CITY OF
CHULA VISTA

California

Comprehensive Annual Financial Report

Year Ended **June 30, 2018**

CITY OF
CHULA VISTA
State of California

Comprehensive Annual Financial Report

For The Fiscal Year Ended June 30, 2018

Mayor
Mary Casillas Salas

City Council

Patricia Aguilar
Mike Diaz
John McCann
Stephen Padilla

City Manager
Gary Halbert

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

CITY OF
CHULA VISTA

CITY OF CHULA VISTA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

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CITY OF
CHULA VISTA

CITY OF CHULA VISTA

Finance Department

January 31, 2019

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, 2018 is hereby submitted to you. The City compiles and prepares the annual financial report to provide interested parties with reliable information concerning the financial condition and results of operations for the City.

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

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

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

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

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

Profile of the Government

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

Chula Vista was incorporated in 1911, and functions under a City Charter with a Council/Manager form of government. The City is governed by a four-member Council and a Mayor, who serves four-year overlapping terms, and, in addition to the City Attorney, is elected on a citywide basis. The City Council appoints the City Manager and the City Clerk. Municipal services provided include police, fire, parks, 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 US Census Bureau estimates that the median household income in Chula Vista is $70,197.

The City of Chula Vista, with a population of approximately 270,471, per the US Census is the second largest community in San Diego County. The San Diego Association of Governments (SANDAG) projects that the City of Chula Vista will reach a population of approximately 345,586 by the year 2050. SANDAG's 2050 Growth Forecast indicates that the South County sub region will continue to host a substantial amount of the region's projected growth over the next three decades, primarily through new development in the eastern portion of the City.

Long-Term Financial Planning

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

The forecast anticipated moderate revenue growth for the next ten years and identified a structural imbalance beginning in fiscal year 2019, primarily due to expenses related to pension, healthcare, and public safety staffing costs.

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

Internal Controls

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

Budgetary Controls

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

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

Independent Audit

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

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

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Chula Vista for its Comprehensive Annual Financial Report for the year ended June 30, 2017. This was the 18th consecutive year that the City has received this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized Comprehensive Annual Financial Report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

Acknowledgments

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

Respectfully submitted,

David Bilby

David Bilby

Director of Finance/Treasurer

City of Chula Vista
List of City Officials
As of June 30, 2018

City Council

Mary Casillas Salas	Mayor
Mike Diaz	Deputy Mayor
Patricia Aguilar	Councilmember
John McCann	Councilmember
Stephen Padilla	Councilmember

Administration

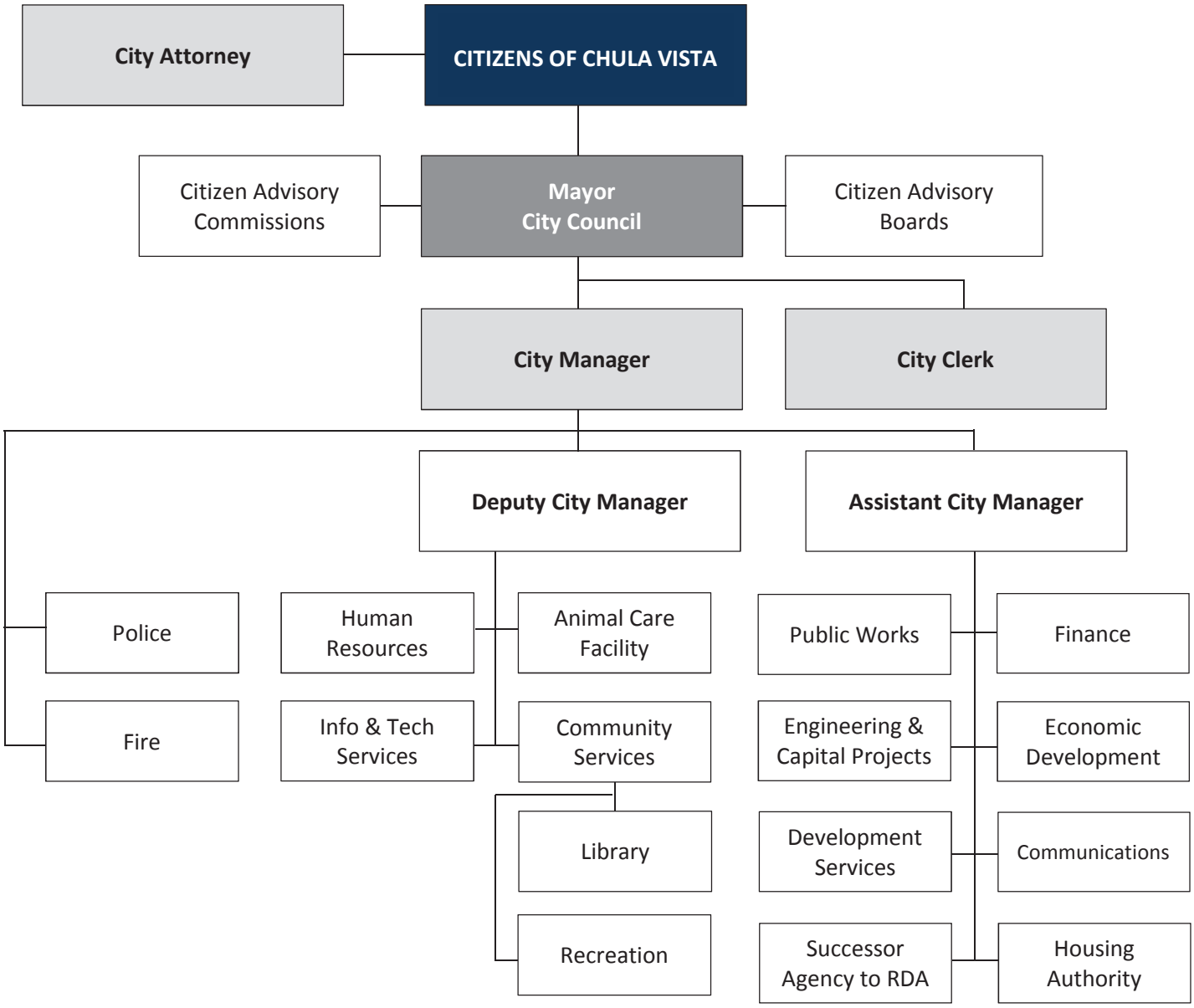
Gary Halbert	City Manager
Maria Kachadoorian	Assistant City Manager
Kelley Bacon	Deputy City Manager
Glen R. Googins	City Attorney
Kerry K. Bigelow	City Clerk

Department Heads

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

CITY OF CHULA VISTA

Organizational Chart



Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Chula Vista

California

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2017

Christopher P. Morrill

Executive Director/CEO

CITY OF
CHULA VISTA

LSL

CPAs AND ADVISORS

INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Chula Vista, California, (the City) as of and for the year ended June 30, 2018, 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.

LSL
CPAs AND ADVISORS

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, 2018, 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 12 to the financial statements, in 2018 the City adopted new accounting guidance, *GASB Statement No. 75, Accounting and Financial Reporting for Post-Employment Benefits Other Than Pensions*. 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 management's discussion and analysis, the budgetary comparison schedules for the general fund, the sundry grants special revenue fund, the housing successor agency special revenue fund, the schedule of changes in net pension liability and related ratios – miscellaneous, the schedule of plan contributions – miscellaneous, the schedule of changes in net pension liability and related ratios – safety, the schedule of plan contributions – safety, and the schedule of changes in the total OPEB liability and relations ratios be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

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

LSL
CPAs AND ADVISORS

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 31, 2019 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the City's effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Lance, Soll & Lunghard, LLP

Brea, California
January 31, 2019

CITY OF
CHULA VISTA

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, 2018. We encourage the readers of this document to consider the information presented here in conjunction with additional information furnished in the letter of transmittal found in the introductory section of this annual report.

FINANCIAL HIGHLIGHTS

The following outlines financial highlights for the year:

1. The assets and deferred outflows of the City exceeded its liabilities and deferred inflows at June 30, 2018 by $1,374.0 million (net position). Of this amount, negative $127.5 million was reported as "unrestricted net position." This figure represents an increase in unrestricted net position of $22.9 million. The significant negative unrestricted net position is primarily attributed to net pension liabilities, as required by Governmental Accounting Standards Board (GASB) Statements related to recognition of net pension liabilities within the City's financial statements.

2. Total unrestricted net position was $83.1 million higher for governmental activities than last fiscal year, an increase of 37.29%. For business type activities, unrestricted net position was $6.2 million higher than the previous year, an 8.53% increase.

3. The City's total net position increased by $30.7 million in fiscal year 2018. The net position of governmental activities increased by $30.6 million, while the net position of the business type activities increased by $0.1 million.

4. The City's governmental funds reported combined ending fund balances of $258.4 million, an increase of $101.3 million, or 64.44%.

5. Total citywide liabilities increased by $121.7 million. Liabilities for governmental activities increased by $116.7 million and business-type activities increased by $5.0 million.

6. The City's total long-term debt obligations had a net increase of $73.8 million or 57.94% during fiscal year 2018. The increase is primarily due to the issuance of 2017 Lease Revenue Bonds, 2017 Lease Revenue Bonds Series A (New Clean Renewable Energy-Federal Taxable), Lease Revenue Bonds Series B (Tax Exempt), by the Chula Vista Municipal Financing Authority totaling $74.5 million, and new capital leases for a Pierce Fire Engine ($1.2 million), PSA System ($1.3 million), Mail folding machine $.016 million and amortization of bond premium/discount of $8.7 million.

7. On June 5, 2018, the City's voters approved Measure A, a $0.50 sales tax to fund public safety staffing and services. This sales tax will be collected in perpetuity and is estimated to provide approximately $18.3 million annually. In fiscal year 2017-18, no Measure A taxes were collected, since its effective date was October 1, 2018.

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, the Development Services Fund, and the Chula Vista Elite Athlete Training Center Fund.

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

Fund Financial Statements and Major Component Unit Financial Statements

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

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

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

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

As of Fiscal Year 2017-18, the City numerous governmental funds within the adopted budget. However, within this document, the funds are summarized as follows for presentation purposes:

Fund Category	Major Funds	Non-Major Funds	Total
General Fund	1	0	1
Special Revenue	2	15	17
Capital Project	2	8	10
Debt Service	2	2	4
Permanent	0	0	0
Total Presented	**7**	**25**	**32**

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

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

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

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

Notes to the Financial Statements

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

Required Supplementary Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information 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 $1,374.0 million at the close of the fiscal year ending June 30, 2018. This is a net increase of $30.7 million when compared to the prior year. There was an increase in the City's governmental funds of $83.1 million and an increase in business-type activities of $0.07 million. A summary schedule follows which shows the components that make up the City's net position at June 30, 2018 and 2017, and both years reflect GASB 68 & 71 compliance.

City of Chula Vista
Net Position
Fiscal Year Ending June 30

	Governmental Activities		Business-Type Activities		Total	
	2018	2017	2018	2017	2018	2017
Current Assets	$ 221,781,918	$ 168,677,989	$ 113,276,199	$ 106,748,606	$ 335,058,117	$ 275,426,595
Non-Current Assets	72,980,579	7,553,881	(370,067)	(1,054,835)	72,610,512	6,499,046
Capital Assets	1,160,011,130	1,147,395,093	327,687,650	331,199,513	1,487,698,780	1,478,594,606
Total Assets	1,454,773,627	1,323,626,963	440,593,782	436,893,284	1,895,367,409	1,760,520,247
Deferred outflow of resources	77,937,482	61,912,385	6,759,961	5,432,012	84,697,443	67,344,397
Total Deferred Outflows	77,937,482	61,912,385	6,759,961	5,432,012	84,697,443	67,344,397
Current Liabilities	35,429,249	25,816,050	1,588,713	2,143,084	37,017,962	27,959,134
Non-Current Liabilities	521,981,978	414,896,571	38,656,062	33,134,868	560,638,040	448,031,439
Total Liabilities	557,411,227	440,712,621	40,244,775	35,277,952	597,656,002	475,990,573
Deferred inflows of resources	7,490,286	7,653,312	882,264	887,450	8,372,550	8,540,762
Total Deferred Inflows	7,490,286	7,653,312	882,264	887,450	8,372,550	8,540,762
Net Position						
Net Investment in Capital Assets	1,029,933,503	1,031,902,782	327,687,650	331,199,513	1,357,621,153	1,363,102,295
Restricted	143,958,910	128,114,370	-	2,593,403	143,958,910	130,707,773
Unrestricted	(206,082,817)	(222,843,737)	78,539,054	72,366,978	(127,543,763)	(150,476,759)
Total Net Position	**$ 967,809,596**	**$ 937,173,415**	**$ 406,226,704**	**$ 406,159,894**	**$ 1,374,036,300**	**$ 1,343,333,309**

As the table above illustrates, an amount of $1,357.6 million is reported as invested in capital assets (e.g. land, streets, sewers, buildings, improvements, equipment and work in progress), less any related debt used to acquire those assets that are still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

A portion of the City's net position is restricted – $144.0 million or 10.48% – and represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position – ($127.5 million) or (9.28%) – reflects the recordation of net pension and OPEB liabilities required per requisite GASB statements.

At the end of the fiscal year, the City was able to report overall positive balances in all three categories of net position for business-type activities, however both the government as a whole, as well as the separate governmental activities show negative unrestricted net position as a result of the required recognition of net pension and OPEB liabilities, per GASB statements.

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.

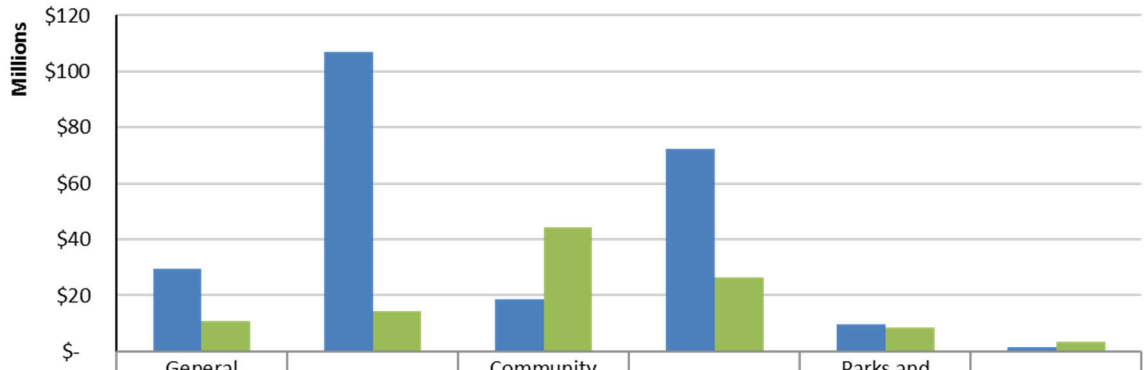
City of Chula Vista
Summary of Changes in Net Position
Fiscal Year Ending June 30

	Governmental Activities		Business-Type Activities		Total	
	2018	2017	2018	2017	2018	2017
Revenues:						
Program Revenues:						
Charges for Services	$ 52,511,700	$ 67,481,800	$ 49,668,903	$ 43,692,874	$ 102,180,603	$ 111,174,674
Operating Grants & Contributions	21,246,015	22,751,556	104,899	-	21,350,914	22,751,556
Capital Grants & Contributions	33,859,885	5,619,731			33,859,885	5,619,731
General Revenues:					-	-
Property Taxes	56,512,850	53,248,196			56,512,850	53,248,196
Sales Taxes	57,541,043	36,469,033			57,541,043	36,469,033
Franchise Taxes	11,750,192	11,515,850			11,750,192	11,515,850
Utility User Taxes	5,563,291	5,786,326			5,563,291	5,786,326
Business License Taxes	1,532,647	1,558,887			1,532,647	1,558,887
Transient Occupancy Taxes	4,104,886	3,650,442			4,104,886	3,650,442
Property Transfer Taxes	1,340,086	1,176,358			1,340,086	1,176,358
Construction Taxes	8,205,054	413,914			8,205,054	413,914
Investment Earnings	5,652,663	2,954,403	1,155,739	322,527	6,808,402	3,276,930
Miscellaneous	12,675,502	1,677,271	414,696	198,847,750	13,090,198	200,525,021
Transfer from Successor Agency	(1)				(1)	-
Gain (Loss) Disposal of Capital Assets		8,970		115,703	-	124,673
Total Revenues	**272,495,813**	**214,312,737**	**51,344,237**	**242,978,854**	**323,840,050**	**457,291,591**
Expenses:						
General Government	$ 29,311,449	$ 35,375,230			$ 29,311,449	$ 35,375,230
Public Safety	106,802,130	94,716,683			106,802,130	94,716,683
Community Development	18,617,269	1,552,750				
Community Services		14,990			-	14,990
Public Works	72,192,449	68,885,918			72,192,449	68,885,918
Parks and Recreation	9,553,392	6,875,635			9,553,392	6,875,635
Library	1,542,733	5,018,878			1,542,733	5,018,878
Interest on Long-Term Debt	7,718,905	4,673,047			7,718,905	4,673,047
Sewer Funds			34,857,066	32,179,875	34,857,066	32,179,875
Bayfront Trolley Station			27		27	-
Transit			13,008	39,594	13,008	39,594
Sewer DIFs			34,547	8,305	34,547	8,305
Development Services Fund			10,683,709	6,655,654	10,683,709	6,655,654
Chula Vista Mini Golf Course			-	27,092	-	
Chula Vista Elite Athlete Training Ctr			676,260	449,028	676,260	
Total Expenses	**245,738,327**	**217,113,131**	**46,264,617**	**39,359,548**	**273,385,675**	**254,443,809**
Increase/(Decrease) in Net Position Before Transfers	26,757,486	(2,800,394)	5,079,620	203,619,306	31,837,106	200,818,912
Transfers	4,170,702	4,180,778	(4,170,702)	(4,180,778)	-	-
Extraordinary Gain (Loss)	-	-	-	-	-	-
Change in Net Position	**30,928,188**	**1,380,384**	**908,918**	**199,438,528**	**31,837,106**	**200,818,912**
Net Position, Beginning of Year - Restated	936,881,408	935,793,031	405,317,786	206,721,366	1,342,199,194	1,142,514,397
Net Position, End of Year	**$ 967,809,596**	**$ 937,173,415**	**$ 406,226,704**	**$ 406,159,894**	**$ 1,374,036,300**	**$ 1,343,333,309**

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

Governmental Activities

Governmental activities increased the City's net position by $30.7 million, which partially offset the City's negative unrestricted net position due to pension and OPEB related liabilities and restatements of beginning net position. The City received a total of $107.6 million in program revenues from governmental activities in fiscal year 2017-18, an increase of $11.8 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.



	General Government	Public Safety	Community Development	Public Works	Parks and Recreation	Library
Expenses	$29,311,449	106,802,130	18,617,269	72,192,449	9,553,392	1,542,733
Program Revenues	$10,842,315	14,502,251	44,418,844	26,205,091	8,301,676	3,347,423

Total program revenues from governmental activities were $107.6 million in fiscal year 2017-18. 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 $15.0 million for governmental activities when compared to the previous year. Changes by service category are summarized in the table below.

Charges for Services
As of June 30

Service Category	2018	2017	Increase/ (Decrease)
General Government	$ 8,562,792	$ 12,317,921	$ (3,755,129)
Public Safety	178,674	11,997,221	(11,818,547)
Community Development	17,920,527	771,603	17,148,924
Public Works	23,487,119	32,598,199	(9,111,080)
Parks and Recreation	1,490,236	8,221,019	(6,730,783)
Library	872,352	1,575,837	(703,485)
Total Charges for Services	**$ 52,511,700**	**$ 67,481,800**	**$ (14,970,100)**

Operating Grants and Contributions for governmental activities had 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

Service Category	2018	2017	Increase/ (Decrease)
General Government	$ 2,204,996	$ 4,799,275	$ (2,594,279)
Public Safety	14,305,438	8,473,534	5,831,904
Community Development	4,643,084	-	4,643,084
Public Works	2,000	9,478,747	(9,476,747)
Library	90,497	-	90,497
Total Charges for Services	**$ 21,246,015**	**$ 22,751,556**	**$ (1,505,541)**

Capital Grants and Contributions for governmental activities had a net increase of $28.2 million from the previous fiscal year. Changes by service category are summarized in the table below.

Capital Grants and Contribution
As of June 30

Service Category	2018	2017	Increase/ (Decrease)
General Government	$ 74,527	$ 400,952	$ (326,425)
Public Safety	18,139	526,474	(508,335)
Community Services	21,855,233	75,000	21,780,233
Public Works	2,715,972	4,617,305	(1,901,333)
Parks and Recreation	6,811,440	-	6,811,440
Library	2,384,574	-	2,384,574
Total Charges for Services	**$ 33,859,885**	**$ 5,619,731**	**$ 28,240,154**

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 $164.9 million in fiscal year 2017-18. The largest percentage of general revenues received during the year for governmental activities were taxes of $146.6 million, which included Property Taxes of $56.5 million and Sales Taxes of $57.5 million.

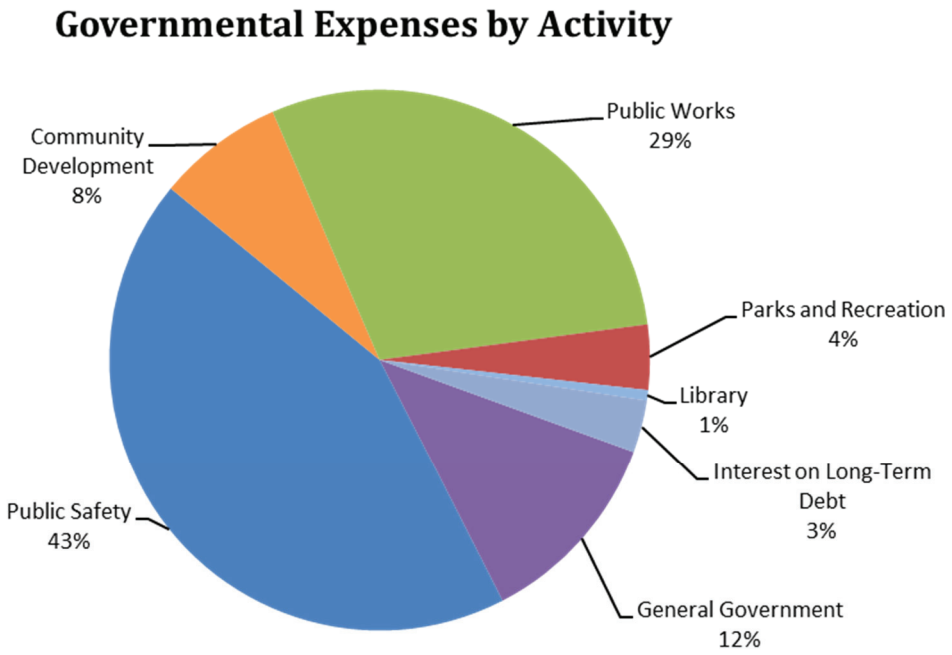
The City's General Revenues increased as a whole by $46.4million when compared to the prior fiscal year. While most of the revenue categories increased moderately from last year, there were significant increases in Property Taxes, Sales Taxes, Transient Occupancy Taxes, Construction Taxes, Investment Earnings, and Miscellaneous Revenues. These significant changes are described in detail below.

General Revenues
As of June 30

	2018	2017	Increase/ (Decrease)
Property Taxes	$ 56,512,850	$ 53,248,196	$ 3,264,654
Sales Taxes	57,541,043	36,469,033	21,072,010
Franchise Taxes	11,750,192	11,515,850	234,342
Utility User Taxes	5,563,291	5,786,326	(223,035)
Business License Taxes	1,532,647	1,558,887	(26,240)
Transient Occupancy Taxes	4,104,886	3,650,442	454,444
Property Transfer Taxes	1,340,086	1,176,358	163,728
Construction Taxes	8,205,054	413,914	7,791,140
Investment Earnings	5,652,663	2,954,403	2,698,260
Miscellaneous	12,675,502	1,677,271	10,998,231
Total General Revenues	**$ 164,878,214**	**$ 118,450,680**	**$ 46,427,534**

The increase in property tax revenue can be attributed to several factors combining favorably for FY18: an increase in total assessed property value; an increase in development, as evidenced by an increase in both residential and non-residential building permits; and a decrease county-wide in both Proposition 8 parcels and total number of foreclosures. The increase in sales tax revenue is largely attributable to the collection of the City's 0.5% Measure P transaction and use tax to fund asset replacement. Transient Occupancy Taxes increased due to the opening of a new hotel in the eastern portion of the City. The increase in Construction Taxes is primarily due to a significant increase in development activity as shown in the Economic Factors and Next Year's Budget section of the Management's Discussion and Analysis section as well as a new permit rate schedule adopted by City Council in fall 2017. The increase in Investment Earnings was largely due to a higher yield on the City's investment portfolio, along with a larger portfolio as reflection of bond proceeds' investment. Lastly, Miscellaneous Revenues increased due to revenue reported as unavailable revenue in the governmental funds and recognized in the statement of activities.

Total governmental activity type expenses were $245.7 million in fiscal year 2017-18. The largest expenses were incurred for Public Safety, Public Works and General Government. These three activities combined account for 84.77% of all general activity expenses. These expenses do not include capital outlays, which are reflected in the City's capital assets.



Business Type Activities

Net position for business-type activities was $406.2 million, an increase of $0.07million from the prior fiscal year. Overall expenses for the business-type activities showed a $6.9 million increase over the previous year. The increase is largely attributable to Sewer related activities ($2.7 million), and development services ($4.0 million.)

Total program revenues for business-type activities were $49.8 million and are composed primarily of sewer fees ($39.1 million) and development fees ($10.6 million). Total expenses for the business-type activities were $46.3 million and were mainly for expenses related to Sewer ($34.9 million) and processing of development permits and plans ($10.7 million).

FUND LEVEL FINANCIAL ANALYSIS

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

Governmental Funds

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

General Fund – The General Fund is used to account for the general operations of the City. It is used to account for all financial resources, except those required to be accounted for in another fund. The General Fund is always reported as a "major fund". For the fiscal year, the General Fund reported $163.4 million in revenues and $174.7 million in expenditures, resulting in expenditures exceeding revenues by the amount of $ 11.3 million. After accounting for net other financing sources of $77.6 million, General Fund fund balance increased by $66.4 million. The increase was created by the issuance of $61.4 million (par value) in Lease Revenue Bonds. This issuance also generated an additional $10.0 million in original issue premium.

Total fund balance at June 30, 2018 was $108.2 million, composed of $120.9 million in assets combined with $6.1 million in liabilities and $6.5 million in deferred inflows of resources. Total fund balance included $7.7 million of nonspendable, which represents that portion of fund balance that is not available for appropriation. Restricted fund balance represents the portion of fund balance that reflects constraints placed on the use of resources that are externally imposed by creditors, grantors, contributors, or laws or regulations of other governments. As of June 30, 2018, there is no restricted fund balance in the General Fund. Committed fund balance totaled $64.1 million. This portion of fund balance includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the City Council and remains binding unless removed in the same manner. Assigned fund balance, totaling $11.9 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 $24.5 million, this is the portion of fund balance that is available for appropriation for any purpose.

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

The Sundry Grants Fund had total revenues of $15.5 million and expenditures of $13.5 million, resulting in revenues over expenditures in the amount of $2.0 million. The Sundry Grants Fund equity increased by $1.3 million for the fiscal year, after accounting for net other financing uses of $0.7 million and a restatement of $0.3 million. Total fund balance at June 30, 2018 was $4.6 million, composed primarily of restricted fund balance, except for a small amount of nonspendable fund balance comprised of prepaid costs.

Housing Successor Agency Fund – The California legislature voted to end redevelopment agencies on February 1, 2012. This fund was created as a result of the dissolution process and was formerly known as the Low and Moderate Income Housing Fund. The City opted to become the Successor Agency to the Redevelopment Agency and to the Low and Moderate Housing Successor.

For the year, this fund had revenues of $4.6 million composed primarily of interest earnings, property rentals and loan repayments from affordable housing projects. Housing expenditure activities totaled $4.1 million, resulting in a fund equity increase of $0.4 million. Total fund balance as of June 30, 2018 was $10.3 million composed entirely of restricted fund balance.

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

Revenues for this fund totaled $19.9 million attributable to building permit fees for new development. Expenditures totaled $3.1 million, composed primarily of capital expenditures on Telegraph Canyon Drainage, Transportation DIF, and the Western Transportation DIF, which combined for $2.9 million.

Total fund equity increased by $11.6 million for the year. As of June 30, 2018, this fund had a fund balance totaling $46.1 million (all restricted fund balance), with assets comprised of mostly cash ($47.9 million), offset partially by $1.8 million in liabilities.

Other Transportation Program Fund – This fund accounts for Federal transportation grants passed through State of California received by the City. Programs include: Bike Facilities and Transportation, Highway Bridge Rehabilitation and Replacement, Highway Safety Improvements, and Active Transportation.

Total revenues for this fund totaled $9.7 million attributable to federal grants. Expenditures totaled $9.1 million, composed primarily of capital expenditures on Highway Bridge Replacement and Rehabilitation, Highway safety Improvement Program Smart Growth Grant and Develop Bicycle paths and pedestrians.

Total fund equity increased by $0.6 million for the year. As of June 30, 2018, this fund had a fund balance totaling $0.4 million, composed of restricted fund balance.

Public Financing Authority Fund – This fund was established to account for the principal and interest payments on the Chula Vista Public Financing Authority debt. Total fund balance as of June 30, 2018 was $6.3 million, composed primarily of committed fund balance. The fund balance increased slightly by $22,000 in fiscal year 2017-18 due to the net effects of a bond refinancing, and debt service payments.

Municipal Financing Authority Fund – This fund was established to account for the principal and interest payments on the Chula Vista Municipal Financing Authority debt. Total fund balance as of June 30, 2018 was $44,000, composed entirely of restricted fund balance. The fund balance increased by $19,000 in fiscal year 2017-18 due to a bond refinancing, and debt service payments.

Proprietary Funds

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

Sewer Fund– The Sewer fund is used to account for all activities related to providing sewer service to the residents of Chula Vista. Resources for the fund come primarily from sewer service charges paid for by users of the system. For the fiscal year, operating revenues totaled $38.1 million. In addition, non-operating revenues totaling $1.0 million were realized (interest income and gain on capital asset). Operating expenses totaled $34.8 million for the year, with the single biggest item being the cost of wastewater treatment by the City of San Diego in the amount of $25.8 million.

After accounting for all revenues and expenses, both operating and non-operating, net position of the fund increased by $1.5 million for the year, totaling $243.3 million as of June 30, 2018. Of total net position, $130.5 million is designated for sewer system infrastructure such as pump stations, sewer lines and other related equipment and therefore not available to fund the day-to-day operations of the sewer system. Current assets total $107.4million, comprised of cash and investments ($101.6 million) and accounts receivable ($5.7 million). Fund liabilities at the end of the fiscal year totaled $16.2 million, of which $0.9 million were considered current liabilities. The fund has no outstanding bonded debt.

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

Operating revenues totaled $1.2 million. In addition, non-operating revenues and expenses nearly netted to zero represented by interest income and interest expense, respectively. Operating expenses totaled $9,000 for the year, comprised of administration and depreciation.

Net position of the fund was negative $15.3 million primarily due to an interfund loan and was comprised of $4.0 million in assets and $19.2 million in liabilities. There are no deferred outflows or inflows.

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

Operating revenues totaled $10.6 million and were primarily comprised of permits and fees. Operating expenses totaled $10.7 million for the year, mostly comprised of personnel service costs. Nonoperating revenues and expenses were comprised of interest revenue. Transfers sums reflect funding to and from other funds for subsidies and overhead expenses.

Net position of the fund was negative $18.7 million primarily due to long-term pension liabilities. Assets (both current and noncurrent) totaled $1.6 million. Current liabilities were $0.6 million and were largely attributed to compensated absences accrual ($0.3 million), accrued liabilities ($0.2 million), and accounts payable ($0.1 million). Noncurrent liabilities totaled $ 23.3 million and were mainly due to pension liabilities. Likewise, the deferred outflows and inflows, $4.1 million and $0.5 million, respectively were pension related.

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

Operating revenues in fiscal year totaled $0.1 million. Operating expenses of $0.7 million were comprised of administration (0.2 million), as well as depreciation ($0.5 million). The primary asset in this fund was the noncurrent asset of land and facilities of the CVEATC in the amount of $197.0 million. Current liabilities totaled $0.1 million. The CVEATC fund had no noncurrent liabilities, nor deferred inflows or outflows. Net position of the fund was $197.0 million primarily due to the facility contribution from the US Olympic Committee in January 2017.

GENERAL FUND BUDGETARY HIGHLIGHTS

The final amended general fund budget totaled $269,643,132 including $35,426,485 in budget amendments to the originally adopted budget and encumbrances of $12,171,397 which will fund contractual obligations and outstanding purchase orders. The budget amendments occurred because of: modification of spending specific to Measure P, the City's half cent sales tax which will fund infrastructure repair/replacement over the next several years; staffing and organizational changes within various City departments; transfers out to other funds; and new supplies and services appropriations approved subsequent to budget adoption. The General Funds' budget amendments of $35,426,485 are summarized as follows:

Resolution	Budget Amendments	Expenditure
2017-174	CIPs (Measure P)	$18,685,973
2017-166	707 F St Demolition (Economic Development)	$500,000
2017-208	First Quarter Budget Adjustments	$8,695,841
2017-212	Tree Trimming Contract (Public Works)	$45,000
2018-007	State Grant for Hourly Staffing (Police)	$43,289
2018-015	CIP Transfers (Measure P)	$0
2018-033	Second Quarter Budget Adjustments	$2,426,667
2018-049	SANDAG Grant (Economic Development)	$2,790
2018-050	PLT Fund Bal Appropriation (City Attorney)	$996,606
2018-055	Election Costs (Clerk/Non-Departmental)	$0
2018-066	Donations (Recreation)	$12,280
2018-094	Sweetwater Grant (Economic Development)	$5,000
2018-106	Third Quarter Budget Adjustments	$536,714
2018-212	FY2018 Year-End Budget Adjustments	$3,476,325
	TOTAL GENERAL FUND BUDGET AMENDMENTS	**$35,426,485**

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, 2018, amounts to $1,494.8 million, net of accumulated depreciation of $607.0 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 $7.5 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, 2018, the City had $201.3 million in debt outstanding compared to $127.5 million last year, a net increase of 57.9%. The majority of this debt is in the form of Lease Revenue Bonds ($92.1 million), and Certificates of Participation ($78.3 million). The remainder of the outstanding long-term debt is in the form of a CDBG Section 108 Loan, bond premium, notes payable, and capital lease obligations. The City has no outstanding general obligation debt.

The City made principal payments of $13.3 million during the fiscal year. In July 2017, the Chula Vista Municipal Financing Authority issued $61,355,000 in 2017 Lease Revenue Bonds to finance infrastructure, facilities and equipment and to pay the cost of the issuance of the bonds. In December 2017, the Chula Vista Municipal Financing Authority issued $12,045,000 in 2017 Lease Revenue Bonds Series 2017A (New Clean renewable energy bonds-Federally Taxable) and $1,085,000 in Series 2017B Lease Revenue Bonds (Tax-Exempt) to finance photovoltaic energy systems at various City facilities. The City also initiated $2.6 million in capital leases.

