves the USD Index roughly where it was in February. The outlook for the local economy is expected to be positive at least through the first half of 2017, but the rate of growth is likely to be slower. Through the first three quarters of 2016, employment is up about 35,000 jobs compared to the same period in 2015, and the initial forecast for 2017 is for an increase of about 30,000 jobs for the year.



June 2016 home prices in San Diego County were up 2.9% from a year ago according to Zillow Inc., a company that tracks and analyzes real estate markets. The reported median price for all San Diego County home sales was \$499,250. All but one 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 July 2015 Compared to July 2014

Zip Code	Locale	Median Sold Price		Percent Change
		2016	2015	
91910	North	\$454,600	\$441,700	2.9%
91911	South	\$414,225	\$403,750	2.6%
91913	Eastlake	\$467,900	\$453,250	3.2%
91914	NE	\$668,824	\$596,154	12.2%
91915	SE	\$472,625	\$474,250	(0.3%)

Fiscal Year 2016-17 Budget

The City ended the 2015-16 fiscal year with an unassigned fund balance of \$17.9 million and a committed fund balance of \$6.4 million, including the \$3.6 million Economic Contingency Reserve within the General Fund.

In June 2016, the Chula Vista City Council adopted the fiscal year 2016-17 budget which provides \$292.2 million in appropriations to fund all City activities. The General Fund budget total \$146.5 million, which includes \$0.04 million for capital. The City continues to adopt a one-year budget.

The City’s property tax values are recovering in the aftermath of the national mortgage crisis from 2008-2012. Based on information received from the San Diego County Assessor, Chula Vista’s projected change in total assessed value for fiscal year 2016-17 is positive at 5.73% when compared to 2015-16 total assessed values. Management conservatively budgeted anticipated property tax revenue growth in 2016-17 at 3% greater than 2015-16 actual revenue.

REQUESTS FOR INFORMATION

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

BASIC FINANCIAL STATEMENTS



GOVERNMENT-WIDE FINANCIAL STATEMENTS



CITY OF CHULA VISTA

STATEMENT OF NET POSITION
JUNE 30, 2016

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current assets:			
Cash and investments	\$ 127,034,151	\$ 95,008,482	\$ 222,042,633
Receivables:			
Accounts	2,838,689	5,710,571	8,549,260
Taxes	13,327,704	-	13,327,704
Accrued interest	13,234	-	13,234
Deferred loans	50,953,935	-	50,953,935
Allowance for uncollectible loans	(48,957,416)	-	(48,957,416)
Due from Successor Agency of Chula Vista RDA	10,901,251	-	10,901,251
Prepaid costs	67,041	32,666	99,707
Due from other governments	5,982,342	-	5,982,342
Total Current Assets	<u>162,160,931</u>	<u>100,751,719</u>	<u>262,912,650</u>
Non-current assets:			
Restricted assets:			
Cash and investments	14,952,791	-	14,952,791
Cash with fiscal agent	7,800,709	-	7,800,709
Internal balances	180,358	(180,358)	-
Capital assets not being depreciated	119,660,425	1,264,833	120,925,258
Capital assets, net of depreciation	674,922,042	134,725,018	809,647,060
Total non-current assets	<u>817,516,325</u>	<u>135,809,493</u>	<u>953,325,818</u>
Total Assets	<u>979,677,256</u>	<u>236,561,212</u>	<u>1,216,238,468</u>
Deferred Outflows of Resources:			
Deferred charge on refunding	425,323	-	425,323
Deferred items related to pensions	23,001,205	2,032,642	25,033,847
Total Deferred Outflows of Resources	<u>23,426,528</u>	<u>2,032,642</u>	<u>25,459,170</u>
LIABILITIES			
Current liabilities:			
Accounts payable	4,970,791	246,984	5,217,775
Accrued liabilities	3,519,744	408,022	3,927,766
Accrued interest	1,699,732	-	1,699,732
Unearned revenue	1,586,203	268,279	1,854,482
Retention payable	271,519	17,983	289,502
Compensated absences due within one year	4,878,971	489,505	5,368,476
Claims payable - due within one year	4,000,000	-	4,000,000
Developer deposits payable	14,174,449	-	14,174,449
Short-term portion of bonds, leases, and notes payable	5,637,108	-	5,637,108
Total current liabilities	<u>40,738,517</u>	<u>1,430,773</u>	<u>42,169,290</u>
Non-current liabilities:			
Compensated absences - due in more than one year	2,368,027	182,628	2,550,655
Claims payable - due in more than one year	18,468,939	-	18,468,939
Pollution remediation obligation	150,000	-	150,000
Net OPEB liability	9,458,000	-	9,458,000
Net pension liability	216,509,686	28,549,067	245,058,753
Long-term portion of bonds, leases, and notes payable	124,231,379	-	124,231,379
Total non-current liabilities	<u>371,186,031</u>	<u>28,731,695</u>	<u>399,917,726</u>
Total Liabilities	<u>411,924,548</u>	<u>30,162,468</u>	<u>442,087,016</u>
Deferred Inflows of Resources:			
Deferred items related to pensions	15,370,360	1,667,608	17,037,968
Total Deferred Inflows of Resources	<u>15,370,360</u>	<u>1,667,608</u>	<u>17,037,968</u>
Net Position:			
Net investment in capital assets	672,940,012	135,989,851	808,929,863
Restricted for:			
Community development projects	17,319,445	-	17,319,445
Public safety	4,612,055	-	4,612,055
Parks and recreation	309,971	-	309,971
Capital projects	103,197,852	2,803,451	106,001,303
Unrestricted	(222,570,459)	67,970,476	(154,599,983)
Total Net Position	<u>\$ 575,808,876</u>	<u>\$ 206,763,778</u>	<u>\$ 782,572,654</u>

CITY OF CHULA VISTA

STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2016

	Program Revenues				Total Program Revenues
	Expenses	Charges for Services	Operating Contributions and Grants	Capital Contributions and Grants	
Functions/Programs					
Primary Government:					
Governmental Activities:					
General government	\$ 25,564,824	\$ 6,468,756	\$ 4,677,233	\$ 335,587	\$ 11,481,576
Public safety	87,749,418	11,764,603	7,668,902	1,616,414	21,049,919
Community development	1,974,046	730,197	-	-	730,197
Community services	5,632	-	-	54,290	54,290
Public works	67,910,401	24,218,733	10,070,141	5,136,839	39,425,713
Parks and recreation	6,834,240	10,683,649	-	-	10,683,649
Library	3,997,677	1,943,416	-	-	1,943,416
Interest on long-term debt	6,073,434	-	-	-	-
Total Governmental Activities	200,109,672	55,809,354	22,416,276	7,143,130	85,368,760
Business-Type Activities:					
Sewer Fund	25,234,891	35,775,374	306,884	-	36,082,258
Bayfront Trolley Station	-	-	-	-	-
Transit Fund	86,512	-	-	-	-
Sewer Development Impact Fees	1,146,838	239,143	-	-	239,143
Development Services Fund	5,741,600	6,546,936	-	-	6,546,936
Total Business-Type Activities	32,209,841	42,561,453	306,884	-	42,868,337
Total Primary Government	\$ 232,319,513	\$ 98,370,807	\$ 22,723,160	\$ 7,143,130	\$ 128,237,097

General Revenues:

Taxes:

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

Transfers

Total General Revenues and Transfers

Change in Net Position

Net Position at Beginning of Year

Restatement of Net Position

Net Position at Beginning of Year, as restated

Net Position at End of Year

Net (Expenses) Revenues and Changes in Net Position		
Primary Government		
Governmental Activities	Business-Type Activities	Total
\$ (14,083,248)	\$ -	\$ (14,083,248)
(66,699,499)	-	(66,699,499)
(1,243,849)	-	(1,243,849)
48,658	-	48,658
(28,484,688)	-	(28,484,688)
3,849,409	-	3,849,409
(2,054,261)	-	(2,054,261)
(6,073,434)	-	(6,073,434)
(114,740,912)	-	(114,740,912)
-	10,847,367	10,847,367
-	-	-
-	(86,512)	(86,512)
-	(907,695)	(907,695)
-	805,336	805,336
-	10,658,496	10,658,496
(114,740,912)	10,658,496	(104,082,416)
50,136,856	-	50,136,856
3,827,244	-	3,827,244
33,317,380	-	33,317,380
11,709,977	-	11,709,977
1,538,595	-	1,538,595
5,844,248	-	5,844,248
185,625	-	185,625
1,357,573	-	1,357,573
6,233,144	1,357,938	7,591,082
1,034,027	524,616	1,558,643
336,661	-	336,661
2,799,555	(2,799,555)	-
118,320,885	(917,001)	117,403,884
3,579,973	9,741,495	13,321,468
527,381,260	211,455,475	738,836,735
44,847,643	(14,433,192)	30,414,451
572,228,903	197,022,283	769,251,186
\$ 575,808,876	\$ 206,763,778	\$ 782,572,654



FUND FINANCIAL STATEMENTS



**GOVERNMENTAL FUND
FINANCIAL STATEMENTS**

CITY OF CHULA VISTA

**BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2016**

	Special Revenue Funds				Capital Projects Funds	
	General	Sundry Grants	Developer Deposit	Housing Successor Agency	Park Acquisition Development	Development Impact Funds
Assets:						
Pooled cash and investments	\$ 16,094,309	\$ 4,376,857	\$ 372,539	\$ 5,803,502	\$ 34,132,827	\$ 34,124,218
Receivables:						
Accounts	2,631,053	1,606	-	-	-	-
Taxes	12,995,472	112,309	-	-	-	-
Accrued interest	-	-	1,431	-	-	-
Deferred loans	62,884	20,945,160	-	26,642,325	-	-
Allowance for uncollectible loans	(62,884)	(20,688,396)	-	(25,402,517)	-	-
Prepaid costs	38,788	8,709	-	-	-	-
Due from other governments	614,891	3,303,127	-	-	-	-
Due from other funds	3,832,041	-	-	-	-	-
Advances to other funds	1,488,267	-	-	-	9,288,457	8,150,862
Restricted assets:						
Cash and investments	-	25,925	14,174,449	752,417	-	-
Cash and investments with fiscal agents	-	21,881	-	-	-	-
Due from Successor Agency of Chula Vista RDA	9,885,147	-	-	1,016,104	-	-
Total Assets	\$ 47,579,968	\$ 8,107,178	\$ 14,548,419	\$ 8,811,831	\$ 43,421,284	\$ 42,275,080
Liabilities, Deferred Inflows of Resources, and Fund Balances:						
Liabilities:						
Accounts payable	\$ 2,315,153	\$ 383,955	\$ 372,539	\$ 2,181	\$ -	\$ 137,613
Accrued liabilities	3,193,649	297,860	-	-	-	-
Unearned revenues	-	289,604	1,431	-	-	-
Retentions payable	1,089	126,178	-	-	-	5,480
Deposits payable	-	-	14,174,449	-	-	-
Due to other funds	-	2,560,251	-	-	-	-
Advances from other funds	-	-	-	-	-	-
Total Liabilities	5,509,891	3,657,848	14,548,419	2,181	-	143,093
Deferred Inflows of Resources:						
Unavailable revenues	4,677,420	140,412	-	-	-	1,203,496
Total Deferred Inflows of Resources	4,677,420	140,412	-	-	-	1,203,496
Fund Balances:						
Nonspendable:						
Prepaid costs	38,788	-	-	-	-	-
Due from Successor Agency of Chula Vista RDA	5,834,630	-	-	-	-	-
Advances to other funds	1,488,267	-	-	-	-	-
Restricted for:						
Community development projects	-	3,059,492	-	8,809,650	-	-
Public safety	-	1,012,584	-	-	-	-
Parks and recreation	-	140,166	-	-	-	-
Capital Projects	-	96,676	-	-	43,421,284	40,928,491
Committed to:						
Capital Projects	2,072,436	-	-	-	-	-
Debt service	-	-	-	-	-	-
Economic contingency	3,600,000	-	-	-	-	-
San Diego Authority for Freeway Emergency	664,659	-	-	-	-	-
Legal counsel	46,050	-	-	-	-	-
Assigned to:						
General government	1,677,574	-	-	-	-	-
Public safety	1,181,062	-	-	-	-	-
Parks and recreation	170,661	-	-	-	-	-
Public works	836,035	-	-	-	-	-
Library	185	-	-	-	-	-
Public liability	1,909,942	-	-	-	-	-
Unassigned	17,872,368	-	-	-	-	-
Total Fund Balances	37,392,657	4,308,918	-	8,809,650	43,421,284	40,928,491
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 47,579,968	\$ 8,107,178	\$ 14,548,419	\$ 8,811,831	\$ 43,421,284	\$ 42,275,080

CITY OF CHULA VISTA

**BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2016**

	Debt Service Funds			Total Governmental Funds
	City Debt Service	Public Financing Authority	Other Governmental Funds	
Assets:				
Pooled cash and investments	\$ -	\$ 1,174,393	\$ 28,546,304	\$ 124,624,949
Receivables:				
Accounts	-	-	205,696	2,838,355
Taxes	-	-	219,923	13,327,704
Accrued interest	-	-	11,803	13,234
Deferred loans	-	-	3,303,566	50,953,935
Allowance for uncollectible loans	-	-	(2,803,619)	(48,957,416)
Prepaid costs	-	1,125	18,419	67,041
Due from other governments	-	-	2,064,324	5,982,342
Due from other funds	-	-	-	3,832,041
Advances to other funds	-	-	-	18,927,586
Restricted assets:				
Cash and investments	-	-	-	14,952,791
Cash and investments with fiscal agents	-	7,778,828	-	7,800,709
Due from Successor Agency of Chula Vista RDA	-	-	-	10,901,251
Total Assets	\$ -	\$ 8,954,346	\$ 31,566,416	\$ 205,264,522
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ 1,578,948	\$ 4,790,389
Accrued liabilities	-	-	-	3,491,509
Unearned revenues	-	-	1,295,168	1,586,203
Retentions payable	-	-	138,772	271,519
Deposits payable	-	-	-	14,174,449
Due to other funds	5,767	-	923,513	3,489,531
Advances from other funds	19,228,325	-	-	19,228,325
Total Liabilities	19,234,092	-	3,936,401	47,031,925
Deferred Inflows of Resources:				
Unavailable revenues	-	-	-	6,021,328
Total Deferred Inflows of Resources	-	-	-	6,021,328
Fund Balances:				
Nonspendable:				
Prepaid costs	-	-	-	38,788
Due from Successor Agency of Chula Vista RDA	-	-	-	5,834,630
Advances to other funds	-	-	-	1,488,267
Restricted for:				
Community development projects	-	-	5,450,303	17,319,445
Public safety	-	-	3,599,471	4,612,055
Parks and recreation	-	-	169,805	309,971
Capital Projects	-	-	18,751,401	103,197,852
Committed to:				
Capital Projects	-	-	-	2,072,436
Debt service	-	8,954,346	148,227	9,102,573
Economic contingency	-	-	-	3,600,000
San Diego Authority for Freeway Emergency	-	-	-	664,659
Legal counsel	-	-	-	46,050
Assigned to:				
General government	-	-	-	1,677,574
Public safety	-	-	-	1,181,062
Parks and recreation	-	-	-	170,661
Public works	-	-	-	836,035
Library	-	-	-	185
Public liability	-	-	-	1,909,942
Unassigned	(19,234,092)	-	(489,192)	(1,850,916)
Total Fund Balances	(19,234,092)	8,954,346	27,630,015	152,211,269
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ -	\$ 8,954,346	\$ 31,566,416	\$ 205,264,522



CITY OF CHULA VISTA

**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2016**

Fund balances of governmental funds	\$ 152,211,269
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets net of depreciation have not been included as financial resources in governmental fund activity.	793,403,900
Deferred outflows related to contributions made after the actuarial measurement date for the net pension liability.	21,956,657
Deferred outflows related to difference between expected and actual experience.	835,716
Long-term debt and compensated absences that have not been included in the governmental fund activity:	
Bonds payable	\$ (111,195,000)
Section 108 Loan	(7,161,000)
Pollution remediation obligation	(150,000)
Unamortized bond premiums/discounts	(4,706,196)
Capital leases	(2,467,714)
Claims liability	(22,468,939)
Notes payable	(4,338,577)
Net pension liability	(214,017,932)
Compensated absences	(7,164,236)
	(373,669,594)
Deferred outflows related to the refunding of long-term debt.	425,323
Governmental funds report all OPEB contributions as expenditures, however in the statement of net position any excesses or deficiencies in contributions in relation to the Annual Required Contribution (ARC) are recorded as an asset or liability.	(9,458,000)
Accrued interest payable for the current portion of interest due on Bonds has not been reported in the governmental funds.	(1,699,732)
Revenues reported as unavailable revenue in the governmental funds and recognized in the statement of activities. These are included in the intergovernmental revenues in the governmental fund activity.	6,021,328
Deferred inflows related to unrecognized actuarial gains and losses for the net pension liability.	(4,755,596)
Deferred inflows related to changes in actuarial assumptions.	(10,513,520)
Internal service funds are used by management to charge the costs of certain activities, such as equipment management and self-insurance, to individual funds. The assets and liabilities of the internal service funds must be added to the statement of net position.	1,051,125
Net Position of governmental activities	\$ 575,808,876

CITY OF CHULA VISTA

STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2016

	General	Special Revenue Funds			Capital Projects Funds	
		Sundry Grants	Developer Deposit	Housing Successor Agency	Park Acquisition Development	Development Impact Funds
Revenues:						
Taxes	\$ 107,731,873	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	1,301,243	-	-	-	-	-
Intergovernmental	2,530,464	11,413,927	-	-	-	-
Charges for services	9,264,462	1,160,209	-	-	-	-
Use of money and property	2,879,878	161,667	-	1,009,289	469,507	595,032
Fines and forfeitures	1,249,457	-	-	-	-	-
Developer participation	-	-	-	-	3,203,613	8,453,653
Miscellaneous	11,988,931	806,787	-	635,500	-	225
Total Revenues	136,946,308	13,542,590	-	1,644,789	3,673,120	9,048,910
Expenditures:						
Current:						
General government	24,518,792	1,900,164	-	-	23,069	-
Public safety	76,138,983	7,087,725	-	-	-	-
Community development	-	-	-	1,974,046	-	-
Parks and recreation	4,057,799	500	-	-	-	-
Public works	28,139,011	2,947,356	-	-	-	608,581
Library	3,689,475	279,832	-	-	-	-
Capital outlay	2,235,590	603,262	-	-	24,753	1,485,069
Debt service:						
Principal retirement	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-	-	-
Total Expenditures	138,779,650	12,818,839	-	1,974,046	47,822	2,093,650
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,833,342)	723,751	-	(329,257)	3,625,298	6,955,260
Other Financing Sources (Uses):						
Transfers in	9,036,494	112,281	-	-	805,000	2,609,582
Transfers out	(6,335,351)	(865,828)	-	-	(805,041)	(7,711,770)
Capital leases	377,487	-	-	-	-	-
Proceeds from issuance of bonds	-	-	-	-	-	-
Bond premium	-	-	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-	-	-
Total Other Financing Sources (Uses)	3,078,630	(753,547)	-	-	(41)	(5,102,188)
Net Change in Fund Balances	1,245,288	(29,796)	-	(329,257)	3,625,257	1,853,072
Fund Balances, Beginning of Year, as previously reported	36,122,025	4,338,714	-	9,138,907	40,447,570	41,459,897
Restatements	25,344	-	-	-	(651,543)	(2,384,478)
Fund Balances, Beginning of Year, as restated	36,147,369	4,338,714	-	9,138,907	39,796,027	39,075,419
Fund Balances, End of Year	\$ 37,392,657	\$ 4,308,918	\$ -	\$ 8,809,650	\$ 43,421,284	\$ 40,928,491

CITY OF CHULA VISTA

STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2016

	Debt Service Funds			Total Governmental Funds
	City Debt Service	Public Financing Authority	Other Governmental Funds	
Revenues:				
Taxes	\$ -	\$ -	\$ 2,721,089	\$ 110,452,962
Licenses and permits	-	-	26,777	1,328,020
Intergovernmental	-	-	9,923,683	23,868,074
Charges for services	-	-	12,222,974	22,647,645
Use of money and property	336,255	685,141	869,776	7,006,545
Fines and forfeitures	-	-	693,199	1,942,656
Developer participation	-	-	-	11,657,266
Miscellaneous	-	-	2,407,845	15,839,288
Total Revenues	336,255	685,141	28,865,343	194,742,456
Expenditures:				
Current:				
General government	-	11,725	2,634,088	29,087,838
Public safety	-	-	410,936	83,637,644
Community development	-	-	-	1,974,046
Parks and recreation	-	-	1,268	4,059,567
Public works	-	-	18,080,193	49,775,141
Library	-	-	-	3,969,307
Capital outlay	-	-	8,627,734	12,976,408
Debt service:				
Principal retirement	-	33,590,000	1,383,439	34,973,439
Interest and fiscal charges	-	5,823,380	621,859	6,445,239
Payment to refunded bond escrow agent	-	422,751	-	422,751
Total Expenditures	-	39,847,856	31,759,517	227,321,380
Excess (Deficiency) of Revenues Over (Under) Expenditures	336,255	(39,162,715)	(2,894,174)	(32,578,924)
Other Financing Sources (Uses):				
Transfers in	3,678,423	9,311,820	2,351,830	27,905,430
Transfers out	(4,115,118)	(4,360)	(6,111,788)	(25,949,256)
Capital leases	-	-	-	377,487
Proceeds from issuance of bonds	-	34,330,000	-	34,330,000
Bond premium	-	2,262,493	-	2,262,493
Payment to refunded bond escrow agent	-	(7,135,000)	-	(7,135,000)
Total Other Financing Sources (Uses)	(436,695)	38,764,953	(3,759,958)	31,791,154
Net Change in Fund Balances	(100,440)	(397,762)	(6,654,132)	(787,770)
Fund Balances, Beginning of Year, as previously reported	(37,188,596)	9,352,108	34,284,147	137,954,772
Restatements	18,054,944	-	-	15,044,267
Fund Balances, Beginning of Year, as restated	(19,133,652)	9,352,108	34,284,147	152,999,039
Fund Balances, End of Year	\$ (19,234,092)	\$ 8,954,346	\$ 27,630,015	\$ 152,211,269

CITY OF CHULA VISTA

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2016**

Net change in fund balances - total governmental funds	\$ (787,770)
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds reported capital outlay as expenditures. However, in the Government-Wide Statement of Activities and Changes in Net Position, the cost of those assets was allocated over their estimated useful lives as depreciation expense. This was the amount of capital assets recorded in the current period, including donated assets of \$5,430,380.	22,866,610
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 \$329,851.	(26,677,450)
The net effect of various miscellaneous transactions involving capital assets increased Net Position.	300,567
Repayment of long-term liabilities was an expenditures in governmental funds, but the repayment reduced long-term liabilities in the Government-Wide Statement of Net Position.	
Issuance of long-term debt	(34,330,000)
Premium from issuance of long-term debt	(2,262,493)
Principal payment of long-term debt	34,973,439
Payments to refunded bond escrow agent	7,549,883
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	257,662
Deferred charge on refunding	(20,647)
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	(434,993)
Changes in claims payable	141,366
Capital leases entered into	(377,487)
Changes in net OPEB liabilities	(1,030,000)
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.	173,745
Unavailable revenue related to long-term receivables previously recognized as revenue in the Government-Wide Statement of Activities was reclassified as an allowance for uncollectible loans in the Governmental Funds.	365,561
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.	(79,819)
Pension obligation expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	2,951,799
Change in net position of governmental activities	\$ 3,579,973

**PROPRIETARY FUND
FINANCIAL STATEMENTS**

CITY OF CHULA VISTA

STATEMENT OF NET POSITION
 PROPRIETARY FUNDS
 JUNE 30, 2016

	Business-Type Activities - Enterprise Funds				Totals	Governmental Activities- Internal Service Funds
	Sewer Fund	Sewer Development Impact Fees	Development Services Fund	Other Enterprise Funds		
Assets:						
Current:						
Cash and investments	\$ 91,766,338	\$ 2,836,108	\$ -	\$ 406,036	\$ 95,008,482	\$ 2,409,202
Receivables:						
Accounts	5,178,640	-	489,519	42,412	5,710,571	334
Grants	32,666	-	-	-	32,666	-
Total Current Assets	96,977,644	2,836,108	489,519	448,448	100,751,719	2,409,536
Noncurrent:						
Advances to other funds	19,794,095	-	-	-	19,794,095	-
Capital assets - net of accumulated depreciation	135,870,132	119,719	-	-	135,989,851	1,178,567
Total Noncurrent Assets	155,664,227	119,719	-	-	155,783,946	1,178,567
Total Assets	252,641,871	2,955,827	489,519	448,448	256,535,665	3,588,103
Deferred Outflows of Resources:						
Deferred pension contributions	885,542	-	1,145,044	2,056	2,032,642	208,832
Total Deferred Outflows of Resources	885,542	-	1,145,044	2,056	2,032,642	208,832
Liabilities:						
Current:						
Accounts payable	180,461	32,657	33,866	-	246,984	180,402
Accrued liabilities	237,011	-	171,011	-	408,022	28,235
Retention payable	17,983	-	-	-	17,983	-
Unearned revenues	-	-	-	268,279	268,279	-
Due to other funds	-	-	342,510	-	342,510	-
Accrued compensated absences	224,468	-	265,037	-	489,505	22,965
Total Current Liabilities	659,923	32,657	812,424	268,279	1,773,283	231,602
Noncurrent:						
Advances from other funds	-	19,493,356	-	-	19,493,356	-
Accrued compensated absences	8,874	-	173,754	-	182,628	59,797
Net pension liability	12,102,960	-	15,942,652	503,455	28,549,067	2,491,754
Total Noncurrent Liabilities	12,111,834	19,493,356	16,116,406	503,455	48,225,051	2,551,551
Total Liabilities	12,771,757	19,526,013	16,928,830	771,734	49,998,334	2,783,153
Deferred Inflows of Resources:						
Deferred items related to pensions	703,572	-	936,580	27,456	1,667,608	101,244
Total Deferred Inflows of Resources	703,572	-	936,580	27,456	1,667,608	101,244
Net Position:						
Investment in capital assets	134,010,132	119,719	-	-	134,129,851	1,178,567
Restricted for capital projects	-	2,803,451	-	-	2,803,451	-
Unrestricted	106,041,952	(19,493,356)	(16,230,847)	(348,686)	69,969,063	(266,029)
Total Net Position	\$ 240,052,084	\$ (16,570,186)	\$ (16,230,847)	\$ (348,686)	\$ 206,902,365	\$ 912,538

Reconciliation of Net Position to the Statement of Net Position

Net Position per Statement of Net Position - Proprietary Funds	\$ 206,902,365
Prior years' accumulated adjustment to reflect the consolidation of internal service funds activities related to the enterprise funds	(87,571)
Current years' adjustments to reflect the consolidation of internal service activities related to enterprise funds	(51,016)
Net Position per Statement of Net Position	\$ 206,763,778

