



Comprehensive Annual Financial Report

*For The Fiscal Year Ended
June 30, 2007*

Mayor
Cheryl Cox

City Council

Steve Castaneda
John McCann
Rudy Ramirez
Jerry Rindone

City Manager
David Garcia

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

CITY OF CHULA VISTA
Comprehensive Annual Financial Report
June 30, 2007

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INTRODUCTORY SECTION



December 18, 2007

**To the Honorable Mayor, Members of the City Council
And Citizens of the City of Chula Vista, California**

The Annual Financial Report (the Report) of the City of Chula Vista for the fiscal year ended June 30, 2007 is hereby submitted in accordance with City Charter section 1017 and section 25253 of the Government Code of the State of California. The accuracy of the data presented and the completeness and fairness of the presentation, including all disclosures, are the responsibility of the City. The Report has been prepared in accordance with Generally Accepted Accounting Principles (GAAP) as promulgated by the Governmental Accounting Standards Board (GASB). It is believed that the data reported is accurate in all material respects, that it is presented in a manner designed to fairly represent the financial position and results of operations of the City as measured by the financial activity in its various Funds, and that all disclosures necessary to enable the reader to gain maximum understanding of the City's financial affairs as of June 30, 2007 have been included.

The independent auditing firm of Moreland and Associates, Inc. has issued an unqualified ("clean") opinion on the City of Chula Vista's financial statements for the year ended June 30, 2007. The independent auditor's report is located at the front of the financial section of this report.

The Report is organized into two major sections as follows:

- | | |
|----------------------|---|
| Financial Section: | This section includes the independent auditors' report, the management discussion & analysis report, the basic financial statements and notes to these statements, followed by supplementary information. |
| Statistical Section: | This section contains both financial and non-financial trend data about the City and its operations. |

Per Generally Accepted Accounting Principles, all State and Local governments required to comply with GASB 34 must prepare a Management Discussion and Analysis (MD&A) report which provides an overview and an analysis to accompany the financial statements. This transmittal letter is designed to complement the MD&A, which is located immediately following the independent auditor's report.

Also, as a recipient of federal and state financial assistance, the City is required to have a "Single Audit" performed by our independent audit firm. The Single Audit was designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require that the independent auditor report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available in the City's separately issued Single Audit Report. The result of the City's Single Audit for the fiscal year ended June 30, 2007 noted no material weaknesses in the framework of internal controls, or significant violations of applicable laws and regulations.

GOVERNMENT

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

THE REPORTING ENTITY (Activities included in the Report)

The Report includes all activities carried out by the City as a legal entity, and also includes the activities of certain other entities for which the City Council is financially accountable as determined under the guidelines of the Governmental Accounting Standards Board. Although legally separate entities, these so called "component units" are under the City's umbrella of accountability, and therefore, their financial position and results of operations are reflected in the Report.

The component units included in the Report are:

- The Redevelopment Agency of the City of Chula Vista
- The Chula Vista Industrial Development Authority
- The Chula Vista Public Financing Authority

ACCOUNTING SYSTEMS AND BUDGETARY CONTROL

The basic 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 Assets. The Statement of Activities presents changes in net assets. 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.

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 present increases (revenue and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period.

In administering the City’s accounting systems, primary consideration is given to the adequacy of internal accounting controls, which include an array of administrative procedures. These controls are designed to provide reasonable, but not absolute, assurance regarding the safeguarding of assets against loss from unauthorized use or disposition, as well as the reliability of financial records for accurate and fair presentation of financial reports. The concept of reasonable assurance recognizes that the cost of specific controls should not exceed the benefits likely to be derived from exercising the controls, and that this evaluation necessarily involves estimates and judgments by management. It is believed that the City’s internal accounting controls adequately safeguard City assets and provide reasonable assurance of proper recording of financial transactions.

The City Charter assigns the Director of Finance with the responsibility to supervise and be responsible for the disbursement of all monies and have control over all expenditures to ensure that budget appropriations are not exceeded. The level of budgetary control, that is, the level at which expenditures are not to exceed Council approved appropriations, is established by department at the category level. An encumbrance (commitment) accounting system is utilized as a technique to enhance budgetary control during the year. Appropriations encumbered (committed) at year end automatically carry forward and are available to be used for those commitments during the subsequent year while unspent, unencumbered appropriations lapse at year end and become generally available for re-appropriation the following year.

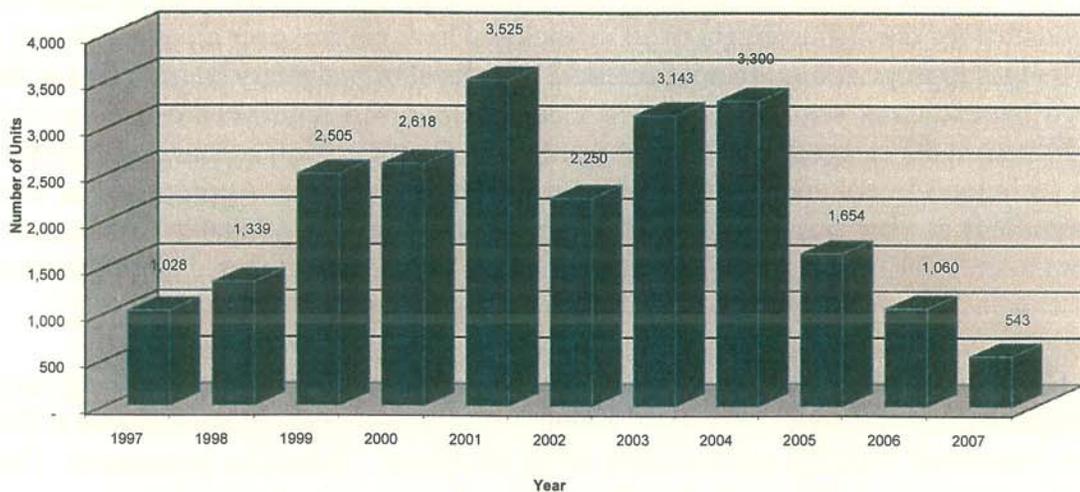
The City Council adopts the formal budget at the beginning of each fiscal year and may amend it throughout the year as necessary. Expenditures may not exceed budgeted figures at the category level (Personnel, Supplies and Services, Other Expenses, Capital) by department. Fiscal status reports summarizing the year to date General Fund revenues and expenditures are presented to the City Council on a quarterly basis.

LOCAL ECONOMY AND PROSPECTS FOR THE FUTURE

The City of Chula Vista, incorporated in 1911, is a city of great diversity, both geographically and demographically. It is a community of many choices and opportunities. The City of Chula Vista is located eight miles south of the City of San Diego and seven miles north of the Mexico border. Chula Vista's city limits cover approximately 50 square miles, which spans from the beautiful shoreline of San Diego Bay to the breathtaking mountain views in the eastern section of the city. 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 indicates that the median family income in Chula Vista is \$64,110.

The City of Chula Vista, with a population of more than 227,723, is the second largest community in San Diego County. San Diego Association of Governments (SANDAG) projects that the City of Chula Vista will reach a population of approximately 280,000 by the year 2030. In 2003, based on population estimates released by the Census Bureau, Chula Vista was identified as the 7th fastest growing city in the United States. More recent estimates released by the Census Bureau identify Chula Vista as the 28th fastest growing city with a population of 100,000 or more for the period of July 1, 2004 to July 1, 2005. SANDAG's Preliminary 2030 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 25 years, primarily through new development in the eastern portion. The number of residential units built hit an all time high during calendar years 1999-2004. Due to the significant slow down in the housing market, those numbers have dramatically dropped beginning in 2005. The following graph shows the actual number of housing units completed during the last 11 calendar years.

**Residential Building Units
Calendar Years 1997-2007**



The slow down in residential permits has been somewhat offset by the increased commercial development in the past year. Commercial development has brought much needed entertainment, restaurants and shopping venues to the region generating additional sales tax revenues to help pay for City services.

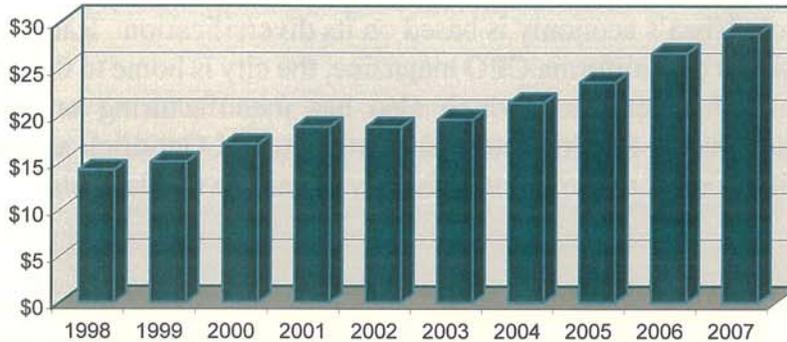
The health of Chula Vista's economy is based on its diversification. Rated one of California's best cities for business by California CEO magazine, the city is home to the American corporate headquarters of DNP Electronics, which also has manufacturing on site, Hitachi Home Electronics, manufacturing facilities such as Raytheon, and Goodrich as well as research and development facilities such as the Leviton facility in eastern Chula Vista.

Sales Taxes:

The City receives 1% in sales and use tax revenue from all taxable retail sales occurring within City limits. These funds are collected by the State along with their 6.5% component of the sales and use tax and 0.25% designated for transportation for a total sales tax rate within San Diego County of 7.75%. Sales and use tax revenue is the City's single largest general fund revenue source. In fiscal year 2007, sales taxes represented 17.8% of total general fund revenues.

The growth in retail operators has made significant contributions to Chula Vista's sales tax base. Over a ten-year period between 1998-2007, Chula Vista's sales tax revenues have grown approximately 142% (in current \$) with most of that growth occurring after fiscal year 1997. During fiscal year 2007, Chula Vista's sales tax revenue experienced very healthy growth over the previous fiscal year at a rate of 7.9%. We anticipate sales tax revenues to continue growing over the next few years although at a slower pace than in the past due to the slowdown in the economy because of the openings of the Otay Ranch Town Centre Mall, the Village Walk that includes Trader Joe's and a Henry's Market and the continued expansion of the Chula Vista Auto Park that currently includes Ford, Chevrolet, Toyota, Dodge, Chrysler and Jeep dealerships. The opening of the long anticipated State Route 125 in November 2007 is now providing easier access to Chula Vista's retail centers and encourage further commercial development of the freeway corridor.

Sales Tax Revenues
Fiscal Years 1997-98 to 2006-07
(in millions)

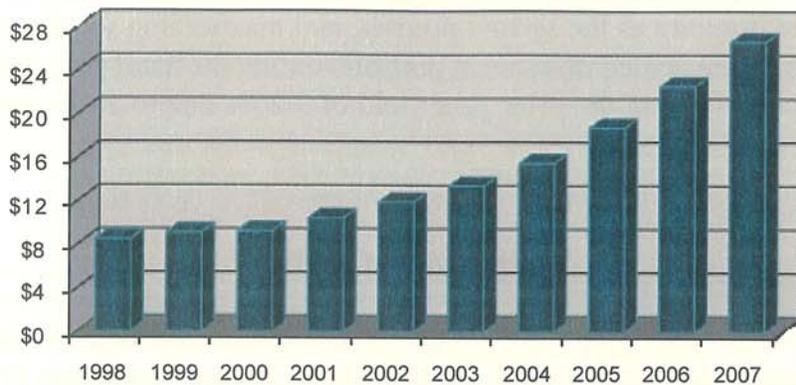


Property Taxes:

Under State law since 1979, property taxes for general government purposes are limited to 1% of the market value of the property assessed. In September 2007, the median sales price of a single family detached home was \$435,000 in western Chula Vista and \$532,500 in eastern Chula Vista, which were decreases over the median prices in 2006 of \$545,000 and \$614,000 respectively.

Due to the historical increases in the price of homes in Southern California from 1999-2006 coupled with the growth occurring in the eastern section of the City, property tax revenues have grown at historically high rates over the past five years. In fiscal year 2007, property tax revenues grew by 20.1% from the previous fiscal year. According to the most recent County of San Diego Assessor's Office Report, assessed values in Chula Vista have increased by 14.22% for fiscal year 2008. This is the 9th straight year that the City has seen double-digit growth in assessed values.

Property Tax Revenue
Fiscal Years 1997-98 to 2006-07
(in millions)



Long-Term Financial Planning:

Long-term, the City is in a good financial position benefiting from a vibrant and growing San Diego area economy. The City considers it essential to fund its financial reserves at a level that can endure a limited economic recession without impacting service levels and capital maintenance programs. The Council's General Fund minimum reserve level policy of 8%, which became effective in 1996, was established to prudently protect the fiscal solvency of the City. Reserves are important in order to mitigate the negative impact on revenues from economic fluctuations, to withstand State budget grabs and to fund unforeseen expenditure requirements.

However, the recent downturn in the economy had impacted the City's development revenues, sales tax and franchise fees significantly. Although the city took immediate action by implementing a hiring freeze and across the board cuts the reserves had to be utilized to balance the fiscal year 2007 budget. As a result the City's General Fund reserve is now at 6.3%, which is below the reserve policy level of 8%.

During fiscal year 2007, the Finance Department updated and reissued the General Fund Five Year Financial Forecast report to assess the General Fund's ability over the next five years to continue current service levels based on anticipated growth. The Finance Department will continue to update the five-year forecast report, as projections are refined. This forecast will serve as the foundation for the City's Long Term Financial Plan, which is in process. 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.

CASH MANAGEMENT POLICIES

In order to maximize investment leverage, it is the City's practice to "pool" available cash from all Funds for investment purposes. In accordance with the adopted investment policy, available cash is invested with the goal of safety, meaning protection of principal, as the first priority, ensuring adequate liquidity as the second priority, and maximizing yield as the third priority. The average yield on the pooled investment portfolio during the fiscal year ending June 30, 2007 was 4.07%, an increase from the prior year yield of 3.26% due to an increasing interest rate environment.

RISK MANAGEMENT

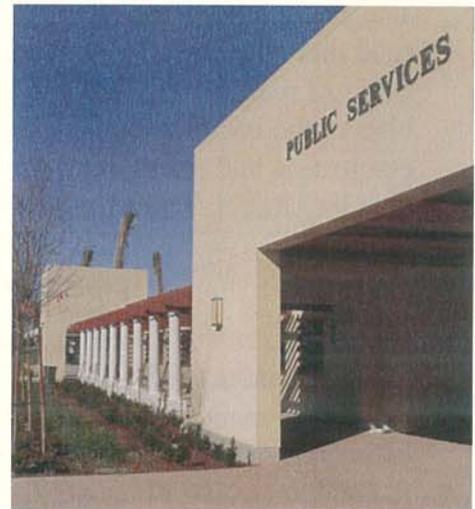
The City is self-insured for general liability up to \$250,000 and worker's compensation up to \$500,000 per claim. As a member of the San Diego Pooled Insurance Program Authority (SANDPIPA), the City is insured for general liability claims between \$250,000 and \$2 million. In addition, for general liability claims between \$2 million and \$37 million, the City is covered by excess insurance coverage obtained through SANDPIPA. For worker's compensation claims, the City has purchased excess insurance for claims exceeding \$250,000.

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 basic financial statements. There were no reductions in insurance coverage from the prior year and there were no insurance settlements which exceeded coverage in each of the past three years. Additional information on the City's risk management activity can be found under note disclosure 9 to the financial statements.

MAJOR INITIATIVES

The City completed some major capital projects during fiscal year 2007. These projects reflect Council's continued commitment to the renewal of existing facilities and infrastructure and to provide the improvements necessary to respond to growth being experienced by the City. Established neighborhoods and business areas continue to benefit from Chula Vista's commitment to maintain its infrastructure. Fiscal year 2005-06 saw the completion of eight new parks, Phase 1 of the Civic Center renovation and significant improvements to existing infrastructure. The primary focus in 2007 was to complete construction of the Civic Center Phase 2 and begin the Phase 3 renovations.

- **Civic Center Complex (Phase 2)** – Renovations to the Public Services Building were completed in February 2007. The \$12.3 million project involved a total makeover of the interior of the building that included the removal and reconstruction of the former City Council Chambers area. The Engineering and Planning & Building Departments occupy the Public Services building. One of the major improvements to the building is a consolidated counter area that is expected to simplify the process of doing business with both departments.



- **Civic Center Complex (Phase 3)** – The renovations to the former police department facility began immediately following the opening of the Public Services building. At a cost of approximately \$15.0 million, the renovated facility will house the Human Resources, Redevelopment Agency and Housing Authority, Information Technology Services, Office of Conservation and Environmental Services, some Planning and Building staff and the Chula Vista Employees Credit Union. Phase 3 is funded by a combination of Development Impact Fees (93.68%) and the General Fund (6.32%) and was not financed through a bond issue.

In 2007, the City saw the openings of two new shopping centers and San Diego County's first toll road, which is an extension of State Route 125.

The Otay Ranch Town Center is the first major shopping and entertainment center to come to the San Diego metropolitan market in more than 20 years. For the South Bay area, it completely redefines the manner in which public gathering spaces blend with fashionable, fun stores, white-table-cloth dining and entertainment. Visitors walk down urbane, bustling, open-air, shop-lined sidewalks with on-street parking, outdoor cafes and grand fountains. A pet-friendly setting and adjacent doggie park welcome 4-legged visitors, and a centrally located "chalk garden" and popper fountain for children make this destination especially one-of-a-kind. Among the 100 shops and restaurants tastes are served by Macy's, REI, Barnes & Noble, Apple, Sephora and

White House Black Market, to name just a few. On the center's west side is a specialty fashion and service village featuring Gila Rut Aveda Salon and other unique fashions and services. To the north, AMC Theatres' 12 screens will delight film buffs. Epicureans can choose from P. F. Chang's China Bistro, Cheesecake Factory, King's Fish House, California Pizza Kitchen or many on-the-go dining options.

The Village Walk opened in May 2007 and is an upscale boutique-style commercial center that is home to Trader Joe's, Henry's Market, Border's bookstore along with restaurants that include Pat and Oscars and Trophy's.



The South Bay Expressway, is a 10-mile toll-road that opened in 2007. San Diego County's first toll road is a north south thoroughfare that bisects the eastern area of the City. The toll-road is expected to dramatically reduce traffic congestion and travel times for south bay commuters. The road will also proved a direct link to the Otay Ranch Town Center mall and many of the city's other shopping districts.

INDEPENDENT AUDIT

An independent audit of the City's records is required by section 1017 of the City Charter and was performed for the year ended June 30, 2007 by the certified public accounting firm of Moreland & Associates, Inc. The auditors report on the basic financial statements and schedules is included in the Financial Section of the Report. In general, the auditors concluded that the financial statements and schedules referred to above present fairly, in all material respects, the financial position of the City of Chula Vista as of June 30, 2007, and the results of its operations and cash flows of its proprietary fund types for the year then ended in conformity with generally accepted accounting principles. The professionalism and knowledge exhibited by Moreland & Associates, Inc. during their audit work is greatly appreciated.

AWARD

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 fiscal year ended June 30, 2006. 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 submitting it to the GFOA to determine its eligibility for another certificate.

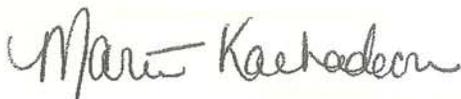
The City has also received a Distinguished Budget Award from the Government Finance Officers Association of the United States and Canada for the fiscal years 2006 and 2007 budget. In order to receive this budget award, staff had to meet nationally recognized guidelines in which a governmental unit must produce a budget document that meets program criteria as a policy document, operations guide, financial plan, and communications device. This award represents a significant achievement and reflects the City's commitment to meet the highest principles of governmental budgeting.

Similarly, the City received the California Society of Municipal Officers (CSMFO) Excellence Award in Budgeting for the Operating Budget for fiscal years 2006 and 2007. The budget awards program was designed to recognize agencies that prepare their budget documents to meet a high level of criteria in the quality of budget documentation.

ACKNOWLEDGMENTS

Preparation of the Report and more importantly, maintaining the City's accounting records in a manner sufficient to earn the aforementioned auditors opinion is only accomplished with the continuous concerted effort of each and every staff member in the Finance Department. As such, I express my sincere appreciation for their dedicated service. I would also like to thank the City Council for their continued support in achieving excellence in financial management.

Respectfully,



Maria Kachadoorian, CPA, MPA
Director of Finance/Treasurer

**City of Chula Vista
List of City Officials
June 30, 2007**

City Council

Stephen C. Padilla	Mayor
Jerry Rindone	Deputy Mayor
Steve Castaneda	Councilmember
John McCann	Councilmember
Rudy Ramirez	Councilmember

Administration

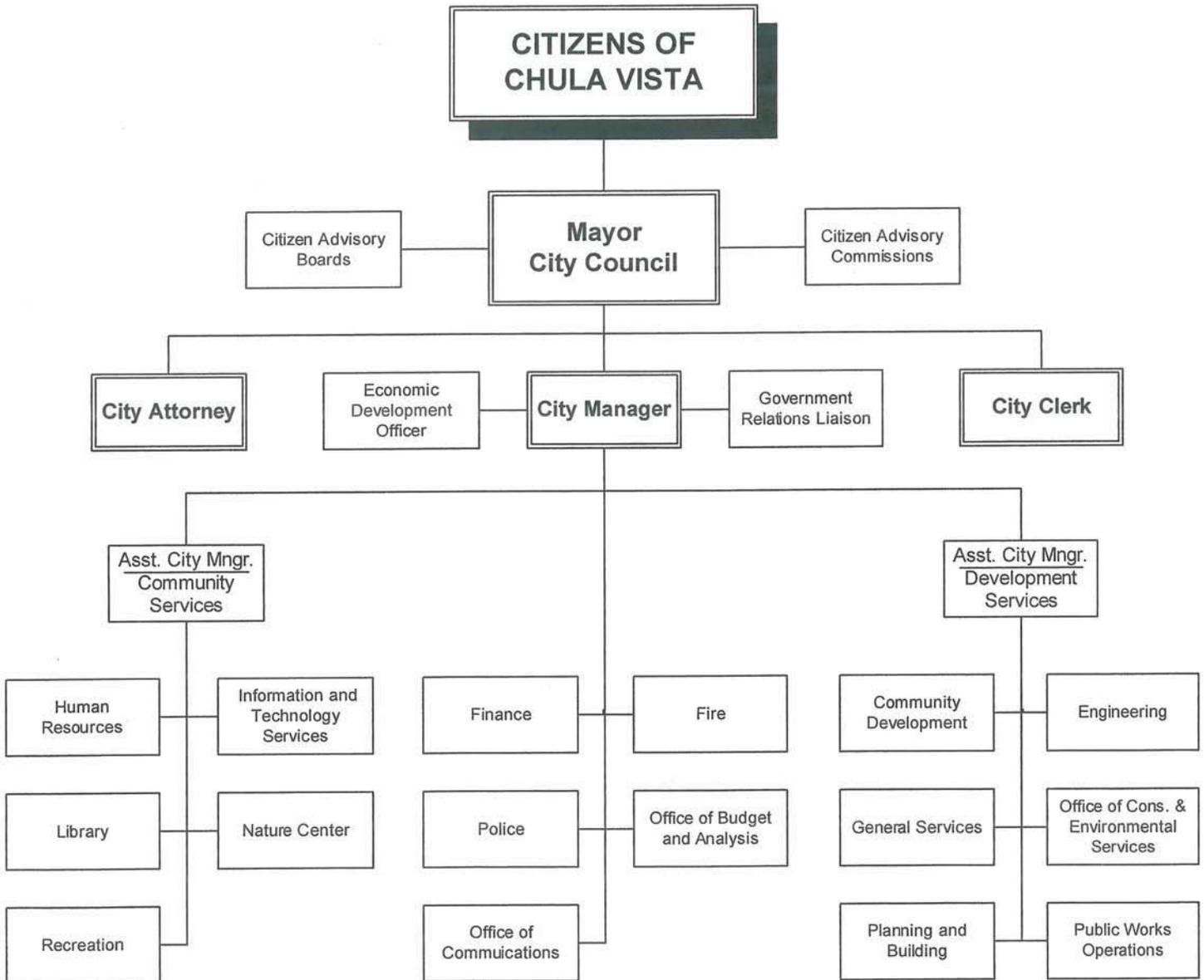
David Garcia	City Manager
Scott Tulloch	Acting Assistant City Manager
David Palmer	Assistant City Manager
Ann Moore	City Attorney
Susan Bigelow	City Clerk

Department Heads

Edward Vaneenoo	Director of Budget & Analysis
Ann Hix	Acting Director of Community Development
Maria Kachadoorian	Director of Finance/Treasurer
Douglas Perry	Fire Chief
Jack Griffin	Director of General Services
Marcia Raskin	Director of Human Resources
David Palmer	Director of Library
Louie Vignapiano	Director of Information Technology Services.
Daniel D. Beintema	Director of Nature Center
Jim Sandoval	Director of Planning & Building
Richard Emerson	Chief of Police
Dave Byers	Director of Public Works
Buck Martin	Director of Recreation



ORGANIZATION CHART



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, 2006

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



Oliver S. Cox

President

Jeffrey R. Emer

Executive Director

FINANCIAL SECTION

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December 18, 2007

The Honorable City Council
of the City of Chula Vista, California

Independent Auditors' Report

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Chula Vista, California, as of and for the year ended June 30, 2007, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of Chula Vista's management. 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our 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, 2007, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated December 18, 2007 on our consideration of the City of Chula Vista's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

The management's discussion and analysis and other required supplementary information identified in the accompanying table of contents are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying introductory section the major fund budgetary comparison schedules and the combining and individual nonmajor fund financial statements and schedules listed as supplementary information in the table of contents, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The major fund budgetary comparison schedules and the combining and individual nonmajor fund financial statements and schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole. The introductory section and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Moulton & Associates, Inc.

MANAGEMENT AND DISCUSSION ANALYSIS

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MANAGEMENT'S DISCUSSION AND ANALYSIS

Management of the City of Chula Vista (the "City") provides this Management Discussion and Analysis of the City's Comprehensive Annual Financial Report (CAFR) for readers of the City's financial statements. This narrative overview and analysis of the financial activities of the City is for the fiscal year ended June 30, 2007. We encourage readers to consider this information in conjunction with the additional information that is furnished in the letter of transmittal, which can be found preceding this narrative, and with the City's financial statements, which follow.

Financial Highlights – Primary Government

Government-Wide Highlights:

Net Assets - The assets of the City exceeded its liabilities at fiscal year ending June 30, 2007 by \$916.6 million. Of this amount, \$126.4 million was reported as "unrestricted net assets" and may be used to meet the government's ongoing obligations to citizens and creditors.

Changes in Net Assets – The City's total net assets increased by \$75.7 million in fiscal year 2007. Net assets of governmental activities increased by \$76.7 million, while net assets of the business type activities decreased by \$1.0 million.

Fund Highlights:

Governmental Funds – Fund Balances- As of the close of fiscal year 2007, the City's governmental funds reported a combined ending fund balance of \$213.7 million, a decrease of \$19.7 million from the prior year. Of this amount, \$125.8 million represents "unreserved fund balances" available for appropriation.

General Fund - The unreserved fund balance of the general fund on June 30, 2007 was \$13.3 million, a decrease of \$4.8 million from the prior year. Included in these figures is \$2.9 million unreserved fund balance accounted for in funds, such as the Public Liability Reserve Fund, which are considered general fund type funds for financial reporting purposes.

