



CITY OF  
CHULA VISTA

# Comprehensive Annual Financial Report

for the year ended **June 30, 2015**



California



# **Comprehensive Annual Financial Report**

*For The Fiscal Year Ended  
June 30, 2015*

*Mayor*  
Mary Casillas Salas

*City Council*

Patricia Aguilar  
Pamela Bensoussan  
John McCann  
Steve Miesen

*City Manager*  
Gary Halbert

Compiled under the direction of  
Maria Kachadoorian  
*Deputy City Manager/Chief Financial Officer*



CITY OF  
**CHULA VISTA**

**CITY OF CHULA VISTA  
 COMPREHENSIVE ANNUAL FINANCIAL REPORT  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

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CITY OF  
**CHULA VISTA**



## Finance Department

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December 28, 2015

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, 2015 is hereby submitted to you. The City compiles and prepares the annual financial report to provide interested parties with reliable information concerning the financial condition and results of operations for the City.

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

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

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

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



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

### **Profile of the Government**

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

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

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

Chula Vista residents enjoy all the benefits of a major city along with small town friendliness, affordable housing, and near perfect weather. The most recent data available from the San Diego Association of Governments (SANDAG) estimates that the median income in Chula Vista is \$73,565.

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

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

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

During fiscal year 2015, the Finance Department updated the General Fund 5-Year Financial Forecast to assess the General Fund's ability over the next five years to continue current service levels based on current staffing and service levels. The forecast anticipated minimal revenue growth for the next five years and identified a structural imbalance beginning in fiscal year 2017, primarily due to increases in the City's CalPERS rates. The Finance Department will continue to

update the five-year forecast, as projections are refined. This forecast will serve as the foundation for the City's Long Term Financial Plan, which is in the process of being developed. The Government Finance Officers Association (GFOA) recognizes the importance of combining the forecasting of revenues and expenditures into a single financial forecast. The GFOA also recommends that a government should have a financial planning process that assesses long-term financial implications of current and proposed policies, programs, and assumptions that develop appropriate strategies to achieve its goals.

### **Internal Controls**

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

### **Budgetary Controls**

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

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

### **Independent Audit**

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

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

### **Awards**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Chula Vista for its Comprehensive Annual Financial Report for the year ended June 30, 2014. This was the 15<sup>th</sup> consecutive year that the City has received this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized Comprehensive Annual Financial Report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

### **Acknowledgments**

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

Respectfully submitted,



David Bilby

Director of Finance/Treasurer

City of Chula Vista  
List of City Officials  
As of June 30, 2015

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**City Council**

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

**Administration**

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

**Department Heads**

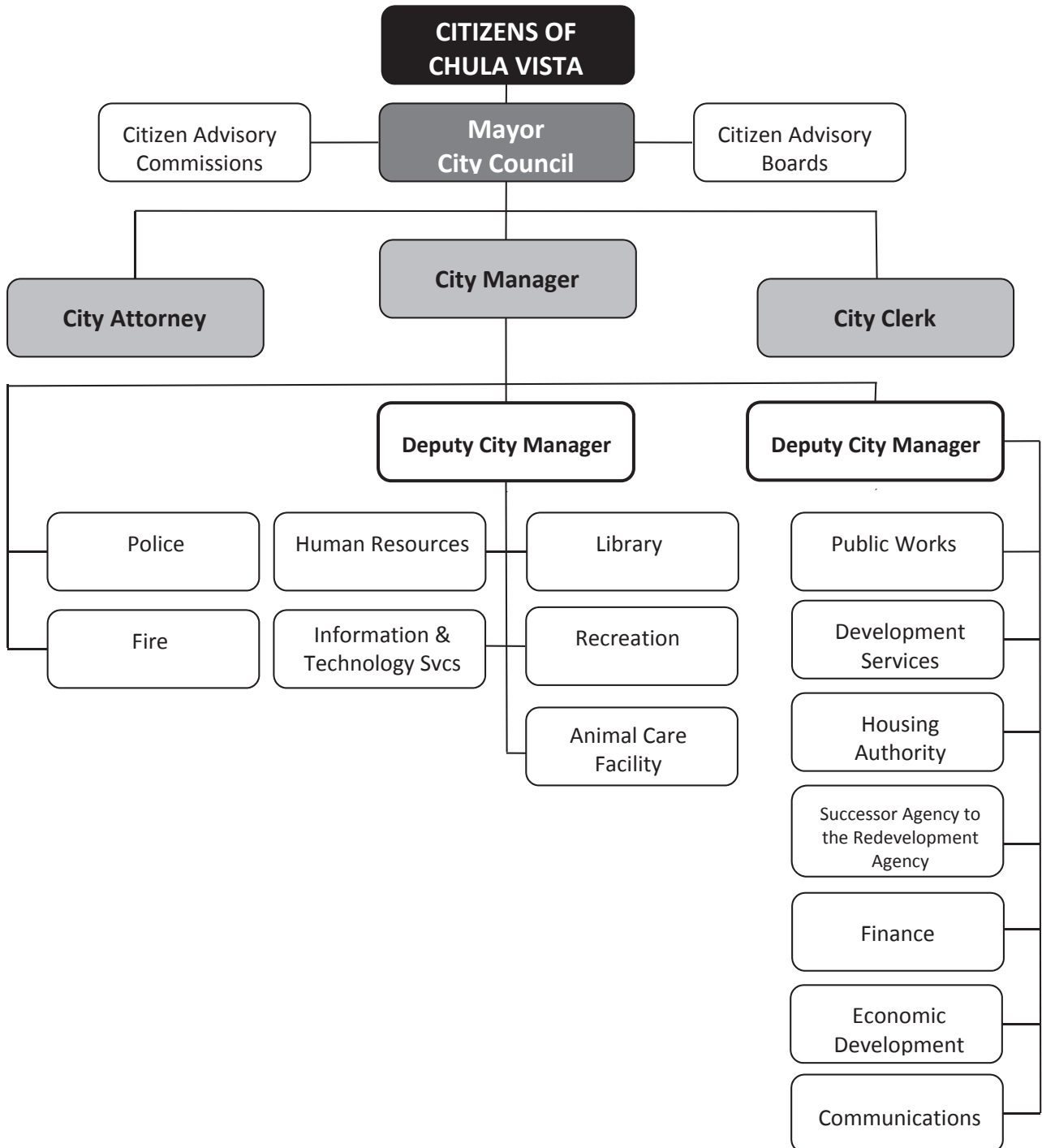
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Kelly Broughton	Director of Development Services
Eric Crockett	Director of Economic Development
Jim Geering	Fire Chief
Courtney Chase	Director of Human Resources
Edward Chew	Director of Information Technology Services
Betty Waznis	Director of Library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



**CITY OF  
CHULA VISTA**

**ORGANIZATION CHART**





Government Finance Officers Association

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

Presented to

**City of Chula Vista  
California**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2014**

Executive Director/CEO



## INDEPENDENT AUDITORS' REPORT

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

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Chula Vista, California, (the City) as of and for the year ended June 30, 2015, 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 City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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





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, 2015, 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.

### **Change in Accounting Principle**

As discussed in Note 1 to the financial statements, in 2015 the City adopted new accounting guidance, GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – An Amendment of GASB Statement No. 27* as amended by GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*.

### **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, the Sundry Grants and the Housing Successor Agency Special Revenue Funds, the schedule of changes in net pension liability and related ratios, the schedules of plan contributions, and the schedule of funding progress as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules, and the 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. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.



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

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.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 28, 2015 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

*Lance, Solt & Lughard, LLP*

Brea California  
December 28, 2015



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, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated December 28, 2015.

**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 City's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the following deficiencies to be material weaknesses:

**Capital Assets**

The City maintained capital assets that had been placed in service as construction in progress items. Generally accepted accounting principles require that once an asset is considered to be placed in service, the cost of that service is to be calculated on a straight-line basis; using an estimated life (i.e. depreciation expense). The City identified certain completed construction in progress items that were not properly recorded as being placed in service, therefore, estimated lives and cost of service were not properly recorded for these assets. As a result, depreciation expense was incorrectly calculated and did not include the cost of these assets; requiring management to correct the error. City Management discovered and disclosed this issue, prior to our inclusion in this report, during final quantification of FY 2015 fixed assets.



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

Management's Response:

New capital asset management procedures have been established since the completion of FY 2014-15. Subsequent to audit fieldwork, Management presented this issue to the auditors. Future years' CAFRs will incorporate these new procedures, which will address this issue.

**Capital Lease**

As a result of our audit procedures, an audit adjustment was made to record a capital lease in the amount of \$578,224. Under generally accepted accounting principles, if a new capital lease is purchased within a governmental fund, the City is required to record the capital lease as a capital outlay item as well as an other financing sources item. These items are then reconciled on the Government-Wide statements as a capital asset and corresponding long-term debt item. The City recorded the payments on the capital lease as an expenditure; however, did not record the acquisition of the lease, as described above, in accordance with generally accepted accounting principles.

Management's Response:

Due to Finance Department senior management turnover, one of the two journal entries required for this transaction was omitted. In addition, the City had not utilized this form of financing in recent years. The City intends to use this type of financing mechanism going forward and will ensure that all requisite accounting entries are made in a timely manner for each occurrence.

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

**Fund Balance Restatement**

Beginning net position in the governmental activities and beginning fund balance in the Public Financing Authority was restated in the amount of \$728,426 due to interest expense and premiums relating to the 2014 Refunding COP not being properly recorded. This correction was brought to our attention after management identified the issue. City Management identified and brought forward the issue and its proper correction, subsequent to the completion of the FY 2014 CAFR.

Management's Response:

City Staff inadvertently posted the journal entry to record the cost of issuance (bond closing costs) in FY 2014-15 rather FY 2013-14. This variance was discovered during FY 2014-15 budget to actual reconciliations by City Staff.

**Grants Revenue and Unavailable Revenue**

As a result of our audit procedures, it was noted that grant revenues did not appear to be properly reconciled. Certain grant revenues recorded in fiscal year 2015 included revenues resulting from cost reimbursements of expenditures that were incurred in prior periods. Generally accepted accounting principles require matching of revenues to associated expenses as they are incurred and reimbursable. In addition, the modified accrual basis of accounting requires that revenue earned from cost reimbursement grants are deferred to future periods if the cost reimbursements are not received within the City's revenue recognition period. City Management discovered and disclosed this issue, prior to our inclusion in this report, prior to audit field work.



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

Management's Response:

Management has initiated an internal audit program to verify proper recordation of expenses and reimbursement requests related to the City's grant funding. This program includes a thorough review of all City Council actions related to grant funding, as well as, a quarterly reconciliation of all expenditures within grant related accounting funds. These efforts will assist in rectifying this issue.

**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.

*Lance, Soll & Lingham, LLP*

Brea, California  
December 28, 2015



**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, 2015. We encourage the readers of this document to consider the information presented here in conjunction with additional information furnished in the letter of transmittal found in the introductory section of this annual report.

**FINANCIAL HIGHLIGHTS**

The following outlines financial highlights for the year:

1. The assets of the City exceeded its liabilities at June 30, 2015 by \$738.8 million (net position). Of this amount, (\$173.3) million was reported as “unrestricted net position.” This figure represents a reduction in unrestricted net position of \$293.4 million, of which is largely attributed to the accrual of \$219.1 million in net pension liabilities, as required by Governmental Accounting Standards Board (GASB) Statement No. 68 – *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27* and GASB Statement No. 71 – *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*. This is the first year these reporting requirements have been included in the City’s financials, whereas in prior fiscal years their inclusion was as a part of the Notes to the Basic Financial Statements.
2. The significant decreases in unrestricted net position for both governmental and business-type activities reflect the City’s conformance with GASB 68 & 71, as detailed above. Total unrestricted net position is \$268.0 million lower for governmental activities than last fiscal year, a decrease of 1189.7%. For business type activities, unrestricted net position is \$25.4 million lower than the previous year, a 26.1% decrease.
3. The City’s total net position decreased by \$274.0 million in fiscal year 2015. The net position of governmental activities decreased by \$251.6 million, while the net position of the business type activities decreased by \$22.5 million. Again, the majority of these declines are related to GASB 68 & 71.
4. The City’s governmental funds reported combined ending fund balances of \$138.0 million, an increase of \$4.1 million, or 3.1%.
5. Total citywide liabilities increased by \$219.5 million. Liabilities for governmental activities increased by \$193.1 million and business-type activities increased by \$26.4 million.
6. The City’s total long-term debt obligations had a net decrease of \$4.9 million or 3.7% during fiscal year 2015. The decrease reflects principal payments of \$5.2 million, offset by a new capital lease for a combination fire engine financing totaling \$578 thousand.



## **OVERVIEW OF FINANCIAL STATEMENTS**

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

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

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

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

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

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

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

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

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

## Fund Financial Statements and Major Component Unit Financial Statements

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

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

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

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

As of Fiscal Year 2014-15, the City has eighty appropriated governmental funds within the adopted budget. However, within this document, the funds are summarized as follows for presentation purposes:

<b>Fund Category</b>	<b>Major Funds</b>	<b>Non-Major Funds</b>	<b>Total</b>
General Fund	1	0	1
Special Revenue	3	13	16
Capital Project	2	7	9
Debt Service	2	2	4
Permanent	0	0	0
<b>Total Presented</b>	<b>8</b>	<b>22</b>	<b>30</b>

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

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

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

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

## **Notes to the Financial Statements**

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

## **Required Supplementary Information**

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

## **GOVERNMENT-WIDE FINANCIAL ANALYSIS**

### **Net Position**

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City of Chula Vista, combined net position (government and business type activities) totaled \$738.8 million at the close of the fiscal year ending June 30, 2015. This is a net decrease of \$274.0 million when compared to the prior year,

largely due to the City's compliance with GASB 68 and 71. In prior fiscal years, the GASB 68/71 related pension liabilities were included in the Notes to the Basic Financial Statements in conformance with *GASB 27 - Accounting for Pensions by State and Local Governmental Employers*, as opposed to inclusion in the financial statements. Thus, their inclusion in the fiscal year ending June 30, 2015 represents a fundamental change in how the financial statements are composed rather than a standalone significant decline in net position. Decreases occurred in both the City's governmental funds (\$268.0 million) and in business-type activities (\$25.4 million). A summary schedule follows which shows the components that make up the City's net position at June 30, 2015 and 2014.

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

	Governmental Activities		Business-Type Activities		Total	
	2015	2014	2015	2014	2015	2014
Current Assets	\$ 176,171,756	\$ 216,799,550	\$ 82,368,398	\$ 84,246,862	\$ 258,540,154	\$ 301,046,412
Non-Current Assets	(2,121,048)	(4,919,281)	25,107,354	14,684,187	22,986,306	9,764,906
Capital Assets	768,191,403	769,716,744	134,368,634	136,513,268	902,560,037	906,230,012
Deferred outflow of resources	20,371,528	-	1,819,669	-	22,191,197	-
<b>Total Assets &amp; deferred outflows</b>	<b>962,613,639</b>	<b>981,597,013</b>	<b>243,664,055</b>	<b>235,444,317</b>	<b>1,206,277,694</b>	<b>1,217,041,330</b>
Current Liabilities	43,892,054	39,857,833	1,327,367	1,427,599	45,219,421	41,285,432
Non-Current Liabilities	351,729,362	162,796,464	26,585,198	109,810	378,314,560	162,906,274
Deferred inflows of resources	39,610,963	-	4,296,015	-	43,906,978	-
<b>Total Liabilities &amp; deferred inflows</b>	<b>435,232,379</b>	<b>202,654,297</b>	<b>32,208,580</b>	<b>1,537,409</b>	<b>467,440,959</b>	<b>204,191,706</b>
Net Position						
Net Investment in Capital Assets	643,174,160	649,314,016	134,368,634	136,513,268	777,542,794	785,827,284
Restricted	129,464,688	107,106,257	5,141,430	-	134,606,118	107,106,257
Unrestricted	(245,257,588)	22,522,443	71,945,411	97,393,640	(173,312,177)	119,916,083
<b>Total Net Position</b>	<b>\$ 527,381,260</b>	<b>\$ 778,942,716</b>	<b>\$ 211,455,475</b>	<b>\$ 233,906,908</b>	<b>\$ 738,836,735</b>	<b>\$ 1,012,849,624</b>

As the table above illustrates, an amount of \$777.5 million is reported as invested in capital assets (e.g. land, streets, sewers, buildings, improvements, equipment and work in progress), less any related debt used to acquire those assets that are still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Additional portions of the City's net position is restricted (\$134.6 million or 18.2%) and represent resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position of negative (\$173.5 million) reflects the recordation of net pension liability required per GASB 68 & 71.

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

## 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

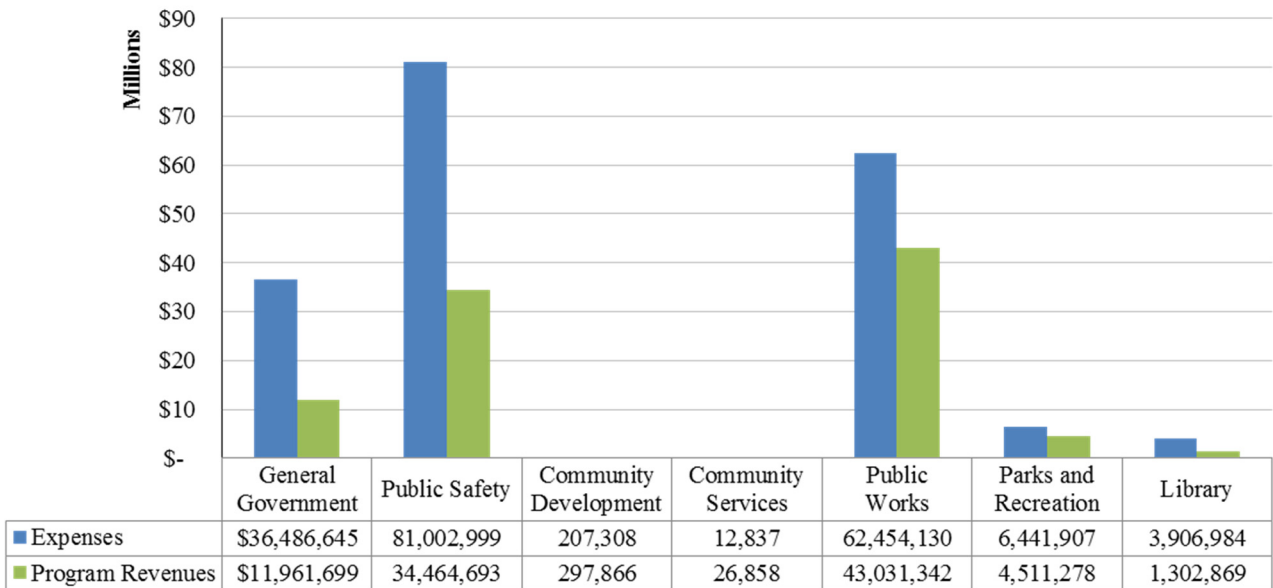
	Governmental Activities		Business-Type Activities		Total	
	2015	2014	2015	2014	2015	2014
<b>Revenues:</b>						
Program Revenues:						
Charges for Services	\$ 57,540,249	\$ 55,832,132	\$ 43,842,764	\$ 42,469,478	\$ 101,383,013	\$ 98,301,610
Operating Grants & Contributions	25,102,165	29,456,557	5,474,658	3,800,358	30,576,823	33,256,915
Capital Grants & Contributions	12,954,191	1,921,554	-	-	12,954,191	1,921,554
General Revenues:						
Property Taxes	47,485,292	45,266,172	-	-	47,485,292	45,266,172
Sales Taxes	30,394,291	29,171,174	-	-	30,394,291	29,171,174
Franchise Taxes	10,831,671	9,499,909	-	-	10,831,671	9,499,909
Utility User Taxes	6,364,691	17,525,294	-	-	6,364,691	17,525,294
Business License Taxes	1,407,145	1,328,554	-	-	1,407,145	1,328,554
Transient Occupancy Taxes	3,136,847	2,632,774	-	-	3,136,847	2,632,774
Property Transfer Taxes	1,118,494	949,603	-	-	1,118,494	949,603
Construction Taxes	366,650	209,075	-	-	366,650	209,075
Investment Earnings	4,219,304	1,944,988	641,978	1,505,052	4,861,282	3,450,040
Miscellaneous	14,437	686,054	2,789,595	819,872	2,804,032	1,505,926
Gain (Loss) Disposal of Capital Assets	27,882	-	-	25,778	27,882	25,778
<b>Total Revenues</b>	<b>200,963,309</b>	<b>196,423,840</b>	<b>52,748,995</b>	<b>48,620,538</b>	<b>253,712,304</b>	<b>245,044,378</b>
<b>Expenses:</b>						
General Government	\$ 36,486,645	\$ 25,386,867	\$ -	\$ -	\$ 36,486,645	\$ 25,386,867
Public Safety	81,002,999	74,896,803	-	-	81,002,999	74,896,803
Community development	207,308	-	-	-	207,308	-
Community Services	12,837	-	-	-	12,837	-
Public Works	62,454,130	63,312,155	-	-	62,454,130	63,312,155
Parks and Recreation	6,441,907	6,118,351	-	-	6,441,907	6,118,351
Library	3,906,984	4,092,263	-	-	3,906,984	4,092,263
Interest on Long-Term Debt	6,601,927	7,287,461	-	-	6,601,927	7,287,461
Sewer Funds	-	-	31,615,457	26,046,175	31,615,457	26,046,175
Bayfront Trolley Station	-	-	59,863	61,823	59,863	61,823
Transit	-	-	4,807,985	6,875,214	4,807,985	6,875,214
Sewer DIFs	-	-	120,197	129,279	120,197	129,279
Development Services Fund	-	-	5,996,109	6,113,133	5,996,109	6,113,133
<b>Total Expenses</b>	<b>197,114,737</b>	<b>181,093,900</b>	<b>42,599,611</b>	<b>39,225,624</b>	<b>239,714,348</b>	<b>220,319,524</b>
Increase/(Decrease) in Net Position Before						
Transfers	3,848,572	15,329,940	10,149,384	9,394,914	13,997,956	24,724,854
Transfers	3,848,746	3,551,004	(3,848,746)	(3,551,004)	-	-
<b>Change in Net Position</b>	<b>7,697,318</b>	<b>18,880,944</b>	<b>6,300,638</b>	<b>5,843,910</b>	<b>13,997,956</b>	<b>24,724,854</b>
Net Position, Beginning of Year - Restated	519,683,942	760,061,772	205,154,837	228,062,998	724,838,779	988,124,770
<b>Net Position, End of Year</b>	<b>527,381,260</b>	<b>778,942,716</b>	<b>211,455,475</b>	<b>233,906,908</b>	<b>738,836,735</b>	<b>1,012,849,624</b>

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

### Governmental Activities

Governmental activities increased the City’s net position by \$7.7 million partially offsetting the City’s total decrease in net position, due to GASB 68 & 71 related liabilities and restatements of beginning net position. The City received a total of \$95.6 million in program revenues from governmental activities in fiscal year 2014-15, a decrease of \$4.5 million from the previous year. A comparison of the cost of services by function for the City’s governmental activities is shown in the chart below, along with the program revenues used to cover the net expenses of the governmental activities.

### Expenses and Program Revenues Governmental Activities



Total program revenues from governmental activities were \$95.6 million in fiscal year 2014-2015. Per GASB 34, program revenues are derived directly from the program itself or from parties outside the reporting government’s taxpayers or citizenry. They reduce the net cost of the function to be financed from the government’s general revenues. A discussion of the different Program Revenue categories and its components follows.

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

**Charges for Services  
As of June 30**

<b>Service Category</b>	<b>2015</b>	<b>2014</b>	<b>Increase/ (Decrease)</b>
General government	\$ 7,623,676	\$ 8,767,069	\$ (1,143,393)
Public safety	12,100,712	10,198,058	1,902,654
Public works	31,703,848	30,495,980	1,207,868
Community development	297,866	-	297,866
Parks and recreation	4,511,278	5,292,433	(781,155)
Library	1,302,869	1,078,592	224,277
<b>Total Charges for Services</b>	<b>\$ 57,540,249</b>	<b>\$ 55,832,132</b>	<b>\$ 1,708,117</b>

*Operating Grants and Contributions* for governmental activities had a net decrease of \$4.4 million from the previous fiscal year. Changes by service category are summarized in the table below.

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

<b>Service Category</b>	<b>2015</b>	<b>2014</b>	<b>Increase/ (Decrease)</b>
General government	\$ 4,210,277	\$ 4,227,379	\$ (17,102)
Public safety	10,393,666	9,800,468	593,198
Public works	10,498,222	15,032,182	(4,533,960)
Parks and recreation	-	340,881	(340,881)
Library	-	55,647	(55,647)
<b>Total Operating Grants</b>	<b>\$ 25,102,165</b>	<b>\$ 29,456,557</b>	<b>\$ (4,354,392)</b>

*Capital Grants and Contributions* for governmental activities had a net increase of \$11.0 million from the previous fiscal year. Changes by service category are summarized in the table below.

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

<b>Service Category</b>	<b>2015</b>	<b>2014</b>	<b>Increase/ (Decrease)</b>
General government	\$ 127,746	\$ 21,643	\$ 106,103
Public safety	11,970,315	-	11,970,315
Community Services	26,858	-	26,858
Public works	829,272	1,899,911	(1,070,639)
<b>Total Capital Grants</b>	<b>\$ 12,954,191</b>	<b>\$ 1,921,554</b>	<b>\$ 11,032,637</b>

*General Revenues* are all other revenues not categorized as program revenues such as property taxes, sales taxes and investment earnings. Total general revenues from governmental activities

were \$109.2 million in fiscal year 2014-15. The largest percentage of general revenues received during the year for governmental activities were taxes of \$101.1 million, which included Property Taxes of \$47.5 million and Sales Taxes of \$30.4 million.

The City's General Revenues decreased as a whole by \$3.9 million when compared to the prior fiscal year. While most of the revenue categories increased modestly from last year, the significant decrease is primarily attributable to the decrease in Utility Users' Taxes described in detail below.

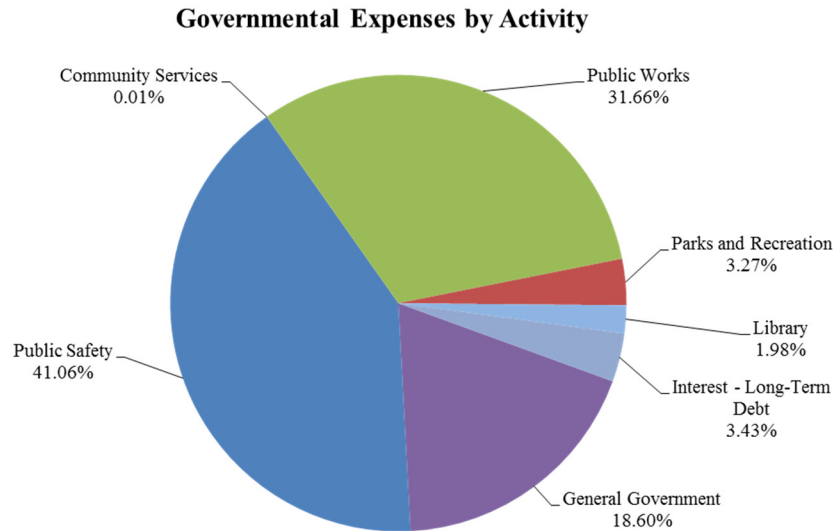
**General Revenues  
As of June 30**

	<b>2015</b>	<b>2014</b>	<b>Increase/ (Decrease)</b>
Property Taxes	\$ 47,485,292	\$ 45,266,172	\$ 2,219,120
Sales Taxes	30,394,291	29,171,174	1,223,117
Franchise Taxes	10,831,671	9,499,909	1,331,762
Utility User Taxes	6,364,691	17,525,294	(11,160,603)
Business License Taxes	1,407,145	1,328,554	78,591
Transient Occupancy Taxes	3,136,847	2,632,774	504,073
Property Transfer Taxes	1,118,494	949,603	168,891
Construction Taxes	366,650	209,075	157,575
Investment Earnings	4,219,304	1,944,988	2,274,316
Miscellaneous	14,437	686,054	(671,617)
<b>Total General Revenues</b>	<b>\$ 105,338,822</b>	<b>\$ 109,213,597</b>	<b>\$ (3,874,775)</b>

During fiscal years 2011, 2012, and 2013, the City prudently began recording deferred revenue for collections of the City's Utility Users' Tax (UUT) related to wireless telecommunications, pending outcome of a legal challenge. The legal challenge was resolved through a class-action settlement agreement finalized in December 2013. Pursuant to the terms of the settlement agreement, the City updated its ordinance to clarify the applicability of the tax to wireless telecommunication services and to reduce the tax rate for all telecommunication services from 5% to 4.75%, effective March 1, 2014. With the legal challenge resolved, the City recognized all wireless UUT revenues received during fiscal year 2013-14 (\$3.6 million) and recognized prior year deferred revenues totaling \$10.5 million. Of the prior year revenues, \$8 million was used to establish a settlement fund (TUT Common Fund) to be used for rebates and refunds to taxpayers and specified city activities, as required by the terms of the settlement agreement. Currently revenues are recognized as received.



Total governmental activity type expenses were \$197.1 million in fiscal year 2014-15. The largest expenses were incurred for Public Safety, Public Works and General Government. These three activities combined account for 91.3% of all general activity expenses. These expenses do not include capital outlays, which are reflected in the City’s capital assets.



### **Business Type Activities**

Net position for business-type activities was \$211.5 million, a decrease of \$22.5 million from the prior fiscal year. Overall expenses for the business-type activities showed a \$4.5 million decrease over the previous year. The decrease is largely attributable to a restatement of net position as a result of GASB 68 net pension liability reporting (\$28.8 million) and increases in Sewer related activities (\$7.4 million).

Total program revenues for business-type activities were \$49.3 million and are composed primarily of sewer fees (\$39.0 million), transit funds (\$4.0 million), and development fees (\$6.1 million). Total expenses for the business-type activities were \$42.6 million and were for expenses related to Sewer (\$31.6 million), Transit Operations (\$4.8 million), and processing of development permits and plans (\$6.0 million).

### **FUND LEVEL FINANCIAL ANALYSIS**

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

## **Governmental Funds**

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

**General Fund** – The General Fund is used to account for the general operations of the City. It is used to account for all financial resources, except those required to be accounted for in another fund. The General Fund is always reported as a “major fund”. For the fiscal year, the General Fund reported \$130.7 million in revenues and \$132.0 million in expenditures, resulting in revenues under expenditures in the amount of \$1.3 million. After accounting for net other financing sources of \$4.5 million, General Fund fund balance increased by \$3.1 million.

Total fund balance at June 30, 2015 was \$36.1 million, composed of \$47.3 million in assets combined with \$7.2 million in liabilities and \$3.9 million in deferred inflows of resources. Total fund balance included \$7.4 million of nonspendable or restricted fund balance, which represents that portion of fund balance that is not available for appropriation. Committed fund balance totaled \$7.6 million. This portion of fund balance includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the City Council, and remains binding unless removed in the same manner. Restricted fund balance represents the portion of fund balance that reflects constraints placed on the use of resources that are externally imposed by creditors, grantors, contributors, or laws or regulations of other governments. As of June 30, 2015, there is no restricted fund balance in the General Fund. Assigned fund balance, totaling \$4.7 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 \$16.4 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 \$16.2 million and expenditures of \$14.3 million, resulting in revenues over expenditures in the amount of \$1.9 million. The Sundry Grants Fund equity increased by \$1.0 million for the fiscal year after accounting for net other financing uses of \$0.9 million. Total fund balance at June 30, 2015 was \$4.3 million, composed of restricted fund balance.

***Low and Moderate Income Housing Successor Special Revenue Fund*** - The California legislature voted to end redevelopment agencies on February 1, 2012. This fund was created as a result of the dissolution process and was formerly known as the Low and Moderate Income Housing Fund. The City opted to become the Successor Agency to the Redevelopment Agency and to the Low and Moderate Housing Successor. For the year, this fund had revenues of \$1.0 million composed primarily of interest earnings, property rentals and loan repayments from affordable housing projects. Housing expenditure activities totaled \$0.2 million, resulting in a fund equity increase of \$0.8 million. Total fund balance as of June 30, 2015 was \$9.1 million composed entirely of restricted fund balance.

***City Debt Service Fund*** – This fund was established to account for the principal and interest payments on the City’s interfund debt. Total fund balance as of June 30, 2015 was negative \$37.2 million, composed entirely of unassigned fund balance. The fund balance decreased by \$0.3 million in fiscal year 2014-15 due to the payment of interest on outstanding loans.

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

Total revenues for this fund totaled \$6.7 million; with \$6.4 million attributable to building permit fees for new development. Expenditures totaled \$2.2 million, composed primarily of activity in the Transportation DIF, which spent \$0.8 million on various projects and Telegraph Canyon Drainage DIF, which spent \$1.3 million on Road Erosion Repair.

Total fund equity decreased by \$1.1 million for the year. As of June 30, 2015, this fund had a fund balance totaling \$41.5 million, comprised of mostly cash (\$33.5 million) and advances to other funds (\$10.4 million), partially offset by \$1.0 million in liabilities and \$1.4 million in unavailable revenues. Unavailable revenue accounts for the prepayment of development impact fees before the actual building permit has been applied for. Revenue will be available once the permit application has been granted.

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

Total revenues for this fund totaled \$1.3 million with \$1.1 million attributable to building permit fees for new development. Expenditures totaled \$15,782, reflecting capital improvement project staff time reimbursements. Total fund equity increased by \$1.2 million for the year. As of June 30, 2015, the fund balance totaled \$40.4 million, comprised primarily of cash (\$30.5 million) and advances to other funds (\$10.2 million), partially offset by \$0.2 million in deferred inflows of resources (unavailable revenue). All of the \$40.4 million fund balance is designated as restricted.

## Proprietary Funds

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

**Sewer Fund**– The Sewer fund is used to account for all activities related to providing sewer service to the residents of Chula Vista. Resources for the fund come primarily from sewer service charges paid for by users of the system. For the fiscal year, operating revenues totaled \$38.5 million. In addition, non-operating revenues totaling \$0.6 million were realized (interest income). Operating expenses totaled \$31.6 million for the year, with the single biggest item being the cost of wastewater treatment by the City of San Diego in the amount of \$19.7 million.

After accounting for all revenues and expenses, both operating and non-operating, and a one-time restatement of -\$12.2 million, net position of the fund decreased by \$9.3 million for the year, totaling \$221.2 million as of June 30, 2015. Of total net position, \$132.4 million is designated for sewer system infrastructure such as pump stations, sewer lines and other related equipment and therefore not available to fund the day-to-day operations of the sewer system. Total current assets total \$76.5 million, comprised of cash and investments (\$71.1 million) and accounts receivable (\$5.4 million). Fund liabilities at the end of the fiscal year totaled \$11.8 million, of which \$583,081 were considered current liabilities. The fund has no outstanding bonded debt.

## **GENERAL FUND BUDGETARY HIGHLIGHTS**

The final amended general fund budget totaled \$141,724,195 including \$3,510,627 in budget amendments to the originally adopted budget and encumbrances of \$3,676,824 which will fund contractual obligations and outstanding purchase orders. The General Fund's budget amendments of \$3,510,627 are summarized as follows:

<b>Budget Amendments</b>	<b>Appropriation</b>
SDG&E Cool Planet and Cool California Prize	\$ 13,118
Cal-ID Program Funding for Automated Fingerprint Technician	75,000
Transfer Rice Canyon Brush Clearance (CIP OP225) from Fire Department to Non-Departmental	-
Special Municipal Election to Amend Charter Sections 1009, 1010, and 1011	47,000
Special Municipal Election to Amend Charter Section 303	47,000
City Council Salary Adjustments	6,034
Chula Vista Employees Association, Mid-Managers/Professionals, Western Council of Engineers, and Unrepresented Salary Adjustments	5,659
Macy's Heart Your Park Program	550
Utility Agreement with City of San Diego to STL384	534,900
CRA Advanced Funding agreement between the City and ROHR, Inc.	250,000
Donation for Eucalyptus Park Dog Park	10,300
1st Quarter Budget Adjustments	1,044,471
Police Officers Association Salary Adjustments	421,250

<b>Budget Amendments</b>	<b>Appropriation</b>
Amending the compensation schedule and classification plan to reflect the addition and removal of various position titles, amending the authorized position count, and appropriating funds therefor	22,011
International Association of Firefighters Salary Adjustments	383,543
Reducing the transfer from the General Fund to the Public Liability Expense Fund and appropriating said funds to Non-Departmental Supplies and Services for Attorney Services	-
Amending the compensation schedule and classification plan	-
Appropriate unspent solar photovoltaic project funds and cool California challenge for energy efficiency and sustainability projects	3,124
Harborfest 2015	7,500
Approving proposed districting commission budget and appropriating funds accordingly	55,500
SANDAG Mini-grant agreement to support National Bike Month Activities	2,800
Appropriation for Firefighter/Paramedic Academy	336,278
2nd Quarter Budget Adjustments	175,140
Mobile Data Computer Lease	100,482
Purchase of commercial property at 224 Third Avenue	270,000
Establishing DR199 (Telegraph Canyon Road Erosion Repair project)	1,800,000
Appropriate unanticipated revenue from Metropolitan Water District's Landscape Water Conservation rebate program	7,634
Accepting donations and grants for costs associated with the Community Fun Run, Citywide Aquatic and Recreation Programs and Facilities	21,224
3rd Quarter Budget Adjustments	(1,409,416)
San Ysidro Health Center Lease Agreement	27,000
Capital Improvement Project Closures	(220,575)
Dell Financial Services Agreement (Dell Computer Lease Project)	-
FY2015 Year-End Budget Adjustments	(526,900)
<b>Total General Fund Budget Amendments</b>	<b>\$ 3,510,627</b>

## **CAPITAL ASSETS AND DEBT ADMINISTRATION**

### **Capital Assets**

The City's investment in capital assets for its governmental and business type activities as of June 30, 2015, amounts to \$913.2 million, net of accumulated depreciation of \$506.9 million. This investment in capital assets includes land, buildings, improvements, machinery and equipment, infrastructure and construction in progress. Infrastructure assets are items that are normally immovable and of value only to the City such as roads, bridges, streets and sidewalks, drainage systems, lighting systems and similar items. The total change to the City's investment in capital assets for the current fiscal year was a positive of \$3.7 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, 2015, the City had \$135.4 million in debt outstanding compared to the \$140.0 million last year, a net decrease of 3.3%. The majority of this debt is in the form of Certificates of Participation (\$117.6 million) and a CDBG Section 108 Loan (\$7.5 million). The remainder of the outstanding long-term debt is in the form of loans, notes payable, and capital lease obligations. The City has no outstanding general obligation debt.