As of June 30, 2018, the City has maintained its AA- rating by Standard & Poor's for Certificates of Participation, which represents a stable outlook. In addition, the Chula Vista Municipal Financing Authority and Chula Vista Public Financing Authority had their ratings upgraded to AA- by Standard & Poor's during the fiscal year. 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 2017-18 fiscal year was $28,361,433,004. This is an increase of $1,607,434,581, or 6.01% over the 2016-17 assessed valuation. It should be noted that assessed value was set as of January 1, 2017. Actual current secured property tax revenues for the 2017-18 fiscal year totaled $32.3 million, which is $2.59 million more than collected in the prior year.

Building Activity

The valuation of all building and related permits totaled $806.9 million for the 2017-18 fiscal year. This is approximately 176.0% more than the valuation of $292.3 million for these permit categories in the prior fiscal year.

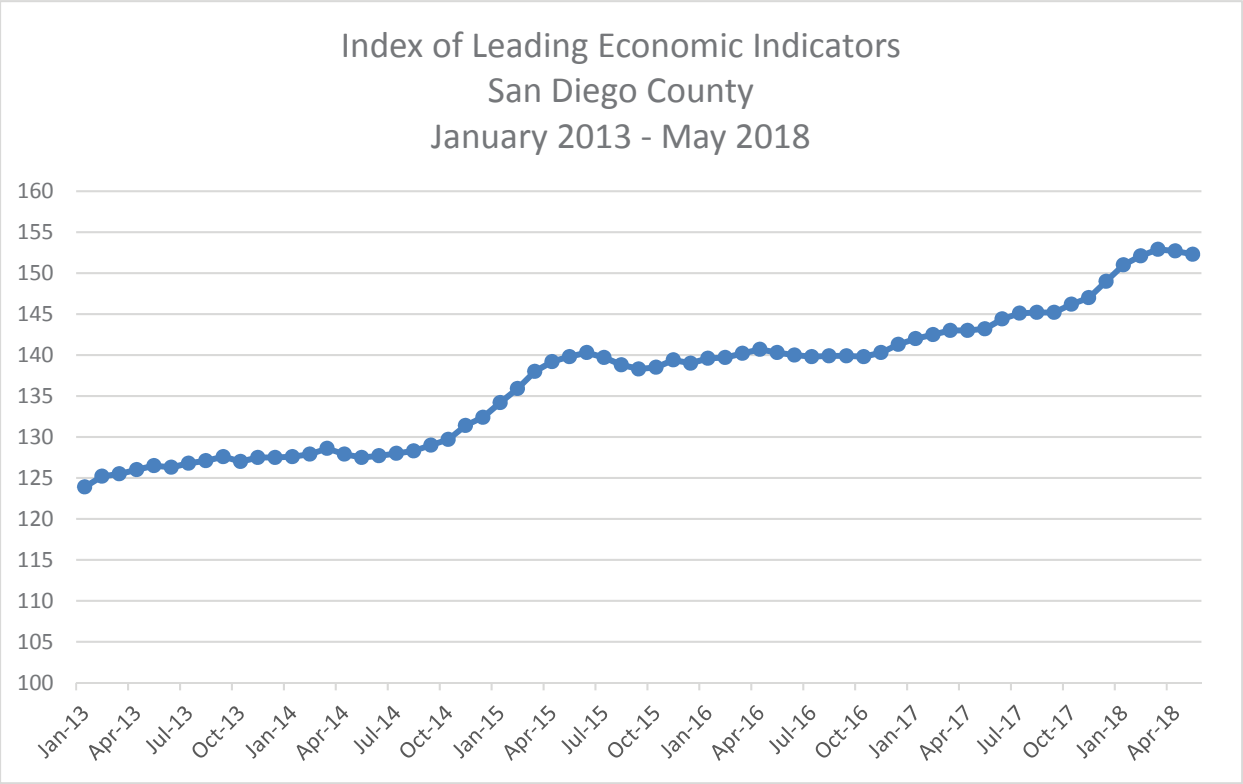
	As of June 30			
Building Permit Valuation	**2018**	**2017**	**Change $**	**Change %**
Residential	$ 543,235,091	$ 180,578,202	$ 362,656,889	200.8%
Non-Residential	186,821,332	29,124,307	$ 157,697,025	541.5%
Additions & Alterations	76,434,364	82,497,090	$ (6,062,727)	-7.3%
Demolitions	412,000	113,750	$ 298,250	262.2%
Total	$ 806,902,786	$ 292,313,349	$ 514,589,437	176.0%

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

Local Economy

The USD Burnham-Moores Center for Real Estate's Index of Leading Economic Indicators for San Diego County was flat for the first three months of Fiscal Year 2017-18, after which it rose significantly, peaking in March 2018, as illustrated in the chart below. The index increased for most FY 2017-18 period, prior to plateauing in spring 2018, when it set its highest mark since the commencement of economic recovery after the 2007-2009 severe recessions. Positive but slower growth is expected for the rest of the year and through 2018.

As of May 2018 (the latest USD data available), Consumer confidence had continued to move forward, rising for the 23rd month in a row. At the same time, the national labor market continued in full employment territory, with the national unemployment rate at 3.8% and 223,000 jobs created in May 2018. GDP growth was sluggish through March 2018, then gained strength in the last quarter of FY 2017-18 with an increase of 4.2%. The third and final estimate of growth for the third quarter 2018 remains positive at 3.4%, although slightly below the strong performance of the prior quarter.



June 2018 home prices in San Diego County were up 8.5% 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 $650,000 Four of Chula Vista's five zip codes saw increases in the median listing price of single-family residences according to the report. (Note, July 2017 data is adjusted, per Zillow.) Overall, and consistent with most cities and counties across the nation, Chula Vista continues to move forward in its economic recovery.

Data for June 2018 Compared to July 2017

		Median Price		
Zip Code	Locale	2018	2017	Percent Change
91910	North	547,000	499,000	9.6%
91911	South	499,190	450,000	10.9%
91913	Eastlake	553,900	505,000	9.7%
91914	NE	730,000	764,000	-4.5%
91915	SE	514,950	499,000	3.2%

Fiscal Year 2018-19 Budget

The City ended the 2017-18 fiscal year with an unassigned fund balance of $24.5 million and a committed fund balance of $64.1 million, including $60.0 million in Measure P bond proceeds and transaction & use taxes, and $3.8 million for Economic Contingency Reserves within the General Fund.

In June 2018, the Chula Vista City Council adopted the fiscal year 2018-19 budget which provides $347.5 million in appropriations to fund all City activities. The General Fund budget total $174.7million. The City continues to adopt a one-year budget.

The City's property tax values continue to recover from the late 2000's national mortgage crisis and recession. Based on information received from the San Diego County Assessor, Chula Vista's projected change in total assessed value for fiscal year 2018-19 is 5.72% compared to 2017-18 total assessed values. Management budgeted anticipated property tax revenue growth in 2018-19 at 5.0% greater than 2017-18 actual revenue.

REQUESTS FOR INFORMATION

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

CITY OF
CHULA VISTA

BASIC FINANCIAL STATEMENTS

CITY OF
CHULA VISTA

GOVERNMENT-WIDE FINANCIAL STATEMENTS

CITY OF
CHULA VISTA

CITY OF CHULA VISTA

STATEMENT OF NET POSITION
JUNE 30, 2018

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current assets:			
Cash and investments	$ 162,084,322	$ 107,362,997	$ 269,447,319
Receivables:			
Accounts	6,113,365	5,838,166	11,951,531
Taxes	12,120,759	-	12,120,759
Accrued interest	550,613	-	550,613
Deferred loans	53,243,245	-	53,243,245
Allowance for uncollectible loans	(39,534,303)	-	(39,534,303)
Due from Successor Agency of Chula Vista RDA	10,109,831	-	10,109,831
Prepaid costs	341,122	75,036	416,158
Due from other governments	16,752,964	-	16,752,964
Total Current Assets	221,781,918	113,276,199	335,058,117
Non-current assets:			
Restricted assets:			
Cash and investments	804,373	-	804,373
Cash with fiscal agent	71,806,139	-	71,806,139
Internal balances	370,067	(370,067)	-
Capital assets not being depreciated	499,570,287	184,851,555	684,421,842
Capital assets, net of depreciation	660,440,843	142,836,095	803,276,938
Total non-current assets	1,232,991,709	327,317,583	1,560,309,292
Total Assets	**1,454,773,627**	**440,593,782**	**1,895,367,409**
Deferred Outflows of Resources:			
Deferred charge on refunding	4,897,457	-	4,897,457
Deferred items related to pensions	72,895,720	6,743,949	79,639,669
Deferred items related to OPEB	144,305	16,012	160,317
Total Deferred Outflows of Resources	**77,937,482**	**6,759,961**	**84,697,443**
LIABILITIES			
Current liabilities:			
Accounts payable	8,261,068	445,916	8,706,984
Accrued liabilities	2,995,082	286,781	3,281,863
Accrued interest	1,833,143	-	1,833,143
Retention payable	-	38,434	38,434
Unearned revenue	140,196	384,471	524,667
Compensated absences due within one year	5,048,956	433,111	5,482,067
Claims payable - due within one year	4,000,000	-	4,000,000
Developer deposits payable	1,484,478	-	1,484,478
Short-term portion of bonds, leases, and notes payable	11,666,326	-	11,666,326
Total current liabilities	35,429,249	1,588,713	37,017,962
Non-current liabilities:			
Compensated absences - due in more than one year	2,329,232	196,532	2,525,764
Claims payable - due in more than one year	18,880,705	-	18,880,705
Total OPEB liability	13,231,402	1,468,137	14,699,539
Net pension liability	297,893,931	36,974,148	334,868,079
Long-term portion of bonds, leases, and notes payable	189,646,708	17,245	189,663,953
Total non-current liabilities	521,981,978	38,656,062	560,638,040
Total Liabilities	**557,411,227**	**40,244,775**	**597,656,002**
Deferred Inflows of Resources:			
Deferred items related to pensions	7,490,286	882,264	8,372,550
Total Deferred Inflows of Resources	**7,490,286**	**882,264**	**8,372,550**
Net Position:			
Net investment in capital assets	1,029,933,503	327,687,650	1,357,621,153
Restricted for:			
Community development projects	22,510,508	-	22,510,508
Public safety	2,648,274	-	2,648,274
Parks and recreation	1,653,324	-	1,653,324
Capital projects	116,954,069	-	116,954,069
Debt service	168,899	-	168,899
Library	23,836	-	23,836
Unrestricted	(206,082,817)	78,539,054	(127,543,763)
Total Net Position	**$ 967,809,596**	**$ 406,226,704**	**$ 1,374,036,300**

See Notes to Financial Statements

STATEMENT OF ACTIVITIES
JUNE 30, 2018

		Program Revenues			
	Expenses	Charges for Services	Operating Contributions and Grants	Capital Contributions and Grants	Total Program Revenues
Functions/Programs					
Primary Government:					
Governmental Activities:					
General government	$ 29,311,449	$ 8,562,792	$ 2,204,996	$ 74,527	$ 10,842,315
Public safety	106,802,130	178,674	14,305,438	18,139	14,502,251
Community development	18,617,269	17,920,527	4,643,084	21,855,233	44,418,844
Public works	72,192,449	23,487,119	2,000	2,715,972	26,205,091
Parks and recreation	9,553,392	1,490,236	-	6,811,440	8,301,676
Library	1,542,733	872,352	90,497	2,384,574	3,347,423
Interest on long-term debt	7,718,906	-	-	-	-
Total Governmental Activities	**245,738,328**	**52,511,700**	**21,246,015**	**33,859,885**	**107,617,600**
Business-Type Activities:					
Sewer Fund	34,857,066	37,870,947	-	-	37,870,947
Sewer Development Impact Fees	34,547	1,201,669	-	-	1,201,669
Development Services Fund	10,683,709	10,596,287	-	-	10,596,287
CV Elite Athlete Training Ctr	676,260	-	-	-	-
Bayfront Trolley Station	27	-	-	-	-
Transit Fund	13,008	-	104,899	-	104,899
Chula Vista Muni Golf Course	-	-	-	-	-
Total Business-Type Activities	**46,264,617**	**49,668,903**	**104,899**	**-**	**49,773,802**
Total Primary Government	**$ 292,002,945**	**$ 102,180,603**	**$ 21,350,914**	**$ 33,859,885**	**$ 157,391,402**

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
Transfers

Total General Revenues and Transfers

Change in Net Position

Net Position at Beginning of Year

Restatement of Net Position

Net Position at Beginning of Year, as restated

Net Position at End of Year

Net (Expenses) Revenues and Changes in Net Position		
Primary Government		
Governmental Activities	Business-Type Activities	Total
$ (18,469,134)	$ -	$ (18,469,134)
(92,299,879)	-	(92,299,879)
25,801,575	-	25,801,575
(45,987,358)	-	(45,987,358)
(1,251,716)	-	(1,251,716)
1,804,690	-	1,804,690
(7,718,906)	-	(7,718,906)
(138,120,728)	**-**	**(138,120,728)**
-	3,013,881	3,013,881
-	1,167,122	1,167,122
-	(87,422)	(87,422)
-	(676,260)	(676,260)
-	(27)	(27)
-	91,891	91,891
-	-	-
-	**3,509,185**	**3,509,185**
(138,120,728)	**3,509,185**	**(134,611,543)**
56,512,850	-	56,512,850
4,104,886	-	4,104,886
57,541,043	-	57,541,043
11,750,192	-	11,750,192
1,532,647	-	1,532,647
5,563,291	-	5,563,291
8,205,054	-	8,205,054
1,340,086	-	1,340,086
5,652,663	1,155,739	6,808,402
12,675,502	414,696	13,090,198
4,170,702	(4,170,702)	-
169,048,916	**(2,600,267)**	**166,448,649**
30,928,188	908,918	31,837,106
937,173,415	406,159,894	1,343,333,309
(292,007)	(842,108)	(1,134,115)
936,881,408	405,317,786	1,342,199,194
$ 967,809,596	**$ 406,226,704**	**$ 1,374,036,300**

CITY OF
CHULA VISTA

FUND FINANCIAL STATEMENTS

CITY OF
CHULA VISTA

GOVERNMENTAL FUND FINANCIAL STATEMENTS

CITY OF CHULA VISTA

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2018

		Special Revenue Funds		Capital Projects Funds	
	General	Sundry Grants	Housing Successor Agency	Development Impact Funds	Other Transportation Program Fund
Assets:					
Pooled cash and investments	$ 19,576,151	$ 5,323,106	$ 8,069,148	$ 47,868,347	$ 8,509
Receivables:					
Accounts	4,587,268	-	2	-	215,768
Taxes	11,910,183	-	-	-	-
Accrued interest	475,155	-	-	-	-
Deferred loans	56,250	22,673,681	26,663,840	-	-
Allowance for uncollectible loans	-	(16,939,994)	(19,352,579)	-	-
Prepaid costs	337,663	2,334	-	-	-
Due from other governments	221,948	5,767,613	-	-	10,763,403
Due from other funds	15,666,391	-	-	-	-
Advances to other funds	1,491,970	-	-	-	-
Restricted assets:					
Cash and investments	-	26,027	778,346	-	-
Cash and investments with fiscal agents	56,672,411	-	-	-	-
Due from Successor Agency of Chula Vista RDA	9,885,147	-	224,684	-	-
Total Assets	**$ 120,880,537**	**$ 16,852,767**	**$ 16,383,441**	**$ 47,868,347**	**$ 10,987,680**
Liabilities, Deferred Inflows of Resources, and Fund Balances:					
Liabilities:					
Accounts payable	$ 3,395,458	$ 549,626	$ 432	$ 307,748	$ 1,322,644
Accrued liabilities	2,746,239	194,152	-	-	-
Unearned revenues	-	110,892	-	-	-
Deposits payable	-	-	-	-	-
Due to other funds	-	5,889,886	-	-	9,219,033
Advances from other funds	-	-	-	1,491,970	-
Total Liabilities	**6,141,697**	**6,744,556**	**432**	**1,799,718**	**10,541,677**
Deferred Inflows of Resources:					
Unavailable revenues	6,535,324	5,530,580	6,061,733	-	-
Total Deferred Inflows of Resources	**6,535,324**	**5,530,580**	**6,061,733**	**-**	**-**
Fund Balances:					
Nonspendable:					
Prepaid costs	337,663	2,334	-	-	-
Due from Sucessor Agency of Chula Vista RDA	5,846,717	-	-	-	-
Advances to other funds	1,491,970	-	-	-	-
Restricted for:					
Community development projects	-	2,102,616	10,321,276	-	-
Public safety	-	989,196	-	-	-
Parks and recreation	-	1,459,649	-	-	-
Capital Projects	-	-	-	46,068,629	446,003
Debt service	-	-	-	-	-
Library	-	23,836	-	-	-
Committed to:					
Capital Projects	60,011,407	-	-	-	-
Debt service	-	-	-	-	-
Economic contingency	3,804,371	-	-	-	-
San Diego Authority for Freeway Emergency	332,151	-	-	-	-
Assigned to:					
General government	2,087,743	-	-	-	-
Public safety	107,133	-	-	-	-
Parks and recreation	75,482	-	-	-	-
Public works	81,272	-	-	-	-
Community development	45,000	-	-	-	-
Library	7,289	-	-	-	-
Public liability	277,013	-	-	-	-
Measure P Sales Tax	9,185,942	-	-	-	-
Endowments	-	-	-	-	-
Unassigned	24,512,363	-	-	-	-
Total Fund Balances	**108,203,516**	**4,577,631**	**10,321,276**	**46,068,629**	**446,003**
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	**$ 120,880,537**	**$ 16,852,767**	**$ 16,383,441**	**$ 47,868,347**	**$ 10,987,680**

See Notes to Financial Statements

CITY OF CHULA VISTA

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2018

	Debt Service Funds			
	Public Financing Authority	Municipal Financing Authority	Other Governmental Funds	Total Governmental Funds
Assets:				
Pooled cash and investments	$ 1,162,199	$ -	$ 74,945,680	$ 156,953,140
Receivables:				
Accounts	-	139,617	1,159,668	6,102,323
Taxes	-	-	210,576	12,120,759
Accrued interest	-	-	75,458	550,613
Deferred loans	-	-	3,849,474	53,243,245
Allowance for uncollectible loans	-	-	(3,241,730)	(39,534,303)
Prepaid costs	1,125	-	-	341,122
Due from other governments	-	-	-	16,752,964
Due from other funds	-	-	-	15,666,391
Advances to other funds	-	-	-	1,491,970
Restricted assets:				
Cash and investments	-	-	-	804,373
Cash and investments with fiscal agents	5,097,226	21,643	9,676,110	71,467,390
Due from Successor Agency of Chula Vista RDA	-	-	-	10,109,831
Total Assets	**$ 6,260,550**	**$ 161,260**	**$ 86,675,236**	**$ 306,069,818**
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts payable	$ -	$ -	$ 2,252,453	$ 7,828,361
Accrued liabilities	-	-	23,003	2,963,394
Unearned revenues	-	-	29,304	140,196
Deposits payable	-	-	1,484,478	1,484,478
Due to other funds	-	117,610	181,717	15,408,246
Advances from other funds	-	-	91,209	1,583,179
Total Liabilities	**-**	**117,610**	**4,062,164**	**29,407,854**
Deferred Inflows of Resources:				
Unavailable revenues	-	-	102,559	18,230,196
Total Deferred Inflows of Resources	**-**	**-**	**102,559**	**18,230,196**
Fund Balances:				
Nonspendable:				
Prepaid costs	1,125	-	-	341,122
Due from Sucessor Agency of Chula Vista RDA	-	-	-	5,846,717
Advances to other funds	-	-	-	1,491,970
Restricted for:				
Community development projects	-	-	10,086,616	22,510,508
Public safety	-	-	1,659,078	2,648,274
Parks and recreation	-	-	193,675	1,653,324
Capital Projects	-	-	70,439,437	116,954,069
Debt service	-	-	125,249	125,249
Library	-	-	-	23,836
Committed to:				
Capital Projects	-	-	-	60,011,407
Debt service	6,259,425	43,650	-	6,303,075
Economic contingency	-	-	-	3,804,371
San Diego Authority for Freeway Emergency	-	-	-	332,151
Assigned to:				
General government	-	-	-	2,087,743
Public safety	-	-	-	107,133
Parks and recreation	-	-	-	75,482
Public works	-	-	-	81,272
Community development	-	-	-	45,000
Library	-	-	-	7,289
Public liability	-	-	-	277,013
Measure P Sales Tax	-	-	-	9,185,942
Endowments	-	-	10,891	10,891
Unassigned	-	-	(4,433)	24,507,930
Total Fund Balances	**6,260,550**	**43,650**	**82,510,513**	**258,431,768**
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	**$ 6,260,550**	**$ 161,260**	**$ 86,675,236**	**$ 306,069,818**

See Notes to Financial Statements

CITY OF
CHULA VISTA

CITY OF CHULA VISTA

STATEMENT OF ACTIVITIES
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2018

Fund balances of governmental funds		$ 258,431,768
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets net of depreciation have not been included as financial resources in governmental fund activity.		1,159,403,131
Deferred outflows related to pension items		72,283,874
Long-term debt and compensated absences that have not been included in the governmental fund activity:		
Bonds payable	$ (170,325,000)	
Section 108 Loan	(6,332,000)	
Unamortized bond premiums/discounts	(16,260,901)	
Capital leases	(5,125,642)	
Claims liability	(22,880,705)	
Notes payable	(3,269,491)	
Net pension liability	(294,399,729)	
Total OPEB liability	(13,115,114)	
Compensated absences	(7,324,457)	(539,033,039)
Deferred outflows related to the refunding of long-term debt.		4,897,457
Deferred outflows related to OPEB items		143,037
Accrued interest payable for the current portion of interest due on Bonds has not been reported in the governmental funds.		(1,833,143)
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.		18,230,196
Deferred inflows related to pension items		(7,406,909)
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.		2,693,224
Net Position of Governmental Activities		**$ 967,809,596**

CITY OF CHULA VISTA

STATEMENT OF REVENUES.
EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2018

		Special Revenue Funds		Capital Projects Funds	
	General	Sundry Grants	Housing Successor Agency	Development Impact Funds	Other Transportation Program Fund
Revenues:					
Taxes	$ 130,862,050	$ -	$ -	$ -	$ -
Licenses and permits	1,576,396	-	-	-	-
Intergovernmental	3,941,041	4,603,087	-	-	9,680,844
Charges for services	4,622,136	1,242,193	-	804,858	-
Use of money and property	3,772,878	120,491	384,939	391,695	58,081
Fines and forfeitures	1,332,011	-	-	-	-
Contributions	2,176,096	8,999,968	-	-	-
Developer participation	1,619,577	-	-	18,742,962	-
Miscellaneous	13,545,617	580,829	4,185,012	-	-
Total Revenues	**163,447,802**	**15,546,568**	**4,569,951**	**19,939,515**	**9,738,925**
Expenditures:					
Current:					
General government	22,738,881	-	-	-	-
Public safety	87,031,079	8,330,499	-	-	-
Community development	4,700,438	4,595,956	4,113,404	285,545	-
Parks and recreation	4,276,366	-	-	-	-
Public works	26,747,326	-	-	-	-
Library	3,923,691	19,372	-	-	-
Capital outlay	16,257,420	564,188	-	2,851,348	9,121,154
Debt service:					
Principal retirement	6,026,625	-	-	-	-
Interest and fiscal charges	3,039,982	-	-	12,792	-
Total Expenditures	**174,741,808**	**13,510,015**	**4,113,404**	**3,149,685**	**9,121,154**
Excess (Deficiency) of Revenues Over (Under) Expenditures	(11,294,006)	2,036,553	456,547	16,789,830	617,771
Other Financing Sources (Uses):					
Transfers in	9,626,425	129,013	-	-	-
Transfers out	(5,939,501)	(869,703)	-	(5,178,173)	-
Capital leases	2,598,124	-	-	-	-
Issuance of bonds	61,355,000	-	-	-	-
Bond premium	10,008,509	-	-	-	-
Contribution to agency fund	-	-	-	-	-
Total Other Financing Sources (Uses)	**77,648,557**	**(740,690)**	**-**	**(5,178,173)**	**-**
Net Change in Fund Balances	66,354,551	1,295,863	456,547	11,611,657	617,771
Fund Balances, Beginning of Year, as previously reported	41,848,965	2,992,873	9,864,729	40,829,754	(171,768)
Restatements	-	288,895	-	(6,372,782)	-
Fund Balances, Beginning of Year, as restated	41,848,965	3,281,768	9,864,729	34,456,972	(171,768)
Fund Balances, End of Year	**$ 108,203,516**	**$ 4,577,631**	**$ 10,321,276**	**$ 46,068,629**	**$ 446,003**

See Notes to Financial Statements

CITY OF CHULA VISTA

STATEMENT OF REVENUES.
EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2018

	Debt Service Funds			
	Public Financing Authority	Municipal Financing Authority	Other Governmental Funds	Total Governmental Funds
Revenues:				
Taxes	$ -	$ -	$ 8,434,372	$ 139,296,422
Licenses and permits	-	-	25,584	1,601,980
Intergovernmental	-	-	7,297,227	25,522,199
Charges for services	-	-	16,960,916	23,630,103
Use of money and property	48,418	1,667	903,943	5,682,112
Fines and forfeitures	-	-	703,812	2,035,823
Contributions	-	-	-	11,176,064
Developer participation	-	-	3,143,698	23,506,237
Miscellaneous	-	139,617	2,681,530	21,132,605
Total Revenues	**48,418**	**141,284**	**40,151,082**	**253,583,545**
Expenditures:				
Current:				
General government	8,150	4,050	972,124	23,723,205
Public safety	-	-	62,950	95,424,528
Community development	-	-	3,905,998	17,601,341
Parks and recreation	-	-	-	4,276,366
Public works	-	-	11,109,591	37,856,917
Library	-	-	-	3,943,063
Capital outlay	-	-	12,049,788	40,843,898
Debt service:				
Principal retirement	3,350,000	1,285,000	1,236,655	11,898,280
Interest and fiscal charges	3,455,745	1,348,463	525,494	8,382,476
Total Expenditures	**6,813,895**	**2,637,513**	**29,862,600**	**243,950,074**
Excess (Deficiency) of Revenues Over (Under) Expenditures	(6,765,477)	(2,496,229)	10,288,482	9,633,471
Other Financing Sources (Uses):				
Transfers in	6,787,519	2,153,388	15,921,604	34,617,949
Transfers out	-	(12,903,918)	(5,641,219)	(30,532,514)
Capital leases	-	-	-	2,598,124
Issuance of bonds	-	13,130,000	-	74,485,000
Bond premium	-	135,516	-	10,144,025
Contribution to agency fund	-	-	(1,174,700)	(1,174,700)
Total Other Financing Sources (Uses)	**6,787,519**	**2,514,986**	**9,105,685**	**90,137,884**
Net Change in Fund Balances	22,042	18,757	19,394,167	99,771,355
Fund Balances, Beginning of Year, as previously reported	6,238,508	24,893	55,530,423	157,158,377
Restatements	-	-	7,585,923	1,502,036
Fund Balances, Beginning of Year, as restated	6,238,508	24,893	63,116,346	158,660,413
Fund Balances, End of Year	**$ 6,260,550**	**$ 43,650**	**$ 82,510,513**	**$ 258,431,768**

See Notes to Financial Statements

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, 2018

Net change in fund balances - total governmental funds	$	99,771,355
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds reported capital outlay as expenditures. However, in the Government-Wide Statement of Activities and Changes in Net Position, the cost of those assets was allocated over their estimated useful lives as depreciation expense. This was the amount of capital assets recorded in the current period, including donated assets of $6,811,440, and is net of loss on disposal of assets of ($2,933,905).		41,544,614
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 $360,104.		(28,568,473)
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		(74,485,000)
Premium from issuance of long-term debt		(10,144,025)
Principal payment of long-term debt		11,898,280
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		1,486,612
Deferred charge on refunding		(324,009)
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		(28,366)
Changes in claims payable		(574,976)
Capital leases entered into		(2,598,124)
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.		(499,033)
Revenues reported as unavailbale revenue in the governmental funds and recognized in the statement of activities. These are included in the intergovernmental revenues in the governmental fund activity.		12,130,278
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.		645,461
OPEB obligation expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		(725,034)
Pension obligation expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		(18,601,372)
Change in Net Position of Governmental Activities	**$**	**30,928,188**

PROPRIETARY FUND FINANCIAL STATEMENTS

CITY OF CHULA VISTA

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2018

	Business-Type Activities - Enterprise Funds						Governmental Activities- Internal Service Funds
	Sewer Fund	Sewer Development Impact Fees	Development Services Fund	CV Elite Athlete Training Ctr	Other Enterprise Funds	Totals	
Assets:							
Current:							
Cash and investments	$ 101,631,877	$ 3,840,699	$ 1,526,079	$ -	$ 364,342	$ 107,362,997	$ 5,131,182
Receivables:							
Accounts	5,692,324	-	13,262	-	132,580	5,838,166	11,042
Prepaid costs	35,310	-	39,726	-	-	75,036	-
Cash with fiscal agent	-	-	-	-	-	-	338,749
Total Current Assets	**107,359,511**	**3,840,699**	**1,579,067**	**-**	**496,922**	**113,276,199**	**5,480,973**
Noncurrent:							
Advances to other funds	19,332,929	-	-	-	-	19,332,929	-
Capital assets - net of accumulated depreciation	130,505,085	113,643	40,185	197,028,737	-	327,687,650	607,999
Total Noncurrent Assets	**149,838,014**	**113,643**	**40,185**	**197,028,737**	**-**	**347,020,579**	**607,999**
Total Assets	**257,197,525**	**3,954,342**	**1,619,252**	**197,028,737**	**496,922**	**460,296,778**	**6,088,972**
Deferred Outflows of Resources:							
Deferred items related to pensions	2,654,628	-	4,089,321	-	-	6,743,949	611,846
Deferred items related to OPEB	7,293	-	8,719	-	-	16,012	1,268
Total Deferred Outflows of Resources	**2,661,921**	**-**	**4,098,040**	**-**	**-**	**6,759,961**	**613,114**
Liabilities:							
Current:							
Accounts payable	307,149	-	104,143	28,244	6,380	445,916	432,707
Accrued liabilities	122,043	-	164,738	-	-	286,781	31,688
Retention payable	38,434	-	-	-	-	38,434	-
Unearned revenues	221,091	-	-	-	163,380	384,471	-
Due to other funds	-	-	46,944	82,342	128,859	258,145	-
Accrued compensated absences	165,056	-	268,055	-	-	433,111	32,029
Total Current Liabilities	**853,773**	**-**	**583,880**	**110,586**	**298,619**	**1,846,858**	**496,424**
Noncurrent:							
Advances from other funds	-	19,241,720	-	-	-	19,241,720	-
Accrued compensated absences	61,254	-	135,278	-	-	196,532	21,702
Net pension liability	14,606,011	-	22,368,137	-	-	36,974,148	3,494,202
Total OPEB liability	668,657	-	799,480	-	-	1,468,137	116,288
Bonds, notes, and capital leases	17,245	-	-	-	-	17,245	-
Total Noncurrent Liabilities	**15,353,167**	**19,241,720**	**23,302,895**	**-**	**-**	**57,897,782**	**3,632,192**
Total Liabilities	**16,206,940**	**19,241,720**	**23,886,775**	**110,586**	**298,619**	**59,744,640**	**4,128,616**
Deferred Inflows of Resources:							
Deferred items related to pensions	348,523	-	533,741	-	-	882,264	83,377
Total Deferred Inflows of Resources	**348,523**	**-**	**533,741**	**-**	**-**	**882,264**	**83,377**
Net Position:							
Investment in capital assets	130,487,840	113,643	40,185	197,028,137	-	327,669,805	607,999
Unrestricted	112,816,143	(15,401,021)	(18,743,409)	(109,986)	198,303	78,760,030	1,882,094
Total Net Position	**$ 243,303,983**	**$ (15,287,378)**	**$ (18,703,224)**	**$ 196,918,151**	**$ 198,303**	**$ 406,429,835**	**$ 2,490,093**

Reconciliation of Net Position to the Statement of Net Position

Net Position per Statement of Net Position - Proprietary Funds	$ 406,429,835
Prior years' accumulated adjustment to reflect the consolidation of internal service funds activities related to the enterprise funds	(172,941)
Current years' adjustments to reflect the consolidation of internal service activities related to enterprise funds	(30,190)
Net Position per Statement of Net Position	$ 406,226,704

CITY OF CHULA VISTA

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION PROPRIETARY FUNDS YEAR ENDED JUNE 30, 2018

	Business-Type Activities - Enterprise Funds						Governmental Activities- Internal Service Funds
	Sewer Fund	Sewer Development Impact Fees	Development Services Fund	CV Elite Athlete Training Ctr	Other Enterprise Funds	Totals	
Operating Revenues:							
Sales and service charges	$ 37,870,947	$ 1,201,669	$ 10,596,287	$ -	$ -	$ 49,668,903	$ -
Interdepartmental charges	-	-	-	-	-	-	8,111,740
Other	256,787	-	33,528	124,381	-	414,696	189,401
Total Operating Revenues	**38,127,734**	**1,201,669**	**10,629,815**	**124,381**	**-**	**50,083,599**	**8,301,141**
Operating Expenses:							
Administration and general	25,847,854	5,769	10,676,618	170,541	13,035	36,713,817	7,381,584
Source of supply	2,556,455	-	-	-	-	2,556,455	-
Depreciation expense	6,422,567	3,041	7,091	505,719	-	6,938,418	360,104
Total Operating Expenses	**34,826,876**	**8,810**	**10,683,709**	**676,260**	**13,035**	**46,208,690**	**7,741,688**
Operating Income (Loss)	3,300,858	1,192,859	(53,894)	(551,879)	(13,035)	3,874,909	559,453
Nonoperating Revenues (Expenses):							
Intergovernmental	-	-	-	-	104,899	104,899	-
Interest revenue	1,014,434	25,374	(21,100)	(389)	137,420	1,155,739	(29,449)
Interest expense	-	(25,737)	-	-	-	(25,737)	-
Total Nonoperating Revenues (Expenses)	**1,014,434**	**(363)**	**(21,100)**	**(389)**	**242,319**	**1,234,901**	**(29,449)**
Income (Loss) Before Transfers	4,315,292	1,192,496	(74,994)	(552,268)	229,284	5,109,810	530,004
Transfers in	-	-	463,714	86,878	-	550,592	85,267
Transfers out	(2,765,533)	-	(1,796,648)	(26,533)	(132,580)	(4,721,294)	-
Changes in Net Position	1,549,759	1,192,496	(1,407,928)	(491,923)	96,704	939,108	615,271
Net Position:							
Beginning of Year, as previously reported	242,378,623	(16,479,874)	(16,548,732)	197,410,074	(427,256)	406,332,835	1,983,413
Restatements	(624,399)	-	(746,564)	-	528,855	(842,108)	(108,591)
Beginning of Fiscal Year, as restated	241,754,224	(16,479,874)	(17,295,296)	197,410,074	101,599	405,490,727	1,874,822
End of Fiscal Year	**$ 243,303,983**	**$ (15,287,378)**	**$ (18,703,224)**	**$ 196,918,151**	**$ 198,303**	**$ 406,429,835**	**$ 2,490,093**

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

Changes in Net Position, per the Statement of Revenues, Expenses and Changes in Fund Net Position - Proprietary Funds	$ 939,108
Adjustment to reflect the consolidation of current fiscal year internal service funds activities related to enterprise funds	(30,190)
Changes in Net Position of Business-Type Activities per Statement of Activities	$ 908,918

