



FISCAL YEAR ENDED
June 30, 2023

ANNUAL COMPREHENSIVE
FINANCIAL REPORT

CITY OF
CHULA VISTA
CALIFORNIA





CITY OF
CHULA VISTA



Annual Comprehensive Financial Report

*For The Fiscal Year Ended
June 30, 2023*

Mayor
John McCann

City Council

**Carolina Chavez
Jose Preciado
Alonso Gonzalez
Andrea Cardenas**

City Manager
Maria Kachadoorian

Compiled under the direction of
Sarah Schoen
Director of Finance/Treasurer



CITY OF
CHULA VISTA

CITY OF CHULA VISTA
Annual Comprehensive Financial Report
For the Fiscal Year Ended June 30, 2023

Table of Contents

	<u>Page Number</u>
<u>INTRODUCTORY SECTION (Unaudited)</u>	
Letter of Transmittal.....	i
List of City Officials.....	v
Organizational Chart.....	vi
Certificate of Achievement for Excellence in Financial Reporting	vii
 <u>FINANCIAL SECTION</u>	
Independent Auditors' Report	1
Management's Discussion and Analysis (Required Supplementary Information)	5
Basic Financial Statements:	
Government-Wide Financial Statements:	
Statement of Net Position	29
Statement of Activities	30
Fund Financial Statements:	
Governmental Fund Financial Statements:	
Balance Sheet	36
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position.....	39
Statement of Revenues, Expenditures and Changes in Fund Balances	40
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	43
Proprietary Fund Financial Statements:	
Statement of Net Position.....	46
Statement of Revenues, Expenses and Changes in Fund Net Position.....	48
Statement of Cash Flows	50
Fiduciary Fund Financial Statements:	
Statement of Fiduciary Net Position.....	56
Statement of Changes in Fiduciary Net Position.....	57
Notes to Basic Financial Statements	60
 Required Supplementary Information:	
Budgetary Comparison Schedule by Department - General Fund.....	123
Budgetary Comparison Schedule - Federal, State, and Local Grants Special Revenue Fund	124
Budgetary Comparison Schedule - Housing Successor Agency Special Revenue Fund.....	125
Schedule of Changes in Net Pension Liability and Related Ratios - Miscellaneous	126
Schedule of Changes in Net Pension Liability and Related Ratios - Safety	128
Schedule of Plan Contributions	130
Schedule of Changes in the Total OPEB Liability and Related Ratios	131
 Notes to Required Supplementary Information	 132

CITY OF CHULA VISTA
Annual Comprehensive Financial Report
For the Fiscal Year Ended June 30, 2023

Table of Contents

	<u>Page Number</u>
<u>FINANCIAL SECTION (Continued)</u>	
Supplementary Information:	
Non-Major Governmental Funds:	
Combining Balance Sheet	141
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	147
Budgetary Comparison Schedule by Expense Category:	
General Fund	153
Federal, State, and Local Grants Special Revenue Fund	155
Housing Successor Agency Special Revenue Fund	156
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual:	
Transportation Gas Taxes Special Revenue Fund	157
Parking Meter Special Revenue Fund	158
Traffic Safety Special Revenue Fund	159
Storm Drain Special Revenue Fund	160
Town Center I Special Revenue Fund	161
Open Space Districts Special Revenue Fund	162
Housing Programs Special Revenue Fund	163
Housing Authority Special Revenue Fund	164
Transportation Sales Tax Special Revenue Fund	165
Mobile Park Fee Special Revenue Fund	166
Public Education and Government Fee Special Revenue Fund	167
Utility Tax Settlement Special Revenue	168
National Opioid Settlement Special Revenue Fund	169
Special Revenue Endowments Special Revenue Fund	170
Developer Contributions Special Revenue Fund	171
Donations Special Revenue Fund	172
Development Impact Capital Project Fund	173
Park Acquisition Development Capital Project Fund	174
Residential Construction Tax Capital Project Fund	175
Highway Safety Capital Project Fund	176
Industrial Development Authority Capital Project Fund	177
Assessment District Improvements Capital Projects Fund	178
Transportation Partnership Capital Projects Fund	179
Other Transportation Program Capital Project Fund	180
Capital Projects Fund	181
Public Financing Authority Debt Service Fund	182
Municipal Financing Authority Debt Service Fund	183
City Debt Service Fund	184
Notes Payable Debt Service Fund	185
Lease Payable Debt Service Fund	186
Non-Major Proprietary Funds:	
Combining Statement of Net Position	188
Combining Statement of Revenues, Expenses and Changes in Net Position	190
Combining Statement of Cash Flows	192

CITY OF CHULA VISTA
Annual Comprehensive Financial Report
For the Fiscal Year Ended June 30, 2023

Table of Contents

	<u>Page Number</u>
<u>FINANCIAL SECTION (Continued)</u>	
Internal Service Funds:	
Combining Statement of Net Position	196
Combining Statement of Revenues, Expenses and Changes in Net Position	197
Combining Statement of Cash Flows	198
Fiduciary Funds:	
Combining Statement of Net Position – All Custodial Funds	200
Combining Statement of Changes in Fiduciary Net Position – All Custodial Funds	201
<u>STATISTICAL SECTION</u>	
Net Position by Component - Last Ten Fiscal Years.....	204
Changes in Net Position - Last Ten Fiscal Years	206
Fund Balances, Governmental Funds – Last Ten Fiscal Years	208
Changes in Fund Balances, Governmental Funds – Last Ten Years	210
Assessed Value and Estimated Actual Value of Taxable 189	212
Direct and Overlapping Property Tax Rates - Last Ten Fiscal Years.....	213
Principal Property Taxpayers - Current Year and Nine Years Ago.....	214
Property Tax Levies and Collections - Last Ten Fiscal Years.....	215
Ratios of Outstanding Debt by Type - Last Ten Fiscal Years	216
Ratios of General Bonded Debt Outstanding - Last Ten Fiscal Years	218
Direct and Over Lapping Bonded Debt	219
Legal Debt Margin Information - Last Ten Fiscal Years	220
Pledged-Revenue Coverage - Last Ten Fiscal Years.....	222
Demographic and Economic Statistics - Last Ten Calendar Years	223
Principal Employers - Current Year and Nine Years Ago.....	224
Full-time and Part-time City Employees by Function - Last Ten Fiscal years	225
Operating Indicators by Function/Program - Last Ten Fiscal Years	226
Capital Asset Statistics by Function/Program - Last Ten Fiscal Years	227
Independent Auditors’ Report on Internal Control Over Financial Reporting And on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	
	229



CITY OF
CHULA VISTA



December 28, 2023

Honorable Mayor, Councilmembers, and Residents of City of Chula Vista
City of Chula Vista
Chula Vista, CA 91910

Letter of Transmittal
Annual Comprehensive Financial Report, For the Fiscal Year Ended June 30, 2023

To the Honorable Mayor, Councilmembers, and Residents of City of Chula Vista:

We are pleased to submit the audited Annual Comprehensive Financial Report (ACFR) for the City of Chula Vista (City) for the fiscal year ended June 30, 2023. The City compiles and prepares the ACFR to provide interested parties with reliable information concerning the financial condition and results of operations for the City.

The ACFR has been prepared in accordance with generally accepted accounting principles (GAAP) in the United States of America and the financial reporting requirements prescribed by the Governmental Accounting Standards Board (GASB). The City's management is responsible for both the accuracy of the information and the completeness and fairness of the presentation, including all disclosures. This means that the financial statements have been prepared using guidelines that would allow the user to make a meaningful comparison to the financial statements of other similar entities. All disclosures necessary to enable the reader to gain an understanding of the City's activities have been included.

The basic financial statements are audited by an independent certified public accounting firm. The purpose of the audit is to ensure that the financial statements present fairly, in all material respects, the financial position and the results of operations of the City.

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

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

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

Industrial Development Authority, Chula Vista Public Financing Authority, Chula Vista Municipal Financing Authority, Chula Vista Housing Authority, Chula Vista Bayfront Facilities Financing Authority, and Bayfront Project Special Tax Financing District.

Profile of the Government

The City is located in San Diego County with its western border adjacent to San Diego Bay, 8 miles south of Downtown San Diego and 7 miles north of the Mexican border. The City encompasses approximately 52 square miles.

The City was incorporated in 1911 and was recognized as city in the State of California by election in 1949. The City functions under a City Charter with a Council/Manager form of government. The City is governed by a four-member Council and a Mayor, who serves four-year overlapping terms, and, in addition to the City Attorney, is elected on a citywide basis. The Council appoints the City Manager and the City Clerk. Municipal services provided include police, fire, parks and recreation, libraries, planning & building, housing programs, street and drainage construction and maintenance, and sewer services.

Local Economy and Prospects for the Future

Chula Vista residents enjoy all the benefits of a major city along with small town friendliness, affordable housing, and near perfect weather. The most recent data available from San Diego Association of Governments (SANDAG) estimates that the median household income in Chula Vista is \$72,265.

The City of Chula Vista, with an estimated population of 276,785, per the California Department of Finance is the second largest community in San Diego County. SANDAG projects that the City of Chula Vista will reach a population of approximately 330,255 by the year 2050. SANDAG's 2050 Growth Forecast indicates that the South County sub region will continue to host a substantial amount of the region's projected growth over the next three decades, primarily through new development in the eastern portion of the City.

In fiscal year 2023, the City made substantial progress on major City projects, including the Gaylord Pacific Hotel and Convention Center on the Chula Vista Bayfront and the University and Innovation District in East Chula Vista. The developed Chula Vista Bayfront is expected to have an enormous impact on the City and the San Diego region, attracting visitors from throughout the State of California and beyond. The developed bayfront will raise the City's quality of life, with new parks and coastal access, and amenities for all to enjoy. The construction project is anticipated to create 3,580 jobs and once open is expected to have an economic impact of half-a-billion dollars each year and produce 4,000 permanent jobs. The developed University and Innovation District aims to recruit and co-locate a unique mix of academic partners in an environment different than a traditional university campus. Instead, academic institutions, including a four-year university, will integrate with commercial, retail and residential functions in an urban, mixed-use setting. This will provide a collaborative learning and research environment for engaging students, faculty and corporations in the creation and application of knowledge for cross-border economic, social and cultural development. The University and Innovation District will offer a globally desirable range of academic, entrepreneurial, and urban amenities to attract the talent and investment that will sustain a world-class educational-innovation ecosystem in Chula Vista.

Long-Term Financial Planning

The City updated the General Fund Long-Term Financial Plan (LTFP) for fiscal year 2025 through 2034 as part of its annual budget development process. The forecast analyzed revenue and expenditure estimates and assumptions over a 10-year period to assess the City's ability to maintain current or expand service levels based on projected growth, preserve the City's long-term fiscal health by aligning operating revenues and costs, and to maintain the City's reserve funds to City reserve policy thresholds. The goal of the financial forecast is to match the availability of revenues against expenditures over time and update budgetary and financial plans accordingly. In summary, the Long-Term Financial Plan provides an in-depth analysis of the City's fiscal condition to aide in proactive financial decision making and to serve as a planning tool to bring a long-term perspective to the budget development process.

The forecast anticipated moderate revenue growth from fiscal year 2025 to fiscal year 2027. Starting in fiscal year 2028, revenues are anticipated to decrease due to the scheduled conclusion of a citizen approved sales tax measure. Starting in fiscal year 2029, revenues are anticipated to resume moderate growth through fiscal year 2034. The forecast anticipated expenditure growth to outpace revenue growth revenues from fiscal year 2025 to fiscal year 2027. This structural shortfall is projected for the first three years of the ten-year LTFP period.

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

Internal Controls

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

Budgetary Controls

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

Activities of the City's Governmental Funds (general fund, special revenue funds, debt service funds, and capital project funds) are adopted in the operating budget. Budgetary control (which is the policy that actual expenditures may not exceed appropriations) is at the department and expenditure category level. City Council approval is required for any transfer between departments or overall increase to a department. The City Manager is authorized to transfer appropriations up to \$75,000 between expenditure categories

within a departmental budget. Any appropriation transfers between expenditure categories within departments greater than \$75,000 require City Council approval. Appropriations, other than for capital projects, remaining unspent at the end of any fiscal year will be canceled and returned to available fund balance with the exception of any appropriations encumbered as the result of a valid purchase order or as approved for a specific project or purpose by the City Council or the City Manager. Appropriations for capital projects will necessarily be carried over from year to year until the project is deemed to be complete. The City Council also adopts amounts in the operating budget for the proprietary and internal service funds to provide a level of fiscal control.

Independent Audit

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

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

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Chula Vista for its ACFR for the year ended June 30, 2022. This was the 23rd consecutive year that the City has received this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized ACFR. 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 ACFR continues to meet the Certificate of Achievement Program's requirements, and we are again submitting it to GFOA to determine its eligibility for another certificate.

Acknowledgments

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

Respectfully submitted,



Sarah Schoen

Director of Finance/Treasurer



List of City Officials As of June 30, 2023

City Council

John McCann	Mayor
Carolina Chavez	Councilmember District 1
Jose Preciado	Councilmember District 2
Alonso Gonzalez	Councilmember District 3
Andrea Cardenas	Councilmember District 4

Administration

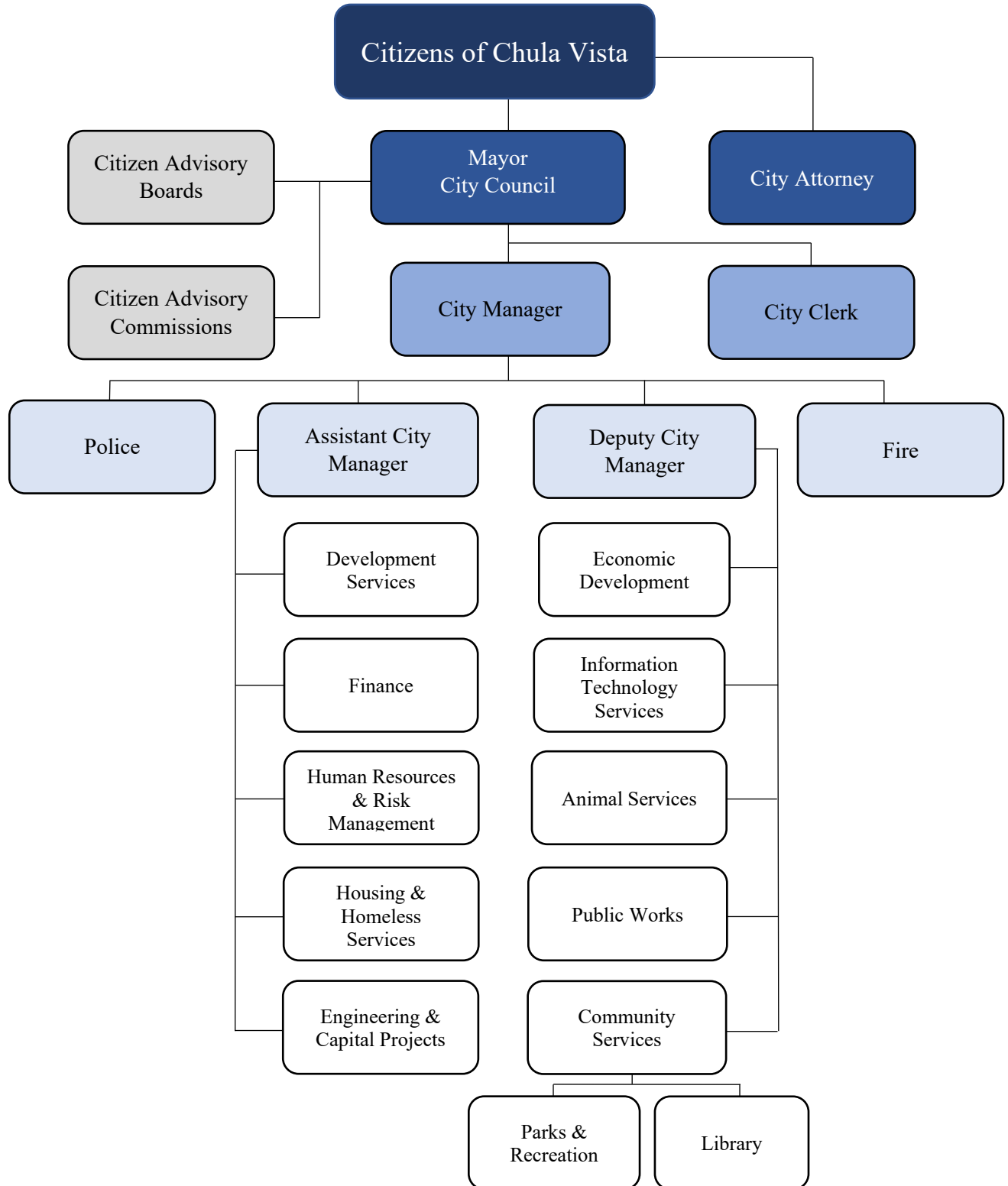
Maria Kachadoorian	City Manager
Tiffany Allen	Assistant City Manager
Eric Crockett	Deputy City Manager
(Vacant)	City Attorney
Kerry K. Bigelow	City Clerk

Department Heads

John Skeel	Director of Animal Services
Tracy Lamb	Director of Community Services
Laura Black	Director of Development Services
William Valle	Director of Engineering/City Engineer
Harry Muns	Fire Chief
Sarah Schoen	Director of Finance/Treasurer
Stacey Kurz	Director of Housing & Homeless Services
Courtney Chase	Director of Human Resources & Risk Management
Jose Cisneros	Director of Information Technology Services
Roxana Kennedy	Chief of Police
Matthew Little	Director of Public Works



Organizational Chart
As of June 30, 2023





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Chula Vista
California**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2022

Christopher P. Morill

Executive Director/CEO



CITY OF
CHULA VISTA



INDEPENDENT AUDITORS' REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Chula Vista, California (the "City"), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

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, as of June 30, 2023, and the respective changes in financial position, and cash flows thereof, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

Change in Accounting Principle

As described in Note 1 to the financial statements, in 2023, the City adopted new accounting guidance, GASB Statement No. 96, *Subscription Based Information Technology Arrangements*. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.



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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison schedules for the General Fund and major special revenue funds, and the required pension and other postemployment benefits schedules, as listed on the table of contents, presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.



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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying combining and individual fund financial statements and schedules (supplementary information) are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 28, 2023, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "Lance, Solt & Lughard, LLP".

Brea, California
December 28, 2023



**CITY OF CHULA VISTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2023**

The City of Chula Vista (City) offers readers this narrative overview and analysis of the City's financial activities for the fiscal year ended June 30, 2023. It should be read in conjunction with the accompanying letter of transmittal beginning on page i and the accompanying basic financial statements.

FINANCIAL HIGHLIGHTS

The following outlines financial highlights for the year:

1. At June 30, 2023 the assets and deferred outflows of the City exceeded its liabilities and deferred inflows by \$1,873.8 million (net position). Total net position consisted of net investment in capital assets of \$1,554.2 million, restricted net position of \$287.4 million, and unrestricted net position of \$32.2 million.
2. Total unrestricted net position for governmental activities has decreased by \$22.6 million from the prior fiscal year, a change of 23.2%, whereas unrestricted net position for business-type activities was \$16.3 million higher than the previous year, a 12.0% increase.
3. The City's total net position increased by \$135.7 million or 7.8% in fiscal year 2023. The net position for governmental activities increased by a net \$118.1 million or 9.2%, while the net position for business-type activities increased by \$17.6 million or 3.8%.
4. The City's governmental funds reported combined ending fund balances of \$409.1 million, an increase of \$49.0 million, or 13.6%.
5. Total citywide liabilities increased by \$35.4 million or 5.3%. Liabilities for governmental activities increased by \$28.6 million or 4.7% and business-type activities increased by \$6.8 million or 13.3%.
6. The City's total long-term debt obligations for governmental activities had a net decrease of \$21.4 million or 4.6%.

OVERVIEW OF FINANCIAL STATEMENTS

This discussion and analysis provided here 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 basic financial statements.

This report also contains required supplementary information (RSI) as well as other supplemental financial information intended to furnish additional detail to support 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 Position* and the *Statement of Activities*.

The *Statement of Net Position* presents information on all the City's assets and deferred outflows, along with liabilities and deferred inflows, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is

**CITY OF CHULA VISTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2023**

improving or deteriorating. This statement combines and consolidates governmental funds' current financial resources with capital assets and long-term obligations.

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

The government-wide financial statements have separate sections for three different types of activities. These three types of activities are:

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

Business-Type Activities – These functions normally are intended to recover all or a significant portion of their costs through user fees and charges to external customers for goods and services. The business-type activities of the City include Sewer Fund, Sewer Development Impact Fees, Development Services Fund, Chula Vista Elite Athlete Training Center, Bayfront Trolley Station, Transit Fund, Chula Vista Muni Golf Course, Transport Enterprise, and Living Coast Discovery Center.

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

Fund Financial Statements and Major Component Unit Financial Statements

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

The fund financial statements provide detailed information about each of the City's most significant funds, called Major Funds. The concept of Major Funds, and the determination of which are major funds, was established by GASB Statement No. 34 and replaces the concept of combining like funds and presenting them in total. Instead, each Major Fund is presented individually, with all Non-Major Funds summarized and presented in a single column.

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

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

**CITY OF CHULA VISTA
MANAGEMENT’S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2023**

governmental activities. These reconciliations are presented on the pages immediately following each governmental fund financial statement.