The City made principal payments of \$5.2 million during the fiscal year. In July 2013, the City entered into a tax-exempt facility lease purchase agreement for solar energy projects totaling \$2.1 million.

As of June 30, 2015, the City has maintained its “AA-” rating by Standard & Poor’s for Certificates of Participation, which represents a stable outlook. Additional information on the City’s long-term debt obligations can be found in Note 6 of the Notes to the Financial Statements.

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

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

According to the County of San Diego Assessors’ Office, the city’s total assessed valuation (both secured and unsecured) for the 2014-15 fiscal year was \$23,955,210,895. This is an increase of \$1,477,430,266 or 6.6% over the 2013-14 assessed valuation. It should be noted that assessed value was set as of January 1, 2014. Actual current secured property tax revenues for the fiscal year totaled \$26.7 million, which is \$1.2 million more than collected in the prior year.

### **Building Activity**

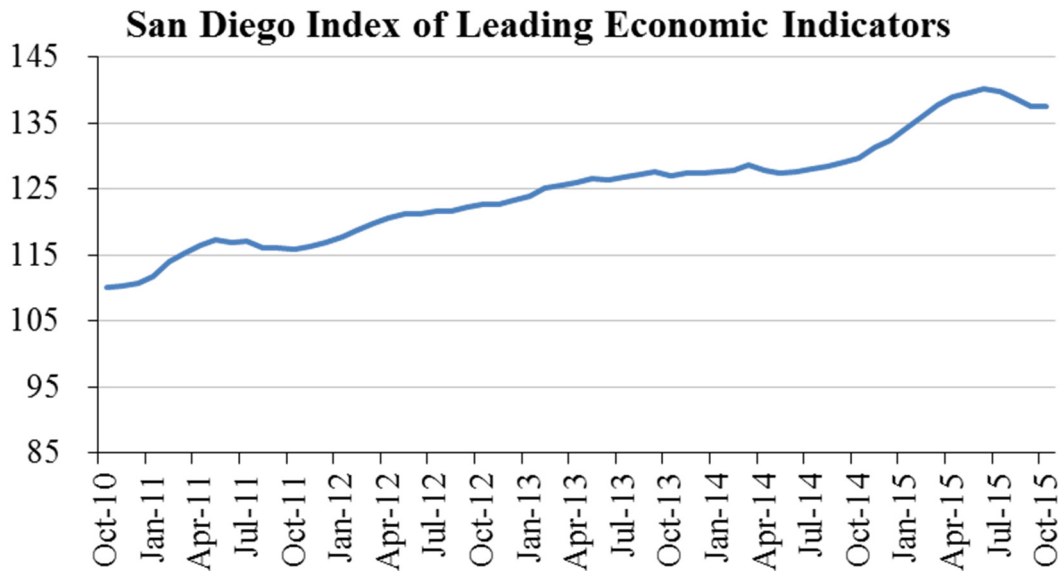
The valuation of all building and related permits totaled \$248.0 million for the 2014-15 fiscal year. This is approximately 19% more than the valuation of \$208.0 million for these permit categories in the prior fiscal year.

<b>Building Permit Valuation</b>	<b>As of June 30</b>			
	<b>2015</b>	<b>2014</b>	<b>Change</b>	
Residential	\$ 175,417,974	\$ 116,869,207	\$ 58,548,767	50.1%
Non-Residential	18,257,535	53,222,385	(34,964,850)	65.7
Additions & Alterations	53,329,828	37,643,216	15,686,612	41.7
Demolitions	1,021,998	260,003	761,995	293.1
<b>Total</b>	<b>\$ 248,027,335</b>	<b>\$ 207,994,811</b>	<b>\$ 40,032,524</b>	<b>19.2%</b>

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

## Local Economy

The USD Burnham-Moores Center for Real Estate's Index of Leading Economic Indicators for San Diego County was flat in October 2015. This was a result of increases in the national economy and consumer confidence, with decreases in building permits, initial claims for unemployment, and help wanted advertising. Over the last 12 months the indicator has increased 6.1% with strong gains in initial claims for unemployment, consumer confidence, and the national economy. The unchanged reading in October stopped a three month stretch where the USD Index had fallen. The outlook for the upcoming year is difficult to assess with current data as contracting index information is signaling the potential for a decline in economic activity. The local unemployment rate is 0.8% lower than last year. The improving labor market should continue to advance consumer confidence. Sustained declines in gas prices, along with the recent increase in the statewide minimum wage from \$8 to \$9 per hour should further serve to increase consumer spending in the regional economy.<sup>1</sup>



July 2015 home prices in San Diego County were up 6% from a year ago according to Zillow Inc., a company that tracks and analyzes real estate markets. The reported median price for all San Diego County home sales was \$488,250. All of Chula Vista's five zip codes saw increases in the median price of single-family residences according to the report. As most cities and counties across the nation, Chula Vista continues to move forward in its economic recovery.

### Data for July 2015 Compared to July 2014

Zip Code	Locale	Median Price		Percent Change
		2015	2014	
91910	North	\$ 449,500	\$ 393,950	14%
91911	South	\$ 391,250	\$ 368,450	6%
91913	Eastlake	\$ 469,250	\$ 425,050	10%
91914	NE	\$ 597,941	\$ 576,000	4%
91915	SE	\$ 478,750	\$ 424,575	13%

### Fiscal Year 2015-16 Budget

The City ended the 2014-15 fiscal year with unassigned fund balance of \$16.4 million and a committed fund balance of \$7.6 million, including the \$3.6 million Economic Contingency Reserve within the General Fund.

In June 2015, the Chula Vista City Council adopted the 2015-16 annual budget which provides \$293.4 million in appropriations to fund all City activities. The General Fund budget totaled \$139.8million (\$0.5 million for capital). Due to the economic uncertainties caused by the slow economic recovery and the ongoing threat of the State diverting City revenues to balance its own budget, the City continues to adopt a one-year budget.

The City's property tax values are recovering modestly in the aftermath of the national mortgage crisis from 2008-2012. Based on information received from the San Diego County Assessor, Chula Vista's projected change in total assessed value for fiscal year 2015-16 is positive 5.63% when compared to the 2014-15 total assessed values. Management conservatively budgeted anticipated property tax revenue growth in 2015-16 approximately 3% greater than projected 2014-15 actual revenue.

### REQUESTS FOR INFORMATION

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





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# **BASIC FINANCIAL STATEMENTS**

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# GOVERNMENT-WIDE FINANCIAL STATEMENTS

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CITY OF CHULA VISTA

STATEMENT OF NET POSITION  
JUNE 30, 2015

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
<b>Current assets:</b>			
Cash and investments	\$ 143,410,450	\$ 76,690,941	\$ 220,101,391
Receivables:			
Accounts	2,322,085	5,644,702	7,966,787
Taxes	8,427,201	-	8,427,201
Accrued interest	11,803	-	11,803
Deferred loans	48,253,393	-	48,253,393
Allowance for uncollectible loans	(46,324,744)	-	(46,324,744)
Grants	19,112	32,755	51,867
Due from Successor Agency of Chula Vista RDA	12,005,356	-	12,005,356
Prepaid costs	40,204	-	40,204
Due from other governments	8,006,896	-	8,006,896
Total Current Assets	<u>176,171,756</u>	<u>82,368,398</u>	<u>258,540,154</u>
<b>Non-current assets:</b>			
Restricted assets:			
Cash and investments	13,542,356	-	13,542,356
Cash with fiscal agent	9,443,950	-	9,443,950
Internal balances	(25,107,354)	25,107,354	-
Capital assets not being depreciated	108,675,934	197,122	108,873,056
Capital assets, net of depreciation	<u>659,515,469</u>	<u>134,171,512</u>	<u>793,686,981</u>
Total non-current assets	<u>766,070,355</u>	<u>159,475,988</u>	<u>925,546,343</u>
<b>Total Assets</b>	<b><u>942,242,111</u></b>	<b><u>241,844,386</u></b>	<b><u>1,184,086,497</u></b>
<b>Deferred Outflows of Resources:</b>			
Deferred pension contributions	20,371,528	1,819,669	22,191,197
<b>Total Deferred Outflows     of Resources</b>	<b><u>20,371,528</u></b>	<b><u>1,819,669</u></b>	<b><u>22,191,197</u></b>
<b>LIABILITIES</b>			
<b>Current liabilities:</b>			
Accounts payable	6,798,955	192,512	6,991,467
Accrued liabilities	5,995,501	382,453	6,377,954
Accrued interest	1,842,390	-	1,842,390
Unearned revenue	1,856,969	268,279	2,125,248
Retention payable	420,866	12,664	433,530
Compensated absences due within one year	4,588,463	471,459	5,059,922
Claims payable - due within one year	4,000,000	-	4,000,000
Developer deposits payable	12,774,552	-	12,774,552
Short-term portion of bonds, leases, and notes payable	5,614,358	-	5,614,358
Total current liabilities	<u>43,892,054</u>	<u>1,327,367</u>	<u>45,219,421</u>
<b>Non-current liabilities:</b>			
Compensated absences - due in more than one year	2,222,093	129,766	2,351,859
Claims payable - due in more than one year	18,610,305	-	18,610,305
Pollution remediation obligation	150,000	-	150,000
Net OPEB liability	8,428,000	-	8,428,000
Net pension liability	192,668,714	26,455,432	219,124,146
Long-term portion of bonds, leases, and notes payable	<u>129,650,250</u>	<u>-</u>	<u>129,650,250</u>
Total non-current liabilities	<u>351,729,362</u>	<u>26,585,198</u>	<u>378,314,560</u>
<b>Total Liabilities</b>	<b><u>395,621,416</u></b>	<b><u>27,912,565</u></b>	<b><u>423,533,981</u></b>
<b>Deferred Inflows of Resources:</b>			
Deferred items related to pensions	39,610,963	4,296,015	43,906,978
<b>Total Deferred Inflows     of Resources</b>	<b><u>39,610,963</u></b>	<b><u>4,296,015</u></b>	<b><u>43,906,978</u></b>
<b>Net Position:</b>			
Net investment in capital assets	643,174,160	134,368,634	777,542,794
Restricted for:			
Community development projects	20,516,514	-	20,516,514
Public safety	4,756,851	-	4,756,851
Parks and recreation	160,801	-	160,801
Capital projects	104,030,522	-	104,030,522
Debt service	-	5,141,430	5,141,430
Unrestricted	<u>(245,257,588)</u>	<u>71,945,411</u>	<u>(173,312,177)</u>
<b>Total Net Position</b>	<b><u>\$ 527,381,260</u></b>	<b><u>\$ 211,455,475</u></b>	<b><u>\$ 738,836,735</u></b>

CITY OF CHULA VISTA

STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2015

	Program Revenues				Total Program Revenues
	Expenses	Charges for Services	Operating Contributions and Grants	Capital Contributions and Grants	
<b>Functions/Programs</b>					
<b>Primary Government:</b>					
Governmental Activities:					
General government	\$ 36,486,645	\$ 7,623,676	\$ 4,210,277	\$ 127,746	\$ 11,961,699
Public safety	81,002,999	12,100,712	10,393,666	11,970,315	34,464,693
Community development	207,308	297,866	-	-	297,866
Community services	12,837	-	-	26,858	26,858
Public works	62,454,130	31,703,848	10,498,222	829,272	43,031,342
Parks and recreation	6,441,907	4,511,278	-	-	4,511,278
Library	3,906,984	1,302,869	-	-	1,302,869
Interest on long-term debt	6,601,927	-	-	-	-
<b>Total Governmental Activities</b>	<b>197,114,737</b>	<b>57,540,249</b>	<b>25,102,165</b>	<b>12,954,191</b>	<b>95,596,605</b>
Business-Type Activities:					
Sewer Fund	31,615,457	36,054,603	2,942,859	-	38,997,462
Bayfront Trolley Station	59,863	-	59,678	-	59,678
Transit Fund	4,807,985	1,503,262	2,472,121	-	3,975,383
Sewer Development Impact Fees	120,197	166,333	-	-	166,333
Development Services Fund	5,996,109	6,118,566	-	-	6,118,566
<b>Total Business-Type Activities</b>	<b>42,599,611</b>	<b>43,842,764</b>	<b>5,474,658</b>	<b>-</b>	<b>49,317,422</b>
<b>Total Primary Government</b>	<b>\$ 239,714,348</b>	<b>\$ 101,383,013</b>	<b>\$ 30,576,823</b>	<b>\$ 12,954,191</b>	<b>\$ 144,914,027</b>

**General Revenues:**

Taxes:

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

**Transfers**

**Total General Revenues and Transfers**

Change in Net Position

Net Position at Beginning of Year

Restatement of Net Position

Net Position at Beginning of Year, as restated

**Net Position at End of Year**

**Net (Expenses) Revenues and Changes in Net Position**  
**Primary Government**

<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
\$ (24,524,946)	\$ -	\$ (24,524,946)
(46,538,306)	-	(46,538,306)
90,558	-	90,558
14,021	-	14,021
(19,422,788)	-	(19,422,788)
(1,930,629)	-	(1,930,629)
(2,604,115)	-	(2,604,115)
(6,601,927)	-	(6,601,927)
<b>(101,518,132)</b>	<b>-</b>	<b>(101,518,132)</b>
-	7,382,005	7,382,005
-	(185)	(185)
-	(832,602)	(832,602)
-	46,136	46,136
-	122,457	122,457
<b>-</b>	<b>6,717,811</b>	<b>6,717,811</b>
<b>(101,518,132)</b>	<b>6,717,811</b>	<b>(94,800,321)</b>
47,485,292	-	47,485,292
3,136,847	-	3,136,847
30,394,291	-	30,394,291
10,831,671	-	10,831,671
1,407,145	-	1,407,145
6,364,691	-	6,364,691
366,650	-	366,650
1,118,494	-	1,118,494
4,219,304	641,978	4,861,282
14,437	2,789,595	2,804,032
27,882	-	27,882
3,848,746	(3,848,746)	-
<b>109,215,450</b>	<b>(417,173)</b>	<b>108,798,277</b>
7,697,318	6,300,638	13,997,956
778,942,716	233,906,908	1,012,849,624
(259,258,774)	(28,752,071)	(288,010,845)
519,683,942	205,154,837	724,838,779
<b>\$ 527,381,260</b>	<b>\$ 211,455,475</b>	<b>\$ 738,836,735</b>





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# FUND FINANCIAL STATEMENTS

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**GOVERNMENTAL FUND  
FINANCIAL STATEMENTS**

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CITY OF CHULA VISTA

**BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2015**

	Special Revenue Funds				Capital Projects Funds	
	General	Sundry Grants	Developer Deposit	Housing Successor Agency	Park Acquisition Development	Development Impact Funds
<b>Assets:</b>						
Pooled cash and investments	\$ 20,402,711	\$ 3,940,957	\$ 314,675	\$ 4,750,707	\$ 30,504,324	\$ 33,501,976
Receivables:						
Accounts	2,066,125	41,729	-	69,657	-	-
Taxes	8,030,250	186,908	-	-	-	-
Accrued interest	-	-	-	-	-	-
Deferred loans	65,454	19,789,190	-	25,527,843	-	-
Allowance for uncollectible loans	(65,454)	(19,526,652)	-	(24,361,679)	-	-
Prepaid costs	32,906	2,298	-	-	-	-
Due from other governments	275,123	5,235,634	-	-	-	-
Due from other funds	4,096,758	-	-	-	-	-
Advances to other funds	1,496,657	-	-	-	10,150,827	10,385,959
Restricted assets:						
Cash and investments	-	25,886	12,774,552	741,918	-	-
Cash and investments with fiscal agents	1,274,067	21,881	-	-	-	-
Due from Successor Agency of Chula Vista RDA	9,591,661	-	-	2,413,695	-	-
<b>Total Assets</b>	<b>\$ 47,266,258</b>	<b>\$ 9,717,831</b>	<b>\$ 13,089,227</b>	<b>\$ 9,142,141</b>	<b>\$ 40,655,151</b>	<b>\$ 43,887,935</b>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances:</b>						
<b>Liabilities:</b>						
Accounts payable	\$ 1,744,436	\$ 994,016	\$ 314,675	\$ 3,234	\$ -	\$ 955,819
Accrued liabilities	5,492,633	425,427	-	-	-	-
Unearned revenues	-	289,604	-	-	-	-
Pass-through payables	8,229	133,238	-	-	-	63,380
Deposits payable	-	-	12,774,552	-	-	-
Due to other funds	-	3,396,420	-	-	-	-
Advances from other funds	-	-	-	-	-	-
<b>Total Liabilities</b>	<b>7,245,298</b>	<b>5,238,705</b>	<b>13,089,227</b>	<b>3,234</b>	<b>-</b>	<b>1,019,199</b>
<b>Deferred Inflows of Resources:</b>						
Unavailable revenues	3,898,935	140,412	-	-	207,581	1,408,839
<b>Total Deferred Inflows of Resources</b>	<b>3,898,935</b>	<b>140,412</b>	<b>-</b>	<b>-</b>	<b>207,581</b>	<b>1,408,839</b>
<b>Fund Balances:</b>						
<b>Nonspendable:</b>						
Prepaid costs	32,906	-	-	-	-	-
Notes and loans	5,889,439	-	-	-	-	-
Advances to other funds	1,496,657	-	-	-	-	-
<b>Restricted for:</b>						
Community development projects	-	2,914,292	-	9,138,907	-	-
Public safety	-	1,324,816	-	-	-	-
Parks and recreation	-	46,907	-	-	-	-
Capital Projects	-	52,699	-	-	40,447,570	41,459,897
<b>Committed to:</b>						
Capital Projects	3,226,070	-	-	-	-	-
Debt service	-	-	-	-	-	-
Economic contingency	3,600,000	-	-	-	-	-
San Diego Authority for Freeway Emergency	695,951	-	-	-	-	-
Legal counsel	80,000	-	-	-	-	-
<b>Assigned to:</b>						
General government	916,473	-	-	-	-	-
Public safety	939,669	-	-	-	-	-
Parks and recreation	116,375	-	-	-	-	-
Public works	122,650	-	-	-	-	-
Library	5,000	-	-	-	-	-
Public liability	2,587,957	-	-	-	-	-
<b>Unassigned</b>	<b>16,412,878</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Fund Balances</b>	<b>36,122,025</b>	<b>4,338,714</b>	<b>-</b>	<b>9,138,907</b>	<b>40,447,570</b>	<b>41,459,897</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 47,266,258</b>	<b>\$ 9,717,831</b>	<b>\$ 13,089,227</b>	<b>\$ 9,142,141</b>	<b>\$ 40,655,151</b>	<b>\$ 43,887,935</b>

CITY OF CHULA VISTA

**BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2015**

	<b>Debt Service Funds</b>			<b>Total Governmental Funds</b>
	<b>City Debt Service</b>	<b>Public Financing Authority</b>	<b>Other Governmental Funds</b>	
<b>Assets:</b>				
Pooled cash and investments	\$ 10,086,716	\$ 1,199,106	\$ 35,939,931	\$ 140,641,103
Receivables:				
Accounts	-	-	144,574	2,322,085
Taxes	-	-	210,043	8,427,201
Accrued interest	-	-	11,803	11,803
Deferred loans	-	-	2,870,906	48,253,393
Allowance for uncollectible loans	-	-	(2,370,959)	(46,324,744)
Prepaid costs	-	5,000	-	40,204
Due from other governments	-	-	2,496,139	8,006,896
Due from other funds	-	-	-	4,096,758
Advances to other funds	-	-	-	22,033,443
Restricted assets:				
Cash and investments	-	-	-	13,542,356
Cash and investments with fiscal agents	-	8,148,002	-	9,443,950
Due from Successor Agency of Chula Vista RDA	-	-	-	12,005,356
<b>Total Assets</b>	<b>\$ 10,086,716</b>	<b>\$ 9,352,108</b>	<b>\$ 39,302,437</b>	<b>\$ 222,499,804</b>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances:</b>				
<b>Liabilities:</b>				
Accounts payable	\$ -	\$ -	\$ 2,558,032	\$ 6,570,212
Accrued liabilities	-	-	23,480	5,941,540
Unearned revenues	-	-	1,567,365	1,856,969
Pass-through payables	-	-	216,019	420,866
Deposits payable	-	-	-	12,774,552
Due to other funds	-	-	653,394	4,049,814
Advances from other funds	47,275,312	-	-	47,275,312
<b>Total Liabilities</b>	<b>47,275,312</b>	<b>-</b>	<b>5,018,290</b>	<b>78,889,265</b>
<b>Deferred Inflows of Resources:</b>				
Unavailable revenues	-	-	-	5,655,767
<b>Total Deferred Inflows of Resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,655,767</b>
<b>Fund Balances:</b>				
<b>Nonspendable:</b>				
Prepaid costs	-	-	-	32,906
Notes and loans	-	-	-	5,889,439
Advances to other funds	-	-	-	1,496,657
<b>Restricted for:</b>				
Community development projects	-	-	8,463,315	20,516,514
Public safety	-	-	3,432,035	4,756,851
Parks and recreation	-	-	113,894	160,801
Capital Projects	-	-	22,070,356	104,030,522
<b>Committed to:</b>				
Capital Projects	-	-	-	3,226,070
Debt service	-	9,352,108	232,068	9,584,176
Economic contingency	-	-	-	3,600,000
San Diego Authority for Freeway Emergency	-	-	-	695,951
Legal counsel	-	-	-	80,000
<b>Assigned to:</b>				
General government	-	-	-	916,473
Public safety	-	-	-	939,669
Parks and recreation	-	-	-	116,375
Public works	-	-	-	122,650
Library	-	-	-	5,000
Public liability	-	-	-	2,587,957
<b>Unassigned</b>	<b>(37,188,596)</b>	<b>-</b>	<b>(27,521)</b>	<b>(20,803,239)</b>
<b>Total Fund Balances</b>	<b>(37,188,596)</b>	<b>9,352,108</b>	<b>34,284,147</b>	<b>137,954,772</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 10,086,716</b>	<b>\$ 9,352,108</b>	<b>\$ 39,302,437</b>	<b>\$ 222,499,804</b>



CITY OF CHULA VISTA

**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF NET POSITION  
JUNE 30, 2015**

Fund balances of governmental funds	\$ 137,954,772
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.	767,110,797
Deferred outflows related to contributions made after the actuarial measurement date for the net pension liability.	20,185,549
Long-term debt and compensated absences that have not been included in the governmental fund activity:	
Bonds payable	\$ (117,590,000)
Section 108 Loan	(7,546,000)
Pollution remediation obligation	(150,000)
Unamortized bond premiums/discounts	(2,701,365)
Capital leases	(2,393,674)
Claims liability	(22,610,305)
Notes payable	(5,033,569)
Net pension liability	(190,390,940)
Compensated absences	<u>(6,729,243)</u>
	(355,145,096)
Governmental funds report all OPEB contributions as expenditures, however in the statement of net position any excesses or deficiencies in contributions in relation to the Annual Required Contribution (ARC) are recorded as an asset or liability.	(8,428,000)
Accrued interest payable for the current portion of interest due on Bonds has not been reported in the governmental funds.	(1,842,390)
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.	5,655,767
Deferred inflows related to unrecognized actuarial gains and losses for the net pension liability.	(39,241,083)
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>1,130,944</u>
<b>Net Position of governmental activities</b>	<b><u><u>\$ 527,381,260</u></u></b>



CITY OF CHULA VISTA

STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2015

	General	Special Revenue Funds			Capital Projects Funds	
		Sundry Grants	Developer Deposit	Housing Successor Agency	Park Acquisition Development	Development Impact Funds
<b>Revenues:</b>						
Taxes	\$ 100,738,431	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	1,281,656	-	-	-	-	-
Intergovernmental	1,933,114	14,592,562	-	-	-	-
Charges for services	9,430,097	1,086,836	-	-	-	-
Use of money and property	2,832,039	95,021	-	763,355	264,332	311,715
Fines and forfeitures	1,638,251	-	-	-	-	-
Developer participation	-	-	-	-	1,072,240	6,412,352
Miscellaneous	12,811,856	437,934	-	203,099	-	-
<b>Total Revenues</b>	<b>130,665,444</b>	<b>16,212,353</b>	<b>-</b>	<b>966,454</b>	<b>1,336,572</b>	<b>6,724,067</b>
<b>Expenditures:</b>						
Current:						
General government	23,305,483	1,341,322	-	-	-	101,650
Public safety	72,509,678	7,337,114	-	-	-	-
Community development	-	-	-	207,308	-	-
Parks and recreation	3,746,349	-	-	-	-	-
Public works	27,822,644	2,626,323	-	-	-	88,078
Library	3,527,038	98,911	-	-	-	-
Capital outlay	1,081,105	2,873,073	-	-	15,782	2,024,851
Debt service:						
Principal retirement	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-
<b>Total Expenditures</b>	<b>131,992,297</b>	<b>14,276,743</b>	<b>-</b>	<b>207,308</b>	<b>15,782</b>	<b>2,214,579</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,326,853)	1,935,610	-	759,146	1,320,790	4,509,488
<b>Other Financing Sources (Uses):</b>						
Transfers in	9,994,525	99,806	-	-	-	-
Transfers out	(6,082,780)	(989,332)	-	-	-	(5,633,760)
Capital leases	578,224	-	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>4,489,969</b>	<b>(889,526)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(5,633,760)</b>
Net Change in Fund Balances	3,163,116	1,046,084	-	759,146	1,320,790	(1,124,272)
Fund Balances, Beginning of Year, as previously reported	32,958,909	3,292,630	-	8,379,761	39,126,780	42,584,169
Restatements	-	-	-	-	-	-
Fund Balances, Beginning of Year, as restated	32,958,909	3,292,630	-	8,379,761	39,126,780	42,584,169
<b>Fund Balances, End of Year</b>	<b>\$ 36,122,025</b>	<b>\$ 4,338,714</b>	<b>\$ -</b>	<b>\$ 9,138,907</b>	<b>\$ 40,447,570</b>	<b>\$ 41,459,897</b>

CITY OF CHULA VISTA

STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2015

	Debt Service Funds		Other Governmental Funds	Total Governmental Funds
	City Debt Service	Public Financing Authority		
<b>Revenues:</b>				
Taxes	\$ -	\$ -	\$ 11,856,283	\$ 112,594,714
Licenses and permits	-	-	40,598	1,322,254
Intergovernmental	-	-	9,883,618	26,409,294
Charges for services	-	-	9,595,191	20,112,124
Use of money and property	-	188,921	592,337	5,047,720
Fines and forfeitures	-	-	639,511	2,277,762
Developer participation	-	-	-	7,484,592
Miscellaneous	-	-	2,479,305	15,932,194
<b>Total Revenues</b>	<b>-</b>	<b>188,921</b>	<b>35,086,843</b>	<b>191,180,654</b>
<b>Expenditures:</b>				
Current:				
General government	-	17,283	1,440,855	26,206,593
Public safety	-	-	388,307	80,235,099
Community development	-	-	-	207,308
Parks and recreation	-	-	-	3,746,349
Public works	-	-	10,922,653	41,459,698
Library	-	-	-	3,625,949
Capital outlay	-	-	16,221,719	22,216,530
Debt service:				
Principal retirement	-	4,060,000	1,280,205	5,340,205
Interest and fiscal charges	336,255	5,703,839	638,050	6,678,144
<b>Total Expenditures</b>	<b>336,255</b>	<b>9,781,122</b>	<b>30,891,789</b>	<b>189,715,875</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(336,255)	(9,592,201)	4,195,054	1,464,779
<b>Other Financing Sources (Uses):</b>				
Transfers in	-	9,547,649	2,066,466	21,708,446
Transfers out	-	-	(6,191,400)	(18,897,272)
Capital leases	-	-	-	578,224
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>9,547,649</b>	<b>(4,124,934)</b>	<b>3,389,398</b>
Net Change in Fund Balances	(336,255)	(44,552)	70,120	4,854,177
Fund Balances, Beginning of Year, as previously reported	(36,852,341)	10,125,086	34,214,027	133,829,021
Restatements	-	(728,426)	-	(728,426)
Fund Balances, Beginning of Year, as restated	(36,852,341)	9,396,660	34,214,027	133,100,595
<b>Fund Balances, End of Year</b>	<b>\$ (37,188,596)</b>	<b>\$ 9,352,108</b>	<b>\$ 34,284,147</b>	<b>\$ 137,954,772</b>

CITY OF CHULA VISTA

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2015**

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Net change in fund balances - total governmental funds	\$ 4,854,177
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. The amount of repairs and maintenance included in Capital Outlay was \$6,642,861.	15,573,669
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 \$258,844.	(26,883,199)
The net effect of various miscellaneous transactions involving capital assets (i.e. sales, trade-ins, donations and disposals) increased Net Position.	9,764,806
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	5,340,205
Amortization expenses were reported in the Government-Wide Statement of Activities and Changes in Net Position, but they did not require the use of current financial resources. Therefore, amortization expenses were not reported as expenditures in the Governmental Funds. Bond premium and discount	(9,966)
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 Changes in net OPEB liabilities	(678,530) 249,070 (578,224) (1,059,000)
Interest expense on long-term debt was reported in the Government-Wide Statement of Activities and Changes in Net Position, but it did not require the use of current financial resources. This amount represented the change in accrued interest from prior year.	86,183
Unavailable revenue related to long-term receivables previously recognized as revenue in the Government-Wide Statement of Activities was reclassified as an allowance for uncollectible loans in the Governmental Funds.	(1,348,479)
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.	(118,764)
Pension obligation expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	2,505,370
<b>Change in net position of governmental activities</b>	<b><u>\$ 7,697,318</u></b>

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# PROPRIETARY FUND FINANCIAL STATEMENTS

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CITY OF CHULA VISTA

STATEMENT OF NET POSITION  
 PROPRIETARY FUNDS  
 JUNE 30, 2015

	Business-Type Activities - Enterprise Funds				Governmental Activities- Internal Service Funds
	Sewer Fund	Development Services Fund	Other Enterprise Funds	Totals	
<b>Assets:</b>					
Current:					
Cash and investments	\$ 71,076,955	\$ -	\$ 5,613,986	\$ 76,690,941	\$ 2,769,347
Receivables:					
Accounts	5,394,150	205,314	45,238	5,644,702	-
Grants	-	-	32,755	32,755	19,112
<b>Total Current Assets</b>	<b>76,471,105</b>	<b>205,314</b>	<b>5,691,979</b>	<b>82,368,398</b>	<b>2,788,459</b>
Noncurrent:					
Advances to other funds	25,241,869	-	-	25,241,869	-
Capital assets - net of accumulated depreciation	132,385,880	-	1,982,754	134,368,634	1,080,606
<b>Total Noncurrent Assets</b>	<b>157,627,749</b>	<b>-</b>	<b>1,982,754</b>	<b>159,610,503</b>	<b>1,080,606</b>
<b>Total Assets</b>	<b>234,098,854</b>	<b>205,314</b>	<b>7,674,733</b>	<b>241,978,901</b>	<b>3,869,065</b>
<b>Deferred Outflows of Resources:</b>					
Deferred pension contributions	773,498	1,012,885	33,286	1,819,669	185,979
<b>Total Deferred Outflows of Resources</b>	<b>773,498</b>	<b>1,012,885</b>	<b>33,286</b>	<b>1,819,669</b>	<b>185,979</b>
<b>Liabilities:</b>					
Current:					
Accounts payable	90,756	63,279	38,477	192,512	228,743
Accrued liabilities	314,490	43,017	24,946	382,453	53,961
Retention payable	12,664	-	-	12,664	-
Unearned revenues	-	-	268,279	268,279	-
Due to other funds	-	46,944	-	46,944	-
Accrued compensated absences	165,171	306,288	-	471,459	-
<b>Total Current Liabilities</b>	<b>583,081</b>	<b>459,528</b>	<b>331,702</b>	<b>1,374,311</b>	<b>282,704</b>
Noncurrent:					
Accrued compensated absences	39,822	73,844	16,100	129,766	81,313
Net pension liability	11,213,006	14,777,269	465,157	26,455,432	2,277,774
<b>Total Noncurrent Liabilities</b>	<b>11,252,828</b>	<b>14,851,113</b>	<b>481,257</b>	<b>26,585,198</b>	<b>2,359,087</b>
<b>Total Liabilities</b>	<b>11,835,909</b>	<b>15,310,641</b>	<b>812,959</b>	<b>27,959,509</b>	<b>2,641,791</b>
<b>Deferred Inflows of Resources:</b>					
Deferred items related to pensions	1,820,845	2,399,634	75,536	4,296,015	369,880
<b>Total Deferred Inflows of Resources</b>	<b>1,820,845</b>	<b>2,399,634</b>	<b>75,536</b>	<b>4,296,015</b>	<b>369,880</b>
<b>Net Position:</b>					
Investment in capital assets	132,385,880	-	1,982,754	134,368,634	1,080,606
Restricted	-	-	5,141,430	5,141,430	-
Unrestricted	88,829,718	(16,492,076)	(304,660)	72,032,982	(37,233)
<b>Total Net Position</b>	<b>\$ 221,215,598</b>	<b>\$ (16,492,076)</b>	<b>\$ 6,819,524</b>	<b>\$ 211,543,046</b>	<b>\$ 1,043,373</b>

Reconciliation of Net Position to the Statement of Net Position

Net Position per Statement of Net Position - Proprietary Funds	\$ 211,543,046
Prior years' accumulated adjustment to reflect the consolidation of internal service funds activities related to the enterprise funds	(49,744)
Current years' adjustments to reflect the consolidation of internal service activities related to enterprise funds	(37,827)
<b>Net Position per Statement of Net Position</b>	<b>\$ 211,455,475</b>

CITY OF CHULA VISTA

STATEMENT OF REVENUES, EXPENSES  
AND CHANGES IN FUND NET POSITION  
PROPRIETARY FUNDS  
YEAR ENDED JUNE 30, 2015

	Business-Type Activities - Enterprise Funds				Governmental Activities- Internal Service Funds
	Sewer Fund	Development Services Fund	Other Enterprise Funds	Totals	
<b>Operating Revenues:</b>					
Sales and service charges	\$ 36,054,603	\$ 6,118,566	\$ 1,669,595	\$ 43,842,764	\$ -
Interdepartmental charges	-	-	-	-	6,318,978
Other	2,415,208	11,904	362,483	2,789,595	90,617
<b>Total Operating Revenues</b>	<b>38,469,811</b>	<b>6,130,470</b>	<b>2,032,078</b>	<b>46,632,359</b>	<b>6,409,595</b>
<b>Operating Expenses:</b>					
Administration and general	24,854,530	5,996,109	4,196,983	35,047,622	7,378,902
Source of supply	1,252,649	-	-	1,252,649	-
Depreciation expense	5,471,328	-	154,741	5,626,069	258,844
<b>Total Operating Expenses</b>	<b>31,578,507</b>	<b>5,996,109</b>	<b>4,351,724</b>	<b>41,926,340</b>	<b>7,637,746</b>
Operating Income (Loss)	6,891,304	134,361	(2,319,646)	4,706,019	(1,228,151)
<b>Nonoperating Revenues (Expenses):</b>					
Intergovernmental	-	-	2,531,799	2,531,799	-
Interest revenue	628,219	-	13,759	641,978	6,106
Gain (loss) on disposal of capital assets	-	-	(635,444)	(635,444)	27,882
<b>Total Nonoperating Revenues (Expenses)</b>	<b>628,219</b>	<b>-</b>	<b>1,910,114</b>	<b>2,538,333</b>	<b>33,988</b>
Income (Loss) Before Transfers and Capital Contributions	7,519,523	134,361	(409,532)	7,244,352	(1,194,163)
Transfers in	-	448,687	-	448,687	1,037,572
Transfers out	(2,934,384)	(1,328,299)	(34,750)	(4,297,433)	-
Capital contributions	2,942,859	-	-	2,942,859	-
Changes in Net Position	7,527,998	(745,251)	(444,282)	6,338,465	(156,591)
<b>Net Position:</b>					
Beginning of Year, as previously reported	225,874,025	313,282	7,769,345	233,956,652	3,675,475
Restatements	(12,186,425)	(16,060,107)	(505,539)	(28,752,071)	(2,475,511)
Beginning of Fiscal Year, as restated	213,687,600	(15,746,825)	7,263,806	205,204,581	1,199,964
<b>End of Fiscal Year</b>	<b>\$ 221,215,598</b>	<b>\$ (16,492,076)</b>	<b>\$ 6,819,524</b>	<b>\$ 211,543,046</b>	<b>\$ 1,043,373</b>
<b>Reconciliation of Changes in Net Position to the Statement of Activities:</b>					
Changes in Net Position, per the Statement of Revenues, Expenses and Changes in Fund Net Position - Proprietary Funds				\$ 6,338,465	
Adjustment to reflect the consolidation of current fiscal year internal service funds activities related to enterprise funds				(37,827)	
<b>Changes in Net Position of Business-Type Activities per Statement of Activities</b>				<b>\$ 6,300,638</b>	