CITY OF CHULA VISTA

STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2016

	Business-Type Activities - Enterprise Funds				Totals	Governmental Activities- Internal Service Funds
	Sewer Fund	Sewer Development Impact Fees	Development Services Fund	Other Enterprise Funds		
Operating Revenues:						
Sales and service charges	\$ 35,775,374	\$ 239,143	\$ 6,546,936	\$ -	\$ 42,561,453	\$ -
Interdepartmental charges	-	-	-	-	-	7,943,580
Other	472,990	-	16,834	34,792	524,616	255,519
Total Operating Revenues	36,248,364	239,143	6,563,770	34,792	43,086,069	8,199,099
Operating Expenses:						
Administration and general	17,981,877	1,143,803	5,741,600	86,512	24,953,792	8,894,590
Source of supply	1,509,089	-	-	-	1,509,089	-
Depreciation expense	5,692,909	3,035	-	-	5,695,944	329,851
Total Operating Expenses	25,183,875	1,146,838	5,741,600	86,512	32,158,825	9,224,441
Operating Income (Loss)	11,064,489	(907,695)	822,170	(51,720)	10,927,244	(1,025,342)
Nonoperating Revenues (Expenses):						
Interest revenue	1,286,713	63,531	-	7,694	1,357,938	15,032
Gain (loss) on disposal of capital assets	-	-	-	-	-	36,094
Total Nonoperating Revenues (Expenses)	1,286,713	63,531	-	7,694	1,357,938	51,126
Income (Loss) Before Transfers and Capital Contributions	12,351,202	(844,164)	822,170	(44,026)	12,285,182	(974,216)
Transfers in	8,288,983	2,525	626,616	-	8,918,124	843,381
Transfers out	(2,942,522)	(7,587,600)	(1,187,557)	-	(11,717,679)	-
Capital contributions	306,884	-	-	-	306,884	-
Changes in Net Position	18,004,547	(8,429,239)	261,229	(44,026)	9,792,511	(130,835)
Net Position:						
Beginning of Year, as previously reported	221,215,598	7,124,184	(16,492,076)	(304,660)	211,543,046	1,043,373
Restatements	831,939	(15,265,131)	-	-	(14,433,192)	-
Beginning of Fiscal Year, as restated	222,047,537	(8,140,947)	(16,492,076)	(304,660)	197,109,854	1,043,373
End of Fiscal Year	\$ 240,052,084	\$ (16,570,186)	\$ (16,230,847)	\$ (348,686)	\$ 206,902,365	\$ 912,538

Reconciliation of Changes in Net Position to the Statement of Activities:

Changes in Net Position, per the Statement of Revenues, Expenses and Changes in Fund Net Position - Proprietary Funds	\$ 9,792,511
Adjustment to reflect the consolidation of current fiscal year internal service funds activities related to enterprise funds	(51,016)
Changes in Net Position of Business-Type Activities per Statement of Activities	\$ 9,741,495

CITY OF CHULA VISTA

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 YEAR ENDED JUNE 30, 2016

	Business-Type Activities - Enterprise Funds					Governmental Activities- Internal Service Funds
	Sewer Fund	Sewer Development Impact Fees	Development Services Fund	Other Enterprise Funds	Totals	
Cash Flows from Operating Activities:						
Cash received from customers and users	\$ 36,469,193	\$ 239,143	\$ 6,516,699	\$ 37,618	\$ 43,262,653	\$ -
Cash received from/(paid to) interfund service provided	-	-	-	32,755	32,755	8,217,877
Cash received from/(paid to) suppliers for goods and services	(1,529,529)	27,042	(138,553)	(57,808)	(1,698,848)	(74,067)
Cash paid to employees for services	(18,292,891)	(1,143,803)	(6,112,771)	(81,164)	(25,630,629)	(8,970,650)
Net Cash Provided (Used) by Operating Activities	16,646,773	(877,618)	265,375	(68,599)	15,965,931	(826,840)
Cash Flows from Non-Capital Financing Activities:						
Cash transfers out	(2,942,522)	(5,727,600)	(1,187,557)	-	(9,857,679)	-
Cash transfers in	6,428,983	2,525	626,616	-	7,058,124	843,381
Repayment received from other funds	-	-	295,566	-	295,566	-
Advance to other funds	2,051,878	-	-	-	2,051,878	-
Net Cash Provided (Used) by Non-Capital Financing Activities	5,538,339	(5,725,075)	(265,375)	-	(452,111)	843,381
Cash Flows from Capital and Related Financing Activities:						
Capital contributions	306,884	-	-	-	306,884	-
Acquisition and construction of capital assets	(3,089,326)	-	-	-	(3,089,326)	(427,812)
Advance from other funds	-	4,228,225	-	-	4,228,225	-
Proceeds from sales of capital assets	-	-	-	-	-	36,094
Net Cash Provided (Used) by Capital and Related Financing Activities	(2,782,442)	4,228,225	-	-	1,445,783	(391,718)
Cash Flows from Investing Activities:						
Interest received	1,286,713	63,531	-	7,694	1,357,938	15,032
Net Cash Provided (Used) by Investing Activities	1,286,713	63,531	-	7,694	1,357,938	15,032
Net Increase (Decrease) in Cash and Cash Equivalents	20,689,383	(2,310,937)	-	(60,905)	18,317,541	(360,145)
Cash and Cash Equivalents at Beginning of Year	71,076,955	5,147,045	-	466,941	76,690,941	2,769,347
Cash and Cash Equivalents at End of Year	\$ 91,766,338	\$ 2,836,108	\$ -	\$ 406,036	\$ 95,008,482	\$ 2,409,202
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:						
Operating income (loss)	\$ 11,064,489	\$ (907,695)	\$ 822,170	\$ (51,720)	\$ 10,927,244	\$ (1,025,342)
Adjustments to reconcile operating income (loss) net cash provided (used) by operating activities:						
Depreciation	5,692,909	3,035	-	-	5,695,944	329,851
(Increase) decrease in accounts receivable	215,510	-	(47,071)	2,826	171,265	(334)
(Increase) decrease in taxes receivable	-	-	-	31,230	31,230	-
(Increase) decrease in due from other governments	-	-	-	32,755	32,755	19,112
(Increase) decrease in prepaid expense	(32,666)	-	-	-	(32,666)	-
(Increase) decrease in deferred outflows from pensions	(112,044)	-	(132,159)	(32,862)	(277,065)	(22,853)
Increase (decrease) in accounts payable	89,705	27,042	(29,413)	-	87,334	(48,341)
Increase (decrease) in accrued liabilities	(77,479)	-	(109,140)	(24,946)	(211,565)	(25,726)
Increase (decrease) in unearned revenue	5,319	-	-	-	5,319	-
Increase (decrease) in compensated absences	28,349	-	58,659	(16,100)	70,908	1,449
Increase (decrease) in net pension liability	889,954	-	1,165,383	38,298	2,093,635	213,980
Increase (decrease) in deferred inflows from pensions	(1,117,273)	-	(1,463,054)	(48,080)	(2,628,407)	(268,636)
Total Adjustments	5,582,284	30,077	(556,795)	(16,879)	5,038,687	198,502
Net Cash Provided (Used) by Operating Activities	\$ 16,646,773	\$ (877,618)	\$ 265,375	\$ (68,599)	\$ 15,965,931	\$ (826,840)
Non-Cash Investing, Capital, and Financing Activities:						
Donated capital assets	\$ 306,884	\$ -	\$ -	\$ -	\$ 306,884	\$ -
Transfer of capital assets between funds	(1,860,000)	1,860,000	-	-	-	-
Restatement of net position relating to advances	(3,395,896)	(15,265,131)	-	-	(18,661,027)	-

CITY OF CHULA VISTA

STATEMENT OF FIDUCIARY NET POSITION
 FIDUCIARY FUNDS
 JUNE 30, 2016

	Agency Funds	Private-Purpose Trust Fund Successor Agency of the Former Chula Vista RDA
Assets:		
Pooled cash and investments	\$ 8,440,606	\$ 4,967,096
Receivables:		
Accounts	-	41,505
Notes and loans	-	128,544
Allowance for uncollectible loans	-	(128,544)
Restricted assets:		
Cash and investments with fiscal agents	30,604,895	3,599,505
Capital assets:		
Capital assets, not being depreciated	-	9,124,715
Capital assets, net of accumulated depreciation	-	1,084,478
Total Assets	\$ 39,045,501	\$ 18,817,299
Liabilities and Net Position:		
Liabilities:		
Accounts payable	\$ -	\$ 518
Accrued liabilities	-	1,345
Accrued interest	-	532,997
Unearned revenues	14,162	-
Due to other governments	-	403,792
Due to the City of Chula Vista	-	10,901,251
Due to external parties/other agencies	39,031,339	-
Long-term liabilities:		
Due in one year	-	1,835,000
Due in more than one year	-	35,630,000
Total Liabilities	\$ 39,045,501	49,304,903
Net Position:		
Held in trust for other purposes		(30,487,604)
Total Net Position		\$ (30,487,604)

CITY OF CHULA VISTA

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 FIDUCIARY FUNDS
 YEAR ENDED JUNE 30, 2016

	<u>Private-Purpose Trust Fund</u> <u>Successor Agency of the Former Chula Vista RDA</u>
Additions:	
Taxes	\$ 5,314,687
Intergovernmental	800
Interest and change in fair value of investments	95,992
	<u>5,411,479</u>
Total Additions	
Deductions:	
Administrative expenses	505,347
Contractual services	617,956
Interest expense	2,069,161
Depreciation expense	47,724
Loss on disposal of land	28,934
	<u>3,269,122</u>
Total Deductions	
Changes in Net Position	<u>2,142,357</u>
Net Position - Beginning of the Year	(32,629,961)
Net Position - End of the Year	<u>\$ (30,487,604)</u>

**CITY OF CHULA VISTA
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

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Note 1 – Reporting Entity and Summary of Significant Accounting Policies

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

A. Reporting Entity

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

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

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

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

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

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

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

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

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

A. Reporting Entity (Continued)

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

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

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

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

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

B. Basis of Accounting and Measurement Focus

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

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

B. Basis of Accounting and Measurement Focus (Continued)

Government - Wide Financial Statements

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

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

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

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

Governmental Fund Financial Statements

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

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

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

B. Basis of Accounting and Measurement Focus (Continued)

Governmental Fund Financial Statements (Continued)

Revenues become available when received in cash, except for revenue which is subject to accrual and are recognized when due by the City. Generally 60 days after year-end for primary revenue sources (i.e. property tax, sales tax, intergovernmental revenues and other taxes). Revenue recognition for grants is up to one year. Expenditures are recorded in the accounting period in which the related fund liability is incurred.

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

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

The City reports the following major Governmental Funds:

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

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

Developer Deposits Special Revenue Fund – 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.

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

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

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

B. Basis of Accounting and Measurement Focus (Continued)

Governmental Fund Financial Statements (Continued)

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

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 and aggregate non-major proprietary funds.

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

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

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

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

B. Basis of Accounting and Measurement Focus (Continued)

Proprietary Fund Financial Statements (Continued)

The City reports the following major proprietary funds:

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

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

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

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

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

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

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

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.

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

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

B. Basis of Accounting and Measurement Focus (Continued)

Fiduciary Fund Financial Statements (Continued)

Statement of Changes of Fiduciary Net Position. It follows the *economic resources* basis of accounting similar to proprietary funds.

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

C. Encumbrances

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

D. Cash, Cash Equivalents and Investments

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

Highly liquid market investments with maturities of one year or less at time of purchase are stated at amortized cost. All other investments are stated at fair value. Market value is used as fair value for those securities for which market quotations are readily available. The City reported its investments at fair value and the unrealized gain on investments amounted to \$1,504,228 for the fiscal year ended June 30, 2016.

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

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

D. Cash, Cash Equivalents and Investments (Continued)

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

E. Inventories and Prepaid items

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

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

F. Restricted Assets

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

G. Interfund Transactions

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

H. Capital Assets

Capital assets are valued at historical cost or estimated historical cost if actual historical cost was not available. Donated capital assets are valued at their 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 \$50,000 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	5-15 years
Infrastructure	30-75 years

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

H. Capital Assets (Continued)

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

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

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

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

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

I. Compensated Absences

Government-Wide Financial Statements

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

Fund Financial Statements

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

J. Pensions

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

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

K. Long-Term Debt

Government-Wide Financial Statements

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

Fund Financial Statements

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

L. Deferred Outflows/Inflows of Resources

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

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

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

M. Property Taxes

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

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

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

N. Public Facilities Financing

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

O. Net Position

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

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

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

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

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

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

P. Fund Balances

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

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

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

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

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

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

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

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

Q. Spending and Reserve Policy

Government-Wide Financial Statements and the Proprietary Fund Financial Statements

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

Governmental Fund Financial Statements

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

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

R. Use of Estimates

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

S. Accounting Changes

The City implemented GASB Statement No. 72, *Fair Value Measurement and Application*, during the year ended June 30, 2016. The changes resulting from this implementation are reflected in Note 2.

**CITY OF CHULA VISTA
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2016**

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, 2016.

	Government-Wide Statement of Net Position			Fiduciary Funds Statement of Net Position	
	Governmental Activities	Business-Type Activities	Total	Position	Total
Cash and investments	\$ 127,034,151	\$ 95,008,482	\$ 222,042,633	\$ 13,407,702	\$ 235,450,335
Restricted cash and investments:					
Held by City	14,952,791	-	14,952,791	-	14,952,791
Held by fiscal agents	7,800,709	-	7,800,709	34,204,400	42,005,109
Total restricted cash and investments	22,753,500	-	22,753,500	34,204,400	56,957,900
Total cash and investments	\$ 149,787,651	\$ 95,008,482	\$ 244,796,133	\$ 47,612,102	\$ 292,408,235

Cash, cash equivalents and investments consisted of the following at June 30, 2016:

Petty cash	\$ 9,075
Deposits with financial institution	56,805,802
Investments	193,588,249
Investments held by bond trustee	42,005,109
Total cash and investments	\$ 292,408,235

A. Deposits

The carrying amount of the City's cash deposits were \$56,814,877 at June 30, 2016. Bank balances before reconciling items were \$57,916,671 at that date, the total amount of which was insured or collateralized with securities held by the pledging financial institutions in the City's name as discussed below.

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

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

**CITY OF CHULA VISTA
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2016**

Note 2 – Cash and Investments (Continued)

B. Investments

As of June 30, 2016, the City had the following investments and maturities:

Investment Type	Fair Value	Investment Maturities					
		1 year or fewer	1 - 2 years	2 - 3 years	3 - 4 years	4 - 5 years	Over 5 years
LAIF	\$ 1,643,210	\$ 1,643,210	\$ -	\$ -	\$ -	\$ -	\$ -
Time Deposits	310,000	310,000	-	-	-	-	-
San Diego County Investment Pool	34,697,445	34,697,445	-	-	-	-	-
Federal Home Loan Bank	6,000,120	3,000,030	3,000,090	-	-	-	-
Federal National Mortgage Association	10,394,235	-	9,004,440	-	1,389,795	-	-
Federal Home Loan Mortgage Corporation	9,021,930	-	9,021,930	-	-	-	-
Federal Farm Credit Bank	17,007,890	7,000,360	10,007,530	-	-	-	-
US Treasury Notes	65,224,438	2,989,806	-	26,360,280	18,405,518	17,468,834	-
Medium-Term Corporate Notes	43,635,462	2,001,280	4,104,996	12,250,864	17,867,365	7,410,957	-
Money Market Funds	5,653,519	2,514,622	3,138,897	-	-	-	-
Held by bond trustee:							
Investment Agreements	2,112,065	-	-	-	-	-	2,112,065
Mutual Funds	39,893,044	39,893,044	-	-	-	-	-
Total	\$ 235,593,358	\$ 94,049,797	\$ 38,277,883	\$ 38,611,144	\$ 37,662,678	\$ 24,879,791	\$ 2,112,065

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

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

**CITY OF CHULA VISTA
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2016**

Note 2 – Cash and Investments (Continued)

B. Investments (Continued)

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 Securities	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	20%	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

** Maximum is \$50 million per account

Investments Authorized by Debt Agreements

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

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

**CITY OF CHULA VISTA
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2016**

Note 2 – Cash and Investments (Continued)

C. Risks Disclosures

Interest Rate Risk

As a means of limiting its exposure to fair value losses arising from rising interest rates, the City's investment policy provides that final maturities of securities cannot exceed five years. Specific maturities of investments depend on liquidity needs. At June 30, 2016, the City's pooled cash and investments had the following maturities:

<u>Maturity</u>	<u>Percentage of Investment</u>
Less than one year	28%
1 - 2 years	20%
2 - 3 years	20%
3 - 4 years	19%
4 - 5 years	13%
Over 5 years	0%

The weighted average maturity of the portfolio was 2.5 years.

Credit Risk

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

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

<u>Investment Type</u>	<u>Fair Value</u>	<u>Moody's</u>	<u>Standard & Poor's</u>
LAIF	\$ 1,643,210	Not Rated	Not Rated
Time Deposits	310,000	Not Rated	Not Rated
San Diego County Investment Pool	34,697,445	Not Rated	AAA
Federal Home Loan Bank	6,000,120	Aaa	AAA
Federal National Mortgage Association	10,394,235	Aaa	AAA
Federal Home Loan Mortgage Corp.	9,021,930	Aaa	AAA
Federal Farm Credit Bank	17,007,890	Aaa	AAA
US Treasury Notes	65,224,438	Aaa	Not Rated
Medium-Term Corporate Notes	43,635,462	A1 to Aa3	A- to AA+
Investment Agreements	2,112,065	Not Rated	Not Rated
Money Market Funds	45,546,563	Not Rated	Not Rated
	<u>\$ 235,593,358</u>		

Note 2 – Cash and Investments (Continued)

C. Risks Disclosures (Continued)

Custodial Credit Risk

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

Concentration of Credit Risk

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

<u>Issuer</u>	<u>Investment Type</u>	<u>Fair Value</u>
Federal National Mortgage Association	Federal Agencies	\$ 10,394,125
Federal Home Loan Mortgage Corporation	Federal Agencies	9,021,930
Federal Farm Credit Bank	Federal Agencies	17,007,890

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, 2016 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, 2016, the City had \$1,643,210 invested in LAIF, which had invested 1.86% 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, 2016, 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, 2016.

**CITY OF CHULA VISTA
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2016**

Note 2 – Cash and Investments (Continued)

E. Fair Value Hierarchy

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The City has the following recurring fair value measurements as of June 30, 2016:

Investment Type	Totals	Level		
		1	2	3
U.S. Agency Securities	\$ 42,424,175	\$ -	\$ 42,424,175	\$ -
U.S. Treasury Notes	65,224,438	65,224,438	-	-
Medium-Term Corporate Notes	43,635,462	-	43,635,462	-
Time Deposits	310,000	-	310,000	-
San Diego County Investment Pool	34,697,445	-	34,697,445	-
Local Agency Investment Fund (LAIF)	1,643,210	-	1,643,210	-
Money Market Mutual Funds	5,653,519	-	5,653,519	-
Held by Fiscal Agent:				
Cash & Money Market Mutual Funds	39,893,044	-	39,893,044	-
Total Investments	\$ 233,481,293	\$ 65,224,438	\$ 168,256,855	\$ -
<u>Investments measured at net asset value</u>				
Investment agreements	\$ 2,112,065			
Totals	2,112,065			
Total Investments	\$ 235,593,358			

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

Note 3 – Receivables

A. Taxes Receivable

At June 30, 2016, the City had the following taxes receivable:

	Governmental Activities
Sales Tax	\$ 8,923,677
Property Tax	462,949
Utilities Users Tax	660,359
Transient Occupancy Tax	449,719
Franchise Fee Tax	2,498,767
Other Taxes	332,233
Total	\$ 13,327,704

**CITY OF CHULA VISTA
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2016**

Note 3 – Receivables (Continued)

B. Loans Receivable

At June 30, 2016, the City had the following loans receivable, including principal and accrued interest, of which, an allowance for uncollectible loans was recorded in the amount of \$48,957,416:

	Governmental Activities		
	Principal	Interest	Total
South Bay Community Services	\$ 3,880,292	\$ 2,619,326	\$ 6,499,618
Heritage (South Bay Community Villas L.P.)	4,400,000	28,918	4,428,918
Girls and Boys Club Construction Loan	56,250	-	56,250
Rancho Vista Housing (Chelsea Investment Corporation)	1,500,000	533,220	2,033,220
St. Regis Park (Chelsea Investment Corp)	1,387,152	1,284,143	2,671,295
Chula Vista Rehabilitation CHIP Loans	1,903,327	147,931	2,051,258
Park Village Apts (Civic Center Barrio Housing Corporation)	169,472	-	169,472
Mobile Home Assistance Programs	36,105	-	36,105
Los Vecinos (Wakeland Housing and Development Corporation)	5,680,000	2,369,732	8,049,732
Main Plaza (Alpha III Development Inc.)	1,800,000	606,813	2,406,813
Seniors on Broadway (MAAC Project)	3,511,194	1,069,128	4,580,322
The Landings (Chelsea Investment Corp)	9,086,883	1,005,140	10,092,023
First Time Home Buyers Program	4,421,504	163	4,421,667
Neighborhood Stabilization First Time Home Buyer Program	210,800	-	210,800
NSP Rental Housing Program	1,000,000	171,588	1,171,588
Community Energy Retrofit Program	96,368	-	96,368
Lofts on Landis	1,850,000	128,486	1,978,486
Total	\$ 40,989,347	\$ 9,964,588	\$ 50,953,935

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, 2016, the outstanding balance of the loan was \$6,499,618, which included an interest accrual of \$2,619,326.

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

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

Note 3 – Receivables (Continued)

B. Loans Receivable (Continued)

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

principal and interest on the loan will be repaid over fifty-five years and accrues interest at 3% per annum. Payment of principal and interest on the loan is made on an annual basis, out of a fund equal to fifty percent of the net cash flow of the project (residual receipts) after debt service on bonds, payment of deferred developer fees, and reasonable operating expenses have been paid. Fund balance has been restricted in the Low and Moderate Income Housing Successor Special Revenue Fund. At June 30, 2016, the outstanding balance of the loan was \$4,428,918, which included an interest accrual of \$28,918.

Girls and Boys Club Construction Loan

The City has made a loan of \$250,000 for construction of a new facility for the Boys and Girls Club. The loan is interest free and will be repaid with equal annual payments over 20 years, starting in February 1999. At June 30, 2016, the outstanding balance of the loan was \$56,250.

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, 2016, the outstanding balance of the loan was \$2,033,220 which included an interest accrual of \$533,220.

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, 2016, the outstanding balance of the loan was \$2,671,295 which included an interest accrual of \$1,284,143.

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. At June 30, 2016, the outstanding balance of the loan was \$2,051,258 which included an interest accrual of \$147,931.

Note 3 – Receivables (Continued)

B. Loans Receivable (Continued)

Park Village Apartments (Civic Center Barrio Housing Corporation)

In 1991, the RDA entered into a loan agreement with the Civic Center Barrio Housing Corporation, a California non-profit public benefit corporation. The loan was made for the purchase of land and the development of a 28- unit low-income housing project. During 1992, the loan was assigned to Park Village Apartments Ltd., a California limited partnership in which Civic Center Barrio Housing Corporation is the managing general partner. The loan is secured by a deed of trust on the property and assignment of rents. Principal and interest are payable monthly. In 2009, a second amendment to the loan was entered into changing the interest from 3% to 5% per annum on the unpaid principal balance of the note. At June 30, 2016, the outstanding balance of the loan was \$169,472.

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. At June 30, 2016, 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, 2016, the outstanding balance of the loan was \$8,049,732 which included an interest accrual of \$2,369,732.

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, 2016, the outstanding balance of the loan was \$2,406,813 which included an interest accrual of \$606,813.

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

CITY OF CHULA VISTA
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2016

Note 3 – Receivables (Continued)

B. Loans Receivable (Continued)

Seniors on Broadway (MAAC Project), Continued

June 30, 2016, the outstanding balance of the loan was \$4,580,322 which included an interest accrual of \$1,069,128.

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, 2016, the outstanding balance of the loan was \$10,092,023 which included an interest accrual of \$1,005,140.

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. At June 30, 2016, the outstanding balance of the loan was \$4,421,667 which included an interest accrual of \$163.

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. At June 30, 2016, 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. At June 30, 2016, the outstanding balance of the loan was \$1,171,588 which included an interest accrual of \$171,588.

**CITY OF CHULA VISTA
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2016**

Note 3 – Receivables (Continued)

B. Loans Receivable (Continued)

Community Retrofit program

The Chula Vista Community Energy Revolving Loan Fund (RLF) is under the direct control of the City of Chula Vista and was capitalized through the American Recovery & Reinvestment Act. The RLF offers fully amortized low-interest rate home energy improvement loans to qualified borrowers residing within Chula Vista. The loans are secured by a deed of trust on the properties. Principal and interest are payable monthly. Interest accrues annually on the unpaid principal balance of the notes. Loan repayments are re-deposited into the program cash accounts and are redistributed as future loans except for loans funded by General fund. At June 30, 2016, the outstanding balances of the loans were \$6,634 and \$89,734, respectively.

Lofts on Landis

The City has adopted a Housing Element of the General Plan which sets forth the objective of providing balances and varied housing opportunities throughout the City to satisfy needs and desires of various age, income and ethnic groups of the community. The Housing Authority found that the City’s financial participation in the development of the Landis Project will be a sound investment based upon the Developer’ ability to effectively service the City’s housing needs and priorities expressed in the housing Element and Consolidated plan. At June 30, 2016, the outstanding balance of the loan was \$1,978,486 which included an interest accrual of \$128,486.

Note 4 – Interfund Balances and Transactions

Due to/Due from other funds

At June 30, 2016, interfund receivables and payables were as follows:

	Due To Other Funds				Total
	Sundry Grants	City Debt Service	Development Services Enterprise Fund	Nonmajor Governmental Funds	
General Fund	\$ 2,560,251	\$ 5,767	\$ 342,510	\$ 923,513	\$ 3,832,041
Total	\$ 2,560,251	\$ 5,767	\$ 342,510	\$ 923,513	\$ 3,832,041

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

**CITY OF CHULA VISTA
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2016**

Note 4 – Interfund Balances and Transactions (Continued)

Long-Term Advances

At June 30, 2016, balances were as follows:

Advances to Other Funds	Advances From Other Funds		
	City Debt Service Fund	Sewer Development Impact Fees Fund	Totals
General Fund	\$ 1,488,267	\$ -	\$ 1,488,267
Development Impacts Funds	8,150,862	-	8,150,862
Park Acquisition Development Fund	9,288,457	-	9,288,457
Sewer Enterprise Fund	300,739	19,493,356	19,794,095
Total	<u>\$ 19,228,325</u>	<u>\$ 19,493,356</u>	<u>\$ 38,721,681</u>

City Council authorized loans to the Public Facilities DIF in the amount of \$1,528,969 to help fund the Civic Center expansion. The loan will be repaid as funds become available, through the payment of DIF fees by developers. The balance was \$1,488,267 at June 30, 2016. In accordance with Council Policy No. 220-06, approved via Resolution 2015-028, the financing costs shall be calculated using the City's pooled investment earning rate on a quarterly basis.