Long-Term Debt:

The City's total debt obligations were decreased by \$5.0 million or 2.4% during fiscal year 2007. For the 2007 fiscal year, the Redevelopment Agency issued Tax Allocation Bonds totaling \$25.8 million that refunded the 1994 Tax Allocation Bonds Series A, C and D of \$24.8 million. The remaining change is attributable to other payments of bond principal (\$10.5 million) and the increase in compensated absences (\$5.0 million) and a bond discount of (-\$0.5 million).

City Highlights

The City completed some major capital projects during fiscal year 2007. These projects reflect Council's continued commitment to the renewal of existing facilities and infrastructure and to provide the improvements necessary to respond to growth being experienced by the City. Established neighborhoods and business areas continue to benefit from Chula Vista's commitment to maintain its infrastructure. Fiscal year 2005-06 saw the completion of eight new parks, Phase 1 of the Civic Center renovation and significant improvements to existing infrastructure. The primary focus in 2007 was to complete construction of the Civic Center Phase 2 and begin the Phase 3 renovations.

- Civic Center Complex (Phase 2) – Renovations to the Public Services Building were completed in February 2007. The \$12.3 million project involved a total makeover of the interior of the building that included the removal and reconstruction of the former City Council Chambers area. The Engineering and Planning & Building Departments occupy the Public Services building. One of the major improvements to the building is a consolidated counter area that is expected to simplify the process of doing business with both departments.
- Civic Center Complex (Phase 3) – The renovations to the former police department facility began immediately following the opening of the Public Services building. At a cost of approximately \$15.0 million, the renovated facility will house the Human Resources, Redevelopment Agency and Housing Authority, Information Technology Services, Office of Conservation and Environmental Services, some Planning and Building staff and the Chula Vista Employees Credit Union. Phase 3 is funded by a combination of Development Impact Fees (93.68%) and the General Fund (6.32%) and was not financed through a bond issue.

In 2007, the City saw the openings of two new shopping centers and San Diego County's first toll road, which is an extension of State Route 125.

- The Otay Ranch Town Center is the first major shopping and entertainment center to come to the San Diego metropolitan market in more than 20 years. For the South Bay area, it completely redefines the manner in which public gathering spaces blend with fashionable, fun stores, white-table-cloth dining and entertainment. Visitors walk down urbane, bustling, open-air, shop-lined sidewalks with on-street parking, outdoor cafes and grand fountains. A pet-friendly setting and adjacent doggie park welcome 4-legged visitors, and a centrally located "chalk garden" and popper fountain for children make this destination especially one-of-a-kind. Among the 100 shops and restaurants tastes are served by Macy's, REI, Barnes & Noble, Apple, Sephora and White House Black Market, to name just a few. On the center's west side is a specialty fashion and service village featuring Gila Rut Aveda Salon and other unique fashions and services. To the north, AMC Theatres' 12 screens will delight film buffs. Epicureans can choose from P. F. Chang's China Bistro, Cheesecake Factory, King's Fish House, California Pizza Kitchen or many on-the-go dining options.

- The Village Walk opened in May 2007 and is an upscale boutique-style commercial center that is home to Trader Joe's, Henry's Market, Border's bookstore along with restaurants that include Pat and Oscars and Trophy's.
- The South Bay Expressway, is a 10-mile toll-road that opened in 2007. San Diego County's first toll road is a north south thoroughfare that bisects the eastern area of the City. The toll-road is expected to dramatically reduce traffic congestion and travel times for south bay commuters. The road will also provide a direct link to the Otay Ranch Town Center mall and many of the city's other shopping districts.

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 other supplementary information in addition to the basic financial statements themselves.

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 Assets and Statement of Activities and Changes in Net Assets*.

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

The *Statement of Activities and Changes in Net Assets* presents information showing how the government's net assets changed during the fiscal year. All changes in net assets 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 programs or 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 only Transit Operations.

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

The government-wide financial statements can be found on pages 17 through 19 of this report.

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. Further detail on the Non-major funds is presented on pages 90 through 115 of this report.

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

The City has thirty-six governmental funds, of which seven are considered major funds for presentation purposes. Each major fund is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances. The City's remaining governmental funds are combined into a single, aggregated presentation. The basic governmental fund financial statements can be found on

pages 20 through 32 of this report. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements on pages 90 through 101 of this 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 Transit activities. Internal service funds are used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for its fleet of vehicles, stores inventory, its information systems and equipment replacement 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.

The basic proprietary fund financial statements can be found on pages 28 through 32 of this report.

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. The notes to the financial statements can be found on pages 33 through 73 of this report.

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. Required supplementary information can be found on pages 75 and 81 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net Assets

As noted earlier, net assets 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 assets (government and business type activities) totaled \$916.6 million at the close of the fiscal year ending June 30, 2007. This is an increase of \$75.7 million or 9.0% from the previous fiscal year.

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

	Governmental Activities		Business-type Activities		Total	
	2007	2006	2007	2006	2007	2006
Current assets	\$ 223,334,984	\$ 278,414,886	\$ 3,028,409	\$ 2,843,522	\$ 226,363,393	\$ 281,258,408
Noncurrent assets	38,856,344	2,260,925			38,856,344	2,260,925
Capital assets	898,132,366	808,604,369			903,790,799	815,144,883
Total Assets	1,160,323,694	1,089,280,180	3,028,409	2,843,522	1,169,010,536	1,098,664,216
Current liabilities	38,002,184	49,208,461	2,692,585	2,343,223	40,694,769	51,551,684
Long-term liabilities	211,687,601	206,141,786			211,687,601	206,141,786
Total Liabilities	249,689,785	255,350,247	2,692,585	2,343,223	252,382,370	257,693,470
Investments in capital						
Net of related debt	715,090,838	662,230,041	565,843	6,540,514	720,749,271	668,770,555
Restricted	69,516,915	75,916,972			69,516,915	75,916,972
Unrestricted	126,026,156	95,782,921	335,824	500,299	126,361,980	96,283,220
Total Net Assets	\$ 910,633,909	\$ 833,929,934	\$ 5,994,257	\$ 7,040,813	\$ 916,628,166	\$ 840,970,747

By far the largest portion of the City's net assets (78.6%) reflects its investment in capital assets (e.g. land, streets, sewers, buildings, machinery, and equipment), 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 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.

An additional portion of the City's net assets (7.6%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets, \$126.4 million, may be used to meet the government's ongoing obligations to citizens and creditors.

Changes in Net Assets

The City's net assets have increased by \$75.7 million or 9.0%, from the prior fiscal year primarily from developer contributed infrastructure. In fiscal year 2007, City expenses, which include both governmental and business-type activities, exceeded program revenues by \$54.6 million resulting in the use of that amount of general revenues from the \$131.3 million of total general revenues. Program revenues are those revenues that are derived directly from the program itself and reduce the net cost of the function to be financed from the government's general revenues. The City's expenses cover a range of services. The

largest expense categories were Public Works, Public Safety and General Government. Further analysis is provided within the governmental and business-type activity sections below.

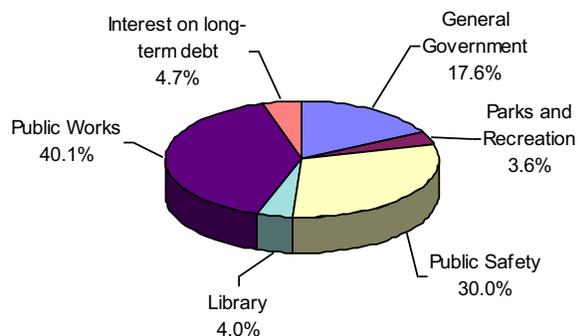
**City of Chula Vista
Changes in Net Assets
Fiscal Year Ending June 30**

	Governmental Activities		Business-type Activities		Total	
	2007	2006	2007	2006	2007	2006
Revenues:						
Program revenues:						
Charges for services	\$ 100,336,368	\$ 127,932,860	\$ 2,433,008	\$ 2,526,487	\$ 102,769,376	\$ 130,459,347
Operating grants and contributions	16,646,713	19,464,389			16,646,713	19,464,389
Capital grants and contributions	85,608,765	57,074,381			85,608,765	57,074,381
General revenues:						
Property taxes	38,882,122	32,873,671			38,882,122	32,873,671
Sales taxes	32,817,351	30,915,515			32,817,351	30,915,515
Franchise taxes	8,813,064	9,492,759			8,813,064	9,492,759
Utility user taxes	6,981,762	6,363,446			6,981,762	6,363,446
Business license taxes	1,237,316	1,234,912			1,237,316	1,234,912
Transient occupancy taxes	2,551,570	2,336,204			2,551,570	2,336,204
Property transfer taxes	1,423,599	2,122,860			1,423,599	2,122,860
Construction taxes	393,650	668,761			393,650	668,761
Motor vehicle license	1,218,973	4,153,331			1,218,973	4,153,331
Motor vehicle license in lieu	16,457,062	14,201,508			16,457,062	14,201,508
Intergovernmental			3,677,603	4,190,049	3,677,603	4,190,049
Investment earnings	13,386,872	10,924,754	167,734	78,605	13,554,606	11,003,359
Miscellaneous	7,030,444	4,189,465	131,968	(101,966)	7,162,412	4,087,499
Premium on bonds issued	106,696				106,696	
Gain on sale of capital assets		66,920				66,920
Total revenues	333,892,327	324,015,736	6,410,313	6,693,175	340,302,640	330,708,911
Expenses:						
General government	45,249,650	53,566,425			45,249,650	53,566,425
Public safety	77,136,782	72,887,220			77,136,781	72,887,220
Public works	103,117,608	102,122,564			103,117,608	102,122,564
Parks and recreation	9,353,280	8,085,160			9,353,280	8,085,160
Library	10,320,817	10,412,973			10,320,817	10,412,973
Interest on long-term debt	12,032,833	12,263,808			12,032,832	12,263,808
Transit operations			7,434,251	7,533,988	7,434,251	7,533,988
Total expenses	257,210,970	259,338,150	7,434,251	7,533,988	264,645,219	266,872,138
Increase/(Decrease) in						
Net assets before transfers	76,681,357	64,677,587	(1,023,938)	(840,813)	75,657,419	63,836,774
Transfers	22,618	122,588	(22,618)	(122,588)		
Change in Net Assets	76,703,975	64,800,175	(1,046,556)	(963,401)	75,657,419	63,836,774
Net Assets, Beginning of Year	833,929,934	769,129,760	7,040,813	8,004,214	840,977,747	777,133,974
Net Assets, End of Year	\$ 910,633,909	\$ 833,929,935	\$ 5,994,257	\$ 7,040,813	\$ 916,635,166	\$ 840,970,748

Governmental Activities

Governmental activities increased the City's net assets by \$76.7 million thereby accounting for all of the City's total growth in net assets. A comparison of the cost of services by function for the City's governmental activities is shown above, along with the revenues used to cover the net expenses of the governmental activities.

Governmental Expenditures by Activity



Total governmental activity type expenses were \$257.2 million in fiscal year 2007. The largest expenses were incurred for Public Works, Public Safety and General Government. These three activities combined account for 87.7% of all general activity expenses. These expenses do not include capital outlays, which are reflected in the City's capital assets.

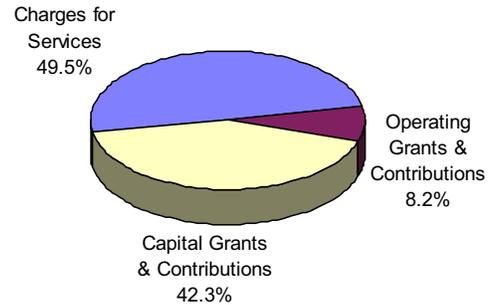
**City of Chula Vista
Governmental Activities
Fiscal Year Ending June 30**

	Governmental Activities		Business-type Activities		Total	
	2007	2006	2007	2006	2007	2006
Revenues:						
Program revenues:						
Charges for services	\$ 100,336,368	\$ 127,932,860	\$ 2,433,008	\$ 2,526,487	\$ 102,769,376	\$ 130,459,347
Operating grants and contributions	16,646,713	19,464,389			16,646,713	19,464,389
Capital grants and contributions	85,608,765	57,074,381			85,608,765	57,074,381
General revenues:						
Property taxes	38,882,122	32,873,671			38,882,122	32,873,671
Sales taxes	32,817,351	30,915,515			32,817,351	30,915,515
Franchise taxes	8,813,064	9,492,759			8,813,064	9,492,759
Utility user taxes	6,981,762	6,363,446			6,981,762	6,363,446
Business license taxes	1,237,316	1,234,912			1,237,316	1,234,912
Transient occupancy taxes	2,551,570	2,336,204			2,551,570	2,336,204
Property transfer taxes	1,423,599	2,122,860			1,423,599	2,122,860
Construction taxes	393,650	668,761			393,650	668,761
Motor vehicle license	1,218,973	4,153,331			1,218,973	4,153,331
Motor vehicle license in lieu	16,457,062	14,201,508			16,457,062	14,201,508
Intergovernmental			3,677,603	4,190,049	3,677,603	4,190,049
Investment earnings	13,386,872	10,924,754	167,734	78,605	13,554,606	11,003,359
Miscellaneous	7,030,444	4,189,465	131,968	(101,966)	7,162,412	4,087,499
Premium on bonds issued	106,696				106,696	
Gain on sale of capital assets		66,920				66,920
Total revenues	333,892,327	324,015,736	6,410,313	6,693,175	340,302,640	330,708,911
Expenses:						
General government	45,249,650	53,566,425			45,249,650	53,566,425
Public safety	77,136,782	72,887,220			77,136,781	72,887,220
Public works	103,117,608	102,122,564			103,117,608	102,122,564
Parks and recreation	9,353,280	8,085,160			9,353,280	8,085,160
Library	10,320,817	10,412,973			10,320,817	10,412,973
Interest on long-term debt	12,032,833	12,263,808			12,032,832	12,263,808
Transit operations			7,434,251	7,533,988	7,434,251	7,533,988
Total expenses	257,210,970	259,338,150	7,434,251	7,533,988	264,645,219	266,872,138
Increase/(Decrease) in						
Net assets before transfers	76,681,357	64,677,587	(1,023,938)	(840,813)	75,657,419	63,836,774
Transfers	22,618	122,588	(22,618)	(122,588)		
Change in Net Assets	76,703,975	64,800,175	(1,046,556)	(963,401)	75,657,419	63,836,774
Net Assets, Beginning of Year	833,929,934	769,129,760	7,040,813	8,004,214	840,970,747	777,133,974
Net Assets, End of Year	\$ 910,633,909	\$ 833,929,935	\$ 5,994,257	\$ 7,040,813	\$ 916,628,166	\$ 840,970,748

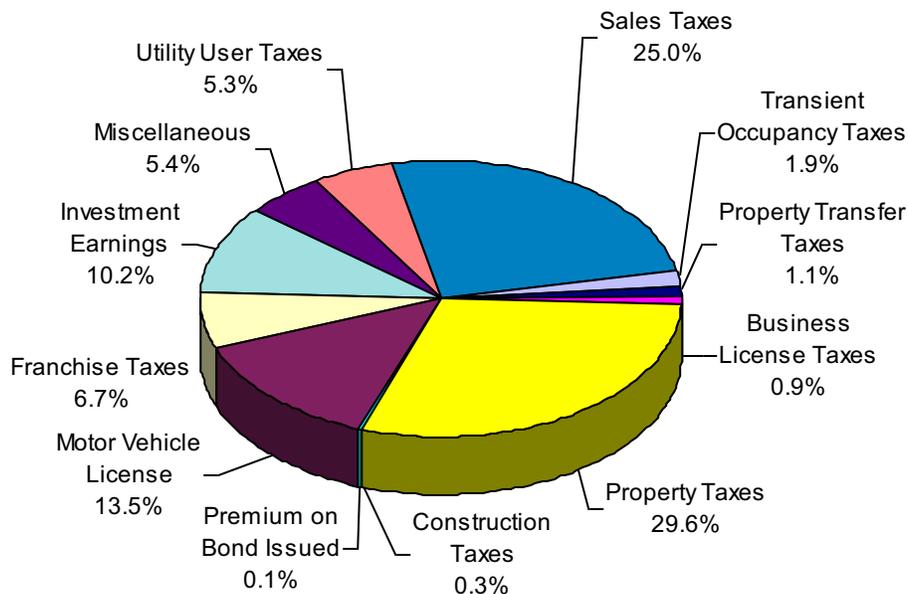
Total program revenues from governmental activities were \$202.6 million in fiscal year 2007. Per GASB 34, program revenues are derived directly from the program itself or from parties outside the reporting government's taxpayers or citizenry. They reduce the net cost of the function to be financed from the government's general revenues.

As reflected in the pie chart, 49.5% of the governmental program revenues came from Charges for Services, which includes licenses and permits, plan checking fees, developer fees, special assessments and several other revenues. Program revenues under the Operating Grants and Contributions category totaled \$16.6 million or 8.2% and include restricted revenues such as Gas Tax, Transportation Sales Tax, Asset Seizure Funds and Federal/State Grants. Capital Grants and Contributions are primarily derived from contributed capital from developers for infrastructure. Capital Grants and Contributions totaled \$85.6 million or 42.3% of which \$64.1 million or 74.8% is related to roadways funded by developers and received by the City after completion.

Program Revenues for Governmental Activities



General Revenues for Governmental Activities



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 \$131.3 million in fiscal year 2007. The largest percentage of general revenues received during fiscal year 2007 for governmental activities were taxes of \$110.8 million, which included Property Taxes of \$38.9 million and Sales Taxes of \$32.8 million. A breakdown of all general revenues is shown in the chart above.

Business Type Activities

Net assets for business-type activities were \$6.0 million, a decrease of \$1.0 million from the prior fiscal year. This decrease in net assets is primarily a result of depreciation expense of \$0.8 million and a decrease in charges for services revenue of \$0.1 million. Total program revenues for business-type activities were \$2.4 million, which were for bus fares. Total expenses for the business-type activities were \$7.4 million during fiscal year 2007, which were related to Transit Operations.

FINANCIAL ANALYSIS OF INDIVIDUAL FUNDS

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

Governmental Funds

The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financial capacity. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of fiscal year 2007, the City's governmental funds reported combined ending fund balances of \$213.7 million. Approximately, \$30.7 million of this amount constitutes unreserved and undesignated fund balance, which is available for spending at the government's discretion. The remainder of fund balance is reserved to indicate that it is not available for spending because it has already been legally committed.

General Fund – Included as part of the general fund category for financial reporting purposes is the General Fund, which includes the primary operating fund of the city, the Workers Compensation Fund, Flexible Spending Account Fund and the Public Liability Reserve Fund, which are considered general fund type funds for financial reporting purposes.

At the end of the current fiscal year, unreserved fund balance of the general fund was \$13.3 million, while total fund balance reached \$35.5 million. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 7.8% of total general fund expenditures including transfers out, while total fund balance represents 20.1% of that same amount.

During the current year, unreserved fund balance of the general fund, excluding the other general fund type funds, decreased from \$15.8 to \$10.3 million. It should be noted that \$0.5 million in designations for capital improvement projects are included in the total unreserved fund balance of \$10.3 million, bringing the net total available fund balance to \$9.8 million. The available fund balance represents 6.0% of the general fund operating budget for fiscal year 2007. This is below the City Council's targeted minimum reserve level of 8% of the operating budget for the general fund.

There is no discussion of any significant budgetary variations between original and final budget amounts and between final budget amounts and actual results because there were no significant variances that were not already discussed in this document. Management considers a variance of 10% or greater as significant.

Sewer Fund– The Sewer Fund is used to account for a variety of sewer service related revenues and expenditures. The Sewer Fund revenues increased by an overall \$2.4 million. Sewer Service Fees increased by \$2.4 million from the previous year and Sewer Connection Fees decreased by \$1.5 million. Building permits issued declined significantly from the prior year, which directly affected Sewer Connection Fees. Expenditures decreased \$0.02 million from the prior year due to reduced personnel expenditures in the fiscal year. At the end of fiscal year 2007, the unreserved fund balance for the sewer fund was \$24.2 million, which is an increase of \$3.3 million from the prior fiscal year.

Development Impact Fee Funds – This fund was established as a depository for 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. At the end of fiscal year 2007, the unreserved fund balance was \$34.0 million, which is a decrease of \$17.8 million from the previous fiscal year due primarily to the construction of the various phases of the civic center project. Since these funds are collected for construction or improvements of public facilities, they have been fully designated for specific projects.

Park Acquisition Development - This fund was established as a depository for fees collected from property developers for the purpose of providing park and recreational facilities directly benefiting and serving residents of the regulated subdivision. This in-lieu fee was adopted by the City to acquire neighborhood and community parkland and to construct parks and recreational facilities. The Parkland Acquisition and Development fee was increased in October 2006 from \$8,962 to \$9,122 for Areas West of I-805 and \$16,644 to \$16,804 for Areas East of I-805. The fund was a non-major fund in FY 2006 and is now considered a major fund for financial reporting purposes. At the end of fiscal year 2007, the unreserved fund balance was \$36.3 million, which is an increase of \$8.7 million due to continued development and an increase in the fee for the fiscal year. Since these funds are collected for providing parks and recreational facilities, they have been fully designated for specific projects.

Redevelopment Agency Debt Service Fund – This fund was established to account for tax levies, rentals, other revenues and payments of principal and interest on Redevelopment Agency loans and outstanding bonds. In July 2006, the Redevelopment Agency issued the 2006 Senior Tax Allocation Refunding Bonds, Series A (\$13,435,000) and Series B (\$12,325,000) totaling \$25,760,000 to refinance the 1994 Senior Tax Allocation Bonds Series A, C, and D.

City Debt Service Fund – This fund was established to account for the principal and interest payments on the City’s long-term debt. There were no new issuances or other major fund activity for the fiscal year.

Proprietary Funds

The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. As discussed previously in Business-Type Activities, the City's net assets decreased by \$1.0 million as a result of operations in the proprietary funds. This decrease in net assets is primarily a result of depreciation expense of \$0.8 million and a decrease in charges for services revenue of \$0.1 million.

GENERAL FUND BUDGETARY HIGHLIGHTS

The final amended general fund budget totaled \$174.7 million, including \$2.7 million in budget amendments to the originally adopted budget and encumbrances of \$0.8 million, which will fund contractual obligations and outstanding purchase orders. The more significant budget amendments are briefly summarized as follows:

- \$0.5 million for fire related overtime.
- \$0.1 million for the City's share of a park ranger station at the Otay Valley Regional Park.
- \$50,000 for two charter amendments on the November 2006 election.
- \$40,000 for costs incurred for administering a special municipal election
- The closure of several General Fund capital improvement projects (\$164,267) partially mitigated the net costs of those amendments.

Of the \$2.7 million in mid-year appropriations, \$2.2 million were covered by specific funding sources. As discussed previously, the available fund balance of the general fund, excluding the other general fund type funds, decreased to \$10.4 million or by \$4.5 million from the prior year. The decrease is attributed to the various mid-year appropriations discussed above net of offsetting revenues.

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, 2007, amounts to \$903.8 million, net of accumulated depreciation of \$287.7 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 additions to the City's investment in capital assets for the current fiscal year was \$125.4 million, net of accumulated depreciation.

Major capital asset additions during the current fiscal are discussed in the City Highlights section of this document.

Additional information on the City's capital assets can be found in Note D of the notes to the financial statements.

Debt Administration

Long Term Debt - At the end of the 2007 fiscal year, the City had \$201.1 million in debt outstanding compared to the \$206.1 million last year, a 2.4% net decrease. During the 2007 fiscal year the Redevelopment Agency issued the 2006 Senior Tax Allocation Refunding Bonds, Series A (\$13,435,000) and Series B (\$12,325,000) totaling \$25,760,000 to refinance the 1994 Senior Tax Allocation Bonds Series A, C, and D.

The City has no outstanding general obligation debt. In 2007, the City was downgraded from an "A" rating to an "A-" rating by Standard & Poors for Certificates of Participation, which still represents a "stable outlook". The downgrade was based on a prolonged trend of the city drawing down its reserves and falling below the council policy of 8% due to slower than projected growth in the economy and city revenues.

The Redevelopment Agency maintains an "A-" rating for Tax Allocation Bonds from Standard & Poors. Additional information on the City's long-term debt obligations can be found in Note 6 of the notes to the financial statements.

ECONOMIC CLIMATE

Chula Vista, the second largest City in San Diego County, is a town in transition. Once known as a bedroom community with a strong collection of small businesses, Chula Vista is now attracting multi-national corporations. High tech companies like Hitachi, DNP America and Leviton have opened new facilities in Chula Vista during the past few years. These companies find the area a good location from which to manage their manufacturing and distribution operations both in the United States and in Mexico.

The San Diego regional economy has undergone a remarkable transformation over the past decade. The severe recession in the first half of the 1990s was the longest and deepest of the past 60 years. The downturn, subsequent recovery and expansion were not mere business or cyclical adjustments, but an extensive overhauling and restructuring of the region's basic economic drivers.

From an economy largely dominated by defense and military expenditures, San Diego industries transformed into a diversified mix of high-technology commercial endeavors. Some of these sectors were by-products of defense-based efforts, as well as capitalization of highly educated and skilled workers. Emerging growth areas include telecommunications, electronics, computers, software, and biotechnology.

International trade also contributed to the local economic recovery and dynamic performance in recent years. Cross border trade and interactions with Mexico provide tremendous economic advantages and opportunities, becoming an increasingly important facet of the local region's economic fortunes.

Mexico and Canada, U.S. partners under the North American Free Trade Agreement (NAFTA), dominate San Diego's export markets by far, accounting for more than one-half (55 percent) of all export production. San Diego clearly benefits from NAFTA, not only because the agreement further opened up the markets of our two largest customers, but also because Tijuana and Baja California, our border and economic partner, was greatly benefited and stimulated by heightened trade and dollars flowing to the region.

As discussed in the transmittal letter, Chula Vista's property tax base remains very healthy and growing, with assessed values increasing from \$6.6 billion in 1998 to \$21.8 billion in fiscal year 2007. This portion of the region continues to attract a historically large percentage of home-buyers due in large part to the median prices for existing homes in Chula Vista being slightly less than the regional average. During the 2007 fiscal year, generally regarded as a slow growth period, Chula Vista's sales tax revenue experienced steady growth over the previous fiscal year at a rate of 7.9%. We anticipate sales tax revenues to continue growing over the next few years due to the openings of the Otay Ranch Town Centre Mall, the Village Walk that includes Trader Joe's and a Henry's Market and the continued expansion of the Chula Vista Auto Park that currently includes Ford, Chevrolet, Toyota, Dodge, Chrysler and Jeep dealerships. The opening of the long anticipated State Route 125 in 2007 is providing easier access to Chula Vista's retail centers and encourages further commercial development of the freeway corridor.

