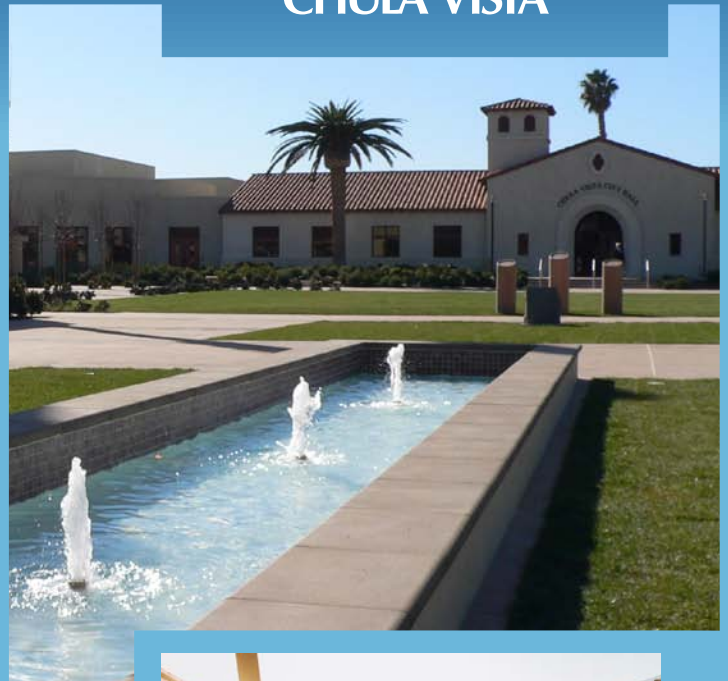




# Comprehensive Annual Financial Report

for the year ended June 30, 2014





CITY OF  
**CHULA VISTA**



# Comprehensive Annual Financial Report

*For The Fiscal Year Ended  
June 30, 2014*

Mayor  
Cheryl Cox

City Council

Patricia Aguilar  
Pamela Bensoussan  
Rudy Ramirez  
Mary Salas

City Manager  
Gary Halbert

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



CITY OF  
**CHULA VISTA**

**CITY OF CHULA VISTA  
 COMPREHENSIVE ANNUAL FINANCIAL REPORT  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

**TABLE OF CONTENTS**

	<u>Page</u>
<b><u>INTRODUCTORY SECTION (unaudited)</u></b>	
Letter of Transmittal.....	i
Principal Officials.....	v
Organizational Chart.....	vi
Certificate of Achievement for Excellence in Financial Reporting .....	vii
 <b><u>FINANCIAL SECTION</u></b>	
<b>Independent Auditors' Report .....</b>	<b>1</b>
<b>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 .....</b>	<b>5</b>
<b>Management's Discussion and Analysis (Required Supplementary Information) .....</b>	<b>7</b>
 <b>Basic Financial Statements:</b>	
 <b>Government-Wide Financial Statements:</b>	
Statement of Net Position .....	29
Statement of Activities and Changes in Net Position .....	30
 <b>Fund Financial Statements:</b>	
Governmental Fund Financial Statements:	
Balance Sheet .....	36
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position.....	39
Statement of Revenues, Expenditures and Changes in Fund Balances .....	40
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities .....	42
Proprietary Fund Financial Statements:	
Statement of Net Position.....	44
Statement of Revenues, Expenses and Changes in Fund Net Position.....	45
Statement of Cash Flows .....	46
Fiduciary Fund Financial Statements:	
Statement of Fiduciary Net Position.....	48
Statement of Changes in Fiduciary Net Position.....	49
 <b>Notes to Basic Financial Statements.....</b>	 <b>51</b>

**CITY OF CHULA VISTA  
 COMPREHENSIVE ANNUAL FINANCIAL REPORT  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

**TABLE OF CONTENTS (CONTINUED)**

	<u>Page Number</u>
<b><u>FINANCIAL SECTION (Continued)</u></b>	
<b>Required Supplementary Information:</b>	
Budgetary Comparison Schedule by Department - General Fund.....	109
Budgetary Comparison Schedule – Sundry Grants Special Revenue Fund.....	110
Budgetary Comparison Schedule - Housing Successor Agency Special Revenue Fund.....	111
Schedule of Funding Progress .....	112
Notes to Required Supplementary Information .....	113
<b>Supplementary Information:</b>	
Non-Major Governmental Funds:	
Combining Balance Sheet .....	120
Combining Statement of Revenues, Expenditures and Changes in Fund Balances .....	126
Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual:	
Transportation Grants Special Revenue Fund .....	131
Parking Meter Special Revenue Fund .....	132
Traffic Safety Special Revenue Fund.....	133
Traffic Signal Special Revenue Fund.....	134
Storm Drain Special Revenue Fund .....	135
Town Center I Special Revenue Fund.....	136
Open Space District’s Special Revenue Fund .....	137
Housing Programs Special Revenue Fund .....	138
Housing Authority Special Revenue Fund .....	139
Transportation Sales Tax Special Revenue Fund .....	140
Mobile Park Fee Special Revenue Fund.....	141
Public Education and Government Fee Special Revenue Fund .....	142
Utility Tax Settlement Special Revenue Fund .....	143
Park Acquisition Development Capital Project Fund.....	144
Residential Construction tax Capital Project Fund.....	145
Highway Safety Capital Project Fund .....	146
Assessment District Improvement Capital Project Fund.....	147
Development Impact Capital Project Fund .....	148
Other Transportation Program Capital Project Fund.....	149
Notes Payable Debt Service Fund .....	150
Leases Payable Debt Service Fund.....	151
City Debt Service Fund .....	152
Public Financing Authority Debt Service Fund .....	153
Non-Major Proprietary Funds:	
Combining Statement of Net Position .....	156
Combining Statement of Activities and Changes in Net Position .....	157
Combining Statement of Cash Flows .....	158
Internal Service Funds:	
Combining Statement of Net Position .....	160
Combining Statement of Activities and Changes in Net Position .....	161
Combining Statement of Cash Flows .....	162

**CITY OF CHULA VISTA  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

**TABLE OF CONTENTS (CONTINUED)**

**FINANCIAL SECTION (Continued)**

Fiduciary Funds:

Combining Statement of Net Position – All Agency Funds .....	164
Combining Statement of Changes in Assets and Liabilities – All Agency Funds.....	165

**STATISTICAL SECTION**

Net Position by Component - Last Ten Fiscal Years.....	168
Changes in Net Position - Last Ten Fiscal Years .....	169
Fund Balances, Governmental Funds – Last Ten Fiscal Years .....	171
Changes in Fund Balances, Governmental Funds – Last Ten Years .....	172
Assessed Value and Estimated Actual Value of Taxable	
Property - Last Ten Fiscal Years.....	173
Direct and Overlapping Property Tax Rates - Last Ten Fiscal Years.....	174
Principal Property Tax Payers - Current Year and Ten Years Ago .....	175
Property Tax Levies and Collections - Last Ten Fiscal Years.....	176
Ratios of Outstanding Debt by Type - Last Ten Fiscal Years .....	177
Ratios of General Bonded Debt Outstanding - Last Ten Fiscal Years .....	178
Statement of Direct and Over Lapping Bonded Debt.....	179
Legal Debt Margin Information - Last Ten Fiscal Years .....	180
Pledged-Revenue Coverage - Last Ten Fiscal Years.....	181
Demographic and Economic Statistics - Last Ten Calendar Years .....	182
Principal Employers - Current Year and Ten Years Ago .....	183
Full-time-Equivalent City Government Employees	
by Function/Program - Last Ten Fiscal years .....	184
Operating Indicators by Function/Program - Last Ten Fiscal Years .....	185
Capital Asset Statistics by Function/Program - Last Ten Fiscal Years .....	186



CITY OF  
**CHULA VISTA**





## Finance Department

---

January 16, 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, 2014 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 50 square miles.

Chula Vista was incorporated in 1911, and functions under a City Charter with a Council/Manager form of government. The City is governed by a four member Council and a Mayor, who serve four-year overlapping terms, and in addition to the City Attorney are elected on a citywide basis. The City Council appoints the City Manager and the City Clerk. Municipal services provided include police, fire, parks, recreation, libraries, planning & building, housing programs, street and drainage construction 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 \$71,355.

The City of Chula Vista, with a population of approximately 256,139, 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 2014, 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 2016, 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 Control**

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

### **Budgetary Controls**

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

Activities of the general fund, special revenue funds, debt service funds and capital project funds are adopted in the operating budget. Budgetary control (which is the policy that 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, 2013. This was the 14<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,



Maria Kachadoorian

Deputy City Manager and Chief Financial Officer

**City of Chula Vista  
List of City Officials  
As of June 30, 2014**

---

**City Council**

---

---

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

**Administration**

---

Gary Halbert	City Manager
Kelley Bacon	Deputy City Manager/ Director of Human Resources
Glen R. Googins	City Attorney
Donna Norris	City Clerk

**Department Heads**

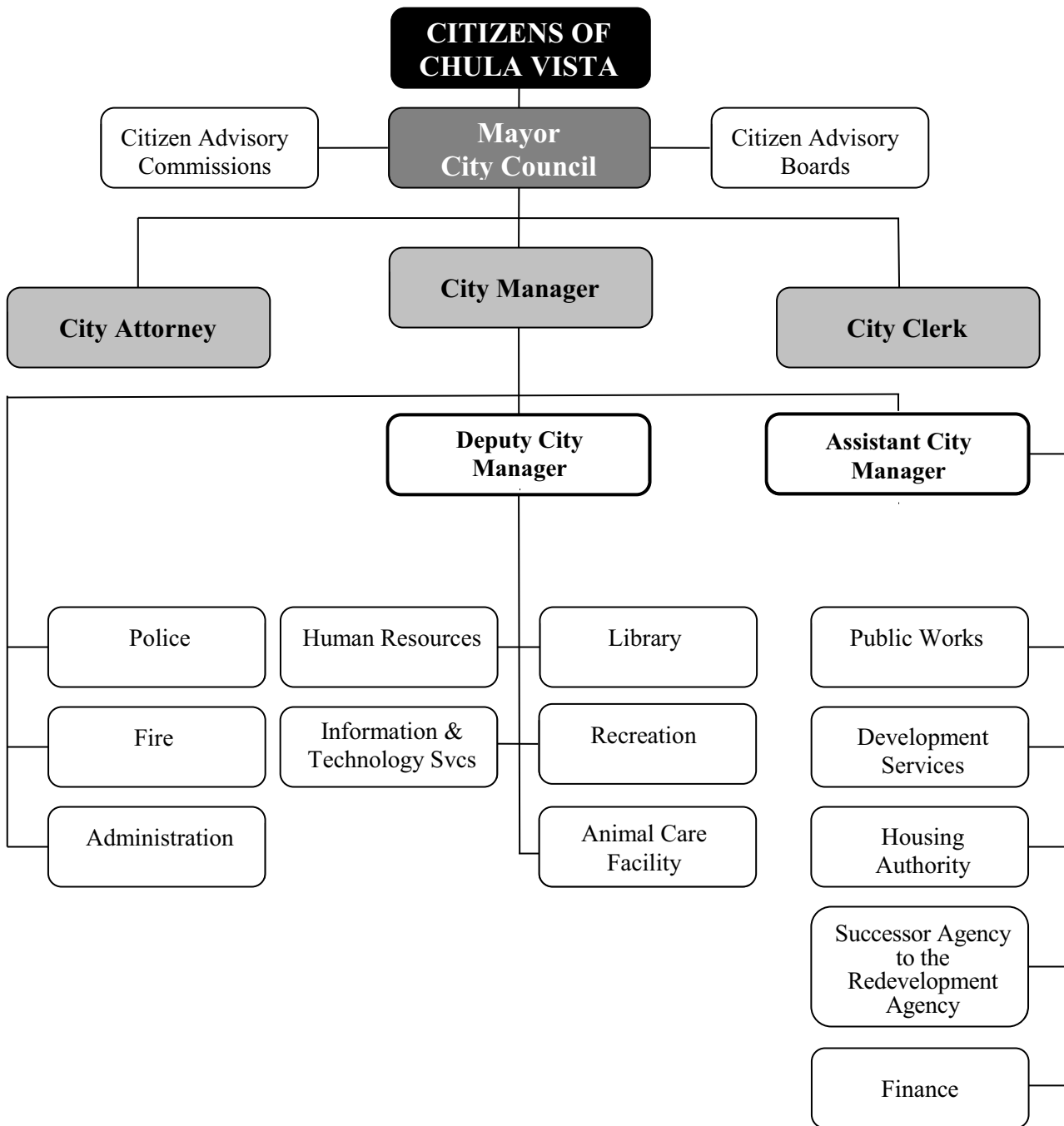
---

---

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



**CITY OF  
CHULA VISTA  
ORGANIZATION CHART**





Government Finance Officers Association

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

Presented to

**City of Chula Vista  
California**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2013**

Executive Director/CEO





## INDEPENDENT AUDITORS' REPORT

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

### **Report on Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Chula Vista, California, (the City) as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

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

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

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



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

### **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Chula Vista, California, as of June 30, 2014, 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 2014 the City adopted new accounting guidance, GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*. Our opinion is not modified with respect to this matter.

### **Other Matters**

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, and the budgetary comparison information for the General Fund, Sundry Grants Special Revenue Fund and the Housing Successor Agency Special Revenue Fund, 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 January 16, 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.

Brea, California  
January 16, 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, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated January 16, 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.

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

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

**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*.



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

### **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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Lance, Solt & Lughard, LLP*

Brea, California  
January 16, 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, 2014. 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, 2014 by \$1.0 billion (net position). Of this amount, \$119.9 million was reported as “unrestricted net position” and may be used to meet the government’s ongoing obligations to citizens and creditors.
2. Total unrestricted net position is \$89.4 million lower for governmental activities than last fiscal year, a decrease of 80%. For business type activities, unrestricted net position is \$4.0 million higher than the previous year, a 4.3% increase. The significant decrease in unrestricted net position for governmental activities reflects an auditor recommended change in the classification of net position for restricted funds from unrestricted to restricted.
3. The City’s total net position increased by \$24.7 million in fiscal year 2014. The net position of governmental activities increased by \$18.9 million, while the net position of the business type activities increased by \$5.8 million.
4. The City’s governmental funds reported combined ending fund balances of \$133.8 million, an increase of \$11.6 million, or 9.5%.
5. Total citywide liabilities decreased by \$17.3 million. Liabilities for governmental activities decreased by \$17.0 million and business-type activities decreased by \$0.3 million.
6. The City’s total long-term debt obligations had a net decrease of \$2.5 million or 1.8% during fiscal year 2014. The decrease reflects principal payments of \$6.4 million, offset by a new capital lease for solar energy financing totaling \$2.1 million and the refunding of the 2002 Certificates of Participation for the Police Facility project.
7. The unassigned fund balance of the General Fund on June 30, 2014 was \$14.5 million, or 11.7% of fiscal year 2013-14 General Fund expenditures (excluding other financing uses).
8. The City recognized \$10.5 million in Utility Users’ Tax (UUT) revenues deferred during fiscal years 2011, 2012, and 2013 pending the outcome of a legal challenge to the City’s collection of UUT on wireless telecommunication services. The class action lawsuit was settled in December 2013, requiring the establishment of an \$8 million settlement fund (TUT Common Fund) to be used for rebates and refunds to taxpayers and specified city activities.

The settlement further required a reduction in the UUT rate for telecommunication services from 5% to 4.75%, effective March 1, 2014. No future deferral of UUT revenues is anticipated.

## **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.

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

***Proprietary Funds*** – The City maintains two different types of proprietary funds - enterprise funds and internal service funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses

an enterprise fund to account for its Sewer, Development Services and Transit activities. Internal service funds are used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for its 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 \$1.0 billion at the close of the fiscal year ending June 30, 2014. This is a net increase of \$24.5 million when compared to the prior year, reflecting a current year increase of \$24.7 million offset by a \$0.2 million negative restatement of prior year net position. Increases occurred in both the City's governmental funds (net \$18.7 million after \$0.2 million negative restatement of prior year) and in business-type activities (\$5.8 million). On the following page is a summary schedule showing the components that make up the City's net position at June 30, 2014 and 2013.

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

	Governmental Activities		Business-Type Activities		Total	
	2014	2013	2014	2013	2014	2013
Current Assets	\$ 216,799,550	\$ 167,732,385	\$ 84,246,862	\$ 80,712,296	\$ 301,046,412	\$ 248,444,681
Non-Current Assets	(4,919,281)	43,146,245	14,684,187	14,516,516	9,764,906	57,662,761
Capital Assets	769,716,744	769,034,178	136,513,268	134,661,254	906,230,012	903,695,432
<b>Total Assets</b>	<b>981,597,013</b>	<b>979,912,808</b>	<b>235,444,317</b>	<b>229,890,066</b>	<b>1,217,041,330</b>	<b>1,209,802,874</b>
Current Liabilities	39,857,833	45,493,875	1,427,599	1,678,341	41,285,432	47,172,216
Non-Current Liabilities	162,796,464	174,167,681	109,810	148,726	162,906,274	174,316,407
<b>Total Liabilities</b>	<b>202,654,297</b>	<b>219,661,556</b>	<b>1,537,409</b>	<b>1,827,067</b>	<b>204,191,706</b>	<b>221,488,623</b>
<b>Net Position</b>						
Net Investment in Capital Assets	649,314,016	626,476,481	136,513,268	134,661,254	785,827,284	761,137,735
Restricted	107,106,257	21,888,309	-	-	107,106,257	21,888,309
Unrestricted	22,522,443	111,886,462	97,393,640	93,401,745	119,916,083	205,288,207
<b>Total Net Position</b>	<b>\$ 778,942,716</b>	<b>\$ 760,251,252</b>	<b>\$ 233,906,908</b>	<b>\$ 228,062,999</b>	<b>\$ 1,012,849,624</b>	<b>\$ 988,314,251</b>

As the table shows, an amount of \$785.8 million is reported as invested in capital assets (e.g. land, streets, sewers, buildings, improvements, equipment and work in progress), less any related debt used to acquire those assets that are still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Additional portions of the City's net assets are restricted (\$107.1 million or 10.6%) and represent resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets of \$119.9 million may be used to meet the government's ongoing obligations to citizens and creditors.

Current and non-current assets for government activities reflect an auditor recommended reclassification of deferred loans from non-current to current assets. This change in classification represents \$47.4 million of the year-to-year change in these categories. A second auditor recommended reclassification of developer deposits, payable, from non-current to current liabilities represents \$13.1 million of the year-to-year change in these categories.

At the end of the fiscal year, the City was able to report overall positive balances in all three categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities.

## Changes in Net Position

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

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

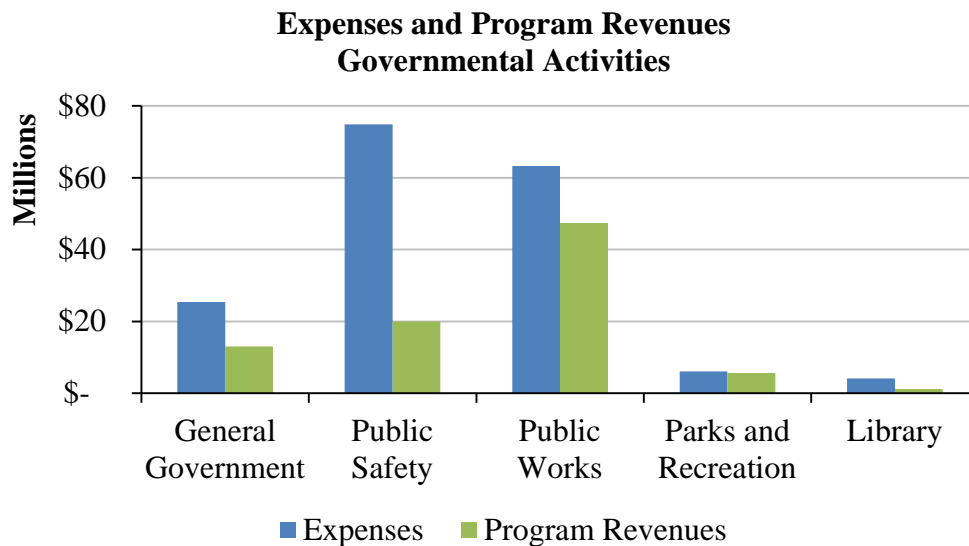
	Governmental Activities		Business-Type Activities		Total	
	2014	2013	2014	2013	2014	2013
<b>Revenues:</b>						
Program Revenues:						
Charges for Services	\$ 55,832,132	\$ 59,746,716	\$ 42,469,478	\$ 45,152,163	\$ 98,301,610	\$ 104,898,879
Operating Grants & Contributions	29,456,557	30,935,863	3,800,358	3,095,626	33,256,915	34,031,489
Capital Grants & Contributions	1,921,554	2,936,133	-	-	1,921,554	2,936,133
General Revenues:						
Property Taxes	45,266,172	45,146,022	-	-	45,266,172	45,146,022
Sales Taxes	29,171,174	28,627,785	-	-	29,171,174	28,627,785
Franchise Taxes	9,499,909	9,266,768	-	-	9,499,909	9,266,768
Utility User Taxes	17,525,294	4,428,794	-	-	17,525,294	4,428,794
Business License Taxes	1,328,554	1,260,622	-	-	1,328,554	1,260,622
Transient Occupancy Taxes	2,632,774	2,471,252	-	-	2,632,774	2,471,252
Property Transfer Taxes	949,603	1,125,252	-	-	949,603	1,125,252
Construction Taxes	209,075	413,552	-	-	209,075	413,552
Investment Earnings	1,944,988	866,861	1,505,052	261,354	3,450,040	1,128,215
Miscellaneous	686,054	2,034,895	819,872	340,888	1,505,926	2,375,783
Transfer from Successor Agency	-	239,320	-	-	-	239,320
Gain (Loss) Disposal of Capital Assets	-	82,587	25,778	9,021	25,778	91,608
<b>Total Revenues</b>	<b>196,423,840</b>	<b>189,582,422</b>	<b>48,620,538</b>	<b>48,859,052</b>	<b>245,044,378</b>	<b>238,441,474</b>
<b>Expenses:</b>						
General Government	\$ 25,386,867	\$ 33,652,891	-	-	\$ 25,386,867	\$ 33,652,891
Public Safety	74,896,803	77,821,520	-	-	74,896,803	77,821,520
Public Works	63,312,155	69,297,402	-	-	63,312,155	69,297,402
Parks and Recreation	6,118,351	5,865,192	-	-	6,118,351	5,865,192
Library	4,092,263	4,224,568	-	-	4,092,263	4,224,568
Transit	-	14,560	-	-	-	14,560
Interest on Long-Term Debt	7,287,461	6,698,509	-	-	7,287,461	6,698,509
Sewer Funds	-	-	26,046,175	30,773,712	26,046,175	30,773,712
Transit	-	-	6,875,214	6,997,488	6,875,214	6,997,488
Bayfront Trolley Station	-	-	61,823	92,843	61,823	92,843
Sewer DIFs	-	-	129,279	122,927	129,279	122,927
Development Services Fund	-	-	6,113,133	5,717,312	6,113,133	5,717,312
<b>Total Expenses</b>	<b>181,093,900</b>	<b>197,574,642</b>	<b>39,225,624</b>	<b>43,704,282</b>	<b>220,319,524</b>	<b>241,278,924</b>
Increase/(Decrease) in Net Position Before Transfers	15,329,940	(7,992,220)	9,394,914	5,154,770	24,724,854	(2,837,450)
Transfers	3,551,004	3,861,417	(3,551,004)	(3,861,417)	-	-
Extraordinary Gain (Loss)	-	-	-	-	-	-
<b>Change in Net Position</b>	<b>18,880,944</b>	<b>(4,130,803)</b>	<b>5,843,910</b>	<b>1,293,353</b>	<b>24,724,854</b>	<b>(2,837,450)</b>
Net Position, Beginning of Year - Restated	760,061,772	764,382,055	228,062,998	226,769,646	988,124,770	991,151,701
<b>Net Position, End of Year</b>	<b>\$ 778,942,716</b>	<b>\$ 760,251,252</b>	<b>\$ 233,906,908</b>	<b>\$ 228,062,999</b>	<b>\$ 1,012,849,624</b>	<b>\$ 988,314,251</b>

The City's net position increased by \$24.7 million or 2.5%, offset by a \$0.2 million negative restatement of prior year net position, for a net change in net position of \$24.5 million. The net position of governmental activities increased by \$18.9 million (offset by \$0.2 million negative restatement of net position), while the net position of the business type activities increased by \$5.8 million.

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

### Governmental Activities

Governmental activities increased the City's net position by \$18.9 million contributing to the City's total increase in net position. The City received a total of \$87.2 million in program revenues from governmental activities in fiscal year 2013-14, a decrease of \$6.4 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.



Total program revenues from governmental activities were \$87.2 million in fiscal year 2013-14. Per GASB 34, program revenues are derived directly from the program itself or from parties outside the reporting government's taxpayers or citizenry. They reduce the net cost of the function to be financed from the government's general revenues. A discussion of the different Program Revenue categories and its components follows.

*Charges for Services* had a net decrease of \$3.9 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>2014</b>	<b>2013</b>	<b>Increase/ (Decrease)</b>
General government	\$ 8,767,069	\$ 5,795,838	\$ 2,971,231
Public safety	10,198,058	8,893,631	1,304,427
Public works	30,495,980	35,758,786	(5,262,806)
Parks and recreation	5,292,433	7,631,696	(2,339,263)
Library	1,078,592	1,666,765	(588,173)
<b>Total Charges for Services</b>	<b>\$ 55,832,132</b>	<b>\$ 59,746,716</b>	<b>\$ (3,914,584)</b>

*Operating Grants and Contributions* for governmental activities showed a net decrease of \$1.5 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>2014</b>	<b>2013</b>	<b>Increase/ (Decrease)</b>
General government	\$ 4,227,379	\$ 4,786,541	\$ (559,162)
Public safety	9,800,468	8,644,384	1,156,084
Public works	15,032,182	17,188,263	(2,156,081)
Parks and recreation	340,881	225,848	115,033
Library	55,647	90,827	(35,180)
<b>Total Operating Grants</b>	<b>\$ 29,456,557</b>	<b>\$ 30,935,863</b>	<b>\$ (1,479,306)</b>

*Capital Grants and Contributions* for governmental activities had a net decrease of \$1.0 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>2014</b>	<b>2013</b>	<b>Increase/ (Decrease)</b>
General government	\$ 21,643	\$ 51,346	\$ (29,703)
Public safety	-	280,000	(280,000)
Public works	1,899,911	2,306,787	(406,876)
Parks and recreation	-	298,000	(298,000)
Library	-	-	-
<b>Total Capital Grants</b>	<b>\$ 1,921,554</b>	<b>\$ 2,936,133</b>	<b>\$ (1,014,579)</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 2013-14. The largest percentage of general revenues received during the year for governmental activities were taxes of \$106.6 million, which included Property Taxes of \$45.3 million and Sales Taxes of \$29.2 million.

The City's General Revenues increased as a whole by \$13.3 million when compared to the prior fiscal year. This significant increase is primarily attributable to Utility Users' Taxes, with other revenue sources presenting minor variances, reflecting a stable financial outlook.

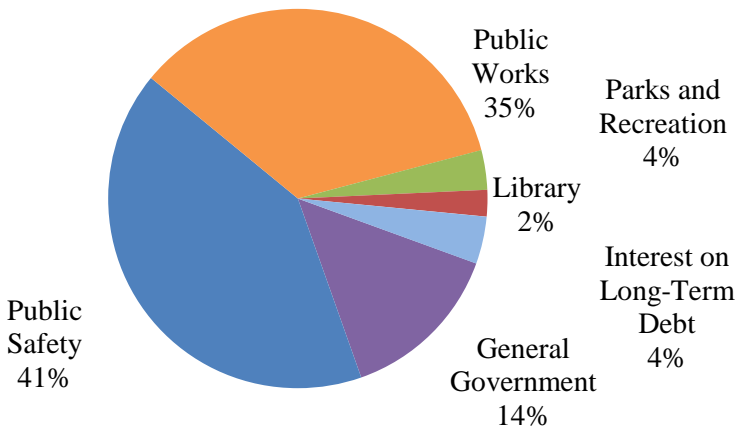
**General Revenues  
As of June 30**

	<b>2014</b>	<b>2013</b>	<b>Increase/ (Decrease)</b>
Property Taxes	\$ 45,266,172	\$ 45,146,022	\$ 120,150
Sales Taxes	29,171,174	28,627,785	543,389
Franchise Taxes	9,499,909	9,266,768	233,141
Utility Users' Taxes	17,525,294	4,428,794	13,096,500
Business License Taxes	1,328,554	1,260,622	67,932
Transient Occupancy Taxes	2,632,774	2,471,252	161,522
Property Transfer Taxes	949,603	1,125,252	(175,649)
Construction Taxes	209,075	413,552	(204,477)
Investment Earnings	1,944,988	866,861	1,078,127
Transfer from Successor Agency	-	239,320	(239,320)
Miscellaneous	686,054	2,034,895	(1,348,841)
<b>Total General Revenues</b>	<b>\$ 109,213,597</b>	<b>\$ 95,881,123</b>	<b>\$ 13,332,474</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. Future revenues will be recognized as received.

Total governmental activity type expenses were \$181.1 million in fiscal year 2013-14. The largest expenses were incurred for Public Safety, Public Works and General Government. These three activities combined account for 90.3% of all general activity expenses. These expenses do not include capital outlays, which are reflected in the City's capital assets.

**Governmental Expenses by Activity**



**Business Type Activities**

Net position for business-type activities was \$233.9 million, an increase of \$5.8 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 decrease in Sewer Fund related activities (\$4.7 million) and minor decreases in Transit related activities (\$0.1 million) and the Bayfront Trolley Station (\$31,020). These decrease were slightly offset by increased expenses for Development Services Fund activities (\$0.4 million) and Sewer Development Impact Fee activities (\$6,352)

Total program revenues for business-type activities were \$46.3 million and are composed of sewer fees (\$33.5 million), bus fares (\$2.7 million), and development fees (\$6.3 million). The Metropolitan Transit System, whom the City contracts with to provide transit service, provides a subsidy to make the City whole and is considered an operating grant (\$3.8 million). Total expenses for the business-type activities were \$39.2 million and were for expenses related to Sewer (\$26.2 million), Transit Operations (\$6.9 million), and processing of development permits and plans (\$6.1 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 \$133.9 million in revenues and \$124.2 million in expenditures, resulting in revenues over expenditures in the amount of \$9.7 million. After accounting for net other financing sources of \$4.7 million, General Fund fund balance increased by \$5.0 million.

Total fund balance at June 30, 2014 was \$33.0 million, composed of \$43.3 million in assets combined with \$6.7 million in liabilities and \$3.6 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 \$6.2 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, 2014, there is no restricted fund balance in the General Fund. Assigned fund balance, totaling \$4.8 million, represents that portion of a fund balance that includes amounts that are constrained by the government’s intent to be used for specific purposes, but that are neither restricted nor committed. The City Council has delegated its authority to assign fund balance amounts to the City’s Director of Finance. The final component of total fund balance is unassigned fund balance. Totaling \$14.5 million, this is the portion of fund balance that is available for appropriation for any purpose. Unassigned fund balance represents 11.7% of total fiscal year 2013-14 General Fund expenditures.

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

The Sundry Grants Fund had total revenues of \$13.7 million and expenditures of \$16.7 million, resulting in revenues under expenditures in the amount of \$3.0 million. The Sundry Grants Fund equity decreased by \$1.8 million for the fiscal year after accounting for net other financing sources of \$1.2 million. Fund equity decreased due to the use of Sundry Grants reserves that had been collected in previous years but not spent until fiscal year 2013-14. Total fund balance at June 30, 2014 was \$3.3 million, composed of nonspendable (\$3.1 million) and restricted (\$0.2 million) fund balance.