CITY OF CHULA VISTA

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2018

	Business-Type Activities - Enterprise Funds						
	Sewer Fund	Sewer Development Impact Fees	Development Services Fund	CV Elite Athlete Training Ctr	Other Enterprise Funds	Totals	Governmental Activities- Internal Service Funds
Cash Flows from Operating Activities:							
Cash received from customers and users	$ 37,019,662	$ 1,201,669	$ 11,356,554	$ 124,381	$ (102,580)	$ 49,599,686	$ -
Cash received from/(paid to) interfund service provided	-	-	-	77,417	101,767	179,184	8,369,942
Cash received from/(paid to) suppliers for goods and services	(2,971,097)	-	(4,602)	(91,213)	(2,620)	(3,069,532)	108,918
Cash paid to employees for services	(25,737,088)	(5,769)	(7,530,541)	(170,541)	(13,035)	(33,456,974)	(6,712,742)
Net Cash Provided (Used) by Operating Activities	**8,311,477**	**1,195,900**	**3,821,411**	**(59,956)**	**(16,468)**	**13,252,364**	**1,766,118**
Cash Flows from Non-Capital Financing Activities:							
Cash transfers out	(2,765,533)	-	(1,796,648)	(26,533)	(132,580)	(4,721,294)	-
Cash transfers in	-	-	463,714	86,878	-	550,592	85,267
Repayment received from other funds	174,143	-	(894,022)	-	-	(719,879)	(108,591)
Repayment made to other funds	-	(174,263)	-	-	-	(174,263)	-
Interest paid to other funds	-	(25,737)	-	-	-	(25,737)	-
Net Cash Provided (Used) by Non-Capital Financing Activities	**(2,591,390)**	**(200,000)**	**(2,226,956)**	**60,345**	**(132,580)**	**(5,090,581)**	**(23,324)**
Cash Flows from Capital and Related Financing Activities:							
Proceeds from capital debt	17,245	-	-	-	-	17,245	-
Acquisition and construction of capital assets	(3,379,279)	-	(47,276)	-	-	(3,426,555)	-
Net Cash Provided (Used) by Capital and Related Financing Activities	**(3,362,034)**	**-**	**(47,276)**	**-**	**-**	**(3,409,310)**	**-**
Cash Flows from Investing Activities:							
Interest received	1,014,434	25,374	(21,100)	(389)	137,420	1,155,739	(29,449)
Net Cash Provided (Used) by Investing Activities	**1,014,434**	**25,374**	**(21,100)**	**(389)**	**137,420**	**1,155,739**	**(29,449)**
Net Increase (Decrease) in Cash and Cash Equivalents	**3,372,487**	**1,021,274**	**1,526,079**	**-**	**(11,628)**	**5,908,212**	**1,713,345**
Cash and Cash Equivalents at Beginning of Year	98,259,390	2,819,425	-	-	375,970	101,454,785	3,756,586
Cash and Cash Equivalents at End of Year	**$ 101,631,877**	**$ 3,840,699**	**$ 1,526,079**	**$ -**	**$ 364,342**	**$ 107,362,997**	**$ 5,469,931**
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:							
Operating income (loss)	$ 3,300,858	$ 1,192,859	$ (53,894)	$ (551,879)	$ (13,035)	$ 3,874,909	$ 559,453
Adjustments to reconcile operating income (loss) net cash provided (used) by operating activities:							
Depreciation	6,422,567	3,041	7,091	505,719	-	6,938,418	360,104
(Increase) decrease in accounts receivable	(1,329,163)	-	726,739	124,383	(102,580)	(580,621)	61,968
(Increase) decrease in prepaid costs	966	-	(39,726)	-	-	(38,760)	896
(Increase) decrease in deferred outflows from pensions	(369,818)	-	(944,175)	-	(2,620)	(1,316,613)	(70,901)
(Increase) decrease in deferred outflows from OPEB	(7,293)	-	(8,719)	-	-	(16,012)	(1,268)
Increase (decrease) in accounts payable	(436,629)	-	35,124	(91,213)	-	(492,718)	115,751
Increase (decrease) in due to other funds	-	-	-	77,417	101,767	179,184	-
Increase (decrease) in retentions payable	21,021	-	-	-	-	21,021	-
Increase (decrease) in accrued liabilities	(89,525)	-	38,647	-	-	(50,878)	9,332
Increase (decrease) in unearned revenue	221,091	-	-	(124,383)	-	96,708	-
Increase (decrease) in compensated absences	(22,070)	-	42,817	-	-	20,747	5,024
Increase (decrease) in net pension liability	569,896	-	3,927,639	-	-	4,497,535	547,161
Increase (decrease) in total OPEB liability	44,258	-	52,916	-	-	97,174	116,288
Increase (decrease) in deferred inflows from pensions	(14,682)	-	36,952	-	-	22,270	62,310
Total Adjustments	**5,010,619**	**3,041**	**3,875,305**	**491,923**	**(3,433)**	**9,377,455**	**1,206,665**
Net Cash Provided (Used) by Operating Activities	**$ 8,311,477**	**$ 1,195,900**	**$ 3,821,411**	**$ (59,956)**	**$ (16,468)**	**$ 13,252,364**	**$ 1,766,118**
Non-Cash Investing, Capital, and Financing Activities:							
Transfer of capital assets between funds	$ 128,824	$ (128,824)	$ -	$ -	$ -	$ -	$ -
Adjustment due to total OPEB liability adjustment	(624,399)	-	(746,564)	-	-	(1,370,963)	-

See Notes to Financial Statements

CITY OF CHULA VISTA

STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2018

	Agency Funds	Private-Purpose Trust Fund Successor Agency of the Former Chula Vista RDA
Assets:		
Pooled cash and investments	$ 9,033,625	$ 4,956,780
Receivables:		
Accounts	-	3,572
Notes and loans	-	128,544
Allowance for uncollectible loans	-	(128,544)
Accrued interest	1,431	-
Restricted assets:		
Cash and investments	11,767,185	-
Cash and investments with fiscal agents	43,522,543	490
Capital assets:		
Capital assets, not being depreciated	-	6,142,055
Capital assets, net of accumulated depreciation	-	989,030
Total Assets	**$ 64,324,784**	**$ 12,091,927**
Deferred Outflows of Resources:		
Deferred charge on refunding		$ 1,502,710
Total Deferred Outflows of Resources		**$ 1,502,710**
Liabilities and Net Position:		
Liabilities:		
Accounts payable	$ 428,573	$ -
Accrued liabilities	5,885	1,329
Accrued interest	-	284,730
Unearned revenues	15,593	-
Deposits payable	11,341,530	-
Due to other governments	-	478,634
Due to the City of Chula Vista	-	10,109,832
Due to external parties/other agencies	52,533,203	-
Long-term liabilities:		
Due in one year	-	1,665,000
Due in more than one year	-	30,484,019
Total Liabilities	**$ 64,324,784**	**43,023,544**
Net Position:		
Held in trust for other purposes		(29,428,907)
Total Net Position		**$ (29,428,907)**

See Notes to Financial Statements

CITY OF CHULA VISTA

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
YEAR ENDED JUNE 30, 2018

	Private-Purpose Trust Fund
	Successor Agency of the Former Chula Vista RDA
Additions:	
Taxes	$ 4,378,545
Interest and change in fair value of investments	18,022
Total Additions	**4,396,567**
Deductions:	
Administrative expenses	513,159
Contractual services	268,223
Contributions to other governments	876,923
Interest expense	1,014,033
Depreciation expense	47,724
Loss on disposal of land	657,627
Total Deductions	**3,377,689**
Changes in Net Position	**1,018,878**
Net Position - Beginning of the Year	(30,445,339)
Restatements	(2,446)
Net Position - Beginning of the Year, as restated	(30,447,785)
Net Position - End of the Year	**$ (29,428,907)**

See Notes to Financial Statements

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CITY OF
CHULA VISTA

Note 1 – Reporting Entity and Summary of Significant Accounting Policies

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

A. Reporting Entity

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

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

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

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

The Chula Vista Industrial Development Authority (the "Development Authority")

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

The Chula Vista Public Financing Authority (the "Public Financing Authority")

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

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

A. Reporting Entity (Continued)

The Chula Vista Public Financing Authority (the "Public Financing Authority") (Continued)

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

The Chula Vista Municipal Financing Authority (the "Municipal Financing Authority")

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

The Chula Vista Housing Authority (the "Housing Authority")

The Housing Authority was created by the City of Chula Vista City Council ("City Council") in March 1993 to centrally coordinate and administer the City's programs for promoting balanced housing for families of all income levels. It was established pursuant to the State of California Health and Safety Code, Section 34200. It is empowered to develop, finance and own low income housing within the territorial limits of the City of Chula Vista. It uses a variety of local, state, and federal funding sources to administer and finance these programs. It is also the financing vehicle for the issuance of bonds for housing programs and services. The Housing Authority's financial data and transactions are included within the special revenue fund type. Separate financial statements are available at the City.

B. Basis of Accounting and Measurement Focus

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

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

B. Basis of Accounting and Measurement Focus (Continued)

Government - Wide Financial Statements

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

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

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

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

Governmental Fund Financial Statements

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

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

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

B. Basis of Accounting and Measurement Focus (Continued)

Governmental Fund Financial Statements (Continued)

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

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

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

The City reports the following major Governmental Funds:

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

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

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

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

Other Transportation Program Fund – This fund accounts for a number of Federal and State transportation grants received by the City, including Bike Facilities and Transportation, Highway Bridge Rehabilitation and Replacement, Highway Safety Improvements, and Active Transportation.

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

B. Basis of Accounting and Measurement Focus (Continued)

Governmental Fund Financial Statements (Continued)

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

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

Proprietary Fund Financial Statements

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

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

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

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

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

B. Basis of Accounting and Measurement Focus (Continued)

Proprietary Fund Financial Statements (Continued)

The City reports the following major proprietary funds:

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

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

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

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

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

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

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

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

Fiduciary Fund Financial Statements

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

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

B. Basis of Accounting and Measurement Focus (Continued)

Fiduciary Fund Financial Statements (Continued)

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

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

C. Encumbrances

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

D. Cash, Cash Equivalents and Investments

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

Highly liquid market investments with maturities of one year or less at time of purchase are stated at amortized cost. All other investments are stated at fair value. Market value is used as fair value for those securities for which market quotations are readily available. The City reported its investments at fair value and the unrealized loss on investments amounted to $1,814,354 for the fiscal year ended June 30, 2018.

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

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

D. Cash, Cash Equivalents and Investments (Continued)

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

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

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

E. Inventories and Prepaid items

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

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

F. Restricted Assets

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

G. Interfund Transactions

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

H. Capital Assets

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

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

H. Capital Assets (Continued)

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

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

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

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

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

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

I. Compensated Absences

Government-Wide Financial Statements

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

Fund Financial Statements

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

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

J. Pensions

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

K. Other Postemployment Benefits

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

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

Valuation Date	June 30, 2017
Measurement Date	June 30, 2018
Measurement Period	July 1, 2017 to June 30, 2018

L. Long-Term Debt

Government-Wide Financial Statements

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

Fund Financial Statements

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

M. Deferred Outflows/Inflows of Resources

In addition to assets, the statements of net position and governmental funds balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and will not be recognized as an outflow of resources (expense/ expenditure) until then. The City has two items that qualify for reporting in this category. One is the deferred charge on refunding reported on the statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The second items relate to deferred outflows related to net pension and total OPEB liability reported in the statement of net position.

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

M. Deferred Outflows/Inflows of Resources (Continued)

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

N. Property Taxes

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

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

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

No allowance for doubtful accounts was considered necessary.

O. Public Facilities Financing

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

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

P. Net Position

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

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

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

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

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

Q. Fund Balances

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

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

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

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

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

Q. Fund Balances (Continued)

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

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

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

R. Spending and Reserve Policy

Government-Wide Financial Statements and the Proprietary Fund Financial Statements

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

Governmental Fund Financial Statements

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

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

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

S. Use of Estimates

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

Note 2 – Cash and Investments

The following is a summary of pooled cash and investments, including cash and investments with fiscal agents at June 30, 2018.

	Government-Wide Statement of Net Position			Fiduciary Funds	
	Governmental Activities	Business-Type Activities	Total	Statement of Net Position	Total
Cash and investments	$ 162,084,322	$ 107,362,997	$ 269,447,319	$ 13,990,405	$ 283,437,724
Restricted cash and investments:					
Held by City	804,373	-	804,373	11,767,185	12,571,558
Held by fiscal agents	71,806,139	-	71,806,139	43,523,033	115,329,172
Total restricted cash and investments	72,610,512	-	72,610,512	55,290,218	127,900,730
Total cash and investments	$ 234,694,834	$ 107,362,997	$ 342,057,831	$ 69,280,623	$ 411,338,454

Cash, cash equivalents and investments consisted of the following at June 30, 2018:

Petty cash	$ 9,625
Deposits with financial institution	50,062,254
Investments	245,937,403
Investments held by fiscal agents	115,329,172
Total cash and investments	$ 411,338,454

A. Deposits

The carrying amount of the City's cash deposits were $50,062,254 at June 30, 2018. Bank balances before reconciling items were $47,226,842 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.

Note 2 – Cash and Investments (Continued)

A. Deposits (Continued)

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

B. Investments

As of June 30, 2018, the City had the following investments and maturities:

		Investment Maturities					
Investment Type	Fair Value	1 year or fewer	1 - 2 years	2 - 3 years	3 - 4 years	4 - 5 years	Over 5 years
LAIF	$ 1,669,284	$ 1,669,284	$ -	$ -	$ -	$ -	$ -
Time Deposits	310,000	310,000	-	-	-	-	-
San Diego County Investment Pool	92,379,939	92,379,939	-	-	-	-	-
Federal National Mortgage Association	455,707	-	455,707	-	-	-	-
US Treasury Notes	64,157,343	31,741,009	26,133,374	6,282,960	-	-	-
Medium-Term Corporate Notes	40,072,048	16,387,821	18,804,071	4,880,156	-	-	-
Commercial Paper	1,493,368	1,493,368	-	-	-	-	-
Asset Backed Securities	5,712,411	-	858,735	3,226,524	527,227	1,099,925	-
Money Market Funds	39,687,303	31,709,803	7,977,500	-	-	-	-
Held by bond trustee:							
Mutual Funds	115,329,172	115,329,172	-	-	-	-	-
Total	$ 361,266,575	$ 291,020,396	$ 54,229,387	$ 14,389,640	$ 527,227	$ 1,099,925	$ -

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.

Note 2 – Cash and Investments (Continued)

B. Investments (Continued)

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio*	Maximum Investment in One Issuer
Bankers' Acceptance	180 days	40%	5%
Negotiable Certificates of Deposits	5 years	30%	5%
Commercial Paper	270 days	25%	5%
State and Local Agency Bond Issues	5 years	None	5%
U.S. Treasury Obligations	5 years	None	None
U.S. Agency Securities	5 years	None	None
Repurchase Agreement	90 days	None	5%
Reverse-Purchase Agreements	92 days	20%	20%
Medium-Term Corporate Notes	5 years	30%	5%
Time Certificates of Deposits	3 years	None	5%
Money Market Funds	N/A	20%	10%
San Diego County Treasurer's Pooled Money Fund	N/A	None	None
Local Agency Investment Fund (LAIF)	N/A	None	$50 Million**
Shares of Beneficial Interest issued by a JPA	N/A	None	None
Asset Backed Securities	5 years	20%	20%
Supranationals	5 years	30%	30%
Placement Service Deposits	5 years	30%	5%

* Excluding amounts held by bond trustee that are not subject to California Government
** Maximum is $50 million per account

Investments Authorized by Debt Agreements

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

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

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, 2018, the City's pooled cash and investments had the following maturities:

Maturity	Percentage of Investment
Less than one year	71.4%
1 - 2 years	22.1%
2 - 3 years	5.9%
3 - 4 years	0.2%
4 - 5 years	0.4%
Over 5 years	0%

The weighted average maturity of the portfolio was 0.9 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:

Investment Type	Fair Value	Moody's	Standard & Poor's
LAIF	$ 1,669,284	Aa3	AA-
Time Deposits	310,000	Not Rated	Not Rated
San Diego County Investment Pool	92,379,939	Aaa	AAA
Federal National Mortgage Association	455,707	Aaa	AA+
US Treasury Notes	64,157,343	Aaa	AA+
Medium-Term Corporate Notes	40,072,048	Baa1 to Aaa	BBB+ to AAA
Commercial Paper	1,493,368	Baa1 to Aaa	BBB+ to AAA
Asset Backed Securities	5,712,411	Baa1 to Aaa	BBB+ to AAA
Money Market Funds	155,016,475	Not Rated	Not Rated
	$ 361,266,575		

Note 2 – Cash and Investments (Continued)

C. Risks Disclosures (Continued)

Custodial Credit Risk

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

Concentration of Credit Risk

The City's investment policy contains limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. The City did not have any investments in any one issuer that represent 5% or more of total City's at June 30, 2018.

D. Investments in Local Agency Investment

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

As of June 30, 2018, the City had $1,669,284 invested in LAIF. LAIF determines fair value on its investment portfolio based on market quotations for those securities where market quotations are readily available and based on amortized cost or best estimate for those securities where market value is not readily available. The City valued its investments in LAIF as of June 30, 2018, 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, 2018.

Note 2 – Cash and Investments (Continued)

E. Fair Value Hierarchy

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The City has the following recurring fair value measurements as of June 30, 2018:

		Level		
Investment Type	Totals	1	2	3
U.S. Agency Securities	$ 455,707	$ -	$ 455,707	$ -
Local Agency Investment Fund (LAIF)	1,669,284	-	1,669,284	-
U.S. Treasury Notes	64,157,343	64,157,343	-	-
Medium-Term Corporate Notes	40,072,048	-	40,072,048	-
Commercial Paper	1,493,368	-	1,493,368	-
Asset Backed Securities	5,712,411	-	5,712,411	-
Time Deposits	310,000	-	310,000	-
San Diego County Investment Pool	92,379,939	-	92,379,939	-
Money Market Mutual Funds	39,687,303	-	39,687,303	-
Held by Fiscal Agent:				
Cash & Money Market Mutual Funds	115,329,172	-	115,329,172	-
Total Investments	$ 361,266,575	$ 64,157,343	$ 297,109,232	$ -

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

Note 3 – Receivables

A. Taxes Receivable

At June 30, 2018, the City had the following taxes receivable:

	Governmental Activities
Sales Tax	$ 8,057,753
Property Tax	544,360
Utilities Users Tax	613,134
Transient Occupancy Tax	642,020
Franchise Fee Tax	2,195,578
Special Assessments	67,914
Total	$ 12,120,759

Note 3 – Receivables (Continued)

B. Loans Receivable

At June 30, 2018, the City had the following loans receivable, including principal and accrued interest, of which, an allowance for uncollectible loans was recorded in the amount of $39,534,303:

	Governmental Activities		
	Principal	Interest	Total
South Bay Community Services (Trolley Trestle, Muncey Manor, CNV I, CNII, NCV II)	$ 3,880,292	$ 2,918,843	$ 6,799,135
Heritage and Sunrose Apartments (South Bay Community Villas L.P.)	-	-	-
Girls and Boys Club Construction Loan	56,250	-	56,250
Rancho Vista Housing (Chelsea Investment Corporation)	1,500,000	623,220	2,123,220
St. Regis Park (Chelsea Investment Corp)	1,387,152	1,450,601	2,837,753
Chula Vista Rehabilitation CHIP Loans	3,321,557	191,412	3,512,969
Park Village Apts (Civic Center Barrio Housing Corporation)	154,107	-	154,107
Mobile Home Assistance Programs (Orange Tree)	36,105	-	36,105
Los Vecinos (Wakeland Housing and Development Corporation)	5,680,000	2,937,732	8,617,732
Main Plaza (Alpha III Development Inc.)	1,800,000	714,813	2,514,813
Seniors on Broadway (MAAC Project)	3,511,194	1,279,800	4,790,994
The Landings I & II (Chelsea Investment Corp)	8,728,352	1,335,140	10,063,492
First Time Home Buyers Program	2,587,129	41,718	2,628,847
NSP Rental Housing Program	1,210,800	231,588	1,442,388
Community Energy Retrofit Program	39,962	-	39,962
Lofts on Landis	1,700,000	239,486	1,939,486
Duetta Apartments (F Street Family CIC, LP)	895,340	-	895,340
Volta Senior Apartments (G Street Seniors CIC, LP)	932,000	-	932,000
Anita Street (Wakeland Housing And Development Corporation)	3,841,741	16,911	3,858,652
	$ 41,261,981	$ 11,981,264	$ 53,243,245

South Bay Community Services

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

Principal and interest are payable annually out of any and all residual receipts derived from the property and/or operation of the property. Fund balance has been restricted in the Sundry Grants Special Revenue Fund and in the Low & Moderate Income Housing Successor Special Revenue Fund. Interest accrues annually on the unpaid balance with rates ranging from 3% to 6%. At June 30, 2018, the outstanding balance of the loan was $6,799,135, which included an interest accrual of $2,918,843.

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

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

Note 3 – Receivables (Continued)

B. Loans Receivable (Continued)

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

principal and interest on the loan will be repaid over fifty-five years and accrues interest at 3% per annum. Payment of principal and interest on the loan is made on an annual basis, out of a fund equal to fifty percent of the net cash flow of the project (residual receipts) after debt service on bonds, payment of deferred developer fees, and reasonable operating expenses have been paid. Fund balance has been restricted in the Low and Moderate Income Housing Successor Special Revenue Fund. The loan was paid off during the fiscal year.

Girls and Boys Club Construction Loan

The City has made a loan of $250,000 for construction of a new facility for the Boys and Girls Club. The loan is interest free and will be repaid with equal annual payments over 20 years, starting in February 1999. At June 30, 2018, the outstanding balance of the loan was $56,250.

Rancho Vista Housing (Chelsea Investment Corporation)

In 2000, the former RDA loaned $1,000,000 using low and moderate income housing funds and he City loaned $500,000 using HOME funds to CIC Eastlake, L.P. for the development and operation of Rancho Vista Housing Project, a multifamily housing project. The loan is secured by promissory notes and deed of trusts. The outstanding principal on the loan is to be repaid over fifty-five (55) years and interest accrues at the simple interest rate of three (3%) percent per annum on unpaid principal. Payment of principal and interest, or portions thereof, on the loan is made on an annual basis, out of a fund equal to fifty (50%) percent of the net cash flow of the project. At June 30, 2018, the outstanding balance of the loan was $2,123,220 which included an interest accrual of $623,220.

St. Regis Park (Chelsea Investment Corporation)

In 2000, the former RDA entered into a loan agreement with Chelsea Investment Corporation for the acquisition and rehabilitation of the 119-unit multi-family housing project (formerly known as Pear Tree Apartments) at 1025 Broadway. All units are affordable to low-income households. The loan is secured by a Deed of Trust and will accrue 6% interest for 52 years. Payment of principal and interest is made on an annual basis out of a fund equal to 90% of the residual receipts. At June 30, 2018, the outstanding balance of the loan was $2,837,753 which included an interest accrual of $1,450,601.

Chula Vista Rehabilitation CHIP Loans

The Chula Vista Rehabilitation Community Housing Improvement Program (CHIP) is under the direct control of the Housing Authority acting as the Successor Housing Entity for those loans that were funded using low and moderate income housing funds. CHIP loans funded by CDBG or HOME funds are also managed by the Housing Authority. CHIP offers deferred and low interest rate home improvement loans to qualified borrowers residing within a target area. Loan repayments are re-deposited into the program cash accounts and are redistributed as future loans. At June 30, 2018, the outstanding balance of the loan was $3,512,969 which included an interest accrual of $191,412.

Note 3 – Receivables (Continued)

B. Loans Receivable (Continued)

Park Village Apartments (Civic Center Barrio Housing Corporation)

In 1991, the former RDA entered into a loan agreement with the Civic Center Barrio Housing Corporation, a California non-profit public benefit corporation. The loan was made for the purchase of land and the development of a 28 - unit low-income housing project. During 1992, the loan was assigned to Park Village Apartments Ltd., a California limited partnership in which Civic Center Barrio Housing Corporation is the managing general partner. The loan is secured by a deed of trust on the property and assignment of rents. Principal and interest are payable monthly. In 2009, a second amendment to the loan was entered into changing the interest from 3% to 5% per annum on the unpaid principal balance of the note. At June 30, 2018, the outstanding balance of the loan was $154,107.

Mobile Home Assistance Programs

The former RDA entered into agreements with eligible residents of the Orange Tree Mobile home Park, whereby the RDA loaned $250,030 as permanent financing assistance to residents for the purpose of purchasing certain mobile home property. The loans are secured by deeds of trust on the property and mature in 2018 or when the property is sold. Contingent interest will be charged based on calculations specified in the agreement. At June 30, 2018, the outstanding balance of the loan was $36,105.

Los Vecinos (Wakeland Housing and Development Corporation)

In 2008, the former RDA entered into a loan agreement with Wakeland Housing and Development Corporation to assist the borrower in constructing 41 affordable multi-family rental housing units for occupancy by extremely low, very low, and low income households. The loan amount of $5,680,000 was funded by the Low and Moderate Income Housing Fund. The loan bears an interest rate of 5% per annum. Principal and interest payments will be made on an annual basis out of a fund equal to 50% of the residual receipts for years 1-30 and 75% of the residual receipts for years 31-54, until 55 years from the date the improvements are placed in service, at which time, all principal and unpaid interest is due and payable. The improvements were placed in service on February 7, 2008. At June 30, 2018, the outstanding balance of the loan was $8,617,732 which included an interest accrual of $2,937,732.

Main Plaza (Alpha III Development Inc.)

In 2003, the former RDA and City entered into a loan agreement with Main Plaza, LP to assist in acquiring and improving certain real property for occupancy by very low, low, and moderate income households. The loan bears an interest rate of 3% per annum. The loan is due and payable on the date that is 55 years from the date of the City's issuance of the Certificate of Completion, which is in 2061. At June 30, 2018, the outstanding balance of the loan was $2,514,813 which included an interest accrual of $714,813.

Seniors on Broadway (MAAC Project)

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

Note 3 – Receivables (Continued)

B. Loans Receivable (Continued)

Seniors on Broadway (MAAC Project) (Continued)

June 30, 2018, the outstanding balance of the loan was $4,790,994 which included an interest accrual of $1,279,800.

The Landings I & II (Chelsea Investment Corporation)

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

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

At June 30, 2018, the outstanding balance of the loan was $10,063,492 which included an interest accrual of $1,335,140.

First Time Home Buyers Program

The Chula Vista First-Time Homebuyer Program is under the direct control of the City and its Housing Authority. The Programs is funded through U.S. Department of Housing and Urban Development HOME Investment Partnership Act and Neighborhood Stabilization Program funds. Cal Home funds from the State of California Department of Housing and Community Development are also used to fund loans. The Program is currently administered by Springboard CDFI, (formerly known as Community Housing Works Realty and Lending). The program offers low interest loans or equity share deferred gap financing loans to qualified borrowers. Loan repayments are re-deposited into the program and are redistributed as future loans. At June 30, 2018, the outstanding balance of the loan was $2,628,847 which included an interest accrual of $41,718.

NSP Rental Housing Program

The City entered into a two separate loan agreements with San Diego Community Housing Corporation to acquire and rehabilitate rental housing for very low income households. The loans are secured by promissory notes and a deed of trusts. The outstanding principal and interest amount of the loan will be repaid over fifty-five (55) years and shall accrue at the simple interest rate of three (3%) percent per annum. Principal and interest are payable annually out of a fund equal to 50% of residual receipts derived from the property and/or operation of the property. At June 30, 2018, the outstanding balance of the loan was $1,442,388 which included an interest accrual of $231,588.

Note 3 – Receivables (Continued)

B. Loans Receivable (Continued)

Community Retrofit Program

The Chula Vista Community Energy Revolving Loan Fund (RLF) is under the direct control of the City of Chula Vista and was capitalized through the American Recovery & Reinvestment Act. The RLF offers fully amortized low-interest rate home energy improvement loans to qualified borrowers residing within Chula Vista. The loans are secured by a deed of trust on the properties. Principal and interest are payable monthly. Interest accrues annually on the unpaid principal balance of the notes. Loan repayments are re-deposited into the program cash accounts and are redistributed as future loans except for loans funded by General fund. At June 30, 2018, the outstanding balances of the loans were $39,962.

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, 2018, the outstanding balance of the loan was $1,939,486 which included an interest accrual of $239,486.

Duetta Apartments (F Street Family CIC, LP)

In 2016, the City entered into a loan agreement with F Street Family CIC, LP to assist to assist in the construction and permanent financing of affordable multifamily apartments with 86 deed restricted units for occupancy by extremely low, very low and lower income households. Loans are in the principal amount of $800,000 from the City's federal HOME funds, $372,660 from the City's Balanced Communities In-Lieu funds, and $895,340 from Low and Moderate Income Housing Fund. The loan bears an interest rate of 3% simple interest per annum for a 55-year period. Payment of principal and interest is made on an annual basis out of a fund equal to 50% of the residual receipts. The outstanding principal and accrued interest on the loan is to be repaid by December 31, 2072. Fund balance has been restricted in the Sundry Grants Special Revenue Fund and in the Low & Moderate Income Housing Successor Special Revenue Fund. At June 30, 2018, the outstanding balance of the loans were $895,340.

Volta Senior Apartments (G Street Seniors CIC, LP)

In 2016, the City entered into a loan agreement with G Street Senior CIC, LP to assist to assist in the construction and permanent financing of affordable multifamily apartments with 122 deed restricted units for occupancy by extremely low, very low and lower income households. The loan amount of $932,000 was funded by the Low and Moderate Income Housing Fund. The loan bears an interest rate of 3% simple interest per annum for a 55-year period. Payment of principal and interest is made on an annual basis out of a fund equal to 50% of the residual receipts. The outstanding principal and accrued interest on the loan is to be repaid by December 31, 2072. Fund balance has been restricted in the Low & Moderate Income Housing Successor Special Revenue Fund. At June 30, 2018, the outstanding balance of the loans were $932,000.

Note 3 – Receivables (Continued)

B. Loans Receivable (Continued)

Anita Street (Wakeland Housing and Development Corporation)

In 2017 and 2018, the City entered into an amended a loan agreement with Wakeland Housing to assist in the acquisition of land and pre-development of an affordable multifamily apartment development with up to 100 possible deed restricted units for occupancy by extremely low, very low and lower income households. The loan amount of $3,841,741was funded by the Low and Moderate Income Housing Fund. The loan bears an interest rate of 3% simple interest per annum for a 55-year period. Payment of principal and interest is made on an annual basis out of a fund equal to 50% of the residual receipts. The outstanding principal and accrued interest on the loan is to be repaid by December 31, 2076. Fund balance has been restricted in the Low & Moderate Income Housing Successor Special Revenue Fund. At June 30, 2018, the outstanding balance of the loans were $3,858,652 which includes an interest accrual of $16,911.

Note 4 – Interfund Balances and Transactions

Due to/Due from other funds

At June 30, 2018, interfund receivables and payables were as follows:

	Due To Other Funds							
Due from Other Funds	Sundry Grants	Other Transportation Program	Municipal Financing Authority	Development Services	CV Elite Athlete Training Center	Nonmajor Enterprise Funds	Nonmajor Governmental Funds	Total
General Fund	$ 5,889,886	$ 9,219,033	$ 117,610	$ 46,944	$ 82,342	$ 128,859	$ 181,717	$ 15,666,391
Total	$ 5,889,886	$ 9,219,033	$ 117,610	$ 46,944	$ 82,342	$ 128,859	$ 181,717	$ 15,666,391

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.

Note 4 – Interfund Balances and Transactions (Continued)

Long-Term Advances

At June 30, 2018, balances were as follows:

	Advances From Other Funds			
Advances to Other Funds	Development Impact Funds	Sewer Development Impact Fees Fund	Other Governmental Funds	Total
General Fund	$ 1,491,970	$ -	$ -	$ 1,491,970
Sewer Enterprise Fund	-	19,241,720	91,209	19,332,929
Total	$ 1,491,970	$ 19,241,720	$ 91,209	$ 20,824,899

City Council authorized loans to the Public Facilities DIF in the amount of $1,528,969 to help fund the Civic Center expansion. The loan will be repaid as funds become available, through the payment of DIF fees by developers. The balance was $1,491,970 at June 30, 2018. In accordance with Council Policy No. 220-06, approved via Resolution 2015-028, the financing costs shall be calculated using the City's pooled investment earning rate on a quarterly basis.

Per Resolution 2015-035 of the City Council, interfund loans from the Transportation Development Impact Fee to the Fire Suppression System expansion component of the Public Development Impact Fee were consolidated into one loan totaling $10,500,000.The balance for the loan was $8,171,140 at June 30, 2018. In accordance with Council Policy No. 220-06, approved via Resolution 2015-028, the financing costs shall be calculated using the City's pooled investment earning rate on a quarterly basis. This advance was eliminated for financial statement purposes as it is an intrafund advance.

City Council authorized a loan to Western PAD from Eastern PAD in the amount of $9,630,000 to acquire the 14.41 acre site located in the lower Sweetwater Valley owned by the Redevelopment Agency and $310,000 to acquire the 1.89 acre site located at Auto Park Place, Chula Vista. Per Resolution 2015-035 of the City Council, these loans were consolidated. The loan will be repaid as funds become available, either as a result of credit acquisitions by the Agency or the payment of PAD fees by developers in western Chula Vista; in conjunction with Council Policy No 200-06, approved via Resolution 2015-028, the financing costs shall be calculated using the City's pooled investment earning rate on a quarterly basis. The balance was $9,231,458 at June 30, 2018. The Agency will ensure that PAD funds are repaid to fully fund the development of the park for which they were originally collected. This advance was eliminated for financial statement purposes as it is an intrafund advance.

The City Council authorized and set terms for loans from the Trunk Sewer fund to Salt Creek for $16,848,381, to the Storm Drain fund for $744,612, and $803,331 from the Sewer Facility fund for capital improvement projects, via Resolution 2015-035. In accordance with Council Policy No. 220-06, approved via Resolution 2015-028, the financing costs shall be calculated using the City's pooled investment earning rate on a quarterly basis. The balance was $19,332,929 at June 30, 2018, of which $19,241,720 is outstanding from the Sewer Fund to the Sewer Development Impact Fees Fund and $91,209 is outstanding from the Sewer Fund to the Storm Drain Fund.

Note 4 – Interfund Balances and Transactions (Continued)

Transfers In/Out

Interfund transfers for the year ended June 30, 2018 were as follows:

	Transfers In								
Transfers Out	General Fund	Sundry Grants Special Revenue Fund	Public Financing Authority	Municipal Financing Authority	Development Services Fund	CV Elite Training Center	Internal Service Funds	Non-Major Governmental Funds	Total
General Fund	$ -	$ 98,319	$ 2,477,423	$ 620,106	$ 374,529	$ 86,878	$ 85,267	$ 2,196,979	$ 5,939,501
Sundry Grants Special Revenue	869,703	-	-	-	-	-	-	-	869,703
Development Impact	-	-	3,644,891	1,533,282	-	-	-	-	5,178,173
Municipal Financing Authority	-	-	-	-	-	-	-	12,903,918	12,903,918
Sewer Fund	2,749,473	-	-	-	16,060	-	-	-	2,765,533
Development Services Fund	1,796,648	-	-	-	-	-	-	-	1,796,648
CV Elite Training Center	-	-	-	-	-	-	-	26,533	26,533
Non-Major Governmental Funds	4,078,021	30,694	665,205	-	73,125	-	-	794,174	5,641,219
Non-Major Enterprise Funds	132,580	-	-	-	-	-	-	-	132,580
Total	$ 9,626,425	$ 129,013	$ 6,787,519	$ 2,153,388	$ 463,714	$ 86,878	$ 85,267	$ 15,921,604	$ 35,253,808

General Fund – Operating support to reimburse the General Fund for City staff services and equipment. Total amount of reimbursement was $9,626,425.