REQUESTS FOR INFORMATION

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

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

CITY OF CHULA VISTA
Statement of Net Assets
June 30, 2007

<u>Assets</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Cash and investments	\$ 182,974,100	\$ 2,800,279	\$ 185,774,379
Receivables:			
Taxes	13,290,246		13,290,246
Accounts	3,901,866	87,727	3,989,593
Interest	2,182,283	36,949	2,219,232
Loans	22,599,949		22,599,949
Other	532,075		532,075
Due from other governments	4,754,703	103,454	4,858,157
Inventory and prepaid items	68,857		68,857
Land held for resale	2,260,925		2,260,925
Other assets	490,469		490,469
Restricted cash and investments:			
Held by City	4,801,774		4,801,774
Held by fiscal agents	24,334,081		24,334,081
Capital Assets:			
Nondepreciable assets	118,242,071		118,242,071
Depreciable capital assets, net of accumulated depreciation	779,890,295	5,658,433	785,548,728
Total Assets	<u>1,160,323,694</u>	<u>8,686,842</u>	<u>1,169,010,536</u>
<u>Liabilities</u>			
Account payable and accrued liabilities	10,624,677	229,488	10,854,165
Interest payable	3,062,017		3,062,017
Unearned revenue	6,558,592	2,463,097	9,021,689
Deposits	14,456,898		14,456,898
Claims payable:			
Due within one year	3,300,000		3,300,000
Due in more than one year	10,579,589		10,579,589
Noncurrent Liabilities:			
Due within one year	12,387,128		12,387,128
Due in more than one year	188,720,884		188,720,884
Total Liabilities	<u>249,689,785</u>	<u>2,692,585</u>	<u>252,382,370</u>
<u>Net Assets</u>			
Investments in capital assets, net of related debt	715,090,838	5,658,433	720,749,271
Restricted for:			
Capital projects	26,925,990		26,925,990
Debt service	13,042,072		13,042,072
Community development	29,548,853		29,548,853
Unrestricted	126,026,156	335,824	126,361,980
Total Net Assets	<u>\$ 910,633,909</u>	<u>\$ 5,994,257</u>	<u>\$ 916,628,166</u>

See Accompanying Notes to Financial Statements.

CITY OF CHULA VISTA
Statement of Activities
For the Year Ended June 30, 2007

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities:				
General government	\$ 45,249,650	\$ 27,579,681	\$ 2,583,668	\$ 177,054
Public safety	77,136,782	7,311,407	5,019,515	
Public works	103,117,608	45,520,978	6,925,361	64,075,755
Parks and recreation	9,353,280	19,106,017	144,378	21,355,956
Library	10,320,817	818,285	1,973,791	
Interest on long-term debt	12,032,833			
Total Governmental Activities	257,210,970	100,336,368	16,646,713	85,608,765
Business-type Activities:				
Transit	7,330,560	2,433,008		
Bayfront Trolley-Station	103,691			
Total Business-type Activities	7,434,251	2,433,008		
Total	\$ 264,645,221	\$ 102,769,376	\$ 16,646,713	\$ 85,608,765

General Revenues:

Taxes:

- Property taxes
- Sales taxes
- Property transfer taxes
- Franchise taxes
- Utility user taxes
- Business license taxes
- Transient occupancy taxes
- Construction taxes

Motor vehicle licenses

Motor vehicle licenses in-lieu

Intergovernmental

Investment income

Miscellaneous

Gain (loss) on sale of assets

Transfers

Total General Revenues and Transfers

Change in Net Assets

Net Assets, Beginning of Year

Net Assets, End of Year

See Accompanying Notes to Financial Statements.

Net (Expense) Revenue and
Changes in Net Assets

Governmental Activities	Business-type Activities	Total
\$ (14,909,247)		\$ (14,909,247)
(64,805,860)		(64,805,860)
13,404,486		13,404,486
31,253,071		31,253,071
(7,528,741)		(7,528,741)
(12,032,833)		(12,032,833)
<u>(54,619,124)</u>		<u>(54,619,124)</u>
	\$ (4,897,552)	(4,897,552)
	(103,691)	(103,691)
	(5,001,243)	(5,001,243)
<u>(54,619,124)</u>	<u>(5,001,243)</u>	<u>(59,620,367)</u>
38,882,122		38,882,122
32,817,351		32,817,351
1,423,599		1,423,599
8,813,064		8,813,064
6,981,762		6,981,762
1,237,316		1,237,316
2,551,570		2,551,570
393,650		393,650
1,218,973		1,218,973
16,457,062		16,457,062
	3,677,603	3,677,603
13,386,872	167,734	13,554,606
7,030,444	131,968	7,162,412
106,696		106,696
22,618	(22,618)	
<u>131,323,099</u>	<u>3,954,687</u>	<u>135,277,786</u>
76,703,975	(1,046,556)	75,657,419
<u>833,929,934</u>	<u>7,040,813</u>	<u>840,970,747</u>
<u>\$ 910,633,909</u>	<u>\$ 5,994,257</u>	<u>\$ 916,628,166</u>

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CITY OF CHULA VISTA
Balance Sheet
Governmental Funds
June 30, 2007

<u>Assets</u>	<u>Special Revenue</u>		
	General Fund	Sewer Fund	Developer Deposits
Cash and investments	\$ 2,748,905	\$ 20,725,822	\$ 14,456,898
Receivables:			
Accounts	269,729	3,410,226	
Taxes	12,457,365	12,401	
Interest	93,224	233,591	
Loans	143,750		
Other			
Due from other funds	237,908		
Due from other governments	3,237,273		
Advances to other funds	30,321,245	16,861,747	
Inventory and prepaid items	48,187		
Restricted cash and investments			
Held by City			
Held by fiscal agent			
Land held for resale			
Total Assets	<u>\$ 49,557,586</u>	<u>\$ 41,243,787</u>	<u>\$ 14,456,898</u>
<u>Liabilities and Fund Balances</u>			
Liabilities:			
Accounts payable and accrued liabilities	\$ 5,462,933	\$ 28,870	
Due to other funds			
Advances from other funds			
Developer deposits			\$ 14,456,898
Deferred revenue	8,592,396	3,843,157	
Total Liabilities	<u>14,055,329</u>	<u>3,872,027</u>	<u>14,456,898</u>
Fund Balances:			
Reserved:			
Encumbrances	328,560	172,845	
Loans receivables and advances	21,872,599	13,018,590	
Land held for resale			
Debt service			
Inventory and prepaid items	48,187		
Total Reserved	<u>22,249,346</u>	<u>13,191,435</u>	
Unreserved:			
Designated for:			
Contingency	2,982,950	346,022	
Capital projects	577,129		
Undesignated for:			
General fund	9,692,832		
Special revenue		23,834,303	
Debt service			
Capital projects			
Total Unreserved	<u>13,252,911</u>	<u>24,180,325</u>	
Total Fund Balances	<u>35,502,257</u>	<u>37,371,760</u>	
Total Liabilities and Fund Balances	<u>\$ 49,557,586</u>	<u>\$ 41,243,787</u>	<u>\$ 14,456,898</u>

See Accompanying Notes to Financial Statements.

Debt Service		Capital Projects		Nonmajor Governmental Funds	Total Governmental Funds
RDA Debt Service Fund	City Debt Service Fund	Development Impact Fund	Park Acquisition Development		
\$ 2,294,184		\$ 49,178,280	\$ 36,515,541	\$ 53,928,107	\$ 179,847,737
				221,911	3,901,866
				820,480	13,290,246
21,242		851,031	374,551	580,543	2,154,182
				22,456,199	22,599,949
		524,465			524,465
				2,074,716	2,312,624
				1,483,285	4,720,558
		913,419		5,714,936	53,811,347
					48,187
				4,801,774	4,801,774
3,303,909				21,030,172	24,334,081
				2,260,925	2,260,925
<u>\$ 5,619,335</u>	<u>\$ -</u>	<u>\$ 51,467,195</u>	<u>\$ 36,890,092</u>	<u>\$ 115,373,048</u>	<u>\$ 314,607,941</u>
		\$ 736,348	\$ 3,267	\$ 3,813,426	\$ 10,044,844
\$ 35,345,886	\$ 14,677,727	3,787,734		2,312,624	2,312,624
		1,727,961			53,811,347
				6,073,062	14,456,898
<u>35,345,886</u>	<u>14,677,727</u>	<u>6,252,043</u>	<u>3,267</u>	<u>12,199,112</u>	<u>20,236,576</u>
		10,311,158	615,020	1,520,125	12,947,708
		913,419		23,856,564	59,661,172
				2,260,925	2,260,925
				13,042,072	13,042,072
					48,187
		<u>11,224,577</u>	<u>615,020</u>	<u>40,679,686</u>	<u>87,960,064</u>
		33,990,575	36,271,805	149,476	3,478,448
				20,787,973	91,627,482
				40,513,883	9,692,832
(29,726,551)	(14,677,727)				64,348,186
				1,042,918	(44,404,278)
<u>(29,726,551)</u>	<u>(14,677,727)</u>	<u>33,990,575</u>	<u>36,271,805</u>	<u>62,494,250</u>	<u>125,785,588</u>
<u>(29,726,551)</u>	<u>(14,677,727)</u>	<u>45,215,152</u>	<u>36,886,825</u>	<u>103,173,936</u>	<u>213,745,652</u>
<u>\$ 5,619,335</u>	<u>\$ -</u>	<u>\$ 51,467,195</u>	<u>\$ 36,890,092</u>	<u>\$ 115,373,048</u>	<u>\$ 314,607,941</u>

CITY OF CHULA VISTA
 Reconciliation of Governmental Funds Balance Sheet
 to the Statement of Net Assets
 June 30, 2007

Fund balance for governmental funds \$ 213,745,652

Amounts reported for governmental activities in the Statement of Net Assets are different because:

Capital assets used in governmental activities are not current resources. Therefore, they were not reported in the Governmental Funds Balance Sheet. The capital assets of the internal service funds are included in the adjustment below.

Nondepreciable capital assets	\$ 118,242,071	
Depreciable capital assets	<u>778,055,691</u>	896,297,762

Deferred revenues which are deferred because they are not available currently are taken into revenue in the Statement of Activities and, accordingly, increase the net assets on the Statement of Net Assets. 13,677,985

Interest payable on long-term debt does not require current financial resources. Therefore, interest payable is not reported as a liability in Governmental Funds Balance Sheet. (3,062,017)

Long-term liabilities are not due and payable in the current period. Therefore, they were not reported in the Governmental Funds Balance Sheet. The long-term liabilities, excluding the internal service funds which are included below, were adjusted as follows:

Claims payable	\$ (13,879,589)	
Long-term liabilities - due within one year	(12,387,128)	
Long-term liabilities - due in more than one year	<u>(188,638,132)</u>	(214,904,849)

Arbitrage liability (147,924)

Other long-term assets which are not considered available to pay for current expenditures are not reported in the governmental funds. 490,469

Internal service funds are used by management to charge the costs of certain activities, fleet management and technology services to individual funds. The assets and liabilities of the internal service funds are included in the Statement of Net Assets. 4,536,831

Net Assets of Governmental Activities \$ 910,633,909

See Accompanying Notes to Financial Statements.

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CITY OF CHULA VISTA
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2007

	<u>Special Revenue</u>		
	<u>General Fund</u>	<u>Sewer Fund</u>	<u>Developer Deposits</u>
Revenues:			
Taxes	\$ 77,561,166		
Intergovernmental	23,873,593		
Licenses and permits	2,730,534	\$ 115,161	
Developer fees			\$ 12,408,124
Charge for services	16,259,086	27,334,561	
Fines and forfeitures	1,315,262	9,300	
Use of money and property	2,355,304	1,038,413	
Other	21,970,468	380,338	
Total Revenues	<u>146,065,413</u>	<u>28,877,773</u>	<u>12,408,124</u>
Expenditures:			
Current:			
General government	35,845,324		
Public safety	72,343,819		
Public works	38,270,890	16,285,605	12,408,124
Parks and recreation	7,268,640		
Library	9,642,064		
Capital outlay	400,584	970,852	
Debt service:			
Principal			
Interest and fiscal charges			
Bond issuance cost			
Total Expenditures	<u>163,771,321</u>	<u>17,256,457</u>	<u>12,408,124</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(17,705,908)</u>	<u>11,621,316</u>	
Other Financing Sources (Uses):			
Issuance of debt			
Bond discount			
Transfers in	18,679,983	755,579	
Transfers out	(5,357,771)	(9,403,487)	
Total Other Financing Sources (Uses)	<u>13,322,212</u>	<u>(8,647,908)</u>	
Net Change in Fund Balances	<u>(4,383,696)</u>	<u>2,973,408</u>	
Fund Balances, Beginning of Year	<u>39,885,953</u>	<u>34,398,352</u>	
Fund Balances, End of Year	<u>\$ 35,502,257</u>	<u>\$ 37,371,760</u>	<u>\$ -</u>

See Accompanying Notes to Financial Statements.

Debt Service		Capital Projects		Nonmajor Governmental Funds	Total Governmental Funds
RDA Debt Service Fund	City Debt Service Fund	Development Impact Fund	Park Acquisition Development		
\$ 2,327,101				\$ 13,212,167	\$ 93,100,434
255,300				11,978,180	36,107,073
				24,729	2,870,424
		\$ 3,669,875	\$ 7,980,398		24,058,397
				9,100,665	52,694,312
386,439		3,047,799	1,658,279	902,260	2,226,822
2,207		848,315		5,084,081	13,570,315
				366,285	23,567,613
<u>2,971,047</u>		<u>7,565,989</u>	<u>9,638,677</u>	<u>40,668,367</u>	<u>248,195,390</u>
261,354		716,361		10,081,951	46,904,990
		245,695		656,464	73,245,978
		1,880,995		6,874,968	75,720,582
				234,619	7,503,259
				18,745	9,660,809
		10,318,092	1,961,650	22,821,004	36,472,182
24,905,001				5,987,801	30,892,802
4,317,283	\$ 593,617	62,927		7,316,081	12,289,908
514,994					514,994
<u>29,998,632</u>	<u>593,617</u>	<u>13,224,070</u>	<u>1,961,650</u>	<u>53,991,633</u>	<u>293,205,504</u>
<u>(27,027,585)</u>	<u>(593,617)</u>	<u>(5,658,081)</u>	<u>7,677,027</u>	<u>(13,323,266)</u>	<u>(45,010,114)</u>
25,760,000					25,760,000
(505,884)					(505,884)
17,373,176	112,455	560,905		16,418,447	53,900,545
(16,661,115)		(10,111,022)		(12,302,114)	(53,835,509)
<u>25,966,177</u>	<u>112,455</u>	<u>(9,550,117)</u>		<u>4,116,333</u>	<u>25,319,152</u>
<u>(1,061,408)</u>	<u>(481,162)</u>	<u>(15,208,198)</u>	<u>7,677,027</u>	<u>(9,206,933)</u>	<u>(19,690,962)</u>
<u>(28,665,143)</u>	<u>(14,196,565)</u>	<u>60,423,350</u>	<u>29,209,798</u>	<u>112,380,869</u>	<u>233,436,614</u>
<u>\$ (29,726,551)</u>	<u>\$ (14,677,727)</u>	<u>\$ 45,215,152</u>	<u>\$ 36,886,825</u>	<u>\$ 103,173,936</u>	<u>\$ 213,745,652</u>

CITY OF CHULA VISTA
 Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of
 Governmental Funds to the Statement of Activities
 For the Year Ended June 30, 2007

Net change in fund balance - total governmental funds: \$ (19,690,962)

Amounts reported for governmental activities in the Statement of Activities are different because:

Deferred revenue does not provide for current financial resources and therefore is not reported as revenues in the governmental funds. 2,610,124

Governmental Funds report capital outlay as expenditures. However, in the Statement of Activities the costs of these assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount the capital outlay exceeded depreciation, excluding internal service fund activity reported below.

Capital outlay	\$ 32,236,956	
Contributed capital	82,846,863	
Depreciation	<u>(24,502,017)</u>	90,581,802

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets.

Changes in claims payable	\$ (1,261,541)	
Proceeds from long-term debt	(30,279,982)	
Long-term debt repayments	35,313,756	
Arbitrage liability	147,924	
Bond issuance cost	490,469	
Change in internal services compensated absences	<u>21,296</u>	4,431,922

Internal service funds are used by management to charge the costs of certain activities, including insurance and fleet management, to individual funds. The net revenue of the Internal Service Funds is reported with Governmental Activities. (1,228,911)

Change in Net Assets of Governmental Activities \$ 76,703,975

See Accompanying Notes to Financial Statements.

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CITY OF CHULA VISTA
Statement of Net Assets
Proprietary Funds
June 30, 2007

	<u>Enterprise Funds</u>			Governmental Activities Internal Service Funds
	<u>Transit Fund</u>	<u>Bayfront Trolley Station</u>	<u>Total</u>	
<u>Assets</u>				
Current Assets:				
Cash and investments	\$ 2,650,765	\$ 149,514	\$ 2,800,279	\$ 3,126,363
Receivables:				
Accounts	87,727		87,727	
Interest	35,837	1,112	36,949	28,101
Other				7,610
Due from other governments	103,454		103,454	34,145
Inventory and prepaid items				20,669
	<u>2,877,783</u>	<u>150,626</u>	<u>3,028,409</u>	<u>3,216,888</u>
Total Current Assets				
Noncurrent Assets:				
Capital assets, net	<u>5,658,433</u>		<u>5,658,433</u>	<u>1,834,604</u>
	<u>8,536,216</u>	<u>150,626</u>	<u>8,686,842</u>	<u>5,051,492</u>
Total Assets				
<u>Liabilities and Net Assets</u>				
Current Liabilities:				
Accounts payable and accrued liabilities	228,988	500	229,488	431,909
Unearned revenue	2,315,039	148,058	2,463,097	
Compensated absences				82,752
	<u>2,544,027</u>	<u>148,558</u>	<u>2,692,585</u>	<u>514,661</u>
Total Current Liabilities				
Net Assets:				
Invested in capital assets	5,658,433		5,658,433	1,834,604
Unrestricted	<u>333,756</u>	<u>2,068</u>	<u>335,824</u>	<u>2,702,227</u>
	<u>\$ 5,992,189</u>	<u>\$ 2,068</u>	<u>\$ 5,994,257</u>	<u>\$ 4,536,831</u>
Total Net Assets				

See Accompanying Notes to Financial Statements.

CITY OF CHULA VISTA
Statement of Revenues, Expenses and Changes in Net Assets
Proprietary Funds
For the Year Ended June 30, 2007

	Enterprise Funds		Total	Governmental
	Transit Fund	Bayfront Trolley Station		Activities Internal Service Funds
Operating Revenues:				
Charges for services	\$ 2,433,008		\$ 2,433,008	\$ 5,367,349
Other	131,968		131,968	35,514
Total Operating Revenues	<u>2,564,976</u>		<u>2,564,976</u>	<u>5,402,863</u>
Operating Expenses:				
Operations and administration	6,449,073	\$ 103,691	6,552,764	5,699,776
Depreciation	831,620		831,620	1,102,476
Total Operating Expenses	<u>7,280,693</u>	<u>103,691</u>	<u>7,384,384</u>	<u>6,802,252</u>
Operating Income (Loss)	<u>(4,715,717)</u>	<u>(103,691)</u>	<u>(4,819,408)</u>	<u>(1,399,389)</u>
Nonoperating Revenues (Expenses):				
Intergovernmental	3,578,947	98,656	3,677,603	
Interest income	162,699	5,035	167,734	97,740
(Loss) gain on sale of capital assets	(49,867)		(49,867)	115,156
Total Nonoperating Revenues	<u>3,691,779</u>	<u>103,691</u>	<u>3,795,470</u>	<u>212,896</u>
Income (Loss) Before Transfers	(1,023,938)		(1,023,938)	(1,186,493)
Transfers out	<u>(22,618)</u>		<u>(22,618)</u>	<u>(42,418)</u>
Changes in Net Assets	(1,046,556)		(1,046,556)	(1,228,911)
Net Assets, Beginning of Year	<u>7,038,745</u>	<u>2,068</u>	<u>7,040,813</u>	<u>5,765,742</u>
Net Assets, End of Year	<u>\$ 5,992,189</u>	<u>\$ 2,068</u>	<u>\$ 5,994,257</u>	<u>\$ 4,536,831</u>

See Accompanying Notes to Financial Statements.

CITY OF CHULA VISTA
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2007

	Enterprise Funds			Governmental Activities Internal Service Funds
	Transit Fund	Bayfront Trolley Station	Total	
Cash Flows from Operating Activities:				
Cash received from customers	\$ 3,087,357	\$ 16,512	\$ 3,103,869	
Cash received from other funds				\$ 5,369,808
Cash payments to suppliers for goods and services	(6,664,991)	(104,416)	(6,769,407)	(4,548,211)
Cash payments to employee for services				(1,222,188)
Other	131,968		131,968	35,514
Net Cash Provided (Used) by Operating Activities	(3,445,666)	(87,904)	(3,533,570)	(365,077)
Cash Flows from Capital and Related Financing Activities:				
Acquisition of capital assets				(76,256)
Proceeds from sale of capital assets	594		594	142,743
Net Cash Provided (Used) by Capital and Related Financing Activities	594		594	66,487
Cash Flows from Noncapital Financing Activities:				
Intergovernmental	3,475,493	98,656	3,574,149	(16,963)
Transfers out	(22,618)		(22,618)	(42,418)
Net Cash Provided (Used) by Noncapital Financing Activities	3,452,875	98,656	3,551,531	(59,381)
Cash Flows from Investing Activities:				
Interest revenue	141,670	4,378	146,048	110,839
Net Cash Provided (Used) by Investing Activities	141,670	4,378	146,048	110,839
Net Increase in Cash and Cash Equivalents	149,473	15,130	164,603	(247,132)
Cash and Cash Equivalents, Beginning of Year	2,501,292	134,384	2,635,676	3,373,495
Cash and Cash Equivalents, End of Year	\$ 2,650,765	\$ 149,514	\$ 2,800,279	\$ 3,126,363

(Continued)

CITY OF CHULA VISTA
Statement of Cash Flows
Proprietary Funds (Continued)
For the Year Ended June 30, 2007

	Enterprise Funds		Total	Governmental Activities Internal Service Funds
	Transit Fund	Bayfront Trolley Station		
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:				
Operating loss	\$ (4,715,717)	\$ (103,691)	\$ (4,819,408)	\$ (1,399,389)
Adjustments to reconcile operating loss to net cash provided (used) by operating activities:				
Depreciation	831,620		831,620	1,102,476
(Increase) decrease in accounts receivables	104,856		104,856	
(Increase) decrease in other receivables				2,459
(Increase) decrease in inventories				8,957
Increase (decrease) in accounts payable and, accrued liabilities	(215,918)	(725)	(216,643)	(92,214)
Increase (decrease) in unearned revenue	549,493	16,512	566,005	
Increase (decrease) in compensated absences				12,634
Total Adjustments	<u>1,270,051</u>	<u>15,787</u>	<u>1,285,838</u>	<u>1,034,312</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ (3,445,666)</u>	<u>\$ (87,904)</u>	<u>\$ (3,533,570)</u>	<u>\$ (365,077)</u>

See Accompanying Notes to Financial Statements.

CITY OF CHULA VISTA
Statement of Net Assets
Fiduciary Funds
June 30, 2007

Assets

Cash and investments	\$ 7,239,933
Restricted cash and investments held by fiscal agents	<u>171,370,947</u>
Total Assets	<u><u>\$ 178,610,880</u></u>

Liabilities

Due to bondholders	<u>\$ 178,610,880</u>
Total Liabilities	<u><u>\$ 178,610,880</u></u>

See Accompanying Notes to Financial Statements.

CITY OF CHULA VISTA
Notes to Financial Statements
June 30, 2007

I. Summary of Significant Accounting Policies

A. Reporting Entity

The City of Chula Vista (City) was incorporated in 1911 under the general laws of the State of California and enjoys all the rights and privileges pertaining to such “General Law” cities. The City operates under a Council-Manager form of government and the City Council is composed of five members. Among the services provided by the City are the following: public safety, community services, engineering services, planning services, public works, general administrative services and capital improvements.

As required by accounting principles generally accepted in the United States of America, these financial statements present the City and its component units, entities for which the City is considered to be financially accountable. The City is considered to be financially accountable for an organization if the City appoints a voting majority of that organization’s governing body and the City is able to impose its will on that organization or there is a potential for that organization to provide specific financial benefits to or impose specific financial burdens on the City. The City is also considered to be financially accountable if that organization is fiscally dependent (i.e. it is unable to adopt its budget, levy taxes, set rates or charges, or issue bonded debt without approval from the City). In certain cases, other organizations are included as component units if the nature and significance of their relationship with the City are such that their exclusion would cause the City’s financial statements to be misleading or incomplete.

1. Blended Component Units

The Redevelopment Agency of the City of Chula Vista (Agency), the Chula Vista Industrial Development Authority (Development Authority), and the Chula Vista Public Facilities Financing Authority (Authority) component units are considered to be blended component units. Blended component units, although legally separate entities, are, in substance, part of the City’s operations and so data from these units are reported with the interfund data of the City.

Redevelopment Agency of the City of Chula Vista – The City of Chula Vista Redevelopment was established pursuant to the State of California Health and Safety Code, Section 33000 entitled “Community Redevelopment Law.” Its purpose is to prepare and carry out plans for improvement, rehabilitation, and redevelopment of blighted areas within the territorial limits of the City of Chula Vista. Even though it is legally separate, it is reported as if it were part of the City because the City Council also serves as the governing board of the Agency. Separate financial statements of the Agency can be obtained at City Hall.

CITY OF CHULA VISTA
Notes to Financial Statements (Continued)
June 30, 2007

Chula Vista Industrial Development Authority – The Chula Vista Industrial Development Authority was established in February 1982 for the purpose of promoting and developing commercial, industrial and manufacturing enterprises and encouraging employment. Even though it is legally separate, it is reported as if it were part of the City because the City Council also serves as the governing board of the Agency. Chula Vista does not produce separate financial statements for the Development Authority.

Chula Vista Public Facilities Financing Authority – The Chula Vista Public Facilities Financing Authority was established by ordinance, pursuant to the City Charter and Constitution of the State of California, as a public body, acting to facilitate serving the public purposes of the City. The ordinance was adopted on April 4, 1995. The governing body of the Authority is comprised of the members of City Council. The 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. Separate financial statements for the Authority can be obtained at City Hall.

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e. the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

CITY OF CHULA VISTA
Notes to Financial Statements (Continued)
June 30, 2007

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide, proprietary and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when the liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal year (7 months for sales tax accrual). Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, claims and judgments are not recognized until paid.

Property taxes, charges for services, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The City reports the following major funds:

General Fund – This is the general operating fund of the City. It is used to account for financial resources except those required to be accounted for in another funds.

Sewer Special Revenue Fund – This fund consists of several 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.

CITY OF CHULA VISTA
Notes to Financial Statements (Continued)
June 30, 2007

The Special Sewer Fund is used to account for the sale of the city's excess Metropolitan Sewerage System capacity. Use of all monies in this fund is determined by the City Council.

The Trunk Sewer Reserve Fund is used to account for sewerage facility participation fees 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 any and all sewer related activities.

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

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

Redevelopment Agency (RDA) Debt Service Fund – This fund was established to account for principal and interest payments on redevelopment loans and outstanding bonds.

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

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

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

CITY OF CHULA VISTA
Notes to Financial Statements (Continued)
June 30, 2007

Additionally the City reports the following fund types:

Special Revenue Funds – Special Revenue Funds are used to account for revenues derived from specific sources which are usually required by law or administrative regulation to be accounted for in a separate fund.

Debt Service Funds – Debt Service Funds are used to account for tax increment revenues, bond proceeds required to be set aside for future debt service, and related interest income. The funds are used to repay principal and interest on long-term indebtedness of the City, Redevelopment Agency, and Public Financing Authority.

Capital Projects Funds – Capital Projects Funds are used to account for financial resources to be used for the development and redevelopment projects within the City. Such projects include street improvements, parks, and Redevelopment Agency activity.