As of fiscal year 2023, the City maintains numerous governmental funds within the adopted budget and its financial system. However, for financial reporting, the funds are summarized as follows for presentation purposes:

Fund Category	Major Funds	Non-Major Funds	Total
General Fund	1	0	1
Special Revenue	2	16	18
Capital Project	1	9	10
Debt Service	0	5	5
Permanent	0	0	0
Total Presented	4	30	34

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

Proprietary Funds – The City maintains two different types of proprietary funds - enterprise funds and internal service funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its Sewer, Sewer Development Impact Fees, Development Services, Chula Vista Elite Athlete Training Center, Bayfront Trolley Station, Transit, Chula Vista Muni Golf Course, Transport Enterprise, and Living Coast Discovery Center. Internal service funds are used to accumulate and allocate costs internally among the City’s various functions. The City uses internal service funds to account for its fleet management, technology replacement, and workers compensation program. Because these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the governmental-wide financial statements.

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

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

**CITY OF CHULA VISTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2023**

Notes to Basic Financial Statements

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

Required Supplementary Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City's budgetary results for the general fund and all major special revenue funds with an appropriated budget. Required supplementary information also includes trend data for the City's pension plans and other postemployment benefits.

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net Position

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. As of June 30, 2023, the City's total net position (governmental and business-type activities) was \$1,873.8 million, a net increase of \$135.7 million or 7.8% from the prior fiscal year. The City's governmental activities increased by \$118.1 million and business-type activities increased by \$17.6 million. The following Summary of Net Position table shows the components that make up the City's net position at June 30, 2023 and 2022.

**Summary of Net Position
Fiscal Year Ended June 30**

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Current Assets	\$ 472,776,502	\$ 491,605,672	\$ 195,675,405	\$ 183,376,221	\$ 668,451,907	\$ 674,981,893
Non-Current Assets	98,337,081	178,621,179	(2,348,567)	12,476,689	95,988,514	191,097,868
Capital Assets	1,362,769,383	1,281,546,729	328,791,214	324,363,653	1,691,560,597	1,605,910,382
Total Assets	1,933,882,966	1,951,773,580	522,118,052	520,216,563	2,456,001,018	2,471,990,143
Deferred outflow of resources	121,590,525	27,287,658	15,421,977	1,998,246	137,012,502	29,285,904
Total Deferred Outflows	121,590,525	27,287,658	15,421,977	1,998,246	137,012,502	29,285,904
Current Liabilities	110,808,267	114,543,305	19,171,185	17,776,203	129,979,452	132,319,508
Non-Current Liabilities	531,667,421	499,340,761	38,607,138	33,218,169	570,274,559	532,558,930
Total Liabilities	642,475,688	613,884,066	57,778,323	50,994,372	700,254,011	664,878,438
Deferred inflows of resources	17,169,407	104,682,399	1,799,144	10,966,035	18,968,551	115,648,434
Total Deferred Inflows	17,169,407	104,682,399	1,799,144	10,966,035	18,968,551	115,648,434
Net Position						
Net Investment in Capital Assets	1,228,680,322	1,139,225,615	325,567,886	324,179,036	1,554,248,208	1,463,404,651
Restricted	287,363,139	218,852,340	-	-	287,363,139	218,852,340
Unrestricted	(120,215,065)	(97,583,182)	152,394,676	136,075,366	32,179,611	38,492,184
Total Net Position	\$ 1,395,828,396	\$ 1,260,494,773	\$ 477,962,562	\$ 460,254,402	\$ 1,873,790,958	\$ 1,720,749,175

CITY OF CHULA VISTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2023

As the Summary of Net Position table illustrates, fiscal year 2023 total amount of \$1,554.2 million is reported as net investment in capital assets, which represents capital assets (e.g., land, streets, sewers, buildings, improvements, equipment, lease asset, subscription assets, and work in progress), less any related debt used to acquire those capital assets that are still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate this debt.

A portion of the City's fiscal year 2023 net position is restricted, \$287.4 million and represents resources that are subject to external restrictions on how they may be used. Restricted net position increased \$68.5 million from the prior year and is mainly related to capital projects and pension.

Unrestricted net position represents the portion of net position that can be used to finance daily operations without constraints established by debt covenants, enabling legislation, or other legal requirements. Fiscal year 2023, unrestricted net position of \$32.2 million is comprised of negative \$120.2 million for governmental activities offset by positive \$152.4 million for business-type activities. Unrestricted net position decreased by \$6.3 million from the prior fiscal year.

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

**CITY OF CHULA VISTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2023**

Changes in Net Position

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

**Summary of Changes in Net Position
Fiscal Year Ended June 30**

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Revenues:						
Program Revenues:						
Charges for Services	\$ 54,306,851	\$ 54,088,129	\$ 80,687,370	\$ 84,025,377	\$ 134,994,221	\$ 138,113,506
Operating Grants & Contributions	54,392,158	47,300,700	-	-	54,392,158	47,300,700
Capital Grants & Contributions	62,001,862	58,796,673	-	-	62,001,862	58,796,673
General Revenues:						
Property Taxes	75,655,629	69,565,097	-	-	75,655,629	69,565,097
Transient Occupancy Taxes	8,830,406	7,418,924	-	-	8,830,406	7,418,924
Sales Taxes	103,350,833	102,428,825	-	-	103,350,833	102,428,825
Franchise Taxes	14,432,110	13,852,030	-	-	14,432,110	13,852,030
Business License Taxes	2,017,470	1,979,843	-	-	2,017,470	1,979,843
Utility User Taxes	3,643,465	3,731,224	-	-	3,643,465	3,731,224
Residential Construction Taxes	166,875	12,481,058	-	-	166,875	12,481,058
Property Transfer Taxes	1,341,179	2,208,125	-	-	1,341,179	2,208,125
Other Taxes	16,259,368	-	-	-	16,259,368	-
Investment Earnings (Losses)	9,523,650	(6,855,109)	2,319,648	(3,650,561)	11,843,298	(10,505,670)
Miscellaneous	11,184,009	21,755,785	9,730,345	16,545,269	20,914,354	38,301,054
Gain (Loss) Disposal of Capital Assets	(296,411)	192,543	70,150	47,609	(226,261)	240,152
Total Revenues	416,809,454	388,943,847	92,807,513	96,967,694	509,616,967	485,911,541
Expenses:						
General Government	43,199,147	57,993,429	-	-	43,199,147	57,993,429
Public Safety	130,847,798	111,173,472	-	-	130,847,798	111,173,472
Community Development	25,674,814	45,701,258	-	-	25,674,814	45,701,258
Public Works	81,289,367	58,402,021	-	-	81,289,367	58,402,021
Parks and Recreation	5,783,062	13,542,362	-	-	5,783,062	13,542,362
Library	3,749,853	2,954,806	-	-	3,749,853	2,954,806
Interest on Long-Term Debt	13,400,138	15,631,745	-	-	13,400,138	15,631,745
Sewer Fund	-	-	40,934,038	33,398,914	40,934,038	33,398,914
Sewer DIFs	-	-	387,959	305,619	387,959	305,619
Development Services Fund	-	-	10,155,101	8,233,072	10,155,101	8,233,072
CV Elite Athlete Training Ctr	-	-	1,219,972	575,339	1,219,972	575,339
Bayfront Trolley Station	-	-	11	19	11	19
Transit	-	-	8,483	8,500	8,483	8,500
Chula vista Muni Golf course	-	-	3,173,834	2,982,489	3,173,834	2,982,489
Transport Fund	-	-	11,191,576	12,006,347	11,191,576	12,006,347
Living Coast Discovery Ctr	-	-	172,989	118,750	172,989	118,750
Total Expenses	303,944,179	305,399,093	67,243,963	57,629,049	371,188,142	363,028,142
Increase/(Decrease) in Net Position						
Before Transfers and Special Item	112,865,275	83,544,754	25,563,550	39,338,645	138,428,825	122,883,399
Transfers	7,965,818	7,527,863	(7,965,818)	(7,527,863)	-	-
Special Item	(2,765,896)	-	-	-	(2,765,896)	-
Change in Net Position	118,065,197	91,072,617	17,597,732	31,810,782	135,662,929	122,883,399
Net Position, Beginning of Year	1,260,494,773	1,165,779,357	460,254,402	424,978,653	1,720,749,175	1,590,758,010
Restatements	17,268,426	3,642,799	110,428	3,464,967	17,378,854	7,107,766
Net Position, Beginning of Year - Restated	1,277,763,199	1,169,422,156	460,364,830	428,443,620	1,738,128,029	1,597,865,776
Net Position, End of Year	\$ 1,395,828,396	\$ 1,260,494,773	\$ 477,962,562	\$ 460,254,402	\$ 1,873,790,958	\$ 1,720,749,175

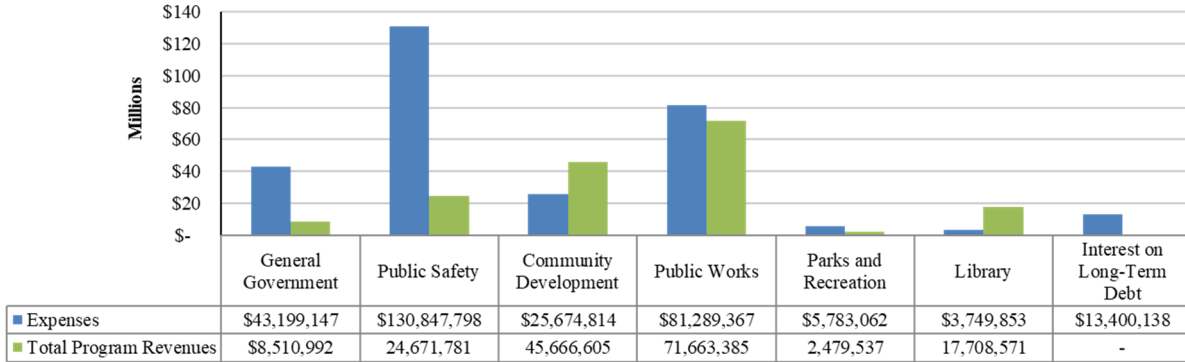
Further analysis is provided within the governmental and business-type activities in the following sections.

**CITY OF CHULA VISTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2023**

Governmental Activities

The City's governmental activities net position increased by \$118.1 million or 9.2%, which partially offsets the City's negative unrestricted net position due to net pension and OPEB related liabilities. The chart below compares the cost of services by function for the City's governmental activities along with the program revenues used to cover those costs.

**Expenses and Program Revenues
Governmental Activities**



Total program revenues from governmental activities were \$170.7 million in fiscal year 2023, an increase of \$10.5 million or 6.6% from the previous year. 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 City's general revenues. A discussion of the different Program Revenue categories and its components follows.

Charges for Services for governmental activities had a net increase of \$0.2 million or 0.4% from the previous fiscal year mainly due to increased chargeable activities in community development of \$3.8 million and public safety of \$1.2 million, and a decrease in chargeable activities in general government of \$4.8 million. Changes by function in comparison to the prior fiscal year are summarized in the table below.

**Charges for Services
Fiscal Year Ended June 30**

Function	2023	2022	Increase (Decrease)
General Government	\$ 1,943,828	\$ 6,763,379	\$ (4,819,551)
Public Safety	8,933,510	7,752,570	1,180,940
Community Development	9,647,486	5,836,312	3,811,174
Public Works	30,697,778	30,823,899	(126,121)
Parks and Recreation	2,479,537	2,101,823	377,714
Library	604,712	810,146	(205,434)
Total Charges for Services	\$ 54,306,851	\$ 54,088,129	\$ 218,722

**CITY OF CHULA VISTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2023**

Operating Grants and Contributions for governmental activities had a net increase of \$7.1 million from the previous fiscal year mainly due to increased state grant contributions to the Millenia: Cinematic Arts Academic Center and Library project and the overall increase of federal contributions to various public safety grants. Changes by function in comparison to the prior fiscal year are summarized in the table below.

**Operating Grants and Contributions
Fiscal Year Ended June 30**

Function	2023	2022	Increase (Decrease)
General Government	\$ 6,567,164	\$ 3,846,872	\$ 2,720,292
Public Safety	15,738,271	7,675,911	8,062,360
Community Development	13,016,568	35,697,807	(22,681,239)
Public Works	1,966,296	-	1,966,296
Library	17,103,859	80,110	17,023,749
Total Operating Grants and Contributions	\$ 54,392,158	\$ 47,300,700	\$ 7,091,458

Capital Grants and Contributions for governmental activities had a net increase of \$3.2 million from the previous fiscal year primarily due to an increase in Public works of \$4.2 million. Changes by function in comparison to the prior fiscal year are summarized in the table below.

**Capital Grants and Contribution
Fiscal Year Ended June 30**

Function	2023	2022	Increase (Decrease)
General Government	\$ -	\$ 1,158,711	\$ (1,158,711)
Public Safety	-	47,226	(47,226)
Community Development	23,002,551	21,153,573	1,848,978
Public Works	38,999,311	34,833,053	4,166,258
Library	-	1,604,110	(1,604,110)
Total Capital Grants and Contributions	\$ 62,001,862	\$ 58,796,673	\$ 3,205,189

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 \$246.4 million in fiscal year 2023. The largest source of general revenues received during the year for governmental activities was taxes for a total of \$225.7 million, which included amounts from Property Taxes for \$75.7 million, Sales Taxes for \$103.4 million, and Franchise

Taxes for \$14.4 million. All taxes combined increased a total of \$12.0 million in comparison to the prior fiscal year.

The City's General Revenues increased overall by \$17.8 million when compared to the prior fiscal year. While most of the revenue categories increased moderately from last year, there were significant increases in the collection of property taxes. There was a reclassification from residential construction tax to other

**CITY OF CHULA VISTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2023**

taxes that caused a significant decrease in residential construction tax and a significant increase in other taxes. There were significant investment gains of \$16.4 million in fiscal year 2023 as well as increased property tax receipts of \$6.1 million. The significant changes in comparison to the prior fiscal year are identified in the table below.

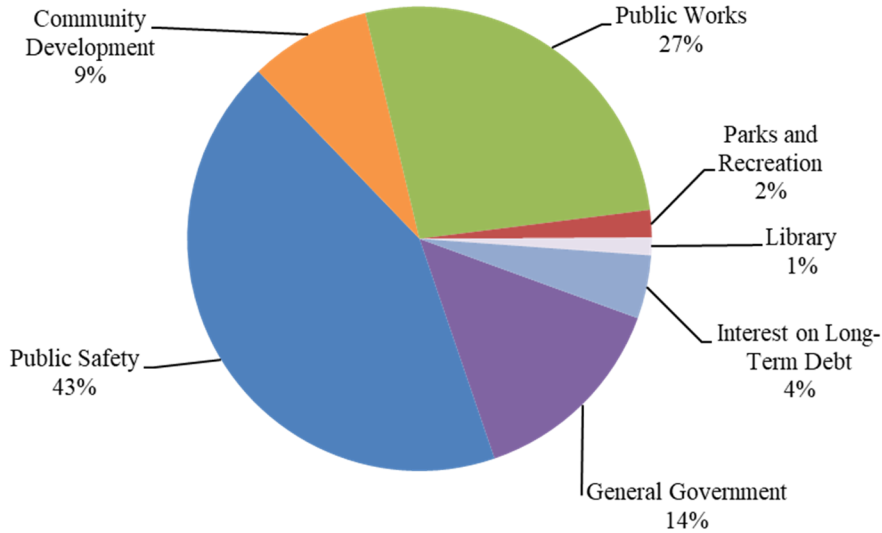
**General Revenues
Fiscal Year Ended June 30**

Revenue Type	2023	2022	Increase (Decrease)
Property Taxes	\$ 75,655,629	\$ 69,565,097	\$ 6,090,532
Transient Occupancy Taxes	8,830,406	7,418,924	1,411,482
Sales Taxes	103,350,833	102,428,825	922,008
Franchise Taxes	14,432,110	13,852,030	580,080
Business License Taxes	2,017,470	1,979,843	37,627
Utility Users Tax	3,643,465	3,731,224	(87,759)
Residential Construction Taxes	166,875	12,481,058	(12,314,183)
Other Taxes	16,259,368	-	16,259,368
Property Transfer Tax	1,341,179	2,208,125	(866,946)
Investment Earnings (Losses)	9,523,650	(6,855,109)	16,378,759
Miscellaneous	11,184,009	21,755,785	(10,571,776)
Total General Revenues	\$ 246,404,994	\$ 228,565,802	\$ 17,839,192

**CITY OF CHULA VISTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2023**

Total governmental activity type expenses were \$304.0 million in fiscal year 2023. The largest expenses were incurred for General Government, Public Safety, Community Development, and Public Works. These four activities combined account for 93.0% of all general activity expenses. These expenses do not include capital outlays, which are reflected in the City's capital assets.

Governmental Expenses by Function



Business-Type Activities

Net position for business-type activities was \$478.0 million, an increase of \$17.6 million or 3.8% from the prior fiscal year.

Total revenues for the business-type activities were \$92.8 million, a decrease of \$4.2 million or 4.3% from the prior fiscal year. Total program revenues for business-type activities were \$80.7 million, a decrease of \$3.3 million or 4.0% from prior fiscal year. The program revenues composed primarily of sewer service charges for \$49.1 million, development fees for \$9.3 million, golf course fees for \$3.2 million, and transport enterprise fees for \$18.2 million.

Total expenses for the business-type activities were \$67.2 million, an increase of \$9.6 million or 16.7% from the prior fiscal year. The total expenses were mainly related to sewer activities for \$40.9 million, development services activities for \$10.2 million, golf course activities for \$3.2 million, and transport enterprise activities for \$11.2 million. The net increase of \$9.6 million is primarily related to increases in sewer activities of \$7.5 million and development services activities of \$2.0 million, with a decrease in transport activities of \$0.8 million.

**CITY OF CHULA VISTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2023**

FUND LEVEL FINANCIAL ANALYSIS

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

Governmental Funds

The City uses governmental fund accounting to ensure compliance with budgetary allocations and to maintain control over resources that are legally, or otherwise, restricted for specific purposes. The following is a discussion of the significant changes for the City's major funds as shown on the balance sheet for governmental funds in the basic financial statements.

General Fund – The General Fund is used to account for the general operations of the City. It is used to account for all financial resources, except those required to be accounted for in another fund. The General Fund is always reported as a major fund. For fiscal year 2023, the General Fund reported \$247.0 million in revenues and \$215.3 million in expenditures. This resulted in revenues over expenditures in the amount of \$31.8 million. After accounting for net other financing uses of \$19.7 million and the special item of \$2.8 million related to the successor agency, the fund balance for the General Fund increased by \$9.3 million for the fiscal year.

Fiscal year 2023 total revenues had a net increase of \$17.1 million or 7.4% from the prior fiscal year primarily due to increases in taxes of \$11.4 million and uses for money and property of \$6.7 million along with decrease in intergovernmental of \$.9 million.

Fiscal year 2023 expenditures increased by \$10.5 million or 5.1% in comparison to the prior fiscal year with increases in public works of \$9.7 million, public safety of \$7.8 million, and community development of \$3.8 million, along with decreases in parks and recreation of \$6.8 million and general government of \$6.6 million.

Total fund balance as of June 30, 2023, was \$149.9 million, composed of \$172.8 million in assets offset with \$15.5 million in liabilities and \$7.5 million in deferred inflows of resources related to unavailable revenues and leases. Total fund balance included \$5.3 million of nonspendable amounts, which represents the portion of fund balance that is not available for appropriation. Restricted fund balance totaled \$25.7 million, which is restricted for pension related expenditures. Committed fund balance totaled \$18.3 million, including \$9.7 million committed for economic contingency, \$4.2 million committed for a catastrophic event contingency and \$4.3 for the Measure A economic contingency reserve. This portion of fund balance includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the City Council and remains binding unless removed in the same manner. Assigned fund balance, totaling \$75.7 million, represents the portion of fund balance that includes amounts that are constrained by the government's intent to be used for specific purposes, but that are neither restricted nor committed. The City Council has delegated its authority to assign fund balance amounts to the City's Director of Finance. The final component of total fund balance is unassigned fund balance.

Unassigned fund balance totaling \$24.9 million, represents the portion of fund balance that is available for appropriation for any purpose.

Federal, State, and Local Grants Fund – The Federal, State and Local Grants fund is used to account for various grants, such as: Supplemental Law Enforcement Services, California Library Services Act, Public Library Act, asset seizure, local law enforcement block grants, California Recreation grants, Public Safety grants, federal library grants, waste management and recycling, energy conservation, parks and recreation,

**CITY OF CHULA VISTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2023**

social service grants, Gayle McCandliss memorial cultural arts, federal assistance, CDBG program income projects, HOME project, Community Development Block grants and American Rescue Plan Act funding.

The Federal, State and Local Grants fund had total revenues of \$54.7 million and expenditures of \$35.4 million, resulting in revenues over expenditures in the amount of \$19.3 million. Revenues were \$4.2 million or 8.3% more in comparison to the prior fiscal year mainly due to the increased activities of various federal public safety grants and increased activities in the Millenia: Cinematic Arts Academic Center and Library project. The Federal, State and Local Grants fund balance increased by \$16.2 million for the fiscal year, after accounting for net other financing uses of \$3.1 million. Total fund balance as of June 30, 2023, was \$19.8 million, composed primarily of restricted fund balance, except for the amount classified as nonspendable related to prepaid costs.

Housing Successor Agency Fund – The California legislature voted to end redevelopment agencies on January 31, 2012. This fund was created on February 1, 2012, as a result of the dissolution process and was formerly known as the Low- and Moderate-Income Housing Fund. The City opted to become the Successor Agency to the Redevelopment Agency and to the Low- and Moderate-Housing Successor.