CITY OF CHULA VISTA

STATEMENT OF CASH FLOWS  
 PROPRIETARY FUNDS  
 YEAR ENDED JUNE 30, 2015

	Business-Type Activities - Enterprise Funds				Governmental Activities- Internal Service Funds
	Sewer Fund	Development Services Fund	Other Enterprise Funds	Totals	
<b>Cash Flows from Operating Activities:</b>					
Cash received from customers and users	\$ 38,028,907	\$ 6,026,992	\$ 2,118,119	\$ 46,174,018	\$ -
Cash received from/(paid to) interfund service provided	-	-	-	-	6,421,815
Cash paid to suppliers for goods and services	(1,576,495)	77,065	47,975	(1,451,455)	(63,141)
Cash paid to employees for services	(24,778,999)	(5,855,184)	(4,197,781)	(34,831,964)	(7,388,032)
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>11,673,413</b>	<b>248,873</b>	<b>(2,031,687)</b>	<b>9,890,599</b>	<b>(1,029,358)</b>
<b>Cash Flows from Non-Capital Financing Activities:</b>					
Cash transfers out	(2,934,384)	(1,328,299)	(4,262,976)	(8,525,659)	-
Cash transfers in	-	448,687	-	448,687	1,037,572
Repayment received from other funds	-	46,944	2,531,799	2,578,743	(19,112)
Advance to other funds	(6,279,712)	-	-	(6,279,712)	-
Grant subsidies	-	-	146,577	146,577	-
<b>Net Cash Provided (Used) by Non-Capital Financing Activities</b>	<b>(9,214,096)</b>	<b>(832,668)</b>	<b>(1,584,600)</b>	<b>(11,631,364)</b>	<b>1,018,460</b>
<b>Cash Flows from Capital and Related Financing Activities:</b>					
Capital contributions	2,821,472	-	-	2,821,472	-
Acquisition and construction of capital assets	(3,766,491)	-	(229,001)	(3,995,492)	(283,813)
Proceeds from sales of capital assets	-	-	-	-	33,468
<b>Net Cash Provided (Used) by Capital and Related Financing Activities</b>	<b>(945,019)</b>	<b>-</b>	<b>(229,001)</b>	<b>(1,174,020)</b>	<b>(250,345)</b>
<b>Cash Flows from Investing Activities:</b>					
Interest received	709,454	2,403	25,894	737,751	6,106
<b>Net Cash Provided (Used) by Investing Activities</b>	<b>709,454</b>	<b>2,403</b>	<b>25,894</b>	<b>737,751</b>	<b>6,106</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>2,223,752</b>	<b>(581,392)</b>	<b>(3,819,394)</b>	<b>(2,177,034)</b>	<b>(255,137)</b>
Cash and Cash Equivalents at Beginning of Year	68,853,203	581,392	9,433,380	78,867,975	3,024,484
<b>Cash and Cash Equivalents at End of Year</b>	<b>\$ 71,076,955</b>	<b>\$ -</b>	<b>\$ 5,613,986</b>	<b>\$ 76,690,941</b>	<b>\$ 2,769,347</b>
<b>Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:</b>					
Operating income (loss)	\$ 6,891,304	\$ 134,361	\$ (2,319,646)	\$ 4,706,019	\$ (1,228,151)
<b>Adjustments to reconcile operating income (loss) net cash provided (used) by operating activities:</b>					
Depreciation	5,471,328	-	154,741	5,626,069	258,844
Contributions made after the measurement date to net pension liability	(773,498)	(1,012,885)	(33,286)	(1,819,669)	(185,979)
Pension expense relating to GASB 68	847,426	1,116,796	35,154	1,999,376	172,143
(Increase) decrease in accounts receivable	(392,204)	(103,478)	(45,238)	(540,920)	12,220
Increase (decrease) in accounts payable	(353,452)	34,795	30,776	(287,881)	(76,420)
Increase (decrease) in accrued liabilities	29,606	42,270	17,199	89,075	13,279
Increase (decrease) in unearned revenue	(48,700)	-	131,279	82,579	-
Increase (decrease) in compensated absences	1,603	37,014	(2,666)	35,951	4,706
<b>Total Adjustments</b>	<b>4,782,109</b>	<b>114,512</b>	<b>287,959</b>	<b>5,184,580</b>	<b>198,793</b>
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>\$ 11,673,413</b>	<b>\$ 248,873</b>	<b>\$ (2,031,687)</b>	<b>\$ 9,890,599</b>	<b>\$ (1,029,358)</b>
<b>Non-Cash Investing, Capital, and Financing Activities:</b>					
Gain/(Loss) on disposition of capital assets	\$ -	\$ -	\$ (635,444)	\$ (635,444)	\$ -
Donated Capital Assets	2,821,472	-	-	2,821,472	2,277,774

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**FIDUCIARY FUND  
FINANCIAL STATEMENTS**

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CITY OF CHULA VISTA

STATEMENT OF FIDUCIARY NET POSITION  
 FIDUCIARY FUNDS  
 JUNE 30, 2015

	Agency Funds	Private-Purpose Trust Fund Successor Agency of the Former Chula Vista RDA
<b>Assets:</b>		
Pooled cash and investments	\$ 8,575,490	\$ 4,811,274
Receivables:		
Accounts	-	311,584
Notes and loans	-	128,544
Allowance for uncollectible loans	-	(128,544)
Restricted assets:		
Cash and investments with fiscal agents	68,045,081	3,580,915
Capital assets:		
Capital assets, not being depreciated	-	9,502,300
Capital assets, net of accumulated depreciation	-	1,132,202
<b>Total Assets</b>	<b>\$ 76,620,571</b>	<b>\$ 19,338,275</b>
<b>Liabilities and Net Position:</b>		
<b>Liabilities:</b>		
Accounts payable	\$ -	\$ 432
Accrued liabilities	-	1,345
Accrued interest	-	557,393
Unearned revenues	14,162	-
Due to other governments	-	53,710
Due to bond holders	76,606,409	-
Long-term liabilities:		
Due in one year	-	1,885,000
Due in more than one year	-	37,465,000
Due to the City of Chula Vista	-	12,005,356
<b>Total Liabilities</b>	<b>\$ 76,620,571</b>	<b>51,968,236</b>
<b>Net Position:</b>		
Held in trust for other purposes		(32,629,961)
<b>Total Net Position</b>		<b>\$ (32,629,961)</b>

CITY OF CHULA VISTA

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
 FIDUCIARY FUNDS  
 YEAR ENDED JUNE 30, 2015

	Private-Purpose Trust Fund <u>Successor Agency of the Former Chula Vista RDA</u>
<b>Additions:</b>	
Taxes	\$ 6,179,288
Interest and change in fair value of investments	<u>104,857</u>
<b>Total Additions</b>	<b><u>6,284,145</u></b>
<b>Deductions:</b>	
Administrative expenses	1,801,628
Contractual services	12,440
Interest expense	2,739,069
Depreciation expense	<u>47,723</u>
<b>Total Deductions</b>	<b><u>4,600,860</u></b>
<b>Changes in Net Position</b>	<b>1,683,285</b>
Net Position - Beginning of the Year	<u>(34,313,246)</u>
<b>Net Position - End of the Year</b>	<b><u>\$ (32,629,961)</u></b>



**CITY OF CHULA VISTA  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

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

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

**A. Reporting Entity**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

*Government - Wide Financial Statements*

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

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

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

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

*Governmental Fund Financial Statements*

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

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

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

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

*Governmental Fund Financial Statements (Continued)*

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

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

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

The City reports the following major Governmental Funds:

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

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

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

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

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



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

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

*Governmental Fund Financial Statements (Continued)*

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

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

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

*Proprietary Fund Financial Statements*

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

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

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

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

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

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

*Proprietary Fund Financial Statements (Continued)*

The City reports the following major proprietary funds:

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

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

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

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

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

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

*Fiduciary Fund Financial Statements*

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

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

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

***C. Encumbrances***

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

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

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

Highly liquid market investments with maturities of one year or less at time of purchase are stated at amortized cost. All other investments are stated at fair value. Market value is used as fair value for those securities for which market quotations are readily available. The City reported its investments at fair value and the unrealized loss on investments amounted to \$273,294 for the fiscal year ended June 30, 2015.

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

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

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

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

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

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

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

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

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

***F. Restricted Assets***

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

***G. Interfund Transactions***

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

***H. Capital Assets***

Capital assets are valued at historical cost or estimated historical cost if actual historical cost was not available. Donated capital assets are valued at their estimated fair market value on the date donated. City policy has set the capitalization threshold for reporting capital assets at \$10,000 for equipment and \$100,000 for infrastructure. Depreciation is recorded on a straight-line basis over estimated useful lives of the assets as follows:

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

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

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

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

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

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

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

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

***I. Compensated Absences***

*Government-Wide Financial Statements*

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

*Fund Financial Statements*

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

***J. Pensions***

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

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

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

*Government-Wide Financial Statements*

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

*Fund Financial Statements*

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

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

In addition to assets, the statements of net position and governmental funds balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and will not be recognized as an outflow of resources (expense/ expenditure) until then. The City only has one item that qualify for reporting in this category. Deferred outflows relating to the net pension liability reported in the government-wide and proprietary statement of net position. These outflows are the results of contributions made after the measurement period, which are recognized in the following year.

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

***M. Property Taxes***

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

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

***M. Property Taxes (Continued)***

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

Property tax revenue is recognized in the fiscal year for which the taxes have been levied, provided the taxes are received within 60 days after the end of the fiscal year. Property taxes received after this date are not considered available as a resource that can be used to finance the current year operations of the City and, therefore, are not recorded as revenue until collected.

No allowance for doubtful accounts was considered necessary.

***N. Public Facilities Financing***

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

***O. Net Position***

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

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

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

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

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

***P. Fund Balances***

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

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

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

***P. Fund Balances (Continued)***

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

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

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

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

Sometimes the government 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 government'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.

***Q. Spending Policy***

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

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



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

***Q. Spending Policy (Continued)***

*Governmental Fund Financial Statements*

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

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

***R. Use of Estimates***

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

***S. Accounting Changes***

In June 2012, the GASB issued GASB Statement No. 68, Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27, to improve the guidance for accounting and reporting on the pensions that governments provide to their employees. Accordingly, the cumulative effect of the accounting change as of the beginning of the year is reported in the government-wide statement of activities.

In November 2013, the GASB issued Statement No. 71, Pension Transition for Contributions made Subsequent to the Measurement Date-an amendment of GASB Statement No. 68, which provides guidance to state and local governments clarifying the transition provisions for GASB Statement No. 68 regarding pension contributions made after the measurement date. The City has fully conformed to the requirements of this statement for the fiscal year ending June 30, 2015.

**CITY OF CHULA VISTA  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED JUNE 30, 2015**

**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, 2015.

	<b>Government-Wide Statement of Net Position</b>			<b>Fiduciary Funds Statement of Net Position</b>	
	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>	<b>Position</b>	<b>Total</b>
Cash and investments	\$ 143,410,450	\$ 76,690,941	\$ 220,101,391	\$ 13,386,764	\$ 233,488,155
Restricted cash and investments:					
Held by City	13,542,356	-	13,542,356	-	13,542,356
Held by fiscal agents	9,443,950	-	9,443,950	71,625,996	81,069,946
Total restricted cash and investments	22,986,306	-	22,986,306	71,625,996	94,612,302
<b>Total cash and investments</b>	<b>\$ 166,396,756</b>	<b>\$ 76,690,941</b>	<b>\$ 243,087,697</b>	<b>\$ 85,012,760</b>	<b>\$ 328,100,457</b>

Cash, cash equivalents and investments consisted of the following at June 30, 2015:

Petty cash	\$ 8,575
Deposits with financial institution	56,578,875
Investments	190,443,061
Investments held by bond trustee	81,069,946
<b>Total cash and investments</b>	<b>\$ 328,100,457</b>

**A. Deposits**

The carrying amount of the City’s cash deposits were \$56,578,875 at June 30, 2015. Bank balances before reconciling items were \$55,450,529 at that date, the total amount of which was insured or collateralized with securities held by the pledging financial institutions in the City’s name as discussed below.

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

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

**CITY OF CHULA VISTA  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED JUNE 30, 2015**

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

***B. Investments***

As of June 30, 2015, the City had the following investments and maturities:

Investment Type	Fair Value	Investment Maturities					
		1 year or fewer	1 - 2 years	2 - 3 years	3 - 4 years	4 - 5 years	Over 5 years
LAIF	\$ 36,614,696	\$ 36,614,696	\$ -	\$ -	\$ -	\$ -	\$ -
Time Deposits	310,000	310,000	-	-	-	-	-
San Diego County Investment Pool	39,503,715	39,503,715	-	-	-	-	-
Federal Home Loan Bank	16,961,770	-	4,997,740	11,964,030	-	-	-
Federal National Mortgage Association	18,935,690	-	6,992,240	11,943,450	-	-	-
Federal Home Loan Mortgage Corporation	11,910,540	-	-	11,910,540	-	-	-
Federal Farm Credit Bank	30,992,530	-	20,992,800	9,999,730	-	-	-
US Treasury Notes	17,413,549	3,950,895	3,007,626	-	1,000,310	9,454,718	-
Securities	15,003,443	-	3,006,720	1,508,940	4,537,973	5,949,810	-
Money Market Funds	2,797,128	386,533	2,410,595	-	-	-	-
Held by bond trustee:							
Investment Agreements	12,260,588	-	-	1,628,278	-	-	10,632,310
Mutual Funds	68,787,477	65,976,048	-	-	-	-	2,811,429
Cash with Fiscal Agent	21,881	21,881	-	-	-	-	-
<b>Total</b>	<b>\$ 271,513,007</b>	<b>\$ 146,763,768</b>	<b>\$ 41,407,721</b>	<b>\$ 48,954,968</b>	<b>\$ 5,538,283</b>	<b>\$ 15,404,528</b>	<b>\$ 13,443,739</b>

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

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

**CITY OF CHULA VISTA  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED JUNE 30, 2015**

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

**B. Investments (Continued)**

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

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

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

**Investments Authorized by Debt Agreements**

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

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

**CITY OF CHULA VISTA  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED JUNE 30, 2015**

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

**C. Risks Disclosures**

**Interest Rate Risk**

As a means of limiting its exposure to fair value losses arising from rising interest rates, the City's investment policy provides that final maturities of securities cannot exceed five years. Specific maturities of investments depend on liquidity needs. At June 30, 2015, the City's pooled cash and investments had the following maturities:

<u>Maturity</u>	<u>Percentage of Investment</u>
Less than one year	54%
1 - 2 years	15%
2 - 3 years	18%
3 - 4 years	2%
4 - 5 years	6%
Over 5 years	5%

The weighted average maturity of the portfolio was 2.5 years.

**Credit Risk**

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

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

<u>Investment Type</u>	<u>Fair Value</u>	<u>Moody's</u>	<u>Standard &amp; Poor's</u>
LAIF	\$ 36,614,696	Not Rated	Not Rated
Time Deposits	310,000	Not Rated	Not Rated
San Diego County Investment Pool	39,503,715	Not Rated	AAAf
Federal Home Loan Bank	16,961,770	Aaa	AAA
Federal National Mortgage Association	18,935,690	Aaa	AAA
Federal Home Loan Mortgage Corp.	11,910,540	Aaa	AAA
Federal Farm Credit Bank	30,992,530	Aaa	AAA
US Treasury Notes	17,413,549	Aaa	Not Rated
Securites	15,003,443	A1 to Aa3	A- to AA+
Money Market Funds	2,797,128	Not Rated	Not Rated
	<u>\$ 190,443,061</u>		

**CITY OF CHULA VISTA  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED JUNE 30, 2015**

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

**C. Risks Disclosures (Continued)**

**Custodial Credit Risk**

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

**Concentration of Credit Risk**

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

<u>Issuer</u>	<u>Investment Type</u>	<u>Fair Value</u>
Federal Home Loan Bank	Federal Agencies	\$ 16,961,770
Federal National Mortgage Association	Federal Agencies	18,935,690
Federal Home Loan Mortgage Corporation	Federal Agencies	11,910,540
Federal Farm Credit Bank	Federal Agencies	30,992,530

**D. Investments in Local Agency Investment**

The City is a participant in LAIF which is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The City’s investments in LAIF at June 30, 2015 included a portion of pool funds invested in Structure Notes and Asset-Backed Securities:

Structured Notes are debt securities (other than asset-backed securities) whose cash-flow characteristics (coupon rate, redemption amount, or stated maturity) depend upon one or more indices and/or that have embedded forwards or options.

Asset-Backed Securities, the bulk of which are mortgage-backed securities, entitle their purchasers to receive a share of the cash flows from pool of assets such as principal and interest repayments from a pool of mortgages (such as Collateralized Mortgage Obligations) or credit card receivables.

As of June 30, 2015, the City had \$36,614,696 invested in LAIF, which had invested 1.86% of the pool investment funds in Structured Notes and Asset-Back Securities. LAIF determines fair value on its investment portfolio based on market quotations for those securities where market quotations are readily available and based on amortized cost or best estimate for those securities where market value is not readily available. The City valued its investments in LAIF as of June 30, 2015, 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, 2015.

**CITY OF CHULA VISTA  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED JUNE 30, 2015**

**Note 3 – Receivables**

**A. Taxes Receivable**

At June 30, 2015, the City had the following taxes receivable:

	<b>Governmental Activities</b>
Sales Tax	\$ 3,695,855
Property Tax	336,930
Utilities Users Tax	658,865
Transient Occupancy Tax	429,060
Franchise Fee Tax	2,909,541
Other Taxes	396,950
<b>Total</b>	<b>\$ 8,427,201</b>

**B. Loans Receivable**

At June 30, 2015, 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 \$46,324,744:

	Governmental Activities		
	Principal	Interest	Total
South Bay Community Services	\$ 3,880,292	\$ 2,469,566	\$ 6,349,858
Heritage (South Bay Community Villas L.P.)	4,400,000	1,092,745	5,492,745
Girls and Boys Club Construction Loan	56,250	-	56,250
Rancho Vista Housing (Chelsea Investment Corporation)	1,500,000	488,220	1,988,220
St. Regis Park (Chelsea Investment Corp)	1,387,152	1,200,914	2,588,066
Chula Vista Rehabilitation CHIP Loans	1,903,327	147,931	2,051,258
Park Village Apts (Civic Center Barrio Housing Corporation)	176,910	-	176,910
Mobile Home Assistance Programs	36,105	-	36,105
Los Vecinos (Wakeland Housing and Development Corporation)	5,680,000	2,085,732	7,765,732
Main Plaza (Alpha III Development Inc.)	1,800,000	552,813	2,352,813
Seniors on Broadway (MAAC Project)	3,511,194	963,793	4,474,987
The Landings (Chelsea Investment Corp)	9,198,449	840,140	10,038,589
First Time Home Buyers Program	1,425,504	-	1,425,504
Neighborhood Stabilization First Time Home Buyer Program	210,800	-	210,800
NSP Rental Housing Program	1,000,000	147,362	1,147,362
Community Energy Retrofit Program	175,208	-	175,208
Lofts on Landis	1,850,000	72,986	1,922,986
<b>Total</b>	<b>\$ 38,191,191</b>	<b>\$ 10,062,202</b>	<b>\$ 48,253,393</b>

South Bay Community Services

In 1998, the former Chula Vista Redevelopment Agency (RDA) entered into several loan agreements with South Bay Community Services, a California non-profit public benefit corporation. Prior years' loan was made to South Bay Community Services for the purpose of purchasing a 14-unit apartment building. In fiscal year 1998, a loan to fund the Trolley Terrace 13-unit project and the Cordova Village 40-unit project were made. These projects are to provide housing to very low-income

**CITY OF CHULA VISTA  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED JUNE 30, 2015**

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**Note 3 – Receivables (Continued)**

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

*South Bay Community Services (Continued)*

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, 2015, the outstanding balance of the loan was \$6,349,858, which included an interest accrual of \$2,469,566.

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

In 2002, the RDA entered into a loan agreement with South Bay Community Villas, L.P. for the development of the Heritage Town Center multi-family rental housing project. The RDA's assistance is in the form of residual receipt loan secured by a promissory note and deed of trust. The outstanding principal and interest on the loan will be repaid over fifty five years and accrues interest at 3% per annum. Payment of principal and interest on the loan is made on an annual basis, out of a fund equal to fifty percent of the net cash flow of the project (residual receipts) after debt service on bonds, payment of deferred developer fees, and reasonable operating expenses have been paid. Fund balance has been restricted in the Low and Moderate Income Housing Successor Special Revenue Fund. At June 30, 2015, the outstanding balance of the loan was \$5,492,745, which included an interest accrual of \$1,092,745.

*Girls and Boys Club Construction Loan*

The City has made a loan of \$250,000 for construction of a new facility for the Boys and Girls Club. The loan is interest free and will be repaid with equal annual payments over 20 years, starting in February 1999. At June 30, 2015, the outstanding balance of the loan was \$56,250.

*Rancho Vista Housing (Chelsea Investment Corporation)*

In 2000, the City and RDA loaned \$1,500,000 to CIC Eastlake, L.P. for the development and operation of Rancho Vista Housing project, a multifamily affordable housing project. The loan is secured by promissory notes and a deed of trust. The outstanding principal on the loan is to be repaid over fifty-five (55) years and interest accrues at the simple interest rate of three (3%) percent per annum on unpaid principal. Payment of principal and interest, or portions thereof, on the loan is made on an annual basis, out of a fund equal to fifty (50%) percent of the net cash flow of the project. At June 30, 2015, the outstanding balance of the loan was \$1,988,220 which included an interest accrual of \$488,220.



**Note 3 – Receivables (Continued)**

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

*St. Regis Park (Chelsea Investment Corporation)*

In 2000, the RDA entered into a loan agreement with Chelsea Investment Corporation for the acquisition and rehabilitation of the 119-unit Pear Tree Apartments at 1025 Broadway. All units are affordable to low-income households. The loan is secured by a Deed of Trust and will accrue 6% interest for 52 years. Payment of principal and interest is made on an annual basis out of a fund equal to 90% of the residual receipts. At June 30, 2015, the outstanding balance of the loan was \$2,588,066 which included an interest accrual of \$1,200,914.

*Chula Vista Rehabilitation CHIP Loans*

The Chula Vista Rehabilitation Community Housing Improvement Program (CHIP) is under the direct control of the RDA. CHIP offers deferred and low interest rate home improvement loans to qualified borrowers residing within a target area. Loan repayments are re-deposited into the program cash accounts and are redistributed as future loans. At June 30, 2015, the outstanding balance of the loan was \$2,051,258 which included an interest accrual of \$147,931.

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

In 1991, the RDA entered into a loan agreement with the Civic Center Barrio Housing Corporation, a California non-profit public benefit corporation. The loan was made for the purchase of land and the development of a 28- unit low-income housing project. During 1992, the loan was assigned to Park Village Apartments Ltd., a California limited partnership in which Civic Center Barrio Housing Corporation is the managing general partner. The loan is secured by a deed of trust on the property and assignment of rents. Principal and interest are payable monthly. In 2009, a second amendment to the loan was entered into changing the interest from 3% to 5% per annum on the unpaid principal balance of the note. At June 30, 2015, the outstanding balance of the loan was \$176,910.

*Mobile Home Assistance Programs*

The RDA entered into agreements with eligible residents of the Orange Tree Mobile home Park, whereby the RDA loaned \$250,030 as permanent financing assistance to residents for the purpose of purchasing certain mobile home property. The loans are secured by deeds of trust on the property and mature in 2017 or when the property is sold. Contingent interest will be charged based on calculations specified in the agreement. At June 30, 2015, the outstanding balance of the loan was \$36,105.

**Note 3 – Receivables (Continued)**

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

*Los Vecinos (Wakeland Housing and Development Corporation)*

In 2008, the RDA entered into a loan agreement with Wakeland Housing and Development Corporation to assist the borrower in constructing 41 affordable multifamily units for occupancy by extremely low, very low and lower income households. The loan amount of \$5,680,000 was funded by the Low & Moderate Income Housing Successor Special Revenue Fund. The loan bears an interest rate of 5% per annum. Principal and interest payments will be made on an annual basis out of a fund equal to 50% of the residual receipts for years 1-30 and 75% of the residual receipts for years 31-54, until 55 years from the date the improvements are placed in service, at which time, all principal and unpaid interest is due and payable. The improvements were placed in service on February 7, 2008. At June 30, 2015, the outstanding balance of the loan was \$7,765,732 which included an interest accrual of \$2,085,732.

*Main Plaza (Alpha III Development Inc.)*

In 2003, the RDA entered into a loan agreement with Main Plaza, LP to assist in acquiring and improving certain real property for occupancy by very low, low, and moderate income households. The loan bears an interest rate of 3% per annum. The loan is due and payable on the date that is 55 years from the date of the RDA's issuance of the Certificate of Completion, which is in 2061. At June 30, 2015, the outstanding balance of the loan was \$2,352,813 which included an interest accrual of \$552,813.

*Seniors on Broadway (MAAC Project)*

The RDA entered into a loan agreement with Seniors on Broadway, Limited Partnership to assist in acquiring and improving certain real property for occupancy by very low, low, and moderate income households. The loan bears an interest rate of 3% per annum. The loan is due and payable on the date that is 55 years from the date of the RDA's issuance of the Certificate of Completion. At June 30, 2015, the outstanding balance of the loan was \$4,474,987 which included an interest accrual of \$963,793.

*The Landings (Chelsea Investment Corporation)*

The RDA entered into a loan agreement with CIC Landings, L.P. to assist the borrower in constructing 92 affordable multifamily apartment units for occupancy by extremely low, very low and lower income households. The loan bears an interest rate of 3% per annum. The loan is due and payable each and every year commencing with the first anniversary of the issuance of the Certificate of Completion by the City in an amount equal to 50% of the residual receipts. At June 30, 2015, the outstanding balance of the loan was \$10,038,589 which included an interest accrual of \$840,140.

**Note 3 – Receivables (Continued)**

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

*First Time Home Buyers program*

The Chula Vista First-Time Homebuyer Program is under the direct control of the Housing Authority and funded through U.S. Department of Housing and Urban Development HOME funds. Currently administered by Community HousingWorks, the program offers equity share deferred home gap financing loans to qualified borrowers. Loan repayments are re-deposited into the program and are redistributed as future loans. At June 30, 2015, the outstanding balance of the loan was \$1,425,504.

*Neighborhood Stabilization First Time Home Buyers program*

The Chula Vista Neighborhood Stabilization First-Time Homebuyer Program and Neighborhood Stabilization Resale Program are under the direct control of the Agency and funded through U.S. Department of Housing and Urban Development Neighborhood Stabilization funds. Currently administered by Community HousingWorks, the Program offers equity share deferred home gap financing loans to qualified borrowers and an acquisition, rehabilitation, and resale option to those qualifying in targeted areas. Loan repayments are re-deposited into the program cash accounts and are redistributed as future loans. At June 30, 2015, the outstanding balance of the loan was \$210,800.

*NSP Rental Housing program*

The RDA entered into a loan agreement with San Diego Community Housing Corporation to acquire and rehabilitate rental housing for very low income households. The loan is secured by promissory notes and a deed of trust. The outstanding principal and interest amount of the loan will be repaid over fifty-five (55) years and shall accrue at the simple interest rate of three (3%) percent per annum. Principal and interest are payable annually out of a fund equal to 50% of residual receipts derived from the property and/or operation of the property. At June 30, 2015, the outstanding balance of the loan was \$1,147,362 which included an interest accrual of \$147,362.

*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, 2015, the outstanding balances of the loans were \$9,204 and \$166,004, respectively.

**CITY OF CHULA VISTA  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED JUNE 30, 2015**

**Note 3 – Receivables (Continued)**

**B. Loans Receivable (Continued)**

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, 2015, the outstanding balance of the loan was \$1,922,986 which included an interest accrual of \$72,986.

**Note 4 – Interfund Balances and Transactions**

Due to/Due from other funds

At June 30, 2015, interfund receivables and payables were as follows:

<b>Due To Other Funds</b>				
<b>Due from Other Funds</b>	Sundry Grants	Development Services Enterprise Fund	Nonmajor Governmental Funds	Total
General Fund	\$ 3,396,420	\$ 46,944	\$ 653,394	\$ 4,096,758
Total	<u>\$ 3,396,420</u>	<u>\$ 46,944</u>	<u>\$ 653,394</u>	<u>\$ 4,096,758</u>

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

Long-Term Advances

At June 30, 2015, balances were as follows:

<b>Advances to Other Funds</b>	<b>Advances From Other Funds</b>
	City Debt Service Fund
General Fund	\$ 1,496,657
Development Impacts Funds	10,385,959
Park Acquisition Development Fund	10,150,827
Sewer Enterprise Fund	25,241,869
Total	<u>\$ 47,275,312</u>

**CITY OF CHULA VISTA  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED JUNE 30, 2015**

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

*Long-Term Advances (Continued)*

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 \$1,496,657 at June 30, 2015. 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 \$10,385,959 at June 30, 2015. In accordance with Council Policy No. 220-06, approved via Resolution 2015-028, the financing costs shall be calculated using the City's pooled investment earning rate on a quarterly basis.

City Council authorized a loan to Western PAD from Eastern PAD in the amount of \$9,630,000 to acquire the 14.41 acre site located in the lower Sweetwater Valley owned by the Redevelopment Agency and \$310,000 to acquire the 1.89 acre site located at Auto Park Place, Chula Vista. Per Resolution 2015-035 of the City Council, these loans were consolidated. The loan will be repaid as funds become available, either as a result of credit acquisitions by the Agency or the payment of PAD fees by developers in western Chula Vista; in conjunction with Council Policy No 200-06, approved via Resolution 2015-028, the financing costs shall be calculated using the City's pooled investment earning rate on a quarterly basis. The balance was \$10,150,827 at June 30, 2015. The Agency will ensure that PAD funds are repaid to fully fund the development of the park for which they were originally collected.

The City Council authorized and set terms for loans from the Trunk Sewer fund to Salt Creek for \$16,848,381, to the Storm Drain fund for \$744,612, and \$803,331 from the Sewer Facility fund for capital improvement projects, via Resolution 2015-035. In accordance with Council Policy No. 220-06, approved via Resolution 2015-028, the financing costs shall be calculated using the City's pooled investment earning rate on a quarterly basis. The balance was \$25,241,869 at June 30, 2015.

**CITY OF CHULA VISTA  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED JUNE 30, 2015**

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

Transfers In/Out

Interfund transfers for the year ended June 30, 2015 were as follows:

Transfer Out	Transfers In						Total
	General	Sundry Grants	Public	Non-major	Development	Governmental	
	Fund	Special Revenue Fund	Financing Authority	Governmental Funds	Services Fund	Activities Internal Service Fund	
General	\$ -	\$ 90,208	\$ 3,271,874	\$ 1,256,698	\$ 432,000	\$ 1,032,000	\$ 6,082,780
Sundry Grants Special Revenue	227,585	-	-	756,175	-	5,572	989,332
Development Impact Fund	-	-	5,633,760	-	-	-	5,633,760
Nonmajor Governmental Fund	5,486,194	9,598	642,015	53,593	-	-	6,191,400
Sewer Fund	2,917,697	-	-	-	16,687	-	2,934,384
Development Services Fund	1,328,299	-	-	-	-	-	1,328,299
Nonmajor Enterprise Funds	34,750	-	-	-	-	-	34,750
<b>Total</b>	<b>\$ 9,994,525</b>	<b>\$ 99,806</b>	<b>\$ 9,547,649</b>	<b>\$ 2,066,466</b>	<b>\$ 448,687</b>	<b>\$ 1,037,572</b>	<b>\$ 23,194,705</b>

General Fund – Operating support to reimburse the General Fund for City staff services and equipment. Total amount of reimbursement was \$9,994,525.

Sundry Grants Special Revenue Fund – Transferring the General Fund’s matching contribution to the federal grants in the amount of \$99,806.

Public Financing Authority – Funding debt service funds for repayment of various long-term obligations amounted to \$9,547,649.

Non-major Governmental Funds - Funding debt service funds for repayment of various long-term obligations and to fund various capital improvement projects amounted to \$2,066,466. Transfer from General Fund in the amount of \$1,256,698 for various debt obligations. Transfer from Assessment District 2005-1 Tobias Drive in the amount of \$23,779 to the Residential Construction Tax Fund for debt service expense. Transfer to reimburse prior year Capital Improvement expenditures from Other Transportation Programs, \$25,737 to the Traffic Signal Fund & \$4,077 to the TransNet Fund. Transfer from the Community Development Block Grant (CDBG) in the amount of \$756,175 for debt service expense.

Development Services Fund - Operating support to reimburse the Development Services Fund for services provided, \$432,000 reimbursement from the General Fund and \$16,687 from Sewer Services.

Internal Service Funds - \$82,000 and \$5,572 was transferred to the Fleet Management Fund from the General Fund and Sundry Grants Fund respectively for the future purchase of equipment. \$950,000 was transferred to the Workers Compensation Fund from the General Fund as reimbursement for current year claims.

**CITY OF CHULA VISTA  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED JUNE 30, 2015**

**Note 5 – Capital Assets**

**A. Government-Wide Financial Statements**

Summary of changes in capital assets for governmental activities for the year ended June 30, 2015 are as follows:

	Balance July 1, 2014	Additions	Deletions	CIP Transfers	Balance June 30, 2015
<b>Capital assets, not being depreciated:</b>					
Land	\$ 76,334,359	\$ 302,370	\$ -	\$ -	\$ 76,636,729
Construction in progress	23,227,483	12,972,443	-	(4,160,721)	32,039,205
<b>Total capital assets, not being depreciated</b>	<b>99,561,842</b>	<b>13,274,813</b>	<b>-</b>	<b>(4,160,721)</b>	<b>108,675,934</b>
<b>Capital assets, being depreciated:</b>					
Buildings	212,776,589	77,171	(8,104,398)	195,186	204,944,548
Improvements other than buildings	129,569,741	-	-	-	129,569,741
Machinery and equipment	29,044,035	2,505,497	(1,890,564)	-	29,658,968
Infrastructure	676,133,872	11,097,146	-	3,965,535	691,196,553
<b>Subtotal</b>	<b>1,047,524,237</b>	<b>13,679,814</b>	<b>(9,994,962)</b>	<b>4,160,721</b>	<b>1,055,369,810</b>
Less accumulated depreciation					
Buildings	(51,885,073)	(4,194,765)	6,772,034	-	(49,307,804)
Improvements other than buildings	(43,794,006)	(2,662,750)	-	-	(46,456,756)
Machinery and equipment	(25,202,088)	(1,210,591)	1,885,003	-	(24,527,676)
Infrastructure	(256,488,168)	(19,073,937)	-	-	(275,562,105)
<b>Subtotal</b>	<b>(377,369,335)</b>	<b>(27,142,043)</b>	<b>8,657,037</b>	<b>-</b>	<b>(395,854,341)</b>
<b>Total capital assets, being depreciated</b>	<b>670,154,902</b>	<b>(13,462,229)</b>	<b>(1,337,925)</b>	<b>4,160,721</b>	<b>659,515,469</b>
<b>Total governmental activities</b>	<b>\$ 769,716,744</b>	<b>\$ (187,416)</b>	<b>\$ (1,337,925)</b>	<b>\$ -</b>	<b>\$ 768,191,403</b>

Depreciation expense was charged to functions/programs as follows:

General government	\$ 1,447,612
Public safety	2,437,490
Public works	20,212,971
Parks and recreation	2,558,995
Library	226,131
Internal service	258,844
	<u>\$27,142,043</u>

**CITY OF CHULA VISTA  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED JUNE 30, 2015**

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

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

Summary of changes in capital assets for business-type activities for the year ended June 30, 2015, are as follows:

	Balance July 1, 2014	Additions	Deletions	CIP Transfers	Balance June 30, 2015
<b>Capital assets, not being depreciated:</b>					
Construction in progress	\$ 2,572,979	\$ 413,987	\$ -	\$ (2,789,844)	\$ 197,122
<b>Total capital assets, not being depreciated</b>	<u>2,572,979</u>	<u>413,987</u>	<u>-</u>	<u>(2,789,844)</u>	<u>197,122</u>
<b>Capital assets, being depreciated:</b>					
Machinery and equipment	12,702,422	531,673	(9,714,107)	-	3,519,988
Infrastructure	234,745,109	2,942,859	-	2,789,844	240,477,812
<b>Subtotal</b>	<u>247,447,531</u>	<u>3,474,532</u>	<u>(9,714,107)</u>	<u>2,789,844</u>	<u>243,997,800</u>
Less accumulated depreciation					
Machinery and equipment	(11,755,885)	(349,507)	9,307,023	-	(2,798,369)
Infrastructure	(101,751,357)	(5,276,562)	-	-	(107,027,919)
<b>Subtotal</b>	<u>(113,507,242)</u>	<u>(5,626,069)</u>	<u>9,307,023</u>	<u>-</u>	<u>(109,826,288)</u>
<b>Total capital assets, being depreciated</b>	<u>133,940,289</u>	<u>(2,151,537)</u>	<u>(407,084)</u>	<u>2,789,844</u>	<u>134,171,512</u>
<b>Total business-type activities</b>	<u>\$ 136,513,268</u>	<u>\$ (1,737,550)</u>	<u>\$ (407,084)</u>	<u>\$ -</u>	<u>\$ 134,368,634</u>

Depreciation expense for business-type activities for the year ended June 30, 2015, are as follows:

Sewer	\$ 5,471,328
Transit	94,741
Sewer DIFS	60,000
	<u>\$ 5,626,069</u>



**CITY OF CHULA VISTA  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED JUNE 30, 2015**

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

**A. Fiduciary Funds Financial Statements (Continued)**

Summary of changes in capital assets for fiduciary funds for the year ended June 30, 2015, are as follows:

	Balance July 1, 2014	Additions	Deletions	Balance June 30, 2015
<b>Capital assets, not being depreciated:</b>				
Land	\$ 9,502,300	\$ -	\$ -	\$ 9,502,300
<b>Total capital assets, not being depreciated</b>	<b>9,502,300</b>	<b>-</b>	<b>-</b>	<b>9,502,300</b>
<b>Capital assets, being depreciated:</b>				
Buildings	2,386,218	-	-	2,386,218
<b>Subtotal</b>	<b>2,386,218</b>	<b>-</b>	<b>-</b>	<b>2,386,218</b>
Less accumulated depreciation				
Buildings	(1,206,293)	(47,723)	-	(1,254,016)
<b>Subtotal</b>	<b>(1,206,293)</b>	<b>(47,723)</b>	<b>-</b>	<b>(1,254,016)</b>
<b>Total capital assets, being depreciated</b>	<b>1,179,925</b>	<b>(47,723)</b>	<b>-</b>	<b>1,132,202</b>
<b>Total governmental activities</b>	<b>\$ 10,682,225</b>	<b>\$ (47,723)</b>	<b>\$ -</b>	<b>\$ 10,634,502</b>

Depreciation expense for fiduciary funds for the year ended June 30, 2015, was \$47,723.

