



CITY OF
CHULA VISTA

California



Comprehensive Annual Financial Report

**FISCAL YEAR ENDED
JUNE 30, 2019**



Comprehensive Annual Financial Report

*For The Fiscal Year Ended
June 30, 2019*

Mayor
Mary Casillas Salas

City Council

Jill Galvez
Mike Diaz
John McCann
Stephen Padilla

City Manager
Gary Halbert

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



CITY OF
CHULA VISTA

**CITY OF CHULA VISTA
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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CITY OF
CHULA VISTA



March 25, 2020

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, 2019 is hereby submitted to you. The City compiles and prepares the annual financial report to provide interested parties with reliable information concerning the financial condition and results of operations for the City.

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

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

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

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

Financing Authority, Chula Vista Municipal Financing Authority, Chula Vista Industrial Development Authority, and Chula Vista Housing Authority.

Profile of the Government

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

Chula Vista was incorporated in 1911, and functions under a City Charter with a Council/Manager form of government. The City is governed by a four-member Council and a Mayor, who serves four-year overlapping terms, and, in addition to the City Attorney, is elected on a citywide basis. The City Council appoints the City Manager and the City Clerk. Municipal services provided include police, fire, parks and 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 SANDAG estimates that the median household income in Chula Vista is \$75,597.

The City of Chula Vista, with a population of approximately 271,651, per the US Census is the second largest community in San Diego County. The San Diego Association of Governments (SANDAG) projects that the City of Chula Vista will reach a population of approximately 345,586 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 three decades, primarily through new development in the eastern portion of the City.

Long-Term Financial Planning

The City updated the General Fund Long-Term Financial Plan as part of its annual budget development process. The forecast analyzed revenue and expenditure estimates and assumptions over a 10-year period to assess the City's ability 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 goal of the financial forecast is to match the availability of revenues against expenditures over time and update budgetary and financial plans accordingly. In summary, the Long-Term Financial Plan provides an in-depth analysis of the City's fiscal condition to aide in proactive financial decision making and to serve as a planning tool to bring a long-term perspective to the budget development process.

The forecast anticipated moderate revenue growth for the next ten years and identified a structural imbalance beginning in fiscal year 2021, primarily due to expenses related to pension, healthcare, and public safety staffing costs.

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 City's Governmental Funds (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, 2018. This was the 19th 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 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, 2019

City Council

Mary Casillas Salas	Mayor
Stephen Padilla	Deputy Mayor
Michael Diaz	Councilmember
Jill Galvez	Councilmember
John McCann	Councilmember

Administration

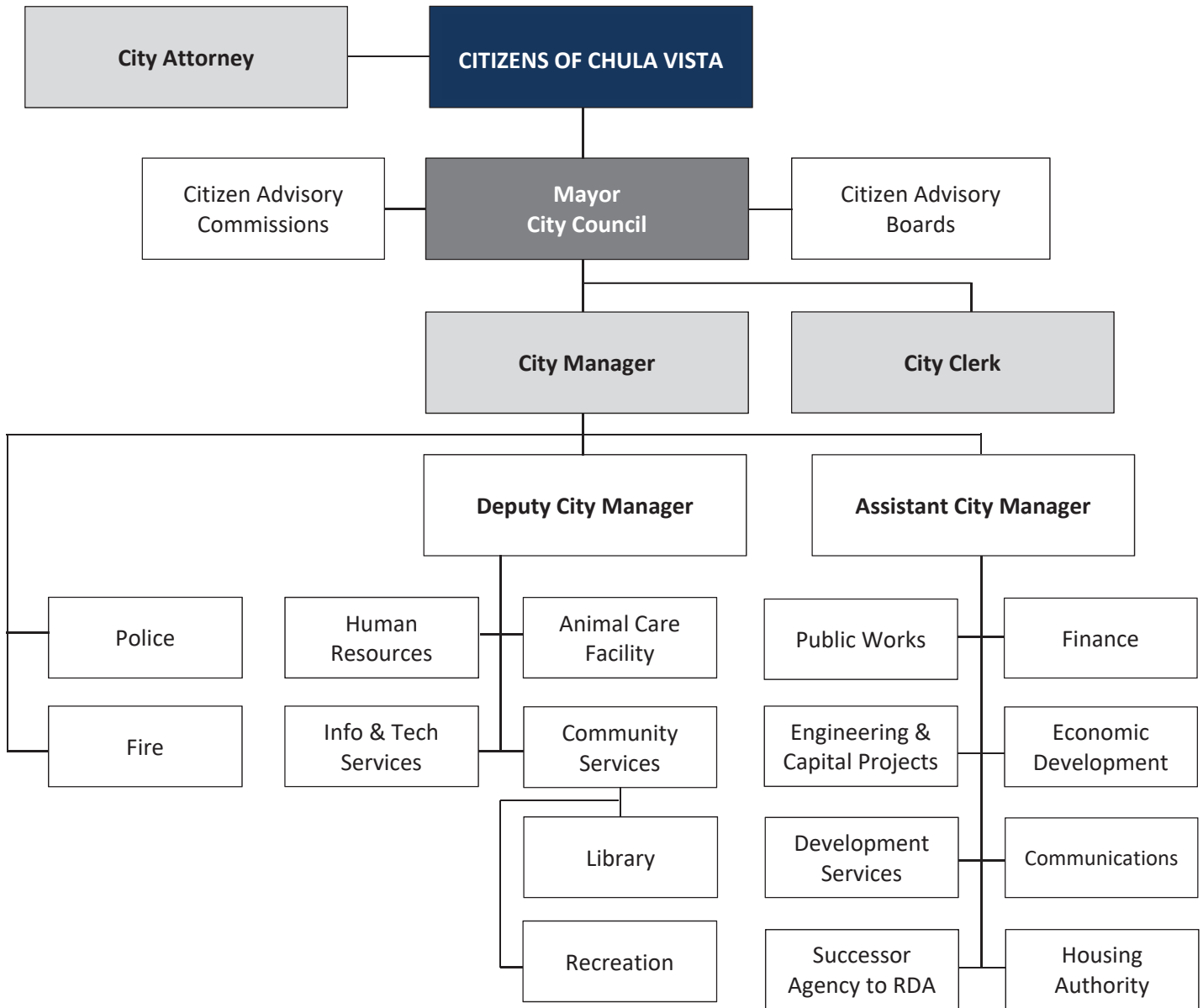
Gary Halbert	City Manager
Maria Kachadoorian	Assistant City Manager
Kelley Bacon	Deputy City Manager
Glen R. Googins	City Attorney
Kerry K. Bigelow	City Clerk

Department Heads

David Bilby	Director of Finance/Treasurer
Kelly Broughton	Director of Development Services
Eric Crockett	Director of Economic Development
Courtney Chase	Director of Human Resources
Edward Chew	Director of Information Technology Services
Jim Geering	Fire Chief
Iracsema Quilantan	Director of Public Works
Roxana Kennedy	Chief of Police
Tracy Lamb	Director of Community Services
William Valle	Director of Engineering & Capital Projects



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, 2018

Christopher P. Morrill

Executive Director/CEO



CITY OF
CHULA VISTA



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, 2019, 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, 2019, 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 Sundry Grants special revenue fund and Housing Successor Agency special revenue fund, the schedule of changes in net pension liability and related ratios - miscellaneous, the schedule of plan contributions - miscellaneous, the schedule of changes in net pension liability and related ratios - safety, the schedule of plan contributions - safety, and the schedule of changes in the total OPEB liability and related ratios 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, budgetary 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.



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 March 25, 2020 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Lance, Soll & Lingham, LLP

Brea, California
March 25, 2020



**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, 2019. 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. At June 30, 2019, the assets and deferred outflows of the City exceeded its liabilities and deferred inflows by \$1,438.3 million (net position). Total net position consisted of net investment in capital assets of \$1,319.6 million, restricted net position of \$167.2 million, and unrestricted net position of a negative \$48.5 million.
2. Total unrestricted net position for governmental activities was \$66.7 million lower than the prior fiscal year, a decrease of 32.36%, whereas unrestricted net position for business type activities, was \$12.3 million higher than the previous year, a 15.66% increase.
3. The City's total net position increased by \$64.3 million in fiscal year 2019, including a restatement of net position for governmental activities. The net position for governmental activities increased by a net \$57.6 million, while the net position for business type activities increased by \$6.7 million.
4. The City's governmental funds reported combined ending fund balances of \$289.3 million, an increase of \$30.8 million, or 12%, net of a negative \$.90 million restatement for fund balance.
5. Total citywide liabilities decreased by \$17.5 million. Liabilities for governmental activities decreased by \$18.2 million offset by an increase of \$.70 million for business-type activities.
6. The City's total long-term debt obligations for governmental activities had a net decrease of \$12.5 million or 6.20% during fiscal year 2019. The decrease is primarily due to the principal payments or debt retired in the amount of \$13.3 million offset by new capital leases in the amount of \$.76 million issued during the fiscal year.
7. On June 5, 2018, the City's voters approved Measure A, a \$0.50 sales tax to fund public safety staffing and services, with an effective date of October 1, 2018. Sales tax will be collected in perpetuity and is estimated to provide approximately \$18.3 million annually. Sales tax collected in relation to Measure A totaled \$14.1 million for the fiscal year.

OVERVIEW OF FINANCIAL STATEMENTS

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

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

Government-Wide Financial Statements

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

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

The government-wide 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, 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 customers for goods and services. The business-type activities of the City include the Sewer Fund, the Sewer Development Impact Fees, the Development Services Fund, the Chula Vista Elite Athlete Training Center Fund, and the Transit Fund.

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 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 pages immediately following each governmental fund financial statement.

As of Fiscal Year 2018-19, the City maintains numerous governmental funds within the adopted budget and its financial system. However, for financial reporting, the funds are summarized as follows for presentation purposes:

Fund Category	Major Funds	Non-Major Funds	Total
General Fund	1	0	1
Special Revenue	2	15	17
Capital Project	1	9	10
Debt Service	2	3	5
Permanent	0	0	0
Total Presented	6	27	33

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

Proprietary Funds – The City maintains two different types of proprietary funds - enterprise funds and internal service funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its sewer, development services, transit, and Chula Vista Elite Athlete Training Center. 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 concerning the City's budgetary results for the general fund and all major special revenue funds with an appropriated budget. Required supplementary information also includes trend data for the City's pension plans and other postemployment benefits.

Other supplementary information, including combining statements for nonmajor governmental funds, nonmajor proprietary funds, internal service funds, and all agency funds, are presented immediately following the required supplementary information. Budgetary comparison schedules are also included in this section for all nonmajor governmental funds with an appropriated budget.

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. For the City of Chula Vista, total net position (governmental and business-type activities) totaled \$1,438.3 million at the close of the fiscal year ending June 30, 2019. This is a net increase of \$64.3 million when compared to the prior year. There was an increase in the City's governmental funds of \$57.6 million and an increase in business-type activities of \$6.7 million. A summary schedule follows which shows the components that make up the City's net position at June 30, 2019 and 2018.

City of Chula Vista Net Position Fiscal Year Ending June 30

	Governmental Activities		Business-Type Activities		Total	
	2019	2018	2019	2018	2019	2018
Current Assets	\$ 286,691,074	\$ 221,781,918	\$ 129,773,395	\$ 113,276,199	\$ 416,464,469	\$ 335,058,117
Non-Current Assets	48,521,709	72,980,579	(254,210)	(370,067)	48,267,499	72,610,512
Capital Assets	1,181,813,175	1,160,011,130	322,089,740	327,687,650	1,503,902,915	1,487,698,780
Total Assets	1,517,025,958	1,454,773,627	451,608,925	440,593,782	1,968,634,883	1,895,367,409
Deferred outflow of resources	58,758,574	77,937,482	4,167,679	6,759,961	62,926,253	84,697,443
Total Deferred Outflows	58,758,574	77,937,482	4,167,679	6,759,961	62,926,253	84,697,443
Current Liabilities	41,400,580	35,429,249	2,547,039	1,588,713	43,947,619	37,017,962
Non-Current Liabilities	497,803,298	521,981,978	38,399,520	38,656,062	536,202,818	560,638,040
Total Liabilities	539,203,878	557,411,227	40,946,559	40,244,775	580,150,437	597,656,002
Deferred inflows of resources	11,193,485	7,490,286	1,917,918	882,264	13,111,403	8,372,550
Total Deferred Inflows	11,193,485	7,490,286	1,917,918	882,264	13,111,403	8,372,550
Net Position						
Net Investment in Capital Assets	997,561,287	1,029,933,503	322,072,495	327,687,650	1,319,633,782	1,357,621,153
Restricted	167,220,184	143,958,910	-	-	167,220,184	143,958,910
Unrestricted	(139,394,302)	(206,082,817)	90,839,632	78,539,054	(48,554,670)	(127,543,763)
Total Net Position	\$ 1,025,387,169	\$ 967,809,596	\$ 412,912,127	\$ 406,226,704	\$ 1,438,299,296	\$ 1,374,036,300

As the table above illustrates, an amount of \$1,319.6 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 for governmental activities – \$167.2 million or 11.6% – and represents resources that are subject to external restrictions on how they may be used. Restricted net position increased \$23.3 million from the prior year mainly due to revenues exceeding program costs for capital related projects, public safety, and community development programs.

Unrestricted net position represents the portion of net position that can be used to finance daily operations without constraints established by debt covenants, enabling legislation, or other legal requirements. The remaining balance of unrestricted net position – (\$48.5) million or (3.38%) – is comprised of (\$139.3) million for governmental activities offset by \$90.8 million for business-type activities, a decrease of \$78.9 million from the prior year.

At the end of the fiscal year, the City was able to report positive balances for all categories of net position for its business-type activities, however, both the total primary government as well as the governmental activities column show a negative unrestricted net position as a result of net pension and total OPEB liabilities.

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

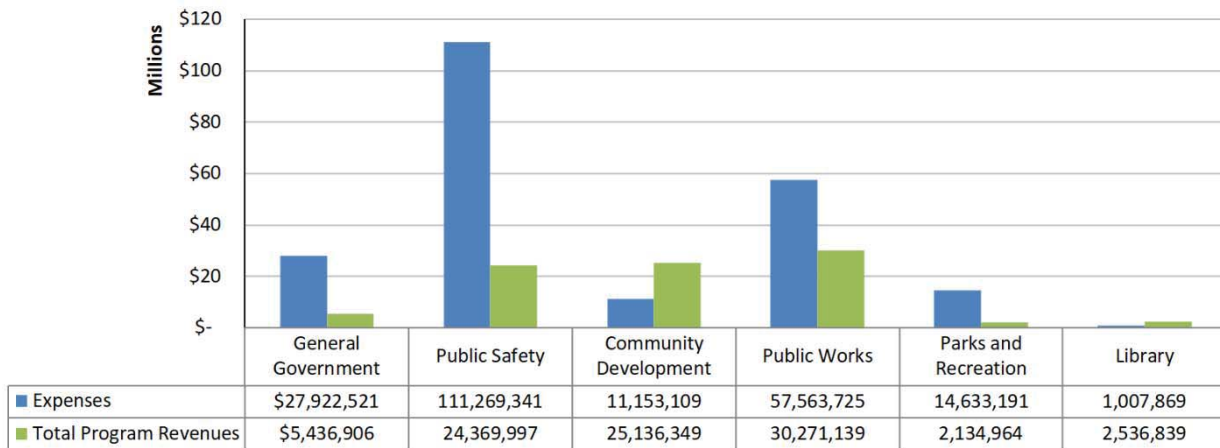
	Governmental Activities		Business-Type Activities		Total	
	2019	2018	2019	2018	2019	2018
Revenues:						
Program Revenues:						
Charges for Services	\$ 42,146,866	\$ 52,511,700	\$ 54,796,228	\$ 49,668,903	\$ 96,943,094	\$ 102,180,603
Operating Grants & Contributions	20,686,617	21,246,015	163,380	104,899	20,849,997	21,350,914
Capital Grants & Contributions	27,052,711	33,859,885			27,052,711	33,859,885
General Revenues:					-	-
Property Taxes	59,841,972	56,512,850			59,841,972	56,512,850
Sales Taxes	73,187,780	57,541,043			73,187,780	57,541,043
Franchise Taxes	12,121,018	11,750,192			12,121,018	11,750,192
Utility User Taxes	4,882,704	5,563,291			4,882,704	5,563,291
Business License Taxes	1,554,970	1,532,647			1,554,970	1,532,647
Transient Occupancy Taxes	4,501,935	4,104,886			4,501,935	4,104,886
Property Transfer Taxes	1,514,017	1,340,086			1,514,017	1,340,086
Construction Taxes	10,629,530	8,205,054			10,629,530	8,205,054
Investment Earnings	12,243,685	5,652,663	4,575,679	1,155,739	16,819,364	6,808,402
Miscellaneous	13,963,434	12,675,502	252,213	414,696	14,215,647	13,090,198
Transfer from Successor Agency		(1)			-	(1)
Gain (Loss) Disposal of Capital Assets	102,283		60,770		163,053	-
Total Revenues	284,429,522	272,495,813	59,848,270	51,344,237	344,277,792	323,840,050
Expenses:						
General Government	\$ 27,922,521	\$ 29,311,449			\$ 27,922,521	\$ 29,311,449
Public Safety	111,269,341	106,802,130			111,269,341	106,802,130
Community Development	11,153,109	18,617,269			-	-
Community Services					-	-
Public Works	57,563,725	72,192,449			57,563,725	72,192,449
Parks and Recreation	14,633,191	9,553,392			14,633,191	9,553,392
Library	1,007,869	1,542,733			1,007,869	1,542,733
Interest on Long-Term Debt	6,740,877	7,718,905			6,740,877	7,718,905
Sewer Funds			36,815,795	34,857,066	36,815,795	34,857,066
Bayfront Trolley Station				27	-	27
Transit			160,797	13,008	160,797	13,008
Sewer DIFs			495,865	34,547	495,865	34,547
Development Services Fund			10,755,535	10,683,709	10,755,535	10,683,709
Chula Vista Mini Golf Course				-	-	-
Chula Vista Elite Athlete Training Ctr			595,579	676,260	595,579	-
Total Expenses	230,290,633	245,738,327	48,823,571	46,264,617	267,961,095	272,709,415
Increase/(Decrease) in Net Position Before					65,163,588	31,837,106
Transfers	54,138,889	26,757,486	11,024,699	5,079,620		
Transfers	4,339,276	4,170,702	(4,339,276)	(4,170,702)	-	-
Extraordinary Gain (Loss)					-	-
Change in Net Position	58,478,165	30,928,188	6,685,423	908,918	65,163,588	31,837,106
Net Position, Beginning of Year - Restated	966,909,004	936,881,408	406,226,704	405,317,786	1,373,135,708	1,342,199,194
Net Position, End of Year	\$ 1,025,387,169	\$ 967,809,596	\$ 412,912,127	\$ 406,226,704	\$ 1,438,299,296	\$ 1,374,036,300

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

Governmental Activities

Governmental activities increased the City’s net position by \$57.6 million, which partially offsets the City’s negative unrestricted net position due to pension and OPEB related liabilities and restatements of beginning net position. The City received a total of \$89.9 million in program revenues from governmental activities in fiscal year 2018-19, a decrease of \$17.7 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 \$89.9 million in fiscal year 2018-19. 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 \$10.4 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	2019	2018	Increase/ (Decrease)
General Government	\$ 5,004,895	\$ 8,562,792	\$ (3,557,897)
Public Safety	5,865,227	178,674	5,686,553
Community Development	4,701,195	17,920,527	(13,219,332)
Public Works	23,562,841	23,487,119	75,722
Parks and Recreation	2,134,964	1,490,236	644,728
Library	877,744	872,352	5,392
Total Charges for Services	\$ 42,146,866	\$ 52,511,700	\$ (10,364,834)

Operating Grants and Contributions for governmental activities had a net decrease of \$0.56 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	2019	2018	Increase/ (Decrease)
General Government	\$ 324,010	\$ 2,204,996	\$ (1,880,986)
Public Safety	18,493,627	14,305,438	4,188,189
Community Development	1,758,842	4,643,084	(2,884,242)
Public Works	1,000	2,000	(1,000)
Library	109,138	90,497	18,641
Total Operating Grants and Contributions	\$ 20,686,617	\$ 21,246,015	\$ (559,398)

Capital Grants and Contributions for governmental activities had a net decrease of \$6.8 million from the previous fiscal year. Changes by service category are summarized in the table below.

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

Service Category	2019	2018	Increase/ (Decrease)
General Government	\$ 108,001	\$ 74,527	\$ 33,474
Public Safety	11,143	18,139	(6,996)
Community Services	18,676,312	21,855,233	(3,178,921)
Public Works	6,707,298	2,715,972	3,991,326
Parks and Recreation	-	6,811,440	(6,811,440)
Library	1,549,957	2,384,574	(834,617)
Total Capital Grants and Contributions	\$ 27,052,711	\$ 33,859,885	\$ (6,807,174)

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 \$194.4 million in fiscal year 2018-19. The largest percentage of general revenues received during the year for governmental activities were taxes of \$168.2 million, which included significant amounts for Property Taxes of \$59.8 million, Sales Taxes of \$73.2 million, and Franchise Taxes of \$12.1 million. Taxes increased a total of \$21.7 million from the prior year primarily due to sales tax related to Measure A that went into effect this fiscal year to fund staffing and services for public safety.

The City's General Revenues increased as a whole by \$29.6 million when compared to the prior fiscal year. While most of the revenue categories increased moderately from last year, there were significant increases in Property Taxes, Sales Taxes, Construction Taxes, Investment Earnings, and Miscellaneous Revenues. These significant changes are described in detail below.

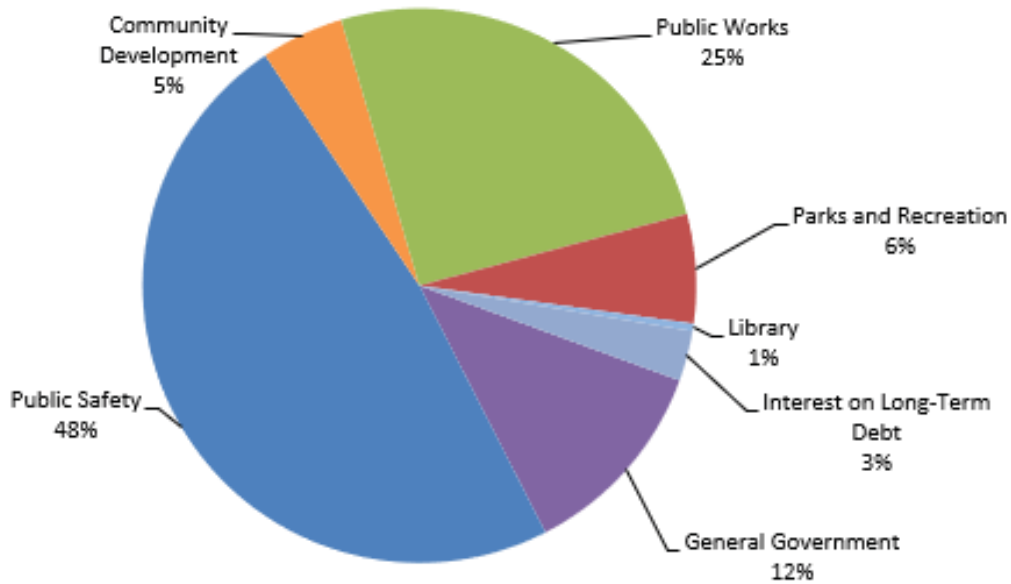
**General Revenues
As of June 30**

	2019	2018	Increase/ (Decrease)
Property Taxes	\$ 59,841,972	\$ 56,512,850	\$ 3,329,122
Sales Taxes	73,187,780	57,541,043	15,646,737
Franchise Taxes	12,121,018	11,750,192	370,826
Utility User Taxes	4,882,704	5,563,291	(680,587)
Business License Taxes	1,554,970	1,532,647	22,323
Transient Occupancy Taxes	4,501,935	4,104,886	397,049
Property Transfer Taxes	1,514,017	1,340,086	173,931
Construction Taxes	10,629,530	8,205,054	2,424,476
Investment Earnings	12,243,685	5,652,663	6,591,022
Miscellaneous	13,963,434	12,675,502	1,287,932
Total General Revenues	\$ 194,441,045	\$ 164,878,214	\$ 29,562,831

The increase in property tax revenue can be attributed mainly to an increase in total assessed property value combined with a significant decrease county-wide in the total number of foreclosures in comparison to the prior year. The increase in sales tax revenue is largely attributable to the collection of the City's 0.5% Measure P transaction and use tax to fund asset replacement as well as the new collection of Measure A sales tax that into effect October 1, 2018. Transient Occupancy Taxes increased due to the opening of a new hotel in the eastern portion of the City. The increase in Construction Taxes is primarily due to an increase in development activity in the fiscal year. The increase in Investment Earnings was largely due to a higher yield on the City's investment portfolio, along with a larger portfolio as reflection of bond proceeds' investment. Lastly, Miscellaneous Revenues increased due to revenue reported as unavailable revenue in the governmental funds and recognized in the statement of activities.

Total governmental activity type expenses were \$230.3 million in fiscal year 2018-19. The largest expenses were incurred for Public Safety, Public Works and General Government. These three activities combined account for 85.44% of all general activity expenses. These expenses do not include capital outlays, which are reflected in the City’s capital assets.

Governmental Expenses by Activity



Business Type Activities

Net position for business-type activities was \$412.9 million, an increase of \$6.7 million from the prior fiscal year. Overall expenses for the business-type activities showed a \$2.5 million increase over the previous fiscal year primarily related to sewer program costs.

Total program revenues for business-type activities were \$54.8 million and are composed primarily of sewer fees (\$45.5 million) and development fees (\$9.3 million). Total expenses for the business-type activities were \$48.8 million and were mainly for expenses related to Sewer (\$36.8 million) and processing of development permits and plans (\$10.8 million).

FUND LEVEL FINANCIAL ANALYSIS

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

Governmental Funds

The City uses governmental fund accounting to ensure compliance with budgetary allocations and to maintain control over resources that are legally, or otherwise, restricted for specific purposes. The following is a discussion of the significant changes for the City's 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 \$188.1 million in revenues and \$184.9 million in expenditures, resulting in revenues over expenditures in the amount of \$ 3.2 million. After accounting for net other financing sources of \$7.5 million, the fund balance for the General Fund increased by \$10.7 million primarily due to the increase in sales tax related to Measure A that went into effect this fiscal year.

Total fund balance at June 30, 2019 was \$118.9 million, composed of \$136.0 million in assets offset with \$8.5 million in liabilities and \$8.6 million in deferred inflows of resources. Total fund balance included \$7.6 million of nonspendable, which represents that portion of fund balance that is not available for appropriation. Committed fund balance totaled \$46.4 million, including \$39.1 million committed to various capital projects and \$7.3 million committed for economic contingency. 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 \$41.5 million, represents that portion of a fund balance that includes amounts that are constrained by the government's intent to be used for specific purposes, but that are neither restricted nor committed. The City Council has delegated its authority to assign fund balance amounts to the City's Director of Finance. The final component of total fund balance is unassigned fund balance. Totaling \$23.4 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 \$20.8 million and expenditures of \$13.2 million, resulting in revenues over expenditures in the amount of \$7.6 million. The Sundry Grants fund balance increased by \$5.9 million for the fiscal year, after accounting for net other financing uses of \$1.7 million and a restatement of (\$0.5) million. Total fund balance at June 30, 2019 was

\$9.9 million, composed primarily of restricted fund balance, except for a small amount of nonspendable fund balance comprised of prepaid costs.

Housing Successor Agency 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 total revenues of \$2.5 million composed primarily of interest earnings, property rentals and loan repayments from affordable housing projects. Total fund balance as of June 30, 2019 was \$12.8 million, a \$2.5 million increase from the prior year, composed entirely of restricted fund balance.

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.

Revenues for this fund totaled \$18.1 million attributable to building permit fees for new development. Expenditures totaled \$4.2 million, composed primarily of capital expenditures on Telegraph Canyon Drainage, Transportation DIF, and the Western Transportation DIF, which combined for \$3.5 million.

Total fund balance increased by \$9.3 million for the year. At June 30, 2019, fund balance in the amount of \$55.0 million was presented as restricted fund balance related to various capital projects for public facilities due to new development.

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 \$44.4 million, an increase of \$6.3 million from the prior fiscal year. In addition, non-operating revenues totaled \$4.4 million which included interest income and a gain on disposal of capital assets. Operating expenses totaled \$36.9 million for the fiscal year, with the most significant cost related to the wastewater treatment by the City of San Diego in the amount of \$29.3 million.

After accounting for all revenues and expenses, both operating and non-operating, net position of the fund increased by \$8.9 million for the year, totaling \$252.2 million as of June 30, 2019. Of total net position, \$125.2 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. Current assets total \$123.8 million, comprised of cash and investments (\$116.2 million) and accounts receivable (\$7.7 million). Fund liabilities at the end of

the fiscal year totaled \$16.3 million, of which \$1.7 million were considered current liabilities. The fund had no outstanding bonded debt.

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

Operating revenues totaled \$1.3 million. In addition, non-operating revenues and expenses netted together for a total of \$.31 million in expenses over revenues mainly due to interest expense greater than interest income for the year. Operating expenses totaled \$20,000 for the year, comprised of administration and depreciation.

Net position of the fund was negative \$14.3 million primarily due to an interfund loan and was comprised of \$4.2 million in assets and \$18.6 million in liabilities. There are no deferred outflows or inflows.

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

Operating revenues totaled \$9.4 million and were primarily comprised of permits and fees. Operating expenses totaled \$10.8 million for the year, mostly comprised of personnel service costs. Nonoperating revenues and expenses were comprised of interest revenue. The sum of all transfers reflect funding to and from other funds for subsidies and overhead expenses.

Net position of the fund was negative \$21.5 million primarily due to long-term pension liabilities. Assets (both current and noncurrent) totaled \$1.7 million. Current liabilities were \$0.73 million and were largely attributed to compensated absences accrual (\$0.3 million), accrued liabilities (\$0.2 million), and accounts payable (\$0.25 million). Noncurrent liabilities totaled \$ 23.9 million and were mainly due to pension liabilities. Likewise, the deferred outflows and inflows, \$2.6 million and \$1.2 million, respectively were pension related.

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

Net position decreased by \$.44 million from the prior year mainly due depreciation expense and administrative costs. This fund's primary asset consists of the land and facilities held for the Chula Vista Elite Athlete Training Center in the amount of \$196.7 million. Current liabilities totaled \$0.2 million. Net position of the fund was \$196.7 million primarily due to the facility contribution from the US Olympic Committee in January 2017.

GENERAL FUND BUDGETARY HIGHLIGHTS

The final amended general fund budget totaled \$259,117,874 including \$33,161,792 in budget amendments to the originally adopted budget and encumbrances of \$25,789,927 which will fund contractual obligations and outstanding purchase orders. The budget amendments occurred because of: modification of spending specific to Measure A, the City’s half cent sales tax which will fund public safety staffing; Measure P, the City’s half cent sales tax which will fund infrastructure repair/replacement over the next several years; staffing and organizational changes within various City departments; transfers out to other funds; and new supplies and services appropriations approved subsequent to budget adoption. The General Funds’ budget amendments of \$33,161,792 are summarized as follows:

Resolution	Budget Amendments	Expenditure
2018-180	CIP Transfer (Measure P)	\$0
2018-201	CIP Allocations (Measure P)	\$3,673,769
2018-226	First Quarter Budget Adjustments	\$317,912
2018-257	Appropriations (Measure A)	\$19,778,755
2019-010	MTS Appropriation (Engineering)	\$180,000
2019-028	Second Quarter Budget Adjustments	\$2,154,574
2019-012	WEEP Grant (Economic Development)	\$5,000
2019-046	SANDAG Bike Grant (Economic Development)	\$3,000
2019-046	Cannabis Appropriation (Finance)	\$539,500
2019-055	CIP Appropriations/Transfers (Measure P)	\$301,769
2019-061	BRT (Public Works)	\$28,860
2019-104	Third Quarter Budget Adjustments	\$470,342
2019-044	Appropriation for Fire Station 9 (Engineering)	\$530,000
2019-063	Staff Time Allocation (Fire)	\$25,852
2019-191	FY2019 Year-End Budget Adjustments	\$5,152,459
TOTAL GENERAL FUND BUDGET AMENDMENTS		\$33,161,792

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, 2019, amounts to \$1,503.9 million, net of accumulated depreciation of \$639.4 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 an increase of \$16.2 million, net of accumulated depreciation. Additional information on the City’s capital assets can be found in Note 5 of the Notes to the Financial Statements.

Debt Administration

Long Term Debt - At June 30, 2019, the City had \$188.8 million in debt outstanding compared to \$201.3 million last year, a net decrease of \$12.5 million or 6.20%. This decrease is due to payments for principal in the amount of \$13.3 million offset by new capital leases for \$.76 million. A majority of this debt is in the form of Lease Revenue Bonds (\$85.4 million), and Certificates of Participation (\$74.8 million). The remainder of the outstanding long-term debt is in the form of a CDBG Section 108 Loan, bond premium, notes payable, and capital lease obligations. The City has no outstanding general obligation debt.

As of June 30, 2019, the City has maintained its AA- rating by Standard & Poor's for Certificates of Participation, which represents a stable outlook. In addition, the Chula Vista Municipal Financing Authority maintained its AA- rating while Chula Vista Public Financing Authority is rated BBB by Standard & Poor's. Additional information on the City's long-term debt obligations can be found in Note 6 of the Notes to the Financial Statements.

ECONOMIC 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 2018-2019 fiscal year was \$29,982,388,696. This is an increase of \$1,620,955,692, or 5.72% over the 2017-2018 assessed valuation. It should be noted that assessed value was set as of January 1, 2018. Actual current secured property tax revenues for the 2018-19 fiscal year totaled \$34.5 million, which is \$2.2 million more than collected in the prior year.

Building Activity

The valuation of all building and related permits totaled \$321.4 million for the 2018-19 fiscal year. This is approximately 60.2% less than the valuation of \$806.9 million for these permit categories in the prior fiscal year.

	As of June 30			
Building Permit Valuation	2019	2018	Change \$	Change %
Residential	\$ 191,985,894	\$ 543,235,091	\$ (351,249,197)	-64.7%
Non-Residential	39,165,746	186,821,332	\$ (147,655,585)	-79.0%
Additions & Alterations	90,065,777	76,434,364	\$ 13,631,413	17.8%
Demolitions	166,000	412,000	\$ (246,000)	-59.7%
Total	\$ 321,383,417	\$ 806,902,786	\$ (485,519,369)	-60.2%

The issuance of building permits is a result of several different factors, the largest of which are market based. Permits are not pulled unless there is sufficient demand in the market or the builders are able to sell the homes for a sufficient price to cover costs and a profit margin. The other factor impacting the issuance of building permits is the development timeline, and whether the developers have all the necessary approvals in place to move forward with construction. Building permit activity in 2019 were on par with the 2017 numbers. The 2018 building permit activity were higher mainly due to the developer's having entitlements ready as well as an available market for them to construct the homes.

Local Economy

The San Diego area economy showed signs of continued improvement over the past year as indicated with decreased unemployment. According to the U.S. Bureau of Labor Statistics, the seasonally unadjusted unemployment rate in San Diego County was 3.3 percent rate in June 2019, which is lower than the 3.6 percent rate recorded one year ago in June 2018. The regional unemployment rate for June 2019 remained below both the State and national unemployment rates. California's pace of job growth in the first half of 2019 has been slower than recent years according to Beacon Economics.