**Low and Moderate Income Housing Successor Special Revenue Fund** - The California legislature voted to end redevelopment agencies on February 1, 2012. This fund was created 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 \$0.6

million composed primarily of interest earnings, property rentals and loan repayments from affordable housing projects. Housing expenditure activities totaled \$0.1 million, resulting in a fund equity increase of \$0.5 million. Total fund balance as of June 30, 2014 was \$8.4 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, 2014 was negative \$36.9 million, composed entirely of unassigned fund balance. The fund balance increased by \$0.1 million in fiscal year 2013-14 due to the payment of principal and interest on outstanding loans.

***Development Impact Fee Fund*** – This fund was established as a depository for various development impact fees (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 \$7.6 million, with \$6.9 million attributable to building permit fees for new development. Expenditures totaled \$3.8 million, composed primarily of activity in the Transportation DIF, which spent \$3.1 million on three major projects. The projects are the Otay Lakes Road widening, Willow Street Bridge widening, and Heritage Road Bridge. Other expenditures in the Transportation DIF totaling \$0.2 million were for transportation planning and traffic calming projects. The Public Facilities DIF had staff time reimbursements of \$0.3 million.

Total fund equity decreased by \$2.4 million for the year. As of June 30, 2014, this fund had a fund balance totaling \$42.6 million, comprised of mostly cash (\$33.3 million) and advances to other funds (\$10.7 million), partially offset by \$0.1 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 \$2.9 million with \$2.6 million attributable to building permit fees for new development. Expenditures totaled \$29,522, reflecting capital improvement project staff time reimbursements. Total fund equity increased by \$2.9 million for the year. As of June 30, 2014, the fund balance totaled \$39.1 million, comprised primarily of cash (\$29.2 million) and advances to other funds (\$10.1 million), partially offset by \$0.2 million in liabilities (unearned revenue). Of the \$39.1 million fund balance, \$9.9 million is designated nonspendable, with the remaining \$29.2 million designated 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 \$33.8 million. In addition, non-operating revenues totaling \$1.4 million were realized (interest income). Operating expenses totaled \$26.0 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 \$19.5 million.

After accounting for all revenues and expenses, both operating and non-operating, net position of the fund increased by \$6.4 million for the year, totaling \$225.9 million as of June 30, 2014. Of total net position, \$134.0 million is designated for sewer system infrastructure such as pump stations, sewer lines and other related equipment and therefore not available to fund the day-to-day operations of the sewer system. Total current assets total \$73.9 million, comprised of cash and investments (\$68.9 million) and accounts receivable (\$5.0 million). Fund liabilities at the end of the fiscal year totaled \$993,846, of which \$937,114 were considered current liabilities. The fund has no outstanding bonded debt.

## **GENERAL FUND BUDGETARY HIGHLIGHTS**

The final amended general fund budget totaled \$142,734,901 including \$10,856,225 in budget amendments to the originally adopted budget and encumbrances of \$4,127,544 which will fund contractual obligations and outstanding purchase orders. The General Fund's budget amendments of \$10,856,225 are summarized as follows:

<b>Budget Amendments</b>	<b>Appropriation</b>
Book Donation	\$ 1,500
HarborFest 2013	50,000
Target Grant for Literacy	2,000
Lease for 610 Bay Boulevard	8,000
1st Quarter Budget Adjustments	495,541
Citywide Critical Needs	523,000
ALS Paramedic Training Cost	127,637
Business Cluster Analysis	128,000
SAFE Funds Appropriation Street Signs	55,000
Fleet Maintenance Charges for Equip. Mechanic & Inventory Specialist	58,136
Consulting Services for Polling and Public Outreach	106,800
Appropriation of donated/Sponsorship/Grant Funds	22,181
TUT Settlement Appropriation	8,017,453
Funding for Law Office Manager	38,750
2nd Quarter Budget Adjustments	602,100
Rohr Park County Lease and Ranger Improvements	30,000

<b>Budget Amendments</b>	<b>Appropriation</b>
3rd Quarter Budget Adjustments	482,596
Friends of CV Parks & Rec for Critical Hours Programming and Equip.	4,110
McFarlane Promotions Initial Payment for HarborFest 2014	7,500
FY14 Year-End Budget Adjustments	95,920
<b>Total General Fund Budget Amendments</b>	<b>\$ 10,856,225</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, 2014, amounts to \$916.9 million, net of accumulated depreciation of \$492.1 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 \$2.5 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, 2014, the City had \$140.0 million in debt outstanding compared to the \$142.6 million last year, a net decrease of 1.8%. The majority of this debt is in the form of Certificates of Participation (\$121.7 million) and a CDBG Section 108 Loan (\$7.9 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 \$6.4 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. In addition, the Chula Vista Public Financing Authority issued \$45.9 million in Certificates of Participation in February 2014, to refinance the outstanding 2002 Certificates of Participation (originally issued to finance the Police Facility project). Based on bond pricing, the City has recorded a bond premium for this issuance totaling \$3.5 million

In September of 2013, the City was upgraded from an "A" to an "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 2013-14 fiscal year was \$22,477,780,629. This is an increase of \$738,820,840 or 3.4% over the 2012-13 assessed valuation. It should be noted that assessed value was set as of January 1, 2013. Actual current secured property tax revenues for the fiscal year totaled \$25.5 million, which is \$0.3 million less than collected in the prior year.

### **Building Activity**

The valuation of all building and related permits totaled \$208 million for the 2013-14 fiscal year. This is approximately 30% less than the valuation of \$296.2 million for these permit categories in the prior fiscal year.

<b>Building Permit Valuation</b>	<b>As of June 30</b>		<b>Increase/ (Decrease)</b>	
	<b>2014</b>	<b>2013</b>		
Residential	\$ 116,869,207	\$ 226,972,213	\$ (110,103,007)	-48.5%
Non-Residential	53,222,385	26,385,454	26,836,931	101.7%
Additions & Alterations	37,643,216	42,574,354	(4,931,138)	-11.6%
Demolitions	260,004	244,984	15,020	6.1%
<b>Total</b>	<b>\$ 207,994,811</b>	<b>\$ 296,177,004</b>	<b>\$ (88,182,194)</b>	<b>-29.8%</b>

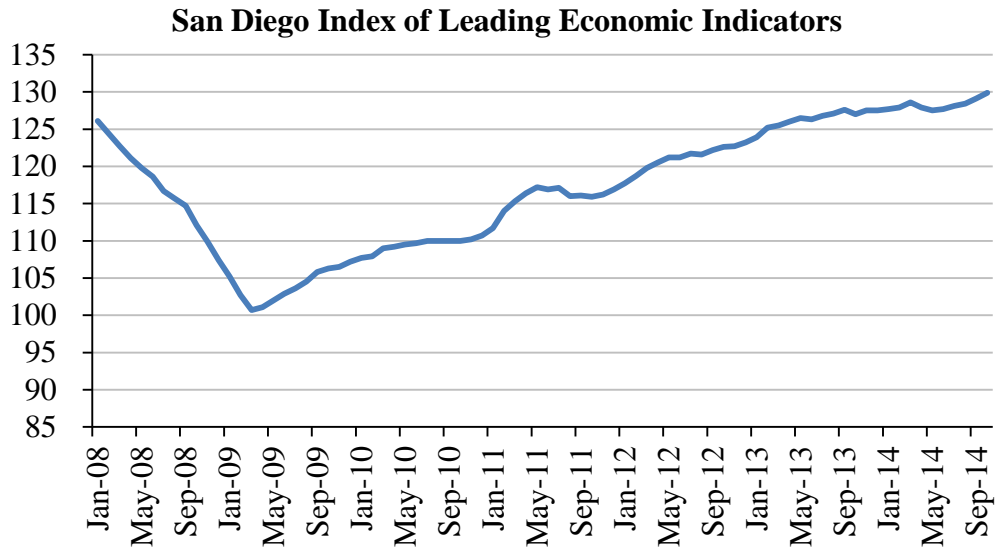
The year over year decrease in building permits activity reflects the continued instability of the new construction market.

### **Local Economy**

The USD Burnham-Moores Center for Real Estate's Index of Leading Economic Indicators for San Diego County rose 0.6% in October 2014. The gain was led by sharp increases in initial claims for unemployment insurance and the national economy, with smaller positive moves in consumer confidence, help wanted advertising, and local stock prices. These positive indicators were offset by a sharp decline in building permits. The five advancing components outweighed the lone declining indicator to push the USD Index to its fifth consecutive gain.

The outlook remains for solid growth in the local economy through at least the end of 2015. The local unemployment rate is 1.6% lower than last year, and civilian employment is up almost 55,000 year over 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>

<sup>1</sup> Burnham-Moores Center for Real Estate, University of San Diego  
<http://home.sandiego.edu/~agin/usdlei/index.html>; <http://home.sandiego.edu/~agin/usdlei/INDEX14.OCT.doc>



July 2014 home prices in San Diego County were up 8% 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 \$464,900. 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 2014 Compared to July 2013**

Zip Code	Locale	Median Price		Percent Change
		2014	2013	
91910	North	\$ 394,250	\$ 360,000	10%
91911	South	\$ 368,450	\$ 348,750	6%
91913	Eastlake	\$ 426,725	\$ 382,900	11%
91914	NE	\$ 576,000	\$ 560,200	3%
91915	SE	\$ 433,075	\$ 424,125	2%

**Fiscal Year 2014-15 Budget**

The City ended the 2013-14 fiscal year with unassigned fund balance of \$14.5 million and a committed fund balance of \$6.2 million, including the \$3.6 million Economic Contingency Reserve.

In June 2014, the Chula Vista City Council adopted the 2014-15 annual budget which provides \$283.6 million in appropriations to fund all City activities. The General Fund budget totaled \$134.5 million (\$1.7 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 national mortgage crisis continues to impact overall property values and property tax growth. Based on information received from the San Diego County Assessor, Chula Vista's projected change in net taxable assessed value for fiscal year 2014-15 is positive 0.454% when compared to the 2013-14 taxable assessed values. Management anticipated this slowdown in the housing market, and its effects on property tax revenue growth, as well as the overall condition of the economy, and adjusted revenue estimates in the 2014-15 budget accordingly.

### **REQUESTS FOR INFORMATION**

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





---

# **BASIC FINANCIAL STATEMENTS**

---



---

# **GOVERNMENT-WIDE FINANCIAL STATEMENTS**

---



CITY OF CHULA VISTA

STATEMENT OF NET POSITION  
JUNE 30, 2014

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
<b>Current assets:</b>			
Cash and investments	\$ 140,596,163	\$ 78,867,975	\$ 219,464,138
Receivables:			
Accounts	1,173,739	5,103,782	6,277,521
Taxes	8,419,765	-	8,419,765
Accrued interest	176,469	95,773	272,242
Deferred loans	47,395,279	-	47,395,279
Grants	-	179,332	179,332
Advances to successor agency	13,613,398	-	13,613,398
Other receivables	10,677	-	10,677
Prepaid costs	85,327	-	85,327
Due from other governments	5,328,733	-	5,328,733
Total Current Assets	<u>216,799,550</u>	<u>84,246,862</u>	<u>301,046,412</u>
<b>Non-current assets:</b>			
Restricted assets:			
Cash and investments	755,411	-	755,411
Cash with fiscal agent	9,009,495	-	9,009,495
Internal balances	(14,684,187)	14,684,187	-
Capital assets not being depreciated	99,561,842	2,572,979	102,134,821
Capital assets, net of depreciation	670,154,902	133,940,289	804,095,191
Total non-current assets	<u>764,797,463</u>	<u>151,197,455</u>	<u>915,994,918</u>
<b>Total Assets</b>	<b><u>981,597,013</u></b>	<b><u>235,444,317</u></b>	<b><u>1,217,041,330</u></b>
<b>LIABILITIES</b>			
<b>Current liabilities:</b>			
Accounts payable	9,733,456	491,753	10,225,209
Accrued liabilities	507,556	293,356	800,912
Accrued interest	1,928,573	-	1,928,573
Unearned revenue	632,892	137,000	769,892
Retention payable	268,881	-	268,881
Compensated absences due within one year	4,463,759	455,464	4,919,223
Claims payable - due within one year	4,000,000	-	4,000,000
Developer deposits payable	13,060,621	50,026	13,110,647
Short-term portion of long term debt	5,262,095	-	5,262,095
Total current liabilities	<u>39,857,833</u>	<u>1,427,599</u>	<u>41,285,432</u>
<b>Non-current liabilities:</b>			
Compensated absences - due in more than one year	2,161,701	109,810	2,271,511
Claims payable - due in more than one year	18,361,235	-	18,361,235
Pollution remediation obligation	150,000	-	150,000
Net OPEB liability	7,369,000	-	7,369,000
Long-term debt, net of short term portion	134,754,528	-	134,754,528
Total non-current liabilities	<u>162,796,464</u>	<u>109,810</u>	<u>162,906,274</u>
<b>Total Liabilities</b>	<b><u>202,654,297</u></b>	<b><u>1,537,409</u></b>	<b><u>204,191,706</u></b>
<b>Net Position:</b>			
Net investment in capital assets	649,314,016	136,513,268	785,827,284
Restricted for:			
Community development projects	17,177,798	-	17,177,798
Public safety	3,082,606	-	3,082,606
Parks and recreation	81,104	-	81,104
Capital projects	86,764,749	-	86,764,749
Unrestricted	22,522,443	97,393,640	119,916,083
<b>Total Net Position</b>	<b><u>\$ 778,942,716</u></b>	<b><u>\$ 233,906,908</u></b>	<b><u>\$ 1,012,849,624</u></b>

CITY OF CHULA VISTA

STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2014

	Expenses	Program Revenues			Total Program Revenues
		Charges for Services	Operating Contributions and Grants	Capital Contributions and Grants	
<b>Functions/Programs</b>					
<b>Primary Government:</b>					
Governmental Activities:					
General government	\$ 25,386,867	\$ 8,767,069	\$ 4,227,379	\$ 21,643	\$ 13,016,091
Public safety	74,896,803	10,198,058	9,800,468	-	19,998,526
Public works	63,312,155	30,495,980	15,032,182	1,899,911	47,428,073
Parks and recreation	6,118,351	5,292,433	340,881	-	5,633,314
Library	4,092,263	1,078,592	55,647	-	1,134,239
Interest on long-term debt	7,287,461	-	-	-	-
<b>Total Governmental Activities</b>	<b>181,093,900</b>	<b>55,832,132</b>	<b>29,456,557</b>	<b>1,921,554</b>	<b>87,210,243</b>
Business-Type Activities:					
Sewer Fund	26,046,175	33,190,660	-	-	33,190,660
Bayfront Trolley Station	61,823	-	143,504	-	143,504
Transit Fund	6,875,214	2,672,231	3,656,854	-	6,329,085
Sewer Development Impact Fees	129,279	268,092	-	-	268,092
Development Services Fund	6,113,133	6,338,495	-	-	6,338,495
<b>Total Business-Type Activities</b>	<b>39,225,624</b>	<b>42,469,478</b>	<b>3,800,358</b>	<b>-</b>	<b>46,269,836</b>
<b>Total Primary Government</b>	<b>\$ 220,319,524</b>	<b>\$ 98,301,610</b>	<b>\$ 33,256,915</b>	<b>\$ 1,921,554</b>	<b>\$ 133,480,079</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**

<b>Net (Expenses) Revenues and Changes in Net Position</b>		
<b>Primary Government</b>		
<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
\$ (12,370,776)	\$ -	\$ (12,370,776)
(54,898,277)	-	(54,898,277)
(15,884,082)	-	(15,884,082)
(485,037)	-	(485,037)
(2,958,024)	-	(2,958,024)
(7,287,461)	-	(7,287,461)
<b>(93,883,657)</b>	<b>-</b>	<b>(93,883,657)</b>
-	7,144,485	7,144,485
-	81,681	81,681
-	(546,129)	(546,129)
-	138,813	138,813
-	225,362	225,362
-	<b>7,044,212</b>	<b>7,044,212</b>
<b>(93,883,657)</b>	<b>7,044,212</b>	<b>(86,839,445)</b>
45,266,172	-	45,266,172
2,632,774	-	2,632,774
29,171,174	-	29,171,174
9,499,909	-	9,499,909
1,328,554	-	1,328,554
17,525,294	-	17,525,294
209,075	-	209,075
949,603	-	949,603
1,944,988	1,505,052	3,450,040
686,054	819,872	1,505,926
-	25,778	25,778
3,551,004	(3,551,004)	-
<b>112,764,601</b>	<b>(1,200,302)</b>	<b>111,564,299</b>
18,880,944	5,843,910	24,724,854
760,251,252	228,062,998	988,314,250
(189,480)	-	(189,480)
760,061,772	228,062,998	988,124,770
<b>\$ 778,942,716</b>	<b>\$ 233,906,908</b>	<b>\$ 1,012,849,624</b>





---

# FUND FINANCIAL STATEMENTS

---



---

**GOVERNMENTAL FUND  
FINANCIAL STATEMENTS**

---

CITY OF CHULA VISTA

**BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2014**

	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	\$ 20,276,201	\$ 3,894,310	\$ 13,272,033	\$ 2,077,920	\$ 29,153,089	\$ 33,341,982
Receivables:						
Accounts	792,147	77,261	-	-	-	-
Taxes	7,378,291	105,850	-	-	-	-
Accrued interest	27,374	3,535	-	2,619	33,691	60,218
Deferred loans	65,454	19,385,357	-	25,123,027	-	-
Prepaid costs	61,805	23,522	-	-	-	-
Due from other governments	844,196	3,063,246	-	-	-	-
Due from other funds	2,937,494	-	-	-	-	-
Advances to other funds	1,661,076	-	-	-	10,147,581	10,740,681
Restricted assets:						
Cash and investments	-	25,847	-	729,564	-	-
Cash and investments with fiscal agents	-	105,463	-	-	-	-
Due from Successor Agency of Chula Vista RDA	9,297,040	-	-	4,316,358	-	-
<b>Total Assets</b>	<b>\$ 43,341,078</b>	<b>\$ 26,684,391</b>	<b>\$ 13,272,033</b>	<b>\$ 32,249,488</b>	<b>\$ 39,334,361</b>	<b>\$ 44,142,881</b>
<b>Liabilities, Deferred inflows of Resources, and Fund Balances:</b>						
<b>Liabilities:</b>						
Accounts payable	\$ 6,712,402	\$ 825,449	\$ 211,412	\$ 1,165	\$ -	\$ 14,440
Accrued liabilities	-	421,118	-	-	-	-
Unearned revenues	-	632,892	-	-	-	-
Pass-through payables	-	46,717	-	-	-	135,433
Deposits payable	-	-	13,060,621	-	-	-
Due to other funds	-	2,197,028	-	-	-	-
Advances from other funds	-	-	-	-	-	-
<b>Total Liabilities</b>	<b>6,712,402</b>	<b>4,123,204</b>	<b>13,272,033</b>	<b>1,165</b>	<b>-</b>	<b>149,873</b>
<b>Deferred inflows of resources:</b>						
Unavailable revenues	3,669,767	19,268,557	-	23,868,562	207,581	1,408,839
<b>Total Deferred inflows of Resources</b>	<b>3,669,767</b>	<b>19,268,557</b>	<b>-</b>	<b>23,868,562</b>	<b>207,581</b>	<b>1,408,839</b>
<b>Fund Balances:</b>						
<b>Nonspendable:</b>						
Prepaid costs	61,805	23,522	-	-	-	-
Notes and loans	5,854,271	3,038,664	-	-	9,940,000	10,535,338
Advances to other funds	1,508,736	-	-	-	-	-
<b>Restricted for:</b>						
Community development projects	-	-	-	8,379,761	-	-
Public safety	-	230,444	-	-	-	-
Parks and recreation	-	-	-	-	-	-
Capital Projects	-	-	-	-	29,186,780	32,048,831
<b>Committed to:</b>						
Public safety	-	-	-	-	-	-
Capital Projects	1,839,650	-	-	-	-	-
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	535,776	-	-	-	-	-
Public safety	1,106,960	-	-	-	-	-
Parks and recreation	152,853	-	-	-	-	-
Public works	101,975	-	-	-	-	-
Library	41	-	-	-	-	-
Public liability	2,909,639	-	-	-	-	-
<b>Unassigned</b>	<b>14,511,252</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Fund Balances</b>	<b>32,958,909</b>	<b>3,292,630</b>	<b>-</b>	<b>8,379,761</b>	<b>39,126,780</b>	<b>42,584,169</b>
<b>Total Liabilities, deferred inflows of resources, and Fund Balances</b>	<b>\$ 43,341,078</b>	<b>\$ 26,684,391</b>	<b>\$ 13,272,033</b>	<b>\$ 32,249,488</b>	<b>\$ 39,334,361</b>	<b>\$ 44,142,881</b>

CITY OF CHULA VISTA

**BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2014**

	<u>Debt Service Funds</u>			<u>Total Governmental Funds</u>
	<u>City Debt Service</u>	<u>Public Financing Authority</u>	<u>Other Governmental Funds</u>	
<b>Assets:</b>				
Pooled cash and investments	\$ 430,928	\$ 1,221,012	\$ 33,904,204	\$ 137,571,679
Receivables:				
Accounts	-	-	304,331	1,173,739
Taxes	-	-	935,624	8,419,765
Accrued interest	-	42	47,447	174,926
Deferred loans	-	-	2,821,441	47,395,279
Prepaid costs	-	-	-	85,327
Due from other governments	-	-	1,421,291	5,328,733
Due from other funds	-	-	-	2,937,494
Advances to other funds	-	-	-	22,549,338
Restricted assets:				
Cash and investments	-	-	-	755,411
Cash and investments with fiscal agents	-	8,904,032	-	9,009,495
Due from Successor Agency of Chula Vista RDA	-	-	-	13,613,398
<b>Total Assets</b>	<b>\$ 430,928</b>	<b>\$ 10,125,086</b>	<b>\$ 39,434,338</b>	<b>\$ 249,014,584</b>
<b>Liabilities, Deferred inflows of Resources, and Fund Balances:</b>				
<b>Liabilities:</b>				
Accounts payable	\$ -	\$ -	\$ 1,663,407	\$ 9,428,275
Accrued liabilities	-	-	45,774	466,892
Unearned revenues	-	-	-	632,892
Pass-through payables	-	-	86,731	268,881
Deposits payable	-	-	-	13,060,621
Due to other funds	-	-	740,466	2,937,494
Advances from other funds	37,283,269	-	-	37,283,269
<b>Total Liabilities</b>	<b>37,283,269</b>	<b>-</b>	<b>2,536,378</b>	<b>64,078,324</b>
<b>Deferred inflows of resources:</b>				
Unavailable revenues	-	-	2,683,933	51,107,239
<b>Total Deferred inflows of Resources</b>	<b>-</b>	<b>-</b>	<b>2,683,933</b>	<b>51,107,239</b>
<b>Fund Balances:</b>				
<b>Nonspendable:</b>				
Prepaid costs	-	-	-	85,327
Notes and loans	-	-	-	29,368,273
Advances to other funds	-	-	-	1,508,736
<b>Restricted for:</b>				
Community development projects	-	-	8,798,037	17,177,798
Public safety	-	-	2,852,162	3,082,606
Parks and recreation	-	-	81,104	81,104
Capital Projects	-	-	25,529,138	86,764,749
<b>Committed to:</b>				
Public safety	-	-	45,736	45,736
Capital Projects	-	-	231,699	2,071,349
Debt service	-	10,125,086	275,043	10,400,129
Economic contingency	-	-	-	3,600,000
San Diego Authority for Freeway Emergency	-	-	-	695,951
Legal counsel	-	-	-	80,000
<b>Assigned to:</b>				
General government	-	-	-	535,776
Public safety	-	-	-	1,106,960
Parks and recreation	-	-	-	152,853
Public works	-	-	-	101,975
Library	-	-	-	41
Public liability	-	-	-	2,909,639
<b>Unassigned</b>	<b>(36,852,341)</b>	<b>-</b>	<b>(3,598,892)</b>	<b>(25,939,981)</b>
<b>Total Fund Balances</b>	<b>(36,852,341)</b>	<b>10,125,086</b>	<b>34,214,027</b>	<b>133,829,021</b>
<b>Total Liabilities, deferred inflows of resources, and Fund Balances</b>	<b>\$ 430,928</b>	<b>\$ 10,125,086</b>	<b>\$ 39,434,338</b>	<b>\$ 249,014,584</b>



CITY OF CHULA VISTA

**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF NET POSITION  
JUNE 30, 2014**

Fund balances of governmental funds		\$ 133,829,021
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.		768,655,521
Long-term debt and compensated absences that have not been included in the governmental fund activity:		
Bonds payable	\$ (121,650,000)	
Section 108 Loan	(7,913,000)	
Pollution Remediation Obligation	(150,000)	
Unamortized bond premiums/discounts	(2,691,399)	
Capital leases	(2,047,312)	
Claims liability	(22,361,235)	
Notes payable	(5,714,912)	
Compensated Absences	<u>(6,548,853)</u>	(169,076,711)
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.		(7,369,000)
Accrued interest payable for the current portion of interest due on Bonds has not been reported in the governmental funds.		(1,928,573)
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.		51,107,239
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>3,725,219</u>
<b>Net Position of governmental activities</b>		<b><u>\$ 778,942,716</u></b>

CITY OF CHULA VISTA

STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2014

	Special Revenue Funds			Capital Projects Funds		
	General	Sundry Grants	Developer Deposit	Housing Successor Agency	Park Acquisition Development	Development Impact Funds
<b>Revenues:</b>						
Taxes	\$ 105,718,638	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	1,315,445	-	-	-	-	-
Intergovernmental	2,477,213	12,054,489	-	-	-	-
Charges for services	9,257,946	1,104,263	-	-	-	-
Use of money and property	2,522,893	49,039	-	495,188	309,379	506,315
Fines and forfeitures	1,009,736	-	-	-	-	-
Developer participation	-	-	-	-	2,614,066	6,901,855
Miscellaneous	11,580,545	494,360	-	127,043	-	146,608
<b>Total Revenues</b>	<b>133,882,416</b>	<b>13,702,151</b>	<b>-</b>	<b>622,231</b>	<b>2,923,445</b>	<b>7,554,778</b>
<b>Expenditures:</b>						
Current:						
General government	20,586,160	3,192,996	-	158,171	-	291,733
Public safety	68,776,426	7,272,701	-	-	-	-
Parks and recreation	3,588,693	500	-	-	-	-
Public works	27,092,607	2,805,900	-	-	-	172,098
Library	3,336,380	473,624	-	-	-	-
Capital outlay	849,234	2,994,488	-	-	29,522	3,341,706
Debt service:						
Principal retirement	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-
<b>Total Expenditures</b>	<b>124,229,500</b>	<b>16,740,209</b>	<b>-</b>	<b>158,171</b>	<b>29,522</b>	<b>3,805,537</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	9,652,916	(3,038,058)	-	464,060	2,893,923	3,749,241
<b>Other Financing Sources (Uses):</b>						
Transfers in	9,571,300	85,813	-	-	-	-
Transfers out	(14,234,482)	(1,017,578)	-	-	-	(6,111,579)
Capital leases	-	2,121,500	-	-	-	-
Proceeds from issuance of bonds	-	-	-	-	-	-
Bond premium	-	-	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>(4,663,182)</b>	<b>1,189,735</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(6,111,579)</b>
Net Change in Fund Balances	4,989,734	(1,848,323)	-	464,060	2,893,923	(2,362,338)
Fund Balances, Beginning of Year	27,969,175	5,140,953	-	7,915,701	36,232,857	44,946,507
<b>Fund Balances, End of Year</b>	<b>\$ 32,958,909</b>	<b>\$ 3,292,630</b>	<b>\$ -</b>	<b>\$ 8,379,761</b>	<b>\$ 39,126,780</b>	<b>\$ 42,584,169</b>



CITY OF CHULA VISTA

STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2014

	Debt Service Funds			Total Governmental Funds
	City Debt Service	Public Financing Authority	Other Governmental Funds	
<b>Revenues:</b>				
Taxes	\$ -	\$ -	\$ 1,107,247	\$ 106,825,885
Licenses and permits	-	-	39,897	1,355,342
Intergovernmental	-	-	14,115,708	28,647,410
Charges for services	-	-	10,402,937	20,765,146
Use of money and property	-	111,628	687,031	4,681,473
Fines and forfeitures	-	-	675,532	1,685,268
Developer participation	-	-	-	9,515,921
Miscellaneous	-	-	2,548,404	14,896,960
<b>Total Revenues</b>	<b>-</b>	<b>111,628</b>	<b>29,576,756</b>	<b>188,373,405</b>
<b>Expenditures:</b>				
Current:				
General government	-	8,592	5,104,229	29,341,881
Public safety	-	4,295	404,557	76,457,979
Parks and recreation	-	-	1,248	3,590,441
Public works	-	-	10,824,329	40,894,934
Library	-	-	-	3,810,004
Capital outlay	-	-	8,132,388	15,347,338
Debt service:				
Principal retirement	-	52,645,000	1,395,855	54,040,855
Interest and fiscal charges	660,120	6,510,358	679,970	7,850,448
<b>Total Expenditures</b>	<b>660,120</b>	<b>59,168,245</b>	<b>26,542,576</b>	<b>231,333,880</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(660,120)	(59,056,617)	3,034,180	(42,960,475)
<b>Other Financing Sources (Uses):</b>				
Transfers in	817,779	9,658,967	10,344,606	30,478,465
Transfers out	(36,851)	(271,002)	(5,832,268)	(27,503,760)
Capital leases	-	-	-	2,121,500
Proceeds from issuance of bonds	-	45,920,000	-	45,920,000
Bond premium	-	3,537,111	-	3,537,111
<b>Total Other Financing Sources (Uses)</b>	<b>780,928</b>	<b>58,845,076</b>	<b>4,512,338</b>	<b>54,553,316</b>
Net Change in Fund Balances	120,808	(211,541)	7,546,518	11,592,841
Fund Balances, Beginning of Year	(36,973,149)	10,336,627	26,667,509	122,236,180
<b>Fund Balances, End of Year</b>	<b>\$ (36,852,341)</b>	<b>\$ 10,125,086</b>	<b>\$ 34,214,027</b>	<b>\$ 133,829,021</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, 2014**

Net change in fund balances - total governmental funds	\$ 11,592,841
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 \$11,658,313.	27,005,651
Depreciation expense on capital assets was reported in the Government-Wide Statement of Activities and Changes in Net Position, but they did not require the use of current financial resources. Therefore, depreciation expense was not reported as expenditures in the Governmental Funds. This amount did not include the depreciation expense for Internal Service Funds in the amount of \$351,254.	(26,604,663)
The issuance of long-term liabilities provided current financial resources to governmental funds, but issuing debt increased long-term liabilities in the Government-Wide Statement of Net Position. Repayment of long-term liabilities was an expenditures in governmental funds, but the repayment reduced long-term liabilities in the Government-Wide Statement of Net Position.	
Issuance of long-term debt	(48,041,500)
Premium from issuance of long-term debt	(3,537,111)
Principal payment of long-term debt	54,040,855
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	78,830
Net Pension Asset	19,071
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	121,709
Changes in claims payable	(1,339,776)
Changes in arbitrage liability	7,830
Changes in net OPEB liabilities	(1,380,142)
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.	484,157
Interest earned on long-term receivables did not provide current financial resources were not reported as revenues in the Governmental Funds.	7,004,246
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.	(571,054)
<b>Change in net position of governmental activities</b>	<b><u>\$ 18,880,944</u></b>