Per Resolution 2015-035 of the City Council, interfund loans from the Transportation Development Impact Fee to the Fire Suppression System expansion component of the Public Development Impact Fee were consolidated into one loan totaling \$10,500,000. The balance for the loan was \$8,150,862 at June 30, 2016. In accordance with Council Policy No. 220-06, approved via Resolution 2015-028, the financing costs shall be calculated using the City's pooled investment earning rate on a quarterly basis.

City Council authorized a loan to Western PAD from Eastern PAD in the amount of \$9,630,000 to acquire the 14.41 acre site located in the lower Sweetwater Valley owned by the Redevelopment Agency and \$310,000 to acquire the 1.89 acre site located at Auto Park Place, Chula Vista. Per Resolution 2015-035 of the City Council, these loans were consolidated. The loan will be repaid as funds become available, either as a result of credit acquisitions by the Agency or the payment of PAD fees by developers in western Chula Vista; in conjunction with Council Policy No 200-06, approved via Resolution 2015-028, the financing costs shall be calculated using the City's pooled investment earning rate on a quarterly basis. The balance was \$9,288,457 at June 30, 2016. The Agency will ensure that PAD funds are repaid to fully fund the development of the park for which they were originally collected.

The City Council authorized and set terms for loans from the Trunk Sewer fund to Salt Creek for \$16,848,381, to the Storm Drain fund for \$744,612, and \$803,331 from the Sewer Facility fund for capital improvement projects, via Resolution 2015-035. In accordance with Council Policy No. 220-06, approved via Resolution 2015-028, the financing costs shall be calculated using the City's pooled investment earning rate on a quarterly basis. The balance was \$19,794,095 at June 30, 2016.

**CITY OF CHULA VISTA
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2016**

Note 4 – Interfund Balances and Transactions (Continued)

Transfers In/Out

Interfund transfers for the year ended June 30, 2016 were as follows:

	Transfers In											Total
	General Fund	Sundry Grants Special Revenue Fund	Public Financing Authority	Park Acquisition Development	Development Impact	City Debt Service	Sewer Fund	Sewer Development Impact Fees	Development Services Fund	Non-Major Governmental Funds	Internal Service Funds	
Transfers Out												
General Fund	\$ -	\$ 112,281	\$ 3,252,010	\$ -	\$ 278	\$ -	\$ 105	\$ -	\$ 610,477	\$ -	\$ 833,346	\$ 6,335,351
Sundry Grants Special Revenue	107,585	-	-	-	-	-	-	-	-	758,243	-	865,828
Public Financing Authority	573	-	-	-	2,552	-	-	-	-	1,235	-	4,360
Park Acquisition Development	-	-	-	-	-	805,000	-	41	-	-	-	805,041
Development Impact	-	-	5,535,690	-	-	2,175,824	-	256	-	-	-	7,711,770
City Debt Service	-	-	-	805,000	2,606,752	-	701,278	2,088	-	-	-	4,115,118
Sewer Fund	2,926,243	-	-	-	-	-	-	140	16,139	-	-	2,942,522
Sewer Development Impact Fees	-	-	-	-	-	-	7,587,600	-	-	-	-	7,587,600
Development Services Fund	1,187,557	-	-	-	-	-	-	-	-	-	-	1,187,557
Non-Major Governmental Funds	4,814,536	-	524,120	-	-	697,599	-	-	-	-	65,498	6,111,788
Total	\$ 9,036,494	\$ 112,281	\$ 9,311,820	\$ 805,000	\$ 2,609,582	\$ 3,678,423	\$ 8,288,983	\$ 2,525	\$ 626,616	\$ 2,351,830	\$ 843,381	\$ 37,666,935

General Fund – Operating support to reimburse the General Fund for City staff services and equipment. Total amount of reimbursement was \$9,036,494.

Sundry Grants Special Revenue Fund – Transferring the General Fund’s matching contribution to the federal grants in the amount of \$112,281.

Public Financing Authority – Funding debt service funds for repayment of various long-term obligations amounted to \$9,311,820.

Park Acquisition Development – Interfund loan repayment for long-term obligation between the Western PAD and the Eastern PAD.

Development Impact - Interfund loan repayment for long-term obligation between PFDIF – Fire Suppression and the Transportation DIF.

City Debt Service – Funding debt service funds for repayment of various long-term obligations amount to \$3,678,423.

Sewer Fund – Interfund loan repayment for long-term obligation between Salt Creek Trunk Sewer DIF and Trunk Sewer Capital Reserve Fund; and between the Storm Drain Revenue Fund and the Sewer Facility Replacement Fund. In addition, Transfer Into fund Trunk Sewer Capital Reserve Fund from Telegraph Canyon Sewer Basin Fund was made to return project funds transferred in excess and then close fund Telegraph Canyon Sewer Basin Fund.

Sewer Development Impact Fees – Fund balance restatements necessitated interest earnings adjustments as a result of the modified fund balance on a fund by fund basis.

Development Services Fund - Operating support to reimburse the Development Services Fund for services provided, \$610,477 reimbursement from the General Fund and \$16,139 from Sewer Services.

**CITY OF CHULA VISTA
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2016**

Note 4 – Interfund Balances and Transactions (Continued)

Transfers In/Out, Continued

Non-major Governmental Funds - Funding debt service funds for repayment of various long-term obligations amounted to \$2,351,831. Transfer from General Fund in the amount of \$1,526,854 for various debt obligations. Transfer from the Community Development Block Grant (CDBG) in the amount of \$758,243 for debt service expense. Transfer from Public Financing Authority in the amount of \$1,235 to the Residential Construction Tax (RCT) Fund for closeout of 2004 COP fund. Transfer from Assessment District 2005-1 Tobias Drive in the amount of \$65,498 to the RCT Fund for debt service expense.

Internal Service Funds - \$330,000 and \$10,035 was transferred to the Fleet Management Fund from the General Fund and Utility Tax Settlement Fund respectively for the future purchase of equipment. \$503,346 was transferred to the Workers Compensation Fund from the General Fund as reimbursement for current year claims

Note 5 – Capital Assets

A. Government-Wide Financial Statements

Summary of changes in capital assets for governmental activities for the year ended June 30, 2016 are as follows:

	Balance July 1, 2015, as restated	Additions	Deletions	CIP Transfers	Balance June 30, 2016
Capital assets, not being depreciated:					
Land	\$ 76,636,729	\$ 350,000	\$ (49,433)	\$ -	\$ 76,937,296
Construction in progress	43,905,717	15,638,427	-	(16,821,015)	42,723,129
Total capital assets, not being depreciated	120,542,446	15,988,427	(49,433)	(16,821,015)	119,660,425
Capital assets, being depreciated:					
Buildings	204,944,548	-	-	-	204,944,548
Improvements other than buildings	129,569,741	-	-	-	129,569,741
Machinery and equipment	29,658,968	2,225,615	(819,360)	-	31,065,223
Infrastructure	709,133,417	5,430,380	-	16,821,015	731,384,812
Subtotal	1,073,306,674	7,655,995	(819,360)	16,821,015	1,096,964,324
Less accumulated depreciation					
Buildings	(49,307,804)	(4,002,712)	-	-	(53,310,516)
Improvements other than buildings	(46,456,756)	(2,582,905)	-	-	(49,039,661)
Machinery and equipment	(24,527,676)	(1,491,851)	819,360	-	(25,200,167)
Infrastructure	(275,562,105)	(18,929,833)	-	-	(294,491,938)
Subtotal	(395,854,341)	(27,007,301)	819,360	-	(422,042,282)
Total capital assets, being depreciated	677,452,333	(19,351,306)	-	16,821,015	674,922,042
Total governmental activities	\$ 797,994,779	\$ (3,362,879)	\$ (49,433)	\$ -	\$ 794,582,467

**CITY OF CHULA VISTA
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2016**

Note 5 – Capital Assets (Continued)

A. Government-Wide Financial Statements (Continued)

Depreciation expense was charged to functions/programs as follows:

General government	\$	1,411,212
Public safety		2,546,883
Public works		19,620,207
Parks and recreation		2,861,407
Library		237,741
Internal service		329,851
	\$	<u>27,007,301</u>

Summary of changes in capital assets for business-type activities for the year ended June 30, 2016, are as follows:

	Balance July 1, 2015, as restated	Additions	Deletions	CIP Transfers	Balance June 30, 2016
Capital assets, not being depreciated:					
Construction in progress	\$ 499,064	\$ 1,422,627	\$ -	\$ (656,858)	\$ 1,264,833
Total capital assets, not being depreciated	<u>499,064</u>	<u>1,422,627</u>	<u>-</u>	<u>(656,858)</u>	<u>1,264,833</u>
Capital assets, being depreciated:					
Machinery and equipment	3,519,988	1,359,815	(35,169)	-	4,844,634
Infrastructure	244,403,705	306,884	-	656,858	245,367,447
Subtotal	<u>247,923,693</u>	<u>1,666,699</u>	<u>(35,169)</u>	<u>656,858</u>	<u>250,212,081</u>
Less accumulated depreciation					
Machinery and equipment	(2,798,369)	(258,344)	35,169	-	(3,021,544)
Infrastructure	(107,027,919)	(5,437,600)	-	-	(112,465,519)
Subtotal	<u>(109,826,288)</u>	<u>(5,695,944)</u>	<u>35,169</u>	<u>-</u>	<u>(115,487,063)</u>
Total capital assets, being depreciated	<u>138,097,405</u>	<u>(4,029,245)</u>	<u>-</u>	<u>656,858</u>	<u>134,725,018</u>
Total business-type activities	<u>\$ 134,368,634</u>	<u>\$ (2,606,618)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 135,989,851</u>

Depreciation expense for business-type activities for the year ended June 30, 2016, are as follows:

Sewer	\$	5,692,909
Sewer DIFS		3,035
	\$	<u>5,695,944</u>

**CITY OF CHULA VISTA
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2016**

Note 5 – Capital Assets (Continued)

B. Fiduciary Funds Financial Statements

Summary of changes in capital assets for fiduciary funds for the year ended June 30, 2016, are as follows:

	Balance July 1, 2015	Additions	Deletions	Balance June 30, 2016
Capital assets, not being depreciated:				
Land	\$ 9,502,300	\$ -	\$ (377,585)	\$ 9,124,715
Total capital assets, not being depreciated	9,502,300	-	(377,585)	9,124,715
Capital assets, being depreciated:				
Buildings	2,386,218	-	-	2,386,218
Subtotal	2,386,218	-	-	2,386,218
Less accumulated depreciation				
Buildings	(1,254,016)	(47,724)	-	(1,301,740)
Subtotal	(1,254,016)	(47,724)	-	(1,301,740)
Total capital assets, being depreciated	1,132,202	(47,724)	-	1,084,478
Total fiduciary activities	\$ 10,634,502	\$ (47,724)	\$ (377,585)	\$ 10,209,193

Depreciation expense for fiduciary funds for the year ended June 30, 2016, was \$47,724.

Note 6 – Long-Term Debt

Governmental Activities Long-Term Debt

A summary of changes in governmental activities long-term debt for the year ended June 30, 2016, is as follows:

	Balance June 30, 2015	Debt Issued	Debt Retired	Balance June 30, 2016	Classification	
					Due within One Year	Due in More Than One Year
Certificate of Participation	\$ 117,590,000	\$ 34,330,000	\$ (40,725,000)	\$ 111,195,000	\$ 4,360,000	\$ 106,835,000
Section 108 Loan	7,546,000	-	(385,000)	7,161,000	404,000	6,757,000
Notes Payable	5,033,569	-	(694,992)	4,338,577	532,992	3,805,585
Capital Leases	2,393,674	377,487	(303,447)	2,467,714	340,116	2,127,598
Bond Premium	3,297,626	2,262,493	(313,300)	5,246,819	-	5,246,819
Bond Discount	(596,261)	-	55,638	(540,623)	-	(540,623)
Total	\$ 135,264,608	\$ 36,969,980	\$ (42,366,101)	\$ 129,868,487	\$ 5,637,108	\$ 124,231,379

**CITY OF CHULA VISTA
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2016**

Note 6 – Long-Term Debt (Continued)

Governmental Activities Long-Term Debt (Continued)

A. Certificates of Participation

	Balance June 30, 2015	Debt Issued	Debt Retired	Balance June 30, 2016	Classification	
					Due within One Year	Due in More Than One Year
2004 COP Civic Ctr Ph1	\$ 29,445,000	\$ -	\$ (29,445,000)	\$ -	\$ -	\$ -
2006 COP Civic Ctr Ph2	16,410,000	-	(7,655,000)	8,755,000	-	8,755,000
2010 Refunding COP Corp Yard	27,285,000	-	(1,085,000)	26,200,000	1,130,000	25,070,000
2014 Refunding COP	44,450,000	-	(1,615,000)	42,835,000	1,665,000	41,170,000
2015 Refunding COP	-	34,330,000	(925,000)	33,405,000	1,565,000	31,840,000
Total	\$ 117,590,000	\$ 34,330,000	\$ (40,725,000)	\$ 111,195,000	\$ 4,360,000	\$ 106,835,000

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 were also 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 was the lease payments to be made by the City to the Authority. Interest was payable semiannually on March 1 and September 1 of each year commencing March 1, 2006. The principal was payable on September 1 each year commencing September 1, 2006. The bonds were fully refunded in the current year with the issuance of the 2015 Refunding Certificates of Participation Bonds.

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. The bonds were partially refunded in the current year with the issuance of the 2015 Refunding Certificates of Participation Bonds. As of June 30, 2016, the outstanding balance is \$8,755,000.

The annual debt service requirements for the 2006 Certificates of Participation Civic Center Project Phase II outstanding at June 30, 2016, are as follows:

**CITY OF CHULA VISTA
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2016**

Note 6 – Long-Term Debt (Continued)

Governmental Activities Long-Term Debt (Continued)

A. Certificates of Participation (Continued)

2006 Civic Center Project Phase II COP, Continued

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ -	\$ 389,094	\$ 389,094
2018	-	389,094	389,094
2019	-	389,094	389,094
2020	-	389,094	389,094
2021	-	389,094	389,094
2022-2026	-	1,945,470	1,945,470
2027-2031	3,905,000	1,618,657	5,523,657
2032-2036	4,850,000	674,325	5,524,325
Total	<u>\$ 8,755,000</u>	<u>\$ 6,183,922</u>	<u>\$ 14,938,922</u>

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 1, 2014. As of June 30, 2016, the outstanding balance is \$26,200,000.

**CITY OF CHULA VISTA
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2016**

Note 6 – Long-Term Debt (Continued)

Governmental Activities Long-Term Debt (Continued)

A. Certificates of Participation (Continued)

2010 Refunding COP Corp Yard, Continued

The annual debt service requirements for the 2010 Refunding Certificates of Participation Corp Yard outstanding at June 30, 2016, are as follows:

Year Ending June 30,	Principal	Interest	Total
2017	\$ 1,130,000	\$ 1,364,344	\$ 2,494,344
2018	1,170,000	1,319,144	2,489,144
2019	1,235,000	1,257,719	2,492,719
2020	1,300,000	1,192,881	2,492,881
2021	1,370,000	1,124,631	2,494,631
2022-2026	7,875,000	4,574,419	12,449,419
2027-2031	10,175,000	2,272,875	12,447,875
2032-2033	1,945,000	161,975	2,106,975
Total	<u>\$ 26,200,000</u>	<u>\$13,267,988</u>	<u>\$ 39,467,988</u>

2014 Refunding COP

In February 2014, the Chula Vista Public Financing Authority (Authority) issued \$45,920,000 in 2014 Certificates of Participation to refinance the City’s outstanding 2002 Certificates of Participation (Police Facility Project), fund a reserve fund, and pay the costs incurred in connection with the execution and delivery of the Certificates. The source of repayment of the certificates is the lease payments to be made by the City to the Authority. Interest is payable semiannually on April 1 and October 1 of each year, commencing October 1, 2014. The certificates mature in 2032 and principal is payable on October 1 each year, commencing October 1, 2014. As of June 30, 2016, the outstanding balance is \$42,835,000.

**CITY OF CHULA VISTA
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2016**

Note 6 – Long-Term Debt (Continued)

Governmental Activities Long-Term Debt (Continued)

A. Certificates of Participation (Continued)

2014 Refunding COP, Continued

The annual debt service requirements for the 2014 Certificates of Participation outstanding at June 30, 2016, are as follows:

Year Ending June 30,	Principal	Interest	Total
2017	\$ 1,665,000	\$ 1,935,031	\$ 3,600,031
2018	1,730,000	1,867,131	3,597,131
2019	1,810,000	1,791,806	3,601,806
2020	1,895,000	1,703,706	3,598,706
2021	2,000,000	1,606,331	3,606,331
2022-2026	11,665,000	6,383,031	18,048,031
2027-2031	15,045,000	3,122,506	18,167,506
2032-2033	7,025,000	290,622	7,315,622
Total	\$ 42,835,000	\$ 18,700,164	\$ 61,535,164

2015 Refunding COP

In August 2015, the Chula Vista Public Financing Authority (Authority) issued \$34,330,000 in 2015 Certificates of Participation to refinance the City’s outstanding 2004 Certificates of Participation (Civic Center Project Phase) and a portion of the 2006 Certificates of Participation (Civic Center Project Phase II), fund a reserve fund, and pay the costs incurred in connection with the execution and delivery of the Certificates. The refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$445,970, which is reported as a deferred outflow of resources in the accompanying financial statements and amortized over the remaining life of the refunded debt. The City completed the refunding to reduce its total debt service payments by \$4,384,723 and to obtain an economic gain (difference between the present values of the old and new debt services payments) of \$3,073,833. The source of repayment of the certificates is the lease payments to be made by the City to the Authority. Interest is payable semi-annually on March 1 and September of each year, commencing March 1, 2016. The certificates mature in 2034 and principal is payable on March 1 each year, commencing October 1, 2015. As of June 30, 2016, the outstanding balance is \$33,405,000.

The annual debt service requirements for the 2015 Certificates of Participation outstanding at June 30, 2016, are as follows:

**CITY OF CHULA VISTA
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2016**

Note 6 – Long-Term Debt (Continued)

Governmental Activities Long-Term Debt (Continued)

A. Certificates of Participation (Continued)

2015 Refunding COP, Continued

Year Ending June 30,	Principal	Interest	Total
2017	\$ 1,565,000	\$ 1,353,013	\$ 2,918,013
2018	1,620,000	1,306,063	2,926,063
2019	1,680,000	1,241,263	2,921,263
2020	1,765,000	1,157,263	2,922,263
2021	1,860,000	1,069,013	2,929,013
2022-2026	10,650,000	3,958,663	14,608,663
2027-2031	8,440,000	2,073,019	10,513,019
2032-2034	5,825,000	479,038	6,304,038
Total	\$ 33,405,000	\$ 12,637,335	\$ 46,042,335

B. Section 108 Loan

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

As of June 30, 2016, the outstanding balance is \$7,161,000. The annual debt service payments are as follows:

Year Ending June 30,	Principal	Interest	Total
2017	\$ 404,000	\$ 355,858	\$ 759,858
2018	425,000	337,118	762,118
2019	446,000	317,126	763,126
2020	468,000	295,428	763,428
2021	492,000	271,830	763,830
2022-2026	2,851,000	946,107	3,797,107
2027-2029	2,075,000	171,541	2,246,541
Total	\$7,161,000	\$2,695,008	\$ 9,856,008

**CITY OF CHULA VISTA
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2016**

Note 6 – Long-Term Debt (Continued)

Governmental Activities Long-Term Debt (Continued)

C. Notes Payable

	Balance June 30, 2015	Debt Issued	Debt Retired	Balance June 30, 2016	Classification	
					Due within One Year	Due in More Than One Year
Taxable QECB Lease Purchase Agreement	\$ 1,820,357	\$ -	\$ (184,323)	\$ 1,636,034	\$ 186,000	\$ 1,450,034
California Energy Commission (CEC) Loan #1	178,145	-	(173,801)	4,344	4,344	-
California Energy Commission (CEC) Loan #2	1,649,265	-	(128,516)	1,520,749	132,530	1,388,219
California Energy Commission (CEC) Loan #3	1,246,882	-	(172,814)	1,074,068	174,579	899,489
SDG&E OBF Loan #1 (Parkway Boiler)	51,107	-	(8,519)	42,588	8,519	34,069
SDG&E OBF Loan #2 (Transit HVAC)	87,813	-	(27,019)	60,794	27,020	33,774
Total CEC Loans/SDG&E On Bill Financing	3,213,212	-	(510,669)	2,702,543	346,992	2,355,551
Total	\$ 5,033,569	\$ -	\$ (694,992)	\$ 4,338,577	\$ 532,992	\$ 3,805,585

Taxable QECB Lease/Purchase Agreement

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

As of June 30, 2016, the outstanding balance is \$1,636,034. The annual debt service requirements are as follows:

Year Ending June 30,	Principal	Interest	Total
2017	\$ 186,000	\$ 62,949	\$ 248,949
2018	187,693	55,568	243,261
2019	189,401	48,118	237,519
2020	191,125	40,600	231,725
2021	192,864	33,015	225,879
2022-2025	688,951	54,812	743,763
Total	\$1,636,034	\$ 295,062	\$ 1,931,096

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, 2016, the outstanding balance is \$2,702,543. The annual debt service requirements are as follows:

CITY OF CHULA VISTA
 NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
 YEAR ENDED JUNE 30, 2016

Note 6 – Long-Term Debt (Continued)

Governmental Activities Long-Term Debt (Continued)

C. Notes Payable (Continued)

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

Year Ending June 30,	Principal	Interest	Total
2017	\$ 346,992	\$ 55,033	\$ 402,025
2018	348,405	49,190	397,595
2019	334,034	43,296	377,330
2020	333,218	37,357	370,575
2021	339,497	31,078	370,575
2022-2026	1,000,397	70,331	1,070,728
Total	<u>\$2,702,543</u>	<u>\$ 286,285</u>	<u>\$2,988,828</u>

D. Capital Leases

	Balance June 30, 2015	Debt Issued	Debt Retired	Balance June 30, 2016	Classification	
					Due within One Year	Due in More Than One Year
Solar Energy Financing	\$ 1,893,561	\$ -	\$ (161,835)	\$ 1,731,726	\$ 170,310	\$ 1,561,416
Osh Kosh Capital	500,113	-	(77,530)	422,583	79,771	342,812
Marlin Panasonic	-	377,487	(64,082)	313,405	90,035	223,370
Total	<u>\$ 2,393,674</u>	<u>\$ 377,487</u>	<u>\$ (303,447)</u>	<u>\$ 2,467,714</u>	<u>\$ 340,116</u>	<u>\$ 2,127,598</u>

Solar Energy Financing

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

The future minimum lease obligation and the net present value of these minimum lease payments as of June 30, 2016, are as follows:

Year Ending June 30,	Principal	Interest	Total
2017	\$ 170,310	\$ 66,789	\$ 237,099
2018	179,193	59,971	239,164
2019	124,930	52,798	177,728
2020	67,636	49,046	116,682
2021	73,281	46,318	119,599
2022-2026	462,039	182,325	644,364
2027-2031	654,337	74,703	729,040
Total	<u>\$ 1,731,726</u>	<u>\$ 531,950</u>	<u>\$ 2,263,676</u>

CITY OF CHULA VISTA
 NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
 YEAR ENDED JUNE 30, 2016

Note 6 – Long-Term Debt (Continued)

Governmental Activities Long-Term Debt (Continued)

D. Capital Leases (Continued)

Osh Kosh Capital

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

The future minimum lease obligation and the net present value of these minimum lease payments as of June 30, 2016, are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 79,771	\$ 12,212	\$ 91,983
2018	82,076	9,907	91,983
2019	84,448	7,535	91,983
2020	86,888	5,095	91,983
2021	89,400	2,583	91,983
Total	<u>\$ 422,583</u>	<u>\$ 37,332</u>	<u>\$ 459,915</u>

Marlin Panasonic

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

The future minimum lease obligation and the net present value of these minimum lease payments as of June 30, 2016, are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 90,035	\$ 16,328	\$ 106,363
2018	95,579	10,784	106,363
2019	101,464	4,899	106,363
2020	26,327	263	26,590
Total	<u>\$ 313,405</u>	<u>\$ 32,274</u>	<u>\$ 345,679</u>

**CITY OF CHULA VISTA
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2016**

Note 6 – Long-Term Debt (Continued)

Fiduciary Funds Long-Term Debt

A. Tax Allocation Bonds

	Balance June 30, 2015	Debt Issued	Debt Retired	Balance June 30, 2016	Classification	
					Due within One Year	Due in More Than One Year
2006 Senior Tax Allocation Refunding Bonds, Series A	\$ 9,385,000	\$ -	\$ (615,000)	\$ 8,770,000	\$ 640,000	\$ 8,130,000
2006 Subordinate Tax Allocation Refunding Bonds, Series B	8,795,000	-	(550,000)	8,245,000	575,000	7,670,000
2008 Tal Allocation Refunding Bonds	21,050,000	-	(600,000)	20,450,000	620,000	19,830,000
Total	\$ 39,230,000	\$ -	\$ (1,765,000)	\$ 37,465,000	\$ 1,835,000	\$ 35,630,000

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 Agency and other funds held under the indenture. As of June 30, 2016, the outstanding balance is \$8,770,000.

The annual debt service requirements are as follows:

Year Ending June 30,	Principal	Interest	Total
2017	\$ 640,000	\$ 373,150	\$ 1,013,150
2018	665,000	346,314	1,011,314
2019	695,000	317,830	1,012,830
2020	720,000	287,761	1,007,761
2021	755,000	255,946	1,010,946
2022-2026	4,290,000	734,465	5,024,465
2027-2028	1,005,000	46,805	1,051,805
Total	\$8,770,000	\$2,362,271	\$11,132,271

**CITY OF CHULA VISTA
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2016**

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, 2016, the outstanding balance is \$8,245,000.

The annual debt service requirements are as follows:

Year Ending June 30,	Principal	Interest	Total
2017	\$ 575,000	\$ 410,984	\$ 985,984
2018	605,000	381,484	986,484
2019	635,000	350,484	985,484
2020	665,000	317,651	982,651
2021	700,000	282,844	982,844
2022-2026	4,090,000	814,603	4,904,603
2027-2028	975,000	51,844	1,026,844
Total	<u>\$8,245,000</u>	<u>\$2,609,894</u>	<u>\$10,854,894</u>

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, 2016, the outstanding balance is \$20,450,000.