Sundry Grants Special Revenue Fund – Transferring the General Fund's matching contribution to the federal grants in the amount of $129,013.

Public Financing Authority – Funding debt service funds for repayment of various long-term obligations amounted to $6,787,519.

Municipal Financing Authority - Funding debt service fund for repayment of long-term obligation amounted to $2,153,388.

Development Services Fund - Operating support to reimburse the Development Services Fund for services provided; $374,529 reimbursement from the General Fund; $16,060 from Sewer Services; and $73,125 from the Chula Vista Housing Authority.

Chula Vista Elite Athlete Training Center - Reimbursements from General fund: $86,878 for telecom site license fee.

Internal Service Funds - $85,267 was transferred to the Central Garage fund to reimburse the fund for staff services.

Note 4 – Interfund Balances and Transactions (Continued)

Transfers In/Out (Continued)

Non-major Governmental Funds - Funding debt service funds for replacement of various long term obligations amounting to $15,921,604. Transfer from General fund in the amount of $2,196,979 for various debt obligations. Transfer from 2017 CREBs to CIP in the amount of $12,903,918. Transfer from Chula Vista Elite Athlete Training Center to Eastlake Maintenance District in the amount of $26,533 for taxes related to City owned property. Various transfers between non-major funds in the amount of $794,174.

Note 5 – Capital Assets

A. Government-Wide Financial Statements

Summary of changes in capital assets for governmental activities for the year ended June 30, 2018, are as follows:

	Balance July 1, 2017	Additions	Deletions	CIP Transfers	Balance June 30, 2018
Capital assets, not being depreciated:					
Land	$ 436,830,968	$ -	$ -	$ -	$ 436,830,968
Construction in progress	44,709,495	29,778,405	(2,406,284)	(9,342,297)	62,739,319
Total capital assets, not being depreciated	481,540,463	29,778,405	(2,406,284)	(9,342,297)	499,570,287
Capital assets, being depreciated:					
Buildings	204,944,548	-	(996,464)	-	203,948,084
Improvements other than buildings	132,369,739	-	-	140,037	132,509,776
Machinery and equipment	32,612,890	7,888,674	(526,022)	-	39,975,542
Infrastructure	745,308,377	6,811,440	-	9,202,260	761,322,077
Subtotal	1,115,235,554	14,700,114	(1,522,486)	9,342,297	1,137,755,479
Less accumulated depreciation					
Buildings	(57,321,035)	(3,996,320)	485,612	-	(60,831,743)
Improvements other than buildings	(51,653,678)	(2,684,216)	-	-	(54,337,894)
Machinery and equipment	(25,886,305)	(2,268,512)	509,253	-	(27,645,564)
Infrastructure	(314,519,906)	(19,979,529)	-	-	(334,499,435)
Subtotal	(449,380,924)	(28,928,577)	994,865	-	(477,314,636)
Total capital assets, being depreciated	665,854,630	(14,228,463)	(527,621)	9,342,297	660,440,843
Total governmental activities	$ 1,147,395,093	$ 15,549,942	$ (2,933,905)	$ -	$ 1,160,011,130

Note 5 – Capital Assets (Continued)

A. Government-Wide Financial Statements (Continued)

Depreciation expense was charged to functions/programs as follows:

General government	$ 1,039,765
Public safety	1,727,049
Public works	24,055,825
Parks and recreation	1,727,348
Library	18,486
Internal service	360,104
	$ 28,928,577

Summary of changes in capital assets for business-type activities for the year ended June 30, 2018, are as follows:

	Balance July 1, 2017	Additions	Deletions	CIP Transfers	Balance June 30, 2018
Capital assets, not being depreciated:					
Land	$ 180,677,144	$ -	$ -	$ -	$ 180,677,144
Construction in progress	2,112,329	2,385,270	(81,356)	(241,832)	4,174,411
Total capital assets, not being depreciated	182,789,473	2,385,270	(81,356)	(241,832)	184,851,555
Capital assets, being depreciated:					
Buildings and structures	17,027,588	-	-	-	17,027,588
Machinery and equipment	5,824,412	1,122,641	-	-	6,947,053
Infrastructure	246,881,564	-	-	241,832	247,123,396
Subtotal	269,733,564	1,122,641	-	241,832	271,098,037
Less accumulated depreciation					
Buildings and structures	(170,276)	(505,719)	-	-	(675,995)
Machinery and equipment	(3,112,461)	(822,617)	-	-	(3,935,078)
Infrastructure	(118,040,787)	(5,610,082)	-	-	(123,650,869)
Subtotal	(121,323,524)	(6,938,418)	-	-	(128,261,942)
Total capital assets, being depreciated	148,410,040	(5,815,777)	-	241,832	142,836,095
Total business-type activities	$ 331,199,513	$ (3,430,507)	$ (81,356)	$ -	$ 327,687,650

Depreciation expense for business-type activities for the year ended June 30, 2018, are as follows:

CV Elite Training Center	$ 505,719
Sewer	6,429,658
Sewer DIFS	3,041
	$ 6,938,418

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, 2018, are as follows:

	Balance July 1, 2017	Additions	Deletions	Balance June 30, 2018
Capital assets, not being depreciated:				
Land	$ 7,676,605	$ -	$ (1,534,550)	$ 6,142,055
Total capital assets, not being depreciated	7,676,605	-	(1,534,550)	6,142,055
Capital assets, being depreciated:				
Buildings	2,386,218	-	-	2,386,218
Subtotal	2,386,218	-	-	2,386,218
Less accumulated depreciation				
Buildings	(1,349,464)	(47,724)	-	(1,397,188)
Subtotal	(1,349,464)	(47,724)	-	(1,397,188)
Total capital assets, being depreciated	1,036,754	(47,724)	-	989,030
Total fiduciary activities	$ 8,713,359	$ (47,724)	$ (1,534,550)	$ 7,131,085

Depreciation expense for fiduciary funds for the year ended June 30, 2018, 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, 2018, is as follows:

	Balance July 1, 2017	Debt Issued	Debt Retired	Balance June 30, 2018	Classification: Due within One Year	Classification: Due in More Than One Year
Certificate of Participation	$ 81,610,000	$ -	$ (3,350,000)	$ 78,260,000	$ 3,490,000	$ 74,770,000
Lease Revenue Bonds	24,415,000	74,485,000	(6,835,000)	92,065,000	6,660,000	85,405,000
Section 108 Loan	6,757,000	-	(425,000)	6,332,000	446,000	5,886,000
Notes Payable	3,805,586	-	(536,095)	3,269,491	523,435	2,746,056
Capital Leases	3,279,703	2,598,124	(752,184)	5,125,643	546,891	4,578,752
Bond Premium	7,603,488	10,144,025	(1,486,612)	16,260,901	-	16,260,901
Total	$ 127,470,777	$ 87,227,149	$ (13,384,891)	$ 201,313,035	$ 11,666,326	$ 189,646,709

Note 6 – Long-Term Debt (Continued)

Governmental Activities Long-Term Debt (Continued)

A. Certificates of Participation

	Balance July 1, 2017	Debt Issued	Debt Retired	Balance June 30, 2018	Classification: Due within One Year	Classification: Due in More Than One Year
2014 Refunding COP	$ 41,170,000	$ -	$ (1,730,000)	$ 39,440,000	$ 1,810,000	$ 37,630,000
2015 Refunding COP	31,840,000	-	(1,620,000)	30,220,000	1,680,000	28,540,000
2016 Refunding COP	8,600,000	-	-	8,600,000	-	8,600,000
Total	$ 81,610,000	$ -	$ (3,350,000)	$ 78,260,000	$ 3,490,000	$ 74,770,000

2014 Refunding COP

In February 2014, the Chula Vista Public Financing Authority (Authority) issued $45,920,000 in 2014 Certificates of Participation to refinance the City's outstanding 2002 Certificates of Participation (Police Facility Project), fund a reserve fund, and pay the costs incurred in connection with the execution and delivery of the Certificates. The source of repayment of the certificates is the lease payments to be made by the City to the Authority. 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, 2018, the outstanding balance is $39,440,000.

The annual debt service requirements for the 2014 Certificates of Participation outstanding at June 30, 2018, are as follows:

Year Ending June 30,	Principal	Interest	Total
2019	$ 1,810,000	$ 1,791,806	$ 3,601,806
2020	1,895,000	1,703,706	3,598,706
2021	2,000,000	1,606,331	3,606,331
2022	2,100,000	1,503,831	3,603,831
2023	2,210,000	1,396,081	3,606,081
2024-2028	12,930,000	5,154,156	18,084,156
2029-2033	16,495,000	1,742,091	18,237,091
Total	$ 39,440,000	$ 14,898,002	$ 54,338,002

Note 6 – Long-Term Debt (Continued)

Governmental Activities Long-Term Debt (Continued)

A. Certificates of Participation (Continued)

2015 Refunding COP

In August 2015, the Chula Vista Public Financing Authority (Authority) issued $34,330,000 in 2015 Certificates of Participation to refinance the City's outstanding 2004 Certificates of Participation (Civic Center Project Phase) and a portion of the 2006 Certificates of Participation (Civic Center Project Phase II), fund a reserve fund, and pay the costs incurred in connection with the execution and delivery of the Certificates. The refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of $445,970, which is reported as a deferred outflow of resources in the accompanying financial statements and amortized over the remaining life of the refunded debt. The City completed the refunding to reduce its total debt service payments by $4,384,723 and to obtain an economic gain (difference between the present values of the old and new debt services payments) of $3,073,833. The source of repayment of the certificates is the lease payments to be made by the City to the Authority. Interest is payable semi-annually on March 1 and September 1 of each year, commencing March 1, 2016. The certificates mature in 2034 and principal is payable on March 1 each year, commencing October 1, 2015. As of June 30, 2018, the outstanding balance is $30,220,000.

The annual debt service requirements for the 2015 Certificates of Participation outstanding at June 30, 2018, are as follows:

Year Ending June 30,	Principal	Interest	Total
2019	$ 1,680,000	$ 1,241,263	$ 2,921,263
2020	1,765,000	1,157,263	2,922,263
2021	1,860,000	1,069,013	2,929,013
2022	1,945,000	976,013	2,921,013
2023	2,040,000	878,763	2,918,763
2024-2028	9,875,000	3,103,713	12,978,713
2029-2033	9,025,000	1,478,644	10,503,644
2034	2,030,000	73,588	2,103,588
Total	$ 30,220,000	$ 9,978,260	$ 40,198,260

Note 6 – Long-Term Debt (Continued)

Governmental Activities Long-Term Debt (Continued)

A. Certificates of Participation (Continued)

2016 Refunding COP

In July 2016, the Chula Vista Public Financing Authority (Authority) issued $8,600,000 in 2016 Certificates of Participation (Certificates) to current refund all of the City's outstanding 2006 Certificates of Participation (Civic Center Project – Phase 2), to satisfy the reserve requirement with respect to the Certificates and to pay the costs of issuance of the Certificates. The refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of $221,204, which is reported as a deferred outflow of resources in the accompanying financial statements and amortized over the remaining life of the refunded debt. The City completed the refunding to reduce its total debt service payments by $1,144,525 and to obtain an economic gain (difference between the present values of the old and new debt services payments) of $973,849. The source of repayment of the certificates is the lease payments to be made by the City to the Authority. Interest is payable semi-annually on March 1 and September 1 of each year, commencing March 1, 2017. The certificates mature in 2036 and principal is payable on March 1 each year, commencing March 1, 2027. As of June 30, 2018, the outstanding balance is $8,600,000.

The annual debt service requirements for the 2016 Certificates of Participation outstanding at June 30, 2018, are as follows:

Year Ending June 30,	Principal	Interest	Total
2019	$ -	$ 282,550	$ 282,550
2020	-	282,550	282,550
2021	-	282,550	282,550
2022	-	282,550	282,550
2023	-	282,550	282,550
2024-2028	1,485,000	1,398,050	2,883,050
2029-2033	4,225,000	872,650	5,097,650
2034-2036	2,890,000	175,200	3,065,200
Total	$ 8,600,000	$ 3,858,650	$ 12,458,650

Note 6 – Long-Term Debt (Continued)

Governmental Activities Long-Term Debt (Continued)

B. Lease Revenue Bonds

	Balance July 1, 2017	Debt Issued	Debt Retired	Balance June 30, 2018	Classification: Due within One Year	Classification: Due in More Than One Year
2016 Lease Revenue Refunding Bonds	$ 24,415,000	$ -	$ (1,285,000)	$ 23,130,000	$ 1,330,000	$ 21,800,000
2017 Lease Revenue Bonds	-	61,355,000	(5,550,000)	55,805,000	5,330,000	50,475,000
2017 Lease Revenue Bonds, Series A	-	12,045,000	-	12,045,000	-	12,045,000
2017 Lease Revenue Bonds, Series B	-	1,085,000	-	1,085,000	-	1,085,000
Total	$ 24,415,000	$ 74,485,000	$ (6,835,000)	$ 92,065,000	$ 6,660,000	$ 85,405,000

2016 Lease Revenue Refunding Bonds

In July 2016, the Chula Vista Municipal Financing Authority (Authority) issued $25,885,000 in 2016 Lease Revenue Refunding Bonds to refinance an existing lease by advance refunding the City's outstanding 2010 Certificates of Participation (Capital Facilities Refunding Projects) and to pay the costs of issuance of the Bonds. The refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of $4,898,948, which is reported as a deferred outflow of resources in the accompanying financial statements and amortized over the remaining life of the refunded debt. The City completed the refunding to reduce its total debt service payments by $2,167,047 and to obtain an economic gain (difference between the present values of the old and new debt services payments) of $2,293,798. The source of repayment of the certificates is the lease payments to be made by the City to the Authority. Interest is payable semi-annually on November 1 and May 1 of each year, commencing November 1, 2016. The certificates mature in 2033 and principal is payable on May 1 each year, commencing May 1, 2017. As of June 30, 2018, the outstanding balance is $23,130,000.

The annual debt service requirements for the 2016 Lease Revenue Refunding Bonds outstanding at June 30, 2018, are as follows:

Year Ending June 30,	Principal	Interest	Total
2019	$ 1,330,000	$ 820,075	$ 2,150,075
2020	1,370,000	780,175	2,150,175
2021	1,410,000	739,075	2,149,075
2022	1,460,000	682,675	2,142,675
2023	1,520,000	624,275	2,144,275
2024-2028	8,540,000	2,193,575	10,733,575
2029-2033	7,500,000	752,038	8,252,038
Total	$ 23,130,000	$ 6,591,888	$ 29,721,888

Note 6 – Long-Term Debt (Continued)

Governmental Activities Long-Term Debt (Continued)

B. Lease Revenue Bonds (Continued)

2017 Lease Revenue Bonds

In June 2017, the Chula Vista Municipal Financing Authority (Authority) issued $61,355,000 in 2017 Lease Revenue Bonds to finance infrastructure, facilities and equipment and to pay the costs of the issuance of the Bonds. Interest is payable semi-annually on November 1 and May 1 of each year, commencing November 1, 2017. The bonds mature in 2027 and principal is payable on May 1 each year, commencing May 1, 2018. As of June 30, 2018, the outstanding balance is $55,805,000.

The annual debt service requirements for the 2017 Lease Revenue Bonds outstanding at June 30, 2018, are as follows:

Year Ending June 30,	Principal	Interest	Total
2019	$ 5,330,000	$ 2,790,250	$ 8,120,250
2020	5,605,000	2,523,750	8,128,750
2021	5,885,000	2,243,500	8,128,500
2022	6,185,000	1,949,250	8,134,250
2023	6,180,000	1,640,000	7,820,000
2024-2027	26,620,000	3,408,750	30,028,750
Total	$ 55,805,000	$ 14,555,500	$ 70,360,500

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

In December 2017, the Chula Vista Municipal Financing Authority (Authority) issued $12,045,000 in 2017 Lease Revenue Bonds, Series A (New Clean Renewable Energy Bonds – Federally Taxable), to finance photovoltaic energy systems at various City facilities, to capitalize interest on the Bonds and to pay the costs of issuance of the Bonds. Interest is payable semi-annually on December 1 and June 1 of each year, commencing June 1, 2018. The bonds mature in 2049 and principal is payable on December 1 each year, commencing December 1, 2021. As of June 30, 2018, the outstanding balance is $12,045,000.

Note 6 – Long-Term Debt (Continued)

Governmental Activities Long-Term Debt (Continued)

B. Lease Revenue Bonds (Continued)

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

The annual debt service requirements for 2017 Lease Revenue Bonds, Series A (New Clean Renewable Energy Bonds – Federally Taxable) outstanding at June 30, 2018, are as follows:

Year Ending June 30,	Principal	Interest	Total
2019	$ -	$ 485,781	$ 485,781
2020	-	485,781	485,781
2021	-	485,781	485,781
2022	40,000	485,262	525,262
2023	50,000	484,045	534,045
2024-2028	605,000	2,376,307	2,981,307
2029-2033	1,565,000	2,190,779	3,755,779
2034-2038	2,225,000	1,821,402	4,046,402
2039-2043	2,905,000	1,309,131	4,214,131
2044-2048	3,780,000	607,691	4,387,691
2049	875,000	18,703	893,703
Total	$ 12,045,000	$ 10,750,663	$ 22,795,663

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

In December 2017, the Chula Vista Municipal Financing Authority (Authority) issued $12,045,000 in 2017 Lease Revenue Bonds, Series B (Tax-Exempt), to finance photovoltaic energy systems at various City facilities, to capitalize interest on the Bonds and to pay the costs of issuance of the Bonds. Interest is payable semi-annually on December 1 and June 1 of each year, commencing June 1, 2018. The bonds mature in 2029 and principal is payable on December 1 each year, commencing December 1, 2019. As of June 30, 2018, the outstanding balance is $1,085,000.

Note 6 – Long-Term Debt (Continued)

Governmental Activities Long-Term Debt (Continued)

B. Lease Revenue Bonds (Continued)

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

The annual debt service requirements for 2017 Lease Revenue Bonds, Series B (Tax-Exempt), outstanding at June 30, 2018, are as follows:

Year Ending June 30,	Principal	Interest	Total
2019	$ -	$ 42,350	$ 42,350
2020	105,000	40,775	145,775
2021	105,000	37,100	142,100
2022	105,000	32,900	137,900
2023	110,000	28,600	138,600
2024-2028	550,000	77,000	627,000
2029	110,000	2,200	112,200
Total	$ 1,085,000	$ 260,925	$ 1,345,925

C. Section 108 Loan

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

As of June 30, 2018, the outstanding balance is $6,332,000. The annual debt service payments are as follows:

Year Ending June 30,	**Principal**	**Interest**	**Total**
2019	$ 446,000	$ 317,126	$ 763,126
2020	468,000	295,428	763,428
2021	492,000	271,830	763,830
2022	516,000	246,599	762,599
2023	542,000	219,668	761,668
2024-2028	3,144,000	631,761	3,775,761
2029	724,000	19,620	743,620
Total	$ 6,332,000	$ 2,002,032	$ 8,334,032

Note 6 – Long-Term Debt (Continued)

Governmental Activities Long-Term Debt (Continued)

D. Notes Payable

	Balance June 30, 2017	Debt Issued	Debt Retired	Balance June 30, 2018	Classification: Due within One Year	Classification: Due in More Than One Year
Taxable QECB Lease Purchase Agreement	$ 1,450,034	$ -	$ (187,693)	$ 1,262,341	$ 189,401	$ 1,072,940
California Energy Commission (CEC) Loan #2	1,388,219	-	(136,536)	1,251,683	140,663	1,111,020
California Energy Commission (CEC) Loan #3	899,489	-	(176,329)	723,160	178,097	545,063
SDG&E OBF Loan #1 (Parkway Boiler)	34,069	-	(8,518)	25,551	8,518	17,033
SDG&E OBF Loan #2 (Transit HVAC)	33,775	-	(27,019)	6,756	6,756	-
Total CEC Loans/SDG&E On Bill Financing	2,355,552	-	(348,402)	2,007,150	334,034	1,673,116
Total	$ 3,805,586	$ -	$ (536,095)	$ 3,269,491	$ 523,435	$ 2,746,056

Taxable QECB Lease/Purchase Agreement

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

As of June 30, 2018, the outstanding balance is $1,262,341. The annual debt service requirements are as follows:

Year Ending June 30,	Principal	Interest	Total
2019	$ 189,401	$ 48,118	$ 237,519
2020	191,125	40,600	231,725
2021	192,864	33,015	225,879
2022	194,619	25,360	219,979
2023	196,391	17,636	214,027
2024-2025	297,941	11,816	309,757
Total	$ 1,262,341	$ 176,545	$ 1,438,886

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, 2018, the outstanding balance is $2,007,150. The annual debt service requirements are as follows:

Note 6 – Long-Term Debt (Continued)

Governmental Activities Long-Term Debt (Continued)

D. Notes Payable (Continued)

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

Year Ending June 30,	Principal	Interest	Total
2019	$ 334,034	$ 43,296	$ 377,330
2020	333,218	37,357	370,575
2021	339,497	31,078	370,575
2022	337,311	24,745	362,056
2023	158,453	18,717	177,170
2024-2026	504,637	26,869	531,506
Total	$ 2,007,150	$ 182,062	$ 2,189,212

E. Capital Leases

	Balance July 1, 2017	Debt Issued	Debt Retired	Balance June 30, 2018	Classification: Due within One Year	Classification: Due in More Than One Year
Solar Energy Financing	$ 1,539,535	$ -	$ (179,976)	$ 1,359,559	$ 125,834	$ 1,233,725
Osh Kosh Capital	342,812	-	(82,076)	260,736	84,448	176,288
Marlin Panasonic	223,370	-	(95,580)	127,790	101,970	25,820
PNC Equipment	1,173,986	-	(114,622)	1,059,364	118,289	941,075
JP Morgan Equipment Lease	-	1,229,470	(111,516)	1,117,954	113,913	1,004,041
Motorola PSA Equipment Lease	-	1,351,409	(167,899)	1,183,510	-	1,183,510
Mail Folding Machine Lease	-	17,245	(515)	16,730	2,437	14,293
Total	$ 3,279,703	$ 2,598,124	$ (752,184)	$ 5,125,643	$ 546,891	$ 4,578,752

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, 2018, are as follows:

Year Ending June 30,	Principal	Interest	Total
2019	$ 125,834	$ 51,893	$ 177,727
2020	68,576	48,105	116,681
2021	74,259	45,339	119,598
2022	80,242	42,346	122,588
2023	86,540	39,113	125,653
2024-2028	539,206	137,779	676,985
2029-2031	384,902	25,579	410,481
Total	$ 1,359,559	$ 390,154	$ 1,749,713

Note 6 – Long-Term Debt (Continued)

Governmental Activities Long-Term Debt (Continued)

E. Capital Leases (Continued)

Osh Kosh Capital

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

The future minimum lease obligation and the net present value of these minimum lease payments as of June 30, 2018, are as follows:

Year Ending June 30,	Principal	Interest	Total
2019	$ 84,448	$ 7,535	$ 91,983
2020	86,888	5,095	91,983
2021	89,400	2,584	91,984
Total	$ 260,736	$ 15,214	$ 275,950

Marlin Panasonic

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

The future minimum lease obligation and the net present value of these minimum lease payments as of June 30, 2018, are as follows:

Year Ending June 30,	Principal	Interest	Total
2019	$ 101,970	$ 4,899	$ 106,869
2020	25,820	263	26,083
Total	$ 127,790	$ 5,162	$ 132,952

Note 6 – Long-Term Debt (Continued)

Governmental Activities Long-Term Debt (Continued)

E. Capital Leases (Continued)

PNC Equipment Lease

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

The future minimum lease obligation and the net present value of these minimum lease payments as of June 30, 2018, are as follows:

Year Ending June 30,	Principal	Interest	Total
2019	$ 118,289	$ 33,900	$ 152,189
2020	122,075	30,114	152,189
2021	125,981	26,208	152,189
2022	130,012	22,177	152,189
2023	134,173	18,016	152,189
2024-2026	428,834	27,733	456,567
Total	$ 1,059,364	$ 158,148	$ 1,217,512

JP Morgan Equipment Lease

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

The future minimum lease obligation and the net present value of these minimum lease payments as of June 30, 2018, are as follows:

Year Ending June 30,	Principal	Interest	Total
2019	$ 113,913	$ 24,036	$ 137,949
2020	116,362	21,587	137,949
2021	118,864	19,085	137,949
2022	121,419	16,530	137,949
2023	124,030	13,919	137,949
2024-2027	523,366	28,429	551,795
Total	$ 1,117,954	$ 123,586	$ 1,241,540

Note 6 – Long-Term Debt (Continued)

Governmental Activities Long-Term Debt (Continued)

E. Capital Leases (Continued)

Motorola Solutions CAD Equipment Lease

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

Year Ending June 30,	Principal	Interest	Total
2019	$ -	$ -	$ -
2020	132,011	38,227	170,238
2021	136,275	33,963	170,238
2022	140,677	29,562	170,239
2023	145,220	25,018	170,238
2024-2027	629,327	51,626	680,953
Total	$ 1,183,510	$ 178,396	$ 1,361,906

Mail Folding Machine Lease

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

Year Ending June 30,	Principal	Total
2019	$ 2,437	$ 2,437
2020	3,573	3,573
2021	3,573	3,573
2022	3,573	3,573
2023	3,574	3,574
Total	$ 16,730	$ 16,730

Note 6 – Long-Term Debt (Continued)

Fiduciary Funds Long-Term Debt

A. Tax Allocation Bonds

	Balance June 30, 2017	Debt Issued	Debt Retired	Balance June 30, 2018	Classification: Due within One Year	Classification: Due in More Than One Year
2016 Tax Allocation Refunding Bonds	$ 29,315,000	$ -	$ (1,385,000)	$ 27,930,000	$ 1,665,000	$ 26,265,000
Bond Premium	4,453,409	-	(234,390)	4,219,019	-	-
Total	$ 33,768,409	$ -	$ (1,619,390)	$ 32,149,019	$ 1,665,000	$ 26,265,000

2016 Tax Allocation Refunding Bonds

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

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

The refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of $1,669,678, which is reported as a deferred outflow of resources in the accompanying financial statements and amortized over the remaining life of the refunded debt. The City completed the refunding to reduce its total debt service payments by $9,561,410 and to obtain an economic gain (difference between the present values of the old and new debt services payments) of $4,617,835. Interest is payable semi-annually on April 1 and October 1 of each year, commencing April 1, 2017. The certificates mature in 2037 and principal is payable on October 1 each year, commencing October 1, 2017. As of June 30, 2018, the outstanding balance is $27,930,000.

The annual debt service requirements for the 2016 Tax Allocation Refunding Bonds outstanding at June 30, 2018, are as follows:

Year Ending June 30,	Principal	Interest	Total
2019	$ 1,665,000	$ 1,132,925	$ 2,797,925
2020	1,725,000	1,082,075	2,807,075
2021	1,770,000	1,020,800	2,790,800
2022	1,840,000	948,600	2,788,600
2023	1,920,000	873,400	2,793,400
2024-2028	9,330,000	3,179,075	12,509,075
2029-2033	4,855,000	1,646,625	6,501,625
2034-2037	4,825,000	375,050	5,200,050
Total	$ 27,930,000	$ 10,258,550	$ 38,188,550

Note 6 – Long-Term Debt (Continued)

Fiduciary Funds Long-Term Debt (Continued)

A. Tax Allocation Bonds (Continued)

Pledged Revenues

The Successor Agency has pledged tax revenues to the repayment of the RDA's debts transferred to it on February 1, 2012 through the final maturity of the Bonds, or early retirement of the Bonds, whichever comes first. Tax revenues consist of Redevelopment Property Tax Trust Fund distributions allocated to the RDA's project areas pursuant to Section 33670 of the Redevelopment Law excluding that portion of such tax increment revenues required to be paid under tax-sharing agreements unless the payment of such amounts has been subordinated to payment of debt services on the Bonds. Redevelopment Property Tax Trust Fund distributions earned in fiscal year 2018 was $4,092,288 and total debt service of all Tax Allocation Bonds paid was $1,385,000. The Bonds required 75% of net distributions. In future years, annual principal and interest payments on the Tax Allocation Bonds are expected to require 75% of Redevelopment Property Tax Trust Fund distributions.

Special Assessment Debt – Non-City Obligations

Bonds issued to finance public improvement projects in certain assessment districts are liabilities of the property owners and are secured by liens against the assessed properties. The City acts as an agent for collection of principal and interest payments by the property owners and remittance of such monies to the bondholders. The City has no obligation or duty to pay any delinquency out of any available funds of the City. Neither the faith, credit, nor the taxing power of the City is pledged to the payment of the bonds. Therefore, none of the following obligations are included in the accompanying basic financial statements. At June 30, 2018, the special assessment debts outstanding are as follows:

	Original Amount	Outstanding June 30, 2018
Special Tax Revenue Refunding Bonds, Series 2013	$ 72,100,000	$ 61,265,000
Special Tax Revenue Refunding Bonds, Series 2015A	30,460,000	28,935,000
Revenue Refunding Bonds, Series 2015B	43,695,000	39,780,000
CFD 16-1	12,280,000	12,280,000
Industrial Development Revenue Bonds, 2004 Series A-F	251,265,000	251,265,000
Industrial Development Revenue Bonds, 2006 Series A	161,240,000	161,240,000
Total	$ 571,040,000	$ 554,765,000

Note 6 – Long-Term Debt (Continued)

Multi-Family Housing Bonds – Non-City Obligations

Bonds issued to finance public improvement and/or affordable multifamily housing projects are liabilities of the developers and are secured by liens against the assessed property. The City has no obligation or duty to pay any delinquency out of any available funds of the City. Neither the faith, credit, nor the taxing power of the City is pledged to the payment of the bonds. Therefore, none of the following obligations are included in the accompanying basic financial statements. At June 30, 2018, the multi-family housing bonds outstanding are as follows:

	Original Amount	Outstanding June 30, 2018
2000 A Pear Tree Manor Project	$ 5,259,000	$ 3,834,000
1999 A Villa Serena Project	5,566,500	4,145,000
2007 A Oxford Terrace Apartments	2,276,000	1,691,000
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	5,665,579
2013 A Congregational Tower	20,540,000	19,915,032
2016 A-1 Duetta Apts Homes	18,675,000	8,081,666
2016 A-3 Duetta Apts Homes Junior	725,000	725,000
2016 B-1 Volta Apts Homes	20,925,000	10,276,687
2016 B-3 Volga Apts Homes Junior	775,000	775,000
2010 A-1 Landings II Senior	11,786,233	10,663,558
2005A Rancho Vista	1,715,000	1,380,000
2003A Rancho Vista	11,485,000	9,345,000
Total	$ 156,700,733	$ 116,800,522

Note 7 – Unearned/Unavailable Revenue

A. Government-Wide Financial Statements

At June 30, 2018, unearned revenue was reported as follows:

Grants	$ 524,667
Total	$ 524,667

B. Governmental Fund Financial Statements

At June 30, 2018, unavailable revenue was reported as follows:

Long-term receivables	$ 15,794,730
Miscellaneous	2,435,466
Total	$ 18,230,196

Note 8 – Compensated Absences

Government-Wide Financial Statements – Governmental Activities

Summary of changes in governmental activities compensated absences for the year ended June 30, 2018, is as follows:

	Balance June 30, 2017	Additions	Deletions	Balance June 30, 2018	Classification: Due within One Year	Classification: Due in More Than One Year
Compensated Absences	$ 7,344,798	$ 5,059,497	$ (5,026,107)	$ 7,378,188	$ 5,048,956	$ 2,329,232
Total	$ 7,344,798	$ 5,059,497	$ (5,026,107)	$ 7,378,188	$ 5,048,956	$ 2,329,232

The City's liability for vested and unpaid compensated absences (accrued vacation) has been accrued and amounts to $7,378,188 at June 30, 2018. 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, 2018, are obligations of the following funds:

Governmental Funds	$ 7,324,457
Fleet Management	53,731
Total	$ 7,378,188

Governmental-Wide Financial Statements – Business-Type Activities

Compensated absences at June 30, 2018, are obligations of the following funds:

	Balance June 30, 2017	Additions	Deletions	Balance June 30, 2018	Classification: Due within One Year	Classification: Due in More Than One Year
Compensated Absences	$ 608,896	$ 441,498	$ (420,751)	$ 629,643	$ 433,111	$ 196,532
Total	$ 608,896	$ 441,498	$ (420,751)	$ 629,643	$ 433,111	$ 196,532

Development Services	$ 403,333
Sewer	226,310
	$ 629,643

Note 9 – Other Required Fund Disclosures

At June 30, 2018, the following non-major funds had deficit fund equity:

Fund Type	Funds	Deficit
Capital Projects	Bicycle Facility	$ 4,433
Internal Service	Fleet Management	1,156,584

Bicycle Facility – The Bicycle Facility Fund had an accumulated deficit of $4,433 due to non-reimbursable expenditures that were incurred. The City does not expect to eliminate the deficit.

Fleet Management Fund – The Fleet Management Fund had an accumulated deficit of $1,156,584, due to the implementation of GASB 68 & GASB 75. The City expects to eliminate the deficit in future years via transfers from other funds.

Note 10 – Self-Insurance Accrued Liabilities

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

City Council of the City of Chula Vista authorized the City Manager to execute an Agreement with Intercare Holdings Insurance Services, Inc., to act as the Third Party Administrator for the City's Workers' Compensation Program, effective July 1, 2017. The term of this agreement began July 1, 2017 and ended on June 30, 2018 for completion of all Required Services. The Agreement may be extended for up to five (5) additional terms.

The City is self-insured for the first $1,000,000 per occurrence for workers' compensation liabilities. Excess workers' compensation coverage is obtained through participation in the CSAC Excess Insurance Authority's Excess Workers' Compensation Program. As of June 30, 2018, there are 174 member entities participating in the program that offers per occurrence coverage up to $5,000,000 through pooled resources and from $5,000,000 to statutory limits via group purchased excess insurance policies.

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.

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, 2017	Claims and Changes in Estimates	Claims Payments	Balance June 30, 2018
2015-2016	$ 22,610,305	$ 6,077,047	$ (6,218,413)	$ 22,468,939
2016-2017	22,468,939	8,274,909	(8,438,119)	22,305,729
2017-2018	22,305,729	6,061,239	(5,486,263)	22,880,705

The City determines that $4,000,000 of the $22,880,705 to be short term. The liabilities for claims and judgments are typically liquidated from the General Fund.