---

**PROPRIETARY FUND  
FINANCIAL STATEMENTS**

---

CITY OF CHULA VISTA

STATEMENT OF NET POSITION  
 PROPRIETARY FUNDS  
 JUNE 30, 2014

	Business-Type Activities - Enterprise Funds			Governmental Activities- Internal Service Funds
	Sewer Fund	Other Enterprise Funds	Totals	
<b>Assets:</b>				
Current:				
Cash and investments	\$ 68,853,203	\$ 10,014,772	\$ 78,867,975	\$ 3,024,484
Receivables:				
Accounts	5,001,946	101,836	5,103,782	12,220
Accrued interest	81,235	14,538	95,773	-
Grants	-	179,332	179,332	-
<b>Total Current Assets</b>	<b>73,936,384</b>	<b>10,310,478</b>	<b>84,246,862</b>	<b>3,036,704</b>
Noncurrent:				
Advances to other funds	18,962,157	-	18,962,157	-
Capital assets - net of accumulated depreciation	133,969,330	2,543,938	136,513,268	1,061,223
<b>Total Noncurrent Assets</b>	<b>152,931,487</b>	<b>2,543,938</b>	<b>155,475,425</b>	<b>1,061,223</b>
<b>Total Assets</b>	<b>\$ 226,867,871</b>	<b>\$ 12,854,416</b>	<b>\$ 239,722,287</b>	<b>\$ 4,097,927</b>
<b>Liabilities and Net Position:</b>				
<b>Liabilities:</b>				
Current:				
Accounts payable	\$ 455,546	\$ 36,207	\$ 491,753	\$ 305,163
Accrued liabilities	284,884	8,472	293,356	40,682
Unearned revenues	-	137,000	137,000	-
Deposits payable	50,026	-	50,026	-
Accrued compensated absences	146,658	308,806	455,464	-
<b>Total Current Liabilities</b>	<b>937,114</b>	<b>490,485</b>	<b>1,427,599</b>	<b>345,845</b>
Noncurrent:				
Advances from other funds	-	4,228,226	4,228,226	-
Accrued compensated absences	56,732	53,078	109,810	76,607
<b>Total Noncurrent Liabilities</b>	<b>56,732</b>	<b>4,281,304</b>	<b>4,338,036</b>	<b>76,607</b>
<b>Total Liabilities</b>	<b>993,846</b>	<b>4,771,789</b>	<b>5,765,635</b>	<b>422,452</b>
<b>Net Position:</b>				
Investment in capital assets	133,969,330	2,542,490	136,511,820	1,061,223
Unrestricted	91,904,695	5,540,137	97,444,832	2,614,252
<b>Total Net Position</b>	<b>225,874,025</b>	<b>8,082,627</b>	<b>233,956,652</b>	<b>3,675,475</b>
<b>Total Liabilities and Net Position</b>	<b>\$ 226,867,871</b>	<b>\$ 12,854,416</b>	<b>\$ 239,722,287</b>	<b>\$ 4,097,927</b>

Reconciliation of Net Position to the Statement of Net Position

Net Position per Statement of Net Position - Proprietary Funds	\$ 233,956,652
Prior years' accumulated adjustment to reflect the consolidation of internal service funds activities related to the enterprise funds	-
Current years' adjustments to reflect the consolidation of internal service activities related to enterprise funds	(49,744)
<b>Net Position per Statement of Net Position</b>	<b>\$ 233,906,908</b>

CITY OF CHULA VISTA

STATEMENT OF REVENUES, EXPENSES  
AND CHANGES IN FUND NET POSITION  
PROPRIETARY FUNDS  
YEAR ENDED JUNE 30, 2014

	Business-Type Activities - Enterprise Funds			Governmental Activities- Internal Service Funds
	Sewer Fund	Other Enterprise Funds	Totals	
<b>Operating Revenues:</b>				
Sales and service charges	\$ 33,190,660	\$ 9,278,818	\$ 42,469,478	\$ -
Interdepartmental charges	-	-	-	5,683,815
Other	626,855	186,537	813,392	54,586
<b>Total Operating Revenues</b>	<b>33,817,515</b>	<b>9,465,355</b>	<b>43,282,870</b>	<b>5,738,401</b>
<b>Operating Expenses:</b>				
Administration and general	18,791,109	12,751,627	31,542,736	6,715,536
Source of supply	1,866,167	-	1,866,167	-
Depreciation expense	5,340,593	363,457	5,704,050	254,424
<b>Total Operating Expenses</b>	<b>25,997,869</b>	<b>13,115,084</b>	<b>39,112,953</b>	<b>6,969,960</b>
Operating Income (Loss)	7,819,646	(3,649,729)	4,169,917	(1,231,559)
<b>Nonoperating Revenues (Expenses):</b>				
Intergovernmental	6,480	3,800,358	3,806,838	-
Interest revenue	1,395,045	110,007	1,505,052	13,613
Interest expense	-	(62,927)	(62,927)	-
Gain (loss) on disposal of capital assets	-	25,778	25,778	20,850
<b>Total Nonoperating Revenues (Expenses)</b>	<b>1,401,525</b>	<b>3,873,216</b>	<b>5,274,741</b>	<b>34,463</b>
Income (Loss) Before Transfers	9,221,171	223,487	9,444,658	(1,197,096)
Transfers in	-	651,882	651,882	600,000
Transfers out	(2,774,326)	(1,428,560)	(4,202,886)	(23,701)
Changes in Net Position	6,446,845	(553,191)	5,893,654	(620,797)
<b>Net Position:</b>				
Beginning of Year	219,427,180	8,635,818	228,062,998	4,296,272
<b>End of Fiscal Year</b>	<b>\$ 225,874,025</b>	<b>\$ 8,082,627</b>	<b>\$ 233,956,652</b>	<b>\$ 3,675,475</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			\$ 5,893,654	
Adjustment to reflect the consolidation of current fiscal year internal service funds activities related to enterprise funds			(49,744)	
<b>Changes in Net Position of Business-Type Activities per Statement of Activities</b>			<b>\$ 5,843,910</b>	

CITY OF CHULA VISTA

STATEMENT OF CASH FLOWS  
 PROPRIETARY FUNDS  
 YEAR ENDED JUNE 30, 2014

	Business-Type Activities - Enterprise Funds			Governmental Activities- Internal Service Funds
	Sewer Fund	Other Enterprise Funds	Totals	
<b>Cash Flows from Operating Activities:</b>				
Cash received from customers and users	\$ 33,702,578	\$ 8,919,535	\$ 42,622,113	\$ -
Cash received from/(paid to) interfund service provided	-	-	-	5,735,315
Cash paid to suppliers for goods and services	(1,483,141)	65,058	(1,418,083)	13,841
Cash paid to employees for services	(18,769,383)	(12,738,832)	(31,508,215)	(6,707,583)
Cash received from (payments to) others	15,750	-	15,750	-
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>13,465,804</b>	<b>(3,754,239)</b>	<b>9,711,565</b>	<b>(958,427)</b>
<b>Cash Flows from Non-Capital Financing Activities:</b>				
Cash transfers out	(2,774,326)	(1,365,632)	(4,139,958)	(23,701)
Cash transfers in	-	651,882	651,882	600,000
Repayment received from other funds	-	3,800,358	3,800,358	-
Advance to other funds	(273,861)	-	(273,861)	-
Grant subsidies	-	(179,332)	(179,332)	-
<b>Net Cash Provided (Used) by Non-Capital Financing Activities</b>	<b>(3,048,187)</b>	<b>2,907,276</b>	<b>(140,911)</b>	<b>576,299</b>
<b>Cash Flows from Capital and Related Financing Activities:</b>				
Acquisition and construction of capital assets	(7,555,337)	(726)	(7,556,063)	(560,976)
Interest paid on capital debt	-	(62,927)	(62,927)	-
Proceeds from sales of capital assets	-	25,777	25,777	45,824
<b>Net Cash Provided (Used) by Capital and Related Financing Activities</b>	<b>(7,555,337)</b>	<b>(37,876)</b>	<b>(7,593,213)</b>	<b>(515,152)</b>
<b>Cash Flows from Investing Activities:</b>				
Interest received	1,392,109	108,019	1,500,128	13,613
<b>Net Cash Provided (Used) by Investing Activities</b>	<b>1,392,109</b>	<b>108,019</b>	<b>1,500,128</b>	<b>13,613</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>4,254,389</b>	<b>(776,820)</b>	<b>3,477,569</b>	<b>(883,667)</b>
Cash and Cash Equivalents at Beginning of Year	64,598,814	10,791,592	75,390,406	3,908,151
<b>Cash and Cash Equivalents at End of Year</b>	<b>\$ 68,853,203</b>	<b>\$ 10,014,772</b>	<b>\$ 78,867,975</b>	<b>\$ 3,024,484</b>
<b>Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:</b>				
Operating income (loss)	\$ 7,819,646	\$ (3,649,729)	\$ 4,169,917	\$ (1,231,559)
<b>Adjustments to reconcile operating income (loss) net cash provided (used) by operating activities:</b>				
Depreciation	5,340,593	363,457	5,704,050	254,424
(Increase) decrease in accounts receivable	(160,398)	194,318	33,920	(3,086)
(Increase) decrease in taxes receivable	15,750	-	15,750	-
(Increase) decrease in prepaid expense	6,000	71,588	77,588	-
Increase (decrease) in accounts payable	335,290	(50,430)	284,860	5,614
Increase (decrease) in deposits payable	45,461	-	45,461	-
Increase (decrease) in accrued liabilities	41,736	43,900	85,636	8,227
Increase (decrease) in unearned revenue	-	(740,138)	(740,138)	-
Increase (decrease) in compensated absences	21,726	12,795	34,521	7,953
<b>Total Adjustments</b>	<b>5,646,158</b>	<b>(104,510)</b>	<b>5,541,648</b>	<b>273,132</b>
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>\$ 13,465,804</b>	<b>\$ (3,754,239)</b>	<b>\$ 9,711,565</b>	<b>\$ (958,427)</b>
<b>Non-Cash Investing, Capital, and Financing Activities:</b>				
Gain/(Loss) on disposition of capital assets	\$ 39,923	\$ -	\$ 39,923	\$ -
Acquisition of Capital Assets	-	696,512	696,512	-

---

**FIDUCIARY FUND  
FINANCIAL STATEMENTS**

---

CITY OF CHULA VISTA

STATEMENT OF FIDUCIARY NET POSITION  
 FIDUCIARY FUNDS  
 JUNE 30, 2014

	Agency Funds	Private-Purpose Trust Fund Successor Agency of the Former Chula Vista RDA
<b>Assets:</b>		
Pooled cash and investments	\$ 18,116,720	\$ 5,259,830
Receivables:		
Notes and loans	-	128,544
Accrued interest	-	1,373
Restricted assets:		
Cash and investments with fiscal agents	130,310,642	4,881,442
Capital assets:		
Capital assets, not being depreciated	-	9,502,300
Capital assets, net of accumulated depreciation	-	1,179,925
<b>Total Assets</b>	<b>\$ 148,427,362</b>	<b>\$ 20,953,414</b>
<b>Liabilities and Net Position:</b>		
<b>Liabilities:</b>		
Accounts payable	\$ 1,881	\$ 222,439
Unearned revenues	-	128,544
Deposits payable	215,225	-
Due to other governments	54,156	52,279
Due to bond holders	82,765,752	-
Long-term liabilities:		
Due in one year	-	1,900,000
Due in more than one year	-	39,350,000
Due to the City of Chula Vista	-	13,613,398
Deferred compensation liability	65,390,348	-
<b>Total Liabilities</b>	<b>\$ 148,427,362</b>	<b>55,266,660</b>
<b>Net Position:</b>		
Held in trust for other purposes		(34,313,246)
<b>Total Net Position</b>		<b>\$ (34,313,246)</b>



CITY OF CHULA VISTA

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
 FIDUCIARY FUNDS  
 YEAR ENDED JUNE 30, 2014

	<u>Private-Purpose Trust Fund Successor Agency of the Former Chula Vista RDA</u>
<b>Additions:</b>	
Taxes	\$ 6,144,146
Intergovernmental	528
Interest and change in fair value of investments	113,598
Contributions from City	<u>13</u>
<b>Total Additions</b>	<b><u>6,258,285</u></b>
<b>Deductions:</b>	
Administrative expenses	1,029,136
Interest expense	2,253,385
Depreciation expense	<u>47,724</u>
<b>Total Deductions</b>	<b><u>3,330,245</u></b>
<b>Changes in Net Position</b>	<b>2,928,040</b>
Net Position - Beginning of the Year	<u>(37,241,286)</u>
<b>Net Position - End of the Year</b>	<b><u>\$ (34,313,246)</u></b>



**CITY OF CHULA VISTA  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

---

<b>NOTE</b>	<b>DESCRIPTION</b>	<b>PAGE</b>
1	Reporting Entity and Summary of Significant Accounting Policies	52
2	Cash and Investments	66
3	Receivables	71
4	Interfund Balances and Transactions	77
5	Capital Assets	79
6	Long-Term Debt	81
7	Unearned/Deferred Revenue	94
8	Compensated Absences	94
9	Other Required Fund Disclosures	95
10	Self-Insurance Accrued Liabilities	96
11	Pension Plans	97
12	Post Retirement Health Benefits	100
13	Pollution Remediation Obligations	102
14	Commitments and Contingencies	103
15	Classification of Fund Balances	105
16	Prior Period Adjustment	106

**CITY OF CHULA VISTA  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

---

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

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

**A. Reporting Entity**

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

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

Blended component units, although legally separate entities, are, in substance part of the government’s operation and so data from these units are combined with data of the primary government. Discretely 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 government.

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

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

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

*The Chula Vista Public 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.

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

**CITY OF CHULA VISTA  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

---

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

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

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

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

*Government - Wide Financial Statements*

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

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

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

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

*Governmental Fund Financial Statements*

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

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

**CITY OF CHULA VISTA  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

---

**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 are recorded 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.

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

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

The City reports the following major Governmental Funds:

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

*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.

**CITY OF CHULA VISTA  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

---

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

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

*Proprietary Fund Financial Statements*

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

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

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

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.



**CITY OF CHULA VISTA  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

---

**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.

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

*Fiduciary Fund Financial Statements*

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

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

**CITY OF CHULA VISTA  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

---

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

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

*Fiduciary Fund Financial Statements (Continued)*

Redevelopment Agency. Its results of operations are presented on the Statement of Changes of Fiduciary Net Position.

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

***C. Encumbrances***

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

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

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

Highly liquid market investments with maturities of one year or less at time of purchase are stated at amortized cost. All other investments are stated at fair value. Market value is used as fair value for those securities for which market quotations are readily available. The City reported its investments at fair value and the unrealized loss on investments amounted to \$506,672 for the fiscal year ended June 30, 2014.

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

**CITY OF CHULA VISTA  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

---

**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.

***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. Long-Term Debt***

*Government-Wide Financial Statements*

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

**CITY OF CHULA VISTA  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

---

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

***J. Long-Term Debt (Continued)***

*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.

***K. Property Taxes***

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

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

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

No allowance for doubtful accounts was considered necessary.

***L. 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.

***M. 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.

**CITY OF CHULA VISTA  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

---

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

***M. Net Position (Continued)***

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.

***N. Fund Balances***

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

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

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

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

**CITY OF CHULA VISTA  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

---

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

***N. Fund Balances (Continued)***

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.

***O. 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.

*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.

***P. 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.

***Q. Accounting Changes***

In March 2012, the GASB issued Statement No. 65, Items Previously Reported as Assets and Liabilities, which is intended to clarify the appropriate reporting of deferred outflows of resources and deferred inflows of resources to ensure consistency in financial reporting. The City has fully confirmed to the requirements of this statement for the fiscal year ending June 30, 2014.

**CITY OF CHULA VISTA  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

---

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

***Q. Accounting Changes (Continued)***

In March 2012, the GASB issued Statement No. 66, Technical Corrections - 2012- an amendment of GASB Statements No. 10 and No. 62, to resolve conflicting accounting and financial reporting guidance that could diminish the consistency of financial reporting. This statement amends Statement No. 10, Accounting and Financial Reporting for Risk Financing and Related Insurance Issues, by removing the provision that limits fund-based reporting of a state and local government's risk financing activities to the general fund and the internal service fund type. This statement also amends Statement No. 62, Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements by modifying the specific guidance on accounting for (1) operating lease payments that vary from a straight-line basis, (2) the difference between the initial investment (purchase price) and the principal amount of a purchased loan or group of loans, and (3) servicing fees related to mortgage loans that are sold when the stated service fee rate differs significantly from a current (normal) servicing fee rate. The City has fully confirmed to the requirements of this statement for the fiscal year ending June 30, 2014.

In June 2012, the GASB issued Statement No. 67, Financial Reporting for Pension plans – an amendment of GASB Statement No. 25, to improve the financial reporting requirements by state and local governmental pension plans. This statement replaces the requirements of Statements No. 25, Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans, and Statement No. 50, Pension Disclosures, as they relate to pension plans that are administered through trusts or equivalent arrangements that meet certain criteria. The City has fully confirmed to the requirements of this statement for the fiscal year ending June 30, 2014.

In April 2013, the GASB issued Statement No. 70, Accounting and Financial Reporting for Nonexchange Financial Guarantees, which provides accounting and financial reporting guidance to state and local governments that offer nonexchange financial guarantees and for governments that receive guarantees on their obligations. The City has fully confirmed to the requirements of this statement for the fiscal year ending June 30, 2014.

The following GASB statements will be evaluated and implemented in fiscal year 2015. The impact on the City has not been determined.

- In June 2012, the 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.



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

***Q. Accounting Changes (Continued)***

Key changes include:

The statement relates to accounting and financial reporting and does not apply to how governments approach the funding of their pension plans. At present, there generally is a close connection between the way many governments fund pensions and how they account for and report information about them in financial statements. The statement would separate how the accounting and financial reporting is determined from how pensions are funded. Application of Statement 68 is effective for the City's fiscal year ending June 30, 2015.

- Separating how the accounting and financial reporting is determined from how pensions are funded, requiring more extensive note disclosures and required supplementary information.
  - Employers with defined benefit pension plans will recognize a net pension liability, as defined by the standard, in their government-wide, proprietary and fiduciary fund financial statements.
  - Incorporating ad hoc cost-of-living adjustments and other ad hoc post-employment benefit changes into projections of benefit payments, if an employer's past practice and future expectations of granting them indicate they are essentially automatic.
  - Using a discount rate that applies (a) the expected long-term rate of return on pension plan investments for which plan assets are expected to be available to make projected benefit payments, and (b) a yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher to projected benefit payments to the extent that the conditions in (a) are not met.
  - Adopting a single actuarial cost allocation method - entry age normal - rather than the current choice among six actuarial cost methods.
- 
- In January 2013, the GASB issued Statement No. 69, Government Combinations and Disposals of Government Operations, which provides new accounting and financial reporting standards for government mergers and acquisitions and for government operations that have been transferred or sold. Application of this statement is effective for the City's fiscal year ending June 30, 2015.
  - 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 No. 68 regarding pension contributions made after the measurement date. Application of this statement is effective for the City's fiscal year ending June 30, 2015.

**CITY OF CHULA VISTA  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

**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, 2014.

	<b>Government-Wide Statement of Net Position</b>			<b>Fiduciary Funds</b>	<b>Total</b>
	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>	<b>Statement of Net Position</b>	
Cash and investments	\$ 140,596,163	\$ 78,867,975	\$ 219,464,138	\$ 23,376,550	\$ 242,840,688
Restricted cash and investments:					
Held by City	755,411	-	755,411	-	755,411
Held by fiscal agents	9,009,495	-	9,009,495	135,192,084	144,201,579
Total restricted cash and investments	9,764,906	-	9,764,906	135,192,084	144,956,990
<b>Total cash and investments</b>	<b>\$ 150,361,069</b>	<b>\$ 78,867,975</b>	<b>\$ 229,229,044</b>	<b>\$ 158,568,634</b>	<b>\$ 387,797,678</b>

Cash, cash equivalents and investments consisted of the following at June 30, 2014:

Petty cash	\$ 8,575
Deposits with financial institution	49,915,857
Investments	193,671,667
Investments held by bond trustee	144,201,579
<b>Total cash and investments</b>	<b>\$ 387,797,678</b>

**A. Deposits**

The carrying amount of the City’s cash deposits were \$49,915,857 at June 30, 2014. Bank balances before reconciling items were \$44,654,258 at that date, the total amount of which was insured or collateralized with securities held by the pledging financial institutions in the City’s name as discussed below.

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

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

**CITY OF CHULA VISTA  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

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

***B. Investments***

As of June 30, 2014, 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	\$ 36,522,568	\$ 36,522,567	\$ -	\$ -	\$ -	\$ -	\$ -
Time Deposits	310,000	310,000	-	-	-	-	-
San Diego County Investment Pool	39,344,569	39,344,569	-	-	-	-	-
CalTrust Short-term Fund	1,013,610	1,013,610	-	-	-	-	-
Federal Home Loan Bank	24,872,410	-	4,002,160	8,982,390	11,887,860	-	-
Federal National Mortgage Association	27,853,380	-	-	12,971,310	14,882,070	-	-
Federal Home Loan Mortgage Corporation	23,840,070	-	-	-	20,831,970	3,008,100	-
Federal Farm Credit Bank	39,915,060	3,000,870	-	23,987,010	12,927,180	-	-
Held by bond trustee:							
Investment Agreements	13,538,230	-	-	-	1,628,278	-	11,909,953
Mutual Funds	130,558,304	130,558,304	-	-	-	-	-
Cash with Fiscal Agent	105,045	105,045	-	-	-	-	-
<b>Total</b>	<b>\$ 337,873,246</b>	<b>\$ 210,854,965</b>	<b>\$ 4,002,160</b>	<b>\$ 45,940,710</b>	<b>\$ 62,157,358</b>	<b>\$ 3,008,100</b>	<b>\$ 11,909,953</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)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

**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)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

---

**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, 2014, the City's pooled cash and investments had the following maturities:

<u>Maturity</u>	<u>Percentage of Investment</u>
Less than one year	41%
1 - 2 years	2%
2 - 3 years	24%
3 - 4 years	31%
4 - 5 years	2%

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	\$ 36,522,568	Not Rated	Not Rated
Time Deposits	310,000	Not Rated	Not Rated
San Diego County Investment Pool	39,344,569	Not Rated	AAAf
CalTrust Short-Term Fund	1,013,610	Not Rated	Aaf
Federal Home Loan Bank	24,872,410	Aaa	AAA
Federal National Mortgage Association	27,853,380	Aaa	AAA
Federal Home Loan Mortgage Corp.	23,840,070	Aaa	AAA
Federal Farm Credit Bank	39,915,060	Aaa	AAA
	<u>\$ 193,671,667</u>		

**CITY OF CHULA VISTA  
 NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

---

**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	\$ 24,872,410
Federal National Mortgage Association	Federal Agencies	27,853,380
Federal Home Loan Mortgage Corporation	Federal Agencies	23,840,070
Federal Farm Credit Bank	Federal Agencies	39,915,060

**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, 2014 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, 2014, the City had \$36,522,568 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, 2014, 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, 2014.

**CITY OF CHULA VISTA  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

**Note 3 – Receivables**

**A. Taxes Receivable**

At June 30, 2014, the City had the following taxes receivable:

	<b>Governmental Activities</b>
Sales Tax	\$ 3,702,381
Highway Users Tax	744,532
Property Tax	327,278
Utilities Users Tax	720,257
Transient Occupancy Tax	355,529
Franchise Fee Tax	2,272,844
Other taxes	296,944
<b>Total</b>	<b>\$ 8,419,765</b>

**B. Loans Receivable**

At June 30, 2014, the City had the following loans receivable, including principal and accrued interest:

	Governmental Activities		
	Principal	Deferred Interest	Total
South Bay Community Services	\$ 3,880,291	\$ 2,350,243	\$ 6,230,534
Heritage (South Bay Community Villas L.P.)	4,400,000	960,745	5,360,745
Girls and Boys Club Construction Loan	56,250	-	56,250
Rancho Vista Housing (Chelsea Investment Corporation)	1,500,000	443,219	1,943,219
St. Regis Park (Chelsea Investment Corp)	1,387,152	1,167,102	2,554,254
Chula Vista Rehabilitation CHIP Loans	1,920,505	159,733	2,080,238
Park Village Apts (Civic Center Barrio Housing Corporation)	184,129	-	184,129
Mobile Home Assistance Programs	36,105	-	36,105
Los Vecinos (Wakeland Housing and Development Corporation)	5,680,000	1,801,732	7,481,732
Main Plaza (Alpha III Development Inc.)	1,800,000	498,814	2,298,814
Seniors on Broadway (MAAC Project)	3,511,194	858,457	4,369,651
The Landings (Chelsea Investment Corp)	9,306,076	685,954	9,992,030
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	122,634	1,122,634
Community Energy Retrofit Program	175,208	-	175,208
Lofts on Landis	1,850,000	23,432	1,873,432
<b>Total</b>	<b>\$ 38,323,214</b>	<b>\$ 9,072,065</b>	<b>\$ 47,395,279</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

**CITY OF CHULA VISTA  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

---

**Note 3 – Receivables (Continued)**

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

*South Bay Community Services (Continued)*

Village 40-unit project were made. These projects are to provide housing to very low-income families. The funds were made available to the City through a drawdown from the U.S. Department of Housing and Urban Development. Included in the current year balance is the \$887,995 loaned by the RDA. Deeds of trust and assignments of rent secure the notes. Principal and interest are payable annually out of any and all residual receipts derived from the property and/or operation of the property. Fund balance has been restricted in the Sundry Grants Special Revenue Fund and in the Low & Moderate Income Housing Successor Special Revenue Fund. Interest accrues annually on the unpaid balance with rates ranging from 3% to 6%. At June 30, 2014, the outstanding balance of the loan was \$6,230,534, which included a deferred interest accrual of \$2,350,243.

*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, 2014, the outstanding balance of the loan was \$5,360,745 which included a deferred interest accrual of \$960,745.

*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. Fund balance has been restricted in the General Fund. At June 30, 2014, 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, 2014, the outstanding balance of the loan was \$1,943,219 which included a deferred interest accrual of \$443,219.



**CITY OF CHULA VISTA  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

---

**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, 2014, the outstanding balance of the loan was \$2,554,254 which included a deferred interest accrual of \$1,167,102.

*Chula Vista Rehabilitation CHIP Loans*

The Chula Vista Rehabilitation Community Housing Improvement Program (CHIP) is under the direct control of the RDA. CHIP offers deferred and low interest rate home improvement loans to qualified borrowers residing within a target area. Loan repayments are re-deposited into the program cash accounts and are redistributed as future loans. Fund balance has been restricted in the Sundry Grants Special Revenue Fund, Housing Program Special Revenue Fund and in the Low & Moderate Housing Successor Special Revenue Fund. At June 30, 2014, the outstanding balance of the loan was \$2,080,238 which included a deferred interest accrual of \$159,733.

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

In 1991, the RDA entered into a loan agreement with the Civic Center Barrio Housing Corporation, a California non-profit public benefit corporation. The loan was made for the purchase of land and the development of a 28- unit low-income housing project. During 1992, the loan was assigned to Park Village Apartments Ltd., a California limited partnership in which Civic Center Barrio Housing Corporation is the managing general partner. The loan is secured by a deed of trust on the property and assignment of rents. Principal and interest are payable monthly. In 2009, a second amendment to the loan was entered into changing the interest from 5% to 3% per annum on the unpaid principal balance of the note. Fund balance has been restricted in the Low and Moderate Income Housing Successor Special Revenue Fund. At June 30, 2014, the outstanding balance of the loan was \$184,129.

*Mobile Home Assistance Programs*

The RDA entered into agreements with eligible residents of the Orange Tree Mobile home Park, whereby the RDA loaned \$250,030 as permanent financing assistance to residents for the purpose of purchasing certain mobile home property. The loans are secured by deeds of trust on the property and mature in 2017 or when the property is sold. Contingent interest will be charged based on calculations specified in the agreement. Fund balance has been restricted in the Low and Moderate Income Housing Successor Special Revenue Fund. At June 30, 2014, the outstanding balance of the loan was \$36,105.

**CITY OF CHULA VISTA  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

---

**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, 2014, the outstanding balance of the loan was \$7,481,732 which included a deferred interest accrual of \$1,801,732.

*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, 2014, the outstanding balance of the loan was \$2,298,814 which included a deferred interest accrual of \$498,814.

*Seniors on Broadway (MAAC Project)*

The RDA entered into a loan agreement with Seniors on Broadway, Limited Partnership to assist in acquiring and improving certain real property for occupancy by very low, low, and moderate income households. The loan bears an interest rate of 3% per annum. The loan is due and payable on the date that is 55 years from the date of the RDA's issuance of the Certificate of Completion. At June 30, 2014, the outstanding balance of the loan was \$4,369,651 which included a deferred interest accrual of \$858,457.

*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, 2014, the outstanding balance of the loan was \$9,992,030 which included a deferred interest accrual of \$685,954.

**CITY OF CHULA VISTA  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

---

**Note 3 – Receivables (Continued)**

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

*First Time Home Buyers program*

The Chula Vista First-Time Homebuyer Program is under the direct control of the Housing Authority and funded through U.S. Department of Housing and Urban Development HOME funds. Currently administered by Community HousingWorks, the program offers equity share deferred home gap financing loans to qualified borrowers. Loan repayments are re-deposited into the program and are redistributed as future loans. Fund balance has been restricted in the Sundry Grants Special Revenue Fund. At June 30, 2014, the outstanding balance of the loan was \$1,425,504.

*Neighborhood Stabilization First Time Home Buyers program*

The Chula Vista Neighborhood Stabilization First-Time Homebuyer Program and Neighborhood Stabilization Resale Program are under the direct control of the Agency and funded through U.S. Department of Housing and Urban Development Neighborhood Stabilization funds. Currently administered by Community HousingWorks, the Program offers equity share deferred home gap financing loans to qualified borrowers and an acquisition, rehabilitation, and resale option to those qualifying in targeted areas. Loan repayments are re-deposited into the program cash accounts and are redistributed as future loans. Fund balance has been restricted in the Sundry Grants Special Revenue Fund. At June 30, 2014, the outstanding balance of the loan was \$210,800.

*NSP Rental Housing program*

The RDA entered into a loan agreement with San Diego Community Housing Corporation to acquire and rehabilitate rental housing for very low income households. The loan is secured by promissory notes and a deed of trust. The outstanding principal and interest amount of the loan will be repaid over fifty-five (55) years and shall accrue at the simple interest rate of three (3%) percent per annum. Principal and interest are payable annually out of a fund equal to 50% of residual receipts derived from the property and/or operation of the property. Fund balance has been restricted in the Sundry Grants Special Revenue Fund. At June 30, 2014, the outstanding balance of the loan was \$1,122,634 which included deferred interest accrual of \$122,634.

*Community Retrofit program*

The Chula Vista Community Energy Revolving Loan Fund (RLF) is under the direct control of the City of Chula Vista and was capitalized through the American Recovery & Reinvestment Act. The RLF offers fully amortized low-interest rate home energy improvement loans to qualified borrowers residing within Chula Vista. The loans are secured by a deed of trust on the properties. Principal and interest are payable monthly. Interest accrues annually on the unpaid principal balance of the notes. Loan repayments are re-deposited into the program cash accounts and are redistributed as future loans except for loans funded by General fund. Fund balance has been restricted in the General Fund and Sundry Grants Special Revenue Fund. At June 30, 2014, the outstanding balances of the loans were \$9,204 and \$166,004, respectively.

**CITY OF CHULA VISTA  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

**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, 2014, the outstanding balance of the loan was \$1,873,432 which included a deferred interest accrual of \$23,432.