The City reports the following major proprietary funds and internal service funds:

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

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

Internal Service Funds – Internal Service Funds are used to finance and account for the purchase of motor vehicles and the related maintenance and insurance expense, including liability insurance. Such costs are accumulated in these funds and charged to the user departments on an estimated cost-reimbursement basis or through transfers.

Fiduciary Funds

Agency Funds – These funds are used to account for assets held by the City in a trustee capacity for individuals, private organizations, other governments, and/or other funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The government has elected not to follow subsequent private-sector guidance.

CITY OF CHULA VISTA
Notes to Financial Statements (Continued)
June 30, 2007

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include 1) charges to members, customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise funds and the City's internal service funds are charges to customers for sales and services. Operating expenses for enterprise funds and internal services fund include costs of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources, first, then use unrestricted resources as needed.

D. Assets, Liabilities and Net Assets or Equity

1. Cash and Investments

Investments are stated at fair value (quoted market price or best available estimate thereof). Changes in fair value that occur during a fiscal year are recognized as investment income reported for that fiscal year.

The City pools cash and investments of all funds, except for assets held by fiscal agents. Each fund's share in this pool is displayed in the accompanying financial statements as cash and investments. Investment income, earned by the pooled investments, is allocated to the various funds based on each fund's average cash and investment balance.

For purposes of the statement of cash flows, cash and cash equivalents are defined as short-term, highly liquid investments that are both readily convertible to known amounts of cash or so near their maturity that they present insignificant risk of changes in value because of changes in interest rates.

CITY OF CHULA VISTA
Notes to Financial Statements (Continued)
June 30, 2007

2. Receivables and Payables

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” (i.e., the current portion of interfund loans) or “advances to/from other funds” (i.e., the non-current portion of interfund loans).

3. Inventories

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 funds.

4. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g. roads, traffic signals, drainage systems, and similar items), are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the City as assets with an initial cost of more than \$5,000; and infrastructure with an initial cost of more than \$100,000. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Property, plant, and equipment of the primary government, as well as the component units, are depreciated using the straight-line method over the following estimated useful lives:

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

5. Land Held for Resale

Land held for resale is recorded at the lower of cost or estimated net realizable value. The available fund balance is reserved in an amount equal to the carrying value of land and buildings held for resale because such assets are not available to finance current operations. The amount recorded as assets held for resale and the corresponding fund balance reserved as of June 30, 2007 was \$2,260,925.

CITY OF CHULA VISTA
Notes to Financial Statements (Continued)
June 30, 2007

6. Long-Term Obligations

In the government-wide statements long-term obligations are recorded as liabilities in the statement of net assets.

7. Compensated Absences

It is the City's policy to accumulate earned but unused vacation, sick and compensatory time. The balance of unpaid vacation and compensatory time at June 30, 2007 is recorded as a liability. Unpaid compensated absences in proprietary fund types are recorded as a liability in those funds as vested benefits accrued for the employees.

8. Property Taxes

Under California law, property taxes are assessed and collected by the counties up to 1% of assessed value, plus other increases approved by the voters. The property taxes go into a pool, and are then allocated to the cities based on complex formulas prescribed by state statutes. Accordingly, the City of Chula Vista accrues only those taxes which are received within 60 days after year end.

Lien Date:	January 1
Levy Date:	July 1
Due Date:	November 1 – 1 st Installment March 1 – 2 nd Installment
Delinquent Date:	December 10 – 1 st Installment April 10 – 2 nd Installment

Taxes are collected by San Diego County and are remitted to the City periodically. Dates and percentages are as follows:

December	30% Advance
January	Collection No. 1
April	10% Advance
May	Collection No. 2
July	Collection No. 3

The City accrues only those taxes which are received within 60 days after the year end. The City is a participant in the Teeter plan under the California Revenue and Taxation Code. The County of San Diego has responsibility for the collection of delinquent taxes and the City receives 100% of the levy.

CITY OF CHULA VISTA
Notes to Financial Statements (Continued)
June 30, 2007

9. Claims and Judgments

The City records a liability for litigation, judgments, and claims when it is probable that an asset has been impaired or a liability has been incurred prior to year end and the probable amount of loss (net of any insurance coverage) can be reasonably estimated. Claims incurred but not reported are recorded as a liability when the liability has been incurred or an asset has been impaired and the amounts can be reasonably determined.

10. Fund Equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

11. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

II. Stewardship, Compliance and Accountability

A. Budgetary Accounting

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 that is transmitted to the City Council for its review before the required date of adoption. A public hearing is held to give the public the opportunity to comment upon the proposed budget. Notice of such public hearing is given 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 department level. 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 within a departmental budget. Any appropriation transfers between departments require City Council approval.

CITY OF CHULA VISTA
Notes to Financial Statements (Continued)
June 30, 2007

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 part of the unreserved fund balance which may be appropriated for the next fiscal year.

An annual budget for the year ended June 30, 2007 was adopted and approved by the City Council for the general, most special revenue and debt service funds. These budgets are prepared on the modified accrual basis of accounting except that encumbrances outstanding at year-end are considered as expenditures. The budget of the capital projects funds are primarily long-term budgets, which emphasize major programs and capital outlay plans extending over a number of years. Because of the long-term nature of these projects, annual budget comparisons are not considered meaningful, and accordingly, no budgetary information for capital projects funds is presented. In addition, no budgetary information is presented for the Developer Deposits Special Revenue Fund.

B. Deficit Fund Balances/Net Assets

These deficit balances will be eliminated through future repayment of advances.

The RDA Debt Service Fund has a deficit fund balance of \$29,726,551. The City Debt Service Fund has a deficit fund balance of \$14,677,727.

CITY OF CHULA VISTA
Notes to Financial Statements (Continued)
June 30, 2007

III. Detailed Notes on All Funds

A. Cash and Investments

At June 30, 2007, cash and investments are classified in the accompanying financial statements as follows:

Statement of Net Assets:	
Cash and investments:	\$ 185,774,379
Restricted cash and investments	
Held by City	4,801,774
Held by fiscal agents	24,334,081
Fiduciary Funds:	
Cash and investments	7,239,933
Cash and investments held by fiscal agents	<u>171,370,947</u>
Total Cash and Investments	<u><u>\$ 393,521,114</u></u>

Cash and investments as of June 30, 2007 consist of the following:

Petty cash	\$ 4,750
Deposits with financial institutions	34,028,754
Investments	188,116,663
Investments held by bond trustee (fiduciary funds)	<u>171,370,947</u>
Total Cash and Investments	<u><u>\$ 393,521,114</u></u>

CITY OF CHULA VISTA
Notes to Financial Statements (Continued)
June 30, 2007

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.

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

* Excluding amounts held by bond trustee that are not subject to California Government Code restrictions.

Investments Authorized by Debt Agreements

Investment of debt proceeds held by bond trustee are governed by provisions of the debt agreements, rather than the general provisions of the California Government Code or the City's investment policy. The following table identifies the investment types that are authorized for investments held by bond trustee. The table also identifies certain provisions of these debt agreements that address interest rate risk, credit risk, and concentration of credit risk.

CITY OF CHULA VISTA
Notes to Financial Statements (Continued)
June 30, 2007

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Maximum Percentage of Portfolio*</u>	<u>Maximum Investment in One Issuer</u>
United States 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 Financing Corporation	None	None	None
Resolution Funding Corporation	None	None	None
Certificates of Deposit, Time Deposits and Bankers' Acceptances	30 Days	None	None
Commercial Paper	270 Days	None	None
Money Market Funds	N/A	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

Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the City manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations.

Information about the sensitivity of the fair values of the City's investments (including investments held by bond trustee) to market interest rate fluctuations is provided by the following table that shows the distribution of the City's investments by maturity:

CITY OF CHULA VISTA
Notes to Financial Statements (Continued)
June 30, 2007

Investment Type	Remaining Maturity (in Months)			
	12 Months or Less	13 to 24 Months	25 to 60 Months	
LAIF	\$ 45,318,323	\$ 45,318,323		
Medium Term Corporate Notes	7,429,530	7,429,530		
Federal Home Loan Bank	63,837,500	35,870,000	\$ 11,990,000	\$ 15,977,500
Federal National Mortgage Association	20,865,937	16,870,937	1,997,500	1,997,500
Federal Home Loan Mortgage Corporation	37,734,435	16,756,425	14,983,470	5,994,540
Federal Farm Credit Bank	12,930,938	6,944,063	2,995,312	2,991,563
Held by Bond Trustee (Fiduciary Funds):				
US Treasury	74,555,520	7,490,356	12,668,264	54,396,900
Local Agency Investment Fund	17,895,760	17,895,760		
Investment Agreements	18,984,030	10,918,880		8,065,150
Mutual Funds	59,934,833	59,934,833		
Cash with fiscal agent	804	804		
Total	\$ 359,487,610	\$ 225,429,911	\$ 44,634,546	\$ 89,423,153

Disclosures Relating to 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. The following presentation is the minimum rating required by (where applicable) the California Government Code, the City's investment policy, or debt agreements, and the actual rating as of year end for each investment type:

Investment Type	Minimum Rating	Not Rated	Rating as of Year End	
			AAA/AAA	AA2/AA
Federal agency securities	\$ 135,368,810	N/A	\$ 135,368,810	
Medium corporate term notes	7,429,530	A	5,938,920	\$ 1,490,610
Local agency investment fund	45,318,323	N/A	\$ 45,318,323	
Held by Bond trustee (fiduciary funds):				
USG (US Treasury notes)	74,555,520		74,555,520	
Local agency investment fund	17,895,760	17,895,760		
Investment agreements	18,984,030		1,628,278	17,355,752
Mutual funds	59,934,833		59,934,833	
Cash with fiscal agent	804	N/A	804	
Total	\$ 359,487,610		\$ 63,214,887	\$ 18,846,362

CITY OF CHULA VISTA
Notes to Financial Statements (Continued)
June 30, 2007

Concentration of Credit Risk

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

Issuer	Investment Type	Reported Amount
Federal National Mortgage Association	Federal agency securities	\$ 20,865,937
Federal Home Loan Bank	Federal agency securities	63,837,500
Federal Home Loan Mortgage Corp	Federal agency securities	37,734,435
Federal Farm Credit Bank	Federal agency securities	12,930,938

Custodial Credit Risk

Custodial credit risk for *deposits* is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for *investments* is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the City's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

As of June 30, 2007 \$11,618,666 of the City's deposits with financial institutions in excess of Federal Depository Insurance limits were held in collateralized accounts.

Investment in State Investment Pool

The City is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The fair value of the City's investment in this pool is reported in the accompanying financial statements at amounts based upon the City's

CITY OF CHULA VISTA
Notes to Financial Statements (Continued)
June 30, 2007

pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis.

B. Loans Receivable

At June 30, 2007, the City had the following loans receivable, including principal and accrued interest:

South Bay Community Services	\$ 4,948,815
South Bay Community Villas, L.P.	5,133,710
Girls and Boys Club Construction Loan	143,750
Rancho Vista Housing (Chelsea Investment)	1,628,219
St. Regis Park	1,971,650
Chula Vista Rehabilitation CHIP Loans	2,378,753
Civic Center Barrio Housing Corporation Loan	234,597
Mobile Home Assistance Programs	55,952
Chelsea Investment Corporation/Sunbow Services	408,558
Alpha III Development Inc. (Main Plaza, L.P.)	1,920,814
Seniors on Broadway	3,632,300
Wakeland Housing and Development Corporation	105,831
Other loans receivable	37,000
Total	\$ 22,599,949

South Bay Community Services

The City and Agency entered into several loan agreements with South Bay Community Services, a California non-profit public benefit corporation. The loans were made to enable South Bay Community Services to provide affordable housing to low income families. Deeds of trust and assignment of rents 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. Interest accrues annually on the unpaid balance from rates ranging from 3% to 6%. Interest of \$1,438,731 has been deferred at June 30, 2007. The outstanding balance at June 30, 2007 is \$4,948,815.

South Bay Community Villas, L.P.

The City 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. Agency assistance is in the form of residual receipt loan secured by a promissory note and deed of trust. The outstanding principal and interest on the loan will be repaid over fifty five

CITY OF CHULA VISTA
Notes to Financial Statements (Continued)
June 30, 2007

years and shall accrue interest at 3% per annum. Payment of principal and interest on the Agency loan shall be 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 developers fee, and reasonable operating expense have been paid. Interest of \$733,710 has been deferred at June 30, 2007. The outstanding balance of the loan as of June 30, 2007 was \$5,133,710.

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. The outstanding balance of the loan as of June 30, 2007 was \$143,750.

Rancho Vista Housing

The City and Agency have loaned \$1,500,000 to CIC Eastlake, L.P. for the development and operation of Rancho Vista Housing project, a multifamily affordable housing project. The loan will be secured by promissory notes and deeds of trust. The outstanding principal and interest amount of the loan shall be repaid over fifty-five (55) years and shall accrue at the simple interest rate of 3% per annum. Payment of principal and interest, or portions thereof, on the loan shall be made on an annual basis, out of a fund equal to 50% of the net cash flow of the project. Interest of \$128,219 has been deferred at June 30, 2007. The outstanding balance of the loan as of June 30, 2007 was \$1,628,219.

St. Regis Park

The Agency entered into a loan agreement with the Chelsea Investment Corporation for the acquisition and rehabilitation of the 119-unit Pear Tree Apartments at 1025 Broadway. All units will be 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 shall be made on an annual basis out of a fund equal to 90% of the residual receipts. Interest of \$584,498 has been deferred at June 30, 2007. The outstanding balance of the loan as of June 30, 2007 was \$1,971,650.

Chula Vista Rehabilitation CHIP Loans

The Chula Vista Rehabilitation Community Housing Improvement Program (CHIP) is under the direct control of the Agency. 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. The program was originally funded entirely with Community

CITY OF CHULA VISTA
Notes to Financial Statements (Continued)
June 30, 2007

Development Block Grant Federal funds. In recent years, the Agency began supplementing the program due to decreased availability of Federal grants. Interest of \$200,508 was deferred as of June 30, 2007. The outstanding balance of the CHIP loans as of June 30, 2007 was \$2,378,753.

Civic Center Barrio Housing Corporation Loan

In 1991, the Agency 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. Interest accrues annually at 5% of the unpaid principal balance of the note. The outstanding balance of the loan as of June 30, 2007 was \$234,597.

Mobile Home Assistance Programs

The Agency entered into agreements with eligible residents of the Orange Tree Mobile Home Park, whereby the Agency loaned \$250,030 as permanent financing assistance to residents for the purpose of purchasing certain mobile home property. The loans are secured by deeds of trust on the property and mature in 2017 or when the property is sold. Contingent interest will be charged based on calculations specified in the agreement. The outstanding balance of the loan as of June 30, 2007 was \$55,952.

Chelsea Investment Corporation/Sunbow Services Co., LLC

The Agency entered into a residual receipts loan agreement with Chelsea Investment Corporation/Sunbow Services Company, LLC for the development of the proposed 132 unit Villa Serena senior affordable housing project. The loan amount of \$275,000 was funded by the Agency's Low & Moderate Income Housing Fund. Terms of the loan will be for 52 years at 6% per annum. Principal and interest payments will be made on an annual basis out of a fund equal to 90% of the "Residual Receipts." Interest of \$133,558 has been deferred at June 30, 2007. The outstanding balance of the loan as of June 30, 2007 was \$408,558.

Alpha III Development Inc (Main Plaza, L.P.)

The Agency entered into a loan agreement with Main Plaza, LP (Borrower) to assist the borrower in acquiring and improving certain real property for occupancy by very low, lower and low and moderate income households. The loan bears an interest rate of 3% per annum. The loan shall be due and payable on the date that is 55 years from the date

CITY OF CHULA VISTA
Notes to Financial Statements (Continued)
June 30, 2007

of the Agency's issuance of the Certificate of Completion. Interest of \$120,814 was deferred as of June 30, 2007. The outstanding balance of the loan as of June 30, 2007 was \$1,920,814.

Seniors on Broadway

The Agency entered into a loan agreement with Seniors on Broadway Limited Partnership to assist the borrower in acquiring and improving certain real property for occupancy by very low, lower and low and moderate income households. The loan bears an interest rate of 3% per annum. The loan shall be due and payable on the date that is 55 years from the date of the Agency's issuance of the Certificate of Completion. Interest of \$121,106 was deferred as of June 30, 2007. The outstanding balance of the loan as of June 30, 2007 was \$3,632,300.

Wakeland Housing and Development Corporation

The Agency entered into a predevelopment loan agreement with Wakeland Housing and Development Corporation to assist the borrower in constructing affordable multi family apartment units for occupancy by extremely low, very low and lower income households. The loan is interest free. Repayment of the predevelopment loan is subject to the approval and execution of a Development and Loan Agreement within the negotiating period as set forth in the Exclusive Negotiating Agreement (ENA). If the Development and Loan Agreement is not approved or executed within the negotiating period, the loan shall be immediately due and payable. The outstanding balance of the loan as of June 30, 2007 was \$105,831.

Other Loans Receivable

Other loans receivable amount to \$37,000 and are loans to residents for the First Time Home Buyers Program.

C. Interfund receivables, payables, and transfers

The purpose of the interfund transactions is to make short-term and long-term interfund loans from one fund to another. Due to/from amounts are short term financing, the advances are for longer financing.

CITY OF CHULA VISTA
Notes to Financial Statements (Continued)
June 30, 2007

Due to/from other funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Nonmajor governmental funds	\$ 237,908
Nonmajor governmental funds	Nonmajor governmental funds	<u>2,074,716</u>
Total		<u>\$ 2,312,624</u>

These interfund loans are to provide for negative cash balances at year-end and operating cash flow.

Long-term Advances:

As of June 30, 2007, balances were as follows:

<u>Advances from</u>	<u>Advances to</u>				<u>Total</u>
	<u>General Fund</u>	<u>Sewer Fund</u>	<u>Development Impact Fund</u>	<u>Nonmajor Governmental Funds</u>	
RDA Debt Service Fund	\$ 30,321,245			\$ 5,024,641	\$ 35,345,886
City Debt Service Fund		\$ 13,074,013	\$ 913,419	690,295	14,677,727
Development Impact Fund		<u>3,787,734</u>			<u>3,787,734</u>
Total	<u>\$ 30,321,245</u>	<u>\$ 16,861,747</u>	<u>\$ 913,419</u>	<u>\$ 5,714,936</u>	<u>\$ 53,811,347</u>

The Agency has entered into reimbursement agreements with the City to reimburse the City for certain lease payments made by the City under various lease agreements. The balance as of June 30, 2007, is \$25,362,155.

The City Council authorized various loans to the Agency for operating purposes. The terms of the loans are indefinite. The balance as of June 30, 2007, is \$4,959,090.

The Bayfront Town Centre I Capital Projects Fund advanced funds to other capital projects funds for operating purposes. The terms of the advances are indefinite. The balance was \$5,024,641 at June 30, 2007.

The City Council authorized loans with indefinite terms to Storm Drain Fund for \$1,563,546; Special Assessment District Improvement Funds for \$32,471; Salt Creek for \$15,956,025 and General Fund \$913,419. The Assessment District Loans are due and payable in 10 years, with the first payment due upon completion of the project.

CITY OF CHULA VISTA
Notes to Financial Statements (Continued)
June 30, 2007

Interfund Transfers

Transfers for the year ended June 30, 2007 were as follows:

Transfers In	Transfers Out							Total
	General Fund	Sewer Special Revenue Funds	RDA Debt Service Funds	Development Impact Capital Projects Funds	Nonmajor Governmental Funds	Transit Fund	Internal Service Funds	
General Fund		\$ 9,365,863		\$ 4,000,000	\$ 5,281,996		\$ 32,124	\$ 18,679,983
Sewer Special Revenue Fund				755,579				755,579
RDA Debt Service Fund			\$ 15,635,139		1,738,037			17,373,176
City Debt Service Fund	\$ 103,518				8,937			112,455
Development Impact Capital Projects Fund				560,905				560,905
Nonmajor Governmental Funds	5,254,253	37,624	1,025,976	4,794,538	5,273,144	\$ 22,618	10,294	16,418,447
Total	\$ 5,357,771	\$ 9,403,487	\$ 16,661,115	\$ 10,111,022	\$ 12,302,114	\$ 22,618	\$ 42,418	\$ 53,900,545

General Fund – Operating support to reimburse the general fund for City Staff services and equipment. Total amount of reimbursement was \$18,679,983.

Sewer Special Revenue Fund – Operating support from the Trunk Sewer Capital Projects Fund for sewer operation in the amount of \$755,579 from Development Impact Capital Projects Funds.

RDA Debt Service Fund – Funding the debt service funds for repayment of various long-term obligations amounted to \$1,738,037 and refunding of the 94 TABS, Series A, C and D with proceeds amounted to \$15,635,139.

City Debt Service Fund –Funding debt service funds for repayment of various long-term obligations amounted to \$112,455.

Development Impact Capital Projects – Funding the closure of four Development Impact Fee components namely the Geographic Information System, Mainframe Computer System, Telephone Switch Expansion and Records Management amounted to \$560,905.

Non-major Governmental Funds – Funding debt service funds for repayment of various long-term obligations amounted to \$16,418,447.

CITY OF CHULA VISTA
Notes to Financial Statements (Continued)
June 30, 2007

D. Capital Assets

A summary of changes in Governmental Activities capital assets at June 30, 2007 is as follows:

	Beginning Balance	Additions	Retirements	Ending Balance
Governmental Activities:				
Capital assets, not being depreciated:				
Land	\$ 63,979,746	\$ 17,268,514	\$ (57,776)	\$ 81,190,484
Construction in progress	51,595,767	22,046,742	(36,590,922)	37,051,587
Total Capital Assets, not Being Depreciated	<u>115,575,513</u>	<u>39,315,256</u>	<u>(36,648,698)</u>	<u>118,242,071</u>
Capital assets being depreciated:				
Buildings	160,375,744	18,729,044		179,104,788
Improvements other than buildings	76,324,816	25,977,480		102,302,296
Machinery and Equipment	36,122,102	1,634,530	(2,215,241)	35,541,391
Infrastructure	679,014,578	66,160,923		745,175,501
Total Capital Assets, Being Depreciated	<u>951,837,240</u>	<u>112,501,977</u>	<u>(2,215,241)</u>	<u>1,062,123,976</u>
Less accumulated depreciation:				
Buildings	(20,888,237)	(3,211,207)		(24,099,444)
Improvements other than buildings	(25,137,480)	(1,535,230)		(26,672,710)
Machinery and Equipment	(27,306,709)	(3,322,212)	2,179,194	(28,449,727)
Infrastructure	(185,475,957)	(17,535,843)		(203,011,800)
Total Accumulated Depreciation	<u>(258,808,383)</u>	<u>(25,604,492)</u>	<u>2,179,194</u>	<u>(282,233,681)</u>
Total Capital Assets, Being Depreciated	<u>693,028,857</u>	<u>86,897,485</u>	<u>(36,047)</u>	<u>779,890,295</u>
Governmental Activities Capital Assets, Net	<u>\$ 808,604,370</u>	<u>\$ 126,212,741</u>	<u>\$ (36,684,745)</u>	<u>\$ 898,132,366</u>

CITY OF CHULA VISTA
Notes to Financial Statements (Continued)
June 30, 2007

Depreciation expense was charged to functions/programs of the governmental activities as follows:

General government	\$ 1,087,485
Public safety	2,529,701
Public works	20,355,234
Parks and recreation	1,373,019
Library	<u>259,053</u>
Total	<u><u>\$ 25,604,492</u></u>

A summary of changes in Business-Type Activities capital assets at June 30, 2007 is as follows:

	Beginning Balance	Additions	Retirements	Ending Balance
Business-type Activities:				
Capital assets, being depreciated:				
Machinery and Equipment	\$ 11,605,029		\$ (504,615)	\$ 11,100,414
Less accumulated depreciation:				
Machinery and Equipment	<u>(5,064,515)</u>	<u>\$ (831,620)</u>	<u>454,154</u>	<u>(5,441,981)</u>
Business-type Activities				
Capital Assets, Net	<u><u>\$ 6,540,514</u></u>	<u><u>\$ (831,620)</u></u>	<u><u>\$ (50,461)</u></u>	<u><u>\$ 5,658,433</u></u>

CITY OF CHULA VISTA
Notes to Financial Statements (Continued)
June 30, 2007

E. Long-Term Debt

Changes in long-term debt for the year ended June 30, 2007 are as follows:

	Beginning Balance	Additions	Repayments	Ending Balance	Due Within One Year
Governmental Activities:					
Tax allocation bonds	\$ 40,295,000	\$ 25,760,000	\$ 24,780,000	\$ 41,275,000	\$ 1,090,000
Pension obligation bonds	11,795,000		1,380,000	10,415,000	1,595,000
Certificates of participation	144,240,000		4,395,000	139,845,000	4,800,000
Bond premium	33,074		1,181	31,893	1,181
Bond discount		(505,884)	(24,090)	(481,794)	24,090
ERAF loans	1,640,000		125,000	1,515,000	150,000
Notes payable	272,175		22,279	249,896	25,570
Capital leases	1,862,154		190,522	1,671,632	201,287
Compensated absences	6,004,383	5,025,866	4,443,864	6,586,385	4,500,000
Total	\$ 206,141,786	\$ 30,279,982	\$ 35,313,756	\$ 201,108,012	\$ 12,387,128

Tax Allocation Bonds

	Balance July 1, 2006	Debt Issue	Debt Retired	Balance June 30, 2007
1994 Senior Tax Allocation Refunding Bonds, Series A	\$ 12,590,000		\$ (12,590,000)	
1994 Senior Tax Allocation Refunding Bonds, Series D	4,945,000		(4,945,000)	
1994 Subordinate Tax Allocation Refunding Bonds, Series C	6,855,000		(6,855,000)	
2000 Tax Allocation Bonds	15,905,000		(390,000)	\$ 15,515,000
2006 Senior Tax Allocation Refunding Bonds, Series A		\$ 13,435,000		13,435,000
2006 Senior Tax Allocation Refunding Bonds, Series B		12,325,000		12,325,000
Total	\$ 40,295,000	\$ 25,760,000	\$ (24,780,000)	\$ 41,275,000

CITY OF CHULA VISTA
Notes to Financial Statements (Continued)
June 30, 2007

1994 Senior Tax Allocation Refunding Bonds, Series A

In November 1994, the Agency issued \$14,810,000 1994 Senior Tax Allocation Refunding Bonds, Series A, to refund the 1986 Tax Allocation Bonds. The bonds consist of \$1,585,000 serial bonds which mature from 1998 to 2004 in amounts ranging from \$185,000 to \$275,000 and \$12,885,000 term bonds with mature in 2024. Interest is payable semi-annually on March 1 and September 1, at interest rates ranging from 5.85% to 7.625%. Bonds maturing on or after September 1, 2006, are subject to optional redemption on any interest payment date on or after September 1, 2005, at various redemption prices. The annual debt service is paid from property taxes increment in the project area. The balance outstanding as of June 30, 2007 was \$0. This was refunded by 2006 Tax Allocation Refunding Bonds, Series A.

1994 Senior Tax Allocation Refunding Bonds, Series D

In February 1996, the Agency issued \$5,680,000 1994 Senior Tax Allocation Refunding Bonds, Series D, to refund the Agency's Bayfront/Town Centre Redevelopment Project 1994 Senior Tax Allocation Refunding Bonds, Series B. The 1994 Bonds, Series B, were paid off with the bond proceeds. The bonds are term bonds, which mature in 2024. Interest is payable semi-annually on March 1 and September 1 at 8.625%. The bonds are subject to redemption prior to maturity on any interest payment date, on or after September 1, 2006, at various redemption prices. The bonds are subject to mandatory sinking fund redemption prior to maturity, in part, by lot on September 1, 1997, and on each September 1 thereafter, without premium, from 1988 to 2024 in amounts ranging from \$60,000 to \$495,000. The annual debt service is paid from property tax increment generated in the project area. The balance outstanding at June 30, 2007 was \$0. This was refunded by 2006 Tax Allocation Refunding Bonds, Series B.