For fiscal year 2023, this fund had total revenues of \$0.5 million composed primarily of unrealized investment gains, property rentals and loan repayments from affordable housing projects. Total fund balance as of June 30, 2023, was \$13.6 million, an increase of \$0.5 million from the prior fiscal year. Fund balance is composed of restricted fund balance.

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

Revenues for this fund totaled \$23.7 million attributable to building permit fees for new development. Expenditures totaled \$10.4 million, of which, \$6.8 million were capital expenditures on Recreational Facilities, Library for Eastern Territory, Traffic Signal and Transportation Development projects.

Total fund balance for the year increased by \$12.0 million or 16.6% from prior fiscal year. At June 30, 2023, fund balance in the amount of \$84.3 million was presented as restricted fund balance for various capital projects related to public facilities due to new development.

CITY OF CHULA VISTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2023

Proprietary Funds

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

Sewer Fund – The Sewer fund is used to account for all activities related to providing sewer services to the residents of Chula Vista. Resources for the fund come primarily from sewer service charges paid for by users of the system. For fiscal year 2023, operating revenues totaled \$55.4 million, an increase of \$0.5 million or 0.9% from the prior fiscal year. Part of that increase included \$6.0 million donated assets from developers. Operating expenses totaled \$40.7 million for the fiscal year, with the most significant cost related to the wastewater treatment by the City of San Diego in the amount of \$26.8 million. In addition, non-operating revenues netted to \$2.1 million, which included unrealized investment revenue of \$2.3 million.

After accounting for all revenues and expenses, both operating and non-operating, transfers, and restatements, the net position of the fund increased by \$13.2 million from prior fiscal year, totaling \$293.9 million as of June 30, 2023. Of total net position, \$129.4 million represents the City's net investment in sewer system infrastructures, such as pump stations, sewer lines and other related equipment, therefore, not available to fund the day-to-day operations of the sewer system. Current assets totaled \$157.2 million, comprised of \$145.5 million in cash and investments, and \$11.7 million in receivables. Total liabilities at the end of the fiscal year were \$14.4 million, of which \$1.9 million were considered current liabilities, with the remainder non-current liabilities primarily related to other post-employment benefits (OPEB) and the Pension Obligation Bonds. The fund had \$10.0 million of bonded debt. In addition, the fund reported deferred outflows of resources in the amount of \$4.0 million and deferred inflows of resources for \$0.5 million related to pension and OPEB costs.

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

Operating revenues totaled \$0.8 million for the fiscal year. Operating expenses totaled \$16,230 for the year, comprised mainly of depreciation expense and administrative costs. In addition, non-operating expenses totaled \$0.3 million, which were the interest expense and unrealized investment gains for the year.

Net position of the fund was a negative \$12.7 million primarily due to an interfund loan and was comprised of \$5.4 million in assets and \$18.2 million in liabilities (including the interfund loan from the Sewer Fund). Please reference Note 6 of the basic financial statements for additional information on the advances from other funds.

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

Operating revenues totaled \$12.0 million and were primarily comprised of permits and fees. Operating expenses totaled \$9.8 million for the year, mostly comprised of personnel service costs. Total non-operating expenses was \$0.3 million comprised of interest expense and unrealized investment losses. The sum of all transfers reflects funding to and from other funds for subsidies and overhead expenses.

**CITY OF CHULA VISTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2023**

Net position of the fund was negative \$12.1 million for the fiscal year. Current and noncurrent assets totaled \$17.9 million for the fiscal year. Current liabilities were \$15.4 million and noncurrent liabilities were \$21.0 million primarily consisting of liabilities related to bonds, notes, and leases. In addition, the fund also reported deferred outflows of resources in the amount of \$7.1 million and deferred inflows of resources for \$0.8 million related to pensions and OPEB.

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

Net position decreased by \$0.3 million from the prior year mainly due to depreciation expense and administrative costs. This fund's primary asset consists of the land and facilities held for the Chula Vista Elite Athlete Training Center in the net amount of \$195.3 million. Current liabilities totaled \$0.5 million. Net position of the fund was \$194.9 million primarily due to the facility contribution from the US Olympic Committee in January 2017.

**CITY OF CHULA VISTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2023**

GENERAL FUND BUDGETARY HIGHLIGHTS

The final amended general fund budget totaled \$316.9 million including \$37.0 million in budget amendments to the originally adopted budget, \$23.5 million carried forward for capital improvements and encumbrances of \$22.4 million, which will fund contractual obligations and outstanding purchase orders. The budget amendments occurred because of: staffing and organizational changes within various City departments; start of the Chula Vista Bayfront project; American Rescue Plan Act spending plan changes; modification of spending specific to Measure A, the City's half cent sales tax which funds public safety staffing, and Measure P, the City's half cent sales tax which funds infrastructure repair or replacement over the next several years; federal grant and other grant appropriations; adoption of labor agreements; transfers out to other funds; and new supplies and services appropriations approved subsequent to budget adoption. The General Fund's budget amendments of \$37.0 million are summarized as follows:

Resolution	Budget Amendments	Expenditure
2022-164	Appropriation for Small Business Grants	\$ 250,000
2022-170	Personnel Appropriations (Various)	1,093,850
2022-189	Personnel Appropriations (Various)	1,259,576
2022-190	Charter Update Appropriations (City Clerk)	195,000
2022-203	Appropriation for Harborside Park Closure	350,000
2022-216	Personnel Appropriations (Police)	156,548
2022-226	Personnel Appropriations (Measure A)	115,953
2022-247	Personnel Appropriations (Various)	780,308
2022-249	First Quarter Budget Adjustments	6,839,670
2022-257	Measure P & ARPA Transfer (Finance)	3,252,384
2022-272	Personnel Appropriations (Various)	235,420
2022-284	Personnel Appropriations (Various)	8,024
2023-015	Measure P Appropriation (Engineering)	550,000
2023-022	Second Quarter Budget Adjustments	13,185,122
2023-023	TOT Revenud/Contract Appropriation (City Attorney)	140,000
2023-025	Donation & Grant Appropriation (Parks & Recreation)	17,750
2023-029	Measure A Appropriations (Police)	2,343,356
2023-043	Measure P Appropriation (Engineering)	250,000
2023-061	Third Quarter Budget Adjustments	620,278
2023-083	Vehicle Appropriation (Animal Care Facility)	83,000
2023-157	FY2023 Year-End Budget Adjustments	5,252,257
TOTAL GENERAL FUND BUDGET AMENDMENTS		\$36,978,496

CITY OF CHULA VISTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2023

Revenues – Overall budgeted revenues were \$283.4 million, and actuals were \$264.7 million resulting in revenues were below budget by \$18.8 million. The significant General Fund revenue variances were the following:

- The Taxes revenue category exceeded budget by a total of \$1.5 million. This is primarily due to Sales Tax revenues exceeding budget by \$2.5 million, as a result of population growth, increased consumer confidence, and online sales. The City is receiving more revenues due to the Supreme Court decision in the *South Dakota vs Wayfair, Inc.* case, and recent legislative changes by the California State increasing the collection of sales and use taxes from out-of-state businesses doing business within the state. Cannabis Excise Tax were below budget by a total of \$1.0 million, as a result of delays in the opening of cannabis businesses.
- Intergovernmental revenues were below budget by a total of \$0.5 million. Reimbursement from Other Agencies for the City Jail was below budget by \$0.7 million due to the termination of the U.S. Marshalls Service contract for intergovernmental detention services.
- Use of Money and Property revenues exceeded budget by a total of \$3.9 million, primarily due to recognition of investment earnings exceeded budget by \$2.4 million, rental revenues exceed budget by \$1.2 million, and a \$1.6 million decrease in the fair value of investments.
- Miscellaneous revenues were below budget by a total of \$0.3 million, primarily due to a decrease in Development Fees.
- Transfers In were \$24.6 million below budget, largely due to reduced American Rescue Plan Act Fund project expenditures for Non-Departmental, Police and Fire Departments.

Expenditures – Overall budgeted expenditures were \$316.9 million, and actuals were \$264.6 million, resulting in under budget expenditures of \$52.3 million. The significant General Fund expenditure variances were the following:

- Capital outlay expenditures were below budget by a total of \$26.2 million, which is due to the timing of capital outlay expenditures for multi-year capital projects.
- Non-capital General Fund expenditures were below budget by a total of \$13.0 million. The Police Department was under budget by \$0.7 million, Fire Department was under budget by \$1.6 million, Public Works Department was under budget by \$ 1.0 million, and the Finance Department was under budget by \$2.7 million, all primarily from reduced expenditures in the personnel, and supplies and services categories. The Economic Development Department was under budget by \$2.5 million due to less than anticipated expenditures for projects under the American Rescue Plan Act Spending Plan.
- Transfers Out were below budget by a total of \$13.2 million. Modifications to scheduled transfers out for the 2021 Pension Obligation Bonds, Section 115 Trust and Bayfront Project allocations were made during the fiscal year. Additionally, staff time reimbursements which are processed via transfers are based on actual costs and may vary.

**CITY OF CHULA VISTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2023**

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, 2023, amounts to \$1,691.6 million, net of accumulated depreciation of \$799.3 million. This investment in capital assets includes land, buildings, improvements, machinery and equipment, infrastructure, right-to-use leased assets, and construction in progress. Infrastructure assets are items that are normally immovable and of value only to the City such as roads, bridges, streets and sidewalks, drainage systems, lighting systems and similar items. The total change to the City's investment in capital assets for the current fiscal year was an increase of \$85.7 million, net of accumulated depreciation. Additional information on the City's capital assets can be found in Note 7 of the basic financial statements.

Debt Administration

Long Term Debt - At June 30, 2023, the City had \$474.7 million in debt outstanding compared to \$497.6 million last year, a net decrease of \$22.9 million. This was primarily due to bond payable deletions in the amount of \$13.6 million, a \$8.8 million deletion for pension related debt, and capital lease/finance purchase addition in the amount of \$4.0 million. Most of the debt is in the form of pension obligation bonds of \$334.7 million, lease revenue bonds of \$55.3 million, and certificates of participation of \$59.0 million. The remainder of the outstanding long-term debt is in the form of CDBG Section 108 loan, unamortized bond premium, notes payable, and financed purchases.

As of June 30, 2021, the City received an AA long-term rating for its 2021 Taxable Pension Obligation Bonds (POBs). At the same time, it was affirmed that the City maintains its AA- rating by Standard & Poor's for the Chula Vista Public Financing Authority Certificates of Participation and Chula Vista Municipal Financing Authority Lease Revenue Bonds, which represents a stable outlook. Additional information on the City's long-term debt obligations can be found in note 8 of the basic financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

Property Assessed Valuation and Tax

According to the County of San Diego Assessors' Office, the City's total property assessed valuation (both secured and unsecured) for 2023 was \$38,066.5 million. This was an increase of \$2,866.2 million, or 8.1% over the 2022 property assessed valuation. It should be noted that assessed value was set as of January 1 each year. Actual current secured property tax revenues for fiscal year 2023 totaled \$41.2 million, which is \$3.3 million more than collected in the prior year.

**CITY OF CHULA VISTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2023**

Building Activity

The valuation of all building and related permits totaled \$444.2 million for fiscal year 2023. This is approximately 9.8% less than the valuation of \$492.8 million for these permit categories in the prior fiscal year.

**Building Permit Valuation
Fiscal Year Ended June 30**

Permit Category	2023	2022	Change \$	Change %
Residential	\$ 262,959,081	\$ 248,217,310	\$ 14,741,771	5.9%
Non-Residential	47,576,822	133,873,850	(86,297,029)	-64.5%
Additions & Alterations	129,321,240	110,453,571	18,867,668	17.1%
Demolitions	4,377,994	205,890	4,172,105	2026.4%
Total	\$ 444,235,137	\$ 492,750,621	\$ (48,515,484)	-9.8%

The issuance of building permits is a result of several different factors, the largest of which are market based. Permits are not pulled unless there is sufficient demand in the market, or the builders are able to sell the homes for a sufficient price to cover costs and a profit margin. The other factor impacting the issuance of building permits is the development timeline, and whether the developers have all the necessary approvals in place to move forward with construction.

Local Economy

According to the Beacon Economics report prepared for the City of Chula Vista:

[T]he U.S. economy is stronger today than it was a year ago. GDP growth is solid, job growth continues, industrial production remains near record-high levels, profits and wages are rising, and national debt markets are showing little sign of stress. Despite current strength, Beacon Economics is less optimistic today than we were 12 months ago. The Fed's excessive \$5 trillion in quantitative easing and the 40% jump in the money supply that resulted, created massive government deficits and a large asset bubble. The national economy has weathered rising interest rates over the last year largely because of these imbalances, but they also imply that inflationary pressures are not behind us and more Fed tightening is ahead. The sharp rise in the cost of capital is causing signs of stress, particularly in the real estate industry. But that stress has not spread to the debt markets as lending institutions continue to have record-low delinquencies.

Locally, the City's fiscal outlook remains positive, demonstrated by the continued economic growth, infrastructure investments, and commercial and residential development throughout the City. The City continues to make substantial progress on major City projects, including the Gaylord Pacific Hotel and Convention Center on the Chula Vista Bayfront and the University and Innovation District in East Chula Vista. Despite the positive outlook, the City continues to closely monitor the state of the economy as a risk of recession continues to loom.

According to the U.S. Bureau of Labor Statistics, the seasonally unadjusted unemployment rate in San Diego County was 4.0% in June 2023, which is higher than the 3.4% rate recorded one year ago in June 2022. The regional unemployment rate for June 2023 remained lower than the California state's rate of

**CITY OF CHULA VISTA
MANAGEMENT’S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2023**

4.6% and was higher than the national unemployment rate of 3.6%. The City’s unemployment rate increased from the prior year, 4.2% in June 2023 in comparison to 4.0% in June 2022.

The consumer price index for the greater San Diego area showed an increase of 6.7% for the calendar year 2022, which is higher than the 5.2% rate for calendar year 2021. Consumer price index information for the San Diego area is only released twice each year, June and December. The consumer price index for the first half of calendar year 2022 increased at an annual rate of 8.1%, whereas the second half of the year showed a rate increase of 7.3%, resulting in the overall total rate for the year of 7.7%. For the first half of calendar year 2023, the rate increased at a higher annual rate of 5.5%.

In June 2023, the region’s housing market reported 2,495 existing single-family homes sold. On average, single-family homes in the region were on the market for 24 days in June 2023, an increase of 4 days of market time in comparison to June 2022.

The median price for the region in June 2022 was \$1,000,000, an increase of 2.5% compared to one year ago, when the median price was \$987,225.

The table below presents the City’s five zip codes median listing price for single-family homes comparing data for June 2023 and June 2022. The information was obtained from Zillow Inc, a company that tracks and analyzes real estate markets.

**Data for June 2023 Compared to June 2022
Single-Family Home Median Price**

Zip Code	Locale	2023	2022	Percent Change
91910	North	\$ 756,779	\$ 784,927	-3.6%
91911	South	693,256	714,890	-3.0%
91913	Eastlake	829,168	875,025	-5.2%
91914	Northeast	1,053,049	1,100,793	-4.3%
91915	Southeast	805,191	850,700	-5.3%

In fiscal year 2022, the City of Chula Vista and the Port of San Diego successfully secured \$275 million in public bond funding for construction on the Chula Vista bayfront, enabling the flagship Gaylord Pacific Resort and Convention Center project to break ground. The developed Chula Vista bayfront is expected to have an enormous impact on the City and the San Diego region, attracting visitors from throughout the State of California and beyond. The developed bayfront will raise the City’s quality of life, with new parks and coastal access, and amenities for all to enjoy. The construction project is anticipated to create 3,580 jobs and once open is expected to have an economic impact of half-a-billion dollars each year and produce 4,000 permanent jobs.

Fiscal Year 2024 Budget

The City ended the fiscal year 2023 with an unassigned fund balance of \$24.9 million and a committed fund balance of \$18.3 million, including \$9.7 million for an Economic Contingency Reserve and \$4.2 million for a Catastrophic Events Contingency Reserve within the General Fund and a \$4.3 million Economic Contingency Reserve within the Measure A Sales Tax Fund. Assigned fund balance included \$25.1 million related to capital projects funded by Measure P sales tax as well as \$44.8 million related to Measure A sales tax.

**CITY OF CHULA VISTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2023**

In May 2023, the Chula Vista City Council adopted the fiscal year 2024 budget which provides \$543.9 million in appropriations to fund all City activities. The General Fund budget total is \$258.2 million. The City continues to adopt a one-year budget.

Based on information received from the San Diego County Assessor, Chula Vista's projected change in total assessed value for fiscal year 2024 is 6.7% higher when compared to fiscal year 2023 total assessed values.

REQUESTS FOR INFORMATION

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

BASIC FINANCIAL STATEMENTS



GOVERNMENT-WIDE FINANCIAL STATEMENTS



CITY OF CHULA VISTA
STATEMENT OF NET POSITION
JUNE 30, 2023

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and investments	\$ 421,398,523	\$ 171,059,037	\$ 592,457,560
Restricted assets:			
Cash and investments	7,735,990	-	7,735,990
Cash with fiscal agent	24,965,589	-	24,965,589
Receivables:			
Accounts	7,011,230	23,556,058	30,567,288
Taxes	25,081,739	-	25,081,739
Accrued interest	2,573,922	888,049	3,461,971
Deferred loans	60,811,053	-	60,811,053
Successor Agency	2,015,766	-	2,015,766
Leases	184,542	-	184,542
Due from other governments	13,530,797	9,544	13,540,341
Advances to Successor Agency of Chula Vista RDA	2,291,340	-	2,291,340
Internal balances	2,348,567	(2,348,567)	-
Inventories	-	123,078	123,078
Prepaid costs	1,164,525	39,639	1,204,164
Capital assets not being depreciated	638,766,740	191,578,703	830,345,443
Capital assets, net of depreciation	724,002,643	137,212,511	861,215,154
Total Assets	1,933,882,966	522,118,052	2,456,001,018
DEFERRED OUTFLOWS OF RESOURCES			
Pension related	112,718,795	14,491,142	127,209,937
OPEB related	5,594,318	930,835	6,525,153
Deferred charge on refunding	3,277,412	-	3,277,412
Total Deferred Outflows of Resources	121,590,525	15,421,977	137,012,502
LIABILITIES			
Accounts payable	14,190,234	1,760,460	15,950,694
Accrued liabilities	7,437,591	831,141	8,268,732
Retention payable	2,241,887	74,851	2,316,738
Accrued interest payable	1,813,554	67,799	1,881,353
Deposits payable	2,834,555	13,508,640	16,343,195
Unearned revenue	48,025,429	422,534	48,447,963
Noncurrent liabilities:			
Due within one year:			
Bonds, notes, leases, subscriptions and financed purchases	23,200,503	1,840,605	25,041,108
Compensated absences	7,064,514	665,155	7,729,669
Claims and judgments	4,000,000	-	4,000,000
Due in more than one year:			
Net pension liability	46,805,765	6,707,998	53,513,763
Total OPEB liability	23,751,795	3,952,047	27,703,842
Bonds, notes, leases, subscriptions and financed purchases	424,201,940	27,626,006	451,827,946
Compensated absences	2,830,048	321,087	3,151,135
Claims and judgments	34,077,873	-	34,077,873
Total Liabilities	642,475,688	57,778,323	700,254,011
DEFERRED INFLOWS OF RESOURCES			
Leases related	184,542	-	184,542
Pension related	14,000,257	1,302,537	15,302,794
OPEB related	2,984,608	496,607	3,481,215
Total Deferred Inflows of Resources	17,169,407	1,799,144	18,968,551
NET POSITION			
Net investment in capital assets	1,228,680,322	325,567,886	1,554,248,208
Restricted for:			
Community development	11,468,857	-	11,468,857
Public works	73,367,120	-	73,367,120
Capital projects	134,996,123	-	134,996,123
Debt service	5,709,798	-	5,709,798
Low-mod income housing	13,590,518	-	13,590,518
Grants	19,762,071	-	19,762,071
Section 115 trust for pension	25,673,596	-	25,673,596
Other	2,795,056	-	2,795,056
Unrestricted	(120,215,065)	152,394,676	32,179,611
Total Net Position	\$ 1,395,828,396	477,962,562	\$ 1,873,790,958

**CITY OF CHULA VISTA
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	Program Revenues				Total Program Revenues
	Expenses	Charges for Services	Operating Contributions and Grants	Capital Contributions and Grants	
FUNCTIONS/PROGRAMS:					
Primary Government:					
Governmental Activities:					
General government	\$ 43,199,148	\$ 1,943,828	\$ 6,567,164	\$ -	\$ 8,510,992
Public safety	130,847,798	8,933,510	15,738,271	-	24,671,781
Community development	25,674,814	9,647,486	13,016,568	23,002,551	45,666,605
Public works	81,289,367	30,697,778	1,966,296	38,999,312	71,663,386
Parks and recreation	5,783,062	2,479,537	-	-	2,479,537
Library	3,749,853	604,712	17,103,859	-	17,708,571
Interest on long-term debt	13,400,138	-	-	-	-
Total Governmental Activities	<u>303,944,180</u>	<u>54,306,851</u>	<u>54,392,158</u>	<u>62,001,863</u>	<u>170,700,872</u>
Business-Type Activities:					
Sewer Fund	40,934,038	49,117,788	-	-	49,117,788
Sewer Development Impact Fees	387,959	832,475	-	-	832,475
Development Services Fund	10,155,101	9,298,438	-	-	9,298,438
CV Elite Athlete Training Ctr	1,219,972	-	-	-	-
Bayfront Trolley Station	11	-	-	-	-
Transit Fund	8,483	-	-	-	-
Chula Vista Muni Golf Course	3,173,834	3,214,664	-	-	3,214,664
Transport Enterprise	11,191,576	18,224,005	-	-	18,224,005
Living Coast Discovery Center	172,989	-	-	-	-
Total Business-Type Activities	<u>67,243,963</u>	<u>80,687,370</u>	<u>-</u>	<u>-</u>	<u>80,687,370</u>
Total Primary Government	<u>\$ 371,188,143</u>	<u>134,994,221</u>	<u>54,392,158</u>	<u>62,001,863</u>	<u>251,388,242</u>