**Note 4 – Interfund Balances and Transactions**

*Due to/Due from other funds*

At June 30, 2014, interfund receivables and payables were as follows:

<b>Due To Other Funds</b>			
<b>Due from Other Funds</b>	Sundry Grants	Nonmajor Governmental	Total
		Funds	
General Fund	\$ 2,197,028	\$ 740,466	\$ 2,937,494
Total	<u>\$ 2,197,028</u>	<u>\$ 740,466</u>	<u>\$ 2,937,494</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, 2014, balances were as follows:

<b>Advances From Other Funds</b>			
<b>Advances to Other Funds</b>	City Debt	Nonmajor Proprietary	Total
	Service Fund	Funds	
General Fund	\$ 1,661,076	\$ -	\$ 1,661,076
Developer Impact Capital Projects Fund	10,740,681	-	10,740,681
Park Acquisition Development Fund	10,147,581	-	10,147,581
Sewer Enterprise Fund	14,733,931	4,228,226	18,962,157
Total	<u>\$ 37,283,269</u>	<u>\$ 4,228,226</u>	<u>\$ 41,511,495</u>

**CITY OF CHULA VISTA  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

**Note 4 – Interfund Balances and Transactions**

*Long-Term Advances (Continued)*

City Council authorized loans to the Public Facilities DIF in the amount of 1,528,969.00 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 \$1,661,076 at June 30, 2014.

City Council authorized loans to Public Facilities DIF for \$12,950,160 and Western DIF for \$36,094. The Public Facilities DIF loan for \$5,200,000 is due and payable in 13 years, with the first payment due in fiscal year 2012/2013 at an interest rate of 3.80% based on the pooled investment rate. The Public Facilities DIF loan for \$5,300,000 is due and payable in 13 years, with the first payment due in fiscal year 2013 at an interest rate of 0.56% based on the pooled investment rate.

City Council authorized a loan to Western PAD from Eastern PAD in the amount of \$9,630,000 to acquire the 14.41 acre site located in the lower Sweetwater Valley owned by the Redevelopment Agency and \$310,000 to acquire the 1.89 acre site located at Auto Park Place, Chula Vista. The loan will be repaid as funds become available, through the payment of PAD fees by developers in western Chula Vista. The balance was \$10,147,581 at June 30, 2014.

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

*Transfers In/Out*

Interfund transfers for the year ended June 30, 2014 were as follows:

Transfer Out	Transfers In							Total
	General Fund	Sundry Grants Special Revenue Fund	Public Financing Authority	City Debt Service Fund	Non-major Governmental Funds	Nonmajor Enterprise Funds	Governmental Activities Internal Service Fnd	
	General	\$ -	\$ 85,813	\$ 9,658,967	\$ -	\$ 3,278,344	\$ 611,358	
Sundry Grants Special Revenue	264,826	-			752,752	-	-	1,017,578
Development Impact Fund	2,715	-		430,928	5,677,936	-	-	6,111,579
City Debt Service Fund	-	-		36,851	-	-	-	36,851
Public Finance Authority	271,002							271,002
Nonmajor Governmental Fund	5,096,693	-		100,001	635,574	-	-	5,832,268
Sewer Fund	2,774,326							2,774,326
Nonmajor Enterprise Funds	1,161,738	-		249,999	-	16,823	-	1,428,560
Internal Service Fund	-	-	-	-	-	23,701	-	23,701
<b>Total</b>	<b>\$9,571,300</b>	<b>\$ 85,813</b>	<b>\$ 9,658,967</b>	<b>\$ 817,779</b>	<b>\$ 10,344,606</b>	<b>\$ 651,882</b>	<b>\$ 600,000</b>	<b>\$ 31,730,347</b>

*General Fund* - Operating support to reimburse the General Fund for City staff services and equipment. Total amount of reimbursement was \$9,571,300.

*Sundry Grants Special Revenue Fund* - Transferring the General Fund's matching contribution to the federal grants in the amount of \$85,813.

**CITY OF CHULA VISTA  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

---

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

Public Financing Authority - Funding debt service funds for repayment of various long-term obligations amounted to \$9,658,967.

City Debt Service - Funding debt service funds for repayment of various long-term obligations amounted to \$817,779.

Non-major Governmental Funds - Funding debt service funds for repayment of various long-term obligations and to fund various capital improvement projects amounted to \$11,611,121. Transfer from General Fund to the Residential Construction Tax Fund for debt service expense in the amount of \$375,000 and funding the TUT Common Fund in the amount of \$8,017,453.

Non-major Enterprise Funds – Permit subsidies from the General Fund to the Development Services Fund in the amount of \$579,358. Operating support to reimburse the Development Services Fund for services provided, \$32,000 reimbursement from the General Fund & \$16,823 from Sewer Services. Central Garage reimbursement to Chula Vista Transit Fund was \$23,701.

Internal Service Funds - \$600,000 was transferred to the Technology Replacement Fund from the General Fund for the future purchase of Police radio equipment. The purchase of this equipment will allow the Police Department to begin the transition to the County's updated regional radio system, ensuring the Police Department's continued regional interoperability.

**CITY OF CHULA VISTA  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

**Note 5 – Capital Assets**

**A. Government-Wide Financial Statements**

Summary of changes in capital assets for governmental activities for the year ended June 30, 2014 are as follows:

	Balance July 1, 2013	Additions	Deletions	CIP Transfers	Balance June 30, 2014
<b>Capital assets, not being depreciated:</b>					
Land	\$ 76,308,011	\$ 57,445	\$ (31,097)	\$ -	\$ 76,334,359
Construction in progress	20,278,877	10,016,252	-	(7,067,646)	23,227,483
<b>Total capital assets, not being depreciated</b>	<b>96,586,888</b>	<b>10,073,697</b>	<b>(31,097)</b>	<b>(7,067,646)</b>	<b>99,561,842</b>
<b>Capital assets, being depreciated:</b>					
Buildings	212,628,874	147,715	-	-	212,776,589
Improvements other than buildings	129,569,741	-	-	-	129,569,741
Machinery and equipment	31,741,318	2,075,300	(4,772,583)	-	29,044,035
Infrastructure	653,796,311	15,269,915	-	7,067,646	676,133,872
<b>Subtotal</b>	<b>1,027,736,244</b>	<b>17,492,930</b>	<b>(4,772,583)</b>	<b>7,067,646</b>	<b>1,047,524,237</b>
Less accumulated depreciation					
Buildings	(47,630,080)	(4,254,993)	-	-	(51,885,073)
Improvements other than buildings	(41,048,007)	(2,745,999)	-	-	(43,794,006)
Machinery and equipment	(28,283,210)	(1,628,607)	4,709,729	-	(25,202,088)
Infrastructure	(238,327,657)	(18,160,511)	-	-	(256,488,168)
<b>Subtotal</b>	<b>(355,288,954)</b>	<b>(26,790,110)</b>	<b>4,709,729</b>	<b>-</b>	<b>(377,369,335)</b>
<b>Total capital assets, being depreciated</b>	<b>672,447,290</b>	<b>(9,297,180)</b>	<b>(62,854)</b>	<b>7,067,646</b>	<b>670,154,902</b>
<b>Total governmental activities</b>	<b>\$ 769,034,178</b>	<b>\$ 776,517</b>	<b>\$ (93,951)</b>	<b>\$ -</b>	<b>\$ 769,716,744</b>

Depreciation expense was charged to functions/programs as follows:

General government	\$ 1,605,101
Public safety	2,754,114
Public works	19,272,405
Parks and recreation	2,660,467
Library	243,599
Internal service	254,424
	<u>\$ 26,790,110</u>

**CITY OF CHULA VISTA  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

**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, 2014, are as follows:

	Balance July 1, 2013	Additions	Deletions	CIP Transfers	Balance June 30, 2014
<b>Capital assets, not being depreciated:</b>					
Construction in progress	\$ 2,195,269	\$ 581,633	\$ -	\$ (203,923)	\$ 2,572,979
<b>Total capital assets, not being depreciated</b>	<u>2,195,269</u>	<u>581,633</u>	<u>-</u>	<u>(203,923)</u>	<u>2,572,979</u>
<b>Capital assets, being depreciated:</b>					
Machinery and equipment	13,287,329	162,068	(746,975)	-	12,702,422
Infrastructure	227,718,283	6,822,903	-	203,923	234,745,109
<b>Subtotal</b>	<u>241,005,612</u>	<u>6,984,971</u>	<u>(746,975)</u>	<u>203,923</u>	<u>247,447,531</u>
Less accumulated depreciation					
Machinery and equipment	(11,972,259)	(520,061)	736,435	-	(11,755,885)
Infrastructure	(96,567,368)	(5,183,989)	-	-	(101,751,357)
<b>Subtotal</b>	<u>(108,539,627)</u>	<u>(5,704,050)</u>	<u>736,435</u>	<u>-</u>	<u>(113,507,242)</u>
<b>Total capital assets, being depreciated</b>	<u>132,465,985</u>	<u>1,280,921</u>	<u>\$ (10,540)</u>	<u>203,923</u>	<u>133,940,289</u>
<b>Total governmental activities</b>	<u>\$ 134,661,254</u>	<u>\$ 1,862,554</u>	<u>\$ (10,540)</u>	<u>\$ -</u>	<u>\$ 136,513,268</u>

Depreciation expense for business-type activities for the year ended June 30, 2014, are as follows:

Sewer	\$ 5,340,593
Transit	303,457
Sewer DIFS	60,000
	<u>\$ 5,704,050</u>



**CITY OF CHULA VISTA  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

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

**B. Fiduciary Funds Financial Statements**

Summary of changes in capital assets for fiduciary funds for the year ended June 30, 2014, are as follows:

	Balance July 1, 2013	Additions	Deletions	CIP Transfers	Balance June 30, 2014
<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>-</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>-</b>	<b>2,386,218</b>
Less accumulated depreciation					
Buildings	(1,158,569)	(47,724)	-	-	(1,206,293)
<b>Subtotal</b>	<b>(1,158,569)</b>	<b>(47,724)</b>	<b>-</b>	<b>-</b>	<b>(1,206,293)</b>
<b>Total capital assets, being depreciated</b>	<b>1,227,649</b>	<b>(47,724)</b>	<b>-</b>	<b>-</b>	<b>1,179,925</b>
<b>Total governmental activities</b>	<b>\$ 10,729,949</b>	<b>\$ (47,724)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 10,682,225</b>

Depreciation expense for fiduciary funds for the year ended June 30, 2014, was \$47,724.

**Note 6 – Long-Term Debt**

**Governmental Activities Long-Term Debt**

A summary of changes in governmental activities long-term debt for the year ended June 30, 2014, is as follows:

	Balance June 30, 2013	Debt Issued	Debt Retired	Balance June 30, 2014	Classification	
					Due within One Year	Due in More Than One Year
Certificate of Participation	\$ 128,375,000	\$ 45,920,000	\$ (52,645,000)	\$ 121,650,000	\$ 4,060,000	\$ 117,590,000
Section 108 Loan	8,262,000	-	(349,000)	7,913,000	367,000	7,546,000
Notes Payable	6,407,666	-	(692,754)	5,714,912	681,344	5,033,568
Capital Leases	279,913	2,121,500	(354,101)	2,047,312	153,751	1,893,561
Bond Premium	24,807	3,537,111	(119,085)	3,442,833	-	3,442,833
Bond Discount	(791,689)	-	40,255	(751,434)	-	(751,434)
<b>Total</b>	<b>\$ 142,557,697</b>	<b>\$ 51,578,611</b>	<b>\$ (54,119,685)</b>	<b>\$ 140,016,623</b>	<b>\$ 5,262,095</b>	<b>\$ 134,754,528</b>

**CITY OF CHULA VISTA  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

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

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

**A. Certificates of Participation**

	Balance June 30, 2013	Debt Issued	Debt Retired	Balance June 30, 2014	Classification	
					Due within One Year	Due in More Than One Year
2002 COP Police Facility	\$ 49,930,000	\$ -	\$ (49,930,000)	\$ -	\$ -	\$ -
2003 Refunding COP	220,000	-	(220,000)	-	-	-
2004 COP Civic Ctr Ph1	31,380,000	-	(950,000)	30,430,000	985,000	29,445,000
2006 COP Civic Ctr Ph2	17,490,000	-	(530,000)	16,960,000	550,000	16,410,000
2010 Refunding COP Corp Yard	29,355,000	-	(1,015,000)	28,340,000	1,055,000	27,285,000
2014 Refunding COP	-	45,920,000	-	45,920,000	1,470,000	44,450,000
<b>Total</b>	<b>\$ 128,375,000</b>	<b>\$ 45,920,000</b>	<b>\$ (52,645,000)</b>	<b>\$ 121,650,000</b>	<b>\$ 4,060,000</b>	<b>\$ 117,590,000</b>

2002 COP

In June 2002, the Chula Vista Public Financing Authority issued \$60,145,000 in 2002 Certificates of Participation to provide funds to construct the City’s Police Headquarters, finance the reserve account of the certificates, to capitalize interest during construction and to pay the cost of issuance of the certificates. The source of repayment of the certificates is the lease payments to be made by the City to the Authority. Interest is payable semiannually on February 1 and August 1 of each year commencing February 1, 2003. The certificates mature in 2032 and principal is payable on August 1 each year commencing August 1, 2005. As of June 30, 2014, the outstanding balance is \$0. This was refunded by the 2014 Refunding COP.

2003 Refunding COP

In May 2003, the Chula Vista Public Financing Authority (the “Financing Authority”) issued its 2003 Refunding Certificates of Participation to defease the 1993 Certificates, reimburse the City for amounts it has advanced to prepay the equipment lease, finance a reserve account and pay for the cost of issuance of the Certificates. The Certificates are to be repaid from lease payments made by the City to the Authority for leasing certain property. Interest is payable semiannually on March 1 and September 1 of each year commencing September 1, 2003. The certificates mature in 2013 and principal is payable on September 1 each year commencing September 1, 2003. As of June 30, 2014, the outstanding balance is \$0.

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

**CITY OF CHULA VISTA  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

---

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

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

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

*2004 Civic Center Project Phase I COP, Continued*

is payable on September 1 each year commencing September 1, 2006. As of June 30, 2014, the outstanding balance is \$30,430,000.

The annual debt service requirements for the 2004 Certificates of Participation Civic Center Project Phase I outstanding at June 30, 2014, are as follows:

<b>Year Ending June 30,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2015	\$ 985,000	\$ 1,406,449	\$ 2,391,449
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
2020-2024	6,550,000	5,413,085	11,963,085
2025-2029	8,180,000	3,785,513	11,965,513
2030-2034	<u>10,360,000</u>	<u>1,604,500</u>	<u>11,964,500</u>
Total	<u>\$30,430,000</u>	<u>\$17,433,604</u>	<u>\$47,863,604</u>

*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, 2014, the outstanding balance is \$16,960,000.

**CITY OF CHULA VISTA  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

---

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

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

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

2006 Civic Center Project Phase II COP, Continued

The annual debt service requirements for the 2006 Certificates of Participation Civic Center Project Phase II outstanding at June 30, 2014, are as follows:

<b>Year Ending June 30,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2015	\$ 550,000	\$ 721,309	\$ 1,271,309
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
2020-2024	3,590,000	2,759,873	6,349,873
2025-2029	3,895,000	1,956,563	5,851,563
2030-2034	4,445,000	1,080,006	5,525,006
2035-2036	2,070,000	140,850	2,210,850
Total	<u>\$ 16,960,000</u>	<u>\$ 9,330,231</u>	<u>\$ 26,290,231</u>

2010 Refunding COP Corp Yard

In February 2010, the Chula Vista Public Financing Authority (Authority) issued \$29,355,000 in 2010 Certificates of Participation to provide funds for the construction, reconstruction, modernization and equipping of Phase 3 of the Civic Center Complex of the City of Chula Vista, to refinance the City's outstanding Certificates of Participation Series A of 2000 (2000 Financing Project), fund capitalized interest, fund a reserve fund, and pay the costs incurred in connection with the execution and delivery of the Certificates. The source of repayment of the certificates is the lease payments to be made by the City to the Authority. Interest is payable semiannually on March 1 and September 1 of each year, commencing September 1, 2010. The certificates mature in 2033 and principal is payable on March 1 each year, commencing March 01, 2014. As of June 30, 2014, the outstanding balance is \$ 28,340,000.

**CITY OF CHULA VISTA  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

---

**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, 2014, are as follows:

<b>Year Ending June 30,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2015	\$ 1,055,000	\$ 1,436,606	\$ 2,491,606
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
2020-2024	7,160,000	5,296,331	12,456,331
2025-2029	9,165,000	3,288,775	12,453,775
2030-2034	6,340,000	741,675	7,081,675
Total	<u>\$ 28,340,000</u>	<u>\$16,106,913</u>	<u>\$ 44,446,913</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, 2014, the outstanding balance is \$ 45,920,000.

**CITY OF CHULA VISTA  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

---

**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, 2014, are as follows:

Year Ending June 30,	Principal	Interest	Total
2015	\$ 1,470,000	\$ 2,139,474	\$ 3,609,474
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
2020-2024	10,535,000	7,492,531	18,027,531
2025-2029	13,605,000	4,490,781	18,095,781
2030-2033	13,490,000	1,122,884	14,612,884
<b>Total</b>	<b>\$ 45,920,000</b>	<b>\$ 22,832,194</b>	<b>\$ 68,752,194</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, 2014, the outstanding balance is \$7,913,000. The annual debt service payments are as follows:

Year Ending June 30,	Principal	Interest	Total
2015	\$ 367,000	\$ 389,175	\$ 756,175
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
2020-2024	2,587,000	1,224,524	3,811,524
2025-2029	3,299,000	460,381	3,759,381
<b>Total</b>	<b>\$7,913,000</b>	<b>\$3,457,425</b>	<b>\$11,370,425</b>

**CITY OF CHULA VISTA  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

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

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

**C. Notes Payable**

	Balance June 30, 2013	Debt Issued	Debt Retired	Balance June 30, 2014	Classification	
					Due within One Year	Due in More Than One Year
The Adamo-Parking Structure Note	\$ 34,657	\$ -	\$ (34,657)	\$ -	\$ -	\$ -
Taxable QECC Lease Purchase Agreement	2,174,204	-	(171,187)	2,003,017	182,660	1,820,357
California Energy Commission (CEC) Loan #1	506,020	-	(160,733)	345,287	167,144	178,143
California Energy Commission (CEC) Loan #2	1,895,345	-	(121,208)	1,774,137	124,872	1,649,265
California Energy Commission (CEC) Loan #3	1,587,445	-	(169,432)	1,418,013	171,131	1,246,882
SDG&E OBF Loan #1 (Parkway Boiler)	68,144	-	(8,518)	59,626	8,518	51,108
SDG&E OBF Loan #2 (Transit HVAC)	141,851	-	(27,019)	114,832	27,019	87,813
Total CEC Loans/SDG&E On Bill Financing	4,198,805	-	(486,910)	3,711,895	498,684	3,213,211
<b>Total</b>	<b>\$ 6,407,666</b>	<b>\$ -</b>	<b>\$ (692,754)</b>	<b>\$ 5,714,912</b>	<b>\$ 681,344</b>	<b>\$ 5,033,568</b>

The Adamo - Parking Structure Note

In January 1994, the City entered into a loan agreement with a private party in order to purchase certain land acquisitions and improvements for the ultimate purpose of constructing a three-level parking structure. The note calls for 240 monthly payments of principal and interest, commencing in April 1994 in the initial amount of \$2,548 and increasing 3% percent annually. The annual interest rate is 8.29%. As of June 30, 2014, the outstanding balance is \$0.

Taxable QECC Lease/Purchase Agreement

On December 21, 2012, the City entered into a lease purchase agreement with a private party to purchase certain energy conservation equipment. The lease/purchase agreement would bridge the financial gap between the Municipal Street Listing Retrofit Project capital costs and the available rebates for energy conservation equipment.

As of June 30, 2014, the outstanding balance is \$2,003,017. The annual debt service requirements are as follows:

Year Ending June 30,	Principal	Interest	Total
2015	\$ 182,660	\$ 77,515	\$ 260,175
2016	184,323	70,265	254,588
2017	186,000	62,950	248,950
2018	187,693	55,567	243,260
2019	189,401	48,118	237,519
2020-2024	973,176	126,452	1,099,628
2025	99,764	1,975	101,739
Total	<u>\$2,003,017</u>	<u>\$ 442,842</u>	<u>\$ 2,445,859</u>

**CITY OF CHULA VISTA  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

**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*

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, 2014, the outstanding balance is \$3,711,895.

**D. Capital Leases**

	Balance June 30, 2013	Debt Issued	Debt Retired	Balance June 30, 2014	Classification	
					Due within One Year	Due in More Than One Year
SD County Regional Comm. System	\$ 279,914	\$ -	\$ (279,914)	\$ -	\$ -	\$ -
Solar Energy Financing	-	2,121,500	(74,188)	2,047,312	153,751	1,893,561
<b>Total</b>	<b>\$ 279,914</b>	<b>\$ 2,121,500</b>	<b>\$ (354,102)</b>	<b>\$ 2,047,312</b>	<b>\$ 153,751</b>	<b>\$ 1,893,561</b>

*SD County Regional Communication System*

The City has participated in the San Diego County Regional Communications System (“RCS”). The City financed its share of the RCS network infrastructure over 14 years in the amount of \$2,809,405. The agreement with the County provided the City with full partnership in the RCS. As of June 30, 2014, the outstanding balance is \$0.

*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, 2014, are as follows:

Year Ending June 30,	Principal	Interest	Total
2015	\$ 153,751	\$ 79,423	\$ 233,174
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
2020-2031	1,257,294	352,390	1,609,684
<b>Total</b>	<b>\$2,047,313</b>	<b>\$ 684,639</b>	<b>\$ 2,731,952</b>



**CITY OF CHULA VISTA  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

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

*Fiduciary Funds Long-Term Debt*

**A. Tax Allocation Bonds**

	Balance June 30, 2013	Debt Issued	Debt Retired	Balance June 30, 2014	Classification	
					Due within One Year	Due in More Than One Year
2006 Senior Tax Allocation Refunding Bonds, Series A	\$ 10,540,000	\$ -	\$ (565,000)	\$ 9,975,000	\$ 590,000	\$ 9,385,000
2006 Subordinate Tax Allocation Refunding Bonds, Series B	9,820,000	-	(500,000)	9,320,000	525,000	8,795,000
2008 Tal Allocation Refunding Bonds	21,625,000	-	-	21,625,000	575,000	21,050,000
<b>Total</b>	<b>\$ 41,985,000</b>	<b>\$ -</b>	<b>\$ (1,065,000)</b>	<b>\$ 40,920,000</b>	<b>\$ 1,690,000</b>	<b>\$ 39,230,000</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. 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, 2014, the outstanding balance is \$9,975,000.

The annual debt service requirements are as follows:

<b>Year Ending June 30,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2015	\$ 590,000	\$ 424,145	\$ 1,014,145
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
2020-2024	3,935,000	1,101,059	5,036,059
2025-2028	2,835,000	223,918	3,058,918
<b>Total</b>	<b>\$9,975,000</b>	<b>\$3,184,986</b>	<b>\$13,159,986</b>

**CITY OF CHULA VISTA  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

---

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

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

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

2006 Subordinate Tax Allocation Refunding Bonds, Series B

In July 2006, the RDA issued \$12,325,000 2006 Subordinate Tax Allocation Refunding Bonds, Series B to refinance the RDA’s outstanding Bayfront/Town Centre Redevelopment Project 1994 Senior Tax Allocation Refunding Bonds, Series C and D, and to satisfy the reserve requirement for the Bonds and provide for the costs of issuing the Bonds. The original bond proceeds were used in the acquisition of property, demolition, relocation, public improvements and funding the Low and Moderate Income Housing Project. The bonds consist of \$7,995,000 serial bonds which mature from 2007 to 2021 in amounts ranging from \$290,000 to \$735,000 and term bonds of \$4,330,000 which mature in 2028. Interest is payable semiannually on April 1 and October 1 at interest rates ranging from 4.00% to 6.00%. The bonds are subject to optional redemption on any interest payment date on or after October 1, 2013, at various redemption prices. The bonds are payable solely from certain tax increment revenues of the Agency and other funds held under the indenture. As of June 30, 2014, the outstanding balance is \$9,320,000.

The annual debt service requirements are as follows:

<b>Year Ending June 30,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2015	\$ 525,000	\$ 464,096	\$ 989,096
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
2020-2024	3,690,000	1,218,879	4,908,879
2025-2028	<u>2,740,000</u>	<u>248,063</u>	<u>2,988,063</u>
Total	<u>\$9,320,000</u>	<u>\$3,512,549</u>	<u>\$12,832,549</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, 2014, the outstanding balance is \$21,625,000.

CITY OF CHULA VISTA  
 NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2014

Note 6 – Long-Term Debt (Continued)

Fiduciary Funds Long-Term Debt (Continued)

A. Tax Allocation Bonds (Continued)

The annual debt service requirements are as follows:

Year Ending June 30,	Principal	Interest	Total
2015	\$ 575,000	\$ 952,136	\$ 1,527,136
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
2020-2024	3,785,000	3,823,737	7,608,737
2025-2029	4,675,000	2,914,257	7,589,257
2030-2034	5,845,000	1,712,984	7,557,984
2035-2037	4,210,000	306,138	4,516,138
Total	<u>\$21,625,000</u>	<u>\$13,273,696</u>	<u>\$34,898,696</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 2014 was \$6,144,145 and total debt service of all Tax Allocation Bonds paid was \$2,966,703. 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, 2013	Debt Issued	Debt Retired	Balance June 30, 2014	Classification	
					Due within One Year	Due in More Than One Year
2005 ERAF	\$ 185,000	\$ -	\$ (90,000)	\$ 95,000	\$ 95,000	\$ -
2006 ERAF	340,000	-	(105,000)	235,000	115,000	120,000
Total	<u>\$ 525,000</u>	<u>\$ -</u>	<u>\$(195,000)</u>	<u>\$ 330,000</u>	<u>\$ 210,000</u>	<u>\$ 120,000</u>

**CITY OF CHULA VISTA  
 NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

---

**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, 2014, the outstanding balance is \$95,000. The annual debt service requirements are as follows:

<u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 95,000	\$ 5,880	\$ 100,880
Total	<u>\$ 95,000</u>	<u>\$ 5,880</u>	<u>\$ 100,880</u>

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, 2014, the outstanding balance is \$235,000. The annual debt service requirements are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 115,000	\$ 14,282	\$ 129,282
2016	<u>120,000</u>	<u>7,792</u>	<u>127,792</u>
Total	<u>\$ 235,000</u>	<u>\$ 22,074</u>	<u>\$ 257,074</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, 2014, the special assessment debts outstanding are as follows:

**CITY OF CHULA VISTA  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

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

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

	<b>Original Amount</b>	<b>Outstanding June 30, 2014</b>
CFD 06-1A Eastlake Woods, Vista, Land Swap	\$ 39,000,000	\$ 23,600,000
CFD 06-1B Eastlake Woods, Vista, Land Swap	7,880,000	5,270,000
CFD 01-2 McMillin Otay Valley Ranch Village 6	10,250,000	7,405,000
CFD 08-I Otay Ranch Village	21,655,000	16,345,000
CFD 07-I Otay Ranch Village II	28,050,000	19,480,000
CFD 12-I McMillin Otay Ranch Village 7	22,565,000	14,985,000
CFD 2001-1B San Miguel Ranch 2005 Improvement	12,230,000	10,725,000
CFD 13-I McMillin Otay Ranch Village 7	16,620,000	9,565,000
CFD 07-I McMillin Otay Ranch Village I	16,950,000	13,595,000
2005 Revenue Refunding Bonds	93,930,000	71,460,000
AD 94-I Eastlake Greens Phase II	7,464,474	2,370,000
RAD 2001-1 Refunding Revenue Bonds Residential	20,445,000	7,030,000
RAD 2001-2 Refunding Revenue Bonds Commercial	9,705,000	1,135,000
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>\$ 1,093,149,474</b>	<b>\$ 889,370,000</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, 2014, the multi-family housing bonds outstanding are as follows:

	<b>Original Amount</b>	<b>Outstanding June 30, 2014</b>
2000 A Pear Tree Manor Project	\$ 5,779,000	\$ 4,659,000
1999 A Villa Serena Project	5,566,500	5,270,000
2007 A Oxford Terrace Apartments	2,276,000	1,851,000
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	5,904,011
<b>Total</b>	<b>\$ 70,594,500</b>	<b>\$ 57,987,011</b>

**CITY OF CHULA VISTA  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

**Note 7 – Unearned/Deferred Revenue**

**A. Government-Wide Financial Statements**

At June 30, 2014, unearned revenue was reported as follows:

Grants	\$ 769,892
<b>Total</b>	<b>\$ 769,892</b>

**B. Governmental Fund Financial Statements**

At June 30, 2014, unavailable revenue was reported as follows:

Interest receivable on:	
Advances to other funds	\$ 11,922,650
Loans Receivable:	
South Bay Community Services	4,740,437
South Bay Community Villas, L.P.	4,400,000
St. Regis Park	1,387,152
NSP Homebuyer Prog (SD Community Housing Corp)	1,000,000
Los Vecinos (Wakeland Housing & Development)	5,680,000
Seniors on Broadway (MAAC Project)	3,511,194
Rancho Vista Housing (Chelsea Invest Corp)	1,500,000
Alpha III Development (Main Plaza)	1,800,000
Wakeland Lofts Landis	1,850,000
The Landings (Chelsea Invest, Corp)	9,306,076
Long-term receivables	2,120,649
Public Facilities DIF	1,203,496
Grants	685,585
<b>Total</b>	<b>\$ 51,107,239</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, 2014, is as follows:

	Balance June 30, 2013	Additions	Deletions	Balance June 30, 2014	Classification	
					Due within One Year	Due in More Than One Year
Compensated Absences	\$ 6,739,216	\$ 4,056,341	\$ (4,170,097)	\$ 6,625,460	\$ 4,463,759	\$ 2,161,701
<b>Total</b>	<b>\$ 6,739,216</b>	<b>\$ 4,056,341</b>	<b>\$ (4,170,097)</b>	<b>\$ 6,625,460</b>	<b>\$ 4,463,759</b>	<b>\$ 2,161,701</b>

**CITY OF CHULA VISTA  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

---

**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 \$6,625,460 at June 30, 2014. 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, 2014, are obligations of the following funds:

Governmental Funds	\$ 6,548,853
Fleet Management	76,607
<b>Total</b>	<b>\$ 6,625,460</b>

Governmental-Wide Financial Statements – Business-Type Activities

Compensated absences at June 30, 2014, are obligations of the following funds:

	Balance			Balance June 30, 2014	Classification	
	June 30, 2013	Additions	Deletions		Due within One Year	Due in More Than One Year
Compensated Absences	\$ 530,753	\$ 461,163	\$ (426,642)	\$ 565,274	\$ 455,464	\$ 109,810
<b>Total</b>	<b>\$ 530,753</b>	<b>\$ 461,163</b>	<b>\$ (426,642)</b>	<b>\$ 565,274</b>	<b>\$ 455,464</b>	<b>\$ 109,810</b>

Transit	\$ 18,766
Development Services	343,118
Sewer	203,390
	<u>\$ 565,274</u>

**Note 9 – Other Required Fund Disclosures**

At June 30, 2014, the following funds had deficit fund equity:

Debt Service	City Debt Services Fund	\$ (36,852,341)
Special Revenue	Transportation Sales Tax	\$ (459,373)

*City Debt Service Fund* - The City Debt Service fund had an accumulated deficit of \$(36,852,341), due to the fund booking its long term advances. The City expects to repay the advances via transfers from other funds.

*Transportation Sales Tax* - The Transportation Grants fund had an accumulated deficit of \$(459,373), due to unreimbursed claims. The City expects to receive the reimbursements in Fiscal Year 2015.

**CITY OF CHULA VISTA  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

---

**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, 2014, 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)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

---

**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, 2013	Claims and Changes in Estimates	Claims Payments	Balance June 30, 2014
2011-2012	\$ 22,432,093	\$ 3,372,465	\$ (3,614,694)	\$ 22,189,864
2012-2013	22,189,864	3,288,127	(4,456,532)	21,021,459
2013-2014	21,021,459	5,186,700	(3,846,924)	22,361,235

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

**Note 11 – Pension Plans**

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

***Plan Description***

The City contributes to the California Public Employees’ Retirement System (“PERS”), an agent multiple-employer public employees defined benefit pension plan. PERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. PERS acts as a common investment and administrative agent for participating public entities within the State of California. Benefit provisions and all other requirements are established by State statute and City ordinance. Copies of PERS’ annual financial report may be obtained from their Executive Office located at 400 P Street, Sacramento, California 95814. A separate report for the City’s plan within the Fund is not available.