The consumer price index for the greater San Diego area showed an increase of 3.4 percent for the calendar year 2018, which is greater than the 3.0 percent rate for calendar year 2017. Consumer price index information for the San Diego area is only released twice each year, June and December. The consumer price index for the first half of calendar year 2018 increased at an annual rate of 3.0 percent, whereas the second half of the year showed a rate increase of 3.7 percent, resulting in the overall total rate for the year of 3.4 percent. For the first half of calendar year 2019, the rate increased at an annual rate of 2.8 percent.

In June 2019, the region's housing market reported 1,880 existing single-family homes sold, which was 16.3 percent less than the prior year, which reported 2,247 single-family homes sold in June 2018. On average, single family homes in the region were on the market for 27 days in June 2019, an increase of 1 day of market time in comparison to June 2018.

The median price for the region in June 2019 was \$674,900, an increase of 3.2% compared to one year ago, when the median price was \$654,000.

The table below presents the City's five zip codes median listing price for single family homes comparing data for June 2019 and July 2018. This information was obtained from Zillow Inc., a company that tracks and analyzes real estate markets.

Data for June 2019 Compared to July 2018

		Median Price		
Zip Code	Locale	2019	2018	Percent Change
91910	North	529,691	547,000	-3.2%
91911	South	487,056	499,190	-2.4%
91913	Eastlake	566,035	553,900	2.2%
91914	NE	683,148	730,000	-6.4%
91915	SE	547,978	514,950	6.4%

As of the issuance of the CAFR, the San Diego County as well as the entire nation, was dealing with a global pandemic as declared by the World Health Organization in early March 2020. Our City continues to closely monitor the spread of the novel coronavirus (COVID-19), and has implemented certain measures, to help ensure the health and safety for our employees and the public we serve. This is an emerging situation and any significant effect on financial position or results of operations cannot be determined at this time.

Fiscal Year 2018-19 Budget

The City ended the 2018-19 fiscal year with an unassigned fund balance of \$23.4 million and a committed fund balance of \$46.4 million, including \$39.1 million in Measure P bond proceeds and transaction & use taxes, and \$7.3 million for Economic Contingency Reserves within the General Fund.

In June 2019, the Chula Vista City Council adopted the fiscal year 2019-20 budget which provides \$387.3 million in appropriations to fund all City activities. The General Fund budget total is \$197.0 million. The City continues to adopt a one-year budget.

The City's property tax values continue to recover from the late 2000's national mortgage crisis and recession. Based on information received from the San Diego County Assessor, Chula Vista's projected change in total assessed value for fiscal year 2019-20 is 6.02% compared to 2018-19 total assessed values. Management budgeted anticipated property tax revenue growth in 2019-20 at 3.0% greater than 2018-19 budgeted 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, California 91910.

BASIC FINANCIAL STATEMENTS



GOVERNMENT-WIDE FINANCIAL STATEMENTS



CITY OF CHULA VISTA

STATEMENT OF NET POSITION
JUNE 30, 2019

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current assets:			
Cash and investments	\$ 227,919,777	\$ 122,115,653	\$ 350,035,430
Receivables:			
Accounts	5,107,452	7,657,742	12,765,194
Taxes	17,911,727	-	17,911,727
Accrued interest	592,918	-	592,918
Deferred loans	54,102,286	-	54,102,286
Allowance for uncollectible loans	(38,951,013)	-	(38,951,013)
Due from Successor Agency of Chula Vista RDA	10,109,831	-	10,109,831
Prepaid costs	215,282	-	215,282
Due from other governments	9,682,814	-	9,682,814
Total Current Assets	<u>286,691,074</u>	<u>129,773,395</u>	<u>416,464,469</u>
Non-current assets:			
Restricted assets:			
Cash and investments	818,490	-	818,490
Cash with fiscal agent	47,449,009	-	47,449,009
Internal balances	254,210	(254,210)	-
Capital assets not being depreciated	526,719,322	184,466,251	711,185,573
Capital assets, net of depreciation	655,093,853	137,623,489	792,717,342
Total non-current assets	<u>1,230,334,884</u>	<u>321,835,530</u>	<u>1,552,170,414</u>
Total Assets	<u>1,517,025,958</u>	<u>451,608,925</u>	<u>1,968,634,883</u>
Deferred Outflows of Resources:			
Deferred charge on refunding	4,573,448	-	4,573,448
Deferred items related to pensions	53,677,220	4,111,322	57,788,542
Deferred items related to OPEB	507,906	56,357	564,263
Total Deferred Outflows of Resources	<u>58,758,574</u>	<u>4,167,679</u>	<u>62,926,253</u>
LIABILITIES			
Current liabilities:			
Accounts payable	10,645,938	688,315	11,334,253
Accrued liabilities	3,549,135	316,674	3,865,809
Accrued interest	1,713,220	-	1,713,220
Retention payable	617,375	53,128	670,503
Unearned revenue	846,549	1,047,145	1,893,694
Compensated absences due within one year	5,876,389	441,777	6,318,166
Claims payable - due within one year	4,000,000	-	4,000,000
Developer deposits payable	1,484,478	-	1,484,478
Short-term portion of bonds, leases, and notes payable	12,667,496	-	12,667,496
Total current liabilities	<u>41,400,580</u>	<u>2,547,039</u>	<u>43,947,619</u>
Non-current liabilities:			
Compensated absences - due in more than one year	2,118,442	213,454	2,331,896
Claims payable - due in more than one year	20,237,293	-	20,237,293
Total OPEB liability	14,346,358	1,591,855	15,938,213
Net pension liability	284,943,365	36,576,966	321,520,331
Long-term portion of bonds, leases, and notes payable	176,157,840	17,245	176,175,085
Total non-current liabilities	<u>497,803,298</u>	<u>38,399,520</u>	<u>536,202,818</u>
Total Liabilities	<u>539,203,878</u>	<u>40,946,559</u>	<u>580,150,437</u>
Deferred Inflows of Resources:			
Deferred items related to pensions	11,193,485	1,917,918	13,111,403
Total Deferred Inflows of Resources	<u>11,193,485</u>	<u>1,917,918</u>	<u>13,111,403</u>
Net Position:			
Net investment in capital assets	997,561,287	322,072,495	1,319,633,782
Restricted for:			
Community development projects	28,464,496	-	28,464,496
Public safety	8,689,108	-	8,689,108
Parks and recreation	1,652,749	-	1,652,749
Capital projects	128,271,540	-	128,271,540
Debt service	118,317	-	118,317
Library	23,974	-	23,974
Unrestricted	(139,394,302)	90,839,632	(48,554,670)
Total Net Position	<u>\$ 1,025,387,169</u>	<u>\$ 412,912,127</u>	<u>\$ 1,438,299,296</u>

CITY OF CHULA VISTA

STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	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	\$ 27,922,521	\$ 5,004,895	\$ 324,010	\$ 108,001	\$ 5,436,906
Public safety	111,269,341	5,865,227	18,493,627	11,143	24,369,997
Community development	11,153,109	4,701,195	1,758,842	18,676,312	25,136,349
Public works	57,563,725	23,562,841	1,000	6,707,298	30,271,139
Parks and recreation	14,633,191	2,134,964	-	-	2,134,964
Library	1,007,869	877,744	109,138	1,549,957	2,536,839
Interest on long-term debt	6,740,877	-	-	-	-
Total Governmental Activities	230,290,633	42,146,866	20,686,617	27,052,711	89,886,194
Business-Type Activities:					
Sewer Fund	36,815,795	44,213,351	-	-	44,213,351
Sewer Development Impact Fees	495,865	1,265,579	-	-	1,265,579
Development Services Fund	10,755,535	9,317,298	-	-	9,317,298
CV Elite Athlete Training Ctr	595,579	-	-	-	-
Transit Fund	160,797	-	163,380	-	163,380
Total Business-Type Activities	48,823,571	54,796,228	163,380	-	54,959,608
Total Primary Government	\$ 279,114,204	\$ 96,943,094	\$ 20,849,997	\$ 27,052,711	\$ 144,845,802

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
\$ (22,485,615)	\$ -	\$ (22,485,615)
(86,899,344)	-	(86,899,344)
13,983,240	-	13,983,240
(27,292,586)	-	(27,292,586)
(12,498,227)	-	(12,498,227)
1,528,970	-	1,528,970
(6,740,877)	-	(6,740,877)
(140,404,439)	-	(140,404,439)
-	7,397,556	7,397,556
-	769,714	769,714
-	(1,438,237)	(1,438,237)
-	(595,579)	(595,579)
-	2,583	2,583
-	6,136,037	6,136,037
(140,404,439)	6,136,037	(134,268,402)
59,841,972	-	59,841,972
4,501,935	-	4,501,935
73,187,780	-	73,187,780
12,121,018	-	12,121,018
1,554,970	-	1,554,970
4,882,704	-	4,882,704
10,629,530	-	10,629,530
1,514,017	-	1,514,017
12,243,685	4,575,679	16,819,364
13,963,434	252,213	14,215,647
102,283	60,770	163,053
4,339,276	(4,339,276)	-
198,882,604	549,386	199,431,990
58,478,165	6,685,423	65,163,588
967,809,596	406,226,704	1,374,036,300
(900,592)	-	(900,592)
966,909,004	406,226,704	1,373,135,708
\$ 1,025,387,169	\$ 412,912,127	\$ 1,438,299,296



FUND FINANCIAL STATEMENTS



GOVERNMENTAL FUND FINANCIAL STATEMENTS

CITY OF CHULA VISTA

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2019

	Special Revenue Funds			Capital Projects Funds
	General	Sundry Grants	Housing Successor Agency	Development Impact Funds
Assets:				
Pooled cash and investments	\$ 53,771,019	\$ 11,434,025	\$ 10,553,691	\$ 57,552,488
Receivables:				
Accounts	4,630,748	-	-	-
Taxes	16,871,985	-	-	-
Accrued interest	489,052	-	-	-
Deferred loans	-	23,373,199	24,985,704	1,033,371
Allowance for uncollectible loans	-	(17,810,765)	(17,722,547)	-
Prepaid costs	211,005	4,277	-	-
Due from other governments	391,246	4,292,148	-	-
Due from other funds	9,888,632	-	-	-
Advances to other funds	1,528,748	-	-	-
Restricted assets:				
Cash and investments	-	26,080	792,410	-
Cash and investments with fiscal agents	38,298,041	-	-	-
Due from Successor Agency of Chula Vista RDA	9,885,147	-	224,684	-
Total Assets	\$ 135,965,623	\$ 21,318,964	\$ 18,833,942	\$ 58,585,859
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts payable	\$ 5,267,656	\$ 929,139	\$ 144	\$ 485,218
Accrued liabilities	3,237,105	261,592	-	-
Unearned revenues	-	361,265	-	394,643
Retentions payable	-	-	-	121,250
Deposits payable	-	-	-	-
Due to other funds	-	4,341,593	-	-
Advances from other funds	-	-	-	1,528,748
Total Liabilities	8,504,761	5,893,589	144	2,529,859
Deferred Inflows of Resources:				
Unavailable revenues	8,586,425	5,475,391	6,024,265	1,033,371
Total Deferred Inflows of Resources	8,586,425	5,475,391	6,024,265	1,033,371
Fund Balances:				
Nonspendable:				
Prepaid costs	211,005	4,277	-	-
Due from Successor Agency of Chula Vista RDA	5,838,333	-	-	-
Advances to other funds	1,528,748	-	-	-
Restricted for:				
Community development projects	-	1,522,825	12,809,533	-
Public safety	-	6,958,844	-	-
Parks and recreation	-	1,440,064	-	-
Capital Projects	-	-	-	55,022,629
Debt service	-	-	-	-
Library	-	23,974	-	-
Committed to:				
Capital Projects	39,087,009	-	-	-
Debt service	-	-	-	-
Economic contingency	7,283,745	-	-	-
Assigned to:				
General government	6,410,034	-	-	-
Public safety	132,278	-	-	-
Parks and recreation	14,297	-	-	-
Public works	46,241	-	-	-
Public liability	573,157	-	-	-
Measure P Sales Tax	23,067,521	-	-	-
Endowments	11,303,210	-	-	-
Unassigned	23,378,859	-	-	-
Total Fund Balances	118,874,437	9,949,984	12,809,533	55,022,629
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 135,965,623	\$ 21,318,964	\$ 18,833,942	\$ 58,585,859

CITY OF CHULA VISTA

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2019

	Debt Service Funds			Total Governmental Funds
	Public Financing Authority	Municipal Financing Authority	Other Governmental Funds	
Assets:				
Pooled cash and investments	\$ 3,659	\$ 411	\$ 87,333,502	\$ 220,648,795
Receivables:				
Accounts	-	159,411	314,209	5,104,368
Taxes	-	-	1,039,742	17,911,727
Accrued interest	56,420	-	47,446	592,918
Deferred loans	-	-	4,710,012	54,102,286
Allowance for uncollectible loans	-	-	(3,417,701)	(38,951,013)
Prepaid costs	-	-	-	215,282
Due from other governments	-	-	4,999,420	9,682,814
Due from other funds	-	-	-	9,888,632
Advances to other funds	-	-	-	1,528,748
Restricted assets:				
Cash and investments	-	-	-	818,490
Cash and investments with fiscal agents	5,159,551	911	3,666,381	47,124,884
Due from Successor Agency of Chula Vista RDA	-	-	-	10,109,831
Total Assets	\$ 5,219,630	\$ 160,733	\$ 98,693,011	\$ 338,777,762
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ 3,613,680	\$ 10,295,837
Accrued liabilities	-	-	18,650	3,517,347
Unearned revenues	-	-	90,641	846,549
Retentions payable	-	-	496,125	617,375
Deposits payable	-	-	1,484,478	1,484,478
Due to other funds	1,223	159,411	4,759,929	9,262,156
Advances from other funds	-	-	-	1,528,748
Total Liabilities	1,223	159,411	10,463,503	27,552,490
Deferred Inflows of Resources:				
Unavailable revenues	-	-	849,471	21,968,923
Total Deferred Inflows of Resources	-	-	849,471	21,968,923
Fund Balances:				
Nonspendable:				
Prepaid costs	-	-	-	215,282
Due from Successor Agency of Chula Vista RDA	-	-	-	5,838,333
Advances to other funds	-	-	-	1,528,748
Restricted for:				
Community development projects	-	-	14,132,138	28,464,496
Public safety	-	-	1,730,264	8,689,108
Parks and recreation	-	-	212,685	1,652,749
Capital Projects	-	-	73,248,911	128,271,540
Debt service	-	-	139,480	139,480
Library	-	-	-	23,974
Committed to:				
Capital Projects	-	-	-	39,087,009
Debt service	5,218,407	1,322	-	5,219,729
Economic contingency	-	-	-	7,283,745
Assigned to:				
General government	-	-	-	6,410,034
Public safety	-	-	-	132,278
Parks and recreation	-	-	-	14,297
Public works	-	-	-	46,241
Public liability	-	-	-	573,157
Measure P Sales Tax	-	-	-	23,067,521
Endowments	-	-	64,202	11,367,412
Unassigned	-	-	(2,147,643)	21,231,216
Total Fund Balances	5,218,407	1,322	87,380,037	289,256,349
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 5,219,630	\$ 160,733	\$ 98,693,011	\$ 338,777,762



CITY OF CHULA VISTA

**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2019**

Fund balances of governmental funds		\$ 289,256,349
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets net of depreciation have not been included as financial resources in governmental fund activity.		1,181,448,254
Deferred outflows related to pension items		53,366,411
Long-term debt and compensated absences that have not been included in the governmental fund activity:		
Bonds payable	\$ (160,175,000)	
Section 108 Loan	(5,886,000)	
Unamortized bond premiums/discounts	(14,774,289)	
Capital leases	(5,243,990)	
Claims liability	(24,237,293)	
Notes payable	(2,746,057)	
Net pension liability	(282,178,216)	
Total OPEB liability	(14,220,272)	
Compensated absences	<u>(7,954,580)</u>	(517,415,697)
Deferred outflows related to the refunding of long-term debt.		4,573,448
Deferred outflows related to OPEB items		503,443
Accrued interest payable for the current portion of interest due on Bonds has not been reported in the governmental funds.		(1,713,220)
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.		21,968,923
Deferred inflows related to pension items		(11,048,494)
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.		<u>4,447,752</u>
Net Position of Governmental Activities		<u>\$ 1,025,387,169</u>

CITY OF CHULA VISTA

STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Special Revenue Funds			Capital Projects Funds
	General	Sundry Grants	Housing Successor Agency	Development Impact Funds
Revenues:				
Taxes	\$ 154,495,385	\$ -	\$ -	\$ -
Licenses and permits	2,337,085	-	-	-
Intergovernmental	3,585,674	4,407,695	-	-
Charges for services	6,149,075	1,445,488	-	309,106
Use of money and property	5,735,304	107,209	834,567	2,040,333
Fines and forfeitures	1,464,302	-	-	-
Contributions	698,921	14,545,737	-	-
Developer participation	1,507,738	-	-	15,780,285
Miscellaneous	12,149,569	253,775	1,658,913	-
Total Revenues	188,123,053	20,759,904	2,493,480	18,129,724
Expenditures:				
Current:				
General government	22,318,357	19,989	-	-
Public safety	93,943,419	7,570,331	-	-
Community development	4,754,969	3,896,305	5,223	664,124
Parks and recreation	11,208,237	-	-	-
Public works	19,091,005	-	-	-
Library	3,910,273	37,881	-	-
Capital outlay	21,163,706	1,684,465	-	3,548,410
Debt service:				
Principal retirement	5,744,050	-	-	-
Interest and fiscal charges	2,855,721	-	-	36,779
Total Expenditures	184,989,737	13,208,971	5,223	4,249,313
Excess (Deficiency) of Revenues Over (Under) Expenditures	3,133,316	7,550,933	2,488,257	13,880,411
Other Financing Sources (Uses):				
Transfers in	10,956,957	115,731	-	107,415
Transfers out	(4,179,049)	(1,788,362)	-	(4,639,183)
Capital leases	759,697	-	-	-
Total Other Financing Sources (Uses)	7,537,605	(1,672,631)	-	(4,531,768)
Net Change in Fund Balances	10,670,921	5,878,302	2,488,257	9,348,643
Fund Balances, Beginning of Year, as previously reported	108,203,516	4,577,631	10,321,276	46,068,629
Restatements	-	(505,949)	-	(394,643)
Fund Balances, Beginning of Year, as restated	108,203,516	4,071,682	10,321,276	45,673,986
Fund Balances, End of Year	\$ 118,874,437	\$ 9,949,984	\$ 12,809,533	\$ 55,022,629

CITY OF CHULA VISTA

STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Debt Service Funds		Other Governmental Funds	Total Governmental Funds
	Public Financing Authority	Municipal Financing Authority		
Revenues:				
Taxes	\$ -	\$ -	\$ 3,328,911	\$ 157,824,296
Licenses and permits	-	-	30,080	2,367,165
Intergovernmental	-	-	18,416,148	26,409,517
Charges for services	-	-	17,021,844	24,925,513
Use of money and property	167,081	679	3,327,017	12,212,190
Fines and forfeitures	-	-	753,933	2,218,235
Contributions	-	-	-	15,244,658
Developer participation	-	-	780,194	18,068,217
Miscellaneous	-	317,154	3,040,048	17,419,459
Total Revenues	167,081	317,833	46,698,175	276,689,250
Expenditures:				
Current:				
General government	10,527	5,085	1,098,878	23,452,836
Public safety	-	-	66,892	101,580,642
Community development	-	-	1,540,217	10,860,838
Parks and recreation	-	-	-	11,208,237
Public works	-	-	10,883,477	29,974,482
Library	-	-	-	3,948,154
Capital outlay	-	-	22,857,094	49,253,675
Debt service:				
Principal retirement	3,490,001	1,330,000	1,196,732	11,760,783
Interest and fiscal charges	3,315,617	1,348,206	467,080	8,023,403
Total Expenditures	6,816,145	2,683,291	38,110,370	250,063,050
Excess (Deficiency) of Revenues Over (Under) Expenditures	(6,649,064)	(2,365,458)	8,587,805	26,626,200
Other Financing Sources (Uses):				
Transfers in	5,606,921	2,323,130	1,855,043	20,965,197
Transfers out	-	-	(6,019,327)	(16,625,921)
Capital leases	-	-	-	759,697
Total Other Financing Sources (Uses)	5,606,921	2,323,130	(4,164,284)	5,098,973
Net Change in Fund Balances	(1,042,143)	(42,328)	4,423,521	31,725,173
Fund Balances, Beginning of Year, as previously reported	6,260,550	43,650	82,956,516	258,431,768
Restatements	-	-	-	(900,592)
Fund Balances, Beginning of Year, as restated	6,260,550	43,650	82,956,516	257,531,176
Fund Balances, End of Year	\$ 5,218,407	\$ 1,322	\$ 87,380,037	\$ 289,256,349

CITY OF CHULA VISTA

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

Net change in fund balances - total governmental funds	\$ 31,725,173
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds reported capital outlay as expenditures. However, in the Government-Wide Statement of Activities and Changes in Net Position, the cost of those assets was allocated over their estimated useful lives as depreciation expense. This was the amount of capital assets recorded in the current period, including donated assets of \$3,846,573, and is net of loss on disposal of assets of (\$182,409).	52,219,416
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 \$243,078.	(30,174,293)
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. Principal payment of long-term debt	11,760,783
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 Deferred charge on refunding	1,486,613 (324,010)
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 Changes in claims payable Capital leases entered into	(630,123) (1,356,588) (759,697)
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.	119,923
Revenues reported as unavailbale revenue in the governmental funds and recognized in the statement of activities. These are included in the intergovernmental revenues in the governmental fund activity.	3,738,727
Internal service funds were used by management to charge the costs of certain activities to individual funds. The net revenue of internal service funds was reported with governmental activities.	1,754,528
OPEB 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.	(744,752)
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.	(10,337,535)
Change in Net Position of Governmental Activities	\$ 58,478,165

PROPRIETARY FUND FINANCIAL STATEMENTS

CITY OF CHULA VISTA

STATEMENT OF NET POSITION
 PROPRIETARY FUNDS
 JUNE 30, 2019

	Business-Type Activities - Enterprise Funds					Totals	Governmental Activities- Internal Service Funds
	Sewer Fund	Sewer Development Impact Fees	Development Services Fund	CV Elite Athlete Training Ctr	Other Enterprise Funds		
Assets:							
Current:							
Cash and investments	\$ 116,157,253	\$ 4,148,168	\$ 1,588,324	\$ -	\$ 221,908	\$ 122,115,653	\$ 7,270,982
Receivables:							
Accounts	7,657,439	-	303	-	-	7,657,742	3,084
Cash with fiscal agent	-	-	-	-	-	-	324,125
Total Current Assets	123,814,692	4,148,168	1,588,627	-	221,908	129,773,395	7,598,191
Noncurrent:							
Advances to other funds	18,607,952	-	-	-	-	18,607,952	-
Capital assets - net of accumulated depreciation	125,178,041	110,602	84,155	196,691,591	25,351	322,089,740	364,921
Total Noncurrent Assets	143,785,993	110,602	84,155	196,691,591	25,351	340,697,692	364,921
Total Assets	267,600,685	4,258,770	1,672,782	196,691,591	247,259	470,471,087	7,963,112
Deferred Outflows of Resources:							
Deferred items related to pensions	1,546,172	-	2,565,150	-	-	4,111,322	310,809
Deferred items related to OPEB	25,668	-	30,689	-	-	56,357	4,463
Total Deferred Outflows of Resources	1,571,840	-	2,595,839	-	-	4,167,679	315,272
Liabilities:							
Current:							
Accounts payable	319,328	-	247,480	101,647	19,860	688,315	350,101
Accrued liabilities	136,416	-	180,258	-	-	316,674	31,788
Retention payable	51,020	-	-	-	2,108	53,128	-
Unearned revenues	1,047,145	-	-	-	-	1,047,145	-
Due to other funds	-	-	46,944	107,768	-	154,712	471,764
Accrued compensated absences	188,416	-	253,361	-	-	441,777	11,847
Total Current Liabilities	1,742,325	-	728,043	209,415	21,968	2,701,751	865,500
Noncurrent:							
Advances from other funds	-	18,607,952	-	-	-	18,607,952	-
Accrued compensated absences	29,484	-	183,970	-	-	213,454	28,404
Net pension liability	13,755,739	-	22,821,227	-	-	36,576,966	2,765,149
Total OPEB liability	725,004	-	866,851	-	-	1,591,855	126,086
Bonds, notes, and capital leases	17,245	-	-	-	-	17,245	-
Total Noncurrent Liabilities	14,527,472	18,607,952	23,872,048	-	-	57,007,472	2,919,639
Total Liabilities	16,269,797	18,607,952	24,600,091	209,415	21,968	59,709,223	3,785,139
Deferred Inflows of Resources:							
Deferred items related to pensions	721,284	-	1,196,634	-	-	1,917,918	144,991
Total Deferred Inflows of Resources	721,284	-	1,196,634	-	-	1,917,918	144,991
Net Position:							
Investment in capital assets	125,160,796	110,602	84,155	196,691,591	25,351	322,072,495	364,921
Unrestricted	127,020,648	(14,459,784)	(21,612,259)	(209,415)	199,940	90,939,130	3,983,333
Total Net Position	\$ 252,181,444	\$ (14,349,182)	\$ (21,528,104)	\$ 196,482,176	\$ 225,291	\$ 413,011,625	\$ 4,348,254

Reconciliation of Net Position to the Statement of Net Position

Net Position per Statement of Net Position - Proprietary Funds	\$ 413,011,625
Prior years' accumulated adjustment to reflect the consolidation of internal service funds activities related to the enterprise funds	(203,131)
Current years' adjustments to reflect the consolidation of internal service activities related to enterprise funds	103,633
Net Position per Statement of Net Position	\$ 412,912,127

CITY OF CHULA VISTA

STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR FISCAL YEAR ENDED JUNE 30, 2019

	Business-Type Activities - Enterprise Funds					Totals	Governmental Activities- Internal Service Funds
	Sewer Fund	Sewer Development Impact Fees	Development Services Fund	CV Elite Athlete Training Ctr	Other Enterprise Funds		
Operating Revenues:							
Sales and service charges	\$ 44,213,351	\$ 1,265,579	\$ 9,317,298	\$ -	\$ -	\$ 54,796,228	\$ -
Interdepartmental charges	-	-	-	-	-	-	8,481,045
Other	197,879	-	39,587	-	14,747	252,213	368,189
Total Operating Revenues	44,411,230	1,265,579	9,356,885	-	14,747	55,048,441	8,849,234
Operating Expenses:							
Administration and general	29,305,847	16,591	10,745,174	258,433	157,449	40,483,494	6,881,773
Source of supply	1,075,744	-	-	-	-	1,075,744	-
Depreciation expense	6,537,837	3,041	10,361	337,146	3,348	6,891,733	243,078
Total Operating Expenses	36,919,428	19,632	10,755,535	595,579	160,797	48,450,971	7,124,851
Operating Income (Loss)	7,491,802	1,245,947	(1,398,650)	(595,579)	(146,050)	6,597,470	1,724,383
Nonoperating Revenues (Expenses):							
Intergovernmental	-	-	-	-	163,380	163,380	-
Interest revenue	4,364,698	168,482	36,196	(3,355)	9,658	4,575,679	31,495
Interest expense	-	(476,233)	-	-	-	(476,233)	-
Gain (loss) on disposal of capital assets	60,770	-	-	-	-	60,770	102,283
Total Nonoperating Revenues (Expenses)	4,425,468	(307,751)	36,196	(3,355)	173,038	4,323,596	133,778
Income (Loss) Before Transfers	11,917,270	938,196	(1,362,454)	(598,934)	26,988	10,921,066	1,858,161
Transfers in	-	-	461,222	189,586	-	650,808	-
Transfers out	(3,039,809)	-	(1,923,648)	(26,627)	-	(4,990,084)	-
Changes in Net Position	8,877,461	938,196	(2,824,880)	(435,975)	26,988	6,581,790	1,858,161
Net Position:							
Beginning of Year	243,303,983	(15,287,378)	(18,703,224)	196,918,151	198,303	406,429,835	2,490,093
End of Fiscal Year	\$ 252,181,444	\$ (14,349,182)	\$ (21,528,104)	\$ 196,482,176	\$ 225,291	\$ 413,011,625	\$ 4,348,254
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						\$ 6,581,790	
Adjustment to reflect the consolidation of current fiscal year internal service funds activities related to enterprise funds						103,633	
Changes in Net Position of Business-Type Activities per Statement of Activities						\$ 6,685,423	

CITY OF CHULA VISTA

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FISCAL YEAR ENDED JUNE 30, 2019

	Business-Type Activities - Enterprise Funds					Totals	Governmental Activities- Internal Service Funds
	Sewer Fund	Sewer Development Impact Fees	Development Services Fund	CV Elite Athlete Training Ctr	Other Enterprise Funds		
Cash Flows from Operating Activities:							
Cash received from customers and users	\$ 43,272,169	\$ 1,265,579	\$ 9,369,844	\$ -	\$ 147,327	\$ 54,054,919	\$ -
Cash received from/(paid to) interfund service provided	-	-	-	25,426	(128,859)	(103,433)	9,371,262
Cash received from/(paid to) suppliers for goods and services	(1,015,669)	-	183,063	73,403	15,587	(743,616)	(124,912)
Cash paid to employees for services	(28,630,967)	(16,591)	(8,010,101)	(258,433)	(157,449)	(37,073,541)	(7,254,952)
Net Cash Provided (Used) by Operating Activities	13,625,533	1,248,988	1,542,806	(159,604)	(123,394)	16,134,329	1,991,398
Cash Flows from Non-Capital Financing Activities:							
Cash transfers out	(3,039,809)	-	(1,923,648)	(26,627)	-	(4,990,084)	-
Cash transfers in	-	-	461,222	189,586	-	650,808	-
Repayment received from other funds	724,977	-	-	-	-	724,977	-
Repayment made to other funds	-	(633,768)	-	-	-	(633,768)	-
Interest paid to other funds	-	(476,233)	-	(3,355)	-	(479,588)	-
Net Cash Provided (Used) by Non-Capital Financing Activities	(2,314,832)	(1,110,001)	(1,462,426)	159,604	-	(4,727,655)	-
Cash Flows from Capital and Related Financing Activities:							
Acquisition and construction of capital assets	(1,210,793)	-	(54,331)	-	(28,698)	(1,293,822)	-
Proceeds from sales of capital assets	60,770	-	-	-	-	60,770	102,283
Net Cash Provided (Used) by Capital and Related Financing Activities	(1,150,023)	-	(54,331)	-	(28,698)	(1,233,052)	102,283
Cash Flows from Investing Activities:							
Interest received	4,364,698	168,482	36,196	-	9,658	4,579,034	31,495
Net Cash Provided by Investing Activities	4,364,698	168,482	36,196	-	9,658	4,579,034	31,495
Net Increase (Decrease) in Cash and Cash Equivalents	14,525,376	307,469	62,245	-	(142,434)	14,752,656	2,125,176
Cash and Cash Equivalents at Beginning of Year	101,631,877	3,840,699	1,526,079	-	364,342	107,362,997	5,469,931
Cash and Cash Equivalents at End of Year	\$ 116,157,253	\$ 4,148,168	\$ 1,588,324	\$ -	\$ 221,908	\$ 122,115,653	\$ 7,595,107
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:							
Operating income (loss)	\$ 7,491,802	\$ 1,245,947	\$ (1,398,650)	\$ (595,579)	\$ (146,050)	\$ 6,597,470	\$ 1,724,383
Adjustments to reconcile operating income (loss) net cash provided (used) by operating activities:							
Depreciation	6,537,837	3,041	10,361	337,146	3,348	6,891,733	243,078
(Increase) decrease in accounts receivable	(1,965,115)	-	12,959	-	132,580	(1,819,576)	7,958
(Increase) decrease in prepaid costs	35,310	-	39,726	-	-	75,036	471,764
(Increase) decrease in deferred outflows from pensions	1,108,456	-	1,524,171	-	-	2,632,627	301,037
(Increase) decrease in deferred outflows from OPEB	(18,375)	-	(21,970)	-	-	(40,345)	(3,195)
Increase (decrease) in accounts payable	12,179	-	143,337	73,403	13,480	242,399	(82,606)
Increase (decrease) in due to other funds	-	-	-	25,426	(128,859)	(103,433)	-
Increase (decrease) in retentions payable	12,586	-	-	-	2,107	14,693	-
Increase (decrease) in accrued liabilities	14,373	-	15,520	-	-	29,893	100
Increase (decrease) in unearned revenue	826,054	-	-	-	-	826,054	-
Increase (decrease) in compensated absences	(8,410)	-	33,998	-	-	25,588	(13,480)
Increase (decrease) in net pension liability	(850,272)	-	453,090	-	-	(397,182)	(729,053)
Increase (decrease) in total OPEB liability	56,347	-	67,371	-	-	123,718	9,798
Increase (decrease) in deferred inflows from pensions	372,761	-	662,893	-	-	1,035,654	61,614
Total Adjustments	6,133,731	3,041	2,941,456	435,975	22,656	9,536,859	267,015
Net Cash Provided (Used) by Operating Activities	\$ 13,625,533	\$ 1,248,988	\$ 1,542,806	\$ (159,604)	\$ (123,394)	\$ 16,134,329	\$ 1,991,398

CITY OF CHULA VISTA

STATEMENT OF FIDUCIARY NET POSITION
 FIDUCIARY FUNDS
 JUNE 30, 2019

	Agency Funds	Private-Purpose Trust Fund Successor Agency of the Former Chula Vista RDA
Assets:		
Pooled cash and investments	\$ 8,876,798	\$ 4,466,432
Receivables:		
Accounts	-	3,572
Notes and loans	-	128,544
Allowance for uncollectible loans	-	(128,544)
Accrued interest	1,431	-
Restricted assets:		
Cash and investments	12,553,334	-
Cash and investments with fiscal agents	32,908,488	929
Capital assets:		
Capital assets, not being depreciated	-	5,600,080
Capital assets, net of accumulated depreciation	-	941,305
Total Assets	\$ 54,340,051	\$ 11,012,318
Deferred Outflows of Resources:		
Deferred charge on refunding		\$ 1,419,226
Total Deferred Outflows of Resources		\$ 1,419,226
Liabilities and Net Position:		
Liabilities:		
Accounts payable	\$ 133,888	\$ 40
Accrued liabilities	-	1,329
Accrued interest	-	272,447
Unearned revenues	15,593	-
Deposits payable	12,434,607	-
Due to other governments	-	55,141
Due to the City of Chula Vista	-	10,109,831
Due to external parties/other agencies	41,755,963	-
Long-term liabilities:		
Due in one year	-	1,725,000
Due in more than one year	-	28,524,629
Total Liabilities	\$ 54,340,051	40,688,417
Net Position:		
Held in trust for other purposes		(28,256,873)
Total Net Position		\$ (28,256,873)

CITY OF CHULA VISTA

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 FIDUCIARY FUNDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Private-Purpose Trust Fund <hr/> Successor Agency of the Former Chula Vista RDA <hr/>
Additions:	
Taxes	\$ 3,063,141
Interest and change in fair value of investments	147,747
	<hr/>
Total Additions	3,210,888
	<hr/>
Deductions:	
Administrative expenses	280,598
Contractual services	231,034
Interest expense	969,735
Depreciation expense	47,724
Loss on disposal of land	509,763
	<hr/>
Total Deductions	2,038,854
	<hr/>
Changes in Net Position	1,172,034
	<hr/>
Net Position - Beginning of the Year	(29,428,907)
	<hr/>
Net Position - End of the Year	\$ (28,256,873)
	<hr/> <hr/>

**CITY OF CHULA VISTA
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE	DESCRIPTION	PAGE
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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)

The Chula Vista Public Financing Authority (the “Public Financing Authority”) (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. Separate financial statements are available at the City.