**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, 2015, is as follows:

	Balance June 30, 2014	Debt Issued	Debt Retired	Balance June 30, 2015	Classification	
					Due within One Year	Due in More Than One Year
Certificate of Participation	\$ 121,650,000	\$ -	\$ (4,060,000)	\$ 117,590,000	\$ 4,295,000	\$ 113,295,000
Section 108 Loan	7,913,000	-	(367,000)	7,546,000	385,000	7,161,000
Notes Payable	5,714,912	-	(681,343)	5,033,569	694,993	4,338,576
Capital Leases	2,047,312	578,224	(231,862)	2,393,674	239,365	2,154,309
Bond Premium	3,442,833	-	(145,207)	3,297,626	-	3,297,626
Bond Discount	(751,434)	-	155,173	(596,261)	-	(596,261)
<b>Total</b>	<b>\$ 140,016,623</b>	<b>\$ 578,224</b>	<b>\$ (5,330,239)</b>	<b>\$ 135,264,608</b>	<b>\$ 5,614,358</b>	<b>\$ 129,650,250</b>

**CITY OF CHULA VISTA  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED JUNE 30, 2015**

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

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

**A. Certificates of Participation**

	<b>Balance June 30, 2014</b>	<b>Debt Issued</b>	<b>Debt Retired</b>	<b>Balance June 30, 2015</b>	<b>Classification</b>	
					<b>Due within One Year</b>	<b>Due in More Than One Year</b>
2004 COP Civic Ctr Ph1	\$ 30,430,000	\$ -	\$ (985,000)	\$ 29,445,000	\$ 1,025,000	\$ 28,420,000
2006 COP Civic Ctr Ph2	16,960,000	-	(550,000)	16,410,000	570,000	15,840,000
2010 Refunding COP Corp Yard	28,340,000	-	(1,055,000)	27,285,000	1,085,000	26,200,000
2014 Refunding COP	45,920,000	-	(1,470,000)	44,450,000	1,615,000	42,835,000
<b>Total</b>	<b>\$ 121,650,000</b>	<b>\$ -</b>	<b>\$ (4,060,000)</b>	<b>\$ 117,590,000</b>	<b>\$ 4,295,000</b>	<b>\$ 113,295,000</b>

*2004 Civic Center Project Phase I COP*

In September 2004, the Chula Vista Public Financing Authority (the “Financing Authority”) issued \$37,240,000 in 2004 Certificates of Participation to provide funding for the first phase of the reconstruction, renovation, and equipping of the City’s Civic Center Complex. Proceeds will also be used to finance the reserve account of the certificates, to capitalize interest during construction and to pay the cost of issuance of the certificates. The source of repayment of the certificates is the lease payments to be made by the City to the Authority. Interest is payable semiannually on March 1 and September 1 of each year commencing March 1, 2006. The certificates mature in 2034 and principal is payable on September 1 each year commencing September 1, 2006. As of June 30, 2015, the outstanding balance is \$29,445,000.

The annual debt service requirements for the 2004 Certificates of Participation Civic Center Project Phase I outstanding at June 30, 2015, are as follows:

<b>Year Ending June 30,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2016	\$ 1,025,000	\$ 1,369,511	\$ 2,394,511
2017	1,065,000	1,328,511	2,393,511
2018	1,110,000	1,285,911	2,395,911
2019	1,155,000	1,240,124	2,395,124
2020	1,200,000	1,191,614	2,391,614
2021-2025	6,840,000	5,124,209	11,964,209
2026-2030	8,565,000	3,400,775	11,965,775
2031-2034	8,485,000	1,086,500	9,571,500
<b>Total</b>	<b>\$29,445,000</b>	<b>\$16,027,155</b>	<b>\$45,472,155</b>

**CITY OF CHULA VISTA  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED JUNE 30, 2015**

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

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

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

2006 Civic Center Project Phase II COP

In March 2006, the Chula Vista Public Financing Authority (the “Financing Authority”) issued \$20,325,000 in 2006 Certificates of Participation to provide funds for the construction and equipping of certain improvements to the Civic Center Complex of the City of Chula Vista and other existing City facilities, fund capitalized interest, fund a reserve fund, and pay the costs incurred in connection with the execution and delivery of the Certificates. The source of repayment of the certificates is the lease payments to be made by the City to the Authority. Interest is payable semiannually on March 1 and September 1 of each year, commencing September 1, 2006. The certificates mature in 2036 and principal is payable on March 1 each year, commencing March 1, 2008. As of June 30, 2015, the outstanding balance is \$16,410,000.

The annual debt service requirements for the 2006 Certificates of Participation Civic Center Project Phase II outstanding at June 30, 2015, are as follows:

<b>Year Ending June 30,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2016	\$ 570,000	\$ 700,959	\$ 1,270,959
2017	590,000	679,584	1,269,584
2018	615,000	657,459	1,272,459
2019	635,000	633,628	1,268,628
2020	660,000	608,228	1,268,228
2021-2025	3,740,000	2,611,076	6,351,076
2026-2030	3,900,000	1,788,225	5,688,225
2031-2035	4,640,000	882,063	5,522,063
2036	1,060,000	47,700	1,107,700
<b>Total</b>	<b>\$ 16,410,000</b>	<b>\$ 8,608,922</b>	<b>\$ 25,018,922</b>

2010 Refunding COP Corp Yard

In February 2010, the Chula Vista Public Financing Authority (Authority) issued \$29,355,000 in 2010 Certificates of Participation to provide funds for the construction, reconstruction, modernization and equipping of Phase 3 of the Civic Center Complex of the City of Chula Vista, to refinance the City’s outstanding Certificates of Participation Series A of 2000 (2000 Financing Project), fund capitalized interest, fund a reserve fund, and pay the costs incurred in connection with the execution and delivery of the Certificates. The source of repayment of the certificates is the lease payments to be made by the City to the Authority. Interest is payable semiannually on March 1 and September 1 of each year, commencing September 1, 2010. The certificates mature in 2033 and principal is payable on March 1 each year, commencing March 1, 2014. As of June 30, 2015, the outstanding balance is \$ 27,285,000.

**CITY OF CHULA VISTA  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED JUNE 30, 2015**

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

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

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

2010 Refunding COP Corp Yard, Continued

The annual debt service requirements for the 2010 Refunding Certificates of Participation Corp Yard outstanding at June 30, 2015, are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 1,085,000	\$ 1,402,319	\$ 2,487,319
2017	1,130,000	1,364,344	2,494,344
2018	1,170,000	1,319,144	2,489,144
2019	1,235,000	1,257,719	2,492,719
2020	1,300,000	1,192,881	2,492,881
2021-2025	7,510,000	4,943,531	12,453,531
2026-2030	9,655,000	2,797,394	12,452,394
2031-2033	4,200,000	392,975	4,592,975
Total	<u>\$ 27,285,000</u>	<u>\$14,670,307</u>	<u>\$ 41,955,307</u>

2014 Refunding COP

In February 2014, the Chula Vista Public Financing Authority (Authority) issued \$45,920,000 in 2014 Certificates of Participation to refinance the City's outstanding 2002 Certificates of Participation (Police Facility Project), fund a reserve fund, and pay the costs incurred in connection with the execution and delivery of the Certificates. The source of repayment of the certificates is the lease payments to be made by the City to the Authority. Interest is payable semiannually on April 1 and October 1 of each year, commencing October 1, 2014. The certificates mature in 2032 and principal is payable on October 1 each year, commencing October 1, 2014. As of June 30, 2015, the outstanding balance is \$44,450,000.

**CITY OF CHULA VISTA  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED JUNE 30, 2015**

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

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

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

2014 Refunding COP, Continued

The annual debt service requirements for the 2014 Certificates of Participation outstanding at June 30, 2015, are as follows:

Year Ending June 30,	Principal	Interest	Total
2016	\$ 1,615,000	\$ 1,992,556	\$ 3,607,556
2017	1,665,000	1,935,031	3,600,031
2018	1,730,000	1,867,131	3,597,131
2019	1,810,000	1,791,806	3,601,806
2020	1,895,000	1,703,706	3,598,706
2021-2025	11,090,000	6,951,906	18,041,906
2026-2030	14,320,000	3,808,481	18,128,481
2031-2033	10,325,000	642,103	10,967,103
<b>Total</b>	<b>\$ 44,450,000</b>	<b>\$ 20,692,720</b>	<b>\$ 65,142,720</b>

**B. Section 108 Loan**

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

As of June 30, 2015, the outstanding balance is \$7,546,000. The annual debt service payments are as follows:

Year Ending June 30,	Principal	Interest	Total
2016	\$ 385,000	\$ 373,243	\$ 758,243
2017	404,000	355,858	759,858
2018	425,000	337,118	762,118
2019	446,000	317,126	763,126
2020	468,000	295,428	763,428
2021-2025	2,716,000	1,089,660	3,805,660
2026-2029	2,702,000	299,818	3,001,818
<b>Total</b>	<b>\$7,546,000</b>	<b>\$3,068,251</b>	<b>\$10,614,251</b>

**CITY OF CHULA VISTA  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED JUNE 30, 2015**

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

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

***C. Notes Payable***

	Balance June 30, 2014	Debt Issued	Debt Retired	Balance June 30, 2015	Classification	
					Due within One Year	Due in More Than One Year
Taxable QECB Lease Purchase Agreement	\$ 2,003,017	\$ -	\$ (182,660)	\$ 1,820,357	\$ 184,323	\$ 1,636,034
California Energy Commission (CEC) Loan #1	345,287	-	(167,142)	178,145	173,801	4,344
California Energy Commission (CEC) Loan #2	1,774,137	-	(124,872)	1,649,265	128,516	1,520,749
California Energy Commission (CEC) Loan #3	1,418,013	-	(171,131)	1,246,882	172,814	1,074,068
SDG&E OBF Loan #1 (Parkway Boiler)	59,626	-	(8,519)	51,107	8,519	42,588
SDG&E OBF Loan #2 (Transit HVAC)	114,832	-	(27,019)	87,813	27,020	60,793
Total CEC Loans/SDG&E On Bill Financing	3,711,895	-	(498,683)	3,213,212	510,670	2,702,542
<b>Total</b>	<b>\$ 5,714,912</b>	<b>\$ -</b>	<b>\$ (681,343)</b>	<b>\$ 5,033,569</b>	<b>\$ 694,993</b>	<b>\$ 4,338,576</b>

**Taxable QECB Lease/Purchase Agreement**

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

As of June 30, 2015, the outstanding balance is \$1,820,357. The annual debt service requirements are as follows:

Year Ending June 30,	Principal	Interest	Total
2016	\$ 184,323	\$ 70,265	\$ 254,588
2017	186,000	62,949	248,949
2018	187,693	55,568	243,261
2019	189,401	48,118	237,519
2020	191,125	40,600	231,725
2021-2025	881,815	87,827	969,642
Total	<u>\$1,820,357</u>	<u>\$ 365,327</u>	<u>\$ 2,185,684</u>

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

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

As of June 30, 2015, the outstanding balance is \$3,213,212. The annual debt service requirements are as follows:

CITY OF CHULA VISTA  
 NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
 YEAR ENDED JUNE 30, 2015

Note 6 – Long-Term Debt (Continued)

Governmental Activities Long-Term Debt (Continued)

C. Notes Payable (Continued)

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

Year Ending June 30,	Principal	Interest	Total
2016	\$ 510,670	\$ 66,076	\$ 576,746
2017	346,990	55,033	402,023
2018	348,403	49,190	397,593
2019	334,033	43,296	377,329
2020	333,217	37,357	370,574
2021-2025	1,166,641	97,497	1,264,138
2026-2030	173,258	3,912	177,170
Total	<u>\$3,213,212</u>	<u>\$ 352,361</u>	<u>\$ 3,565,573</u>

D. Capital Leases

	Balance June 30, 2014	Debt Issued	Debt Retired	Balance June 30, 2015	Classification	
					Due within One Year	Due in More Than One Year
Solar Energy Financing	\$ 2,047,312	\$ -	\$ (153,751)	\$ 1,893,561	\$ 161,835	\$ 1,731,726
Osh Kosh Capital	-	578,224	(78,111)	500,113	77,530	422,583
<b>Total</b>	<u>\$ 2,047,312</u>	<u>\$ 578,224</u>	<u>\$ (231,862)</u>	<u>\$ 2,393,674</u>	<u>\$ 239,365</u>	<u>\$ 2,154,309</u>

Solar Energy Financing

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

The future minimum lease obligation and the net present value of these minimum lease payments as of June 30, 2015, are as follows:

Year Ending June 30,	Principal	Interest	Total
2016	\$ 161,835	\$ 73,268	\$ 235,103
2017	170,310	66,789	237,099
2018	179,193	59,971	239,164
2019	124,930	52,798	177,728
2020	67,636	49,046	116,682
2021-2031	1,189,657	303,346	1,493,003
Total	<u>\$ 1,893,561</u>	<u>\$ 605,218</u>	<u>\$ 2,498,779</u>

**CITY OF CHULA VISTA  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED JUNE 30, 2015**

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

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

***D. Capital Leases (Continued)***

*Osh Kosh Capital*

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

The future minimum lease obligation and the net present value of these minimum lease payments as of June 30, 2015, are as follows:

<b>Year Ending June 30,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2016	\$ 77,530	\$ 14,453	\$ 91,983
2017	79,771	12,212	91,983
2018	82,076	9,907	91,983
2019	84,448	7,535	91,983
2020	86,888	5,095	91,983
2021	89,400	2,583	91,983
<b>Total</b>	<b>\$ 500,113</b>	<b>\$ 51,785</b>	<b>\$ 551,898</b>

**Fiduciary Funds Long-Term Debt**

***A. Tax Allocation Bonds***

	<b>Balance June 30, 2014</b>	<b>Debt Issued</b>	<b>Debt Retired</b>	<b>Balance June 30, 2015</b>	<b>Classification</b>	
					<b>Due within One Year</b>	<b>Due in More Than One Year</b>
2006 Senior Tax Allocation Refunding Bonds, Series A	\$ 9,975,000	\$ -	\$ (590,000)	\$ 9,385,000	\$ 615,000	\$ 8,770,000
2006 Subordinate Tax Allocation Refunding Bonds, Series B	9,320,000	-	(525,000)	8,795,000	550,000	8,245,000
2008 Tal Allocation Refunding Bonds	21,625,000	-	(575,000)	21,050,000	600,000	20,450,000
<b>Total</b>	<b>\$ 40,920,000</b>	<b>-</b>	<b>\$ (1,690,000)</b>	<b>\$ 39,230,000</b>	<b>\$ 1,765,000</b>	<b>\$ 37,465,000</b>

*2006 Senior Tax Allocation Refunding Bonds, Series A*

In July 2006, the RDA issued the 2006 Senior Tax Allocation Refunding Bonds, Series A in the amount of \$13,435,000 to refinance the RDA's outstanding Bayfront/Town Centre Redevelopment Project 1994 Senior Tax Allocation Refunding Bonds, Series A, and to satisfy the reserve requirement for the Bonds and provide for the costs of issuing the Bonds. The original bond proceeds were used in the acquisition of property, demolition, relocation, public improvements and funding the Low and Moderate Income Housing Project. The bonds consist of serial bonds which mature in 2028.



**CITY OF CHULA VISTA  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED JUNE 30, 2015**

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

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

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

*2006 Senior Tax Allocation Refunding Bonds, Series A, Continued*

Interest is payable semiannually on March 1 and September 1 at interest rates ranging from 4.00% to 4.60%. The bonds are subject to optional redemption on any interest payment date on or after September 1, 2013, at various redemption prices. The bonds are payable solely from certain tax increment revenues of the Agency and other funds held under the indenture. As of June 30, 2015, the outstanding balance is \$9,385,000.

The annual debt service requirements are as follows:

<b>Year Ending June 30,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2016	\$ 615,000	\$ 398,570	\$ 1,013,570
2017	640,000	373,150	1,013,150
2018	665,000	346,314	1,011,314
2019	695,000	317,830	1,012,830
2020	720,000	287,761	1,007,761
2021-2025	4,110,000	922,676	5,032,676
2026-2028	1,940,000	114,540	2,054,540
Total	<u>\$9,385,000</u>	<u>\$2,760,841</u>	<u>\$12,145,841</u>

*2006 Subordinate Tax Allocation Refunding Bonds, Series B*

In July 2006, the RDA issued \$12,325,000 2006 Subordinate Tax Allocation Refunding Bonds, Series B to refinance the RDA's outstanding Bayfront/Town Centre Redevelopment Project 1994 Senior Tax Allocation Refunding Bonds, Series C and D, and to satisfy the reserve requirement for the Bonds and provide for the costs of issuing the Bonds. The original bond proceeds were used in the acquisition of property, demolition, relocation, public improvements and funding the Low and Moderate Income Housing Project. The bonds consist of \$7,995,000 serial bonds which mature from 2007 to 2021 in amounts ranging from \$290,000 to \$735,000 and term bonds of \$4,330,000 which mature in 2028. Interest is payable semiannually on April 1 and October 1 at interest rates ranging from 4.00% to 6.00%. The bonds are subject to optional redemption on any interest payment date on or after October 1, 2013, at various redemption prices. The bonds are payable solely from certain tax increment revenues of the Agency and other funds held under the indenture. As of June 30, 2015, the outstanding balance is \$8,795,000.

**CITY OF CHULA VISTA  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED JUNE 30, 2015**

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

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

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

2006 Subordinate Tax Allocation Refunding Bonds, Series B, Continued

The annual debt service requirements are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 550,000	\$ 438,559	\$ 988,559
2017	575,000	410,984	985,984
2018	605,000	381,484	986,484
2019	635,000	350,484	985,484
2020	665,000	317,651	982,651
2021-2025	3,885,000	1,022,503	4,907,503
2026-2028	1,880,000	126,788	2,006,788
Total	<u>\$8,795,000</u>	<u>\$3,048,453</u>	<u>\$11,843,453</u>

2008 Tax Allocation Refunding Bonds

In July 2008, the RDA issued the 2008 Tax Allocation Refunding Bonds in the amount of \$21,625,000 to refinance the RDA’s outstanding Merged Redevelopment Project 2000 Tax Allocation Bonds, to satisfy the reserve requirement for the Bonds, to provide for the costs of issuing the Bonds, and to provide funds to finance or refinance redevelopment activities. The bonds consist of \$11,570,000 serial bonds which mature from 2014 to 2028 in amounts ranging from \$575,000 to \$1,020,000 and term bonds of \$3,345,000 and \$6,710,000 which mature in 2031 and 2036 respectively. Interest is payable semiannually on March 1 and September 1 at interest rates ranging from 4.00% to 4.94%. The bonds are subject to optional redemption on any interest payment date on or after September 1, 2019, at various redemption prices. The bonds are payable solely from certain tax increment revenues of the Agency and other funds held under the indenture. As of June 30, 2015, the outstanding balance is \$21,050,000.

CITY OF CHULA VISTA  
 NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
 YEAR ENDED JUNE 30, 2015

Note 6 – Long-Term Debt (Continued)

Fiduciary Funds Long-Term Debt (Continued)

A. Tax Allocation Bonds (Continued)

2008 Tax Allocation Refunding Bonds, Continued

The annual debt service requirements are as follows:

Year Ending June 30,	Principal	Interest	Total
2016	\$ 600,000	\$ 928,636	\$ 1,528,636
2017	620,000	904,236	1,524,236
2018	645,000	878,936	1,523,936
2019	670,000	852,636	1,522,636
2020	700,000	825,236	1,525,236
2021-2025	3,940,000	3,662,660	7,602,660
2026-2030	4,885,000	2,698,901	7,583,901
2031-2035	6,120,000	1,432,331	7,552,331
2036-2037	2,870,000	137,988	3,007,988
Total	<u>\$21,050,000</u>	<u>\$12,321,560</u>	<u>\$33,371,560</u>

Pledged Revenues

The Successor Agency has pledged tax revenues to the repayment of the RDA's debts transferred to it on February 1, 2012 through the final maturity of the Bonds, or early retirement of the Bonds, whichever comes first. Tax revenues consist of Redevelopment Property Tax Trust Fund distributions allocated to the RDA's project areas pursuant to Section 33670 of the Redevelopment Law excluding that portion of such tax increment revenues required to be paid under tax-sharing agreements unless the payment of such amounts has been subordinated to payment of debt services on the Bonds. Redevelopment Property Tax Trust Fund distributions earned in fiscal year 2015 was \$6,179,288 and total debt service of all Tax Allocation Bonds paid was \$3,530,377. The Bonds required 75% of net distributions. In future years, annual principal and interest payments on the Tax Allocation Bonds are expected to require 75% of Redevelopment Property Tax Trust Fund distributions.

B. ERAF Loans

	Balance June 30, 2014	Debt Issued	Debt Retired	Balance June 30, 2015	Due within One Year
2005 ERAF	\$ 95,000	\$ -	\$ (95,000)	\$ -	\$ -
2006 ERAF	235,000	-	(115,000)	120,000	120,000
Total	<u>\$ 330,000</u>	<u>\$ -</u>	<u>\$(210,000)</u>	<u>\$ 120,000</u>	<u>\$ 120,000</u>

**CITY OF CHULA VISTA  
 NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
 YEAR ENDED JUNE 30, 2015**

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

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

**B. ERAF Loans (Continued)**

2005 ERAF

In May 2005, the RDA participated in a \$765,000 Loan Agreement with the California Statewide Communities Development Authority to finance their 2005 share of ERAF Payments to the County Auditor. The principal balance of \$310,000 was transferred to the Successor Agency on February 1, 2012. As of June 30, 2015, the outstanding balance is \$0.

2006 ERAF

In May 2006, the RDA participated in a \$930,000 Loan Agreement with the California Statewide Communities Development Authority to finance their 2006 share of ERAF Payments to the County Auditor. The principal balance of \$487,500 was transferred to the Successor Agency on February 1, 2012. As of June 30, 2015, the outstanding balance is \$120,000. The annual debt service requirements are as follows:

<b>Year Ending June 30,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2016	\$ 120,000	\$ 7,792	\$ 127,792
Total	<u>\$ 120,000</u>	<u>\$ 7,792</u>	<u>\$ 127,792</u>

**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, 2015, the special assessment debts outstanding are as follows:

**CITY OF CHULA VISTA  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED JUNE 30, 2015**

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

**Special Assessment Debt – Non-City Obligations (Continued)**

	<b>Original Amount</b>	<b>Outstanding June 30, 2015</b>
Special Tax Revenue 2013 Refunding Bonds	\$ 72,100,000	\$ 70,090,000
CFD 12-I McMillin Otay Ranch Village 7	22,565,000	13,025,000
CFD 2001-1B San Miguel Ranch 2005 Improvement	12,230,000	10,470,000
CFD 13-I McMillin Otay Ranch Village 7	16,620,000	8,825,000
CFD 07-I McMillin Otay Ranch Village I	16,950,000	13,350,000
2005 Revenue Refunding Bonds	93,930,000	68,370,000
AD 94-I Eastlake Greens Phase II	7,464,474	2,095,000
RAD 2001-1 Refunding Revenue Bonds Residential	20,445,000	5,105,000
RAD 2001-2 Refunding Revenue Bonds Commercial	9,705,000	825,000
Industrial Development Revenue Bonds, 1992 Series A-D	250,000,000	150,000,000
Industrial Development Revenue Bonds, 1996 Series A-B	98,900,000	98,900,000
Industrial Development Revenue Bonds, 1997 Series A	25,000,000	25,000,000
Industrial Development Revenue Bonds, 2004 Series A-F	251,265,000	251,265,000
Industrial Development Revenue Bonds, 2006 Series A	161,240,000	161,240,000
<b>Total</b>	<b>\$ 1,058,414,474</b>	<b>\$ 878,560,000</b>

**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, 2015, the multi-family housing bonds outstanding are as follows:

	<b>Original Amount</b>	<b>Outstanding June 30, 2015</b>
2000 A Pear Tree Manor Project	\$ 5,779,000	\$ 4,294,000
1999 A Villa Serena Project	5,566,500	4,725,000
2007 A Oxford Terrace Apartments	2,276,000	1,776,000
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	5,796,792
2013 A Congregational Tower	20,540,000	19,703,289
<b>Total</b>	<b>\$ 91,134,500</b>	<b>\$ 76,598,081</b>

**CITY OF CHULA VISTA  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED JUNE 30, 2015**

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**Note 7 – Unearned/Unavailable Revenue**

**A. Government-Wide Financial Statements**

At June 30, 2015, unearned revenue was reported as follows:

Grants	\$ 2,125,248
<b>Total</b>	<b>\$ 2,125,248</b>

**B. Governmental Fund Financial Statements**

At June 30, 2015, unavailable revenue was reported as follows:

Interest receivable on:	
Advances to other funds	\$ 207,581
Long-term receivables	3,898,935
Public Facilities DIF	1,408,839
Grants	140,412
<b>Total</b>	<b>\$ 5,655,767</b>

**Note 8 – Compensated Absences**

Government-Wide Financial Statements – Governmental Activities

Summary of changes in governmental activities compensated absences for the year ended June 30, 2015, is as follows:

	Balance June 30, 2014	Additions	Deletions	Balance June 30, 2015	Classification	
					Due within One Year	Due in More Than One Year
Compensated Absences	\$ 6,625,460	\$ 4,486,970	\$ (4,301,874)	\$ 6,810,556	\$ 4,588,463	\$ 2,222,093
<b>Total</b>	<b>\$ 6,625,460</b>	<b>\$ 4,486,970</b>	<b>\$ (4,301,874)</b>	<b>\$ 6,810,556</b>	<b>\$ 4,588,463</b>	<b>\$ 2,222,093</b>

**CITY OF CHULA VISTA  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED JUNE 30, 2015**

**Note 8 – Compensated Absences (Continued)**

Government-Wide Financial Statements – Governmental Activities (Continued)

The City’s liability for vested and unpaid compensated absences (accrued vacation) has been accrued and amounts to \$6,810,556 at June 30, 2015. 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, 2015, are obligations of the following funds:

Governmental Funds	\$ 6,729,243
Fleet Management	81,313
<b>Total</b>	<b>\$ 6,810,556</b>

Governmental-Wide Financial Statements – Business-Type Activities

Compensated absences at June 30, 2015, are obligations of the following funds:

	Balance June 30, 2014	Additions	Deletions	Balance June 30, 2015	Classification	
					Due within One Year	Due in More Than One Year
Compensated Absences	\$ 565,274	\$ 495,667	\$ (459,716)	\$ 601,225	\$ 471,459	\$ 129,766
<b>Total</b>	<b>\$ 565,274</b>	<b>\$ 495,667</b>	<b>\$ (459,716)</b>	<b>\$ 601,225</b>	<b>\$ 471,459</b>	<b>\$ 129,766</b>
				Transit	\$ 16,100	
				Development Services	380,132	
				Sewer	204,993	
				<b>\$ 601,225</b>		

**Note 9 – Other Required Fund Disclosures**

At June 30, 2015, the following funds had deficit fund equity:

Fund Type	Funds	Deficit
Debt Service	City Debt Service	\$ 37,188,596
Debt Service	Notes Payable	27,521
Enterprise	Development Services Fund	16,492,076
Enterprise	Transit Fund	386,273

*City Debt Service Fund* - The City Debt Service fund had an accumulated deficit of \$37,188,596, due to the fund booking its long term advances. The City expects to repay the advances via transfers from other funds.

*Notes Payable*- The Notes Payable fund had an accumulated deficit of \$27,521, due to principal payments on notes. The City expects to eliminate the deficit via transfers from other funds.

**CITY OF CHULA VISTA  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED JUNE 30, 2015**

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**Note 9 – Other Required Fund Disclosures (Continued)**

*Development Services Fund* - The Development Services fund had an accumulated deficit of \$16,492,076, due to the implementation of GASB 68. The City expects to eliminate the deficit via transfers from other funds.

*Transit Fund* - The Transit Fund had an accumulated deficit of \$386,273, due to the implementation of GASB 68. The City expects to eliminate the deficit via transfers from other funds.

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

The City is self-insured for the first \$500,000 per occurrence for its general liability losses including personal injury, property damage, errors and omissions, automobile liability and employment practices liability. For those losses between \$500,000 and \$2,500,000 per occurrence the City pools its liabilities through its membership in the San Diego Pooled Insurance Program Authority (SANDPIPA). Insurance for losses in excess of the \$2,500,000 up to \$47,000,000 is purchased on a group basis by the member cities.

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

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

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

The City is self-insured for the first \$1,000,000 per occurrence for workers' compensation liabilities. Excess workers' compensation coverage is obtained through participation in the CSAC Excess Insurance Authority's Excess Workers' Compensation Program. As of June 30, 2015, there are 167 member entities participating in the program that offers per occurrence coverage up to \$5,000,000 through pooled resources and from \$5,000,000 to statutory limits via group purchased excess insurance policies.

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



**CITY OF CHULA VISTA  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED JUNE 30, 2015**

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

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

	Balance June 30, 2014	Claims and Changes in Estimates	Claims Payments	Balance June 30, 2015
2012-2013	\$ 22,189,864	\$ 3,288,127	\$ (4,456,532)	\$ 21,021,459
2013-2014	21,021,459	5,186,700	(3,846,924)	22,361,235
2014-2015	22,361,235	4,470,778	(4,221,708)	22,610,305

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

**Note 11 – Pension Plans**

**A. California Public Employees’ Retirement Plan – Miscellaneous**

***Plan Description***

All qualified permanent and probationary employees are eligible to participate in the City’s Miscellaneous Plan, agent multiple-employer defined benefit pension plan 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 Plan are established by State statute and City resolution. CalPERS issues publicly available reports that include a full description of the pension plan 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 PEPR) with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees’ Retirement Law.

The Plan provisions and benefits in effect at June 30, 2015, are summarized as follows:

**CITY OF CHULA VISTA  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED JUNE 30, 2015**

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

**A. California Public Employees’ Retirement Plan – Miscellaneous (Continued)**

**Benefits Provided (Continued)**

	<b>Miscellaneous Plans</b>		
	Tier 1	Tier 2	PEPRA
Hire date	Prior to April 22, 2011	New Member on or after April 22, 2011 but prior to January 1, 2013	New Member on or after January 1, 2013
Benefit formula	3% @ 60	2% @ 60	2% @ 62
Benefit vesting schedule	5 years service	5 years service	5 years service
Benefit payments	monthly for life	monthly for life	monthly for life
Retirement age	50	50	52
Monthly benefits, as a % of eligible compensation	2.0% to 3.0%	1.092% to 2.418%	1.0% to 2.5%
Required employee contribution rates	8.0%	7.0%	6.75%
Required employer contribution rates	26.235%	26.235%	26.235%

**Employees Covered**

At June 30, 2015, the following employees were covered by the benefit terms of the plan:

Inactive employees or beneficiaries currently receiving benefits	650
Inactive employees entitled to but not yet receiving benefits	644
Active employees	605
<b>Total</b>	<b><u>1,899</u></b>

**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. \$9,134,182 of contributions were recognized as a reduction to the net pension liability for fiscal year ending June 30, 2015.

**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 Plan is measured as of June 30, 2014, using an annual actuarial valuation as of June 30, 2013 rolled forward to June 30, 2014 using standard update procedures. A summary of principal assumptions and methods used to determine the net pension liability is shown below.

**CITY OF CHULA VISTA  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED JUNE 30, 2015**

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

**A. California Public Employees’ Retirement Plan – Miscellaneous (Continued)**

**Net Pension Liability (Continued)**

The total pension liabilities in the June 30, 2013 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	7.50%
Inflation	2.75%
Salary Increases	Varies by Entry Age and Service
Investment Rate of Return	7.50% Net of Pension Plan Investment and Administrative Expenses; includes Inflation
Mortality Rate Table (1)	Derived using CalPERS’ Membership Data for all Funds
Post Retirement Benefit Increase	Contract COLA up to 2.75% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.75% thereafter

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

All other actuarial assumptions used in the June 30, 2013 valuation were based on the results of an actuarial experience study for the period from 1997 to 2011, including updates to salary increase, mortality and retirement rates. The Experience Study report can be obtained at CalPERS’ website under Forms and Publications.

**Discount Rate**

The discount rate used to measure the total pension liability was 7.50%. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 7.50 percent discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate of 7.50 percent will be applied to all plans in the Public Employees Retirement Fund (PERF). The stress test results are presented in a detailed report that can be obtained from the CalPERS website.

According to Paragraph 30 of Statement 68, the long-term discount rate should be determined without reduction for pension plan administrative expense. The 7.50 percent investment return assumption used in this accounting valuation is net of administrative expenses. Administrative expenses are assumed to be 15 basis points. An investment return excluding administrative expenses would have been 7.65 percent. Using this lower discount rate has resulted in a slightly higher total pension liability and net pension liability. CalPERS checked the materiality threshold for the difference in calculation and did not find it to be a material difference.

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

**A. California Public Employees’ Retirement Plan – Miscellaneous (Continued)**

***Discount Rate (Continued)***

CalPERS is scheduled to review all actuarial assumptions as part of its regular Asset Liability Management review cycle that is scheduled to be completed in February 2018. Any changes to the discount rate will require Board action and proper stakeholder outreach. For these reasons, CalPERS expects to continue using a discount rate net of administrative expenses for GASB 67 and 68 calculations through at least the 2017-18 fiscal year. CalPERS will continue to check the materiality of the difference in calculation until such time as they have changed their methodology.

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

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

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

<b>Asset Class</b>	<b>New Strategic Allocation</b>	<b>Real Return Years 1 - 10 (1)</b>	<b>Real Return Years 11+ (2)</b>
Global Equity	47.00%	5.25%	5.71%
Global Fixed Income	19.00	0.99	2.43
Inflation Sensitive	6.00	0.45	3.36
Private Equity	12.00	6.83	6.95
Real Estate	11.00	4.50	5.13
Infrastructure and Forestland	3.00	4.50	5.09
Liquidity	2.00	(0.55)	(1.05)

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

**CITY OF CHULA VISTA  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED JUNE 30, 2015**

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

**A. California Public Employees’ Retirement Plan – Miscellaneous (Continued)**

***Changes in the Net Pension Liability***

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

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/(Assets)
	(a)	(b)	(c)=(a)-(b)
Balance at: 6/30/2013 (Valuation Date) (1)	\$ 436,436,153	\$ 279,540,671	\$ 156,895,482
Changes Recognized for the Measurement Period:			
Service Cost	8,696,183	-	8,696,183
Interest on the Total Pension Liability	32,359,841	-	32,359,841
Contribution from the Employer	-	9,134,182	(9,134,182)
Contributions from Employees	-	4,555,300	(4,555,300)
Net Investment Income (2)	-	48,303,496	(48,303,496)
Benefit Payments including Refunds of Employee Contributions	(18,639,387)	(18,639,387)	-
Net Changes During 2013-14	22,416,637	43,353,591	(20,936,954)
Balance at: 6/30/2014 (Measurement Date) (1)	<b>\$ 458,852,790</b>	<b>\$ 322,894,262</b>	<b>\$ 135,958,528</b>

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

(2) Net of administrative expenses.