1994 Subordinate Tax Allocation Refunding Bonds, Series C

In November 1994, the Agency issued \$8,195,000 1994 Subordinate Tax Allocation Refunding Bonds, Series C to refund the 1986 Tax Allocation Bonds. The bonds consist of \$930,000 serial bonds which mature from 1998 to 2004 in amounts ranging from \$100,000 to \$145,000 and term bonds of \$2,255,000 and \$4,925,000 which mature in 2014 and 2024, respectively. Interest is payable semiannually on May 1 and November 1 at interest rates ranging from 5.95% to 8.25%. The bonds are subject to optional redemption on any interest payment date on or after May 1, 2005, at various redemption prices. The annual debt service is paid from property tax increment generated in the project area. The balance outstanding at June 30, 2007 was \$0. This was refunded by 2006 Tax Allocation Refunding Bonds, Series B.

CITY OF CHULA VISTA
Notes to Financial Statements (Continued)
June 30, 2007

2000 Tax Allocation Bonds

In October 2000, the Agency issued \$17,000,000 2000 Tax Allocation Bonds, to provide funds to fund a reserve account to pay expense of the Agency in connection with the issuance of the bonds and to finance or refinance certain redevelopment activities. The proceeds of the bonds were used to fund the acquisition and construction of certain capital improvements which are located in the Agency's Town Center I Project Area. The bonds consist of \$9,535,000 serial bonds which mature from 2001 to 2030 in amounts ranging from \$100,000 to \$715,000 and term bonds of \$1,440,000 and \$6,025,000 which mature in 2022 and 2029, respectively. Interest is payable semiannually on March 1 and September 1 at interest rates ranging from 4.30% to 5.375%. The bonds are subject to optional redemption on any interest payment date on or after September 1, 2004, at various redemption prices. The bonds are payable solely from certain tax increment revenues of the Agency and other funds held under the indenture. The balance outstanding at June 30, 2007 was \$15,515,000.

The annual debt service requirements for the 2000 Tax Allocation Bonds outstanding at June 30, 2007 were as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2008	\$ 405,000	\$ 787,605	\$ 1,192,605
2009	425,000	769,760	1,194,760
2010	440,000	750,943	1,190,943
2011	460,000	730,913	1,190,913
2012	480,000	709,523	1,189,523
2013-2017	2,655,000	3,175,681	5,830,681
2018-2022	3,170,000	2,443,198	5,613,198
2023-2027	4,115,000	1,479,864	5,594,864
2028-2031	3,365,000	333,116	3,698,116
Total	<u>\$ 15,515,000</u>	<u>\$ 11,180,603</u>	<u>\$ 26,695,603</u>

CITY OF CHULA VISTA
Notes to Financial Statements (Continued)
June 30, 2007

2006 Senior Tax Allocation Refunding Bonds, Series A

In July 2006, the Agency issued \$13,435,000 2006 Senior Tax Allocation Refunding Bonds, Series A to refinance the Agency's outstanding Bayfront/Town Centre Redevelopment Project 1994 Senior Tax Allocation Refunding Bonds, Series A, and to satisfy the reserve requirement for the Bonds and provide for the costs of issuing the Bonds. The original bond proceeds were used in the acquisition of property, demolition, relocation, public improvements and funding the Low and Mod Income Housing Project. The bond consist of serial bonds which mature in 2028. Interest is payable semiannually on March 1 and September 1 at interest rates ranging from 4.00% to 4.60%. The bonds are subject to optional redemption on any interest payment date on or after September 1, 2012, at various redemption prices. The bonds are payable solely from certain tax increment revenues of the Agency and other funds held under the indenture. The balance outstanding at June 30, 2007 was \$13,435,000. The economic gain of issuance of new debt was approximately \$2.3 million.

The annual debt service requirements for the 2006 Tax Allocation Refunding Bonds, Series A outstanding at June 30, 2007 were as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2008	\$ 395,000	\$ 574,433	\$ 969,433
2009	460,000	556,345	1,016,345
2010	480,000	537,545	1,017,545
2011	500,000	517,945	1,017,945
2012	520,000	497,545	1,017,545
2013-2017	2,950,000	2,120,993	5,070,993
2018-2022	3,620,000	1,430,010	5,050,010
2023-2027	3,995,000	547,265	4,542,265
2028	515,000	11,845	526,845
Total	<u>\$ 13,435,000</u>	<u>\$ 6,793,926</u>	<u>\$ 20,228,926</u>

CITY OF CHULA VISTA
Notes to Financial Statements (Continued)
June 30, 2007

2006 Subordinate Tax Allocation Refunding Bonds, Series B

In July 2006, the Agency issued \$12,325,000 2006 Subordinate Tax Allocation Refunding Bonds, Series B to refinance the Agency's outstanding Bayfront/Town Centre Redevelopment Project 1994 Senior Tax Allocation Refunding Bonds, Series C and D, and to satisfy the reserve requirement for the Bonds and provide for the costs of issuing the Bonds. The original bond proceeds were used in the acquisition of property, demolition, relocation, public improvements and funding the Low and Mod Income Housing Project. The bonds consist of \$7,995,000 serial bonds which mature from 2007 to 2021 in amounts ranging from \$290,000 to \$735,000 and term bonds of \$4,330,000 which mature in 2028. Interest is payable semiannually on April 1 and October 1 at interest rates ranging from 4.00% to 6.00%. The bonds are subject to optional redemption on any interest payment date on or after October 1, 2012, at various redemption prices. The bonds are payable solely from certain tax increment revenues of the Agency and other funds held under the indenture. The balance outstanding at June 30, 2007 was \$12,325,000. The economic gain of issuance of new debt was approximately \$2.4 million.

The annual debt service requirements for the 2006 Subordinate Tax Allocation Refunding Bonds, Series B outstanding at June 30, 2007 were as follows:

Year Ending June 30,	Principal	Interest	Total
2008	\$ 290,000	\$ 605,065	\$ 895,065
2009	410,000	556,165	966,165
2010	425,000	569,199	994,199
2011	440,000	551,084	991,084
2012	460,000	531,384	991,384
2013-2017	2,630,000	2,311,806	4,941,806
2018-2022	3,340,000	1,578,622	4,918,622
2023-2027	3,830,000	607,163	4,437,163
2028	500,000	13,125	513,125
Total	<u>\$ 12,325,000</u>	<u>\$ 7,323,613</u>	<u>\$ 19,648,613</u>

CITY OF CHULA VISTA
Notes to Financial Statements (Continued)
June 30, 2007

Pension Obligation Bonds

The Pension Obligation Bonds Series 1994, were issued by the City to pay the obligations from the City to the California Public Employees Retirement System for the City's unfunded pension liability. The total issue is comprised of the following: (1) Current Interest Bonds with original amount due of \$7,415,000. These bonds mature in amounts ranging from \$310,000 in 1996 to \$1,820,000 in 2009. Interest is payable semi-annually on February 1 and August 1, beginning February 1, 1996, at interest rates ranging from 6.05% to 7.875% annually; (2) \$7,000,000 Term Bonds are due August 1, 2011, with a stated annual interest rate of 8.15% and are reflected in the annual debt service schedule below; (3) Capital Appreciation Bonds matured in 2006.

The bonds mature in the initial principal amounts ranging from \$800,000 in 2002 to \$1,095,000 in 2005 and \$480,036 in 2006. The effective annual yield on these bonds ranges from 7.690% to 8.34%. The bonds are not limited as to payment to any special source of funds of the City. The accreted value of the Pension Obligation Bonds at June 30, 2007 was \$10,415,000.

The annual debt service requirements for the Pension Obligation Bonds outstanding at June 30, 2007 are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2008	\$ 1,595,000	\$ 774,280	\$ 2,369,280
2009	1,820,000	640,413	2,460,413
2010	2,020,000	486,688	2,506,688
2011	2,325,000	310,172	2,635,172
2012	2,655,000	107,859	2,762,859
Total	<u>\$ 10,415,000</u>	<u>\$ 2,319,412</u>	<u>\$ 12,734,412</u>

CITY OF CHULA VISTA
Notes to Financial Statements (Continued)
June 30, 2007

Certificates of Participation

	Balance <u>July 1, 2006</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>June 30, 2007</u>
2000 COP, Series A	\$ 20,150,000		\$ (1,180,000)	\$ 18,970,000
2002 COP	59,020,000		(1,160,000)	57,860,000
2003 Refunding COP	7,505,000		(1,280,000)	6,225,000
2004 COP Civic Center Phase 1	37,240,000		(775,000)	36,465,000
2006 COP Civic Center Phase 2	20,325,000			20,325,000
	<u>\$ 144,240,000</u>	<u>\$ -</u>	<u>\$ (4,395,000)</u>	<u>\$ 139,845,000</u>
Total	<u>\$ 144,240,000</u>	<u>\$ -</u>	<u>\$ (4,395,000)</u>	<u>\$ 139,845,000</u>

2000 COP, Series A

In October 2000, the Chula Vista Public Financing Authority (Authority) issued \$25,255,000 in 2000 Certificates of Participation, Series A, to provide funds to improve the City's 800 Megahertz emergency communications system, improve the City's Corporation Yard, finance a reserve account for the certificates, and pay the costs of issuance incurred in connection with the execution and delivery of the certificates. The source of the repayments of the certificates is the lease payments to be made by the City to the Authority. The certificates mature in amounts ranging from \$855,000 to 2001 to \$1,790,000 in 2020. Interest is payable semi-annually on March 1 and September 1, at interest rates ranging from 4.25% to 5.25%. The certificates maturing after September 1, 2010, are subject to redemption at premiums ranging from zero to 2%. The outstanding balance at June 30, 2007 is \$18,970,000.

The annual debt service requirements for the 2000 Certificates of Participation outstanding at June 30, 2007 were as follows:

Year Ending <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2008	\$ 1,235,000	\$ 887,922	\$ 2,122,922
2009	1,025,000	838,484	1,863,484
2010	1,070,000	792,523	1,862,523
2011	1,120,000	744,343	1,864,343
2012	1,165,000	693,490	1,858,490
2013-2017	6,700,000	2,574,262	9,274,262
2018-2021	6,655,000	716,502	7,371,502
Total	<u>\$ 18,970,000</u>	<u>\$ 7,247,526</u>	<u>\$ 26,217,526</u>

CITY OF CHULA VISTA
Notes to Financial Statements (Continued)
June 30, 2007

2002 COP

In June 2002, the Chula Vista Public Financing Authority issued \$60,145,000 in 2002 Certificates of Participation to provide funds to construct the City's Police Headquarters, finance the reserve account of the certificates, to capitalize interest during construction and to pay the cost of issuance of the certificates. The source of repayment of the certificates is the lease payments to be made by the City to the Authority. Interest is payable semiannually on February 1 and August 1 of each year commencing August 1, 2005. As of June 30, 2007 the outstanding balance is \$57,860,000.

The annual debt service requirements for the 2002 Certificates of Participation outstanding at June 30, 2007 were as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2008	\$ 1,200,000	\$ 2,714,146	\$ 3,914,146
2009	1,240,000	2,671,346	3,911,346
2010	1,290,000	2,620,746	3,910,746
2011	1,340,000	2,568,146	3,908,146
2012	1,400,000	2,513,346	3,913,346
2013-2017	7,960,000	11,634,127	19,594,127
2018-2022	10,020,000	9,616,840	19,636,840
2023-2027	12,890,000	6,807,250	19,697,250
2028-2032	16,650,000	3,133,750	19,783,750
2033	<u>3,870,000</u>	<u>96,750</u>	<u>3,966,750</u>
Total	<u>\$ 57,860,000</u>	<u>\$ 44,376,447</u>	<u>\$ 102,236,447</u>

2003 Refunding COP

In May 2003, the Chula Vista Public Financing Authority (Authority) issued \$11,320,000 in 2003 Refunding Certificates of Participation to defease the 1993 Certificates, reimburse the City for amounts it has advanced to prepay the equipment lease, finance a reserve account, and pay for the cost of issuance of the Certificates. The Certificates are to be repaid from lease payments made by the City to the Authority for leasing certain property. Interest is payable semiannually on March 1 and September 1 of each year commencing September 1, 2003. The certificates mature in 2013 and principal is payable on September 1 each year commencing September 1, 2003. As of June 30, 2007 the outstanding balance is \$6,225,000.

CITY OF CHULA VISTA
Notes to Financial Statements (Continued)
June 30, 2007

The annual debt service requirements for the 2003 Refunding Certificates of Participation outstanding at June 30, 2007 were as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2008	\$ 1,140,000	\$ 154,455	\$ 1,294,455
2009	940,000	131,525	1,071,525
2010	940,000	109,905	1,049,905
2011	965,000	84,880	1,049,880
2012	990,000	56,273	1,046,273
2013-2014	<u>1,250,000</u>	<u>28,288</u>	<u>1,278,288</u>
Total	<u>\$ 6,225,000</u>	<u>\$ 565,326</u>	<u>\$ 6,790,326</u>

2004 COP Civic Center Phase I

In September 2004, the Chula Vista Public Financing Authority (Authority) issued \$37,240,000 in 2004 Certificates of Participation to provide funding the first phase of the reconstruction, renovation, and equipping of the City's Civic Center Complex. Proceeds will also be used to finance the reserve account of the certificates, to capitalize interest during construction, and to pay the cost of issuance of the certificates. The source of repayment of the certificates is the lease payments to be made by the City to the Authority. Interest is payable semiannually on March 1 and September 1 of each year commencing March 1, 2006. The certificates mature in 2034 and principal is payable on September 1 each year commencing September 1, 2006. As of June 30, 2007, the outstanding balance is \$36,465,000.

CITY OF CHULA VISTA
Notes to Financial Statements (Continued)
June 30, 2007

The annual debt service requirements for the 2004, Certificates of Participation Civic Center Project Phase I outstanding at June 30, 2007 were as follows:

Year Ending June 30,	Principal	Interest	Total
2008	\$ 790,000	\$ 1,602,155	\$ 2,392,155
2009	810,000	1,583,393	2,393,393
2010	830,000	1,561,118	2,391,118
2011	855,000	1,536,218	2,391,218
2012	885,000	1,507,361	2,392,361
2013-2017	4,940,000	7,022,931	11,962,931
2018-2022	6,025,000	5,943,970	11,968,970
2023-2027	7,470,000	4,493,388	11,963,388
2028-2032	9,410,000	2,555,275	11,965,275
2033-2034	4,450,000	336,500	4,786,500
Total	<u>\$ 36,465,000</u>	<u>\$ 28,142,309</u>	<u>\$ 64,607,309</u>

2006 COP Civic Center Phase 2

In March 2006, the Chula Vista Public Financing Authority (Authority) issued \$20,325,000 in 2006 Certificates of Participation to provide funds for the construction and equipping of certain improvements to the Civic Center Complex of the City of Chula Vista and other existing City facilities, fund capitalized interest, fund a reserve fund, and pay the costs incurred in connection with the execution and delivery of the Certificates. The source of repayment of the certificates is the lease payments to be made by the City to the Authority. Interest is payable semiannually on March 1 and September 1 of each year commencing September 1, 2006. The certificates mature in 2036 and principal is payable on March 1 each year commencing March 1, 2008. As of June 30, 2007 the outstanding balance is \$20,325,000.

CITY OF CHULA VISTA
Notes to Financial Statements (Continued)
June 30, 2007

The annual debt service requirements for the 2006 Certificates of Participation Civic Center Project Phase 2 outstanding at June 30, 2007 were as follows:

Year Ending June 30,	Principal	Interest	Total
2008	\$ 435,000	\$ 837,289	\$ 1,272,289
2009	450,000	822,499	1,272,499
2010	465,000	807,199	1,272,199
2011	480,000	791,389	1,271,389
2012	495,000	775,069	1,270,069
2013-2017	2,750,000	3,600,479	6,350,479
2018-2022	3,315,000	3,034,506	6,349,506
2023-2027	3,895,000	2,289,984	6,184,984
2028-2032	4,075,000	1,447,813	5,522,813
2033-2036	3,965,000	456,074	4,421,074
Total	<u>\$ 20,325,000</u>	<u>\$ 14,862,301</u>	<u>\$ 35,187,301</u>

ERAF Loans

In May 2005, the Agency participated in a \$765,000 Loan Agreement with the California Statewide Communities Development Authority to finance their 2005 share of ERAF Payments to the County Auditor. The annual debt service payments are:

Year Ending June 30,	Principal	Interest	Total
2008	\$ 70,000	\$ 31,752	\$ 101,752
2009	70,000	28,704	98,704
2010	75,000	25,570	100,570
2011	80,000	22,118	102,118
2012	80,000	18,354	98,354
2013-2015	270,000	30,762	300,762
Total	<u>\$ 645,000</u>	<u>\$ 157,260</u>	<u>\$ 802,260</u>

CITY OF CHULA VISTA
Notes to Financial Statements (Continued)
June 30, 2007

In May 2006, the Agency participated in a \$930,000 Loan Agreement with the California Statewide Communities Development Authority to finance their 2006 share of ERAF Payments to the County Auditor. The annual debt services payments are:

Year Ending June 30,	Principal	Interest	Total
2008	\$ 80,000	\$ 49,256	\$ 129,256
2009	80,000	44,972	124,972
2010	85,000	40,632	125,632
2011	90,000	35,996	125,996
2012	95,000	31,052	126,052
2013-2016	440,000	68,046	508,046
Total	<u>\$ 870,000</u>	<u>\$ 269,954</u>	<u>\$ 1,139,954</u>

Notes Payable

In January 1994, the City entered into a note payable with a private party in order to purchase certain land and improvements for the ultimate purpose of constructing a three-level parking structure. The note calls for 240 monthly payments of principal and interest, commencing in April 1994 in the initial amount of \$2,548 and increasing 3% percent annually. The annual interest rate is 8.29%. As of June 30, 2007, the outstanding balance is \$249,896.

Capital Leases

The City has agreed to participate in the San Diego County Regional Communication System (RCS). The City will finance its share of the RCS network infrastructure over 14 years and its total contribution will be \$2,809,405. The agreement with the County will provide the City with full partnership in the RCS. As of June 30, 2007, the outstanding balance is \$1,671,632.

Compensated Absences

The City's liability for vested and unpaid compensated absences (accrued vacation) has been accrued and amounts to \$6,586,385 at June 30, 2007. In business-type funds, the liabilities are reported in the fund as the benefits vest and are earned. Compensated absence at June 30, 2007 were obligations of the following funds:

Governmental Funds	\$ 6,503,633
Fleet Management	<u>82,752</u>
Total	<u>\$ 6,586,385</u>

CITY OF CHULA VISTA
Notes to Financial Statements (Continued)
June 30, 2007

Defeased Debt

On May 29, 1986, the Agency advance refunded the \$7,150,000 1979 Tax Allocation Bonds by placing in an irrevocable trust amount sufficient to meet all future debt service payments of the refunded debt. As a result the 1979 bonds were considered defeased and the liability was removed from the City's books. The outstanding balance at June 30, 2007, was \$0.

F. Special Assessment Debt – Non-City Obligation

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 property. 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. Thereafter, none of the following obligations are included in the accompanying basic financial statements.

CITY OF CHULA VISTA
Notes to Financial Statements (Continued)
June 30, 2007

As of June 30, 2007, the total special assessment debt outstanding was as follows:

	Original Amount	Outstanding June 30, 2007
CFD 06-I A Eastlake Woods, Vista, Land Swap	\$ 39,000,000	\$ 37,210,000
CFD 06-I B Eastlake Woods, Vista, Land Swap	7,880,000	7,635,000
CFD 01-2 McMillin Otay Valley Ranch Village 6	10,250,000	9,795,000
CFD 08-I Otay Ranch Village	21,655,000	20,915,000
CFD 07-I Otay Ranch Village 11	28,050,000	27,580,000
CFD 12-I McMillin Otay Ranch Village 7	22,565,000	22,565,000
CFD 2001-1 B San Miguel Ranch 2005 Improvement	12,230,000	12,230,000
CFD 13-I McMillin Otay Ranch Village 7	16,620,000	16,620,000
CFD 07-I McMillin Otay Ranch Village 1	16,950,000	16,950,000
2005 Revenue Refunding Bonds	93,930,000	91,680,000
AD 94-1 Eastlake Greens Phase II	7,464,474	3,835,000
RAD2001-1 Refunding Revenue Bonds Residential	20,445,000	18,285,000
RAD2001-2 Refunding Revenue Bonds Commercial	9,705,000	3,005,000
Industrial Development Revenue Bonds, 1992 Series A-D	250,000,000	150,000,000
Industrial Development Revenue Bonds, 1996 Series A-B	98,900,000	98,900,000
Industrial Development Revenue Bonds, 1997 Series A	25,000,000	25,000,000
Industrial Development Revenue Bonds, 2004 Series A-F	251,265,000	251,265,000
Industrial Development Revenue Bonds, 2006 Series A	161,240,000	161,240,000
Total	<u>\$ 1,093,149,474</u>	<u>\$ 974,710,000</u>

G. Debt Compliance

At June 30, 2007, City management believes that the City has complied with all requirements of its various debt agreements.

H. Self Insurance

The City is self-insured for the first \$250,000 per occurrence for its general liability losses including personal injury, property damage, errors and omission, automobile liability and employment practices liability. For those losses between \$250,000 and \$2,000,000 per occupied the City pools its liabilities through its membership in the San Diego Pooled insurance Program Authority (SANDPIPA). Insurance for losses in excess of the \$2,000,000 up to \$37,000,000 is purchased on a group basis by the member cities.

CITY OF CHULA VISTA
Notes to Financial Statements (Continued)
June 30, 2007

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

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

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

The City is self-insured for the first \$500,000 per occurrence for worker's 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, 2007, there are 147 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 \$150,000,000 via a group purchased excess insurance policy.

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

CITY OF CHULA VISTA
Notes to Financial Statements (Continued)
June 30, 2007

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

	2007	2006
Unpaid claims, beginning of year	\$ 12,618,048	\$ 8,948,014
Incurred claims and changes in estimates	4,617,779	7,204,186
Claim payments	(3,356,238)	(3,534,152)
Unpaid Claims, End of Year	\$ 13,879,589	\$ 12,618,048
Due Within One Year	\$ 3,300,000	\$ 3,500,000

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

IV. Other Information

A. California Public Employees' Retirement Plan

Plan Description:

The City contributes to the California Public Employees' Retirement System (PERS), an agent multiple-employer public employee defined benefit pension plan. PERS provides retirement and personal disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. PERS acts as a common investment and administrative agent for participating public entities within the State of California. Benefit provisions and all other requirements are established by the State statute and the City ordinance. Copies of PERS' annual financial report may be obtained from their Executive Office located at 400 P Street, Sacramento, California 95814.

Funding Policy:

Active plan members are required by State statute to contribute 8% for miscellaneous and 9% for safety employees of their annual covered salary. The City employer makes the contribution required of City employees on their behalf and for their account, which amounted to \$7,922,499 for the year ended June 30, 2007. The City is required to contribute at an actuarially determined rate, which is 26.505% for miscellaneous employees and 30.055% for safety employees.

CITY OF CHULA VISTA
Notes to Financial Statements (Continued)
June 30, 2007

Annual Pension Cost:

For 2006-2007, the City's annual pension cost of \$17,773,292 for PERS was equal to the City's required and actual contributions. The required contribution was determined as part of the June 30, 2005, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions included (a) 7.75% investment rate of return (net of administrative expenses), (b) projected salary increases range from 3.25% to 14.45% for miscellaneous employees and 3.25% to 13.15% for safety employees depending on age, service and type of employment and (c) 3.25% per year cost of living adjustments. Both (a) and (b) included an inflation component of 3%. The actual value of PERS assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a three year period. PERS unfunded actual accrued liability (or surplus) for both miscellaneous and safety employees are being amortized as a level percentage payrolls over a closed 20-year period for prior and current service unfunded liability.

Three-year trend information for the Miscellaneous and Safety Plans:

<u>Fiscal Year</u>	<u>Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
6/30/2005	\$ 13,614,272	100%	\$ -
6/30/2006	17,893,117	100%	-
6/30/2007	17,773,292	100%	-

B. Defined Contribution Pension Plan

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

For the year ended June 30, 2007, the City's total payroll and covered payroll was \$3,839,230. The City made employer contributions of \$143,971 (3.75% of current covered payroll), and employees contributed \$143,971 (3.75% of current covered payroll).

CITY OF CHULA VISTA
Notes to Financial Statements (Continued)
June 30, 2007

C. Commitments and Contingent Liabilities

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

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

The General Fund has loaned approximately \$578,149 to the Agency for unreimbursed services rendered by City staff. It is anticipated that the Agency will repay this loan from tax increment revenues. Currently, tax increment revenues are used to pay for related debt service expenditures and possible future debt issuance. As a result, the Agency is uncertain if the amount will be repaid to the City's General Fund. Accordingly, this contingent payable has not been reported in accompanying basic financial statements. The Agency will record the contingent payable when payment is assured.

V. Accounting for Termination Benefits

The City implemented GASB Statement No. 47, *Accounting for Termination Benefits* during the fiscal year ended June 30, 2006. The City entered into a separation agreement with the former Assistant City Manager totaling \$140,476 (which includes salary, retirement and health benefits) to be paid out during fiscal year 2007-08. The liability has been reflected in the financial statements as of June 30, 2007.

VI. Subsequent Event

On October 16, 2007 a resolution was approved by the City Council amending the contract between the Board of Administration of the California Public Employees Retirement System and the City of Chula Vista to provide two years additional service credit to all local, miscellaneous and local safety members that retire during a designated 90-day eligibility window, November 8, 2007 through February 5, 2008. The City Council additionally adopted the same resolution approving the medical incentive program for eligible employees. This was done to implement cost saving measures to balance the city's current budget.