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 the City's assets and deferred outflows as well as liabilities and deferred inflows, with the difference reported as net position are presented in the accompanying Statement of Net Position. Also presented in this statement are capital assets including infrastructure assets as well as long-term liabilities. 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.

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.

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

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

B. Basis of Accounting and Measurement Focus (Continued)

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.

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

Proprietary Fund Financial Statements

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

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

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

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

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

B. Basis of Accounting and Measurement Focus (Continued)

Proprietary Fund Financial Statements (Continued)

The City reports the following major proprietary funds:

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

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

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

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

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

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

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

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

Fiduciary Fund Financial Statements

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

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

B. Basis of Accounting and Measurement Focus (Continued)

Fiduciary Fund Financial Statements (Continued)

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

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

C. Encumbrances

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

D. Cash, Cash Equivalents and Investments

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

Highly liquid market investments with maturities of one year or less at time of purchase are stated at amortized cost. All other investments are stated at fair value. Market value is used as fair value for those securities for which market quotations are readily available. The City reported its investments at fair value and the unrealized gain on investments amounted to \$3,632,860 for the fiscal year ended June 30, 2019.

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

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

D. Cash, Cash Equivalents and Investments (Continued)

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

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

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

E. Inventories and Prepaid items

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

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

F. Restricted Assets

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

G. Interfund Transactions

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

H. Capital Assets

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

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

H. Capital Assets (Continued)

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

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

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

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

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

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

I. Compensated Absences

Government-Wide Financial Statements

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

Fund Financial Statements

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

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

J. Pensions

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

K. Other Post-Employment Benefits

For purposes of measuring the total OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense have been determined by an independent actuary. For this purpose, benefit payments are recognized when currently due and payable in accordance with the benefit terms.

Generally accepted accounting principles require that the reported results must pertain to liability information within certain defined timeframes. For this report, the following timeframes are used:

Valuation Date	June 30, 2018
Measurement Date	June 30, 2019
Measurement Period	July 1, 2018 to June 30, 2019

L. 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.

M. Deferred Outflows/Inflows of Resources

In addition to assets, the financial statements 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 three items that qualify for reporting in this category, which are reported in the government-wide statement of net position. One item 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

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

M. Deferred Outflows/Inflows of Resources (Continued)

debt. The second item is the deferred outflows related to pensions, which represents the City's pension contributions made subsequent to the measurement date, change of assumptions, difference between expected and actual experience, and the net different between projected and actual earnings on plan investments. The third item is related to OPEB, which represents the change of assumptions and difference between expected and actual experience.

In addition to liabilities, the financial statements 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. 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 is deferred inflows related to pensions and OPEB reported in the statement of net position. These inflows are the results of changes in assumptions and differences between expected and actual experiences, and the net difference between projected and actual earnings on plan investments which are deferred and amortized over the expected average remaining service life time.

N. Property Taxes

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

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

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

No allowance for doubtful accounts was considered necessary.

O. 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.

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

P. 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.

Q. 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.

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

Q. Fund Balances (Continued)

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. This classification includes the residual fund balance for the General Fund. It also includes the negative residual balance for any other governmental fund that cannot be eliminated by offsetting assigned fund balance amounts.

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.

R. 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.

**CITY OF CHULA VISTA
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2019**

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

S. 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.

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, 2019.

	Government-Wide Statement of Net Position			Fiduciary Funds Statement of Net Position	
	Governmental Activities	Business-Type Activities	Total	Position	Total
Cash and investments	\$ 227,919,777	\$ 122,115,653	\$ 350,035,430	\$ 13,343,230	\$ 363,378,660
Restricted cash and investments:					
Held by City	818,490	-	818,490	12,553,334	13,371,824
Held by fiscal agents	47,449,009	-	47,449,009	32,909,417	80,358,426
Total restricted cash and investments	48,267,499	-	48,267,499	45,462,751	93,730,250
Total cash and investments	\$ 276,187,276	\$ 122,115,653	\$ 398,302,929	\$ 58,805,981	\$ 457,108,910

Cash, cash equivalents and investments consisted of the following at June 30, 2019:

Petty cash	\$ 9,413
Deposits with financial institution	19,255,782
Investments	357,485,289
Investments held by fiscal agents	80,358,426
Total cash and investments	\$ 457,108,910

A. Deposits

The carrying amount of the City's cash deposits were \$19,255,782 at June 30, 2019. Bank balances before reconciling items were \$18,483,236 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.

**CITY OF CHULA VISTA
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2019**

Note 2 – Cash and Investments (Continued)

A. Deposits (Continued)

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

B. Investments

As of June 30, 2019, 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
LAIIF	\$ 51,222,576	\$ 51,222,576	\$ -			
Time Deposits	310,000	310,000	-			
San Diego County Investment Fund	10,621,324	10,621,324	-			
Federal Home Loan Bank	11,159,389	-	3,033,119	5,006,180	3,120,090	-
Federal National Mortgage Association	9,197,302	1,201,252	4,975,050	-	3,021,000	-
Federal Home Loan Mortgage Corp	28,914,727	6,999,030	2,999,070	1,903,762	5,004,990	12,007,875
Federal Agriculture Mortgage Corp	9,852,440	-	-	3,351,240	3,000,360	3,500,840
Federal Farm Credit Bank	18,689,458	-	3,105,238	3,080,580	3,000,090	9,503,550
United States Treasury Notes	44,898,550	29,472,845	15,425,705	-	-	-
Medium-Term Corporate Notes	151,596,390	33,826,460	32,455,369	37,572,081	29,980,312	17,762,168
Money Market Funds	20,053,215	8,021,683	751,007	2,536,039	2,817,494	5,926,992
Securities	969,918	969,918	-	-	-	-
Held by bond trustee:						
Mutual Funds	80,358,426	80,358,426	-	-	-	-
Total	\$ 437,843,715	\$ 223,003,514	\$ 62,744,558	\$ 53,449,882	\$ 49,944,336	\$ 48,701,425

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, 2019**

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%	None
Negotiable Certificates of Deposits	5 years	30%	None
Commercial Paper	270 days	25%	10%
State and Local Agency Bond Issues	5 years	None	None
U.S. Treasury Obligations	5 years	None	None
U.S. Agency Securities	5 years	None	None
Repurchase Agreement	1 year	None	None
Reverse-Purchase Agreements	92 days	20%	None
Medium-Term Corporate Notes	5 years	30%	None
Time Certificates of Deposits	5 years	None	None
Money Market Funds	N/A	20%	10%
San Diego County Treasurer's Pooled Money Fund	N/A	None	None
Local Agency Investment Fund (LAIF)	N/A	None	\$50 Million**
Shares of Beneficial Interest issued by a JPA	N/A	None	None
Asset Backed Securities	5 years	20%	None
Supranationals	5 years	30%	None
Placement Service Deposits	5 years	30%	None

* 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, 2019

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, 2019, the City’s pooled cash and investments had the following maturities:

<u>Maturity</u>	<u>Percentage of Investment</u>
Less than one year	39.9%
1 - 2 years	17.5%
2 - 3 years	15.0%
3 - 4 years	14.0%
4 - 5 years	13.6%

The weighted average maturity of the portfolio was 2.1 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	\$ 51,222,576	Not Rated	Not Rated
Time Deposits	310,000	Not Rated	Not Rated
San Diego County Investment Pool	10,621,324	Aaa	AAA
Federal Home Loan Bank	11,159,389	Aaa	AA+
Federal National Mortgage Association	9,197,302	Aaa	AA+
Federal Home Loan Mortgage Corp.	28,914,727	Aaa	AA+
Federal Agriculture Mortgage Corp.	9,852,440	Not Rated	Not Rated
Federal Farm Credit Bank	18,689,458	Aaa	AA+
US Treasury Notes	44,898,550	Aaa	AA+
Medium-Term Corporate Notes	151,596,390	Baa1 to Aaa	BBB+ to AAA
Money Market Funds	100,411,641	Not Rated	Not Rated
Securities	969,918	Not Rated	Not Rated
	<u>\$ 437,843,715</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. The City did not have any investments in any one issuer that represent 5% or more of the City's total investment portfolio at June 30, 2019.

D. Investments in Local Agency Investment

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

As of June 30, 2019, the City had \$51,222,576 invested in LAIF. LAIF determines fair value on its investment portfolio based on market quotations for those securities where market quotations are readily available and based on amortized cost or best estimate for those securities where market value is not readily available. The City valued its investments in LAIF as of June 30, 2019, 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, 2019.

**CITY OF CHULA VISTA
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2019**

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, 2019:

Investment Type	Totals	Level		
		1	2	Uncategorized
U.S. Agency Securities	\$ 77,813,316	\$ -	\$ 77,813,316	\$ -
Local Agency Investment Fund (LAIF)	51,222,576	-	-	51,222,576
U.S. Treasury Notes	44,898,550	44,898,550	-	-
Medium-Term Corporate Notes	151,596,390	-	151,596,390	-
Asset Backed Securities	969,918	-	969,918	-
Time Deposits	310,000	-	310,000	-
San Diego County Investment Pool	10,621,324	-	-	10,621,324
Money Market Mutual Funds	20,053,215	-	-	20,053,215
Held by Fiscal Agent:				
Cash & Money Market Mutual Funds	80,358,426	-	-	80,358,426
Total Investments	<u>\$ 437,843,715</u>	<u>\$ 44,898,550</u>	<u>\$ 230,689,624</u>	<u>\$ 162,255,541</u>

U.S. Treasury Notes classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. U.S. Agency Securities, Corporate Notes, Asset Backed Securities and Time Deposits classified in Level 2 of the fair value hierarchy are valued using institutional bond quotes or specified fair market value factors.

Note 3 – Receivables

A. Taxes Receivable

At June 30, 2019, the City had the following taxes receivable:

	Governmental Activities
Sales Tax	\$ 12,486,340
Property Tax	611,404
Utilities Users Tax	508,870
Transient Occupancy Tax	652,282
Franchise Fee Tax	2,612,921
Special Assessments	23,969
Other Taxes	1,015,941
Total	<u>\$ 17,911,727</u>

**CITY OF CHULA VISTA
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2019**

Note 3 – Receivables (Continued)

B. Loans Receivable

At June 30, 2019, 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 \$38,951,013:

	Governmental Activities		
	Principal	Interest	Total
South Bay Community Services (Trolley Trestle, Muncey Manor, CNV I, CNII, NCV II)	\$ 3,880,292	\$ 3,268,602	\$ 7,148,894
Rancho Vista Housing (Chelsea Investment Corporation)	1,500,000	668,220	2,168,220
St. Regis Park (Chelsea Investment Corp)	1,232,822	378	1,233,200
Chula Vista Rehabilitation CHIP Loans	1,135,626	146,236	1,281,862
Park Village Apts (Civic Center Barrio Housing Corporation)	146,009	-	146,009
Mobile Home Assistance Programs (Orange Tree)	12,584	-	12,584
Los Vecinos (Wakeland Housing and Development Corporation)	5,680,000	3,221,732	8,901,732
Main Plaza (Alpha III Development Inc.)	1,800,000	768,813	2,568,813
Seniors on Broadway (MAAC Project)	3,511,194	1,385,136	4,896,330
The Landings I & II (Chelsea Investment Corp)	8,485,471	1,489,008	9,974,479
First Time Home Buyers Program	3,120,773	187,174	3,307,947
NSP Rental Housing Program	1,000,000	235,230	1,235,230
Community Energy Retrofit Program	27,455	-	27,455
Lofts on Landis	2,000,000	299,486	2,299,486
Duetta Apartments (F Street Family CIC, LP)	2,068,000	-	2,068,000
Volta Senior Apartments (G Street Seniors CIC, LP)	932,000	-	932,000
Anita Street (Wakeland Housing And Development Corporation)	3,841,741	179,789	4,021,530
Deferred development impact fees	1,366,799	511,716	1,878,515
	<u>\$ 41,740,766</u>	<u>\$ 12,361,520</u>	<u>\$ 54,102,286</u>

South Bay Community Services

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

Principal and interest are payable annually out of any and all residual receipts derived from the property and/or operation of the property. Fund balance has been restricted in the Sundry Grants Special Revenue Fund and in the Low & Moderate Income Housing Successor Special Revenue Fund. Interest accrues annually on the unpaid balance with rates ranging from 3% to 6%. At June 30, 2019, the outstanding balance of the loan was \$7,148,894, which included an interest accrual of \$3,268,602.

Note 3 – Receivables (Continued)

B. Loans Receivable (Continued)

Rancho Vista Housing (Chelsea Investment Corporation)

In 2000, the former RDA loaned \$1,000,000 using low and moderate income housing funds and the City loaned \$500,000 using HOME funds to CIC Eastlake, L.P. for the development and operation of Rancho Vista Housing Project, a multifamily housing project. The loan is secured by promissory notes and deed of trusts. The outstanding principal on the loan is to be repaid over fifty-five (55) years and interest accrues at the simple interest rate of three (3%) percent per annum on unpaid principal. Payment of principal and interest, or portions thereof, on the loan is made on an annual basis, out of a fund equal to fifty (50%) percent of the net cash flow of the project. At June 30, 2019, the outstanding balance of the loan was \$2,168,220 which included an interest accrual of \$668,220.

St. Regis Park (Chelsea Investment Corporation)

In 2000, the former RDA entered into a loan agreement with Chelsea Investment Corporation for the acquisition and rehabilitation of the 119-unit multi-family housing project (formerly known as Pear Tree Apartments) at 1025 Broadway. All units are affordable to low-income households. The loan is secured by a Deed of Trust and will accrue 6% interest for 52 years. Payment of principal and interest is made on an annual basis out of a fund equal to 90% of the residual receipts. At June 30, 2019, the outstanding balance of the loan was \$1,233,200 which included an interest accrual of \$378.

Chula Vista Rehabilitation CHIP Loans

The Chula Vista Rehabilitation Community Housing Improvement Program (CHIP) is under the direct control of the Housing Authority acting as the Successor Housing Entity for those loans that were funded using low and moderate income housing funds. CHIP loans funded by CDBG or HOME funds are also managed by the Housing Authority. CHIP offers deferred and low interest rate home improvement loans to qualified borrowers residing within a target area. Loan repayments are re-deposited into the program cash accounts and are redistributed as future loans. At June 30, 2019, the outstanding balance of the loan was \$1,281,862 which included an interest accrual of \$146,236.

Note 3 – Receivables (Continued)

B. Loans Receivable (Continued)

Park Village Apartments (Civic Center Barrio Housing Corporation)

In 1991, the former RDA entered into a loan agreement with the Civic Center Barrio Housing Corporation, a California non-profit public benefit corporation. The loan was made for the purchase of land and the development of a 28 - unit low-income housing project. During 1992, the loan was assigned to Park Village Apartments Ltd., a California limited partnership in which Civic Center Barrio Housing Corporation is the managing general partner. The loan is secured by a deed of trust on the property and assignment of rents. Principal and interest are payable monthly. In 2009, a second amendment to the loan was entered into changing the interest from 3% to 5% per annum on the unpaid principal balance of the note. At June 30, 2019, the outstanding balance of the loan was \$146,009.

Mobile Home Assistance Programs

The former RDA entered into agreements with eligible residents of the Orange Tree Mobile home Park, whereby the RDA loaned \$250,030 as permanent financing assistance to residents for the purpose of purchasing certain mobile home property. The loans are secured by deeds of trust on the property and mature in 2019 or when the property is sold. Contingent interest will be charged based on calculations specified in the agreement. At June 30, 2019, the outstanding balance of the loan was \$12,584.

Los Vecinos (Wakeland Housing and Development Corporation)

In 2008, the former RDA entered into a loan agreement with Wakeland Housing and Development Corporation to assist the borrower in constructing 41 affordable multi-family rental housing units for occupancy by extremely low, very low, and low income households. The loan amount of \$5,680,000 was funded by the Low and Moderate Income Housing Fund. The loan bears an interest rate of 5% per annum. Principal and interest payments will be made on an annual basis out of a fund equal to 50% of the residual receipts for years 1-30 and 75% of the residual receipts for years 31-54, until 55 years from the date the improvements are placed in service, at which time, all principal and unpaid interest is due and payable. The improvements were placed in service on February 7, 2008. At June 30, 2019, the outstanding balance of the loan was \$8,901,732 which included an interest accrual of \$3,221,732.

Main Plaza (Alpha III Development Inc.)

In 2003, the former RDA and City entered into a loan agreement with Main Plaza, LP to assist in acquiring and improving certain real property for occupancy by very low, low, and moderate income households. The loan bears an interest rate of 3% per annum. The loan is due and payable on the date that is 55 years from the date of the City's issuance of the Certificate of Completion, which is in 2061. At June 30, 2019, the outstanding balance of the loan was \$2,568,813 which included an interest accrual of \$768,813.

Seniors on Broadway (MAAC Project)

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

CITY OF CHULA VISTA
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2019

Note 3 – Receivables (Continued)

B. Loans Receivable (Continued)

Seniors on Broadway (MAAC Project) (Continued)

June 30, 2019, the outstanding balance of the loan was \$4,896,330 which included an interest accrual of \$1,385,136.

The Landings I & II (Chelsea Investment Corporation)

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

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

At June 30, 2019, the outstanding balance of the loan was \$9,974,479 which included an interest accrual of \$1,489,008.

First Time Home Buyers Program

The Chula Vista First-Time Homebuyer Program is under the direct control of the City and its Housing Authority. The Programs is funded through U.S. Department of Housing and Urban Development HOME Investment Partnership Act and Neighborhood Stabilization Program funds. Cal Home funds from the State of California Department of Housing and Community Development are also used to fund loans. The Program is currently administered by Springboard CDFI, (formerly known as Community Housing Works Realty and Lending). The program offers low interest loans or equity share deferred gap financing loans to qualified borrowers. Loan repayments are re-deposited into the program and are redistributed as future loans. At June 30, 2019, the outstanding balance of the loan was \$3,307,947 which included an interest accrual of \$187,174.

NSP Rental Housing Program

The City entered into a two separate loan agreements with San Diego Community Housing Corporation to acquire and rehabilitate rental housing for very low income households. The loans are secured by promissory notes and a deed of trusts. The outstanding principal and interest amount of the loan will be repaid over fifty-five (55) years and shall accrue at the simple interest rate of three (3%) percent per annum. Principal and interest are payable annually out of a fund equal to 50% of residual receipts derived from the property and/or operation of the property. At June 30, 2019, the outstanding balance of the loan was \$1,235,230 which included an interest accrual of \$235,230.

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, 2019, the outstanding balance of the loans were \$27,455.

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, 2019, the outstanding balance of the loan was \$2,299,486 which included an interest accrual of \$299,486.

Duetta Apartments (F Street Family CIC, LP)

In 2016, the City entered into a loan agreement with F Street Family CIC, LP to assist to assist in the construction and permanent financing of affordable multifamily apartments with 86 deed restricted units for occupancy by extremely low, very low and lower income households. Loans are in the principal amount of \$800,000 from the City's federal HOME funds, \$372,660 from the City's Balanced Communities In-Lieu funds, and \$895,340 from Low and Moderate Income Housing Fund. The loan bears an interest rate of 3% simple interest per annum for a 55-year period. Payment of principal and interest is made on an annual basis out of a fund equal to 50% of the residual receipts. The outstanding principal and accrued interest on the loan is to be repaid by December 31, 2072. Fund balance has been restricted in the Sundry Grants Special Revenue Fund and in the Low & Moderate Income Housing Successor Special Revenue Fund. At June 30, 2019, the outstanding balance of the loans were \$2,068,000.

Volta Senior Apartments (G Street Seniors CIC, LP)

In 2016, the City entered into a loan agreement with G Street Senior CIC, LP to assist to assist in the construction and permanent financing of affordable multifamily apartments with 122 deed restricted units for occupancy by extremely low, very low and lower income households. The loan amount of \$932,000 was funded by the Low and Moderate Income Housing Fund. The loan bears an interest rate of 3% simple interest per annum for a 55-year period. Payment of principal and interest is made on an annual basis out of a fund equal to 50% of the residual receipts. The outstanding principal and accrued interest on the loan is to be repaid by December 31, 2072. Fund balance has been restricted in the Low & Moderate Income Housing Successor Special Revenue Fund. At June 30, 2019, the outstanding balance of the loans were \$932,000.

**CITY OF CHULA VISTA
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2019**

Note 3 – Receivables (Continued)

B. Loans Receivable (Continued)

Anita Street (Wakeland Housing and Development Corporation)

In 2018 and 2019, the City entered into an amended a loan agreement with Wakeland Housing to assist in the acquisition of land and pre-development of an affordable multifamily apartment development with up to 100 possible deed restricted units for occupancy by extremely low, very low and lower income households. The loan amount of \$3,841,741 was funded by the Low and Moderate Income Housing Fund. The loan bears an interest rate of 3% simple interest per annum for a 55-year period. Payment of principal and interest is made on an annual basis out of a fund equal to 50% of the residual receipts. The outstanding principal and accrued interest on the loan is to be repaid by December 31, 2076. Fund balance has been restricted in the Low & Moderate Income Housing Successor Special Revenue Fund. At June 30, 2019, the outstanding balance of the loans were \$4,021,530 which includes an interest accrual of \$179,789.

Deferred development impact fees

The DIF Deferral Community Facilities District (CFD) was established to promote development in specified areas of the City known as “Western Chula Vista” by deferring specific development impact fees for projects that met the specific criteria outlined in the CFD formation documents. The primary area included within the CFD plan was land west of the I-5 freeway to spur on early development in preparation for the new Bayfront project, as well as land in the portion of the City between Interstate 5 and Interstate 805, including the Palomar Gateway and Urban Core Specific Planning Areas and the Auto Park located East of the Interstate 805. As the Rate and Method of Apportionment defines, developers can defer their Development Impact Fees up to ten years or as otherwise defined in the CFD documents. Upon issuance of the Certificate of Occupancy (COO), the city calculates interest on an annual basis, and it is included as part of the long-term receivable. At June 30, 2019, the outstanding balance of the loans were \$1,878,515 which includes interest accrual \$511,716.

Note 4 – Interfund Balances and Transactions

Due to/Due from other funds

At June 30, 2019, interfund receivables and payables were as follows:

Due To Other Funds								
Due from Other Funds	Sundry Grants	Public Financing Authority	Municipal Financing Authority	Development Services	CV Elite Athlete Training Center	Internal Service Funds	Nonmajor Governmental Funds	Total
General Fund	\$ 4,341,593	\$ 1,223	\$ 159,411	\$ 46,944	\$ 107,768	\$ 471,764	\$ 4,759,929	\$ 9,888,632
Total	<u>\$ 4,341,593</u>	<u>\$ 1,223</u>	<u>\$ 159,411</u>	<u>\$ 46,944</u>	<u>\$ 107,768</u>	<u>\$ 471,764</u>	<u>\$ 4,759,929</u>	<u>\$ 9,888,632</u>

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

**CITY OF CHULA VISTA
 NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
 YEAR ENDED JUNE 30, 2019**

Note 4 – Interfund Balances and Transactions (Continued)

Long-Term Advances

At June 30, 2019, balances were as follows:

Advances to Other Funds	Advances From Other Funds		
	Development Impact Funds	Sewer	Total
		Development Impact Fees Fund	
General Fund	\$ 1,528,748	\$ -	\$ 1,528,748
Sewer Enterprise Fund	-	18,607,952	18,607,952
Total	\$ 1,528,748	\$ 18,607,952	\$ 20,136,700

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 \$1,528,748 at June 30, 2019. 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 \$8,372,874 at June 30, 2019. 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. This advance was eliminated for financial statement purposes as it is an interfund advance.

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 \$9,459,635 at June 30, 2019. The Agency will ensure that PAD funds are repaid to fully fund the development of the park for which they were originally collected. This advance was eliminated for financial statement purposes as it is an interfund advance.

The City Council authorized and set terms for loans from the Trunk Sewer fund to Salt Creek for \$16,858,381, 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 \$18,607,952 at June 30, 2019, of which all \$18,607,952 is outstanding from the Sewer Fund to the Sewer Development Impact Fees Fund and the portion due from the Sewer Fund to the Storm Drain Fund has been paid in full.

**CITY OF CHULA VISTA
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2019**

Note 4 – Interfund Balances and Transactions (Continued)

Transfers In/Out

Interfund transfers for the year ended June 30, 2019, were as follows:

Transfers Out	Transfers In								Total
	General Fund	Sundry Grants Special Revenue Fund	Development Impact Fund	Public Financing Authority	Municipal Financing Authority	Development Services Fund	CV Elite Training Center	Non-Major Governmental Funds	
General Fund	\$ -	\$ 115,689	\$ -	\$ 1,635,686	\$ 798,270	\$ 374,529	\$ 189,586	\$ 1,065,289	\$ 4,179,049
Sundry Grants Special Revenue	1,025,236	-	-	-	-	-	-	763,126	1,788,362
Development Impact Fund	-	-	-	3,114,323	1,524,860	-	-	-	4,639,183
Sewer Fund	3,026,241	-	-	-	-	13,568	-	-	3,039,809
Development Services Fund	1,923,648	-	-	-	-	-	-	-	1,923,648
CV Elite Training Center	-	-	-	-	-	-	-	26,627	26,627
Non-Major Governmental Funds	4,981,832	42	107,415	856,912	-	73,125	-	1	6,019,327
Total	\$ 10,956,957	\$ 115,731	\$ 107,415	\$ 5,606,921	\$ 2,323,130	\$ 461,222	\$ 189,586	\$ 1,855,043	\$ 21,616,005

General Fund – Operating support to reimburse the General Fund for City staff services and equipment. Total amount of reimbursement was \$10,956,957.

Sundry Grants Special Revenue Fund – Transferring the matching contribution to the federal grants in the amount of \$115,731.

Development Impact Fund – Transferring transportation funds for development projects in the amount of \$107,415.

Public Financing Authority – Funding debt service funds for repayment of various long-term obligations amounted to \$5,606,921.

Municipal Financing Authority – Funding debt service fund for repayment of long-term obligation amounted to \$2,323,130.

Development Services Fund – Operating support to reimburse the Development Services Fund for services provided; \$374,529 reimbursement from the General Fund; \$13,568 from Sewer Services; and –\$73,125 from the Chula Vista Housing Authority.

Chula Vista Elite Athlete Training Center – Reimbursements from General fund: \$189,586 for telecom site license fee.

Non-major Governmental Funds – Transfer from General fund in the amount of \$1,065,289 for various debt obligations. Transfer from Chula Vista Elite Athlete Training Center to Eastlake Maintenance District in the amount of \$26,627 for taxes related to City owned property. Various transfers between Sundry Grants Special Revenue fund in the amount of \$763,126.

**CITY OF CHULA VISTA
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2019**

Note 5 – Capital Assets

A. Government-Wide Financial Statements

Summary of changes in capital assets for governmental activities for the year ended June 30, 2019, are as follows:

	Balance July 1, 2018	Additions	Deletions	CIP Transfers	Balance June 30, 2019
Capital assets, not being depreciated:					
Land	\$ 436,830,968	\$ 395,000	\$ (180,000)	\$ -	\$ 437,045,968
Construction in progress	62,739,319	42,317,270	(1,268)	(15,381,967)	89,673,354
Total capital assets, not being depreciated	499,570,287	42,712,270	(181,268)	(15,381,967)	526,719,322
Capital assets, being depreciated:					
Buildings	203,948,084	-	-	-	203,948,084
Improvements other than buildings	132,509,776	12,870	-	2,431,507	134,954,153
Machinery and equipment	39,975,542	5,830,112	(3,112,069)	-	42,693,585
Infrastructure	761,322,077	3,846,573	-	12,950,460	778,119,110
Subtotal	1,137,755,479	9,689,555	(3,112,069)	15,381,967	1,159,714,932
Less accumulated depreciation					
Buildings	(60,831,743)	(3,996,320)	-	-	(64,828,063)
Improvements other than buildings	(54,337,894)	(2,694,801)	-	-	(57,032,695)
Machinery and equipment	(27,645,564)	(3,283,263)	3,110,928	-	(27,817,899)
Infrastructure	(334,499,435)	(20,442,987)	-	-	(354,942,422)
Subtotal	(477,314,636)	(30,417,371)	3,110,928	-	(504,621,079)
Total capital assets, being depreciated	660,440,843	(20,727,816)	(1,141)	15,381,967	655,093,853
Total governmental activities	\$ 1,160,011,130	\$ 21,984,454	\$ (182,409)	\$ -	\$ 1,181,813,175

**CITY OF CHULA VISTA
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2019**

Note 5 – Capital Assets (Continued)

A. Government-Wide Financial Statements (Continued)

Depreciation expense was charged to functions/programs as follows:

General government	\$	33,695
Public safety		2,388,605
Public works		25,868,649
Community Development		37,772
Parks and recreation		1,827,724
Library		17,848
Internal service		243,078
	\$	<u>30,417,371</u>

Summary of changes in capital assets for business-type activities for the year ended June 30, 2019, are as follows:

	Balance July 1, 2018	Additions	Deletions	CIP Transfers	Balance June 30, 2019
Capital assets, not being depreciated:					
Land	\$ 180,677,144	\$ -	\$ -	\$ -	\$ 180,677,144
Construction in progress	4,174,411	975,374	-	(1,360,678)	3,789,107
Total capital assets, not being depreciated	<u>184,851,555</u>	<u>975,374</u>	<u>-</u>	<u>(1,360,678)</u>	<u>184,466,251</u>
Capital assets, being depreciated:					
Buildings and structures	17,027,588	-	-	-	17,027,588
Machinery and equipment	6,947,053	318,449	(402,959)	-	6,862,543
Infrastructure	247,123,396	-	-	1,360,678	248,484,074
Subtotal	<u>271,098,037</u>	<u>318,449</u>	<u>(402,959)</u>	<u>1,360,678</u>	<u>272,374,205</u>
Less accumulated depreciation					
Buildings and structures	(675,995)	(337,146)	-	-	(1,013,141)
Machinery and equipment	(3,935,078)	(940,680)	402,959	-	(4,472,799)
Infrastructure	(123,650,869)	(5,613,907)	-	-	(129,264,776)
Subtotal	<u>(128,261,942)</u>	<u>(6,891,733)</u>	<u>402,959</u>	<u>-</u>	<u>(134,750,716)</u>
Total capital assets, being depreciated	<u>142,836,095</u>	<u>(6,573,284)</u>	<u>-</u>	<u>1,360,678</u>	<u>137,623,489</u>
Total business-type activities	<u>\$ 327,687,650</u>	<u>\$ (5,597,910)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 322,089,740</u>

Depreciation expense for business-type activities for the year ended June 30, 2019, are as follows:

CV Elite Training Center	\$	337,146
Sewer		6,537,837
Sewer Development Impact Fees		3,041
Development Services		10,361
Transit		3,348
	\$	<u>6,891,733</u>

**CITY OF CHULA VISTA
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2019**

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, 2019, are as follows:

	Balance July 1, 2018	Additions	Deletions	Balance June 30, 2019
Capital assets, not being depreciated:				
Land	\$ 6,142,055	\$ 191,975	\$ (733,950)	\$ 5,600,080
Total capital assets, not being depreciated	6,142,055	191,975	(733,950)	5,600,080
Capital assets, being depreciated:				
Buildings	2,386,218	-	-	2,386,218
Subtotal	2,386,218	-	-	2,386,218
Less accumulated depreciation				
Buildings	(1,397,188)	(47,725)	-	(1,444,913)
Subtotal	(1,397,188)	(47,725)	-	(1,444,913)
Total capital assets, being depreciated	989,030	(47,725)	-	941,305
Total fiduciary activities	\$ 7,131,085	\$ 144,250	\$ (733,950)	\$ 6,541,385

Depreciation expense for fiduciary funds for the year ended June 30, 2019, was \$47,725.

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, 2019, is as follows:

	Balance July 1, 2018	Debt Issued	Debt Retired	Balance June 30, 2019	Classification	
					Due within One Year	Due in More Than One Year
Bonds Payable:						
Certificate of Participation	\$ 78,260,000	\$ -	\$ 3,490,000	\$ 74,770,000	\$ 3,660,000	\$ 71,110,000
Lease Revenue Bonds	92,065,000	-	6,660,000	85,405,000	7,080,000	78,325,000
Unamortized Bond Premium	16,260,901	-	1,486,613	14,774,288	-	14,774,288
Direct Borrowings and Direct Placements:						
Section 108 Loan	6,332,000	-	446,000	5,886,000	468,000	5,418,000
Notes Payable	3,269,491	-	523,434	2,746,057	524,343	2,221,714
Capital Leases	5,125,643	759,697	641,349	5,243,991	935,153	4,308,838
Total	\$ 201,313,035	\$ 759,697	\$ 13,247,396	\$ 188,825,336	\$ 12,667,496	\$ 176,157,840

**CITY OF CHULA VISTA
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2019**

Note 6 – Long-Term Debt (Continued)

Governmental Activities Long-Term Debt (Continued)

A. Certificates of Participation

	Balance July 1, 2018	Debt Issued	Debt Retired	Balance June 30, 2019	Classification	
					Due within One Year	Due in More Than One Year
2014 Refunding COP	\$ 39,440,000	\$ -	\$ 1,810,000	\$ 37,630,000	\$ 1,895,000	\$ 35,735,000
2015 Refunding COP	30,220,000	-	1,680,000	28,540,000	1,765,000	26,775,000
2016 Refunding COP	8,600,000	-	-	8,600,000	-	8,600,000
Total	\$ 78,260,000	\$ -	\$ 3,490,000	\$ 74,770,000	\$ 3,660,000	\$ 71,110,000

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. Should the City default under the Lease, the Trustee, as assignee of the Authority, may terminate the Lease and re-lease the Leased Premises or may retain the Lease and hold the City liable for all Lease Payments thereunder on an annual basis. Under no circumstances will the Trustee have the right to accelerate Lease Payments. 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, 2019, the outstanding balance is \$37,630,000.

The annual debt service requirements for the 2014 Certificates of Participation outstanding at June 30, 2019, are as follows:

Year Ending June 30,	Principal	Interest	Total
2020	\$ 1,895,000	\$ 1,703,706	\$ 3,598,706
2021	2,000,000	1,606,331	3,606,331
2022	2,100,000	1,503,831	3,603,831
2023	2,210,000	1,396,081	3,606,081
2024	2,330,000	1,282,581	3,612,581
2025-2029	13,605,000	4,490,781	18,095,781
2030-2033	13,490,000	1,122,884	14,612,884
Total	\$ 37,630,000	\$ 13,106,195	\$ 50,736,195

**CITY OF CHULA VISTA
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2019**

Note 6 – Long-Term Debt (Continued)

Governmental Activities Long-Term Debt (Continued)

A. Certificates of Participation (Continued)

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. Should the City default under the Lease, the Trustee, as assignee of the Authority, may terminate the Lease and re-lease the Leased Premises or may retain the Lease and hold the City liable for all Lease Payments thereunder on an annual basis. Under no circumstances will the Trustee have the right to accelerate Lease Payments. Interest is payable semi-annually on March 1 and September 1 of each year, commencing March 1, 2016. The certificates mature in 2034 and principal is payable on March 1 each year, commencing October 1, 2015. As of June 30, 2019, the outstanding balance is \$28,540,000.