***Funding Policy***

Plan participants are required to contribute a percentage of their annual covered salary. The City has implemented a three Tiered structure. Participants become members of a specific tier based upon their date of membership to PERS. Miscellaneous members contribute 8%, 7% and 6.75% of covered salary for tiers 1, 2, 3 respectively. Safety members contribute 9% regardless of PERS membership date or tier. In addition, the City is required to make an employer contribution at an actuarial determined rate of 25.437% and 27.316% for miscellaneous and safety employees respectively, of annual covered payroll for the year ended June 30, 2014. The City’s total covered payroll for the year ending June 30, 2013, was \$75,828,266. The contribution requirement of plan members and the City are established and may be amended by PERS.

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

**CITY OF CHULA VISTA  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

---

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

*Annual Pension Cost*

For fiscal year 2014, the City's annual pension cost of \$16,215,564 for PERS was equal to the City's required and actual contributions. The required contribution was determined as part of the June 30, 2010, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions included (a) 7.75% investment rate of return (net of administrative expenses), (b) projected salary increases range from 3.55% to 14.45% for miscellaneous employees and 3.55% to 13.15% for safety employees depending on age, service, and type of employment, and (c) 3.25% per year cost-of-living adjustments. Both (a) and (b) included an inflation component of 3%. The actuarial value of PERS assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a three year period. PERS unfunded actuarial accrued liability (or surplus) for both miscellaneous and safety employees are being amortized as a level percentage of projected payrolls over a closed 20-year period for prior and current service unfunded liability.

**CITY OF CHULA VISTA  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

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

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

**Annual Pension Cost (Continued)**

**THREE-YEAR TREND INFORMATION FOR PERS**

Fiscal Year	Annual Pension Cost (APC)			Percentage of APC Contributed	Net Pension Obligation	Net Pension Asset
	Miscellaneous Employees	Safety Employees	Total			
6/30/2012	\$ 12,563,479	\$ 11,432,810	\$ 23,996,289	100%	\$ -	\$ 246,072
6/30/2013	9,482,754	8,705,678	18,188,432	100%	-	19,071
6/30/2014	8,740,939	7,474,625	16,215,564	100%	-	-

*Most Recent Actuarial Study – Schedule of Funding Progress*

Actuarial Valuation Date	Actuarial Asset Value	Entry Age Actuarial Accrued Liability	Unfunded Actuarial Accrued Liability	Funded Ratio	Covered Payroll	Overfunded Actuarial Liability as Percentage of Covered Payroll
<b>Miscellaneous:</b>						
6/30/2011	\$ 287,943,786	\$ 93,638,869	\$ 93,638,869	75.5%	\$ 41,109,611	227.8%
6/30/2012	\$ 299,659,390	\$ 96,312,713	\$ 96,312,713	75.7%	\$ 41,379,439	232.8%
6/30/2013	\$ 278,914,479	\$ 135,554,281	\$ 135,554,281	67.3%	\$ 41,923,116	323.3%
<b>Safety:</b>						
6/30/2011	\$ 273,750,352	\$ 319,838,087	\$ 46,087,735	85.6%	\$ 34,000,483	135.6%
6/30/2012	\$ 289,257,775	\$ 337,368,764	\$ 48,110,989	85.7%	\$ 33,042,996	145.6%
6/30/2013	\$ 272,937,929	\$ 362,241,567	\$ 89,303,638	75.3%	\$ 33,915,150	263.3%

\*Beginning with 6/30/2013 valuation Actuarial Value of Assets equals Market Value of Assets per CalPERS Direct Smoothing Policy.

**B. Defined Contribution Pension Plan**

The City provides pension plan benefits for all of its part-time employees through a defined contribution plan (Public Agency Retirement Plan). In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. The plan is administered by 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.

**CITY OF CHULA VISTA  
 NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

---

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

***B. Defined Contribution Pension Plan (Continued)***

For the year ended June 30, 2014, the City’s total hourly payroll and covered payroll was \$2,165,218. The City made employer contributions of \$81,196 (3.75% of current covered payroll), and employees contributed \$81,196 (3.75% of current covered payroll).

**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.

***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, 2014:

	<u>Police</u>	<u>Fire</u>	<u>Miscellaneous</u>	<u>Total</u>
Eligible active employee	164	108	477	749
Enrolled eligible retirees	30	12	177	219

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.

**CITY OF CHULA VISTA  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

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

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

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

	<u>2014</u>	<u>2013</u>	<u>2012</u>
Annual required contribution	\$ 2,100,000	\$ 1,974,000	\$ 1,803,000
Interest on net OPEB obligation	241,000	187,000	151,000
Adjustment to the annual required contribution	(607,000)	(460,000)	(285,000)
Net OPEB cost	<u>1,734,000</u>	<u>1,701,000</u>	<u>1,669,000</u>
Contribution made	(392,000)	(359,000)	(537,000)
Increase in net OPEB liability	<u>1,342,000</u>	<u>1,342,000</u>	<u>1,132,000</u>
Net OPEB liability, beginning of the year	6,027,000	4,685,000	3,553,000
Net OPEB liability, end of the year	<u>\$ 7,369,000</u>	<u>\$ 6,027,000</u>	<u>\$ 4,685,000</u>

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2012, 2013 and 2014 were as follows:

<u>Fiscal Year</u>	<u>Annual OPEB Cost</u>	<u>Actual Contributions</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
2011-2012	1,669,000	537,000	32%	4,685,000
2012-2013	1,701,000	359,000	21%	6,027,000
2013-2014	1,734,000	392,000	23%	7,369,000

***Funded Status and Funding Progress***

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

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

**CITY OF CHULA VISTA  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

---

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

*Actuarial Methods and Assumptions*

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

The actuarial cost method used for determining the benefit obligation is the Entry Age Normal Cost Method. The actuarial assumptions included a 4.0 % discount rate, the inflation rate for HMO's starts at 8.5% (the increase in 2014 premiums over 2013) and grades down to 5.0% (2021 premiums over 2020) and remains at 5.0% into the future. This assumption means healthcare is assumed to increase, on the average, 6.75% a year for HM0s/PPOs Non-Medicare and 6.95% a year for HM0s/PPOs Medicare a year for the next seven years after 2013. The general inflation assumption rate is 3% and is assumed that healthcare will level off at 1.5% over general inflation. The UAAL is being amortized as a level percentage of projected payroll over a closed 30 year period.

*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>
6/30/2013	\$ -	\$ 13,081,000	\$ (13,081,000)	0.00%	\$ 62,923,000	-20.79%

**Note 13 – Pollution Remediation Obligations**

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

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

**CITY OF CHULA VISTA  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

---

**Note 13 – Pollution Remediation Obligations (Continued)**

At June 30, 2014, 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, 2014, 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.

**Note 14 – Commitments and Contingencies**

***Litigation***

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

***Grants***

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

***City Loan to Successor Agency***

The General Fund has loaned a cumulative amount of \$9,002,419 including interest to the Successor Agency for unreimbursed services rendered by City staff. It is anticipated that the Agency will repay this loan from Redevelopment Property Tax Trust Fund distributions. Currently, Redevelopment Property Tax Trust Fund distributions are used to pay for related debt service expenditures and possible future debt issuance. As a result, the Successor Agency is uncertain if the amount will be repaid to the City's General

**CITY OF CHULA VISTA  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

---

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

**City Loan to Successor Agency (Continued)**

Fund. Accordingly, this contingent payable has not been reported in accompanying basic financial statements. The Agency will record the contingent payable when payment is assured.

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

The City, acting as the Successor Agency to the Chula Vista Redevelopment Agency, prepared a Long Range Property Management Plan (LRPMP) in compliance with AB 1484. The Successor Agency Oversight Board reviewed and approved the LRPMP on 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.



**CITY OF CHULA VISTA  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

**Note 15 – Classification of Fund Balances**

	Major Funds								Total
	General Fund	Sundry Grants Special Revenue Fund	Housing Successor Agency Special Revenue Fund	City Debt Service Fund	Public Financing Authority	Development Impact Fund	Park Acquisition Development Fund	Other Governmental Funds	
<b>Nonspendable</b>									
Prepaid items	\$ 61,805	\$ 23,522	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 85,327
Loans receivable	7,363,007	3,038,664	-	-	-	10,535,338	9,940,000	-	30,877,009
<b>Total nonspendable</b>	<b>7,424,812</b>	<b>3,062,186</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>10,535,338</b>	<b>9,940,000</b>	<b>-</b>	<b>30,962,336</b>
<b>Restricted</b>									
SLESF - law enforcement	-	256,573	-	-	-	-	-	-	256,573
Police grants	-	143,467	-	-	-	-	-	-	143,467
Asset forfeiture - drug enforcement and education	-	385,311	-	-	-	-	-	-	385,311
Library services grant	-	91,980	-	-	-	-	-	-	91,980
Park and recreation grants	-	13,674	-	-	-	-	-	-	13,674
SD Neighborhood Reinvestment Program	-	3,859	-	-	-	-	-	-	3,859
Federal grants	-	(7,764)	-	-	-	-	-	-	(7,764)
State grants	-	(523,787)	-	-	-	-	-	-	(523,787)
ARRA grants	-	(145,748)	-	-	-	-	-	-	(145,748)
Waste management, recycling and environ. grants	-	1,383,837	-	-	-	-	-	-	1,383,837
Community and housing development	-	(1,370,958)	8,379,761	-	-	-	-	1,789,234	8,798,037
Public facilities	-	-	-	-	-	9,270,409	-	-	9,270,409
Otay Ranch Village ramp and bridge	-	-	-	-	-	3,949,085	-	-	3,949,085
Transportation improvements	-	-	-	-	-	12,699,400	-	9,730,625	22,430,025
Telegraph Canyon drainage	-	-	-	-	-	6,129,937	-	-	6,129,937
Park acquisitions and development	-	-	-	-	-	-	29,186,780	-	29,186,780
Parking meter services	-	-	-	-	-	-	-	859,395	859,395
Public Educational & Govt. Fee	-	-	-	-	-	-	-	579,048	579,048
Traffic signal and safety	-	-	-	-	-	-	-	1,886,739	1,886,739
Storm drain	-	-	-	-	-	-	-	212,230	212,230
Open space maintenance	-	-	-	-	-	-	-	15,366,123	15,366,123
Telecom Utility Tax	-	-	-	-	-	-	-	4,246,585	4,246,585
Mobilehome Admin Fee	-	-	-	-	-	-	-	81,104	81,104
Assessment districts improvement	-	-	-	-	-	-	-	2,509,358	2,509,358
<b>Total restricted</b>	<b>-</b>	<b>230,444</b>	<b>8,379,761</b>	<b>-</b>	<b>-</b>	<b>32,048,831</b>	<b>29,186,780</b>	<b>37,260,441</b>	<b>107,106,257</b>
<b>Committed</b>									
Economic contingency	3,600,000	-	-	-	-	-	-	45,736	3,645,736
Capital projects	1,839,650	-	-	-	-	-	-	231,699	2,071,349
San Diego Authority for Freeway Emergencies	695,951	-	-	-	-	-	-	-	695,951
Legal Council	80,000	-	-	-	-	-	-	-	80,000
Debt service	-	-	-	-	10,125,086	-	-	275,043	10,400,129
<b>Total committed</b>	<b>6,215,601</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>10,125,086</b>	<b>-</b>	<b>-</b>	<b>552,478</b>	<b>16,893,165</b>
<b>Assigned</b>									
City Council	49,389	-	-	-	-	-	-	-	49,389
City Clerk	294	-	-	-	-	-	-	-	294
City Attorney	22,765	-	-	-	-	-	-	-	22,765
City Administration	121,162	-	-	-	-	-	-	-	121,162
Information Technology Services Department	25,600	-	-	-	-	-	-	-	25,600
Finance Department	34,750	-	-	-	-	-	-	-	34,750
Non-Departmental	281,817	-	-	-	-	-	-	-	281,817
Police Department	977,975	-	-	-	-	-	-	-	977,975
Fire Department	128,985	-	-	-	-	-	-	-	128,985
Public Works Department	101,975	-	-	-	-	-	-	-	101,975
Recreation Department	152,852	-	-	-	-	-	-	-	152,852
Library	41	-	-	-	-	-	-	-	41
Public liability	2,909,639	-	-	-	-	-	-	-	2,909,639
<b>Total assigned</b>	<b>4,807,244</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,807,244</b>
<b>Unassigned</b>	<b>14,511,252</b>	<b>-</b>	<b>-</b>	<b>(36,852,341)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(3,598,892)</b>	<b>(25,939,981)</b>
<b>Total fund balances</b>	<b>\$ 32,958,909</b>	<b>\$ 3,292,630</b>	<b>\$ 8,379,761</b>	<b>\$ (36,852,341)</b>	<b>\$ 10,125,086</b>	<b>\$ 42,584,169</b>	<b>\$ 39,126,780</b>	<b>\$ 34,214,027</b>	<b>\$ 133,829,021</b>

**CITY OF CHULA VISTA  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

---

**Note 16 – Prior period adjustment**

GASB issued Statement No. 65, *Items Previously Reported as Assets and Liabilities*, which is intended to clarify the appropriate reporting of deferred outflows of resources and deferred inflows of resources to ensure consistency in financial reporting; amends prior guidance with respect to the treatment of debt issuance costs. Under GASB No. 65, debt issuance costs should be recognized in the period incurred as an expense rather than reported on the statement of net position as deferred charges. The accounting changes of this statement should be applied retroactive; therefore the City reported a restatement to governmental activities beginning net position of \$189,480 to immediately expense unamortized bond issuance costs that was previously deferred.

---

# REQUIRED SUPPLEMENTARY INFORMATION

---



CITY OF CHULA VISTA

**BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
YEAR ENDED JUNE 30, 2014**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Taxes	\$ 89,764,749	\$ 102,651,261	\$ 105,718,638	\$ 3,067,377
Licenses and permits	1,309,447	1,309,447	1,315,445	5,998
Intergovernmental	2,928,685	2,914,098	2,477,213	(436,885)
Charges for services	8,946,339	8,964,745	9,257,946	293,201
Use of money and property	2,281,640	2,289,640	2,522,893	233,253
Fines and forfeitures	1,110,800	1,110,800	1,009,736	(101,064)
Other revenues	12,639,967	13,323,302	11,580,545	(1,742,757)
<b>Total Revenues</b>	<b>118,981,627</b>	<b>132,563,293</b>	<b>133,882,416</b>	<b>1,319,123</b>
<b>Expenditures:</b>				
Current:				
General government	21,127,620	22,618,839	20,586,160	2,032,679
Public safety	68,958,975	70,276,881	68,776,426	1,500,455
Parks and recreation	3,783,213	3,938,909	3,588,693	350,216
Public works	26,324,555	27,474,583	27,092,607	381,976
Library	3,302,361	3,414,106	3,336,380	77,726
Capital outlay	258,350	2,318,251	849,234	1,469,017
<b>Total Expenditures</b>	<b>123,755,074</b>	<b>130,041,569</b>	<b>124,229,500</b>	<b>5,812,069</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(4,773,447)	2,521,724	9,652,916	7,131,192
<b>Other Financing Sources (Uses):</b>				
Transfers in	11,266,965	11,782,357	9,571,300	(2,211,057)
Transfers out	(6,851,003)	(16,145,885)	(14,234,482)	1,911,403
<b>Total Other Financing Sources (Uses)</b>	<b>4,415,962</b>	<b>(4,363,528)</b>	<b>(4,663,182)</b>	<b>(299,654)</b>
Net Change in Fund Balances	(357,485)	(1,841,804)	4,989,734	6,831,538
Fund Balances, Beginning of Year	27,969,175	27,969,175	27,969,175	-
<b>Fund Balances, End of Year</b>	<b>\$ 27,611,690</b>	<b>\$ 26,127,371</b>	<b>\$ 32,958,909</b>	<b>\$ 6,831,538</b>

CITY OF CHULA VISTA

**BUDGETARY COMPARISON SCHEDULE  
SUNDRY GRANTS  
YEAR ENDED JUNE 30, 2014**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Intergovernmental	\$ 14,928,920	\$ 16,859,101	\$ 12,054,489	\$ (4,804,612)
Charges for services	1,264,279	1,264,279	1,104,263	(160,016)
Use of money and property	20,000	20,000	49,039	29,039
Other revenues	393,636	469,489	494,360	24,871
<b>Total Revenues</b>	<b>16,606,835</b>	<b>18,612,869</b>	<b>13,702,151</b>	<b>(4,910,718)</b>
<b>Expenditures:</b>				
Current:				
General government	3,643,283	8,604,947	3,192,996	5,411,951
Public safety	8,042,579	10,344,763	7,272,701	3,072,062
Parks and recreation	1,600	1,600	500	1,100
Public works	4,744,812	5,187,756	2,805,900	2,381,856
Library	8,489	706,754	473,624	233,130
Capital outlay	375,000	5,854,157	2,994,488	2,859,669
<b>Total Expenditures</b>	<b>16,815,763</b>	<b>30,699,977</b>	<b>16,740,209</b>	<b>13,959,768</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(208,928)	(12,087,108)	(3,038,058)	9,049,050
<b>Other Financing Sources (Uses):</b>				
Transfers in	77,226	85,979	85,813	(166)
Transfers out	(1,010,337)	(1,049,078)	(1,017,578)	31,500
Capital leases	-	2,121,500	2,121,500	-
<b>Total Other Financing Sources (Uses)</b>	<b>(933,111)</b>	<b>1,158,401</b>	<b>1,189,735</b>	<b>31,334</b>
Net Change in Fund Balances	(1,142,039)	(10,928,707)	(1,848,323)	9,080,384
Fund Balances, Beginning of Year	5,140,953	5,140,953	5,140,953	-
<b>Fund Balances, End of Year</b>	<b>\$ 3,998,914</b>	<b>\$ (5,787,754)</b>	<b>\$ 3,292,630</b>	<b>\$ 9,080,384</b>

CITY OF CHULA VISTA

**BUDGETARY COMPARISON SCHEDULE  
HOUSING SUCCESSOR AGENCY  
YEAR ENDED JUNE 30, 2014**

	<b>Budget Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>Revenues:</b>				
Use of money and property	\$ 17,885	\$ 17,885	\$ 495,188	\$ 477,303
Other revenues	-	-	127,043	127,043
<b>Total Revenues</b>	<b>17,885</b>	<b>17,885</b>	<b>622,231</b>	<b>604,346</b>
<b>Expenditures:</b>				
Current:				
General government	192,000	192,000	158,171	33,829
<b>Total Expenditures</b>	<b>192,000</b>	<b>192,000</b>	<b>158,171</b>	<b>33,829</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(174,115)	(174,115)	464,060	638,175
<b>Other Financing Sources (Uses):</b>				
Transfers in	2,070,291	2,070,291	-	(2,070,291)
<b>Total Other Financing Sources (Uses)</b>	<b>2,070,291</b>	<b>2,070,291</b>	<b>-</b>	<b>(2,070,291)</b>
Net Change in Fund Balances	1,896,176	1,896,176	464,060	(1,432,116)
Fund Balances, Beginning of Year	7,915,701	7,915,701	7,915,701	-
<b>Fund Balances, End of Year</b>	<b>\$ 9,811,877</b>	<b>\$ 9,811,877</b>	<b>\$ 8,379,761</b>	<b>\$ (1,432,116)</b>

CITY OF CHULA VISTA

**REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF FUNDING PROGRESS  
FOR THE YEAR ENDED JUNE 30, 2014**

*Public Employee Retirement Systems (PERS) - Schedule of Funding Progress*

<b>Actuarial Valuation Date</b>	<b>Actuarial Asset Value</b>	<b>Entry Age Actuarial Accrued Liability</b>	<b>Unfunded Actuarial Accrued Liability</b>	<b>Funded Ratio</b>	<b>Covered Payroll</b>	<b>Overfunded Actuarial Liability as Percentage of Covered Payroll</b>
<b>Miscellaneous:</b>						
6/30/2010	\$ 271,275,031	\$ 355,519,797	\$ 84,244,766	76.3%	\$ 43,498,397	193.7%
6/30/2011	287,943,786	381,582,655	93,638,869	75.5%	41,109,611	227.8%
6/30/2012	299,659,390	395,972,103	96,312,713	75.7%	41,379,439	232.8%
6/30/2013	278,914,479	414,468,760	135,554,281	67.3%	41,923,116	323.3%
<b>Safety:</b>						
6/30/2010	\$ 255,698,516	\$ 295,764,402	\$ 40,065,886	86.5%	\$ 34,298,135	116.8%
6/30/2011	273,750,352	319,838,087	46,087,735	85.6%	34,000,483	135.6%
6/30/2012	289,257,775	337,368,764	48,110,989	85.7%	33,042,996	145.6%
6/30/2013	272,937,929	362,241,567	89,303,638	75.3%	33,915,150	263.3%

\*Beginning with 6/30/2013 valuation Actuarial Value of Assets equals Market Value of Assets per CalPERS Direct Smoothing Policy.

*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%



**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 category level. Any budget modification, which would result in an appropriation increase, requires City Council approval. The City Manager is authorized to transfer appropriations up to \$15,000 within a departmental budget. Any appropriation transfers between departments or greater than \$15,000 require City Council approval.

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

An annual budget for the year ended June 30, 2014, was adopted and approved by the City Council for the general, special revenue and debt service funds except for the Developer's Deposit Special Revenue fund, which is used to account for various developer deposit for development projects and is used to fund staff costs and other costs related to specific projects, and Public & Educational Government Fees Special Revenue fund, which is used to account for the 1% PEG fees. These budgets are prepared on the modified accrual basis of accounting. The budgets of the capital projects funds are primarily long-term budgets, which emphasize major programs and capital outlay plans extending over a number of years. Because of the long-term nature of these projects, annual budget comparisons are not considered meaningful, and accordingly, no budgetary information for capital projects funds is included in the accompanying basic financial statements.



---

# SUPPLEMENTARY INFORMATION

---

---

# NON-MAJOR GOVERNMENTAL FUNDS

---

## **SPECIAL REVENUE FUNDS:**

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

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

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

***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.

---

# NON-MAJOR GOVERNMENTAL FUNDS

---

**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.

---

## NON-MAJOR GOVERNMENTAL FUNDS

---

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

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



CITY OF CHULA VISTA

COMBINING BALANCE SHEET  
NON-MAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2014

	<b>Special Revenue Funds</b>				
	<b>Transportation Grants</b>	<b>Parking Meter</b>	<b>Traffic Safety</b>	<b>Traffic Signal</b>	<b>Storm Drain</b>
<b>Assets:</b>					
Pooled cash and investments	\$ 5,896,273	\$ 1,074,425	\$ 155	\$ 1,852,110	\$ 131,450
Receivables:					
Accounts	-	18,266	32,154	-	80,638
Taxes	744,532	-	-	-	-
Accrued interest	5,487	1,291	34	2,286	207
Deferred loans	-	-	-	-	-
Due from other governments	-	-	-	-	-
<b>Total Assets</b>	<b>\$ 6,646,292</b>	<b>\$ 1,093,982</b>	<b>\$ 32,343</b>	<b>\$ 1,854,396</b>	<b>\$ 212,295</b>
<b>Liabilities, Deferred inflows of Resources, and Fund Balances:</b>					
<b>Liabilities:</b>					
Accounts payable	\$ 26,164	\$ 119,576	\$ -	\$ -	\$ 66
Accrued liabilities	-	8,983	-	-	-
Pass-through payables	-	-	-	-	-
Due to other funds	-	-	-	-	-
<b>Total Liabilities</b>	<b>26,164</b>	<b>128,559</b>	<b>-</b>	<b>-</b>	<b>66</b>
<b>Deferred inflows of resources:</b>					
Unavailable revenues	-	-	-	-	-
<b>Total Deferred inflows of Resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balances:</b>					
<b>Restricted for:</b>					
Community development projects	6,620,128	-	-	-	-
Public safety	-	965,423	32,343	1,854,396	-
Parks and recreation	-	-	-	-	-
Capital Projects	-	-	-	-	212,229
<b>Committed to:</b>					
Public safety	-	-	-	-	-
Capital Projects	-	-	-	-	-
Debt service	-	-	-	-	-
<b>Unassigned</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Fund Balances</b>	<b>6,620,128</b>	<b>965,423</b>	<b>32,343</b>	<b>1,854,396</b>	<b>212,229</b>
<b>Total Liabilities, deferred inflows of resources, and Fund Balances</b>	<b>\$ 6,646,292</b>	<b>\$ 1,093,982</b>	<b>\$ 32,343</b>	<b>\$ 1,854,396</b>	<b>\$ 212,295</b>



CITY OF CHULA VISTA

COMBINING BALANCE SHEET  
 NON-MAJOR GOVERNMENTAL FUNDS  
 JUNE 30, 2014

	<u>Special Revenue Funds</u>			
	<u>Town Center I</u>	<u>Open Space Districts</u>	<u>Housing Programs</u>	<u>Housing Authority</u>
<b>Assets:</b>				
Pooled cash and investments	\$ 51,187	\$ 15,971,503	\$ 80,831	\$ 1,029,597
Receivables:				
Accounts	-	-	-	-
Taxes	-	18,637	-	-
Accrued interest	62	18,724	11,803	577
Deferred loans	-	-	599,934	2,221,507
Due from other governments	-	-	11,355	-
<b>Total Assets</b>	<b><u>\$ 51,249</u></b>	<b><u>\$ 16,008,864</u></b>	<b><u>\$ 703,923</u></b>	<b><u>\$ 3,251,681</u></b>
<b>Liabilities, Deferred inflows of Resources, and Fund Balances:</b>				
<b>Liabilities:</b>				
Accounts payable	\$ -	\$ 642,743	\$ 32	\$ 602
Accrued liabilities	-	-	-	35,385
Pass-through payables	-	-	-	-
Due to other funds	-	-	-	-
<b>Total Liabilities</b>	<b><u>-</u></b>	<b><u>642,743</u></b>	<b><u>32</u></b>	<b><u>35,987</u></b>
<b>Deferred inflows of resources:</b>				
Unavailable revenues	-	-	99,217	2,221,507
<b>Total Deferred inflows of Resources</b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>99,217</u></b>	<b><u>2,221,507</u></b>
<b>Fund Balances:</b>				
<b>Restricted for:</b>				
Community development projects	-	-	604,674	994,187
Public safety	-	-	-	-
Parks and recreation	-	-	-	-
Capital Projects	51,249	15,366,121	-	-
<b>Committed to:</b>				
Public safety	-	-	-	-
Capital Projects	-	-	-	-
Debt service	-	-	-	-
<b>Unassigned</b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>
<b>Total Fund Balances</b>	<b><u>51,249</u></b>	<b><u>15,366,121</u></b>	<b><u>604,674</u></b>	<b><u>994,187</u></b>
<b>Total Liabilities, deferred inflows of resources, and Fund Balances</b>	<b><u>\$ 51,249</u></b>	<b><u>\$ 16,008,864</u></b>	<b><u>\$ 703,923</u></b>	<b><u>\$ 3,251,681</u></b>

CITY OF CHULA VISTA

COMBINING BALANCE SHEET  
NON-MAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2014

	Special Revenue Funds			
	Transportation Sales Tax	Mobile Park Fee	Public Education and Govt Fee	Utility Tax Settlement
<b>Assets:</b>				
Pooled cash and investments	\$ 3,060	\$ 80,956	\$ 434,114	\$ 4,244,649
Receivables:				
Accounts	158,058	-	-	-
Taxes	-	-	172,350	-
Accrued interest	683	148	510	1,937
Deferred loans	-	-	-	-
Due from other governments	315,699	-	-	-
<b>Total Assets</b>	<b>\$ 477,500</b>	<b>\$ 81,104</b>	<b>\$ 606,974</b>	<b>\$ 4,246,586</b>
<b>Liabilities, Deferred inflows of Resources, and Fund Balances:</b>				
<b>Liabilities:</b>				
Accounts payable	\$ 666,805	\$ -	\$ 26,520	\$ -
Accrued liabilities	-	-	1,406	-
Pass-through payables	74,229	-	-	-
Due to other funds	195,839	-	-	-
<b>Total Liabilities</b>	<b>936,873</b>	<b>-</b>	<b>27,926</b>	<b>-</b>
<b>Deferred inflows of resources:</b>				
Unavailable revenues	-	-	-	-
<b>Total Deferred inflows of Resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balances:</b>				
<b>Restricted for:</b>				
Community development projects	-	-	579,048	-
Public safety	-	-	-	-
Parks and recreation	-	81,104	-	-
Capital Projects	3,139,519	-	-	4,246,586
<b>Committed to:</b>				
Public safety	-	-	-	-
Capital Projects	-	-	-	-
Debt service	-	-	-	-
<b>Unassigned</b>	<b>(3,598,892)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Fund Balances</b>	<b>(459,373)</b>	<b>81,104</b>	<b>579,048</b>	<b>4,246,586</b>
<b>Total Liabilities, deferred inflows of resources, and Fund Balances</b>	<b>\$ 477,500</b>	<b>\$ 81,104</b>	<b>\$ 606,974</b>	<b>\$ 4,246,586</b>

CITY OF CHULA VISTA

COMBINING BALANCE SHEET  
 NON-MAJOR GOVERNMENTAL FUNDS  
 JUNE 30, 2014

	Capital Projects Funds			
	Residential Construction Tax	Highway Safety	Industrial Development Authority	Assessment District Improvement
<b>Assets:</b>				
Pooled cash and investments	\$ 202,517	\$ 45,184	\$ 51	\$ 2,506,511
Receivables:				
Accounts	-	-	-	-
Taxes	-	-	-	105
Accrued interest	108	552	-	2,744
Deferred loans	-	-	-	-
Due from other governments	-	-	-	-
<b>Total Assets</b>	<b>\$ 202,625</b>	<b>\$ 45,736</b>	<b>\$ 51</b>	<b>\$ 2,509,360</b>
<b>Liabilities, Deferred inflows of Resources, and Fund Balances:</b>				
<b>Liabilities:</b>				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Accrued liabilities	-	-	-	-
Pass-through payables	-	-	-	-
Due to other funds	-	-	-	-
<b>Total Liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Deferred inflows of resources:</b>				
Unavailable revenues	-	-	-	-
<b>Total Deferred inflows of Resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balances:</b>				
<b>Restricted for:</b>				
Community development projects	-	-	-	-
Public safety	-	-	-	-
Parks and recreation	-	-	-	-
Capital Projects	-	-	51	2,509,360
<b>Committed to:</b>				
Public safety	-	45,736	-	-
Capital Projects	202,625	-	-	-
Debt service	-	-	-	-
<b>Unassigned</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Fund Balances</b>	<b>202,625</b>	<b>45,736</b>	<b>51</b>	<b>2,509,360</b>
<b>Total Liabilities, deferred inflows of resources, and Fund Balances</b>	<b>\$ 202,625</b>	<b>\$ 45,736</b>	<b>\$ 51</b>	<b>\$ 2,509,360</b>

CITY OF CHULA VISTA

COMBINING BALANCE SHEET  
NON-MAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2014