CITY OF CHULA VISTA
 NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
 YEAR ENDED JUNE 30, 2016

Note 6 – Long-Term Debt (Continued)

Fiduciary Funds Long-Term Debt (Continued)

A. Tax Allocation Bonds (Continued)

2008 Tax Allocation Refunding Bonds, Continued

The annual debt service requirements are as follows:

Year Ending June 30,	Principal	Interest	Total
2017	\$ 620,000	\$ 904,236	\$ 1,524,236
2018	645,000	878,936	1,523,936
2019	670,000	852,636	1,522,636
2020	700,000	825,236	1,525,236
2021	725,000	796,736	1,521,736
2022-2026	4,110,000	3,491,690	7,601,690
2027-2031	5,105,000	2,471,525	7,576,525
2032-2036	6,405,000	1,137,016	7,542,016
2037	1,470,000	34,913	1,504,913
Total	<u>\$20,450,000</u>	<u>\$11,392,924</u>	<u>\$31,842,924</u>

Pledged Revenues

The Successor Agency has pledged tax revenues to the repayment of the RDA's debts transferred to it on February 1, 2012 through the final maturity of the Bonds, or early retirement of the Bonds, whichever comes first. Tax revenues consist of Redevelopment Property Tax Trust Fund distributions allocated to the RDA's project areas pursuant to Section 33670 of the Redevelopment Law excluding that portion of such tax increment revenues required to be paid under tax-sharing agreements unless the payment of such amounts has been subordinated to payment of debt services on the Bonds. Redevelopment Property Tax Trust Fund distributions earned in fiscal year 2016 was \$5,314,687 and total debt service of all Tax Allocation Bonds paid was \$3,834,161. 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 Loans

	Balance June 30, 2015	Debt Issued	Debt Retired	Balance June 30, 2016	Due within One Year
2006 ERAF	\$ 120,000	\$ -	\$(120,000)	\$ -	\$ -
Total	<u>\$ 120,000</u>	<u>\$ -</u>	<u>\$(120,000)</u>	<u>\$ -</u>	<u>\$ -</u>

Note 6 – Long-Term Debt (Continued)

Fiduciary Funds Long-Term Debt (Continued)

B. ERAF Loans (Continued)

2006 ERAF

In May 2006, the RDA participated in a \$930,000 Loan Agreement with the California Statewide Communities Development Authority to finance their 2006 share of ERAF Payments to the County Auditor. The principal balance of \$487,500 was transferred to the Successor Agency on February 1, 2012. This loan was paid in full during the current year.

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, 2016, the special assessment debts outstanding are as follows:

**CITY OF CHULA VISTA
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2016**

Note 6 – Long-Term Debt (Continued)

Special Assessment Debt – Non-City Obligations (Continued)

	Original Amount	Outstanding June 30, 2016
Special Tax Revenue Refunding Bonds, Series 2013	\$ 72,100,000	\$ 65,865,000
Special Tax Revenue Refunding Bonds, Series 2015A	30,460,000	30,435,000
Revenue Refunding Bonds, Series 2015B	43,695,000	43,695,000
AD 94-I Eastlake Greens Phase II	7,464,474	1,805,000
RAD 2001-1 Refunding Revenue Bonds Residential	20,445,000	-
RAD 2001-2 Refunding Revenue Bonds Commercial	9,705,000	-
Industrial Development Revenue Bonds, 1992 Series A-D	250,000,000	-
Industrial Development Revenue Bonds, 1996 Series A-B	98,900,000	-
Industrial Development Revenue Bonds, 1997 Series A	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	\$ 970,274,474	\$ 554,305,000

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, 2016, the multi-family housing bonds outstanding are as follows;

	Original Amount	Outstanding June 30, 2016
2000 A Pear Tree Manor Project	\$ 5,779,000	\$ 4,154,000
1999 A Villa Serena Project	5,566,500	4,545,000
2007 A Oxford Terrace Apartments	2,276,000	1,746,000
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	5,756,751
2013 A Congregational Tower	20,540,000	20,424,972
2016 A-1 Duetta Apts Homes	1,813,855	1,813,855
2016 A-3 Duetta Apts Homes Junior	725,000	725,000
2016 B-1 Volta Apts Homes	3,089,522	3,089,522
2016 B-3 Volga Apts Homes Junior	775,000	775,000
Total	\$ 97,537,877	\$ 83,333,100

**CITY OF CHULA VISTA
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2016**

Note 7 – Unearned/Unavailable Revenue

A. Government-Wide Financial Statements

At June 30, 2016, unearned revenue was reported as follows:

Grants	\$ 1,854,482
Total	\$ 1,854,482

B. Governmental Fund Financial Statements

At June 30, 2016, unavailable revenue was reported as follows:

Long-term receivables	\$ 4,677,420
Public Facilities DIF	1,203,496
Grants	140,412
Total	\$ 6,021,328

Note 8 – Compensated Absences

Government-Wide Financial Statements – Governmental Activities

Summary of changes in governmental activities compensated absences for the year ended June 30, 2016, is as follows:

	Balance			Balance June 30, 2016	Classification	
	June 30, 2015	Additions	Deletions		Due within One Year	Due in More Than One Year
Compensated Absences	\$ 6,810,556	\$ 5,021,583	\$ (4,585,141)	\$ 7,246,998	\$ 4,878,971	\$ 2,368,027
Total	\$ 6,810,556	\$ 5,021,583	\$ (4,585,141)	\$ 7,246,998	\$ 4,878,971	\$ 2,368,027

**CITY OF CHULA VISTA
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2016**

Note 8 – Compensated Absences (Continued)

Government-Wide Financial Statements – Governmental Activities (Continued)

The City’s liability for vested and unpaid compensated absences (accrued vacation) has been accrued and amounts to \$7,246,998 at June 30, 2016. For the governmental activities claims and judgments and compensated absences are generally liquidated by the general fund. In business-type funds, the liabilities are reported in the fund as the benefits vest and are earned.

Compensated absences at June 30, 2016, are obligations of the following funds:

Governmental Funds	\$ 7,164,236
Fleet Management	<u>82,762</u>
Total	<u>\$ 7,246,998</u>

Governmental-Wide Financial Statements – Business-Type Activities

Compensated absences at June 30, 2016, are obligations of the following funds:

	Balance			Balance June 30, 2016	Classification	
	June 30, 2015	Additions	Deletions		Due within One Year	Due in More Than One Year
Compensated Absences	\$ 601,225	\$ 507,436	\$ (436,528)	\$ 672,133	\$ 489,505	\$ 182,628
Total	<u>\$ 601,225</u>	<u>\$ 507,436</u>	<u>\$ (436,528)</u>	<u>\$ 672,133</u>	<u>\$ 489,505</u>	<u>\$ 182,628</u>
				\$ 438,791		
				<u>233,342</u>		
				<u>\$ 672,133</u>		

Note 9 – Other Required Fund Disclosures

At June 30, 2016, the following non-major funds had deficit fund equity:

Fund Type	Funds	Deficit
Debt Service	Notes Payable	\$ 5,391
Special Revenue	Transportation Sales Tax	483,801
Enterprise	Transit Fund	431,682
Internal Service	Fleet Management	144,529

Notes Payable- The Notes Payable fund had an accumulated deficit of \$5,391, due to principal payments on notes. The City expects to eliminate the deficit via transfers from other funds.

Note 9 – Other Required Fund Disclosures (Continued)

Transportation Sales Tax Fund – The Transportation Sales Tax Fund had an accumulated deficit of \$483,801. As of 6/30/16, work had been done, but invoices had not been issued for TransNet reimbursement on the two 3rd Avenue Streetscape Improvement projects. These amounts are to be invoiced in fiscal year 2017.

Transit Fund – The Transit Fund had an accumulated deficit of \$431,682, due to the implementation of GASB 68. The City expects to eliminate the deficit in future years via transfers from other funds.

Fleet Management Fund – The Fleet Management Fund had an accumulated deficit of \$144,529, due to the implementation of GASB 68. The City expects to eliminate the deficit in future years via transfers from other funds.

Note 10 – Self-Insurance Accrued Liabilities

The City 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 \$2,500,000 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 \$2,500,000 up to \$47,000,000 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, 2016, there are 167 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.

**CITY OF CHULA VISTA
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2016**

Note 10 – Self-Insurance Accrued Liabilities (Continued)

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

	Balance June 30, 2015	Claims and Changes in Estimates	Claims Payments	Balance June 30, 2016
2013-2014	\$ 21,021,459	\$ 5,186,700	\$ (3,846,924)	\$ 22,361,235
2014-2015	22,361,235	4,470,778	(4,221,708)	22,610,305
2015-2016	22,610,305	6,077,047	(6,218,413)	22,468,939

The City determines that \$4,000,000 of the \$22,468,939 to be short term. The liabilities for claims and judgments are typically liquidated from the General Fund.

Note 11 – Pension Plans

A. California Public Employees’ Retirement Plans

Plan Description

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

Benefits Provided

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

The Plan’s provisions and benefits in effect at June 30, 2016, are summarized as follows:

**CITY OF CHULA VISTA
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2016**

Note 11 – Pension Plans (Continued)

A. California Public Employees' Retirement Plans

Benefits Provided (Continued)

	Miscellaneous Plan		
	Tier 1*	Tier 2*	PEPRA
Hire date	Prior to April 22, 2011	New Member on or after April 22, 2011 but prior to January 1, 2013	New Member on or after January 1, 2013
Benefit formula	3% @ 60	2% @ 60	2% @ 62
Benefit vesting schedule	5 years service	5 years service	5 years service
Benefit payments	monthly for life	monthly for life	monthly for life
Retirement age	50	50	52
Monthly benefits, as a % of eligible compensation	2.0% to 3.0%	1.092% to 2.418%	1.0% to 2.5%
Required employee contribution rates	8.0%	7.0%	6.75%
Required employer contribution rates	28.119%	28.119%	28.119%

	Safety Fire Plan		
	Tier 1*	Tier 2*	PEPRA
Hire date	Prior to April 22, 2011	New Member on or after April 22, 2011 but prior to January 1, 2013	New Member on or after January 1, 2013
Benefit formula	3% @ 50	3% @ 55	2.7% @ 57
Benefit vesting schedule	5 years service	5 years service	5 years service
Benefit payments	monthly for life	monthly for life	monthly for life
Retirement age	50	50	50
Monthly benefits, as a % of eligible compensation	3.00%	2.4% to 3.0%	2.0% to 2.7%
Required employee contribution rates	9.0%	9.0%	12.25%
Required employer contribution rates	30.431%	30.431%	30.431%

	Safety Police Plan		
	Tier 1*	Tier 2*	PEPRA
Hire date	Prior to April 22, 2011	New Member on or after April 22, 2011 but prior to January 1, 2013	New Member on or after January 1, 2013
Benefit formula	3% @ 50	3% @ 55	2.7% @ 57
Benefit vesting schedule	5 years service	5 years service	5 years service
Benefit payments	monthly for life	monthly for life	monthly for life
Retirement age	50	50	50
Monthly benefits, as a % of eligible compensation	3.00%	2.4% to 3.0%	2.0% to 2.7%
Required employee contribution rates	9.0%	9.0%	12.25%
Required employer contribution rates	30.431%	30.431%	30.431%

*Closed to new entrants

**CITY OF CHULA VISTA
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2016**

Note 11 – Pension Plans (Continued)

A. California Public Employees’ Retirement Plans(Continued)

Employees Covered

At June 30, 2016, the following employees were covered by the benefit terms of the plans:

Miscellaneous Plan	
Inactive employees or beneficiaries currently receiving benefits	680
Inactive employees entitled to but not yet receiving benefits	628
Active employees	603
Total	<u><u>1,911</u></u>
Safety Plan	
Inactive employees or beneficiaries currently receiving benefits	297
Inactive employees entitled to but not yet receiving benefits	106
Active employees	332
Total	<u><u>735</u></u>

Contribution

Section 20814(c) of the California Public Employees’ Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for both Plans are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The City is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. \$22,191,197 of contributions were recognized as a reduction to the net pension liability for fiscal year ending June 30, 2016.

Net Pension Liability

The City’s net pension liability for each Plan is measured as the total pension liability, less the pension plan’s fiduciary net position. The net pension liability of the Plans is measured as of June 30, 2015, using an annual actuarial valuation as of June 30, 2014 rolled forward to June 30, 2015 using standard update procedures. A summary of principal assumptions and methods used to determine the net pension liability is shown below.

Note 11 – Pension Plans (Continued)

A. California Public Employees’ Retirement Plans(Continued)

Net Pension Liability (Continued)

The total pension liabilities in the June 30, 2014 actuarial valuations were determined using the following actuarial assumptions:

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

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

All other actuarial assumptions used in the June 30, 2014 valuation were based on the results of an actuarial experience study for the period from 1997 to 2011, including updates to salary increase, mortality and retirement rates. The Experience Study report can be obtained at CalPERS’ website under Forms and Publications.

Change of Assumptions

GASB 68, paragraph 68 states that the long long-term expected rate of return should be determined net of pension plan investment expense but without reduction for pension plan administrative expense. The discount rate of 7.50 percent used for the June 30, 2014 measurement date was net of administrative expenses. The discount rate of 7.65 percent used for the June 30, 2015 measurement date is without reduction of pension plans administrative expenses.

Discount Rate

The discount rate used to measure the total pension liability was 7.65 percent. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing of the plans, the tests revealed the assets would not run out. Therefore, the current 7.65 percent discount rate is appropriate and the use of the municipal bond rate calculation is not deemed necessary. The long-term expected discount rate of 7.65 percent is applied to all plans in the Public Employees Retirement Fund. The stress test results are presented in a

**CITY OF CHULA VISTA
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2016**

Note 11 – Pension Plans (Continued)

A. California Public Employees’ Retirement Plans(Continued)

Discount Rate (Continued)

detailed report called “GASB Crossover Testing Report” that can be obtained at CalPERS’ website under the GASB 68 section.

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

In determining the long-term expected rate of return, staff took into account both short-term and long-term market return expectations as well as the expected pension fund (Public Employees’ Retirement Fund) cash flows. Such cash flows were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years. Using historical returns of all the funds’ asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

The table below reflects long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. The target allocation shown was adopted by the Board effective on July 1, 2014.

Asset Class	New Strategic Allocation	Real Return Years 1 - 10 (1)	Real Return Years 11+ (2)
Global Equity	51.00%	5.25%	5.71%
Global Fixed Income	19.00	0.99	2.43
Inflation Sensitive	6.00	0.45	3.36
Private Equity	10.00	6.83	6.95
Real Estate	10.00	4.50	5.13
Infrastructure and Forestland	2.00	4.50	5.09
Liquidity	2.00	(0.55)	(1.05)

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

**CITY OF CHULA VISTA
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2016**

Note 11 – Pension Plans (Continued)

A. California Public Employees’ Retirement Plans (Continued)

Changes in the Net Pension Liability

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

	Miscellaneous Plan		
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability/(Assets) (c)=(a)-(b)
Balance at: 6/30/2014 (Valuation Date) (1)	\$ 458,852,790	\$ 322,894,262	\$ 135,958,528
Changes Recognized for the Measurement Period:			
Service Cost	8,570,421	-	8,570,421
Interest on the Total Pension Liability	34,103,210	-	34,103,210
Difference between Expected and Actual Experience	925,960	-	925,960
Changes of Assumptions	(8,500,698)	-	(8,500,698)
Plan to Plan Resource Movement	-	5,268	(5,268)
Contribution from the Employer	-	13,499,144	(13,499,144)
Contributions from Employees	-	3,679,749	(3,679,749)
Net Investment Income	-	7,195,063	(7,195,063)
Benefit Payments including Refunds of Employee Contributions	(19,539,333)	(19,539,333)	-
Administrative Expense	-	(368,694)	368,694
Net Changes During 2014-15	15,559,560	4,471,197	11,088,363
Balance at: 6/30/2015 (Measurement Date) (1)	\$ 474,412,350	\$ 327,365,459	\$ 147,046,891

	Safety Plan		
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability/(Assets) (c)=(a)-(b)
Balance at: 6/30/2014 (Valuation Date) (1)	\$ 403,302,535	\$ 320,136,917	\$ 83,165,618
Changes Recognized for the Measurement Period:			
Service Cost	9,646,806	-	9,646,806
Interest on the Total Pension Liability	29,979,452	-	29,979,452
Difference between Expected and Actual Experience	460,215	-	460,215
Changes of Assumptions	(7,813,969)	-	(7,813,969)
Contribution from the Employer	-	7,555,357	(7,555,357)
Contributions from Employees	-	3,230,989	(3,230,989)
Net Investment Income	-	6,999,744	(6,999,744)
Benefit Payments including Refunds of Employee Contributions	(17,767,853)	(17,767,853)	-
Administrative Expense	-	(359,830)	359,830
Net Changes During 2014-15	14,504,651	(341,593)	14,846,244
Balance at: 6/30/2015 (Measurement Date) (1)	\$ 417,807,186	\$ 319,795,324	\$ 98,011,862

(1) The fiduciary net position includes receivables for employee service buybacks, deficiency reserves, fiduciary self-insurance and OPEB expense. This may differ from the plan assets reported in the funding actuarial valuation report.

**CITY OF CHULA VISTA
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2016**

Note 11 – Pension Plans (Continued)

A. California Public Employees’ Retirement Plans (Continued)

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

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

	Discount Rate - 1% (6.65%)	Current Discount Rate (7.65%)	Discount Rate +1% (8.65%)
Miscellaneous Plan	\$ 211,893,960	\$ 147,046,891	\$ 93,560,698
Safety Plan	158,181,753	98,011,862	48,967,839
TOTAL	\$ 370,075,713	\$ 245,058,753	\$ 142,528,537

Pension Plan Fiduciary Net Position

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

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

For the year ended June 30, 2016, the City of Chula Vista incurred a pension expense of \$20,297,197 for the Plans. At June 30, 2016, the City of Chula Vista has deferred outflows and deferred inflows of resources related to pensions as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 24,074,250	\$ -
Difference between Expected and Actual Experience	959,597	-
Changes of Assumptions		11,650,793
Net Difference between Projected and Actual Earnings on Pension Plan		
Investments	-	5,387,175
Total	\$ 25,033,847	\$ 17,037,968

The \$24,074,250 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows or deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Measurement Period ended June 30:	Deferred Outflows/(Inflows) of Resources
2016	\$ (8,328,276)
2017	(7,787,222)
2018	(5,623,010)
2019	5,660,137

Note 11 – Pension Plans (Continued)

B. Defined Contribution Pension Plan

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

For the year ended June 30, 2016, the City's total hourly payroll (for eligible PARS members) and covered payroll was \$2,734,164. The City made employer contributions of \$102,531 (3.75% of current covered payroll), and employees contributed \$102,531 (3.75% of current covered payroll).

C. Deferred Compensation 457B Plan

The City offers to its employees an optional deferred compensation plan created in accordance with Section 457 of the Internal Revenue Code. This plan is available to substantially all employees and allows participants to defer a portion of their current income until future years, up to a maximum of \$18,000 (in whole dollars) per calendar year, so as to shelter such funds and earnings from state and federal taxation until withdrawal. The deferred compensation is not available to participants until termination, retirement, death, or unforeseeable emergency. This plan is administered through a third-party administrator. The City does not perform the investing function and has no fiduciary accountability for the plan. Thus, plan assets and any related liability to plan participants have been excluded from the City's financial statements. At June 30, 2016, the balance in the plan was \$76,713,359.

Note 12 – Post Retirement Health Benefits

Plan Description

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

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

**CITY OF CHULA VISTA
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2016**

Note 12 – Post Retirement Health Benefits (Continued)

Eligibility

Tier 1 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, 2016:

	<u>Police</u>	<u>Fire</u>	<u>Miscellaneous</u>	<u>Total</u>
Eligible active employee	221	159	609	989
Enrolled eligible retirees	44	17	201	262

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

Funding Policy

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

Annual OPEB Cost and Net OPEB Obligation

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

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

	<u>2016</u>	<u>2015</u>	<u>2014</u>
Annual required contribution	\$ 2,039,000	\$ 1,920,000	\$ 2,100,000
Interest on net OPEB obligation	337,000	295,000	241,000
Adjustment to the annual required contribution	<u>(912,000)</u>	<u>(767,000)</u>	<u>(607,000)</u>
Annual OPEB cost	1,464,000	1,448,000	1,734,000
Contribution made	<u>(434,000)</u>	<u>(389,000)</u>	<u>(392,000)</u>
Increase in net OPEB liability	1,030,000	1,059,000	1,342,000
Net OPEB liability, beginning of the year	<u>8,428,000</u>	<u>7,369,000</u>	<u>6,027,000</u>
Net OPEB liability, end of the year	<u>\$ 9,458,000</u>	<u>\$ 8,428,000</u>	<u>\$ 7,369,000</u>

**CITY OF CHULA VISTA
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2016**

Note 12 – Post Retirement Health Benefits (Continued)

Annual OPEB Cost and Net OPEB Obligation (Continued)

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2014, 2015 and 2016 were as follows:

	Annual	Actual	Percentage of	Net
<u>Fiscal Year</u>	<u>OPEB Cost</u>	<u>Contributions</u>	<u>Annual OPEB</u>	<u>OPEB</u>
			<u>Cost Contributed</u>	<u>Obligation</u>
2013-2014	\$ 1,734,000	\$ 392,000	23%	\$ 7,369,000
2014-2015	1,448,000	389,000	27%	8,428,000
2015-2016	1,464,000	434,000	30%	9,458,000

Funded Status and Funding Progress

As of June 30, 2014, the most recent actuarial valuation date, the plan was not funded in its initial year of implementation. The actuarial accrued liability for benefits was \$12,877,000, and the actuarial value of assets was \$0, resulting in an unfunded actuarial liability (“UAAL”) of \$12,877,000 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.

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 7.5% (the increase in 2016 premiums over 2015) 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 six years after 2014. 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 a closed 30 year period.

**CITY OF CHULA VISTA
 NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
 YEAR ENDED JUNE 30, 2016**

Note 12 – Post Retirement Health Benefits (Continued)

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
6/30/2014	\$ -	\$12,877,000	\$(12,877,000)	0.00%	\$56,480,000	-22.80%

Note 13 – Pollution Remediation Obligations

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

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

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

Corp Yard

The estimate installation costs of groundwater monitoring wells and monitoring activity 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.

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, 2016, the City recorded pollution remediation obligations in the amount of \$150,000 on the Government-Wide Statement of Net Assets and allocated the total amount to General Government on the Government-Wide Statement of Activities and Changes in Net Assets.

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.

**CITY OF CHULA VISTA
 NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
 YEAR ENDED JUNE 30, 2016**

Note 14 – Commitments and Contingencies

Litigation

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

Grants

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

Construction Commitments

The following material construction commitments existed at June 30, 2016:

Project Name	Contract Amount	Expenditures to date as of June 30, 2016	Remaining Commitments
Willow Street Bridge Utility Relocation	\$ 3,876,746	\$ 3,876,680	\$ 66
3rd Avenue Streetscape Improvements Phase 2	2,525,776	2,321,173	204,603
Storm Drain Repairs Citywide	1,761,180	1,671,774	89,406

Encumbrances

At June 30, 2016, there were encumbrances of \$1,014,380 in the major funds, and \$3,824,566 in the non-major funds.

City Loan to Successor Agency

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

**CITY OF CHULA VISTA
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2016**

Note 14 – Commitments and Contingencies (Continued)

Successor Agency – Long Range Property Management Plan

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

Note 15 – Classification of Fund Balances

	Major Funds								Total
	General Fund	Sundry Grants Special Revenue Fund	Housing Successor Agency Fund	City Debt Service Fund	Public Financing Authority	Development Impact Fund	Park Acquisition Development Fund	Other Governmental Funds	
Nonspendable									
Prepaid items	\$ 38,788	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 38,788
Due from Successor Agency of Chula Vista RDA	5,834,630	-	-	-	-	-	-	-	5,834,630
Advances to other funds	1,488,267	-	-	-	-	-	-	-	1,488,267
Total nonspendable	7,361,685	-	-	-	-	-	-	-	7,361,685
Restricted									
Local law enforcement	-	655,194	-	-	-	-	-	-	655,194
Asset forfeiture	-	511,846	-	-	-	-	-	-	511,846
Library services	-	23,839	-	-	-	-	-	-	23,839
HOME Program	-	1,463,549	-	-	-	-	-	-	1,463,549
Energy conservation	-	28,856	-	-	-	-	-	-	28,856
Cultural arts	-	13,479	-	-	-	-	-	-	13,479
CDBG Home Programs	-	685,751	-	-	-	-	-	-	685,751
Environmental services	-	711,625	-	-	-	-	-	-	711,625
Waste management, recycling and environ. grants	-	102,748	-	-	-	-	-	-	102,748
Community and housing development	-	12,360	8,809,650	-	-	-	-	608,444	9,430,454
American Recovery and Reinvestment Act 2009	-	96,677	-	-	-	-	-	-	96,677
Public facilities	-	-	-	-	-	7,915,003	-	-	7,915,003
Emergency shelter	-	2,994	-	-	-	-	-	-	2,994
Transportation improvements	-	-	-	-	-	24,454,166	-	4,095,965	28,550,131
Telegraph Canyon drainage	-	-	-	-	-	4,177,663	-	-	4,177,663
East Urban Cener millenia Ped Bridge DIF	-	-	-	-	-	4,381,659	-	-	4,381,659
Park acquisitions and development	-	-	-	-	-	-	43,421,284	-	43,421,284
Parking meter services	-	-	-	-	-	-	-	1,208,687	1,208,687
Public Educational & Govt. Fee	-	-	-	-	-	-	-	1,271,720	1,271,720
Traffic signal and safety	-	-	-	-	-	-	-	2,166,562	2,166,562
Storm drain	-	-	-	-	-	221,766	-	-	221,766
Open space maintenance	-	-	-	-	-	-	-	14,714,582	14,714,582
Telecom Utility Tax	-	-	-	-	-	-	-	906,595	906,595
Mobilehome Admin Fee	-	-	-	-	-	-	-	169,804	169,804
Assessment districts improvement	-	-	-	-	-	-	-	2,554,411	2,554,411
Town Center I	-	-	-	-	-	-	-	52,444	52,444
Total restricted	-	4,308,918	8,809,650	-	-	40,928,491	43,421,284	27,970,980	125,439,323
Committed									
Economic contingency	3,600,000	-	-	-	-	-	-	-	3,600,000
Capital projects	2,072,436	-	-	-	-	-	-	-	2,072,436
San Diego Authority for Freeway Emergencies	664,659	-	-	-	-	-	-	-	664,659
Legal Council	46,050	-	-	-	-	-	-	-	46,050
Debt service	-	-	-	-	8,954,346	-	-	148,227	9,102,573
Total committed	6,383,145	-	-	-	8,954,346	-	-	148,227	15,485,718
Assigned									
Boards & Commissions	15,845	-	-	-	-	-	-	-	15,845
City Clerk	66,582	-	-	-	-	-	-	-	66,582
City Attorney	105,592	-	-	-	-	-	-	-	105,592
City Administration	72,438	-	-	-	-	-	-	-	72,438
Information Technology Services Department	116,402	-	-	-	-	-	-	-	116,402
Human Resources	40,035	-	-	-	-	-	-	-	40,035
Finance Department	34,029	-	-	-	-	-	-	-	34,029
Non-Departmental	1,205,378	-	-	-	-	-	-	-	1,205,378
Planning and Building	21,273	-	-	-	-	-	-	-	21,273
Police Department	506,978	-	-	-	-	-	-	-	506,978
Fire Department	674,084	-	-	-	-	-	-	-	674,084
Public Works Department	836,035	-	-	-	-	-	-	-	836,035
Recreation Department	170,661	-	-	-	-	-	-	-	170,661
Library	185	-	-	-	-	-	-	-	185
Public liability	1,909,942	-	-	-	-	-	-	-	1,909,942
Total assigned	5,775,459	-	-	-	-	-	-	-	5,775,459
Unassigned	17,872,368	-	-	(19,234,092)	-	-	-	(489,192)	(1,850,916)
Total fund balances	\$37,392,657	\$ 4,308,918	\$ 8,809,650	\$ (19,234,092)	\$ 8,954,346	\$ 40,928,491	\$ 43,421,284	\$ 27,630,015	\$ 152,211,269

**CITY OF CHULA VISTA
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2016**

Note 16 – Prior Period Adjustments

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

- With the approval of Council Resolutions 2015-028 to 2015-035 the City established a formal City Council approved interfund loan (advances) policy. The previous entries recorded relating to the advances did not consolidate the accrued interest balances into the principal balances as shown on the approved amortization schedules, and also did not follow the approved interest calculation method on the advances.
- The City analyzed all prior and ongoing construction in progress costs and discovered costs that should have been capitalized but were previously expensed.