The annual debt service requirements for the 2015 Certificates of Participation outstanding at June 30, 2019, are as follows:

Year Ending June 30,	Principal	Interest	Total
2020	\$ 1,765,000	\$ 1,157,263	\$ 2,922,263
2021	1,860,000	1,069,013	2,929,013
2022	1,945,000	976,013	2,921,013
2023	2,040,000	878,763	2,918,763
2024	2,145,000	776,763	2,921,763
2025-2029	9,410,000	2,748,688	12,158,688
2030-2034	9,375,000	1,130,494	10,505,494
Total	\$ 28,540,000	\$ 8,736,997	\$ 37,276,997

**CITY OF CHULA VISTA
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2019**

Note 6 – Long-Term Debt (Continued)

Governmental Activities Long-Term Debt (Continued)

A. Certificates of Participation (Continued)

2016 Refunding COP

In July 2016, the Chula Vista Public Financing Authority (Authority) issued \$8,600,000 in 2016 Certificates of Participation (Certificates) to current refund all of the City’s outstanding 2006 Certificates of Participation (Civic Center Project – Phase 2), to satisfy the reserve requirement with respect to the Certificates and to pay the costs of issuance of the Certificates. The refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$221,204, which is reported as a deferred outflow of resources in the accompanying financial statements and amortized over the remaining life of the refunded debt. The City completed the refunding to reduce its total debt service payments by \$1,144,525 and to obtain an economic gain (difference between the present values of the old and new debt services payments) of \$973,849. The source of repayment of the certificates is the lease payments to be made by the City to the Authority. Should the City default under the Lease, the Trustee, as assignee of the Authority, may terminate the Lease and re-lease the Leased Premises or may retain the Lease and hold the City liable for all Lease Payments thereunder on an annual basis. Under no circumstances will the Trustee have the right to accelerate Lease Payments. Interest is payable semi-annually on March 1 and September 1 of each year, commencing March 1, 2017. The certificates mature in 2036 and principal is payable on March 1 each year, commencing March 1, 2027. As of June 30, 2019, the outstanding balance is \$8,600,000.

The annual debt service requirements for the 2016 Certificates of Participation outstanding at June 30, 2019, are as follows:

Year Ending June 30,	Principal	Interest	Total
2020	\$ -	\$ 282,550	\$ 282,550
2021	-	282,550	282,550
2022	-	282,550	282,550
2023	-	282,550	282,550
2024	-	282,550	282,550
2025-2029	2,265,000	1,353,350	3,618,350
2030-2034	4,380,000	721,500	5,101,500
2035-2036	1,955,000	88,500	2,043,500
Total	\$ 8,600,000	\$ 3,576,100	\$ 12,176,100

CITY OF CHULA VISTA
 NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
 YEAR ENDED JUNE 30, 2019

Note 6 – Long-Term Debt (Continued)

Governmental Activities Long-Term Debt (Continued)

B. Lease Revenue Bonds

	Balance July 1, 2018	Debt Issued	Debt Retired	Balance June 30, 2019	Classification	
					Due within One Year	Due in More Than One Year
2016 Lease Revenue Refunding Bonds	\$ 23,130,000	\$ -	\$ 1,330,000	\$ 21,800,000	\$ 1,370,000	\$ 20,430,000
2017 Lease Revenue Bonds	55,805,000	-	5,330,000	50,475,000	5,605,000	44,870,000
2017 Lease Revenue Bonds, Series A	12,045,000	-	-	12,045,000	-	12,045,000
2017 Lease Revenue Bonds, Series B	1,085,000	-	-	1,085,000	105,000	980,000
Total	\$ 92,065,000	\$ -	\$ 6,660,000	\$ 85,405,000	\$ 7,080,000	\$ 78,325,000

2016 Lease Revenue Refunding Bonds

In July 2016, the Chula Vista Municipal Financing Authority (Authority) issued \$25,885,000 in 2016 Lease Revenue Refunding Bonds to refinance an existing lease by advance refunding the City's outstanding 2010 Certificates of Participation (Capital Facilities Refunding Projects) and to pay the costs of issuance of the Bonds. The refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$4,898,948, which is reported as a deferred outflow of resources in the accompanying financial statements and amortized over the remaining life of the refunded debt. The City completed the refunding to reduce its total debt service payments by \$2,167,047 and to obtain an economic gain (difference between the present values of the old and new debt services payments) of \$2,293,798. The source of repayment of the certificates is the lease payments to be made by the City to the Authority. Should the City default under the Lease Agreement, the Trustee, as assignee of the Authority, may terminate the Lease Agreement and re-lease the Leased Property or may retain the Lease Agreement and hold the City liable for all Base Rental Payments thereunder on an annual basis. Under no circumstances will the Trustee have the right to accelerate Base Rental Payments. Interest is payable semi-annually on November 1 and May 1 of each year, commencing November 1, 2016. The certificates mature in 2033 and principal is payable on May 1 each year, commencing May 1, 2017. As of June 30, 2019, the outstanding balance is \$21,800,000.

The annual debt service requirements for the 2016 Lease Revenue Refunding Bonds outstanding at June 30, 2019, are as follows:

Year Ending June 30,	Principal	Interest	Total
2020	\$ 1,370,000	\$ 780,175	\$ 2,150,175
2021	1,410,000	739,075	2,149,075
2022	1,460,000	682,675	2,142,675
2023	1,520,000	624,275	2,144,275
2024	1,585,000	563,475	2,148,475
2025-2029	8,815,000	1,919,338	10,734,338
2030-2033	5,640,000	462,800	6,102,800
Total	\$ 21,800,000	\$ 5,771,813	\$ 27,571,813

**CITY OF CHULA VISTA
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2019**

Note 6 – Long-Term Debt (Continued)

Governmental Activities Long-Term Debt (Continued)

B. Lease Revenue Bonds (Continued)

2017 Lease Revenue Bonds

In June 2017, the Chula Vista Municipal Financing Authority (Authority) issued \$61,355,000 in 2017 Lease Revenue Bonds to finance infrastructure, facilities and equipment and to pay the costs of the issuance of the Bonds. Should the City default under the Lease Agreement, the Trustee, as assignee of the Authority, may terminate the Lease Agreement and re-lease the Leased Property or may retain the Lease Agreement and hold the City liable for all Base Rental Payments thereunder on an annual basis. Under no circumstances will the Trustee have the right to accelerate Base Rental Payments. Interest is payable semi-annually on November 1 and May 1 of each year, commencing November 1, 2017. The bonds mature in 2027 and principal is payable on May 1 each year, commencing May 1, 2019. As of June 30, 2019, the outstanding balance is \$50,475,000.

The annual debt service requirements for the 2017 Lease Revenue Bonds outstanding at June 30, 2019, are as follows:

Year Ending June 30,	Principal	Interest	Total
2020	\$ 5,605,000	\$ 2,523,750	\$ 8,128,750
2021	5,885,000	2,243,500	8,128,500
2022	6,185,000	1,949,250	8,134,250
2023	6,180,000	1,640,000	7,820,000
2024	6,175,000	1,331,000	7,506,000
2025-2027	20,445,000	2,077,750	22,522,750
Total	\$ 50,475,000	\$ 11,765,250	\$ 62,240,250

2017 Lease Revenue Bonds, Series A (New Clean Renewable Energy Bonds – Federally Taxable)

In December 2017, the Chula Vista Municipal Financing Authority (Authority) issued \$12,045,000 in 2017 Lease Revenue Bonds, Series A (New Clean Renewable Energy Bonds – Federally Taxable), to finance photovoltaic energy systems at various City facilities, to capitalize interest on the Bonds and to pay the costs of issuance of the Bonds. Should the City default under the Lease Agreement, the Trustee, as assignee of the Authority, either may terminate the Lease Agreement and re-lease the Leased Property, or may retain the Lease Agreement and hold the City liable for all Base Rental Payments thereunder on an annual basis. Under no circumstances will the Trustee have the right to accelerate Base Rental Payments. Interest is payable semi-annually on December 1 and June 1 of each year, commencing June 1, 2018. The bonds mature in 2049 and principal is payable on December 1 each year, commencing December 1, 2021. As of June 30, 2019, the outstanding balance is \$12,045,000.

**CITY OF CHULA VISTA
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2019**

Note 6 – Long-Term Debt (Continued)

Governmental Activities Long-Term Debt (Continued)

B. Lease Revenue Bonds (Continued)

2017 Lease Revenue Bonds, Series A (New Clean Renewable Energy Bonds – Federally Taxable)
(Continued)

The annual debt service requirements for 2017 Lease Revenue Bonds, Series A (New Clean Renewable Energy Bonds – Federally Taxable) outstanding at June 30, 2019, are as follows:

Year Ending June 30,	Principal	Interest	Total
2020	\$ -	\$ 485,781	\$ 485,781
2021	-	485,781	485,781
2022	40,000	485,262	525,262
2023	50,000	484,045	534,045
2024	65,000	482,374	547,374
2025-2029	725,000	2,354,278	3,079,278
2030-2034	1,775,000	2,128,783	3,903,783
2035-2039	2,350,000	1,730,869	4,080,869
2040-2044	3,065,000	1,185,782	4,250,782
2045-2049	3,975,000	441,928	4,416,928
Total	\$ 12,045,000	\$ 10,264,883	\$ 22,309,883

2017 Lease Revenue Bonds, Series B (Tax-Exempt)

In December 2017, the Chula Vista Municipal Financing Authority (Authority) issued \$12,045,000 in 2017 Lease Revenue Bonds, Series B (Tax-Exempt), to finance photovoltaic energy systems at various City facilities, to capitalize interest on the Bonds and to pay the costs of issuance of the Bonds. Should the City default under the Lease Agreement, the Trustee, as assignee of the Authority, either may terminate the Lease Agreement and re-lease the Leased Property, or may retain the Lease Agreement and hold the City liable for all Base Rental Payments thereunder on an annual basis. Under no circumstances will the Trustee have the right to accelerate Base Rental Payments. Interest is payable semi-annually on December 1 and June 1 of each year, commencing June 1, 2018. The bonds mature in 2029 and principal is payable on December 1 each year, commencing December 1, 2019. As of June 30, 2019, the outstanding balance is \$1,085,000.

**CITY OF CHULA VISTA
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2019**

Note 6 – Long-Term Debt (Continued)

Governmental Activities Long-Term Debt (Continued)

B. Lease Revenue Bonds (Continued)

2017 Lease Revenue Bonds, Series B (Tax-Exempt) (Continued)

The annual debt service requirements for 2017 Lease Revenue Bonds, Series B (Tax-Exempt), outstanding at June 30, 2019, are as follows:

Year Ending June 30,	Principal	Interest	Total
2020	\$ 105,000	\$ 40,775	\$ 145,775
2021	105,000	37,100	142,100
2022	105,000	32,900	137,900
2023	110,000	28,600	138,600
2024	110,000	24,200	134,200
2025-2027	550,000	55,000	605,000
Total	\$ 1,085,000	\$ 218,575	\$ 1,303,575

C. 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, 2019, the outstanding balance is \$5,886,000. The annual debt service payments are as follows:

Year Ending June 30,	Principal	Interest	Total
2020	\$ 468,000	\$ 295,428	\$ 763,428
2021	492,000	271,830	763,830
2022	516,000	246,599	762,599
2023	542,000	219,668	761,668
2024	569,000	191,000	760,000
2025-2029	3,299,000	460,381	3,759,381
Total	\$ 5,886,000	\$ 1,684,906	\$ 7,570,906

**CITY OF CHULA VISTA
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2019**

Note 6 – Long-Term Debt (Continued)

Governmental Activities Long-Term Debt (Continued)

D. Notes Payable

	Balance June 30, 2018	Debt Issued	Debt Retired	Balance June 30, 2019	Classification	
					Due within One Year	Due in More Than One Year
Taxable QECB Lease Purchase Agreement	\$ 1,262,341	\$ -	\$ 189,401	\$ 1,072,940	\$ 191,125	\$ 881,815
California Energy Commission (CEC) Loan #2	1,251,683	-	140,663	1,111,020	144,829	966,191
California Energy Commission (CEC) Loan #3	723,160	-	178,096	545,064	179,870	365,194
SDG&E OBF Loan #1 (Parkway Boiler)	25,551	-	8,518	17,033	8,519	8,514
SDG&E OBF Loan #2 (Transit HVAC)	6,756	-	6,756	-	-	-
Total CEC Loans/SDG&E On Bill Financing	2,007,150	-	334,033	1,673,117	333,218	1,339,899
Total	\$ 3,269,491	\$ -	\$ 523,434	\$ 2,746,057	\$ 524,343	\$ 2,221,714

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, 2019, the outstanding balance is \$1,072,940. The annual debt service requirements are as follows:

Year Ending	Principal	Interest	Total
June 30,			
2020	\$ 191,125	\$ 40,600	\$ 231,725
2021	192,864	33,015	225,879
2022	194,619	25,360	219,979
2023	196,391	17,636	214,027
2024	198,177	9,841	208,018
2025	99,764	1,975	101,739
Total	\$ 1,072,940	\$ 128,427	\$ 1,201,367

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, 2019, the outstanding balance is \$1,673,117. The annual debt service requirements are as follows:

CITY OF CHULA VISTA
 NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
 YEAR ENDED JUNE 30, 2019

Note 6 – Long-Term Debt (Continued)

Governmental Activities Long-Term Debt (Continued)

D. Notes Payable (Continued)

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

Year Ending June 30,	Principal	Interest	Total
2020	\$ 333,218	\$ 37,357	\$ 370,575
2021	339,497	31,078	370,575
2022	337,311	24,745	362,056
2023	158,453	18,717	177,170
2024	163,208	13,962	177,170
2025-2026	341,430	12,907	354,337
Total	\$ 1,673,117	\$ 138,766	\$ 1,811,883

E. Capital Leases

	Balance July 1, 2018	Debt Issued	Debt Retired	Balance June 30, 2019	Classification	
					Due within One Year	Due in More Than One Year
Solar Energy Financing	\$ 1,359,559	\$ -	\$ 125,834	\$ 1,233,725	\$ 68,576	\$ 1,165,149
Osh Kosh Capital	260,736	-	84,448	176,288	86,888	89,400
Marlin Panasonic	127,790	-	101,464	26,326	25,820	506
PNC Equipment	1,059,364	-	118,289	941,075	122,075	819,000
JP Morgan Equipment Lease	1,117,954	-	113,913	1,004,041	116,362	887,679
Motorola PSA Equipment Lease	1,183,510	-	-	1,183,510	132,011	1,051,499
Mail Folding Machine Lease	16,730	-	2,439	14,291	3,573	10,718
BCI Capital Lease Payable- 26 Vehiel	-	759,697	94,962	664,735	379,848	284,887
Total	\$ 5,125,643	\$ 759,697	\$ 641,349	\$ 5,243,991	\$ 935,153	\$ 4,308,838

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, 2019, are as follows:

Year Ending June 30,	Principal	Interest	Total
2020	\$ 68,576	\$ 48,105	\$ 116,681
2021	74,259	45,339	119,598
2022	80,242	42,346	122,588
2023	86,540	39,113	125,653
2024	93,166	35,629	128,795
2025-2029	577,819	116,092	693,911
2023-2031	253,123	11,638	264,761
Total	\$ 1,233,725	\$ 338,262	\$ 1,571,987

**CITY OF CHULA VISTA
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2019**

Note 6 – Long-Term Debt (Continued)

Governmental Activities Long-Term Debt (Continued)

E. 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, 2019, are as follows:

Year Ending June 30,	Principal	Interest	Total
2020	\$ 86,888	\$ 5,095	\$ 91,983
2021	89,400	2,583	91,983
Total	<u>\$ 176,288</u>	<u>\$ 7,678</u>	<u>\$ 183,966</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, 2019, are as follows:

Year Ending June 30,	Principal	Interest	Total
2020	\$ 25,820	\$ 263	\$ 26,083
2021	506	-	506
Total	<u>\$ 26,326</u>	<u>\$ 263</u>	<u>\$ 26,589</u>

**CITY OF CHULA VISTA
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2019**

Note 6 – Long-Term Debt (Continued)

Governmental Activities Long-Term Debt (Continued)

E. Capital Leases (Continued)

PNC Equipment Lease

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

The future minimum lease obligation and the net present value of these minimum lease payments as of June 30, 2019, are as follows:

Year Ending June 30,	Principal	Interest	Total
2020	\$ 122,075	\$ 30,114	\$ 152,189
2021	125,981	26,208	152,189
2022	130,012	22,177	152,189
2023	134,173	18,016	152,189
2024	138,466	13,723	152,189
2025-2026	290,367	14,011	304,378
Total	<u>\$ 941,075</u>	<u>\$ 124,249</u>	<u>\$ 1,065,323</u>

JP Morgan Equipment Lease

In August 2016, the City entered into a capital lease agreement with JP Morgan Chase Bank, N.A. for the acquisition of one Pierce Fire Engine. The lease term is ten years and the lease amount is \$1,229,470 to be paid in annual installments beginning in August 2017.

The future minimum lease obligation and the net present value of these minimum lease payments as of June 30, 2019, are as follows:

Year Ending June 30,	Principal	Interest	Total
2020	\$ 116,362	\$ 21,587	\$ 137,949
2021	118,864	19,085	137,949
2022	121,419	16,530	137,949
2023	124,030	13,919	137,949
2024	126,697	11,252	137,949
2025-2027	396,669	17,178	413,847
Total	<u>\$ 1,004,041</u>	<u>\$ 99,551</u>	<u>\$ 1,103,592</u>

CITY OF CHULA VISTA
 NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
 YEAR ENDED JUNE 30, 2019

Note 6 – Long-Term Debt (Continued)

Governmental Activities Long-Term Debt (Continued)

E. Capital Leases (Continued)

Motorola Solutions CAD Equipment Lease

In July 2017, the City entered into a capital lease agreement with Motorola Solutions, Inc. for the acquisition of a PSA System. The lease term is ten years and the lease amount is \$1,351,409 to be paid in annual installments beginning in July 2018.

The future minimum lease obligation and the net present value of these minimum lease payments as of June 30, 2019, are as follows:

Year Ending June 30,	Principal	Interest	Total
2020	\$ 132,011	\$ 38,227	\$ 170,238
2021	136,275	33,963	170,238
2022	140,677	29,562	170,239
2023	145,220	25,018	170,238
2024	149,911	20,327	170,238
2025-2027	479,416	31,298	510,714
Total	<u>\$ 1,183,510</u>	<u>\$ 178,395</u>	<u>\$ 1,361,905</u>

Mail Folding Machine Lease

In January 2018, the City entered into a capital lease agreement with Mail Finance, Inc. for the acquisition of a mail folding machine. The lease term is ten years and the lease amount is \$17,245 to be paid in annual installments beginning in July 2018.

The future minimum lease obligation and the net present value of these minimum lease payments as of June 30, 2019, are as follows:

Year Ending June 30,	Principal	Total
2020	\$ 3,573	\$ 3,573
2021	3,573	3,573
2022	3,573	3,573
2023	3,572	3,572
Total	<u>\$ 14,291</u>	<u>\$ 14,291</u>

CITY OF CHULA VISTA
 NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
 YEAR ENDED JUNE 30, 2019

Note 6 – Long-Term Debt (Continued)

Governmental Activities Long-Term Debt (Continued)

E. Capital Leases (Continued)

BCI Capital Vehicle Leases

In March 2019, the City entered into two capital lease agreements with BCI Capital, Inc. for the acquisition of 26 vehicles. The lease term is two years and the lease amount is \$759,697 to be paid in annual installments beginning in April 2019.

The future minimum lease obligation and the net present value of these minimum lease payments as of June 30, 2019, are as follows:

Year Ending June 30,	Principal	Total
2020	\$ 379,848	\$ 379,848
2021	284,887	284,887
Total	<u>\$ 664,735</u>	<u>\$ 664,735</u>

Fiduciary Funds Long-Term Debt

A. Tax Allocation Bonds

	Balance June 30, 2018	Debt Issued	Debt Retired	Balance June 30, 2019	Classification	
					Due within One Year	Due in More Than One Year
Bonds Payable:						
2016 Tax Allocation Refunding Bonds	\$ 27,930,000	\$ -	\$ (1,665,000)	\$ 26,265,000	\$ 1,725,000	\$ 24,540,000
Unamortized Bond Premium	4,219,019	-	(234,390)	3,984,629	-	3,984,629
Total	<u>\$ 32,149,019</u>	<u>\$ -</u>	<u>\$ (1,899,390)</u>	<u>\$ 30,249,629</u>	<u>\$ 1,725,000</u>	<u>\$ 28,524,629</u>

2016 Tax Allocation Refunding Bonds

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

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

**CITY OF CHULA VISTA
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2019**

Note 6 – Long-Term Debt (Continued)

Fiduciary Funds Long-Term Debt (Continued)

A. Tax Allocation Bonds (Continued)

The refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$1,669,678, which is reported as a deferred outflow of resources in the accompanying financial statements and amortized over the remaining life of the refunded debt. The City completed the refunding to reduce its total debt service payments by \$9,561,410 and to obtain an economic gain (difference between the present values of the old and new debt services payments) of \$4,617,835. In the event of default of the payment of the scheduled principal of or interest on the 2016 Insured Bonds when all or some becomes due, the Trustee on behalf of any owner of the 2016 Insured Bonds shall have a claim under the 2016 Insurance Policy for such payments. The maturity of Insured Bonds shall not be accelerated without the consent of the 2016 Insurer. Interest is payable semi-annually on April 1 and October 1 of each year, commencing April 1, 2017. The certificates mature in 2037 and principal is payable on October 1 each year, commencing October 1, 2017. As of June 30, 2019, the outstanding balance is \$26,265,000.

The annual debt service requirements for the 2016 Tax Allocation Refunding Bonds outstanding at June 30, 2019, are as follows:

Year Ending June 30,	Principal	Interest	Total
2020	\$ 1,725,000	\$ 1,082,075	\$ 2,807,075
2021	1,770,000	1,020,800	2,790,800
2022	1,840,000	948,600	2,788,600
2023	1,920,000	873,400	2,793,400
2024	1,995,000	795,100	2,790,100
2025-2029	8,215,000	2,807,925	11,022,925
2030-2034	5,100,000	1,397,750	6,497,750
2035-2037	3,700,000	199,975	3,899,975
Total	\$ 26,265,000	\$ 9,125,625	\$ 35,390,625

CITY OF CHULA VISTA
 NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
 YEAR ENDED JUNE 30, 2019

Note 6 – Long-Term Debt (Continued)

Fiduciary Funds Long-Term Debt (Continued)

B. Tax Allocation Bonds (Continued)

Pledged Revenues

The Successor Agency has pledged tax revenues to the repayment of the RDA’s debts transferred to it on February 1, 2012 through the final maturity of the Bonds, or early retirement of the Bonds, whichever comes first. Tax revenues consist of Redevelopment Property Tax Trust Fund distributions allocated to the RDA’s project areas pursuant to Section 33670 of the Redevelopment Law excluding that portion of such tax increment revenues required to be paid under tax-sharing agreements unless the payment of such amounts has been subordinated to payment of debt services on the Bonds. Redevelopment Property Tax Trust Fund distributions earned in fiscal year 2019 was \$2,774,802 and total debt service of all Tax Allocation Bonds paid was \$1,665,000. The Bonds required 75% of net distributions. In future years, annual principal and interest payments on the Tax Allocation Bonds are expected to require 75% of Redevelopment Property Tax Trust Fund distributions.

Special Assessment Debt – Non-City Obligations

Bonds issued to finance public improvement projects in certain assessment districts are liabilities of the property owners and are secured by liens against the assessed properties. The City acts as an agent for collection of principal and interest payments by the property owners and remittance of such monies to the bondholders. The City has no obligation or duty to pay any delinquency out of any available funds of the City. Neither the faith, credit, nor the taxing power of the City is pledged to the payment of the bonds. Therefore, none of the following obligations are included in the accompanying basic financial statements. At June 30, 2019, the special assessment debts outstanding are as follows:

	<u>Original Amount</u>	<u>Outstanding June 30, 2019</u>
Special Tax Revenue Refunding Bonds, Series 2013	\$ 72,100,000	\$ 58,795,000
Special Tax Revenue Refunding Bonds, Series 2015A	30,460,000	28,100,000
Revenue Refunding Bonds, Series 2015B	43,695,000	37,615,000
CFD 16-1	12,280,000	12,280,000
Industrial Development Revenue Bonds, 2004 Series A-F	251,265,000	251,265,000
Total	<u>\$ 409,800,000</u>	<u>\$ 388,055,000</u>

**CITY OF CHULA VISTA
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2019**

Note 6 – Long-Term Debt (Continued)

Multi-Family Housing Bonds – Non-City Obligations

Bonds issued to finance public improvement and/or affordable multifamily housing projects are liabilities of the developers and are secured by liens against the assessed property. The City has no obligation or duty to pay any delinquency out of any available funds of the City. Neither the faith, credit, nor the taxing power of the City is pledged to the payment of the bonds. Therefore, none of the following obligations are included in the accompanying basic financial statements. At June 30, 2019, the multi-family housing bonds outstanding are as follows:

	<u>Original Amount</u>	<u>Outstanding June 30, 2019</u>
2007 A Oxford Terrace Apartments	\$ 2,276,000	\$ 1,661,000
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	5,617,791
2013 A Congregational Tower	20,540,000	19,674,093
2016 A-1 Duetta Apts Homes	18,675,000	7,978,705
2016 A-3 Duetta Apts Homes Junior	725,000	725,000
2016 B-1 Volta Apts Homes	20,925,000	10,145,760
2016 B-3 Volga Apts Homes Junior	775,000	775,000
2010 A-1 Landings II Senior	11,786,233	10,436,136
2005A Rancho Vista	1,715,000	1,295,000
2003A Rancho Vista	11,485,000	8,780,000
2019 Series B-1 St. Regis Park Apartments	13,300,000	10,062,413
2019 A Cordova and Trolley Apartments	6,450,000	2,915,361
Total	<u>\$ 165,625,233</u>	<u>\$ 120,369,259</u>

Note 7 – Unearned/Unavailable Revenue

A. Government-Wide Financial Statements

At June 30, 2019, unearned revenue was reported as follows:

Grants	\$ 1,499,051
Development Impact Fees	<u>394,643</u>
Total	<u>\$ 1,893,694</u>

B. Governmental Fund Financial Statements

At June 30, 2019, unavailable revenue was reported as follows:

Long-term receivables	\$ 11,849,804
Development impact fees	1,878,515
Miscellaneous	<u>8,240,604</u>
Total	<u>\$ 21,968,923</u>

**CITY OF CHULA VISTA
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2019**

Note 8 – Compensated Absences

Government-Wide Financial Statements – Governmental Activities

Summary of changes in governmental activities compensated absences for the year ended June 30, 2019, is as follows:

	Balance June 30, 2018	Additions	Deletions	Balance June 30, 2019	Classification	
					Due within One Year	Due in More Than One Year
Compensated Absences	\$ 7,378,188	\$ 6,039,785	\$ (5,423,142)	\$ 7,994,831	\$ 5,876,389	\$ 2,118,442
Total	<u>\$ 7,378,188</u>	<u>\$ 6,039,785</u>	<u>\$ (5,423,142)</u>	<u>\$ 7,994,831</u>	<u>\$ 5,876,389</u>	<u>\$ 2,118,442</u>

The City’s liability for vested and unpaid compensated absences (accrued vacation) has been accrued and amounts to \$7,994,831 at June 30, 2019. 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, 2019, are obligations of the following funds:

Governmental Funds	\$ 7,954,580
Fleet Management	40,251
Total	<u>\$ 7,994,831</u>

Governmental-Wide Financial Statements – Business-Type Activities

Compensated absences at June 30, 2019, are obligations of the following funds:

	Balance June 30, 2018	Additions	Deletions	Balance June 30, 2019	Classification	
					Due within One Year	Due in More Than One Year
Compensated Absences	\$ 629,643	\$ 454,941	\$ (429,353)	\$ 655,231	\$ 441,777	\$ 213,454
Total	<u>\$ 629,643</u>	<u>\$ 454,941</u>	<u>\$ (429,353)</u>	<u>\$ 655,231</u>	<u>\$ 441,777</u>	<u>\$ 213,454</u>

Development Services	\$ 437,331
Sewer	217,900
Total	<u>\$ 655,231</u>

**CITY OF CHULA VISTA
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2019**

Note 9 – Other Required Fund Disclosures

At June 30, 2019, the following non-major funds had deficit fund equity:

Fund Type	Funds	Deficit
Special Revenue	Transportation Sales Tax	\$ 1,908,923
Capital Projects	Bicycle Facility	4,460
Capital Projects	Other Transportation Program	234,219
Debt Service	City Debt Service	41
Internal Service	Fleet Management	706,815

Transportation Sales Tax – The Transportation Sales Tax Fund had an accumulated deficit of \$1,908,923 due to non-reimbursable expenditures that were incurred. The City does not expect to eliminate the deficit.

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

Other Transportation Program – The Other Transportation Program Fund had an accumulated deficit of \$234,219 due to non-reimbursable expenditures that were incurred. The City does not expect to eliminate the deficit.

City Debt Service – The Other Transportation Program Fund had an accumulated deficit of \$41 due to non-reimbursable expenditures that were incurred. The City does not expect to eliminate the deficit.

Fleet Management Fund – The Fleet Management Fund had an accumulated deficit of \$706,815, due to the implementation of GASB 68 & GASB 75. The City expects to eliminate the deficit in future years via transfers from other funds.

Note 10 – Self-Insurance Accrued Liabilities

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

City Council of the City of Chula Vista authorized the City Manager to execute an Agreement with Intercare Holdings Insurance Services, Inc., to act as the Third Party Administrator for the City's Workers' Compensation Program, effective July 1, 2017. The term of this agreement began July 1, 2017 and ended on June 30, 2019 for completion of all Required Services. The Agreement may be extended for up to five (5) additional terms.

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, 2019, there are 174 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.

**CITY OF CHULA VISTA
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2019**

Note 10 – Self-Insurance Accrued Liabilities (Continued)

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

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

	Balance June 30, 2018	Claims and Changes in Estimates	Claims Payments	Balance June 30, 2019
2016-2017	\$ 22,468,939	\$ 8,274,909	\$ (8,438,119)	\$ 22,305,729
2017-2018	22,305,729	6,061,239	(5,486,263)	22,880,705
2018-2019	22,880,705	5,663,568	(4,306,980)	24,237,293

The City determines that \$4,000,000 of the \$24,237,293 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.

**CITY OF CHULA VISTA
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2019**

Note 11 – Pension Plans (Continued)

A. California Public Employees’ Retirement Plans (Continued)

Benefits Provided (Continued)

The Plan’s provisions and benefits in effect at June 30, 2019, are summarized as follows:

	Miscellaneous Plan		
	Tier 1*	Tier 2	PEPRA
		New Member on or after April 22, 2011 but prior to January 1, 2013	New Member on or after January 1, 2013
Hire date	Prior to April 22, 2011	January 1, 2013	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	31.545%	31.545%	12.757%
Safety Fire Plan			
	Tier 1*	Tier 2	PEPRA
		New Member on or after April 22, 2011 but prior to January 1, 2013	New Member on or after January 1, 2013
Hire date	Prior to April 22, 2011	January 1, 2013	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	35.570%	35.570%	24.095%
Safety Police Plan			
	Tier 1*	Tier 2	PEPRA
		New Member on or after April 22, 2011 but prior to January 1, 2013	New Member on or after January 1, 2013
Hire date	Prior to April 22, 2011	January 1, 2013	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	35.570%	35.570%	24.095%

*Closed to new entrants

CITY OF CHULA VISTA
 NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
 YEAR ENDED JUNE 30, 2019

Note 11 – Pension Plans (Continued)

A. California Public Employees’ Retirement Plans (Continued)

Employees Covered

At June 30, 2019, the following employees were covered by the benefit terms of the plans:

Miscellaneous Plan	
Inactive employees or beneficiaries currently receiving benefits	775
Inactive employees entitled to but not yet receiving benefits	66
Active employees	<u>603</u>
Total	<u>1,444</u>
 Safety Plan	
Inactive employees or beneficiaries currently receiving benefits	356
Inactive employees entitled to but not yet receiving benefits	117
Active employees	<u>344</u>
Total	<u>817</u>

Contribution

Section 20814(c) of the California Public Employees’ Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for both Plans are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The City is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. \$10,942,584 and \$17,324,929 of contributions for the Miscellaneous and Safety Plan respectively, were recognized as a reduction to the net pension liability for fiscal year ending June 30, 2019.

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, 2018, using an annual actuarial valuation as of June 30, 2017 rolled forward to June 30, 2018 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, 2017 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	7.15%
Inflation	2.50%
Salary Increases	Varies by Entry Age and Service
Mortality Rate Table (1)	Derived using CalPERS’ Membership Data for all Funds
Post Retirement Benefit Increase	Contract COLA up to 2.0% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.50% thereafter

(1) The mortality table used was developed based on CalPERS’ specific data. The table includes 15 years of mortality improvements using Society of Actuaries Scale 90% of scal MP 2016. For more details on this table, please refer to the December 2017 experience study report (based on CalPERS demographic data from 1997 to 2015) that can be found on the CalPERS website.

Change of Assumptions

In 2018, demographic assumptions and inflation rate were changed in accordance to the CalPERS Experience Study and Review of Actuarial Assumptions December 2017. There were no changes in the discount rate. In 2017, the discount rate was reduced from 7.65 percent to 7.15 percent. In 2016, there were no changes. In 2015, amounts reported reflect an adjustment of the discount rate from 7.5 percent (net of administrative expense) to 7.65 percent (without a reduction for pension plan administrative expense.) In 2014, amounts reported were based on the 7.5 percent discount rate.

Discount Rate

The discount rate used to measure the total pension liability was 7.15 percent. To determine whether the municipal bond rate should be used in the calculation of the discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. The tests revealed the assets would not run out. Therefore, the current 7.15 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 7.15 percent is applied to all plans in the Public Employees’ Retirement Fund (PERF). The cash flows used in the testing were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years. The stress test results are presented in a detailed report called “GASB Crossover Testing Report” that can be obtained at CalPERS website under the GASB 68 section.

Note 11 – Pension Plans (Continued)

A. California Public Employees’ Retirement Plans (Continued)

Discount Rate (Continued)

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

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

The table below reflects long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation.

Asset Class	New Strategic Allocation	Real Return Years 1 - 10 (1)	Real Return Years 11+ (2)
Global Equity	50.00%	4.80%	5.98%
Global Fixed Income	28.00	1.00	2.62
Inflation Sensitive	0.00	0.77	1.81
Private Equity	8.00	6.30	7.23
Real Estate	13.00	3.75	4.93
Liquidity	1.00	0.00	(0.92)

(1) An expected inflation of 2.00% used for this period.

(2) An expected inflation of 2.92% used for this period.