	Capital Projects Funds		Debt Service Funds		Total Governmental Funds
	Transportation Partnership Fund	Other Transportation Program Fund	Notes Payable	Lease Payable	
<b>Assets:</b>					
Pooled cash and investments	\$ 29,040	\$ -	\$ -	\$ 270,591	\$ 33,904,204
Receivables:					
Accounts	-	-	15,215	-	304,331
Taxes	-	-	-	-	935,624
Accrued interest	34	-	-	260	47,447
Deferred loans	-	-	-	-	2,821,441
Due from other governments	-	1,094,237	-	-	1,421,291
<b>Total Assets</b>	<b>\$ 29,074</b>	<b>\$ 1,094,237</b>	<b>\$ 15,215</b>	<b>\$ 270,851</b>	<b>\$ 39,434,338</b>
<b>Liabilities, Deferred inflows of Resources, and Fund Balances:</b>					
<b>Liabilities:</b>					
Accounts payable	\$ -	\$ 178,649	\$ 2,250	\$ -	\$ 1,663,407
Accrued liabilities	-	-	-	-	45,774
Pass-through payables	-	12,502	-	-	86,731
Due to other funds	-	535,854	8,773	-	740,466
<b>Total Liabilities</b>	<b>-</b>	<b>727,005</b>	<b>11,023</b>	<b>-</b>	<b>2,536,378</b>
<b>Deferred inflows of resources:</b>					
Unavailable revenues	-	363,209	-	-	2,683,933
<b>Total Deferred inflows of Resources</b>	<b>-</b>	<b>363,209</b>	<b>-</b>	<b>-</b>	<b>2,683,933</b>
<b>Fund Balances:</b>					
<b>Restricted for:</b>					
Community development projects	-	-	-	-	8,798,037
Public safety	-	-	-	-	2,852,162
Parks and recreation	-	-	-	-	81,104
Capital Projects	-	4,023	-	-	25,529,138
<b>Committed to:</b>					
Public safety	-	-	-	-	45,736
Capital Projects	29,074	-	-	-	231,699
Debt service	-	-	4,192	270,851	275,043
<b>Unassigned</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(3,598,892)</b>
<b>Total Fund Balances</b>	<b>29,074</b>	<b>4,023</b>	<b>4,192</b>	<b>270,851</b>	<b>34,214,027</b>
<b>Total Liabilities, deferred inflows of resources, and Fund Balances</b>	<b>\$ 29,074</b>	<b>\$ 1,094,237</b>	<b>\$ 15,215</b>	<b>\$ 270,851</b>	<b>\$ 39,434,338</b>



## CITY OF CHULA VISTA

COMBINING STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES  
NON-MAJOR GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2014

	Special Revenue Funds				
	Transportation Grants	Parking Meter	Traffic Safety	Traffic Signal	Storm Drain
<b>Revenues:</b>					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	39,897	-	-	-
Intergovernmental	12,210,024	-	-	-	-
Charges for services	-	-	-	207,014	600,025
Use of money and property	50,527	391,649	242	20,143	1,848
Fines and forfeitures	-	232,857	427,460	-	(4,341)
Miscellaneous	1,778	2,001	-	24,085	-
<b>Total Revenues</b>	<b>12,262,329</b>	<b>666,404</b>	<b>427,702</b>	<b>251,242</b>	<b>597,532</b>
<b>Expenditures:</b>					
Current:					
General government	-	-	-	-	-
Public safety	-	376,565	27,992	-	-
Parks and recreation	-	-	-	-	-
Public works	-	-	-	29,100	296,883
Capital outlay	1,098,990	273,882	-	322,958	-
Debt service:					
Principal retirement	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
<b>Total Expenditures</b>	<b>1,098,990</b>	<b>650,447</b>	<b>27,992</b>	<b>352,058</b>	<b>296,883</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	11,163,339	15,957	399,710	(100,816)	300,649
<b>Other Financing Sources (Uses):</b>					
Transfers in	-	-	-	-	-
Transfers out	(4,259,428)	-	(366,325)	-	(340,463)
<b>Total Other Financing Sources (Uses)</b>	<b>(4,259,428)</b>	<b>-</b>	<b>(366,325)</b>	<b>-</b>	<b>(340,463)</b>
Net Change in Fund Balances	6,903,911	15,957	33,385	(100,816)	(39,814)
Fund Balances, Beginning of Year	(283,783)	949,466	(1,042)	1,955,212	252,043
<b>Fund Balances, End of Year</b>	<b>\$ 6,620,128</b>	<b>\$ 965,423</b>	<b>\$ 32,343</b>	<b>\$ 1,854,396</b>	<b>\$ 212,229</b>

## CITY OF CHULA VISTA

COMBINING STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES  
NON-MAJOR GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2014

	Special Revenue Funds			
	Town Center I	Open Space Districts	Housing Programs	Housing Authority
<b>Revenues:</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	-	16,686	-
Charges for services	-	9,203,769	120	392,009
Use of money and property	559	169,146	3,892	5,355
Fines and forfeitures	-	-	-	-
Miscellaneous	-	834	945	952,506
<b>Total Revenues</b>	<b>559</b>	<b>9,373,749</b>	<b>21,643</b>	<b>1,349,870</b>
<b>Expenditures:</b>				
Current:				
General government	-	-	16,683	554,808
Public safety	-	-	-	-
Parks and recreation	-	-	-	-
Public works	-	10,460,119	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
<b>Total Expenditures</b>	<b>-</b>	<b>10,460,119</b>	<b>16,683</b>	<b>554,808</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	559	(1,086,370)	4,960	795,062
<b>Other Financing Sources (Uses):</b>				
Transfers in	-	-	-	-
Transfers out	-	-	-	(147,555)
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(147,555)</b>
Net Change in Fund Balances	559	(1,086,370)	4,960	647,507
Fund Balances, Beginning of Year	50,690	16,452,491	599,714	346,680
<b>Fund Balances, End of Year</b>	<b>\$ 51,249</b>	<b>\$ 15,366,121</b>	<b>\$ 604,674</b>	<b>\$ 994,187</b>

## CITY OF CHULA VISTA

COMBINING STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES  
NON-MAJOR GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2014

	Special Revenue Funds			
	Transportation Sales Tax	Mobile Park Fee	Public Education and Govt Fee	Utility Tax Settlement
<b>Revenues:</b>				
Taxes	\$ 898,172	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	294,165	-	-	-
Charges for services	-	-	-	-
Use of money and property	5,669	1,440	4,924	-
Fines and forfeitures	-	-	-	19,556
Miscellaneous	330,081	117,055	654,842	-
<b>Total Revenues</b>	<b>1,528,087</b>	<b>118,495</b>	<b>659,766</b>	<b>19,556</b>
<b>Expenditures:</b>				
Current:				
General government	-	67,025	707,809	3,707,500
Public safety	-	-	-	-
Parks and recreation	-	-	-	-
Public works	38,227	-	-	-
Capital outlay	4,282,594	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
<b>Total Expenditures</b>	<b>4,320,821</b>	<b>67,025</b>	<b>707,809</b>	<b>3,707,500</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,792,734)	51,470	(48,043)	(3,687,944)
<b>Other Financing Sources (Uses):</b>				
Transfers in	19,999	-	-	8,017,453
Transfers out	-	-	-	(82,923)
<b>Total Other Financing Sources (Uses)</b>	<b>19,999</b>	<b>-</b>	<b>-</b>	<b>7,934,530</b>
Net Change in Fund Balances	(2,772,735)	51,470	(48,043)	4,246,586
Fund Balances, Beginning of Year	2,313,362	29,634	627,091	-
<b>Fund Balances, End of Year</b>	<b>\$ (459,373)</b>	<b>\$ 81,104</b>	<b>\$ 579,048</b>	<b>\$ 4,246,586</b>



## CITY OF CHULA VISTA

COMBINING STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES  
NON-MAJOR GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2014

	Capital Projects Funds			
	Residential Construction Tax	Highway Safety	Industrial Development Authority	Assessment District Improvement
<b>Revenues:</b>				
Taxes	\$ 209,075	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	42,776	-	-
Charges for services	-	-	-	-
Use of money and property	711	4,776	(7)	24,792
Fines and forfeitures	-	-	-	-
Miscellaneous	-	300,000	-	18,783
<b>Total Revenues</b>	<b>209,786</b>	<b>347,552</b>	<b>(7)</b>	<b>43,575</b>
<b>Expenditures:</b>				
Current:				
General government	-	50,404	-	-
Public safety	-	-	-	-
Parks and recreation	-	-	-	1,248
Public works	-	-	-	-
Capital outlay	-	621,745	-	161
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
<b>Total Expenditures</b>	<b>-</b>	<b>672,149</b>	<b>-</b>	<b>1,409</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	209,786	(324,597)	(7)	42,166
<b>Other Financing Sources (Uses):</b>				
Transfers in	383,900	-	-	-
Transfers out	(606,675)	-	-	(8,900)
<b>Total Other Financing Sources (Uses)</b>	<b>(222,775)</b>	<b>-</b>	<b>-</b>	<b>(8,900)</b>
Net Change in Fund Balances	(12,989)	(324,597)	(7)	33,266
Fund Balances, Beginning of Year	215,614	370,333	58	2,476,094
<b>Fund Balances, End of Year</b>	<b>\$ 202,625</b>	<b>\$ 45,736</b>	<b>\$ 51</b>	<b>\$ 2,509,360</b>

## CITY OF CHULA VISTA

COMBINING STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES  
NON-MAJOR GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2014

	Capital Projects Funds		Debt Service Funds		Total Governmental Funds
	Transportation Partnership Fund	Other Transportation Program Fund	Notes Payable	Lease Payable	
<b>Revenues:</b>					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 1,107,247
Licenses and permits	-	-	-	-	39,897
Intergovernmental	-	1,552,057	-	-	14,115,708
Charges for services	-	-	-	-	10,402,937
Use of money and property	310	-	(1,559)	2,614	687,031
Fines and forfeitures	-	-	-	-	675,532
Miscellaneous	-	-	54,265	91,229	2,548,404
<b>Total Revenues</b>	<b>310</b>	<b>1,552,057</b>	<b>52,706</b>	<b>93,843</b>	<b>29,576,756</b>
<b>Expenditures:</b>					
Current:					
General government	-	-	-	-	5,104,229
Public safety	-	-	-	-	404,557
Parks and recreation	-	-	-	-	1,248
Public works	-	-	-	-	10,824,329
Capital outlay	-	1,532,058	-	-	8,132,388
Debt service:					
Principal retirement	-	-	944,754	451,101	1,395,855
Interest and fiscal charges	-	-	536,600	143,370	679,970
<b>Total Expenditures</b>	<b>-</b>	<b>1,532,058</b>	<b>1,481,354</b>	<b>594,471</b>	<b>26,542,576</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	310	19,999	(1,428,648)	(500,628)	3,034,180
<b>Other Financing Sources (Uses):</b>					
Transfers in	-	-	1,427,090	496,164	10,344,606
Transfers out	-	(19,999)	-	-	(5,832,268)
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>(19,999)</b>	<b>1,427,090</b>	<b>496,164</b>	<b>4,512,338</b>
Net Change in Fund Balances	310	-	(1,558)	(4,464)	7,546,518
Fund Balances, Beginning of Year	28,764	4,023	5,750	275,315	26,667,509
<b>Fund Balances, End of Year</b>	<b>\$ 29,074</b>	<b>\$ 4,023</b>	<b>\$ 4,192</b>	<b>\$ 270,851</b>	<b>\$ 34,214,027</b>

CITY OF CHULA VISTA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
 TRANSPORTATION GRANTS  
 YEAR ENDED JUNE 30, 2014

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Intergovernmental	\$ 6,158,431	\$ 6,158,431	\$ 12,210,024	\$ 6,051,593
Use of money and property	-	-	50,527	50,527
Other revenues	-	-	1,778	1,778
<b>Total Revenues</b>	<b>6,158,431</b>	<b>6,158,431</b>	<b>12,262,329</b>	<b>6,103,898</b>
<b>Expenditures:</b>				
Capital outlay	2,259,000	5,920,832	1,098,990	4,821,842
<b>Total Expenditures</b>	<b>2,259,000</b>	<b>5,920,832</b>	<b>1,098,990</b>	<b>4,821,842</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	3,899,431	237,599	11,163,339	10,925,740
<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	(359,997)	(4,021,829)	6,903,911	10,925,740
Fund Balances, Beginning of Year	(283,783)	(283,783)	(283,783)	-
<b>Fund Balances, End of Year</b>	<b>\$ (643,780)</b>	<b>\$ (4,305,612)</b>	<b>\$ 6,620,128</b>	<b>\$ 10,925,740</b>

CITY OF CHULA VISTA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
 PARKING METER  
 YEAR ENDED JUNE 30, 2014

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Licenses and permits	\$ 24,000	\$ 24,000	\$ 39,897	\$ 15,897
Use of money and property	376,000	376,000	391,649	15,649
Fines and forfeitures	200,000	200,000	232,857	32,857
Other revenues	-	-	2,001	2,001
<b>Total Revenues</b>	<b>600,000</b>	<b>600,000</b>	<b>666,404</b>	<b>66,404</b>
<b>Expenditures:</b>				
Current:				
Public safety	388,769	401,666	376,565	25,101
Capital outlay	100,000	615,714	273,882	341,832
<b>Total Expenditures</b>	<b>488,769</b>	<b>1,017,380</b>	<b>650,447</b>	<b>366,933</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	111,231	(417,380)	15,957	433,337
Net Change in Fund Balances	111,231	(417,380)	15,957	433,337
Fund Balances, Beginning of Year	949,466	949,466	949,466	-
<b>Fund Balances, End of Year</b>	<b>\$ 1,060,697</b>	<b>\$ 532,086</b>	<b>\$ 965,423</b>	<b>\$ 433,337</b>

CITY OF CHULA VISTA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
 TRAFFIC SAFETY  
 YEAR ENDED JUNE 30, 2014

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Use of money and property	\$ -	\$ -	\$ 242	\$ 242
Fines and forfeitures	437,640	437,640	427,460	(10,180)
<b>Total Revenues</b>	<b>437,640</b>	<b>437,640</b>	<b>427,702</b>	<b>(9,938)</b>
<b>Expenditures:</b>				
Current:				
Public safety	38,500	38,500	27,992	10,508
<b>Total Expenditures</b>	<b>38,500</b>	<b>38,500</b>	<b>27,992</b>	<b>10,508</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	399,140	399,140	399,710	570
<b>Other Financing Sources (Uses):</b>				
Transfers out	(399,140)	(399,140)	(366,325)	32,815
<b>Total Other Financing Sources (Uses)</b>	<b>(399,140)</b>	<b>(399,140)</b>	<b>(366,325)</b>	<b>32,815</b>
Net Change in Fund Balances	-	-	33,385	33,385
Fund Balances, Beginning of Year	(1,042)	(1,042)	(1,042)	-
<b>Fund Balances, End of Year</b>	<b>\$ (1,042)</b>	<b>\$ (1,042)</b>	<b>\$ 32,343</b>	<b>\$ 33,385</b>

CITY OF CHULA VISTA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
 TRAFFIC SIGNAL  
 YEAR ENDED JUNE 30, 2014

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Charges for services	\$ 175,000	\$ 175,000	\$ 207,014	\$ 32,014
Use of money and property	-	-	20,143	20,143
Other revenues	-	-	24,085	24,085
<b>Total Revenues</b>	<b>175,000</b>	<b>175,000</b>	<b>251,242</b>	<b>76,242</b>
<b>Expenditures:</b>				
Current:				
Public works	15,000	31,358	29,100	2,258
Capital outlay	100,000	980,127	322,958	657,169
<b>Total Expenditures</b>	<b>115,000</b>	<b>1,011,485</b>	<b>352,058</b>	<b>659,427</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	60,000	(836,485)	(100,816)	735,669
Net Change in Fund Balances	60,000	(836,485)	(100,816)	735,669
Fund Balances, Beginning of Year	1,955,212	1,955,212	1,955,212	-
<b>Fund Balances, End of Year</b>	<b>\$ 2,015,212</b>	<b>\$ 1,118,727</b>	<b>\$ 1,854,396</b>	<b>\$ 735,669</b>

CITY OF CHULA VISTA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
 STORM DRAIN  
 YEAR ENDED JUNE 30, 2014

	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	600,025	44,525
Use of money and property	-	-	1,848	1,848
Fines and forfeitures	5,000	5,000	(4,341)	(9,341)
<b>Total Revenues</b>	<b>584,250</b>	<b>584,250</b>	<b>597,532</b>	<b>13,282</b>
<b>Expenditures:</b>				
Current:				
Public works	301,914	301,914	296,883	5,031
<b>Total Expenditures</b>	<b>301,914</b>	<b>301,914</b>	<b>296,883</b>	<b>5,031</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	282,336	282,336	300,649	18,313
<b>Other Financing Sources (Uses):</b>				
Transfers out	(340,463)	(340,463)	(340,463)	-
<b>Total Other Financing Sources (Uses)</b>	<b>(340,463)</b>	<b>(340,463)</b>	<b>(340,463)</b>	<b>-</b>
Net Change in Fund Balances	(58,127)	(58,127)	(39,814)	18,313
Fund Balances, Beginning of Year	252,043	252,043	252,043	-
<b>Fund Balances, End of Year</b>	<b>\$ 193,916</b>	<b>\$ 193,916</b>	<b>\$ 212,229</b>	<b>\$ 18,313</b>

CITY OF CHULA VISTA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
 TOWN CENTER I  
 YEAR ENDED JUNE 30, 2014

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Use of money and property	\$ -	\$ -	\$ 559	\$ 559
<b>Total Revenues</b>	<b>-</b>	<b>-</b>	<b>559</b>	<b>559</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)	559	10,992
Net Change in Fund Balances	-	(10,433)	559	10,992
Fund Balances, Beginning of Year	50,690	50,690	50,690	-
<b>Fund Balances, End of Year</b>	<b>\$ 50,690</b>	<b>\$ 40,257</b>	<b>\$ 51,249</b>	<b>\$ 10,992</b>



CITY OF CHULA VISTA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
 OPEN SPACE DISTRICTS  
 YEAR ENDED JUNE 30, 2014

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Charges for services	\$ 11,461,217	\$ 11,461,217	\$ 9,203,769	\$ (2,257,448)
Use of money and property	-	-	169,146	169,146
Other revenues	-	-	834	834
<b>Total Revenues</b>	<b>11,461,217</b>	<b>11,461,217</b>	<b>9,373,749</b>	<b>(2,087,468)</b>
<b>Expenditures:</b>				
Current:				
Public works	11,461,212	11,495,433	10,460,119	1,035,314
<b>Total Expenditures</b>	<b>11,461,212</b>	<b>11,495,433</b>	<b>10,460,119</b>	<b>1,035,314</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	5	(34,216)	(1,086,370)	(1,052,154)
Net Change in Fund Balances	5	(34,216)	(1,086,370)	(1,052,154)
Fund Balances, Beginning of Year	16,452,491	16,452,491	16,452,491	-
<b>Fund Balances, End of Year</b>	<b>\$ 16,452,496</b>	<b>\$ 16,418,275</b>	<b>\$ 15,366,121</b>	<b>\$ (1,052,154)</b>

CITY OF CHULA VISTA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
 HOUSING PROGRAMS  
 YEAR ENDED JUNE 30, 2014

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Intergovernmental	\$ 233,145	\$ 233,145	\$ 16,686	\$ (216,459)
Charges for services	-	-	120	120
Use of money and property	-	-	3,892	3,892
Other revenues	-	-	945	945
<b>Total Revenues</b>	<b>233,145</b>	<b>233,145</b>	<b>21,643</b>	<b>(211,502)</b>
<b>Expenditures:</b>				
Current:				
General government	243,145	243,145	16,683	226,462
<b>Total Expenditures</b>	<b>243,145</b>	<b>243,145</b>	<b>16,683</b>	<b>226,462</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(10,000)	(10,000)	4,960	14,960
Net Change in Fund Balances	(10,000)	(10,000)	4,960	14,960
Fund Balances, Beginning of Year	599,714	599,714	599,714	-
<b>Fund Balances, End of Year</b>	<b>\$ 589,714</b>	<b>\$ 589,714</b>	<b>\$ 604,674</b>	<b>\$ 14,960</b>

CITY OF CHULA VISTA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
 HOUSING AUTHORITY  
 YEAR ENDED JUNE 30, 2014

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Charges for services	\$ -	\$ -	\$ 392,009	\$ 392,009
Use of money and property	-	-	5,355	5,355
Other revenues	732,240	732,240	952,506	220,266
<b>Total Revenues</b>	<b>732,240</b>	<b>732,240</b>	<b>1,349,870</b>	<b>617,630</b>
<b>Expenditures:</b>				
Current:				
General government	576,461	593,424	554,808	38,616
<b>Total Expenditures</b>	<b>576,461</b>	<b>593,424</b>	<b>554,808</b>	<b>38,616</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	155,779	138,816	795,062	656,246
<b>Other Financing Sources (Uses):</b>				
Transfers out	(147,555)	(147,555)	(147,555)	-
<b>Total Other Financing Sources (Uses)</b>	<b>(147,555)</b>	<b>(147,555)</b>	<b>(147,555)</b>	<b>-</b>
Net Change in Fund Balances	8,224	(8,739)	647,507	656,246
Fund Balances, Beginning of Year	346,680	346,680	346,680	-
<b>Fund Balances, End of Year</b>	<b>\$ 354,904</b>	<b>\$ 337,941</b>	<b>\$ 994,187</b>	<b>\$ 656,246</b>

CITY OF CHULA VISTA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
 TRANSPORTATION SALES TAX  
 YEAR ENDED JUNE 30, 2014

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Taxes	\$ 5,738,000	\$ 5,738,000	\$ 898,172	\$ (4,839,828)
Intergovernmental	299,981	1,744,652	294,165	(1,450,487)
Use of money and property	-	-	5,669	5,669
Other revenues	-	497,282	330,081	(167,201)
<b>Total Revenues</b>	<b>6,037,981</b>	<b>7,979,934</b>	<b>1,528,087</b>	<b>(6,451,847)</b>
<b>Expenditures:</b>				
Current:				
Public works	-	100,000	38,227	61,773
Capital outlay	7,435,973	16,930,753	4,282,594	12,648,159
<b>Total Expenditures</b>	<b>7,435,973</b>	<b>17,030,753</b>	<b>4,320,821</b>	<b>12,709,932</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,397,992)	(9,050,819)	(2,792,734)	6,258,085
<b>Other Financing Sources (Uses):</b>				
Transfers in	-	19,999	19,999	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>19,999</b>	<b>19,999</b>	<b>-</b>
Net Change in Fund Balances	(1,397,992)	(9,030,820)	(2,772,735)	6,258,085
Fund Balances, Beginning of Year	2,313,362	2,313,362	2,313,362	-
<b>Fund Balances, End of Year</b>	<b>\$ 915,370</b>	<b>\$ (6,717,458)</b>	<b>\$ (459,373)</b>	<b>\$ 6,258,085</b>

CITY OF CHULA VISTA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
 MOBILE PARK FEE  
 YEAR ENDED JUNE 30, 2014

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Use of money and property	\$ -	\$ -	\$ 1,440	\$ 1,440
Other revenues	130,000	130,000	117,055	(12,945)
<b>Total Revenues</b>	<b>130,000</b>	<b>130,000</b>	<b>118,495</b>	<b>(11,505)</b>
<b>Expenditures:</b>				
Current:				
General government	130,000	130,000	67,025	62,975
<b>Total Expenditures</b>	<b>130,000</b>	<b>130,000</b>	<b>67,025</b>	<b>62,975</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	51,470	51,470
Net Change in Fund Balances	-	-	51,470	51,470
Fund Balances, Beginning of Year	29,634	29,634	29,634	-
<b>Fund Balances, End of Year</b>	<b>\$ 29,634</b>	<b>\$ 29,634</b>	<b>\$ 81,104</b>	<b>\$ 51,470</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, 2014

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Use of money and property	\$ -	\$ -	\$ 4,924	\$ 4,924
Other revenues	300,000	300,000	654,842	354,842
<b>Total Revenues</b>	<b>300,000</b>	<b>300,000</b>	<b>659,766</b>	<b>359,766</b>
<b>Expenditures:</b>				
Current:				
General government	542,000	957,000	707,809	249,191
<b>Total Expenditures</b>	<b>542,000</b>	<b>957,000</b>	<b>707,809</b>	<b>249,191</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(242,000)	(657,000)	(48,043)	608,957
Net Change in Fund Balances	(242,000)	(657,000)	(48,043)	608,957
Fund Balances, Beginning of Year	627,091	627,091	627,091	-
<b>Fund Balances, End of Year</b>	<b>\$ 385,091</b>	<b>\$ (29,909)</b>	<b>\$ 579,048</b>	<b>\$ 608,957</b>

CITY OF CHULA VISTA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
 UTILITY TAX SETTLEMENT  
 YEAR ENDED JUNE 30, 2014

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Fines and forfeitures	\$ -	\$ -	\$ 19,556	\$ 19,556
<b>Total Revenues</b>	<b>-</b>	<b>-</b>	<b>19,556</b>	<b>19,556</b>
<b>Expenditures:</b>				
Current:				
General government	-	3,707,501	3,707,500	1
<b>Total Expenditures</b>	<b>-</b>	<b>3,707,501</b>	<b>3,707,500</b>	<b>1</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	(3,707,501)	(3,687,944)	19,557
<b>Other Financing Sources (Uses):</b>				
Transfers in	-	8,017,453	8,017,453	-
Transfers out	-	(82,923)	(82,923)	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>7,934,530</b>	<b>7,934,530</b>	<b>-</b>
Net Change in Fund Balances	-	4,227,029	4,246,586	19,557
Fund Balances, Beginning of Year	-	-	-	-
<b>Fund Balances, End of Year</b>	<b>\$ -</b>	<b>\$ 4,227,029</b>	<b>\$ 4,246,586</b>	<b>\$ 19,557</b>

CITY OF CHULA VISTA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
 PARK ACQUISITION DEVELOPMENT  
 YEAR ENDED JUNE 30, 2014

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Use of money and property	\$ -	\$ -	\$ 309,379	\$ 309,379
Developer participation	625,000	625,000	2,614,066	1,989,066
<b>Total Revenues</b>	<b>625,000</b>	<b>625,000</b>	<b>2,923,445</b>	<b>2,298,445</b>
<b>Expenditures:</b>				
Current:				
General government	100,000	100,000	-	100,000
Capital outlay	-	770,474	29,522	740,952
<b>Total Expenditures</b>	<b>100,000</b>	<b>870,474</b>	<b>29,522</b>	<b>840,952</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	525,000	(245,474)	2,893,923	3,139,397
Net Change in Fund Balances	525,000	(245,474)	2,893,923	3,139,397
Fund Balances, Beginning of Year	36,232,857	36,232,857	36,232,857	-
<b>Fund Balances, End of Year</b>	<b>\$36,757,857</b>	<b>\$ 35,987,383</b>	<b>\$ 39,126,780</b>	<b>\$ 3,139,397</b>



CITY OF CHULA VISTA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
 RESIDENTIAL CONSTRUCTION TAX  
 YEAR ENDED JUNE 30, 2014

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Taxes	\$ 275,000	\$ 275,000	\$ 209,075	\$ (65,925)
Use of money and property	-	-	711	711
<b>Total Revenues</b>	<b>275,000</b>	<b>275,000</b>	<b>209,786</b>	<b>(65,214)</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	275,000	275,000	209,786	(65,214)
<b>Other Financing Sources (Uses):</b>				
Transfers in	264,000	464,000	383,900	(80,100)
Transfers out	(679,513)	(679,513)	(606,675)	72,838
<b>Total Other Financing Sources (Uses)</b>	<b>(415,513)</b>	<b>(215,513)</b>	<b>(222,775)</b>	<b>(7,262)</b>
Net Change in Fund Balances	(140,513)	59,487	(12,989)	(72,476)
Fund Balances, Beginning of Year	215,614	215,614	215,614	-
<b>Fund Balances, End of Year</b>	<b>\$ 75,101</b>	<b>\$ 275,101</b>	<b>\$ 202,625</b>	<b>\$ (72,476)</b>

CITY OF CHULA VISTA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
 HIGHWAY SAFETY  
 YEAR ENDED JUNE 30, 2014

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Intergovernmental	\$ -	\$ -	\$ 42,776	\$ 42,776
Use of money and property	-	-	4,776	4,776
Other revenues	-	300,000	300,000	-
<b>Total Revenues</b>	<b>-</b>	<b>300,000</b>	<b>347,552</b>	<b>47,552</b>
<b>Expenditures:</b>				
Current:				
General government	-	50,406	50,404	2
Capital outlay	-	621,746	621,745	1
<b>Total Expenditures</b>	<b>-</b>	<b>672,152</b>	<b>672,149</b>	<b>3</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	(372,152)	(324,597)	47,555
Net Change in Fund Balances	-	(372,152)	(324,597)	47,555
Fund Balances, Beginning of Year	370,333	370,333	370,333	-
<b>Fund Balances, End of Year</b>	<b>\$ 370,333</b>	<b>\$ (1,819)</b>	<b>\$ 45,736</b>	<b>\$ 47,555</b>

CITY OF CHULA VISTA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
 ASSESSMENT DISTRICT IMPROVEMENT  
 YEAR ENDED JUNE 30, 2014

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Use of money and property	\$ -	\$ -	\$ 24,792	\$ 24,792
Other revenues	19,045	19,045	18,783	(262)
<b>Total Revenues</b>	<b>19,045</b>	<b>19,045</b>	<b>43,575</b>	<b>24,530</b>
<b>Expenditures:</b>				
Current:				
Parks and recreation	-	10,775	1,248	9,527
Capital outlay	-	563,263	161	563,102
<b>Total Expenditures</b>	<b>-</b>	<b>574,038</b>	<b>1,409</b>	<b>572,629</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	19,045	(554,993)	42,166	597,159
<b>Other Financing Sources (Uses):</b>				
Transfers out	(89,000)	(89,000)	(8,900)	80,100
<b>Total Other Financing Sources (Uses)</b>	<b>(89,000)</b>	<b>(89,000)</b>	<b>(8,900)</b>	<b>80,100</b>
Net Change in Fund Balances	(69,955)	(643,993)	33,266	677,259
Fund Balances, Beginning of Year	2,476,094	2,476,094	2,476,094	-
<b>Fund Balances, End of Year</b>	<b>\$ 2,406,139</b>	<b>\$ 1,832,101</b>	<b>\$ 2,509,360</b>	<b>\$ 677,259</b>

CITY OF CHULA VISTA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
 DEVELOPMENT IMPACT FUNDS  
 YEAR ENDED JUNE 30, 2014

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Use of money and property	\$ 119,290	\$ 119,290	\$ 506,315	\$ 387,025
Developer participation	5,972,477	5,972,477	6,901,855	929,378
Other revenues	-	-	146,608	146,608
<b>Total Revenues</b>	<b>6,091,767</b>	<b>6,091,767</b>	<b>7,554,778</b>	<b>1,463,011</b>
<b>Expenditures:</b>				
Current:				
General government	358,500	358,500	291,733	66,767
Parks and recreation	40,000	40,000	-	40,000
Public works	791,916	791,916	172,098	619,818
Capital outlay	1,398,245	8,468,993	3,341,706	5,127,287
<b>Total Expenditures</b>	<b>2,588,661</b>	<b>9,659,409</b>	<b>3,805,537</b>	<b>5,853,872</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	3,503,106	(3,567,642)	3,749,241	7,316,883
<b>Other Financing Sources (Uses):</b>				
Transfers in	36,851	36,851	-	(36,851)
Transfers out	(6,424,131)	(6,424,131)	(6,111,579)	312,552
<b>Total Other Financing Sources (Uses)</b>	<b>(6,387,280)</b>	<b>(6,387,280)</b>	<b>(6,111,579)</b>	<b>275,701</b>
Net Change in Fund Balances	(2,884,174)	(9,954,922)	(2,362,338)	7,592,584
Fund Balances, Beginning of Year	44,946,507	44,946,507	44,946,507	-
<b>Fund Balances, End of Year</b>	<b>\$42,062,333</b>	<b>\$ 34,991,585</b>	<b>\$ 42,584,169</b>	<b>\$ 7,592,584</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, 2014