The first item resulted in prior period adjustments of fund balances in the General Fund, Development Impact Funds, City Debt Service Fund and Park Acquisition Development Fund in the amounts of \$25,344, (\$2,384,478), \$18,054,944 and (\$651,543), respectively, and prior period adjustments of net position in the Sewer Fund, Sewer Development Impact Fees Fund, governmental activities and business-type activities of (\$3,395,896), (15,265,131), \$15,044,267 and (\$18,661,027).

The second item resulted in prior period adjustments of net position in the Sewer Fund (business-type activities) and governmental activities of \$4,227,835 and \$29,803,376, respectively.

Note 17 – Subsequent Events

In July 2016, the City approved the issuance of the 2016 Refunding Certificates of Participation. The bonds were issued to refinance a portion of the existing Lease and to current refund all of the City's outstanding 2006 Certificates of Participation (Civic Center Project – Phase 2), to satisfy the reserve requirement with respect to the Certificates and to pay the costs of issuance of the Certificates.

In July 2016, the Successor Agency to the Redevelopment Agency of the City of Chula Vista approved the issuance of the Tax Allocation Refunding Bonds, Series 2016. The bonds were issued to refinance the following obligations of the Former Agency:

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

In July 2016, the Chula Vista Municipal Financing Authority approved the issuance of the 2016 Lease Revenue Refunding Bonds. The bonds were issued to refinance an existing lease by advance refunding the City's outstanding 2010 Certificates of Participation and to pay the costs of issuance of the Bonds. The bonds mature through 2033 and do not represent obligations of the City in any way.

**CITY OF CHULA VISTA
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2016**

Note 17 – Subsequent Events (Continued)

In November 2015, the City entered into a capital lease agreement with PNC Equipment Finance for the acquisition of two Pierce Arrow XT Triple Combination Pumper/Fire Engines. The equipment has not yet been delivered as of June 30, 2016. The lease term is ten years and the lease amount is \$1,285,053 to be paid in annual installments beginning in November 2016.

In December 2015, the City entered into a capital lease agreement with Leasing 2, Inc. for the acquisition of one HME Ahrens – Fox Model 34D/500 Type III Fire Apparatus/Brush Engine. The equipment has not yet been delivered as of June 30, 2016. The lease term is ten years and the lease amount is \$334,579 to be paid in annual installments beginning in August 2016.

REQUIRED SUPPLEMENTARY INFORMATION



CITY OF CHULA VISTA

**BUDGETARY COMPARISON SCHEDULE BY DEPARTMENT
GENERAL FUND
YEAR ENDED JUNE 30, 2016**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1, As Restated	\$ 36,147,369	\$ 36,147,369	\$ 36,147,369	\$ -
Resources (Inflows):				
Taxes	103,647,630	106,199,956	107,731,873	1,531,917
Licenses and permits	1,309,447	1,309,447	1,301,243	(8,204)
Intergovernmental	2,546,232	2,524,808	2,530,464	5,656
Charges for services	9,177,083	9,261,688	9,264,462	2,774
Use of money and property	2,676,806	2,733,590	2,879,878	146,288
Fines and forfeitures	1,133,800	1,133,800	1,249,457	115,657
Miscellaneous	10,768,807	12,249,308	11,988,931	(260,377)
Transfers in	10,542,271	10,542,844	9,036,494	(1,506,350)
Capital leases	-	712,066	377,487	(334,579)
Amounts Available for Appropriations	177,949,445	182,814,876	182,507,658	(307,218)
Charges to Appropriation (Outflow):				
Current				
City council	1,531,502	1,542,700	1,354,029	188,671
City clerk	932,835	934,067	822,723	111,344
City attorney	2,903,997	3,037,461	2,897,995	139,466
Administration	3,263,283	3,375,039	3,221,624	153,415
Information technology	3,328,898	3,885,152	3,609,516	275,636
Human resources	4,195,183	5,064,671	3,603,147	1,461,524
Finance	3,646,304	3,705,259	3,382,277	322,982
Non-departmental	815,165	3,255,366	3,300,645	(45,279)
Board and commissions	11,476	77,520	50,738	26,782
Building and planning	2,476,400	2,482,054	2,276,098	205,956
Police	48,601,664	49,665,158	49,151,324	513,834
Fire	26,028,282	27,762,530	26,987,659	774,871
Parks and recreation	4,200,389	4,342,130	4,057,799	284,331
Public Works	29,355,376	29,873,307	28,139,011	1,734,296
Library	3,779,257	3,881,195	3,689,475	191,720
Capital outlay	971,381	4,065,875	2,235,590	1,830,285
Transfers out	6,974,007	7,648,035	6,335,351	1,312,684
Total Charges to Appropriations	143,015,399	154,597,519	145,115,001	9,482,518
Budgetary Fund Balance, June 30	\$ 34,934,046	\$ 28,217,357	\$ 37,392,657	\$ 9,175,300

CITY OF CHULA VISTA

**BUDGETARY COMPARISON STATEMENT BY DEPARTMENT
SUNDRY GRANTS
YEAR ENDED JUNE 30, 2016**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 4,338,714	\$ 4,338,714	\$ 4,338,714	\$ -
Resources (Inflows):				
Intergovernmental	12,994,219	16,125,425	11,413,927	(4,711,498)
Charges for services	1,262,279	1,262,279	1,160,209	(102,070)
Use of money and property	99,000	99,000	161,667	62,667
Miscellaneous	315,379	320,296	806,787	486,491
Transfers in	300,048	149,710	112,281	(37,429)
Amounts Available for Appropriations	19,309,639	22,295,424	17,993,585	(4,301,839)
Charges to Appropriation (Outflow):				
Current				
Administration	-	-	45,149	(45,149)
Non-departmental	1,854,439	4,107,274	1,855,015	2,252,259
Police	8,156,641	9,404,907	7,087,725	2,317,182
Parks and recreation	1,600	1,600	500	1,100
Public Works	4,381,555	6,385,408	2,947,356	3,438,052
Library	75,843	1,239,354	279,832	959,522
Capital outlay	770,688	1,598,363	603,262	995,101
Transfers out	885,366	892,307	865,828	26,479
Total Charges to Appropriations	16,126,132	23,629,213	13,684,667	9,944,546
Budgetary Fund Balance, June 30	\$ 3,183,507	\$ (1,333,789)	\$ 4,308,918	\$ 5,642,707

CITY OF CHULA VISTA

**BUDGETARY COMPARISON STATEMENT BY DEPARTMENT
HOUSING SUCCESSOR AGENCY
YEAR ENDED JUNE 30, 2016**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 9,138,907	\$ 9,138,907	\$ 9,138,907	\$ -
Resources (Inflows):				
Use of money and property	15,000	15,000	1,009,289	994,289
Miscellaneous	-	-	635,500	635,500
Transfers in	1,927,748	1,927,748	-	(1,927,748)
Amounts Available for Appropriations	11,081,655	11,081,655	10,783,696	(297,959)
Charges to Appropriation (Outflow):				
Current				
Housing	2,197,069	2,233,390	1,974,046	259,344
Total Charges to Appropriations	2,197,069	2,233,390	1,974,046	259,344
Budgetary Fund Balance, June 30	\$ 8,884,586	\$ 8,848,265	\$ 8,809,650	\$ (38,615)

CITY OF CHULA VISTA

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

	<u>2015</u>	<u>2016</u>
TOTAL PENSION LIABILITY		
Service Cost	\$ 8,696,183	\$ 8,570,421
Interest	32,359,841	34,103,210
Difference Between expected and Actual Experience	-	925,960
Changes in Assumptions	-	(8,500,698)
Benefit Payments, Including Refunds of employee Contributions	(18,639,387)	(19,539,333)
Net Change in Total Pension Liability	\$ 22,416,637	\$ 15,559,560
Total Pension Liability - Beginning	436,436,153	458,852,790
Total Pension Liability - Ending (a)	\$ 458,852,790	\$ 474,412,350
PLAN FIDUCIARY NET POSITION		
Contribution - Employer	\$ 9,134,182	\$ 13,499,144
Contribution - Employee	4,555,300	3,679,749
Plan to Plan Resource Movement	-	5,268
Net Investment Income	48,303,496	7,195,063
Benefit Payments, Including Refunds of Employee Contributions	(18,639,387)	(19,539,333)
Administrative Expense	-	(368,694)
Net Change in Fiduciary Net Position	\$ 43,353,591	\$ 4,471,197
Plan Fiduciary Net Position - Beginning	279,540,671	322,894,262
Plan Fiduciary Net Position - Ending (b)	\$ 322,894,262	\$ 327,365,459
Plan Net Pension Liability/(Assets) - Ending (a) - (b)	\$ 135,958,528	\$ 147,046,891
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	70.37%	69.00%
Covered-Employee Payroll	\$ 42,760,249	\$ 44,135,521
Plan Net Pension Liability/(Asset) as a Percentage of Covered-Employee Payroll	317.96%	333.17%

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

Notes to Schedule:

Benefit Changes: The figures above do not include any liability impact that may have resulted from plan changes which occurred after June 30, 2014. This applies for voluntary benefit changes as well as any offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes).

Changes of Assumptions: The discount rate was changed from 7.5 percent (net of administrative expense) to 7.65 percent.

CITY OF CHULA VISTA

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

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

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

Note to Schedule:

Valuation Date:	June 30, 2013
Methods and assumptions used to determine contribution rates:	
Actuarial cost method	Entry age normal cost method
Amortization method/period	Level percentage of payroll, closed
Assets valuation method	Market Value
Inflation	2.75%
Salary Increases	3.30% to 14.20%
Payroll Growth	3.00%
Investment rate of return	7.65% net of pension plan investment and administrative expenses, including inflation.
Retirement age	The probabilities of retirement are based on the 2010 CalPERS Experience Study for the period from 1997 to 2007.
Mortality	The probabilities of mortality are based on the 2010 CalPERS Experience Study for the period from 1997 to 2007. Pre-retirement and post-retirement mortality rates include 5 years of projected mortality improvement using Scale AA published by the Society of Actuaries.

CITY OF CHULA VISTA

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

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

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

Notes to Schedule:

Benefit Changes: The figures above do not include any liability impact that may have resulted from plan changes which occurred after June 30, 2014. This applies for voluntary benefit changes as well as any offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes).

Changes of Assumptions: The discount rate was changed from 7.5 percent (net of administrative expense) to 7.65 percent.

CITY OF CHULA VISTA

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

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

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

Note to Schedule:

Valuation Date:	June 30, 2013
Methods and assumptions used to determine contribution rates:	
Actuarial cost method	Entry age normal cost method
Amortization method/period	Level percentage of payroll, closed
Assets valuation method	Market Value
Inflation	2.75%
Salary Increases	3.30% to 14.20%
Payroll Growth	3.00%
Investment rate of return	7.65% net of pension plan investment and administrative expenses, including inflation.
Retirement age	The probabilities of retirement are based on the 2010 CalPERS Experience Study for the period from 1997 to 2007.
Mortality	The probabilities of mortality are based on the 2010 CalPERS Experience Study for the period from 1997 to 2007. Pre-retirement and post-retirement mortality rates include 5 years of projected mortality improvement using Scale AA published by the Society of Actuaries.

CITY OF CHULA VISTA

REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF FUNDING PROGRESS
 YEAR ENDED JUNE 30, 2016

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%
6/30/2014	-	12,877,000	(12,877,000)	0.00%	58,224,000	-22.12%

CITY OF CHULA VISTA

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION YEAR ENDED JUNE 30, 2016

1. BUDGETARY INFORMATION

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

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

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

An annual budget for the year ended June 30, 2016, was adopted and approved by 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. These budgets are prepared on the modified accrual basis of accounting.

Expenditures for the year ended June 30, 2016, exceeded appropriations of the General and Major Special Revenue as follows:

<u>Fund</u>	<u>Expenditures</u>	<u>Appropriations</u>	<u>Excess</u>
General Fund:			
Non-departmental	\$ 3,300,645	\$ 3,255,366	\$ (45,279)
Sundry Grants Fund:			
Administration	45,149	-	(45,149)



SUPPLEMENTARY INFORMATION

CITY OF CHULA VISTA

COMBINING BALANCE SHEET
 NON-MAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2016

	Special Revenue Funds				
	Transportation Grants	Parking Meter	Traffic Safety	Traffic Signal	Storm Drain
Assets:					
Pooled cash and investments	\$ 2,979,384	\$ 1,421,918	\$ 99,790	\$ 2,024,379	\$ 185,496
Receivables:					
Accounts	-	14,370	42,362	-	84,549
Taxes	-	-	-	-	-
Accrued interest	-	-	-	-	-
Deferred loans	-	-	-	-	-
Allowance for uncollectible deferred loans	-	-	-	-	-
Prepaid costs	-	-	-	-	-
Due from other governments	-	-	-	-	-
Total Assets	\$ 2,979,384	\$ 1,436,288	\$ 142,152	\$ 2,024,379	\$ 270,045
Liabilities and Fund Balances:					
Liabilities:					
Accounts payable	\$ 84,779	\$ 79,374	\$ 555	\$ -	\$ 48,278
Unearned revenues	-	-	-	-	-
Pass-through payables	117,725	-	-	-	-
Due to other funds	-	-	-	-	-
Total Liabilities	202,504	79,374	555	-	48,278
Fund Balances:					
Restricted for:					
Community development projects	2,776,880	-	-	-	-
Public safety	-	1,356,914	141,597	2,024,379	-
Parks and recreation	-	-	-	-	-
Capital Projects	-	-	-	-	221,767
Committed to:					
Debt service	-	-	-	-	-
Unassigned	-	-	-	-	-
Total Fund Balances	2,776,880	1,356,914	141,597	2,024,379	221,767
Total Liabilities and Fund Balances	\$ 2,979,384	\$ 1,436,288	\$ 142,152	\$ 2,024,379	\$ 270,045

CITY OF CHULA VISTA

COMBINING BALANCE SHEET
 NON-MAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2016

(CONTINUED)

	Special Revenue Funds			
	Town Center I	Open Space Districts	Housing Programs	Housing Authority
Assets:				
Pooled cash and investments	\$ 52,444	\$ 15,392,795	\$ 99,699	\$ 781,607
Receivables:				
Accounts	-	-	-	17,021
Taxes	-	59,510	-	-
Accrued interest	-	-	11,803	-
Deferred loans	-	-	599,164	2,704,402
Allowance for uncollectible deferred loans	-	-	(99,217)	(2,704,402)
Prepaid costs	-	-	-	-
Due from other governments	-	-	-	-
Total Assets	\$ 52,444	\$ 15,452,305	\$ 611,449	\$ 798,628
Liabilities and Fund Balances:				
Liabilities:				
Accounts payable	\$ -	\$ 725,282	\$ -	\$ 8,373
Unearned revenues	-	-	-	-
Pass-through payables	-	-	-	-
Due to other funds	-	12,441	-	-
Total Liabilities	-	737,723	-	8,373
Fund Balances:				
Restricted for:				
Community development projects	-	-	611,449	790,255
Public safety	-	-	-	-
Parks and recreation	-	-	-	-
Capital Projects	52,444	14,714,582	-	-
Committed to:				
Debt service	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balances	52,444	14,714,582	611,449	790,255
Total Liabilities and Fund Balances	\$ 52,444	\$ 15,452,305	\$ 611,449	\$ 798,628

CITY OF CHULA VISTA

COMBINING BALANCE SHEET
 NON-MAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2016

	Special Revenue Funds			
	Transportation Sales Tax	Mobile Park Fee	Public Education and Govt Fee	Utility Tax Settlement
Assets:				
Pooled cash and investments	\$ -	\$ 172,176	\$ 1,253,062	\$ 1,015,492
Receivables:				
Accounts	-	-	-	-
Taxes	-	-	160,413	-
Accrued interest	-	-	-	-
Deferred loans	-	-	-	-
Allowance for uncollectible deferred loans	-	-	-	-
Prepaid costs	-	-	-	-
Due from other governments	74,617	-	-	-
Total Assets	\$ 74,617	\$ 172,176	\$ 1,413,475	\$ 1,015,492
Liabilities and Fund Balances:				
Liabilities:				
Accounts payable	\$ 293,791	\$ 2,371	\$ 141,756	\$ 108,897
Unearned revenues	90,785	-	-	-
Pass-through payables	21,047	-	-	-
Due to other funds	152,795	-	-	-
Total Liabilities	558,418	2,371	141,756	108,897
Fund Balances:				
Restricted for:				
Community development projects	-	-	1,271,719	-
Public safety	-	-	-	-
Parks and recreation	-	169,805	-	-
Capital Projects	-	-	-	906,595
Committed to:				
Debt service	-	-	-	-
Unassigned	(483,801)	-	-	-
Total Fund Balances	(483,801)	169,805	1,271,719	906,595
Total Liabilities and Fund Balances	\$ 74,617	\$ 172,176	\$ 1,413,475	\$ 1,015,492

CITY OF CHULA VISTA

COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
JUNE 30, 2016

(CONTINUED)

	Capital Projects Funds				
	Residential Construction Tax	Highway Safety	Bicycle Facility	Industrial Development Authority	Assessment District Improvement
Assets:					
Pooled cash and investments	\$ 227,877	\$ 46,827	\$ -	\$ 51	\$ 2,564,097
Receivables:					
Accounts	-	-	21,137	-	-
Taxes	-	-	-	-	-
Accrued interest	-	-	-	-	-
Deferred loans	-	-	-	-	-
Allowance for uncollectible deferred loans	-	-	-	-	-
Prepaid costs	-	-	-	-	-
Due from other governments	-	-	-	-	-
Total Assets	\$ 227,877	\$ 46,827	\$ 21,137	\$ 51	\$ 2,564,097
Liabilities and Fund Balances:					
Liabilities:					
Accounts payable	\$ -	\$ -	\$ 6,281	\$ -	\$ 9,686
Unearned revenues	-	-	-	-	-
Pass-through payables	-	-	-	-	-
Due to other funds	-	-	14,856	-	-
Total Liabilities	-	-	21,137	-	9,686
Fund Balances:					
Restricted for:					
Community development projects	-	-	-	-	-
Public safety	-	46,827	-	-	-
Parks and recreation	-	-	-	-	-
Capital Projects	227,877	-	-	51	2,554,411
Committed to:					
Debt service	-	-	-	-	-
Unassigned	-	-	-	-	-
Total Fund Balances	227,877	46,827	-	51	2,554,411
Total Liabilities and Fund Balances	\$ 227,877	\$ 46,827	\$ 21,137	\$ 51	\$ 2,564,097

CITY OF CHULA VISTA

COMBINING BALANCE SHEET
 NON-MAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2016

	Capital Projects Funds			Debt Service Funds	
	Transportation Partnership Fund	Other Transportation Program Fund	Capital Projects Fund	Notes Payable	Lease Payable
Assets:					
Pooled cash and investments	\$ 29,754	\$ -	\$ 51,228	\$ 1	\$ 148,227
Receivables:					
Accounts	-	-	-	26,257	-
Taxes	-	-	-	-	-
Accrued interest	-	-	-	-	-
Deferred loans	-	-	-	-	-
Allowance for uncollectible deferred loans	-	-	-	-	-
Prepaid costs	-	-	18,419	-	-
Due from other governments	-	1,989,707	-	-	-
Total Assets	\$ 29,754	\$ 1,989,707	\$ 69,647	\$ 26,258	\$ 148,227
Liabilities and Fund Balances:					
Liabilities:					
Accounts payable	\$ -	\$ 69,525	\$ -	\$ -	\$ -
Unearned revenues	-	1,204,383	-	-	-
Pass-through payables	-	-	-	-	-
Due to other funds	-	711,772	-	31,649	-
Total Liabilities	-	1,985,680	-	31,649	-
Fund Balances:					
Restricted for:					
Community development projects	-	-	-	-	-
Public safety	29,754	-	-	-	-
Parks and recreation	-	-	-	-	-
Capital Projects	-	4,027	69,647	-	-
Committed to:					
Debt service	-	-	-	-	148,227
Unassigned	-	-	-	(5,391)	-
Total Fund Balances	29,754	4,027	69,647	(5,391)	148,227
Total Liabilities and Fund Balances	\$ 29,754	\$ 1,989,707	\$ 69,647	\$ 26,258	\$ 148,227

CITY OF CHULA VISTA

COMBINING BALANCE SHEET
 NON-MAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2016

	Total Governmental Funds
Assets:	
Pooled cash and investments	\$ 28,546,304
Receivables:	
Accounts	205,696
Taxes	219,923
Accrued interest	11,803
Deferred loans	3,303,566
Allowance for uncollectible deferred loans	(2,803,619)
Prepaid costs	18,419
Due from other governments	2,064,324
	<hr/>
Total Assets	\$ 31,566,416
	<hr/>
Liabilities and Fund Balances:	
Liabilities:	
Accounts payable	\$ 1,578,948
Unearned revenues	1,295,168
Pass-through payables	138,772
Due to other funds	923,513
	<hr/>
Total Liabilities	3,936,401
	<hr/>
Fund Balances:	
Restricted for:	
Community development projects	5,450,303
Public safety	3,599,471
Parks and recreation	169,805
Capital Projects	18,751,401
Committed to:	
Debt service	148,227
Unassigned	(489,192)
	<hr/>
Total Fund Balances	27,630,015
	<hr/>
Total Liabilities and Fund Balances	\$ 31,566,416
	<hr/>

CITY OF CHULA VISTA

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2016

	Special Revenue Funds				
	Transportation Grants	Parking Meter	Traffic Safety	Traffic Signal	Storm Drain
Revenues:					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	26,777	-	-	-
Intergovernmental	5,632,359	-	-	-	-
Charges for services	-	-	-	184,401	606,600
Use of money and property	74,891	380,517	1,675	34,369	3,483
Fines and forfeitures	-	173,317	508,082	-	11,800
Miscellaneous	-	-	-	-	-
Total Revenues	5,707,250	580,611	509,757	218,770	621,883
Expenditures:					
Current:					
General government	395,147	-	-	-	82
Public safety	-	387,923	23,013	-	-
Parks and recreation	-	-	-	-	-
Public works	-	-	-	3,792	237,987
Capital outlay	4,059,225	55	-	329,048	-
Debt service:					
Principal retirement	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total Expenditures	4,454,372	387,978	23,013	332,840	238,069
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,252,878	192,633	486,744	(114,070)	383,814
Other Financing Sources (Uses):					
Transfers in	-	-	-	-	-
Transfers out	(4,259,428)	-	(399,140)	-	(697,599)
Total Other Financing Sources (Uses)	(4,259,428)	-	(399,140)	-	(697,599)
Net Change in Fund Balances	(3,006,550)	192,633	87,604	(114,070)	(313,785)
Fund Balances, Beginning of Year	5,783,430	1,164,281	53,993	2,138,449	535,552
Fund Balances, End of Year	\$ 2,776,880	\$ 1,356,914	\$ 141,597	\$ 2,024,379	\$ 221,767

CITY OF CHULA VISTA

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2016

(CONTINUED)

	Special Revenue Funds			
	Town Center I	Open Space Districts	Housing Programs	Housing Authority
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	-	11,430,381	-	1,592
Use of money and property	865	227,658	-	16,420
Fines and forfeitures	-	-	-	-
Miscellaneous	-	20,544	4,175	853,512
Total Revenues	865	11,678,583	4,175	871,524
Expenditures:				
Current:				
General government	-	-	34,024	1,011,480
Public safety	-	-	-	-
Parks and recreation	-	-	-	-
Public works	-	10,501,555	-	-
Capital outlay	-	54,777	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	-	10,556,332	34,024	1,011,480
Excess (Deficiency) of Revenues Over (Under) Expenditures	865	1,122,251	(29,849)	(139,956)
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Transfers out	-	-	-	(155,968)
Total Other Financing Sources (Uses)	-	-	-	(155,968)
Net Change in Fund Balances	865	1,122,251	(29,849)	(295,924)
Fund Balances, Beginning of Year	51,579	13,592,331	641,298	1,086,179
Fund Balances, End of Year	\$ 52,444	\$ 14,714,582	\$ 611,449	\$ 790,255

CITY OF CHULA VISTA

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2016

	Special Revenue Funds			
	Transportation Sales Tax	Mobile Park Fee	Public Education and Govt Fee	Utility Tax Settlement
Revenues:				
Taxes	\$ 2,535,464	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	990,450	-	-	-
Charges for services	-	-	-	-
Use of money and property	22,168	3,142	17,108	27,315
Fines and forfeitures	-	-	-	-
Miscellaneous	114,182	85,790	664,470	-
Total Revenues	3,662,264	88,932	681,578	27,315
Expenditures:				
Current:				
General government	-	33,021	158,107	981,090
Public safety	-	-	-	-
Parks and recreation	-	-	-	-
Public works	7,336,859	-	-	-
Capital outlay	-	-	204,160	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	7,336,859	33,021	362,267	981,090
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,674,595)	55,911	319,311	(953,775)
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Transfers out	-	-	-	(10,035)
Total Other Financing Sources (Uses)	-	-	-	(10,035)
Net Change in Fund Balances	(3,674,595)	55,911	319,311	(963,810)
Fund Balances, Beginning of Year	3,190,794	113,894	952,408	1,870,405
Fund Balances, End of Year	\$ (483,801)	\$ 169,805	\$ 1,271,719	\$ 906,595

CITY OF CHULA VISTA

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2016

(CONTINUED)