CITY OF CHULA VISTA
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2019

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: 6/30/2017 (Valuation Date)	\$ 542,236,884	\$ 354,531,046	\$ 187,705,838
Changes Recognized for the Measurement Period:			
Service Cost	9,048,165	-	9,048,165
Interest on the Total Pension Liability	37,305,907	-	37,305,907
Difference between Expected and Actual Experience	(8,223,685)	-	(8,223,685)
Changes of Assumptions	(4,314,060)	-	(4,314,060)
Plan to Plan Resource Movement	-	(874)	874
Contribution from the Employer	-	14,479,069	(14,479,069)
Contributions from Employees	-	3,603,297	(3,603,297)
Net Investment Income	-	30,032,849	(30,032,849)
Benefit Payments including Refunds of Employee Contributions	(24,924,595)	(24,924,595)	-
Administrative Expense	-	(552,457)	552,457
Other Miscellaneous Income/(Expense) ¹	-	(1,049,125)	1,049,125
Net Changes During 2017-18	8,891,732	21,588,164	(12,696,432)
Balance at: 6/30/2018 (Measurement Date)	\$ 551,128,616	\$ 376,119,210	\$ 175,009,406

	Safety Plan		
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability/(Assets) (c)=(a)-(b)
Balance at: 6/30/2017 (Valuation Date)	\$ 493,338,275	\$ 346,176,034	\$ 147,162,241
Changes Recognized for the Measurement Period:			
Service Cost	12,044,725	-	12,044,725
Interest on the Total Pension Liability	34,751,830	-	34,751,830
Difference between Expected and Actual Experience	(307,813)	-	(307,813)
Changes of Assumptions	(2,112,530)	-	(2,112,530)
Plan to Plan Resource Movement	-	(858)	858
Contribution from the Employer	-	13,529,290	(13,529,290)
Contributions from Employees	-	3,804,814	(3,804,814)
Net Investment Income	-	29,258,121	(29,258,121)
Benefit Payments including Refunds of Employee Contributions	(21,801,437)	(21,801,437)	-
Administrative Expense	-	(539,438)	539,438
Other Miscellaneous Income/(Expense) ¹	-	(1,024,401)	1,024,401
Net Changes During 2017-18	22,574,775	23,226,091	(651,316)
Balance at: 6/30/2018 (Measurement Date)	\$ 515,913,050	\$ 369,402,125	\$ 146,510,925

CITY OF CHULA VISTA
 NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
 YEAR ENDED JUNE 30, 2019

Note 11 – Pension Plans (Continued)

A. California Public Employees’ Retirement Plans (Continued)

¹ During Measurement Year 2017-18, as a result of Governmental Accounting Standards Board Statement (GASB) No. 75, Accounting and Financial Reporting for Postemployment Benefit Plans Other than Pensions (GASB 75), CalPERS reported its proportionate share of activity related to postemployment benefits for participation in the State of California’s agent OPEB plan. Accordingly, CalPERS recorded a one-time expense as a result of the adoption of GASB 75.

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 7.15 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 (6.15 percent) or 1 percentage-point higher (8.15 percent) than the current rate:

	Discount Rate - 1% (6.15%)	Current Discount Rate (7.15%)	Discount Rate +1% (8.15%)
Miscellaneous Plan	\$ 248,132,854	\$ 175,009,406	\$ 114,533,687
Safety Plan	221,242,926	146,510,925	85,604,409
TOTAL	\$ 469,375,780	\$ 321,520,331	\$ 200,138,096

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, 2019, the City of Chula Vista incurred a pension expense of \$18,566,544 and \$26,594,625 for the Miscellaneous and Safety Plans, respectively, for a total pension expense of \$45,161,169. At June 30, 2019, 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
Miscellaneous Plan		
Pension contributions subsequent to measurement date	\$ 12,333,078	\$ -
Difference between Expected and Actual Experience	-	6,521,833
Changes of Assumptions	7,083,188	2,654,806
Net Difference between Projected and Actual Earnings on Pension Plan Investments	255,131	-
Total	19,671,397	9,176,639
Safety Plan		
Pension contributions subsequent to measurement date	19,585,859	-
Difference between Expected and Actual Experience	374,661	960,015
Changes of Assumptions	17,396,072	2,974,749
Net Difference between Projected and Actual Earnings on Pension Plan Investments	760,553	-
Total	38,117,145	3,934,764
Total All Plans	\$ 57,788,542	\$ 13,111,403

**CITY OF CHULA VISTA
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2019**

Note 11 – Pension Plans (Continued)

A. California Public Employees’ Retirement Plans (Continued)

The \$12,333,078 and \$19,585,859 for the Miscellaneous and Safety Plan, respectively, reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2020. Other amounts reported as deferred outflows or deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Measurement Period ended	Miscellaneous	Safety Plan	Total
	Plan		
June 30:	Deferred Outflows/(Inflows) of Resources		
2019	\$ 5,066,179	\$ 8,531,917	\$ 13,598,096
2020	(2,093,494)	6,322,571	4,229,077
2021	(3,796,889)	1,091,910	(2,704,979)
2022	(1,014,116)	(1,349,876)	(2,363,992)

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, 2019, the City’s total hourly payroll (for eligible PARS members) and covered payroll was \$2,667,896. The City made employer contributions of \$100,046 (3.75% of current covered payroll), and employees contributed \$100,046 (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 \$18,500 (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, 2019, the balance in the plan was \$97,116,370.

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.

Employees Covered

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

Active	614
Inactive employees or beneficiaries currently receiving benefits	228
Inactive employees entitled to, but not yet receiving benefits	0
	<u>842</u>

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

Contributions

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

**CITY OF CHULA VISTA
 NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
 YEAR ENDED JUNE 30, 2019**

Note 12 – Post Retirement Health Benefits (Continued)

Total OPEB Liability

The City’s total OPEB liability was measured as of June 30, 2019 and was determined by an actuarial valuation dated June 30, 2017 that was used to determine the June 30, 2019 total OPEB liability, based on the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions	
Contribution Policy	No pre-funding.
Discount Rate	3.13%
Inflation	2.50%
Salary Increases	2.75%
Healthcare cost trend rates	Merit - CalPERS 1997-2015 Experience Study 6.50% in first year, trending down to 5.39% over 56 years
Mortality Rate	Mortality Rate projected fully generational with Scale MP-17.
Mortality, Retirement, Disability, Terminations	CalPERS 1997-2015 Experience Study.

Notes:

(1) Pre-retirement mortality information was derived from data collected during 1997 to 2015 CalPERS Experience Study dated December 2017 and post-retirement mortality information was derived from the 2007 to 2011 CalPERS Experience Study. The Experience Study Reports may be accessed on the CalPERS website www.calpers.ca.gov under Forms and Publications.

(2) The pre-retirement turnover information was developed based on CalPERS’ specific data. For more details, please refer to the 2007 to 2011 Experience Study Report. The Experience Study Report may be accessed on the CalPERS website www.calpers.ca.gov under Forms and Publications.

Discount Rate

The discount rate used to measure the total OPEB liability was 3.13 percent. The projection of cash flows used to determine the discount rate assumed that City contributions will be made at rates equal to the actuarially determined contribution rates. The City does not participate in a trust fiduciary fund.

**CITY OF CHULA VISTA
 NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
 YEAR ENDED JUNE 30, 2019**

Note 12 – Post Retirement Health Benefits (Continued)

Changes in the Total OPEB Liability

The changes in the Total OPEB Liability for the Plan are as follows:

	<u>Increase (Decrease)</u>
	<u>Total OPEB Liability</u>
Balance at June 30, 2018	\$ 14,699,539
Changes recognized over the measurement period:	
Service Cost	819,100
Interest	549,699
Changes of assumptions	504,190
Implicit rate subsidy fulfilled	(634,315)
Net Changes	<u>1,238,674</u>
Balance at June 30, 2019	<u>\$ 15,938,213</u>

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the City if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate, for measurement period ended June 30, 2019:

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
	<u>(2.13%)</u>	<u>(3.13%)</u>	<u>(4.13%)</u>
Total OPEB Liability	\$ 17,273,795	\$ 15,938,213	\$ 14,551,803

Sensitivity of the Total OPEB Liability to Changes in the Health Care Cost Trend Rates

The following presents the Total OPEB liability of the City if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current rate, for measurement period ended June 30, 2019:

	<u>1% Decrease</u>	<u>Current Healthcare Cost Trent Rates</u>	<u>1% Increase</u>
Total OPEB Liability	\$ 14,088,849	\$ 15,938,213	\$ 17,923,415

**CITY OF CHULA VISTA
 NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
 YEAR ENDED JUNE 30, 2019**

Note 12 – Post Retirement Health Benefits (Continued)

OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB

For the fiscal year ended June 30, 2019, the City recognized OPEB expense of \$1,348,780. As of fiscal year ended June 30, 2019, the City reported deferred outflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between actual and expected experience	\$ 133,145	\$ -
Changes of assumptions	431,118	-
	<u>\$ 564,263</u>	<u>\$ -</u>

Amounts reported as deferred outflows or deferred inflows of resources related to OPEB will be recognized as OPEB expense as follows:

<u>Fiscal Year ended June 30:</u>	<u>Deferred Outflows/(Inflows) of Resources</u>
2020	\$ 100,244
2021	100,244
2022	100,244
2023	100,244
2024	97,529
Thereafter	65,758
	<u>\$ 564,263</u>

**CITY OF CHULA VISTA
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2019**

Note 13 – Commitments and Contingencies

Litigation

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

Grants

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

Construction Commitments

The following material construction commitments existed at June 30, 2019:

Project Name	Contract Amount	Expenditures to date as of June 30, 2019	Remaining Commitments
Street Pavement Rehabilitation - Measure P	\$ 10,379,918	\$ 4,523,355	\$ 5,856,563

Encumbrances

At June 30, 2019, there were encumbrances of \$22,998,244 in the General Fund, \$1,807,465 in the Sundry Grants Fund, \$84,546 in the Housing Successor Agency, \$456,165 in the Development Impact Fee Fund, \$765,114 in the Sewer Fund, \$209,853 in the Development Services Fund, and \$7,983,246 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, 2019**

Note 13 – 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 14 – Classification of Fund Balances

	Major Funds						Other Governmental Funds	Total
	General Fund	Sundry Grants Special Revenue Fund	Housing Successor Agency Fund	Development Impact Fund	Public Financing Authority	Municipal Financing Authority		
Nonspendable								
Prepaid items	\$ 211,005	\$ 4,277	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 215,282
Due from Successor Agency of Chula Vista RDA	5,838,333	-	-	-	-	-	-	5,838,333
Advances to other funds	1,528,748	-	-	-	-	-	-	1,528,748
Total nonspendable	7,578,086	4,277	-	-	-	-	-	7,582,363
Restricted								
SLESF - Local law enforcement	-	556,835	-	-	-	-	-	556,835
Police grants	-	491,458	-	-	-	-	-	491,458
Fire training technical rescue	-	6,831	-	-	-	-	-	6,831
Asset forfeiture	-	5,903,720	-	-	-	-	-	5,903,720
Library services	-	23,974	-	-	-	-	-	23,974
HOME Program	-	1,046,278	-	-	-	-	-	1,046,278
Energy conservation	-	(518,554)	-	-	-	-	39,518	(479,036)
Cultural arts	-	12,279	-	-	-	-	-	12,279
CDBG Home Programs	-	385,916	-	-	-	-	-	385,916
Environmental services	-	1,427,785	-	-	-	-	-	1,427,785
Waste management, recycling and environ. grants	-	240,956	-	-	-	-	-	240,956
Community and housing development	-	308,043	12,809,533	-	-	-	569,482	13,687,058
American Recovery and Reinvestment Act 2009	-	159,997	-	-	-	-	-	159,997
Public facilities	-	(102,776)	-	11,448,371	-	-	-	11,345,595
Emergency shelter	-	2,965	-	-	-	-	-	2,965
Transportation improvements	-	-	-	32,002,514	-	-	17,296,522	49,299,036
Telegraph Canyon drainage	-	-	-	3,986,151	-	-	-	3,986,151
East Urban Cener millenia Ped Bridge DIF	-	-	-	5,563,316	-	-	36,254,725	41,818,041
Parking meter services	-	-	-	-	-	-	3,263,085	3,263,085
Traffic signal and safety	-	-	-	2,022,277	-	-	233,948	2,256,225
Storm drain	-	-	-	-	-	-	985,419	985,419
Open space maintenance	-	-	-	-	-	-	28,980,287	28,980,287
Telecom Utility Tax	-	-	-	-	-	-	99,898	99,898
Mobilehome Admin Fee	-	-	-	-	-	-	212,685	212,685
Assessment districts improvement	-	-	-	-	-	-	1,098,101	1,098,101
Town Center I	-	-	-	-	-	-	55,044	55,044
OR V2 Pub Benefit Contribution	-	-	-	-	-	-	374,764	374,764
Total restricted	-	9,945,707	12,809,533	55,022,629	-	-	89,463,478	167,241,347
Committed								
Economic contingency	7,283,745	-	-	-	-	-	-	7,283,745
Capital projects	39,087,009	-	-	-	-	-	-	39,087,009
Debt service	-	-	-	-	5,218,407	1,322	-	5,219,729
Total committed	46,370,754	-	-	-	5,218,407	1,322	-	51,590,483
Assigned								
City Council	81	-	-	-	-	-	-	81
City Clerk	44,990	-	-	-	-	-	-	44,990
City Attorney	91,142	-	-	-	-	-	-	91,142
City Administration	21,000	-	-	-	-	-	-	21,000
Information Technology Services Department	162,413	-	-	-	-	-	-	162,413
Human Resources	149,898	-	-	-	-	-	-	149,898
Finance Department	145,489	-	-	-	-	-	-	145,489
Non-Departmental	5,795,021	-	-	-	-	-	-	5,795,021
Animal Care Services	15,892	-	-	-	-	-	-	15,892
Engineering	10,395	-	-	-	-	-	-	10,395
Police Department	75,912	-	-	-	-	-	-	75,912
Fire Department	40,474	-	-	-	-	-	-	40,474
Public Works Department	35,846	-	-	-	-	-	-	35,846
Recreation Department	14,297	-	-	-	-	-	-	14,297
Endowments	-	-	-	-	-	-	64,202	64,202
Measure A Sales Tax	11,303,210	-	-	-	-	-	-	11,303,210
Public liability	573,157	-	-	-	-	-	-	573,157
Measure P Sales Tax	23,067,521	-	-	-	-	-	-	23,067,521
Total assigned	41,546,738	-	-	-	-	-	64,202	41,610,940
Unassigned	23,378,859	-	-	-	-	-	(2,147,643)	21,231,216
Total fund balances	\$ 118,874,437	\$ 9,949,984	\$ 12,809,533	\$ 55,022,629	\$ 5,218,407	\$ 1,322	\$ 87,380,037	\$ 289,256,349

Note 15 – Prior Period Adjustments

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

Sundry Grants - The City corrected revenue recognized in the prior year causing a total restatement of \$505,949.

Development Impact Funds – The City corrected revenue recognized in the prior year causing a total restatement of \$394,643.

Note 16 – Subsequent Events

Chula Vista Bayfront Facilities Financing Authority

The Chula Vista Bayfront Facilities Financing Authority (the “Authority”) has convened four times since June 30, 2019. At those meetings, the Authority: adopted bylaws; confirmed officers of the Authority; elected a Chair and Vice Chair; established time and place for regular meetings; adopted conflict of interest codes; authorized an application for Statewide park Development and Community Revitalization Program grant funds; approved a funding agreement between the County of San Diego, the Authority, the San Diego Unified Port District, and the City; adopted a procurement policy; adopted a resolution applying the procurement policy to a specific project; and adopted a reimbursement resolution for the tax exempt obligations the Authority intends to issue. During the same period, the City initiated and completed formation proceedings for the Bayfront Project Special Tax Financing District (the “Bayfront District”), with a resolution of intention approved on September 10, 2019 and a special mail ballot election held on February 18, 2020. The formation of the district was approved unanimously by the participating landowners, and an ordinance authorizing the levy of a special tax in the Bayfront District was approved on February 25, 2020.

COVID-19 Pandemic

In December 2019, an outbreak of a novel strain of coronavirus (COVID-19) originated in China, and has since spread to a number of other countries, including the U.S. On March 11, 2020, the World Health Organization characterized COVID-19 as a pandemic. In addition, several states in the U.S., including California, have declared a state of emergency.

Potential impacts to our future tax revenues include disruptions or restrictions on our current employees’ ability to work. Any of the foregoing could negatively impact our revenues and we currently can’t anticipate all of the ways in which this health epidemic, COVID-19, could adversely impact our government agency. Although we are continuing to monitor and assess the effects of the COVID-19 pandemic on our government agency, the ultimate impact of the COVID-19 outbreak or a similar health epidemic is highly uncertain and subject to change.



REQUIRED SUPPLEMENTARY INFORMATION



CITY OF CHULA VISTA

**BUDGETARY COMPARISON SCHEDULE BY DEPARTMENT
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 108,203,516	\$ 108,203,516	\$ 108,203,516	\$ -
Resources (Inflows):				
Taxes	134,138,314	153,411,411	154,495,385	1,083,974
Licenses and permits	1,608,632	2,148,132	2,337,085	188,953
Intergovernmental	3,395,653	3,469,792	3,585,674	115,882
Charges for services	5,714,569	5,764,569	6,149,075	384,506
Use of money and property	2,953,166	2,953,166	5,735,304	2,782,138
Fines and forfeitures	1,241,423	1,241,423	1,464,302	222,879
Contributions	1,556,923	1,924,141	698,921	(1,225,220)
Developer participation	1,049,664	1,049,664	1,507,738	458,074
Miscellaneous	10,727,289	12,875,062	12,149,569	(725,493)
Transfers in	33,063,659	49,245,902	10,956,957	(38,288,945)
Capital leases	-	-	759,697	759,697
Amounts Available for Appropriations	303,652,808	342,286,778	308,043,223	(34,243,555)
Charges to Appropriation (Outflow):				
Current				
City council	1,623,371	1,626,561	1,500,786	125,775
City clerk	984,860	1,048,694	995,590	53,104
City attorney	2,951,075	3,208,389	2,592,388	616,001
Administration	2,157,014	2,216,056	2,035,972	180,084
Information technology	3,630,077	3,840,194	3,410,775	429,419
Human resources	2,588,838	2,899,632	2,278,068	621,564
Finance	5,363,923	12,431,650	4,893,947	7,537,703
Non-departmental	1,593,332	6,878,564	4,600,378	2,278,186
Board and commissions	27,370	27,783	10,453	17,330
Police	56,518,969	58,427,861	56,915,187	1,512,674
Fire	31,118,713	37,494,767	34,088,281	3,406,486
Animal care facility	2,942,823	2,976,306	2,939,951	36,355
Community development				
Economic development	2,125,758	2,136,750	2,169,274	(32,524)
Development services	2,899,596	2,900,096	2,585,695	314,401
Parks and recreation				
Parks and recreation	10,913,212	11,335,051	11,208,237	126,814
Public works				
Public works	8,491,869	12,026,492	7,576,105	4,450,387
Engineering	11,959,687	8,729,142	11,514,900	(2,785,758)
Library				
Library	4,092,746	4,182,419	3,910,273	272,146
Capital outlay	7,912,919	70,013,034	21,163,706	48,849,328
Debt service:				
Principal retirement	5,988,738	5,973,239	5,744,050	229,189
Interest and fiscal charges	2,968,000	2,968,388	2,855,721	112,667
Transfers out	5,722,564	5,776,715	4,179,049	1,597,666
Total Charges to Appropriations	174,575,454	259,117,783	189,168,786	69,948,997
Budgetary Fund Balance, June 30	\$ 129,077,354	\$ 83,168,995	\$ 118,874,437	\$ 35,705,442

CITY OF CHULA VISTA

**BUDGETARY COMPARISON SCHEDULE BY DEPARTMENT
SUNDRY GRANTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1, as restated	\$ 4,071,682	\$ 4,071,682	\$ 4,071,682	\$ -
Resources (Inflows):				
Intergovernmental	7,926,957	9,458,795	4,407,695	(5,051,100)
Charges for services	1,402,575	1,557,095	1,445,488	(111,607)
Use of money and property	113,000	113,000	107,209	(5,791)
Contributions	7,947,528	9,008,017	14,545,737	5,537,720
Miscellaneous	254,485	202,059	253,775	51,716
Transfers in	165,305	171,884	115,731	(56,153)
Amounts Available for Appropriations	21,881,532	24,582,532	24,947,317	364,785
Charges to Appropriation (Outflow):				
General government				
Finance	-	172,547	19,989	152,558
Public safety				
Police	7,603,167	9,677,292	7,270,505	2,406,787
Fire	375,163	1,000,926	284,177	716,749
Animal care facility	-	20,000	15,649	4,351
Community development				
Economic development	3,994,121	4,280,535	2,643,294	1,637,241
Development services	2,718,645	7,752,510	1,253,011	6,499,499
Public works				
Public works	-	53,335	-	53,335
Engineering	-	1,787,970	-	1,787,970
Library				
Library	-	80,656	37,881	42,775
Capital outlay	2,581,209	-	1,684,465	(1,684,465)
Transfers out	1,789,612	1,808,013	1,788,362	19,651
Total Charges to Appropriations	19,061,917	26,633,784	14,997,333	11,636,451
Budgetary Fund Balance, June 30	\$ 2,819,615	\$ (2,051,252)	\$ 9,949,984	\$ 12,001,236

CITY OF CHULA VISTA

**BUDGETARY COMPARISON SCHEDULE BY DEPARTMENT
HOUSING SUCCESSOR AGENCY
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 10,321,276	\$ 10,321,276	\$ 10,321,276	\$ -
Resources (Inflows):				
Use of money and property	215,000	215,000	834,567	619,567
Miscellaneous	255,000	255,000	1,658,913	1,403,913
Amounts Available for Appropriations	10,791,276	10,791,276	12,814,756	2,023,480
Charges to Appropriation (Outflow):				
Current				
Development services	4,108,737	4,109,160	5,223	4,103,937
Total Charges to Appropriations	4,108,737	4,109,160	5,223	4,103,937
Budgetary Fund Balance, June 30	\$ 6,682,539	\$ 6,682,116	\$ 12,809,533	\$ 6,127,417

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)**

	2015	2016	2017	2018	2019
TOTAL PENSION LIABILITY					
Service Cost	\$ 8,696,183	\$ 8,570,421	\$ 8,451,918	\$ 9,370,865	\$ 9,048,165
Interest	32,359,841	34,103,210	35,618,575	36,639,997	37,305,907
Difference Between expected and Actual Experience	-	925,960	(2,524,995)	(6,331,454)	(8,223,685)
Changes in Assumptions	-	(8,500,698)	-	30,693,812	(4,314,060)
Benefit Payments, Including Refunds of employee Contributions	(18,639,387)	(19,539,333)	(21,022,078)	(23,072,106)	(24,924,595)
Net Change in Total Pension Liability	22,416,637	15,559,560	20,523,420	47,301,114	8,891,732
Total Pension Liability - Beginning	436,436,153	458,852,790	474,412,350	494,935,770	542,236,884
Total Pension Liability - Ending (a)	458,852,790	474,412,350	494,935,770	542,236,884	551,128,616
PLAN FIDUCIARY NET POSITION					
Contribution - Employer	9,134,182	13,499,144	12,461,946	13,663,149	14,479,069
Contribution - Employee	4,555,300	3,679,749	3,764,641	3,536,418	3,603,297
Plan to Plan Resource Movement	-	5,268	-	-	(874)
Net Investment Income	48,303,496	7,195,063	1,747,676	36,763,992	30,032,849
Benefit Payments, Including Refunds of Employee Contributions	(18,639,387)	(19,539,333)	(21,022,078)	(23,072,106)	(24,924,595)
Administrative Expense	-	(368,694)	(199,512)	(478,539)	(552,457)
Other Miscellaneous Income/(Expense)	-	-	-	-	(1,049,125)
Net Change in Fiduciary Net Position	43,353,591	4,471,197	(3,247,327)	30,412,914	21,588,164
Plan Fiduciary Net Position - Beginning	279,540,671	322,894,262	327,365,459	324,118,132	354,531,046
Plan Fiduciary Net Position - Ending (b)	322,894,262	327,365,459	324,118,132	354,531,046	376,119,210
Plan Net Pension Liability/(Assets) - Ending (a) - (b)	\$ 135,958,528	\$ 147,046,891	\$ 170,817,638	\$ 187,705,838	\$ 175,009,406
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	70.37%	69.00%	65.49%	65.38%	68.25%
Covered Payroll	\$ 42,760,249	\$ 44,135,521	\$ 45,990,463	\$ 44,435,640	\$ 44,578,340
Plan Net Pension Liability/(Asset) as a Percentage of Covered Payroll	317.96%	333.17%	371.42%	422.42%	392.59%

(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 five 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 the June 30, 2017 valuation date. 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: In 2018, demographic assumptions and inflation rate were changed in accordance to the CalPERS Experience Study and Review of Actuarial Assumptions December 2017. There were no changes in the discount rate. In 2017, the discount rate was reduced from 7.65 percent to 7.15 percent. In 2016, there were no changes. In 2015, amounts reported reflect an adjustment of the discount rate from 7.5 percent (net of administrative expense) to 7.65 percent (without a reduction for pension plan administrative expense.) In 2014, amounts reported were based on the 7.5 percent discount rate.

CITY OF CHULA VISTA

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

	2015	2016	2017	2018	2019
Actuarially Determined Contribution	\$ 9,637,382	\$ 10,214,678	\$ 10,864,203	\$ 10,942,584	\$ 12,333,078
Contribution in Relation to the Actuarially Determined Contribution	(9,637,382)	(10,214,678)	(10,864,203)	(10,942,584)	(12,333,078)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Payroll	\$ 44,135,521	\$ 45,990,463	\$ 44,435,640	\$ 44,578,340	\$ 45,798,549
Contributions as a Percentage of Covered Payroll	21.84%	22.21%	24.45%	24.55%	26.93%

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

Note to Schedule:

Valuation Date:	June 30, 2016
Methods and assumptions used to determine contribution rates:	
Actuarial cost method	Entry age normal cost method
Amortization method/period	Level percentage of payroll, closed
Inflation	2.75%
Salary Increases	3.20% to 12.20%
Investment rate of return	7.50% net of pension investment and administrative expenses, including inflation.
Retirement age	The probabilities of Retirement are based on the 2014 CalPERS Experience Study for the period from 1997 to 2011.
Mortality	RP-2000 Health Annuitant Mortality Table

CITY OF CHULA VISTA

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

MEASUREMENT PERIOD	2015	2016	2017	2018	2019
TOTAL PENSION LIABILITY					
Service Cost	\$ 10,220,233	\$ 9,646,806	\$ 9,971,492	\$ 11,594,959	\$ 12,044,725
Interest	28,334,465	29,979,452	31,658,073	33,213,616	34,751,830
Difference Between expected and Actual Experience	-	460,215	768,421	(1,210,352)	(307,813)
Changes in Assumptions	-	(7,813,969)	-	29,393,364	(2,112,530)
Benefit Payments, Including Refunds of employee Contributions	(15,869,862)	(17,767,853)	(19,460,670)	(20,397,814)	(21,801,437)
Net Change in Total Pension Liability	22,684,836	14,504,651	22,937,316	52,593,773	22,574,775
Total Pension Liability - Beginning	380,617,699	403,302,535	417,807,186	440,744,502	493,338,275
Total Pension Liability - Ending (a)	403,302,535	417,807,186	440,744,502	493,338,275	515,913,050
PLAN FIDUCIARY NET POSITION					
Contribution - Employer	11,684,174	7,555,357	10,971,712	11,670,017	13,529,290
Contribution - Employee	3,157,921	3,230,989	3,420,273	3,620,014	3,804,814
Net Investment Income	47,649,285	6,999,744	1,664,170	35,554,749	29,258,121
Benefit Payments, Including Refunds of Employee Contributions	(15,869,862)	(17,767,853)	(19,460,670)	(20,397,814)	(21,801,437)
Administrative Expense	-	(359,830)	(194,899)	(466,842)	(539,438)
Net Plan to Plan Resource Movement	-	-	-	-	(858)
Other Miscellaneous Income/(Expense)	-	-	-	-	(1,024,401)
Net Change in Fiduciary Net Position	46,621,518	(341,593)	(3,599,414)	29,980,124	23,226,091
Plan Fiduciary Net Position - Beginning	273,515,399	320,136,917	319,795,324	316,195,910	346,176,034
Plan Fiduciary Net Position - Ending (b)	320,136,917	319,795,324	316,195,910	346,176,034	369,402,125
Plan Net Pension Liability/(Assets) - Ending (a) - (b)	\$ 83,165,618	\$ 98,011,862	\$ 124,548,592	\$ 147,162,241	\$ 146,510,925
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	79.38%	76.54%	71.74%	70.17%	71.60%
Covered Payroll	\$ 34,243,101	\$ 34,117,846	\$ 37,174,663	\$ 37,817,316	\$ 39,384,099
Plan Net Pension Liability/(Asset) as a Percentage of Covered Payroll	242.87%	287.27%	335.04%	389.14%	372.01%

(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 five 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 the June 30, 2017 valuation date. 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: In 2018, demographic assumptions and inflation rate were changed in accordance to the CalPERS Experience Study and Review of Actuarial Assumptions December 2017. There were no changes in the discount rate. In 2017, the discount rate was reduced from 7.65 percent to 7.15 percent. In 2016, there were no changes. In 2015, amounts reported reflect an adjustment of the discount rate from 7.5 percent (net of administrative expense) to 7.65 percent (without a reduction for pension plan administrative expense.) In 2014, amounts reported were based on the 7.5 percent discount rate.

CITY OF CHULA VISTA

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

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Actuarially Determined Contribution	\$ 12,553,815	\$ 13,859,572	\$ 14,965,975	\$ 17,324,929	\$ 19,585,859
Contribution in Relation to the Actuarially Determined Contribution	(12,553,815)	(13,859,572)	(14,965,975)	(17,324,929)	(19,585,859)
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 34,117,846	\$ 37,174,663	\$ 37,817,316	\$ 39,384,099	\$ 40,374,060
Contributions as a Percentage of Covered Payroll	36.80%	37.28%	39.57%	43.99%	48.51%

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

Note to Schedule:

Valuation Date:	June 30, 2016
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	3.20% to 12.20%
Investment rate of return	7.50% net of pension investment and administrative expenses, including inflation.
Retirement age	The probabilities of Retirement are based on the 2014 CalPERS Experience Study for the period from 1997 to 2011.
Mortality	RP-2000 Health Annuitant Mortality Table

CITY OF CHULA VISTA

**SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY AND RELATED RATIOS
AS OF JUNE 30, FOR THE LAST TEN FISCAL YEARS (1)**

	<u>2018</u>	<u>2019</u>
Total OPEB Liability		
Service cost	\$ 825,786	\$ 819,100
Interest on the total OPEB liability	495,822	549,699
Difference between expected and actual experience	4,128	-
Change of assumptions	183,361	504,190
Implicit rate subsidy fulfilled	(536,155)	(634,315)
Net change in total OPEB liability	972,942	1,238,674
Total OPEB liability - beginning	13,726,597	14,699,539
Total OPEB Liability	<u>\$ 14,699,539</u>	<u>\$ 15,938,213</u>
Covered-employee payroll	\$ 53,738,469	\$ 55,216,277
Total OPEB liability as a percentage of covered-employee payroll	27.35%	28.87%

(1) Historical information is required only for the measurement periods for which GASB 75 is applicable. Fiscal Year 2018 was the first year of implementation. Future years' information will be displayed up to 10 years as information becomes available.

Notes to Schedule: None

Changes in assumptions: None

CITY OF CHULA VISTA

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
YEAR ENDED JUNE 30, 2019**

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, 2019, was adopted and approved by City Council for the general, special revenue, capital project and debt service funds except for the Mobile Park Fee, V2 Pub Benefit Contribution and Special Revenue Endowments special revenue funds, and the Highways Safety, Transportation Partnership and Industrial Development Authority capital project funds. These budgets are prepared on the modified accrual basis of accounting.