GENERAL REVENUES

Taxes:
Property taxes, levied for general purpose
Transient occupancy taxes
Sales taxes
Franchise taxes
Business licenses taxes
Utility users tax
Residential construction tax
Property transfer tax
Other taxes
Investment Income
Miscellaneous
Gain (Loss) on sale of capital asset

SPECIAL ITEM

TRANSFERS

Total General Revenues and Transfers

Change in Net Position

NET POSITION - BEGINNING

Restatement

Net Position - Beginning, as restated

NET POSITION - ENDING

Net (Expenses) Revenues and Changes in Net Position		
Primary Government		
Governmental Activities	Business-Type Activities	Total

\$ (34,688,156)	\$ -	\$ (34,688,156)
(106,176,017)	-	(106,176,017)
19,991,791	-	19,991,791
(9,625,981)	-	(9,625,981)
(3,303,525)	-	(3,303,525)
13,958,718	-	13,958,718
(13,400,138)	-	(13,400,138)
<u>(133,243,308)</u>	<u>-</u>	<u>(133,243,308)</u>

-	8,183,750	8,183,750
-	444,516	444,516
-	(856,663)	(856,663)
-	(1,219,972)	(1,219,972)
-	(11)	(11)
-	(8,483)	(8,483)
-	40,830	40,830
-	7,032,429	7,032,429
-	(172,989)	(172,989)
-	<u>13,443,407</u>	<u>13,443,407</u>
(133,243,308)	13,443,407	(119,799,901)

75,655,629	-	75,655,629
8,830,406	-	8,830,406
103,350,833	-	103,350,833
14,432,110	-	14,432,110
2,017,470	-	2,017,470
3,643,465	-	3,643,465
166,875	-	166,875
1,341,179	-	1,341,179
16,259,368	-	16,259,368
9,523,650	2,319,648	11,843,298
11,184,009	9,730,345	20,914,354
(296,411)	70,150	(226,261)
(2,765,896)	-	(2,765,896)
7,965,818	(7,965,818)	-
<u>251,308,505</u>	<u>4,154,325</u>	<u>255,462,830</u>
<u>118,065,197</u>	<u>17,597,732</u>	<u>135,662,929</u>
1,260,494,773	460,254,402	1,720,749,175
17,268,426	110,428	17,378,854
1,277,763,199	460,364,830	1,738,128,029
\$ 1,395,828,396	477,962,562	1,873,790,958



FUND FINANCIAL STATEMENTS



GOVERNMENTAL FUND FINANCIAL STATEMENTS

**CITY OF CHULA VISTA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2023**

	General	Special Revenue Funds		Capital Projects Fund
		Federal, State, and Local Grants	Housing Successor Agency	Development Impact Funds
ASSETS				
Cash and investments	\$ 106,084,010	\$ 63,623,416	\$ 12,110,391	\$ 84,369,394
Receivables:				
Accounts (net of allowance for uncollectibles)	5,283,588	372,909	-	928,210
Taxes	23,282,882	-	-	-
Accrued interest	843,372	279,351	113,898	465,763
Deferred loans (net of allowance for uncollectibles)	-	24,234,526	25,721,711	3,560,002
Successor Agency	2,015,766	-	-	-
Leases	184,542	-	-	-
Due from other governments	1,527,170	10,511,973	-	-
Due from other funds	2,318,829	-	-	-
Prepaid costs	670,922	32,542	-	-
Advances to other funds	2,340,621	-	-	-
Advances to Successor Agency of Chula Vista RDA	2,291,340	-	-	-
Restricted assets:				
Cash and investments	6,859,745	-	876,245	-
Cash and investments with fiscal agents	19,132,300	-	-	-
Total Assets	\$ 172,835,087	\$ 99,054,717	\$ 38,822,245	\$ 89,323,369
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE				
Liabilities:				
Accounts payable	\$ 5,788,597	\$ 1,747,670	\$ 32	\$ 251,608
Retentions payable	1,261,526	247,698	-	1,793
Accrued liabilities	7,028,739	310,085	-	-
Deposits payable	1,430,510	-	-	-
Due to other funds	-	-	-	-
Unearned revenues	-	47,779,603	-	-
Total Liabilities	15,509,372	50,085,056	32	253,401
Deferred Inflows of Resources:				
Unavailable revenues	7,268,716	29,207,589	25,231,695	4,752,356
Related to leases	184,542	-	-	-
Total Deferred Inflows of Resources	7,453,258	29,207,589	25,231,695	4,752,356
Fund Balances:				
Nonspendable	5,302,883	32,542	-	-
Restricted	25,673,596	19,729,530	13,590,518	84,317,612
Committed	18,253,033	-	-	-
Assigned	75,747,000	-	-	-
Unassigned (deficit)	24,895,945	-	-	-
Total Fund Balances	149,872,457	19,762,072	13,590,518	84,317,612
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE	\$ 172,835,087	\$ 99,054,717	\$ 38,822,245	\$ 89,323,369

**CITY OF CHULA VISTA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2023**

	Other Governmental Funds	Total Governmental Funds
ASSETS		
Cash and investments	\$ 143,020,064	\$ 409,207,275
Receivables:		
Accounts (net of allowance for uncollectibles)	391,631	6,976,338
Taxes	1,798,857	25,081,739
Accrued interest	867,589	2,569,973
Deferred loans (net of allowance for uncollectibles)	7,294,814	60,811,053
Successor Agency		2,015,766
Leases	-	184,542
Due from other governments	1,491,523	13,530,666
Due from other funds	-	2,318,829
Prepaid costs	458,366	1,161,830
Advances to other funds	-	2,340,621
Advances to Successor Agency of Chula Vista RDA	-	2,291,340
Restricted assets:		
Cash and investments	-	7,735,990
Cash and investments with fiscal agents	5,833,277	24,965,577
Total Assets	\$ 161,156,121	\$ 561,191,539
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE		
Liabilities:		
Accounts payable	\$ 6,004,166	\$ 13,792,073
Retentions payable	730,870	2,241,887
Accrued liabilities	48,122	7,386,946
Deposits payable	1,404,045	2,834,555
Due to other funds	1,867,024	1,867,024
Unearned revenues	245,826	48,025,429
Total Liabilities	10,300,053	76,147,914
Deferred Inflows of Resources:		
Unavailable revenues	9,265,781	75,726,137
Related to leases	-	184,542
Total Deferred Inflows of Resources	9,265,781	75,910,679
Fund Balances:		
Nonspendable	458,366	5,793,791
Restricted	143,560,975	286,872,231
Committed	-	18,253,033
Assigned	-	75,747,000
Unassigned (deficit)	(2,429,054)	22,466,891
Total Fund Balances	141,590,287	409,132,946
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE	\$ 161,156,121	\$ 561,191,539



CITY OF CHULA VISTA
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO
THE STATEMENT OF NET POSITION
JUNE 30, 2023

Amounts reported for governmental activities in the statement of net position are different because:

Total fund balances - governmental funds		\$ 409,132,946
Capital assets used in governmental activities (less internal service fund allocations) are not financial resources and, therefore, are not reported in the funds.		1,361,921,091
Differences between expected and actual experiences, assumption changes, net differences between projected and actual earnings, and contributions subsequent to the measurement date for the postretirement benefits (pension and OPEB) are recognized as deferred outflows of resources and deferred inflows of resources on the statement of net position.		
Deferred outflows - pension related	\$ 111,662,957	
Deferred outflows - OPEB related	5,535,809	
Deferred inflows - pension related	(13,905,353)	
Deferred inflows - OPEB related	(2,953,393)	
Total deferred outflows and inflows related to postemployment benefits		100,340,020
Other long-term assets that are not available to pay for current period expenditures and, therefore, are either deferred or not reported in the funds. (Note 2A).		75,726,137
Internal service funds are used by management to charge the cost of fleet management, technology replacement, and workers' compensation to individual funds. The assets, deferred outflows of resources, liabilities, and deferred inflows of resources of the internal service funds are included in governmental activities in the statement of net position.		10,531,058
Long-term liabilities that are not due and payable in the current period, and therefore, are not reported in the funds.		
Bonds payable	(114,230,000)	
Private placement notes	(6,225,594)	
Pension-related debt	(306,654,012)	
Financed purchases	(7,911,814)	
Leases	(442,467)	
Subscription assets	(1,283,006)	
Compensated absences	(9,817,024)	
Claims	(38,077,873)	
Net OPEB liability	(23,503,381)	
Net pension liability	(46,317,015)	
Accrued interest payable on long-term debt	(1,810,241)	
Total long-term liabilities		(556,272,427)
Governmental funds report the effect of premiums, discounts, and refundings and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of		
Deferred amount on refunding	3,277,412	
Premium on bonds payable	(8,827,841)	
Total premiums, discounts, and deferred items		(5,550,429)
Net Position of Governmental Activities		\$ 1,395,828,396

**CITY OF CHULA VISTA
STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND
BALANCE GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	General	Special Revenue Funds		Capital
		Federal, State, and Local Grants	Housing Successor Agency	Projects Fund Development Impact Funds
Revenues:				
Taxes	\$ 212,614,369	\$ -	\$ -	\$ -
License and permits	1,918,964	-	-	-
Intergovernmental	1,599,601	51,239,393	-	-
Charges for service	16,801,888	1,859,196	-	384,808
Use of money and property (investment losses)	5,782,553	797,360	388,235	930,216
Fines and forfeitures	1,084,498	-	-	-
Developer participation	1,226,903	26,554	-	22,343,828
Miscellaneous	6,013,634	799,473	143,489	-
Total Revenues (net losses)	247,042,410	54,721,976	531,724	23,658,852
Expenditures:				
Current:				
General government	34,522,104	3,328,209	-	-
Public safety	108,831,059	8,534,113	-	-
Community development	7,551,180	11,722,729	4,739	3,370,944
Parks and recreation	4,837,182	-	-	-
Public works	30,159,039	1,087,864	-	-
Library	3,446,182	32,335	-	-
Capital outlay	24,639,805	10,701,425	-	6,754,602
Debt service:				
Principal retirement	1,165,140	-	-	67,902
Interest and fiscal charges	110,183	-	-	187,896
Total Expenditures	215,261,874	35,406,675	4,739	10,381,344
Excess (Deficiency) Revenues over Expenditures	31,780,536	19,315,301	526,985	13,277,508
Other Financing Sources (Uses):				
Transfers in	16,144,177	491,287	-	-
Transfers out	(36,259,182)	(3,595,097)	(5,262)	(5,276,292)
Subscription-based IT arrangement	404,808	-	-	-
Financed Purchase	-	-	-	3,986,967
Total Other Financing Sources (Uses)	(19,710,197)	(3,103,810)	(5,262)	(1,289,325)
Special item	(2,765,896)	-	-	-
Net Change in Fund Balance	9,304,443	16,211,491	521,723	11,988,183
Fund Balances - Beginning	140,568,014	3,550,581	13,068,795	72,329,429
Restatements	-	-	-	-
Fund Balances - Beginning as Restated	140,568,014	3,550,581	13,068,795	72,329,429
Fund Balances (Deficit) - Ending	\$ 149,872,457	\$ 19,762,072	\$ 13,590,518	\$ 84,317,612

**CITY OF CHULA VISTA
STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND
BALANCE GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	Other Governmental Funds	Total Governmental Funds
Revenues:		
Taxes	\$ 166,875	\$ 212,781,244
License and permits	42,100	1,961,064
Intergovernmental	16,893,767	69,732,761
Charges for service	20,986,296	40,032,188
Use of money and property (investment losses)	1,600,720	9,499,084
Fines and forfeitures	513,887	1,598,385
Developer participation	4,847,874	28,445,159
Miscellaneous	1,706,434	8,663,030
Total Revenues (net losses)	46,757,953	372,712,915
Expenditures:		
Current:		
General government	1,344,217	39,194,530
Public safety	64,978	117,430,150
Community development	1,666,396	24,315,988
Parks and recreation	8	4,837,190
Public works	14,962,763	46,209,666
Library	-	3,478,517
Capital outlay	19,929,934	62,025,766
Debt service:		
Principal retirement	21,228,511	22,461,553
Interest and fiscal charges	12,776,124	13,074,203
Total Expenditures	71,972,931	333,027,563
Excess (Deficiency) Revenues over Expenditures	(25,214,978)	39,685,352
Other Financing Sources (Uses):		
Transfers in	42,230,391	58,865,855
Transfers out	(6,003,292)	(51,139,125)
Subscription-based IT arrangement	-	404,808
Financed Purchase	-	3,986,967
Total Other Financing Sources (Uses)	36,227,099	12,118,505
Special item	-	(2,765,896)
Net Change in Fund Balance	11,012,121	49,037,961
Fund Balances - Beginning	129,933,409	359,450,228
Restatements	644,757	644,757
Fund Balances - Beginning as Restated	130,578,166	360,094,985
Fund Balances (Deficit) - Ending	\$ 141,590,287	\$ 409,132,946



**CITY OF CHULA VISTA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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

Net change in fund balances - total governmental funds \$ 49,037,961

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation expense in the current period. (Note 2B). 23,832,311

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. 1,447,745

The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to increase net position.

Donation of capital assets	\$ 38,999,311	
Loss on disposal of capital assets	(344,767)	
		38,654,544

Bond and other debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of bond and other debt principal is an expenditure in the governmental funds, but repayment reduces long-term liabilities in the statement of net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.

Financed purchases	(3,986,966)	
Subscription issued	(404,808)	
Principal paid on leases	241,346	
Principal paid on subscription assets	841,929	
Principal paid on bonds payable	12,110,000	
Principal paid on pension-related debt	8,057,427	
Principal paid on private placement notes	2,769,433	
Principal paid on financed purchases	876,134	
		20,504,496

The internal service funds are used by management to charge the costs of fleet management, technology replacement, and workers' compensation to individual funds. The net revenue of certain activities of internal service funds is reported with governmental activities. 517,146

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.

Accrued interest on long-term debt	40,117	
Amortization of bond premiums and discounts	1,486,612	
Amortization of deferred amounts on refunding	(324,009)	
Compensated absences and claims	(7,353,683)	
Changes in pension liabilities and related deferred outflows and inflows of resources	(8,027,076)	
Changes in OPEB liabilities and related deferred outflows and inflows of resources	(1,750,966)	
		(15,929,005)

Change in Net Position of Governmental Activities \$ 118,065,197



PROPRIETARY FUND FINANCIAL STATEMENTS

CITY OF CHULA VISTA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2023

	Business-Type Activities - Enterprise Funds			
	Sewer Fund	Sewer Development Impact Fees	Development Services Fund	CV Elite Athlete Training Ctr
ASSETS				
Current Assets:				
Cash and investments	\$ 145,472,696	\$ 5,218,544	\$ 17,079,605	\$ -
Cash with fiscal agent	65	-	106	-
Receivables:				
Accounts (net of allowance for uncollectibles)	10,870,165	-	10,290	9,370
Accrued interest	789,426	31,055	39,973	-
Due from other governments	9,387	-	157	-
Prepaid costs	14,659	-	24,044	-
Inventories	-	-	-	-
Total Current Assets	<u>157,156,398</u>	<u>5,249,599</u>	<u>17,154,175</u>	<u>9,370</u>
Noncurrent Assets:				
Advances to other funds	18,174,656	-	-	-
Capital assets:				
Land	-	-	-	180,677,144
Construction in progress	10,212,558	90,342	-	-
Buildings and structures	-	-	-	17,027,588
Machinery and equipment	9,013,242	-	297,601	-
Infrastructure	268,420,364	121,387	-	-
Lease asset	97,658	-	780,318	-
Less accumulated depreciation/amortization	(158,304,706)	(24,318)	(329,016)	(2,361,726)
Total Noncurrent Assets	<u>147,613,772</u>	<u>187,411</u>	<u>748,903</u>	<u>195,343,006</u>
Total Assets	<u>304,770,170</u>	<u>5,437,010</u>	<u>17,903,078</u>	<u>195,352,376</u>
DEFERRED OUTFLOWS OF RESOURCES				
Pension deferred outflows	3,761,670	-	6,800,796	-
OPEB deferred outflows	255,315	-	340,419	-
Total Deferred Outflows of Resources	<u>4,016,985</u>	<u>-</u>	<u>7,141,215</u>	<u>-</u>
LIABILITIES				
Current Liabilities:				
Accounts payable	692,685	-	556,762	29,186
Accrued liabilities	200,445	-	306,475	-
Accrued interest payable	18,182	-	38,203	-
Accrued compensated absences	240,284	-	225,663	-
Retentions payable	20,252	-	54,599	-
Unearned revenue	422,534	-	-	-
Deposits payable	-	-	13,508,640	-
Due to other funds	-	-	-	451,805
Bonds, notes, subscriptions, and financed purchases	276,071	-	661,533	-
Total Current Liabilities	<u>1,870,453</u>	<u>-</u>	<u>15,351,875</u>	<u>480,991</u>
Noncurrent Liabilities:				
Advances from other funds	-	18,174,656	-	-
Accrued compensated absences	30,707	-	265,410	-
Net pension liability	1,741,291	-	3,148,111	-
Net OPEB liability	1,083,990	-	1,445,320	-
Bonds, notes, subscriptions, and financed purchases	9,674,968	-	16,117,788	-
Total Noncurrent Liabilities	<u>12,530,956</u>	<u>18,174,656</u>	<u>20,976,629</u>	<u>-</u>
Total Liabilities	<u>14,401,409</u>	<u>18,174,656</u>	<u>36,328,504</u>	<u>480,991</u>
DEFERRED INFLOWS OF RESOURCES				
Pension deferred inflows	338,119	-	611,290	-
OPEB deferred inflows	136,212	-	181,616	-
Total Deferred Inflows of Resources	<u>474,331</u>	<u>-</u>	<u>792,906</u>	<u>-</u>
NET POSITION (DEFICIT)				
Net investment in capital assets	129,428,086	187,411	272,856	195,343,006
Unrestricted	164,483,329	(12,925,057)	(12,349,973)	(471,621)
Total Net Position (Deficit)	<u>\$ 293,911,415</u>	<u>\$ (12,737,646)</u>	<u>\$ (12,077,117)</u>	<u>\$ 194,871,385</u>

**CITY OF CHULA VISTA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2023**

	Business-Type Activities - Enterprise Funds		Governmental Activities
	Other Enterprise Funds	Totals	Internal Service Funds
ASSETS			
Current Assets:			
Cash and investments	\$ 2,423,472	\$ 170,194,317	\$ 12,191,248
Cash with fiscal agent	864,549	864,720	12
Receivables:			
Accounts (net of allowance for uncollectibles)	12,666,233	23,556,058	34,892
Accrued interest	27,595	888,049	3,949
Due from other governments	-	9,544	131
Prepaid costs	936	39,639	2,695
Inventories	123,078	123,078	-
Total Current Assets	<u>16,105,863</u>	<u>195,675,405</u>	<u>12,232,927</u>
Noncurrent Assets:			
Advances to other funds	-	18,174,656	-
Capital assets:			
Land	598,659	181,275,803	-
Construction in progress	-	10,302,900	-
Buildings and structures	727,553	17,755,141	-
Machinery and equipment	4,644,202	13,955,045	5,534,682
Infrastructure	-	268,541,751	-
Lease asset	-	877,976	-
Less accumulated depreciation/amortization	(2,897,636)	(163,917,402)	(4,686,390)
Total Noncurrent Assets	<u>3,072,778</u>	<u>346,965,870</u>	<u>848,292</u>
Total Assets	<u>19,178,641</u>	<u>542,641,275</u>	<u>13,081,219</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension deferred outflows	3,928,676	14,491,142	1,055,838
OPEB deferred outflows	335,101	930,835	58,509
Total Deferred Outflows of Resources	<u>4,263,777</u>	<u>15,421,977</u>	<u>1,114,347</u>
LIABILITIES			
Current Liabilities:			
Accounts payable	481,827	1,760,460	398,161
Accrued liabilities	324,221	831,141	50,645
Accrued interest payable	11,414	67,799	3,313
Accrued compensated absences	199,208	665,155	19,490
Retentions payable	-	74,851	-
Unearned revenue	-	422,534	-
Deposits payable	-	13,508,640	-
Due to other funds	-	451,805	-
Bonds, notes, subscriptions, and financed purchases	903,001	1,840,605	49,170
Total Current Liabilities	<u>1,919,671</u>	<u>19,622,990</u>	<u>520,779</u>
Noncurrent Liabilities:			
Advances from other funds	2,340,621	20,515,277	-
Accrued compensated absences	24,970	321,087	58,048
Net pension liability	1,818,596	6,707,998	488,750
Net OPEB liability	1,422,737	3,952,047	248,414
Bonds, notes, subscriptions, and financed purchases	1,833,250	27,626,006	1,778,539
Total Noncurrent Liabilities	<u>7,440,174</u>	<u>59,122,415</u>	<u>2,573,751</u>
Total Liabilities	<u>9,359,845</u>	<u>78,745,405</u>	<u>3,094,530</u>
DEFERRED INFLOWS OF RESOURCES			
Pension deferred inflows	353,128	1,302,537	94,904
OPEB deferred inflows	178,779	496,607	31,215
Total Deferred Inflows of Resources	<u>531,907</u>	<u>1,799,144</u>	<u>126,119</u>
NET POSITION (DEFICIT)			
Net investment in capital assets	336,527	325,567,886	848,292
Unrestricted	13,214,139	151,950,817	10,126,625
Total Net Position (Deficit)	<u>\$ 13,550,666</u>	<u>\$ 477,518,703</u>	<u>\$ 10,974,917</u>
Adjustment to report the cumulative internal balance for the net effect of the activity between the internal service funds and the enterprise funds over time (Note 2C)			
		443,859	
Net Position of Business-Type Activities		<u>\$ 477,962,562</u>	