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REQUIRED SUPPLEMENTARY INFORMATION

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CITY OF CHULA VISTA
 Required Supplementary Information
 PERS Schedule of Funding Progress
 June 30, 2007

Miscellaneous Employees

Actuarial Valuation Date	Accrued Liability (a)	Actuarial Asset Value (b)	Unfunded Liability/ (Excess Assests) [(a)-(b)]	Funded Status [(b)/(a)]	Annual Covered Payroll (c)	UL As a % of Payroll [(a)-(b)]/(c)
6/30/2004	\$ 206,730,274	\$ 154,849,579	\$ 51,880,695	74.9%	\$ 47,920,530	108.3%
6/30/2005	232,282,399	174,477,224	57,805,175	75.1%	52,893,195	109.3%
6/30/2006	257,692,801	196,921,453	60,771,348	76.4%	57,654,921	105.4%

Safety Employees

Actuarial Valuation Date	Accrued Liability (a)	Actuarial Asset Value (b)	Unfunded Liability/ (Excess Assests) [(a)-(b)]	Funded Status [(b)/(a)]	Annual Covered Payroll (c)	UL As a % of Payroll [(a)-(b)]/(c)
6/30/2004	\$ 175,892,648	\$ 160,902,527	\$ 14,990,121	91.5%	\$ 22,412,640	66.9%
6/30/2005	196,045,435	174,416,640	21,628,795	89.0%	26,119,100	82.8%
6/30/2006	221,829,740	190,269,514	31,560,226	85.8%	31,000,407	101.8%

CITY OF CHULA VISTA
 General Fund
 Budgetary Comparison Schedule
 For the Year Ended June 30, 2007

	Budgeted Amounts		Actual	Variance
	Original	Final		Positive (Negative)
Revenues:				
Taxes	\$ 84,689,144	\$ 84,689,144	\$ 77,282,443	\$ (7,406,701)
Intergovernmental revenue	23,578,957	24,716,466	24,152,316	(564,150)
Licenses and permits	4,281,735	4,281,735	2,730,534	(1,551,201)
Charges for services	17,472,165	17,707,048	16,259,086	(1,447,962)
Fines, forfeitures, and penalties	1,462,125	1,462,125	1,315,262	(146,863)
Use of money and property	2,430,686	2,550,687	2,355,304	(195,383)
Other revenues	20,462,608	21,094,228	21,970,468	876,240
Total Revenues	154,377,420	156,501,433	146,065,413	(10,436,020)
Expenditures:				
General government				
City council	1,638,747	1,638,747	1,513,113	125,634
Boards and commissions	14,252	14,252	11,447	2,805
City clerk	1,103,870	1,195,231	1,166,484	28,747
City attorney	2,662,141	2,723,608	2,721,778	1,830
Administration	3,972,502	3,986,459	3,499,210	487,249
Management and information	4,405,560	4,461,887	4,202,550	259,337
Human resources	5,377,199	12,162,452	8,202,098	3,960,354
Finance	3,205,939	3,205,939	2,978,448	227,491
Community development	3,799,375	3,954,618	3,668,786	285,832
Planning and building	10,474,618	10,616,759	10,075,239	541,520
Public safety:				
Police	50,046,557	51,315,246	49,625,680	1,689,566
Fire	22,480,372	23,586,746	22,917,760	668,986
Public works:				
Engineering	7,815,740	7,908,040	6,586,807	1,321,233
Services	32,091,000	32,389,561	31,706,784	682,777
Parks and recreation	8,199,963	8,237,944	7,268,640	969,304
Library	10,205,256	10,393,439	9,677,724	715,715
Non-departmental:				
Furlough and pension obligation bonds	(3,952,369)	(3,953,131)	(2,123,251)	(1,829,880)
Capital outlay		877,715	400,584	477,131
Total Expenditures	163,540,722	174,715,512	164,099,881	10,615,631

(Continued)

CITY OF CHULA VISTA
General Fund
Budgetary Comparison Schedule (Continued)
For the Year Ended June 30, 2007

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
Excess (Deficiency) of Revenues Over (Under) Expenditures	(9,163,302)	(18,214,079)	(18,034,468)	179,611
Other Financing Sources (Uses):				
Transfers in	18,792,942	18,850,749	18,679,983	(170,766)
Transfers out	(6,534,007)	(6,537,007)	(5,357,771)	1,179,236
Total Other Financing Sources (Uses)	12,258,935	12,313,742	13,322,212	1,008,470
Net Change in Fund Balance	3,095,633	(5,900,337)	(4,712,256)	1,188,081
Fund Balance, Beginning of Year	39,885,953	39,885,953	39,885,953	
Fund Balance, End of Year (budgetary basis)	<u>\$ 42,981,586</u>	<u>\$ 33,985,616</u>	35,173,697	<u>\$ 1,188,081</u>
Encumbrances outstanding at year end			<u>328,560</u>	
Fund Balance, End of Year (GAAP basis)			<u>\$ 35,502,257</u>	

See Accompanying Note to Required Supplementary Information

CITY OF CHULA VISTA
Sewer Special Revenue Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2007

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
Revenues:				
License and permits	\$ 400,000	\$ 400,000	\$ 115,161	\$ (284,839)
Charges for services	29,719,987	29,719,987	27,334,561	(2,385,426)
Fine and forfeitures			9,300	9,300
Use of money and property	1,282,500	1,282,500	1,038,413	(244,087)
Other revenues	429,932	429,932	380,338	(49,594)
Total Revenues	31,832,419	31,832,419	28,877,773	(2,954,646)
Expenditures:				
Public works	19,416,874	19,506,706	16,355,029	3,151,677
Capital outlay	610,550	4,458,604	1,074,273	3,384,331
Total Expenditures	20,027,424	23,965,310	17,429,302	6,536,008
Excess of Revenues Over (Under) Expenditures	11,804,995	7,867,109	11,448,471	3,581,362
Other Financing Sources (Uses):				
Transfers in	8,000,000	835,281	755,579	(79,702)
Transfers out	(16,361,469)	(9,888,317)	(9,403,487)	484,830
Total Other Financing Sources (Uses)	(8,361,469)	(9,053,036)	(8,647,908)	405,128
Net Change in Fund Balance	3,443,526	(1,185,927)	2,800,563	3,986,490
Fund Balance, Beginning of Year	34,398,352	34,398,352	34,398,352	
Fund Balance, End of Year (budgetary basis)	\$ 37,841,878	\$ 33,212,425	37,198,915	\$ 3,986,490
Encumbrances outstanding at year end			172,845	
Fund Balance, End of Year (GAAP basis)			\$ 37,371,760	

See Accompanying Note to Required Supplementary Information.

CITY OF CHULA VISTA
Note to Required Supplementary Information
June 30, 2007

I. BUDGET AND BUDGETARY ACCOUNTING

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 that is transmitted to the City Council for its review before the required date of adoption. A public hearing is held to give the public the opportunity to comment upon the proposed budget. Notice of such public hearing is given 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 department level. 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 within a departmental budget. Any appropriation transfers between departments require City Council approval.

Reported budget figures are as originally adopted or subsequently amended plus prior year continuing appropriations. All appropriations which are not obligated, encumbered, or expended at the end of the fiscal year lapse and become part of the unreserved fund balance which may be appropriated for the next fiscal year.

An annual budget for the year ended June 30, 2007 was adopted and approved by the City Council for the general, special revenue, and debt service funds. These budgets are prepared on the modified accrual basis of accounting except that encumbrances outstanding at year-end are considered as expenditures. The budget of the capital projects funds are primarily long-term budgets, which emphasize major programs and capital outlay plans extending over a number of years. Because of the long-term nature of these projects, annual budget comparisons are not considered meaningful, and accordingly, no budgetary information for capital projects funds is included in the accompanying basic financial statements.

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SUPPLEMENTARY INFORMATION

CITY OF CHULA VISTA
Redevelopment Agency Debt Service Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2007

	Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Taxes	\$ 3,739,984	\$ 2,327,101	\$ (1,412,883)
Intergovernmental	255,300	255,300	-
Use of money and property	394,589	386,439	(8,150)
Other		2,207	2,207
Total Revenues	4,389,873	2,971,047	(1,418,826)
Expenditures:			
Current:			
General government	18,250	261,354	(243,104)
Debt service:			
Principal	25,510,002	24,905,001	605,001
Interest and fiscal charges	6,569,967	4,560,806	2,009,161
Total Expenditures	32,098,219	29,727,161	2,371,058
Excess (Deficiency) of Revenues Over (Under) Expenditures	(27,708,346)	(26,756,114)	952,232
Other Financing Sources (Uses):			
Issuance of debt	24,982,645	24,982,645	0
Transfers in	21,171,520	17,373,176	(3,798,344)
Transfers out	(21,171,519)	(16,661,115)	4,510,404
Total Other Financing Sources (Uses)	24,982,646	25,694,706	712,060
Net Change in Fund Balance	(2,725,700)	(1,061,408)	1,664,292
Fund Balance, Beginning of Year	(25,808,442)	(28,665,143)	(2,856,701)
Fund Balance, End of Year	\$ (28,534,142)	\$ (29,726,551)	\$ (1,192,409)

CITY OF CHULA VISTA
City Debt Service Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2007

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Expenditures:			
Debt service:			
Principal	45,449		45,449
Interest and fiscal charges	\$ 58,069	\$ 593,617	\$ (535,548)
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(103,518)</u>	<u>(593,617)</u>	<u>(490,099)</u>
Other Financing Sources (Uses):			
Transfers in	383,205	112,455	(270,750)
Transfers out	<u>(311,750)</u>	<u> </u>	<u>311,750</u>
Total Other Financing Sources (Uses)	<u>71,455</u>	<u>112,455</u>	<u>41,000</u>
Net Change in Fund Balance	(32,063)	(481,162)	(449,099)
Fund Balance, Beginning of Year	<u>(14,445,589)</u>	<u>(14,196,565)</u>	<u>249,024</u>
Fund Balance, End of Year	<u>\$ (14,477,652)</u>	<u>\$ (14,677,727)</u>	<u>\$ (200,075)</u>

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NONMAJOR SPECIAL REVENUE FUNDS

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

Parking Meter – This fund accounts for revenues from on/off street parking and issued parking citations within the parking district. The funds derived must be expended for a purpose substationally connected with the problem of traffic regulation and control in the parking district

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

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

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

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

Sundry Grants - This fund consists of miscellaneous grants/revenues 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, G. McCandliss memorial cultural arts, federal assistance, CDBG Section 108 loan, CDBG program income project, HOME project, and Community Development Block grants.

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

Redevelopment Agency – This fund accounts for revenue received from tax increment within the redevelopment project areas and is used to fund operating expenditures, debt service and Agency capital projects.

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

NONMAJOR DEBT SERVICE FUNDS

Public Financing Authority - 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.

1994 POB - This fund receives payments from the City for payment of principal and interest due on 1994 taxable pension obligation bonds.

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

SD Regional Comm System – This fund is used to account for the City’s portion of the infrastructure and financing costs of the San Diego County regional communications systems (RCS).

NONMAJOR CAPITAL PROJECTS FUNDS

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

Bicycle Facility - This fund was established as a depository for local Transportation Development Act funds (Article 3.0) received from the County for the purpose of bicycle related programs.

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

Redevelopment Capital Project – This fund was established to account for capital improvement projects related to various redevelopment areas.

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

Sewer Facility Replacement – This 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.

Capital Improvement Program – This fund was established to set aside monies for capital improvement projects. This fund does not generate revenues from any source except by transfer from other funds and interest earned on monies in the fund. Monies transferred to the fund are expended for budgeted capital improvement projects and monies remaining after completion of a project are transferred back to the fund from which the project was originally financed.

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

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

Transportation Equity Act – This fund was established to account for reimbursable capital improvement program such as highway safety, transit, and other surface transportation programs from FY98 through FY 2003 as required by PL 105-178.

Traffic Congestion Relief – This fund is a depository for the revenues received from the Traffic Congestion Relief Fund as required by AB2928. The monies must be spent for street or road maintenance or reconstruction.

CITY OF CHULA VISTA
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2007

	Special Revenue			
	Transportation Grants	Parking Meter	Traffic Safety	Town Centre I
<u>Assets</u>				
Cash and investments	\$ 10,688	\$ 141,425	\$ 247,772	\$ 27,997
Receivables:				
Accounts				
Taxes	373,833			
Interest	8,894	1,821	1,680	308
Loans				
Due from other funds				
Due from other governments			79,492	
Advances to other funds				
Restricted cash and investments:				
Held by City				
Held by fiscal agent				
Land held for resale				
Total Assets	\$ 393,415	\$ 143,246	\$ 328,944	\$ 28,305
<u>Liabilities and Fund Balances</u>				
Liabilities:				
Accounts payable and accrued liabilities	\$ 22,153	\$ 2,534		
Due to other funds				
Deferred revenue				
Total Liabilities	22,153	2,534		
Fund Balances:				
Reserved for:				
Encumbrances	7,369	1,579		
Loans receivables and advances				
Land held for resale				
Debt service				
Total Reserved	7,369	1,579		
Unreserved:				
Designated for:				
Contingency	31,994	106,029		
Capital projects				
Undesignated:				
Special revenue	331,899	33,104	\$ 328,944	\$ 28,305
Capital projects				
Total Fund Balances	371,262	140,712	328,944	28,305
Total Liabilities and Fund Balances	\$ 393,415	\$ 143,246	\$ 328,944	\$ 28,305

Special Revenue

Open Space Districts	Housing Programs	Sundry Grants	Traffic Signals	Redevelopment Agency	Transportation Sales Tax
\$ 11,355,213		\$ 818,012	\$ 3,816,391	\$ 5,914,175	\$ 15,068,150
		504			
58,244				77,454	
106,519		8,044	46,009	52,159	154,135
	\$ 225,065	8,662,711		13,568,423	
		774,310			
		629,749		609	
	368,820			4,432,954	
<u>\$ 11,519,976</u>	<u>\$ 593,885</u>	<u>\$ 10,893,330</u>	<u>\$ 3,862,400</u>	<u>\$ 24,045,774</u>	<u>\$ 15,222,285</u>
\$ 597,028		\$ 251,577	\$ 24,759	\$ 104,318	\$ 41,949
		1,012,218			
	\$ 71	2,019,828		2,035,871	
<u>597,028</u>	<u>71</u>	<u>3,283,623</u>	<u>24,759</u>	<u>2,140,189</u>	<u>41,949</u>
290		360,745	693	75,603	157,545
	224,994	7,237,509		11,532,552	
<u>290</u>	<u>224,994</u>	<u>7,598,254</u>	<u>693</u>	<u>11,608,155</u>	<u>157,545</u>
		11,453			
657,016					
10,265,642	368,820		3,836,948	10,297,430	15,022,791
<u>10,922,948</u>	<u>593,814</u>	<u>7,609,707</u>	<u>3,837,641</u>	<u>21,905,585</u>	<u>15,180,336</u>
<u>\$ 11,519,976</u>	<u>\$ 593,885</u>	<u>\$ 10,893,330</u>	<u>\$ 3,862,400</u>	<u>\$ 24,045,774</u>	<u>\$ 15,222,285</u>

(Continued)

CITY OF CHULA VISTA
Combining Balance Sheet
Nonmajor Governmental Funds (Continued)
June 30, 2007

	Debt Service			
	Public Financing Authority	1994 POB	Notes Payable	SD Regional Comm. System
<u>Assets</u>				
Cash and investments	\$ 1,394,046	\$ 3,043	\$ 2	\$ 166
Receivables:				
Accounts				
Taxes				
Interest	3,808			
Loans				
Due from other funds				
Due from other governments				
Advances to other funds				
Restricted cash and investments:				
Held by City				
Held by fiscal agent	11,640,952	55		
Land held for resale				
Total Assets	\$ 13,038,806	\$ 3,098	\$ 2	\$ 166
<u>Liabilities and Fund Balances</u>				
Liabilities:				
Accounts payable and accrued liabilities				
Due to other funds				
Deferred revenue				
Total Liabilities				
Fund Balances:				
Reserved for:				
Encumbrances				
Long-term receivables and advances				
Land held for resale				
Debt service	\$ 13,038,806	\$ 3,098	\$ 2	\$ 166
Total Reserved	13,038,806	3,098	2	166
Unreserved:				
Designated for:				
Contingency				
Capital projects				
Undesignated:				
Special revenue				
Capital projects				
Total Fund Balances	13,038,806	3,098	2	166
Total Liabilities and Fund Balances	\$ 13,038,806	\$ 3,098	\$ 2	\$ 166

Capital Projects

Residential Construction Tax	Bicycle Facility	Industrial Develop Authority	Redevelopment Capital Projects	Assessment District Improvement
\$ 2,960,377	\$ 48,989	\$ 9,389	\$ 1,509,422	\$ 2,250,717
39,220	2,224	95	309,817 28,694	266 21,408
			1,274,659 773,435 5,024,641	
			4,000,272 2,260,925	
<u>\$ 2,999,597</u>	<u>\$ 51,213</u>	<u>\$ 9,484</u>	<u>\$ 15,181,865</u>	<u>\$ 2,272,391</u>
\$ 17,215			\$ 2,739,216 1,274,659 1,402,819	
<u>17,215</u>	<u>\$ 51,213</u> <u>51,213</u>		<u>5,416,694</u>	
53,571			280,666 4,349,509 2,260,925	
<u>53,571</u>			<u>6,891,100</u>	
2,928,811		\$ 9,484	2,874,071	\$ 2,272,391
<u>2,982,382</u>		<u>9,484</u>	<u>9,765,171</u>	<u>2,272,391</u>
<u>\$ 2,999,597</u>	<u>\$ 51,213</u>	<u>\$ 9,484</u>	<u>\$ 15,181,865</u>	<u>\$ 2,272,391</u>

(Continued)

CITY OF CHULA VISTA
Combining Balance Sheet
Nonmajor Governmental Funds (Continued)
June 30, 2007

	<u>Capital Projects</u>			
	<u>Sewer Facility Replacement</u>	<u>Capital Improvement Program</u>	<u>Transportation Partnership</u>	<u>Other Transportation Program</u>
<u>Assets</u>				
Cash and investments	\$ 6,505,385		\$ 54,517	\$ 1,272,829
Receivables:				
Accounts	221,407			
Taxes	866			
Interest	66,684		2,626	13,010
Loans				
Due from other funds				25,747
Due from other governments				
Advances to other funds	690,295			
Restricted cash and investments:				
Held by City				
Held by fiscal agent		\$ 5,388,893		
Land held for resale				
Total Assets	<u>\$ 7,484,637</u>	<u>\$ 5,388,893</u>	<u>\$ 57,143</u>	<u>\$ 1,311,586</u>
<u>Liabilities and Fund Balances</u>				
Liabilities:				
Accounts payable and accrued liabilities	\$ 2,473			\$ 10,113
Due to other funds				1,075
Deferred revenue	178,295			
Total Liabilities	<u>180,768</u>			<u>11,188</u>
Fund Balances:				
Reserved for:				
Encumbrances	191,705			334,710
Long-term receivables and advances	512,000			
Land held for resale				
Debt service				
Total Reserved	<u>703,705</u>			<u>334,710</u>
Unreserved:				
Designated for:				
Contingency				
Capital projects	6,600,164	\$ 5,388,893	\$ 57,143	
Undesignated:				
Special revenue				
Capital projects				965,688
Total Fund Balances	<u>7,303,869</u>	<u>5,388,893</u>	<u>57,143</u>	<u>1,300,398</u>
Total Liabilities and Fund Balances	<u>\$ 7,484,637</u>	<u>\$ 5,388,893</u>	<u>\$ 57,143</u>	<u>\$ 1,311,586</u>

<u>Capital Projects</u>		
<u>Transportation Equity Act</u>	<u>Traffic Congestion Relief</u>	<u>Total Other Governmental Funds</u>
\$ 24,672	\$ 494,730	\$ 53,928,107
		221,911
		820,480
	23,205	580,543
		22,456,199
		2,074,716
		1,483,285
		5,714,936
		4,801,774
		21,030,172
		2,260,925
<u>\$ 24,672</u>	<u>\$ 517,935</u>	<u>\$ 115,373,048</u>
		149,476
		20,787,973
		40,513,883
	77,230	1,042,918
	132,879	103,173,936
<u>\$ 24,672</u>	<u>\$ 517,935</u>	<u>\$ 115,373,048</u>
		2,312,624
\$ 24,672	\$ 91	\$ 3,813,426
	384,965	6,073,062
<u>24,672</u>	<u>385,056</u>	<u>12,199,112</u>
		1,520,125
		23,856,564
		2,260,925
		13,042,072
	<u>55,649</u>	<u>40,679,686</u>

CITY OF CHULA VISTA
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2007

	Special Revenue			
	Transportation Grants	Parking Meter	Traffic Safety	Town Centre I
Revenues:				
Taxes				
Intergovernmental	\$ 4,075,453			
Licenses and permits		\$ 24,729		
Charges for services				
Fines and forfeitures		60,047	\$ 842,213	
Use of money and property	33,843	245,560	7,936	\$ 1,349
Other	6,000			
Total Revenues	<u>4,115,296</u>	<u>330,336</u>	<u>850,149</u>	<u>1,349</u>
Expenditures:				
Current:				
General government				
Public safety		319,439		
Public works				
Parks and recreation				
Library				
Capital outlay	804,284			
Debt service:				
Principal				
Interest and fiscal charges				
Total Expenditures	<u>804,284</u>	<u>319,439</u>		
Excess (Deficiency) Revenues Over (Under) Expenditures	<u>3,311,012</u>	<u>10,897</u>	<u>850,149</u>	<u>1,349</u>
Other Financing Sources (Uses):				
Transfers in				
Transfer out	<u>(4,167,878)</u>	<u>(2,264)</u>	<u>(513,600)</u>	
Total Other Financing Sources (Uses)	<u>(4,167,878)</u>	<u>(2,264)</u>	<u>(513,600)</u>	
Net Change in Fund Balances	(856,866)	8,633	336,549	1,349
Fund Balances, Beginning of Year	<u>1,228,128</u>	<u>132,079</u>	<u>(7,605)</u>	<u>26,956</u>
Fund Balances, End of Year	<u>\$ 371,262</u>	<u>\$ 140,712</u>	<u>\$ 328,944</u>	<u>\$ 28,305</u>

Special Revenue

Open Space Districts	Housing Programs	Sundry Grants	Traffic Signals	Redevelopment Agency	Transportation Sales Tax
				\$ 2,294,709	\$ 3,210,000
		\$ 5,643,489	\$ 67,657		
\$ 7,022,583			683,742	58,897	
483,662	\$ 1,210	55,984	205,388	303,530	635,834
		100,900	5,517	95,425	
<u>7,506,245</u>	<u>1,210</u>	<u>5,800,373</u>	<u>962,304</u>	<u>2,752,561</u>	<u>3,845,834</u>
		1,502,106		664,823	
6,171,162		334,605			
		386,990	1,920		93,967
		18,745			
		2,316,172	1,127,532		2,220,866
<u>6,171,162</u>		<u>4,558,618</u>	<u>1,129,452</u>	<u>664,823</u>	<u>2,314,833</u>
1,335,083	1,210	1,241,755	(167,148)	2,087,738	1,531,001
	28,932	275,602		1,124	
	(1,124)	(560,786)	(8,562)	(299,079)	
	27,808	(285,184)	(8,562)	(297,955)	
1,335,083	29,018	956,571	(175,710)	1,789,783	1,531,001
9,587,865	564,796	6,653,136	4,013,351	20,115,802	13,649,335
<u>\$ 10,922,948</u>	<u>\$ 593,814</u>	<u>\$ 7,609,707</u>	<u>\$ 3,837,641</u>	<u>\$ 21,905,585</u>	<u>\$ 15,180,336</u>

(Continued)

CITY OF CHULA VISTA
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds (Continued)
For the Year Ended June 30, 2007

	Debt Service			
	Public Financing Authority	1994 POB	Notes Payable	SD Regional Comm. System
Revenues:				
Taxes				
Intergovernmental				
Licenses and permits				
Charges for services				
Fines and forfeitures				
Use of money and property	\$ 613,858	\$ 55		\$ 5
Other				
Total Revenues	613,858	55		5
Expenditures:				
Current:				
General government	15,260	2,475		
Public safety	2,420			
Public works				
Parks and recreation				
Library				
Capital outlay				
Debt service:				
Principal	4,395,000	1,380,000	\$ 22,279	190,522
Interest and fiscal charges	6,299,158	889,960	21,751	105,212
Total Expenditures	10,711,838	2,272,435	44,030	295,734
Excess (Deficiency) Revenues Over (Under) Expenditures	(10,097,980)	(2,272,380)	(44,030)	(295,729)
Other Financing Sources (Uses):				
Transfers in	9,500,218	2,272,460	44,030	295,734
Transfer out				
Total Other Financing Sources (Uses)	9,500,218	2,272,460	44,030	295,734
Net Change in Fund Balances	(597,762)	80		5
Fund Balances, Beginning of Year	13,636,568	3,018	2	161
Fund Balances, End of Year	\$ 13,038,806	\$ 3,098	\$ 2	\$ 166

<u>Residential Construction Tax</u>	<u>Bicycle Facility</u>	<u>Industrial Develop Authority</u>	<u>Redevelopment Capital Projects</u>	<u>Assessment District Improvement</u>
\$ 393,650	\$ 59,662		\$ 7,313,808	
168,542	8,908	\$ 437	654,797	\$ 95,694
37,596			58,392	54,165
<u>599,788</u>	<u>68,570</u>	<u>437</u>	<u>8,026,997</u>	<u>149,859</u>
			7,897,287	
100,000	220,929			
1,001,795	68,570		172,420	
<u>1,101,795</u>	<u>289,499</u>		<u>8,069,707</u>	
<u>(502,007)</u>	<u>(220,929)</u>	<u>437</u>	<u>(42,710)</u>	<u>149,859</u>
			4,000,347	
<u>(721,392)</u>			<u>(5,749,708)</u>	<u>(8,937)</u>
<u>(721,392)</u>			<u>(1,749,361)</u>	<u>(8,937)</u>
<u>(1,223,399)</u>	<u>(220,929)</u>	<u>437</u>	<u>(1,792,071)</u>	<u>140,922</u>
<u>4,205,781</u>	<u>220,929</u>	<u>9,047</u>	<u>11,557,242</u>	<u>2,131,469</u>
<u>\$ 2,982,382</u>	<u>\$ -</u>	<u>\$ 9,484</u>	<u>\$ 9,765,171</u>	<u>\$ 2,272,391</u>

(Continued)

CITY OF CHULA VISTA
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds (Continued)
For the Year Ended June 30, 2007

	Capital Projects			
	Sewer Facility Replacement	Capital Improvement Program	Transportation Partnership	Other Transportation Program
Revenues:				
Taxes				
Intergovernmental				\$ 23,837
Licenses and permits				
Charges for services	\$ 1,335,443			
Fines and forfeitures				
Use of money and property	299,818	\$ 860,936	\$ 10,983	229,917
Other				
Total Revenues	<u>1,635,261</u>	<u>860,936</u>	<u>10,983</u>	<u>253,754</u>
Expenditures:				
Current:				
General government				
Public safety				
Public works				
Parks and recreation				
Library				
Capital outlay	404,240	12,303,540	307,297	120,825
Debt service:				
Principal				
Interest and fiscal charges				
Total Expenditures	<u>404,240</u>	<u>12,303,540</u>	<u>307,297</u>	<u>120,825</u>
Excess (Deficiency) Revenues Over (Under) Expenditures	<u>1,231,021</u>	<u>(11,442,604)</u>	<u>(296,314)</u>	<u>132,929</u>
Other Financing Sources (Uses):				
Transfers in				
Transfer out	<u>(267,053)</u>		<u>(1,731)</u>	
Total Other Financing Sources (Uses)	<u>(267,053)</u>		<u>(1,731)</u>	
Net Change in Fund Balance	963,968	(11,442,604)	(298,045)	132,929
Fund Balances, Beginning of Year	<u>6,339,901</u>	<u>16,831,497</u>	<u>355,188</u>	<u>1,167,469</u>
Fund Balance, End of Year	<u>\$ 7,303,869</u>	<u>\$ 5,388,893</u>	<u>\$ 57,143</u>	<u>\$ 1,300,398</u>

Capital Projects

<u>Transportation Equity Act</u>	<u>Traffic Congestion Relief</u>	<u>Total Other Governmental Funds</u>
		\$ 13,212,167
	\$ 2,108,082	11,978,180
		24,729
		9,100,665
		902,260
\$ 52,739	113,096	5,084,081
	8,290	366,285
<u>52,739</u>	<u>2,229,468</u>	<u>40,668,367</u>
		10,081,951
		656,464
		6,874,968
	134,619	234,619
		18,745
	1,973,463	22,821,004
		5,987,801
		7,316,081
	<u>2,108,082</u>	<u>53,991,633</u>
<u>52,739</u>	<u>121,386</u>	<u>(13,323,266)</u>
		16,418,447
		(12,302,114)
		4,116,333
<u>52,739</u>	<u>121,386</u>	<u>(9,206,933)</u>
<u>(52,739)</u>	<u>11,493</u>	<u>112,380,869</u>
<u>\$ -</u>	<u>\$ 132,879</u>	<u>\$ 103,173,936</u>