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

The following presents the net pension liability of the Plan as of the measurement date, calculated using the discount rate of 7.50 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 (6.50 percent) or 1 percentage-point higher (8.50 percent) than the current rate:

	Discount Rate - 1% (6.50%)	Current Discount Rate (7.5%)	Discount Rate +1% (8.5%)
Plan's Net Pension Liability/(Assets) \$	197,497,721	\$ 135,958,528	\$ 84,993,544

***Pension Plan Fiduciary Net Position***

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

**CITY OF CHULA VISTA  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED JUNE 30, 2015**

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

**A. California Public Employees’ Retirement Plan – Miscellaneous (Continued)**

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

For the year ended June 30, 2015, the City of Chula Vista incurred a pension expense of \$10,275,103 for the Plan. At June 30, 2015, the City of Chula Vista has deferred outflows and deferred inflows of resources related to pensions as follows:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Pension contributions subsequent to measurement date	\$ 9,637,382	\$ -
Net Difference between Projected and Actual Earnings on Pension Plan Investments	-	(22,077,875)
<b>Total</b>	<b>\$ 9,637,382</b>	<b>\$ (22,077,875)</b>

The \$9,637,382 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows or deferred inflows of resources related to pensions will be recognized as pension expense as follows:

<b>Measurement Period ended June 30:</b>	<b>Deferred Outflows/(Inflows) of Resources</b>
2015	\$ (5,519,469)
2016	(5,519,469)
2017	(5,519,469)
2018	(5,519,468)

**B. California Public Employees’ Retirement Plan – Safety**

All qualified permanent and probationary employees are eligible to participate in the City’s Safety Plan, agent multiple-employer defined benefit pension plan 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 Plan are established by State statute and City resolution. CalPERS issues publicly available reports that include a full description of the pension plan 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 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, 2015

Note 11 – Pension Plans (Continued)

*B. California Public Employees’ Retirement Plan – Safety (continued)*

*Benefits Provided (continued)*

The Plan provisions and benefits in effect at June 30, 2015, are summarized as follows:

<b>Safety Fire Plans</b>			
	Tier 1	Tier 2	PEPRA
Hire date	Prior to April 22, 2011	New Member on or after April 22, 2011 but prior to January 1, 2013	New Member on or after January 1, 2013
Benefit formula	3% @ 50	3% @ 55	2.7% @ 57
Benefit vesting schedule	5 years service	5 years service	5 years service
Benefit payments	monthly for life	monthly for life	monthly for life
Retirement age	50	50	50
Monthly benefits, as a % of eligible compensation	3.00%	2.4% to 3.0%	2.0% to 2.7%
Required employee contribution rates	9.0%	9.0%	12.25%
Required employer contribution rates	28.857%	28.857%	28.857%

<b>Safety Police Plans</b>			
	Tier 1	Tier 2	PEPRA
Hire date	Prior to April 22, 2011	New Member on or after April 22, 2011 but prior to January 1, 2013	New Member on or after January 1, 2013
Benefit formula	3% @ 50	3% @ 55	2.7% @ 57
Benefit vesting schedule	5 years service	5 years service	5 years service
Benefit payments	monthly for life	monthly for life	monthly for life
Retirement age	50	50	50
Monthly benefits, as a % of eligible compensation	3.00%	2.4% to 3.0%	2.0% to 2.7%
Required employee contribution rates	9.0%	9.0%	12.25%
Required employer contribution rates	28.857%	28.857%	28.857%

*Employees Covered*

At June 30, 2015, the following employees were covered by the benefit terms of the plan:

Inactive employees or beneficiaries currently receiving benefits	282
Inactive employees entitled to but not yet receiving benefits	105
Active employees	333
<b>Total</b>	<b><u>720</u></b>

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

***B. California Public Employees’ Retirement Plan – Safety (continued)***

***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. \$11,684,174 of contributions were recognized as a reduction to the net pension liability for fiscal year ending June 30, 2015.

***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 Plan is measured as of June 30, 2014, using an annual actuarial valuation as of June 30, 2013 rolled forward to June 30, 2014 using standard update procedures. A summary of principal assumptions and methods used to determine the net pension liability is shown below.

The total pension liabilities in the June 30, 2013 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	7.50%
Inflation	2.75%
Salary Increases	Varies by Entry Age and Service
Investment Rate of Return	7.50% Net of Pension Plan Investment and Administrative Expenses; includes Inflation
Mortality Rate Table (1)	Derived using CalPERS’ Membership Data for all Funds
Post Retirement Benefit Increase	Contract COLA up to 2.75% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.75% thereafter

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

All other actuarial assumptions used in the June 30, 2013 valuation were based on the results of an actuarial experience study for the period from 1997 to 2011, including updates to salary increase, mortality and retirement rates. The Experience Study report can be obtained at CalPERS’ website under Forms and Publications.



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

***B. California Public Employees' Retirement Plan – Safety (continued)***

***Discount Rate***

The discount rate used to measure the total pension liability was 7.50%. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 7.50 percent discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate of 7.50 percent will be applied to all plans in the Public Employees Retirement Fund (PERF). The stress test results are presented in a detailed report that can be obtained from the CalPERS website.

According to Paragraph 30 of Statement 68, the long-term discount rate should be determined without reduction for pension plan administrative expense. The 7.50 percent investment return assumption used in this accounting valuation is net of administrative expenses. Administrative expenses are assumed to be 15 basis points. An investment return excluding administrative expenses would have been 7.65 percent. Using this lower discount rate has resulted in a slightly higher total pension liability and net pension liability. CalPERS checked the materiality threshold for the difference in calculation and did not find it to be a material difference.

CalPERS is scheduled to review all actuarial assumptions as part of its regular Asset Liability Management review cycle that is scheduled to be completed in February 2018. Any changes to the discount rate will require Board action and proper stakeholder outreach. For these reasons, CalPERS expects to continue using a discount rate net of administrative expenses for GASB 67 and 68 calculations through at least the 2017-18 fiscal year. CalPERS will continue to check the materiality of the difference in calculation until such time as they have changed their methodology.

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

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

**CITY OF CHULA VISTA  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED JUNE 30, 2015**

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

**B. California Public Employees’ Retirement Plan – Safety (continued)**

**Discount Rate (continued)**

that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

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

<b>Asset Class</b>	<b>New Strategic Allocation</b>	<b>Real Return Years 1 - 10 (1)</b>	<b>Real Return Years 11+ (2)</b>
Global Equity	47.00%	5.25%	5.71%
Global Fixed Income	19.00	0.99	2.43
Inflation Sensitive	6.00	0.45	3.36
Private Equity	12.00	6.83	6.95
Real Estate	11.00	4.50	5.13
Infrastructure and Forestland	3.00	4.50	5.09
Liquidity	2.00	(0.55)	(1.05)

(3) An expected inflation of 2.5% used for this period

(4) An expected inflation of 3.0% used for this period

**Changes in the Net Pension Liability**

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

	<b>Increase (Decrease)</b>		
	<b>Total Pension Liability (a)</b>	<b>Plan Fiduciary Net Position (b)</b>	<b>Net Pension Liability/(Assets) (c)=(a)-(b)</b>
Balance at: 6/30/2013 (Valuation Date) (1)	\$ 380,617,699	\$ 273,515,399	\$ 107,102,300
Changes Recognized for the Measurement Period:			
Service Cost	10,220,233	-	10,220,233
Interest on the Total Pension Liability	28,334,465	-	28,334,465
Contribution from the Employer	-	11,684,174	(11,684,174)
Contributions from Employees	-	3,157,921	(3,157,921)
Net Investment Income (2)	-	47,649,285	(47,649,285)
Benefit Payments including Refunds of Employee Contributions	(15,869,862)	(15,869,862)	-
Net Changes During 2013-14	22,684,836	46,621,518	(23,936,682)
Balance at: 6/30/2014 (Measurement Date) (1)	<b>\$ 403,302,535</b>	<b>\$ 320,136,917</b>	<b>\$ 83,165,618</b>

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

(4) Net of administrative expenses.

CITY OF CHULA VISTA  
 NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
 YEAR ENDED JUNE 30, 2015

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

***B. California Public Employees’ Retirement Plan – Safety (Continued)***

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

The following presents the net pension liability of the Plan as of the measurement date, calculated using the discount rate of 7.50 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 (6.50 percent) or 1 percentage-point higher (8.50 percent) than the current rate:

	Discount Rate - 1% (6.50%)	Current Discount Rate (7.5%)	Discount Rate +1% (8.5%)
Plan's Net Pension Liability/(Assets)	\$ 140,092,386	\$ 83,165,618	\$ 36,508,855

***Pension Plan Fiduciary Net Position***

Detailed information about the plan’s 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, 2015, the City of Chula Vista incurred a pension expense of \$9,576,595 for the Plan. At June 30, 2014, the City of Chula Vista has deferred outflows and deferred inflows of resources related to pensions as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 12,553,815	\$ -
Net Difference between Projected and Actual Earnings on Pension Plan Investments	-	(21,829,103)
<b>Total</b>	<b>\$ 12,553,815</b>	<b>\$ (21,829,103)</b>

The \$12,553,815 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows or deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Measurement Period ended June 30:	Deferred Outflows/(Inflows) of Resources
2015	\$ (5,457,276)
2016	(5,457,276)
2017	(5,457,276)
2018	(5,457,275)

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

***C. 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, 2015, the City's total hourly payroll (for eligible PARS members) and covered payroll was \$2,590,272. The City made employer contributions of \$97,135 (3.75% of current covered payroll), and employees contributed \$97,135 (3.75% of current covered payroll).

***D. Deferred Compensation 457B Plan***

The City offers to its employees an optional deferred compensation plan created in accordance with Section 457 of the Internal Revenue Code. This plan is available to substantially all employees and allows participants to defer a portion of their current income until future years, up to a maximum of \$18,000 (in whole dollars) per calendar year, so as to shelter such funds and earnings from state and federal taxation until withdrawal. The deferred compensation is not available to participants until termination, retirement, death, or unforeseeable emergency. This plan is administered through a third-party administrator. The City does not perform the investing function and has no fiduciary accountability for the plan. Thus, plan assets and any related liability to plan participants have been excluded from the City's financial statements. At June 30, 2015, the balance in the plan was \$77,782,372.

**Note 12 – Post Retirement Health Benefits**

***Plan Description***

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

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

**CITY OF CHULA VISTA  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED JUNE 30, 2015**

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

***Eligibility***

Tier 1 employees are eligible for retiree health benefits if they retired from the City on or after age 50 (unless disabled) and are eligible for PERS pension. The benefits are available only to employees who retired from the City. Membership of the plan consisted of the following at June 30, 2015:

	<u>Police</u>	<u>Fire</u>	<u>Miscellaneous</u>	<u>Total</u>
Eligible active employee	204	122	594	920
Enrolled eligible retirees	33	14	186	233

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

***Funding Policy***

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

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

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

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

	<u>2015</u>	<u>2014</u>	<u>2013</u>
Annual required contribution	\$ 1,920,000	\$ 2,100,000	\$ 1,974,000
Interest on net OPEB obligation	295,000	241,000	187,000
Adjustment to the annual required contribution	<u>(767,000)</u>	<u>(607,000)</u>	<u>(460,000)</u>
Annual OPEB cost	1,448,000	1,734,000	1,701,000
Contribution made	<u>(389,000)</u>	<u>(392,000)</u>	<u>(359,000)</u>
Increase in net OPEB liability	1,059,000	1,342,000	1,342,000
Net OPEB liability, beginning of the year	<u>7,369,000</u>	<u>6,027,000</u>	<u>4,685,000</u>
Net OPEB liability, end of the year	<u>\$ 8,428,000</u>	<u>\$ 7,369,000</u>	<u>\$ 6,027,000</u>

**CITY OF CHULA VISTA  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED JUNE 30, 2015**

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

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

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2013, 2014 and 2015 were as follows:

	<b>Annual</b>	<b>Actual</b>	<b>Percentage of</b>	<b>Net</b>
<b><u>Fiscal Year</u></b>	<b><u>OPEB Cost</u></b>	<b><u>Contributions</u></b>	<b><u>Annual OPEB</u></b>	<b><u>OPEB</u></b>
			<b><u>Cost Contributed</u></b>	<b><u>Obligation</u></b>
2012-2013	\$ 1,701,000	\$ 359,000	21%	\$ 6,027,000
2013-2014	1,734,000	392,000	23%	7,369,000
2014-2015	1,448,000	389,000	27%	8,428,000

***Funded Status and Funding Progress***

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

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

***Actuarial Methods and Assumptions***

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

The actuarial cost method used for determining the benefit obligation is the Entry Age Normal Cost Method. The actuarial assumptions included a 4.0 % discount rate, the inflation rate for HMO's starts at 7.5% (the increase in 2016 premiums over 2015) and grades down to 5.0% (2021 premiums over 2020) and remains at 5.0% into the future. This assumption means healthcare is assumed to increase, on the average, 6.75% a year for HMOs/PPOs Non-Medicare and 6.95% a year for HMOs/PPOs Medicare a year for the next six years after 2014. The general inflation assumption rate is 3% and is assumed that healthcare will level off at 1.5% over general inflation. The UAAL is being amortized as a level percentage of projected payroll over a closed 30 year period.

**CITY OF CHULA VISTA  
 NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
 YEAR ENDED JUNE 30, 2015**

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

*Most Recent Actuarial Study – Schedule of Funding Progress*

<b>Actuarial Valuation Date</b>	<b>Actuarial Assets Value</b>	<b>Entry Age Actuarial Accrued Liability</b>	<b>Unfunded Actuarial Accrued Liability</b>	<b>Funded Ratio</b>	<b>Covered Payroll</b>	<b>Unfunded Actuarial Liability as Percentage of Covered Payroll</b>
6/30/2014	\$ -	\$ 12,877,000	\$ (12,877,000)	0.00%	\$ 58,224,000	-22.12%

**Note 13 – Pollution Remediation Obligations**

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

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

At June 30, 2015, the City identified the following sites which met one of the above obligating events:

*Corp Yard*

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

The City secured a pollution and remediation legal liability insurance to cover pollution and remediation legal liability, legal defense expense and contingent transportation coverage in the amount of \$10,000,000 per occurrence up to \$50,000,000 in aggregate liability with a self-insured retention amount of \$100,000 per occurrence. At June 30, 2015, the City recorded pollution remediation obligations in the amount of \$150,000 on the Government-Wide Statement of Net Assets and allocated the total amount to General Government on the Government-Wide Statement of Activities and Changes in Net Assets.

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

**CITY OF CHULA VISTA  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED JUNE 30, 2015**

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**Note 14 – Commitments and Contingencies**

***Litigation***

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

***Grants***

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

***Construction Commitments***

The following material construction commitments existed at June 30, 2015:

<u>Project Name</u>	<u>Contract Amount</u>	<u>Expenditures to date as of June 30, 2015</u>	<u>Remaining Commitments</u>
Willow Street Bridge (Utility Relocation)	\$ 3,876,746	\$ 1,316,653	\$ 2,560,093
Pavement Major Rehab FY 2013/2014	3,058,661	2,274,487	784,174
South Broadway Imprv. (Phase II)	1,231,197	-	1,231,197
Third Avenue Streetscape Imprv. (Phase II)	2,295,776	-	2,295,776
Pavement Minor Rehab FY 2014/2015	1,647,533	-	1,647,533
Otay Lakes Road Widening	2,900,085	2,812,262	87,823
Telegraph Canyon Road Erosion Repairs	1,758,244	1,204,226	554,018
SCADA Control System	900,000	25,193	874,807

***City Loan to Successor Agency***

The General Fund has loaned a cumulative amount of \$9,591,661 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, 2015**

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

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

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

**Note 15 – Classification of Fund Balances**

	Major Funds								Total
	General Fund	Sundry Grants Special Revenue Fund	Housing Successor Agency Fund	City Debt Service Fund	Public Financing Authority	Development Impact Fund	Park Acquisition Development Fund	Other Governmental Funds	
<b>Nonspendable</b>									
Prepaid items	\$ 32,906	\$ -	\$ -	\$ -		\$ -	\$ -	\$ -	\$ 32,906
Loans receivable	7,386,096	-	-	-		-	-	-	7,386,096
<b>Total nonspendable</b>	<b>7,419,002</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7,419,002</b>
<b>Restricted</b>									
Local law enforcement	-	707,097	-	-	-	-	-	-	707,097
Police grants	-	84,691	-	-	-	-	-	-	84,691
Asset forfeiture	-	533,027	-	-	-	-	-	-	533,027
Library services	-	26,290	-	-	-	-	-	-	26,290
HOME Program	-	792,907	-	-	-	-	-	-	792,907
Energy conservation	-	28,955	-	-	-	-	-	-	28,955
Cultural arts	-	13,763	-	-	-	-	-	-	13,763
CDBG Home Programs	-	749,104	-	-	-	-	-	-	749,104
Environmental services	-	1,313,101	-	-	-	-	-	-	1,313,101
Waste management, recycling and environ. grants	-	6,854	-	-	-	-	-	-	6,854
Community and housing development	-	27,231	9,138,907	-	-	-	-	2,010,159	11,176,297
Public facilities	-	-	-	-	-	19,378,934	-	-	19,378,934
Emergency shelter	-	2,995	-	-	-	4,164,402	-	-	4,167,397
Transportation improvements	-	52,699	-	-	-	12,916,177	-	9,181,371	22,150,247
Telegraph Canyon drainage	-	-	-	-	-	4,875,239	-	-	4,875,239
East Urban Center Millenia Ped Bridge DIF	-	-	-	-	-	125,145	-	-	125,145
Park acquisitions and development	-	-	-	-	-	-	40,447,570	-	40,447,570
Parking meter services	-	-	-	-	-	-	-	1,164,281	1,164,281
Public Educational & Govt. Fee	-	-	-	-	-	-	-	952,408	952,408
Traffic signal and safety	-	-	-	-	-	-	-	2,192,442	2,192,442
Storm drain	-	-	-	-	-	-	-	535,552	535,552
Open space maintenance	-	-	-	-	-	-	-	13,592,328	13,592,328
Telecom Utility Tax	-	-	-	-	-	-	-	1,870,405	1,870,405
Mobilehome Admin Fee	-	-	-	-	-	-	-	113,895	113,895
Assessment districts improvement	-	-	-	-	-	-	-	2,466,759	2,466,759
<b>Total restricted</b>	<b>-</b>	<b>4,338,714</b>	<b>9,138,907</b>	<b>-</b>	<b>-</b>	<b>41,459,897</b>	<b>40,447,570</b>	<b>34,079,600</b>	<b>129,464,688</b>
<b>Committed</b>									
Economic contingency	3,600,000	-	-	-	-	-	-	-	3,600,000
Capital projects	3,226,070	-	-	-	-	-	-	-	3,226,070
San Diego Authority for Freeway Emergencies	695,951	-	-	-	-	-	-	-	695,951
Legal Council	80,000	-	-	-	-	-	-	-	80,000
Debt service	-	-	-	-	9,352,108	-	-	232,068	9,584,176
<b>Total committed</b>	<b>7,602,021</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>9,352,108</b>	<b>-</b>	<b>-</b>	<b>232,068</b>	<b>17,186,197</b>
<b>Assigned</b>									
Boards & Commissions	66,044	-	-	-	-	-	-	-	66,044
City Attorney	135,060	-	-	-	-	-	-	-	135,060
City Administration	106,780	-	-	-	-	-	-	-	106,780
Information Technology Services Department	110,118	-	-	-	-	-	-	-	110,118
Human Resources	1,150	-	-	-	-	-	-	-	1,150
Finance Department	60,000	-	-	-	-	-	-	-	60,000
Non-Departmental	322,330	-	-	-	-	-	-	-	322,330
Animal Care Facility	114,991	-	-	-	-	-	-	-	114,991
Police Department	781,907	-	-	-	-	-	-	-	781,907
Fire Department	157,762	-	-	-	-	-	-	-	157,762
Public Works Department	122,650	-	-	-	-	-	-	-	122,650
Recreation Department	116,375	-	-	-	-	-	-	-	116,375
Library	5,000	-	-	-	-	-	-	-	5,000
Public liability	2,587,957	-	-	-	-	-	-	-	2,587,957
<b>Total assigned</b>	<b>4,688,124</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,688,124</b>
<b>Unassigned</b>	<b>16,412,878</b>	<b>-</b>	<b>-</b>	<b>(37,188,596)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(27,521)</b>	<b>(20,803,239)</b>
<b>Total fund balances</b>	<b>\$ 36,122,025</b>	<b>\$ 4,338,714</b>	<b>\$ 9,138,907</b>	<b>\$(37,188,596)</b>	<b>\$ 9,352,108</b>	<b>\$41,459,897</b>	<b>\$ 40,447,570</b>	<b>\$ 34,284,147</b>	<b>\$ 137,954,772</b>

**Note 16 – Prior Period Adjustments**

GASB issued Statement No. 68, *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27*, to improve the guidance for accounting and reporting on the pensions that governments provide to their employees. The accounting changes of this statement should be applied retroactively; therefore the City reported a restatement to governmental activities beginning net position of \$214,427,355, and a restatement to the business-type activities beginning net position of \$28,752,071 to establish the initial net pension liability.

The City improperly recorded interest expense and related premiums in relation to the 2014 Refunding COP that closed in 2014 that refunded the 2002 COP. This resulted in a restatement to the Public Financing Authority beginning fund balance and the governmental activities beginning net position of \$728,426.

GASB authoritative literature does not identify loans receivable as items that may have deferred inflows associated with them. In years past the City has offset long term loan receivables by unavailable revenues in the governmental funds financial statements, and subsequently recognized these unavailable revenues as revenue in the government-wide statement of activities. In order to correct this error, a restatement has been recorded to governmental activities beginning net position in the amount of \$44,102,993 to reverse revenue relating to the unavailable revenues for loans receivable previously recognized.

**Note 17 – Subsequent Events**

In July 2015 the Chula Vista Municipal Financing Authority approved the issuance of two special tax revenue refunding bonds. The bonds were issued in order to provide funds for the Authority to refund the following community facilities and reassessment district bonds: CFD No. 2001-1 Improvement Area B, CFD No. 07-1 Improvement Area B, CFD No. 12-1, CFD No. 13-1, CFD No. 2000-1, CFD No. 2001-1 Improvement Area A, CFD No. 97-3, CFD No. 99-1, and Reassessment District No. 05-2. The bonds mature through 2036 and do not represent obligations of the City in any way.

In September 2015, the City approved the issuance of a refunding COP for two out of four currently outstanding COP's. The refunding bond was issued in September 2015. The bond was used to current refund all of the City's outstanding 2004 COP's (Civic Center Project Phase 1) and to advance refund a portion of the City's outstanding 2006 COP's (Civic Center Project – Phase 2).

In August 2015, the City entered into a capital lease agreement with Panasonic Business Finance for the purchase of 99 toughbook computers. The lease is a four year lease amount is \$377,487 to be paid in monthly installments of \$8,864 beginning in August 2015.



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# REQUIRED SUPPLEMENTARY INFORMATION

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CITY OF CHULA VISTA

**BUDGETARY COMPARISON STATEMENT BY DEPARTMENT  
GENERAL FUND  
YEAR ENDED JUNE 30, 2015**

	<b>Budget Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
Budgetary Fund Balance, July 1	\$ 32,958,909	\$ 32,958,909	\$ 32,958,909	\$ -
<b>Resources (Inflows):</b>				
Taxes	97,751,170	99,459,430	100,738,431	1,279,001
Licenses and permits	1,309,447	1,309,447	1,281,656	(27,791)
Intergovernmental	2,402,154	2,767,695	1,933,114	(834,581)
Charges for services	9,183,961	9,318,961	9,430,097	111,136
Use of money and property	2,439,246	2,626,646	2,832,039	205,393
Fines and forfeitures	1,110,800	1,133,800	1,638,251	504,451
Miscellaneous	11,165,616	12,045,708	12,811,856	766,148
Transfers in	11,437,779	11,269,841	9,994,525	(1,275,316)
Capital leases	-	-	578,224	578,224
<b>Amounts Available for Appropriation</b>	<b>169,759,082</b>	<b>172,890,437</b>	<b>174,197,102</b>	<b>1,306,665</b>
<b>Charges to Appropriation (Outflow):</b>				
Current				
City council	1,326,442	1,374,326	1,248,362	125,964
City clerk	845,557	985,056	978,854	6,202
City attorney	2,603,406	2,670,653	2,513,188	157,465
Administration	2,713,733	3,063,946	2,834,122	229,824
Information technology	3,140,045	3,201,624	3,064,257	137,367
Human resources	3,841,187	4,238,110	3,008,432	1,229,678
Finance	3,776,889	3,461,581	3,282,313	179,268
Non-departmental	2,123,899	3,525,835	3,839,657	(313,822)
Board and commissions	85,076	140,576	71,993	68,583
Building and planning	2,609,039	2,637,808	2,464,305	173,503
Police	46,044,342	47,649,510	46,484,920	1,164,590
Fire	24,878,821	26,397,240	26,024,758	372,482
Parks and recreation	3,918,448	4,231,459	3,746,349	485,110
Public Works	27,939,619	28,806,584	27,822,644	983,940
Library	3,557,569	3,700,980	3,527,038	173,942
Capital outlay	1,724,067	3,105,841	1,081,105	2,024,736
Transfers out	6,462,473	6,293,417	6,082,780	210,637
<b>Total Charges to Appropriations</b>	<b>137,590,612</b>	<b>145,484,546</b>	<b>138,075,077</b>	<b>7,409,469</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 32,168,470</b>	<b>\$ 27,405,891</b>	<b>\$ 36,122,025</b>	<b>\$ 8,716,134</b>

CITY OF CHULA VISTA

BUDGETARY COMPARISON STATEMENT BY EXPENDITURE CATEGORY  
 GENERAL FUND  
 YEAR ENDED JUNE 30, 2015

	Personnel Services	Supplies and Services	Utilities	Other Expenses	Operating Capital	Transfers Out	Actual Amounts	Final Budget	Variance with Final Budget Positive (Negative)
Current:									
City council	\$ 1,170,598	\$ 65,496	\$ 9,273	\$ -	\$ 2,995	\$ -	\$ 1,248,362	\$ 1,374,326	\$ 125,964
City clerk	675,151	300,889	560	-	2,254	-	978,854	985,056	6,202
City attorney	2,216,475	292,284	1,579	-	2,850	-	2,513,188	2,670,653	157,465
Administration	2,597,200	233,552	1,228	-	2,142	-	2,834,122	3,063,946	229,824
Information technology	2,278,485	735,614	34,577	-	15,581	-	3,064,257	3,201,624	137,367
Human resources	1,933,500	598,649	1,243	465,777	9,263	-	3,008,432	4,238,110	1,229,678
Finance	3,099,528	170,338	1,714	20	10,713	-	3,282,313	3,461,581	179,268
Non-departmental	543,363	2,536,327	20,264	475,919	263,784	-	3,839,657	3,525,835	(313,822)
Board and commissions	1,839	70,154	-	-	-	-	71,993	140,576	68,583
Building and planning	2,325,459	125,644	2,182	11,020	-	-	2,464,305	2,637,808	173,503
Police	42,258,136	3,615,654	499,140	101,971	10,019	-	46,484,920	47,649,510	1,164,590
Fire	23,370,539	2,288,736	204,781	-	160,702	-	26,024,758	26,397,240	372,482
Parks and recreation	2,801,735	504,948	349,722	78,512	11,432	-	3,746,349	4,231,459	485,110
Public works	19,677,376	4,289,143	3,566,168	173,957	116,000	-	27,822,644	28,806,584	983,940
Library	2,920,581	289,333	316,713	411	-	-	3,527,038	3,700,980	173,942
Capital outlay	-	-	-	-	1,081,105	-	1,081,105	3,105,841	2,024,736
Transfers out	-	-	-	-	-	6,082,780	6,082,780	6,293,417	210,637
<b>Total Expenditures</b>	<b>\$ 107,869,965</b>	<b>\$ 16,116,761</b>	<b>\$ 5,009,144</b>	<b>\$ 1,307,587</b>	<b>\$ 1,688,840</b>	<b>\$ 6,082,780</b>	<b>\$ 138,075,077</b>	<b>\$ 145,484,546</b>	<b>\$ 7,409,469</b>

CITY OF CHULA VISTA

**BUDGETARY COMPARISON STATEMENT BY DEPARTMENT  
SUNDRY GRANTS  
YEAR ENDED JUNE 30, 2015**

	<b>Budget Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
Budgetary Fund Balance, July 1	\$ 3,292,630	\$ 3,292,630	\$ 3,292,630	\$ -
<b>Resources (Inflows):</b>				
Licenses and permits	-	11,235	-	(11,235)
Intergovernmental	13,226,030	18,511,592	14,592,562	(3,919,030)
Charges for services	1,264,279	1,264,279	1,086,836	(177,443)
Use of money and property	20,000	99,000	95,021	(3,979)
Miscellaneous	402,706	404,778	437,934	33,156
Transfers in	126,795	155,998	99,806	(56,192)
<b>Amounts Available for Appropriation</b>	<b>18,332,440</b>	<b>23,739,512</b>	<b>19,604,789</b>	<b>(4,134,723)</b>
<b>Charges to Appropriation (Outflow):</b>				
Current				
Non-departmental	2,514,024	4,230,515	1,341,322	2,889,193
Police	8,330,176	10,297,528	7,337,114	2,960,414
Parks and recreation	1,600	1,600	-	1,600
Public Works	3,938,031	6,558,551	2,626,323	3,932,228
Library	1,881	1,272,773	98,911	1,173,862
Capital outlay	-	3,364,096	2,873,073	491,023
Transfers out	996,524	996,932	989,332	7,600
<b>Total Charges to Appropriations</b>	<b>15,782,236</b>	<b>26,721,995</b>	<b>15,266,075</b>	<b>11,455,920</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 2,550,204</b>	<b>\$ (2,982,483)</b>	<b>\$ 4,338,714</b>	<b>\$ 7,321,197</b>

CITY OF CHULA VISTA

BUDGETARY COMPARISON STATEMENT BY EXPENDITURE CATEGORY  
 SUNDRY GRANTS  
 YEAR ENDED JUNE 30, 2015

	Personnel Services	Supplies and Services	Utilities	Other Expenses	Operating Capital	Transfers Out	Actual Amounts	Final Budget	Variance with Final Budget Positive (Negative)
Current:									
Non-departmental	\$ 526	\$ 14,254	\$ -	\$ 429,359	\$ 897,183	\$ -	\$ 1,341,322	\$ 4,230,515	\$ 2,889,193
Police	5,419,644	1,465,160	-	235,803	216,507	-	7,337,114	10,297,528	2,960,414
Parks and recreation	-	-	-	-	-	-	-	1,600	1,600
Public works	793,621	1,388,653	57	439,989	4,003	-	2,626,323	6,558,551	3,932,228
Library	25,505	72,158	-	-	1,248	-	98,911	1,272,773	1,173,862
Capital outlay	-	-	-	-	2,873,073	-	2,873,073	3,364,096	491,023
Transfers out	-	-	-	-	-	989,332	989,332	996,932	7,600
<b>Total Expenditures</b>	<b>\$ 6,239,296</b>	<b>\$ 2,940,225</b>	<b>\$ 57</b>	<b>\$ 1,105,151</b>	<b>\$ 3,992,014</b>	<b>\$ 989,332</b>	<b>\$ 15,266,075</b>	<b>\$ 26,721,995</b>	<b>\$ 11,455,920</b>



CITY OF CHULA VISTA

**BUDGETARY COMPARISON STATEMENT BY DEPARTMENT  
HOUSING SUCCESSOR AGENCY  
YEAR ENDED JUNE 30, 2015**

	<b>Budget Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
Budgetary Fund Balance, July 1	\$ 8,379,761	\$ 8,379,761	\$ 8,379,761	\$ -
<b>Resources (Inflows):</b>				
Use of money and property	17,885	17,885	763,355	745,470
Miscellaneous	-	-	203,099	203,099
Transfers in	1,927,748	1,927,748	-	(1,927,748)
<b>Amounts Available for Appropriation</b>	<b>10,325,394</b>	<b>10,325,394</b>	<b>9,346,215</b>	<b>(979,179)</b>
<b>Charges to Appropriation (Outflow):</b>				
Current				
Housing	248,932	250,322	207,308	43,014
<b>Total Charges to Appropriations</b>	<b>248,932</b>	<b>250,322</b>	<b>207,308</b>	<b>43,014</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 10,076,462</b>	<b>\$ 10,075,072</b>	<b>\$ 9,138,907</b>	<b>\$ (936,165)</b>

CITY OF CHULA VISTA

BUDGETARY COMPARISON STATEMENT BY EXPENDITURE CATEGORY  
 HOUSING SUCCESSOR AGENCY  
 YEAR ENDED JUNE 30, 2015

	Personnel Services	Supplies and Services	Utilities	Other Expenses	Operating Capital	Transfers Out	Actual Amounts	Final Budget	Variance with Final Budget Positive (Negative)
Current:									
Housing	\$ -	\$ 25,089	\$ -	\$ 178,534	\$ 3,685	\$ -	\$ 207,308	\$ 250,322	\$ 43,014
<b>Total Expenditures</b>	<b>\$ -</b>	<b>\$ 25,089</b>	<b>\$ -</b>	<b>\$ 178,534</b>	<b>\$ 3,685</b>	<b>\$ -</b>	<b>\$ 207,308</b>	<b>\$ 250,322</b>	<b>\$ 43,014</b>

CITY OF CHULA VISTA

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

MEASUREMENT PERIOD	2015
<b>TOTAL PENSION LIABILITY</b>	
Service Cost	\$ 8,696,183
Interest	32,359,841
Benefit Payments, Including Refunds of employee Contributions	(18,639,387)
<b>Net Change in Total Pension Liability</b>	<b>\$ 22,416,637</b>
<b>Total Pension Liability - Beginning</b>	<b>436,436,153</b>
<b>Total Pension Liability - Ending (a)</b>	<b>\$ 458,852,790</b>
<b>PLAN FIDUCIARY NET POSITION</b>	
Contribution - Employer	\$ 9,134,182
Contribution - Employee	4,555,300
Net Investment Income	48,303,496
Benefit Payments, Including Refunds of Employee Contributions	(18,639,387)
<b>Net Change in Fiduciary Net Position</b>	<b>\$ 43,353,591</b>
<b>Plan Fiduciary Net Position - Beginning</b>	<b>279,540,671</b>
<b>Plan Fiduciary Net Position - Ending (b)</b>	<b>\$ 322,894,262</b>
<b>Plan Net Pension Liability/(Assets) - Ending (a) - (b)</b>	<b>\$ 135,958,528</b>
<b>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</b>	<b>70.37%</b>
<b>Covered-Employee Payroll</b>	<b>\$ 43,180,809</b>
<b>Plan Net Pension Liability/(Asset) as a Percentage of Covered-Employee Payroll</b>	<b>314.86%</b>

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

(2) Net of administrative expenses.

**Notes to Schedule:**

Benefit Changes: The figures above do not include any liability impact that may have resulted from plan changes which occurred after June 30, 2013. 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: There were no changes in assumptions.

**CITY OF CHULA VISTA**

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

	<u>2015</u>
Actuarially Determined Contribution	\$ 9,637,382
Contribution in Relation to the Actuarially Determined Contribution	<u>(9,637,382)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>
Covered-Employee Payroll	\$ 44,921,582
Contributions as a Percentage of Covered-Employee Payroll	21.45%

(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 one year is shown.

**Note to Schedule:**

Valuation Date:	June 30, 2012
Methods and assumptions used to determine contribution rates:	
Actuarial cost method	Entry age normal
Amortization method	Level percentage of payroll
Assets valuation method	5-year smoothed market
Inflation	2.75%
Salary Increases	3.3% to 14.2% depending on Age, Service and type of employment
Payroll Growth	3.00%
Investment rate of return	7.5% net of pension plan investment and administrative expenses, including inflation.
Retirement age	67 years old
Mortality	RP-2000 Healthy 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)**

<b>MEASUREMENT PERIOD</b>	<u><b>2015</b></u>
<b>TOTAL PENSION LIABILITY</b>	
Service Cost	\$ 10,220,233
Interest	28,334,465
Benefit Payments, Including Refunds of employee Contributions	(15,869,862)
<b>Net Change in Total Pension Liability</b>	<u><b>\$ 22,684,836</b></u>
<b>Total Pension Liability - Beginning</b>	<b>380,617,699</b>
<b>Total Pension Liability - Ending (a)</b>	<u><u><b>\$ 403,302,535</b></u></u>
<b>PLAN FIDUCIARY NET POSITION</b>	
Contribution - Employer	\$ 11,684,174
Contribution - Employee	3,157,921
Net Investment Income	47,649,285
Benefit Payments, Including Refunds of Employee Contributions	(15,869,862)
<b>Net Change in Fiduciary Net Position</b>	<u><b>\$ 46,621,518</b></u>
<b>Plan Fiduciary Net Position - Beginning</b>	<b>273,515,399</b>
<b>Plan Fiduciary Net Position - Ending (b)</b>	<u><u><b>\$ 320,136,917</b></u></u>
<b>Plan Net Pension Liability/(Assets) - Ending (a) - (b)</b>	<u><u><b>\$ 83,165,618</b></u></u>
<b>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</b>	<b>79.38%</b>
<b>Covered-Employee Payroll</b>	<b>\$ 34,932,605</b>
<b>Plan Net Pension Liability/(Asset) as a Percentage of Covered-Employee Payroll</b>	<b>238.07%</b>

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

(2) Net of administrative expenses.

**Notes to Schedule:**

Benefit Changes: The figures above do not include any liability impact that may have resulted from plan changes which occurred after June 30, 2013. 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: There were no changes in assumptions.

**CITY OF CHULA VISTA**

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

	<u>2015</u>
Actuarially Determined Contribution	\$ 12,553,815
Contribution in Relation to the Actuarially Determined Contribution	<u>(12,553,815)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>
Covered-Employee Payroll	\$ 37,153,246
Contributions as a Percentage of Covered-Employee Payroll	33.79%

(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 one year is shown.

**Note to Schedule:**

Valuation Date:	June 30, 2012
Methods and assumptions used to determine contribution rates:	
Actuarial cost method	Entry age normal
Amortization method	Level percentage of payroll
Assets valuation method	5-year smoothed market
Inflation	2.75%
Salary Increases	3.3% to 14.2% depending on Age, Service and type of employment
Payroll Growth	3.00%
Investment rate of return	7.5% net of pension plan investment and administrative expenses, including inflation.
Retirement age	67 years old
Mortality	RP-2000 Healthy Annuitant Mortality Table

CITY OF CHULA VISTA

REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF FUNDING PROGRESS  
 YEAR ENDED JUNE 30, 2015

*Other Post Employment Benefits - Schedule of Funding Progress*

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

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
JUNE 30, 2015

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**1. BUDGETARY INFORMATION**

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

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

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

An annual budget for the year ended June 30, 2015, was adopted and approved by the City Council for the general, special revenue and debt service funds except for the Developer's Deposit Special Revenue fund, which is used to account for various developer deposit for development projects and is used to fund staff costs and other costs related to specific projects. These budgets are prepared on the modified accrual basis of accounting.