**CITY OF CHULA VISTA
STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR FISCAL YEAR ENDED JUNE 30, 2023**

	Business-Type Activities - Enterprise Funds			
	Sewer Fund	Sewer Development Impact Fees	Development Services Fund	CV Elite Athlete Training Ctr
OPERATING REVENUES				
Sales and service charges	\$ 49,117,788	\$ 832,475	\$ 9,298,438	\$ -
Interdepartmental charges	-	-	-	-
Other	6,256,979	-	2,680,785	792,581
Total Operating Revenues	55,374,767	832,475	11,979,223	792,581
OPERATING EXPENSES				
Administration and general	34,435,906	13,189	9,571,193	882,826
Depreciation/amortization expense	6,289,202	3,041	209,453	337,146
Total Operating Expenses	40,725,108	16,230	9,780,646	1,219,972
Operating Income (Loss)	14,649,659	816,245	2,198,577	(427,391)
NONOPERATING REVENUES (EXPENSES)				
Investment earnings (loss)	2,257,962	57,437	101,311	(6,562)
Interest expense	(228,822)	(371,729)	(383,688)	-
Gain on disposal of capital assets	70,150	-	-	-
Total Nonoperating Revenues (Expenses)	2,099,290	(314,292)	(282,377)	(6,562)
Income (Loss) Before Transfers	16,748,949	501,953	1,916,200	(433,953)
Transfers in	53,806	-	871,730	126,526
Transfers out	(3,565,640)	-	(2,393,036)	(31,280)
Change in Net Position	13,237,115	501,953	394,894	(338,707)
NET POSITION (DEFICIT) - BEGINNING	280,634,258	(13,239,599)	(12,542,397)	195,210,092
Restatements	40,042	-	70,386	-
Net Position - Beginning, as Restated	280,674,300	(13,239,599)	(12,472,011)	195,210,092
NET POSITION (DEFICIT) - ENDING	\$ 293,911,415	\$ (12,737,646)	\$ (12,077,117)	\$ 194,871,385

**CITY OF CHULA VISTA
STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR FISCAL YEAR ENDED JUNE 30, 2023**

	Business-Type Activities - Enterprise Funds		Governmental Activities
	Other Enterprise Funds	Totals	Internal Service Funds
OPERATING REVENUES			
Sales and service charges	\$ 21,438,669	\$ 80,687,370	\$ 125,551
Interdepartmental charges	-	-	9,647,566
Other	-	9,730,345	404,262
Total Operating Revenues	21,438,669	90,417,715	10,177,379
OPERATING EXPENSES			
Administration and general	13,527,204	58,430,318	9,702,864
Depreciation/amortization expense	945,179	7,784,021	184,900
Total Operating Expenses	14,472,383	66,214,339	9,887,764
Operating Income (Loss)	6,966,286	24,203,376	289,615
NONOPERATING REVENUES (EXPENSES)			
Investment earnings (loss)	(90,500)	2,319,648	24,564
Interest expense	(87,817)	(1,072,056)	(42,045)
Gain on disposal of capital assets	-	70,150	48,356
Total Nonoperating Revenues (Expenses)	(178,317)	1,317,742	30,875
Income (Loss) Before Transfers	6,787,969	25,521,118	320,490
Transfers in	231,762	1,283,824	321,760
Transfers out	(3,259,685)	(9,249,641)	(82,673)
Change in Net Position	3,760,046	17,555,301	559,577
NET POSITION (DEFICIT) - BEGINNING	9,790,620		10,415,340
Restatements	-		-
Net Position - Beginning, as Restated	9,790,620		10,415,340
NET POSITION (DEFICIT) - ENDING	\$ 13,550,666		\$ 10,974,917
Adjustment for the net effect of the current year activity between the internal service funds and the enterprise funds		42,431	
Change in Net Position of Business-Type Activities		\$ 17,597,732	

CITY OF CHULA VISTA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR FISCAL YEAR ENDED JUNE 30, 2023

	Business-Type Activities - Enterprise Funds			
	Sewer Fund	Sewer Development Impact Fees	Development Services Fund	CV Elite Athlete Training Ctr
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received from customers and users	\$ 55,604,478	\$ 832,475	\$ 12,231,980	\$ 882,286
Cash received from interfund service provided	-	-	-	-
Cash paid to suppliers for goods and services	(29,231,208)	(13,189)	(1,513,188)	(886,111)
Cash paid to employees for services	(4,486,331)	-	(7,318,719)	-
Cash received from others	40,042	-	70,386	-
Net Cash Provided by (Used for) Operating Activities	21,926,981	819,286	3,470,459	(3,825)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES				
Cash transfers in	203,806	-	871,730	126,526
Cash transfers out	(3,715,640)	-	(2,393,034)	(31,280)
Cash received from interfund borrowings	-	-	-	-
Interest paid on interfund borrowings	-	(371,729)	-	-
Repayment of interfund borrowings	128,271	(128,271)	-	(84,859)
Principal payments on pension bonds	(252,036)	-	(135,050)	-
Interest paid on pension bonds	(228,709)	-	(375,121)	-
Net Cash Provided by (Used for) Non-Capital Financing Activities	(3,864,308)	(500,000)	(2,031,475)	10,387
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Proceeds from sales of capital assets	70,150	-	-	-
Acquisition and construction of capital assets	(11,347,439)	(68,166)	(697,714)	-
Principal paid on capital debt	-	-	-	-
Interest paid on capital debt	-	-	-	-
Net Cash Used for Capital and Related Financing Activities	(11,277,289)	(68,166)	(697,714)	-
CASH FLOWS FROM INVESTING ACTIVITIES				
Investment loss	2,039,517	46,775	90,415	(6,562)
Net Cash Used for Investing Activities	2,039,517	46,775	90,415	(6,562)
Net Increase (Decrease) in Cash and Cash Equivalents	8,824,901	297,895	831,685	-
Cash and Cash Equivalents - July 1	136,647,860	4,920,649	16,248,026	-
Cash and Cash Equivalents - June 30	\$ 145,472,761	\$ 5,218,544	\$ 17,079,711	\$ -
Reconciliation of Cash and Cash Equivalents to the Amounts Reported on the Statement of Net Position				
Cash and investments	\$ 145,472,696	\$ 5,218,544	\$ 17,079,605	\$ -
Cash with fiscal agent	65	-	106	-
Total Cash and Cash Equivalents reported on the Statement of Net Position	\$ 145,472,761	\$ 5,218,544	\$ 17,079,711	\$ -

CITY OF CHULA VISTA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR FISCAL YEAR ENDED JUNE 30, 2023

	Business-Type Activities - Enterprise Funds		Governmental Activities
	Other Enterprise Funds	Totals	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from customers and users	\$ 20,776,740	\$ 90,327,959	\$ 474,163
Cash received from interfund service provided	-	-	9,708,168
Cash paid to suppliers for goods and services	(6,979,982)	(38,623,678)	(4,385,891)
Cash paid to employees for services	(7,836,216)	(19,641,266)	(5,281,781)
Cash received from others	40,849	151,277	-
Net Cash Provided by (Used for) Operating Activities	6,001,391	32,214,292	514,659
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES			
Cash transfers in	231,762	1,433,824	321,760
Cash transfers out	(3,259,685)	(9,399,639)	(82,673)
Cash received from interfund borrowings	(178)	(178)	-
Interest paid on interfund borrowings	-	(371,729)	-
Repayment of interfund borrowings	(442,528)	(527,387)	-
Principal payments on pension bonds	-	(387,086)	(48,024)
Interest paid on pension bonds	-	(603,830)	(42,054)
Net Cash Provided by (Used for) Non-Capital Financing Activities	(3,470,629)	(9,856,025)	149,009
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Proceeds from sales of capital assets	-	70,150	48,356
Acquisition and construction of capital assets	(98,266)	(12,211,585)	(587,351)
Principal paid on capital debt	(894,038)	(894,038)	-
Interest paid on capital debt	(91,546)	(91,546)	-
Net Cash Used for Capital and Related Financing Activities	(1,083,850)	(13,127,019)	(538,995)
CASH FLOWS FROM INVESTING ACTIVITIES			
Investment loss	(110,729)	2,059,416	25,263
Net Cash Used for Investing Activities	(110,729)	2,059,416	25,263
Net Increase (Decrease) in Cash and Cash Equivalents	1,336,183	11,290,664	149,936
Cash and Cash Equivalents - July 1	1,951,838	159,768,373	12,041,324
Cash and Cash Equivalents - June 30	\$ 3,288,021	\$ 171,059,037	\$ 12,191,260
Reconciliation of Cash and Cash Equivalents to the Amounts Reported on the Statement of Net Position			
Cash and investments	\$ 2,423,472	\$ 170,194,317	\$ 12,191,248
Cash with fiscal agent	864,549	864,720	12
Total Cash and Cash Equivalents reported on the Statement of Net Position	\$ 3,288,021	\$ 171,059,037	\$ 12,191,260

CITY OF CHULA VISTA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR FISCAL YEAR ENDED JUNE 30, 2023

	Business-Type Activities - Enterprise Funds			
	Sewer Fund	Sewer Development Impact Fees	Development Services Fund	CV Elite Athlete Training Ctr
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:				
Operating income (loss)	\$ 14,649,659	\$ 816,245	\$ 2,198,577	\$ (427,391)
Adjustments to Reconcile Operating Income (loss) to Net Cash Provided by (Used for) Operating Activities:				
Depreciation/Amortization	6,289,202	3,041	209,453	337,146
Restatement of beginning net position	40,042	-	70,386	-
(Increase) decrease in accounts receivable	(172,664)	-	4	89,704
(Increase) decrease in prepaid costs and inventories	667	-	32,593	-
(Increase) decrease in deferred outflows from pensions	(3,416,712)	-	(6,247,364)	-
(Increase) decrease in deferred outflows from OPEB	70,568	-	80,513	-
Increase (decrease) in accounts payable	174,835	-	88,902	(3,284)
Increase (decrease) in unearned revenue	402,375	-	-	-
Increase (decrease) in retentions payable	(83,117)	-	10,935	-
Increase (decrease) in accrued liabilities	39,266	-	60,213	-
Increase (decrease) in deposits payable	-	-	252,753	-
Increase (decrease) in compensated absences	6,116	-	(64,268)	-
Increase (decrease) in net pension liability	7,652,666	-	12,631,987	-
Increase (decrease) in net OPEB liability	(25,807)	-	11,832	-
Increase (decrease) in deferred inflows from pensions	(3,713,902)	-	(5,889,541)	-
Increase (decrease) in deferred inflows from OPEB	13,787	-	23,484	-
Total Adjustments	<u>7,277,322</u>	<u>3,041</u>	<u>1,271,882</u>	<u>423,566</u>
Net Cash Provided by (Used for) Operating Activities	<u>\$ 21,926,981</u>	<u>\$ 819,286</u>	<u>\$ 3,470,459</u>	<u>\$ (3,825)</u>
Non-Cash Investing, Capital, and Financing Activities:				
Donated capital assets	\$ 5,984,987	\$ -	\$ -	\$ -

CITY OF CHULA VISTA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR FISCAL YEAR ENDED JUNE 30, 2023

	Business-Type Activities - Enterprise Funds		Governmental Activities
	Other Enterprise Funds	Totals	Internal Service Funds
Reconciliation of Operating Income (Loss) to Net			
Cash Provided by (Used for) Operating Activities:			
Operating income (loss)	\$ 6,966,286	\$ 24,203,376	\$ 289,615
Adjustments to Reconcile Operating Income (loss) to Net Cash Provided by (Used for) Operating Activities:			
Depreciation/Amortization	945,179	7,784,021	184,900
Restatement of beginning net position	-	110,428	-
(Increase) decrease in accounts receivable	(662,292)	(745,248)	4,952
(Increase) decrease in prepaid costs and inventories	(36,299)	(3,039)	123
(Increase) decrease in deferred outflows from pensions	(3,928,676)	(13,592,752)	(957,657)
(Increase) decrease in deferred outflows from OPEB	17,939	169,020	9,383
Increase (decrease) in accounts payable	26,531	286,984	(145,911)
Increase (decrease) in unearned revenue	-	402,375	-
Increase (decrease) in retentions payable	-	(72,182)	-
Increase (decrease) in accrued liabilities	34,711	134,190	7,030
Increase (decrease) in deposits payable	-	252,753	-
Increase (decrease) in compensated absences	199,679	141,527	(13,547)
Increase (decrease) in net pension liability	1,818,596	22,103,249	2,171,219
Increase (decrease) in net OPEB liability	220,457	206,482	17,206
Increase (decrease) in deferred inflows from pensions	353,128	(9,250,315)	(1,058,364)
Increase (decrease) in deferred inflows from OPEB	46,152	83,423	5,710
Total Adjustments	(964,895)	8,010,916	225,044
Net Cash Provided by (Used for) Operating Activities	\$ 6,001,391	\$ 32,214,292	\$ 514,659
Non-Cash Investing, Capital, and Financing Activities:			
Donated capital assets	\$ -	\$ 5,984,987	\$ -



**FIDUCIARY FUND FINANCIAL
STATEMENTS**

CITY OF CHULA VISTA
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2023

	Private-Purpose Trust Fund	
	Successor Agency of the Former Chula Vista RDA	Custodial Funds
ASSETS		
Cash and cash equivalents	\$ 3,983,355	\$ 8,381,661
Cash and cash equivalents held with fiscal agents	314	130,432,416
Receivables:		
Accounts	-	494,857
Taxes	-	100,134
Notes and loans	121,768	103,937,814
Accrued interest	21,804	156,585
Capital assets, not being depreciated	5,600,080	135,822,432
Capital assets, net of accumulated depreciation	750,407	-
Total Assets	10,477,728	379,325,899
DEFERRED OUTFLOWS OF RESOURCES		
Deferred charge on refunding	1,085,290	-
Total Deferred Outflows of Resources	1,085,290	-
LIABILITIES		
Accounts payable	138	12,168,054
Accrued interest	205,328	1,965,356
Deposit Payable	-	120,532
Due to other governments	55,141	-
Due to bond holders	-	13,333,125
Advances from the City of Chula Vista	4,319,193	-
Unearned revenues	121,769	-
Long-term liabilities:		
Due in one year	1,995,000	550,000
Due in more than one year	20,062,069	306,177,267
Total Liabilities	26,758,638	334,314,334
NET POSITION (DEFICIT):		
Net investment in capital assets	-	-
Restricted:		
Individuals, organizations, and other governments	(15,195,620)	45,011,565
Total Net Position (Deficit)	\$ (15,195,620)	\$ 45,011,565

CITY OF CHULA VISTA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	<u>Private-Purpose Trust Fund</u>	
	<u>Successor Agency of the Former Chula Vista RDA</u>	<u>Custodial Funds</u>
ADDITIONS		
Investment Earnings:		
Net increase (decrease) in fair value of investments	\$ (26,085)	\$ 392,536
Interest, dividends, and other	62,452	3,444,254
Total Investment Earnings	<u>36,367</u>	<u>3,836,790</u>
Taxes	3,363,658	-
Contributions from other governments	-	12,600,672
Special assessments	-	13,714,767
Special item	4,788,560	-
Total Additions	<u>8,188,585</u>	<u>30,152,228</u>
DEDUCTIONS		
Administrative expenses	17,932	1,044
Contractual services	209,881	12,373,655
Debt service and fiscal agent charges	703,609	26,472,613
Depreciation expense	47,724	-
Total Deductions	<u>979,146</u>	<u>38,847,312</u>
Net Change in Fiduciary Net Position	<u>7,209,439</u>	<u>(8,695,084)</u>
NET POSITION (DEFICIT) - BEGINNING	(22,405,059)	68,928,240
Restatements	-	(15,221,591)
Net Position (Deficit) - Beginning, as restated	<u>(22,405,059)</u>	<u>53,706,649</u>
NET POSITION (DEFICIT) - ENDING	<u>\$ (15,195,620)</u>	<u>\$ 45,011,565</u>



CITY OF CHULA VISTA
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2023

NOTE DESCRIPTION	PAGE
Note 1 – Reporting Entity and Summary of Significant Accounting Policies	60
Note 2 – Reconciliation of Government-Wide and Fund Financial Statements	73
Note 3 – Stewardship, Compliance, and Accountability	74
Note 4 – Cash and Investments	75
Note 5 – Receivables	79
Note 6 – Interfund Balances and Transactions	84
Note 7 – Capital Assets	86
Note 8 – Long-Term Liabilities	88
Note 9 – Unearned Revenue	97
Note 10 – Compensated Absences	97
Note 11 – Self-Insurance Accrued Liabilities	98
Note 12 – Leases.....	99
Note 13 – Subscription Based Information Technology Arrangements	101
Note 14 – Pension Plans	105
Note 15 – Post Retirement Health Benefits	112
Note 16 – Commitments and Contingencies	117
Note 17 – Classification of Fund Balances	118
Note 18 – Restatements of Fund Balance and Net Position	119
Note 19 – Change in Reporting Entity.....	120
Note 20 – Special Item	120

CITY OF CHULA VISTA
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2023

Note 1 – Reporting Entity and Summary of Significant Accounting Policies

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

A. Reporting Entity

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

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

Blended Component Unit

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

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

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

The Development Authority was formed in February 1982 for the purpose of promoting and developing commercial, industrial, and manufacturing enterprises and encouraging employment. The City Council acts as the governing body of the Development Authority and can impose its will on the Development Authority, establishing financial accountability and operational responsibility. The Development Authority’s financial data and transactions are included within the capital projects fund type. The City does not produce separate financial statements for the Development Authority.

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

The Public Financing Authority was established by resolution, pursuant to the City Charter and Constitution of the State of California, as a public body, to serve the public purposes of the City. The resolution was adopted on April 4, 1995. The Public Financing Authority was established by a joint exercise of powers agreement between the City and the Redevelopment Agency. The governing body of the Public Financing Authority is comprised of the consenting members of the City Council. The Public Financing Authority is authorized to borrow money for the purpose of financing the acquisition of bonds, notes, and other obligations of, or for the purpose of making loans to the City and/or to refinance outstanding obligations of the City.

CITY OF CHULA VISTA
Notes to Basic Financial Statements (Continued)
For the Fiscal Year Ended June 30, 2023

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

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

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

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

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

Fiduciary Component Unit

Fiduciary component units are legally separate entities for which the City has a financial accountability for due to the City Council appointing the majority of the members of the component units’ respective Boards of Directors, and thereby being able to significantly influence and impose the City’s will on the component units’ activities. The assets of these component units are not held in a trust but are held for the benefit of organizations and other governments that are not part of the City; additionally, the assets of these component units are not derived from the City’s provision of goods or services to them. The following entities are considered to be fiduciary component units and are reported as Custodial Funds:

The Chula Vista Bayfront Facilities Financing Authority (the “Bayfront Financing Authority”)

The Bayfront Financing Authority was created as a joint powers agreement between the City of Chula Vista, the County of San Diego, and the San Diego Unified Port District for the purpose of issuing tax exempt debt obligations to finance development of the Chula Vista Bayfront Master Plan area.

The Bayfront Project Special Tax Financing District (the “Bayfront District”)

The Bayfront District was created as a joint community facilities agreement between the City of Chula Vista and the San Diego Unified Port District for the purpose of financing the acquisition or construction of certain public and private improvement and funding of certain services within the Chula Vista Bayfront Master Plan area. The Bayfront District does not issue separate financial statements.

B. Basis of Accounting and Measurement Focus

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

CITY OF CHULA VISTA
Notes to Basic Financial Statements (Continued)
For the Fiscal Year Ended June 30, 2023

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

B. Basis of Accounting and Measurement Focus (Continued)

compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained in accordance with legal and managerial requirements.

Government - Wide Financial Statements

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

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

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

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

Governmental Fund Financial Statements

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

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

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

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

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

CITY OF CHULA VISTA
Notes to Basic Financial Statements (Continued)
For the Fiscal Year Ended June 30, 2023

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

B. Basis of Accounting and Measurement Focus (Continued)

Governmental Fund Financial Statements (Continued)

The City reports the following major Governmental Funds:

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

Federal, State, and Local Grants – This fund consists of miscellaneous grants/revenues such as: Supplemental law enforcement services, CBAG, California Library Services Act, asset seizure, local law enforcement block grants, California Recreation grants, Public Safety grants, waste management and recycling, energy conservation, emergency shelter program, HOME program, CDBG program income project, American Rescue Plan Act funding, and Community Development Block grants.