CITY OF CHULA VISTA
Transportation Grants Special Revenue Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2007

	Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Intergovernmental	\$ 4,167,742	\$ 4,075,453	\$ (92,289)
Use of money and property	37,787	33,843	(3,944)
Other		6,000	6,000
	<hr/>	<hr/>	<hr/>
Total Revenues	4,205,529	4,115,296	(90,233)
Expenditures:			
Capital outlay	1,284,932	811,653	473,279
	<hr/>	<hr/>	<hr/>
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,920,597	3,303,643	383,046
	<hr/>	<hr/>	<hr/>
Other Financing Sources (Uses):			
Transfers out	(4,269,057)	(4,167,878)	101,179
	<hr/>	<hr/>	<hr/>
Total Other Financing Sources (Uses)	(4,269,057)	(4,167,878)	101,179
	<hr/>	<hr/>	<hr/>
Net Change in Fund Balance	(1,348,460)	(864,235)	484,225
Fund Balance, Beginning of Year	1,228,128	1,228,128	
	<hr/>	<hr/>	<hr/>
Fund Balance, End of Year (budgetary basis)	<u>\$ (120,332)</u>	363,893	<u>\$ 484,225</u>
Encumbrances outstanding at year end		<hr/> 7,369	
Fund Balance, End of Year (GAAP basis)		<u>\$ 371,262</u>	

CITY OF CHULA VISTA
 Parking Meter Special Revenue Fund
 Budgetary Comparison Schedule
 For the Year Ended June 30, 2007

	Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Licenses and permits	\$ 24,500	\$ 24,729	\$ 229
Fines and forfeitures	82,387	60,047	(22,340)
Use of money and property	251,509	245,560	(5,949)
Total Revenues	358,396	330,336	(28,060)
Expenditures:			
Current:			
Public safety	332,971	321,018	11,953
Excess (Deficiency) of Revenues Over (Under) Expenditures	25,425	9,318	(16,107)
Other Financing Sources (Uses):			
Transfers out	(2,364)	(2,264)	100
Total Other Financing Sources (Uses)	(2,364)	(2,264)	100
Net Change in Fund Balance	23,061	7,054	(16,007)
Fund Balance, Beginning of Year	132,079	132,079	
Fund Balance, End of Year	\$ 155,140	139,133	\$ (16,007)
Encumbrances outstanding at year end		1,579	
Fund Balance, End of Year (GAAP basis)		\$ 140,712	

CITY OF CHULA VISTA
Traffic Safety Special Revenue Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2007

	Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Fines and forfeitures	\$ 513,600	\$ 842,213	\$ 328,613
Use of money and property	3,542	7,936	4,394
Total Revenues	517,142	850,149	333,007
Other Financing Sources (Uses):			
Transfers out	(513,600)	(513,600)	
Net Change in Fund Balance	3,542	336,549	333,007
Fund Balance, Beginning of Year	(7,605)	(7,605)	
Fund Balance, End of Year	\$ (4,063)	\$ 328,944	\$ 333,007

CITY OF CHULA VISTA
Town Centre I Special Revenue Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2007

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Use of money and property	\$ 806	\$ 1,349	\$ 543
Expenditures:			
Capital outlay	<u>10,288</u>	<u> </u>	<u>10,288</u>
Net Change in Fund Balance	(9,482)	1,349	10,831
Fund Balance, Beginning of Year	<u>26,956</u>	<u>26,956</u>	<u> </u>
Fund Balance, End of Year	<u><u>\$ 17,474</u></u>	<u><u>\$ 28,305</u></u>	<u><u>\$ 10,831</u></u>

CITY OF CHULA VISTA
Open Space Districts Special Revenue Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2007

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Charge for services	\$ 10,118,109	\$ 7,022,583	\$ (3,095,526)
Use of money and property		483,662	483,662
	<u>10,118,109</u>	<u>7,506,245</u>	<u>(2,611,864)</u>
Total Revenues			
Expenditures:			
Current:			
Public works	9,202,684	6,171,452	3,031,232
	<u>915,425</u>	<u>1,334,793</u>	<u>419,368</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures			
Other Financing Sources (Uses):			
Transfers out	<u>(74,583)</u>		<u>74,583</u>
Net Change in Fund Balance	840,842	1,334,793	344,785
Fund Balance, Beginning of Year	<u>9,587,865</u>	<u>9,587,865</u>	
Fund Balance, End of Year (budgetary basis)	<u>\$ 10,428,707</u>	10,922,658	<u>\$ 344,785</u>
Encumbrances outstanding at year end		<u>290</u>	
Fund Balance, End of Year (GAAP basis)		<u>\$ 10,922,948</u>	

CITY OF CHULA VISTA
Housing Programs Special Revenue Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2007

	Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Use of money and property	\$ 2,500	\$ 1,210	\$ (1,290)
Other Financing Sources (Uses):			
Transfers in		28,932	28,932
Transfers out	(2,500)	(1,124)	1,376
Total Other Financing Sources (Uses)	(2,500)	27,808	30,308
Net Change in Fund Balance		29,018	29,018
Fund Balance, Beginning of Year	564,796	564,796	
Fund Balance, End of Year	\$ 564,796	\$ 593,814	\$ 29,018

CITY OF CHULA VISTA
Sundry Grants Special Revenue Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2007

	Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Intergovernmental	\$ 7,852,089	\$ 5,643,489	\$ (2,208,600)
Use of money and property	42,478	55,984	13,506
Other	900	100,900	100,000
	<u>7,895,467</u>	<u>5,800,373</u>	<u>(2,095,094)</u>
Expenditures:			
Current:			
General government	4,244,729	1,862,851	2,381,878
Public safety	493,014	334,605	158,409
Public works	1,403,421	386,990	1,016,431
Library	19,101	18,745	356
Capital outlay	15,315,419	2,316,172	12,999,247
	<u>21,475,684</u>	<u>4,919,363</u>	<u>16,556,321</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(13,580,217)</u>	<u>881,010</u>	<u>14,461,227</u>
Other Financing Sources (Uses):			
Transfers in		275,602	275,602
Transfers out	(544,044)	(560,786)	(16,742)
	<u>(544,044)</u>	<u>(285,184)</u>	<u>258,860</u>
Net Change in Fund Balance	(14,124,261)	595,826	14,720,087
Fund Balance, Beginning of Year	<u>6,653,136</u>	<u>6,653,136</u>	
Fund Balance, End of Year (budgetary basis)	<u>\$ (7,471,125)</u>	<u>7,248,962</u>	<u>\$ 14,720,087</u>
Encumbrances outstanding at year end		<u>360,745</u>	
Fund Balance, End of Year (GAAP basis)		<u>\$ 7,609,707</u>	

CITY OF CHULA VISTA
Traffic Signals Special Revenue Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2007

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Intergovernmental		\$ 67,657	\$ 67,657
Charges for services	\$ 766,989	683,742	(83,247)
Use of money and property	72,425	205,388	132,963
Other		<u>5,517</u>	<u>5,517</u>
Total Revenues	<u>839,414</u>	<u>962,304</u>	<u>122,890</u>
Expenditures:			
Current:			
Public works	14,571	1,920	12,651
Capital outlay	<u>2,996,716</u>	<u>1,128,225</u>	<u>1,868,491</u>
Total Expenditures	<u>3,011,287</u>	<u>1,130,145</u>	<u>1,881,142</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(2,171,873)</u>	<u>(167,841)</u>	<u>2,004,032</u>
Other Financing Sources (Uses):			
Transfers out	<u>(8,662)</u>	<u>(8,562)</u>	<u>100</u>
Net Change in Fund Balance	(2,180,535)	(176,403)	2,004,132
Fund Balance, Beginning of Year	<u>4,013,351</u>	<u>4,013,351</u>	
Fund Balance, End of Year (budgetary basis)	<u>\$ 1,832,816</u>	3,836,948	<u>\$ 2,004,132</u>
Encumbrances outstanding at year end		<u>693</u>	
Fund Balance, End of Year (GAAP basis)		<u>\$ 3,837,641</u>	

CITY OF CHULA VISTA
Redevelopment Agency Special Revenue Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2007

	Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Taxes	\$ 1,876,420	\$ 2,294,709	\$ 418,289
Use of money and property	114,033	303,530	189,497
Charges for Services	59,442	58,897	(545)
Other		95,425	95,425
	2,049,895	2,752,561	702,666
Expenditures:			
Current:			
General government	1,913,523	740,426	1,173,097
Excess (Deficiency) of Revenues Over (Under) Expenditures	136,372	2,012,135	1,875,763
Other Financing Sources (Uses):			
Transfers in	2,500	1,124	(1,376)
Transfers out	(3,022)	(299,079)	(296,057)
Total Other Financing Sources (Uses)	(522)	(297,955)	(297,433)
Net Change in Fund Balance	135,850	1,714,180	1,578,330
Fund Balance, Beginning of Year	20,115,802	20,115,802	
Fund Balance, End of Year (budgetary basis)	\$ 20,251,652	21,829,982	\$ 1,578,330
Encumbrances outstanding at year end		75,603	
Fund Balance, End of Year (GAAP basis)		\$ 21,905,585	

CITY OF CHULA VISTA
 Transportation Sales Tax Special Revenue Fund
 Budgetary Comparison Schedule
 For the Year Ended June 30, 2007

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Taxes	\$ 6,610,000	\$ 3,210,000	\$ (3,400,000)
Use of money and property	291,155	635,834	344,679
Total Revenues	<u>6,901,155</u>	<u>3,845,834</u>	<u>(3,055,321)</u>
Expenditures:			
Current:			
Public Works		93,967	(93,967)
Capital outlay	<u>17,130,812</u>	<u>2,378,411</u>	<u>14,752,401</u>
Total Expenditures	<u>17,130,812</u>	<u>2,472,378</u>	<u>14,658,434</u>
Net Change in Fund Balance	(10,229,657)	1,373,456	11,603,113
Fund Balance, Beginning of Year	<u>13,649,335</u>	<u>13,649,335</u>	
Fund Balance, End of Year (budgetary basis)	<u>\$ 3,419,678</u>	15,022,791	<u>\$ 11,603,113</u>
Encumbrances outstanding at year end		<u>157,545</u>	
Fund Balance, End of Year (GAAP basis)		<u>\$ 15,180,336</u>	

CITY OF CHULA VISTA
Public Financing Authority Debt Service Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2007

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Use of money and property		\$ 613,858	\$ 613,858
Expenditures:			
Current:			
General government	\$ 18,000	15,260	2,740
Public safety	5,300	2,420	2,880
Debt service:			
Principal	4,395,000	4,395,000	
Interest	6,299,158	6,299,158	
Total Expenditures	<u>10,717,458</u>	<u>10,711,838</u>	<u>5,620</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(10,717,458)</u>	<u>(10,097,980)</u>	<u>619,478</u>
Other Financing Sources (Uses):			
Transfers in	<u>9,912,733</u>	<u>9,500,218</u>	<u>(412,515)</u>
Net Change in Fund Balance	(804,725)	(597,762)	206,963
Fund Balance, Beginning of Year	<u>13,636,568</u>	<u>13,636,568</u>	
Fund Balance, End of Year	<u>\$ 12,831,843</u>	<u>\$ 13,038,806</u>	<u>\$ 206,963</u>

CITY OF CHULA VISTA
1994 POB Debt Service Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2007

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Use of money and property		\$ 55	\$ 55
Expenditures:			
Current:			
General government	\$ 2,500	2,475	25
Debt service:			
Principal	1,380,000	1,380,000	
Interest	889,960	889,960	
Total Expenditures	2,272,460	2,272,435	25
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,272,460)	(2,272,380)	80
Other Financing Sources (Uses):			
Transfers in	2,272,460	2,272,460	
Net Change in Fund Balance		80	80
Fund Balance, Beginning of Year	3,018	3,018	
Fund Balance, End of Year	\$ 3,018	\$ 3,098	\$ 80

CITY OF CHULA VISTA
Notes Payable Debt Service Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2007

	Final Budget	Actual	Variance Positive (Negative)
Expenditures:			
Debt service:			
Principal	\$ 22,279	\$ 22,279	
Interest	21,751	21,751	
Total Expenditures	44,030	44,030	
Other Financing Sources (Uses):			
Transfers in	44,030	44,030	
Net Change in Fund Balance			
Fund Balance, Beginning of Year	2	2	
Fund Balance, End of Year	\$ 2	\$ 2	\$ -

CITY OF CHULA VISTA
SD County Regional Comm. System Debt Service Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2007

	Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Use of money and property		\$ 5	\$ 5
Expenditures:			
Debt service:			
Principal	\$ 190,522	190,522	
Interest	105,212	105,212	
Total Expenditures	295,734	295,734	
Excess (Deficiency) of Revenues Over (Under) Expenditures	(295,734)	(295,729)	5
Other Financing Sources (Uses):			
Transfers in	376,869	295,734	(81,135)
Net Change in Fund Balance	81,135	5	(81,130)
Fund Balance, Beginning of Year	161	161	
Fund Balance, End of Year	\$ 81,296	\$ 166	\$ (81,130)

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INTERNAL SERVICE FUNDS

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

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

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

Stores Inventory – This fund accounts for the City's Warehouse and Central Stores operation. The source of revenue is a reimbursement for items purchased for other departments.

CITY OF CHULA VISTA
Combining Statement of Net Assets
Internal Service Funds
June 30, 2007

	<u>Fleet Management</u>	<u>Technology Replacement</u>	<u>Stores Inventory</u>	<u>Total</u>
<u>Assets</u>				
Cash and investments	\$ 2,884,556	\$ 194,740	\$ 47,067	\$ 3,126,363
Interest receivable	26,020	1,561	520	28,101
Other receivable	7,610			7,610
Due from other governments	34,145			34,145
Inventories			20,669	20,669
Capital Assets:				
Property, plant and equipment	11,682,594			11,682,594
Accumulated depreciation	<u>(9,847,990)</u>			<u>(9,847,990)</u>
 Total Assets	 <u>4,786,935</u>	 <u>196,301</u>	 <u>68,256</u>	 <u>5,051,492</u>
<u>Liabilities</u>				
Accounts payable and accrued liabilities	409,299	20,213	2,397	431,909
Compensated absences	<u>82,752</u>			<u>82,752</u>
 Total Liabilities	 <u>492,051</u>	 <u>20,213</u>	 <u>2,397</u>	 <u>514,661</u>
<u>Net Assets</u>				
Invested in capital assets	1,834,604			1,834,604
Unrestricted	<u>2,460,280</u>	<u>176,088</u>	<u>65,859</u>	<u>2,702,227</u>
 Total Net Assets	 <u>\$ 4,294,884</u>	 <u>\$ 176,088</u>	 <u>\$ 65,859</u>	 <u>\$ 4,536,831</u>

CITY OF CHULA VISTA
Combining Statement of Activities and Changes in Net Assets
Internal Service Funds
For the Year Ended June 30, 2007

	<u>Fleet Management</u>	<u>Technology Replacement</u>	<u>Stores Inventory</u>	<u>Total</u>
Operating Revenues:				
Charges for services	\$ 4,975,536	\$ 269,850	\$ 121,963	\$ 5,367,349
Other	35,514			35,514
Total Operating Revenues	<u>5,011,050</u>	<u>269,850</u>	<u>121,963</u>	<u>5,402,863</u>
Operating Expenses:				
Operations and administration	4,834,385	734,677	130,714	5,699,776
Depreciation	<u>1,102,476</u>			<u>1,102,476</u>
Total Operating Expenses	<u>5,936,861</u>	<u>734,677</u>	<u>130,714</u>	<u>6,802,252</u>
Operating Income (Loss)	<u>(925,811)</u>	<u>(464,827)</u>	<u>(8,751)</u>	<u>(1,399,389)</u>
Nonoperating Revenues:				
Interest income	97,434	(2,025)	2,331	97,740
Gain on sale of capital assets	<u>115,156</u>			<u>115,156</u>
Total Nonoperating revenues	<u>212,590</u>	<u>(2,025)</u>	<u>2,331</u>	<u>212,896</u>
Income (Loss) Before Transfers	<u>(713,221)</u>	<u>(466,852)</u>	<u>(6,420)</u>	<u>(1,186,493)</u>
Transfer out	<u>(42,418)</u>			<u>(42,418)</u>
Change in Net Assets	(755,639)	(466,852)	(6,420)	(1,228,911)
Net Assets, Beginning of Year	<u>5,050,523</u>	<u>642,940</u>	<u>72,279</u>	<u>5,765,742</u>
Net Assets, End of Year	<u><u>\$ 4,294,884</u></u>	<u><u>\$ 176,088</u></u>	<u><u>\$ 65,859</u></u>	<u><u>\$ 4,536,831</u></u>

CITY OF CHULA VISTA
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended June 30, 2007

	Fleet Management	Technology Replacement
Cash Flows from Operating Activities:		
Cash received from other funds	\$ 4,977,995	\$ 269,850
Cash payments to suppliers for goods and services	(3,620,983)	(797,608)
Cash payments to employee for services	(1,222,188)	
Other	35,514	
Net Cash Provided (Used) by Operating Activities	170,338	(527,758)
Cash Flows from Capital and Related Financing Activities:		
Acquisition of capital assets	(76,256)	
Proceeds from sale of capital assets	142,743	
Net Cash Provided (Used) by Capital and Related Financing Activities	66,487	
Cash Flows from Noncapital Financing Activities:		
Intergovernmental	(16,963)	
Interfund transfers	(42,418)	
Net Cash Provided (Used) by Noncapital Financing Activities	(59,381)	
Cash Flows from Investing Activities:		
Interest revenue	102,581	6,188
Net Cash Provided (Used) by Investing Activities	102,581	6,188
Net Increase (Decrease) in Cash and Cash Equivalents	280,025	(521,570)
Cash and Cash Equivalents, Beginning of Year	2,604,531	716,310
Cash and Cash Equivalents, End of Year	\$ 2,884,556	\$ 194,740
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:		
Operating Income (Loss)	\$ (925,811)	\$ (464,827)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) By Operating Activities:		
Depreciation	1,102,476	
(Increase) decrease in other receivables	2,459	
(Increase) decrease in inventories		
Increase (decrease) in accounts payable and, accrued liabilities	(21,420)	(62,931)
Increase (decrease) in compensated absences	12,634	
Total Adjustments	1,096,149	(62,931)
Net Cash Provided (Used) by Operating Activities	\$ 170,338	\$ (527,758)

Stores Inventory	Total
\$ 121,963	\$ 5,369,808
(129,620)	(4,548,211)
	(1,222,188)
	35,514
<u>(7,657)</u>	<u>(365,077)</u>
	(76,256)
	<u>142,743</u>
	66,487
	(16,963)
	<u>(42,418)</u>
	(59,381)
<u>2,070</u>	<u>110,839</u>
<u>2,070</u>	<u>110,839</u>
(5,587)	(247,132)
<u>52,654</u>	<u>3,373,495</u>
<u>\$ 47,067</u>	<u>\$ 3,126,363</u>
\$ (8,751)	\$ (1,399,389)
	1,102,476
	2,459
8,957	8,957
(7,863)	(92,214)
	<u>12,634</u>
<u>1,094</u>	<u>1,034,312</u>
<u>\$ (7,657)</u>	<u>\$ (365,077)</u>

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AGENCY FUNDS

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

CITY OF CHULA VISTA
Statement of Changes in Fiduciary Net Assets
Agency Funds
For the Year Ended June 30, 2007

	<u>Balance</u> <u>July 1, 2006</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2007</u>
<u>Special Assessment District</u>				
<u>Assets</u>				
Cash and investments	\$ 5,956,224	\$ 24,376,687	\$ (23,092,978)	\$ 7,239,933
Restricted cash and investments held by fiscal agents	<u>193,784,251</u>	<u>5,032,368</u>	<u>(27,445,672)</u>	<u>171,370,947</u>
Total Assets	<u>\$ 199,740,475</u>	<u>\$ 29,409,055</u>	<u>\$ (50,538,650)</u>	<u>\$ 178,610,880</u>
<u>Liabilities</u>				
Due to bondholders	<u>\$ 199,740,475</u>	<u>\$ 21,989,770</u>	<u>\$ (43,119,365)</u>	<u>\$ 178,610,880</u>
Total Liabilities	<u>\$ 199,740,475</u>	<u>\$ 21,989,770</u>	<u>\$ (43,119,365)</u>	<u>\$ 178,610,880</u>

STATISTICAL SECTION

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CITY OF CHULA VISTA
Comprehensive Annual Financial Report
Year Ended June 30, 2007
Statistical Section

This part of the City of Chula Vista 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 government's overall financial health.

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	<u>PAGE NO.</u>
Financial Trends <i>These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.</i>	128-137
Revenue Capacity <i>These schedules contain trend information to help the reader assess the government's most significant current local revenue source, the property tax.</i>	138-144
Debt Capacity <i>These schedules contain present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.</i>	145-151
Demographic and Economic Information <i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.</i>	152-154
Operating Information <i>These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.</i>	155-159

CITY OF CHULA VISTA
Net Assets by Component
Last Five Fiscal Years
(accrual basis of accounting)

	Fiscal Year		
	2003	2004	2005
Governmental Activities:			
Invested in capital assets, net of related debt	\$ 456,096,957	\$ 537,716,998	\$ 600,317,974
Restricted	55,203,919	55,283,141	72,468,247
Unrestricted	103,843,928	110,825,189	111,448,751
Total Governmental Activities			
Total Governmental Activities Net Assets	<u>\$ 615,144,804</u>	<u>\$ 703,825,328</u>	<u>\$ 784,234,972</u>
Business-type Activities:			
Invested in capital assets, net of related debt	\$ 7,156,534	\$ 6,217,348	\$ 7,423,479
Restricted			
Unrestricted	362,007	381,697	580,735
Total Business-type Activities Net Assets	<u>\$ 7,518,541</u>	<u>\$ 6,599,045</u>	<u>\$ 8,004,214</u>
Primary Government:			
Invested in capital assets, net of related debt	\$ 463,253,491	\$ 543,934,346	\$ 607,741,453
Restricted	55,203,919	55,283,141	72,468,247
Unrestricted	104,205,935	111,206,886	112,029,486
Total Primary Government Net Assets	<u>\$ 622,663,345</u>	<u>\$ 710,424,373</u>	<u>\$ 792,239,186</u>

The City of Chula Vista has elected to show only five years of data for this schedule.

Fiscal Year	
2006	2007
\$ 662,230,041	\$ 715,090,838
75,916,972	69,516,915
<u>95,782,921</u>	<u>126,026,156</u>
<u>\$ 833,929,934</u>	<u>\$ 910,633,909</u>
\$ 6,540,514	\$ 5,658,433
<u>500,299</u>	<u>335,824</u>
<u>\$ 7,040,813</u>	<u>\$ 5,994,257</u>
\$ 668,770,555	\$ 720,749,271
75,916,972	69,516,915
<u>96,283,220</u>	<u>126,361,980</u>
<u>\$ 840,970,747</u>	<u>\$ 916,628,166</u>

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

	Fiscal Year		
	2003	2004	2005
Expenses:			
Governmental activities:			
General government	\$ 36,112,144	\$ 37,542,162	\$ 42,591,851
Public safety	46,795,935	54,974,182	63,368,815
Public works	60,981,126	71,482,668	79,723,824
Parks and recreation	7,213,329	5,854,495	7,757,251
Library	8,110,316	8,845,277	8,890,126
Depreciation expense			
Interest on long-term debt	9,322,463	12,827,332	12,656,986
Total Governmental Activities Expenses	<u>168,535,313</u>	<u>191,526,116</u>	<u>214,988,853</u>
Business-type Activities:			
Transit	7,797,769	7,257,722	7,475,184
Bayfront Trolley Station	79,593	85,567	98,900
Total Business-type Activities Expenses	<u>7,877,362</u>	<u>7,343,289</u>	<u>7,574,084</u>
Total Primary Government Expenses	<u>176,412,675</u>	<u>198,869,405</u>	<u>222,562,937</u>
Program Revenues:			
Governmental activities:			
Charges for services:			
General government	18,522,715	25,937,307	23,523,277
Public safety	5,003,310	9,991,565	9,555,756
Public works	34,193,401	46,862,521	40,020,387
Parks and recreation	1,534,116	25,000,748	15,702,515
Library	603,136	2,751,059	2,220,368
Operating grants and contributions	23,272,659	17,426,744	22,226,690
Capital grants and contributions	2,190,909	1,783,068	79,419,189
Total Governmental Activities			
Program Revenues	<u>85,320,246</u>	<u>129,753,012</u>	<u>192,668,182</u>
Business-type activities:			
Charges for services:			
Transit	2,319,322	2,525,349	2,425,531
Bayfront Trolley Station			
Operating grants and contributions	3,610,307	3,805,056	4,231,445
Capital grants and contributions			1,971,311
Total Business-type Activities			
Program Revenues	<u>5,929,629</u>	<u>6,330,405</u>	<u>8,628,287</u>
Total Primary Government			
Program Revenues	<u>91,249,875</u>	<u>136,083,417</u>	<u>201,296,469</u>
Net Revenues (Expenses):			
Governmental activities	(83,215,067)	(61,773,104)	(22,320,671)
Business-type activities	(1,947,733)	(1,012,884)	1,054,203
Total Net Revenues (Expenses)	<u>(85,162,800)</u>	<u>(62,785,988)</u>	<u>(21,266,468)</u>

Fiscal Year	
2006	2007
\$ 53,566,425	\$ 45,249,650
72,887,220	77,136,782
102,122,564	103,117,608
8,085,160	9,353,280
10,412,973	10,320,817
12,263,808	12,032,833
<u>259,338,150</u>	<u>257,210,970</u>
7,447,393	7,330,560
86,595	103,691
<u>7,533,988</u>	<u>7,434,251</u>
<u>266,872,138</u>	<u>264,645,221</u>
33,955,790	27,579,681
11,598,587	7,311,407
52,749,415	45,520,978
26,935,981	19,106,017
2,693,087	818,285
19,464,389	16,646,713
57,074,381	85,608,765
<u>204,471,630</u>	<u>202,591,846</u>
2,526,487	2,433,008
<u>2,526,487</u>	<u>2,433,008</u>
<u>206,998,117</u>	<u>205,024,854</u>
(54,866,520)	(54,619,124)
<u>(5,007,501)</u>	<u>(5,001,243)</u>
<u>(59,874,021)</u>	<u>(59,620,367)</u>

(Continued)

CITY OF CHULA VISTA
Changes in Net Assets (Continued)
Last Five Fiscal Years
(accrual basis of accounting)

	Fiscal Year		
	2003	2004	2005
General Revenues and Other Changes in Net Assets:			
Governmental activities:			
Taxes:			
Property taxes	22,472,649	26,674,527	27,074,211
Sales tax	19,612,779	21,421,090	23,600,000
Other taxes	14,844,449	25,826,828	23,373,749
Motor vehicle licenses	11,007,909	9,137,716	13,941,204
Investment income	14,372,650	5,651,048	11,678,930
Other general revenues	155,683,692	58,912,431	4,887,489
Transfers	45,626	42,876	34,900
Total Governmental Activities	<u>238,039,754</u>	<u>147,666,516</u>	<u>104,590,483</u>
Business-type activities:			
Investment income	118,056	20,715	56,485
Miscellaneous	17,907	115,549	329,381
Transfers	(45,626)	(42,876)	(34,900)
Total Business-type Activities	<u>90,337</u>	<u>93,388</u>	<u>350,966</u>
Total Primary Government	<u>238,130,091</u>	<u>147,759,904</u>	<u>104,941,449</u>
Changes in Net Assets:			
Governmental activities	154,824,687	85,893,412	82,269,812
Business-type activities	(1,857,396)	(919,496)	1,405,169
Total Primary Government	<u>\$ 152,967,291</u>	<u>\$ 84,973,916</u>	<u>\$ 83,674,981</u>

The City of Chula Vista has elected to show only five years of data for this schedule.