Expenditures for the year ended June 30, 2019, 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:			
Community development			
Economic development	\$ 2,169,274	\$ 2,136,750	\$ (32,524)
Public works			
Engineering	11,514,900	8,729,142	(2,785,758)



SUPPLEMENTARY INFORMATION

CITY OF CHULA VISTA

COMBINING BALANCE SHEET
 NON-MAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2019

	Special Revenue Funds			
	Transportation Grants	Parking Meter	Traffic Safety	Storm Drain
Assets:				
Pooled cash and investments	\$ 7,884,626	\$ 1,488,005	\$ 194,629	\$ 867,122
Receivables:				
Accounts	-	30,687	45,144	189,139
Taxes	875,491	-	-	-
Accrued interest	-	-	-	-
Deferred loans	-	-	-	-
Allowance for uncollectible deferred loans	-	-	-	-
Due from other governments	-	-	-	-
Restricted assets:				
Cash and investments with fiscal agents	-	-	-	-
Total Assets	\$ 8,760,117	\$ 1,518,692	\$ 239,773	\$ 1,056,261
Liabilities and Fund Balances:				
Liabilities:				
Accounts payable	\$ 53,165	\$ 23,419	\$ 5,825	\$ 57,260
Accrued liabilities	-	-	-	-
Unearned revenues	-	-	-	13,582
Retentions payable	61,558	-	-	-
Deposits payable	-	-	-	-
Due to other funds	-	-	-	-
Total Liabilities	114,723	23,419	5,825	70,842
Deferred Inflows of Resources:				
Unavailable revenues	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-
Fund Balances:				
Restricted for:				
Community development projects	8,645,394	-	-	-
Public safety	-	1,495,273	233,948	-
Parks and recreation	-	-	-	-
Capital Projects	-	-	-	985,419
Debt service	-	-	-	-
Assigned to:				
Endowments	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balances	8,645,394	1,495,273	233,948	985,419
Total Liabilities and Fund Balances	\$ 8,760,117	\$ 1,518,692	\$ 239,773	\$ 1,056,261

COMBINING BALANCE SHEET
 NON-MAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2019

(CONTINUED)

	Special Revenue Funds				
	Town Center I	Open Space Districts	Housing Programs	Housing Authority	Transportation Sales Tax
Assets:					
Pooled cash and investments	\$ 55,045	\$ 30,283,322	\$ 117,264	\$ 2,786,402	\$ -
Receivables:					
Accounts	-	-	13	16,315	-
Taxes	-	23,969	-	-	-
Accrued interest	-	-	-	-	-
Deferred loans	-	-	447,167	3,417,701	-
Allowance for uncollectible deferred loans	-	-	-	(3,417,701)	-
Due from other governments	-	-	9,408	-	35,209
Restricted assets:					
Cash and investments with fiscal agents	-	-	-	-	-
Total Assets	\$ 55,045	\$ 30,307,291	\$ 573,852	\$ 2,802,717	\$ 35,209
Liabilities and Fund Balances:					
Liabilities:					
Accounts payable	\$ -	\$ 1,173,752	\$ 44	\$ 9,379	\$ 985,617
Accrued liabilities	-	-	-	18,650	-
Unearned revenues	-	-	-	-	35,209
Retentions payable	-	-	-	-	-
Deposits payable	-	-	-	-	-
Due to other funds	-	153,245	-	-	923,306
Total Liabilities	-	1,326,997	44	28,029	1,944,132
Deferred Inflows of Resources:					
Unavailable revenues	-	-	4,327	-	-
Total Deferred Inflows of Resources	-	-	4,327	-	-
Fund Balances:					
Restricted for:					
Community development projects	-	-	569,481	2,774,688	-
Public safety	-	-	-	-	-
Parks and recreation	-	-	-	-	-
Capital Projects	55,045	28,980,294	-	-	-
Debt service	-	-	-	-	-
Assigned to:					
Endowments	-	-	-	-	-
Unassigned	-	-	-	-	(1,908,923)
Total Fund Balances	55,045	28,980,294	569,481	2,774,688	(1,908,923)
Total Liabilities and Fund Balances	\$ 55,045	\$ 30,307,291	\$ 573,852	\$ 2,802,717	\$ 35,209

CITY OF CHULA VISTA

COMBINING BALANCE SHEET
 NON-MAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2019

	Special Revenue Funds				
	Mobile Park Fee	Public Education and Govt Fee	Utility Tax Settlement	V2 Pub Benefit Contribution	Special Revenue Endowments
Assets:					
Pooled cash and investments	\$ 257,155	\$ 1,725,440	\$ 99,899	\$ 374,764	\$ 1,548,680
Receivables:					
Accounts	50	-	-	-	-
Taxes	-	140,282	-	-	-
Accrued interest	-	-	-	-	-
Deferred loans	-	-	-	-	-
Allowance for uncollectible deferred loans	-	-	-	-	-
Due from other governments	-	-	-	-	-
Restricted assets:					
Cash and investments with fiscal agents	-	-	-	-	-
Total Assets	\$ 257,205	\$ 1,865,722	\$ 99,899	\$ 374,764	\$ 1,548,680
Liabilities and Fund Balances:					
Liabilities:					
Accounts payable	\$ 2,670	\$ 97,911	\$ -	\$ -	\$ -
Accrued liabilities	-	-	-	-	-
Unearned revenues	41,850	-	-	-	-
Retentions payable	-	-	-	-	-
Deposits payable	-	-	-	-	1,484,478
Due to other funds	-	-	-	-	-
Total Liabilities	44,520	97,911	-	-	1,484,478
Deferred Inflows of Resources:					
Unavailable revenues	-	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-	-
Fund Balances:					
Restricted for:					
Community development projects	-	1,767,811	-	374,764	-
Public safety	-	-	-	-	-
Parks and recreation	212,685	-	-	-	-
Capital Projects	-	-	99,899	-	-
Debt service	-	-	-	-	-
Assigned to:					
Endowments	-	-	-	-	64,202
Unassigned	-	-	-	-	-
Total Fund Balances	212,685	1,767,811	99,899	374,764	64,202
Total Liabilities and Fund Balances	\$ 257,205	\$ 1,865,722	\$ 99,899	\$ 374,764	\$ 1,548,680

CITY OF CHULA VISTA

COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
JUNE 30, 2019

(CONTINUED)

	Capital Projects Funds					
	Park Acquisition Development	Residential Construction Tax	Highway Safety	Bicycle Facility	Industrial Development Authority	Assessment District Improvement
Assets:						
Pooled cash and investments	\$ 36,254,726	\$ 18,045	\$ 939	\$ -	\$ 54	\$ 1,098,101
Receivables:						
Accounts	-	-	-	-	-	-
Taxes	-	-	-	-	-	-
Accrued interest	-	-	-	-	-	-
Deferred loans	845,144	-	-	-	-	-
Allowance for uncollectible deferred loans	-	-	-	-	-	-
Due from other governments	-	-	-	-	-	-
Restricted assets:						
Cash and investments with fiscal agents	-	-	-	-	-	-
Total Assets	\$ 37,099,870	\$ 18,045	\$ 939	\$ -	\$ 54	\$ 1,098,101
Liabilities and Fund Balances:						
Liabilities:						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued liabilities	-	-	-	-	-	-
Unearned revenues	-	-	-	-	-	-
Retentions payable	-	-	-	-	-	-
Deposits payable	-	-	-	-	-	-
Due to other funds	-	-	-	4,460	-	-
Total Liabilities	-	-	-	4,460	-	-
Deferred Inflows of Resources:						
Unavailable revenues	845,144	-	-	-	-	-
Total Deferred Inflows of Resources	845,144	-	-	-	-	-
Fund Balances:						
Restricted for:						
Community development projects	-	-	-	-	-	-
Public safety	-	-	939	-	-	-
Parks and recreation	-	-	-	-	-	-
Capital Projects	36,254,726	18,045	-	-	54	1,098,101
Debt service	-	-	-	-	-	-
Assigned to:						
Endowments	-	-	-	-	-	-
Unassigned	-	-	-	(4,460)	-	-
Total Fund Balances	36,254,726	18,045	939	(4,460)	54	1,098,101
Total Liabilities and Fund Balances	\$ 37,099,870	\$ 18,045	\$ 939	\$ -	\$ 54	\$ 1,098,101

CITY OF CHULA VISTA

COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
JUNE 30, 2019

	Capital Projects Funds			Debt Service Funds		
	Transportation Partnership Fund	Other Transportation Program Fund	Capital Projects Fund	City Debt Service	Notes Payable	Lease Payable
Assets:						
Pooled cash and investments	\$ 104	\$ 69,767	\$ 2,059,598	\$ -	\$ 65,497	\$ 84,318
Receivables:						
Accounts	-	-	17,217	-	-	15,644
Taxes	-	-	-	-	-	-
Accrued interest	-	-	47,446	-	-	-
Deferred loans	-	-	-	-	-	-
Allowance for uncollectible deferred loans	-	-	-	-	-	-
Due from other governments	-	4,954,803	-	-	-	-
Restricted assets:						
Cash and investments with fiscal agents	-	-	3,666,381	-	-	-
Total Assets	\$ 104	\$ 5,024,570	\$ 5,790,642	\$ -	\$ 65,497	\$ 99,962
Liabilities and Fund Balances:						
Liabilities:						
Accounts payable	\$ -	\$ 1,176,347	\$ 27,582	\$ -	\$ 709	\$ -
Accrued liabilities	-	-	-	-	-	-
Unearned revenues	-	-	-	-	-	-
Retentions payable	-	428,835	5,732	-	-	-
Deposits payable	-	-	-	-	-	-
Due to other funds	-	3,653,607	-	41	25,270	-
Total Liabilities	-	5,258,789	33,314	41	25,979	-
Deferred Inflows of Resources:						
Unavailable revenues	-	-	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-	-	-
Fund Balances:						
Restricted for:						
Community development projects	-	-	-	-	-	-
Public safety	104	-	-	-	-	-
Parks and recreation	-	-	-	-	-	-
Capital Projects	-	-	5,757,328	-	-	-
Debt service	-	-	-	-	39,518	99,962
Assigned to:						
Endowments	-	-	-	-	-	-
Unassigned	-	(234,219)	-	(41)	-	-
Total Fund Balances	104	(234,219)	5,757,328	(41)	39,518	99,962
Total Liabilities and Fund Balances	\$ 104	\$ 5,024,570	\$ 5,790,642	\$ -	\$ 65,497	\$ 99,962

CITY OF CHULA VISTA

COMBINING BALANCE SHEET
 NON-MAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2019

	Total Governmental Funds
Assets:	
Pooled cash and investments	\$ 87,333,502
Receivables:	
Accounts	314,209
Taxes	1,039,742
Accrued interest	47,446
Deferred loans	4,710,012
Allowance for uncollectible deferred loans	(3,417,701)
Due from other governments	4,999,420
Restricted assets:	
Cash and investments with fiscal agents	3,666,381
Total Assets	\$ 98,693,011
Liabilities and Fund Balances:	
Liabilities:	
Accounts payable	\$ 3,613,680
Accrued liabilities	18,650
Unearned revenues	90,641
Retentions payable	496,125
Deposits payable	1,484,478
Due to other funds	4,759,929
Total Liabilities	10,463,503
Deferred Inflows of Resources:	
Unavailable revenues	849,471
Total Deferred Inflows of Resources	849,471
Fund Balances:	
Restricted for:	
Community development projects	14,132,138
Public safety	1,730,264
Parks and recreation	212,685
Capital Projects	73,248,911
Debt service	139,480
Assigned to:	
Endowments	64,202
Unassigned	(2,147,643)
Total Fund Balances	87,380,037
Total Liabilities and Fund Balances	\$ 98,693,011

CITY OF CHULA VISTA

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
FOR FISCAL YEAR ENDED JUNE 30, 2019

	Special Revenue Funds			
	Transportation Grants	Parking Meter	Traffic Safety	Storm Drain
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	30,080	-	-
Intergovernmental	10,409,630	-	-	-
Charges for services	-	-	-	668,095
Use of money and property	223,135	442,770	15,509	29,127
Fines and forfeitures	-	265,241	488,492	200
Developer participation	-	-	-	-
Miscellaneous	-	-	-	-
Total Revenues	10,632,765	738,091	504,001	697,422
Expenditures:				
Current:				
General government	-	576,315	-	-
Public safety	-	-	66,892	-
Community development	-	-	-	-
Public works	6,926	-	-	309,563
Capital outlay	2,007,137	128,586	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	2,254
Total Expenditures	2,014,063	704,901	66,892	311,817
Excess (Deficiency) of Revenues Over (Under) Expenditures	8,618,702	33,190	437,109	385,605
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Transfers out	(4,258,673)	-	(399,140)	-
Total Other Financing Sources (Uses)	(4,258,673)	-	(399,140)	-
Net Change in Fund Balances	4,360,029	33,190	37,969	385,605
Fund Balances, Beginning of Year	4,285,365	1,462,083	195,979	599,814
Fund Balances, End of Year	\$ 8,645,394	\$ 1,495,273	\$ 233,948	\$ 985,419

CITY OF CHULA VISTA

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
FOR FISCAL YEAR ENDED JUNE 30, 2019

(CONTINUED)

	Special Revenue Funds				
	Town Center I	Open Space Districts	Housing Programs	Housing Authority	Transportation Sales Tax
Revenues:					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 3,109,011
Licenses and permits	-	-	-	-	-
Intergovernmental	-	-	31,520	-	4,807
Charges for services	-	16,308,854	-	44,895	-
Use of money and property	1,895	958,763	861	99,741	11,836
Fines and forfeitures	-	-	-	-	-
Developer participation	-	-	-	-	-
Miscellaneous	-	15,576	20,093	815,019	10,806
Total Revenues	1,895	17,283,193	52,474	959,655	3,136,460
Expenditures:					
Current:					
General government	-	-	-	-	-
Public safety	-	-	-	-	-
Community development	-	-	124,784	1,025,339	-
Public works	-	10,548,156	-	-	18,832
Capital outlay	-	643	-	-	5,531,960
Debt service:					
Principal retirement	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total Expenditures	-	10,548,799	124,784	1,025,339	5,550,792
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,895	6,734,394	(72,310)	(65,684)	(2,414,332)
Other Financing Sources (Uses):					
Transfers in	-	152,482	-	-	-
Transfers out	-	-	-	(254,697)	-
Total Other Financing Sources (Uses)	-	152,482	-	(254,697)	-
Net Change in Fund Balances	1,895	6,886,876	(72,310)	(320,381)	(2,414,332)
Fund Balances, Beginning of Year	53,150	22,093,418	641,791	3,095,069	505,409
Fund Balances, End of Year	\$ 55,045	\$ 28,980,294	\$ 569,481	\$ 2,774,688	\$ (1,908,923)

CITY OF CHULA VISTA

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
FOR FISCAL YEAR ENDED JUNE 30, 2019

	Special Revenue Funds				
	Mobile Park Fee	Public Education and Govt Fee	Utility Tax Settlement	V2 Pub Benefit Contribution	Special Revenue Endowments
Revenues:					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-
Intergovernmental	-	-	-	-	-
Charges for services	-	-	-	-	-
Use of money and property	1,387	10,072	4,039	13,190	54,243
Fines and forfeitures	-	-	-	-	-
Developer participation	-	-	-	-	-
Miscellaneous	56,850	551,940	-	-	-
Total Revenues	58,237	562,012	4,039	13,190	54,243
Expenditures:					
Current:					
General government	-	497,018	25,000	-	-
Public safety	-	-	-	-	-
Community development	39,227	-	-	-	932
Public works	-	-	-	-	-
Capital outlay	-	-	39,400	-	-
Debt service:					
Principal retirement	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total Expenditures	39,227	497,018	64,400	-	932
Excess (Deficiency) of Revenues Over (Under) Expenditures	19,010	64,994	(60,361)	13,190	53,311
Other Financing Sources (Uses):					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-
Net Change in Fund Balances	19,010	64,994	(60,361)	13,190	53,311
Fund Balances, Beginning of Year	193,675	1,702,817	160,260	361,574	10,891
Fund Balances, End of Year	\$ 212,685	\$ 1,767,811	\$ 99,899	\$ 374,764	\$ 64,202

CITY OF CHULA VISTA

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
FOR FISCAL YEAR ENDED JUNE 30, 2019

(CONTINUED)

	Capital Projects Funds					
	Park Acquisition Development	Residential Construction Tax	Highway Safety	Bicycle Facility	Industrial Development Authority	Assessment District Improvement
Revenues:						
Taxes	\$ -	\$ 219,900	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Use of money and property	1,271,670	11,304	24	(27)	2	38,095
Fines and forfeitures	-	-	-	-	-	-
Developer participation	780,194	-	-	-	-	-
Miscellaneous	-	-	-	-	-	2
Total Revenues	2,051,864	231,204	24	(27)	2	38,097
Expenditures:						
Current:						
General government	-	-	-	-	-	545
Public safety	-	-	-	-	-	-
Community development	349,935	-	-	-	-	-
Public works	-	-	-	-	-	-
Capital outlay	162	-	-	-	-	7,723
Debt service:						
Principal retirement	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-
Total Expenditures	350,097	-	-	-	-	8,268
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,701,767	231,204	24	(27)	2	29,829
Other Financing Sources (Uses):						
Transfers in	-	-	-	-	-	-
Transfers out	-	(856,912)	-	-	-	(42)
Total Other Financing Sources (Uses)	-	(856,912)	-	-	-	(42)
Net Change in Fund Balances	1,701,767	(625,708)	24	(27)	2	29,787
Fund Balances, Beginning of Year	34,552,959	643,753	915	(4,433)	52	1,068,314
Fund Balances, End of Year	\$ 36,254,726	\$ 18,045	\$ 939	\$ (4,460)	\$ 54	\$ 1,098,101

CITY OF CHULA VISTA

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
FOR FISCAL YEAR ENDED JUNE 30, 2019

	Capital Projects Funds			Debt Service Funds		
	Transportation Partnership Fund	Other Transportation Program Fund	Capital Projects Fund	City Debt Service	Notes Payable	Lease Payable
Revenues:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	7,970,191	-	-	-	-
Charges for services	-	-	-	-	-	-
Use of money and property	3	(58,084)	191,613	(41)	2,497	3,393
Fines and forfeitures	-	-	-	-	-	-
Developer participation	-	-	-	-	-	-
Miscellaneous	-	-	1,534,976	-	-	34,786
Total Revenues	3	7,912,107	1,726,589	(41)	2,497	38,179
Expenditures:						
Current:						
General government	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Community development	-	-	-	-	-	-
Public works	-	-	-	-	-	-
Capital outlay	-	8,484,914	6,656,569	-	-	-
Debt service:						
Principal retirement	-	-	-	-	905,867	290,865
Interest and fiscal charges	-	-	-	-	412,315	52,511
Total Expenditures	-	8,484,914	6,656,569	-	1,318,182	343,376
Excess (Deficiency) of Revenues Over (Under) Expenditures	3	(572,807)	(4,929,980)	(41)	(1,315,685)	(305,197)
Other Financing Sources (Uses):						
Transfers in	-	-	-	-	1,412,152	290,409
Transfers out	-	(107,415)	(75,000)	-	(67,448)	-
Total Other Financing Sources (Uses)	-	(107,415)	(75,000)	-	1,344,704	290,409
Net Change in Fund Balances	3	(680,222)	(5,004,980)	(41)	29,019	(14,788)
Fund Balances, Beginning of Year	101	446,003	10,762,308	-	10,499	114,750
Fund Balances, End of Year	\$ 104	\$ (234,219)	\$ 5,757,328	\$ (41)	\$ 39,518	\$ 99,962

CITY OF CHULA VISTA

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
FOR FISCAL YEAR ENDED JUNE 30, 2019

	Total Governmental Funds
Revenues:	
Taxes	\$ 3,328,911
Licenses and permits	30,080
Intergovernmental	18,416,148
Charges for services	17,021,844
Use of money and property	3,327,017
Fines and forfeitures	753,933
Developer participation	780,194
Miscellaneous	<u>3,040,048</u>
Total Revenues	<u>46,698,175</u>
Expenditures:	
Current:	
General government	1,098,878
Public safety	66,892
Community development	1,540,217
Public works	10,883,477
Capital outlay	22,857,094
Debt service:	
Principal retirement	1,196,732
Interest and fiscal charges	<u>467,080</u>
Total Expenditures	<u>38,110,370</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>8,587,805</u>
Other Financing Sources (Uses):	
Transfers in	1,855,043
Transfers out	<u>(6,019,327)</u>
Total Other Financing Sources (Uses)	<u>(4,164,284)</u>
Net Change in Fund Balances	4,423,521
Fund Balances, Beginning of Year	<u>82,956,516</u>
Fund Balances, End of Year	<u>\$ 87,380,037</u>

CITY OF CHULA VISTA

**BUDGETARY COMPARISON SCHEDULE BY EXPENDITURE CATEGORY
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	Personnel Services	Supplies and Services	Utilities	Other Expenses	Operating Capital
Current:					
City council	\$ 1,451,818	\$ 48,234	\$ 734	\$ -	\$ -
City clerk	760,534	227,957	357	6,742	-
City attorney	2,280,484	294,740	865	-	16,299
Administration	1,879,154	156,031	787	-	-
Information technology	2,201,404	1,195,163	3,357	-	10,689
Human resources	1,933,411	340,504	1,910	-	2,243
Finance	2,973,773	996,148	2,663	875,901	45,415
Non-departmental	395,984	3,516,568	2,626	685,179	-
Board and commissions	-	10,453	-	-	-
Police	52,265,222	2,657,855	580,789	344,809	53,589
Fire	30,657,042	1,859,675	201,399	251,813	60,420
Animal care facilities	2,457,089	372,378	51,993	5,233	4,973
Economic development	1,927,797	168,714	3,484	69,229	-
Development services	2,445,995	103,547	2,111	12,950	-
Parks and recreation	7,093,188	1,075,500	2,672,604	28,312	55,317
Public works	4,565,698	1,850,000	636,987	6,433	66,733
Engineering	10,166,925	273,173	856,857	93,181	-
Library	3,308,287	282,576	317,142	360	-
Capital outlay	-	-	-	-	21,163,706
Principal retirement	-	-	-	5,744,050	-
Interest and fiscal charges	-	-	-	2,855,721	-
Transfers out	-	-	-	-	-
Total Expenditures	\$ 128,763,805	\$ 15,429,216	\$ 5,336,665	\$ 10,979,913	\$ 21,479,384

Internal Service	Transfers Out	Actual Amounts	Final Budget	Variance with Final Budget Positive (Negative)
\$ -	\$ -	\$ 1,500,786	\$ 1,626,561	\$ 125,775
-	-	995,590	1,048,694	53,104
-	-	2,592,388	3,208,389	616,001
-	-	2,035,972	2,216,056	180,084
162	-	3,410,775	3,840,194	429,419
-	-	2,278,068	2,899,632	621,564
47	-	4,893,947	12,431,650	7,537,703
21	-	4,600,378	6,878,564	2,278,186
-	-	10,453	27,783	17,330
1,012,923	-	56,915,187	58,427,861	1,512,674
1,057,932	-	34,088,281	37,494,767	3,406,486
48,285	-	2,939,951	2,976,306	36,355
50	-	2,169,274	2,136,750	(32,524)
21,092	-	2,585,695	2,900,096	314,401
283,316	-	11,208,237	11,335,051	126,814
450,254	-	7,576,105	12,026,492	4,450,387
124,764	-	11,514,900	8,729,142	(2,785,758)
1,908	-	3,910,273	4,182,419	272,146
-	-	21,163,706	70,013,034	48,849,328
-	-	5,744,050	5,973,239	229,189
-	-	2,855,721	2,968,388	112,667
-	4,179,049	4,179,049	5,776,715	1,597,666
\$ 3,000,754	\$ 4,179,049	\$ 189,168,786	\$ 259,117,783	\$ 69,948,997

CITY OF CHULA VISTA

**BUDGETARY COMPARISON SCHEDULE BY EXPENDITURE CATEGORY
SUNDRY GRANTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	<u>Personnel Services</u>	<u>Supplies and Services</u>	<u>Utilities</u>	<u>Other Expenses</u>	<u>Operating Capital</u>
General Government					
Finance	\$ -	\$ -	\$ -	\$ 14,219	\$ 5,770
Public safety					
Police	6,241,965	908,578	-	119,962	-
Fire	65,204	218,973	-	-	-
Animal care facility	-	15,649	-	-	-
Community development					
Economic development	765,292	983,318	21,841	846,166	7,700
Development services	6,742	1,403	1,393	553,699	689,774
Public works					
Public works	-	-	-	-	-
Engineering	-	-	-	-	-
Library					
Library	37,881	-	-	-	-
Capital outlay	-	-	-	-	1,684,465
Transfers out	-	-	-	-	-
Total Expenditures	\$ 7,117,084	\$ 2,127,921	\$ 23,234	\$ 1,534,046	\$ 2,387,709

<u>Internal Service</u>	<u>Transfers Out</u>	<u>Actual Amounts</u>	<u>Final Budget</u>	<u>Variance with Final Budget Positive (Negative)</u>
\$ -	\$ -	\$ 19,989	\$ 172,547	\$ 152,558
-	-	7,270,505	9,677,292	2,406,787
-	-	284,177	1,000,926	716,749
-	-	15,649	20,000	-
18,977	-	2,643,294	4,280,535	-
-	-	1,253,011	7,752,510	-
-	-	-	-	-
-	-	-	53,335	53,335
-	-	-	1,787,970	-
-	-	37,881	80,656	42,775
-	-	1,684,465	-	(1,684,465)
-	1,788,362	1,788,362	1,808,013	19,651
\$ 18,977	\$ 1,788,362	\$ 14,997,333	\$ 26,633,784	\$ 1,707,390

CITY OF CHULA VISTA

BUDGETARY COMPARISON SCHEDULE BY EXPENDITURE CATEGORY
 HOUSING SUCCESSOR AGENCY
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	<u>Supplies and Services</u>	<u>Other Expenses</u>	<u>Operating Capital</u>	<u>Actual Amounts</u>	<u>Final Budget</u>	<u>Variance with Final Budget Positive (Negative)</u>
Current:						
Development services	\$ 1,241	\$ 1,056	\$ 2,925	\$ 5,223	\$ 4,109,160	\$ 4,103,937
Total Expenditures	<u>\$ 1,241</u>	<u>\$ 1,056</u>	<u>\$ 2,925</u>	<u>\$ 5,223</u>	<u>\$ 4,109,160</u>	<u>\$ 4,103,937</u>

CITY OF CHULA VISTA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 TRANSPORTATION GRANTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 11,267,850	\$ 11,267,850	\$ 10,409,630	\$ (858,220)
Use of money and property	-	-	223,135	223,135
Total Revenues	11,267,850	11,267,850	10,632,765	(635,085)
Expenditures:				
Current:				
Public works	-	395,704	6,926	388,778
Capital outlay	8,020,212	10,228,137	2,007,137	8,221,000
Total Expenditures	8,020,212	10,623,841	2,014,063	8,609,778
Excess (Deficiency) of Revenues Over (Under) Expenditures	3,247,638	644,009	8,618,702	7,974,693
Other Financing Sources (Uses):				
Transfers out	(4,364,371)	(4,383,371)	(4,258,673)	124,698
Total Other Financing Sources (Uses)	(4,364,371)	(4,383,371)	(4,258,673)	124,698
Net Change in Fund Balances	(1,116,733)	(3,739,362)	4,360,029	8,099,391
Fund Balances, Beginning of Year	4,285,365	4,285,365	4,285,365	-
Fund Balances, End of Year	\$ 3,168,632	\$ 546,003	\$ 8,645,394	\$ 8,099,391

CITY OF CHULA VISTA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 PARKING METER
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Licenses and permits	\$ 25,000	\$ 25,000	\$ 30,080	\$ 5,080
Use of money and property	365,000	365,000	442,770	77,770
Fines and forfeitures	200,000	200,000	265,241	65,241
Total Revenues	590,000	590,000	738,091	148,091
Expenditures:				
Current:				
General government	572,270	723,719	576,315	147,404
Capital outlay	250,000	349,349	128,586	220,763
Total Expenditures	822,270	1,073,068	704,901	368,167
Excess (Deficiency) of Revenues Over (Under) Expenditures	(232,270)	(483,068)	33,190	516,258
Net Change in Fund Balances	(232,270)	(483,068)	33,190	516,258
Fund Balances, Beginning of Year	1,462,083	1,462,083	1,462,083	-
Fund Balances, End of Year	\$ 1,229,813	\$ 979,015	\$ 1,495,273	\$ 516,258

CITY OF CHULA VISTA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 TRAFFIC SAFETY
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Use of money and property	\$ -	\$ -	\$ 15,509	\$ 15,509
Fines and forfeitures	437,640	437,640	488,492	50,852
Total Revenues	437,640	437,640	504,001	66,361
Expenditures:				
Current:				
Public safety	38,500	90,500	66,892	23,608
Total Expenditures	38,500	90,500	66,892	23,608
Excess (Deficiency) of Revenues Over (Under) Expenditures	399,140	347,140	437,109	89,969
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	-	(52,000)	37,969	89,969
Fund Balances, Beginning of Year	195,979	195,979	195,979	-
Fund Balances, End of Year	\$ 195,979	\$ 143,979	\$ 233,948	\$ 89,969

CITY OF CHULA VISTA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 STORM DRAIN
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	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	668,095	112,595
Use of money and property	-	-	29,127	29,127
Fines and forfeitures	5,000	5,000	200	(4,800)
Total Revenues	584,250	584,250	697,422	113,172
Expenditures:				
Current:				
City administration	250	250	-	250
Public works	348,690	505,739	309,563	196,176
Debt service:				
Interest and fiscal charges	-	-	2,254	(2,254)
Total Expenditures	348,940	505,989	311,817	194,172
Excess (Deficiency) of Revenues Over (Under) Expenditures	235,310	78,261	385,605	307,344
Net Change in Fund Balances	235,310	78,261	385,605	307,344
Fund Balances, Beginning of Year	599,814	599,814	599,814	-
Fund Balances, End of Year	\$ 835,124	\$ 678,075	\$ 985,419	\$ 307,344

CITY OF CHULA VISTA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 TOWN CENTER I
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Use of money and property	\$ -	\$ -	\$ 1,895	\$ 1,895
Total Revenues	-	-	1,895	1,895
Expenditures:				
Capital outlay	-	10,120	-	10,120
Total Expenditures	-	10,120	-	10,120
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	(10,120)	1,895	12,015
Net Change in Fund Balances	-	(10,120)	1,895	12,015
Fund Balances, Beginning of Year	53,150	53,150	53,150	-
Fund Balances, End of Year	\$ 53,150	\$ 43,030	\$ 55,045	\$ 12,015

CITY OF CHULA VISTA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 OPEN SPACE DISTRICTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for services	\$ 15,367,743	\$ 15,367,743	\$ 16,308,854	\$ 941,111
Use of money and property	-	-	958,763	958,763
Other revenues	-	5,650	15,576	9,926
Total Revenues	15,367,743	15,373,393	17,283,193	1,909,800
Expenditures:				
Current:				
Public works	12,529,111	12,979,933	10,548,156	2,431,777
Capital outlay	100,002	118,216	643	117,573
Total Expenditures	12,629,113	13,098,149	10,548,799	2,549,350
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,738,630	2,275,244	6,734,394	4,459,150
Other Financing Sources (Uses):				
Transfers in	67,823	67,823	152,482	84,659
Transfers out	(67,823)	(67,823)	-	67,823
Total Other Financing Sources (Uses)	-	-	152,482	152,482
Net Change in Fund Balances	2,738,630	2,275,244	6,886,876	4,611,632
Fund Balances, Beginning of Year	22,093,418	22,093,418	22,093,418	-
Fund Balances, End of Year	\$ 24,832,048	\$ 24,368,662	\$ 28,980,294	\$ 4,611,632

CITY OF CHULA VISTA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 HOUSING PROGRAMS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 51,100	\$ 51,100	\$ 31,520	\$ (19,580)
Use of money and property	-	-	861	861
Other revenues	-	-	20,093	20,093
Total Revenues	51,100	51,100	52,474	1,374
Expenditures:				
Current:				
Community development	51,100	501,502	124,784	376,718
Total Expenditures	51,100	501,502	124,784	376,718
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	(450,402)	(72,310)	378,092
Net Change in Fund Balances	-	(450,402)	(72,310)	378,092
Fund Balances, Beginning of Year	641,791	641,791	641,791	-
Fund Balances, End of Year	\$ 641,791	\$ 191,389	\$ 569,481	\$ 378,092

CITY OF CHULA VISTA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 HOUSING AUTHORITY
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for services	\$ -	\$ -	\$ 44,895	\$ 44,895
Use of money and property	-	-	99,741	99,741
Other revenues	1,204,060	1,204,060	815,019	(389,041)
Total Revenues	1,204,060	1,204,060	959,655	(244,405)
Expenditures:				
Current:				
Community development	1,212,256	1,297,266	1,025,339	271,927
Total Expenditures	1,212,256	1,297,266	1,025,339	271,927
Excess (Deficiency) of Revenues Over (Under) Expenditures	(8,196)	(93,206)	(65,684)	27,522
Other Financing Sources (Uses):				
Transfers out	(254,697)	(254,697)	(254,697)	-
Total Other Financing Sources (Uses)	(254,697)	(254,697)	(254,697)	-
Net Change in Fund Balances	(262,893)	(347,903)	(320,381)	27,522
Fund Balances, Beginning of Year	3,095,069	3,095,069	3,095,069	-
Fund Balances, End of Year	\$ 2,832,176	\$ 2,747,166	\$ 2,774,688	\$ 27,522

CITY OF CHULA VISTA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 TRANSPORTATION SALES TAX
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 6,087,000	\$ 6,087,000	\$ 3,109,011	\$ (2,977,989)
Intergovernmental	-	36,500	4,807	(31,693)
Use of money and property	-	-	11,836	11,836
Other revenues	-	-	10,806	10,806
Total Revenues	6,087,000	6,123,500	3,136,460	(2,987,040)
Expenditures:				
Current:				
Public works	-	55,332	18,832	36,500
Capital outlay	6,419,039	16,723,922	5,531,960	11,191,962
Total Expenditures	6,419,039	16,779,254	5,550,792	11,228,462
Excess (Deficiency) of Revenues Over (Under) Expenditures	(332,039)	(10,655,754)	(2,414,332)	8,241,422
Fund Balances, Beginning of Year	505,409	505,409	505,409	-
Fund Balances, End of Year	\$ 173,370	\$ (10,150,345)	\$ (1,908,923)	\$ 8,241,422

CITY OF CHULA VISTA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 PUBLIC EDUCATION AND GOVT FEE
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Use of money and property	\$ -	\$ -	\$ 10,072	\$ 10,072
Other revenues	600,000	600,000	551,940	(48,060)
Total Revenues	600,000	600,000	562,012	(37,988)
Expenditures:				
Current:				
General government	300,000	1,104,344	497,018	607,326
Capital outlay	300,000	300,000	-	300,000
Total Expenditures	600,000	1,404,344	497,018	907,326
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	(804,344)	64,994	869,338
Net Change in Fund Balances	-	(804,344)	64,994	869,338
Fund Balances, Beginning of Year	1,702,817	1,702,817	1,702,817	-
Fund Balances, End of Year	\$ 1,702,817	\$ 898,473	\$ 1,767,811	\$ 869,338

CITY OF CHULA VISTA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 UTILITY TAX SETTLEMENT
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Use of money and property	\$ -	\$ -	\$ 4,039	\$ 4,039
Total Revenues	-	-	4,039	4,039
Expenditures:				
Current:				
General government	-	26,172	25,000	1,172
Capital outlay	-	39,400	39,400	-
Total Expenditures	-	65,572	64,400	1,172
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	(65,572)	(60,361)	5,211
Fund Balances, Beginning of Year	160,260	160,260	160,260	-
Fund Balances, End of Year	\$ 160,260	\$ 94,688	\$ 99,899	\$ 5,211

CITY OF CHULA VISTA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 PARK ACQUISITION DEVELOPMENT
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Use of money and property	\$ (11,000)	\$ (11,000)	\$ 1,271,670	\$ 1,282,670
Developer participation	700,000	700,000	780,194	80,194
Total Revenues	689,000	689,000	2,051,864	1,362,864
Expenditures:				
Current:				
City administration	110,000	1,125,781	349,935	775,846
Capital outlay	-	653,121	162	652,959
Debt service:				
Interest and fiscal charges	11,000	11,000	-	11,000
Total Expenditures	121,000	1,789,902	350,097	1,439,805
Excess (Deficiency) of Revenues Over (Under) Expenditures	568,000	(1,100,902)	1,701,767	2,802,669
Other Financing Sources (Uses):				
Transfers in	50,000	50,000	-	(50,000)
Transfers out	(50,000)	(50,000)	-	50,000
Net Change in Fund Balances	568,000	(1,100,902)	1,701,767	2,802,669
Fund Balances, Beginning of Year	34,552,959	34,552,959	34,552,959	-
Fund Balances, End of Year	\$ 35,120,959	\$ 33,452,057	\$ 36,254,726	\$ 2,802,669

CITY OF CHULA VISTA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 RESIDENTIAL CONSTRUCTION TAX
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 325,505	\$ 325,505	\$ 219,900	\$ (105,605)
Use of money and property	-	-	11,304	11,304
Total Revenues	325,505	325,505	231,204	(94,301)
Excess (Deficiency) of Revenues Over (Under) Expenditures	325,505	325,505	231,204	(94,301)
Other Financing Sources (Uses):				
Transfers out	(667,776)	(667,776)	(856,912)	(189,136)
Total Other Financing Sources (Uses)	(667,776)	(667,776)	(856,912)	(189,136)
Net Change in Fund Balances	(342,271)	(342,271)	(625,708)	(283,437)
Fund Balances, Beginning of Year	643,753	643,753	643,753	-
Fund Balances, End of Year	\$ 301,482	\$ 301,482	\$ 18,045	\$ (283,437)

CITY OF CHULA VISTA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 BICYCLE FACILITY
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 65,000	\$ 65,000	\$ -	\$ (65,000)
Use of money and property	-	-	(27)	(27)
Total Revenues	65,000	65,000	(27)	(65,027)
Expenditures:				
Current:				
Public works	65,000	65,000	-	65,000
Total Expenditures	65,000	65,000	-	65,000
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	(27)	(27)
Net Change in Fund Balances	-	-	(27)	(27)
Fund Balances, Beginning of Year	(4,433)	(4,433)	(4,433)	-
Fund Balances, End of Year	\$ (4,433)	\$ (4,433)	\$ (4,460)	\$ (27)

CITY OF CHULA VISTA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 ASSESSMENT DISTRICT IMPROVEMENT
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Use of money and property	\$ -	\$ -	\$ 38,095	\$ 38,095
Other revenues	-	-	2	2
Total Revenues	-	-	38,097	38,097
Expenditures:				
Current:				
General government	-	-	545	(545)
Capital outlay	-	25,643	7,723	17,920
Total Expenditures	-	25,643	8,268	17,375
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	(25,643)	29,829	55,472
Other Financing Sources (Uses):				
Transfers out	-	-	(42)	(42)
Total Other Financing Sources (Uses)	-	-	(42)	(42)
Net Change in Fund Balances	-	(25,643)	29,787	55,430
Fund Balances, Beginning of Year	1,068,314	1,068,314	1,068,314	-
Fund Balances, End of Year	\$ 1,068,314	\$ 1,042,671	\$ 1,098,101	\$ 55,430