Housing Successor Agency Special Revenue Fund – This fund was established pursuant to Health and Safety Code Section 34176(b)(2) and is used to fund Low- and Moderate-Income Housing and related expenditures through the collection of property taxes. The Low- and Moderate-Income Housing Successor Fund was created due to the dissolution of the Chula Vista RDA. In accordance with Health and Safety Code Section 34176(b)(2), on February 1, 2012, all rights, powers, assets, liabilities, duties, and obligations of the Low- and Moderate-Income Housing Fund were transferred to the Low- and Moderate-Income Housing Successor Agency special revenue fund.

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

Proprietary Fund Financial Statements

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

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

Proprietary funds are accounted for using the "economic resources" measurement focus and the accrual basis of accounting. Accordingly, all assets and liabilities (whether current or noncurrent) are included on the Statement of Net Position. The Statement of Revenues, Expenses and Changes in Fund Net Position presents increases (revenues) and decreases (expenses) in total Net Position. Under the accrual basis of accounting,

CITY OF CHULA VISTA
Notes to Basic Financial Statements (Continued)
For the Fiscal Year Ended June 30, 2023

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

B. Basis of Accounting and Measurement Focus (Continued)

Proprietary Fund Financial Statements (Continued)

revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred. In these funds, receivables have been recorded as revenue and provisions have been made for uncollectible amounts.

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

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

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

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

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

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

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

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

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

Fiduciary Fund Financial Statements

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

Fiduciary fund types are accounted for according to the nature of the fund. The City's custodial funds are used to account for money and property held by the City as custodian. They are also used to account for various assessment districts for which the City acts as an agent for debt service activities. The City's private purpose trust fund is a fiduciary fund type used by the City to report assets, liabilities, and activities of the Successor Agency to the Chula Vista Redevelopment Agency. Its results of operations are presented on the Statement of Changes of Fiduciary Net Position. Both types of fiduciary funds follow the *economic resources* basis of accounting similar to proprietary funds.

CITY OF CHULA VISTA
Notes to Basic Financial Statements (Continued)
For the Fiscal Year Ended June 30, 2023

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

B. Basis of Accounting and Measurement Focus (Continued)

Fiduciary Fund Financial Statements (Continued)

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

C. Encumbrances

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

D. Cash, Cash Equivalents, and Investments

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

Highly liquid market investments with maturities of one year or less at time of purchase are stated at amortized cost. All other investments are stated at fair value. Market value is used as fair value for those securities for which market quotations are readily available. The City reported its investments at fair value and the unrealized gain on investments amounted to \$22,485,850 for the fiscal year ended June 30, 2023.

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

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

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

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

E. Inventories and Prepaid items

Inventories are valued on an average-cost basis which are adjusted to annual physical counts or estimates under the consumption method of accounting and are recorded in the internal service fund. Prepaid items are items the City has paid in advance and will receive future benefit from.

CITY OF CHULA VISTA
Notes to Basic Financial Statements (Continued)
For the Fiscal Year Ended June 30, 2023

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

F. Restricted Assets

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

G. Interfund Transactions

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

H. Capital Assets

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

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

The useful life of lease assets and subscription-based information technology agreements is the shorter of the life of the lease/agreement or the useful life of the underlying asset on its own. If the City has the option to purchase the assets at the end of the lease term and is likely to exercise that option, the useful life of the underlying asset will be used.

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

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

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

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

I. Compensated Absences

Government-Wide Financial Statements

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

CITY OF CHULA VISTA
Notes to Basic Financial Statements (Continued)
For the Fiscal Year Ended June 30, 2023

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

I. *Compensated Absences (Continued)*

Fund Financial Statements

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

J. *Pensions*

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the City's California Public Employees' Retirement System (CalPERS) plan (Plan) and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. The net pension liability is typically liquidated through the General Fund for the portion reported in governmental activities, and also through the respective enterprise fund in which it is allocated. For this report, the following timeframes are used:

Valuation Date	June 30, 2021
Measurement Date	June 30, 2022
Measurement Period	July 1, 2021, to June 30, 2022

K. *Other Post-Employment Benefits*

For purposes of measuring the total OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense have been determined by an independent actuary. For this purpose, benefit payments are recognized when currently due and payable in accordance with the benefit terms. The total OPEB liability is typically liquidated through the General Fund for the portion reported in governmental activities, and also through the respective enterprise fund in which it is allocated.

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

Valuation Date	June 30, 2022
Measurement Date	June 30, 2023
Measurement Period	July 1, 2022, to June 30, 2023

L. *Long-Term Debt*

Government-Wide Financial Statements

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

Fund Financial Statements

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

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

M. Leases

City as Lessee

The City is a lessee for noncancellable leases of land, buildings, and equipment. The City recognizes a lease liability and an intangible right-to-use leased asset (lease asset) in the Government-wide, Proprietary, and Fiduciary Fund financial statements. Lease assets are reported with depreciable capital assets and lease liabilities are reported with long-term liabilities. At the commencement of a lease, the City measures the lease liability at the present value of payments expected to be made over the course of the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over the remaining lease term.

City as Lessor

The City is a lessor for noncancellable leases of portions of buildings. The City recognizes a lease receivable and a deferred inflow of resources in the Government-wide, Governmental, and Proprietary Fund financial statements. At the commencement of a lease, the City measures the lease receivable at the present value of payments expected to be received over the course of the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the lease term.

N. Subscription Based Information Technology

The City is the customer or buyer of subscription contracts for noncancellable use of vendor software. The City recognizes a subscription liability and an intangible right-to-use subscription asset in the Government-wide, Proprietary, and Fiduciary Fund financial statements. Subscription assets are reported with depreciable capital assets and subscription liabilities are reported with long-term liabilities. At the commencement of a subscription, the City measures the subscription liability at the present value of payments expected to be made over the course of the subscription contract term. Subsequently, the subscription liability is reduced by the principal portion of subscription payments made. The subscription asset is measured as the initial amount of the subscription liability, adjusted for subscription payments made at or before the subscription commencement date, plus certain initial direct costs. Subsequently, the subscription asset is amortized on a straight-line basis over the remaining subscription contract term.

O. Deferred Outflows/Inflows of Resources

In addition to assets, the financial statements will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to future periods and will not be recognized as an outflow of resources (expense/ expenditure) until then. The City has four items that qualify for reporting in this category, which are reported in the government-wide statement of net position.

One item is the deferred charge on refunding reported on the statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The second item is the deferred outflows related to pensions, which represents the City's pension contributions made subsequent to the measurement date, change of assumptions, difference between expected and actual experience, and the net difference between projected and actual earnings on plan investments. The third item is related to OPEB, which represents the change of assumptions and difference between expected and actual experience. The fourth item is related to leases and represents the cumulative impact of GASB 87 implementation.

CITY OF CHULA VISTA
Notes to Basic Financial Statements (Continued)
For the Fiscal Year Ended June 30, 2023

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

O. Deferred Outflows/Inflows of Resources (Continued)

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

P. Property Taxes

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

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

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

No allowance for doubtful accounts was considered necessary.

Q. Net Position

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

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

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

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

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

CITY OF CHULA VISTA
Notes to Basic Financial Statements (Continued)
For the Fiscal Year Ended June 30, 2023

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

R. Fund Balances

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

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

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

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

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

Unassigned – This amount is for any portion of the fund balances that do not fall into one of the above categories. This classification includes the residual fund balance for the General Fund. It also includes the negative residual balance for any other governmental fund that cannot be eliminated by offsetting assigned fund balance amounts.

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

S. Spending and Reserve Policy

Government-Wide Financial Statements and the Proprietary Fund Financial Statements

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

CITY OF CHULA VISTA
Notes to Basic Financial Statements (Continued)
For the Fiscal Year Ended June 30, 2023

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

S. Spending and Reserve Policy (Continued)

Governmental Fund Financial Statements

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

Pension & OPEB Reserve Fund Policy

In November 2020, the City Council adopted a resolution adopting the Pension & OPEB (Other Pension Employment Benefits) Reserve Fund Policy and amending the General Fund Reserve Policy to include the allocation methodology to the General Fund reserve categories: General Fund Operating Reserve, Economic Contingency Reserve, and Catastrophic Event Reserves.

- The General Fund Operating Reserve represents unrestricted resources available for appropriation by the City Council to address extraordinary needs of an emergency nature of annual General Fund budgeted expenditures (excluding Measure A and P Sales taxes).
- The Economic Contingency Committed Balance represents monies set aside to mitigate service impacts during a significant downturn in the economy which impacts City revenues such as sales tax, property tax, business license tax, etc. funded at minimum of 5% of the General Fund of annual General Fund budgeted expenditures (excluding Measure A and P Sales taxes).
- The Catastrophic Event Reserves are monies set aside to fund unanticipated expenditures related to a major disaster in the City and are associated with the City's Disaster Preparedness Program funded at 3% of the General Fund of annual General Fund budgeted expenditures (excluding Measure A and P Sales taxes).

The Pension & OPEB Reserve Fund Policy (PRF) established an Irrevocable Section 115 Trust where all PRF contributions will be made to cover the following: repayment of future CalPERS unfunded liabilities in part or whole; establishment of an OPEB reserve fund; to pay off any outstanding Pension Obligation Bonds; and any other unanticipated pension related costs or charges. Upon meeting the 15% General Fund Operating Reserves 75% of all future surplus funds shall be transferred to the PRF while the remaining 25% is allocated to the Economic Contingency Reserves and Catastrophic Event reserves in accordance with the General Fund Reserve Policy. In the event all three General Fund reserve accounts are fully funded at the stated policy percentage, 100% of surplus funds will be transferred to the PRF until it reaches 15% of annual General Fund budgeted expenditures (excluding Measure A and P Sales taxes).

Measure A Reserve Fund Policy

In May 2022, City Council adopted a resolution adopting the Measure A Fund Economic Contingency Reserve Fund Policy. This policy is established to avoid any impacts to the General Fund due to temporary sales tax revenue shortfalls, and to establish the reserves necessary to meet known and unknown future obligations for the City's Police and Fire Departments. It is funded by 16% of Measure A fund's annual operating budget.

Enterprise Fund Reserve Policies

The City maintains reserves for the following enterprise funds: Sewer Service Revenue Fund and Ambulance Transport System Enterprise Fund to help mitigate the impact of economic fluctuations on revenues, fund unforeseen expenditure requirements, provide minimum levels of cash balances, and avoid the need to borrow for cash management purposes.

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

T. Use of Estimates

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

U. Changes in Accounting Principles and New GASB Pronouncements

During the year ended June 30, 2023, the City adopted the following accounting standard issued by the Governmental Accounting Standards Board (GASB):

1. GASB Statement No. 91, Conduit Debt Obligations

The requirements of this Statement will improve financial reporting by eliminating the existing option for issuers to report conduit debt obligations as their own liabilities, thereby ending significant diversity in practice. The clarified definition will resolve stakeholders' uncertainty as to whether a given financing is, in fact, a conduit debt obligation. Requiring issuers to recognize liabilities associated with additional commitments extended by issuers and to recognize assets and deferred inflows of resources related to certain arrangements associated with conduit debt obligations also will eliminate diversity, thereby improving comparability in reporting by issuers. Revised disclosure requirements will provide financial statement users with better information regarding the commitment issuers extend and the likelihood that they will fulfill those commitments. That information will inform users of the potential impact of such commitments on the financial resources of issuers and help users assess issuers' roles in conduit debt obligations.

2. GASB Statement No. 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements

The requirements of this Statement will improve financial reporting by establishing the definitions of PPPs and APAs and providing uniform guidance on accounting and financial reporting for transactions that meet those definitions. That uniform guidance will provide more relevant and reliable information for financial statement users and create greater consistency in practice. This Statement will enhance the decision usefulness of a government's financial statements by requiring governments to report assets and liabilities related to PPPs consistently and disclose important information about PPP transactions. The required disclosures will allow users to understand the scale and important aspects of a government's PPPs and evaluate a government's future obligations and assets resulting from PPPs.

3. GASB Statement No. 96, Subscription-Based Information Technology Arrangements

The requirements of this Statement will improve financial reporting by establishing a definition for SBITAs and providing uniform guidance for accounting and financial reporting for transactions that meet that definition. That definition and uniform guidance will result in greater consistency in practice. Establishing the capitalization criteria for implementation costs also will reduce diversity and improve comparability in financial reporting by governments. This Statement also will enhance the relevance and reliability of a government's financial statements by requiring a government to report a subscription asset and subscription liability for a SBITA and to disclose essential information about the arrangement. The disclosures will allow users to understand the scale and important aspects of a government's SBITA activities and evaluate a government's obligations and assets resulting from SBITAs.

CITY OF CHULA VISTA
Notes to Basic Financial Statements (Continued)
For the Fiscal Year Ended June 30, 2023

Note 2 – Reconciliation of Government-Wide and Fund Financial Statements

A. Explanation of Certain Differences Between the Governmental Fund Balance Sheet and the Government-Wide Statement of Net Position

The governmental fund balance sheet includes a reconciliation between *fund balance – total governmental funds* and *net position – governmental activities* as reported in the government-wide statement of net position. One element of that reconciliation explains that “other long-term assets that are not available to pay for current period expenditures and, therefore, are either labeled unavailable or not reported in the funds.” The details of this \$75,726,137 are as follows:

Long-term receivables	\$ 60,811,053
Development impact fees	1,192,354
Miscellaneous revenues	<u>13,722,730</u>
Total other long-term assets	<u>\$ 75,726,137</u>

B. Explanation of Certain Differences Between the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the Government-Wide Statement of Activities

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between *net changes in fund balances – total governmental funds* and *change in net position of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains that “governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense in the current period.” The details of this \$23,825,811 difference are as follows:

Capital outlay	\$ 60,668,962
Depreciation expense	<u>(36,836,651)</u>
Total other long-term assets	<u>\$ 23,832,311</u>

C. Explanation of Certain Differences Between the Proprietary Fund Statement of Net Position and the Government-Wide Statement of Net Position

The proprietary fund statement of net position includes a reconciliation between *net position – total enterprise funds* and *net position of business-type activities* as reported in the government-wide statement of net position. The description of the sole element of that reconciliation is “adjustment to report the cumulative internal balance for the net effect of the activity between the internal service funds and the enterprise funds over time.” The details of the \$44,859 difference are as follows:

Internal receivable representing charges in excess of cost to business-type activities - prior years	\$ 401,428
Internal receivable representing charges in excess of cost to business-type activities - current year	<u>42,431</u>
Net adjustment to increase net position - total enterprise funds to arrive at net position - business-type activities	<u>\$ 443,859</u>

CITY OF CHULA VISTA
Notes to Basic Financial Statements (Continued)
For the Fiscal Year Ended June 30, 2023

Note 3 – Stewardship, Compliance, and Accountability

A. Deficit Fund Equity

At June 30, 2023, the Sewer Development Impact Fees Fund and the Development Services Fund, both major proprietary funds, reported deficits in net position in the amounts of \$12,737,646 and \$12,077,117, respectively. The reason for the deficit in the Sewer Development Impact Fees Fund is the long-term advance payable in the amount of \$18,174,656 to the General Fund discussed in Note 8. The deficit is expected to be eliminated in future years, as repayments to the General Fund are made on the advance. The reason for the deficit in the Development Services Fund is the allocation of the Fund’s share of the 2021 Pension Obligation Bonds issued during the 2021 fiscal year, with an outstanding balance in the amount of \$16,779,321 as of June 30, 2023. The deficit is expected to be eliminated in future years as the revenue is recognized as a reduction to net pension liability.

At June 30, 2023, the following non-major funds had deficit fund equity:

Fund Type	Funds	Deficit
Special Revenue	Transportation Sales Tax	\$ 633,808
Special Revenue	Traffic Safety	4,734
Capital Projects	Residential Construction Tax	1,310,131
Capital Projects	Bicycle Facility	4,640
Capital Projects	Other Transportation Program Fund	475,921
Proprietary	Living Coast Discovery Center	798

Transportation Sales Tax – The Transportation Sales Tax Fund had an accumulated deficit of \$633,808 due to the timing of the receipt of the City’s allocation of SANDAG’s ½ cent sales tax levy compared to disbursements. The City expects to eliminate this deficit through future revenues.

Traffic Safety – The Traffic Safety Fund had an accumulated deficit of \$4,734 as a result of fair market on investment losses and interfund transfer to the General Fund to cover administrative expenditures. The deficit is expected to be eliminated through future revenues.

Residential Construction Tax – The Residential Construction Tax Fund had an accumulated deficit of \$1,313,641 due to debt service payment that are expected to be eliminated through future revenues.

Bicycle Facility – The Bicycle Facility Fund had an accumulated deficit of \$4,460 due to non-reimbursable expenditures that were incurred. This fund is scheduled to be consolidated with the General Fund and closed in fiscal year 2024.

Other Transportation Program – The Other Transportation Program Fund had an accumulated deficit of \$475,920 due the timing of the reimbursement of grant revenues for the capital expenditures incurred.

Living Coast Discovery Center – The proprietary Living Coast Discovery Center Fund had an accumulated deficit of \$798 due to the fair market value loss on investments incurred in the current year. This deficit is expected to be eliminated through future revenues.

CITY OF CHULA VISTA
Notes to Basic Financial Statements (Continued)
For the Fiscal Year Ended June 30, 2023

Note 4 – Cash and Investments

The following is a summary of pooled cash and investments, including cash and investments with fiscal agents at June 30, 2023.

	Government-Wide Statement of Net Position			Fiduciary Funds Statement of Net	
	Governmental Activities	Business-Type Activities	Subtotal	Position	Total
Cash and investments	\$ 421,398,523	\$ 171,059,037	\$ 592,457,560	\$ 12,365,016	\$ 604,822,576
Restricted cash and investments:					
Held by City	7,735,990	-	7,735,990	-	7,735,990
Held by fiscal agents	24,965,589	-	24,965,589	130,432,730	155,398,319
Total restricted cash and investments	32,701,579	-	32,701,579	130,432,730	163,134,309
Total cash and investments	\$ 454,100,102	\$ 171,059,037	\$ 625,159,139	\$ 142,797,746	\$ 767,956,885

Cash, cash equivalents and investments consisted of the following at June 30, 2023:

Petty Cash	\$ 9,789
Deposits with financial institutions	20,086,109
Investments	610,649,983
Investments held by fiscal agents	137,211,004
Total cash and investments	<u>\$ 767,956,885</u>

A. Deposits

The carrying amount of the City's cash deposits were \$20,086,109 on June 30, 2023. Bank balances before reconciling items were \$21,688,422 at that date, the total amount of which was insured or collateralized with securities held by the pledging financial institutions in the City's name as discussed below.

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

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

CITY OF CHULA VISTA
Notes to Basic Financial Statements (Continued)
For the Fiscal Year Ended June 30, 2023

Note 4 – Cash and Investments (Continued)

B. Investments

As of June 30, 2023, the City had the following investments and maturities:

Investment Type	Fair Value	Investment Maturities				
		1 year or fewer	1 - 2 years	2 - 3 years	3 - 4 years	4 - 5 years
LAIF	\$ 71,047,461	\$ 71,047,461	\$ -	\$ -	\$ -	\$ -
Time deposits	310,000	310,000	-	-	-	-
San Diego County Investment Fund	23,577,663	23,577,663	-	-	-	-
United States Treasuries	45,683,045	35,864,530	2,967,780	3,125,160	3,725,575	-
Federal agency bonds	195,833,020	55,175,910	67,113,161	50,184,346	16,490,713	6,868,890
Municipal bonds	75,132,672	18,093,102	16,618,419	23,281,256	11,499,643	5,640,252
Supranationals	17,222,078	1,845,793	5,714,880	6,121,685	3,539,720	-
Asset-backed securities	-	-	-	-	-	-
Medium-term corporate notes	136,500,331	43,404,965	42,318,785	30,270,803	20,505,778	-
Certificates of deposit	20,528,199	9,500,490	10,771,284	-	-	256,425
Placement service deposits	4,307,974	4,307,974	-	-	-	-
Money market funds	20,507,540	20,507,540	-	-	-	-
Held by bond trustee:						
Mutual funds	123,109,266	123,109,266	-	-	-	-
LAIF	14,101,738	14,101,738	-	-	-	-
Total	\$ 747,860,987	\$ 420,846,432	\$ 145,504,309	\$ 112,983,250	\$ 55,761,429	\$ 12,765,567

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.

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio*	Maximum Investment in One Issuer
Bankers' Acceptance	180 days	40%	30%
Negotiable Certificates of Deposits	5 years	30%	None
Commercial Paper	270 days	25%	10%
State and Local Agency Bond Issues	5 years	None	None
U.S. Treasury Obligations	5 years	None	None
U.S. Agency Securities	5 years	None	None
Repurchase Agreement	1 year	None	None
Reverse-Purchase Agreements	92 days	20%	None
Medium-Term Corporate Notes	5 years	30%	10%
Time Certificates of Deposits	5 years	None	None
Money Market Funds	N/A	20%	10%
San Diego County Treasurer's Pooled Money Fund	N/A	None	None
Local Agency Investment Fund (LAIF)	N/A	None	\$75 Million**
Shares of Beneficial Interest issued by a JPA	N/A	None	None
Asset Backed Securities	5 years	20%	None
Supranationals	5 years	30%	None
Placement Service Deposits	5 years	30%	None

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

** Maximum is \$75 million per account

CITY OF CHULA VISTA
Notes to Basic Financial Statements (Continued)
For the Fiscal Year Ended June 30, 2023

Note 4 – Cash and Investments (Continued)

B. Investments (Continued)

Investments Authorized by Debt Agreements

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

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
U.S Treasury Obligations	None	None	None
Federal Home Loan Mortgage Corporation	None	None	None
Farm Credit Banks	None	None	None
Federal Home Loan Banks	None	None	None
Federal National Mortgage Association	None	None	None
Student Loan Marketing Association	None	None	None
Financing Corporation	None	None	None
Resolution Funding Corporation	None	None	None
Certificates of Deposits, Time Deposits and Bankers' Acceptance	180 or 365 days	None	None
Commercial Paper	270 days	None	None
Money Market Funds	None	None	None
State Obligations	None	None	None
Municipal Obligations	None	None	None
Repurchase Agreements	None	None	None
Investment Agreements	None	None	None
Local Agency Investment Fund (LAIF)	None	None	None

C. Risks Disclosures

Interest Rate Risk

As a means of limiting its exposure to fair value losses arising from rising interest rates, the City’s investment policy provides that final maturities of securities cannot exceed five years. Specific maturities of investments depend on liquidity needs. At June 30, 2023, the City’s pooled cash and investments had the following maturities:

Maturity	Percentage of Investment
Less than one year	56.3%
1 - 2 years	19.5%
2 - 3 years	15.1%
3 - 4 years	7.4%
4 - 5 years	1.7%

The weighted average maturity of the portfolio was 1.2 years.