Note 11 – Pension Plans

A. California Public Employees' Retirement Plans

Plan Description

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

Benefits Provided

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

The Plan's provisions and benefits in effect at June 30, 2018, are summarized as follows:

Note 11 – Pension Plans (Continued)

A. California Public Employees' Retirement Plans (Continued)

Benefits Provided (Continued)

Miscellaneous Plan

	Tier 1*	Tier 2	PEPRA
Hire date	Prior to April 22, 2011	New Member on or after April 22, 2011 but prior to January 1, 2013	New Member on or after January 1, 2013
Benefit formula	3% @ 60	2% @ 60	2% @ 62
Benefit vesting schedule	5 years service	5 years service	5 years service
Benefit payments	monthly for life	monthly for life	monthly for life
Retirement age	50	50	52
Monthly benefits, as a % of eligible compensation	2.0% to 3.0%	1.092% to 2.418%	1.0% to 2.5%
Required employee contribution rates	8.0%	7.0%	6.75%
Required employer contribution rates	31.545%	31.545%	12.757%

Safety Fire Plan

	Tier 1*	Tier 2	PEPRA
Hire date	Prior to April 22, 2011	New Member on or after April 22, 2011 but prior to January 1, 2013	New Member on or after January 1, 2013
Benefit formula	3% @ 50	3% @ 55	2.7% @ 57
Benefit vesting schedule	5 years service	5 years service	5 years service
Benefit payments	monthly for life	monthly for life	monthly for life
Retirement age	50	50	50
Monthly benefits, as a % of eligible compensation	3.00%	2.4% to 3.0%	2.0% to 2.7%
Required employee contribution rates	9.0%	9.0%	12.25%
Required employer contribution rates	35.570%	35.570%	24.095%

Safety Police Plan

	Tier 1*	Tier 2	PEPRA
Hire date	Prior to April 22, 2011	New Member on or after April 22, 2011 but prior to January 1, 2013	New Member on or after January 1, 2013
Benefit formula	3% @ 50	3% @ 55	2.7% @ 57
Benefit vesting schedule	5 years service	5 years service	5 years service
Benefit payments	monthly for life	monthly for life	monthly for life
Retirement age	50	50	50
Monthly benefits, as a % of eligible compensation	3.00%	2.4% to 3.0%	2.0% to 2.7%
Required employee contribution rates	9.0%	9.0%	12.25%
Required employer contribution rates	35.570%	35.570%	24.095%

*Closed to new entrants

Note 11 – Pension Plans (Continued)

A. California Public Employees' Retirement Plans (Continued)

Employees Covered

At June 30, 2018, the following employees were covered by the benefit terms of the plans:

Miscellaneous Plan	
Inactive employees or beneficiaries currently receiving benefits	736
Inactive employees entitled to but not yet receiving benefits	656
Active employees	605
Total	**1,997**
Safety Plan	
Inactive employees or beneficiaries currently receiving benefits	337
Inactive employees entitled to but not yet receiving benefits	116
Active employees	337
Total	**790**

Contribution

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for both Plans are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The City is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. $10,864,203 and $14,965,975 of contributions for the Miscellaneous and Safety Plan respectively, were recognized as a reduction to the net pension liability for fiscal year ending June 30, 2018.

Net Pension Liability

The City's net pension liability for each Plan is measured as the total pension liability, less the pension plan's fiduciary net position. The net pension liability of the Plans is measured as of June 30, 2017, using an annual actuarial valuation as of June 30, 2016 rolled forward to June 30, 2017 using standard update procedures. A summary of principal assumptions and methods used to determine the net pension liability is shown below.

Note 11 – Pension Plans (Continued)

A. California Public Employees' Retirement Plans (Continued)

Net Pension Liability (Continued)

The total pension liabilities in the June 30, 2016 actuarial valuations were determined using the following actuarial assumptions:

Actuarial Cost Method	Entry Age Normal in accordance with the requirements of GASB Statement No. 68
Actuarial Assumptions	
Discount Rate	7.15%
Inflation	2.75%
Salary Increases	Varies by Entry Age and Service
Mortality Rate Table (1)	Derived using CalPERS' Membership Data for all Funds
Post Retirement Benefit Increase	Contract COLA up to 2.75% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.75% thereafter

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

All other actuarial assumptions used in the June 30, 2016 valuation were based on the results of an actuarial experience study for the period from 1997 to 2011, including updates to salary increase, mortality and retirement rates. The Experience Study report can be obtained at CalPERS' website under Forms and Publications.

Change of Assumptions

In 2017, the accounting discount rate reduced from 7.65 percent to 7.15 percent.

Discount Rate

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

Note 11 – Pension Plans (Continued)

A. California Public Employees' Retirement Plans (Continued)

Discount Rate (Continued)

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

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

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

Asset Class	New Strategic Allocation	Real Return Years 1 - 10 (1)	Real Return Years 11+ (2)
Global Equity	47.00%	4.90%	5.38%
Global Fixed Income	19.00	0.80	2.27
Inflation Sensitive	6.00	0.60	1.39
Private Equity	12.00	6.60	6.63
Real Estate	11.00	2.80	5.21
Infrastructure and Forestland	3.00	3.90	5.36
Liquidity	2.00	(0.40)	(0.90)

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

Note 11 – Pension Plans (Continued)

A. California Public Employees' Retirement Plans (Continued)

Changes in the Net Pension Liability

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

Miscelleaneous Plan

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability/(Assets) (c)=(a)-(b)
Balance at: 6/30/2016 (Valuation Date)	$ 494,935,770	$ 324,118,132	$ 170,817,638
Changes Recognized for the Measurement Period:			
Service Cost	9,370,865	-	9,370,865
Interest on the Total Pension Liability	36,639,997	-	36,639,997
Difference between Expected and Actual Experience	(6,331,454)	-	(6,331,454)
Changes of Assumptions	30,693,812	-	30,693,812
Plan to Plan Resource Movement	-	-	-
Contribution from the Employer	-	13,663,149	(13,663,149)
Contributions from Employees	-	3,536,418	(3,536,418)
Net Investment Income	-	36,763,992	(36,763,992)
Benefit Payments including Refunds of Employee Contributions	(23,072,106)	(23,072,106)	-
Administrative Expense	-	(478,539)	478,539
Net Changes During 2016-17	**47,301,114**	**30,412,914**	**16,888,200**
Balance at: 6/30/2017 (Measurement Date)	**$ 542,236,884**	**$ 354,531,046**	**$ 187,705,838**

Safety Plan

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability/(Assets) (c)=(a)-(b)
Balance at: 6/30/2016 (Valuation Date)	$ 440,744,502	$ 316,195,910	$ 124,548,592
Changes Recognized for the Measurement Period:			
Service Cost	11,594,959	-	11,594,959
Interest on the Total Pension Liability	33,213,616	-	33,213,616
Difference between Expected and Actual Experience	(1,210,352)	-	(1,210,352)
Changes of Assumptions	29,393,364	-	29,393,364
Contribution from the Employer	-	11,670,017	(11,670,017)
Contributions from Employees	-	3,620,014	(3,620,014)
Net Investment Income	-	35,554,749	(35,554,749)
Benefit Payments including Refunds of Employee Contributions	(20,397,814)	(20,397,814)	-
Administrative Expense	-	(466,842)	466,842
Net Changes During 2016-17	**52,593,773**	**29,980,124**	**22,613,649**
Balance at: 6/30/2017 (Measurement Date)	**$ 493,338,275**	**$ 346,176,034**	**$ 147,162,241**

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Note 11 – Pension Plans (Continued)

A. California Public Employees' Retirement Plans (Continued)

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

The following presents the net pension liability of the Plans as of the measurement date, calculated using the discount rate of 7.15 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (6.15 percent) or 1 percentage-point higher (8.15 percent) than the current rate:

	Discount Rate - 1% (6.15%)	Current Discount Rate (7.15%)	Discount Rate +1% (8.15%)
Miscellaneous Plan	$ 261,974,632	$ 187,705,838	$ 126,494,417
Safety Plan	219,638,890	147,162,241	88,284,211
TOTAL	**$ 481,613,522**	**$ 334,868,079**	**$ 214,778,628**

Pension Plan Fiduciary Net Position

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

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

For the year ended June 30, 2018, the City of Chula Vista incurred a pension expense of $26,098,593 and $23,488,807 for the Miscellaneous and Safety Plans, respectively, for a total pension expense of $49,587,400. At June 30, 2018, the City of Chula Vista has deferred outflows and deferred inflows of resources related to pensions as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Miscellaneous Plan		
Pension contributions subsequent to measurement date	$ 10,942,584	$ -
Difference between Expected and Actual Experience	-	4,478,970
Changes of Assumptions	18,888,500	-
Net Difference between Projected and Actual Earnings on Pension Plan Investments	4,072,542	-
Total	**33,903,626**	**4,478,970**
Safety Plan		
Pension contributions subsequent to measurement date	17,324,929	-
Difference between Expected and Actual Experience	627,360	963,341
Changes of Assumptions	23,394,718	2,930,239
Net Difference between Projected and Actual Earnings on Pension Plan Investments	4,389,036	-
Total	**45,736,043**	**3,893,580**
Total All Plans	**$ 79,639,669**	**$ 8,372,550**

Note 11 – Pension Plans (Continued)

A. California Public Employees' Retirement Plans (Continued)

The $10,942,584 and $17,324,929 for the Miscellaneous and Safety Plan, respectively, reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2019. Other amounts reported as deferred outflows or deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Measurement Period ended June 30:	Miscellaneous Plan	Safety Plan	Total
	Deferred Outflows/(Inflows) of Resources		
2018	$ 8,548,399	$ 4,218,961	$ 12,767,360
2019	10,902,503	9,982,642	20,885,145
2020	1,813,945	7,773,296	9,587,241
2021	(2,782,775)	2,542,635	(240,140)

B. Defined Contribution Pension Plan

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

For the year ended June 30, 2018, the City's total hourly payroll (for eligible PARS members) and covered payroll was $2,668,711. The City made employer contributions of $100,076 (3.75% of current covered payroll), and employees contributed $100,076 (3.75% of current covered payroll).

C. Deferred Compensation 457B Plan

The City offers to its employees an optional deferred compensation plan created in accordance with Section 457 of the Internal Revenue Code. This plan is available to substantially all employees and allows participants to defer a portion of their current income until future years, up to a maximum of $18,500 (in whole dollars) per calendar year, so as to shelter such funds and earnings from state and federal taxation until withdrawal. The deferred compensation is not available to participants until termination, retirement, death, or unforeseeable emergency. This plan is administered through a third-party administrator. The City does not perform the investing function and has no fiduciary accountability for the plan. Thus, plan assets and any related liability to plan participants have been excluded from the City's financial statements. At June 30, 2018, the balance in the plan was $93,358,910.

Note 12 – Post Retirement Health Benefits

Plan Description

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

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

Employees Covered

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

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

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

Contributions

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

Note 12 – Post Retirement Health Benefits (Continued)

Total OPEB Liability

The City's Total OPEB liability was measured as of June 30, 2018 and the total OPEB liability used to calculate the total OPEB liability was determined by an actuarial valuation dated June 30, 2017 that was used to determine the June 30, 2017 total OPEB liability, based on the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions	
Contribution Policy	No pre-funding.
Discount Rate	3.50%
Inflation	2.50%
Salary Increases	2.75% Merit - CalPERS 197-2015 Experience Study
Healthcare cost trend rates	7.00% in first year, trending down to 3.94% over 57 years
Mortality Rate	Mortality Rate projected fully generational with Scale MP-17.
Mortality, Retirement, Disability, Terminations	CalPERS 1997-2015 Experience Study.

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

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

Discount Rate

The discount rate used to measure the total OPEB liability was 3.50 percent. The projection of cash flows used to determine the discount rate assumed that City contributions will be made at rates equal to the actuarially determined contribution rates. The City does not participate in a trust fiduciary fund.

Note 12 – Post Retirement Health Benefits (Continued)

Changes in the Total OPEB Liability

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

	Increase(Decrease) Total OPEB Liability
Balance at June 30, 2017	$ 13,726,597
Changes recognized over the measurement period:	
Service Cost	825,786
Interest	495,822
Difference between expected and actual experiences	4,128
Change of assumptions	183,361
Implicit rate subsidy fulfilled	(536,155)
Net Changes	972,942
Balance at June 30, 2018	$ 14,699,539

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

The following presents the total OPEB liability of the City if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate, for measurement period ended June 30, 2018:

	1% Decrease (2.50%)	Current Discount Rate (3.50%)	1% Increase (4.50%)
Total OPEB Liability	$ 14,894,326	$ 14,699,539	$ 12,974,628

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

The following presents the Total OPEB liability of the City if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current rate, for measurement period ended June 30, 2018:

	1% Decrease	Current Healthcare Cost Trent Rates	1% Increase
Total OPEB Liability	$ 12,513,992	$ 14,699,539	$ 15,526,123

Note 12 – Post Retirement Health Benefits (Continued)

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

For the fiscal year ended June 30, 2018, the City recognized OPEB expense of $1,348,780. As of fiscal year ended June 30, 2018, the City reported deferred outflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between actual and expected experience	$ 3,530	$ -
Changes of assumptions	156,787	-
	$ 160,317	$ -

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

Fiscal Year ended June 30:	Deferred Outflows/(Inflows) of Resources
2019	$ 27,172
2020	27,172
2021	27,172
2022	27,172
2023	27,172
Thereafter	24,457
	$ 160,317

Note 13 – Commitments and Contingencies

Litigation

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

Grants

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

Construction Commitments

The following material construction commitments existed at June 30, 2018:

Project Name	Contract Amount	Expenditures to date as of June 30, 2018	Remaining Commitments
Phase 2 Willow Street Bridge Replacement	$ 15,186,666	$ 2,144,978	$ 13,041,688
Street Pavement Rehabilitation - Measure P	5,127,997	1,827,719	3,300,278

Encumbrances

At June 30, 2018, there were encumbrances of $12,171,397 in the General Fund, $1,404,530 in the Sundry Grants Fund, $423 in the Housing Successor Agency, $841,516 in the Development Impact Fee Fund, $8,146,108 in the Other Transportation Program Fund, $799,497 in the Sewer Fund, $135,556 in the Development Services Fund, and $11,566,248 in the non-major funds.

City Loan to Successor Agency

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

Note 13 – Commitments and Contingencies (Continued)

Successor Agency – Long Range Property Management Plan

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

Note 14 – Classification of Fund Balances

	Major Funds								
	General Fund	Sundry Grants Special Revenue Fund	Housing Successor Agency Fund	Development Impact Fund	Other Transportation Program Fund	Public Financing Authority	Municipal Financing Authority	Other Governmental Funds	Total
Nonspendable									
Prepaid items	$ 337,663	$ -	$ -	$ -	$ -	$ 1,125	$ -	$ -	$ 338,788
Due from Successor Agency of Chula Vista RDA	5,846,717	-	-	-	-	-	-	-	5,846,717
Advances to other funds	1,491,970	-	-	-	-			-	1,491,970
Total nonspendable	7,676,350	-	-	-	-	1,125	-	-	7,677,475
Restricted									
SLESF - Local law enforcement	-	458,984	-	-	-	-	-	-	458,984
Police grants	-	175,352	-	-	-	-	-	-	175,352
Asset forfeiture	-	354,861	-	-	-	-	-	-	354,861
Library services	-	23,836	-	-	-	-	-	-	23,836
HOME Program	-	1,738,693	-	-	-	-	-	-	1,738,693
Energy conservation	-	(297,515)	-	-	-	-	-	10,500	(287,015)
Cultural arts	-	13,156	-	-	-	-	-	-	13,156
CDBG Home Programs	-	391,976	-	-	-	-	-	-	391,976
Environmental services	-	1,446,493	-	-	-	-	-	-	1,446,493
Waste management, recycling and environ. grants	-	199,470	-	-	-	-	-	-	199,470
Community and housing development	-	(64,544)	10,321,276	-	-	-	-	646,219	10,902,951
American Recovery and Reinvestment Act 2009		143,645	-	-	-	-	-	-	143,645
Public facilities	-	(10,077)	-	7,147,939	-	-	-	-	7,137,862
Emergency shelter	-	3,301	-	-	-	-	-	-	3,301
Transportation improvements	-	-	-	26,935,272	446,003	-	-	19,403,290	46,784,565
Telegraph Canyon drainage	-	-	-	4,058,356	-	-	-	-	4,058,356
East Urban Cener millenia Ped Bridge DIF	-	-	-	5,304,107	-	-	-	-	5,304,107
Park acquisitions and development	-	-	-	-	-	-	-	34,552,959	34,552,959
Parking meter services	-	-	-	-	-	-	-	1,462,084	1,462,084
Public Educational & Govt. Fee	-	-	-	-	-	-	-	1,702,817	1,702,817
Traffic signal and safety	-	-	-	2,622,955	-	-	-	195,979	2,818,934
Storm drain	-	-	-	-	-	-	-	599,815	599,815
Open space maintenance	-	-	-	-	-	-	-	22,093,417	22,093,417
Telecom Utility Tax	-	-	-	-	-	-	-	160,261	160,261
Mobilehome Admin Fee	-	-	-	-	-	-	-	193,675	193,675
Assessment districts improvement	-	-	-	-	-	-	-	1,068,316	1,068,316
Town Center I	-	-	-	-	-	-	-	53,150	53,150
OR V2 Pub Benefit Contribution	-	-	-	-	-	-	-	361,573	361,573
Total restricted	-	4,577,631	10,321,276	46,068,629	446,003	-	-	82,504,055	143,917,594
Committed									
Ecomonic contingency	3,804,371	-	-	-	-	-	-	-	3,804,371
Capital projects	60,011,407	-	-	-	-	-	-	-	60,011,407
San Diego Authority for Freeway Emergencies	332,151	-	-	-	-	-	-	-	332,151
Legal Council	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	6,259,425	43,650	-	6,303,075
Total committed	64,147,929	-	-	-	-	6,259,425	43,650	-	70,451,004
Assigned									
City Clerk	57,505	-	-	-	-	-	-	-	57,505
City Attorney	45,164	-	-	-	-	-	-	-	45,164
City Administration	-	-	-	-	-	-	-	-	-
Information Technology Services Department	22,227	-	-	-	-	-	-	-	22,227
Human Resources	11,133	-	-	-	-	-	-	-	11,133
Finance Department	118,175	-	-	-	-	-	-	-	118,175
Non-Departmental	1,833,539	-	-	-	-	-	-	-	1,833,539
Animal Care Services	9,392	-	-	-	-	-	-	-	9,392
Economic Development	45,000	-	-	-	-	-	-	-	45,000
Engieering	5,000								5,000
Police Department	72,161	-	-	-	-	-	-	-	72,161
Fire Department	25,580	-	-	-	-	-	-	-	25,580
Public Works Department	76,272	-	-	-	-	-	-	-	76,272
Recreation Department	75,482	-	-	-	-	-	-	-	75,482
Library	7,289	-	-	-	-	-	-	-	7,289
Endowments	-	-	-	-	-	-	-	10,891	10,891
Public liability	277,013	-	-	-	-	-	-	-	277,013
Measure P Sales Tax	9,185,942	-	-	-	-	-	-	-	9,185,942
Total assigned	11,866,874	-	-	-	-	-	-	10,891	11,877,765
Unassigned	24,512,363	-	-	-	-	-	-	(4,433)	24,507,930
Total fund balances	$ 108,203,516	$ 4,577,631	$ 10,321,276	$ 46,068,629	$ 446,003	$ 6,260,550	$ 43,650	$ 82,510,513	$ 258,431,768

Note 15 – Prior Period Adjustments

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

Traffic Signal – The City re-categorized this fund to be presented with the Development Impact Fees fund based on the nature of the fund, resulting in a restatement in each fund of $2,076,954.

City Debt Service – The City eliminated the City Debt Service fund causing a restatement of $18,960,645 with reciprocal restatements in the Storm Drain fund of ($91,089), the Park Acquisition Development fund of ($9,219,238), the Development Impact Funds fund of (9,650,318). This elimination of the debt service fund resulted in re-establishing the advances to and from to the funds originally responsible. Additional immaterial restatements in these funds of $5,767, ($27), ($2,784), and ($2,956), respectively are due to the close out of the fund as well.

Development Impact Funds – In addition to the $2,076,954, ($9,650,318), and ($2,464) restatements referenced above, the City recognized a restatement of $1,203,046 due to the elimination of unavailable revenue that had been recognized as revenue in previous years. The total restatement of this fund is ($6,372,782).

Sundry Grants - The City recognized accrued interest that should have been accrued in previous years and eliminated unavailable revenue that had been recognized as revenue in previous years causing a total restatement of $288,895.

Housing Programs – The City recognized accrued interest that should have been accrued in previous years, causing a restatement of ($6,565).

Transportation Sales Tax – The City eliminated unavailable revenue that had been recognized as revenue in previous years, causing a restatement of $16,168.

Sewer Fund – The City implemented GASB 75 for OPEB reporting, resulting in a restatement of ($624,399).

Development Services Fund – The City implemented GASB 75 for OPEB reporting, resulting in a restatement of ($746,564).

Fleet Management Fund – The City implemented GASB 75 for OPEB reporting, resulting in a restatement of ($108,591).

Transit Fund – The City no longer recognizes a net pension liability in the transit fund, therefore the correction of pension expense allocations resulted in a restatement of $528,855.

Successor Agency – The City corrected an immaterial accounting entry, resulting in a restatement of $2,446.

Note 16 – Subsequent Events

In November 2018, the Citizens of the City of Chula Vista approved Measure Q, which authorized the collection of taxes and fees related to the cannabis industry. The voter approval of the measure, coupled with subsequent City Council approval of the associated ordinance, means that licensed dispensaries can operate and the city can tax manufacturing, cultivation and testing sites, as well as dispensaries and delivery services.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF
CHULA VISTA

CITY OF CHULA VISTA

BUDGETARY COMPARISON SCHEDULE BY DEPARTMENT
GENERAL FUND
YEAR ENDED JUNE 30, 2018

	Budget Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Budgetary Fund Balance, July 1	$ 41,848,965	$ 41,848,965	$ 41,848,965	$ -
Resources (Inflows):				
Taxes	129,524,117	131,364,886	130,862,050	(502,836)
Licenses and permits	1,524,632	1,524,632	1,576,396	51,764
Intergovernmental	3,123,927	3,290,021	3,941,041	651,020
Charges for services	3,861,034	4,141,305	4,622,136	480,831
Use of money and property	2,421,115	2,914,615	3,772,878	858,263
Fines and forfeitures	1,075,423	1,075,423	1,332,011	256,588
Contributions	1,556,923	1,722,781	2,176,096	453,315
Developer participation	1,004,664	1,004,664	1,619,577	614,913
Miscellaneous	10,869,280	11,901,399	13,545,617	1,644,218
Transfers in	28,810,581	31,216,519	9,626,425	(21,590,094)
Capital leases	-	1,229,470	2,598,124	1,368,654
Refunding bonds issued	44,239,992	61,355,000	61,355,000	-
Bond premium	-	10,009,000	10,008,509	(491)
Amounts Available for Appropriations	**269,860,653**	**304,598,680**	**288,884,825**	**(15,713,855)**
Charges to Appropriation (Outflow):				
Current				
City council	1,612,138	1,539,410	1,541,041	(1,631)
City clerk	941,690	1,065,170	1,007,638	57,532
City attorney	2,915,911	2,828,213	2,774,203	54,010
Administration	2,046,997	2,107,225	2,114,907	(7,682)
Information technology	3,692,819	3,628,297	3,610,391	17,906
Human resources	2,505,352	2,313,875	2,440,167	(126,292)
Finance	5,422,847	6,669,530	5,941,341	728,189
Non-departmental	2,324,616	5,120,061	3,293,165	1,826,896
Board and commissions	12,271	21,732	16,028	5,704
Police	51,233,567	51,786,798	52,184,649	(397,851)
Fire	28,523,608	32,579,850	32,381,469	198,381
Animal care facility	2,556,892	2,522,965	2,464,961	58,004
Community development				
Economic development	2,196,875	2,024,086	2,016,328	7,758
Development services	2,708,065	2,685,065	2,684,110	955
Parks and recreation				
Parks and recreation	4,417,212	4,350,329	4,276,366	73,963
Public works				
Public works	9,876,178	9,598,758	8,384,667	1,214,091
Engineering	17,895,480	18,520,608	18,362,659	157,949
Library				
Library	3,809,784	3,919,934	3,923,691	(3,757)
Capital outlay	58,719,529	79,589,847	16,257,420	63,332,427
Debt service:				
Principal retirement	281,302	6,264,660	6,026,625	238,035
Interest and fiscal charges	84,197	3,093,426	3,039,982	53,444
Transfers out	24,159,358	27,413,293	5,939,501	21,473,792
Total Charges to Appropriations	**227,936,688**	**269,643,132**	**180,681,309**	**88,961,823**
Budgetary Fund Balance, June 30	**$ 41,923,965**	**$ 34,955,548**	**$ 108,203,516**	**$ 73,247,968**

See Notes to Required Supplementary Information

CITY OF CHULA VISTA

BUDGETARY COMPARISON SCHEDULE BY DEPARTMENT
SUNDRY GRANTS
YEAR ENDED JUNE 30, 2018

	Budget Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Budgetary Fund Balance, July 1, as restated	$ 3,281,768	$ 3,281,768	$ 3,281,768	$ -
Resources (Inflows):				
Intergovernmental	3,468,501	4,063,050	4,603,087	540,037
Charges for services	1,262,279	1,262,279	1,242,193	(20,086)
Use of money and property	99,000	99,000	120,491	21,491
Contributions	7,029,501	9,096,036	8,999,968	(96,068)
Miscellaneous	254,485	255,485	580,829	325,344
Transfers in	294,884	294,884	129,013	(165,871)
Amounts Available for Appropriations	**15,690,418**	**18,352,502**	**18,957,349**	**604,847**
Charges to Appropriation (Outflow):				
Current				
Police	7,391,712	8,330,604	7,385,505	945,099
Fire	317,501	1,841,076	927,988	913,088
Animal care facility	-	48,656	17,006	31,650
Economic development	4,037,128	4,099,229	2,847,480	1,251,749
Development services	483,605	3,903,582	1,748,476	2,155,106
Public works	-	519	-	519
Engineering	-	53,335	-	53,335
Library	-	30,514	19,372	11,142
Capital outlay	350,000	1,680,553	564,188	1,116,365
Transfers out	891,298	938,404	869,703	68,701
Total Charges to Appropriations	**13,471,244**	**20,926,472**	**14,379,718**	**6,546,754**
Budgetary Fund Balance, June 30	**$ 2,219,174**	**$ (2,573,970)**	**$ 4,577,631**	**$ 7,151,601**

See Notes to Required Supplementary Information

CITY OF CHULA VISTA

BUDGETARY COMPARISON SCHEDULE BY DEPARTMENT
HOUSING SUCCESSOR AGENCY
YEAR ENDED JUNE 30, 2018

	Budget Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Budgetary Fund Balance, July 1	$ 9,864,729	$ 9,864,729	$ 9,864,729	$ -
Resources (Inflows):				
Use of money and property	215,000	215,000	384,939	169,939
Miscellaneous	200,000	200,000	4,185,012	3,985,012
Amounts Available for Appropriations	**10,279,729**	**10,279,729**	**14,434,680**	**4,154,951**
Charges to Appropriation (Outflow):				
Current				
Development services	4,627,583	5,127,583	4,113,404	1,014,179
Total Charges to Appropriations	**4,627,583**	**5,127,583**	**4,113,404**	**1,014,179**
Budgetary Fund Balance, June 30	**$ 5,652,146**	**$ 5,152,146**	**$ 10,321,276**	**$ 5,169,130**

See Notes to Required Supplementary Information

CITY OF CHULA VISTA

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

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

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

Notes to Schedule:

Benefit Changes: The figures above do not include any liability impact that may have resulted from plan changes which occurred after June 30, 2015. This applies to voluntary benefit changes as well as any offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes).

Changes of Assumptions: In 2017, the accounting discount rate reduced from 7.65 percent to 7.15 percent. In 2016, there were no changes. In 2015, amounts reported reflect an adjustment of the discount rate from 7.5 percent (net of adminstrative expense) to 7.65 percent (without a reduction for pension plan adminstrative expense.) In 2014, amount reported were based on the 7.5 percent discount rate.

CITY OF CHULA VISTA

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

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

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

Note to Schedule:

Valuation Date:	June 30, 2015
Methods and assumptions used to determine contribution rates:	
Actuarial cost method	Entry age normal cost method
Amortization method/period	Level percentage of payroll, closed
Inflation	2.75%
Salary Increases	3.30% to 14.20%
Payroll Growth	3.00%
Investment rate of return	7.50% net of pension investment and administrative expenses, including inflation.
Retirement age	The probabilities of retirement are based on the 2010 CalPERS Experience Study for the period from 1997 to 2007.
Mortality	The probabilities of mortality are based on the 2010 CalPERS Experience Study for the period from 1997 to 2007. Pre-retirement and post-retirement mortality rates include 5 years of projected mortality improvement using Scale AA published by the Society of Actuaries.

CITY OF CHULA VISTA

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

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

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

Notes to Schedule:

Benefit Changes: The figures above do not include any liability impact that may have resulted from plan changes which occurred after June 30, 2015. This applies to voluntary benefit changes as well as any offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes).

Changes of Assumptions: In 2017, the accounting discount rate reduced from 7.65 percent to 7.15 percent. In 2016, there were no changes. In 2015, amounts reported reflect an adjustment of the discount rate from 7.5 percent (net of adminstrative expense) to 7.65 percent (without a reduction for pension plan adminstrative expense.) In 2014, amount reported were based on the 7.5 percent discount rate.

CITY OF CHULA VISTA

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

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

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

Note to Schedule:

Valuation Date:	June 30, 2015
Methods and assumptions used to determine contribution rates:	
Actuarial cost method	Entry age normal cost method
Amortization method/period	Level percentage of payroll, closed
Assets valuation method	Market Value
Inflation	2.75%
Salary Increases	3.30% to 14.20%
Payroll Growth	3.00%
Investment rate of return	7.50% net of pension investment and administrative expenses, including inflation.
Retirement age	The probabilities of retirement are based on the 2010 CalPERS Experience Study for the period from 1997 to 2007.
Mortality	The probabilities of mortality are based on the 2010 CalPERS Experience Study for the period from 1997 to 2007. Pre-retirement and post-retirement mortality rates include 5 years of projected mortality improvement using Scale AA published by the Society of Actuaries.

CITY OF CHULA VISTA

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

		2018
Total OPEB Liability		
Service cost	$	825,786
Interest on the total OPEB liability		495,822
Difference between expected and actual experience		4,128
Change of assumptions		183,361
Implicit rate subsidy fulfilled		(536,155)
Net change in total OPEB liability		**972,942**
Total OPEB liability - beginning		**13,726,597**
Total OPEB Liability	**$**	**14,699,539**
Covered-employee payroll	$	53,738,469
Total OPEB liability as a percentage of covered-employee payroll		27.35%

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

Notes to Schedule: None

Changes in assumptions: None

1. BUDGETARY INFORMATION

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

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

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

An annual budget for the year ended June 30, 2018, was adopted and approved by City Council for the general, special revenue, capital project and debt service funds except for the Traffic Signal, Mobile Park Fee, V2 Pub Benefit Contribution and Special Revenue Endowments Special Revenue funds, and the Highways Safety, Transportation Partnership and Industrial Development Authority Capital Project fund. These budgets are prepared on the modified accrual basis of accounting.