	Capital Projects Funds				
	Residential Construction Tax	Highway Safety	Bicycle Facility	Industrial Development Authority	Assessment District Improvement
Revenues:					
Taxes	\$ 185,625	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-
Intergovernmental	-	-	21,137	-	-
Charges for services	-	-	-	-	-
Use of money and property	6,482	777	-	-	39,681
Fines and forfeitures	-	-	-	-	-
Miscellaneous	-	-	-	-	22,647
Total Revenues	192,107	777	21,137	-	62,328
Expenditures:					
Current:					
General government	-	-	21,137	-	-
Public safety	-	-	-	-	-
Parks and recreation	-	-	-	-	1,268
Public works	-	-	-	-	-
Capital outlay	-	-	-	-	193,711
Debt service:					
Principal retirement	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total Expenditures	-	-	21,137	-	194,979
Excess (Deficiency) of Revenues Over (Under) Expenditures	192,107	777	-	-	(132,651)
Other Financing Sources (Uses):					
Transfers in	328,837	-	-	-	285,803
Transfers out	(524,119)	-	-	-	(65,499)
Total Other Financing Sources (Uses)	(195,282)	-	-	-	220,304
Net Change in Fund Balances	(3,175)	777	-	-	87,653
Fund Balances, Beginning of Year	231,052	46,050	-	51	2,466,758
Fund Balances, End of Year	\$ 227,877	\$ 46,827	\$ -	\$ 51	\$ 2,554,411

CITY OF CHULA VISTA

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2016

	Capital Projects Funds			Debt Service Funds	
	Transportation Partnership	Other Transportation Program Fund	Capital Projects Fund	Notes Payable	Lease Payable
Revenues:					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-
Intergovernmental	-	3,279,737	-	-	-
Charges for services	-	-	-	-	-
Use of money and property	492	-	3,352	6,163	3,218
Fines and forfeitures	-	-	-	-	-
Miscellaneous	-	-	445,509	144,968	52,048
Total Revenues	492	3,279,737	448,861	151,131	55,266
Expenditures:					
Current:					
General government	-	-	-	-	-
Public safety	-	-	-	-	-
Parks and recreation	-	-	-	-	-
Public works	-	-	-	-	-
Capital outlay	-	3,279,733	507,025	-	-
Debt service:					
Principal retirement	-	-	-	1,079,992	303,447
Interest and fiscal charges	-	-	-	490,099	131,760
Total Expenditures	-	3,279,733	507,025	1,570,091	435,207
Excess (Deficiency) of Revenues Over (Under) Expenditures	492	4	(58,164)	(1,418,960)	(379,941)
Other Financing Sources (Uses):					
Transfers in	-	-	-	1,441,090	296,100
Transfers out	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	1,441,090	296,100
Net Change in Fund Balances	492	4	(58,164)	22,130	(83,841)
Fund Balances, Beginning of Year	29,262	4,023	127,811	(27,521)	232,068
Fund Balances, End of Year	\$ 29,754	\$ 4,027	\$ 69,647	\$ (5,391)	\$ 148,227

CITY OF CHULA VISTA

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2016

	Total Governmental Funds
Revenues:	
Taxes	\$ 2,721,089
Licenses and permits	26,777
Intergovernmental	9,923,683
Charges for services	12,222,974
Use of money and property	869,776
Fines and forfeitures	693,199
Miscellaneous	2,407,845
	<hr/>
Total Revenues	28,865,343
	<hr/>
Expenditures:	
Current:	
General government	2,634,088
Public safety	410,936
Parks and recreation	1,268
Public works	18,080,193
Capital outlay	8,627,734
Debt service:	
Principal retirement	1,383,439
Interest and fiscal charges	621,859
	<hr/>
Total Expenditures	31,759,517
	<hr/>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,894,174)
	<hr/>
Other Financing Sources (Uses):	
Transfers in	2,351,830
Transfers out	(6,111,788)
	<hr/>
Total Other Financing Sources (Uses)	(3,759,958)
	<hr/>
Net Change in Fund Balances	(6,654,132)
	<hr/>
Fund Balances, Beginning of Year	34,284,147
	<hr/>
Fund Balances, End of Year	\$ 27,630,015
	<hr/> <hr/>

CITY OF CHULA VISTA

BUDGETARY COMPARISON SCHEDULE BY EXPENDITURE CATEGORY
 GENERAL FUND
 YEAR ENDED JUNE 30, 2016

	Personnel Services	Supplies and Services	Utilities	Other Expenses	Operating Capital	Transfers Out	Actual Amounts	Final Budget	Variance with Final Budget Positive (Negative)
Current:									
City council	\$ 1,302,593	\$ 44,141	\$ 7,295	\$ -	\$ -	\$ -	\$ 1,354,029	\$ 1,542,700	\$ 188,671
City clerk	741,000	81,070	653	-	-	-	822,723	934,067	111,344
City attorney	2,334,152	562,187	1,656	-	-	-	2,897,995	3,037,461	139,466
Administration	2,847,398	372,558	1,668	-	-	-	3,221,624	3,375,039	153,415
Information technology	2,371,733	1,203,454	34,329	-	-	-	3,609,516	3,885,152	275,636
Human resources	2,083,613	702,468	2,020	815,046	-	-	3,603,147	5,064,671	1,461,524
Finance	3,139,097	241,080	2,086	14	-	-	3,382,277	3,705,259	322,982
Non-departmental	250,771	2,591,952	35,354	159,790	262,778	-	3,300,645	3,255,366	(45,279)
Board and commissions	99	50,639	-	-	-	-	50,738	77,520	26,782
Building and planning	2,151,583	110,936	2,629	10,950	-	-	2,276,098	2,482,054	205,956
Police	44,823,446	3,607,585	488,911	231,382	-	-	49,151,324	49,665,158	513,834
Fire	24,606,182	2,178,125	203,352	-	-	-	26,987,659	27,762,530	774,871
Parks and recreation	2,981,574	587,100	357,358	131,767	-	-	4,057,799	4,342,130	284,331
Public works	20,120,147	4,319,029	3,439,291	161,684	98,860	-	28,139,011	29,873,307	1,734,296
Library	3,163,032	245,641	280,142	660	-	-	3,689,475	3,881,195	191,720
Capital outlay	-	-	-	-	2,235,590	-	2,235,590	4,065,875	1,830,285
Transfers out	-	-	-	-	-	6,335,351	6,335,351	7,648,035	1,312,684
Total Expenditures	\$ 112,916,420	\$ 16,897,965	\$ 4,856,744	\$ 1,511,293	\$ 2,597,228	\$ 6,335,351	\$ 145,115,001	\$ 154,597,519	\$ 9,482,518

CITY OF CHULA VISTA

BUDGETARY COMPARISON STATEMENT BY EXPENDITURE CATEGORY
 SUNDRY GRANTS
 YEAR ENDED JUNE 30, 2016

	Personnel Services	Supplies and Services	Utilities	Other Expenses	Operating Capital	Transfers Out	Actual Amounts	Final Budget	Variance with Final Budget Positive (Negative)
Current:									
Administration	\$ -	\$ 45,149	\$ -	\$ -	\$ -	\$ -	\$ 45,149	\$ -	\$ (45,149)
Non-departmental	-	43,265	-	1,109,280	702,470	-	1,855,015	4,107,274	2,252,259
Police	5,665,323	1,374,844	-	47,558	-	-	7,087,725	9,404,907	2,317,182
Parks and recreation	-	-	-	500	-	-	500	1,600	1,100
Public works	804,063	1,696,976	4,494	441,823	-	-	2,947,356	6,385,408	3,438,052
Library	31,817	11,193	-	-	236,822	-	279,832	1,239,354	959,522
Capital outlay	-	-	-	-	603,262	-	603,262	1,598,363	995,101
Transfers out	-	-	-	-	-	865,828	865,828	892,307	26,479
Total Expenditures	\$ 6,501,203	\$ 3,171,427	\$ 4,494	\$ 1,599,161	\$ 1,542,554	\$ 865,828	\$ 13,684,667	\$ 23,629,213	\$ 9,944,546

CITY OF CHULA VISTA

BUDGETARY COMPARISON STATEMENT BY EXPENDITURE CATEGORY
 HOUSING SUCCESSOR AGENCY
 YEAR ENDED JUNE 30, 2016

	Personnel Services	Supplies and Services	Loans to Outside Entities	Other Expenses	Operating Capital	Transfers Out	Actual Amounts	Final Budget	Variance with Final Budget Positive (Negative)
Current:									
Housing	\$ 99,648	\$ 43,694	\$ 1,827,340	\$ 829	\$ 2,535	\$ -	\$ 1,974,046	\$ 2,233,390	\$ 259,344
Total Expenditures	\$ 99,648	\$ 43,694	\$ 1,827,340	\$ 829	\$ 2,535	\$ -	\$ 1,974,046	\$ 2,233,390	\$ 259,344

CITY OF CHULA VISTA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 TRANSPORTATION GRANTS
 YEAR ENDED JUNE 30, 2016

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 5,514,157	\$ 5,514,157	\$ 5,632,359	\$ 118,202
Use of money and property	-	-	74,891	74,891
Total Revenues	5,514,157	5,514,157	5,707,250	193,093
Expenditures:				
Current:				
General government	100,000	473,228	395,147	78,081
Capital outlay	4,231,000	6,042,649	4,059,225	1,983,424
Total Expenditures	4,331,000	6,515,877	4,454,372	2,061,505
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,183,157	(1,001,720)	1,252,878	2,254,598
Other Financing Sources (Uses):				
Transfers out	(4,259,428)	(4,259,428)	(4,259,428)	-
Total Other Financing Sources (Uses)	(4,259,428)	(4,259,428)	(4,259,428)	-
Net Change in Fund Balances	(3,076,271)	(5,261,148)	(3,006,550)	2,254,598
Fund Balances, Beginning of Year	5,783,430	5,783,430	5,783,430	-
Fund Balances, End of Year	\$ 2,707,159	\$ 522,282	\$ 2,776,880	\$ 2,254,598

CITY OF CHULA VISTA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 PARKING METER
 YEAR ENDED JUNE 30, 2016

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Licenses and permits	\$ 35,000	\$ 35,000	\$ 26,777	\$ (8,223)
Use of money and property	350,000	350,000	380,517	30,517
Fines and forfeitures	200,000	200,000	173,317	(26,683)
Total Revenues	585,000	585,000	580,611	(4,389)
Expenditures:				
Current:				
Public safety	399,148	399,149	387,923	11,226
Capital outlay	-	411,423	55	411,368
Total Expenditures	399,148	810,572	387,978	422,594
Excess (Deficiency) of Revenues Over (Under) Expenditures	185,852	(225,572)	192,633	418,205
Net Change in Fund Balances	185,852	(225,572)	192,633	418,205
Fund Balances, Beginning of Year	1,164,281	1,164,281	1,164,281	-
Fund Balances, End of Year	\$ 1,350,133	\$ 938,709	\$ 1,356,914	\$ 418,205

CITY OF CHULA VISTA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 TRAFFIC SAFETY
 YEAR ENDED JUNE 30, 2016

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Use of money and property	\$ -	\$ -	\$ 1,675	\$ 1,675
Fines and forfeitures	437,640	437,640	508,082	70,442
Total Revenues	437,640	437,640	509,757	72,117
Expenditures:				
Current:				
Public safety	38,500	38,500	23,013	15,487
Total Expenditures	38,500	38,500	23,013	15,487
Excess (Deficiency) of Revenues Over (Under) Expenditures	399,140	399,140	486,744	87,604
Other Financing Sources (Uses):				
Transfers out	(399,140)	(399,140)	(399,140)	-
Total Other Financing Sources (Uses)	(399,140)	(399,140)	(399,140)	-
Net Change in Fund Balances	-	-	87,604	87,604
Fund Balances, Beginning of Year	53,993	53,993	53,993	-
Fund Balances, End of Year	\$ 53,993	\$ 53,993	\$ 141,597	\$ 87,604

CITY OF CHULA VISTA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 TRAFFIC SIGNAL
 YEAR ENDED JUNE 30, 2016

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for services	\$ 200,000	\$ 200,000	\$ 184,401	\$ (15,599)
Use of money and property	-	-	34,369	34,369
Total Revenues	200,000	200,000	218,770	18,770
Expenditures:				
Current:				
Public works	15,000	15,000	3,792	11,208
Capital outlay	644,000	1,529,373	329,048	1,200,325
Total Expenditures	659,000	1,544,373	332,840	1,211,533
Excess (Deficiency) of Revenues Over (Under) Expenditures	(459,000)	(1,344,373)	(114,070)	1,230,303
Net Change in Fund Balances	(459,000)	(1,344,373)	(114,070)	1,230,303
Fund Balances, Beginning of Year	2,138,449	2,138,449	2,138,449	-
Fund Balances, End of Year	\$ 1,679,449	\$ 794,076	\$ 2,024,379	\$ 1,230,303

CITY OF CHULA VISTA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 STORM DRAIN
 YEAR ENDED JUNE 30, 2016

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Licenses and permits	\$ 23,750	\$ 23,750	\$ -	\$ (23,750)
Charges for services	555,500	555,500	606,600	51,100
Use of money and property	-	-	3,483	3,483
Fines and forfeitures	5,000	5,000	11,800	6,800
Total Revenues	584,250	584,250	621,883	37,633
Expenditures:				
Current:				
General government	250	250	82	168
Public works	348,650	248,650	237,987	10,663
Total Expenditures	348,900	248,900	238,069	10,831
Excess (Deficiency) of Revenues Over (Under) Expenditures	235,350	335,350	383,814	48,464
Other Financing Sources (Uses):				
Transfers out	(210,000)	(697,600)	(697,599)	1
Total Other Financing Sources (Uses)	(210,000)	(697,600)	(697,599)	1
Net Change in Fund Balances	25,350	(362,250)	(313,785)	48,465
Fund Balances, Beginning of Year	535,552	535,552	535,552	-
Fund Balances, End of Year	\$ 560,902	\$ 173,302	\$ 221,767	\$ 48,465

CITY OF CHULA VISTA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 TOWN CENTER I
 YEAR ENDED JUNE 30, 2016

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Use of money and property	\$ -	\$ -	\$ 865	\$ 865
Total Revenues	-	-	865	865
Expenditures:				
Capital outlay	-	10,433	-	10,433
Total Expenditures	-	10,433	-	10,433
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	(10,433)	865	11,298
Net Change in Fund Balances	-	(10,433)	865	11,298
Fund Balances, Beginning of Year	51,579	51,579	51,579	-
Fund Balances, End of Year	\$ 51,579	\$ 41,146	\$ 52,444	\$ 11,298

CITY OF CHULA VISTA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 OPEN SPACE DISTRICTS
 YEAR ENDED JUNE 30, 2016

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for services	\$ 12,759,483	\$ 12,759,483	\$ 11,430,381	\$ (1,329,102)
Use of money and property	-	-	227,658	227,658
Other revenues	-	20,544	20,544	-
Total Revenues	12,759,483	12,780,027	11,678,583	(1,101,444)
Expenditures:				
Current:				
Public works	12,759,486	12,730,030	10,501,555	2,228,475
Capital outlay	-	242,697	54,777	187,920
Total Expenditures	12,759,486	12,972,727	10,556,332	2,416,395
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3)	(192,700)	1,122,251	1,314,951
Net Change in Fund Balances	(3)	(192,700)	1,122,251	1,314,951
Fund Balances, Beginning of Year	13,592,331	13,592,331	13,592,331	-
Fund Balances, End of Year	\$ 13,592,328	\$ 13,399,631	\$ 14,714,582	\$ 1,314,951

CITY OF CHULA VISTA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 HOUSING PROGRAMS
 YEAR ENDED JUNE 30, 2016

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 46,100	\$ 46,100	\$ -	\$ (46,100)
Other revenues	-	-	4,175	4,175
Total Revenues	46,100	46,100	4,175	(41,925)
Expenditures:				
Current:				
General government	46,100	282,149	34,024	248,125
Total Expenditures	46,100	282,149	34,024	248,125
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	(236,049)	(29,849)	206,200
Net Change in Fund Balances	-	(236,049)	(29,849)	206,200
Fund Balances, Beginning of Year	641,298	641,298	641,298	-
Fund Balances, End of Year	\$ 641,298	\$ 405,249	\$ 611,449	\$ 206,200

CITY OF CHULA VISTA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
HOUSING AUTHORITY
YEAR ENDED JUNE 30, 2016

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for services	\$ -	\$ -	\$ 1,592	\$ 1,592
Use of money and property	-	-	16,420	16,420
Other revenues	849,889	849,889	853,512	3,623
Total Revenues	849,889	849,889	871,524	21,635
Expenditures:				
Current:				
General government	1,044,945	1,051,060	1,011,480	39,580
Total Expenditures	1,044,945	1,051,060	1,011,480	39,580
Excess (Deficiency) of Revenues Over (Under) Expenditures	(195,056)	(201,171)	(139,956)	61,215
Other Financing Sources (Uses):				
Transfers out	(155,968)	(155,968)	(155,968)	-
Total Other Financing Sources (Uses)	(155,968)	(155,968)	(155,968)	-
Net Change in Fund Balances	(351,024)	(357,139)	(295,924)	61,215
Fund Balances, Beginning of Year	1,086,179	1,086,179	1,086,179	-
Fund Balances, End of Year	\$ 735,155	\$ 729,040	\$ 790,255	\$ 61,215

CITY OF CHULA VISTA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 TRANSPORTATION SALES TAX
 YEAR ENDED JUNE 30, 2016

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 5,886,000	\$ 5,886,000	\$ 2,535,464	\$ (3,350,536)
Intergovernmental	128,343	128,343	990,450	862,107
Use of money and property	-	-	22,168	22,168
Other revenues	-	-	114,182	114,182
Total Revenues	6,014,343	6,014,343	3,662,264	(2,352,079)
Expenditures:				
Current:				
Public works	30,000	39,950	7,336,859	(7,296,909)
Capital outlay	7,215,343	17,145,930	-	17,145,930
Total Expenditures	7,245,343	17,185,880	7,336,859	9,849,021
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,231,000)	(11,171,537)	(3,674,595)	7,496,942
Net Change in Fund Balances	(1,231,000)	(11,171,537)	(3,674,595)	7,496,942
Fund Balances, Beginning of Year	3,190,794	3,190,794	3,190,794	-
Fund Balances, End of Year	\$ 1,959,794	\$ (7,980,743)	\$ (483,801)	\$ 7,496,942

CITY OF CHULA VISTA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 MOBILE PARK FEE
 YEAR ENDED JUNE 30, 2016

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Use of money and property	\$ -	\$ -	\$ 3,142	\$ 3,142
Other revenues	73,500	73,500	85,790	12,290
Total Revenues	73,500	73,500	88,932	15,432
Expenditures:				
Current:				
General government	93,000	93,000	33,021	59,979
Total Expenditures	93,000	93,000	33,021	59,979
Excess (Deficiency) of Revenues Over (Under) Expenditures	(19,500)	(19,500)	55,911	75,411
Net Change in Fund Balances	(19,500)	(19,500)	55,911	75,411
Fund Balances, Beginning of Year	113,894	113,894	113,894	-
Fund Balances, End of Year	\$ 94,394	\$ 94,394	\$ 169,805	\$ 75,411

CITY OF CHULA VISTA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 PUBLIC EDUCATION AND GOVT FEE
 YEAR ENDED JUNE 30, 2016

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Use of money and property	\$ -	\$ -	\$ 17,108	\$ 17,108
Other revenues	600,000	600,000	664,470	64,470
Total Revenues	600,000	600,000	681,578	81,578
Expenditures:				
Current:				
General government	300,000	300,000	158,107	141,893
Capital outlay	300,000	441,865	204,160	237,705
Total Expenditures	600,000	741,865	362,267	379,598
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	(141,865)	319,311	461,176
Net Change in Fund Balances	-	(141,865)	319,311	461,176
Fund Balances, Beginning of Year	952,408	952,408	952,408	-
Fund Balances, End of Year	\$ 952,408	\$ 810,543	\$ 1,271,719	\$ 461,176

CITY OF CHULA VISTA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 UTILITY TAX SETTLEMENT
 YEAR ENDED JUNE 30, 2016

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Use of money and property	\$ -	\$ -	\$ 27,315	\$ 27,315
Total Revenues	-	-	27,315	27,315
Expenditures:				
Current:				
General government	490,000	735,911	981,090	(245,179)
Capital outlay	125,902	641,198	-	641,198
Total Expenditures	615,902	1,377,109	981,090	396,019
Excess (Deficiency) of Revenues Over (Under) Expenditures	(615,902)	(1,377,109)	(953,775)	423,334
Other Financing Sources (Uses):				
Transfers out	-	(10,035)	(10,035)	-
Total Other Financing Sources (Uses)	-	(10,035)	(10,035)	-
Net Change in Fund Balances	(615,902)	(1,387,144)	(963,810)	423,334
Fund Balances, Beginning of Year	1,870,405	1,870,405	1,870,405	-
Fund Balances, End of Year	\$ 1,254,503	\$ 483,261	\$ 906,595	\$ 423,334

CITY OF CHULA VISTA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 PARK ACQUISITION DEVELOPMENT
 YEAR ENDED JUNE 30, 2016

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Use of money and property	\$ -	\$ -	\$ 469,507	\$ 469,507
Developer participation	625,000	625,000	3,203,613	2,578,613
Total Revenues	625,000	625,000	3,673,120	3,048,120
Expenditures:				
Current:				
General government	100,000	100,000	23,069	76,931
Capital outlay	-	725,170	24,753	700,417
Total Expenditures	100,000	825,170	47,822	777,348
Excess (Deficiency) of Revenues Over (Under) Expenditures	525,000	(200,170)	3,625,298	3,825,468
Other Financing Sources (Uses):				
Transfers in	-	805,000	805,000	-
Transfers out	(515,000)	(805,041)	(805,041)	-
Total Other Financing Sources (Uses)	(515,000)	(41)	(41)	-
Net Change in Fund Balances	10,000	(200,211)	3,625,257	3,825,468
Fund Balances, Beginning of Year, as restated	39,796,027	39,796,027	39,796,027	-
Fund Balances, End of Year	\$ 39,806,027	\$ 39,595,816	\$ 43,421,284	\$ 3,825,468

CITY OF CHULA VISTA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 RESIDENTIAL CONSTRUCTION TAX
 YEAR ENDED JUNE 30, 2016

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 325,505	\$ 325,505	\$ 185,625	\$ (139,880)
Use of money and property	-	-	6,482	6,482
Total Revenues	325,505	325,505	192,107	(133,398)
Excess (Deficiency) of Revenues Over (Under) Expenditures	325,505	325,505	192,107	(133,398)
Other Financing Sources (Uses):				
Transfers in	352,700	353,935	328,837	(25,098)
Transfers out	(678,205)	(526,219)	(524,119)	2,100
Total Other Financing Sources (Uses)	(325,505)	(172,284)	(195,282)	(22,998)
Net Change in Fund Balances	-	153,221	(3,175)	(156,396)
Fund Balances, Beginning of Year	231,052	231,052	231,052	-
Fund Balances, End of Year	\$ 231,052	\$ 384,273	\$ 227,877	\$ (156,396)

CITY OF CHULA VISTA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 HIGHWAY SAFETY
 YEAR ENDED JUNE 30, 2016

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

CITY OF CHULA VISTA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 BICYCLE FACILITY
 YEAR ENDED JUNE 30, 2016

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ -	\$ 35,000	\$ 21,137	\$ (13,863)
Total Revenues	-	35,000	21,137	(13,863)
Expenditures:				
Current:				
General government	-	48,215	21,137	27,078
Total Expenditures	-	48,215	21,137	27,078
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	(13,215)	-	13,215
Net Change in Fund Balances	-	(13,215)	-	13,215
Fund Balances, Beginning of Year	-	-	-	-
Fund Balances, End of Year	\$ -	\$ (13,215)	\$ -	\$ 13,215

CITY OF CHULA VISTA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 ASSESSMENT DISTRICT IMPROVEMENT
 YEAR ENDED JUNE 30, 2016

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Use of money and property	\$ -	\$ -	\$ 39,681	\$ 39,681
Other revenues	19,285	19,285	22,647	3,362
Total Revenues	19,285	19,285	62,328	43,043
Expenditures:				
Current:				
Parks and recreation	-	1,268	1,268	-
Capital outlay	-	242,762	193,711	49,051
Total Expenditures	-	244,030	194,979	49,051
Excess (Deficiency) of Revenues Over (Under) Expenditures	19,285	(224,745)	(132,651)	92,094
Other Financing Sources (Uses):				
Transfers in	-	285,803	285,803	-
Transfers out	(100,195)	(100,195)	(65,499)	34,696
Total Other Financing Sources (Uses)	(100,195)	185,608	220,304	34,696
Net Change in Fund Balances	(80,910)	(39,137)	87,653	126,790
Fund Balances, Beginning of Year	2,466,758	2,466,758	2,466,758	-
Fund Balances, End of Year	\$ 2,385,848	\$ 2,427,621	\$ 2,554,411	\$ 126,790

CITY OF CHULA VISTA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 DEVELOPMENT IMPACT FUNDS
 YEAR ENDED JUNE 30, 2016

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Use of money and property	\$ -	\$ -	\$ 595,032	\$ 595,032
Developer participation	4,771,600	4,771,600	8,453,653	3,682,053
Other revenues	-	-	225	225
Total Revenues	4,771,600	4,771,600	9,048,910	4,277,310
Expenditures:				
Current:				
General government	5,300	5,300	-	5,300
Public works	621,200	976,879	608,581	368,298
Capital outlay	3,155,845	6,000,644	1,485,069	4,515,575
Total Expenditures	3,782,345	6,982,823	2,093,650	4,889,173
Excess (Deficiency) of Revenues Over (Under) Expenditures	989,255	(2,211,223)	6,955,260	9,166,483
Other Financing Sources (Uses):				
Transfers in	-	2,609,582	2,609,582	-
Transfers out	(7,114,789)	(8,020,417)	(7,711,770)	308,647
Total Other Financing Sources (Uses)	(7,114,789)	(5,410,835)	(5,102,188)	308,647
Net Change in Fund Balances	(6,125,534)	(7,622,058)	1,853,072	9,475,130
Fund Balances, Beginning of Year, as restated	39,075,419	39,075,419	39,075,419	-
Fund Balances, End of Year	\$ 32,949,885	\$ 31,453,361	\$ 40,928,491	\$ 9,475,130

CITY OF CHULA VISTA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 OTHER TRANSPORTATION PROGRAM FUND
 YEAR ENDED JUNE 30, 2016

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 9,048,589	\$ 9,048,589	\$ 3,279,737	\$ (5,768,852)
Total Revenues	9,048,589	9,048,589	3,279,737	(5,768,852)
Expenditures:				
Capital outlay	9,048,589	15,288,080	3,279,733	12,008,347
Total Expenditures	9,048,589	15,288,080	3,279,733	12,008,347
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	(6,239,491)	4	6,239,495
Net Change in Fund Balances	-	(6,239,491)	4	6,239,495
Fund Balances, Beginning of Year	4,023	4,023	4,023	-
Fund Balances, End of Year	\$ 4,023	\$ (6,235,468)	\$ 4,027	\$ 6,239,495