CITY OF CHULA VISTA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 DEVELOPMENT IMPACT FUNDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for services	\$ 200,000	\$ 200,000	\$ 309,106	\$ 109,106
Use of money and property	9,000	9,000	2,040,333	2,031,333
Developer participation	7,036,600	7,036,600	15,780,285	8,743,685
Total Revenues	7,245,600	7,245,600	18,129,724	10,884,124
Expenditures:				
Current:				
City administration	960,300	964,595	664,124	300,471
Capital outlay	919,044	10,766,848	3,548,410	7,218,438
Debt service:				
Interest and fiscal charges	11,000	11,000	36,779	(25,779)
Total Expenditures	1,890,344	11,742,443	4,249,313	7,493,130
Excess (Deficiency) of Revenues Over (Under) Expenditures	5,355,256	(4,496,843)	13,880,411	18,377,254
Other Financing Sources (Uses):				
Transfers in	1,035,000	1,142,415	107,415	(1,035,000)
Transfers out	(7,737,472)	(7,737,472)	(4,639,183)	3,098,289
Total Other Financing Sources (Uses)	(6,702,472)	(6,595,057)	(4,531,768)	2,063,289
Net Change in Fund Balances	(1,347,216)	(11,091,900)	9,348,643	20,440,543
Fund Balances, Beginning of Year	46,068,629	46,068,629	46,068,629	-
Restatements	-	-	(394,643)	-
Fund Balances, Beginning of Year, as restated	45,673,986	45,673,986	45,673,986	-
Fund Balances, End of Year	\$ 44,326,770	\$ 34,582,086	\$ 55,022,629	\$ 20,440,543

CITY OF CHULA VISTA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 OTHER TRANSPORTATION PROGRAM FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 2,176,107	\$ 2,176,107	\$ 7,970,191	\$ 5,794,084
Use of money and property	-	-	(58,084)	(58,084)
Total Revenues	2,176,107	2,176,107	7,912,107	5,736,000
Expenditures:				
Capital outlay	2,176,107	15,801,445	8,484,914	7,316,531
Total Expenditures	2,176,107	15,801,445	8,484,914	7,316,531
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	(13,625,338)	(572,807)	13,052,531
Other Financing Sources (Uses):				
Transfers out	-	(107,415)	(107,415)	-
Total Other Financing Sources (Uses)	-	(107,415)	(107,415)	-
Net Change in Fund Balances	-	(13,732,753)	(680,222)	13,052,531
Fund Balances, Beginning of Year	446,003	446,003	446,003	-
Fund Balances, End of Year	\$ 446,003	\$ (13,286,750)	\$ (234,219)	\$ 13,052,531

CITY OF CHULA VISTA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 CAPITAL PROJECTS FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Use of money and property	\$ -	\$ 75,500	\$ 191,613	\$ 116,113
Other revenues	2,100,620	3,202,673	1,534,976	(1,667,697)
Total Revenues	2,100,620	3,278,173	1,726,589	(1,551,584)
Expenditures:				
Current:				
Public works	-	230,752	-	230,752
Capital outlay	2,100,620	15,123,872	6,656,569	8,467,303
Total Expenditures	2,100,620	15,354,624	6,656,569	8,698,055
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	(12,076,451)	(4,929,980)	7,146,471
Other Financing Sources (Uses):				
Transfers out	-	(75,500)	(75,000)	500
Total Other Financing Sources (Uses)	-	(75,500)	(75,000)	500
Net Change in Fund Balances	-	(12,151,951)	(5,004,980)	7,146,971
Fund Balances, Beginning of Year	10,762,308	10,762,308	10,762,308	-
Fund Balances, End of Year	\$ 10,762,308	\$ (1,389,643)	\$ 5,757,328	\$ 7,146,971

CITY OF CHULA VISTA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 NOTES PAYABLE
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Use of money and property	\$ -	\$ -	\$ 2,497	\$ 2,497
Other revenues	258,000	258,000	-	(258,000)
Total Revenues	258,000	258,000	2,497	(255,503)
Expenditures:				
Debt service:				
Principal retirement	908,600	908,600	905,867	2,733
Interest and fiscal charges	415,000	415,000	412,315	2,685
Total Expenditures	1,323,600	1,323,600	1,318,182	5,418
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,065,600)	(1,065,600)	(1,315,685)	(250,085)
Other Financing Sources (Uses):				
Transfers in	1,323,600	1,323,600	1,412,152	88,552
Transfers out	-	-	(67,448)	(67,448)
Total Other Financing Sources (Uses)	1,323,600	1,323,600	1,344,704	21,104
Net Change in Fund Balances	258,000	258,000	29,019	(228,981)
Fund Balances, Beginning of Year	10,499	10,499	10,499	-
Fund Balances, End of Year	\$ 268,499	\$ 268,499	\$ 39,518	\$ (228,981)

CITY OF CHULA VISTA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 LEASE PAYABLE
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Use of money and property	\$ -	\$ -	\$ 3,393	\$ 3,393
Other revenues	34,000	34,000	34,786	786
Total Revenues	34,000	34,000	38,179	4,179
Expenditures:				
Debt service:				
Principal retirement	488,800	292,000	290,865	1,135
Interest and fiscal charges	101,600	54,000	52,511	1,489
Total Expenditures	590,400	346,000	343,376	2,624
Excess (Deficiency) of Revenues Over (Under) Expenditures	(556,400)	(312,000)	(305,197)	6,803
Other Financing Sources (Uses):				
Transfers in	312,000	312,000	290,409	(21,591)
Total Other Financing Sources (Uses)	312,000	312,000	290,409	(21,591)
Net Change in Fund Balances	(244,400)	-	(14,788)	(14,788)
Fund Balances, Beginning of Year	114,750	114,750	114,750	-
Fund Balances, End of Year	\$ (129,650)	\$ 114,750	\$ 99,962	\$ (14,788)

CITY OF CHULA VISTA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 CITY DEBT SERVICE
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Use of money and property	\$ -	\$ -	\$ (41)	\$ (41)
Total Revenues	-	-	(41)	(41)
Net Change in Fund Balances	-	-	(41)	(41)
Fund Balances, Beginning of Year	-	-	-	-
Fund Balances, End of Year	\$ -	\$ -	\$ (41)	\$ (41)

CITY OF CHULA VISTA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 PUBLIC FINANCING AUTHORITY
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Use of money and property	\$ -	\$ -	\$ 167,081	\$ 167,081
Total Revenues	-	-	167,081	167,081
Expenditures:				
Current:				
General government	15,001	15,001	10,527	4,474
Debt service:				
Principal retirement	3,490,500	3,490,500	3,490,001	499
Interest and fiscal charges	3,319,499	3,319,499	3,315,617	3,882
Total Expenditures	6,825,000	6,825,000	6,816,145	8,855
Excess (Deficiency) of Revenues Over (Under) Expenditures	(6,825,000)	(6,825,000)	(6,649,064)	175,936
Other Financing Sources (Uses):				
Transfers in	6,825,000	6,825,000	5,606,921	(1,218,079)
Total Other Financing Sources (Uses)	6,825,000	6,825,000	5,606,921	(1,218,079)
Net Change in Fund Balances	-	-	(1,042,143)	(1,042,143)
Fund Balances, Beginning of Year	6,260,550	6,260,550	6,260,550	-
Fund Balances, End of Year	\$ 6,260,550	\$ 6,260,550	\$ 5,218,407	\$ (1,042,143)

CITY OF CHULA VISTA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
MUNICIPAL FINANCING AUTHORITY
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Use of money and property	\$ -	\$ -	\$ 679	\$ 679
Other revenues	314,139	314,139	317,154	3,015
Total Revenues	314,139	314,139	317,833	3,694
Expenditures:				
Current:				
General government	6,000	6,000	5,085	915
Debt service:				
Principal retirement	1,330,000	1,330,000	1,330,000	-
Interest and fiscal charges	1,350,131	1,350,131	1,348,206	1,925
Total Expenditures	2,686,131	2,686,131	2,683,291	2,840
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,371,992)	(2,371,992)	(2,365,458)	6,534
Other Financing Sources (Uses):				
Transfers in	2,350,817	2,350,817	2,323,130	(27,687)
Total Other Financing Sources (Uses)	2,350,817	2,350,817	2,323,130	(27,687)
Net Change in Fund Balances	(21,175)	(21,175)	(42,328)	(21,153)
Fund Balances, Beginning of Year	43,650	43,650	43,650	-
Fund Balances, End of Year	\$ 22,475	\$ 22,475	\$ 1,322	\$ (21,153)

CITY OF CHULA VISTA

COMBINING STATEMENT OF NET POSITION
 NON-MAJOR PROPRIETARY FUNDS
 JUNE 30, 2019

	Business-Type Activities - Enterprise Funds			Totals
	Bayfront Trolley Station	Transit Fund	Chula Vista Muni Golf Course	
Assets:				
Current:				
Cash and investments	\$ 87,339	\$ 116,914	\$ 17,655	\$ 221,908
Total Current Assets	87,339	116,914	17,655	221,908
Noncurrent:				
Capital assets - net of accumulated depreciation	-	25,351	-	25,351
Total Noncurrent Assets	-	25,351	-	25,351
Total Assets	87,339	142,265	17,655	247,259
Liabilities:				
Current:				
Accounts payable	-	19,860	-	19,860
Deferred revenues	-	2,108	-	2,108
Total Liabilities	-	21,968	-	21,968
Net Position:				
Investment in capital assets	-	25,351	-	25,351
Unrestricted	87,339	94,946	17,655	199,940
Total Net Position	\$ 87,339	\$ 120,297	\$ 17,655	\$ 225,291

CITY OF CHULA VISTA

COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION
NON-MAJOR PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Business-Type Activities - Enterprise Funds			Totals
	Bayfront Trolley Station	Transit Fund	Chula Vista Muni Golf Course	
Operating Revenues:				
Other	\$ -	\$ -	\$ 14,747	\$ 14,747
Total Operating Revenues	-	-	14,747	14,747
Operating Expenses:				
Administration and general	-	157,449	-	157,449
Depreciation expense	-	3,348	-	3,348
Total Operating Expenses	-	160,797	-	160,797
Operating Income (Loss)	-	(160,797)	14,747	(146,050)
Nonoperating Revenues (Expenses):				
Intergovernmental	-	163,380	-	163,380
Interest revenue	3,005	7,466	(813)	9,658
Total Nonoperating Revenues (Expenses)	3,005	170,846	(813)	173,038
Changes in Net Position	3,005	10,049	13,934	26,988
Net Position:				
Beginning of Fiscal Year	84,334	110,248	3,721	198,303
End of Fiscal Year	\$ 87,339	\$ 120,297	\$ 17,655	\$ 225,291

CITY OF CHULA VISTA

COMBINING STATEMENT OF CASH FLOWS
NON-MAJOR PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Business-Type Activities - Enterprise Funds			Totals
	Bayfront Trolley Station	Transit Fund	Chula Vista Muni Golf Course	
Cash Flows from Operating Activities:				
Cash received from customers and users	\$ -	\$ -	\$ 147,327	\$ 147,327
Cash received from/(paid to) interfund service provided	-	-	(128,859)	(128,859)
Cash paid to suppliers for goods and services	-	15,587	-	15,587
Cash paid to employees for services	-	(157,449)	-	(157,449)
Net Cash Provided (Used) by Operating Activities	-	(141,862)	18,468	(123,394)
Cash Flows from Capital and Related Financing Activities:				
Acquisition and construction of capital assets	-	(28,698)	-	(28,698)
Net Cash (Used) by Capital and Related Financing Activities	-	(28,698)	-	(28,698)
Cash Flows from Investing Activities:				
Interest received	3,005	7,466	(813)	9,658
Net Cash Provided (Used) by Investing Activities	3,005	7,466	(813)	9,658
Net Increase (Decrease) in Cash and Cash Equivalents	3,005	(163,094)	17,655	(142,434)
Cash and Cash Equivalents at Beginning of Year	84,334	280,008	-	364,342
Cash and Cash Equivalents at End of Year	\$ 87,339	\$ 116,914	\$ 17,655	\$ 221,908
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:				
Operating income (loss)	\$ -	\$ (160,797)	\$ 14,747	\$ (146,050)
Adjustments to reconcile operating income (loss) net cash provided (used) by operating activities:				
Depreciation	-	3,348	-	3,348
(Increase) decrease in accounts receivable	-	-	132,580	132,580
Increase (decrease) in accounts payable	-	13,480	-	13,480
Increase (decrease) in due to other funds	-	-	(128,859)	(128,859)
Increase (decrease) in retentions payable	-	2,107	-	2,107
Total Adjustments	-	18,935	3,721	22,656
Net Cash Provided (Used) by Operating Activities	\$ -	\$ (141,862)	\$ 18,468	\$ (123,394)

CITY OF CHULA VISTA

COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
JUNE 30, 2019

	Governmental Activities - Internal Service Funds			
	Fleet Management	Technology Replacement	Workers Compensation	Totals
Assets:				
Current:				
Cash and investments	\$ 2,504,165	\$ 2,650	\$ 4,764,167	\$ 7,270,982
Receivables:				
Accounts	3,084	-	-	3,084
Restricted:				
Cash with fiscal agent	-	-	324,125	324,125
Total Current Assets	2,507,249	2,650	5,088,292	7,598,191
Noncurrent:				
Capital assets - net of accumulated depreciation	364,921	-	-	364,921
Total Noncurrent Assets	364,921	-	-	364,921
Total Assets	2,872,170	2,650	5,088,292	7,963,112
Deferred Outflows of Resources:				
Deferred items related to pensions	310,809	-	-	310,809
Deferred items related to OPEB	4,463	-	-	4,463
Total Deferred Outflows of Resources	315,272	-	-	315,272
Liabilities:				
Current:				
Accounts payable	314,228	-	35,873	350,101
Accrued liabilities	31,788	-	-	31,788
Due to other funds	471,764	-	-	471,764
Accrued compensated absences	11,847	-	-	11,847
Total Current Liabilities	829,627	-	35,873	865,500
Noncurrent:				
Accrued compensated absences	28,404	-	-	28,404
Net pension liability	2,765,149	-	-	2,765,149
Total OPEB liability	126,086	-	-	126,086
Total Noncurrent Liabilities	2,919,639	-	-	2,919,639
Total Liabilities	3,749,266	-	35,873	3,785,139
Deferred Inflows of Resources:				
Deferred items related to pensions	144,991	-	-	144,991
Total Deferred Inflows of Resources	144,991	-	-	144,991
Net Position:				
Investment in capital assets	364,921	-	-	364,921
Unrestricted	(1,071,736)	2,650	5,052,419	3,983,333
Total Net Position	\$ (706,815)	\$ 2,650	\$ 5,052,419	\$ 4,348,254

CITY OF CHULA VISTA

COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Governmental Activities - Internal Service Funds			
	Fleet Management	Technology Replacement	Workers Compensation	Totals
Operating Revenues:				
Interdepartmental charges	\$ 3,465,390	\$ -	\$ 5,015,655	\$ 8,481,045
Other	258,811	-	109,378	368,189
Total Operating Revenues	3,724,201	-	5,125,033	8,849,234
Operating Expenses:				
Administration and general	3,143,255	-	3,738,518	6,881,773
Depreciation expense	243,078	-	-	243,078
Total Operating Expenses	3,386,333	-	3,738,518	7,124,851
Operating Income (Loss)	337,868	-	1,386,515	1,724,383
Nonoperating Revenues (Expenses):				
Interest revenue	9,618	17	21,860	31,495
Gain (loss) on disposal of capital assets	102,283	-	-	102,283
Total Nonoperating Revenues (Expenses)	111,901	17	21,860	133,778
Changes in Net Position	449,769	17	1,408,375	1,858,161
Net Position:				
Beginning of Fiscal Year	(1,156,584)	2,633	3,644,044	2,490,093
End of Fiscal Year	\$ (706,815)	\$ 2,650	\$ 5,052,419	\$ 4,348,254

CITY OF CHULA VISTA

COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

Governmental Activities - Internal Service Funds				
	Fleet Management	Technology Replacement	Workers Compensation	Totals
Cash Flows from Operating Activities:				
Cash received from/(paid to) interfund service provided	\$ 4,246,229	\$ -	\$ 5,125,033	\$ 9,371,262
Cash received from/(paid to) suppliers for goods and services	-	-	(124,912)	(124,912)
Cash paid to employees for services	(3,516,434)	-	(3,738,518)	(7,254,952)
Net Cash Provided by Operating Activities	729,795	-	1,261,603	1,991,398
Cash Flows from Capital and Related Financing Activities:				
Proceeds from sales of capital assets	102,283	-	-	102,283
Net Cash Provided by Capital and Related Financing Activities	102,283	-	-	102,283
Cash Flows from Investing Activities:				
Interest received	9,618	17	21,860	31,495
Net Cash Provided by Investing Activities	9,618	17	21,860	31,495
Net Increase in Cash and Cash Equivalents	841,696	17	1,283,463	2,125,176
Cash and Cash Equivalents at Beginning of Year	1,662,469	2,633	3,804,829	5,469,931
Cash and Cash Equivalents at End of Year	\$ 2,504,165	\$ 2,650	\$ 5,088,292	\$ 7,595,107
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:				
Operating income	\$ 337,868	\$ -	\$ 1,386,515	\$ 1,724,383
Adjustments to reconcile operating income net cash provided by operating activities:				
Depreciation	243,078	-	-	243,078
(Increase) decrease in accounts receivable	7,958	-	-	7,958
(Increase) decrease in deferred outflows from pensions	301,037	-	-	301,037
(Increase) decrease in deferred outflows from OPEB	(3,195)	-	-	(3,195)
Increase (decrease) in due to other funds	471,764	-	-	471,764
Increase (decrease) in accounts payable	42,306	-	(124,912)	(82,606)
Increase (decrease) in accrued liabilities	100	-	-	100
Increase (decrease) in compensated absences	(13,480)	-	-	(13,480)
Increase (decrease) in net pension liability	(729,053)	-	-	(729,053)
Increase (decrease) in total OPEB liability	9,798	-	-	9,798
Increase (decrease) in deferred inflows from pensions	61,614	-	-	61,614
Total Adjustments	391,927	-	(124,912)	267,015
Net Cash Provided (Used) by Operating Activities	\$ 729,795	\$ -	\$ 1,261,603	\$ 1,991,398

CITY OF CHULA VISTA

COMBINING STATEMENT OF NET POSITION
 ALL AGENCY FUNDS
 JUNE 30, 2019

	Flexible Spending Account	Special Assessment District	Miscellaneous Deposits	Totals
Assets:				
Pooled cash and investments	\$ 654,915	\$ 8,221,883	\$ -	\$ 8,876,798
Receivables:				
Accrued interest	-	-	1,431	1,431
Restricted assets:				
Cash and investments	-	-	12,553,334	12,553,334
Cash and investments with fiscal agents	-	32,908,488	-	32,908,488
Total Assets	\$ 654,915	\$ 41,130,371	\$ 12,554,765	\$ 54,340,051
Liabilities:				
Accounts payable	\$ -	\$ 15,161	\$ 118,727	\$ 133,888
Unearned revenues	14,162	-	1,431	15,593
Deposits payable	-	-	12,434,607	12,434,607
Due to external parties/other agencies	640,753	41,115,210	-	41,755,963
Total Liabilities	\$ 654,915	\$ 41,130,371	\$ 12,554,765	\$ 54,340,051

CITY OF CHULA VISTA

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 ALL AGENCY FUNDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Balance July 1, 2018	Additions	Deductions	Balance June 30, 2019
<u>Flexible Spending Account</u>				
Assets:				
Pooled cash and investments	\$ 504,699	\$ 1,696,192	\$ 1,545,976	\$ 654,915
Total Assets	<u>\$ 504,699</u>	<u>\$ 1,696,192</u>	<u>\$ 1,545,976</u>	<u>\$ 654,915</u>
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Accrued liabilities	5,885	13	5,898	-
Unearned revenues	14,162	-	-	14,162
Due to external parties/other agencies	484,652	840,534	684,433	640,753
Total Liabilities	<u>\$ 504,699</u>	<u>\$ 840,547</u>	<u>\$ 690,331</u>	<u>\$ 654,915</u>
<u>Special Assessment District</u>				
Assets:				
Pooled cash and investments	\$ 8,528,926	\$ 15,639,797	\$ 15,946,840	\$ 8,221,883
Restricted assets:				
Cash and investments with fiscal agents	43,522,543	10,086,056	20,700,111	32,908,488
Total Assets	<u>\$ 52,051,469</u>	<u>\$ 25,725,853</u>	<u>\$ 36,646,951</u>	<u>\$ 41,130,371</u>
Liabilities:				
Accounts payable	\$ 2,918	\$ 25,319	\$ 13,076	\$ 15,161
Due to external parties/other agencies	52,048,551	19,993,835	30,927,176	41,115,210
Total Liabilities	<u>\$ 52,051,469</u>	<u>\$ 20,019,154</u>	<u>\$ 30,940,252</u>	<u>\$ 41,130,371</u>
<u>Miscellaneous Deposits</u>				
Assets:				
Receivables:				
Accrued interest	\$ 1,431	\$ -	\$ -	\$ 1,431
Restricted assets:				
Cash and investments	11,767,185	20,011,133	19,224,984	12,553,334
Total Assets	<u>\$ 11,768,616</u>	<u>\$ 20,011,133</u>	<u>\$ 19,224,984</u>	<u>\$ 12,554,765</u>
Liabilities:				
Accounts payable	\$ 425,655	\$ 1,592,550	\$ 1,899,478	\$ 118,727
Unearned revenues	1,431	-	-	1,431
Deposits payable	11,341,530	1,617,397	524,320	12,434,607
Total Liabilities	<u>\$ 11,768,616</u>	<u>\$ 3,209,947</u>	<u>\$ 2,423,798</u>	<u>\$ 12,554,765</u>
<u>Totals - All Agency Funds</u>				
Assets:				
Pooled cash and investments	\$ 9,033,625	\$ 17,335,989	\$ 17,492,816	\$ 8,876,798
Receivables:				
Accrued interest	1,431	-	-	1,431
Restricted assets:				
Cash and investments	11,767,185	20,011,133	19,224,984	12,553,334
Cash and investments with fiscal agents	43,522,543	10,086,056	20,700,111	32,908,488
Total Assets	<u>\$ 64,324,784</u>	<u>\$ 47,433,178</u>	<u>\$ 57,417,911</u>	<u>\$ 54,340,051</u>
Liabilities:				
Accounts payable	\$ 428,573	\$ 1,617,869	\$ 1,912,554	\$ 133,888
Accrued liabilities	5,885	13	5,898	-
Unearned revenues	15,593	-	-	15,593
Pass-through payables	-	-	-	-
Deposits payable	11,341,530	1,617,397	524,320	12,434,607
Due to external parties/other agencies	52,533,203	20,834,369	31,611,609	41,755,963
Total Liabilities	<u>\$ 64,324,784</u>	<u>\$ 24,069,648</u>	<u>\$ 34,054,381</u>	<u>\$ 54,340,051</u>



CITY OF CHULA VISTA

Statistical Section

06/30

This part of the City of Chula Vista's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the city's overall financial health.

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These schedules contain information to help the reader understand how the city's financial performance and well-being have changed over time.	
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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	188-194
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	195-197
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	198-199
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)**

	2010	2011	2012	2013	2014
Governmental activities:					
Net investment in capital assets	\$ 634,377,842	\$ 634,409,385	\$ 655,182,727	\$ 626,476,481	\$ 649,314,016
Restricted	49,193,256	47,168,636	22,929,585	21,888,309	107,106,257
Unrestricted	<u>73,916,496</u>	<u>72,730,796</u>	<u>89,620,724</u>	<u>111,886,462</u>	<u>22,522,443</u>
Total governmental activities net position	<u>757,487,594</u>	<u>754,308,817</u>	<u>767,733,036</u>	<u>760,251,252</u>	<u>778,942,716</u>
Business-type activities:					
Net investment in capital assets	152,384,420	146,550,585	140,248,319	134,661,254	136,513,268
Restricted	-	-	-	-	-
Unrestricted	<u>74,385,651</u>	<u>80,214,208</u>	<u>86,521,327</u>	<u>93,401,745</u>	<u>97,393,640</u>
Total business-type activities net position	<u>226,770,071</u>	<u>226,764,793</u>	<u>226,769,646</u>	<u>228,062,999</u>	<u>233,906,908</u>
Primary government:					
Net investment in capital assets	786,762,262	780,959,970	795,431,046	761,137,735	785,827,284
Restricted	49,193,256	47,168,636	22,929,585	21,888,309	107,106,257
Unrestricted	<u>148,302,147</u>	<u>152,945,004</u>	<u>176,142,051</u>	<u>205,288,207</u>	<u>119,916,083</u>
Total primary government net position	<u>\$ 984,257,665</u>	<u>\$ 981,073,610</u>	<u>\$ 994,502,682</u>	<u>\$ 988,314,251</u>	<u>\$ 1,012,849,624</u>

	2015	2016	2017	2018	2019
\$	643,174,160	\$ 672,940,012	\$ 1,031,902,782	\$ 963,595,553	\$ 997,561,287
	129,460,665	125,439,323	128,114,370	143,958,910	167,223,184
	<u>(245,432,296)</u>	<u>(222,570,459)</u>	<u>(222,843,737)</u>	<u>(139,744,867)</u>	<u>(139,394,302)</u>
	<u>527,202,529</u>	<u>575,808,876</u>	<u>937,173,415</u>	<u>967,809,596</u>	<u>1,025,390,169</u>
	134,368,634	135,989,851	331,199,513	327,687,650	322,072,495
	5,141,430	2,803,451	2,593,403	-	-
	<u>71,945,411</u>	<u>67,970,476</u>	<u>72,366,978</u>	<u>78,539,054</u>	<u>90,839,632</u>
	<u>211,455,475</u>	<u>206,763,778</u>	<u>406,159,894</u>	<u>406,226,704</u>	<u>412,912,127</u>
	777,542,794	808,929,863	1,363,102,295	1,291,283,203	1,319,633,782
	134,602,095	128,242,774	130,707,773	143,958,910	167,223,184
	<u>(173,486,885)</u>	<u>(154,599,983)</u>	<u>(150,476,759)</u>	<u>(61,205,813)</u>	<u>(48,554,670)</u>
\$	<u>738,658,004</u>	<u>782,572,654</u>	<u>1,343,333,309</u>	<u>1,374,036,300</u>	<u>1,438,302,296</u>

CITY OF CHULA VISTA
Changes in Net Position
Last Ten Fiscal Years

	2010	2011	2012	2013	2014
Expenses:					
Governmental activities:					
General government	\$ 51,136,412	\$ 46,457,112	\$ 22,508,977	\$ 33,652,891	\$ 25,386,867
Public safety	74,008,767	75,664,246	75,931,086	77,821,520	74,896,803
Community Development					
Community Services					
Public works	69,524,903	71,857,158	76,458,061	69,297,402	63,312,155
Parks and recreation	7,849,907	6,995,489	7,310,312	5,865,192	6,118,351
Library	4,826,602	4,509,999	4,185,624	4,224,568	4,092,263
Transit	-	-	63,021	14,560	-
Interest on long-term debt	11,217,753	11,538,707	8,904,275	6,698,509	7,287,461
Total governmental activities expenses	<u>218,564,344</u>	<u>217,022,711</u>	<u>195,361,356</u>	<u>197,574,642</u>	<u>181,093,900</u>
Business-type activities:					
Transit	7,571,898	7,075,998	7,050,673	6,997,488	6,875,214
Bayfront Trolley Station	94,802	91,788	91,942	92,843	61,823
Sewer funds	29,240,616	30,245,584	30,524,851	30,773,712	26,046,175
Sewer DIFs	126,019	123,629	129,351	122,927	129,279
Development Services Fund	-	-	4,730,599	5,717,312	6,113,133
Chula Vista Mini Golf Course					
CV Elite Athlete Training Ctr					
Interest on long-term debt	-	-	-	-	-
Total business-type activities expenses	<u>37,033,335</u>	<u>37,536,999</u>	<u>42,527,416</u>	<u>43,704,282</u>	<u>39,225,624</u>
Total primary government expenses	<u>255,597,679</u>	<u>254,559,710</u>	<u>237,888,772</u>	<u>241,278,924</u>	<u>220,319,524</u>
Program revenues:					
Governmental activities:					
Charges for services:					
General government	32,419,505	29,785,079	5,955,849	5,795,838	8,767,069
Public safety	8,833,813	7,989,893	8,658,579	8,893,631	10,198,058
Community Development					
Public works	28,761,170	33,378,070	32,767,261	35,758,786	30,495,980
Parks and recreation	2,559,668	3,599,653	3,051,842	7,631,696	5,292,433
Library	505,044	967,908	840,258	1,666,765	1,078,592
Operating grants and contributions	17,984,120	31,976,818	21,780,868	30,935,863	29,456,557
Capital grants and contributions	23,711,994	4,781,625	4,283,855	2,936,133	1,921,554
Total governmental activities program revenues	<u>114,775,314</u>	<u>112,479,046</u>	<u>77,338,512</u>	<u>93,618,712</u>	<u>87,210,243</u>
Business-type activities:					
Charges for services:					
Transit	3,335,334	2,534,385	2,671,538	2,841,619	2,672,231
Sewer funds	36,284,081	32,257,256	32,571,135	35,011,268	33,190,660
Sewer DIFs	166,303	443,599	174,667	645,015	268,092
Development Services Fund	-	-	4,174,657	6,654,261	6,338,495
Operating grants and contributions	3,357,566	3,431,988	3,524,426	3,095,626	3,800,358
Capital grants and contributions	-	-	-	-	-
Total business-type activities program revenues	<u>43,143,284</u>	<u>38,667,228</u>	<u>43,116,423</u>	<u>48,247,789</u>	<u>46,269,836</u>
Total primary government program revenues	<u>157,918,598</u>	<u>151,146,274</u>	<u>120,454,935</u>	<u>141,866,501</u>	<u>133,480,079</u>
Net revenues (expenses):					
Governmental activities	(103,789,030)	(104,543,665)	(118,022,844)	(103,955,930)	(93,883,657)
Business-type activities	6,109,949	1,130,229	589,007	4,543,507	7,044,212
Total net revenues (expenses)	<u>(97,679,081)</u>	<u>(103,413,436)</u>	<u>(117,433,837)</u>	<u>(99,412,423)</u>	<u>(86,839,445)</u>
General revenues and other changes in net assets:					
Governmental activities:					
Taxes:					
Property taxes	41,798,577	39,437,025	49,721,604	45,146,022	45,266,172
Sales tax	23,674,601	26,702,443	27,275,753	28,627,785	29,171,174
Other taxes	21,927,677	17,485,387	16,431,529	18,966,240	32,145,209
Investment income	5,744,616	9,108,662	3,615,266	866,861	1,944,988
Other general revenues	7,581,794	5,193,653	1,530,568	2,356,802	686,054
Miscellaneous	-	-	-	-	-
Gain on Sale of Capital Asset					
Transfers	3,473,571	3,437,718	4,195,190	3,861,417	3,551,004
Total general revenues and transfers	<u>104,200,836</u>	<u>101,364,888</u>	<u>102,769,910</u>	<u>99,825,127</u>	<u>112,764,601</u>
Extraordinary gain	-	-	28,677,153	-	-
Total governmental activities	<u>104,200,836</u>	<u>101,364,888</u>	<u>131,447,063</u>	<u>99,825,127</u>	<u>112,764,601</u>
Business-type activities:					
Investment income	1,785,660	1,288,478	1,273,689	261,354	1,505,052
Miscellaneous	9,249,893	1,013,733	2,337,347	349,909	845,650
Gain on Sale of Capital Asset					
Transfers	(3,473,571)	(3,437,718)	(4,195,190)	(3,861,417)	(3,551,004)
Total business-type activities	<u>7,561,982</u>	<u>(1,135,507)</u>	<u>(584,154)</u>	<u>(3,250,154)</u>	<u>(1,200,302)</u>
Total primary government	<u>111,762,818</u>	<u>100,229,381</u>	<u>130,862,909</u>	<u>96,574,973</u>	<u>111,564,299</u>
Changes in net position					
Governmental activities	411,806	(3,178,777)	13,424,219	(4,130,803)	18,880,944
Business-type activities	13,671,931	(5,278)	4,853	1,293,353	5,843,910
Total primary government	<u>\$ 14,083,737</u>	<u>\$ (3,184,055)</u>	<u>\$ 13,429,072</u>	<u>\$ (2,837,450)</u>	<u>\$ 24,724,854</u>

	2015	2016	2017	2018	2019
\$	36,693,953	\$ 25,564,824	\$ 35,375,230	\$ 29,311,449	\$ 27,922,521
	81,002,999	87,749,418	94,716,683	106,802,130	111,269,341
		1,974,046	1,552,750	18,617,269	11,153,109
	12,837	5,632	14,990	-	-
	62,454,130	67,910,401	68,885,918	72,192,449	57,563,725
	6,441,907	6,834,240	6,875,635	9,553,392	14,633,191
	3,906,984	3,997,677	5,018,878	1,542,733	1,007,869
	-	-	-	-	-
	6,776,635	6,073,434	4,673,047	7,718,906	6,740,877
	197,289,445	200,109,672	217,113,131	245,738,328	230,290,633
	4,807,985	86,512	39,594	13,008	160,797
	59,863	-	-	27	-
	31,615,457	25,234,891	32,179,875	34,857,066	36,815,795
	120,197	1,146,838	8,305	34,547	495,865
	5,996,109	5,741,600	6,655,654	10,683,709	10,755,535
	-	-	27,092	-	-
	-	-	449,028	676,260	595,579
	-	-	-	-	-
	42,599,611	32,209,841	39,359,548	46,264,617	48,823,571
	239,889,056	232,319,513	256,472,679	292,002,945	279,114,204
	5,302,277	6,468,756	12,317,921	8,562,792	5,004,895
	5,068,166	11,764,603	11,997,221	178,674	5,865,227
		730,197	771,603	17,920,527	4,701,195
	31,439,700	24,218,733	32,598,199	23,487,119	23,562,841
	413,921	10,683,649	8,221,019	1,490,236	2,134,964
	164,832	1,943,416	1,575,837	872,352	877,744
	-	-	-	21,246,015	20,686,617
	-	-	-	33,859,885	27,052,711
	42,388,896	55,809,354	67,481,800	107,617,600	89,886,194
	1,503,262	-	-	-	-
	36,039,238	35,775,374	36,289,930	37,870,947	44,213,351
	166,333	239,143	111,907	1,201,669	1,265,579
	-	6,546,936	7,291,037	10,596,287	9,317,298
	6,118,566	-	-	104,899	163,380
	-	-	-	-	-
	43,827,399	42,561,453	43,692,874	49,773,802	54,959,608
	86,216,295	98,370,807	111,174,674	157,391,402	144,845,802
	(154,900,549)	(144,300,318)	(149,631,331)	(138,120,728)	(140,404,439)
	1,227,788	10,351,612	4,333,326	3,509,185	6,136,037
	(153,672,761)	(133,948,706)	(145,298,005)	(134,611,543)	(134,268,402)
	47,485,292	50,136,856	53,248,196	56,512,850	59,841,972
	41,883,924	33,317,380	36,469,033	57,541,043	73,187,780
	23,225,498	24,463,262	24,101,777	32,496,156	35,204,174
	4,216,186	6,233,144	2,954,403	5,652,663	12,243,685
	12,921,129	1,034,027	8,970	-	-
	27,882	336,661	1,677,271	12,675,502	13,963,434
				-	102,283
	3,848,746	2,799,555	4,180,778	4,170,702	4,339,276
	133,608,657	118,320,885	122,640,428	169,048,916	198,882,604
	-	-	-	-	-
	133,608,657	118,320,885	122,640,428	169,048,916	198,882,604
	657,343	1,357,938	322,527	1,155,739	4,575,679
	2,789,595	524,616	198,847,750	414,696	252,213
			115,703	-	60,770
	(3,848,746)	(2,799,555)	(4,180,778)	(4,170,702)	(4,339,276)
	(401,808)	(917,001)	195,105,202	(2,600,267)	549,386
	133,206,849	117,403,884	317,745,630	166,448,649	199,431,990
	(21,291,892)	(25,979,433)	(26,990,903)	30,928,188	58,478,165
	825,980	9,434,611	199,438,528	908,918	6,685,423
\$	(20,465,912)	\$ (16,544,822)	\$ 172,447,625	\$ 31,837,106	\$ 65,163,588

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

	Fiscal Year				
	2010	2011	2012	2013	2014
General fund:					
Nonspendable	\$ -	\$ 11,258,150	\$ 8,799,026	\$ 7,481,079	\$ 7,424,812
Restricted	-	127,883	-	750,951	-
Committed	-	7,178,838	4,375,207	2,298,088	6,215,601
Assigned	-	5,298,536	2,895,545	6,648,922	4,807,244
Unassigned	-	11,876,992	11,969,280		14,511,252
Reserved	19,478,496	-	-	-	-
Unreserved	<u>13,703,304</u>	-	-	-	-
Total general fund	<u>33,181,800</u>	<u>35,740,399</u>	<u>28,039,058</u>	<u>17,179,040</u>	<u>32,958,909</u>
All other governmental funds:					
Nonspendable	-	21,669,849	30,763,746	\$ 29,774,472	\$ 23,537,524
Restricted	-	109,944,736	83,439,558	91,152,341	107,106,257
Committed	-	17,370,613	12,842,477	10,617,691	10,677,564
Assigned	-	(2,402,991)	-	-	-
Unassigned	-	(59,092,342)	(37,420,734)	(26,487,363)	(40,451,233)
Reserved	61,852,404	-	-	-	-
Unreserved, reported in:					
Debt service funds	(56,280,718)	-	-	-	-
Capital projects funds	58,595,303	-	-	-	-
Special revenue funds	<u>27,334,131</u>	-	-	-	-
Total all other governmental funds	<u>\$ 91,501,120</u>	<u>\$ 87,489,865</u>	<u>\$ 89,625,047</u>	<u>\$ 105,057,141</u>	<u>\$ 100,870,112</u>

In 2011, the city implemented GASB Statement 54.