Expenditures for the year ended June 30, 2018, exceeded appropriations of the General and Major Special Revenue as follows:

Fund	Expenditures	Appropriations	Excess
General Fund:			
City council	$ 1,541,041	$ 1,539,410	$ (1,631)
Administration	2,114,907	2,107,225	(7,682)
Human resources	2,440,167	2,313,875	(126,292)
Police	52,184,649	51,786,798	(397,851)
Library	3,923,691	3,919,934	(3,757)

CITY OF
CHULA VISTA

SUPPLEMENTARY INFORMATION

CITY OF CHULA VISTA

COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
JUNE 30, 2018

	Special Revenue Funds				
	Transportation Grants	**Parking Meter**	**Traffic Safety**	**Traffic Signal**	**Storm Drain**
Assets:					
Pooled cash and investments	$ 3,764,986	$ 1,492,241	$ 232,394	$ -	$ 659,537
Receivables:					
Accounts	567,846	17,056	-	-	92,229
Taxes	-	-	-	-	-
Accrued interest	-	-	-	-	-
Deferred loans	-	-	-	-	-
Allowance for uncollectible deferred loans	-	-	-	-	-
Restricted assets:					
Cash and investments with fiscal agents	-	-	-	-	-
Total Assets	**$ 4,332,832**	**$ 1,509,297**	**$ 232,394**	**$ -**	**$ 751,766**
Liabilities and Fund Balances:					
Liabilities:					
Accounts payable	$ 47,467	$ 47,214	$ 36,415	$ -	$ 57,838
Accrued liabilities	-	-	-	-	-
Unearned revenues	-	-	-	-	2,905
Deposits payable	-	-	-	-	-
Due to other funds	-	-	-	-	-
Advances from other funds	-	-	-	-	91,209
Total Liabilities	**47,467**	**47,214**	**36,415**	**-**	**151,952**
Fund Balances:					
Restricted for:					
Community development projects	4,285,365	-	-	-	-
Public safety	-	1,462,083	195,979	-	-
Parks and recreation	-	-	-	-	-
Capital Projects	-	-	-	-	599,814
Debt service	-	-	-	-	-
Assigned to:					
Endowments	-	-	-	-	-
Unassigned	-	-	-	-	-
Total Fund Balances	**4,285,365**	**1,462,083**	**195,979**	**-**	**599,814**
Total Liabilities and Fund Balances	**$ 4,332,832**	**$ 1,509,297**	**$ 232,394**	**$ -**	**$ 751,766**

CITY OF CHULA VISTA

COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
JUNE 30, 2018 (CONTINUED)

	Special Revenue Funds			
	Town Center I	Open Space Districts	Housing Programs	Housing Authority
Assets:				
Pooled cash and investments	$ 53,150	$ 23,371,652	$ 136,632	$ 3,120,269
Receivables:				
Accounts	-	-	-	17,424
Taxes	-	67,914	-	-
Accrued interest	-	-	-	-
Deferred loans	-	-	607,744	3,241,730
Allowance for uncollectible deferred loans	-	-	-	(3,241,730)
Restricted assets:				
Cash and investments with fiscal agents	-	-	-	-
Total Assets	**$ 53,150**	**$ 23,439,566**	**$ 744,376**	**$ 3,137,693**
Liabilities and Fund Balances:				
Liabilities:				
Accounts payable	$ -	$ 1,194,134	$ 26	$ 23,268
Accrued liabilities	-	-	-	16,857
Unearned revenues	-	-	-	2,499
Deposits payable	-	-	-	-
Due to other funds	-	152,014	-	-
Advances from other funds	-	-	-	-
Total Liabilities	**-**	**1,346,148**	**26**	**42,624**
Fund Balances:				
Restricted for:				
Community development projects	-	-	641,791	3,095,069
Public safety	-	-	-	-
Parks and recreation	-	-	-	-
Capital Projects	53,150	22,093,418	-	-
Debt service	-	-	-	-
Assigned to:				
Endowments	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balances	**53,150**	**22,093,418**	**641,791**	**3,095,069**
Total Liabilities and Fund Balances	**$ 53,150**	**$ 23,439,566**	**$ 744,376**	**$ 3,137,693**

CITY OF CHULA VISTA

COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
JUNE 30, 2018

	Special Revenue Funds					
	Transportation Sales Tax	Mobile Park Fee	Public Education and Govt Fee	Utility Tax Settlement	V2 Pub Benefit Contribution	Special Revenue Endowments
Assets:						
Pooled cash and investments	$ 528,425	$ 219,913	$ 1,619,698	$ 165,318	$ 367,720	$ 1,495,369
Receivables:						
Accounts	75,689	-	-	-	-	-
Taxes	-	-	142,662	-	-	-
Accrued interest	-	-	-	-	-	-
Deferred loans	-	-	-	-	-	-
Allowance for uncollectible deferred loans	-	-	-	-	-	-
Restricted assets:						
Cash and investments with fiscal agents	-	-	-	-	-	-
Total Assets	**$ 604,114**	**$ 219,913**	**$ 1,762,360**	**$ 165,318**	**$ 367,720**	**$ 1,495,369**
Liabilities and Fund Balances:						
Liabilities:						
Accounts payable	$ 98,705	$ 2,338	$ 59,543	$ 5,058	$ -	$ -
Accrued liabilities	-	-	-	-	6,146	-
Unearned revenues	-	23,900	-	-	-	-
Deposits payable	-	-	-	-	-	1,484,478
Due to other funds	-	-	-	-	-	-
Advances from other funds	-	-	-	-	-	-
Total Liabilities	**98,705**	**26,238**	**59,543**	**5,058**	**6,146**	**1,484,478**
Fund Balances:						
Restricted for:						
Community development projects	-	-	1,702,817	-	361,574	-
Public safety	-	-	-	-	-	-
Parks and recreation	-	193,675	-	-	-	-
Capital Projects	505,409	-	-	160,260	-	-
Debt service	-	-	-	-	-	-
Assigned to:						
Endowments	-	-	-	-	-	10,891
Unassigned	-	-	-	-	-	-
Total Fund Balances	**505,409**	**193,675**	**1,702,817**	**160,260**	**361,574**	**10,891**
Total Liabilities and Fund Balances	**$ 604,114**	**$ 219,913**	**$ 1,762,360**	**$ 165,318**	**$ 367,720**	**$ 1,495,369**

CITY OF CHULA VISTA

COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
JUNE 30, 2018 (CONTINUED)

	Capital Projects Funds					
	Park Acquisition Development	Residential Construction Tax	Highway Safety	Bicycle Facility	Industrial Development Authority	Assessment District Improvement
Assets:						
Pooled cash and investments	$ 34,800,315	$ 643,753	$ 915	$ -	$ 52	$ 1,068,314
Receivables:						
Accounts	-	-	-	-	-	-
Taxes	-	-	-	-	-	-
Accrued interest	-	-	-	-	-	-
Deferred loans	-	-	-	-	-	-
Allowance for uncollectible deferred loans	-	-	-	-	-	-
Restricted assets:						
Cash and investments with fiscal agents	-	-	-	-	-	-
Total Assets	**$ 34,800,315**	**$ 643,753**	**$ 915**	**$ -**	**$ 52**	**$ 1,068,314**
Liabilities and Fund Balances:						
Liabilities:						
Accounts payable	$ 247,356	$ -	$ -	$ -	$ -	$ -
Accrued liabilities	-	-	-	-	-	-
Unearned revenues	-	-	-	-	-	-
Deposits payable	-	-	-	-	-	-
Due to other funds	-	-	-	4,433	-	-
Advances from other funds	-	-	-	-	-	-
Total Liabilities	**247,356**	**-**	**-**	**4,433**	**-**	**-**
Fund Balances:						
Restricted for:						
Community development projects	-	-	-	-	-	-
Public safety	-	-	915	-	-	-
Parks and recreation	-	-	-	-	-	-
Capital Projects	34,552,959	643,753	-	-	52	1,068,314
Debt service	-	-	-	-	-	-
Assigned to:						
Endowments	-	-	-	-	-	-
Unassigned	-	-	-	(4,433)	-	-
Total Fund Balances	**34,552,959**	**643,753**	**915**	**(4,433)**	**52**	**1,068,314**
Total Liabilities and Fund Balances	**$ 34,800,315**	**$ 643,753**	**$ 915**	**$ -**	**$ 52**	**$ 1,068,314**

CITY OF CHULA VISTA

COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
JUNE 30, 2018

	Capital Projects Funds		Debt Service Funds		
	Transportation Partnership Fund	Capital Projects Fund	City Debt Service	Notes Payable	Lease Payable
Assets:					
Pooled cash and investments	$ 101	$ 1,051,445	$ -	$ 38,731	$ 114,750
Receivables:					
Accounts	-	389,424	-	-	-
Taxes	-	-	-	-	-
Accrued interest	-	75,458	-	-	-
Deferred loans	-	-	-	-	-
Allowance for uncollectible deferred loans	-	-	-	-	-
Restricted assets:					
Cash and investments with fiscal agents	-	9,676,110	-	-	-
Total Assets	**$ 101**	**$ 11,192,437**	**$ -**	**$ 38,731**	**$ 114,750**
Liabilities and Fund Balances:					
Liabilities:					
Accounts payable	$ -	$ 430,129	$ -	$ 2,962	$ -
Accrued liabilities	-	-	-	-	-
Unearned revenues	-	-	-	-	-
Deposits payable	-	-	-	-	-
Due to other funds	-	-	-	25,270	-
Advances from other funds	-	-	-	-	-
Total Liabilities	**-**	**430,129**	**-**	**28,232**	**-**
Fund Balances:					
Restricted for:					
Community development projects	-	-	-	-	-
Public safety	101	-	-	-	-
Parks and recreation	-	-	-	-	-
Capital Projects	-	10,762,308	-	-	-
Debt service	-	-	-	10,499	114,750
Assigned to:					
Endowments	-	-	-	-	-
Unassigned	-	-	-	-	-
Total Fund Balances	**101**	**10,762,308**	**-**	**10,499**	**114,750**
Total Liabilities and Fund Balances	**$ 101**	**$ 11,192,437**	**$ -**	**$ 38,731**	**$ 114,750**

CITY OF CHULA VISTA

COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
JUNE 30, 2018

	Total Governmental Funds
Assets:	
Pooled cash and investments	$ 74,945,680
Receivables:	
Accounts	1,159,668
Taxes	210,576
Accrued interest	75,458
Deferred loans	3,849,474
Allowance for uncollectible deferred loans	(3,241,730)
Restricted assets:	
Cash and investments with fiscal agents	9,676,110
Total Assets	**$ 86,675,236**
Liabilities and Fund Balances:	
Liabilities:	
Accounts payable	$ 2,252,453
Accrued liabilities	23,003
Unearned revenues	29,304
Deposits payable	1,484,478
Due to other funds	181,717
Advances from other funds	91,209
Total Liabilities	**4,062,164**
Fund Balances:	
Restricted for:	
Community development projects	10,086,616
Public safety	1,659,078
Parks and recreation	193,675
Capital Projects	70,439,437
Debt service	125,249
Assigned to:	
Endowments	10,891
Unassigned	(4,433)
Total Fund Balances	**82,510,513**
Total Liabilities and Fund Balances	**$ 86,675,236**

CITY OF CHULA VISTA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2018

	Special Revenue Funds				
	Transportation Grants	Parking Meter	Traffic Safety	Traffic Signal	Storm Drain
Revenues:					
Taxes	$ -	$ -	$ -	$ -	$ -
Licenses and permits	-	25,584	-	-	-
Intergovernmental	7,253,627	-	-	-	-
Charges for services	-	-	-	-	520,622
Use of money and property	18,419	280,140	1,629	-	3,845
Fines and forfeitures	-	248,904	454,708	-	200
Developer participation	-	-	-	-	-
Miscellaneous	9,018	-	-	-	-
Total Revenues	**7,281,064**	**554,628**	**456,337**	**-**	**524,667**
Expenditures:					
Current:					
General government	-	508,678	-	-	-
Public safety	-	-	62,950	-	-
Community development	-	-	-	-	-
Public works	55,419	-	-	-	236,447
Capital outlay	488,166	171	-	-	-
Debt service:					
Principal retirement	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	121
Total Expenditures	**543,585**	**508,849**	**62,950**	**-**	**236,568**
Excess (Deficiency) of Revenues Over (Under) Expenditures	6,737,479	45,779	393,387	-	288,099
Other Financing Sources (Uses):					
Transfers in	-	-	-	-	-
Transfers out	(4,259,428)	-	(399,140)	-	-
Contribution to agency fund	-	-	-	-	-
Total Other Financing Sources (Uses)	**(4,259,428)**	**-**	**(399,140)**	**-**	**-**
Net Change in Fund Balances	2,478,051	45,779	(5,753)	-	288,099
Fund Balances, Beginning of Year	1,807,314	1,416,304	201,732	2,076,954	402,831
Restatements	-	-	-	(2,076,954)	(91,116)
Fund Balances, Beginning of Year, as Restated	1,807,314	1,416,304	201,732	-	311,715
Fund Balances, End of Year	**$ 4,285,365**	**$ 1,462,083**	**$ 195,979**	**$ -**	**$ 599,814**

CITY OF CHULA VISTA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES NON-MAJOR GOVERNMENTAL FUNDS YEAR ENDED JUNE 30, 2018 **(CONTINUED)**

	Special Revenue Funds			
	Town Center I	Open Space Districts	Housing Programs	Housing Authority
Revenues:				
Taxes	$ -	$ -	$ -	$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	-	15,177,271	-	1,263,023
Use of money and property	525	140,652	(862)	12,760
Fines and forfeitures	-	-	-	-
Developer participation	-	-	-	-
Miscellaneous	-	526	31,931	1,260,237
Total Revenues	**525**	**15,318,449**	**31,069**	**2,536,020**
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Community development	-	-	20,309	1,187,991
Public works	-	10,817,299	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	**-**	**10,817,299**	**20,309**	**1,187,991**
Excess (Deficiency) of Revenues Over (Under) Expenditures	525	4,501,150	10,760	1,348,029
Other Financing Sources (Uses):				
Transfers in	-	95,697	-	-
Transfers out	-	-	-	(254,697)
Contribution to agency fund	-	-	-	-
Total Other Financing Sources (Uses)	**-**	**95,697**	**-**	**(254,697)**
Net Change in Fund Balances	525	4,596,847	10,760	1,093,332
Fund Balances, Beginning of Year	52,625	17,496,571	637,596	2,001,737
Restatements	-	-	(6,565)	-
Fund Balances, Beginning of Year, as Restated	52,625	17,496,571	631,031	2,001,737
Fund Balances, End of Year	**$ 53,150**	**$ 22,093,418**	**$ 641,791**	**$ 3,095,069**

CITY OF CHULA VISTA

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2018

	Special Revenue Funds					
	Transportation Sales Tax	Mobile Park Fee	Public Education and Govt Fee	Utility Tax Settlement	V2 Pub Benefit Contribution	Special Revenue Endowments
Revenues:						
Taxes	$ 7,482,945	$ -	$ -	$ -	$ -	$ -
Licenses and permits	-	-	-	-	-	-
Intergovernmental	43,600	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Use of money and property	(4,978)	(806)	(6,654)	3,848	2,719	10,891
Fines and forfeitures	-	-	-	-	-	-
Developer participation	-	-	-	-	-	-
Miscellaneous	39,986	7,263	578,848	-	148,013	-
Total Revenues	**7,561,553**	**6,457**	**572,194**	**3,848**	**150,732**	**10,891**
Expenditures:						
Current:						
General government	-	-	357,637	105,809	-	-
Public safety	-	-	-	-	-	-
Community development	-	-	-	-	-	-
Public works	426	-	-	-	-	-
Capital outlay	7,302,184	-	100,575	-	-	-
Debt service:						
Principal retirement	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-
Total Expenditures	**7,302,610**	**-**	**458,212**	**105,809**	**-**	**-**
Excess (Deficiency) of Revenues Over (Under) Expenditures	258,943	6,457	113,982	(101,961)	150,732	10,891
Other Financing Sources (Uses):						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Contribution to agency fund	-	-	-	-	-	-
Total Other Financing Sources (Uses)	**-**	**-**	**-**	**-**	**-**	**-**
Net Change in Fund Balances	258,943	6,457	113,982	(101,961)	150,732	10,891
Fund Balances, Beginning of Year	230,298	187,218	1,588,835	262,221	210,842	-
Restatements	16,168	-	-	-	-	-
Fund Balances, Beginning of Year, as Restated	246,466	187,218	1,588,835	262,221	210,842	-
Fund Balances, End of Year	**$ 505,409**	**$ 193,675**	**$ 1,702,817**	**$ 160,260**	**$ 361,574**	**$ 10,891**

CITY OF CHULA VISTA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES NON-MAJOR GOVERNMENTAL FUNDS YEAR ENDED JUNE 30, 2018 **(CONTINUED)**

	Capital Projects Funds				
	Park Acquisition Development	Residential Construction Tax	Highway Safety	Bicycle Facility	Industrial Development Authority
Revenues:					
Taxes	$ -	$ 951,427	$ -	$ -	$ -
Licenses and permits	-	-	-	-	-
Intergovernmental	-	-	-	-	-
Charges for services	-	-	-	-	-
Use of money and property	339,862	1,924	65	27	-
Fines and forfeitures	-	-	-	-	-
Developer participation	3,143,698	-	-	-	-
Miscellaneous	-	-	-	-	-
Total Revenues	**3,483,560**	**953,351**	**65**	**27**	**-**
Expenditures:					
Current:					
General government	-	-	-	-	-
Public safety	-	-	-	-	-
Community development	2,697,698	-	-	-	-
Public works	-	-	-	-	-
Capital outlay	15,582	-	-	-	-
Debt service:					
Principal retirement	-	-	-	-	-
Interest and fiscal charges	12,220	-	-	-	-
Total Expenditures	**2,725,500**	**-**	**-**	**-**	**-**
Excess (Deficiency) of Revenues Over (Under) Expenditures	758,060	953,351	65	27	-
Other Financing Sources (Uses):					
Transfers in	-	32,055	-	-	-
Transfers out	-	(665,205)	-	-	-
Contribution to agency fund	-	-	-	-	-
Total Other Financing Sources (Uses)	**-**	**(633,150)**	**-**	**-**	**-**
Net Change in Fund Balances	758,060	320,201	65	27	-
Fund Balances, Beginning of Year	43,016,921	323,552	850	(4,460)	52
Restatements	(9,222,022)	-	-	-	-
Fund Balances, Beginning of Year, as Restated	33,794,899	323,552	850	(4,460)	52
Fund Balances, End of Year	**$ 34,552,959**	**$ 643,753**	**$ 915**	**$ (4,433)**	**$ 52**

CITY OF CHULA VISTA

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2018

	Capital Projects Funds			Debt Service Funds		
	Assessment District Improvement	Transportation Partnership Fund	Capital Projects Fund	City Debt Service	Notes Payable	Lease Payable
Revenues:						
Taxes	$ -	$ -	$ -	$ -	$ -	$ -
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Use of money and property	15,261	53	82,047	-	536	2,040
Fines and forfeitures	-	-	-	-	-	-
Developer participation	-	-	-	-	-	-
Miscellaneous	84,189	-	481,519	-	-	40,000
Total Revenues	**99,450**	**53**	**563,566**	**-**	**536**	**42,040**
Expenditures:						
Current:						
General government	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Community development	-	-	-	-	-	-
Public works	-	-	-	-	-	-
Capital outlay	281,307	-	3,861,803	-	-	-
Debt service:						
Principal retirement	-	-	-	-	952,906	283,749
Interest and fiscal charges	-	-	-	-	447,279	65,874
Total Expenditures	**281,307**	**-**	**3,861,803**	**-**	**1,400,185**	**349,623**
Excess (Deficiency) of Revenues Over (Under) Expenditures	(181,857)	53	(3,298,237)	-	(1,399,649)	(307,583)
Other Financing Sources (Uses):						
Transfers in	-	-	14,306,466	-	1,177,762	309,624
Transfers out	(62,749)	-	-	-	-	-
Contribution to agency fund	(1,174,700)	-	-	-	-	-
Total Other Financing Sources (Uses)	**(1,237,449)**	**-**	**14,306,466**	**-**	**1,177,762**	**309,624**
Net Change in Fund Balances	(1,419,306)	53	11,008,229	-	(221,887)	2,041
Fund Balances, Beginning of Year	2,487,620	48	(245,921)	(18,966,412)	232,386	112,709
Restatements	-	-	-	18,966,412	-	-
Fund Balances, Beginning of Year, as Restated	2,487,620	48	(245,921)	-	232,386	112,709
Fund Balances, End of Year	**$ 1,068,314**	**$ 101**	**$ 10,762,308**	**$ -**	**$ 10,499**	**$ 114,750**

CITY OF CHULA VISTA

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2018

	Total Governmental Funds
Revenues:	
Taxes	$ 8,434,372
Licenses and permits	25,584
Intergovernmental	7,297,227
Charges for services	16,960,916
Use of money and property	903,943
Fines and forfeitures	703,812
Developer participation	3,143,698
Miscellaneous	2,681,530
Total Revenues	**40,151,082**
Expenditures:	
Current:	
General government	972,124
Public safety	62,950
Community development	3,905,998
Public works	11,109,591
Capital outlay	12,049,788
Debt service:	
Principal retirement	1,236,655
Interest and fiscal charges	525,494
Total Expenditures	**29,862,600**
Excess (Deficiency) of Revenues Over (Under) Expenditures	10,288,482
Other Financing Sources (Uses):	
Transfers in	15,921,604
Transfers out	(5,641,219)
Contribution to agency fund	(1,174,700)
Total Other Financing Sources (Uses)	**9,105,685**
Net Change in Fund Balances	19,394,167
Fund Balances, Beginning of Year	55,530,423
Restatements	7,585,923
Fund Balances, Beginning of Year, as Restated	63,116,346
Fund Balances, End of Year	**$ 82,510,513**

CITY OF CHULA VISTA

BUDGETARY COMPARISON SCHEDULE BY EXPENDITURE CATEGORY
GENERAL FUND
YEAR ENDED JUNE 30, 2018

	Personnel Services	Supplies and Services	Utilities	Other Expenses	Operating Capital	Transfers Out	Actual Amounts	Final Budget	Variance with Final Budget Positive (Negative)
Current:									
City council	$ 1,501,516	$ 38,797	$ 728	$ -	$ -	$ -	$ 1,541,041	$ 1,539,410	$ (1,631)
City clerk	763,930	243,283	425	-	-	-	1,007,638	1,065,170	57,532
City attorney	2,481,863	291,279	1,061	-	-	-	2,774,203	2,828,213	54,010
Administration	2,001,495	112,600	812	-	-	-	2,114,907	2,107,225	(7,682)
Information technology	2,315,908	1,286,088	3,084	-	5,311	-	3,610,391	3,628,297	17,906
Human resources	2,019,581	418,211	1,851	524	-	-	2,440,167	2,313,875	(126,292)
Finance	4,773,673	982,013	1,914	183,741	-	-	5,941,341	6,669,530	728,189
Non-departmental	408,638	1,877,378	49	655,692	351,408	-	3,293,165	5,120,061	1,826,896
Board and commissions	75	15,953	-	-	-	-	16,028	21,732	5,704
Police	48,268,486	3,260,710	567,390	88,063	-	-	52,184,649	51,786,798	(397,851)
Fire	29,443,315	2,732,785	205,369	-	-	-	32,381,469	32,579,850	198,381
Animal care facilities	1,932,247	477,747	49,798	5,094	75		2,464,961	2,522,965	58,004
Economic development	1,896,829	116,748	2,751	-			2,016,328	2,024,086	7,758
Development services	2,512,488	134,111	1,915	35,596			2,684,110	2,685,065	955
Parks and recreation	3,272,598	557,350	361,199	85,219	-	-	4,276,366	4,350,329	73,963
Public works	2,100,566	2,828,564	3,400,627	23,429	31,481	-	8,384,667	9,598,758	1,214,091
Engineering	17,019,932	337,593	937,796	60,924	6,414		18,362,659	18,520,608	157,949
Library	3,341,603	256,159	325,101	828	-	-	3,923,691	3,919,934	(3,757)
Capital outlay	-	-	-	-	16,257,420	-	16,257,420	79,589,847	63,332,427
Principal retirement	-	-	-	6,026,625	-		6,026,625	6,264,660	238,035
Interest and fiscal charges	-	-	-	3,039,982	-		3,039,982	3,093,426	53,444
Transfers out	-	-	-	-	-	5,939,501	5,939,501	27,413,293	21,473,792
Total Expenditures	**$ 126,054,743**	**$ 15,967,369**	**$ 5,861,870**	**$ 10,205,717**	**$ 16,652,109**	**$ 5,939,501**	**$ 180,681,309**	**$ 269,643,132**	**$ 88,961,823**

CITY OF CHULA VISTA

BUDGETARY COMPARISON SCHEDULE BY EXPENDITURE CATEGORY
SUNDRY GRANTS
YEAR ENDED JUNE 30, 2018

	Personnel Services	Supplies and Services	Utilities	Other Expenses	Operating Capital	Transfers Out	Actual Amounts	Final Budget	Variance with Final Budget Positive (Negative)
Current:									
Police	$ 6,598,051	$ 549,930	$ -	$ 237,524	$ -	$ -	$ 7,385,505	$ 8,330,604	$ 945,099
Fire	248,576	146,071	-	-	533,341	-	927,988	1,841,076	913,088
Animal care facility	-	17,006	-	-	-	-	17,006	48,656	-
Economic development	798,420	996,319	12,282	1,013,124	27,335	-	2,847,480	4,099,229	-
Development services	41,266	11,572	1,808	604,506	1,089,324	-	1,748,476	3,903,582	-
Public works	-	-	-	-	-	-	-	519	519
Engineering	-	-	-	-	-	-	-	53,335	-
Library	19,372	-	-	-	-	-	19,372	30,514	11,142
Capital outlay	-	-	-	-	564,188	-	564,188	1,680,553	1,116,365
Transfers out	-	-	-	-	-	869,703	869,703	938,404	68,701
Total Expenditures	**$ 7,705,685**	**$ 1,720,898**	**$ 14,090**	**$ 1,855,154**	**$ 2,214,188**	**$ 869,703**	**$ 14,379,718**	**$ 20,926,472**	**$ 3,054,914**

CITY OF CHULA VISTA

BUDGETARY COMPARISON SCHEDULE BY EXPENDITURE CATEGORY
HOUSING SUCCESSOR AGENCY
YEAR ENDED JUNE 30, 2018

	Personnel Services	Supplies and Services	Loans to Outside Entities	Other Expenses	Operating Capital	Transfers Out	Actual Amounts	Final Budget	Variance with Final Budget Positive (Negative)
Current:									
Development services	$ 262,022	$ 4,297	$ 3,841,741	$ 2,644	$ 2,700	$ -	$ 4,113,404	$ 5,127,583	$ 1,014,179
Total Expenditures	**$ 262,022**	**$ 4,297**	**$ 3,841,741**	**$ 2,644**	**$ 2,700**	**$ -**	**$ 4,113,404**	**$ 5,127,583**	**$ 1,014,179**

CITY OF CHULA VISTA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
TRANSPORTATION GRANTS
YEAR ENDED JUNE 30, 2018

	Budget Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Revenues:				
Intergovernmental	$ 5,537,543	$ 7,370,100	$ 7,253,627	$ (116,473)
Use of money and property	-	-	18,419	18,419
Other revenues	-	-	9,018	9,018
Total Revenues	**5,537,543**	**7,370,100**	**7,281,064**	**(89,036)**
Expenditures:				
Current:				
Public works	-	77,756	55,419	22,337
Capital outlay	1,618,000	3,617,032	488,166	3,128,866
Total Expenditures	**1,618,000**	**3,694,788**	**543,585**	**3,151,203**
Excess (Deficiency) of Revenues Over (Under) Expenditures	3,919,543	3,675,312	6,737,479	3,062,167
Other Financing Sources (Uses):				
Transfers out	(4,259,428)	(4,304,428)	(4,259,428)	45,000
Total Other Financing Sources (Uses)	**(4,259,428)**	**(4,304,428)**	**(4,259,428)**	**45,000**
Net Change in Fund Balances	(339,885)	(629,116)	2,478,051	3,107,167
Fund Balances, Beginning of Year	1,807,314	1,807,314	1,807,314	-
Fund Balances, End of Year	**$ 1,467,429**	**$ 1,178,198**	**$ 4,285,365**	**$ 3,107,167**

CITY OF CHULA VISTA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
PARKING METER
YEAR ENDED JUNE 30, 2018

	Budget Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Revenues:				
Licenses and permits	$ 25,000	$ 25,000	$ 25,584	$ 584
Use of money and property	365,000	365,000	280,140	(84,860)
Fines and forfeitures	200,000	200,000	248,904	48,904
Total Revenues	**590,000**	**590,000**	**554,628**	**(35,372)**
Expenditures:				
Current:				
General government	522,270	522,270	508,678	13,592
Capital outlay	-	99,520	171	99,349
Total Expenditures	**522,270**	**621,790**	**508,849**	**112,941**
Excess (Deficiency) of Revenues Over (Under) Expenditures	67,730	(31,790)	45,779	77,569
Net Change in Fund Balances	67,730	(31,790)	45,779	77,569
Fund Balances, Beginning of Year	1,416,304	1,416,304	1,416,304	-
Fund Balances, End of Year	**$ 1,484,034**	**$ 1,384,514**	**$ 1,462,083**	**$ 77,569**

CITY OF CHULA VISTA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
TRAFFIC SAFETY
YEAR ENDED JUNE 30, 2018

	Budget Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Revenues:				
Use of money and property	$ -	$ -	$ 1,629	$ 1,629
Fines and forfeitures	437,640	437,640	454,708	17,068
Total Revenues	**437,640**	**437,640**	**456,337**	**18,697**
Expenditures:				
Current:				
Public safety	38,500	188,500	62,950	125,550
Total Expenditures	**38,500**	**188,500**	**62,950**	**125,550**
Excess (Deficiency) of Revenues Over (Under) Expenditures	399,140	249,140	393,387	144,247
Other Financing Sources (Uses):				
Transfers out	(399,140)	(399,140)	(399,140)	-
Total Other Financing Sources (Uses)	**(399,140)**	**(399,140)**	**(399,140)**	**-**
Net Change in Fund Balances	-	(150,000)	(5,753)	144,247
Fund Balances, Beginning of Year	201,732	201,732	201,732	-
Fund Balances, End of Year	**$ 201,732**	**$ 51,732**	**$ 195,979**	**$ 144,247**

CITY OF CHULA VISTA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
STORM DRAIN
YEAR ENDED JUNE 30, 2018

	Budget Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Revenues:				
Licenses and permits	$ 23,750	$ 23,750	$ -	$ (23,750)
Charges for services	555,500	555,500	520,622	(34,878)
Use of money and property	-	-	3,845	3,845
Fines and forfeitures	5,000	5,000	200	(4,800)
Total Revenues	**584,250**	**584,250**	**524,667**	**(59,583)**
Expenditures:				
Current:				
Public works	348,940	430,159	236,447	193,712
Debt service:				
Interest and fiscal charges	-	-	121	(121)
Total Expenditures	**348,940**	**430,159**	**236,568**	**193,591**
Excess (Deficiency) of Revenues Over (Under) Expenditures	235,310	154,091	288,099	134,008
Net Change in Fund Balances	235,310	154,091	288,099	134,008
Fund Balances, Beginning of Year, as restated	311,715	311,715	311,715	-
Fund Balances, End of Year	**$ 547,025**	**$ 465,806**	**$ 599,814**	**$ 134,008**

CITY OF CHULA VISTA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
TOWN CENTER I
YEAR ENDED JUNE 30, 2018

	Budget Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Revenues:				
Use of money and property	$ -	$ -	$ 525	$ 525
Total Revenues	**-**	**-**	**525**	**525**
Expenditures:				
Capital outlay	-	10,120	-	10,120
Total Expenditures	**-**	**10,120**	**-**	**10,120**
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	(10,120)	525	10,645
Net Change in Fund Balances	-	(10,120)	525	10,645
Fund Balances, Beginning of Year	52,625	52,625	52,625	-
Fund Balances, End of Year	**$ 52,625**	**$ 42,505**	**$ 53,150**	**$ 10,645**

CITY OF CHULA VISTA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
OPEN SPACE DISTRICTS
YEAR ENDED JUNE 30, 2018

	Budget Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Revenues:				
Charges for services	$ 14,513,404	$ 13,888,772	$ 15,177,271	$ 1,288,499
Use of money and property	-	-	140,652	140,652
Other revenues	-	-	526	526
Total Revenues	**14,513,404**	**13,888,772**	**15,318,449**	**1,429,677**
Expenditures:				
Current:				
Public works	12,368,450	12,683,859	10,817,299	1,866,560
Total Expenditures	**12,368,450**	**12,683,859**	**10,817,299**	**1,866,560**
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,144,954	1,204,913	4,501,150	3,296,237
Other Financing Sources (Uses):				
Transfers in	-	135,883	95,697	(40,186)
Transfers out	-	(69,200)	-	69,200
Total Other Financing Sources (Uses)	**-**	**66,683**	**95,697**	**29,014**
Net Change in Fund Balances	2,144,954	1,271,596	4,596,847	3,325,251
Fund Balances, Beginning of Year	17,496,571	17,496,571	17,496,571	-
Fund Balances, End of Year	**$ 19,641,525**	**$ 18,768,167**	**$ 22,093,418**	**$ 3,325,251**

CITY OF CHULA VISTA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
HOUSING PROGRAMS
YEAR ENDED JUNE 30, 2018

	Budget Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Revenues:				
Intergovernmental	$ 51,100	$ 51,100	$ -	$ (51,100)
Use of money and property	-	-	(862)	(862)
Other revenues	-	-	31,931	31,931
Total Revenues	**51,100**	**51,100**	**31,069**	**(20,031)**
Expenditures:				
Current:				
Community development	51,100	509,719	20,309	489,410
Total Expenditures	**51,100**	**509,719**	**20,309**	**489,410**
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	(458,619)	10,760	469,379
Net Change in Fund Balances	-	(458,619)	10,760	469,379
Fund Balances, Beginning of Year	637,596	637,596	637,596	-
Fund Balances, End of Year	**$ 631,031**	**$ 172,412**	**$ 641,791**	**$ 469,379**

CITY OF CHULA VISTA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
HOUSING AUTHORITY
YEAR ENDED JUNE 30, 2018

	Budget Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Revenues:				
Charges for services	$ -	$ -	$ 1,263,023	$ 1,263,023
Use of money and property	-	-	12,760	12,760
Other revenues	1,094,983	1,094,983	1,260,237	165,254
Total Revenues	**1,094,983**	**1,094,983**	**2,536,020**	**1,441,037**
Expenditures:				
Current:				
Community development	1,840,286	1,840,286	1,187,991	652,295
Total Expenditures	**1,840,286**	**1,840,286**	**1,187,991**	**652,295**
Excess (Deficiency) of Revenues Over (Under) Expenditures	(745,303)	(745,303)	1,348,029	2,093,332
Other Financing Sources (Uses):				
Transfers out	(254,697)	(254,697)	(254,697)	-
Total Other Financing Sources (Uses)	**(254,697)**	**(254,697)**	**(254,697)**	**-**
Net Change in Fund Balances	(1,000,000)	(1,000,000)	1,093,332	2,093,332
Fund Balances, Beginning of Year	2,001,737	2,001,737	2,001,737	-
Fund Balances, End of Year	**$ 1,001,737**	**$ 1,001,737**	**$ 3,095,069**	**$ 2,093,332**

CITY OF CHULA VISTA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
TRANSPORTATION SALES TAX
YEAR ENDED JUNE 30, 2018

	Budget Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Revenues:				
Taxes	$ 6,087,000	$ 6,087,000	$ 7,482,945	$ 1,395,945
Intergovernmental	-	-	43,600	43,600
Use of money and property	-	-	(4,978)	(4,978)
Other revenues	-	-	39,986	39,986
Total Revenues	**6,087,000**	**6,087,000**	**7,561,553**	**1,474,553**
Expenditures:				
Current:				
Public works	-	-	426	(426)
Capital outlay	6,800,612	15,086,531	7,302,184	7,784,347
Total Expenditures	**6,800,612**	**15,086,531**	**7,302,610**	**7,783,921**
Excess (Deficiency) of Revenues Over (Under) Expenditures	(713,612)	(8,999,531)	258,943	9,258,474
Other Financing Sources (Uses):				
Transfers in	-	1,392	-	(1,392)
Total Other Financing Sources (Uses)	**-**	**1,392**	**-**	**(1,392)**
Net Change in Fund Balances	(713,612)	(8,998,139)	258,943	9,257,082
Fund Balances, Beginning of Year, as restated	246,466	246,466	246,466	-
Fund Balances, End of Year	**$ (467,146)**	**$ (8,751,673)**	**$ 505,409**	**$ 9,257,082**

CITY OF CHULA VISTA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
PUBLIC EDUCATION AND GOVT FEE
YEAR ENDED JUNE 30, 2018

	Budget Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Revenues:				
Use of money and property	$ -	$ -	$ (6,654)	$ (6,654)
Other revenues	600,000	600,000	578,848	(21,152)
Total Revenues	**600,000**	**600,000**	**572,194**	**(27,806)**
Expenditures:				
Current:				
General government	300,000	413,700	357,637	56,063
Capital outlay	300,000	198,300	100,575	97,725
Total Expenditures	**600,000**	**612,000**	**458,212**	**153,788**
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	(12,000)	113,982	125,982
Net Change in Fund Balances	-	(12,000)	113,982	125,982
Fund Balances, Beginning of Year	1,588,835	1,588,835	1,588,835	-
Fund Balances, End of Year	**$ 1,588,835**	**$ 1,576,835**	**$ 1,702,817**	**$ 125,982**

CITY OF CHULA VISTA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
UTILITY TAX SETTLEMENT
YEAR ENDED JUNE 30, 2018

	Budget Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Revenues:				
Use of money and property	$ -	$ -	$ 3,848	$ 3,848
Total Revenues	**-**	**-**	**3,848**	**3,848**
Expenditures:				
Current:				
General government	-	274,104	105,809	168,295
Total Expenditures	**-**	**274,104**	**105,809**	**168,295**
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	(274,104)	(101,961)	172,143
Other Financing Sources (Uses):				
Transfers out	-	(9,049)	-	9,049
Total Other Financing Sources (Uses)	**-**	**(9,049)**	**-**	**9,049**
Net Change in Fund Balances	-	(283,153)	(101,961)	181,192
Fund Balances, Beginning of Year	262,221	262,221	262,221	-
Fund Balances, End of Year	**$ 262,221**	**$ (20,932)**	**$ 160,260**	**$ 181,192**

CITY OF CHULA VISTA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
PARK ACQUISITION DEVELOPMENT
YEAR ENDED JUNE 30, 2018

	Budget Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Revenues:				
Use of money and property	$ -	$ -	$ 339,862	$ 339,862
Developer participation	700,000	700,000	3,143,698	2,443,698
Total Revenues	**700,000**	**700,000**	**3,483,560**	**2,783,560**
Expenditures:				
Current:				
City administration	110,000	3,835,538	2,697,698	1,137,840
Capital outlay	-	125,522	15,582	109,940
Debt service:				
Interest and fiscal charges	-	-	12,220	(12,220)
Total Expenditures	**110,000**	**3,961,060**	**2,725,500**	**1,235,560**
Excess (Deficiency) of Revenues Over (Under) Expenditures	590,000	(3,261,060)	758,060	4,019,120
Other Financing Sources (Uses):				
Transfers in	50,000	50,000	-	(50,000)
Transfers out	(50,000)	(50,000)	-	50,000
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balances	590,000	(3,261,060)	758,060	4,019,120
Fund Balances, Beginning of Year, as restated	33,794,899	33,794,899	33,794,899	-
Fund Balances, End of Year	**$ 34,384,899**	**$ 30,533,839**	**$ 34,552,959**	**$ 4,019,120**