CITY OF CHULA VISTA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 CAPITAL PROJECTS FUND
 YEAR ENDED JUNE 30, 2016

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Use of money and property	\$ -	\$ -	\$ 3,352	\$ 3,352
Other revenues	-	503,298	445,509	(57,789)
Total Revenues	-	503,298	448,861	(54,437)
Expenditures:				
Capital outlay	-	1,016,008	507,025	508,983
Total Expenditures	-	1,016,008	507,025	508,983
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	(512,710)	(58,164)	454,546
Net Change in Fund Balances	-	(512,710)	(58,164)	454,546
Fund Balances, Beginning of Year	127,811	127,811	127,811	-
Fund Balances, End of Year	\$ 127,811	\$ (384,899)	\$ 69,647	\$ 454,546

CITY OF CHULA VISTA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 NOTES PAYABLE
 YEAR ENDED JUNE 30, 2016

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Use of money and property	\$ -	\$ -	\$ 6,163	\$ 6,163
Other revenues	129,001	129,001	144,968	15,967
Total Revenues	129,001	129,001	151,131	22,130
Expenditures:				
Debt service:				
Principal retirement	1,057,506	1,057,506	1,057,503	3
Interest and fiscal charges	512,590	512,590	512,588	2
Total Expenditures	1,570,096	1,570,096	1,570,091	5
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,441,095)	(1,441,095)	(1,418,960)	22,135
Other Financing Sources (Uses):				
Transfers in	1,441,095	1,441,095	1,441,090	(5)
Total Other Financing Sources (Uses)	1,441,095	1,441,095	1,441,090	(5)
Net Change in Fund Balances	-	-	22,130	22,130
Fund Balances, Beginning of Year	(27,521)	(27,521)	(27,521)	-
Fund Balances, End of Year	\$ (27,521)	\$ (27,521)	\$ (5,391)	\$ 22,130

CITY OF CHULA VISTA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 LEASE PAYABLE
 YEAR ENDED JUNE 30, 2016

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Use of money and property	\$ -	\$ -	\$ 3,218	\$ 3,218
Other revenues	54,261	54,261	52,048	(2,213)
Total Revenues	54,261	54,261	55,266	1,005
Expenditures:				
Debt service:				
Principal retirement	349,684	349,684	333,234	16,450
Interest and fiscal charges	103,268	103,268	101,973	1,295
Total Expenditures	452,952	452,952	435,207	17,745
Excess (Deficiency) of Revenues Over (Under) Expenditures	(398,691)	(398,691)	(379,941)	18,750
Other Financing Sources (Uses):				
Transfers in	297,403	297,403	296,100	(1,303)
Total Other Financing Sources (Uses)	297,403	297,403	296,100	(1,303)
Net Change in Fund Balances	(101,288)	(101,288)	(83,841)	17,447
Fund Balances, Beginning of Year	232,068	232,068	232,068	-
Fund Balances, End of Year	\$ 130,780	\$ 130,780	\$ 148,227	\$ 17,447

CITY OF CHULA VISTA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 CITY DEBT SERVICE
 YEAR ENDED JUNE 30, 2016

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Use of money and property	\$ -	\$ -	\$ 336,255	\$ 336,255
Total Revenues	-	-	336,255	336,255
Expenditures:				
Debt service:				
Interest and fiscal charges	150,000	150,000	-	150,000
Total Expenditures	150,000	150,000	-	150,000
Excess (Deficiency) of Revenues Over (Under) Expenditures	(150,000)	(150,000)	336,255	486,255
Other Financing Sources (Uses):				
Transfers in	3,190,000	3,978,424	3,678,423	(300,001)
Transfers out	-	(4,860,436)	(4,115,118)	745,318
Total Other Financing Sources (Uses)	3,190,000	(882,012)	(436,695)	445,317
Net Change in Fund Balances	3,040,000	(1,032,012)	(100,440)	931,572
Fund Balances, Beginning of Year, as restated	(19,133,652)	(19,133,652)	(19,133,652)	-
Fund Balances, End of Year	\$ (16,093,652)	\$ (20,165,664)	\$ (19,234,092)	\$ 931,572

CITY OF CHULA VISTA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 PUBLIC FINANCING AUTHORITY
 YEAR ENDED JUNE 30, 2016

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Use of money and property	\$ -	\$ 683,044	\$ 685,141	\$ 2,097
Total Revenues	-	683,044	685,141	2,097
Expenditures:				
Current:				
General government	21,000	25,040	11,725	13,315
Debt service:				
Principal retirement	4,295,000	40,724,999	33,590,000	7,134,999
Interest and fiscal charges	5,465,349	6,246,131	5,823,380	422,751
Payment to refunded bond escrow agent	-	-	422,751	(422,751)
Total Expenditures	9,781,349	46,996,170	39,847,856	7,148,314
Excess (Deficiency) of Revenues Over (Under) Expenditures	(9,781,349)	(46,313,126)	(39,162,715)	7,150,411
Other Financing Sources (Uses):				
Transfers in	9,760,794	49,372,288	9,311,820	(40,060,468)
Transfers out	-	(40,051,517)	(4,360)	40,047,157
Proceeds from the issuance of bonds	-	34,330,000	34,330,000	-
Bond premium	-	2,262,493	2,262,493	-
Payment to refunded bond escrow agent	-	-	(7,135,000)	(7,135,000)
Total Other Financing Sources (Uses)	9,760,794	45,913,264	38,764,953	(7,148,311)
Net Change in Fund Balances	(20,555)	(399,862)	(397,762)	2,100
Fund Balances, Beginning of Year	9,352,108	9,352,108	9,352,108	-
Fund Balances, End of Year	\$ 9,331,553	\$ 8,952,246	\$ 8,954,346	\$ 2,100

CITY OF CHULA VISTA

COMBINING STATEMENT OF NET POSITION
 NON-MAJOR PROPRIETARY FUNDS
 JUNE 30, 2016

	<u>Business-Type Activities - Enterprise Funds</u>		
	<u>Bayfront Trolley Station</u>	<u>Transit Fund</u>	<u>Totals</u>
Assets:			
Current:			
Cash and investments	\$ 82,996	\$ 323,040	\$ 406,036
Receivables:			
Accounts	-	42,412	42,412
Total Assets	82,996	365,452	448,448
Deferred Outflows of Resources:			
Deferred pension contributions	-	2,056	2,056
Total Deferred Outflows of Resources	-	2,056	2,056
Liabilities:			
Current:			
Unearned revenues	-	268,279	268,279
Total Current Liabilities	-	268,279	268,279
Noncurrent:			
Net pension liability	-	503,455	503,455
Total Noncurrent Liabilities	-	503,455	503,455
Total Liabilities	-	771,734	771,734
Deferred Inflows of Resources:			
Deferred items related to pensions	-	27,456	27,456
Total Deferred Inflows of Resources	-	27,456	27,456
Net Position:			
Unrestricted	82,996	(431,682)	(348,686)
Total Net Position	\$ 82,996	\$ (431,682)	\$ (348,686)

CITY OF CHULA VISTA

COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION
NON-MAJOR PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2016

	<u>Business-Type Activities - Enterprise Funds</u>		
	<u>Bayfront Trolley Station</u>	<u>Transit Fund</u>	<u>Totals</u>
Operating Revenues:			
Other	\$ -	\$ 34,792	\$ 34,792
Total Operating Revenues	<u>-</u>	<u>34,792</u>	<u>34,792</u>
Operating Expenses:			
Administration and general	-	86,512	86,512
Total Operating Expenses	<u>-</u>	<u>86,512</u>	<u>86,512</u>
Operating Income (Loss)	-	(51,720)	(51,720)
Nonoperating Revenues (Expenses):			
Interest revenue	1,383	6,311	7,694
Total Nonoperating Revenues (Expenses)	<u>1,383</u>	<u>6,311</u>	<u>7,694</u>
Income (Loss)	1,383	(45,409)	(44,026)
Changes in Net Position	1,383	(45,409)	(44,026)
Net Position:			
Beginning of Fiscal Year	81,613	(386,273)	(304,660)
End of Fiscal Year	<u>\$ 82,996</u>	<u>\$ (431,682)</u>	<u>\$ (348,686)</u>

CITY OF CHULA VISTA

COMBINING STATEMENT OF CASH FLOWS
NON-MAJOR PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2016

Business-Type Activities - Enterprise Funds

	<u>Bayfront Trolley Station</u>	<u>Transit Fund</u>	<u>Totals</u>
Cash Flows from Operating Activities:			
Cash received from customers and users	\$ -	\$ 37,618	\$ 37,618
Cash received from/(paid to) interfund service provided	-	32,755	32,755
Cash paid to suppliers for goods and services	-	(57,808)	(57,808)
Cash paid to employees for services	-	(81,164)	(81,164)
Net Cash Provided (Used) by Operating Activities	-	(68,599)	(68,599)
Cash Flows from Investing Activities:			
Interest received	1,383	6,311	7,694
Net Cash Provided (Used) by Investing Activities	1,383	6,311	7,694
Net Increase (Decrease) in Cash and Cash Equivalents	1,383	(62,288)	(60,905)
Cash and Cash Equivalents at Beginning of Year	81,613	385,328	466,941
Cash and Cash Equivalents at End of Year	\$ 82,996	\$ 323,040	\$ 406,036
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:			
Operating income (loss)	\$ -	\$ (51,720)	\$ (51,720)
Adjustments to reconcile operating income (loss) net cash provided (used) by operating activities:			
(Increase) decrease in accounts receivable	-	2,826	2,826
(Increase) decrease in deferred outflows from pensions	-	31,230	31,230
(Increase) decrease in due from other governments	-	32,755	32,755
Increase (decrease) in accounts payable	-	(32,862)	(32,862)
Increase (decrease) in accrued liabilities	-	(24,946)	(24,946)
Increase (decrease) in compensated absences	-	(16,100)	(16,100)
Increase (decrease) in net pension liability	-	38,298	38,298
Increase (decrease) in deferred inflows from pensions	-	(48,080)	(48,080)
Total Adjustments	-	(16,879)	(16,879)
Net Cash Provided (Used) by Operating Activities	\$ -	\$ (68,599)	\$ (68,599)
Non-Cash Investing, Capital, and Financing Activities:			
No non-cash Investing, Capital and Financing Activities.			

CITY OF CHULA VISTA

COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
JUNE 30, 2016

	<u>Governmental Activities - Internal Service Funds</u>			
	<u>Fleet Management</u>	<u>Technology Replacement</u>	<u>Workers Compensation</u>	<u>Totals</u>
Assets:				
Current:				
Cash and investments	\$ 1,352,135	\$ 129,999	\$ 927,068	\$ 2,409,202
Receivables:				
Accounts	334	-	-	334
Total Current Assets	1,352,469	129,999	927,068	2,409,536
Noncurrent:				
Capital assets - net of accumulated depreciation	1,178,567	-	-	1,178,567
Total Noncurrent Assets	1,178,567	-	-	1,178,567
Total Assets	2,531,036	129,999	927,068	3,588,103
Deferred Outflows of Resources:				
Deferred pension contributions	208,832	-	-	208,832
Total Deferred Outflows of Resources	208,832	-	-	208,832
Liabilities:				
Current:				
Accounts payable	180,402	-	-	180,402
Accrued liabilities	28,235	-	-	28,235
Accrued compensated absences	22,965	-	-	22,965
Total Current Liabilities	231,602	-	-	231,602
Noncurrent:				
Accrued compensated absences	59,797	-	-	59,797
Net pension liability	2,491,754	-	-	2,491,754
Total Noncurrent Liabilities	2,551,551	-	-	2,551,551
Total Liabilities	2,783,153	-	-	2,783,153
Deferred Inflows of Resources:				
Deferred items related to pensions	101,244	-	-	101,244
Total Deferred Inflows of Resources	101,244	-	-	101,244
Net Position:				
Investment in capital assets	1,178,567	-	-	1,178,567
Unrestricted	(1,323,096)	129,999	927,068	(266,029)
Total Net Position	\$ (144,529)	\$ 129,999	\$ 927,068	\$ 912,538

CITY OF CHULA VISTA

COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2016

	Governmental Activities - Internal Service Funds			
	Fleet Management	Technology Replacement	Workers Compensation	Totals
Operating Revenues:				
Interdepartmental charges	\$ 3,506,493	\$ -	\$ 4,437,087	\$ 7,943,580
Other	255,519	-	-	255,519
Total Operating Revenues	3,762,012	-	4,437,087	8,199,099
Operating Expenses:				
Administration and general	3,471,636	12,125	5,410,829	8,894,590
Depreciation expense	329,851	-	-	329,851
Total Operating Expenses	3,801,487	12,125	5,410,829	9,224,441
Operating Income (Loss)	(39,475)	(12,125)	(973,742)	(1,025,342)
Nonoperating Revenues (Expenses):				
Interest revenue	15,032	-	-	15,032
Gain (loss) on disposal of capital assets	36,094	-	-	36,094
Total Nonoperating Revenues (Expenses)	51,126	-	-	51,126
Income (Loss) Before Transfers	11,651	(12,125)	(973,742)	(974,216)
Transfers in	340,035	-	503,346	843,381
Changes in Net Position	351,686	(12,125)	(470,396)	(130,835)
Net Position:				
Beginning of Fiscal Year	(496,215)	142,124	1,397,464	1,043,373
End of Fiscal Year	\$ (144,529)	\$ 129,999	\$ 927,068	\$ 912,538

CITY OF CHULA VISTA

COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2016

	<u>Governmental Activities - Internal Service Funds</u>			
	<u>Fleet Management</u>	<u>Technology Replacement</u>	<u>Workers Compensation</u>	<u>Totals</u>
Cash Flows from Operating Activities:				
Cash received from/(paid to) interfund service provided	\$ 3,780,790	\$ -	\$ 4,437,087	\$ 8,217,877
Cash paid to suppliers for goods and services	(70,376)	(3,691)	-	(74,067)
Cash paid to employees for services	(3,547,696)	(12,125)	(5,410,829)	(8,970,650)
Net Cash Provided (Used) by Operating Activities	162,718	(15,816)	(973,742)	(826,840)
Cash Flows from Non-Capital Financing Activities:				
Cash transfers in	340,035	-	503,346	843,381
Net Cash Provided (Used) by Non-Capital Financing Activities	340,035	-	503,346	843,381
Cash Flows from Capital and Related Financing Activities:				
Acquisition and construction of capital assets	(427,812)	-	-	(427,812)
Proceeds from sales of capital assets	36,094	-	-	36,094
Net Cash Provided (Used) by Capital and Related Financing Activities	(391,718)	-	-	(391,718)
Cash Flows from Investing Activities:				
Interest received	15,032	-	-	15,032
Net Cash Provided (Used) by Investing Activities	15,032	-	-	15,032
Net Increase (Decrease) in Cash and Cash Equivalents	126,067	(15,816)	(470,396)	(360,145)
Cash and Cash Equivalents at Beginning of Year	1,226,068	145,815	1,397,464	2,769,347
Cash and Cash Equivalents at End of Year	\$ 1,352,135	\$ 129,999	\$ 927,068	\$ 2,409,202
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:				
Operating income (loss)	\$ (39,475)	\$ (12,125)	\$ (973,742)	\$ (1,025,342)
Adjustments to reconcile operating income (loss) net cash provided (used) by operating activities:				
Depreciation	329,851	-	-	329,851
(Increase) decrease in accounts receivable	(334)	-	-	(334)
(Increase) decrease in deferred outflows from pensions	(22,853)	-	-	(22,853)
(Increase) decrease in due from other governments	19,112	-	-	19,112
Increase (decrease) in accounts payable	(44,650)	(3,691)	-	(48,341)
Increase (decrease) in accrued liabilities	(25,726)	-	-	(25,726)
Increase (decrease) in compensated absences	1,449	-	-	1,449
Increase (decrease) in net pension liability	213,980	-	-	213,980
Increase (decrease) in deferred inflows from pensions	(268,636)	-	-	(268,636)
Total Adjustments	202,193	(3,691)	-	198,502
Net Cash Provided (Used) by Operating Activities	\$ 162,718	\$ (15,816)	\$ (973,742)	\$ (826,840)
Non-Cash Investing, Capital, and Financing Activities:				
No non-cash Investing, Capital and Financing Activities.				

CITY OF CHULA VISTA

COMBINING STATEMENT OF NET POSITION
 ALL AGENCY FUNDS
 JUNE 30, 2016

	<u>Flexible Spending Account</u>	<u>Special Assessment District</u>	<u>Miscellaneous Deposits</u>	<u>Totals</u>
Assets:				
Pooled cash and investments	\$ 151,241	\$ 8,289,365	\$ -	\$ 8,440,606
Restricted assets:				
Cash and investments with fiscal agents	-	30,604,895	-	30,604,895
Total Assets	<u>\$ 151,241</u>	<u>\$ 38,894,260</u>	<u>\$ -</u>	<u>\$ 39,045,501</u>
Liabilities:				
Unearned revenues	\$ 14,162	\$ -	\$ -	\$ 14,162
Due to external parties/other agencies	137,079	38,894,260	-	39,031,339
Total Liabilities	<u>\$ 151,241</u>	<u>\$ 38,894,260</u>	<u>\$ -</u>	<u>\$ 39,045,501</u>

CITY OF CHULA VISTA

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 ALL AGENCY FUNDS
 YEAR ENDED JUNE 30, 2016

	<u>Balance</u> <u>7/1/2015</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>6/30/2016</u>
<u>Flexible Spending Account</u>				
Assets:				
Pooled cash and investments	\$ 76,768	\$ 1,066,489	\$ 992,016	\$ 151,241
Total Assets	<u>\$ 76,768</u>	<u>\$ 1,066,489</u>	<u>\$ 992,016</u>	<u>\$ 151,241</u>
Liabilities:				
Unearned revenues	\$ 14,162	\$ -	\$ -	\$ 14,162
Due to external parties/other agencies	62,606	74,473	-	137,079
Total Liabilities	<u>\$ 76,768</u>	<u>\$ 74,473</u>	<u>\$ -</u>	<u>\$ 151,241</u>
<u>Special Assessment District</u>				
Assets:				
Pooled cash and investments	\$ 8,498,723	\$ 14,763,762	\$ 14,973,120	\$ 8,289,365
Restricted assets:				
Cash and investments with fiscal agents	68,045,081	164,878,309	202,318,495	30,604,895
Total Assets	<u>\$ 76,543,804</u>	<u>\$ 179,642,071</u>	<u>\$ 217,291,615</u>	<u>\$ 38,894,260</u>
Liabilities:				
Due to external parties/other agencies	\$ 76,543,803	\$ 6,893,875	\$ 44,543,418	\$ 38,894,260
Total Liabilities	<u>\$ 76,543,803</u>	<u>\$ 6,893,875</u>	<u>\$ 44,543,418</u>	<u>\$ 38,894,260</u>
<u>Totals - All Agency Funds</u>				
Assets:				
Pooled cash and investments	\$ 8,575,491	\$ 15,830,251	\$ 15,965,136	\$ 8,440,606
Restricted assets:				
Cash and investments with fiscal agents	68,045,081	164,878,309	202,318,495	30,604,895
Total Assets	<u>\$ 76,620,572</u>	<u>\$ 180,708,560</u>	<u>\$ 218,283,631</u>	<u>\$ 39,045,501</u>
Liabilities:				
Unearned revenues	\$ 14,162	\$ -	\$ -	\$ 14,162
Due to external parties/other agencies	76,606,409	6,968,348	44,543,418	39,031,339
Total Liabilities	<u>\$ 76,620,571</u>	<u>\$ 6,968,348</u>	<u>\$ 44,543,418</u>	<u>\$ 39,045,501</u>



CITY OF CHULA VISTA

Statistical Section

June 30, 2016

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	182-185
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	186-187
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	188-192
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	193-195
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 Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Governmental activities:										
Net investment in capital assets	\$715,090,838	\$621,878,119	\$623,938,515	\$634,377,842	\$634,409,385	\$655,182,727	\$626,476,481	\$649,314,016	\$643,174,160	\$672,940,012
Restricted	69,516,915	55,166,660	43,901,854	49,193,256	47,168,636	22,929,585	21,888,309	107,106,257	129,460,665	125,439,323
Unrestricted	126,026,156	91,683,171	89,235,419	73,916,496	72,730,796	89,620,724	111,886,462	22,522,443	(245,432,296)	(222,570,459)
Total governmental activities net position	910,633,909	768,727,950	757,075,788	757,487,594	754,308,817	767,733,036	760,251,252	778,942,716	527,202,529	575,808,876
Business-type activities:										
Investment in capital assets	5,658,433	150,004,170	148,237,562	152,384,420	146,550,585	140,248,319	134,661,254	136,513,268	134,368,634	135,989,851
Restricted	-	-	-	-	-	-	-	-	5,141,430	2,803,451
Unrestricted	335,824	55,294,988	64,860,578	74,385,651	80,214,208	86,521,327	93,401,745	97,393,640	71,945,411	67,970,476
Total business-type activities net position	5,994,257	205,299,158	213,098,140	226,770,071	226,764,793	226,769,646	228,062,999	233,906,908	211,455,475	206,763,778
Primary government:										
Net investment in capital assets	720,749,271	771,882,289	772,176,077	786,762,262	780,959,970	795,431,046	761,137,735	785,827,284	777,542,794	808,929,863
Restricted	69,516,915	55,166,660	43,901,854	49,193,256	47,168,636	22,929,585	21,888,309	107,106,257	134,602,095	128,242,774
Unrestricted	126,361,980	146,978,159	154,095,997	148,302,147	152,945,004	176,142,051	205,288,207	119,916,083	(173,486,885)	(154,599,983)
Total primary government net position	\$916,628,166	\$974,027,108	\$970,173,928	\$984,257,665	\$981,073,610	\$994,502,682	\$988,314,251	\$1,012,849,624	\$738,658,004	\$782,572,654

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)

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Expenses:										
Governmental activities:										
General government	\$ 45,249,650	\$ 51,609,403	\$ 49,216,220	\$ 51,136,412	\$ 46,457,112	\$ 22,508,977	\$ 33,652,891	\$ 25,386,867	\$ 36,486,645	\$ 25,564,824
Public safety	77,136,782	78,633,467	76,097,546	74,008,767	75,664,246	75,931,086	77,821,520	74,896,803	81,002,999	87,749,418
Community Development	-	-	-	-	-	-	-	-	207,308	1,974,046
Community Services	-	-	-	-	-	-	-	-	12,837	5,632
Public works	103,117,608	86,410,082	72,509,779	69,524,903	71,857,158	76,458,061	69,297,402	63,312,155	62,454,130	67,910,401
Parks and recreation	9,353,280	9,650,399	9,805,893	7,849,907	6,995,489	7,310,312	5,865,192	6,118,351	6,441,907	6,834,240
Library	10,320,817	8,532,621	7,617,286	4,826,602	4,509,999	4,185,624	4,224,568	4,092,263	3,906,984	3,997,677
Transit	-	-	-	-	-	63,021	14,560	-	-	-
Interest on long-term debt	12,032,833	13,656,534	13,064,138	11,217,753	11,538,707	8,904,275	6,698,509	7,287,461	6,601,927	6,073,434
Total governmental activities expenses	257,210,970	248,492,506	228,310,862	218,564,344	217,022,711	195,361,356	197,574,642	181,093,900	197,114,737	200,109,672
Business-type activities:										
Transit	7,330,560	8,301,081	8,147,424	7,571,898	7,075,998	7,050,673	6,997,488	6,875,214	4,807,985	86,512
Bayfront Trolley Station	103,691	98,406	98,800	94,802	91,788	91,942	92,843	61,823	59,863	-
Sewer funds	-	30,323,015	23,528,217	29,240,616	30,245,584	30,524,851	30,773,712	26,046,175	31,615,457	25,234,891
Sewer DIFs	-	203,500	200,660	126,019	123,629	129,351	122,927	129,279	120,197	1,146,838
Development Services Fund	-	-	-	-	-	4,730,599	5,717,312	6,113,133	5,996,109	5,741,600
Interest on long-term debt	-	62,927	-	-	-	-	-	-	-	-
Total business-type activities expenses	7,434,251	38,988,929	31,975,101	37,033,335	37,536,999	42,527,416	43,704,282	39,225,624	42,599,611	32,209,841
Total primary government expenses	264,645,221	287,481,435	260,285,963	255,597,679	254,559,710	237,888,772	241,278,924	220,319,524	239,714,348	232,319,513
Program revenues:										
Governmental activities:										
Charges for services:										
General government	45,255,716	38,563,085	35,959,181	32,419,505	29,785,079	5,955,849	5,795,838	8,767,069	7,623,676	6,468,756
Public safety	7,311,407	8,148,817	7,954,060	8,833,813	7,989,893	8,658,579	8,893,631	10,198,058	12,100,712	11,764,603
Community Development	-	-	-	-	-	-	-	-	297,866	730,197
Public works	45,520,978	23,112,265	25,793,234	28,761,170	33,378,070	32,767,261	35,758,786	30,495,980	31,703,848	24,218,733
Parks and recreation	19,106,017	11,881,147	2,776,032	2,559,668	3,599,653	3,051,842	7,631,696	5,292,433	4,511,278	10,683,649
Library	818,285	561,948	326,116	505,044	967,908	840,258	1,666,765	1,078,592	1,302,869	1,943,416
Operating grants and contributions	16,646,713	34,498,639	18,957,467	17,984,120	31,976,818	21,780,868	30,935,863	29,456,557	25,102,165	22,416,276
Capital grants and contributions	85,608,765	50,632,109	16,754,583	23,711,994	4,781,625	4,283,855	2,936,133	1,921,554	12,954,191	7,143,130
Total governmental activities program revenues	220,267,881	167,398,010	108,520,673	114,775,314	112,479,046	77,338,512	93,618,712	87,210,243	95,596,605	85,368,760
Business-type activities:										
Charges for services:										
Transit	2,433,008	1,660,821	3,679,761	3,335,334	2,534,385	2,671,538	2,841,619	2,672,231	1,503,262	-
Sewer funds	-	29,138,449	31,046,180	36,284,081	32,257,256	32,571,135	35,011,268	33,190,660	36,054,603	35,775,374
Sewer DIFs	-	539,136	232,430	166,303	443,599	174,667	645,015	268,092	166,333	239,143
Development Services Fund	-	-	-	-	-	4,174,657	6,654,261	6,338,495	6,118,566	6,546,936
Operating grants and contributions	-	-	3,390,228	3,357,566	3,431,988	3,524,426	3,095,626	3,800,358	5,474,658	306,884
Capital grants and contributions	-	-	-	-	-	-	-	-	-	-
Total business-type activities program revenues	2,433,008	36,716,924	38,348,599	43,143,284	38,667,228	43,116,423	48,247,789	46,269,836	49,317,422	42,868,337
Total primary government program revenues	222,700,889	204,114,934	146,869,272	157,918,598	151,146,274	120,454,935	141,866,501	133,480,079	144,914,027	128,237,097