Committed fund balance totaled \$46.3 million for specific purposes pursuant to constraints imposed by formal action of the City Council and remains binding unless removed in the same manner in fiscal year 2019.

		Fiscal Year							
		2015	2016	2017	2018	2019			
\$	7,419,002	\$	1,527,055	\$	7,363,413	\$	7,676,350	\$	7,578,086
	-		-		-		-		-
	7,602,021		6,417,095		5,938,600		64,147,929		46,370,754
	4,688,124		4,315,568		8,526,339		11,866,874		41,546,738
	16,412,879		25,132,939		20,020,613		24,512,363		23,378,859
	-		-		-		-		-
	-		-		-		-		-
	<u>36,122,026</u>		<u>37,392,657</u>		<u>41,848,965</u>		<u>108,203,516</u>		<u>118,874,437</u>
\$	7,419,002	\$	1,527,055	\$	-	\$	-	\$	-
	129,464,688		-		31,385,200		82,504,055		89,463,478
	17,186,197		6,417,095		345,095		-		-
	4,688,124		29,448,507		-		10,891		64,202
	(20,803,239)		25,132,939		(422,149)		(4,433)		(2,147,643)
	-		-		-		-		-
	-		-		-		-		-
	-		-		-		-		-
\$	<u>137,954,772</u>	\$	<u>62,525,596</u>	\$	<u>31,308,146</u>	\$	<u>82,510,513</u>	\$	<u>87,380,037</u>

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

	Fiscal Year				
	2010	2011	2012	2013	2014
Revenues:					
Taxes	\$ 87,263,934	\$ 88,878,664	\$ 96,868,086	\$ 82,450,711	\$ 106,825,885
Licenses and permits	2,274,964	2,887,150	1,253,806	1,436,828	1,355,342
Fines and forfeitures	3,124,021	2,348,565	2,065,246	1,639,781	1,685,268
Investment income	6,299,595	8,716,624	5,077,920	2,929,237	4,698,387
Developer fees	11,700,991	16,498,744	13,966,814	21,742,856	9,515,921
Intergovernmental	41,965,596	48,177,707	21,861,011	40,953,981	28,647,410
Charges for services	11,877,763	11,743,505	20,907,330	23,440,813	20,748,232
Contributions					
Other	31,918,308	28,163,311	13,382,050	14,521,818	14,896,960
Total revenues	<u>196,425,172</u>	<u>207,414,270</u>	<u>175,382,263</u>	<u>189,116,025</u>	<u>188,373,405</u>
Expenditures					
Current:					
General government	45,966,934	39,701,396	23,833,011	25,544,079	29,341,881
Public safety	72,080,790	70,693,779	71,917,414	73,177,912	76,457,979
Public works	45,778,665	48,056,229	47,911,105	48,416,477	40,894,934
Community Development					
Parks and recreation	5,255,812	4,030,767	4,215,643	3,471,548	3,590,441
Library	4,563,849	3,870,646	3,672,661	3,241,660	3,810,004
Capital outlay	27,628,148	34,215,021	16,182,888	21,144,133	15,347,338
Debt service:					
Principal retirement	7,301,362	7,911,995	8,423,156	5,113,992	54,040,855
Interest and fiscal charges	11,585,816	11,094,106	9,229,775	6,818,788	7,850,448
Bond issuance cost	-	-	-	-	-
Payment to refunded bond escrow agent					
Total expenditures	<u>220,161,376</u>	<u>219,573,939</u>	<u>185,385,653</u>	<u>186,928,589</u>	<u>231,333,880</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(19,313,534)</u>	<u>(23,736,204)</u>	<u>(10,003,390)</u>	<u>2,187,436</u>	<u>(42,960,475)</u>
Other financing sources (uses):					
Transfers in	50,502,425	61,296,934	56,989,583	33,900,786	20,113,296
Transfers out	(46,589,803)	(57,815,981)	(53,551,865)	(32,638,610)	(16,551,879)
Proceeds from long-term debt	665,884	29,355,000	42,286	3,963,104	2,174,204
Proceeds from bond sale	21,625,000	207,372	-	-	-
Payment to escrow agent trust	(15,110,000)	(16,710,000)	-	-	-
Bond premium/(bond discount)	(579,161)	(925,872)	-	-	-
Capital Leases					
Contribution to Agency Fund					
Proceeds from sale of capital assets	-	-	9,630,000	-	-
Total other financing sources (uses)	<u>10,514,345</u>	<u>15,407,453</u>	<u>13,110,004</u>	<u>5,225,280</u>	<u>5,735,621</u>
Extraordinary item:					
Forgiveness of debt	-	-	-	-	-
Loss on dissolution of the Chula Vista Redevelopment Agency	-	-	-	(3,191,040)	-
Total extraordinary item	<u>-</u>	<u>-</u>	<u>-</u>	<u>(3,191,040)</u>	<u>-</u>
Net change in fund balances	<u>\$ (8,799,189)</u>	<u>\$ (8,328,751)</u>	<u>\$ 3,106,614</u>	<u>\$ 4,221,676</u>	<u>\$ (37,224,854)</u>
Debt service as a percentage of noncapital expenditures	9.0%	9.7%	10.5%	6.8%	28.5%

		Fiscal Year				
2015	2016	2017	2018	2019		
\$ 112,594,714	\$ 110,452,962	\$ 121,462,604	\$ 139,296,422	\$ 157,824,296		
1,322,254	1,328,020	1,290,968	1,601,980	2,367,165		
2,280,880	1,942,656	1,805,508	2,035,823	2,218,235		
5,044,602	7,006,545	3,766,457	5,682,112	12,212,190		
7,484,592	11,657,266	8,810,178	23,506,237	18,068,217		
26,409,294	23,868,074	23,427,460	25,522,199	26,409,517		
20,112,124	22,647,645	26,662,094	23,630,103	24,925,513		
			11,176,064	15,244,658		
15,932,194	15,839,288	23,529,357	21,132,605	17,419,459		
<u>191,180,654</u>	<u>194,742,456</u>	<u>210,754,626</u>	<u>253,583,545</u>	<u>276,689,250</u>		
26,413,901	29,087,838	33,218,003	23,723,205	23,452,836		
80,235,099	83,637,644	87,731,136	95,424,528	101,580,642		
41,459,698	49,775,141	45,135,590	37,856,917	29,974,482		
	1,974,046	2,030,654	17,601,341	10,860,838		
3,746,349	4,059,567	4,246,605	4,276,366	11,208,237		
3,625,949	3,969,307	4,721,120	3,943,063	3,948,154		
22,216,530	12,976,408	19,172,666	40,843,898	49,253,675		
-	-	-	-	-		
5,340,205	34,980,737	6,110,055	11,898,280	11,760,783		
6,678,144	6,437,941	5,194,264	8,382,476	8,023,403		
-	-	-	-	-		
	422,751	2,673,892	-	-		
<u>189,715,875</u>	<u>227,321,380</u>	<u>210,233,985</u>	<u>243,950,074</u>	<u>250,063,050</u>		
1,464,779	(32,578,924)	520,641	9,633,471	26,626,200		
30,478,465	21,708,446	27,905,430	49,858,764	20,965,197		
(27,503,760)	(18,897,272)	(25,949,256)	(47,177,986)	(16,625,921)		
2,121,500	578,224	377,487	-	-		
45,920,000	-	34,330,000	34,485,000	-		
-	-	(7,135,000)	(36,860,637)	-		
3,537,111	-	2,262,493	2,836,273	-		
			1,285,053	759,697		
-	-	-	-	-		
<u>54,553,316</u>	<u>3,389,398</u>	<u>31,791,154</u>	<u>4,426,467</u>	<u>5,098,973</u>		
-	-	-	-	-		
-	-	-	-	-		
<u>\$ 56,018,095</u>	<u>\$ (29,189,526)</u>	<u>\$ 32,311,795</u>	<u>\$ 14,059,938</u>	<u>\$ 31,725,173</u>		
7.4%	20.7%	6.2%	9.3%	9.5%		

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

Fiscal Year Ended June 30	City			Taxable Assessed Value ²	Redevelopment Agency/Successor Agency ¹			Taxable Assessed Value	Total Direct Tax Rate
	Secured	Unsecured	Less: Exemptions		Secured	Unsecured	Less: Exemptions ³		
2010	22,168,954,872	610,945,054	(682,909,923)	22,096,990,003	1,094,004,250	131,944,885	-	1,225,949,135	0.1438%
2011	21,341,397,693	577,214,653	(683,167,117)	21,235,445,229	1,042,561,908	130,433,921	-	1,172,995,829	0.1438%
2012	21,280,088,193	613,792,400	(739,917,158)	21,153,963,435	1,054,772,168	157,330,744	-	1,212,102,912	0.1438%
2013	21,173,362,084	565,751,305	(796,316,481)	20,942,796,908	1,045,060,350	97,973,502	-	1,143,033,852	0.1438%
2014	21,922,151,025	555,819,631	(831,701,747)	21,646,268,909	1,150,985,609	104,386,694	-	1,255,372,303	0.1438%
2015	23,413,030,465	542,342,957	(864,933,069)	23,090,440,353	1,142,294,084	101,995,779	-	1,244,289,863	0.1438%
2016	24,754,131,895	549,312,047	(847,445,301)	24,455,998,641	1,209,286,482	117,991,956	-	1,327,278,438	0.1438%
2017	26,210,551,258	543,505,450	(977,982,199)	25,776,074,509	1,246,659,237	107,794,167	-	1,354,453,404	0.1438%
2018	27,801,823,181	559,678,820	(1,009,910,410)	27,351,591,591	1,396,009,911	112,713,638	-	1,508,723,549	0.1438%
2019	29,390,231,110	592,221,286	(1,118,567,598)	28,863,884,798	1,554,756,256	125,692,898	-	1,680,449,154	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
Valuation Report, Tax Rate by Tax Rate Area, ACAP 345B

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

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</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	0.0251	0.0261	0.0259	0.0253	0.0463	0.0475	0.04301	0.04323	0.03594	0.03917
Sweetwater Union High School District Bonds	0.0558	0.0552	0.0608	0.0586	0.0582	0.0541	0.05169	0.05162	0.05156	0.05283
Southwestern Community College Bonds	0.0344	0.0364	0.0331	0.0375	0.0368	0.0358	0.03961	0.03856	0.04981	0.04671
MWD D/S Remainder of SDCWA 15019999	0.0043	0.0037	0.0037	0.0035	0.0035	0.0035	0.0035	0.0035	0.0035	0.00350
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>1.00000</u>
Total Overlapping Rates	<u>1.1196</u>	<u>1.1213</u>	<u>1.1235</u>	<u>1.1249</u>	<u>1.1448</u>	<u>1.1409</u>	<u>1.1378</u>	<u>1.1369</u>	<u>1.1408</u>	<u>1.14221</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	2019			2010		
	Taxable Assessed Value	Rank	Percent of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percent of Total City Taxable Assessed Value
Rohr Inc.	\$ 246,121,737	1	0.85%	171,999,853	5	0.78%
John Hancock Life Insurance Co	149,802,150	2	0.52%	-		0.00%
Shea Homes Ltd Partnership	146,581,075	3	0.51%	76,373,000	9	0.35%
GGP Otay Ranch LP	131,789,675	4	0.46%	181,516,663	4	0.82%
Otay Land CO LLC	120,381,994	5	0.42%	-		0.00%
Regulo Place Apts Investors L	115,691,682	6	0.40%	116,184,212	7	0.53%
Brisa Acquisitions LLC	102,211,501	7	0.35%	-		0.00%
Vista Pacific Villas LP	97,108,582	8	0.34%	-		0.00%
NM Pulse LLC	97,016,769	9	0.34%	-		0.00%
BREFMCA LLC	80,905,865	10	0.28%	-		0.00%
Chula Vista Center LP	-		-	71,740,345	10	0.32%
San Diego Expressway Limited	-		-	434,520,000	1	1.97%
JPB Development	-		-	401,928,247	2	1.82%
Village II of Otay HB SUB	-		-	135,600,000	6	0.61%
Equity Residential	-		-	181,729,244	3	0.82%
Roman Catholic Bishop of San Diego	-		-	79,625,737	8	0.36%
	<u>\$ 1,287,611,030</u>		<u>4.46%</u>	<u>1,851,217,301</u>		<u>8.38%</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 PT Base Tab Taxable Assessed Value for FYE

CITY OF CHULA VISTA
Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year Ended June 30	Taxes Levied for the Fiscal Year 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
2010	26,246,478	25,313,706	96.45%	538,429	25,852,135	98.50%
2011	25,325,126	24,773,002	97.82%	134,325	24,907,328	98.35%
2012	25,373,780	24,669,632	97.22%	(35,474)	24,634,158	97.09%
2013	25,352,454	24,982,072	98.54%	117,973	25,100,045	99.00%
2014	26,063,753	25,758,225	98.83%	39,776	25,798,000	98.98%
2015	27,726,666	27,398,740	98.82%	36,404	27,435,143	98.95%
2016	29,083,269	28,800,156	99.03%	68,973	28,869,128	99.26%
2017	30,632,668	30,388,650	99.20%	49,984	30,438,634	99.37%
2018	32,518,946	32,206,343	99.04%	58,329	32,264,672	99.22%
2019	34,198,598	33,877,270	99.06%	6,562	33,883,832	99.08%

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 ACAP234A 1%

CITY OF CHULA VISTA

Ratios of Outstanding Debt by Type

Last Ten Fiscal Years

Fiscal Year Ended June 30	Governmental Activities				Total Governmental Activities	Percentage of Personal Income ¹	Debt Per Capita ¹
	Pension Obligation Bonds	Tax Allocation Bonds	Loans	Certificates of Participation			
2009	7,000,000	45,830,000	18,736,012	130,580,000	202,146,012	2.12%	844
2010	4,980,000	44,925,000	17,686,144	139,700,000	207,291,144	1.93%	850
2011	2,655,000	43,985,000	16,876,860	136,060,000	199,576,860	1.85%	814
2012	-	- ²	19,673,344	132,290,000	151,963,344	1.44%	607
2013	-	- ²	14,182,697	128,375,000	142,557,697	1.33%	558
2014	-	- ²	18,366,623	121,650,000	140,016,623	1.23%	539
2015	-	- ²	17,849,316	117,590,000	135,439,316	1.12%	517
2016	-	- ²	18,673,487	111,195,000	129,868,487	1.10%	493
2017	-	- ²	21,445,777	106,025,000	127,470,777	1.10%	480
2018	-	- ²	123,053,035	78,260,000	201,313,035	1.39%	751
2019	-	- ²	114,055,336	74,770,000	188,825,336	1.30%	704

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	Tax Allocation	Total		
	Bonds	Bonds			
2009	7,000	45,830	52,830	0.21%	221
2010	4,980	44,925	49,905	0.23%	205
2011	2,655	43,985	46,640	0.22%	190
2012	-	-	-	0.00%	-
2013	-	-	-	0.00%	-
2014	-	-	-	0.00%	-
2015	-	-	-	0.00%	-
2016	-	-	-	0.00%	-
2017	-	-	-	0.00%	-
2018	-	-	-	0.00%	-
2019	-	-	-	0.00%	-

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.

In Fiscal Year 2012, the Tax Allocation Bonds transferred to Successor Agency and reported as a fiduciary fund.



CITY OF CHULA VISTA
Direct and Overlapping Debt
June 30, 2019

2018-19 Assessed Valuation: \$28,863,884,798

<u>OVERLAPPING TAX AND ASSESSMENT DEBT:</u>	Total Debt 6/30/19	% Applicable (1)	City's Share of Debt 6/30/19
Metropolitan Water District	\$ 48,050,000	0.988%	\$ 474,734
Otay Municipal Water District, I.D. No. 27	2,755,000	99.996	\$ 2,754,890
Southwestern Community College District	437,873,676	51.101	\$ 223,757,827
Sweetwater Union High School District	404,956,121	60.945	\$ 246,800,508
Chula Vista City School District	40,065,000	87.444	\$ 35,034,439
Chula Vista City School District Schools Facilities Improvement Dist 1	80,275,000	78.889	\$ 63,328,145
National School District	25,410,000	3.514	\$ 892,907
City of Chula Vista Community Facilities Districts	133,055,000	100.	\$ 133,055,000
Sweetwater Union High School District Community Facilities District No. 1	21,099,746	100.	\$ 21,099,746
Sweetwater Union High School District Community Facilities District No. 2	124,880	100.	\$ 124,880
Sweetwater Union High School District Community Facilities District No. 3	6,720,105	100.	\$ 6,720,105
Sweetwater Union High School District Community Facilities District No. 4	3,566,885	100.	\$ 3,566,885
Sweetwater Union High School District Community Facilities District No. 5	1,779,540	80.884	\$ 1,439,363
Sweetwater Union High School District Community Facilities District No. 6	7,820,610	100.	\$ 7,820,610
Sweetwater Union High School District Community Facilities District No. 10	4,995,200	15.812	\$ 789,841
Sweetwater Union High School District Community Facilities District No. 11	5,205,935	100.	\$ 5,205,935
Sweetwater Union High School District Community Facilities District No. 12	2,349,305	100.	\$ 2,349,305
Sweetwater Union High School District Community Facilities District No. 13	3,004,925	100.	\$ 3,004,925
Sweetwater Union High School District Community Facilities District No. 14	5,572,770	100.	\$ 5,572,770
Sweetwater Union High School District Community Facilities District No. 15	3,262,490	100.	\$ 3,262,490
Sweetwater Union High School District Community Facilities District No. 16	3,481,030	100.	\$ 3,481,030
Sweetwater Union High School District Community Facilities District No. 17	5,369,840	100.	\$ 5,369,840
Sweetwater Union High School District Community Facilities District No. 18	124,880	100.	\$ 124,880
City of Chula Vista 1915 Act Bonds	3,710,000	100.	\$ 3,710,000
California Statewide Communities Development Authority 1915 Act Bonds	467,703	100.	\$ 467,703
TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT			\$ 780,208,757
 <u>DIRECT AND OVERLAPPING GENERAL FUND DEBT:</u>			
San Diego County General Fund Obligations	\$ 255,365,000	5.487%	\$ 14,011,878
San Diego County Pension Obligation Bonds	508,765,000	5.487	27,915,936
San Diego County Superintendent of Schools Obligations	10,085,000	5.487	553,364
Southwestern Community College District Certificates of Participation	695,000	51.101	355,152
Sweetwater Union High School District General Fund Obligations	39,905,000	60.945	24,320,102
Chula Vista City School District Certificates of Participation	136,420,000	87.444	119,291,105
City of Chula Vista General Fund Obligations	189,646,709	100	<u>189,646,709</u> (2)
TOTAL DIRECT AND OVERLAPPING GENERAL FUND DEBT			\$ 376,094,245
 <u>OVERLAPPING TAX INCREMENT DEBT (Successor Agency):</u>			
	\$ 26,265,000	99.388%	\$ 26,104,258
TOTAL DIRECT DEBT			\$ 189,646,709
TOTAL OVERLAPPING DEBT			\$ 992,760,551
 COMBINED TOTAL DEBT			
			\$ 1,182,407,260 (3)

- (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) Includes Certificates of Participation, Lease Revenue Bonds, Loans, Notes and Capital Leases.
- (3) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded capital lease obligations. Qualified Zone Academy Bonds are included based on principal due at maturity.

Ratios to 2018-19 Assessed Valuation:

Total Overlapping Tax and Assessment Debt.....	2.70%
Total Direct Debt (\$189,646,709).....	0.66%
Combined Total Debt.....	4.10

Ratios to Redevelopment Successor Agency Incremental Valuation (\$1,680,449,154):

Total Overlapping Tax Increment Debt.....	1.55%
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CITY OF CHULA VISTA

Legal Debt Margin Information

Last Ten Fiscal Years

	Fiscal Year				
	2010	2011	2012	2013	2014
Assessed valuation	\$ 22,096,990,003	\$ 21,235,445,229	\$ 21,153,963,435	\$ 20,942,796,908	\$ 21,646,268,909
Conversion percentage	<u>25%</u>	<u>25%</u>	<u>25%</u>	<u>25%</u>	<u>25%</u>
Adjusted assessed valuation	5,524,247,501	5,308,861,307	5,288,490,859	5,235,699,227	5,411,567,227
Debt limit percentage	<u>15%</u>	<u>15%</u>	<u>15%</u>	<u>15%</u>	<u>15%</u>
Debt limit	828,637,125	796,329,196	793,273,629	785,354,884	811,735,084
Total net debt applicable to limit:					
Pension obligation bonds	<u>4,980,000</u>	<u>2,655,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Legal debt margin	<u>\$ 823,657,125</u>	<u>\$ 793,674,196</u>	<u>\$ 793,273,629</u>	<u>\$ 785,354,884</u>	<u>\$ 811,735,084</u>
Total debt applicable to the limit as a percentage of debt limit	0.6%	0.3%	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

Fiscal Year					
2015	2016	2017	2018	2019	
\$ 23,090,440,353	\$ 24,455,998,641	\$ 25,776,074,509	\$ 27,351,591,591	\$ 28,863,884,798	
<u>25%</u>	<u>25%</u>	<u>25%</u>	<u>25%</u>	<u>25%</u>	
5,772,610,088	6,113,999,660	6,444,018,627	6,837,897,898	7,215,971,200	
<u>15%</u>	<u>15%</u>	<u>15%</u>	<u>15%</u>	<u>15%</u>	
865,891,513	917,099,949	966,602,794	1,025,684,685	1,082,395,680	
-	-	-	-	-	
<u>\$ 865,891,513</u>	<u>\$ 917,099,949</u>	<u>\$ 966,602,794</u>	<u>\$ 1,025,684,685</u>	<u>\$ 1,082,395,680</u>	
0.0%	0.0%	0.0%	0.0%	0.0%	

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	
2009	13,781,683	870,000	1,728,722	5.30
2010	13,884,637	905,000	2,070,381	4.67
2011	13,822,938	940,000	2,032,665	4.65
2012	10,931,615	980,000	1,992,565	3.68
2013	3,949,717	1,020,000	1,948,865	1.33
2014	6,144,015	1,065,000	1,901,703	2.07
2015	5,648,052	1,690,000	1,840,378	1.60
2016	5,042,979	1,765,000	1,765,765	1.43
2017	3,589,342	-	849,680	4.22
2018	4,092,288	1,385,000	1,171,750	1.60
2019	2,774,802	1,665,000	1,132,925	0.99

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				
2008	235,767	7.8%	1.8%	33.8	3.16	81.0%	25.7%	8.5%	7.1%	10,277,383	43,591
2009	239,369	7.8%	1.5%	33.9	3.20	80.0%	25.5%	11.5%	11.0%	9,543,963	39,871
2010	243,916	7.9%	1.9%	33.8	3.21	83.0%	29.1%	8.4%	13.3%	10,743,636	44,046
2011	245,309	7.9%	0.6%	33.6	3.22	82.2%	25.7%	11.6%	12.8%	10,807,171	44,055
2012	250,349	7.9%	2.1%	33.6	3.23	81.3%	27.9%	11.9%	11.4%	10,564,130	42,198
2013	255,607	8.0%	2.1%	33.5	3.25	79.0%	25.6%	15.6%	9.8%	10,752,622	42,067
2014	259,811	8.0%	1.6%	33.6	3.27	80.4%	27.8%	12.8%	8.1%	11,376,071	43,786
2015	261,801	8.0%	0.8%	33.6	3.27	82.3%	29.8%	10.6%	6.5%	12,083,065	46,154
2016	263,611	8.0%	0.7%	33.7	3.27	80.1%	27.4%	10.5%	5.9%	11,828,107	44,870
2017	265,357	8.0%	0.7%	33.8	3.29	80.9%	28.1%	11.5%	5.0%	11,578,528	43,621
2018	268,060	8.0%	1.0%	33.5	3.34	85.5%	27.4%	8.4%	3.6%	14,470,667	54,116

Source: Data compiled by SANDAG Service Bureau. ¹SANDAG, 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. 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>	2019		2010		
	<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	4,133	1	4,364	1	10.19%
Chula Vista Elementary School District	3,680	2	2,616	2	6.11%
Sharp Chula Vista Medical Center	2,287	3	1,810	4	4.23%
Rohr Inc./Goodrich Aerospace	1,928	4	1,903	3	4.44%
Southwestern Community College	1,743	5	1,682	6	2.84%
Wal-Mart	1,323	6	950	8	2.22%
City of Chula Vista	1,208	7	1,215	5	3.93%
Scripps Mercy Hospital Chula Vista	1,073	8	993	7	2.32%
Aquatica	698	9			0.00%
Costco	674	10			0.00%
Target			604	10	1.41%
Vons			621	9	1.45%

"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
 EDD

CITY OF CHULA VISTA

**Full-time and Part-time City Employees
by Function**

Last Ten Fiscal Years

<u>Function</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
General Government	273	258	269	282	312	288	205	210	198	160
Public Safety	468	448	432	432	425	469	470	474	492	527
Public Works/Engr	175	155	159	164	161	161	241	228	228	184
Parks and Recreation	164	112	115	115	130	161	176	153	158	229
Library	73	41	76	82	77	88	70	77	73	74
Development Services	62	54	55	49	49	49	57	55	58	73
Total	<u>1,215</u>	<u>1,068</u>	<u>1,106</u>	<u>1,124</u>	<u>1,154</u>	<u>1,216</u>	<u>1,219</u>	<u>1,197</u>	<u>1,207</u>	<u>1,247</u>

Source: City Finance Department

CITY OF CHULA VISTA

**Operating Indicators
by Function/Program**

Last Ten Fiscal Years

	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Police:										
Citizen-initiated calls for service	68,601	65,186	64,885	66,319	65,645	64,486	67,512	65,672	65,643	64,066
Fire:										
Number of emergency calls	11,490	11,319	12,863	12,950	14,787	18,328	19,612	19,612	21,397	21,803
Inspections	2,898	2,389	2,205	2,390	2,262	4,209	4,207	4,207	3,907	3,862
Public works:										
Street resurfacing/maintenance ¹ (square feet)	84,276	99,978	55,398	121,428	38,087	61,640	39,338	61,640	16,178	14,734
Parks and recreation:										
Number of recreation classes	2,301	2,008	1,914	2,572	2,456	2,388	3,859	3,124	2,658	3,552
Number of facility rentals	1,175	1,524	2,028	1,915	1,781	1,921	1,573	1,482	688	771
Library:										
Circulation	985,157	952,847	982,688	992,005	954,071	839,616	706,594	706,594	637,119	539,762
Attendance	605,979	614,841	722,310	832,975	822,895	803,535	857,475	857,475	958,117	1,635,849
Sewer:										
New connections	469	287	646	968	553	210	2211	211	502	1456
Average daily sewage treatment (millions of gallons)	16.2	16.3	15.9	15.7	15.5	15.5	15.4	20.9	20.9	20.9

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/Program**

Last Ten Fiscal Years

	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Police:										
Stations	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)	429.5	429.5	429.5	429.5	433.9	433.9	433.9	433.9	434.2	434.2
Streetlights	9,052	9,054	9,066	9,069	9,069	9,069	9,144	9,282	9,539	9,787
Traffic signals	267	268	269	273	273	273	275	275	282	288
Parks and recreation:										
Parks (acreage) ¹	504.1	523.1	530.7	530.7	527.7	557.2	557.2	708	660	660
Recreation facilities	11	11	11	11	11	11	11	11	11	11
Library:										
Libraries	2	2	3	3	3	3	3	3	3	3
Sewer:										
Sewer pipes (miles)	505.0	505.0	505.0	505.0	511.3	514.315 ²	514.6	514.6	514.6	514.6
Storm drains (miles)	248.9	248.9	249.0	249.0	255.2	263.209 ³	266.2	269.6	272.4	273.8
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, urban, and privately maintained public parks within City Boundaries.

² Updated 2018 Sewer pipes (miles) per GASB 34 FY 2018

³ Updated 2018 Storm Drain (miles) per GASB 34 FY 2018

Source: City of Chula Vista





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, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated March 25, 2020.

Internal Control over Financial Reporting

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

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

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

- 1) 2019-001: Trial Balance, Account Reconciliations, Post-Closing Journal Entries
- 2) 2019-002: Cash and Investments Reconciliation
- 3) 2019-003: Schedule of Expenditures of Federal Awards



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 cursive script that reads "Lance, Solt & Lughard, LLP". The signature is written in black ink and is positioned above the typed name of the firm.

Brea, California
March 25, 2020



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

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Trial Balance, Account Reconciliations, Post-Closing Journal Entries

Reference Number: 2019-001

Condition:

Upon standard inquiries and requests arising from analytical and substantive review and testwork, the auditors noted several balance sheet and income statement accounts were not reconciled properly. The significant volume and material impact of the required post-closing journal entries resulted in the need of a subsequent revised trial balance.

Criteria:

The trial balance provided for the financial statement audit should be complete in all material respects.

Cause of Condition:

The cause of the condition is due to weaknesses in internal controls and procedures related to year-end close and financial reporting.

Effect or Potential Effect of Condition:

The effect of the condition was the requirement for several material post-closing journal entries to various balance sheet and income statement accounts.

Recommendation:

The auditors recommend the City revisit its procedures related to year-end close and financial reporting to ensure all roles and responsibilities of each individual in Finance and other departments is clearly defined and monitored by management.

Management's Response and Corrective Action:

Management agrees to the importance of providing a trial balance that is complete in all material respects for the financial statement audit as well as financial reporting for the fiscal year. This occurrence resulted from staff's continued efforts to identify and resolve issues related to the implementation of the new ERP system. In addition, the Finance department experienced significant staffing changes which impacted assigned roles and responsibilities for the fiscal year. Management is committed to reviewing existing internal controls and procedures in relation to the year-end close process and financial reporting to clearly define roles and responsibilities for all City departments.

Cash and Investments Reconciliation

Reference Number: 2019-002

Condition:

The review and testing of a City's bank reconciliation is a standard auditing procedure. Upon receipt of the City's original main bank reconciliation as of 6/30/19, the auditors noted several individually and collectively material unreconciled items. The items were primarily unposted or unreconciled deposits or payments and amounted to approximately \$24 million.

Criteria:

The year-end bank reconciliation provided for the financial statement audit should be complete in all material respects. There should be no unreconciled or unposted items.



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

Cause of Condition:

The cause of the condition is due to weaknesses in internal controls and procedures related to year-end close and bank reconciliations.

Effect or Potential Effect of Condition:

The effect of the condition was the requirement for several material post-closing journal entries to various balance sheet and income statement accounts.

Recommendation:

The auditors recommend the City revisit its procedures related to year-end close and bank reconciliations to ensure all roles and responsibilities of the individuals involved are clearly defined and monitored by management.

Management's Response and Corrective Action:

Management agrees to the importance of providing year-end bank reconciliations that are complete in all material respects and thereby should have no unreconciled or unposted items. The \$24 million in unreconciled or unposted items was an isolated event related to an issue with the posting strategy set up during the implementation of the new ERP system. Management took corrective action and the posting strategy is now working properly. Management is committed to review existing internal controls and procedures in relation to the year-end close process and bank reconciliations and take action as needed to strengthen internal controls.

Schedule of Expenditures of Federal Awards

Reference Number: 2019-003

Condition:

Upon receipt of the City's schedule of expenditures of federal awards as of 6/30/19, the auditors noted several discrepancies between the schedule and the general ledger. It was determined that the schedule originally provided had a net understatement of approximately \$2.5 million in federal expenditures.

Criteria:

The schedule of federal expenditures of federal awards provided for the financial statement audit should be complete in all material respects. Communication amongst other departments and Finance is critical to ensure all federal grants are properly identified, monitored, and reconciled.

Cause of Condition:

The cause of the condition is due to weaknesses in internal controls and procedures related to monitoring and reporting of federal expenditures and awards.

Effect or Potential Effect of Condition:

The effect of the condition was the requirement for the development of several revised versions of the schedule of federal expenditures and awards.

Recommendation:

The auditors recommend the City revisit its procedures related to monitoring and reporting of federal expenditures and awards to ensure all roles and responsibilities of the individuals involved are clearly defined and monitored by management.

Management's Response and Corrective Action:

Management agrees to the importance of providing a schedule of expenditures of federal awards that is complete in all material respects. This occurrence resulted from significant staffing changes which impacted assigned roles and responsibilities for the fiscal year within the Finance department. Management is committed to review existing procedures related to monitoring and reporting of federal expenditures as well as implement a reconciliation to the General Ledger to mitigate discrepancies.