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Intergovernmental	\$ 345,267	\$ 345,267	\$ 1,552,057	\$ 1,206,790
<b>Total Revenues</b>	<b>345,267</b>	<b>345,267</b>	<b>1,552,057</b>	<b>1,206,790</b>
<b>Expenditures:</b>				
Capital outlay	345,267	5,385,860	1,532,058	3,853,802
<b>Total Expenditures</b>	<b>345,267</b>	<b>5,385,860</b>	<b>1,532,058</b>	<b>3,853,802</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	(5,040,593)	19,999	5,060,592
<b>Other Financing Sources (Uses):</b>				
Transfers out	-	(19,999)	(19,999)	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>(19,999)</b>	<b>(19,999)</b>	<b>-</b>
Net Change in Fund Balances	-	(5,060,592)	-	5,060,592
Fund Balances, Beginning of Year	4,023	4,023	4,023	-
<b>Fund Balances, End of Year</b>	<b>\$ 4,023</b>	<b>\$ (5,056,569)</b>	<b>\$ 4,023</b>	<b>\$ 5,060,592</b>

CITY OF CHULA VISTA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
 NOTES PAYABLE  
 YEAR ENDED JUNE 30, 2014

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Use of money and property	\$ -	\$ -	\$ (1,559)	\$ (1,559)
Other revenues	-	65,185	54,265	(10,920)
<b>Total Revenues</b>	<b>-</b>	<b>65,185</b>	<b>52,706</b>	<b>(12,479)</b>
<b>Expenditures:</b>				
Debt service:				
Principal retirement	870,568	944,757	944,754	3
Interest and fiscal charges	494,675	536,601	536,600	1
<b>Total Expenditures</b>	<b>1,365,243</b>	<b>1,481,358</b>	<b>1,481,354</b>	<b>4</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,365,243)	(1,416,173)	(1,428,648)	(12,475)
<b>Other Financing Sources (Uses):</b>				
Transfers in	1,365,243	1,427,093	1,427,090	(3)
<b>Total Other Financing Sources (Uses)</b>	<b>1,365,243</b>	<b>1,427,093</b>	<b>1,427,090</b>	<b>(3)</b>
Net Change in Fund Balances	-	10,920	(1,558)	(12,478)
Fund Balances, Beginning of Year	5,750	5,750	5,750	-
<b>Fund Balances, End of Year</b>	<b>\$ 5,750</b>	<b>\$ 16,670</b>	<b>\$ 4,192</b>	<b>\$ (12,478)</b>

CITY OF CHULA VISTA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
 LEASE PAYABLE  
 YEAR ENDED JUNE 30, 2014

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Use of money and property	\$ -	\$ -	\$ 2,614	\$ 2,614
Other revenues	98,308	98,308	91,229	(7,079)
<b>Total Revenues</b>	<b>98,308</b>	<b>98,308</b>	<b>93,843</b>	<b>(4,465)</b>
<b>Expenditures:</b>				
Debt service:				
Principal retirement	451,102	451,102	451,101	1
Interest and fiscal charges	143,370	143,370	143,370	-
<b>Total Expenditures</b>	<b>594,472</b>	<b>594,472</b>	<b>594,471</b>	<b>1</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(496,164)	(496,164)	(500,628)	(4,464)
<b>Other Financing Sources (Uses):</b>				
Transfers in	496,164	496,164	496,164	-
<b>Total Other Financing Sources (Uses)</b>	<b>496,164</b>	<b>496,164</b>	<b>496,164</b>	<b>-</b>
Net Change in Fund Balances	-	-	(4,464)	(4,464)
Fund Balances, Beginning of Year	275,315	275,315	275,315	-
<b>Fund Balances, End of Year</b>	<b>\$ 275,315</b>	<b>\$ 275,315</b>	<b>\$ 270,851</b>	<b>\$ (4,464)</b>

CITY OF CHULA VISTA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
 CITY DEBT SERVICE  
 YEAR ENDED JUNE 30, 2014

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Expenditures:</b>				
Debt service:				
Interest and fiscal charges	\$ 900,000	\$ 900,000	\$ 660,120	\$ 239,880
<b>Total Expenditures</b>	<b>900,000</b>	<b>900,000</b>	<b>660,120</b>	<b>239,880</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(900,000)	(900,000)	(660,120)	239,880
<b>Other Financing Sources (Uses):</b>				
Transfers in	817,779	817,779	817,779	-
Transfers out	(36,851)	(36,851)	(36,851)	-
<b>Total Other Financing Sources         (Uses)</b>	<b>780,928</b>	<b>780,928</b>	<b>780,928</b>	<b>-</b>
Net Change in Fund Balances	(119,072)	(119,072)	120,808	239,880
Fund Balances, Beginning of Year	(36,973,149)	(36,973,149)	(36,973,149)	-
<b>Fund Balances, End of Year</b>	<b>\$ (37,092,221)</b>	<b>\$ (37,092,221)</b>	<b>\$ (36,852,341)</b>	<b>\$ 239,880</b>



CITY OF CHULA VISTA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
 PUBLIC FINANCING AUTHORITY  
 YEAR ENDED JUNE 30, 2014

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Use of money and property	\$ -	\$ -	\$ 111,628	\$ 111,628
<b>Total Revenues</b>	<b>-</b>	<b>-</b>	<b>111,628</b>	<b>111,628</b>
<b>Expenditures:</b>				
Current:				
General government	13,500	13,499	8,592	4,907
Public safety	6,000	6,000	4,295	1,705
Debt service:				
Principal retirement	4,235,000	4,235,000	52,645,000	(48,410,000)
Interest and fiscal charges	6,060,065	6,710,066	6,510,358	199,708
<b>Total Expenditures</b>	<b>10,314,565</b>	<b>10,964,565</b>	<b>59,168,245</b>	<b>(48,203,680)</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(10,314,565)	(10,964,565)	(59,056,617)	(48,092,052)
<b>Other Financing Sources (Uses):</b>				
Transfers in	10,094,215	14,048,215	9,658,967	(4,389,248)
Transfers out	-	(4,271,003)	(271,002)	4,000,001
Proceeds from the issuance of bonds	-	-	45,920,000	45,920,000
Bond premium	-	-	3,537,111	3,537,111
<b>Total Other Financing Sources (Uses)</b>	<b>10,094,215</b>	<b>9,777,212</b>	<b>58,845,076</b>	<b>49,067,864</b>
Net Change in Fund Balances	(220,350)	(1,187,353)	(211,541)	975,812
Fund Balances, Beginning of Year	10,336,627	10,336,627	10,336,627	-
<b>Fund Balances, End of Year</b>	<b>\$ 10,116,277</b>	<b>\$ 9,149,274</b>	<b>\$ 10,125,086</b>	<b>\$ 975,812</b>



---

## NON-MAJOR PROPRIETARY FUNDS

---

***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).

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

CITY OF CHULA VISTA

COMBINING STATEMENT OF NET POSITION  
 NON-MAJOR PROPRIETARY FUNDS  
 JUNE 30, 2014

	Business-Type Activities - Enterprise Funds				Totals
	Bayfront Trolley Station	Transit Fund	Sewer Development Impact Fees	Development Services Fund	
<b>Assets:</b>					
Current:					
Cash and investments	\$ 44,258	\$ 145,011	\$ 9,244,111	\$ 581,392	\$ 10,014,772
Receivables:					
Accounts	-	-	-	101,836	101,836
Accrued interest	-	885	11,250	2,403	14,538
Grants	40,841	138,491	-	-	179,332
<b>Total Current Assets</b>	<b>85,099</b>	<b>284,387</b>	<b>9,255,361</b>	<b>685,631</b>	<b>10,310,478</b>
Noncurrent:					
Capital assets - net of accumulated depreciation	-	501,825	2,042,113	-	2,543,938
<b>Total Noncurrent Assets</b>	<b>-</b>	<b>501,825</b>	<b>2,042,113</b>	<b>-</b>	<b>2,543,938</b>
<b>Total Assets</b>	<b>\$ 85,099</b>	<b>\$ 786,212</b>	<b>\$ 11,297,474</b>	<b>\$ 685,631</b>	<b>\$ 12,854,416</b>
<b>Liabilities and Net Position:</b>					
<b>Liabilities:</b>					
Current:					
Accounts payable	\$ 3,418	\$ 560	\$ 3,723	\$ 28,506	\$ 36,207
Accrued liabilities	-	7,747	-	725	8,472
Unearned revenues	-	137,000	-	-	137,000
Accrued compensated absences	-	-	-	308,806	308,806
<b>Total Current Liabilities</b>	<b>3,418</b>	<b>145,307</b>	<b>3,723</b>	<b>338,037</b>	<b>490,485</b>
Noncurrent:					
Advances from other funds	-	-	4,228,226	-	4,228,226
Accrued compensated absences	-	18,766	-	34,312	53,078
<b>Total Noncurrent Liabilities</b>	<b>-</b>	<b>18,766</b>	<b>4,228,226</b>	<b>34,312</b>	<b>4,281,304</b>
<b>Total Liabilities</b>	<b>3,418</b>	<b>164,073</b>	<b>4,231,949</b>	<b>372,349</b>	<b>4,771,789</b>
<b>Net Position:</b>					
Investment in capital assets	-	501,825	2,040,665	-	2,542,490
Unrestricted	81,681	120,314	5,024,860	313,282	5,540,137
<b>Total Net Position</b>	<b>81,681</b>	<b>622,139</b>	<b>7,065,525</b>	<b>313,282</b>	<b>8,082,627</b>
<b>Total Liabilities and Net Position</b>	<b>\$ 85,099</b>	<b>\$ 786,212</b>	<b>\$ 11,297,474</b>	<b>\$ 685,631</b>	<b>\$ 12,854,416</b>

CITY OF CHULA VISTA

COMBINING STATEMENT OF REVENUES, EXPENSES  
AND CHANGES IN FUND NET POSITION  
NON-MAJOR PROPRIETARY FUNDS  
YEAR ENDED JUNE 30, 2014

	Business-Type Activities - Enterprise Funds				Totals
	Bayfront Trolley Station	Transit Fund	Sewer Development Impact Fees	Development Services Fund	
<b>Operating Revenues:</b>					
Sales and service charges	\$ -	\$ 2,672,231	\$ 268,092	\$ 6,338,495	\$ 9,278,818
Other	-	186,420	-	117	186,537
<b>Total Operating Revenues</b>	<b>-</b>	<b>2,858,651</b>	<b>268,092</b>	<b>6,338,612</b>	<b>9,465,355</b>
<b>Operating Expenses:</b>					
Administration and general	61,823	6,570,319	6,352	6,113,133	12,751,627
Depreciation expense	-	303,457	60,000	-	363,457
<b>Total Operating Expenses</b>	<b>61,823</b>	<b>6,873,776</b>	<b>66,352</b>	<b>6,113,133</b>	<b>13,115,084</b>
Operating Income (Loss)	(61,823)	(4,015,125)	201,740	225,479	(3,649,729)
<b>Nonoperating Revenues (Expenses):</b>					
Intergovernmental	143,504	3,656,854	-	-	3,800,358
Interest revenue	-	7,903	102,104	-	110,007
Interest expense	-	-	(62,927)	-	(62,927)
Gain (loss) on disposal of capital assets	-	25,778	-	-	25,778
<b>Total Nonoperating Revenues (Expenses)</b>	<b>143,504</b>	<b>3,690,535</b>	<b>39,177</b>	<b>-</b>	<b>3,873,216</b>
Income (Loss) Before Transfers	81,681	(324,590)	240,917	225,479	223,487
Transfers in	-	23,701	-	628,181	651,882
Transfers out	-	(34,750)	(250,000)	(1,143,810)	(1,428,560)
Changes in Net Position	81,681	(335,639)	(9,083)	(290,150)	(553,191)
<b>Net Position:</b>					
Beginning of Year	-	957,778	7,074,608	603,432	8,635,818
<b>End of Fiscal Year</b>	<b>\$ 81,681</b>	<b>\$ 622,139</b>	<b>\$ 7,065,525</b>	<b>\$ 313,282</b>	<b>\$ 8,082,627</b>

CITY OF CHULA VISTA

COMBINING STATEMENT OF CASH FLOWS  
NON-MAJOR PROPRIETARY FUNDS  
YEAR ENDED JUNE 30, 2014

	<u>Business-Type Activities - Enterprise Funds</u>				
	<u>Bayfront Trolley Station</u>	<u>Transit Fund</u>	<u>Sewer Development Impact Fees</u>	<u>Development Services Fund</u>	<u>Totals</u>
<b>Cash Flows from Operating Activities:</b>					
Cash received from customers and users	\$ (9,448)	\$ 2,132,710	\$ 268,092	\$ 6,528,181	\$ 8,919,535
Cash paid to suppliers for goods and services	120	(3,856)	3,723	65,071	65,058
Cash paid to employees for services	(61,823)	(6,573,464)	(6,352)	(6,097,193)	(12,738,832)
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>(71,151)</b>	<b>(4,444,610)</b>	<b>265,463</b>	<b>496,059</b>	<b>(3,754,239)</b>
<b>Cash Flows from Non-Capital Financing Activities:</b>					
Cash transfers out	-	(34,750)	(187,072)	(1,143,810)	(1,365,632)
Cash transfers in	-	23,701	-	628,181	651,882
Repayment received from other funds	143,504	3,656,854	-	-	3,800,358
Grant subsidies	(40,841)	(138,491)	-	-	(179,332)
<b>Net Cash Provided (Used) by Non-Capital Financing Activities</b>	<b>102,663</b>	<b>3,507,314</b>	<b>(187,072)</b>	<b>(515,629)</b>	<b>2,907,276</b>
<b>Cash Flows from Capital and Related Financing Activities:</b>					
Acquisition and construction of capital assets	-	-	(726)	-	(726)
Interest paid on capital debt	-	-	(62,927)	-	(62,927)
Proceeds from sales of capital assets	-	25,777	-	-	25,777
<b>Net Cash Provided (Used) by Capital and Related Financing Activities</b>	<b>-</b>	<b>25,777</b>	<b>(63,653)</b>	<b>-</b>	<b>(37,876)</b>
<b>Cash Flows from Investing Activities:</b>					
Interest received	-	7,980	102,442	(2,403)	108,019
<b>Net Cash Provided (Used) by Investing Activities</b>	<b>-</b>	<b>7,980</b>	<b>102,442</b>	<b>(2,403)</b>	<b>108,019</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>31,512</b>	<b>(903,539)</b>	<b>117,180</b>	<b>(21,973)</b>	<b>(776,820)</b>
Cash and Cash Equivalents at Beginning of Year	12,746	1,048,550	9,126,931	603,365	10,791,592
<b>Cash and Cash Equivalents at End of Year</b>	<b>\$ 44,258</b>	<b>\$ 145,011</b>	<b>\$ 9,244,111</b>	<b>\$ 581,392</b>	<b>\$ 10,014,772</b>
<b>Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:</b>					
Operating income (loss)	\$ (61,823)	\$ (4,015,125)	\$ 201,740	\$ 225,479	\$ (3,649,729)
<b>Adjustments to reconcile operating income (loss) net cash provided (used) by operating activities:</b>					
Depreciation	-	303,457	60,000	-	363,457
(Increase) decrease in accounts receivable	-	4,749	-	189,569	194,318
(Increase) decrease in deposits receivable	-	-	-	-	-
(Increase) decrease in due from other governments	-	-	-	-	-
(Increase) decrease in prepaid expense	-	-	-	71,588	71,588
Increase (decrease) in accounts payable	120	(4,998)	3,723	(49,275)	(50,430)
Increase (decrease) in due to other governments	-	-	-	-	-
Increase (decrease) in accrued liabilities	-	1,142	-	42,758	43,900
Increase (decrease) in unearned revenue	(9,448)	(730,690)	-	-	(740,138)
Increase (decrease) in claims and judgments	-	-	-	-	-
Increase (decrease) in compensated absences	-	(3,145)	-	15,940	12,795
<b>Total Adjustments</b>	<b>(9,328)</b>	<b>(429,485)</b>	<b>63,723</b>	<b>270,580</b>	<b>(104,510)</b>
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>\$ (71,151)</b>	<b>\$ (4,444,610)</b>	<b>\$ 265,463</b>	<b>\$ 496,059</b>	<b>\$ (3,754,239)</b>
<b>Non-Cash Investing, Capital, and Financing Activities:</b>					
Acquisition of Capital Assets	\$ -	\$ 696,512	\$ -	\$ -	\$ 696,512

---

# INTERNAL SERVICE FUNDS

---

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

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

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

**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, 2014

	<u>Governmental Activities - Internal Service Funds</u>			
	<u>Fleet Management</u>	<u>Technology Replacement</u>	<u>Workers Compensation</u>	<u>Totals</u>
<b>Assets:</b>				
Current:				
Cash and investments	\$ 1,216,909	\$ 602,650	\$ 1,204,925	\$ 3,024,484
Receivables:				
Accounts	3,665	-	8,555	12,220
<b>Total Current Assets</b>	<b><u>1,220,574</u></b>	<b><u>602,650</u></b>	<b><u>1,213,480</u></b>	<b><u>3,036,704</u></b>
Noncurrent:				
Capital assets - net of accumulated depreciation	1,061,223	-	-	1,061,223
<b>Total Noncurrent Assets</b>	<b><u>1,061,223</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>1,061,223</u></b>
<b>Total Assets</b>	<b><u>\$ 2,281,797</u></b>	<b><u>\$ 602,650</u></b>	<b><u>\$ 1,213,480</u></b>	<b><u>\$ 4,097,927</u></b>
<b>Liabilities and Net Position:</b>				
<b>Liabilities:</b>				
Current:				
Accounts payable	\$ 305,163	\$ -	\$ -	\$ 305,163
Accrued liabilities	40,682	-	-	40,682
<b>Total Current Liabilities</b>	<b><u>345,845</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>345,845</u></b>
Noncurrent:				
Accrued compensated absences	76,607	-	-	76,607
<b>Total Noncurrent Liabilities</b>	<b><u>76,607</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>76,607</u></b>
<b>Total Liabilities</b>	<b><u>422,452</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>422,452</u></b>
<b>Net Position:</b>				
Investment in capital assets	1,061,223	-	-	1,061,223
Unrestricted	798,122	602,650	1,213,480	2,614,252
<b>Total Net Position</b>	<b><u>1,859,345</u></b>	<b><u>602,650</u></b>	<b><u>1,213,480</u></b>	<b><u>3,675,475</u></b>
<b>Total Liabilities and Net Position</b>	<b><u>\$ 2,281,797</u></b>	<b><u>\$ 602,650</u></b>	<b><u>\$ 1,213,480</u></b>	<b><u>\$ 4,097,927</u></b>



CITY OF CHULA VISTA

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

YEAR ENDED JUNE 30, 2014

	Governmental Activities - Internal Service Funds			
	Fleet Management	Technology Replacement	Workers Compensation	Totals
<b>Operating Revenues:</b>				
Interdepartmental charges	\$ 3,574,705	\$ -	\$ 2,109,110	\$ 5,683,815
Other	54,586	-	-	54,586
<b>Total Operating Revenues</b>	<b>3,629,291</b>	<b>-</b>	<b>2,109,110</b>	<b>5,738,401</b>
<b>Operating Expenses:</b>				
Administration and general	3,619,597	-	3,095,939	6,715,536
Depreciation expense	254,424	-	-	254,424
<b>Total Operating Expenses</b>	<b>3,874,021</b>	<b>-</b>	<b>3,095,939</b>	<b>6,969,960</b>
Operating Income (Loss)	(244,730)	-	(986,829)	(1,231,559)
<b>Nonoperating Revenues (Expenses):</b>				
Interest revenue	13,613	-	-	13,613
Gain (loss) on disposal of capital assets	20,850	-	-	20,850
<b>Total Nonoperating Revenues (Expenses)</b>	<b>34,463</b>	<b>-</b>	<b>-</b>	<b>34,463</b>
Income (Loss) Before Transfers	(210,267)	-	(986,829)	(1,197,096)
Transfers in	-	600,000	-	600,000
Transfers out	(23,701)	-	-	(23,701)
Changes in Net Position	(233,968)	600,000	(986,829)	(620,797)
<b>Net Position:</b>				
Beginning of Year	2,093,313	2,650	2,200,309	4,296,272
<b>End of Fiscal Year</b>	<b>\$ 1,859,345</b>	<b>\$ 602,650</b>	<b>\$ 1,213,480</b>	<b>\$ 3,675,475</b>

CITY OF CHULA VISTA

COMBINING STATEMENT OF CASH FLOWS  
INTERNAL SERVICE FUNDS  
YEAR ENDED JUNE 30, 2014

	<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	\$ 3,634,760	\$ -	\$ 2,100,555	\$ 5,735,315
Cash paid to suppliers for goods and services	13,841	-	-	13,841
Cash paid to employees for services	(3,611,644)	-	(3,095,939)	(6,707,583)
<b>Net Cash Provided (Used) by Operating Activities</b>	<u>36,957</u>	<u>-</u>	<u>(995,384)</u>	<u>(958,427)</u>
<b>Cash Flows from Non-Capital Financing Activities:</b>				
Cash transfers out	(23,701)	-	-	(23,701)
Cash transfers in	-	600,000	-	600,000
<b>Net Cash Provided (Used) by Non-Capital Financing Activities</b>	<u>(23,701)</u>	<u>600,000</u>	<u>-</u>	<u>576,299</u>
<b>Cash Flows from Capital and Related Financing Activities:</b>				
Acquisition and construction of capital assets	(560,976)	-	-	(560,976)
Proceeds from sales of capital assets	45,824	-	-	45,824
<b>Net Cash Provided (Used) by Capital and Related Financing Activities</b>	<u>(515,152)</u>	<u>-</u>	<u>-</u>	<u>(515,152)</u>
<b>Cash Flows from Investing Activities:</b>				
Interest received	13,613	-	-	13,613
<b>Net Cash Provided (Used) by Investing Activities</b>	<u>13,613</u>	<u>-</u>	<u>-</u>	<u>13,613</u>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<u>(488,283)</u>	<u>600,000</u>	<u>(995,384)</u>	<u>(883,667)</u>
Cash and Cash Equivalents at Beginning of Year	1,705,192	2,650	2,200,309	3,908,151
<b>Cash and Cash Equivalents at End of Year</b>	<u>\$ 1,216,909</u>	<u>\$ 602,650</u>	<u>\$ 1,204,925</u>	<u>\$ 3,024,484</u>
<b>Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:</b>				
Operating income (loss)	\$ (244,730)	\$ -	\$ (986,829)	\$ (1,231,559)
<b>Adjustments to reconcile operating income (loss) net cash provided (used) by operating activities:</b>				
Depreciation	254,424	-	-	254,424
(Increase) decrease in accounts receivable	5,469	-	(8,555)	(3,086)
Increase (decrease) in accounts payable	5,614	-	-	5,614
Increase (decrease) in accrued liabilities	8,227	-	-	8,227
Increase (decrease) in compensated absences	7,953	-	-	7,953
<b>Total Adjustments</b>	<u>281,687</u>	<u>-</u>	<u>(8,555)</u>	<u>273,132</u>
<b>Net Cash Provided (Used) by Operating Activities</b>	<u>\$ 36,957</u>	<u>\$ -</u>	<u>\$ (995,384)</u>	<u>\$ (958,427)</u>

---

# FIDUCIARY FUNDS

---

## 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.

***Deferred Compensation*** – The City offers an Employee Deferred Compensation Plan created in accordance with Internal Revenue Code Section 457 to its employees, allowing them to defer or postpone receipt of income. Amounts so deferred may not be paid to the employee during employment with the City except for a catastrophic circumstance creating an undue financial hardship for the employee. The City has two deferred compensation administrators, ICMA-RC and Nationwide. The City deposits deferred compensation plan assets with ICMA-RC or Nationwide. Federal legislation requires that the assets of such plans be held in trust for the exclusive benefit of the plan participants and their beneficiaries. ICMA-RC and Nationwide act as the trustees for the plan's assets and the City is considered to have limited fiduciary responsibility for the plan's assets.

***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, 2014

	<u>Flexible Spending Account</u>	<u>Deferred Compensation</u>	<u>Special Assessment District</u>	<u>Miscellaneous Deposits</u>	<u>Totals</u>
<b>Assets:</b>					
Pooled cash and investments	\$ 54,156	\$ -	\$ 17,847,339	\$ 215,225	\$ 18,116,720
Restricted assets:					
Cash and investments with fiscal agents	-	74,737,979	55,572,663	-	130,310,642
<b>Total Assets</b>	<b><u>\$ 54,156</u></b>	<b><u>\$ 74,737,979</u></b>	<b><u>\$ 73,420,002</u></b>	<b><u>\$ 215,225</u></b>	<b><u>\$ 148,427,362</u></b>
<b>Liabilities:</b>					
Accounts payable	\$ -	\$ -	\$ 1,881	\$ -	\$ 1,881
Deposits payable	-	-	-	215,225	215,225
Due to other governments	54,156	-	-	-	54,156
Due to bond holders	-	9,347,631	73,418,121	-	82,765,752
Deferred compensation liability	-	65,390,348	-	-	65,390,348
<b>Total Liabilities</b>	<b><u>\$ 54,156</u></b>	<b><u>\$ 74,737,979</u></b>	<b><u>\$ 73,420,002</u></b>	<b><u>\$ 215,225</u></b>	<b><u>\$ 148,427,362</u></b>

CITY OF CHULA VISTA

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
 ALL AGENCY FUNDS  
 YEAR ENDED JUNE 30, 2014

	Balance 7/1/2013	Additions	Deductions	Balance 6/30/2014
<b><u>Flexible Spending Account</u></b>				
<b>Assets:</b>				
Pooled cash and investments	\$ 73,214	\$ 20,802	\$ 39,860	\$ 54,156
<b>Total Assets</b>	<b>\$ 73,214</b>	<b>\$ 20,802</b>	<b>\$ 39,860</b>	<b>\$ 54,156</b>
<b>Liabilities:</b>				
Due to other governments	\$ 94,016	\$ -	\$ 39,860	\$ 54,156
Due to external parties/other agencies	(20,802)	20,802	-	-
<b>Total Liabilities</b>	<b>\$ 73,214</b>	<b>\$ 20,802</b>	<b>\$ 39,860</b>	<b>\$ 54,156</b>
<b><u>Deferred Compensation</u></b>				
<b>Assets:</b>				
Restricted assets:				
Cash and investments with fiscal agents	\$ 65,390,348	\$ 9,347,631	\$ -	\$ 74,737,979
<b>Total Assets</b>	<b>\$ 65,390,348</b>	<b>\$ 9,347,631</b>	<b>\$ -</b>	<b>\$ 74,737,979</b>
<b>Liabilities:</b>				
Due to bondholders	-	9,347,631	-	9,347,631
Deferred compensation liability	65,390,348	-	-	65,390,348
<b>Total Liabilities</b>	<b>\$ 65,390,348</b>	<b>\$ 9,347,631</b>	<b>\$ -</b>	<b>\$ 74,737,979</b>
<b><u>Special Assessment District</u></b>				
<b>Assets:</b>				
Pooled cash and investments	\$ 10,043,432	\$ 45,081,794	\$ 37,277,887	\$ 17,847,339
Restricted assets:				
Cash and investments with fiscal agents	74,710,627	109,956,346	129,094,310	55,572,663
<b>Total Assets</b>	<b>\$ 84,754,059</b>	<b>\$ 155,038,140</b>	<b>\$ 166,372,197</b>	<b>\$ 73,420,002</b>
<b>Liabilities:</b>				
Accounts payable	\$ -	\$ 20,769	\$ 18,888	\$ 1,881
Due to bondholders	84,754,059	138,508,744	149,844,682	73,418,121
<b>Total Liabilities</b>	<b>\$ 84,754,059</b>	<b>\$ 138,529,513</b>	<b>\$ 149,863,570</b>	<b>\$ 73,420,002</b>
<b><u>Miscellaneous Deposits</u></b>				
<b>Assets:</b>				
Pooled cash and investments	\$ 213,109	\$ 21,816,072	\$ 21,813,956	\$ 215,225
<b>Total Assets</b>	<b>\$ 213,109</b>	<b>\$ 21,816,072</b>	<b>\$ 21,813,956</b>	<b>\$ 215,225</b>
<b>Liabilities:</b>				
Accounts payable	\$ 234	\$ -	\$ 234	\$ -
Deposits payable	(2,047)	219,319	2,047	215,225
Due to bondholders	214,922	2,350	217,272	-
<b>Total Liabilities</b>	<b>\$ 213,109</b>	<b>\$ 221,669</b>	<b>\$ 219,553</b>	<b>\$ 215,225</b>
<b><u>Totals - All Agency Funds</u></b>				
<b>Assets:</b>				
Pooled cash and investments	\$ 10,329,755	\$ 66,918,668	\$ 59,131,703	\$ 18,116,720
Restricted assets:				
Cash and investments with fiscal agents	140,100,975	119,303,977	129,094,310	130,310,642
<b>Total Assets</b>	<b>\$ 150,430,730</b>	<b>\$ 186,222,645</b>	<b>\$ 188,226,013</b>	<b>\$ 148,427,362</b>
<b>Liabilities:</b>				
Accounts payable	\$ 234	\$ 20,769	\$ 19,122	\$ 1,881
Deposits payable	(2,047)	219,319	2,047	215,225
Due to other governments	94,016	-	39,860	54,156
Due to bondholders	84,948,179	147,879,527	150,061,954	82,765,752
Deferred compensation liability	65,390,348	-	-	65,390,348
<b>Total Liabilities</b>	<b>\$ 150,430,730</b>	<b>\$ 148,119,615</b>	<b>\$ 150,122,983</b>	<b>\$ 148,427,362</b>



---

# STATISTICAL SECTION

---

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

## Table of Contents

	<u>Page No.</u>
<b>Financial Trends</b>	<b>168-172</b>
These schedules contain information to help the reader understand how the city's financial performance and well-being have changed over time.	
<b>Revenue Capacity</b>	<b>173-176</b>
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>177-178</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>179-183</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>184-186</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)**

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>Governmental activities:</b>										
Net investment in capital assets	\$ 600,317,974	\$ 662,230,041	\$ 715,090,838	\$ 621,878,119	\$ 623,938,515	\$ 634,377,842	\$ 634,409,385	\$ 655,182,727	\$ 626,476,481	\$ 649,314,016
Restricted	72,468,247	75,916,972	69,516,915	55,166,660	43,901,854	49,193,256	47,168,636	22,929,585	21,888,309	107,106,257
Unrestricted	111,448,751	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
<b>Total governmental activities Net Position</b>	<b>784,234,972</b>	<b>833,929,934</b>	<b>910,633,909</b>	<b>768,727,950</b>	<b>757,075,788</b>	<b>757,487,594</b>	<b>754,308,817</b>	<b>767,733,036</b>	<b>760,251,252</b>	<b>778,942,716</b>
<b>Business-type activities:</b>										
Net investment in capital assets	7,423,479	6,540,514	5,658,433	150,004,170	148,237,562	152,384,420	146,550,585	140,248,319	134,661,254	136,513,268
Unrestricted	580,735	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
<b>Total business-type activities Net Position</b>	<b>8,004,214</b>	<b>7,040,813</b>	<b>5,994,257</b>	<b>205,299,158</b>	<b>213,098,140</b>	<b>226,770,071</b>	<b>226,764,793</b>	<b>226,769,646</b>	<b>228,062,999</b>	<b>233,906,908</b>
<b>Primary government:</b>										
Net investment in capital assets	607,741,453	668,770,555	720,749,271	771,882,289	772,176,077	786,762,262	780,959,970	795,431,046	761,137,735	785,827,284
Restricted	72,468,247	75,916,972	69,516,915	55,166,660	43,901,854	49,193,256	47,168,636	22,929,585	21,888,309	107,106,257
Unrestricted	112,029,486	96,283,220	126,361,980	146,978,159	154,095,997	148,302,147	152,945,004	176,142,051	205,288,207	119,916,083
<b>Total primary government Net Position</b>	<b>\$ 792,239,186</b>	<b>\$ 840,970,747</b>	<b>\$ 916,628,166</b>	<b>\$ 974,027,108</b>	<b>\$ 970,173,928</b>	<b>\$ 984,257,665</b>	<b>\$ 981,073,610</b>	<b>\$ 994,502,682</b>	<b>\$ 988,314,251</b>	<b>\$ 1,012,849,624</b>