Credit Risk

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

CITY OF CHULA VISTA
Notes to Basic Financial Statements (Continued)
For the Fiscal Year Ended June 30, 2023

Note 4 – Cash and Investments (Continued)

C. Risks Disclosures (Continued)

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

Investment Type	Fair Value	Moody's	Standard & Poor's
LAIF	\$ 85,149,199	Not rated	Not rated
Time deposits	310,000	Not rated	Not rated
San Diego County Investment Fund	23,577,663	Not rated	Not rated
United States Treasuries	45,683,045	Exempt	Exempt
Federal agency bonds	195,833,020	Exempt	Exempt
Municipal bonds	75,132,672	A1 to Aa1	A to AA+
Supranationals	17,222,078	Aaa	AAA
Asset-backed securities	-	Aaa	AAA
Medium-term corporate notes	136,500,331	A3 to Aaa	BBB+ to AAA
Certificates of deposit	20,528,199	Not rated	Not rated
Placement service deposits	4,307,974	Not rated	Not rated
Money market funds	20,507,540	Not rated	Not rated
Mutual funds	123,109,266	Not rated	Not rated
Total	\$ 747,860,987		

Custodial Credit Risk

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

Concentration of Credit Risk

The City’s investment policy contains limitations on the amount that can be invested in any one issuer, in accordance with the limitations stipulated by the California Government Code. For the fiscal year ended June 30, 2023, the City had no investments in any one issuer that exceeded percentage of portfolio limitations set forth by either the City’s investment policy or the California Government Code.

D. Investments in Local Agency Investment

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

As of June 30, 2023, the City had \$85,149,199 invested in LAIF. LAIF determines fair value on its investment portfolio based on market quotations for those securities where market quotations are readily available and based on amortized cost or best estimate for those securities where market value is not readily available. The City valued its investments in LAIF as of June 30, 2023, by multiplying its account balance with LAIF times a fair value factor determined by LAIF. This fair value factor was determined by dividing all LAIF participants’ total aggregate amortized cost by total aggregate fair value. The credit quality rating of LAIF is unrated as of June 30, 2023. There are no limitations or restrictions on participant withdrawals from LAIF.

CITY OF CHULA VISTA
Notes to Basic Financial Statements (Continued)
For the Fiscal Year Ended June 30, 2023

Note 4 – Cash and Investments (Continued)

E. Fair Value Hierarchy

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The City had the following recurring fair value measurements as of June 30, 2023:

Investment Type	Totals	Level 1	Level 2	Uncategorized
LAIF	\$ 71,047,461	\$ -	\$ -	\$ 71,047,461
Time deposits	310,000	-	310,000	-
San Diego County Investment Fund	23,577,663	-	-	23,577,663
United States Treasuries	45,683,045	45,683,045	-	-
Federal agency bonds	195,833,020	-	195,833,020	-
Municipal bonds	75,132,672	-	75,132,672	-
Supranationals	17,222,078	-	17,222,078	-
Asset-backed securities	-	-	-	-
Medium-term corporate notes	136,500,331	-	136,500,331	-
Certificates of deposit	20,528,199	-	20,528,199	-
Placement service deposits	4,307,974	-	-	4,307,974
Money market funds	20,507,540	-	-	20,507,540
Held by bond trustee:				
Mutual funds	123,109,266	-	-	123,109,266
LAIF	14,101,738	-	-	14,101,738
Total	\$ 747,860,987	\$ 45,683,045	\$ 445,526,300	\$ 256,651,642

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

Note 5 – Receivables

A. Taxes Receivable

At June 30, 2023, the City had the following taxes receivable:

	Governmental Activities	Fiduciary Funds	Total
Sales Tax	\$ 17,868,207	\$ -	\$ 17,868,207
Property Tax	662,030	-	662,030
Highway Users Tax	1,699,432	-	1,699,432
Franchise Fee Tax	3,030,041	-	3,030,041
Special Assessments	-	100,134	100,134
Other Taxes	1,822,029	-	1,822,029
Total	\$ 25,081,739	\$ 100,134	\$ 25,181,873

CITY OF CHULA VISTA
Notes to Basic Financial Statements (Continued)
For the Fiscal Year Ended June 30, 2023

Note 5 – Receivables (Continued)

B. Loans Receivable

At June 30, 2023, the City had the following loans receivable, including principal and accrued interest:

	Governmental Activities		
	Principal	Interest	Total
South Bay Community Services (Trolley Trestle, Muncey Manor, CNV I, CNII, NCV II)	\$ 2,022,483	\$ 2,404,804	\$ 4,427,287
Cordova and Trolley Terrace Apartments (Cordova Trolley, LP)	2,672,511	411,891	3,084,402
St. Regis Park (Chelsea Investment Corp)	1,232,822	115,967	1,348,789
Chula Vista Rehabilitation CHIP Loans	869,658	91,308	960,966
Park Village Apts (Civic Center Barrio Housing Corporation)	95,649	-	95,649
Los Vecinos (Wakeland Housing and Development Corporation)	5,680,000	4,357,732	10,037,732
Brisa del Mar (Main Plaza, LP)	1,800,000	793,440	2,593,440
Seniors on Broadway (MAAC Project)	3,511,194	1,806,479	5,317,673
The Landings II (Chelsea Investment Corp)	8,182,824	1,995,013	10,177,837
First Time Home Buyers Program	3,100,605	230,465	3,331,070
NSP Rental Housing Program	1,000,000	253,710	1,253,710
Lofts on Landis	2,000,000	548,486	2,548,486
Duetta Apartments (F Street Family CIC, LP)	2,068,000	449,424	2,517,424
Volta Senior Apartments (G Street Seniors CIC, LP)	932,000	199,658	1,131,658
Anita Street Apartments (Wakeland- Anita LP)	5,195,165	336,476	5,531,641
Deferred development impact fees	5,965,425	487,864	6,453,289
	<u>\$ 46,328,336</u>	<u>\$ 14,482,717</u>	<u>\$ 60,811,053</u>

South Bay Community Services

In 1998, the former Chula Vista Redevelopment Agency (RDA) and City of Chula Vista entered into several loan agreements with South Bay Community Services, a California non-profit public benefit corporation. Prior years' loan was made to South Bay Community Services for the purpose of purchasing several properties throughout the City of Chula Vista, including Concord Way (1-unit) and Trolley Trestle (11-unit). These projects are to provide housing to very low-income families. Deeds of trust and assignments of rent secure the notes. Principal and interest are payable annually out of any and all residual receipts derived from the property and/or operation of the property. Interest accrues annually on the unpaid balance with rates ranging from 3% to 6%. At June 30, 2023, the outstanding balance of the loan was \$4,427,287, which included an interest accrual of \$2,404,804.

Cordova and Trolley Terrace Apartments- (Cordova Trolley, LP)

In January 2019, the Housing Authority and the Cordova Trolley, LP (Developer) entered into a loan agreement to refinance two scattered site rental housing developments at 1280 E J Street (40-unit) and 750 ADA Street (18-unit). The developer partially repaid the outstanding accrued interest of the previous loan in the amount of \$200,000 and carried forward the remaining balance of \$2,672,511 as a new loan on the Project. The project provides affordable housing to very-low and low-income households for an additional 55-years. The amended and restated promissory note is secured by a deed of trust and will accrue 3.15% interest compounding annually. Residual receipt payments (if any) will be applied towards the outstanding loan balance until the loan is paid in full. At June 30, 2023, the outstanding balance of the loan was \$3,084,402, which included an interest accrual of \$411,891.

St. Regis Park (Chelsea Investment Corporation)

In 2000, the former RDA entered into a loan agreement with Chelsea Investment Corporation for the acquisition and rehabilitation of the 119-unit multi-family housing project (formerly known as Pear Tree Apartments) at 1025 Broadway. In June 2019, the developer repaid the outstanding principal balance of the previous loan in the

CITY OF CHULA VISTA
Notes to Basic Financial Statements (Continued)
For the Fiscal Year Ended June 30, 2023

Note 5 – Receivables (Continued)

B. Loans Receivable (Continued)

amount of \$1,387,152 and carried forward the accrued interest of \$1,232,822 as a new loan amount. The project will remain affordable to very-low and low-income households for an additional 55-years. The amended and restated promissory note is secured by a deed of trust and will accrue 2.76% interest compounding annually. Residual receipt payments (if any) will be applied towards the outstanding loan balance until the loan is paid in full. At June 30, 2023, the outstanding balance of the loan was \$1,348,789, which included an interest accrual of \$115,967.

Chula Vista Rehabilitation CHIP Loans

The Chula Vista Rehabilitation Community Housing Improvement Program (CHIP) is under the direct control of the Housing Authority acting as the Successor Housing Entity for those loans that were funded using Low- and Moderate-Income Housing Funds. These loans provide funding to assist owner occupied or mobile homeowners with assistance to make health and safety repairs to their dwelling unit. CHIP loans funded by CDBG, or HOME funds are also managed by the Housing Authority. CHIP offers deferred and low interest rate home improvement loans to qualified borrowers residing within a target area. The rate terms vary from 0 to 5% deferred interest loans to forgivable loans for mobile homeowners. Loan repayments are re-deposited into the program cash accounts and are redistributed as future loans. At June 30, 2023, the outstanding balance of the loan was \$960,966, which included an interest accrual of \$91,308.

Park Village Apartments (Civic Center Barrio Housing Corporation)

In 1991, the former RDA entered into a loan agreement with the Civic Center Barrio Housing Corporation, a California non-profit public benefit corporation. The loan was made for the purchase of land and the development of a 28 - unit low-income housing project. During 1992, the loan was assigned to Park Village Apartments Ltd., a California limited partnership in which Civic Center Barrio Housing Corporation is the managing general partner. The loan is secured by a deed of trust on the property and assignment of rents. Principal and interest are payable monthly. In 2009, an amendment to the loan was entered into changing the interest from 5% to 3% per annum on the unpaid principal balance of the note. It also required monthly payments based on a 24-year amortization schedule with the entire balance paid by December 31, 2033. At June 30, 2023, the outstanding balance of the loan was \$95,649 with no accrued interest outstanding.

Los Vecinos (Wakeland Housing and Development Corporation)

In 2008, the former RDA entered into a loan agreement with Wakeland Housing and Development Corporation to assist the borrower in constructing 41 affordable multi-family rental housing units for occupancy by extremely low, very low, and low-income households. The loan amount of \$5,680,000 was funded by the Low- and Moderate-Income Housing Fund. The loan bears an interest rate of 5% per annum. Principal and interest payments will be made on an annual basis out of a fund equal to 50% of the residual receipts for years 1-30 and 75% of the residual receipts for years 31-54, until 55 years from the date the improvements are placed in service, at which time, all principal and unpaid interest is due and payable. The improvements were placed in service on February 7, 2008. At June 30, 2023, the outstanding balance of the loan was \$10,037,732, which included an interest accrual of \$4,357,732.

Brisa del Mar (Main Plaza, LP)

In 2003, the former RDA and City entered into a loan agreement with Main Plaza, LP to assist in acquiring and improving certain real property for occupancy by very low, low, and moderate-income households. The loan bears an interest rate of 3% per annum. The loan is due and payable on the date that is 55 years from the date of the City's issuance of the Certificate of Completion, which is in 2061. At June 30, 2023, the outstanding balance of the loan was \$2,593,440 which included an interest accrual of \$793,440.

CITY OF CHULA VISTA
Notes to Basic Financial Statements (Continued)
For the Fiscal Year Ended June 30, 2023

Note 5 – Receivables (Continued)

B. Loans Receivable (Continued)

Seniors on Broadway (MAAC Project)

The City entered into a loan agreement with Seniors on Broadway, Limited Partnership to assist in acquiring and improving certain real property for occupancy by very low, low, and moderate-income households. The loan bears an interest rate of 3% per annum. The loan is due and payable on the date that is 55 years from the date of the City's issuance of the Certificate of Completion. At June 30, 2023, the outstanding balance of the loan was \$5,317,673, which included an interest accrual of \$1,806,479.

The Landings II (Chelsea Investment Corporation)

In July 2010, the former RDA and City entered into a loan agreement with Landings II, L.P. to assist the borrower in constructing 143 affordable multifamily rental housing units for occupancy by very low- and low-income households. The loan bears an interest rate of 3.6% per annum and requires monthly payments based on a 25-year amortization schedule. At June 30, 2023, the outstanding balance of the loan was \$10,177,837, which included an interest accrual of \$1,995,013.

First Time Home Buyers Program

The Chula Vista First-Time Homebuyer Program is under the direct control of the City and its Housing Authority. The Program is funded through U.S. Department of Housing and Urban Development HOME Investment Partnership Act and Neighborhood Stabilization Program funds. Cal Home funds from the State of California Department of Housing and Community Development are also used to fund loans. The Program is currently administered by Springboard CDFI, (formerly known as Community Housing Works Realty and Lending). The program offers low interest loans or equity share deferred gap financing loans to qualified borrowers. Loan repayments are re-deposited into the program and are redistributed as future loans. At June 30, 2023, the outstanding balance of the loan was \$3,331,070, which included an interest accrual of \$230,465.

NSP Rental Housing Program

The City entered into two separate loan agreements with San Diego Community Housing Corporation to acquire and rehabilitate rental housing for very low-income households. The loans are secured by promissory notes and a deed of trusts. The outstanding principal and interest amount of the loan will be repaid over fifty-five (55) years and shall accrue at the simple interest rate of three (3%) percent per annum. Principal and interest are payable annually out of a fund equal to 50% of residual receipts derived from the property and/or operation of the property. At June 30, 2023, the outstanding balance of the loan was \$1,253,710, which included an interest accrual of \$253,710.

Lofts on Landis

The City has adopted a Housing Element of the General Plan which sets forth the objective of providing balances and varied housing opportunities throughout the City to satisfy needs and desires of various age, income, and ethnic groups of the community. The Housing Authority found that the City's financial participation in the development of the Landis Project will be a sound investment based upon the Developer' ability to effectively service the City's housing needs and priorities expressed in the housing Element and Consolidated plan. At June 30, 2023, the outstanding balance of the loan was \$2,548,486, which included an interest accrual of \$548,486.

Duetta Apartments (F Street Family CIC, LP)

In 2016, the City entered into a loan agreement with F Street Family CIC, LP to assist to assist in the construction and permanent financing of affordable multifamily apartments with 86 deed restricted units for occupancy by extremely low, very low- and lower-income households. Loans are in the principal amount of \$800,000 from the

CITY OF CHULA VISTA
Notes to Basic Financial Statements (Continued)
For the Fiscal Year Ended June 30, 2023

Note 5 – Receivables (Continued)

B. Loans Receivable (Continued)

City's federal HOME funds, \$372,660 from the City's Balanced Communities In-Lieu funds, and \$895,340 from Low- and Moderate-Income Housing Fund. The loan bears an interest rate of 3% simple interest per annum for a 55-year period. Payment of principal and interest is made on an annual basis out of a fund equal to 50% of the residual receipts. The outstanding principal and accrued interest on the loan is to be repaid by December 31, 2072. Fund balance has been restricted in the Federal, State, and Local Grants Special Revenue Fund and in the Low- & Moderate-Income Housing Successor Special Revenue Fund. At June 30, 2023, the outstanding balance of the loans were \$2,517,424, which included an interest accrual of \$449,424.

Volta Senior Apartments (G Street Seniors CIC, LP)

In 2016, the City entered into a loan agreement with G Street Senior CIC, LP to assist to assist in the construction and permanent financing of affordable multifamily apartments with 122 deed restricted units for occupancy by extremely low-, very low- and lower-income households. The loan amount of \$932,000 was funded by the Low- and Moderate-Income Housing Fund. The loan bears an interest rate of 3% simple interest per annum for a 55-year period. Payment of principal and interest is made on an annual basis out of a fund equal to 50% of the residual receipts. The outstanding principal and accrued interest on the loan is to be repaid by December 31, 2072. Fund balance has been restricted in the Low- & Moderate-Income Housing Successor Special Revenue Fund. At June 30, 2023, the outstanding balance of the loans were \$1,131,658, which included an interest accrual of \$199,658.

Anita Street Apartments (Wakeland- Anita LP)

In 2017 and 2018, the Housing Authority entered into amended loan agreements with Wakeland Anita LP to assist in the acquisition of land and pre-development of an affordable multifamily apartment development known as Anita Street Apartments with up to 72 possible deed restricted units for occupancy by extremely low, very low- and lower-income households. This loan supports the proportionate share of costs for 30% and 45% AMI (area median income) units in the project. The total loan amount of \$5,195,165 was made using low- and moderate-income housing funds. No interest accrues on the loan during the predevelopment phase of the Project. Upon completion of the predevelopment phase, the loan bears an interest rate of 3% simple interest per annum for a 55-year period. At June 30, 2023, the outstanding balance of the loans were \$5,531,641, which includes an interest accrual of \$336,476.

Deferred development impact fees

The DIF Deferral Community Facilities District (CFD 17-I) was established to promote development in specified areas of the City known as "Western Chula Vista" by deferring specific development impact fees for projects that met the specific criteria outlined in the CFD formation documents. The primary area included within the CFD plan was land west of the I-5 freeway to spur on early development in preparation for the new Bayfront project, as well as land in the portion of the City between Interstate 5 and Interstate 805, including the Palomar Gateway and Urban Core Specific Planning Areas and the Auto Park located East of the Interstate 805. As the Rate and Method of Apportionment defines, developers can defer their Development Impact Fees up to ten years or as otherwise defined in the CFD documents. Upon issuance of the Certificate of Occupancy (COO), the City calculates interest on an annual basis, and it is included as part of the long-term receivable. At June 30, 2023, the outstanding balance of the loans were \$6,453,289 which includes interest accrual \$487,864.

CITY OF CHULA VISTA
Notes to Basic Financial Statements (Continued)
For the Fiscal Year Ended June 30, 2023

Note 6 – Interfund Balances and Transactions

Due to/Due from other funds

At June 30, 2023, interfund receivables and payables were as follows:

Due from Other Funds	CV Elite Athlete Training Center	Nonmajor Governmental Funds	Total
General Fund	\$ 451,805	\$ 1,867,024	\$ 2,318,829

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

Long-Term Advances

At June 30, 2023, balances were as follows:

	Advances from Other Funds:		
	Sewer Development Impact Fees	Other Enterprise Funds	Total
	Advances to Other Funds:		
General	\$ -	\$ 2,340,621	\$ 2,340,621
Sewer Fund	18,174,656	-	18,174,656
Total	\$ 18,174,656	\$ 2,340,621	\$ 20,515,277

The City Council authorized and set terms for loans from the Trunk Sewer fund to Salt Creek for \$16,598,381, to the Storm Drain fund for \$744,612, and \$803,331 from the Sewer Facility fund for capital improvement projects, via Resolution 2015-035. In accordance with Council Policy No. 220-06, approved via Resolution 2015-028, the financing costs shall be calculated using the City's pooled investment earning rate on a quarterly basis. The balance was \$18,174,656 at June 30, 2023, of which all \$18,174,656 is outstanding from the Sewer Fund to the Sewer Development Impact Fees Fund and the portion due from the Sewer Fund to the Storm Drain Fund has been paid in full.

The City Council authorized and set terms for loans from the General Fund to Transport Enterprise nonmajor enterprise fund for \$4,881,710, via Resolution 2020-152. In accordance with Council Policy No. 220-06, the financing costs shall be calculated using the City's pooled investment earning rate on a quarterly basis. The balance was \$2,340,621 at June 30, 2023.

CITY OF CHULA VISTA
Notes to Basic Financial Statements (Continued)
For the Fiscal Year Ended June 30, 2023

Note 6 – Interfund Balances and Transactions (Continued)

Transfers In/Out

Interfund transfers for the year ended June 30, 2023, were as follows:

Transfers Out	Transfers In									Total
	General	Federal, State, and Local Grants	Other Governmental Funds	Sewer Fund	Development Services Fund	CV Elite Athlete Training Ctr	Other Enterprise Funds	Internal Service Funds		
General	\$ -	\$ 491,287	\$ 34,705,118	\$ -	\$ 448,729	\$ 126,526	\$ 173,762	\$ 313,760	\$ -	\$ 36,259,182
Federal, State and Local Grants	1,620,972	-	1,775,899	53,806	78,420	-	58,000	8,000	-	3,595,097
Housing Successor Agency	5,262	-	-	-	-	-	-	-	-	5,262
Development Impact Funds	25,797	-	4,994,848	-	255,647	-	-	-	-	5,276,292
Other Governmental Funds	5,206,922	-	723,246	-	73,124	-	-	-	-	6,003,292
Sewer Fund	3,549,830	-	-	-	15,810	-	-	-	-	3,565,640
Development Services Fund	2,393,036	-	-	-	-	-	-	-	-	2,393,036
CV Elite Athlete Training Ctr	-	-	31,280	-	-	-	-	-	-	31,280
Other Enterprise Funds	3,259,685	-	-	-	-	-	-	-	-	3,259,685
Internal Service Funds	82,673	-	-	-	-	-	-	-	-	82,673
Total	\$ 16,144,177	\$ 491,287	\$ 42,230,391	\$ 53,806	\$ 871,730	\$ 126,526	\$ 231,762	\$ 321,760	\$ -	\$ 60,471,439

General Fund – Operating support to the General Fund for City staff services and equipment. Total amount of support was \$16,144,177.