Fiscal Year	
2006	2007
32,597,672	38,882,122
30,915,515	32,817,351
22,218,942	21,400,961
18,354,839	17,676,035
10,195,710	13,386,872
5,261,428	7,137,140
122,588	22,618
<u>119,666,694</u>	<u>131,323,099</u>
78,605	167,734
4,088,083	3,809,571
<u>(122,588)</u>	<u>(22,618)</u>
<u>4,044,100</u>	<u>3,954,687</u>
<u>123,710,794</u>	<u>135,277,786</u>
64,800,174	76,703,975
<u>(963,401)</u>	<u>(1,046,556)</u>
<u>\$ 63,836,773</u>	<u>\$ 75,657,419</u>

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

	Fiscal Year		
	2003	2004	2005
General Fund:			
Reserved	\$ 21,358,332	\$ 20,096,238	\$ 22,214,965
Unreserved	28,694,894	25,191,333	19,287,213
Total general fund	<u>\$ 50,053,226</u>	<u>\$ 45,287,571</u>	<u>\$ 41,502,178</u>
All Other Governmental Funds:			
Reserved	\$ 106,439,367	\$ 98,145,262	\$ 98,226,224
Unreserved, reported in:			
Special revenue funds	38,423,739	41,395,612	48,987,258
Capital projects funds	73,977,363	81,760,701	94,472,902
Debt service funds	<u>(28,318,787)</u>	<u>(39,678,141)</u>	<u>(40,817,038)</u>
Total all other governmental funds	<u>\$ 190,521,682</u>	<u>\$ 181,623,434</u>	<u>\$ 200,869,346</u>

The City of Chula Vista has elected to show only five years of data for this schedule.

Fiscal Year	
2006	2007
\$ 21,771,010	\$ 22,249,346
18,114,943	13,252,911
<u>\$ 39,885,953</u>	<u>\$ 35,502,257</u>
\$ 64,859,111	\$ 65,710,718
57,893,321	64,843,684
113,659,937	92,093,271
(42,861,708)	(44,404,278)
<u>\$ 193,550,661</u>	<u>\$ 178,243,395</u>

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

	Fiscal Year		
	2003	2004	2005
Revenues:			
Taxes	\$ 58,729,882	\$ 72,842,579	\$ 81,190,971
Licenses and permits	4,596,975	5,533,743	3,946,733
Fines and forfeitures	1,507,652	1,568,585	1,398,146
Investment income	13,874,221	5,113,371	10,199,902
Developer fees	25,613,027	44,032,302	22,625,331
Intergovernmental	31,868,289	24,600,541	43,647,460
Charges for services	38,994,778	44,940,117	41,850,292
Other	21,862,659	25,318,879	28,232,712
Total Revenues	<u>197,047,483</u>	<u>223,950,117</u>	<u>233,091,547</u>
Expenditures:			
Current:			
General government	35,884,084	38,239,086	46,054,981
Public safety	45,781,808	52,491,410	61,673,449
Public works	49,118,238	54,430,850	56,220,867
Parks and recreation	4,820,255	4,824,714	5,369,192
Library	7,803,208	7,583,333	8,957,574
Capital outlay	66,522,243	56,039,237	61,134,157
Debt service:			
Principal retirement	7,046,207	13,362,073	4,936,247
Interest and fiscal charges	9,817,072	10,910,758	12,059,211
Bond issuance cost			
Total Expenditures	<u>226,793,115</u>	<u>237,881,461</u>	<u>256,405,678</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(29,745,632)</u>	<u>(13,931,344)</u>	<u>(23,314,131)</u>
Other Financing Sources (Uses):			
Transfers in	43,317,265	26,894,272	84,773,947
Transfers out	(43,178,867)	(26,789,382)	(84,678,601)
Proceeds from long-term debt			765,000
Proceeds from bond sale	11,320,000		37,240,000
Bond premium/(bond discount)			35,254
Proceeds from sale of capital assets		162,551	639,050
Total Other Financing Sources (Uses)	<u>11,458,398</u>	<u>267,441</u>	<u>38,774,650</u>
Extraordinary item:			
Forgiveness of debt	(5,635,850)		
Total extraordinary item	<u>(5,635,850)</u>		
Net Change in Fund Balances	<u>\$ (23,923,084)</u>	<u>\$ (13,663,903)</u>	<u>\$ 15,460,519</u>
Debt service as a percentage of noncapital expenditures	10.5%	13.3%	8.7%

The City of Chula Vista has elected to show only five years of data for this schedule.

Fiscal Year	
2006	2007
\$ 86,509,678	\$ 92,821,711
3,441,613	2,870,424
1,724,862	2,226,822
7,946,878	13,570,315
50,551,528	24,058,397
41,847,938	36,385,796
43,823,886	52,694,312
30,012,125	23,567,613
<u>265,858,508</u>	<u>248,195,390</u>
49,628,483	46,904,990
67,913,584	73,245,978
72,296,203	75,720,582
6,210,040	7,503,259
9,734,444	9,660,809
72,988,853	36,472,182
6,054,618	30,892,802
12,260,244	12,289,908
	514,994
<u>297,086,469</u>	<u>293,205,504</u>
<u>(31,227,961)</u>	<u>(45,010,114)</u>
55,698,112	53,900,545
(52,132,246)	(53,835,509)
21,255,000	25,760,000
	(505,884)
<u>24,820,866</u>	<u>25,319,152</u>
<u>\$ (6,407,095)</u>	<u>\$ (19,690,962)</u>
8.2%	17.0%

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

Fiscal Year Ended June 30	City			Taxable Assessed Value ¹
	Secured	Unsecured	Less: Exemptions	
1998	\$ 6,449,700,069	\$ 413,899,982	\$ (251,866,676)	\$ 6,611,733,375
1999	7,101,554,450	245,602,993	(234,813,113)	7,112,344,330
2000	7,854,468,090	502,416,173	(268,612,195)	8,088,272,068
2001	8,812,650,702	326,184,542	(296,831,109)	8,842,004,135
2002	9,948,410,787	442,676,336	(262,190,235)	10,128,896,888
2003	11,489,756,820	359,527,956	(303,902,966)	11,545,381,810
2004	13,186,377,450	387,657,132	(349,913,333)	13,224,121,249
2005	15,390,029,359	402,366,184	(426,140,493)	15,366,255,050
2006	18,481,902,606	442,863,514	(452,332,435)	18,472,433,685
2007	21,254,352,374	582,720,155	(496,479,594)	21,340,592,935

¹ Includes redevelopment incremental valuation

² Redevelopment 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

Redevelopment Agency

Secured	Unsecured	Less: Exemptions ²	Taxable Assessed Value	Total Direct Tax Rate
\$ 186,753,485	\$ 180,598,526		\$ 367,352,011	0.144%
390,015,547	62,024,435		452,039,982	0.144%
443,796,518	62,434,166		506,230,684	0.144%
486,277,371	72,978,911		559,256,282	0.144%
420,217,884	165,288,557		585,506,441	0.144%
578,332,766	92,744,520		671,077,286	0.144%
548,945,714	84,234,008		633,179,722	0.144%
617,179,700	82,759,507		699,939,207	0.144%
735,529,147	82,456,175		817,985,322	0.144%
846,124,571	202,760,284		1,048,884,855	0.144%

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

	Fiscal Year					
	1998	1999	2000	2001	2002	2003
City Direct Rates:						
City basic rate	0.144	0.144	0.144	0.144	0.144	0.144
Overlapping Rates:						
Chula Vista Elementary School District Bonds			0.025	0.025	0.024	0.026
Sweetwater Union High School District Bonds					0.025	0.022
Southwestern Community College Bonds					0.015	0.013
MWD D/S Remainder of SDCWA 15019999	0.009	0.009	0.009	0.009	0.008	0.007
CWA South Bay Irrigation Debt Service	0.001	0.001	0.001	0.001	0.001	0.001
County of San Diego	<u>1.000</u>	<u>1.000</u>	<u>1.000</u>	<u>1.000</u>	<u>1.000</u>	<u>1.000</u>
Total Direct Rate	<u>1.010</u>	<u>1.010</u>	<u>1.035</u>	<u>1.035</u>	<u>1.073</u>	<u>1.069</u>

NOTE:

In 1978, California voters passed Proposition 13 which sets the property tax rate at a 1.00% fixed amount. This 1.00% is shared by all taxing agencies for which the subject property resides within. In addition to the 1.00% fixed amount, property owners are charged taxes as a percentage of assessed property values for the payment of school bonds and other debt service. Overlapping rates may vary by tax rate area. The data listed in this table is representative of tax rate area 001001.

Source: County of San Diego Property Tax Services

Fiscal Year			
<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
0.144	0.144	0.144	0.144
0.027	0.028	0.027	0.027
0.020	0.018	0.023	0.020
0.007	0.013	0.015	0.014
0.006	0.006	0.005	0.005
0.001			
<u>1.000</u>	<u>1.000</u>	<u>1.000</u>	<u>1.000</u>
<u>1.061</u>	<u>1.065</u>	<u>1.070</u>	<u>1.066</u>

CITY OF CHULA VISTA
Principal Property Tax Payers
Current Year and Nine Years Ago

Taxpayer	2007		Percent of Total City Taxable Assessed Value
	Taxable Assessed Value	Rank	
Rohr Inc	\$ 98,905,821	1	0.46%
Essel Vistan L P	96,215,799	2	0.45%
Bre Properties Inc	78,696,784	3	0.37%
SSR Realty Advisors/Calstrs	71,828,419	4	0.34%
Proctor Valley West Partners L L	68,558,822	5	0.32%
C V Centre Inc	67,677,615	6	0.32%
Duke Energy South Bay LLP	66,234,269	7	0.31%
Montecito Crossings LLC	60,545,680	8	0.28%
Camden USA Inc	58,777,852	9	0.28%
Eagle Lomas Verdes L P	54,019,421	10	0.25%
Ho Retail Properties I Ltd Partn	-		-
Price Co The	-		-
Eucalyptus Grove Holdings L L C	-		-
R & B Executive Investments-Marbri	-		-
United States Olympic Committee	-		-
Scripps Memorial Hospitals	-		-
Eastlake Development Co	-		-
DMB/AEW Land Holdings Two LLC	-		-
	<u>\$ 721,460,482</u>		<u>3.38%</u>

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

Source: County of San Diego Property Tax Services

1998

<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percent of Total City Taxable Assessed Value</u>
70,989,696	1	1.07%
-		-
26,557,417	7	0.40%
-		-
-		-
-		-
-		-
-		-
-		-
-		-
56,984,082	2	0.86%
42,725,111	3	0.65%
30,191,908	4	0.46%
28,800,090	5	0.44%
27,291,000	6	0.41%
25,775,794	8	0.39%
23,720,847	9	0.36%
21,612,465	10	0.33%
<u>354,648,410</u>		<u>5.36%</u>

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

Fiscal Year Ended June 30	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of Levy		Collections in Subsequent Years ¹	Total Collections to Date	
		Amount	Percent of Levy		Amount	Percent of Levy
1998	\$ 8,675,402	\$ 8,525,374	98.27%	\$ 161,558	\$ 8,686,932	100.13%
1999	9,257,814	9,104,045	98.34%	129,600	9,233,645	99.74%
2000	10,133,358	9,936,521	98.06%	106,647	10,043,167	99.11%
2001	11,254,079	11,069,156	98.36%	125,706	11,194,861	99.47%
2002	12,806,109	12,597,591	98.37%	96,550	12,694,141	99.13%
2003	14,293,880	14,061,319	98.37%	112,257	14,173,576	99.16%
2004	16,200,005	15,959,723	98.52%	116,784	16,076,507	99.24%
2005	18,652,193	18,324,623	98.24%	106,497	18,431,120	98.81%
2006	22,096,604	21,617,022	97.83%	162,806	21,779,829	98.57%
2007	25,159,692	24,409,063	97.02%	209,442	24,618,505	97.85%

¹ The amounts presented represent delinquencies collected for prior years during the current tax year.

Source: County of San Diego Property Tax Services

CITY OF CHULA VISTA
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year Ended June 30	Governmental Activities				Total Governmental Activities	Percentage of Personal Income ¹	Debt Per Capita ¹
	Pension Obligation	Tax Allocation	Loans	Certificates of Participation			
	Bonds	Bonds					
1998	\$16,997,031	\$27,975,000	\$40,354,134	\$ 15,510,000	\$100,836,165	2.00%	653
1999	16,757,351	27,625,000	41,742,571	14,390,000	100,514,922	1.82%	630
2000	16,419,851	27,255,000	46,726,701	13,215,000	103,616,552	1.77%	631
2001	15,971,354	43,855,000	55,689,108	37,240,000	152,755,462	2.44%	880
2002	15,456,449	43,330,000	10,397,443	95,245,000	164,428,892	2.55%	906
2003	14,799,025	42,750,000	7,462,505	104,225,000	169,236,530	2.54%	886
2004	13,985,870	42,125,000	7,315,971	92,920,000	156,346,841	2.27%	780
2005	12,991,962	41,240,000	8,193,481	127,599,255	190,024,698	2.57%	910
2006	11,795,000	40,295,000	9,811,786	144,240,000	206,141,786	2.67%	950
2007	10,415,000	41,275,000	10,054,806	139,845,000	201,589,806	2.50%	902

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

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

CITY OF CHULA VISTA
Ratio of General Bonded Debt Outstanding
Last Ten Fiscal Years
(In Thousands, except Per Capita)

Fiscal Year Ended June 30	Outstanding General Bonded Debt			Percent of Assessed Value ¹	Per Capita
	Pension Obligation Bonds	Tax Allocation Bonds	Total		
1998	16,997	27,975	44,972	0.68%	110
1999	16,757	27,625	44,382	0.62%	105
2000	16,420	27,255	43,675	0.54%	100
2001	15,971	43,855	59,826	0.68%	92
2002	15,456	43,330	58,786	0.58%	85
2003	14,799	42,750	57,549	0.50%	77
2004	13,986	42,125	56,111	0.42%	70
2005	12,992	41,240	54,232	0.35%	62
2006	11,795	40,295	52,090	0.28%	54
2007	10,415	41,275	51,690	0.24%	47

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, 2007

2006-07 Assessed Valuation:	\$21,340,592,935
Redevelopment Incremental Valuation:	1,048,884,855
Adjusted Assessed Valuation:	\$20,291,708,080

<u>OVERLAPPING TAX AND ASSESSMENT DEBT:</u>	<u>Total Debt</u> <u>6/30/07</u>	<u>% Applicable (1)</u>	<u>City's Share of</u> <u>Debt 6/30/07</u>
Metropolitan Water District	\$ 359,115,000	1.248%	\$ 4,481,755
Otay Municipal Water District, I.D. No. 27	9,210,000	99.998	9,209,816
Southwestern Community College District	88,567,442	56.570	50,102,602
Sweetwater Union High School District	178,139,415	66.007	117,584,484
Chula Vista City School District	85,960,000	86.729	74,552,248
City of Chula Vista Community Facilities Districts	249,815,000	100.	249,815,000
Sweetwater Union High School District Community Facilities Districts	193,304,633	3.978-100.	180,870,534
Chula Vista City School District Community Facilities Districts	7,425,000	100.	7,425,000
City of Chula Vista 1915 Act Bonds	39,346,023	100.	39,346,023
TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT			733,387,462

DIRECT AND OVERLAPPING GENERAL FUND DEBT:

San Diego County General Fund Obligations	351,215,000	6.424%	22,562,052
San Diego County Pension Obligations	1,343,747,916	6.424	86,322,366
San Diego County Superintendent of Schools Obligations	18,042,500	6.424	1,159,050
Southwestern Community College District Certificates of Participation	1,840,000	56.570	1,040,888
Sweetwater Union High School District Certificates of Participation	12,145,000	66.007	8,016,550
Chula Vista City School District Certificates of Participation	133,905,000	86.729	116,134,467
City of Chula Vista Certificates of Participation	139,845,000	100.	139,845,000
City of Chula Vista Pension Obligations	10,415,000	100.	10,415,000
Otay Municipal Water District Certificates of Participation	66,135,000	65.474	43,301,230
TOTAL GROSS DIRECT AND OVERLAPPING GENERAL FUND DEBT			428,796,603
Less: Otay Municipal Water District Certificates of Participation			43,301,230
TOTAL NET DIRECT AND OVERLAPPING GENERAL FUND DEBT			\$ 385,495,373

GROSS COMBINED TOTAL DEBT	\$ 1,162,184,065 (2)
NET COMBINED TOTAL DEBT	\$ 1,118,882,835

- (1) Percentage of overlapping agency's assessed valuation located within boundaries of the city.
(2) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and tax allocation bonds and non-bonded capital lease obligations.

Ratios to 2006-07 Assessed Valuation:

Total Overlapping Tax and Assessment Debt.....	3.44%
--	-------

Ratios to Adjusted Assessed Valuation:

Combined Direct Debt (\$150,260,000).....	0.74%
Gross Combined Total Debt.....	5.73%
Net Combined Total Debt.....	5.51%

STATE SCHOOL BUILDING AID REPAYABLE AS OF 06/30/07: \$0

Source: California Municipal Statistics, Inc.

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

	Fiscal Year			
	1998	1999	2000	2001
Assessed valuation	\$6,611,733,375	\$7,112,344,330	\$8,088,272,068	\$8,842,004,135
Conversion percentage	25%	25%	25%	25%
Adjusted assessed valuation	1,652,933,344	1,778,086,083	2,022,068,017	2,210,501,034
Debt limit percentage	15%	15%	15%	15%
Debt limit	247,940,002	266,712,912	303,310,203	331,575,155
Total net debt applicable to limit: Pension obligation bonds	<u>16,997,031</u>	<u>16,757,351</u>	<u>16,419,851</u>	<u>15,971,354</u>
Legal Debt Margin	<u>\$ 230,942,971</u>	<u>\$ 249,955,561</u>	<u>\$ 286,890,352</u>	<u>\$ 315,603,801</u>
Total Debt Applicable to the Limit as a Percentage of Debt Limit	6.9%	6.3%	5.4%	4.8%

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

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

Fiscal Year

2002	2003	2004	2005	2006	2007
\$ 10,128,896,888	\$ 11,545,381,810	\$ 13,224,121,249	\$ 15,366,255,050	\$ 18,472,433,685	\$ 21,340,592,935
25%	25%	25%	25%	25%	25%
2,532,224,222	2,886,345,453	3,306,030,312	3,841,563,763	4,618,108,421	5,335,148,234
15%	15%	15%	15%	15%	15%
379,833,633	432,951,818	495,904,547	576,234,564	692,716,263	800,272,235
15,456,449	14,799,025	13,985,870	12,991,962	11,795,000	10,415,000
<u>\$ 364,377,184</u>	<u>\$ 418,152,793</u>	<u>\$ 481,918,677</u>	<u>\$ 563,242,602</u>	<u>\$ 680,921,263</u>	<u>\$ 789,857,235</u>
4.1%	3.4%	2.8%	2.3%	1.7%	1.3%

CITY OF CHULA VISTA
Pledged-Revenue Coverage
Last Ten Fiscal Years
(In Thousands)

Fiscal Year Ended June 30	Tax Allocation Bonds			
	Tax Increment	Debt Service		Coverage
		Principal	Interest	
1998	\$ 5,422,421	\$ 330,000	\$ 2,226,058	2.12
1999	6,045,332	350,000	2,203,904	2.37
2000	6,388,669	370,000	2,179,841	2.51
2001	7,590,243	400,000	2,477,730	2.64
2002	7,032,187	525,000	2,980,373	2.01
2003	7,822,428	580,000	2,943,058	2.22
2004	10,317,573	625,000	2,902,851	2.92
2005	8,939,444	885,000	2,855,288	2.39
2006	10,404,880	945,000	2,797,726	2.78
2007	11,935,618	995,000	2,735,150	3.20

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

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CITY OF CHULA VISTA
Demographic and Economic Statistics
Last Ten Calendar Years

Fiscal Year	Total Population	Pct. of S.D. County Population	Pct. Change from Previous Year	Median Age	Avg. Household Size
1998	159,500	5.9%	3.2%	n/a	n/a
1999	164,200	6.0%	2.9%	n/a	n/a
2000	173,556	6.2%	5.7%	33.0	2.99
2001	181,453	6.3%	4.6%	32.9	3.01
2002	191,033	6.5%	5.3%	32.9	3.05
2003	200,378	6.7%	4.9%	33.0	3.09
2004	208,768	6.9%	4.2%	33.4	3.03
2005	216,999	7.1%	3.9%	33.6	3.03
2006	223,533	7.3%	3.0%	33.8	3.05
2007	227,723	7.4%	1.9%	33.8	3.04

Sources: SANDAG, Current Estimates (Oct. 2007)
California Department of Finance
California Employment Development Department
U.S. Census Bureau, Census 2000 and American Community Survey
U.S. Bureau of Economic Analysis

Educational Attainment		Pct. Below Poverty	Unemployment Rate	Personal Income (In Thousands)	Per Capita Personal Income
% High School Graduate	% Bachelor's Degree or Higher				
n/a	n/a	n/a	n/a	\$ 5,528,300	\$ 34,660
n/a	n/a	n/a	n/a	5,842,500	35,580
79%	22%	11%	4.6%	6,269,300	36,120
n/a	n/a	n/a	4.9%	6,447,000	35,530
n/a	n/a	n/a	6.1%	6,672,700	34,930
n/a	n/a	n/a	6.1%	6,891,100	34,390
n/a	n/a	n/a	5.6%	7,386,000	35,380
79%	25%	9%	5.1%	7,734,100	35,640
82%	24%	11%	4.7%	8,073,700	36,120
n/a	n/a	n/a	n/a	n/a	n/a

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

<u>Employer</u>	<u>2007</u>		<u>1998 ¹</u>	
	<u>Number of Employees</u>	<u>Percent of Total Employment</u>	<u>Number of Employees</u>	<u>Percent of Total Employment</u>
Sweetwater Union High School District	4,515	9.21%	n/a	n/a
Chula Vista Elementary School District	2,708	5.52%	n/a	n/a
Southwestern Community College	2,503	5.11%	n/a	n/a
Rohr Inc/Goodrich Aerospace	1,903	3.88%	n/a	n/a
City of Chula Vista	1,661	3.39%	n/a	n/a
Sharp Chula Vista Medical Center	1,410	2.88%	n/a	n/a
Wal-Mart	950	1.94%	n/a	n/a
Scripps Mercy Hospital Chula Vista	900	1.84%	n/a	n/a
United Parcel Service	636	1.30%	n/a	n/a
CostCo Wholesale Corp.	614	1.25%	n/a	n/a

¹ 1998 data is not available

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

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

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

<u>Function</u>	<u>Full-Time and Part-time Employees as of June 30</u>									
	<u>1998¹</u>	<u>1999²</u>	<u>2000²</u>	<u>2001²</u>	<u>2002²</u>	<u>2003</u>	<u>2004³</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
General government	193	216	103	105	98	225	465	193	380	324
Public safety	360	353	309	327	362	413	480	528	518	548
Public works/engr	134	217	230	249	269	295	249	335	198	237
Parks and recreation	232	297	495	529	559	162	-	175	230	242
Library	127	-	-	-	-	216	182	217	252	227
Planning and building	-	70	74	84	92	92	99	91	97	83
Total	<u>1,046</u>	<u>1,083</u>	<u>1,211</u>	<u>1,294</u>	<u>1,380</u>	<u>1,403</u>	<u>1,475</u>	<u>1,539</u>	<u>1,675</u>	<u>1,661</u>

¹ Planning and Building employee count included in General Government count

² Library employee count included in Parks and Recreation count

³ Parks and Recreation employee count included in General Government count

Source: City Finance Department

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

	Fiscal Year				
	1998	1999	2000	2001	2002
Police:					
Citizen-initiated calls for service ¹	69,196	74,405	76,738	73,977	71,859
Fire:					
Number of emergency calls ²	4,119	6,344	6,654	7,128	7,626
Inspections	n/a	n/a	n/a	n/a	n/a
Public Works:					
Street resurfacing/maintenance ³ (square feet)	n/a	n/a	142,622.2	307,619.5	151,576.5
Parks and Recreation:					
Number of recreation classes	n/a	n/a	1,076	1,136	1,126
Number of facility rentals	n/a	n/a	n/a	762	1,096
Library:					
Circulation	1,312,073	1,246,433	1,198,645	1,192,670	1,268,587
Attendance	971,829	811,470	965,406	1,209,986	1,009,061
Sewer:					
New connections	n/a	n/a	1,633	2,314	2,464
Average daily sewage treatment (thousands of gallons)	n/a	13.0	14.3	15.0	15.2

¹ The 1999 figure is for the calendar year instead of fiscal year.

² Figures for 1997, 1998, 1999, and 2005 are reported for the calendar year instead of fiscal year.

³ Excludes filling of potholes.

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

Source: City of Chula Vista

Fiscal Year				
2003	2004	2005	2006	2007
71,268	71,000	74,106	73,075	74,277
8,088	8,420	9,907	n/a	14,853
n/a	n/a	n/a	1,780	2,119
218,632.1	252,788.5	142,863.8	230,598.4	157,903.0
2,261	1,819	1,709	1,821	2,231
897	402	680	610	855
1,308,148	1,308,709	1,414,295	1,467,799	1,344,115
1,044,755	1,070,560	1,121,119	1,170,168	1,148,024
2,652	2,480	1,934	488	529
16.3	15.8	17.0	16.9	17.0

CITY OF CHULA VISTA
 Capital Asset Statistics
 by Function
 Last Ten Fiscal Years

	Fiscal Year			
	1998	1999	2000	2001
Police:				
Stations	1	1	1	1
Fire:				
Fire stations	6	6	6	6
Public Works:				
Streets (miles)	n/a	n/a	n/a	n/a
Streetlights	n/a	n/a	n/a	n/a
Traffic signals	142	144	149	152
Parks and Recreation:				
Community parks	6	6	6	6
Recreation facilities	8	8	8	8
Library:				
Libraries	2	2	2	2
Sewer:				
Sewer pipes (miles)	n/a	n/a	n/a	n/a
Storm drains (miles)	n/a	n/a	n/a	n/a
Maximum daily treatment capacity (million of gallons)	19.8	19.8	19.8	19.8

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

Source: City of Chula Vista

	Fiscal Year				
2002	2003	2004	2005	2006	2007
1	1	1	1	1	1
7	7	7	8	9	9
356.2	358.8	370.9	373.8	387.3	403.3
7,107	7,547	8,047	8,368	8,501	8,953
161	170	188	199	220	238
6	6	6	6	9	9
8	9	9	9	12	12
2	2	2	2	2	2
338.6	428.2	448.1	455.8	471.3	484.2
173.0	182.3	191.9	219.9	228.6	234.0
19.8	19.8	19.8	20.9	20.9	20.9