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



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

	Fiscal Year										
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	
<b>Expenses:</b>											
<b>Governmental activities:</b>											
General government	\$ 42,591,851	\$ 53,566,425	\$ 45,249,650	\$ 51,609,403	\$ 49,216,220	\$ 51,136,412	\$ 46,457,112	\$ 22,508,977	\$ 33,652,891	\$ 25,386,867	
Public safety	63,368,815	72,887,220	77,136,782	78,633,467	76,097,546	74,008,767	75,664,246	75,931,086	77,821,520	74,896,803	
Public works	79,723,824	102,122,564	103,117,608	86,410,082	72,509,779	69,524,903	71,857,158	76,458,061	69,297,402	63,312,155	
Parks and recreation	7,757,251	8,085,160	9,353,280	9,650,399	9,805,893	7,849,907	6,995,489	7,310,312	5,865,192	6,118,351	
Library	8,890,126	10,412,973	10,320,817	8,532,621	7,617,286	4,826,602	4,509,999	4,185,624	4,224,568	4,092,263	
Transit	-	-	-	-	-	-	-	63,021	14,560	-	
Interest on long-term debt	12,656,986	12,263,808	12,032,833	13,656,534	13,064,138	11,217,753	11,538,707	8,904,275	6,698,509	7,287,461	
<b>Total governmental activities expenses</b>	<b>214,988,853</b>	<b>259,338,150</b>	<b>257,210,970</b>	<b>248,492,506</b>	<b>228,310,862</b>	<b>218,564,344</b>	<b>217,022,711</b>	<b>195,361,356</b>	<b>197,574,642</b>	<b>181,093,900</b>	
<b>Business-type activities:</b>											
Transit	7,475,184	7,447,393	7,330,560	8,301,081	8,147,424	7,571,898	7,075,998	7,050,673	6,997,488	6,875,214	
Bayfront Trolley Station	98,900	86,595	103,691	98,406	98,800	94,802	91,788	91,942	92,843	61,823	
Sewer funds	-	-	-	30,323,015	23,528,217	29,240,616	30,245,584	30,524,851	30,773,712	26,046,175	
Sewer DIFs	-	-	-	203,500	200,660	126,019	123,629	129,351	122,927	129,279	
Development Services Fund	-	-	-	-	-	-	-	4,730,599	5,717,312	6,113,133	
Interest on long-term debt	-	-	-	62,927	-	-	-	-	-	-	
<b>Total business-type activities expenses</b>	<b>7,574,084</b>	<b>7,533,988</b>	<b>7,434,251</b>	<b>38,988,929</b>	<b>31,975,101</b>	<b>37,033,335</b>	<b>37,536,999</b>	<b>42,527,416</b>	<b>43,704,282</b>	<b>39,225,624</b>	
<b>Total primary government expenses</b>	<b>222,562,937</b>	<b>266,872,138</b>	<b>264,645,221</b>	<b>287,481,435</b>	<b>260,285,963</b>	<b>255,597,679</b>	<b>254,559,710</b>	<b>237,888,772</b>	<b>241,278,924</b>	<b>220,319,524</b>	
<b>Program revenues:</b>											
<b>Governmental activities:</b>											
Charges for services:											
General government	23,523,277	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	
Public safety	9,555,756	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	
Public works	40,020,387	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	
Parks and recreation	15,702,515	26,935,981	19,106,017	11,881,147	2,776,032	2,559,668	3,599,653	3,051,842	7,631,696	5,292,433	
Library	2,220,368	2,693,087	818,285	561,948	326,116	505,044	967,908	840,258	1,666,765	1,078,592	
Operating grants and contributions	22,226,690	19,464,389	16,646,713	34,498,639	18,957,467	17,984,120	31,976,818	21,780,868	30,935,863	29,456,557	
Capital grants and contributions	79,419,189	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	
<b>Total governmental activities program revenues</b>	<b>192,668,182</b>	<b>204,471,630</b>	<b>220,267,881</b>	<b>167,398,010</b>	<b>108,520,673</b>	<b>114,775,314</b>	<b>112,479,046</b>	<b>77,338,512</b>	<b>93,618,712</b>	<b>87,210,243</b>	

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

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Business-type activities:										
Charges for services:										
Transit	2,425,531	2,526,487	2,433,008	1,660,821	3,679,761	3,335,334	2,534,385	2,671,538	2,841,619	2,672,231
Sewer funds	-	-	-	29,138,449	31,046,180	36,284,081	32,257,256	32,571,135	35,011,268	33,190,660
Sewer DIFs	-	-	-	539,136	232,430	166,303	443,599	174,667	645,015	268,092
Development Services Fund	-	-	-	-	-	-	-	4,174,657	6,654,261	6,338,495
Operating grants and contributions	4,231,445	-	-	5,378,518	3,390,228	3,357,566	3,431,988	3,524,426	3,095,626	3,800,358
Capital grants and contributions	1,971,311	-	-	-	-	-	-	-	-	-
Total business-type activities	8,628,287	2,526,487	2,433,008	36,716,924	38,348,599	43,143,284	38,667,228	43,116,423	48,247,789	46,269,836
Total primary government program revenues	201,296,469	206,998,117	222,700,889	204,114,934	146,869,272	157,918,598	151,146,274	120,454,935	141,866,501	133,480,079
Net revenues (expenses):										
Governmental activities	(22,320,671)	(54,866,520)	(36,943,089)	(81,094,496)	(119,790,189)	(103,789,030)	(104,543,665)	(118,022,844)	(103,955,930)	(93,883,657)
Business-type activities	1,054,203	(5,007,501)	(5,001,243)	(2,272,005)	6,373,498	6,109,949	1,130,229	589,007	4,543,507	7,044,212
Total net revenues (expenses)	(21,266,468)	(59,874,021)	(41,944,332)	(83,366,501)	(113,416,691)	(97,679,081)	(103,413,436)	(117,433,837)	(99,412,423)	(86,839,445)
General revenues and other changes in net position:										
Governmental activities:										
Taxes:										
Property taxes	27,074,211	32,597,672	38,882,122	43,388,023	43,319,156	41,798,577	39,437,025	49,721,604	45,146,022	45,266,172
Sales tax	23,600,000	30,915,515	32,817,351	29,062,355	26,263,317	23,674,601	26,702,443	27,275,753	28,627,785	29,171,174
Other taxes	23,373,749	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
Investment income	11,678,930	10,195,710	13,386,872	8,663,014	12,676,922	5,744,616	9,108,662	3,615,266	866,861	1,944,988
Other general revenues	18,828,693	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
Transfers	34,900	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
Total general revenues and transfers	104,590,483	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
Extraordinary gain	-	-	-	-	-	-	-	28,677,153	-	-
Total governmental activities	104,590,483	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
Business-type activities:										
Investment income	56,485	78,605	167,734	6,740,155	2,090,311	1,785,660	1,288,478	1,273,689	261,354	1,505,052
Miscellaneous	329,381	4,088,083	3,809,571	670,170	3,215,264	9,249,893	1,013,733	2,337,347	349,909	845,650
Transfers	(34,900)	(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)
Total business-type activities	350,966	4,044,100	3,954,687	1,815,789	1,425,484	7,561,982	(1,135,507)	(584,154)	(3,250,154)	(1,200,302)
Total primary government	104,941,449	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
Changes in net position										
Governmental activities	82,269,812	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
Business-type activities	1,405,169	(963,401)	(1,046,556)	(456,216)	7,798,982	13,671,931	(5,278)	4,853	1,293,353	5,843,910
Total primary government	\$ 83,674,981	\$ 63,836,773	\$ 75,657,419	\$ 35,423,519	\$ (3,853,180)	\$ 14,083,737	\$ (3,184,055)	\$ 13,429,072	\$ (2,837,450)	\$ 24,724,854

*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									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General fund:										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 11,258,150	\$ 8,799,026	\$ 7,481,079	\$ 7,424,812
Restricted	-	-	-	-	-	-	127,883	-	750,951	-
Committed	-	-	-	-	-	-	7,178,838	4,375,207	2,298,088	6,215,601
Assigned	-	-	-	-	-	-	5,298,536	2,895,545	6,648,922	4,807,244
Unassigned	-	-	-	-	-	-	11,876,992	11,969,280	10,790,135	14,511,252
Reserved	22,214,965	21,771,010	22,249,346	22,258,951	20,732,416	19,478,496	-	-	-	-
Unreserved	19,287,213	18,114,943	13,252,911	11,817,191	12,417,105	13,703,304	-	-	-	-
Total general fund	41,502,178	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
All other governmental funds:										
Nonspendable	-	-	-	-	-	-	21,669,849	30,763,746	29,774,472	23,537,524
Restricted	-	-	-	-	-	-	109,944,736	83,439,558	91,152,341	107,106,257
Committed	-	-	-	-	-	-	17,370,613	12,842,477	10,617,691	10,677,564
Assigned	-	-	-	-	-	-	(2,402,991)	-	-	-
Unassigned	-	-	-	-	-	-	(59,092,342)	(37,420,734)	(37,277,498)	(40,451,233)
Reserved	98,226,224	64,859,111	65,710,718	26,305,432	33,197,517	61,852,404	-	-	-	-
Unreserved, reported in:										
Debt service funds	(40,817,038)	(42,861,708)	(44,404,278)	(43,496,817)	(46,692,600)	(56,280,718)	-	-	-	-
Capital projects funds	94,472,902	113,659,937	92,093,271	78,496,664	70,791,397	58,595,303	-	-	-	-
Special revenue funds	48,987,258	57,893,321	64,843,684	48,690,364	42,565,836	27,334,131	-	-	-	-
Total all other governmental funds	\$ 200,869,346	\$ 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

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									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>Revenues:</b>										
Taxes	\$ 85,192,455	\$ 86,509,678	\$ 93,100,434	\$ 103,543,735	\$ 91,770,846	\$ 87,263,934	\$ 88,878,664	\$ 96,868,086	\$ 82,450,711	\$ 106,825,885
Licenses and permits	3,946,733	3,441,613	2,870,424	2,767,850	2,041,721	2,274,964	2,887,150	1,253,806	1,436,828	1,355,342
Fines and forfeitures	1,398,146	1,724,862	2,226,822	2,671,545	3,317,666	3,124,021	2,348,565	2,065,246	1,639,781	1,685,268
Investment income	10,199,902	7,946,878	13,570,315	10,890,132	10,103,986	6,299,595	8,716,624	5,077,920	2,929,237	4,681,473
Developer fees	22,625,331	50,551,528	24,058,397	17,318,134	9,252,547	11,700,991	16,498,744	13,966,814	21,742,856	9,515,921
Intergovernmental	43,647,460	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
Charges for services	41,850,292	43,823,886	52,694,312	15,679,753	12,435,955	11,877,763	11,743,505	20,907,330	23,440,813	20,765,146
Other	24,231,228	30,012,125	23,567,613	30,427,119	29,404,221	31,918,308	28,163,311	13,382,050	14,521,818	14,896,960
Total revenues	233,091,547	265,858,508	248,195,390	227,261,103	197,824,925	196,425,172	207,414,270	175,382,263	189,116,025	188,373,405
<b>Expenditures</b>										
<b>Current:</b>										
General government	46,054,981	49,628,483	46,904,990	49,596,883	43,640,514	45,966,934	39,701,396	23,833,011	25,544,079	29,341,881
Public safety	61,673,449	67,913,584	73,245,978	74,781,055	72,872,527	72,080,790	70,693,779	71,917,414	73,177,912	76,457,979
Public works	56,220,867	72,296,203	75,720,582	57,789,303	46,042,781	45,778,665	48,056,229	47,911,105	48,416,477	40,894,934
Parks and recreation	5,369,192	6,210,040	7,503,259	6,869,089	6,969,924	5,255,812	4,030,767	4,215,643	3,471,548	3,590,441
Library	8,957,574	9,734,444	9,660,809	8,224,897	7,199,101	4,563,849	3,870,646	3,672,661	3,241,660	3,810,004
Capital outlay	61,134,157	72,988,853	36,472,182	29,525,186	19,305,564	27,628,148	34,215,021	16,182,888	21,144,133	15,347,338
<b>Debt service:</b>										
Principal retirement	4,936,247	6,054,618	30,892,802	7,884,493	7,686,525	7,301,362	7,911,995	8,423,156	5,113,992	54,040,855
Interest and fiscal charges	12,059,211	12,260,244	12,289,908	12,224,973	12,576,939	11,585,816	11,094,106	9,229,775	6,818,788	7,850,448
Bond issuance cost	-	-	514,994	34,485	844,584	-	-	-	-	-
Total expenditures	256,405,678	297,086,469	293,205,504	246,930,364	217,138,459	220,161,376	219,573,939	185,385,653	186,928,589	231,333,880
Excess (deficiency) of revenues over (under) expenditures	(23,314,131)	(31,227,961)	(45,010,114)	(19,669,261)	(19,313,534)	(23,736,204)	(12,159,669)	(10,003,390)	2,187,436	(42,960,475)
<b>Other financing sources (uses):</b>										
Transfers in	84,773,947	55,698,112	53,900,545	26,104,914	50,502,425	61,296,934	56,989,583	33,900,786	20,113,296	30,478,465
Transfers out	(84,678,601)	(52,132,246)	(53,835,509)	(20,400,837)	(46,589,803)	(57,815,981)	(53,551,865)	(32,638,610)	(16,551,879)	(27,503,760)
Proceeds from long-term debt	765,000	-	-	-	665,884	29,355,000	42,286	3,963,104	2,174,204	2,121,500
Proceeds from bond sale	37,240,000	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)	35,254	-	(505,884)	-	(579,161)	(925,872)	-	-	-	3,537,111
Proceeds from sale of capital assets	639,050	-	-	-	-	-	9,630,000	-	-	-
Total other financing sources (uses)	38,774,650	24,820,866	25,319,152	15,968,301	10,514,345	15,407,453	13,110,004	5,225,280	5,735,621	54,553,316
<b>Extraordinary item:</b>										
Forgiveness of debt	-	-	-	-	-	-	-	-	-	-
Loss on dissolution of the Chula Vista Redevelopment Agency	-	-	-	-	-	-	-	(3,191,040)	-	-
Total extraordinary item	-	-	-	-	-	-	-	(3,191,040)	-	-
Net change in fund balances	\$ 15,460,519	\$ (6,407,095)	\$ (19,690,962)	\$ (3,700,960)	\$ (8,799,189)	\$ (8,328,751)	\$ 950,335	\$ (7,969,150)	\$ 7,923,057	\$ 11,592,841
Debt service as a percentage of noncapital expenditures	8.4%	10.1%	16.7%	8.8%	10.2%	9.6%	9.4%	10.1%	6.9%	30.3%

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 Direct Tax Rate	
	Unsecured		Less: Exemptions		Taxable Assessed Value <sup>2</sup>		Less: Exemptions <sup>3</sup>			Taxable Assessed Value
	Secured	Unsecured	Exemptions	Less: Exemptions	Secured	Unsecured	Unsecured			
2005	15,390,029,359	402,366,184	(426,140,493)	15,366,255,050	617,179,700	82,759,507	699,939,207	0.1438%		
2006	18,481,902,606	442,863,514	(452,332,435)	18,472,433,685	735,529,147	82,456,175	817,985,322	0.1438%		
2007	21,254,352,374	582,720,155	(496,479,594)	21,340,592,935	846,124,571	202,760,284	1,048,884,855	0.1438%		
2008	24,381,647,068	544,113,016	(567,257,524)	24,358,502,560	1,058,205,677	94,614,761	1,152,820,438	0.1438%		
2009	24,861,548,900	565,347,815	(603,500,966)	24,823,395,749	1,061,746,125	105,702,620	1,167,448,745	0.1438%		
2010	22,168,954,872	610,945,054	(682,909,923)	22,096,990,003	1,094,004,250	131,944,885	1,225,949,135	0.1438%		
2011	21,341,397,693	577,214,653	(683,167,117)	21,235,445,229	1,042,561,908	130,433,921	1,172,995,829	0.1438%		
2012	21,280,088,193	613,792,400	(739,917,158)	21,153,963,435	1,054,772,168	157,330,744	1,212,102,912	0.1438%		
2013	21,173,362,084	565,751,305	(796,316,481)	20,942,796,908	1,045,060,350	97,973,502	1,143,033,852	0.1438%		
2014	21,922,151,025	555,819,631	(831,701,747)	21,646,268,909	1,150,985,609	104,386,694	1,255,372,303	0.1438%		

<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>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</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	0.0281	0.0274	0.0266	0.0203	0.0176	0.0251	0.0261	0.0259	0.0253	0.0463
Sweetwater Union High School District Bonds	0.0182	0.0225	0.0202	0.0471	0.0462	0.0558	0.0552	0.0608	0.0586	0.0582
Southwestern Community College Bonds	0.0130	0.0151	0.0141	0.0125	0.0132	0.0344	0.0364	0.0331	0.0375	0.0368
MWD D/S Remainder of SDCWA 15019999	0.0058	0.0052	0.0047	0.0045	0.0043	0.0043	0.0037	0.0037	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>1.0651</u>	<u>1.0702</u>	<u>1.0656</u>	<u>1.0844</u>	<u>1.0813</u>	<u>1.1196</u>	<u>1.1214</u>	<u>1.1235</u>	<u>1.1249</u>	<u>1.1448</u>

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	2014			2005		
	Taxable Assessed Value	Rank	Percent of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percent of Total City Taxable Assessed Value
Rohr Inc.	\$ 252,188,020	1	1.17%	165,712,468	1	1.08%
JPB Development	226,747,987	2	1.05%			-
EQR Teresina LP	137,976,588	3	0.64%			-
Regulo Place Apartments Invest	92,415,852	4	0.43%			-
Chula Vista Center LLC	70,554,229	5	0.33%	95,000,000	3	0.62%
Camden USA Inc	65,411,407	6	0.30%	110,037,078	2	0.72%
Wal-Mart Stores Inc	51,681,393	7	0.24%			-
B R E Properties Inc	51,652,307	8	0.24%	75,912,505	4	0.49%
S S B T L C R E V L L C	51,485,601	9	0.24%			-
CostCo Wholesale Corp	44,653,537	10	0.21%			-
KB Home Coastal Inc	-		-	73,450,098	5	0.48%
Duke Energy South Bay LLP	-		-	71,934,269	6	0.47%
SSR Realty Advisors/CALSTRS	-		-	69,039,237	7	0.45%
Cornerstone Summit at Eastlake	-		-	57,058,104	8	0.37%
Eagle Lomas Verdes	-		-	53,889,142	9	0.35%
Missions at Sunbow	-		-	51,713,205	10	0.34%
	<u>\$ 1,044,766,921</u>		<u>4.85%</u>	<u>823,746,106</u>		<u>5.37%</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
2005	18,652,193	18,324,623	98.24%	106,497	18,431,120	98.81%
2006	22,096,604	21,617,022	97.83%	162,806	21,779,828	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	27,967,174	97.64%
2009	29,304,771	28,147,698	96.05%	765,703	28,913,401	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	24,907,327	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	25,798,001	98.98%

<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			
2005	12,991,962	41,240,000	8,193,481	127,599,255	190,024,698	2.09%	901
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

<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		
2005	12,992	41,240	54,232	0.35%	257
2006	11,795	40,295	52,090	0.28%	237
2007	10,415	41,275	51,690	0.24%	228
2008	8,820	40,185	49,005	0.20%	212
2009	7,000	45,830	52,830	0.21%	224
2010	4,980	44,925	49,905	0.23%	208
2011	2,655	43,985	46,640	0.22%	191
2012	-	43,005	43,005	0.20%	175
2013	-	41,985	41,985	0.20%	168
2014	-	40,920	40,920	0.19%	163

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, 2014**

2013-14 Assessed Valuation: \$21,646,268,909

	Total Debt		City's Share of
<u>OVERLAPPING TAX AND ASSESSMENT DEBT:</u>	<u>6/30/14</u>	<u>% Applicable (1)</u>	<u>Debt 6/30/14</u>
Metropolitan Water District	\$ 132,275,000	0.989%	\$ 1,308,200
Otay Municipal Water District, I.D. No. 27	5,700,000	99.995	5,699,715
Southwestern Community College District	230,589,345	50.829	117,206,258
Sweetwater Union High School District	354,404,415	60.696	215,109,304
Chula Vista City School District	60,585,000	86.971	52,691,380
Chula Vista City School District Schools Facilities Improvement Dist 1	31,000,000	77.856	24,135,360
City of Chula Vista Community Facilities Districts	184,185,000	100.	184,185,000
Sweetwater Union High School District Community Facilities Districts	139,688,004	15.812-100.	131,314,844
Chula Vista City School District Community Facilities Districts	4,440,000	99.718	4,427,479
City of Chula Vista 1915 Act Bonds	19,637,996	100.	<u>19,637,996</u>
<b>TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT</b>			<b>\$ 755,715,536</b>
 <u>DIRECT AND OVERLAPPING GENERAL FUND DEBT:</u>			
San Diego County General Fund Obligations	\$ 379,835,000	5.479%	\$ 20,811,160
San Diego County Pension Obligation Bonds	720,855,256	5.479	39,495,659
San Diego County Superintendent of Schools Obligations	16,125,000	5.479	883,489
Southwestern Community College District Certificates of Participation	1,160,000	50.829	589,616
Sweetwater Union High School District General Fund Obligations	42,475,000	60.696	25,780,626
Chula Vista City School District Certificates of Participation	141,895,000	86.971	123,407,500
<b>City of Chula Vista Certificates of Participation</b>	<b>121,650,000</b>	<b>100</b>	<b>121,650,000</b>
<b>Section 108 Loan</b>	<b>7,913,000</b>	<b>100</b>	<b>7,913,000</b>
<b>Notes Payable</b>	<b>5,714,912</b>	<b>100</b>	<b>5,714,912</b>
<b>Capital Leases</b>	<b>2,047,312</b>	<b>100</b>	<b>2,047,312</b>
Otay Municipal Water District Certificates of Participation	46,690,000	63.283	<u>29,546,833</u>
<b>TOTAL GROSS DIRECT AND OVERLAPPING GENERAL FUND DEBT</b>			<b>\$ 377,840,107</b>
Less: Otay Municipal Water District Certificates of Participation			<u>29,546,833</u>
<b>TOTAL NET DIRECT AND OVERLAPPING GENERAL FUND DEBT</b>			<b>\$ 348,293,274</b>
 <u>OVERLAPPING TAX INCREMENT DEBT (Successor Agency):</u>			
	\$ 40,920,000	99.153-100.%	\$ 40,736,836
<b>TOTAL DIRECT DEBT</b>			<b>\$ 137,325,224</b>
<b>TOTAL GROSS OVERLAPPING DEBT</b>			<b>\$1,036,967,256</b>
<b>TOTAL NET OVERLAPPING DEBT</b>			<b>\$1,007,420,423</b>
 <b>GROSS COMBINED TOTAL DEBT</b>			
			<b>\$1,174,292,480 (2)</b>
 <b>NET COMBINED TOTAL DEBT</b>			
			<b>\$1,144,745,647</b>

- (1) The percentage of overlapping debt applicable to the city is estimated using taxable assessed property value. Applicable percentages were estimated by determining the portion of the overlapping district's assessed value that is within the boundaries of the city divided by the district's total taxable assessed value.
- (2) Excludes 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 2013-14 Assessed Valuation:

Total Overlapping Tax and Assessment Debt.....	3.49%
<b>Total Direct Debt (\$121,650,000).....</b>	<b>0.56%</b>
Gross Combined Total Debt.....	5.35%
Net Combined Total Debt.....	5.22%

Ratios to Redevelopment Successor Agency Incremental Valuation (\$1,255,372,303):

Total Overlapping Tax Increment Debt.....	3.25%
---	-------

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

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Assessed valuation	\$15,366,255,050	\$18,472,433,685	\$21,340,592,935	\$24,358,502,560	\$24,823,395,749	\$22,096,990,003	\$21,235,445,229	\$21,153,963,435	\$20,942,796,908	\$21,646,268,909
Conversion percentage	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%
Adjusted assessed valuation	3,841,563,763	4,618,108,421	5,335,148,234	6,089,625,640	6,205,848,937	5,524,247,501	5,308,861,307	5,288,490,859	5,235,699,227	5,411,567,227
Debt limit percentage	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%
Debt limit	576,234,564	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
Total net debt applicable to limit: Pension obligation bonds	12,991,962	11,795,000	10,415,000	8,820,000	7,000,000	4,980,000	2,655,000	-	-	-
Legal debt margin	\$ 563,242,602	\$ 680,921,263	\$ 789,857,235	\$ 904,623,846	\$ 923,877,341	\$ 823,657,125	\$ 793,674,196	\$ 793,273,629	\$ 785,354,884	\$ 811,735,084
Total debt applicable to the limit as a percentage of debt limit	2.3%	1.7%	1.3%	1.0%	0.8%	0.6%	0.3%	0.0%	0.0%	0.0%

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

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

**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	
2005	8,939,444	885,000	2,855,288	2.39
2006	10,404,880	945,000	2,797,726	2.78
2007	11,935,618	995,000	2,735,150	3.20
2008	13,793,329	1,090,000	1,965,103	4.51
2009	13,781,683	870,000	1,728,722	5.30
2010	13,884,637	905,000	2,070,381	4.67
2011	13,822,938	940,000	2,032,665	4.65
2012	10,931,615	980,000	1,992,565	3.68
2013	3,949,717	1,020,000	1,948,865	1.33
2014	6,144,015	1,065,000	1,901,703	2.07

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>	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>	Pct. Below Poverty <sup>2</sup>			
2004	211,018	7.1%	4.4%	33.7	3.07	n/a	n/a	5.6%	9,082,600	43,040	
2005	219,939	7.4%	4.2%	34.0	3.09	78.5%	24.7%	5.1%	9,478,700	43,100	
2006	226,838	7.6%	3.1%	33.9	3.12	81.7%	24.1%	4.7%	9,710,100	42,810	
2007	231,597	7.7%	2.1%	33.9	3.13	79.6%	25.4%	5.4%	9,854,100	42,550	
2008	235,767	7.8%	1.8%	33.8	3.16	81.0%	25.7%	7.0%	10,063,100	42,680	
2009	239,369	7.8%	1.5%	33.9	3.20	80.0%	25.5%	11.2%	9,854,000	41,170	
2010	243,916	7.9%	1.9%	33.5	3.21	83.0%	29.1%	12.3%	10,204,500	41,840	
2011	245,987	7.9%	0.8%	34.1	3.21	82.2%	25.7%	11.7%	10,578,300	43,000	
2012	249,382	7.9%	1.4%	34.0	3.21	81.3%	27.9%	10.4%	10,902,100	43,720	
2013	251,613	8.0%	0.9%	33.9	3.21	79.9%	25.6%	8.8%	10,880,000	43,240	

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, 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 2013 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>2014</u>		<u>2005 <sup>1</sup></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	4,096	6.92%	n/a	n/a
Chula Vista Elementary School District	2,803	4.73%	n/a	n/a
Rohr Inc./Goodrich Aerospace	2,468	4.17%	n/a	n/a
Sharp Chula Vista Medical Center	1,823	3.08%	n/a	n/a
Southwestern Community College	1,699	2.87%	n/a	n/a
Wal-Mart	1,239	2.09%	n/a	n/a
City of Chula Vista	1,154	1.95%	n/a	n/a
Scripps Mercy Hospital Chula Vista	1,132	1.91%	n/a	n/a
Target	659	1.11%	n/a	n/a
24 Hour Fitness	568	0.96%	n/a	n/a

<sup>1</sup> 2005 data is not available.

"Total Employment" as used above represents the total employment of all employers located within City limits.

Source: State Employment Development Department  
City Finance Department  
Sweetwater Union High School District  
Chula Vista Elementary School District  
Southwestern Community College

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

---

<u>Function</u>	Full-Time and Part-time Employees as of June 30									
	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
General government	193	380	324	302	272	273	258	269	282	312
Public safety	528	518	548	504	476	468	448	432	432	425
Public works/engr	335	198	237	188	181	175	155	159	164	161
Parks and recreation	175	230	242	223	169	164	112	115	115	130
Library	217	252	227	196	189	73	41	76	82	77
Planning and building	91	97	83	68	63	62	54	55	49	49
Total	<u>1,539</u>	<u>1,675</u>	<u>1,661</u>	<u>1,481</u>	<u>1,350</u>	<u>1,215</u>	<u>1,068</u>	<u>1,106</u>	<u>1,124</u>	<u>1,154</u>

Source: City Finance Department



**CITY OF CHULA VISTA**  
**Operating Indicators**  
**by Function**  
**Last Ten Fiscal Years**

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>Police:</b>										
Citizen-initiated calls for service	74,106	73,075	74,277	74,192	70,051	68,601	65,186	64,885	66,319	65,645
<b>Fire:</b>										
Number of emergency calls <sup>1</sup>	9,907	n/a	14,853	14,548	14,983	11,490	11,319	12,863	12,950	14,787
Inspections	n/a	1,780	2,119	n/a	3,676	2,898	2,389	2,205	2,390	2,262
<b>Public works:</b>										
Street resurfacing/maintenance <sup>2</sup> (square feet)	142,864	230,598	157,903	77,507	108,745	84,276	99,978	55,398	121,428	38,087
<b>Parks and recreation:</b>										
Number of recreation classes	1,709	1,821	2,231	2,575	2,149	2,301	2,008	1,914	2,572	2,456
Number of facility rentals	680	610	855	1,217	969	1,175	1,524	2,028	1,915	1,781
<b>Library:</b>										
Circulation	1,414,295	1,467,799	1,344,115	1,265,720	1,160,139	985,157	952,847	982,688	992,005	954,071
Attendance	1,121,119	1,170,168	1,148,024	1,296,245	820,243	605,979	614,841	722,310	832,975	822,895
<b>Sewer:</b>										
New connections	1,934	488	529	165	468	469	287	646	968	553
Average daily sewage treatment (millions of gallons)	17.0	16.9	17.0	16.8	16.5	16.2	16.3	15.9	15.7	15.5

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

<sup>2</sup> Excludes filling of potholes and crack sealing.

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

Source: City of Chula Vista

**CITY OF CHULA VISTA**

**Capital Assets Statistics  
by Function**

**Last Ten Fiscal Years**

	Fiscal Year					Fiscal Year				
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Fire:										
Fire stations	8	9	9	9	9	9	9	9	9	9
Public works:										
Streets (miles)	373.8	387.3	403.3	416.9	421.0	429.5	429.5	429.5	429.5	433.9
Streetlights	8,368	8,501	8,953	9,013	9,026	9,052	9,054	9,066	9,069	9,069
Traffic signals	199	220	238	253	267	267	268	269	273	273
Parks and recreation:										
Parks (acreage) <sup>1</sup>	406.4	482.8	504.1	504.1	504.1	504.1	523.1	530.7	530.7	527.7
Recreation facilities	9	12	12	12	11	11	11	11	11	11
Library:										
Libraries	2	2	2	2	2	2	2	3	3	3
Sewer:										
Sewer pipes (miles)	455.8	471.3	484.2	493.8	496.5	505.0	505.0	505.0	505.0	511.3
Storm drains (miles)	219.9	228.6	234.0	244.7	245.3	248.9	248.9	249.0	249.0	255.2
Maximum daily treatment capacity (millions of gallons)	20.9	20.9	20.9	20.9	20.9	20.9	20.9	20.9	20.9	20.9

<sup>1</sup> Includes community, neighborhood, special purpose, mini, and urban parks.

Source: City of Chula Vista