CITY OF CHULA VISTA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
RESIDENTIAL CONSTRUCTION TAX
YEAR ENDED JUNE 30, 2018

	Budget Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Revenues:				
Taxes	$ 325,505	$ 325,505	$ 951,427	$ 625,922
Use of money and property	-	-	1,924	1,924
Total Revenues	**325,505**	**325,505**	**953,351**	**627,846**
Excess (Deficiency) of Revenues Over (Under) Expenditures	325,505	325,505	953,351	627,846
Other Financing Sources (Uses):				
Transfers in	410,396	410,396	32,055	(378,341)
Transfers out	(668,278)	(668,278)	(665,205)	3,073
Total Other Financing Sources (Uses)	**(257,882)**	**(257,882)**	**(633,150)**	**(375,268)**
Net Change in Fund Balances	67,623	67,623	320,201	252,578
Fund Balances, Beginning of Year	323,552	323,552	323,552	-
Fund Balances, End of Year	**$ 391,175**	**$ 391,175**	**$ 643,753**	**$ 252,578**

CITY OF CHULA VISTA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
BICYCLE FACILITY
YEAR ENDED JUNE 30, 2018

	Budget Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Revenues:				
Intergovernmental	$ 65,000	$ 65,000	$ -	$ (65,000)
Use of money and property	-	-	27	27
Total Revenues	**65,000**	**65,000**	**27**	**(64,973)**
Expenditures:				
Current:				
Public works	65,000	65,000	-	65,000
Total Expenditures	**65,000**	**65,000**	**-**	**65,000**
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	27	27
Net Change in Fund Balances	-	-	27	27
Fund Balances, End of Year	**$ (4,460)**	**$ (4,460)**	**$ (4,433)**	**$ 27**

CITY OF CHULA VISTA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
ASSESSMENT DISTRICT IMPROVEMENT
YEAR ENDED JUNE 30, 2018

	Budget Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Revenues:				
Use of money and property	$ -	$ -	$ 15,261	$ 15,261
Other revenues	-	-	84,189	84,189
Total Revenues	**-**	**-**	**99,450**	**99,450**
Expenditures:				
Current:				
General government	2,500	2,500	-	2,500
Capital outlay	-	306,950	281,307	25,643
Debt service:				
Principal retirement	-	1,175,000	-	1,175,000
Total Expenditures	**2,500**	**1,484,450**	**281,307**	**1,203,143**
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,500)	(1,484,450)	(181,857)	1,302,593
Other Financing Sources (Uses):				
Transfers out	(66,790)	(66,790)	(62,749)	4,041
Contribution to agency fund	-	-	(1,174,700)	-
Total Other Financing Sources (Uses)	**(66,790)**	**(66,790)**	**(1,237,449)**	**4,041**
Net Change in Fund Balances	(69,290)	(1,551,240)	(1,419,306)	1,306,634
Fund Balances, Beginning of Year	2,487,620	2,487,620	2,487,620	-
Fund Balances, End of Year	**$ 2,418,330**	**$ 936,380**	**$ 1,068,314**	**$ 1,306,634**

CITY OF CHULA VISTA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
DEVELOPMENT IMPACT FUNDS
YEAR ENDED JUNE 30, 2018

	Budget Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Revenues:				
Charges for services	$ 200,000	$ 200,000	$ 804,858	$ 604,858
Use of money and property	-	-	391,695	391,695
Developer participation	7,031,600	7,031,600	18,742,962	11,711,362
Total Revenues	**7,231,600**	**7,231,600**	**19,939,515**	**12,707,915**
Expenditures:				
Current:				
City administration	956,900	1,018,165	285,545	732,620
Capital outlay	3,708,499	10,676,413	2,851,348	7,825,065
Debt service:				
Interest and fiscal charges	-	-	12,792	(12,792)
Total Expenditures	**4,665,399**	**11,694,578**	**3,149,685**	**8,544,893**
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,566,201	(4,462,978)	16,789,830	21,252,808
Other Financing Sources (Uses):				
Transfers in	1,035,000	1,136,343	-	(1,136,343)
Transfers out	(6,537,308)	(6,537,308)	(5,178,173)	1,359,135
Total Other Financing Sources (Uses)	**(5,502,308)**	**(5,400,965)**	**(5,178,173)**	**222,792**
Net Change in Fund Balances	(2,936,107)	(9,863,943)	11,611,657	21,475,600
Fund Balances, Beginning of Year, as restated	34,456,972	34,456,972	34,456,972	-
Fund Balances, End of Year	**$ 31,520,865**	**$ 24,593,029**	**$ 46,068,629**	**$ 21,475,600**

CITY OF CHULA VISTA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
OTHER TRANSPORTATION PROGRAM FUND
YEAR ENDED JUNE 30, 2018

	Budget Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Revenues:				
Intergovernmental	$ 8,002,203	$ 8,000,322	$ 9,680,844	$ 1,680,522
Use of money and property	-	-	58,081	58,081
Total Revenues	**8,002,203**	**8,000,322**	**9,738,925**	**1,738,603**
Expenditures:				
Capital outlay	8,002,203	22,748,504	9,121,154	13,627,350
Total Expenditures	**8,002,203**	**22,748,504**	**9,121,154**	**13,627,350**
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	(14,748,182)	617,771	15,365,953
Other Financing Sources (Uses):				
Transfers in	-	1,881	-	(1,881)
Transfers out	-	(102,735)	-	102,735
Total Other Financing Sources (Uses)	**-**	**(100,854)**	**-**	**100,854**
Net Change in Fund Balances	-	(14,849,036)	617,771	15,466,807
Fund Balances, Beginning of Year	(171,768)	(171,768)	(171,768)	-
Fund Balances, End of Year	**$ (171,768)**	**$ (15,020,804)**	**$ 446,003**	**$ 15,466,807**

CITY OF CHULA VISTA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
CAPITAL PROJECTS FUND
YEAR ENDED JUNE 30, 2018

	Budget Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Revenues:				
Use of money and property	$ -	$ -	$ 82,047	$ 82,047
Other revenues	-	-	481,519	481,519
Total Revenues	**-**	**-**	**563,566**	**563,566**
Expenditures:				
Current:				
Public works	-	230,752	-	230,752
Capital outlay	-	15,761,501	3,861,803	11,899,698
Total Expenditures	**-**	**15,992,253**	**3,861,803**	**12,130,450**
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	(15,992,253)	(3,298,237)	12,694,016
Other Financing Sources (Uses):				
Transfers in	-	14,306,466	14,306,466	-
Total Other Financing Sources (Uses)	**-**	**14,306,466**	**14,306,466**	**-**
Net Change in Fund Balances	-	(1,685,787)	11,008,229	12,694,016
Fund Balances, Beginning of Year	(245,921)	(245,921)	(245,921)	-
Fund Balances, End of Year	**$ (245,921)**	**$ (1,931,708)**	**$ 10,762,308**	**$ 12,694,016**

CITY OF CHULA VISTA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
NOTES PAYABLE
YEAR ENDED JUNE 30, 2018

	Budget Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Revenues:				
Use of money and property	$ 129,000	$ 129,000	$ 536	$ (128,464)
Total Revenues	**129,000**	**129,000**	**536**	**(128,464)**
Expenditures:				
Debt service:				
Principal retirement	954,100	954,100	952,906	1,194
Interest and fiscal charges	446,500	446,500	447,279	(779)
Total Expenditures	**1,400,600**	**1,400,600**	**1,400,185**	**415**
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,271,600)	(1,271,600)	(1,399,649)	(128,049)
Other Financing Sources (Uses):				
Transfers in	1,271,600	1,271,600	1,177,762	(93,838)
Total Other Financing Sources (Uses)	**1,271,600**	**1,271,600**	**1,177,762**	**(93,838)**
Net Change in Fund Balances	-	-	(221,887)	(221,887)
Fund Balances, Beginning of Year	232,386	232,386	232,386	-
Fund Balances, End of Year	**$ 232,386**	**$ 232,386**	**$ 10,499**	**$ (221,887)**

CITY OF CHULA VISTA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
LEASE PAYABLE
YEAR ENDED JUNE 30, 2018

	Budget Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Revenues:				
Use of money and property	$ -	$ -	$ 2,040	$ 2,040
Other revenues	283,400	39,000	40,000	1,000
Total Revenues	**283,400**	**39,000**	**42,040**	**3,040**
Expenditures:				
Debt service:				
Principal retirement	480,440	283,640	283,749	(109)
Interest and fiscal charges	114,100	66,500	65,874	626
Total Expenditures	**594,540**	**350,140**	**349,623**	**517**
Excess (Deficiency) of Revenues Over (Under) Expenditures	(311,140)	(311,140)	(307,583)	3,557
Other Financing Sources (Uses):				
Transfers in	311,140	311,140	309,624	(1,516)
Total Other Financing Sources (Uses)	**311,140**	**311,140**	**309,624**	**(1,516)**
Net Change in Fund Balances	-	-	2,041	2,041
Fund Balances, Beginning of Year	112,709	112,709	112,709	-
Fund Balances, End of Year	**$ 112,709**	**$ 112,709**	**$ 114,750**	**$ 2,041**

CITY OF CHULA VISTA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
CITY DEBT SERVICE
YEAR ENDED JUNE 30, 2018

	Budget Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Other Financing Sources (Uses):				
Transfers in	$ 1,385,000	$ 1,385,000	$ -	$ (1,385,000)
Transfers out	(1,385,000)	(1,385,000)	-	1,385,000
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balances	-	-	-	-
Fund Balances, Beginning of Year, as restated	-	-	-	-
Fund Balances, End of Year	$ -	$ -	$ -	$ -

CITY OF CHULA VISTA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
PUBLIC FINANCING AUTHORITY
YEAR ENDED JUNE 30, 2018

	Budget Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Revenues:				
Use of money and property	$ -	$ -	$ 48,418	$ 48,418
Total Revenues	**-**	**-**	**48,418**	**48,418**
Expenditures:				
Current:				
General government	16,000	16,000	8,150	7,850
Debt service:				
Principal retirement	3,350,100	3,350,100	3,350,000	100
Interest and fiscal charges	3,456,600	3,456,600	3,455,745	855
Total Expenditures	**6,822,700**	**6,822,700**	**6,813,895**	**8,805**
Excess (Deficiency) of Revenues Over (Under) Expenditures	(6,822,700)	(6,822,700)	(6,765,477)	57,223
Other Financing Sources (Uses):				
Transfers in	6,822,700	6,822,700	6,787,519	(35,181)
Total Other Financing Sources (Uses)	**6,822,700**	**6,822,700**	**6,787,519**	**(35,181)**
Net Change in Fund Balances	-	-	22,042	22,042
Fund Balances, Beginning of Year	6,238,508	6,238,508	6,238,508	-
Fund Balances, End of Year	**$ 6,238,508**	**$ 6,238,508**	**$ 6,260,550**	**$ 22,042**

CITY OF CHULA VISTA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
MUNICIPAL FINANCING AUTHORITY
YEAR ENDED JUNE 30, 2018

	Budget Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Revenues:				
Use of money and property	$ -	$ -	$ 1,667	$ 1,667
Other revenues	-	139,618	139,617	(1)
Total Revenues	**-**	**139,618**	**141,284**	**1,666**
Expenditures:				
Current:				
General government	5,000	5,150	4,050	1,100
Debt service:				
Principal retirement	1,285,000	1,285,000	1,285,000	-
Interest and fiscal charges	859,000	1,348,790	1,348,463	327
Total Expenditures	**2,149,000**	**2,638,940**	**2,637,513**	**1,427**
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,149,000)	(2,499,322)	(2,496,229)	3,093
Other Financing Sources (Uses):				
Transfers in	2,149,000	2,158,885	2,153,388	(5,497)
Transfers out	-	(12,903,918)	(12,903,918)	-
Proceeds from the issuance of bonds	-	13,130,000	13,130,000	-
Bond premium	-	135,516	135,516	-
Total Other Financing Sources (Uses)	**2,149,000**	**2,520,483**	**2,514,986**	**(5,497)**
Net Change in Fund Balances	-	21,161	18,757	(2,404)
Fund Balances, Beginning of Year	24,893	24,893	24,893	-
Fund Balances, End of Year	**$ 24,893**	**$ 46,054**	**$ 43,650**	**$ (2,404)**

CITY OF CHULA VISTA

COMBINING STATEMENT OF NET POSITION
NON-MAJOR PROPRIETARY FUNDS
JUNE 30, 2018

	Business-Type Activities - Enterprise Funds			
	Bayfront Trolley Station	**Transit Fund**	**Chula Vista Muni Golf Course**	**Totals**
Assets:				
Current:				
Cash and investments	$ 84,334	$ 280,008	$ -	$ 364,342
Receivables:				
Accounts	-	-	132,580	132,580
Total Current Assets	**84,334**	**280,008**	**132,580**	**496,922**
Total Assets	**84,334**	**280,008**	**132,580**	**496,922**
Liabilities:				
Current:				
Accounts payable	-	6,380	-	6,380
Unearned revenues	-	163,380	-	163,380
Due to other funds	-	-	128,859	128,859
Total Current Liabilities	**-**	**169,760**	**128,859**	**298,619**
Total Liabilities	**-**	**169,760**	**128,859**	**298,619**
Net Position:				
Unrestricted	84,334	110,248	3,721	198,303
Total Net Position	**$ 84,334**	**$ 110,248**	**$ 3,721**	**$ 198,303**

CITY OF CHULA VISTA

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
NON-MAJOR PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2018

	Business-Type Activities - Enterprise Funds			
	Bayfront Trolley Station	Transit Fund	Chula Vista Muni Golf Course	Totals
Operating Expenses:				
Administration and general	27	13,008	-	13,035
Total Operating Expenses	**27**	**13,008**	**-**	**13,035**
Operating Income (Loss)	(27)	(13,008)	-	(13,035)
Nonoperating Revenues (Expenses):				
Intergovernmental	-	104,899	-	104,899
Interest revenue	837	3,190	133,393	137,420
Total Nonoperating Revenues (Expenses)	**837**	**108,089**	**133,393**	**242,319**
Income (Loss)	810	95,081	133,393	229,284
Transfers in	-	-	-	-
Transfers out	-	-	(132,580)	(132,580)
Changes in Net Position	810	95,081	813	96,704
Net Position:				
Beginning of Year, as originally reported	83,524	(513,688)	2,908	(427,256)
Restatements	-	528,855	-	528,855
Beginning of Fiscal Year	83,524	15,167	2,908	101,599
End of Fiscal Year	**$ 84,334**	**$ 110,248**	**$ 3,721**	**$ 198,303**

CITY OF CHULA VISTA

COMBINING STATEMENT OF CASH FLOWS
NON-MAJOR PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2018

	Business-Type Activities - Enterprise Funds			
	Bayfront Trolley Station	Transit Fund	Chula Vista Muni Golf Course	Totals
Cash Flows from Operating Activities:				
Cash received from customers and users	$ -	$ -	$ (102,580)	$ (102,580)
Cash received from/(paid to) interfund service provided	-	-	101,767	101,767
Cash paid to suppliers for goods and services	-	(2,620)		(2,620)
Cash paid to employees for services	(27)	(13,008)	-	(13,035)
Net Cash Provided (Used) by Operating Activities	**(27)**	**(15,628)**	**(813)**	**(16,468)**
Cash Flows from Non-Capital Financing Activities:				
Cash transfers out	-	-	(132,580)	(132,580)
Net Cash Provided (Used) by Non-Capital Financing Activities	**-**	**-**	**(132,580)**	**(132,580)**
Cash Flows from Investing Activities:				
Interest received	837	3,190	133,393	137,420
Net Cash Provided (Used) by Investing Activities	**837**	**3,190**	**133,393**	**137,420**
Net Increase (Decrease) in Cash and Cash Equivalents	**810**	**(12,438)**	**-**	**(11,628)**
Cash and Cash Equivalents at Beginning of Year	83,524	292,446	-	375,970
Cash and Cash Equivalents at End of Year	**$ 84,334**	**$ 280,008**	**$ -**	**$ 364,342**
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:				
Operating income (loss)	$ (27)	$ (13,008)	$ -	$ (13,035)
Adjustments to reconcile operating income (loss) net cash provided (used) by operating activities:				
(Increase) decrease in accounts receivable	-	-	(102,580)	(102,580)
Increase (decrease) in accounts payable	-	(2,620)	-	(2,620)
Increase (decrease) in due to other funds	-	-	101,767	101,767
Total Adjustments	**-**	**(2,620)**	**(813)**	**(3,433)**
Net Cash Provided (Used) by Operating Activities	**$ (27)**	**$ (15,628)**	**$ (813)**	**$ (16,468)**
Non-Cash Investing, Capital, and Financing Activities:				
Restatement of net position	$ -	$ 528,855	$ -	$ 528,855

CITY OF CHULA VISTA

COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
JUNE 30, 2018

	Governmental Activities - Internal Service Funds			
	Fleet Management	**Technology Replacement**	**Workers Compensation**	**Totals**
Assets:				
Current:				
Cash and investments	$ 1,662,469	$ 2,633	$ 3,466,080	$ 5,131,182
Receivables:				
Accounts	11,042	-	-	11,042
Restricted:				
Cash with fiscal agent	-	-	338,749	338,749
Total Current Assets	**1,673,511**	**2,633**	**3,804,829**	**5,480,973**
Noncurrent:				
Capital assets - net of accumulated depreciation	607,999	-	-	607,999
Total Noncurrent Assets	**607,999**	**-**	**-**	**607,999**
Total Assets	**2,281,510**	**2,633**	**3,804,829**	**6,088,972**
Deferred Outflows of Resources:				
Deferred items related to pensions	611,846	-	-	611,846
Deferred items related to OPEB	1,268	-	-	1,268
Total Deferred Outflows of Resources	**613,114**	**-**	**-**	**613,114**
Liabilities:				
Current:				
Accounts payable	271,922	-	160,785	432,707
Accrued liabilities	31,688	-	-	31,688
Accrued compensated absences	32,029	-	-	32,029
Total Current Liabilities	**335,639**	**-**	**160,785**	**496,424**
Noncurrent:				
Accrued compensated absences	21,702	-	-	21,702
Net pension liability	3,494,202	-	-	3,494,202
Total OPEB liability	116,288	-	-	116,288
Total Noncurrent Liabilities	**3,632,192**	**-**	**-**	**3,632,192**
Total Liabilities	**3,967,831**	**-**	**160,785**	**4,128,616**
Deferred Inflows of Resources:				
Deferred items related to pensions	83,377	-	-	83,377
Total Deferred Inflows of Resources	**83,377**	**-**	**-**	**83,377**
Net Position:				
Investment in capital assets	607,999	-	-	607,999
Unrestricted	(1,764,583)	2,633	3,644,044	1,882,094
Total Net Position	**$ (1,156,584)**	**$ 2,633**	**$ 3,644,044**	**$ 2,490,093**

CITY OF CHULA VISTA

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2018

	Governmental Activities - Internal Service Funds			
	Fleet Management	Technology Replacement	Workers Compensation	Totals
Operating Revenues:				
Interdepartmental charges	$ 3,189,333	$ -	$ 4,922,407	$ 8,111,740
Other	18,463	-	170,938	189,401
Total Operating Revenues	**3,207,796**	**-**	**5,093,345**	**8,301,141**
Operating Expenses:				
Administration and general	3,657,555	-	3,724,029	7,381,584
Depreciation expense	360,104	-	-	360,104
Total Operating Expenses	**4,017,659**	**-**	**3,724,029**	**7,741,688**
Operating Income (Loss)	(809,863)	-	1,369,316	559,453
Nonoperating Revenues (Expenses):				
Interest revenue	(7,574)	(17)	(21,858)	(29,449)
Total Nonoperating Revenues (Expenses)	**(7,574)**	**(17)**	**(21,858)**	**(29,449)**
Income (Loss) Before Transfers	(817,437)	(17)	1,347,458	530,004
Transfers in	85,267	-	-	85,267
Changes in Net Position	(732,170)	(17)	1,347,458	615,271
Net Position:				
Beginning of Year, as originally reported	(315,823)	2,650	2,296,586	1,983,413
Restatements	(108,591)	-	-	(108,591)
Beginning of Fiscal Year	(424,414)	2,650	2,296,586	1,874,822
End of Fiscal Year	**$ (1,156,584)**	**$ 2,633**	**$ 3,644,044**	**$ 2,490,093**

CITY OF CHULA VISTA

COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2018

	Governmental Activities - Internal Service Funds			
	Fleet Management	Technology Replacement	Workers Compensation	Totals
Cash Flows from Operating Activities:				
Cash received from/(paid to) interfund service provided	$ 3,269,815	$ -	$ 5,100,127	$ 8,369,942
Cash received from/(paid to) suppliers for goods and services	-	-	108,918	108,918
Cash paid to employees for services	(2,988,713)	-	(3,724,029)	(6,712,742)
Net Cash Provided (Used) by Operating Activities	**281,102**	**-**	**1,485,016**	**1,766,118**
Cash Flows from Non-Capital Financing Activities:				
Cash transfers in	85,267	-	-	85,267
Repayment received from other funds	(108,591)	-	-	(108,591)
Net Cash Provided (Used) by Non-Capital Financing Activities	**(23,324)**	**-**	**-**	**(23,324)**
Cash Flows from Investing Activities:				
Interest received	(7,574)	(17)	(21,858)	(29,449)
Net Cash Provided (Used) by Investing Activities	**(7,574)**	**(17)**	**(21,858)**	**(29,449)**
Net Increase (Decrease) in Cash and Cash Equivalents	**250,204**	**(17)**	**1,463,158**	**1,713,345**
Cash and Cash Equivalents at Beginning of Year	1,412,265	2,650	2,341,671	3,756,586
Cash and Cash Equivalents at End of Year	**$ 1,662,469**	**$ 2,633**	**$ 3,804,829**	**$ 5,469,931**
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:				
Operating income (loss)	$ (809,863)	$ -	$ 1,369,316	$ 559,453
Adjustments to reconcile operating income (loss) net cash provided (used) by operating activities:				
Depreciation	360,104	-	-	360,104
(Increase) decrease in accounts receivable	55,186	-	6,782	61,968
(Increase) decrease in deferred outflows from pensions	(70,901)	-	-	(70,901)
(Increase) decrease in deferred outflows from OPEB	(1,268)	-	-	(1,268)
(Increase) decrease in prepaid costs	896	-	-	896
Increase (decrease) in accounts payable	6,833	-	108,918	115,751
Increase (decrease) in accrued liabilities	9,332	-	-	9,332
Increase (decrease) in compensated absences	5,024	-	-	5,024
Increase (decrease) in net pension liability	547,161	-	-	547,161
Increase (decrease) in total OPEB liability	116,288	-	-	116,288
Increase (decrease) in deferred inflows from pensions	62,310	-	-	62,310
Total Adjustments	**1,090,965**	**-**	**115,700**	**1,206,665**
Net Cash Provided (Used) by Operating Activities	**$ 281,102**	**$ -**	**$ 1,485,016**	**$ 1,766,118**

CITY OF CHULA VISTA

COMBINING STATEMENT OF NET POSITION
ALL AGENCY FUNDS
JUNE 30, 2018

	Flexible Spending Account	Special Assessment District	Miscellaneous Deposits	Totals
Assets:				
Pooled cash and investments	$ 504,699	$ 8,528,926	$ -	$ 9,033,625
Receivables:				
Accrued interest	-	-	1,431	1,431
Restricted assets:				
Cash and investments	-	-	11,767,185	11,767,185
Cash and investments with fiscal agents	-	43,522,543	-	43,522,543
Total Assets	**$ 504,699**	**$ 52,051,469**	**$ 11,768,616**	**$ 64,324,784**
Liabilities:				
Accounts payable	$ -	$ 2,918	$ 425,655	$ 428,573
Accrued liabilities	5,885	-	-	5,885
Unearned revenues	14,162	-	1,431	15,593
Deposits payable	-	-	11,341,530	11,341,530
Due to external parties/other agencies	484,652	52,048,551	-	52,533,203
Total Liabilities	**$ 504,699**	**$ 52,051,469**	**$ 11,768,616**	**$ 64,324,784**

CITY OF CHULA VISTA

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
YEAR ENDED JUNE 30, 2018

	Balance July 1, 2017	Additions	Deductions	Balance June 30, 2018
Flexible Spending Account				
Assets:				
Pooled cash and investments	$ 269,694	$ 1,434,134	$ 1,199,129	$ 504,699
Total Assets	**$ 269,694**	**$ 1,434,134**	**$ 1,199,129**	**$ 504,699**
Liabilities:				
Accounts payable	$ 10,507	$ 8,306	$ 18,813	$ -
Accrued liabilities	-	5,897	12	5,885
Unearned revenues	14,162	-	-	14,162
Due to external parties/other agencies	245,025	239,627	-	484,652
Total Liabilities	**$ 269,694**	**$ 253,830**	**$ 18,825**	**$ 504,699**
Special Assessment District				
Assets:				
Pooled cash and investments	$ 9,457,312	$ 14,020,313	$ 14,948,699	$ 8,528,926
Restricted assets:				
Cash and investments with fiscal agents	30,113,429	22,121,437	8,712,323	43,522,543
Total Assets	**$ 39,570,741**	**$ 36,141,750**	**$ 23,661,022**	**$ 52,051,469**
Liabilities:				
Accounts payable	$ 110	$ 7,652	$ 4,844	$ 2,918
Due to external parties/other agencies	39,570,631	12,991,867	513,947	52,048,551
Total Liabilities	**$ 39,570,741**	**$ 12,999,519**	**$ 518,791**	**$ 52,051,469**
Miscellaneous Deposits				
Assets:				
Receivables:				
Accrued interest	$ 1,431	$ -	$ -	$ 1,431
Restricted assets:				
Cash and investments	13,567,819	8,126,152	9,926,786	11,767,185
Total Assets	**$ 13,569,250**	**$ 8,126,152**	**$ 9,926,786**	**$ 11,768,616**
Liabilities:				
Accounts payable	$ 669,045	$ 2,082,057	$ 2,325,447	$ 425,655
Unearned revenues	1,431	-	-	1,431
Deposits payable	12,898,774	17,782,446	19,339,690	11,341,530
Total Liabilities	**$ 13,569,250**	**$ 19,864,503**	**$ 21,665,137**	**$ 11,768,616**
Totals - All Agency Funds				
Assets:				
Pooled cash and investments	$ 9,727,006	$ 15,454,447	$ 16,147,828	$ 9,033,625
Receivables:				
Accrued interest	1,431	-	-	1,431
Restricted assets:				
Cash and investments	13,567,819	8,126,152	9,926,786	11,767,185
Cash and investments with fiscal agents	30,113,429	22,121,437	8,712,323	43,522,543
Total Assets	**$ 53,409,685**	**$ 45,702,036**	**$ 34,786,937**	**$ 64,324,784**
Liabilities:				
Accounts payable	$ 679,662	$ 2,098,015	$ 2,349,104	$ 428,573
Accrued liabilities	-	5,897	12	5,885
Unearned revenues	15,593	-	-	15,593
Pass-through payables	-	-	-	-
Deposits payable	12,898,774	17,782,446	19,339,690	11,341,530
Due to external parties/other agencies	39,815,656	13,231,494	513,947	52,533,203
Total Liabilities	**$ 53,409,685**	**$ 33,117,852**	**$ 22,202,753**	**$ 64,324,784**

CITY OF
CHULA VISTA

CITY OF CHULA VISTA

Statistical Section

06/30

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

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These schedules contain information to help the reader understand how the city's financial performance and well-being have changed over time.	
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These schedules contain information to help the reader assess the factors affecting the city's ability to generate its property and sales taxes.	
Debt Capacity	**184 - 188**
These schedules present information to help the reader assess the affordability of the city's current levels of outstanding debt and the city's ability to issue additional debt in the future.	
Demographic and Economic Information	**189 - 191**
These schedules offer demographic and economic indicators to help the reader understand the environment within which the city's financial activities take place and to help make comparisons over time and with other governments.	
Operating Information	**192 - 193**
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

CITY OF CHULA VISTA

Net Assets by Component

Last Ten Fiscal Years
(accrual basis of accounting)

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Governmental activities:										
Invested in capital assets, net of related debt	$ 623,938,515	$ 634,377,842	$ 634,409,385	$ 655,182,727	$ 626,476,481	$ 649,314,016	$ 643,174,160	$ 672,940,012	$ 1,031,902,782	$ 1,029,933,503
Restricted	43,901,854	49,193,256	47,168,636	22,929,585	21,888,309	107,106,257	129,460,665	125,439,323	128,114,370	143,958,910
Unrestricted	89,235,419	73,916,496	72,730,796	89,620,724	111,886,462	22,522,443	(245,432,296)	(222,570,459)	(222,843,737)	(206,082,817)
Total governmental activities net assets	757,075,788	757,487,594	754,308,817	767,733,036	760,251,252	778,942,716	527,202,529	575,808,876	937,173,415	967,809,596
Business-type activities:										
Invested in capital assets, net of related debt	148,237,562	152,384,420	146,550,585	140,248,319	134,661,254	136,513,268	134,368,634	135,989,851	331,199,513	327,687,650
Restricted	-	-	-	-	-		5,141,430	2,803,451	2,593,403	-
Unrestricted	64,860,578	74,385,651	80,214,208	86,521,327	93,401,745	97,393,640	71,945,411	67,970,476	72,366,978	78,539,054
Total business-type activities net assets	213,098,140	226,770,071	226,764,793	226,769,646	228,062,999	233,906,908	211,455,475	206,763,778	406,159,894	406,226,704
Primary government:										
Invested in capital assets, net of related debt	772,176,077	786,762,262	780,959,970	795,431,046	761,137,735	785,827,284	777,542,794	808,929,863	1,363,102,295	1,357,621,153
Restricted	43,901,854	49,193,256	47,168,636	22,929,585	21,888,309	107,106,257	134,602,095	128,242,774	130,707,773	143,958,910
Unrestricted	154,095,997	148,302,147	152,945,004	176,142,051	205,288,207	119,916,083	(173,486,885)	(154,599,983)	(150,476,759)	(127,543,763)
Total primary government net assets	$ 970,173,928	$ 984,257,665	$ 981,073,610	$ 994,502,682	$ 988,314,251	$ 1,012,849,624	$ 738,658,004	$ 782,572,654	$ 1,343,333,309	$ 1,374,036,300

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

CITY OF CHULA VISTA

Changes in Net Position

Last Ten Fiscal Years

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Governmental activities:										
General government	$ 49,216,220	$ 51,136,412	$ 46,457,112	$ 22,508,977	$ 33,652,891	$ 25,386,867	$ 36,693,953	$ 25,564,824	$ 35,375,230	$ 29,311,449
Public safety	76,097,546	74,008,767	75,664,246	75,931,086	77,821,520	74,896,803	81,002,999	87,749,418	94,716,683	106,802,130
Community Development								1,974,046	1,552,750	18,617,269
Community Services							12,837	5,632	14,990	-
Public works	72,509,779	69,524,903	71,857,158	76,458,061	69,297,402	63,312,155	62,454,130	67,910,401	68,885,918	72,192,449
Parks and recreation	9,805,893	7,849,907	6,995,489	7,310,312	5,865,192	6,118,351	6,441,907	6,834,240	6,875,635	9,553,392
Library	7,617,286	4,826,602	4,509,999	4,185,624	4,224,568	4,092,263	3,906,984	3,997,677	5,018,878	1,542,733
Transit	-	-	-	63,021	14,560	-	-	-	-	-
Interest on long-term debt	13,064,138	11,217,753	11,538,707	8,904,275	6,698,509	7,287,461	6,776,635	6,073,434	4,673,047	7,718,906
Total governmental activities expenses	228,310,862	218,564,344	217,022,711	195,361,356	197,574,642	181,093,900	197,289,445	200,109,672	217,113,131	245,738,328
Business-type activities:										
Transit	8,147,424	7,571,898	7,075,998	7,050,673	6,997,488	6,875,214	4,807,985	86,512	39,594	13,008
Bayfront Trolley Station	98,800	94,802	91,788	91,942	92,843	61,823	59,863	-	-	27
Sewer funds	23,528,217	29,240,616	30,245,584	30,524,851	30,773,712	26,046,175	31,615,457	25,234,891	32,179,875	34,857,066
Sewer DIFs	200,660	126,019	123,629	129,351	122,927	129,279	120,197	1,146,838	8,305	34,547
Development Services Fund	-	-	-	4,730,599	5,717,312	6,113,133	5,996,109	5,741,600	6,655,654	10,683,709
Chula Vista Mini Golf Course									27,092	-
CV Elite Athlete Training Ctr									449,028	676,260
Interest on long-term debt	-	-	-	-	-	-	-	-	-	-
Total business-type activities expenses	31,975,101	37,033,335	37,536,999	42,527,416	43,704,282	39,225,624	42,599,611	32,209,841	39,359,548	46,264,617
Total primary government expenses	260,285,963	255,597,679	254,559,710	237,888,772	241,278,924	220,319,524	239,889,056	232,319,513	256,472,679	**292,002,945**
Governmental activities:										
Charges for services:										
General government	35,959,181	32,419,505	29,785,079	5,955,849	5,795,838	8,767,069	5,302,277	6,468,756	12,317,921	8,562,792
Public safety	7,954,060	8,833,813	7,989,893	8,658,579	8,893,631	10,198,058	5,068,166	11,764,603	11,997,221	178,674
Community Development								730,197	771,603	17,920,527
Public works	25,793,234	28,761,170	33,378,070	32,767,261	35,758,786	30,495,980	31,439,700	24,218,733	32,598,199	23,487,119
Parks and recreation	2,776,032	2,559,668	3,599,653	3,051,842	7,631,696	5,292,433	413,921	10,683,649	8,221,019	1,490,236
Library	326,116	505,044	967,908	840,258	1,666,765	1,078,592	164,832	1,943,416	1,575,837	872,352
Operating grants and contributions	18,957,467	17,984,120	31,976,818	21,780,868	30,935,863	29,456,557	-	-	-	21,246,015
Capital grants and contributions	16,754,583	23,711,994	4,781,625	4,283,855	2,936,133	1,921,554	-	-	-	33,859,885
Total governmental activities program revenues	108,520,673	114,775,314	112,479,046	77,338,512	93,618,712	87,210,243	42,388,896	55,809,354	67,481,800	107,617,600
Business-type activities:										
Charges for services:										
Transit	3,679,761	3,335,334	2,534,385	2,671,538	2,841,619	2,672,231	1,503,262	-	-	-
Sewer funds	31,046,180	36,284,081	32,257,256	32,571,135	35,011,268	33,190,660	36,039,238	35,775,374	36,289,930	37,870,947
Sewer DIFs	232,430	166,303	443,599	174,667	645,015	268,092	166,333	239,143	111,907	1,201,669
Development Services Fund	-	-	-	4,174,657	6,654,261	6,338,495	-	6,546,936	7,291,037	10,596,287
Operating grants and contributions	3,390,228	3,357,566	3,431,988	3,524,426	3,095,626	3,800,358	6,118,566	-	-	104,899
Capital grants and contributions	-	-	-	-	-	-	-	-	-	-
Total business-type activities program revenues	38,348,599	43,143,284	38,667,228	43,116,423	48,247,789	46,269,836	43,827,399	42,561,453	43,692,874	49,773,802
Total primary government program revenues	146,869,272	157,918,598	151,146,274	120,454,935	141,866,501	133,480,079	86,216,295	98,370,807	111,174,674	**157,391,402**