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

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Net revenues (expenses):										
Governmental activities	(36,943,089)	(81,094,496)	(119,790,189)	(103,789,030)	(104,543,665)	(118,022,844)	(103,955,930)	(93,883,657)	(101,518,132)	(114,740,912)
Business-type activities	(5,001,243)	(2,272,005)	6,373,498	6,109,949	1,130,229	589,007	4,543,507	7,044,212	6,717,811	10,658,496
Total net revenues (expenses)	(41,944,332)	(83,366,501)	(113,416,691)	(97,679,081)	(103,413,436)	(117,433,837)	(99,412,423)	(86,839,445)	(94,800,321)	(104,082,416)
General revenues and other changes in net assets:										
Governmental activities:										
Taxes:										
Property taxes	38,882,122	43,388,023	43,319,156	41,798,577	39,437,025	49,721,604	45,146,022	45,266,172	47,485,292	50,136,856
Sales tax	32,817,351	29,062,555	26,263,317	23,674,601	26,702,443	27,275,753	28,627,785	29,171,174	30,394,291	33,317,380
Other taxes	21,400,961	21,922,357	21,643,366	21,927,677	17,485,387	16,431,529	18,966,240	32,145,209	23,225,498	24,463,262
Investment income	13,386,872	8,663,014	12,676,922	5,744,616	9,108,662	3,615,266	866,861	1,944,988	4,219,304	6,233,144
Other general revenues	7,137,140	8,343,946	355,175	7,581,794	5,193,653	1,530,568	2,356,802	686,054	14,437	1,034,027
Miscellaneous	-	-	-	-	-	-	-	-	27,882	336,661
Transfers	22,618	5,594,536	3,880,091	3,473,571	3,437,718	4,195,190	3,861,417	3,551,004	3,848,746	2,799,555
Total general revenues and transfers	113,647,064	116,974,231	108,138,027	104,200,836	101,364,888	102,769,910	99,825,127	112,764,601	109,215,450	118,320,885
Extraordinary gain	113,647,064	116,974,231	108,138,027	104,200,836	101,364,888	131,447,063	99,825,127	112,764,601	109,215,450	118,320,885
Total governmental activities	167,734	6,740,155	2,090,311	1,785,660	1,288,478	1,273,689	261,354	1,505,052	641,978	1,357,938
Business-type activities:										
Investment income	3,809,571	670,170	3,215,264	9,249,893	1,013,733	2,337,347	349,909	845,650	2,789,595	524,616
Miscellaneous	(22,618)	(5,594,536)	(3,880,091)	(3,473,571)	(3,437,718)	(4,195,190)	(3,861,417)	(3,551,004)	(3,848,746)	(2,799,555)
Transfers	3,954,687	1,815,789	1,425,484	7,561,982	(1,135,507)	(584,154)	(3,250,154)	(1,200,302)	(417,173)	(917,001)
Total business-type activities	117,601,751	118,790,020	109,563,511	111,762,818	100,229,381	130,862,909	96,574,973	111,564,299	108,798,277	117,403,884
Changes in net position	76,703,975	35,879,735	(11,652,162)	411,806	(3,178,777)	13,424,219	(4,130,803)	18,880,944	7,697,318	3,579,973
Governmental activities	(1,046,556)	(456,216)	7,798,982	13,671,931	(5,278)	4,853	1,293,353	5,843,910	6,300,638	9,741,495
Business-type activities	\$ 75,657,419	\$ 35,423,519	\$ (3,853,180)	\$ 14,083,737	\$ (3,184,055)	\$ 13,429,072	\$ (2,837,450)	\$ 24,724,854	\$ 13,997,956	\$ 13,321,468

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									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General fund:										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ 11,258,150	\$ 8,799,026	\$ 7,481,079	\$ 7,424,812	\$ 7,419,002	\$ 7,361,685
Restricted	-	-	-	-	127,883	-	750,951	-	-	-
Committed	-	-	-	-	7,178,838	4,375,207	2,298,088	6,215,601	7,602,021	6,383,145
Assigned	-	-	-	-	5,298,536	2,895,545	6,648,922	4,807,244	4,688,124	5,775,459
Unassigned	-	-	-	-	11,876,992	11,969,280	10,790,135	14,511,252	16,412,878	17,872,368
Reserved	22,249,346	22,258,951	20,732,416	19,478,496	-	-	-	-	-	-
Unreserved	13,252,911	11,817,191	12,417,105	13,703,304	-	-	-	-	-	-
Total general fund	35,502,257	34,076,142	33,149,521	33,181,800	35,740,399	28,039,058	27,969,175	32,958,909	36,122,025	37,392,657
All other governmental funds:										
Nonspendable	-	-	-	-	21,669,849	30,763,746	\$ 29,774,472	\$ 23,537,524	\$ 7,419,002	\$ -
Restricted	-	-	-	-	109,944,736	83,439,558	91,152,341	107,106,257	129,464,688	125,439,323
Committed	-	-	-	-	17,370,613	12,842,477	10,617,691	10,677,564	17,186,197	9,102,573
Assigned	-	-	-	-	(2,402,991)	-	-	-	4,688,124	-
Unassigned	-	-	-	-	(59,092,342)	(37,420,734)	(37,277,498)	(40,451,233)	(20,803,239)	(19,723,284)
Reserved	65,710,718	26,305,432	33,197,517	61,852,404	-	-	-	-	-	-
Unreserved, reported in:										
Debt service funds	(44,404,278)	(43,496,817)	(46,692,600)	(56,280,718)	-	-	-	-	-	-
Capital projects funds	92,093,271	78,496,664	70,791,397	58,595,303	-	-	-	-	-	-
Special revenue funds	64,843,684	48,690,364	42,565,836	27,334,131	-	-	-	-	-	-
Total all other governmental funds	\$ 178,243,395	\$ 109,995,643	\$ 99,862,150	\$ 91,501,120	\$ 87,489,865	\$ 89,625,047	\$ 94,267,006	\$ 100,870,112	\$ 137,954,772	\$ 114,818,612

Notes:

(1) In fiscal year 2011, the City implemented GASB Statement No. 54 under which governmental fund balances are reported as nonspendable, restricted, committed, assigned and unassigned.

(2) 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									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Revenues:										
Taxes	\$ 93,100,434	\$ 103,543,735	\$ 91,770,846	\$ 87,263,934	\$ 88,878,664	\$ 96,868,086	\$ 82,450,711	\$ 106,825,885	\$ 112,594,714	\$ 110,452,962
Licenses and permits	2,870,424	2,767,850	2,041,721	2,274,964	2,887,150	1,253,806	1,436,828	1,355,342	1,322,254	1,328,020
Fines and forfeitures	2,226,822	2,671,545	3,317,666	3,124,021	2,348,565	2,065,246	1,639,781	1,685,268	2,280,880	1,942,656
Investment income	13,570,315	10,890,132	10,103,986	6,299,595	8,716,624	5,077,920	2,929,237	4,698,387	5,044,602	7,006,545
Developer fees	24,058,397	17,318,134	9,252,547	11,700,991	16,498,744	13,966,814	21,742,856	9,515,921	7,484,592	11,657,266
Intergovernmental	36,107,073	43,962,835	39,497,983	41,965,596	48,177,707	21,861,011	40,953,981	28,647,410	26,409,294	23,868,074
Charges for services	52,694,312	15,679,753	12,435,955	11,877,763	11,743,505	20,907,330	23,440,813	20,748,232	20,112,124	22,647,645
Other	23,567,613	30,427,119	29,404,221	31,918,308	28,163,311	13,382,050	14,521,818	14,896,960	15,932,194	15,839,288
Total revenues	248,195,390	227,261,103	197,824,925	196,425,172	207,414,270	175,382,263	189,116,025	188,373,405	191,180,654	194,742,456
Expenditures										
Current:										
General government	46,904,990	49,596,883	43,640,514	45,966,934	39,701,396	23,833,011	25,544,079	29,341,881	26,413,901	29,087,838
Public safety	73,245,978	74,781,055	72,872,527	72,080,790	70,693,779	71,917,414	73,177,912	76,457,979	80,235,099	83,637,644
Public works	75,720,582	57,789,303	46,042,781	45,778,665	48,056,229	47,911,105	48,416,477	40,894,934	41,459,698	49,775,141
Community Development	-	-	-	-	-	-	-	-	-	1,974,046
Parks and recreation	7,503,259	6,869,089	6,969,924	5,255,812	4,030,767	4,215,643	3,471,548	3,590,441	3,746,349	4,059,567
Library	9,660,809	8,224,897	7,199,101	4,563,849	3,870,646	3,672,661	3,241,660	3,810,004	3,625,949	3,969,307
Capital outlay	36,472,182	29,525,186	19,305,564	27,628,148	34,215,021	16,182,888	21,144,133	15,347,338	22,216,530	12,976,408
Debt service:										
Principal retirement	30,892,802	7,884,493	7,686,525	7,301,362	7,911,995	8,423,156	5,113,992	54,040,855	5,340,205	34,973,439
Interest and fiscal charges	12,289,908	12,224,973	12,576,939	11,585,816	11,094,106	9,229,775	6,818,788	7,850,448	6,678,144	6,445,239
Bond issuance cost	514,994	34,485	844,584	-	-	-	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-	-	-	-	-	-	422,751
Total expenditures	293,205,504	246,930,364	217,138,459	220,161,376	219,573,939	185,385,653	186,928,589	231,333,880	189,715,875	227,321,380
Excess (deficiency) of revenues over (under) expenditures	(45,010,114)	(19,669,261)	(19,313,534)	(23,736,204)	(12,159,669)	(10,003,390)	2,187,436	(42,960,475)	1,464,779	(32,578,924)
Other financing sources (uses):										
Transfers in	53,900,545	26,104,914	50,502,425	61,296,934	56,989,583	33,900,786	20,113,296	30,478,465	21,708,446	27,905,430
Transfers out	(53,835,509)	(20,400,837)	(46,589,803)	(57,815,981)	(53,551,865)	(32,638,610)	(16,551,879)	(27,503,760)	(18,897,272)	(25,949,256)
Proceeds from long-term debt	-	-	665,884	29,355,000	42,286	3,963,104	2,174,204	2,121,500	578,224	377,487
Proceeds from bond sale	25,760,000	10,264,224	21,625,000	207,372	-	-	-	45,920,000	-	34,330,000
Payment to escrow agent trust	-	-	(15,110,000)	(16,710,000)	-	-	-	-	-	(7,135,000)
Bond premium/(bond discount)	(505,884)	-	(579,161)	(925,872)	-	-	-	3,537,111	-	2,262,493
Proceeds from sale of capital assets	-	-	-	-	9,630,000	-	-	-	-	-
Total other financing sources (uses)	25,319,152	15,968,301	10,514,345	15,407,453	13,110,004	5,225,280	5,735,621	54,553,316	3,389,398	31,791,154
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	\$ (19,690,962)	\$ (3,700,960)	\$ (8,799,189)	\$ (8,328,751)	\$ 950,335	\$ (7,969,150)	\$ 7,923,057	\$ 11,592,841	\$ 4,854,177	\$ (787,770)
Debt service as a percentage of noncapital expenditures	16.7%	8.8%	10.2%	9.6%	9.4%	10.1%	6.9%	30.3%	7.4%	20.8%

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	Taxable Assessed Value	
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%
2014	21,922,151,025	555,819,631	(831,701,747)	21,646,268,909	1,150,985,609	104,386,694	-	1,255,372,303	0.1438%
2015	23,413,030,465	542,342,957	(864,933,069)	23,090,440,353	1,142,294,084	101,995,779	-	1,244,289,863	0.1438%
2016	24,754,131,895	549,312,047	(847,445,301)	24,455,998,641	1,209,286,482	117,991,956	-	1,327,278,438	0.1438%

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

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
City Direct Rates:										
City basic rate	0.1438	0.1438	0.1438	0.1438	0.1438	0.1438	0.1438	0.1438	0.1438	0.1438
Overlapping Rates:										
Chula Vista Elementary School District Bonds	0.0266	0.0203	0.0176	0.0251	0.0261	0.0259	0.0253	0.0463	0.0475	0.04301
Sweetwater Union High School District Bonds	0.0202	0.0471	0.0462	0.0558	0.0552	0.0608	0.0586	0.0582	0.0541	0.05169
Southwestern Community College Bonds	0.0141	0.0125	0.0132	0.0344	0.0364	0.0331	0.0375	0.0368	0.0358	0.03961
MWD D/S Remainder of SDCWA 15019999	0.0047	0.0045	0.0043	0.0043	0.0037	0.0037	0.0035	0.0035	0.0035	0.0035
County of San Diego**	<u>1.0000</u>	<u>1.0000</u>	<u>1.0000</u>	<u>1.0000</u>	<u>1.0000</u>	<u>1.0000</u>	<u>1.0000</u>	<u>1.0000</u>	<u>1.0000</u>	<u>1.0000</u>
Total Overlapping Rates	<u>1.0656</u>	<u>1.0844</u>	<u>1.0813</u>	<u>1.1196</u>	<u>1.1214</u>	<u>1.1235</u>	<u>1.1249</u>	<u>1.1448</u>	<u>1.1409</u>	<u>1.1376</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	2016			2007		
	Taxable Assessed Value	Rank	Percent of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percent of Total City Taxable Assessed Value
Rohr Inc.	\$ 234,306,153	1	0.96%	98,905,821	1	0.46%
JPB Development	189,353,459	2	0.77%			-
Brisa Acquisitions LLC	118,281,029	3	0.48%			-
Regulo Place Apartments Invest	100,283,129	4	0.41%			-
Vista Pacific Villas LP	91,963,717	5	0.38%			
Olympic Pointe West Communities	88,422,185	6	0.36%			
BRE FMCA LLC	76,405,081	7	0.31%			
HCA Properties	75,089,426	8	0.31%			
Chula Vista Center L P	73,462,792	9	0.30%	67,677,615	6	0.32%
Equity Residential	68,087,322	10	0.28%			
Essel Vistan LP				96,215,799	2	0.45%
Bre Properties	-		-	78,696,784	3	0.37%
SSR Realty Advisors/CALSTRS	-		-	71,828,419	4	0.34%
Proctor Valley West Partners L L	-		-	68,558,822	5	0.32%
Duke Energy South Bay LLP	-		-	66,234,269	7	0.31%
Montecito Crossings LLC	-		-	60,545,680	8	0.28%
Camden USA Inc	-		-	58,777,582	9	0.28%
Eagle Lomas Verdes LP				<u>54,019,421</u>	10	0.25%
	<u>\$ 1,115,654,293</u>		<u>4.56%</u>	<u>721,460,212</u>		<u>3.38%</u>

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

Source: MuniServices, LLC
County of San Diego Property Tax Services

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
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%
2014	26,063,753	25,758,225	98.83%	39,776	25,798,000	98.98%
2015	27,726,666	27,398,740	98.82%	36,404	27,435,143	98.95%
2016	29,083,269	28,800,156	99.03%	68,973	28,869,128	99.26%

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 Bonds	Tax Allocation Bonds	Loans	Certificates of Participation			
2007	10,415,000	41,275,000	9,573,012	139,845,000	201,108,012	2.14%	887
2008	8,820,000	40,185,000	19,304,342	135,045,000	203,354,342	2.15%	878
2009	7,000,000	45,830,000	18,736,012	130,580,000	202,146,012	2.08%	857
2010	4,980,000	44,925,000	17,686,144	139,700,000	207,291,144	2.18%	866
2011	2,655,000	43,985,000	16,876,860	136,060,000	199,576,860	2.02%	818
2012	-	43,005,000	19,673,344	132,290,000	194,968,344	1.89%	793
2013	-	- ²	14,182,697	128,375,000	142,557,697	1.33%	575
2014	-	- ²	18,366,623	121,650,000	140,016,623	1.30%	554
2015	-	- ²	17,849,316	117,590,000	135,439,316	1.24%	530
2016	-	- ²	18,673,487	111,195,000	129,868,487	1.17%	503

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		
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%	169
2014	-	40,920	40,920	0.19%	162
2015	-	39,230	39,230	0.17%	153
2016	-	37,465	37,465	0.15%	145

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, 2016

2015-16 Assessed Valuation: \$24,455,998,641

<u>OVERLAPPING TAX AND ASSESSMENT DEBT:</u>	Total Debt		City's Share of
	<u>6/30/16</u>	<u>% Applicable (1)</u>	<u>Debt 6/30/16</u>
Metropolitan Water District	\$ 92,865,000	0.996%	\$ 924,935
Otay Municipal Water District, I.D. No. 27	4,580,000	99.995	4,579,771
Southwestern Community College District	336,243,676	51.547	173,323,528
Sweetwater Union High School District	398,811,637	61.601	245,671,957
Chula Vista City School District	52,885,000	81.179	46,078,460
Chula Vista City School District Schools Facilities Improvement Dist 1	40,640,000	77.874	31,655,781
National School District	18,000,000	3.926	706,680
City of Chula Vista Community Facilities Districts	137,605,000	100.	137,605,000
Sweetwater Union High School District Community Facilities Districts	124,594,206	15.812-100.	117,125,675
City of Chula Vista 1915 Act Bonds	6,235,000	100.	6,235,000
California Statewide Communities Development Authority 1915 Act Bonds	499,496	100.	<u>499,496</u>
TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT			\$ 764,406,283

DIRECT AND OVERLAPPING GENERAL FUND DEBT:

San Diego County General Fund Obligations	\$ 307,830,000	5.526%	\$ 17,010,686
San Diego County Pension Obligation Bonds	649,860,000	5.526	35,911,264
San Diego County Superintendent of Schools Obligations	13,295,000	5.526	734,682
Southwestern Community College District Certificates of Participation	980,000	51.547	505,161
Sweetwater Union High School District General Fund Obligations	41,850,000	61.601	25,780,019
Chula Vista City School District Certificates of Participation	165,785,000	87.179	144,529,705
City of Chula Vista Certificates of Participation	102,440,000	100%	<u>102,440,000</u>

TOTAL GROSS DIRECT AND OVERLAPPING GENERAL FUND DEBT **\$ 326,911,517**

OVERLAPPING TAX INCREMENT DEBT (Successor Agency): \$ 37,465,000 99.099-100.% \$ 37,280,746

TOTAL DIRECT DEBT **\$ 102,440,000**
TOTAL OVERLAPPING DEBT **\$ 1,026,158,546**

COMBINED TOTAL DEBT **\$ 1,128,598,546 (2)**

(1) The percentage of the overlapping debt applicable to the city is estimated using taxable assessed property value. Applicable percentages were estimated by determining the portion of the overlapping district's assessed value that is within the boundaries of the city divided by the district's total taxable assessed value.

(2) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded capital lease obligations. Qualified Zone Academy Bonds are included based on principal due at maturity.

Ratios to 2015-16 Assessed Valuation:

Total Overlapping Tax and Assessment Debt.....	3.13%
Total Direct Debt (\$102,440,000.).....	0.42%
Combined Total Debt.....	4.61%

Ratios to Redevelopment Successor Agency Incremental Valuation (\$1,326,278,438):

Total Overlapping Tax Increment Debt.....	2.81%
---	-------

CITY OF CHULA VISTA
Legal Debt Margin Information
Last Ten Fiscal Years

	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Assessed valuation	\$ 21,340,592,935	\$ 24,358,502,560	\$ 24,823,395,749	\$ 22,096,990,003	\$ 21,235,445,229	\$ 21,153,963,435	\$ 20,942,796,908	\$ 21,646,268,909	\$ 23,090,440,353	\$ 24,455,998,641
Conversion percentage	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%
Adjusted assessed valuation	5,335,148,234	6,089,623,640	6,205,848,937	5,524,247,501	5,308,861,307	5,288,490,859	5,235,699,227	5,411,567,227	5,772,610,088	6,113,999,660
Debt limit percentage	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%
Debt limit	800,272,235	913,443,846	930,877,341	828,637,125	796,329,196	793,273,629	785,354,884	811,735,084	865,891,513	917,099,949
Total net debt applicable to limit:										
Pension obligation bonds	10,415,000	8,820,000	7,000,000	4,980,000	2,655,000	-	-	-	-	-
Legal debt margin	\$ 789,857,235	\$ 904,623,846	\$ 923,877,341	\$ 823,657,125	\$ 793,674,196	\$ 793,273,629	\$ 785,354,884	\$ 811,735,084	\$ 865,891,513	\$ 917,099,949
Total debt applicable to the limit as a percentage of debt limit	1.3%	1.0%	0.8%	0.6%	0.3%	0.0%	0.0%	0.0%	0.0%	0.0%

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

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

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

Fiscal Year Ended June 30	Tax Allocation Bonds			
	Tax Increment	Debt Service		Coverage
		Principal	Interest	
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
2014	6,144,015	1,065,000	1,901,703	2.07
2015	5,648,052	1,690,000	1,840,378	1.60
2016	5,042,979	1,765,000	1,765,765	1.43

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	Pct. of S.D. County Population ¹	Pct. Change from Previous Year ¹	Median Age ¹	Avg. Household Size ¹	Educational Attainment		Pct. Below Poverty ²	Unemployment Rate ³	Personal Income (In Thousands) ⁴	Per Capita Personal Income ⁴
						% High School Graduate ²	% Bachelor's Degree or Higher ²				
2006	226,838	7.6%	3.1%	33.1	3.12	81.7%	24.1%	11.0%	4.7%	9,383,900	41,370
2007	231,597	7.7%	2.1%	33.1	3.13	79.6%	25.4%	9.1%	5.4%	9,466,000	40,870
2008	235,767	7.8%	1.8%	33.0	3.16	81.0%	25.7%	8.5%	7.0%	9,699,300	41,140
2009	239,369	7.8%	1.5%	33.1	3.20	80.0%	25.5%	11.5%	11.2%	9,495,500	39,670
2010	243,916	7.9%	1.9%	33.5	3.21	83.0%	29.1%	8.4%	12.3%	9,861,200	40,430
2011	245,958	7.9%	0.8%	33.9	3.25	82.2%	25.7%	11.6%	11.7%	10,304,600	41,900
2012	248,044	7.9%	0.8%	33.8	3.27	81.3%	27.9%	11.9%	10.4%	10,681,900	43,060
2013	252,586	8.0%	1.8%	33.8	3.29	79.0%	25.6%	15.6%	8.8%	10,770,600	42,640
2014	255,580	8.0%	1.2%	33.9	3.29	80.4%	27.8%	12.8%	8.1%	10,959,400	42,880
2015	257,989	8.0%	0.9%	34.2	3.31	82.3%	29.8%	10.6%	6.5%	11,073,200	42,920

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 2015 dollars. Per capita Personal Income was estimated by using BEA Personal Income for the Region and was adjusted based on the Census 2000 and ACS jurisdiction proportions.

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

<u>Employer</u>	<u>2016</u>		<u>2007</u>	
	<u>Number of Employees</u>	<u>Percent of Total Employment</u>	<u>Number of Employees</u>	<u>Percent of Total Employment</u>
Sweetwater Union High School District	4,385	7.19%	4,515	9.21%
Chula Vista Elementary School District	3,245	5.32%	2,708	5.52%
Rohr Inc./Goodrich Aerospace	2,468	4.05%	1,903	3.88%
Sharp Chula Vista Medical Center	2,131	3.49%	1,410	2.88%
Southwestern Community College	1,409	2.31%	2,503	5.11%
Wal-Mart	1,239	2.03%	950	1.94%
City of Chula Vista	1,195	1.96%	1,661	3.39%
Scripps Mercy Hospital Chula Vista	1,098	1.80%	900	1.84%
Costco	760	1.25%	614	1.25%
Aquatica	513	0.84%	-	-
United Parcel Service	-	-	636	1.30%

"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>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
General Government	324	302	272	273	258	269	282	312	288	205
Public safety	548	504	476	468	448	432	432	425	469	470
Public Works/Engr	237	188	181	175	155	159	164	161	161	241
Parks and Recreation	242	223	169	164	112	115	115	130	161	176
Library	227	196	189	73	41	76	82	77	88	70
Development Services	83	68	63	62	54	55	49	49	49	57
Total	<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>	<u>1,154</u>	<u>1,216</u>	<u>1,219</u>

Source: City Finance Department

CITY OF CHULA VISTA

**Operating Indicators
by Function**

Last Ten Fiscal Years

	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Police:										
Citizen-initiated calls for service	74,277	74,192	70,051	68,601	65,186	64,885	66,319	65,645	64,486	67,512
Fire:										
Number of emergency calls	14,853	14,548	14,983	11,490	11,319	12,863	12,950	14,787	18,328	19,612
Inspections	2,119	n/a	3,676	2,898	2,389	2,205	2,390	2,262	4,209	4,207
Public works:										
Street resurfacing/maintenance ¹ (square feet)	157,903	77,507	108,745	84,276	99,978	55,398	121,428	38,087	61,640	39,338
Parks and recreation:										
Number of recreation classes	2,231	2,575	2,149	2,301	2,008	1,914	2,572	2,456	2,388	3,859
Number of facility rentals	855	1,217	969	1,175	1,524	2,028	1,915	1,781	1,921	1,573
Library:										
Circulation	1,344,115	1,265,720	1,160,139	985,157	952,847	982,688	992,005	954,071	839,616	706,594
Attendance	1,148,024	1,296,245	820,243	605,979	614,841	722,310	832,975	822,895	803,535	857,475
Sewer:										
New connections	529	165	468	469	287	646	968	553	210	2211
Average daily sewage treatment (millions of gallons)	17.0	16.8	16.5	16.2	16.3	15.9	15.7	15.5	15.5	15.4

¹ 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									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Fire:										
Fire stations	9	9	9	9	9	9	9	9	9	9
Public works:										
Streets (miles)	403.3	416.9	421.0	429.5	429.5	429.5	429.5	433.9	433.9	433.9
Streetlights	8,953	9,013	9,026	9,052	9,054	9,066	9,069	9,069	9,069	9,144
Traffic signals	238	253	267	267	268	269	273	273	273	275
Parks and recreation:										
Parks (acreage) ¹	504.1	504.1	504.1	504.1	523.1	530.7	530.7	527.7	557.2	557.2
Recreation facilities	12	12	11	11	11	11	11	11	11	11
Library:										
Libraries	2	2	2	2	2	3	3	3	3	3
Sewer:										
Sewer pipes (miles)	484.2	493.8	496.5	505.0	505.0	505.0	505.0	511.3	514.315 ²	514.6
Storm drains (miles)	234.0	244.7	245.3	248.9	248.9	249.0	249.0	255.2	263.209 ³	266.2
Maximum daily treatment capacity (millions of gallons)	20.9	20.9	20.9	20.9	20.9	20.9	20.9	20.9	20.9	20.9

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

² Updated 2015 Sewer pipes (miles) per GASB 34 FY 2015

³ Updated 2015 Storm Drain (miles) per GASB 34 FY 2015

Source: City of Chula Vista