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# SUPPLEMENTARY INFORMATION

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# NON-MAJOR GOVERNMENTAL FUNDS

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## SPECIAL REVENUE FUNDS:

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

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

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

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

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

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

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

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

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

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

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# NON-MAJOR GOVERNMENTAL FUNDS

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

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

***Utility Tax Settlement*** — This fund is used to account for funds in accordance with a 2014 settlement agreement that resolved a class action lawsuit challenging the City's collection of Telephone Users' Taxes from wireless customers.

## **DEBT SERVICE FUNDS:**

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

***Lease Payable*** - This fund is used to account for the City's portion of the infrastructure and financing costs of the San Diego County regional communications systems (RCS) and lease purchase of the Fire Department's medical resuscitation equipment.

## **CAPITAL PROJECTS FUNDS:**

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

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

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

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

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## NON-MAJOR GOVERNMENTAL FUNDS

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

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

*Capital Projects Fund* - This fund was established to record the activity for various ongoing capital projects.



CITY OF CHULA VISTA

COMBINING BALANCE SHEET  
NON-MAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2015

	Special Revenue Funds				
	Transportation Grants	Parking Meter	Traffic Safety	Traffic Signal	Storm Drain
<b>Assets:</b>					
Pooled cash and investments	\$ 5,788,867	\$ 1,213,716	\$ 55,015	\$ 2,138,449	\$ 511,270
Receivables:					
Accounts	-	26,517	-	-	87,185
Taxes	-	-	-	-	-
Accrued interest	-	-	-	-	-
Deferred loans	-	-	-	-	-
Allowance for uncollectible deferred loans	-	-	-	-	-
Due from other governments	-	-	-	-	-
<b>Total Assets</b>	<b><u>\$ 5,788,867</u></b>	<b><u>\$ 1,240,233</u></b>	<b><u>\$ 55,015</u></b>	<b><u>\$ 2,138,449</u></b>	<b><u>\$ 598,455</u></b>
<b>Liabilities and Fund Balances:</b>					
<b>Liabilities:</b>					
Accounts payable	\$ -	\$ 75,952	\$ 1,022	\$ -	\$ 62,903
Accrued liabilities	-	-	-	-	-
Unearned revenues	-	-	-	-	-
Pass-through payables	5,437	-	-	-	-
Due to other funds	-	-	-	-	-
<b>Total Liabilities</b>	<b><u>5,437</u></b>	<b><u>75,952</u></b>	<b><u>1,022</u></b>	<b><u>-</u></b>	<b><u>62,903</u></b>
<b>Fund Balances:</b>					
<b>Restricted for:</b>					
Community development projects	5,783,430	-	-	-	-
Public safety	-	1,164,281	53,993	2,138,449	-
Parks and recreation	-	-	-	-	-
Capital Projects	-	-	-	-	535,552
<b>Committed to:</b>					
Debt service	-	-	-	-	-
<b>Unassigned</b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>
<b>Total Fund Balances</b>	<b><u>5,783,430</u></b>	<b><u>1,164,281</u></b>	<b><u>53,993</u></b>	<b><u>2,138,449</u></b>	<b><u>535,552</u></b>
<b>Total Liabilities and Fund Balances</b>	<b><u>\$ 5,788,867</u></b>	<b><u>\$ 1,240,233</u></b>	<b><u>\$ 55,015</u></b>	<b><u>\$ 2,138,449</u></b>	<b><u>\$ 598,455</u></b>

CITY OF CHULA VISTA

COMBINING BALANCE SHEET  
 NON-MAJOR GOVERNMENTAL FUNDS  
 JUNE 30, 2015

	Special Revenue Funds			
	Town Center I	Open Space Districts	Housing Programs	Housing Authority
<b>Assets:</b>				
Pooled cash and investments	\$ 51,579	\$ 14,349,076	\$ 120,164	\$ 1,103,104
Receivables:				
Accounts	-	-	-	10,000
Taxes	-	36,589	-	-
Accrued interest	-	-	11,803	-
Deferred loans	-	-	599,164	2,271,742
Allowance for uncollectible deferred loans	-	-	(99,217)	(2,271,742)
Due from other governments	-	-	40,139	-
<b>Total Assets</b>	<b>\$ 51,579</b>	<b>\$ 14,385,665</b>	<b>\$ 672,053</b>	<b>\$ 1,113,104</b>
<b>Liabilities and Fund Balances:</b>				
<b>Liabilities:</b>				
Accounts payable	\$ -	\$ 793,334	\$ 30,755	\$ 3,445
Accrued liabilities	-	-	-	23,480
Unearned revenues	-	-	-	-
Pass-through payables	-	-	-	-
Due to other funds	-	-	-	-
<b>Total Liabilities</b>	<b>-</b>	<b>793,334</b>	<b>30,755</b>	<b>26,925</b>
<b>Fund Balances:</b>				
<b>Restricted for:</b>				
Community development projects	-	-	641,298	1,086,179
Public safety	-	-	-	-
Parks and recreation	-	-	-	-
Capital Projects	51,579	13,592,331	-	-
<b>Committed to:</b>				
Debt service	-	-	-	-
<b>Unassigned</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Fund Balances</b>	<b>51,579</b>	<b>13,592,331</b>	<b>641,298</b>	<b>1,086,179</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 51,579</b>	<b>\$ 14,385,665</b>	<b>\$ 672,053</b>	<b>\$ 1,113,104</b>



CITY OF CHULA VISTA

COMBINING BALANCE SHEET  
 NON-MAJOR GOVERNMENTAL FUNDS  
 JUNE 30, 2015

	Special Revenue Funds			
	Transportation Sales Tax	Mobile Park Fee	Public Education and Govt Fee	Utility Tax Settlement
<b>Assets:</b>				
Pooled cash and investments	\$ 4,534,757	\$ 115,740	\$ 783,559	\$ 2,041,688
Receivables:				
Accounts	20,872	-	-	-
Taxes	-	-	173,349	-
Accrued interest	-	-	-	-
Deferred loans	-	-	-	-
Allowance for uncollectible deferred loans	-	-	-	-
Due from other governments	152,973	-	-	-
<b>Total Assets</b>	<b>\$ 4,708,602</b>	<b>\$ 115,740</b>	<b>\$ 956,908</b>	<b>\$ 2,041,688</b>
<b>Liabilities and Fund Balances:</b>				
<b>Liabilities:</b>				
Accounts payable	\$ 1,285,739	\$ 1,846	\$ 4,500	\$ 171,283
Accrued liabilities	-	-	-	-
Unearned revenues	90,785	-	-	-
Pass-through payables	141,284	-	-	-
Due to other funds	-	-	-	-
<b>Total Liabilities</b>	<b>1,517,808</b>	<b>1,846</b>	<b>4,500</b>	<b>171,283</b>
<b>Fund Balances:</b>				
<b>Restricted for:</b>				
Community development projects	-	-	952,408	-
Public safety	-	-	-	-
Parks and recreation	-	113,894	-	-
Capital Projects	3,190,794	-	-	1,870,405
<b>Committed to:</b>				
Debt service	-	-	-	-
<b>Unassigned</b>	-	-	-	-
<b>Total Fund Balances</b>	<b>3,190,794</b>	<b>113,894</b>	<b>952,408</b>	<b>1,870,405</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 4,708,602</b>	<b>\$ 115,740</b>	<b>\$ 956,908</b>	<b>\$ 2,041,688</b>

CITY OF CHULA VISTA

COMBINING BALANCE SHEET  
 NON-MAJOR GOVERNMENTAL FUNDS  
 JUNE 30, 2015

	<b>Capital Projects Funds</b>			
	<b>Residential Construction Tax</b>	<b>Highway Safety</b>	<b>Industrial Development Authority</b>	<b>Assessment District Improvement</b>
<b>Assets:</b>				
Pooled cash and investments	\$ 231,052	\$ 46,050	\$ 51	\$ 2,466,653
Receivables:				
Accounts	-	-	-	-
Taxes	-	-	-	105
Accrued interest	-	-	-	-
Deferred loans	-	-	-	-
Allowance for uncollectible deferred loans	-	-	-	-
Due from other governments	-	-	-	-
<b>Total Assets</b>	<b>\$ 231,052</b>	<b>\$ 46,050</b>	<b>\$ 51</b>	<b>\$ 2,466,758</b>
<b>Liabilities and Fund Balances:</b>				
<b>Liabilities:</b>				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Accrued liabilities	-	-	-	-
Unearned revenues	-	-	-	-
Pass-through payables	-	-	-	-
Due to other funds	-	-	-	-
<b>Total Liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balances:</b>				
<b>Restricted for:</b>				
Community development projects	-	-	-	-
Public safety	-	46,050	-	-
Parks and recreation	-	-	-	-
Capital Projects	231,052	-	51	2,466,758
<b>Committed to:</b>				
Debt service	-	-	-	-
<b>Unassigned</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Fund Balances</b>	<b>231,052</b>	<b>46,050</b>	<b>51</b>	<b>2,466,758</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 231,052</b>	<b>\$ 46,050</b>	<b>\$ 51</b>	<b>\$ 2,466,758</b>

CITY OF CHULA VISTA

COMBINING BALANCE SHEET  
NON-MAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2015

	Capital Projects Funds			Debt Service Funds	
	Transportation Partnership Fund	Other Transportation Program Fund	Capital Projects Fund	Notes Payable	Lease Payable
<b>Assets:</b>					
Pooled cash and investments	\$ 29,262	\$ -	\$ 127,811	\$ -	\$ 232,068
Receivables:					
Accounts	-	-	-	-	-
Taxes	-	-	-	-	-
Accrued interest	-	-	-	-	-
Deferred loans	-	-	-	-	-
Allowance for uncollectible deferred loans	-	-	-	-	-
Due from other governments	-	2,303,027	-	-	-
<b>Total Assets</b>	<b>\$ 29,262</b>	<b>\$ 2,303,027</b>	<b>\$ 127,811</b>	<b>\$ -</b>	<b>\$ 232,068</b>
<b>Liabilities and Fund Balances:</b>					
<b>Liabilities:</b>					
Accounts payable	\$ -	\$ 125,001	\$ -	\$ 2,252	\$ -
Accrued liabilities	-	-	-	-	-
Unearned revenues	-	1,476,580	-	-	-
Pass-through payables	-	69,298	-	-	-
Due to other funds	-	628,125	-	25,269	-
<b>Total Liabilities</b>	<b>-</b>	<b>2,299,004</b>	<b>-</b>	<b>27,521</b>	<b>-</b>
<b>Fund Balances:</b>					
<b>Restricted for:</b>					
Community development projects	-	-	-	-	-
Public safety	29,262	-	-	-	-
Parks and recreation	-	-	-	-	-
Capital Projects	-	4,023	127,811	-	-
<b>Committed to:</b>					
Debt service	-	-	-	-	232,068
<b>Unassigned</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(27,521)</b>	<b>-</b>
<b>Total Fund Balances</b>	<b>29,262</b>	<b>4,023</b>	<b>127,811</b>	<b>(27,521)</b>	<b>232,068</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 29,262</b>	<b>\$ 2,303,027</b>	<b>\$ 127,811</b>	<b>\$ -</b>	<b>\$ 232,068</b>

CITY OF CHULA VISTA

COMBINING BALANCE SHEET  
 NON-MAJOR GOVERNMENTAL FUNDS  
 JUNE 30, 2015

	<b>Total Governmental Funds</b>
<b>Assets:</b>	
Pooled cash and investments	\$ 35,939,931
Receivables:	
Accounts	144,574
Taxes	210,043
Accrued interest	11,803
Deferred loans	2,870,906
Allowance for uncollectible deferred loans	(2,370,959)
Due from other governments	2,496,139
<b>Total Assets</b>	<b>\$ 39,302,437</b>
<b>Liabilities and Fund Balances:</b>	
<b>Liabilities:</b>	
Accounts payable	\$ 2,558,032
Accrued liabilities	23,480
Unearned revenues	1,567,365
Pass-through payables	216,019
Due to other funds	653,394
<b>Total Liabilities</b>	<b>5,018,290</b>
<b>Fund Balances:</b>	
<b>Restricted for:</b>	
Community development projects	8,463,315
Public safety	3,432,035
Parks and recreation	113,894
Capital Projects	22,070,356
<b>Committed to:</b>	
Debt service	232,068
<b>Unassigned</b>	<b>(27,521)</b>
<b>Total Fund Balances</b>	<b>34,284,147</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 39,302,437</b>

## CITY OF CHULA VISTA

COMBINING STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES  
NON-MAJOR GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2015

	Special Revenue Funds				
	Transportation Grants	Parking Meter	Traffic Safety	Traffic Signal	Storm Drain
<b>Revenues:</b>					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	40,598	-	-	-
Intergovernmental	6,483,721	-	-	-	-
Charges for services	-	-	-	279,738	624,522
Use of money and property	34,802	382,446	234	12,978	(833)
Fines and forfeitures	-	173,565	441,515	-	24,431
Miscellaneous	1,456	6	-	126,426	-
<b>Total Revenues</b>	<b>6,519,979</b>	<b>596,615</b>	<b>441,749</b>	<b>419,142</b>	<b>648,120</b>
<b>Expenditures:</b>					
Current:					
General government	-	-	-	-	-
Public safety	-	367,348	20,959	-	-
Public works	-	-	-	931	324,797
Capital outlay	3,097,249	30,409	-	159,895	-
Debt service:					
Principal retirement	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
<b>Total Expenditures</b>	<b>3,097,249</b>	<b>397,757</b>	<b>20,959</b>	<b>160,826</b>	<b>324,797</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	3,422,730	198,858	420,790	258,316	323,323
<b>Other Financing Sources (Uses):</b>					
Transfers in	-	-	-	25,737	-
Transfers out	(4,259,428)	-	(399,140)	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>(4,259,428)</b>	<b>-</b>	<b>(399,140)</b>	<b>25,737</b>	<b>-</b>
Net Change in Fund Balances	(836,698)	198,858	21,650	284,053	323,323
Fund Balances, Beginning of Year	6,620,128	965,423	32,343	1,854,396	212,229
<b>Fund Balances, End of Year</b>	<b>\$ 5,783,430</b>	<b>\$ 1,164,281</b>	<b>\$ 53,993</b>	<b>\$ 2,138,449</b>	<b>\$ 535,552</b>

## CITY OF CHULA VISTA

COMBINING STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES  
NON-MAJOR GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2015

	Special Revenue Funds			
	Town Center I	Open Space Districts	Housing Programs	Housing Authority
<b>Revenues:</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	-	114,043	-
Charges for services	-	8,682,473	-	8,458
Use of money and property	330	91,223	329	15,940
Fines and forfeitures	-	-	-	-
Miscellaneous	-	-	37,242	829,272
<b>Total Revenues</b>	<b>330</b>	<b>8,773,696</b>	<b>151,614</b>	<b>853,670</b>
<b>Expenditures:</b>				
Current:				
General government	-	-	114,990	584,533
Public safety	-	-	-	-
Public works	-	10,540,183	-	-
Capital outlay	-	7,303	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
<b>Total Expenditures</b>	<b>-</b>	<b>10,547,486</b>	<b>114,990</b>	<b>584,533</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	330	(1,773,790)	36,624	269,137
<b>Other Financing Sources (Uses):</b>				
Transfers in	-	-	-	-
Transfers out	-	-	-	(177,145)
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(177,145)</b>
Net Change in Fund Balances	330	(1,773,790)	36,624	91,992
Fund Balances, Beginning of Year	51,249	15,366,121	604,674	994,187
<b>Fund Balances, End of Year</b>	<b>\$ 51,579</b>	<b>\$ 13,592,331</b>	<b>\$ 641,298</b>	<b>\$ 1,086,179</b>

## CITY OF CHULA VISTA

COMBINING STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES  
NON-MAJOR GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2015

	Special Revenue Funds			
	Transportation Sales Tax	Mobile Park Fee	Public Education and Govt Fee	Utility Tax Settlement
<b>Revenues:</b>				
Taxes	\$ 11,489,633	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	358,787	-	-	-
Charges for services	-	-	-	-
Use of money and property	12,120	904	4,141	20,781
Fines and forfeitures	-	-	-	-
Miscellaneous	384,446	84,180	679,354	14,374
<b>Total Revenues</b>	<b>12,244,986</b>	<b>85,084</b>	<b>683,495</b>	<b>35,155</b>
<b>Expenditures:</b>				
Current:				
General government	-	52,294	310,135	378,903
Public safety	-	-	-	-
Public works	56,742	-	-	-
Capital outlay	8,542,154	-	-	1,422,433
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
<b>Total Expenditures</b>	<b>8,598,896</b>	<b>52,294</b>	<b>310,135</b>	<b>1,801,336</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	3,646,090	32,790	373,360	(1,766,181)
<b>Other Financing Sources (Uses):</b>				
Transfers in	4,077	-	-	-
Transfers out	-	-	-	(610,000)
<b>Total Other Financing Sources (Uses)</b>	<b>4,077</b>	<b>-</b>	<b>-</b>	<b>(610,000)</b>
Net Change in Fund Balances	3,650,167	32,790	373,360	(2,376,181)
Fund Balances, Beginning of Year	(459,373)	81,104	579,048	4,246,586
<b>Fund Balances, End of Year</b>	<b>\$ 3,190,794</b>	<b>\$ 113,894</b>	<b>\$ 952,408</b>	<b>\$ 1,870,405</b>

## CITY OF CHULA VISTA

COMBINING STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES  
NON-MAJOR GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2015

	Capital Projects Funds			
	Residential Construction Tax	Highway Safety	Industrial Development Authority	Assessment District Improvement
<b>Revenues:</b>				
Taxes	\$ 366,650	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Use of money and property	1,013	314	-	14,741
Fines and forfeitures	-	-	-	-
Miscellaneous	-	-	-	18,865
<b>Total Revenues</b>	<b>367,663</b>	<b>314</b>	<b>-</b>	<b>33,606</b>
<b>Expenditures:</b>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Capital outlay	-	-	-	42,832
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
<b>Total Expenditures</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>42,832</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	367,663	314	-	(9,226)
<b>Other Financing Sources (Uses):</b>				
Transfers in	302,779	-	-	-
Transfers out	(642,015)	-	-	(33,376)
<b>Total Other Financing Sources (Uses)</b>	<b>(339,236)</b>	<b>-</b>	<b>-</b>	<b>(33,376)</b>
Net Change in Fund Balances	28,427	314	-	(42,602)
Fund Balances, Beginning of Year	202,625	45,736	51	2,509,360
<b>Fund Balances, End of Year</b>	<b>\$ 231,052</b>	<b>\$ 46,050</b>	<b>\$ 51</b>	<b>\$ 2,466,758</b>



CITY OF CHULA VISTA

COMBINING STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES  
NON-MAJOR GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2015

	Capital Projects Funds			Debt Service Funds	
	Transportation Partnership	Other Transportation Program Fund	Capital Projects Fund	Notes Payable	Lease Payable
<b>Revenues:</b>					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-
Intergovernmental	-	2,927,067	-	-	-
Charges for services	-	-	-	-	-
Use of money and property	188	-	2	(1,014)	1,698
Fines and forfeitures	-	-	-	-	-
Miscellaneous	-	-	150,000	98,304	55,380
<b>Total Revenues</b>	<b>188</b>	<b>2,927,067</b>	<b>150,002</b>	<b>97,290</b>	<b>57,078</b>
<b>Expenditures:</b>					
Current:					
General government	-	-	-	-	-
Public safety	-	-	-	-	-
Public works	-	-	-	-	-
Capital outlay	-	2,897,253	22,191	-	-
Debt service:					
Principal retirement	-	-	-	1,019,434	260,771
Interest and fiscal charges	-	-	-	546,664	91,386
<b>Total Expenditures</b>	<b>-</b>	<b>2,897,253</b>	<b>22,191</b>	<b>1,566,098</b>	<b>352,157</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	188	29,814	127,811	(1,468,808)	(295,079)
<b>Other Financing Sources (Uses):</b>					
Transfers in	-	-	-	1,437,095	296,778
Transfers out	-	(29,814)	-	-	(40,482)
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>(29,814)</b>	<b>-</b>	<b>1,437,095</b>	<b>256,296</b>
Net Change in Fund Balances	188	-	127,811	(31,713)	(38,783)
Fund Balances, Beginning of Year	29,074	4,023	-	4,192	270,851
<b>Fund Balances, End of Year</b>	<b>\$ 29,262</b>	<b>\$ 4,023</b>	<b>\$ 127,811</b>	<b>\$ (27,521)</b>	<b>\$ 232,068</b>

CITY OF CHULA VISTA

COMBINING STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES  
NON-MAJOR GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2015

	<b>Total Governmental Funds</b>
<b>Revenues:</b>	
Taxes	\$ 11,856,283
Licenses and permits	40,598
Intergovernmental	9,883,618
Charges for services	9,595,191
Use of money and property	592,337
Fines and forfeitures	639,511
Miscellaneous	2,479,305
	<hr/>
<b>Total Revenues</b>	<b>35,086,843</b>
	<hr/>
<b>Expenditures:</b>	
Current:	
General government	1,440,855
Public safety	388,307
Public works	10,922,653
Capital outlay	16,221,719
Debt service:	
Principal retirement	1,280,205
Interest and fiscal charges	638,050
	<hr/>
<b>Total Expenditures</b>	<b>30,891,789</b>
	<hr/>
Excess (Deficiency) of Revenues Over (Under) Expenditures	4,195,054
	<hr/>
<b>Other Financing Sources (Uses):</b>	
Transfers in	2,066,466
Transfers out	(6,191,400)
	<hr/>
<b>Total Other Financing Sources (Uses)</b>	<b>(4,124,934)</b>
	<hr/>
Net Change in Fund Balances	70,120
	<hr/>
Fund Balances, Beginning of Year	34,214,027
	<hr/>
<b>Fund Balances, End of Year</b>	<b>\$ 34,284,147</b>
	<hr/> <hr/>

CITY OF CHULA VISTA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
 TRANSPORTATION GRANTS  
 YEAR ENDED JUNE 30, 2015

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Intergovernmental	\$ 6,159,431	\$ 6,159,431	\$ 6,483,721	\$ 324,290
Use of money and property	-	-	34,802	34,802
Other revenues	-	-	1,456	1,456
<b>Total Revenues</b>	<b>6,159,431</b>	<b>6,159,431</b>	<b>6,519,979</b>	<b>360,548</b>
<b>Expenditures:</b>				
Capital outlay	2,580,000	7,633,859	3,097,249	4,536,610
<b>Total Expenditures</b>	<b>2,580,000</b>	<b>7,633,859</b>	<b>3,097,249</b>	<b>4,536,610</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	3,579,431	(1,474,428)	3,422,730	4,897,158
<b>Other Financing Sources (Uses):</b>				
Transfers out	(4,259,428)	(4,259,428)	(4,259,428)	-
<b>Total Other Financing Sources (Uses)</b>	<b>(4,259,428)</b>	<b>(4,259,428)</b>	<b>(4,259,428)</b>	<b>-</b>
Net Change in Fund Balances	(679,997)	(5,733,856)	(836,698)	4,897,158
Fund Balances, Beginning of Year	6,620,128	6,620,128	6,620,128	-
<b>Fund Balances, End of Year</b>	<b>\$ 5,940,131</b>	<b>\$ 886,272</b>	<b>\$ 5,783,430</b>	<b>\$ 4,897,158</b>

CITY OF CHULA VISTA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
 PARKING METER  
 YEAR ENDED JUNE 30, 2015

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Licenses and permits	\$ 35,000	\$ 35,000	\$ 40,598	\$ 5,598
Use of money and property	350,000	350,000	382,446	32,446
Fines and forfeitures	200,000	200,000	173,565	(26,435)
Other revenues	-	-	6	6
<b>Total Revenues</b>	<b>585,000</b>	<b>585,000</b>	<b>596,615</b>	<b>11,615</b>
<b>Expenditures:</b>				
Current:				
Public safety	398,555	406,250	367,348	38,902
Capital outlay	100,000	441,831	30,409	411,422
<b>Total Expenditures</b>	<b>498,555</b>	<b>848,081</b>	<b>397,757</b>	<b>450,324</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	86,445	(263,081)	198,858	461,939
Net Change in Fund Balances	86,445	(263,081)	198,858	461,939
Fund Balances, Beginning of Year	965,423	965,423	965,423	-
<b>Fund Balances, End of Year</b>	<b>\$ 1,051,868</b>	<b>\$ 702,342</b>	<b>\$ 1,164,281</b>	<b>\$ 461,939</b>

CITY OF CHULA VISTA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
 TRAFFIC SAFETY  
 YEAR ENDED JUNE 30, 2015

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Use of money and property	\$ -	\$ -	\$ 234	\$ 234
Fines and forfeitures	437,640	437,640	441,515	3,875
<b>Total Revenues</b>	<b>437,640</b>	<b>437,640</b>	<b>441,749</b>	<b>4,109</b>
<b>Expenditures:</b>				
Current:				
Public safety	38,500	38,500	20,959	17,541
<b>Total Expenditures</b>	<b>38,500</b>	<b>38,500</b>	<b>20,959</b>	<b>17,541</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	399,140	399,140	420,790	21,650
<b>Other Financing Sources (Uses):</b>				
Transfers out	(399,140)	(399,140)	(399,140)	-
<b>Total Other Financing Sources (Uses)</b>	<b>(399,140)</b>	<b>(399,140)</b>	<b>(399,140)</b>	<b>-</b>
Net Change in Fund Balances	-	-	21,650	21,650
Fund Balances, Beginning of Year	32,343	32,343	32,343	-
<b>Fund Balances, End of Year</b>	<b>\$ 32,343</b>	<b>\$ 32,343</b>	<b>\$ 53,993</b>	<b>\$ 21,650</b>

CITY OF CHULA VISTA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
 TRAFFIC SIGNAL  
 YEAR ENDED JUNE 30, 2015

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Charges for services	\$ -	\$ -	\$ 279,738	\$ 279,738
Use of money and property	-	-	12,978	12,978
Other revenues	-	-	126,426	126,426
<b>Total Revenues</b>	<b>-</b>	<b>-</b>	<b>419,142</b>	<b>419,142</b>
<b>Expenditures:</b>				
Current:				
Public works	15,000	15,000	931	14,069
Capital outlay	800,000	1,592,052	159,895	1,432,157
<b>Total Expenditures</b>	<b>815,000</b>	<b>1,607,052</b>	<b>160,826</b>	<b>1,446,226</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(815,000)	(1,607,052)	258,316	1,865,368
<b>Other Financing Sources (Uses):</b>				
Transfers in	-	25,738	25,737	(1)
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>25,738</b>	<b>25,737</b>	<b>(1)</b>
Net Change in Fund Balances	(815,000)	(1,581,314)	284,053	1,865,367
Fund Balances, Beginning of Year	1,854,396	1,854,396	1,854,396	-
<b>Fund Balances, End of Year</b>	<b>\$ 1,039,396</b>	<b>\$ 273,082</b>	<b>\$ 2,138,449</b>	<b>\$ 1,865,367</b>

CITY OF CHULA VISTA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
 STORM DRAIN  
 YEAR ENDED JUNE 30, 2015

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Licenses and permits	\$ 23,750	\$ 23,750	\$ -	\$ (23,750)
Charges for services	555,500	555,500	624,522	69,022
Use of money and property	-	-	(833)	(833)
Fines and forfeitures	5,000	5,000	24,431	19,431
<b>Total Revenues</b>	<b>584,250</b>	<b>584,250</b>	<b>648,120</b>	<b>63,870</b>
<b>Expenditures:</b>				
Current:				
General government	250	250	-	250
Public works	348,650	348,650	324,797	23,853
<b>Total Expenditures</b>	<b>348,900</b>	<b>348,900</b>	<b>324,797</b>	<b>24,103</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	235,350	235,350	323,323	87,973
<b>Other Financing Sources (Uses):</b>				
Transfers out	(487,378)	(487,378)	-	487,378
<b>Total Other Financing Sources (Uses)</b>	<b>(487,378)</b>	<b>(487,378)</b>	<b>-</b>	<b>487,378</b>
Net Change in Fund Balances	(252,028)	(252,028)	323,323	575,351
Fund Balances, Beginning of Year	212,229	212,229	212,229	-
<b>Fund Balances, End of Year</b>	<b>\$ (39,799)</b>	<b>\$ (39,799)</b>	<b>\$ 535,552</b>	<b>\$ 575,351</b>

CITY OF CHULA VISTA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
 TOWN CENTER I  
 YEAR ENDED JUNE 30, 2015

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Use of money and property	\$ -	\$ -	\$ 330	\$ 330
<b>Total Revenues</b>	<b>-</b>	<b>-</b>	<b>330</b>	<b>330</b>
<b>Expenditures:</b>				
Capital outlay	-	10,433	-	10,433
<b>Total Expenditures</b>	<b>-</b>	<b>10,433</b>	<b>-</b>	<b>10,433</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	(10,433)	330	10,763
Net Change in Fund Balances	-	(10,433)	330	10,763
Fund Balances, Beginning of Year	51,249	51,249	51,249	-
<b>Fund Balances, End of Year</b>	<b>\$ 51,249</b>	<b>\$ 40,816</b>	<b>\$ 51,579</b>	<b>\$ 10,763</b>



CITY OF CHULA VISTA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
 OPEN SPACE DISTRICTS  
 YEAR ENDED JUNE 30, 2015

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Charges for services	\$ 12,062,234	\$ 11,862,234	\$ 8,682,473	\$ (3,179,761)
Use of money and property	-	-	91,223	91,223
<b>Total Revenues</b>	<b>12,062,234</b>	<b>11,862,234</b>	<b>8,773,696</b>	<b>(3,088,538)</b>
<b>Expenditures:</b>				
Current:				
Public works	11,662,234	12,168,871	10,540,183	1,628,688
Capital outlay	200,000	200,000	7,303	192,697
<b>Total Expenditures</b>	<b>11,862,234</b>	<b>12,368,871</b>	<b>10,547,486</b>	<b>1,821,385</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	200,000	(506,637)	(1,773,790)	(1,267,153)
Net Change in Fund Balances	200,000	(506,637)	(1,773,790)	(1,267,153)
Fund Balances, Beginning of Year	15,366,121	15,366,121	15,366,121	-
<b>Fund Balances, End of Year</b>	<b>\$ 15,566,121</b>	<b>\$ 14,859,484</b>	<b>\$ 13,592,331</b>	<b>\$ (1,267,153)</b>

CITY OF CHULA VISTA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
 HOUSING PROGRAMS  
 YEAR ENDED JUNE 30, 2015

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Intergovernmental	\$ 220,000	\$ 451,500	\$ 114,043	\$ (337,457)
Use of money and property	-	-	329	329
Other revenues	-	-	37,242	37,242
<b>Total Revenues</b>	<b>220,000</b>	<b>451,500</b>	<b>151,614</b>	<b>(299,886)</b>
<b>Expenditures:</b>				
Current:				
General government	220,000	649,645	114,990	534,655
<b>Total Expenditures</b>	<b>220,000</b>	<b>649,645</b>	<b>114,990</b>	<b>534,655</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	(198,145)	36,624	234,769
Net Change in Fund Balances	-	(198,145)	36,624	234,769
Fund Balances, Beginning of Year	604,674	604,674	604,674	-
<b>Fund Balances, End of Year</b>	<b>\$ 604,674</b>	<b>\$ 406,529</b>	<b>\$ 641,298</b>	<b>\$ 234,769</b>

CITY OF CHULA VISTA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
HOUSING AUTHORITY  
YEAR ENDED JUNE 30, 2015

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Charges for services	\$ -	\$ -	\$ 8,458	\$ 8,458
Use of money and property	-	-	15,940	15,940
Other revenues	777,871	777,871	829,272	51,401
<b>Total Revenues</b>	<b>777,871</b>	<b>777,871</b>	<b>853,670</b>	<b>75,799</b>
<b>Expenditures:</b>				
Current:				
General government	600,726	610,668	584,533	26,135
<b>Total Expenditures</b>	<b>600,726</b>	<b>610,668</b>	<b>584,533</b>	<b>26,135</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	177,145	167,203	269,137	101,934
<b>Other Financing Sources (Uses):</b>				
Transfers out	(177,145)	(177,145)	(177,145)	-
<b>Total Other Financing Sources (Uses)</b>	<b>(177,145)</b>	<b>(177,145)</b>	<b>(177,145)</b>	<b>-</b>
Net Change in Fund Balances	-	(9,942)	91,992	101,934
Fund Balances, Beginning of Year	994,187	994,187	994,187	-
<b>Fund Balances, End of Year</b>	<b>\$ 994,187</b>	<b>\$ 984,245</b>	<b>\$ 1,086,179</b>	<b>\$ 101,934</b>

CITY OF CHULA VISTA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
 TRANSPORTATION SALES TAX  
 YEAR ENDED JUNE 30, 2015

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Taxes	\$ 5,522,000	\$ 5,672,000	\$ 11,489,633	\$ 5,817,633
Intergovernmental	90,000	90,000	358,787	268,787
Use of money and property	-	-	12,120	12,120
Other revenues	-	288,900	384,446	95,546
<b>Total Revenues</b>	<b>5,612,000</b>	<b>6,050,900</b>	<b>12,244,986</b>	<b>6,194,086</b>
<b>Expenditures:</b>				
Current:				
Public works	90,000	90,000	56,742	33,258
Capital outlay	7,445,000	20,063,689	8,542,154	11,521,535
<b>Total Expenditures</b>	<b>7,535,000</b>	<b>20,153,689</b>	<b>8,598,896</b>	<b>11,554,793</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,923,000)	(14,102,789)	3,646,090	17,748,879
<b>Other Financing Sources (Uses):</b>				
Transfers in	-	6,454	4,077	(2,377)
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>6,454</b>	<b>4,077</b>	<b>(2,377)</b>
Net Change in Fund Balances	(1,923,000)	(14,096,335)	3,650,167	17,746,502
Fund Balances, Beginning of Year	(459,373)	(459,373)	(459,373)	-
<b>Fund Balances, End of Year</b>	<b>\$ (2,382,373)</b>	<b>\$ (14,555,708)</b>	<b>\$ 3,190,794</b>	<b>\$ 17,746,502</b>

CITY OF CHULA VISTA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
 MOBILE PARK FEE  
 YEAR ENDED JUNE 30, 2015

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Use of money and property	\$ -	\$ -	\$ 904	\$ 904
Other revenues	120,000	120,000	84,180	(35,820)
<b>Total Revenues</b>	<b>120,000</b>	<b>120,000</b>	<b>85,084</b>	<b>(34,916)</b>
<b>Expenditures:</b>				
Current:				
General government	120,000	120,000	52,294	67,706
<b>Total Expenditures</b>	<b>120,000</b>	<b>120,000</b>	<b>52,294</b>	<b>67,706</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	32,790	32,790
Net Change in Fund Balances	-	-	32,790	32,790
Fund Balances, Beginning of Year	81,104	81,104	81,104	-
<b>Fund Balances, End of Year</b>	<b>\$ 81,104</b>	<b>\$ 81,104</b>	<b>\$ 113,894</b>	<b>\$ 32,790</b>

CITY OF CHULA VISTA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
 PUBLIC EDUCATION AND GOVT FEE  
 YEAR ENDED JUNE 30, 2015

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Use of money and property	\$ -	\$ -	\$ 4,141	\$ 4,141
Other revenues	600,000	600,000	679,354	79,354
<b>Total Revenues</b>	<b>600,000</b>	<b>600,000</b>	<b>683,495</b>	<b>83,495</b>
<b>Expenditures:</b>				
Current:				
General government	600,000	694,447	310,135	384,312
<b>Total Expenditures</b>	<b>600,000</b>	<b>694,447</b>	<b>310,135</b>	<b>384,312</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	(94,447)	373,360	467,807
Net Change in Fund Balances	-	(94,447)	373,360	467,807
Fund Balances, Beginning of Year	579,048	579,048	579,048	-
<b>Fund Balances, End of Year</b>	<b>\$ 579,048</b>	<b>\$ 484,601</b>	<b>\$ 952,408</b>	<b>\$ 467,807</b>

CITY OF CHULA VISTA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
 UTILITY TAX SETTLEMENT  
 YEAR ENDED JUNE 30, 2015

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Use of money and property	\$ -	\$ -	\$ 20,781	\$ 20,781
Other revenues	-	-	14,374	14,374
<b>Total Revenues</b>	<b>-</b>	<b>-</b>	<b>35,155</b>	<b>35,155</b>
<b>Expenditures:</b>				
Current:				
General government	1,888,000	1,885,505	378,903	1,506,602
Capital outlay	1,730,219	1,730,219	1,422,433	307,786
<b>Total Expenditures</b>	<b>3,618,219</b>	<b>3,615,724</b>	<b>1,801,336</b>	<b>1,814,388</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,618,219)	(3,615,724)	(1,766,181)	1,849,543
<b>Other Financing Sources (Uses):</b>				
Transfers out	(610,000)	(610,000)	(610,000)	-
<b>Total Other Financing Sources (Uses)</b>	<b>(610,000)</b>	<b>(610,000)</b>	<b>(610,000)</b>	<b>-</b>
Net Change in Fund Balances	(4,228,219)	(4,225,724)	(2,376,181)	1,849,543
Fund Balances, Beginning of Year	4,246,586	4,246,586	4,246,586	-
<b>Fund Balances, End of Year</b>	<b>\$ 18,367</b>	<b>\$ 20,862</b>	<b>\$ 1,870,405</b>	<b>\$ 1,849,543</b>