CITY OF CHULA VISTA

Changes in Net Position

Last Ten Fiscal Years

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Governmental activities	(119,790,189)	(103,789,030)	(104,543,665)	(118,022,844)	(103,955,930)	(93,883,657)	(154,900,549)	(144,300,318)	(149,631,331)	(138,120,728)
Business-type activities	6,373,498	6,109,949	1,130,229	589,007	4,543,507	7,044,212	1,227,788	10,351,612	4,333,326	3,509,185
Total net revenues (expenses)	(113,416,691)	(97,679,081)	(103,413,436)	(117,433,837)	(99,412,423)	(86,839,445)	(153,672,761)	(133,948,706)	(145,298,005)	(134,611,543)
Governmental activities:										
Taxes:										
Property taxes	43,319,156	41,798,577	39,437,025	49,721,604	45,146,022	45,266,172	47,485,292	50,136,856	53,248,196	56,512,850
Sales tax	26,263,317	23,674,601	26,702,443	27,275,753	28,627,785	29,171,174	41,883,924	33,317,380	36,469,033	57,541,043
Other taxes	21,643,366	21,927,677	17,485,387	16,431,529	18,966,240	32,145,209	23,225,498	24,463,262	24,101,777	32,496,156
Investment income	12,676,922	5,744,616	9,108,662	3,615,266	866,861	1,944,988	4,216,186	6,233,144	2,954,403	5,652,663
Other general revenues	355,175	7,581,794	5,193,653	1,530,568	2,356,802	686,054	12,921,129	1,034,027	8,970	-
Miscellaneous	-	-	-	-	-	-	27,882	336,661	1,677,271	12,675,502
Transfers	3,880,091	3,473,571	3,437,718	4,195,190	3,861,417	3,551,004	3,848,746	2,799,555	4,180,778	4,170,702
Total general revenues and transfers	108,138,027	104,200,836	101,364,888	102,769,910	99,825,127	112,764,601	133,608,657	118,320,885	122,640,428	169,048,916
Extraordinary gain	-	-	-	28,677,153	-	-	-	-	-	-
Total governmental activities	108,138,027	104,200,836	101,364,888	131,447,063	99,825,127	112,764,601	133,608,657	118,320,885	122,640,428	**169,048,916**
Business-type activities:										
Investment income	2,090,311	1,785,660	1,288,478	1,273,689	261,354	1,505,052	657,343	1,357,938	322,527	1,155,739
Miscellaneous	3,215,264	9,249,893	1,013,733	2,337,347	349,909	845,650	2,789,595	524,616	198,847,750	414,696
Gain on Sale of Capital Asset									115,703	-
Transfers	(3,880,091)	(3,473,571)	(3,437,718)	(4,195,190)	(3,861,417)	(3,551,004)	(3,848,746)	(2,799,555)	(4,180,778)	(4,170,702)
Total business-type activities	1,425,484	7,561,982	(1,135,507)	(584,154)	(3,250,154)	(1,200,302)	(401,808)	(917,001)	195,105,202	(2,600,267)
Total primary government	109,563,511	111,762,818	100,229,381	130,862,909	96,574,973	111,564,299	133,206,849	117,403,884	317,745,630	166,448,649
Governmental activities	(11,652,162)	411,806	(3,178,777)	13,424,219	(4,130,803)	18,880,944	(21,291,892)	(25,979,433)	(26,990,903)	30,928,188
Business-type activities	7,798,982	13,671,931	(5,278)	4,853	1,293,353	5,843,910	825,980	9,434,611	199,438,528	908,918
Total primary government	$ (3,853,180)	$ 14,083,737	$ (3,184,055)	$ 13,429,072	$ (2,837,450)	$ 24,724,854	$ (20,465,912)	$ (16,544,822)	$ 172,447,625	$ 31,837,106

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									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General fund:										
Nonspendable	$ -	$ -	$ 11,258,150	$ 8,799,026	$ 7,481,079	$ 7,424,812	$ 7,419,002	$ 1,527,055	$ 7,363,413	$ 7,676,350
Restricted	-	-	127,883	-	750,951	-	-	-	-	-
Committed	-	-	7,178,838	4,375,207	2,298,088	6,215,601	7,602,021	6,417,095	5,938,600	64,147,929
Assigned	-	-	5,298,536	2,895,545	6,648,922	4,807,244	4,688,124	4,315,568	8,526,339	11,866,874
Unassigned	-	-	11,876,992	11,969,280	10,790,135	14,511,252	16,412,879	25,132,939	20,020,613	24,512,363
Reserved	20,732,416	19,478,496	-	-	-					
Unreserved	12,417,105	13,703,304	-	-	-	-	-	-	-	-
Total general fund	33,149,521	33,181,800	35,740,399	28,039,058	27,969,175	32,958,909	36,122,026	37,392,657	41,848,965	108,203,516
All other governmental funds:										
Nonspendable	-	-	21,669,849	30,763,746	$ 29,774,472	$ 23,537,524	$ 7,419,002	$ 1,527,055	$ -	$ 3,459
Restricted	-	-	109,944,736	83,439,558	91,152,341	107,106,257	129,464,688	-	31,385,200	143,915,260
Committed	-	-	17,370,613	12,842,477	10,617,691	10,677,564	17,186,197	6,417,095	345,095	6,303,075
Assigned	-	-	(2,402,991)	-	-	-	4,688,124	29,448,507	-	10,891
Unassigned	-	-	(59,092,342)	(37,420,734)	(37,277,498)	(40,451,233)	(20,803,239)	25,132,939	(422,149)	(4,433)
Reserved	33,197,517	61,852,404	-	-	-					
Unreserved, reported in:										
Debt service funds	(46,692,600)	(56,280,718)	-	-	-	-	-	-	-	-
Capital projects funds	70,791,397	58,595,303	-	-	-	-	-	-	-	-
Special revenue funds	42,565,836	27,334,131	-	-	-	-	-	-	-	-
Total all other governmental funds	$ 99,862,150	$ 91,501,120	$ 87,489,865	$ 89,625,047	$ 94,267,006	$ 100,870,112	$ 137,954,772	$ 62,525,596	$ 31,308,146	$ 150,228,252

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

Committed fund balance totaled $64.1 million for specific purposes pursuant to contstraints imposed by formal action of the City Council and remains binding unless removed in the same manner in fiscal year 2018.

CITY OF CHULA VISTA

Changes in Fund Balances of Governmental Funds

Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Revenues:										
Taxes	$ 91,770,846	$ 87,263,934	$ 88,878,664	$ 96,868,086	$ 82,450,711	$ 106,825,885	$ 112,594,714	$110,452,962	$121,462,604	$139,296,422
Licenses and permits	2,041,721	2,274,964	2,887,150	1,253,806	1,436,828	1,355,342	1,322,254	1,328,020	1,290,968	1,601,980
Fines and forfeitures	3,317,666	3,124,021	2,348,565	2,065,246	1,639,781	1,685,268	2,280,880	1,942,656	1,805,508	2,035,823
Investment income	10,103,986	6,299,595	8,716,624	5,077,920	2,929,237	4,698,387	5,044,602	7,006,545	3,766,457	5,682,112
Developer fees	9,252,547	11,700,991	16,498,744	13,966,814	21,742,856	9,515,921	7,484,592	11,657,266	8,810,178	23,506,237
Intergovernmental	39,497,983	41,965,596	48,177,707	21,861,011	40,953,981	28,647,410	26,409,294	23,868,074	23,427,460	25,522,199
Charges for services	12,435,955	11,877,763	11,743,505	20,907,330	23,440,813	20,748,232	20,112,124	22,647,645	26,662,094	23,630,103
Contriubutions										11,176,064
Other	29,404,221	31,918,308	28,163,311	13,382,050	14,521,818	14,896,960	15,932,194	15,839,288	23,529,357	21,132,605
Total revenues	197,824,925	196,425,172	207,414,270	175,382,263	189,116,025	188,373,405	191,180,654	194,742,456	210,754,626	**253,583,545**
Expenditures										
Current:										
General government	43,640,514	45,966,934	39,701,396	23,833,011	25,544,079	29,341,881	26,413,901	29,087,838	33,218,003	23,723,205
Public safety	72,872,527	72,080,790	70,693,779	71,917,414	73,177,912	76,457,979	80,235,099	83,637,644	87,731,136	95,424,528
Public works	46,042,781	45,778,665	48,056,229	47,911,105	48,416,477	40,894,934	41,459,698	49,775,141	45,135,590	37,856,917
Community Development								1,974,046	2,030,654	17,601,341
Parks and recreation	6,969,924	5,255,812	4,030,767	4,215,643	3,471,548	3,590,441	3,746,349	4,059,567	4,246,605	4,276,366
Library	7,199,101	4,563,849	3,870,646	3,672,661	3,241,660	3,810,004	3,625,949	3,969,307	4,721,120	3,943,063
Capital outlay	19,305,564	27,628,148	34,215,021	16,182,888	21,144,133	15,347,338	22,216,530	12,976,408	19,172,666	40,843,898
Debt service:							-	-	-	-
Principal retirement	7,686,525	7,301,362	7,911,995	8,423,156	5,113,992	54,040,855	5,340,205	34,980,737	6,110,055	11,898,280
Interest and fiscal charges	12,576,939	11,585,816	11,094,106	9,229,775	6,818,788	7,850,448	6,678,144	6,437,941	5,194,264	8,382,476
Bond issuance cost	844,584	-	-	-	-	-	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-	-	-	-	422,751	2,673,892	-
Total expenditures	217,138,459	220,161,376	219,573,939	185,385,653	186,928,589	231,333,880	189,715,875	227,321,380	210,233,985	**243,950,074**
Excess (deficiency) of revenues over (under) expenditures	(19,313,534)	(23,736,204)	(12,159,669)	(10,003,390)	2,187,436	(42,960,475)	1,464,779	(32,578,924)	520,641	**9,633,471**
Other financing sources (uses):										
Transfers in	50,502,425	61,296,934	56,989,583	33,900,786	20,113,296	30,478,465	21,708,446	27,905,430	49,858,764	34,617,949
Transfers out	(46,589,803)	(57,815,981)	(53,551,865)	(32,638,610)	(16,551,879)	(27,503,760)	(18,897,272)	(25,949,256)	(47,177,986)	(30,532,514)
Proceeds from long-term debt	665,884	29,355,000	42,286	3,963,104	2,174,204	2,121,500	578,224	377,487	-	-
Proceeds from bond sale	21,625,000	207,372	-	-	-	45,920,000	-	34,330,000	34,485,000	74,485,000
Payment to escrow agent trust	(15,110,000)	(16,710,000)	-	-	-	-	-	(7,135,000)	(36,860,637)	-
Bond premium/(bond discount)	(579,161)	(925,872)	-	-	-	3,537,111	-	2,262,493	2,836,273	10,144,025
Capital Leases									1,285,053	2,598,124
Contribution to Agency Fund										(1,174,700)
Proceeds from sale of capital assets	-	-	9,630,000	-	-	-	-	-	-	-
Total other financing sources (uses)	10,514,345	15,407,453	13,110,004	5,225,280	5,735,621	54,553,316	3,389,398	31,791,154	4,426,467	**90,137,884**
Extraordinary item:										
Forgiveness of debt	-	-	-	-	-	-	-	-	-	-
Loss on dissolution of the Chula Vista Redevelopment Agency	-	-	-	(3,191,040)	-	-	-	-	-	-
Total extraordinary item	-	-	-	(3,191,040)	-	-	-	-	-	-
Net change in fund balances	$ (8,799,189)	$ (8,328,751)	$ 950,335	$ (7,969,150)	$ 7,923,057	$ 11,592,841	$ 4,854,177	$ (787,770)	$ 4,947,108	**$ 99,771,355**
Debt service as a percentage of noncapital expenditures	10.2%	9.6%	9.4%	10.1%	6.9%	30.3%	7.4%	20.7%	6.2%	10.0%

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

	City				Redevelopment Agency/Successor Agency [1]				
Fiscal Year Ended June 30	Secured	Unsecured	Less: Exemptions	Taxable Assessed Value [2]	Secured	Unsecured	Less: Exemptions [3]	Taxable Assessed Value	Total Direct Tax Rate
2009	24,861,548,900	565,347,815	(603,500,966)	24,823,395,749	1,061,746,125	105,702,620	-	1,167,448,745	0.1438%
2010	22,168,954,872	610,945,054	(682,909,923)	22,096,990,003	1,094,004,250	131,944,885	-	1,225,949,135	0.1438%
2011	21,341,397,693	577,214,653	(683,167,117)	21,235,445,229	1,042,561,908	130,433,921	-	1,172,995,829	0.1438%
2012	21,280,088,193	613,792,400	(739,917,158)	21,153,963,435	1,054,772,168	157,330,744	-	1,212,102,912	0.1438%
2013	21,173,362,084	565,751,305	(796,316,481)	20,942,796,908	1,045,060,350	97,973,502	-	1,143,033,852	0.1438%
2014	21,922,151,025	555,819,631	(831,701,747)	21,646,268,909	1,150,985,609	104,386,694	-	1,255,372,303	0.1438%
2015	23,413,030,465	542,342,957	(864,933,069)	23,090,440,353	1,142,294,084	101,995,779	-	1,244,289,863	0.1438%
2016	24,754,131,895	549,312,047	(847,445,301)	24,455,998,641	1,209,286,482	117,991,956	-	1,327,278,438	0.1438%
2017	26,210,551,258	543,505,450	(977,982,199)	25,776,074,509	1,246,659,237	107,794,167	-	1,354,453,404	0.1438%
2018	27,801,823,181	559,678,820	(1,009,910,410)	27,351,591,591	1,396,009,911	112,713,638	-	1,508,723,549	0.1438%

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

[2] Includes redevelopment incremental valuation.

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

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

Source: County of San Diego Property Tax Services
Valuation Report, Tax Rate by Tax Rate Area, ACAP 345B

CITY OF CHULA VISTA

Direct and Overlapping Property Tax Rates
(Rate per $100 of assessed value)

Last Ten Fiscal Years

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
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	0.0176	0.0251	0.0261	0.0259	0.0253	0.0463	0.0475	0.04301	0.04323	0.03594
Sweetwater Union High School District Bonds	0.0462	0.0558	0.0552	0.0608	0.0586	0.0582	0.0541	0.05169	0.05162	0.05156
Southwestern Community College Bonds	0.0132	0.0344	0.0364	0.0331	0.0375	0.0368	0.0358	0.03961	0.03856	0.04981
MWD D/S Remainder of SDCWA 15019999	0.0043	0.0043	0.0037	0.0037	0.0035	0.0035	0.0035	0.0035	0.0035	0.0035
County of San Diego**	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
Total Overlapping Rates	1.0813	1.1196	1.1213	1.1235	1.1249	1.1448	1.1409	1.1378	1.1369	1.1408

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	0.00000000
Total	1.00000000

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

	2018			2009		
Taxpayer	Taxable Assessed Value	Rank	Percent of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percent of Total City Taxable Assessed Value
Rohr Inc.	$ 219,191,002	1	0.80%	168,162,566	7	0.68%
John Hancock Life Insurance Co	147,542,488	2	0.54%			-
GGP Otay Ranch LP	125,287,700	3	0.46%	194,702,833	6	0.78%
Regulo Place Apts Investors L	113,373,179	4	0.42%	227,230,960	5	0.92%
Otay Land CO LLC	112,707,091	5	0.42%			
Brisa Acquisitions LLC	102,206,221	6	0.38%			
NM Pulse LLC	95,650,763	7	0.35%			
Vista Pacific Villas LP	95,222,381	8	0.35%			
BREFMCA LLC	79,254,418	9	0.29%	-		
Chula Vista Center LP	74,091,187	10	0.27%			
San Diego Expressway Limited				852,000,000	1	3.43%
JPB Development	-		-	658,525,097	2	2.65%
Village II of Otay HB SUB	-		-	302,617,988	3	1.22%
Equity Residential	-		-	244,346,081	4	0.98%
Shea Homes Ltd Partnership	-		-	108,564,317	8	0.44%
Roman Catholic Bishop of San Diego	-		-	85,713,620	9	0.35%
Rancho Mesa LP	-		-	85,503,816	10	0.34%
	-		-	-		
	$ 1,164,526,430		4.29%	2,927,367,278		11.79%

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

Source: MuniServices, LLC
County of San Diego Property Tax Services PT Base Tab Taxable Assessed Value for FYE

CITY OF CHULA VISTA

Property Tax Levies and Collections

Last Ten Fiscal Years

Fiscal Year Ended June 30	Taxes Levied for the Fiscal Year [1]	Collected within the Fiscal Year of Levy		Collections in Subsequent Years [2]	Total Collections to Date	
		Amount	Percent of Levy		Amount	Percent of Levy
2009	29,304,771	28,147,698	96.05%	765,703	28,913,402	98.66%
2010	26,246,478	25,313,706	96.45%	538,429	25,852,135	98.50%
2011	25,325,126	24,773,002	97.82%	134,325	24,907,328	98.35%
2012	25,373,780	24,669,632	97.22%	(35,474)	24,634,158	97.09%
2013	25,352,454	24,982,072	98.54%	117,973	25,100,045	99.00%
2014	26,063,753	25,758,225	98.83%	39,776	25,798,000	98.98%
2015	27,726,666	27,398,740	98.82%	36,404	27,435,143	98.95%
2016	29,083,269	28,800,156	99.03%	68,973	28,869,128	99.26%
2017	30,632,668	30,388,650	99.20%	49,984	30,438,634	99.37%
2018	32,518,946	32,206,343	99.04%	58,329	32,264,672	99.22%

[1] Levy amounts do not include supplemental taxes.

[2] Collection amounts represent delinquencies collected for all prior years during the current tax year. Total delinquent collections are reduced by any refunds processed from prior year tax collections.

Source: County of San Diego Property Tax Services ACAP234A 1%

CITY OF CHULA VISTA

Ratios of Outstanding Debt by Type

Last Ten Fiscal Years

	Governmental Activities						
Fiscal Year Ended June 30	Pension Obligation Bonds	Tax Allocation Bonds	Loans	Certificates of Participation	Total Governmental Activities	Percentage of Personal Income [1]	Debt Per Capita [1]
2009	7,000,000	45,830,000	18,736,012	130,580,000	202,146,012	1.97%	857
2010	4,980,000	44,925,000	17,686,144	139,700,000	207,291,144	2.17%	866
2011	2,655,000	43,985,000	16,876,860	136,060,000	199,576,860	1.86%	818
2012	-	43,005,000	19,673,344	132,290,000	194,968,344	1.80%	795
2013	-	-[2]	14,182,697	128,375,000	142,557,697	1.35%	569
2014	-	-[2]	18,366,623	121,650,000	140,016,623	1.30%	548
2015	-	-[2]	17,849,316	117,590,000	135,439,316	1.19%	521
2016	-	-[2]	18,673,487	111,195,000	129,868,487	1.07%	496
2017	-	-[2]	21,445,777	106,025,000	127,470,777	1.08%	484
2018	-	-[2]	123,053,035	78,260,000	201,313,035	1.74%	759

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

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

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

CITY OF CHULA VISTA

Ratio of General Bonded Debt Outstanding

Last Ten Fiscal Years
(In Thousands, except Per Capita)

	Outstanding General Bonded Debt				
Fiscal Year Ended June 30	Pension Obligation Bonds	Tax Allocation Bonds	Total	Percent of Assessed Value [1]	Per Capita
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%	160
2015	-	39,230	39,230	0.17%	151
2016		37,465	37,465	0.15%	143
2017		29,315	29,315	0.11%	111
2018		27,930	27,930	0.10%	105

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

[1] Assessed value has been used because the actual value of taxable property is not readily available in the State of California.

CITY OF CHULA VISTA

Direct and Overlapping Debt

June 30, 2018

2017-18 Assessed Valuation: $27,351,591,591

OVERLAPPING TAX AND ASSESSMENT DEBT:	Total Debt 6/30/18	% Applicable (1)	City's Share of Debt 6/30/18
Metropolitan Water District	$ 60,600,000	0.997%	$ 604,182
Otay Municipal Water District, I.D. No. 27	3,390,000	99.996	3,389,864
Southwestern Community College District	454,043,676	51.154	232,261,502
Sweetwater Union High School District	412,955,090	61.027	252,014,103
Chula Vista City School District	44,495,000	87.385	38,881,956
Chula Vista City School District Schools Facilities Improvement Dist 1	81,375,000	78.585	63,948,544
National School District	25,755,000	3.059	787,845
City of Chula Vista Community Facilities Districts	138,295,000	100.	138,295,000
Sweetwater Union High School District Community Facilities District No. 1	23,259,752	100.	23,259,752
Sweetwater Union High School District Community Facilities District No. 2	137,664	100.	137,664
Sweetwater Union High School District Community Facilities District No. 3	7,408,044	100.	7,408,044
Sweetwater Union High School District Community Facilities District No. 4	3,932,028	100.	3,932,028
Sweetwater Union High School District Community Facilities District No. 5	1,961,712	80.884	1,586,711
Sweetwater Union High School District Community Facilities District No. 6	8,621,208	100.	8,621,208
Sweetwater Union High School District Community Facilities District No. 10	5,506,560	15.812	870,697
Sweetwater Union High School District Community Facilities District No. 11	5,738,868	100.	5,738,868
Sweetwater Union High School District Community Facilities District No. 12	2,589,804	100.	2,589,804
Sweetwater Union High School District Community Facilities District No. 13	3,312,540	100.	3,312,540
Sweetwater Union High School District Community Facilities District No. 14	6,143,256	100.	6,143,256
Sweetwater Union High School District Community Facilities District No. 15	3,596,472	100.	3,596,472
Sweetwater Union High School District Community Facilities District No. 16	3,837,384	100.	3,837,384
Sweetwater Union High School District Community Facilities District No. 17	5,919,552	100.	5,919,552
Sweetwater Union High School District Community Facilities District No. 18	137,664	100.	137,664
City of Chula Vista 1915 Act Bonds	3,965,000	100.	3,965,000
California Statewide Communities Development Authority 1915 Act Bonds	478,536	100.	478,536
TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT			$ 811,718,176
DIRECT AND OVERLAPPING GENERAL FUND DEBT:			
San Diego County General Fund Obligations	$ 273,220,000	5.515%	$ 15,068,083
San Diego County Pension Obligation Bonds	558,525,000	5.515	30,802,654
San Diego County Superintendent of Schools Obligations	10,785,000	5.515	594,793
Southwestern Community College District Certificates of Participation	795,000	51.154	406,674
Sweetwater Union High School District General Fund Obligations	41,745,000	61.027	25,475,721
Chula Vista City School District Certificates of Participation	144,905,000	87.385	126,625,234
City of Chula Vista General Fund Obligations	201,313,036	100	201,313,036 (2)
TOTAL DIRECT AND OVERLAPPING GENERAL FUND DEBT			$ 400,286,195
OVERLAPPING TAX INCREMENT DEBT (Successor Agency):	$ 27,930,000	99.108%	$ 27,680,864
TOTAL DIRECT DEBT			$ 201,313,036
TOTAL OVERLAPPING DEBT			$ 1,038,372,199
COMBINED TOTAL DEBT			$ 1,239,685,235 (3)

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

(2) Includes Certificates of Participation, Lease Revenue Bonds, Loans, Notes and Capital Leases.

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

Ratios to 2017-18 Assessed Valuation:

Total Overlapping Tax and Assessment Debt……	2.97%
Total Direct Debt ($201,313,036)……..…….……	**0.74%**
Combined Total Debt……...……...…….	4.53%

Ratios to Redevelopment Successor Agency Incremental Valuation ($1,508,723,549):

Total Overlapping Tax Increment Debt…….	1.83%

CITY OF CHULA VISTA

Legal Debt Margin Information

Last Ten Fiscal Years

	Fiscal Year 2018									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Assessed valuation	$ 24,823,395,749	$ 22,096,990,003	$ 21,235,445,229	$ 21,153,963,435	$ 20,942,796,908	$ 21,646,268,909	$ 23,090,440,353	$ 24,455,998,641	$ 25,776,074,509	27,351,591,591
Conversion percentage	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%
Adjusted assessed valuation	6,205,848,937	5,524,247,501	5,308,861,307	5,288,490,859	5,235,699,227	5,411,567,227	5,772,610,088	6,113,999,660	6,444,018,627	6,837,897,898
Debt limit percentage	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%
Debt limit	930,877,341	828,637,125	796,329,196	793,273,629	785,354,884	811,735,084	865,891,513	917,099,949	966,602,794	1,025,684,685
Total net debt applicable to limit: Pension obligation bonds	7,000,000	4,980,000	2,655,000	-	-	-	-	-	-	-
Legal debt margin	$ 923,877,341	$ 823,657,125	$ 793,674,196	$ 793,273,629	$ 785,354,884	$ 811,735,084	$ 865,891,513	$ 917,099,949	$ 966,602,794	$ 1,025,684,685
Total debt applicable to the limit as a percentage of debt limit	0.8%	0.6%	0.3%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

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

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

CITY OF CHULA VISTA

Pledged-Revenue Coverage

Last Ten Fiscal Years

Fiscal Year Ended June 30	Tax Allocation Bonds			
	Tax Increment	Debt Service		Coverage
		Principal	Interest	
2009	13,781,683	870,000	1,728,722	5.30
2010	13,884,637	905,000	2,070,381	4.67
2011	13,822,938	940,000	2,032,665	4.65
2012	10,931,615	980,000	1,992,565	3.68
2013	3,949,717	1,020,000	1,948,865	1.33
2014	6,144,015	1,065,000	1,901,703	2.07
2015	5,648,052	1,690,000	1,840,378	1.60
2016	5,042,979	1,765,000	1,765,765	1.43
2017	3,589,342	0	849,680	4.22
2018	4,092,288	1,385,000	1,171,750	1.60

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

CITY OF CHULA VISTA

Demographic and Economic Statistics

Last Ten Calendar Years

Year	Total Population [1]	Pct. of S.D. County Population [1]	Pct. Change from Previous Year [1]	Median Age [1]	Avg. Household Size [1]	Educational Attainment: % High School Graduate [2]	Educational Attainment: % Bachelor's Degree or Higher [2]	Pct. Below Poverty [2]	Unemployment Rate [3]	Personal Income (In Thousands) [4]	Per Capita Personal Income [4]
2008	235,767	7.8%	1.8%	33.8	3.16	81.0%	25.7%	8.5%	7.1%	10,277,383	43,591
2009	239,369	7.8%	1.5%	33.9	3.20	80.0%	25.5%	11.5%	11.0%	9,543,963	39,871
2010	243,916	7.9%	1.9%	33.8	3.21	83.0%	29.1%	8.4%	13.3%	10,743,636	44,046
2011	245,309	7.9%	0.6%	33.6	3.22	82.2%	25.7%	11.6%	12.8%	10,807,171	44,055
2012	250,349	7.9%	2.1%	33.6	3.23	81.3%	27.9%	11.9%	11.4%	10,564,130	42,198
2013	255,607	8.0%	2.1%	33.5	3.25	79.0%	25.6%	15.6%	9.8%	10,752,622	42,067
2014	259,811	8.0%	1.6%	33.6	3.27	80.4%	27.8%	12.8%	8.1%	11,376,071	43,786
2015	261,801	8.0%	0.8%	33.6	3.27	82.3%	29.8%	10.6%	6.5%	12,083,065	46,154
2016	263,611	8.0%	0.7%	33.7	3.27	80.1%	27.4%	10.5%	5.9%	11,828,107	44,870
2017	265,357	8.0%	0.7%	33.8	3.29	80.9%	28.1%	11.5%	5.0%	11,578,528	43,621

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

Notes: Year-to-year variation for socio-economic data (education, poverty, unemployment) are the result of both actual change and sampling error. Dollar values are inflation-adjusted to 2015 dollars. Per capita Personal Income was estimated by using BEA Personal Income for the Region and was adjusted based on the Census 2000 and ACS jurisdiction proportions.

CITY OF CHULA VISTA

Principal Employers

Current Year and Nine Years Ago

	2018		2009	
Employer	Number of Employees	Percent of Total Employment	Number of Employees	Percent of Total Employment
Sweetwater Union High School District	4,575	7.19%	4,435	9.45%
Chula Vista Elementary School District	3,641	5.72%	2,753	5.86%
Rohr Inc./Goodrich Aerospace	2,005	3.15%	1,903	4.05%
Sharp Chula Vista Medical Center	2,247	3.53%	1,799	2.88%
Southwestern Community College	1,962	3.08%	2,400	5.11%
Wal-Mart	1,323	2.08%	950	2.02%
City of Chula Vista	1,198	1.88%	1,350	3.83%
Scripps Mercy Hospital Chula Vista	1,073	1.69%	1,079	2.30%
Costco	774	1.22%	-	0.00%
Aquatica	696	1.09%	-	0.00%
United Parcel Service			627	1.34%
Target			604	1.29%

"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

Function	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General Government	272	273	258	269	282	312	288	205	210	198
Public safety	476	468	448	432	432	425	469	470	474	492
Public Works/Engr	181	175	155	159	164	161	161	241	228	228
Parks and Recreation	169	164	112	115	115	130	161	176	153	158
Library	189	73	41	76	82	77	88	70	77	73
Development Services	63	62	54	55	49	49	49	57	55	58
Total	1,350	1,215	1,068	1,106	1,124	1,154	1,216	1,219	1,197	1,207

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Source: City Finance Department

CITY OF CHULA VISTA

Operating Indicators by Function

Last Ten Fiscal Years

	Fiscal Year					Fiscal Year				
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Police:										
Citizen-initiated calls for service	70,051	68,601	65,186	64,885	66,319	65,645	64,486	67,512	65,672	65,643
Fire:										
Number of emergency calls	14,983	11,490	11,319	12,863	12,950	14,787	18,328	19,612	19,612	21,397
Inspections	3,676	2,898	2,389	2,205	2,390	2,262	4,209	4,207	4,207	3,907
Public works:										
Street resurfacing/maintenance [1] (square feet)	108,745	84,276	99,978	55,398	121,428	38,087	61,640	39,338	61,640	16,178
Parks and recreation:										
Number of recreation classes	2,149	2,301	2,008	1,914	2,572	2,456	2,388	3,859	3,124	2,658
Number of facility rentals	969	1,175	1,524	2,028	1,915	1,781	1,921	1,573	1,482	688
Library:										
Circulation	1,160,139	985,157	952,847	982,688	992,005	954,071	839,616	706,594	706,594	637,119
Attendance	820,243	605,979	614,841	722,310	832,975	822,895	803,535	857,475	857,475	958,117
Sewer:										
New connections	468	469	287	646	968	553	210	2211	211	502
Average daily sewage treatment (millions of gallons)	16.5	16.2	16.3	15.9	15.7	15.5	15.5	15.4	20.9	20.9

[1] Excludes filling of potholes and crack sealing.

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

Source: City of Chula Vista

CITY OF CHULA VISTA

Capital Asset Statistics by Function

Last Ten Fiscal Years

	Fiscal Year					Fiscal Year				
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Fire:										
Fire stations	9	9	9	9	9	9	9	9	9	9
Public works:										
Streets (miles)	421.0	429.5	429.5	429.5	429.5	433.9	433.9	433.9	433.9	434.2
Streetlights	9,026	9,052	9,054	9,066	9,069	9,069	9069	9144	9282	9539
Traffic signals	267	267	268	269	273	273	273	275	275	282
Parks and recreation:										
Parks (acreage) [1]	504.1	504.1	523.1	530.7	530.7	527.7	557.2	557.2	708	660
Recreation facilities	11	11	11	11	11	11	11	11	11	11
Library:										
Libraries	2	2	2	3	3	3	3	3	3	3
Sewer:										
Sewer pipes (miles)	496.5	505.0	505.0	505.0	505.0	511.3	514.315 [2]	514.6	514.6	514.6
Storm drains (miles)	245.3	248.9	248.9	249.0	249.0	255.2	263.209 [3]	266.2	269.6	272.4
Maximum daily treatment capacity (millions of gallons)	20.9	20.9	20.9	20.9	20.9	20.9	20.9	20.9	20.9	20.9

[1] Includes community, neighborhood, special purpose, mini, urban, and privately maintained public parks within City Boundaries.

[2] Updated 2018 Sewer pipees (miles) per GASB 34 FY 2018

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

Source: City of Chula Vista

CITY OF
CHULA VISTA

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CPAs AND ADVISORS

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, 2018, 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 31, 2019.

Internal Control over Financial Reporting

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

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

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

2018-001: Material Misstatements

Throughout the course of the audit, material misstatements were noted within certain financial statement accounts including cash and investments, capital assets, due from other governments, taxes receivable, notes and loans receivable, accounts payable, unavailable revenue, long-term debt, deferred charges on refunding's, interest revenue, intergovernmental revenues, tax revenues, and current and interest expenditures. Many of these misstatements were a result of the implementation of a new accounting system by the City and resources were constrained as such. The appropriate adjustments were made by the City and are reflected in the financial statements.

Management Response: This occurrence was a result of the implementation of the City's new Enterprise Resource Planning (ERP) System, which was last replaced 19 years ago. Management is confident that this is an isolated event that was corrected as a part of the yearend closing process, as noted by the auditors. Management will continue to optimize the new ERP's tools to prevent recurrence.

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

2018-002: Notes & Loans Receivable

In preparation of the audit, we attempted to obtain contact information and financial information related to the City's outstanding notes and loans receivable to facilitate the mailing of confirmation requests for material balances. Notes and loans receivable were not reconciled and information was not provided in a timely manner. The information was eventually provided and confirmation requests were sent and responses were received with no discrepancies.

We recommend notes and loans receivable are monitored and reconciled in a timely manner as they are material to the City and contain various compliance requirements. Information relating to the notes and loans receivable should be readily available at all times.

Management Response: During the ERP implementation project, Staff were tasked with multiple additional, one-time tasks related to the project schedule. These supplemental time commitments delayed some standard processes. Going forward, with the ERP now near full implementation, Management will confirm with Staff that this information is consistently updated and available.

2018-003: Bank Reconciliations

As of June 30, 2018, no bank reconciliations had been performed for the fiscal year under audit. The audit resulted in certain interfund cash adjustments and reclassifications, and overall, a net adjustment to increase cash by approximately $181,000. The lack of timeliness in preparing the bank reconciliations was primarily attributable to the implementation of a new accounting system and difficulties encountered in the process.

We recommend bank reconciliations are performed on a monthly basis. Timeliness in the preparation, review, and approval of bank reconciliations reduces the risk that errors, misstatements, and/or fraud will go unprevented or undetected.

Management Response: As a result of the new ERP implementation, City Staff tasked with bank reconciliation functions were required to completely alter their process after multiple attempts to utilize the new ERP's bank reconciliation functionality. This effort included multiple iterations and has resulted in a hybrid process with automated and manual components. Management and Staff will continue to work with the new ERP to fully automate the process and complete the reconciliations in a timelier fashion.

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CPAs AND ADVISORS

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed the following instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards:*

2018-004: Loans Receivable

During our compliance testwork of expenditures incurred by the Housing Successor Fund, we noted a loan was made in the amount of $2,922,541 for a housing development and was not recorded in the financial statements as a loan receivable. Loans receivable should be recorded and reconciled in a timely manner when loans are issued and they should be monitored regularly in accordance with the loan agreement.

Management Response: This isolated event was an oversight, in which the loan was recorded on Staff's support documents, but not in the City's ERP. Management will ensure that procedures are amended to prevent a recurrence in the future.

City's Response to Findings

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

Purpose of this Report

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

Lance, Soll & Lunghard, LLP

Brea, California
January 31, 2019

CITY OF
CHULA VISTA