CITY OF CHULA VISTA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
 PARK ACQUISITION DEVELOPMENT  
 YEAR ENDED JUNE 30, 2015

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Use of money and property	\$ -	\$ -	\$ 264,332	\$ 264,332
Developer participation	625,000	625,000	1,072,240	447,240
<b>Total Revenues</b>	<b>625,000</b>	<b>625,000</b>	<b>1,336,572</b>	<b>711,572</b>
<b>Expenditures:</b>				
Current:				
General government	100,000	100,000	-	100,000
Capital outlay	-	740,952	15,782	725,170
<b>Total Expenditures</b>	<b>100,000</b>	<b>840,952</b>	<b>15,782</b>	<b>825,170</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	525,000	(215,952)	1,320,790	1,536,742
Net Change in Fund Balances	525,000	(215,952)	1,320,790	1,536,742
Fund Balances, Beginning of Year	39,126,780	39,126,780	39,126,780	-
<b>Fund Balances, End of Year</b>	<b>\$ 39,651,780</b>	<b>\$ 38,910,828</b>	<b>\$ 40,447,570</b>	<b>\$ 1,536,742</b>



CITY OF CHULA VISTA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
 RESIDENTIAL CONSTRUCTION TAX  
 YEAR ENDED JUNE 30, 2015

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Taxes	\$ 374,557	\$ 374,557	\$ 366,650	\$ (7,907)
Use of money and property	-	-	1,013	1,013
<b>Total Revenues</b>	<b>374,557</b>	<b>374,557</b>	<b>367,663</b>	<b>(6,894)</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	374,557	374,557	367,663	(6,894)
<b>Other Financing Sources (Uses):</b>				
Transfers in	302,779	302,779	302,779	-
Transfers out	(677,336)	(677,336)	(642,015)	35,321
<b>Total Other Financing Sources (Uses)</b>	<b>(374,557)</b>	<b>(374,557)</b>	<b>(339,236)</b>	<b>35,321</b>
Net Change in Fund Balances	-	-	28,427	28,427
Fund Balances, Beginning of Year	202,625	202,625	202,625	-
<b>Fund Balances, End of Year</b>	<b>\$ 202,625</b>	<b>\$ 202,625</b>	<b>\$ 231,052</b>	<b>\$ 28,427</b>

CITY OF CHULA VISTA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
 ASSESSMENT DISTRICT IMPROVEMENT  
 YEAR ENDED JUNE 30, 2015

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Use of money and property	\$ -	\$ -	\$ 14,741	\$ 14,741
Other revenues	19,045	19,045	18,865	(180)
<b>Total Revenues</b>	<b>19,045</b>	<b>19,045</b>	<b>33,606</b>	<b>14,561</b>
<b>Expenditures:</b>				
Capital outlay	-	563,102	42,832	520,270
<b>Total Expenditures</b>	<b>-</b>	<b>563,102</b>	<b>42,832</b>	<b>520,270</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	19,045	(544,057)	(9,226)	534,831
<b>Other Financing Sources (Uses):</b>				
Transfers out	(54,760)	(54,760)	(33,376)	21,384
<b>Total Other Financing Sources (Uses)</b>	<b>(54,760)</b>	<b>(54,760)</b>	<b>(33,376)</b>	<b>21,384</b>
Net Change in Fund Balances	(35,715)	(598,817)	(42,602)	556,215
Fund Balances, Beginning of Year	2,509,360	2,509,360	2,509,360	-
<b>Fund Balances, End of Year</b>	<b>\$ 2,473,645</b>	<b>\$ 1,910,543</b>	<b>\$ 2,466,758</b>	<b>\$ 556,215</b>

CITY OF CHULA VISTA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
 DEVELOPMENT IMPACT FUNDS  
 YEAR ENDED JUNE 30, 2015

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Use of money and property	\$ 119,290	\$ 119,290	\$ 311,715	\$ 192,425
Developer participation	3,712,477	3,712,477	6,412,352	2,699,875
<b>Total Revenues</b>	<b>3,831,767</b>	<b>3,831,767</b>	<b>6,724,067</b>	<b>2,892,300</b>
<b>Expenditures:</b>				
Current:				
General government	361,500	361,500	101,650	259,850
Public works	791,916	791,916	88,078	703,838
Capital outlay	278,341	6,165,829	2,024,851	4,140,978
<b>Total Expenditures</b>	<b>1,431,757</b>	<b>7,319,245</b>	<b>2,214,579</b>	<b>5,104,666</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,400,010	(3,487,478)	4,509,488	7,996,966
<b>Other Financing Sources (Uses):</b>				
Transfers in	-	146,782	-	(146,782)
Transfers out	(6,910,316)	(7,057,098)	(5,633,760)	1,423,338
<b>Total Other Financing Sources (Uses)</b>	<b>(6,910,316)</b>	<b>(6,910,316)</b>	<b>(5,633,760)</b>	<b>1,276,556</b>
Net Change in Fund Balances	(4,510,306)	(10,397,794)	(1,124,272)	9,273,522
Fund Balances, Beginning of Year	42,584,169	42,584,169	42,584,169	-
<b>Fund Balances, End of Year</b>	<b>\$ 38,073,863</b>	<b>\$ 32,186,375</b>	<b>\$ 41,459,897</b>	<b>\$ 9,273,522</b>

CITY OF CHULA VISTA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
 OTHER TRANSPORTATION PROGRAM FUND  
 YEAR ENDED JUNE 30, 2015

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Intergovernmental	\$ 3,260,037	\$ 5,261,877	\$ 2,927,067	\$ (2,334,810)
<b>Total Revenues</b>	<b>3,260,037</b>	<b>5,261,877</b>	<b>2,927,067</b>	<b>(2,334,810)</b>
<b>Expenditures:</b>				
Capital outlay	3,260,037	8,770,412	2,897,253	5,873,159
<b>Total Expenditures</b>	<b>3,260,037</b>	<b>8,770,412</b>	<b>2,897,253</b>	<b>5,873,159</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	(3,508,535)	29,814	3,538,349
<b>Other Financing Sources (Uses):</b>				
Transfers out	-	(32,192)	(29,814)	2,378
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>(32,192)</b>	<b>(29,814)</b>	<b>2,378</b>
Net Change in Fund Balances	-	(3,540,727)	-	3,540,727
Fund Balances, Beginning of Year	4,023	4,023	4,023	-
<b>Fund Balances, End of Year</b>	<b>\$ 4,023</b>	<b>\$ (3,536,704)</b>	<b>\$ 4,023</b>	<b>\$ 3,540,727</b>

CITY OF CHULA VISTA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
 NOTES PAYABLE  
 YEAR ENDED JUNE 30, 2015

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Use of money and property	\$ -	\$ -	\$ (1,014)	\$ (1,014)
Other revenues	129,001	129,001	98,304	(30,697)
<b>Total Revenues</b>	<b>129,001</b>	<b>129,001</b>	<b>97,290</b>	<b>(31,711)</b>
<b>Expenditures:</b>				
Debt service:				
Principal retirement	1,019,437	1,019,437	1,019,434	3
Interest and fiscal charges	547,203	547,203	546,664	539
<b>Total Expenditures</b>	<b>1,566,640</b>	<b>1,566,640</b>	<b>1,566,098</b>	<b>542</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,437,639)	(1,437,639)	(1,468,808)	(31,169)
<b>Other Financing Sources (Uses):</b>				
Transfers in	1,437,639	1,437,639	1,437,095	(544)
<b>Total Other Financing Sources (Uses)</b>	<b>1,437,639</b>	<b>1,437,639</b>	<b>1,437,095</b>	<b>(544)</b>
Net Change in Fund Balances	-	-	(31,713)	(31,713)
Fund Balances, Beginning of Year	4,192	4,192	4,192	-
<b>Fund Balances, End of Year</b>	<b>\$ 4,192</b>	<b>\$ 4,192</b>	<b>\$ (27,521)</b>	<b>\$ (31,713)</b>

CITY OF CHULA VISTA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
 LEASE PAYABLE  
 YEAR ENDED JUNE 30, 2015

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Use of money and property	\$ -	\$ -	\$ 1,698	\$ 1,698
Other revenues	54,261	54,261	55,380	1,119
<b>Total Revenues</b>	<b>54,261</b>	<b>54,261</b>	<b>57,078</b>	<b>2,817</b>
<b>Expenditures:</b>				
Debt service:				
Principal retirement	260,201	365,869	260,771	105,098
Interest and fiscal charges	91,976	113,763	91,386	22,377
<b>Total Expenditures</b>	<b>352,177</b>	<b>479,632</b>	<b>352,157</b>	<b>127,475</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(297,916)	(425,371)	(295,079)	130,292
<b>Other Financing Sources (Uses):</b>				
Transfers in	297,916	297,916	296,778	(1,138)
Transfers out	-	(108,482)	(40,482)	68,000
<b>Total Other Financing Sources (Uses)</b>	<b>297,916</b>	<b>189,434</b>	<b>256,296</b>	<b>66,862</b>
Net Change in Fund Balances	-	(235,937)	(38,783)	197,154
Fund Balances, Beginning of Year	270,851	270,851	270,851	-
<b>Fund Balances, End of Year</b>	<b>\$ 270,851</b>	<b>\$ 34,914</b>	<b>\$ 232,068</b>	<b>\$ 197,154</b>

CITY OF CHULA VISTA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
 CITY DEBT SERVICE  
 YEAR ENDED JUNE 30, 2015

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Expenditures:</b>				
Debt service:				
Interest and fiscal charges	\$ 750,000	\$ 750,000	\$ 336,255	\$ 413,745
<b>Total Expenditures</b>	<b>750,000</b>	<b>750,000</b>	<b>336,255</b>	<b>413,745</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(750,000)	(750,000)	(336,255)	413,745
<b>Other Financing Sources (Uses):</b>				
Transfers in	1,878,202	1,878,202	-	(1,878,202)
<b>Total Other Financing Sources         (Uses)</b>	<b>1,878,202</b>	<b>1,878,202</b>	<b>-</b>	<b>(1,878,202)</b>
Net Change in Fund Balances	1,128,202	1,128,202	(336,255)	(1,464,457)
Fund Balances, Beginning of Year	(36,852,341)	(36,852,341)	(36,852,341)	-
<b>Fund Balances, End of Year</b>	<b>\$ (35,724,139)</b>	<b>\$ (35,724,139)</b>	<b>\$ (37,188,596)</b>	<b>\$ (1,464,457)</b>

CITY OF CHULA VISTA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
 PUBLIC FINANCING AUTHORITY  
 YEAR ENDED JUNE 30, 2015

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Use of money and property	\$ -	\$ -	\$ 188,921	\$ 188,921
<b>Total Revenues</b>	<b>-</b>	<b>-</b>	<b>188,921</b>	<b>188,921</b>
<b>Expenditures:</b>				
Current:				
General government	18,500	21,700	17,283	4,417
Debt service:				
Principal retirement	4,060,000	4,060,000	4,060,000	-
Interest and fiscal charges	5,704,365	5,704,365	5,703,839	526
<b>Total Expenditures</b>	<b>9,782,865</b>	<b>9,786,065</b>	<b>9,781,122</b>	<b>4,943</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(9,782,865)	(9,786,065)	(9,592,201)	193,864
<b>Other Financing Sources (Uses):</b>				
Transfers in	9,764,400	9,764,400	9,547,649	(216,751)
<b>Total Other Financing Sources (Uses)</b>	<b>9,764,400</b>	<b>9,764,400</b>	<b>9,547,649</b>	<b>(216,751)</b>
Net Change in Fund Balances	(18,465)	(21,665)	(44,552)	(22,887)
Fund Balances, Beginning of Year, previously reported	10,125,086	10,125,086	10,125,086	-
Restatements	-	-	(728,426)	-
Fund Balances, Beginning of Year, as restated	9,396,660	9,396,660	9,396,660	-
<b>Fund Balances, End of Year</b>	<b>\$ 9,378,195</b>	<b>\$ 9,374,995</b>	<b>\$ 9,352,108</b>	<b>\$ (22,887)</b>





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## NON-MAJOR PROPRIETARY FUNDS

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

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

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

CITY OF CHULA VISTA

COMBINING STATEMENT OF NET POSITION  
 NON-MAJOR PROPRIETARY FUNDS  
 JUNE 30, 2015

	Business-Type Activities - Enterprise Funds			Totals
	Bayfront Trolley Station	Transit Fund	Sewer Development Impact Fees	
<b>Assets:</b>				
Current:				
Cash and investments	\$ 81,613	\$ 385,328	\$ 5,147,045	\$ 5,613,986
Receivables:				
Accounts	-	45,238	-	45,238
Grants	-	32,755	-	32,755
<b>Total Current Assets</b>	<b>81,613</b>	<b>463,321</b>	<b>5,147,045</b>	<b>5,691,979</b>
Noncurrent:				
Capital assets - net of accumulated depreciation	-	-	1,982,754	1,982,754
<b>Total Noncurrent Assets</b>	<b>-</b>	<b>-</b>	<b>1,982,754</b>	<b>1,982,754</b>
<b>Total Assets</b>	<b>81,613</b>	<b>463,321</b>	<b>7,129,799</b>	<b>7,674,733</b>
<b>Deferred Outflows of Resources:</b>				
Deferred pension contributions	-	33,286	-	33,286
<b>Total Deferred Outflows of Resources</b>	<b>-</b>	<b>33,286</b>	<b>-</b>	<b>33,286</b>
<b>Liabilities:</b>				
Current:				
Accounts payable	-	32,862	5,615	38,477
Accrued liabilities	-	24,946	-	24,946
Unearned revenues	-	268,279	-	268,279
<b>Total Current Liabilities</b>	<b>-</b>	<b>326,087</b>	<b>5,615</b>	<b>331,702</b>
Noncurrent:				
Accrued compensated absences	-	16,100	-	16,100
Net pension liability	-	465,157	-	465,157
<b>Total Noncurrent Liabilities</b>	<b>-</b>	<b>481,257</b>	<b>-</b>	<b>481,257</b>
<b>Total Liabilities</b>	<b>-</b>	<b>807,344</b>	<b>5,615</b>	<b>812,959</b>
<b>Deferred Inflows of Resources:</b>				
Deferred items related to pensions	-	75,536	-	75,536
<b>Total Deferred Inflows of Resources</b>	<b>-</b>	<b>75,536</b>	<b>-</b>	<b>75,536</b>
<b>Net Position:</b>				
Investment in capital assets	-	-	1,982,754	1,982,754
Restricted	-	-	5,141,430	5,141,430
Unrestricted	81,613	(386,273)	-	(304,660)
<b>Total Net Position</b>	<b>\$ 81,613</b>	<b>\$ (386,273)</b>	<b>\$ 7,124,184</b>	<b>\$ 6,819,524</b>

CITY OF CHULA VISTA

COMBINING STATEMENT OF REVENUES, EXPENSES  
AND CHANGES IN FUND NET POSITION  
NON-MAJOR PROPRIETARY FUNDS  
YEAR ENDED JUNE 30, 2015

	Business-Type Activities - Enterprise Funds			Totals
	Bayfront	Transit Fund	Sewer	
	Trolley Station		Development Impact Fees	
<b>Operating Revenues:</b>				
Sales and service charges	\$ -	\$ 1,503,262	\$ 166,333	\$ 1,669,595
Other	-	362,483	-	362,483
<b>Total Operating Revenues</b>	<b>-</b>	<b>1,865,745</b>	<b>166,333</b>	<b>2,032,078</b>
<b>Operating Expenses:</b>				
Administration and general	59,863	4,076,923	60,197	4,196,983
Depreciation expense	-	94,741	60,000	154,741
<b>Total Operating Expenses</b>	<b>59,863</b>	<b>4,171,664</b>	<b>120,197</b>	<b>4,351,724</b>
Operating Income (Loss)	(59,863)	(2,305,919)	46,136	(2,319,646)
<b>Nonoperating Revenues (Expenses):</b>				
Intergovernmental	59,678	2,472,121	-	2,531,799
Interest revenue	117	1,119	12,523	13,759
Gain (loss) on disposal of capital assets	-	(635,444)	-	(635,444)
<b>Total Nonoperating Revenues (Expenses)</b>	<b>59,795</b>	<b>1,837,796</b>	<b>12,523</b>	<b>1,910,114</b>
Income (Loss) Before Transfers	(68)	(468,123)	58,659	(409,532)
Transfers out	-	(34,750)	-	(34,750)
Changes in Net Position	(68)	(502,873)	58,659	(444,282)
<b>Net Position:</b>				
Beginning of Year, as originally reported	81,681	622,139	7,065,525	7,769,345
Restatements	-	(505,539)	-	(505,539)
Beginning of Fiscal Year, as restated	81,681	116,600	7,065,525	7,263,806
<b>End of Fiscal Year</b>	<b>\$ 81,613</b>	<b>\$ (386,273)</b>	<b>\$ 7,124,184</b>	<b>\$ 6,819,524</b>

CITY OF CHULA VISTA

COMBINING STATEMENT OF CASH FLOWS  
NON-MAJOR PROPRIETARY FUNDS  
YEAR ENDED JUNE 30, 2015

	<u>Business-Type Activities - Enterprise Funds</u>			
	<u>Bayfront Trolley Station</u>	<u>Transit Fund</u>	<u>Sewer Development Impact Fees</u>	<u>Totals</u>
<b>Cash Flows from Operating Activities:</b>				
Cash received from customers and users	\$ -	\$ 1,951,786	\$ 166,333	\$ 2,118,119
Cash paid to suppliers for goods and services	(3,418)	49,501	1,892	47,975
Cash paid to employees for services	(59,863)	(4,077,721)	(60,197)	(4,197,781)
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>(63,281)</b>	<b>(2,076,434)</b>	<b>108,028</b>	<b>(2,031,687)</b>
<b>Cash Flows from Non-Capital Financing Activities:</b>				
Cash transfers out	-	(34,750)	(4,228,226)	(4,262,976)
Repayment received from other funds	59,678	2,472,121	-	2,531,799
Grant subsidies	40,841	105,736	-	146,577
<b>Net Cash Provided (Used) by Non-Capital Financing Activities</b>	<b>100,519</b>	<b>2,543,107</b>	<b>(4,228,226)</b>	<b>(1,584,600)</b>
<b>Cash Flows from Capital and Related Financing Activities:</b>				
Acquisition and construction of capital assets	-	(228,360)	(641)	(229,001)
<b>Net Cash Provided (Used) by Capital and Related Financing Activities</b>	<b>-</b>	<b>(228,360)</b>	<b>(641)</b>	<b>(229,001)</b>
<b>Cash Flows from Investing Activities:</b>				
Interest received	117	2,004	23,773	25,894
<b>Net Cash Provided (Used) by Investing Activities</b>	<b>117</b>	<b>2,004</b>	<b>23,773</b>	<b>25,894</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>37,355</b>	<b>240,317</b>	<b>(4,097,066)</b>	<b>(3,819,394)</b>
Cash and Cash Equivalents at Beginning of Year	44,258	145,011	9,244,111	9,433,380
<b>Cash and Cash Equivalents at End of Year</b>	<b>\$ 81,613</b>	<b>\$ 385,328</b>	<b>\$ 5,147,045</b>	<b>\$ 5,613,986</b>
<b>Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:</b>				
Operating income (loss)	\$ (59,863)	\$ (2,305,919)	\$ 46,136	\$ (2,319,646)
<b>Adjustments to reconcile operating income (loss) net cash provided (used) by operating activities:</b>				
Depreciation	-	94,741	60,000	154,741
Contributions made after the measurement date to net pension liability	-	(33,286)	-	(33,286)
Pension expense relating to GASB 68	-	35,154	-	35,154
(Increase) decrease in accounts receivable	-	(45,238)	-	(45,238)
Increase (decrease) in accounts payable	(3,418)	32,302	1,892	30,776
Increase (decrease) in accrued liabilities	-	17,199	-	17,199
Increase (decrease) in unearned revenue	-	131,279	-	131,279
Increase (decrease) in compensated absences	-	(2,666)	-	(2,666)
<b>Total Adjustments</b>	<b>(3,418)</b>	<b>229,485</b>	<b>61,892</b>	<b>287,959</b>
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>\$ (63,281)</b>	<b>\$ (2,076,434)</b>	<b>\$ 108,028</b>	<b>\$ (2,031,687)</b>
<b>Non-Cash Investing, Capital, and Financing Activities:</b>				
Gain/(Loss) on disposition of capital assets	\$ -	\$ (635,444)	\$ -	\$ (635,444)

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# INTERNAL SERVICE FUNDS

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

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

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

**Workers Compensation Fund** - This fund is a depository for contributions made from all funds, which have personnel allocated to them, to pay for annual costs related to workers' compensation liabilities including the provision of an appropriate reserve to pay uninsured claims costs. The City is self-insured for amounts up to \$1.0 million per occurrence. The amount of the reserve and the required annual transfer is determined by the Director of Finance, based on experience and consultation with the Risk Manager. In fiscal year 2010-11 the Workers Compensation Fund was moved from Fund 231 to Fund 398, this change is necessary to change the fund type from General Fund to internal service.

CITY OF CHULA VISTA

COMBINING STATEMENT OF NET POSITION  
INTERNAL SERVICE FUNDS  
JUNE 30, 2015

	Governmental Activities - Internal Service Funds			
	Fleet Management	Technology Replacement	Workers Compensation	Totals
<b>Assets:</b>				
Current:				
Cash and investments	\$ 1,226,068	\$ 145,815	\$ 1,397,464	\$ 2,769,347
Receivables:				
Grants	19,112	-	-	19,112
<b>Total Current Assets</b>	<b>1,245,180</b>	<b>145,815</b>	<b>1,397,464</b>	<b>2,788,459</b>
Noncurrent:				
Capital assets - net of accumulated depreciation	1,080,606	-	-	1,080,606
<b>Total Noncurrent Assets</b>	<b>1,080,606</b>	<b>-</b>	<b>-</b>	<b>1,080,606</b>
<b>Total Assets</b>	<b>2,325,786</b>	<b>145,815</b>	<b>1,397,464</b>	<b>3,869,065</b>
<b>Deferred Outflows of Resources:</b>				
Deferred pension contributions	185,979	-	-	185,979
<b>Total Deferred Outflows of Resources</b>	<b>185,979</b>	<b>-</b>	<b>-</b>	<b>185,979</b>
<b>Liabilities:</b>				
Current:				
Accounts payable	225,052	3,691	-	228,743
Accrued liabilities	53,961	-	-	53,961
<b>Total Current Liabilities</b>	<b>279,013</b>	<b>3,691</b>	<b>-</b>	<b>282,704</b>
Noncurrent:				
Accrued compensated absences	81,313	-	-	81,313
Net pension liability	2,277,774	-	-	2,277,774
<b>Total Noncurrent Liabilities</b>	<b>2,359,087</b>	<b>-</b>	<b>-</b>	<b>2,359,087</b>
<b>Total Liabilities</b>	<b>2,638,100</b>	<b>3,691</b>	<b>-</b>	<b>2,641,791</b>
<b>Deferred Inflows of Resources:</b>				
Deferred items related to pensions	369,880	-	-	369,880
<b>Total Deferred Inflows of Resources</b>	<b>369,880</b>	<b>-</b>	<b>-</b>	<b>369,880</b>
<b>Net Position:</b>				
Investment in capital assets	1,080,606	-	-	1,080,606
Unrestricted	(1,576,821)	142,124	1,397,464	(37,233)
<b>Total Net Position</b>	<b>\$ (496,215)</b>	<b>\$ 142,124</b>	<b>\$ 1,397,464</b>	<b>\$ 1,043,373</b>

CITY OF CHULA VISTA

COMBINING STATEMENT OF REVENUES, EXPENSES  
AND CHANGES IN FUND NET POSITION  
INTERNAL SERVICE FUNDS

YEAR ENDED JUNE 30, 2015

	Governmental Activities - Internal Service Funds			
	Fleet Management	Technology Replacement	Workers Compensation	Totals
<b>Operating Revenues:</b>				
Interdepartmental charges	\$ 3,687,244	\$ -	\$ 2,631,734	\$ 6,318,978
Other	90,617	-	-	90,617
<b>Total Operating Revenues</b>	<b>3,777,861</b>	<b>-</b>	<b>2,631,734</b>	<b>6,409,595</b>
<b>Operating Expenses:</b>				
Administration and general	3,520,626	460,526	3,397,750	7,378,902
Depreciation expense	258,844	-	-	258,844
<b>Total Operating Expenses</b>	<b>3,779,470</b>	<b>460,526</b>	<b>3,397,750</b>	<b>7,637,746</b>
Operating Income (Loss)	(1,609)	(460,526)	(766,016)	(1,228,151)
<b>Nonoperating Revenues (Expenses):</b>				
Interest revenue	6,106	-	-	6,106
Gain (loss) on disposal of capital assets	27,882	-	-	27,882
<b>Total Nonoperating Revenues (Expenses)</b>	<b>33,988</b>	<b>-</b>	<b>-</b>	<b>33,988</b>
Income (Loss) Before Transfers	32,379	(460,526)	(766,016)	(1,194,163)
Transfers in	87,572	-	950,000	1,037,572
Changes in Net Position	119,951	(460,526)	183,984	(156,591)
<b>Net Position:</b>				
Beginning of Year, as originally reported	1,859,345	602,650	1,213,480	3,675,475
Restatements	(2,475,511)	-	-	(2,475,511)
Beginning of Fiscal Year, as restated	(616,166)	602,650	1,213,480	1,199,964
<b>End of Fiscal Year</b>	<b>\$ (496,215)</b>	<b>\$ 142,124</b>	<b>\$ 1,397,464</b>	<b>\$ 1,043,373</b>



CITY OF CHULA VISTA

COMBINING STATEMENT OF CASH FLOWS  
INTERNAL SERVICE FUNDS  
YEAR ENDED JUNE 30, 2015

	<u>Governmental Activities - Internal Service Funds</u>			
	<u>Fleet Management</u>	<u>Technology Replacement</u>	<u>Workers Compensation</u>	<u>Totals</u>
<b>Cash Flows from Operating Activities:</b>				
Cash received from/(paid to) interfund service provided	\$ 3,781,526	\$ -	\$ 2,640,289	\$ 6,421,815
Cash paid to suppliers for goods and services	(66,832)	3,691	-	(63,141)
Cash paid to employees for services	(3,529,756)	(460,526)	(3,397,750)	(7,388,032)
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>184,938</b>	<b>(456,835)</b>	<b>(757,461)</b>	<b>(1,029,358)</b>
<b>Cash Flows from Non-Capital Financing Activities:</b>				
Cash transfers in	87,572	-	950,000	1,037,572
Grant subsidies	(19,112)	-	-	(19,112)
<b>Net Cash Provided (Used) by Non-Capital Financing Activities</b>	<b>68,460</b>	<b>-</b>	<b>950,000</b>	<b>1,018,460</b>
<b>Cash Flows from Capital and Related Financing Activities:</b>				
Acquisition and construction of capital assets	(283,813)	-	-	(283,813)
Proceeds from sales of capital assets	33,468	-	-	33,468
<b>Net Cash Provided (Used) by Capital and Related Financing Activities</b>	<b>(250,345)</b>	<b>-</b>	<b>-</b>	<b>(250,345)</b>
<b>Cash Flows from Investing Activities:</b>				
Interest received	6,106	-	-	6,106
<b>Net Cash Provided (Used) by Investing Activities</b>	<b>6,106</b>	<b>-</b>	<b>-</b>	<b>6,106</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>9,159</b>	<b>(456,835)</b>	<b>192,539</b>	<b>(255,137)</b>
Cash and Cash Equivalents at Beginning of Year	1,216,909	602,650	1,204,925	3,024,484
<b>Cash and Cash Equivalents at End of Year</b>	<b>\$ 1,226,068</b>	<b>\$ 145,815</b>	<b>\$ 1,397,464</b>	<b>\$ 2,769,347</b>
<b>Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:</b>				
Operating income (loss)	\$ (1,609)	\$ (460,526)	\$ (766,016)	\$ (1,228,151)
<b>Adjustments to reconcile operating income (loss) net cash provided (used) by operating activities:</b>				
Depreciation	258,844	-	-	258,844
Contributions made after the measurement date to net pension liability	(185,979)	-	-	(185,979)
Pension expense relating to GASB 68	172,143	-	-	172,143
(Increase) decrease in accounts receivable	3,665	-	8,555	12,220
Increase (decrease) in accounts payable	(80,111)	3,691	-	(76,420)
Increase (decrease) in accrued liabilities	13,279	-	-	13,279
Increase (decrease) in compensated absences	4,706	-	-	4,706
<b>Total Adjustments</b>	<b>186,547</b>	<b>3,691</b>	<b>8,555</b>	<b>198,793</b>
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>\$ 184,938</b>	<b>\$ (456,835)</b>	<b>\$ (757,461)</b>	<b>\$ (1,029,358)</b>
<b>Non-Cash Investing, Capital, and Financing Activities:</b>				
Donated Capital Assets	\$ 2,277,774	\$ -	\$ -	\$ 2,277,774

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# FIDUCIARY FUNDS

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## AGENCY FUNDS

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

*Flexible Spending Account* – This fund accounts for employee health, medical, and dependent care benefits.

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

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

CITY OF CHULA VISTA

COMBINING STATEMENT OF NET POSITION  
 ALL AGENCY FUNDS  
 JUNE 30, 2015

	<u>Flexible Spending Account</u>	<u>Special Assessment District</u>	<u>Miscellaneous Deposits</u>	<u>Totals</u>
<b>Assets:</b>				
Pooled cash and investments	\$ 76,768	\$ 8,498,722	\$ -	\$ 8,575,490
Restricted assets:				
Cash and investments with fiscal agents	-	68,045,081	-	68,045,081
<b>Total Assets</b>	<b><u>\$ 76,768</u></b>	<b><u>\$ 76,543,803</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 76,620,571</u></b>
<b>Liabilities:</b>				
Unearned revenues	\$ 14,162	\$ -	\$ -	\$ 14,162
Due to bond holders	62,606	76,543,803	-	76,606,409
Deferred compensation liability	-	-	-	-
<b>Total Liabilities</b>	<b><u>\$ 76,768</u></b>	<b><u>\$ 76,543,803</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 76,620,571</u></b>

CITY OF CHULA VISTA

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
 ALL AGENCY FUNDS  
 YEAR ENDED JUNE 30, 2015

	Balance 7/1/2014	Additions	Deductions	Balance 6/30/2015
<b><u>Flexible Spending Account</u></b>				
<b>Assets:</b>				
Pooled cash and investments	\$ 54,156	\$ 990,262	\$ 967,650	\$ 76,768
<b>Total Assets</b>	<b>\$ 54,156</b>	<b>\$ 990,262</b>	<b>\$ 967,650</b>	<b>\$ 76,768</b>
<b>Liabilities:</b>				
Unearned revenues	\$ -	\$ 14,162	\$ -	\$ 14,162
Due to other governments	54,156	-	54,156	-
Due to external parties/other agencies	-	525,152	462,546	62,606
<b>Total Liabilities</b>	<b>\$ 54,156</b>	<b>\$ 539,314</b>	<b>\$ 516,702</b>	<b>\$ 76,768</b>
<b><u>Special Assessment District</u></b>				
<b>Assets:</b>				
Pooled cash and investments	\$ 17,847,339	\$ 44,736,318	\$ 54,084,935	\$ 8,498,722
Restricted assets:				
Cash and investments with fiscal agents	55,572,663	81,778,450	69,306,032	68,045,081
<b>Total Assets</b>	<b>\$ 73,420,002</b>	<b>\$ 126,514,768</b>	<b>\$ 123,390,967</b>	<b>\$ 76,543,803</b>
<b>Liabilities:</b>				
Accounts payable	\$ 1,881	\$ 12,020	\$ 13,901	\$ -
Due to bondholders	73,418,121	29,262,279	26,136,597	76,543,803
<b>Total Liabilities</b>	<b>\$ 73,420,002</b>	<b>\$ 29,274,299</b>	<b>\$ 26,150,498</b>	<b>\$ 76,543,803</b>
<b><u>Miscellaneous Deposits</u></b>				
<b>Assets:</b>				
Pooled cash and investments	\$ 215,225	\$ 22,267,751	\$ 22,482,976	\$ -
<b>Total Assets</b>	<b>\$ 215,225</b>	<b>\$ 22,267,751</b>	<b>\$ 22,482,976</b>	<b>\$ -</b>
<b>Liabilities:</b>				
Accounts payable	\$ -	\$ 4,961,986	\$ 4,961,986	\$ -
Deposits payable	215,222	13,868,454	14,083,676	-
<b>Total Liabilities</b>	<b>\$ 215,222</b>	<b>\$ 18,830,440</b>	<b>\$ 19,045,662</b>	<b>\$ -</b>
<b><u>Totals - All Agency Funds</u></b>				
<b>Assets:</b>				
Pooled cash and investments	\$ 18,116,720	\$ 67,994,331	\$ 77,535,561	\$ 8,575,490
Restricted assets:				
Cash and investments with fiscal agents	55,572,663	81,778,450	69,306,032	68,045,081
<b>Total Assets</b>	<b>\$ 73,689,383</b>	<b>\$ 149,772,781</b>	<b>\$ 146,841,593</b>	<b>\$ 76,620,571</b>
<b>Liabilities:</b>				
Accounts payable	\$ 1,881	\$ 4,974,006	\$ 4,975,887	\$ -
Unearned revenues	-	14,162	-	14,162
Deposits payable	215,222	13,868,454	14,083,676	-
Due to other governments	54,156	-	54,156	-
Due to bondholders	73,418,121	29,787,431	26,599,143	76,606,409
Deferred compensation liability	-	-	-	-
<b>Total Liabilities</b>	<b>\$ 73,689,380</b>	<b>\$ 48,644,053</b>	<b>\$ 45,712,862</b>	<b>\$ 76,620,571</b>



**CITY OF CHULA VISTA**

**Statistical Section**

**June 30, 2015**

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 assess the factors affecting the city's ability to generate its property and sales taxes.	
<b>Debt Capacity</b>	<b>194-195</b>
These schedules present information to help the reader assess the affordability of the city's current levels of outstanding debt and the city's ability to issue additional debt in the future.	
<b>Demographic and Economic Information</b>	<b>196-200</b>
These schedules offer demographic and economic indicators to help the reader understand the environment within which the city's financial activities take place and to help make comparisons over time and with other governments.	
<b>Operating Information</b>	<b>201-203</b>
These schedules contain information about the city's operations and resources to help the reader understand how the city's financial information relates to the services the city provides and the activities it performs.	



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

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Governmental activities:</b>										
Net investment in capital assets	\$662,230,041	\$715,090,838	\$621,878,119	\$623,938,515	\$634,377,842	\$634,409,385	\$655,182,727	\$626,476,481	\$649,314,016	\$643,174,160
Restricted	75,916,972	69,516,915	55,166,660	43,901,854	49,193,256	47,168,636	22,929,585	21,888,309	107,106,257	129,464,688
Unrestricted	95,782,921	126,026,156	91,683,171	89,235,419	73,916,496	72,730,796	89,620,724	111,886,462	22,522,443	(245,257,588)
Total governmental activities net position	<u>833,929,934</u>	<u>910,633,909</u>	<u>768,727,950</u>	<u>757,075,788</u>	<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>	<u>527,381,260</u>
<b>Business-type activities:</b>										
Net investment in capital assets	6,540,514	5,658,433	150,004,170	148,237,562	152,384,420	146,550,585	140,248,319	134,661,254	136,513,268	134,368,634
Restricted	-	-	-	-	-	-	-	-	-	5,141,430
Unrestricted	500,299	335,824	55,294,988	64,860,578	74,385,651	80,214,208	86,521,327	93,401,745	97,393,640	71,945,411
Total business-type activities net position	<u>7,040,813</u>	<u>5,994,257</u>	<u>205,299,158</u>	<u>213,098,140</u>	<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>	<u>211,455,475</u>
<b>Primary government:</b>										
Net investment in capital assets	668,770,555	720,749,271	771,882,289	772,176,077	786,762,262	780,959,970	795,431,046	761,137,735	785,827,284	777,542,794
Restricted	75,916,972	69,516,915	55,166,660	43,901,854	49,193,256	47,168,636	22,929,585	21,888,309	107,106,257	134,606,118
Unrestricted	96,283,220	126,361,980	146,978,159	154,095,997	148,302,147	152,945,004	176,142,051	205,288,207	119,916,083	(173,312,177)
Total primary government net position	<u>\$840,970,747</u>	<u>\$916,628,166</u>	<u>\$974,027,108</u>	<u>\$970,173,928</u>	<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>	<u>\$738,836,735</u>

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



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

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Expenses:</b>										
<b>Governmental activities:</b>										
General government	\$ 53,566,425	\$ 45,249,650	\$ 51,609,403	\$ 49,216,220	\$ 51,136,412	\$ 46,457,112	\$ 22,508,977	\$ 33,652,891	\$ 25,386,867	\$ 36,486,645
Public safety	72,887,220	77,136,782	78,633,467	76,097,546	74,008,767	75,664,246	75,931,086	77,821,520	74,896,803	81,002,999
Community development										207,308
Community Services										12,837
Public works	102,122,564	103,117,608	86,410,082	72,509,779	69,524,903	71,857,158	76,458,061	69,297,402	63,312,155	62,454,130
Parks and recreation	8,085,160	9,353,280	9,650,399	9,805,893	7,849,907	6,995,489	7,310,312	5,865,192	6,118,351	6,441,907
Library	10,412,973	10,320,817	8,532,621	7,617,286	4,826,602	4,509,999	4,185,624	4,224,568	4,092,263	3,906,984
Transit	-	-	-	-	-	-	63,021	14,560	-	-
Interest on long-term debt	12,263,808	12,032,833	13,656,534	13,064,138	11,217,753	11,538,707	8,904,275	6,698,509	7,287,461	6,601,927
Total governmental activities expenses	259,338,150	257,210,970	248,492,506	228,310,862	218,564,344	217,022,711	195,361,356	197,574,642	181,093,900	197,114,737
<b>Business-type activities:</b>										
Transit	7,447,393	7,330,560	8,301,081	8,147,424	7,571,898	7,075,998	7,050,673	6,997,488	6,875,214	4,807,985
Bayfront Trolley Station	86,595	103,691	98,406	98,800	94,802	91,788	91,942	92,843	61,823	59,863
Sewer funds	-	-	30,323,015	23,528,217	29,240,616	30,245,584	30,524,851	30,773,712	26,046,175	31,615,457
Sewer DIFs	-	-	203,500	200,660	126,019	123,629	129,351	122,927	129,279	120,197
Development Services Fund	-	-	-	-	-	-	4,730,599	5,717,312	6,113,133	5,996,109
Interest on long-term debt	-	-	62,927	-	-	-	-	-	-	-
Total business-type activities expenses	7,533,988	7,434,251	38,988,929	31,975,101	37,033,335	37,536,999	42,527,416	43,704,282	39,225,624	42,599,611
Total primary government expenses	266,872,138	264,645,221	287,481,435	260,285,963	255,597,679	254,559,710	237,888,772	241,278,924	220,319,524	239,714,348
<b>Program revenues:</b>										
<b>Governmental activities:</b>										
<b>Charges for services:</b>										
General government	33,955,790	45,255,716	38,563,085	35,959,181	32,419,505	29,785,079	5,955,849	5,795,838	8,767,069	7,623,676
Public safety	11,598,587	7,311,407	8,148,817	7,954,060	8,833,813	7,989,893	8,658,579	8,893,631	10,198,058	12,100,712
Community development	-	-	-	-	-	-	-	-	-	297,866
Public works	52,749,415	45,520,978	23,112,265	25,793,234	28,761,170	33,378,070	32,767,261	35,758,786	30,495,980	31,703,848
Parks and recreation	26,935,981	19,106,017	11,881,147	2,776,032	2,559,668	3,599,653	3,051,842	7,631,696	5,292,433	4,511,278
Library	2,693,087	818,285	561,948	326,116	505,044	967,908	840,258	1,666,765	1,078,592	1,302,869
Operating grants and contributions	19,464,389	16,646,713	34,498,639	18,957,467	17,984,120	31,976,818	21,780,868	30,935,863	29,456,557	25,102,165
Capital grants and contributions	57,074,381	85,608,765	50,632,109	16,754,583	23,711,994	4,781,625	4,283,855	2,936,133	1,921,554	12,954,191
Total governmental activities program revenues	204,471,630	220,267,881	167,398,010	108,520,673	114,775,314	112,479,046	77,338,512	93,618,712	87,210,243	95,596,605

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

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Business-type activities:</b>										
Charges for services:										
Transit	2,526,487	2,433,008	1,660,821	3,679,761	3,335,334	2,534,385	2,671,538	2,841,619	2,672,231	1,503,262
Sewer funds	-	-	29,138,449	31,046,180	36,284,081	32,257,256	32,571,135	35,011,268	33,190,660	36,054,603
Sewer DIFs	-	-	539,136	232,430	166,303	443,599	174,667	645,015	268,092	166,333
Development Services Fund	-	-	-	-	-	-	4,174,657	6,338,495	6,338,495	6,118,566
Operating grants and contributions	-	-	5,378,518	3,390,228	3,357,566	3,431,988	3,524,426	3,095,626	3,800,358	5,474,658
Capital grants and contributions	-	-	-	-	-	-	-	-	-	-
Total business-type activities	2,526,487	2,433,008	36,716,924	38,348,599	43,143,284	38,667,228	43,116,423	48,247,789	46,269,836	49,317,422
Total primary government	206,998,117	222,700,889	204,114,934	146,869,272	157,918,598	151,146,274	120,454,935	141,866,501	133,480,079	144,914,027
Net revenues (expenses):										
Governmental activities	(54,866,520)	(36,943,089)	(81,094,496)	(119,790,189)	(103,789,030)	(104,543,665)	(118,022,844)	(103,955,930)	(93,883,657)	(101,518,132)
Business-type activities	(5,007,501)	(5,001,243)	(2,272,005)	6,373,498	6,109,949	1,130,229	589,007	4,543,507	7,044,212	6,717,811
Total net revenues (expenses)	(59,874,021)	(41,944,332)	(83,366,501)	(113,416,691)	(97,679,081)	(103,413,436)	(117,433,837)	(99,412,423)	(86,839,445)	(94,800,321)
<b>General revenues and other changes in net position:</b>										
<b>Governmental activities:</b>										
Taxes:										
Property taxes	32,597,672	38,882,122	43,388,023	43,319,156	41,798,577	39,437,025	49,721,604	45,146,022	45,266,172	47,485,292
Sales tax	30,915,515	32,817,351	29,062,355	26,263,317	23,674,601	26,702,443	27,275,753	28,627,785	29,171,174	30,394,291
Other taxes	41,578,824	21,400,961	21,922,357	21,643,366	21,927,677	17,485,387	16,431,529	18,966,240	32,145,209	23,225,498
Investment income	10,195,710	13,386,872	8,663,014	12,676,922	5,744,616	9,108,662	3,615,266	866,861	1,944,988	4,219,304
Other general revenues	4,256,385	7,137,140	8,343,946	355,175	7,581,794	5,193,653	1,530,568	2,356,802	686,054	14,437
Miscellaneous	-	-	-	-	-	-	-	-	-	27,882
Transfers	122,588	22,618	5,594,536	3,880,091	3,473,571	3,437,718	4,195,190	3,861,417	3,551,004	3,848,746
Total general revenues and transfers	119,666,694	113,647,064	116,974,231	108,138,027	104,200,836	101,364,888	102,769,910	99,825,127	112,764,601	109,215,450
Extraordinary gain	-	-	-	-	-	-	28,677,153	-	-	-
Total governmental activities	119,666,694	113,647,064	116,974,231	108,138,027	104,200,836	101,364,888	131,447,063	99,825,127	112,764,601	109,215,450
<b>Business-type activities:</b>										
Investment income	78,605	167,734	6,740,155	2,090,311	1,785,660	1,288,478	1,273,689	261,354	1,505,052	641,978
Miscellaneous	4,088,083	3,809,571	670,170	3,215,264	9,249,893	1,013,733	2,337,347	349,909	845,650	2,789,595
Transfers	(122,588)	(22,618)	(5,594,536)	(3,880,091)	(3,473,571)	(3,437,718)	(4,195,190)	(3,861,417)	(3,551,004)	(3,848,746)
Total business-type activities	4,044,100	3,954,687	1,815,789	1,425,484	7,561,982	(1,135,507)	(584,154)	(3,250,154)	(1,200,302)	(417,173)
Total primary government	123,710,794	117,601,751	118,790,020	109,563,511	111,762,818	100,229,381	130,862,909	96,574,973	111,564,299	108,798,277
<b>Changes in net position</b>										
Governmental activities	64,800,174	76,703,975	35,879,735	(11,652,162)	411,806	(3,178,777)	13,424,219	(4,130,803)	18,880,944	7,697,318
Business-type activities	(963,401)	(1,046,556)	(456,216)	7,798,982	13,671,931	(5,278)	4,853	1,293,353	5,843,910	6,300,638
Total primary government	\$ 63,836,773	\$ 75,657,419	\$ 35,423,519	\$ (3,853,180)	\$ 14,083,737	\$ (3,184,055)	\$ 13,429,072	\$ (2,837,450)	\$ 24,724,854	\$ 13,997,956

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

CITY OF CHULA VISTA

Fund Balances of Governmental Funds  
Last Ten Fiscal Years  
(modified accrual basis of accounting)

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General fund:										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 11,258,150	\$ 8,799,026	\$ 7,481,079	\$ 7,424,812	\$ 7,419,002
Restricted	-	-	-	-	-	127,883	-	750,951	-	-
Committed	-	-	-	-	-	7,178,838	4,375,207	2,298,088	6,215,601	7,602,021
Assigned	-	-	-	-	-	5,298,536	2,895,545	6,648,922	4,807,244	4,688,124
Unassigned	-	-	-	-	-	11,876,992	11,969,280	10,790,135	14,511,252	16,412,878
Reserved	21,771,010	22,249,346	22,258,951	20,732,416	19,478,496	-	-	-	-	-
Unreserved	18,114,943	13,252,911	11,817,191	12,417,105	13,703,304	-	-	-	-	-
Total general fund	39,885,953	35,502,257	34,076,142	33,149,521	33,181,800	35,740,399	28,039,058	27,969,175	32,958,909	36,122,025
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	129,464,688
Committed	-	-	-	-	-	17,370,613	12,842,477	10,617,691	10,677,564	9,584,176
Assigned	-	-	-	-	-	(2,402,991)	-	-	-	-
Unassigned	-	-	-	-	-	(59,092,342)	(37,420,734)	(37,277,498)	(40,451,233)	(37,216,117)
Reserved	64,859,111	65,710,718	26,305,432	33,197,517	61,852,404	-	-	-	-	-
Unreserved, reported in:										
Debt service funds	(42,861,708)	(44,404,278)	(43,496,817)	(46,692,600)	(56,280,718)	-	-	-	-	-
Capital projects funds	113,659,937	92,093,271	78,496,664	70,791,397	58,595,303	-	-	-	-	-
Special revenue funds	57,893,321	64,843,684	48,690,364	42,565,836	27,334,131	-	-	-	-	-
Total all other governmental funds	\$ 193,550,661	\$ 178,243,395	\$ 109,995,643	\$ 99,862,150	\$ 91,501,120	\$ 87,489,865	\$ 89,625,047	\$ 94,267,006	\$ 100,870,112	\$ 101,832,747

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

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

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Revenues:</b>										
Taxes	\$ 86,509,678	\$ 93,100,434	\$ 103,543,735	\$ 91,770,846	\$ 87,263,934	\$ 88,878,664	\$ 96,868,086	\$ 82,450,711	\$ 106,825,885	\$ 112,594,714
Licenses and permits	3,441,613	2,870,424	2,767,850	2,041,721	2,274,964	2,887,150	1,253,806	1,436,828	1,355,342	1,322,254
Fines and forfeitures	1,724,862	2,226,822	2,671,545	3,317,666	3,124,021	2,348,565	2,065,246	1,639,781	1,685,268	2,280,880
Investment income	7,946,878	13,570,315	10,890,132	10,103,986	6,299,595	8,716,624	5,077,920	2,929,237	4,698,387	5,044,602
Developer fees	50,551,528	24,058,397	17,318,134	9,252,547	11,700,991	16,498,744	13,966,814	21,742,856	9,515,921	7,484,592
Intergovernmental	41,847,938	36,107,073	43,962,835	39,497,983	41,965,596	48,177,707	21,861,011	40,953,981	28,647,410	26,409,294
Charges for services	43,823,886	52,694,312	15,679,753	12,435,955	11,877,763	11,743,505	20,907,330	23,440,813	20,748,232	20,112,124
Other	30,012,125	23,567,613	30,427,119	29,404,221	31,918,308	28,163,311	13,382,050	14,521,818	14,896,960	15,932,194
<b>Total revenues</b>	<b>265,858,508</b>	<b>248,195,390</b>	<b>227,261,103</b>	<b>197,824,925</b>	<b>196,425,172</b>	<b>207,414,270</b>	<b>175,382,263</b>	<b>189,116,025</b>	<b>188,373,405</b>	<b>191,180,654</b>
<b>Expenditures</b>										
<b>Current:</b>										
General government	49,628,483	46,904,990	49,596,883	43,640,514	45,966,934	39,701,396	23,833,011	25,544,079	29,341,881	26,413,901
Public safety	67,913,584	73,245,978	74,781,055	72,872,527	72,080,790	70,693,779	71,917,414	73,177,912	76,457,979	80,235,099
Public works	72,296,203	75,720,582	57,789,303	46,042,781	45,778,665	48,056,229	47,911,105	48,416,477	40,894,934	41,459,698
Parks and recreation	6,210,040	7,503,259	6,869,089	6,969,924	5,255,812	4,030,767	4,215,643	3,471,548	3,590,441	3,746,349
Library	9,734,444	9,660,809	8,224,897	7,199,101	4,563,849	3,870,646	3,672,661	3,241,660	3,810,004	3,625,949
Capital outlay	72,988,853	36,472,182	29,525,186	19,305,564	27,628,148	34,215,021	16,182,888	21,144,133	15,347,338	22,216,530
<b>Debt service:</b>										
Principal retirement	6,054,618	30,892,802	7,884,493	7,686,525	7,301,362	7,911,995	8,423,156	5,113,992	54,040,855	5,340,205
Interest and fiscal charges	12,260,244	12,289,908	12,224,973	12,576,939	11,585,816	11,094,106	9,229,775	6,818,788	7,850,448	6,678,144
Bond issuance cost	-	514,994	34,485	844,584	-	-	-	-	-	-
<b>Total expenditures</b>	<b>297,086,469</b>	<b>293,205,504</b>	<b>246,930,364</b>	<b>217,138,459</b>	<b>220,161,376</b>	<b>219,573,939</b>	<b>185,385,653</b>	<b>186,928,589</b>	<b>231,333,880</b>	<b>189,715,875</b>
Excess (deficiency) of revenues over (under) expenditures	(31,227,961)	(45,010,114)	(19,669,261)	(19,313,534)	(23,736,204)	(12,159,669)	(10,003,390)	2,187,436	(42,960,475)	1,464,779
<b>Other financing sources (uses):</b>										
Transfers in	55,698,112	53,900,545	26,104,914	50,502,425	61,296,934	56,989,583	33,900,786	20,113,296	30,478,465	21,708,446
Transfers out	(52,132,246)	(53,835,509)	(20,400,837)	(46,589,803)	(57,815,981)	(53,551,865)	(32,638,610)	(16,551,879)	(27,503,760)	(18,897,272)
Proceeds from long-term debt	-	-	-	665,884	29,355,000	42,286	3,963,104	2,174,204	2,121,500	578,224
Proceeds from bond sale	21,255,000	25,760,000	10,264,224	21,625,000	207,372	-	-	-	45,920,000	-
Payment to escrow agent trust	-	-	-	(15,110,000)	(16,710,000)	-	-	-	-	-
Bond premium/(bond discount)	-	(505,884)	-	(579,161)	(925,872)	-	-	-	3,537,111	-
Proceeds from sale of capital assets	-	-	-	-	-	9,630,000	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>24,820,866</b>	<b>25,319,152</b>	<b>15,968,301</b>	<b>10,514,345</b>	<b>15,407,453</b>	<b>13,110,004</b>	<b>5,225,280</b>	<b>5,735,621</b>	<b>54,553,316</b>	<b>3,389,398</b>
<b>Extraordinary item:</b>										
Loss on dissolution of the Chula Vista Redevelopment Agency	-	-	-	-	-	-	(3,191,040)	-	-	-
<b>Total extraordinary item</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(3,191,040)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>\$ (6,407,095)</b>	<b>\$ (19,690,962)</b>	<b>\$ (3,700,960)</b>	<b>\$ (8,799,189)</b>	<b>\$ (8,328,751)</b>	<b>\$ 950,335</b>	<b>\$ (7,969,150)</b>	<b>\$ 7,923,057</b>	<b>\$ 11,592,841</b>	<b>\$ 4,854,177</b>
<b>Debt service as a percentage of noncapital expenditures</b>	<b>10.1%</b>	<b>16.7%</b>	<b>8.8%</b>	<b>10.2%</b>	<b>9.6%</b>	<b>9.4%</b>	<b>10.1%</b>	<b>6.9%</b>	<b>30.3%</b>	<b>7.4%</b>

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

CITY OF CHULA VISTA

Assessed Value and Estimated Actual Value of Taxable Property

Last Ten Fiscal Years

Fiscal Year Ended June 30	City				Redevelopment Agency/Successor Agency <sup>1</sup>				Total	
	Unsecured		Less: Exemptions		Taxable Assessed Value <sup>2</sup>		Less: Exemptions <sup>3</sup>		Taxable Assessed Value	Direct Tax Rate
	Secured	Unsecured	Exemptions	Less:	Value <sup>2</sup>	Assessed	Unsecured	Exemptions <sup>3</sup>	Value	Rate
2006	18,481,902,606	442,863,514	(452,332,435)		18,472,433,685	18,472,433,685	82,456,175		817,985,322	0.1438%
2007	21,254,352,374	582,720,155	(496,479,594)		21,340,592,935	21,340,592,935	202,760,284		1,048,884,855	0.1438%
2008	24,381,647,068	544,113,016	(567,257,524)		24,358,502,560	24,358,502,560	94,614,761		1,152,820,438	0.1438%
2009	24,861,548,900	565,347,815	(603,500,966)		24,823,395,749	24,823,395,749	105,702,620		1,167,448,745	0.1438%
2010	22,168,954,872	610,945,054	(682,909,923)		22,096,990,003	22,096,990,003	131,944,885		1,225,949,135	0.1438%
2011	21,341,397,693	577,214,653	(683,167,117)		21,235,445,229	21,235,445,229	130,433,921		1,172,995,829	0.1438%
2012	21,280,088,193	613,792,400	(739,917,158)		21,153,963,435	21,153,963,435	157,330,744		1,212,102,912	0.1438%
2013	21,173,362,084	565,751,305	(796,316,481)		20,942,796,908	20,942,796,908	97,973,502		1,143,033,852	0.1438%
2014	21,922,151,025	555,819,631	(831,701,747)		21,646,268,909	21,646,268,909	104,386,694		1,255,372,303	0.1438%
2015	23,413,030,465	542,342,957	(864,933,069)		23,090,440,353	23,090,440,353	101,995,779		1,244,289,863	0.1438%

<sup>1</sup> Redevelopment Agency dissolved as of January 31, 2012. Successor Agency formed February 1, 2012.

<sup>2</sup> Includes redevelopment incremental valuation.

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

NOTE:

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

Source: County of San Diego Property Tax Services

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

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
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	0.0274	0.0266	0.0203	0.0176	0.0251	0.0261	0.0259	0.0253	0.0463	0.0475
Sweetwater Union High School District Bonds	0.0225	0.0202	0.0471	0.0462	0.0558	0.0552	0.0608	0.0586	0.0582	0.0541
Southwestern Community College Bonds	0.0151	0.0141	0.0125	0.0132	0.0344	0.0364	0.0331	0.0375	0.0368	0.0358
MWD D/S Remainder of SDCWA 15019999	0.0052	0.0047	0.0045	0.0043	0.0043	0.0037	0.0037	0.0035	0.0035	0.0035
County of San Diego**	<u>1.0000</u>	<u>1.0000</u>	<u>1.0000</u>	<u>1.0000</u>	<u>1.0000</u>	<u>1.0000</u>	<u>1.0000</u>	<u>1.0000</u>	<u>1.0000</u>	<u>1.0000</u>
Total Overlapping Rates	<u>1.0702</u>	<u>1.0655</u>	<u>1.0844</u>	<u>1.0813</u>	<u>1.1196</u>	<u>1.1213</u>	<u>1.1235</u>	<u>1.1249</u>	<u>1.1448</u>	<u>1.1409</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	2015			2006		
	Taxable Assessed Value	Rank	Percent of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percent of Total City Taxable Assessed Value
Rohr Inc.	\$ 225,819,454	1	0.98%	165,639,589	1	0.90%
JPB Development	206,435,871	2	0.89%			-
Brisa Acquisitions LLC	117,000,000	3	0.51%			-
Regulo Place Apartments Invest	100,348,224	4	0.43%			-
Vista Pacific Villas LP	89,856,103	5	0.39%			
Olympic Pointe West Communities	79,773,634	6	0.35%			
Chula Vista Center LP	70,679,733	7	0.31%	65,692,663	5	0.36%
EQR Teresina LP	68,091,753	8	0.29%			
Camden USA Inc.	65,770,597	9	0.28%	57,625,346	7	0.31%
ESSEL LP	51,803,100	10	0.22%			
Proctor Valley West Partners LL	-		-	139,836,288	2	0.76%
Bre Properties	-		-	77,301,312	3	0.42%
SSR Realty Advisors/CALSTRS	-		-	70,420,020	4	0.38%
Duke Energy South Bay LLP	-		-	63,534,269	6	0.34%
McMillin Quintessa LLC	-		-	55,939,355	8	0.30%
Eastlake Vistas-Chula Vista LP	-		-	54,594,632	9	0.30%
Standard Pacific Corporation				52,140,915	10	0.28%
	<u>\$ 1,075,578,469</u>		<u>4.66%</u>	<u>802,724,389</u>		<u>4.35%</u>

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

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

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

Fiscal Year Ended June 30	Taxes Levied for the Fiscal Year <sup>1</sup>	Collected within the Fiscal Year of Levy		Collections in Subsequent Years <sup>2</sup>	Total Collections to Date	
		Amount	Percent of Levy		Amount	Percent of Levy
2006	22,096,604	21,617,022	97.83%	162,806	21,779,829	98.57%
2007	25,159,692	24,409,063	97.02%	209,442	24,618,505	97.85%
2008	28,641,734	27,506,299	96.04%	460,875	27,967,173	97.64%
2009	29,304,771	28,147,698	96.05%	765,703	28,913,402	98.66%
2010	26,246,478	25,313,706	96.45%	538,429	25,852,135	98.50%
2011	25,325,126	24,773,002	97.82%	134,325	24,907,328	98.35%
2012	25,373,780	24,669,632	97.22%	(35,474)	24,634,158	97.09%
2013	25,352,454	24,982,072	98.54%	117,973	25,100,045	99.00%
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%

<sup>1</sup> Levy amounts do not include supplemental taxes.

<sup>2</sup> Collection amounts represent delinquencies collected for all prior years during the current tax year.  
Total delinquent collections are reduced by any refunds processed from prior year tax collections.

Source: County of San Diego Property Tax Services



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

Fiscal Year Ended June 30	Governmental Activities				Total Governmental Activities	Percentage of Personal Income <sup>1</sup>	Debt Per Capita <sup>1</sup>
	Pension Obligation Bonds	Tax Allocation Bonds	Loans	Certificates of Participation			
2006	11,795,000	40,295,000	9,811,786	144,240,000	206,141,786	2.17%	937
2007	10,415,000	41,275,000	9,573,012	139,845,000	201,108,012	2.07%	887
2008	8,820,000	40,185,000	19,304,342	135,045,000	203,354,342	2.06%	878
2009	7,000,000	45,830,000	18,736,012	130,580,000	202,146,012	2.01%	857
2010	4,980,000	44,925,000	17,686,144	139,700,000	207,291,144	2.10%	866
2011	2,655,000	43,985,000	16,876,860	136,060,000	199,576,860	1.96%	818
2012	-	43,005,000	19,673,344	132,290,000	194,968,344	1.84%	793
2013	-	- <sup>2</sup>	14,182,697	128,375,000	142,557,697	1.31%	572
2014	-	- <sup>2</sup>	18,366,623	121,650,000	140,016,623	1.29%	556
2015	-	- <sup>2</sup>	17,849,316	117,590,000	135,439,316	1.23%	529

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

<sup>2</sup> Tax Allocation Bonds transferred to Successor Agency and shown as fiduciary fund.

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

**CITY OF CHULA VISTA**

**Ratio of General Bonded Debt Outstanding**

**Last Ten Fiscal Years  
(In Thousands, except Per Capita)**

Fiscal Year Ended June 30	Outstanding General Bonded Debt			Percent of Assessed Value <sup>1</sup>	Per Capita
	Pension Obligation Bonds	Tax Allocation Bonds	Total		
2006	11,795	40,295	52,090	0.28%	237
2007	10,415	41,275	51,690	0.24%	228
2008	8,820	40,185	49,005	0.20%	212
2009	7,000	45,830	52,830	0.21%	224
2010	4,980	44,925	49,905	0.23%	208
2011	2,655	43,985	46,640	0.22%	191
2012	-	43,005	43,005	0.20%	175
2013	-	41,985	41,985	0.20%	168
2014	-	40,920	40,920	0.19%	163
2015	-	39,230	39,230	0.17%	153

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

<sup>1</sup> Assessed value has been used because the actual value of taxable property is not readily available in the State of California.

**CITY OF CHULA VISTA**

**Direct and Overlapping Debt**

**June 30, 2015**

2014-15 Assessed Valuation: \$23,090,440,353

	Total Debt		City's Share of
	<u>6/30/15</u>	<u>% Applicable (1)</u>	<u>Debt 6/30/15</u>
<b><u>OVERLAPPING TAX AND ASSESSMENT DEBT:</u></b>			
Metropolitan Water District	\$ 110,420,000	0.995%	\$ 1,098,679
Otay Municipal Water District, I.D. No. 27	5,150,000	99.995	5,149,743
Southwestern Community College District	222,049,345	51.340	114,000,134
Sweetwater Union High School District	336,119,415	61.306	206,061,369
Chula Vista City School District	56,835,000	87.125	49,517,494
Chula Vista City School District Schools Facilities Improvement Dist 1	42,995,000	77.890	33,488,806
National School District	18,000,000	4.046	728,280
City of Chula Vista Community Facilities Districts	177,025,000	100.	177,025,000 (2)
Sweetwater Union High School District Community Facilities Districts	132,150,556	94.00	124,229,117
Chula Vista City School District Community Facilities Districts	3,830,000	99.718	3,819,199
City of Chula Vista 1915 Act Bonds	15,896,000	100.	15,896,000
California Statewide Communities Development Authority 1915 Act Bonds	502,677	100.000	<u>502,677</u>
<b>TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT</b>			<b>\$ 731,516,498</b>
<b><u>DIRECT AND OVERLAPPING GENERAL FUND DEBT:</u></b>			
San Diego County General Fund Obligations	\$ 351,670,000	5.510%	\$ 19,377,017
San Diego County Pension Obligation Bonds	682,615,180	5.510	37,612,096
San Diego County Superintendent of Schools Obligations	14,732,500	5.510	811,761
Southwestern Community College District Certificates of Participation	1,070,000	51.340	549,338
Sweetwater Union High School District General Fund Obligations	42,165,000	61.306	25,849,675
Chula Vista City School District Certificates of Participation	134,745,000	87.125	117,396,581
<b>City of Chula Vista Certificates of Participation</b>	<b>117,590,000</b>	<b>100%</b>	<b>117,590,000</b>
Otay Municipal Water District Certificates of Participation	45,195,000	64.660	<u>29,223,087</u>
<b>TOTAL GROSS DIRECT AND OVERLAPPING GENERAL FUND DEBT</b>			<b>\$ 348,409,555</b>
Less: Otay Municipal Water District Certificates of Participation			<u>29,223,087</u>
<b>TOTAL NET DIRECT AND OVERLAPPING GENERAL FUND DEBT</b>			<b>\$ 319,186,468</b>
<b><u>OVERLAPPING TAX INCREMENT DEBT (Successor Agency):</u></b>	<b>\$ 39,230,000</b>	<b>99.153-100.%</b>	<b>\$ 39,052,970</b>
<b>TOTAL DIRECT DEBT</b>			<b>\$ 117,590,000</b>
<b>TOTAL GROSS OVERLAPPING DEBT</b>			<b>\$1,001,389,023</b>
<b>TOTAL NET OVERLAPPING DEBT</b>			<b>\$ 972,165,936</b>
<b>GROSS COMBINED TOTAL DEBT</b>			<b>\$1,118,979,023 (3)</b>
<b>NET COMBINED TOTAL DEBT</b>			<b>\$1,089,755,936</b>

- (1) The percentage of the overlapping debt applicable to the city is estimated using taxable assessed property value. Applicable percentages were estimated by determining the portion of the overlapping district's assessed value that is within the boundaries of the city divided by the district's total taxable assessed value.
- (2) Excludes refunding issues dated 7/15. Includes issues to be refunded.
- (3) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded capital lease obligations. Qualified Zone Academy Bonds are included based on principal due at maturity.

Ratios to 2014-15 Assessed Valuation:

Total Overlapping Tax and Assessment Debt.....	3.17%
<b>Total Direct Debt (\$121,650,000).....</b>	<b>0.51%</b>
Gross Combined Total Debt.....	4.85%
Net Combined Total Debt.....	4.72%

Ratios to Redevelopment Successor Agency Incremental Valuation (\$1,244,289,863.):

Total Overlapping Tax Increment Debt.....	3.14%
AB: (\$425)	

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

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Assessed valuation	\$ 18,472,433,685	\$ 21,340,592,935	\$ 24,358,502,560	\$ 24,823,395,749	\$ 22,096,990,003	\$ 21,235,445,229	\$ 21,153,963,435	\$ 20,942,796,908	\$ 21,646,268,909	\$ 23,090,440,353
Conversion percentage	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%
Adjusted assessed valuation	4,618,108,421	5,335,148,234	6,089,625,640	6,205,848,937	5,524,247,501	5,308,861,307	5,288,490,859	5,235,699,227	5,411,567,227	5,772,610,088
Debt limit percentage	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%
Debt limit	692,716,263	800,272,235	913,443,846	930,877,341	828,637,125	796,329,196	793,273,629	785,354,884	811,735,084	865,891,513
Total net debt applicable to limit: Pension obligation bonds	11,795,000	10,415,000	8,820,000	7,000,000	4,980,000	2,655,000	-	-	-	-
Legal debt margin	\$ 680,921,263	\$ 789,857,235	\$ 904,623,846	\$ 923,877,341	\$ 823,657,125	\$ 793,674,196	\$ 793,273,629	\$ 785,354,884	\$ 811,735,084	\$ 865,891,513
Total debt applicable to the limit as a percentage of debt limit	1.7%	1.3%	1.0%	0.8%	0.6%	0.3%	0.0%	0.0%	0.0%	0.0%

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

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

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

Fiscal Year Ended June 30	Tax Allocation Bonds			
	Tax Increment	Debt Service		Coverage
		Principal	Interest	
2006	10,404,880	945,000	2,797,726	2.78
2007	11,935,618	995,000	2,735,150	3.20
2008	13,793,329	1,090,000	1,965,103	4.51
2009	13,781,683	870,000	1,728,722	5.30
2010	13,884,637	905,000	2,070,381	4.67
2011	13,822,938	940,000	2,032,665	4.65
2012	10,931,615	980,000	1,992,565	3.68
2013	3,949,717	1,020,000	1,948,865	1.33
2014	6,144,015	1,065,000	1,901,703	2.07
2015	5,648,052	1,690,000	1,840,378	1.60

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

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

Year	Total Population <sup>1</sup>	Pct. of S.D. County Population <sup>1</sup>	Pct. Change from Previous Year <sup>1</sup>	Median Age <sup>1</sup>	Avg. Household Size <sup>1</sup>	Educational Attainment			Unemployment Rate <sup>3</sup>	Pct. Below Poverty <sup>2</sup>	Personal Income (In Thousands) <sup>4</sup>	Per Capita Personal Income <sup>4</sup>
						% High School Graduate <sup>2</sup>	% Bachelor's Degree or Higher <sup>2</sup>	Bachelor's Degree or Higher <sup>2</sup>				
2005	219,939	7.4%	4.2%	34.0	3.09	78.5%	24.7%	5.1%	9.1%	9,478,700	43,100	
2006	226,838	7.6%	3.1%	33.9	3.12	81.7%	24.1%	4.7%	11.0%	9,710,100	42,810	
2007	231,597	7.7%	2.1%	33.9	3.13	79.6%	25.4%	5.4%	9.1%	9,854,100	42,550	
2008	235,767	7.8%	1.8%	33.8	3.16	81.0%	25.7%	7.0%	8.5%	10,063,100	42,680	
2009	239,369	7.8%	1.5%	33.9	3.20	80.0%	25.5%	11.2%	11.5%	9,854,000	41,170	
2010	243,916	7.9%	1.9%	33.5	3.21	83.0%	29.1%	12.3%	8.4%	10,204,500	41,840	
2011	245,987	7.9%	0.8%	34.1	3.21	82.2%	25.7%	11.7%	11.6%	10,578,300	43,000	
2012	249,382	7.9%	1.4%	34.0	3.21	81.3%	27.9%	10.4%	11.9%	10,902,100	43,720	
2013	251,613	8.0%	0.9%	33.9	3.21	79.9%	25.6%	8.8%	15.6%	10,880,000	43,240	
2014	256,139	8.0%	1.7%	34.1	3.22	80.4%	27.8%	8.1%	12.8%	11,051,700	43,150	

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

Notes: Year-to-year variation for socio-economic data (education, poverty, unemployment) are the result of both actual change and sampling error. Dollar values are inflation-adjusted to 2014 dollars. Per capita Personal Income was estimated by using BEA Personal Income for the Region and was adjusted based on the Census 2000 and ACS jurisdiction proportions.

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

<u>Employer</u>	<u>2015</u>		<u>2006</u>	
	<u>Number of Employees</u>	<u>Percent of Total Employment</u>	<u>Number of Employees</u>	<u>Percent of Total Employment</u>
Sweetwater Union High School District	4,121	7.05%	4,446	9.69%
Chula Vista Elementary School District	3,135	5.36%	2,700	5.88%
Rohr Inc./Goodrich Aerospace	2,468	4.22%	1,903	4.15%
Southwestern Community College	1,918	3.28%	2,500	5.45%
Sharp Chula Vista Medical Center	1,878	3.21%	1,410	3.07%
Wal-Mart	1,239	2.12%	950	2.07%
City of Chula Vista	1,178	2.02%	1,675	3.65%
Scripps Mercy Hospital Chula Vista	1,058	1.81%	897	1.96%
Costco	597	1.02%	-	-
24 Hour Fitness	559	0.96%	-	-
United Parcel Service	-	-	637	1.39%
Target	-	-	604	1.32%

"Total Employment" as used above represents the total employment of all employers located within City limits.

Source: State Employment Development Department  
City Finance Department  
Sweetwater Union High School District  
Chula Vista Elementary School District  
Southwestern Community College

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

<u>Function</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
General Government	380	324	302	272	273	258	269	282	312	288
Public safety	518	548	504	476	468	448	432	432	425	469
Public Works/Engr	198	237	188	181	175	155	159	164	161	161
Parks and Recreation	230	242	223	169	164	112	115	115	130	161
Library	252	227	196	189	73	41	76	82	77	88
Development Services	97	83	68	63	62	54	55	49	49	49
Total	<u>1,675</u>	<u>1,661</u>	<u>1,481</u>	<u>1,350</u>	<u>1,215</u>	<u>1,068</u>	<u>1,106</u>	<u>1,124</u>	<u>1,154</u>	<u>1,216</u>

Source: City Finance Department



**CITY OF CHULA VISTA**  
**Operating Indicators**  
**by Function**  
**Last Ten Fiscal Years**

	Fiscal Year					Fiscal Year				
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Police:</b>										
Citizen-initiated calls for service	73,075	74,277	74,192	70,051	68,601	65,186	64,885	66,319	65,645	64,486
<b>Fire:</b>										
Number of emergency calls	n/a	14,853	14,548	14,983	11,490	11,319	12,863	12,950	14,787	18,328
Inspections	1,780	2,119	n/a	3,676	2,898	2,389	2,205	2,390	2,262	4,209
<b>Public works:</b>										
Street resurfacing/maintenance <sup>1</sup> (square feet)	230,598	157,903	77,507	108,745	84,276	99,978	55,398	121,428	38,087	61,640
<b>Parks and recreation:</b>										
Number of recreation classes	1,821	2,231	2,575	2,149	2,301	2,008	1,914	2,572	2,456	2,388
Number of facility rentals	610	855	1,217	969	1,175	1,524	2,028	1,915	1,781	1,921
<b>Library:</b>										
Circulation	1,467,799	1,344,115	1,265,720	1,160,139	985,157	952,847	982,688	992,005	954,071	839,616
Attendance	1,170,168	1,148,024	1,296,245	820,243	605,979	614,841	722,310	832,975	822,895	803,535
<b>Sewer:</b>										
New connections	488	529	165	468	469	287	646	968	553	210
Average daily sewage treatment (millions of gallons)	16.9	17.0	16.8	16.5	16.2	16.3	15.9	15.7	15.5	15.5

<sup>1</sup> Excludes filling of potholes and crack sealing.

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

Source: City of Chula Vista

**CITY OF CHULA VISTA**

**Capital Asset Statistics  
by Function**

**Last Ten Fiscal Years**

	Fiscal Year					Fiscal Year				
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Fire:										
Fire stations	9	9	9	9	9	9	9	9	9	9
Public works:										
Streets (miles)	387.3	403.3	416.9	421.0	429.5	429.5	429.5	429.5	433.9	433.9
Streetlights	8,501	8,953	9,013	9,026	9,052	9,054	9,066	9,069	9,069	9,069
Traffic signals	220	238	253	267	267	268	269	273	273	273
Parks and recreation:										
Parks (acreage) <sup>1</sup>	482.8	504.1	504.1	504.1	504.1	523.1	530.7	530.7	527.7	557.2
Recreation facilities	12	12	12	11	11	11	11	11	11	11
Library:										
Libraries	2	2	2	2	2	2	3	3	3	3
Sewer:										
Sewer pipes (miles)	471.3	484.2	493.8	496.5	505.0	505.0	505.0	505.0	511.3	510
Storm drains (miles)	228.6	234.0	244.7	245.3	248.9	248.9	249.0	249.0	255.2	440
Maximum daily treatment capacity (millions of gallons)	20.9	20.9	20.9	20.9	20.9	20.9	20.9	20.9	20.9	20.9

<sup>1</sup> Includes community, neighborhood, special purpose, mini, and urban parks.

Source: City of Chula Vista