Federal, State and Local Grants Fund – Transferring the matching contribution to the federal grants in the amount of \$491,287.

Other Governmental Funds – Transfer from General Fund in the amount of \$34,705,118, Development Impact Funds in the amount of \$4,994,848 and from other governmental funds in the amount of \$723,246 for various debt obligations. Transfer from Chula Vista Elite Athlete Training Center to Eastlake Maintenance District in the amount of \$31,280 for taxes related to City owned property. Various transfers between Federal, State, and Local Grants Fund in the amount of \$1,775,899.

Sewer Fund – Transfer from Federal, State, and Local Grants Fund in the amount of \$53,806 for operating support.

Development Services Fund – Operating support to the Development Services Fund for service; \$448,729 support from the General Fund and \$255,647, \$78,420, \$73,124, and \$15,810 from Development Impact Funds, Federal, State, and Local Grants Fund, Other Governmental Funds and the Sewer Fund, respectively.

Chula Vista Elite Athlete Training Center – Support from General Fund: \$126,526 for telecom site license fee.

Other Enterprise Funds – Operating support to the Other Enterprise Funds for services provided; \$173,762 and \$58,000 support from the General Fund and Federal, State, and Local Grants Fund, respectively.

Internal Service Funds – Operating support to the internal service funds for services provided; \$313,760 and \$8,000 support from the General Fund and Other Governmental Funds, respectively.

CITY OF CHULA VISTA
Notes to Basic Financial Statements (Continued)
For the Fiscal Year Ended June 30, 2023

Note 7 – Capital Assets

A. Government-Wide Financial Statements

A Summary of changes in capital assets for governmental activities for the year ended June 30, 2023, was as follows:

	Balance July 1, 2022	Prior Period Adjustments	Additions	Deletions	CIP Transfers	Balance June 30, 2023
Capital assets, not being depreciated:						
Land	\$ 436,447,308	\$ -	\$ -	\$ (263,784)	\$ -	\$ 436,183,524
Construction in progress	158,259,257	-	55,764,121	-	(11,440,162)	202,583,216
Total capital assets, not being depreciated	594,706,565	-	55,764,121	(263,784)	(11,440,162)	638,766,740
Capital assets, being depreciated:						
Buildings	231,162,805	-	-	-	-	231,162,805
Improvements other than buildings	145,266,072	-	13,237,043	-	-	158,503,115
Machinery and equipment	55,568,201	-	5,032,528	(1,082,468)	-	59,518,261
Infrastructure	851,596,091	17,321,417	25,762,269	-	11,440,162	906,119,939
Subscription assets	-	2,744,945	411,308	-	-	3,156,253
Lease assets	972,381	-	-	(59,449)	-	912,932
Subtotal	1,284,565,550	20,066,362	44,443,148	(1,141,917)	11,440,162	1,359,373,305
Less accumulated depreciation						
Buildings	(77,435,191)	-	(4,540,589)	-	-	(81,975,780)
Improvements other than buildings	(65,168,810)	-	(2,976,581)	-	-	(68,145,391)
Subscription assets	-	-	(600,595)	-	-	(600,595)
Lease assets	(237,898)	-	(202,949)	32,667	-	(408,180)
Machinery and equipment	(36,343,542)	-	(5,528,790)	1,076,623	-	(40,795,709)
Infrastructure	(418,539,945)	(1,733,015)	(23,172,047)	-	-	(443,445,007)
Subtotal	(597,725,386)	(1,733,015)	(37,021,551)	1,109,290	-	(635,370,662)
Total capital assets, being depreciated	686,840,164	18,333,347	7,421,597	(32,627)	11,440,162	724,002,643
Total governmental activities	\$ 1,281,546,729	\$ 18,333,347	\$ 63,185,718	\$ (296,411)	\$ -	\$ 1,362,769,383

Depreciation expense was charged to functions/programs as follows:

General government	\$ 313,604
Public safety	4,302,176
Public works	31,094,486
Community development	166,886
Parks and recreation	958,439
Library	1,060
Internal service	184,900
	<u>\$ 37,021,551</u>

CITY OF CHULA VISTA
Notes to Basic Financial Statements (Continued)
For the Fiscal Year Ended June 30, 2023

Note 7 – Capital Assets (Continued)

B. Government-Wide Financial Statements (Continued)

A Summary of changes in capital assets for business-type activities for the year ended June 30, 2023, was as follows:

	July 1, 2022	Additions	Deletions	Transfers	June 30, 2023
Capital assets, not being depreciated:					
Land	\$ 181,275,803	\$ -	\$ -	\$ -	\$ 181,275,803
Construction in progress	10,030,004	4,883,712	-	(4,610,816)	10,302,900
Total capital assets, not being depreciated	191,305,807	4,883,712	-	(4,610,816)	191,578,703
Capital assets, being depreciated:					
Buildings and Structures	17,159,874	-	-	-	17,159,874
Improvements other than buildings	595,267	-	-	-	595,267
Subscription assets	-	872,626	-	-	872,626
Lease assets	229,576	-	(224,226)	-	5,350
Machinery and equipment	13,700,082	633,756	(378,793)	-	13,955,045
Infrastructure	257,945,948	5,984,987	-	4,610,816	268,541,751
Subtotal	289,630,747	7,491,369	(603,019)	4,610,816	301,129,913
Less accumulated depreciation					
Buildings and Structures	(2,146,407)	(339,817)	-	-	(2,486,224)
Improvements other than buildings	(434,583)	(30,156)	-	-	(464,739)
Subscription assets	-	(174,525)	-	-	(174,525)
Lease assets	(58,731)	(7,346)	60,727	-	(5,350)
Machinery and equipment	(7,900,465)	(1,744,886)	378,793	-	(9,266,558)
Infrastructure	(146,032,715)	(5,487,291)	-	-	(151,520,006)
Subtotal	(156,572,901)	(7,784,021)	439,520	-	(163,917,402)
Total capital assets, being depreciated	133,057,846	(292,652)	(163,499)	4,610,816	137,212,511
Total governmental activities	\$ 324,363,653	\$ 4,591,060	\$ (163,499)	\$ -	\$ 328,791,214

Depreciation/amortization expense for business-type activities for the year ended June 30, 2023, was as follows:

CV Elite Training Center	\$ 337,146
Sewer	6,289,202
Sewer Development Impact Fees	3,041
Development Services	209,453
Transport Enterprise	884,806
Golf course	51,912
Transit	8,461
	<u>\$ 7,784,021</u>

CITY OF CHULA VISTA
Notes to Basic Financial Statements (Continued)
For the Fiscal Year Ended June 30, 2023

Note 7 – Capital Assets (Continued)

A. Fiduciary Funds Financial Statements

A Summary of changes in capital assets for fiduciary funds for the year ended June 30, 2023, were as follows:

	Balance July 1, 2022	Additions	Deletions	CIP Transfers	Balance June 30, 2023
Capital assets, not being depreciated:					
Land	\$ 5,600,080	\$ -	\$ -	\$ -	\$ 5,600,080
Construction in progress	27,796,396	108,026,036	-	-	135,822,432
Total capital assets, not being depreciated	33,396,476	108,026,036	-	-	141,422,512
Capital assets, being depreciated:					
Buildings and Structures	2,386,218	-	-	-	2,386,218
Subtotal	2,386,218	-	-	-	2,386,218
Less accumulated depreciation					
Buildings and Structures	(1,588,087)	(47,724)	-	-	(1,635,811)
Subtotal	(1,588,087)	(47,724)	-	-	(1,635,811)
Total capital assets, being depreciated	798,131	(47,724)	-	-	750,407
Total governmental activities	\$ 34,194,607	\$ 107,978,312	\$ -	\$ -	\$ 142,172,919

Depreciation expense for fiduciary funds for the year ended June 30, 2023, was \$47,724 being reported in private-purpose trust funds.

Note 8 – Long-Term Liabilities

A summary of changes in long-term debt for the year ended June 30, 2023, was as follows:

	Balance Beginning of Year	Additions	Deletions	Balance End of Year	Amount Due Within One Year
Governmental Activities:					
Bonds payable					
Certificates of participation	\$ 63,205,000	\$ -	\$ 4,250,000	\$ 58,955,000	\$ 4,475,000
Lease revenue bonds	63,135,000	-	7,860,000	55,275,000	7,935,000
Premium	10,314,453	-	1,486,612	8,827,841	-
Total bonds payable	136,654,453	-	13,596,612	123,057,841	12,410,000
Private placement notes	8,995,027	-	2,769,433	6,225,594	930,385
Pension-related debt	316,587,171	-	8,105,450	308,481,721	8,298,985
Financed purchases	4,800,982	3,986,966	876,134	7,911,814	952,031
Total Governmental Activities	\$ 467,037,633	\$ 3,986,966	\$ 25,347,629	\$ 445,676,970	\$ 22,591,401
Business-Type Activities:					
Pension-related debt	\$ 26,932,829	\$ -	\$ 689,550	\$ 26,243,279	\$ 706,015
Financed purchases	3,630,290	-	894,038	2,736,252	903,000
Total Business-Type Activities	\$ 30,563,119	\$ -	\$ 1,583,588	\$ 28,979,531	\$ 1,609,015

Governmental Activities

A. Certificates of Participation

2014 Refunding COP

In February 2014, the Chula Vista Public Financing Authority (Authority) issued \$45,920,000 in 2014 Certificates of Participation to refinance the City's outstanding 2002 Certificates of Participation (Police

CITY OF CHULA VISTA
Notes to Basic Financial Statements (Continued)
For the Fiscal Year Ended June 30, 2023

Facility Project), fund a reserve fund, and pay the costs incurred in connection with the execution and delivery of the Certificates. The

Note 8 – Long-Term Liabilities (Continued)

Governmental Activities (Continued)

A. Certificates of Participation (Continued)

2014 Refunding COP (Continued)

source of repayment of the certificates is the lease payments to be made by the City to the Authority. Should the City default under the lease, the Trustee, as assignee of the Authority, may terminate the lease and re-lease the leased premises or may retain the lease and hold the City liable for all lease payments thereunder on an annual basis. Under no circumstances will the Trustee have the right to accelerate lease payments. Interest is payable semiannually on April 1 and October 1 of each year, commencing October 1, 2014. The certificates mature in 2032 and principal is payable on October 1 each year, commencing October 1, 2014. As of June 30, 2023, the outstanding balance was \$29,425,000.

2015 Refunding COP

In August 2015, the Chula Vista Public Financing Authority (Authority) issued \$34,330,000 in 2015 Certificates of Participation to refinance the City's outstanding 2004 Certificates of Participation (Civic Center Project Phase) and a portion of the 2006 Certificates of Participation (Civic Center Project Phase II), fund a reserve fund, and pay the costs incurred in connection with the execution and delivery of the Certificates. The refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$445,970, which is reported as a deferred outflow of resources in the accompanying financial statements and amortized over the remaining life of the refunded debt. The City completed the refunding to reduce its total debt service payments by \$4,384,723 and to obtain an economic gain (difference between the present values of the old and new debt services payments) of \$3,073,833. The source of repayment of the certificates is the lease payments to be made by the City to the Authority. Should the City default under the lease, the Trustee, as assignee of the Authority, may terminate the lease and re-lease the leased premises or may retain the lease and hold the City liable for all lease payments thereunder on an annual basis. Under no circumstances will the Trustee have the right to accelerate lease payments. Interest is payable semi-annually on March 1 and September 1 of each year, commencing March 1, 2016. The certificates mature in 2034 and principal is payable on March 1 each year, commencing October 1, 2015. As of June 30, 2023, the outstanding balance was \$20,930,000.

2016 Refunding COP

In July 2016, the Chula Vista Public Financing Authority (Authority) issued \$8,600,000 in 2016 Certificates of Participation (Certificates) to current refund all of the City's outstanding 2006 Certificates of Participation (Civic Center Project – Phase 2), to satisfy the reserve requirement with respect to the Certificates and to pay the costs of issuance of the Certificates. The refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$221,204, which is reported as a deferred outflow of resources in the accompanying financial statements and amortized over the remaining life of the refunded debt. The City completed the refunding to reduce its total debt service payments by \$1,144,525 and to obtain an economic gain (difference between the present values of the old and new debt services payments) of \$973,849. The source of repayment of the certificates is the lease payments to be made by the City to the Authority. Should the City default under the lease, the Trustee, as assignee of the Authority, may terminate the lease and re-lease the leased premises or may retain the lease and hold the City liable for all lease payments thereunder on an annual basis. Under no circumstances will the Trustee have the right to accelerate lease payments. Interest is payable semi-annually on March 1 and September 1 of each year, commencing March 1, 2017. The certificates mature in 2036 and principal is payable on March 1 each year, commencing March 1, 2027. As of June 30, 2023, the outstanding balance was \$8,600,000.

CITY OF CHULA VISTA
Notes to Basic Financial Statements (Continued)
For the Fiscal Year Ended June 30, 2023

Note 8 – Long-Term Liabilities (Continued)

Governmental Activities (Continued)

B. Lease Revenue Bonds

2016 Lease Revenue Refunding Bonds

In July 2016, the Chula Vista Municipal Financing Authority (Authority) issued \$25,885,000 in 2016 Lease Revenue Refunding Bonds to refinance an existing lease by advance refunding the City's outstanding 2010 Certificates of Participation (Capital Facilities Refunding Projects) and to pay the costs of issuance of the Bonds. The refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$4,898,948, which is reported as a deferred outflow of resources in the accompanying financial statements and amortized over the remaining life of the refunded debt. The City completed the refunding to reduce its total debt service payments by \$2,167,047 and to obtain an economic gain (difference between the present values of the old and new debt services payments) of \$2,293,798. The source of repayment of the certificates is the lease payments to be made by the City to the Authority. Should the City default under the lease agreement, the Trustee, as assignee of the Authority, may terminate the lease agreement and re-lease the leased property or may retain the lease agreement and hold the City liable for all base rental payments thereunder on an annual basis. Under no circumstances will the Trustee have the right to accelerate base rental payments. Interest is payable semi-annually on November 1 and May 1 of each year, commencing November 1, 2016. The certificates mature in 2033 and principal is payable on May 1 each year, commencing May 1, 2017. As of June 30, 2023, the outstanding balance was \$16,040,000.

2017 Lease Revenue Bonds

In June 2017, the Chula Vista Municipal Financing Authority (Authority) issued \$61,355,000 in 2017 Lease Revenue Bonds to finance infrastructure, facilities, and equipment and to pay the costs of the issuance of the bonds. Should the City default under the lease agreement, the Trustee, as assignee of the Authority, may terminate the lease agreement and re-lease the leased property or may retain the lease agreement and hold the City liable for all base rental payments thereunder on an annual basis. Under no circumstances will the Trustee have the right to accelerate base rental payments. Interest is payable semi-annually on November 1 and May 1 of each year, commencing November 1, 2017. The bonds mature in 2027 and principal is payable on May 1 each year, commencing May 1, 2019. As of June 30, 2023, the outstanding balance was \$26,620,000.

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

In December 2017, the Chula Vista Municipal Financing Authority (Authority) issued \$12,045,000 in 2017 Lease Revenue Bonds, Series A (New Clean Renewable Energy Bonds – Federally Taxable), to finance photovoltaic energy systems at various City facilities, to capitalize interest on the bonds and to pay the costs of issuance of the bonds. Should the City default under the lease agreement, the Trustee, as assignee of the Authority, either may terminate the lease agreement and re-lease the leased property or may retain the lease agreement and hold the City liable for all base rental payments thereunder on an annual basis. Under no circumstances will the Trustee have the right to accelerate base rental payments. Interest is payable semi-annually on December 1 and June 1 of each year, commencing June 1, 2018. The bonds mature in 2049 and principal is payable on December 1 each year, commencing December 1, 2021. As of June 30, 2023, the outstanding balance was \$11,955,000.

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

In December 2017, the Chula Vista Municipal Financing Authority (Authority) issued \$1,085,000 in 2017 Lease Revenue Bonds, Series B (Tax-Exempt), to finance photovoltaic energy systems at various City facilities, to capitalize interest on the bonds and to pay the costs of issuance of the bonds. Should the City default under the lease agreement, the Trustee, as assignee of the Authority, either may terminate the lease agreement and re-lease the leased property or may retain the lease agreement and hold the City liable for all base rental payments thereunder on an annual basis. Under no circumstances will the Trustee have the right to accelerate base rental payments. Interest is payable semi-annually on December 1 and June 1 of each year, commencing June 1, 2018.

CITY OF CHULA VISTA
Notes to Basic Financial Statements (Continued)
For the Fiscal Year Ended June 30, 2023

Note 8 – Long-Term Liabilities (Continued)

Governmental Activities (Continued)

B. Lease Revenue Bonds (Continued)

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

The bonds mature in 2029 and principal is payable on December 1 each year, commencing December 1, 2019. As of June 30, 2023, the outstanding balance was \$660,000.

C. Private Placement Notes

Section 108 Loan

In June 2008, the City entered into a contract for loan guarantee assistance with the U.S. Department of Housing and Urban Development (“HUD”) as part of the Section 108 Loan Program in the amount of \$9,500,000. The Section 108 Loan is an “advance” of future CDBG entitlement funds and, as such, is repaid with a portion of the City’s annual entitlement. Proceeds of the loan will be used to fund multiple capital improvement projects. Debt service payments will be made with future CDBG entitlements for 20 years, with interest payments beginning with fiscal year 2009. On November 27, 2018, the City received notice from HUD regarding the opportunity to refinance the existing Section 108 Loan from an average of 5.19% interest rate (2019 through 2028) to an estimated average of 3.23% interest rate (2019 through 2028). On December 6, 2018, the City notified HUD of its election to redeem the current note. The City signed the agreement for the refinancing on January 23, 2019. No changes were made to the term of the loan. As of June 30, 2023, the outstanding balance was \$3,868,000.

Taxable QECC Lease/Purchase Agreement

On December 31, 2012, the City entered into a lease purchase agreement with a private party to purchase certain energy conservation equipment. The lease/purchase agreement would bridge the financial gap between the Municipal Street Listing Retrofit Project capital costs and the available rebates for energy conservation equipment. As of June 30, 2023, the outstanding balance was \$297,942.

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

On September 25, 2007, the City Council approved Resolution 2007-241 authorizing the City’s participation in the California Energy Commission (“CEC”) and the SDG&E On-Bill Financing program. The loans would bridge the financial gap between energy conservation project capital costs and the available rebates for energy conservation equipment. As of June 30, 2023, the outstanding balance was \$505,403.

Department of Housing and Community Development Emergency Rental Assistance Program (ERAP) Loan

On May 24, 2022, the City entered into a 0% interest “cashflow loan/note” agreement with the Department of Housing and Community Development for an ERAP loan in the amount of \$8,567,338 for eligible rent and utilities assistance payments for rent arrears, utility arrears, and local administrative expenses, as defined in the U.S Treasury’s guidance. The loan was to be administered in three tranches, of which the City received tranche one in the amount of \$3,426,934. In 2023, after only receiving one tranche, it was determined that only \$1,554,249 would be utilized and \$1,872,685 was returned to the lender. As of June 30, 2023, the outstanding balance was \$1,554,249.

CITY OF CHULA VISTA
Notes to Basic Financial Statements (Continued)
For the Fiscal Year Ended June 30, 2023

Note 8 – Long-Term Liabilities (Continued)

Governmental Activities (Continued)

D. Pension-Related Debt

2021 Taxable Pension Obligation Bonds

In February 2021, the City issued \$350,025,000 in 2021 Taxable Pension Obligation Bonds to finance the rolled forward Pension Liability as of June 30, 2019, as projected by CalPERS. Interest is payable semi-annually on December 1 and June 1 of each year, commencing December 1, 2021. The bonds mature in 2045 and principal is payable on December 1 each year, commencing June 1, 2022. As of June 30, 2023, the outstanding balance is \$334,725,000. The bonds are allocated among the various funds on the same basis as the City's net pension liability. The portion of the bonds attributable to governmental activities, after the allocation attributable to business-type activities of \$26,243,279, on June 30, 2023, was \$308,481,721.

E. Financed Purchases

Solar Energy Financing

On July 23, 2013, the City Council approved Resolution 2013-149 authorizing the City to utilize a \$2,121,500 Tax-Exempt Facility Lease Purchase Agreement with Banc of America, which would be repaid through the annual energy cost savings. As of June 30, 2023, the outstanding balance was \$924,108.

JP Morgan Equipment Financed Purchase Agreement

In August 2016, the City entered into a financed purchase agreement with JP Morgan Chase Bank, N.A. for the acquisition of one Pierce Fire Engine. The agreement term is ten years and the agreement amount of \$1,229,470 is to be paid in annual installments beginning in August 2017. As of June 30, 2023, the outstanding balance was \$523,366.

Motorola Solutions CAD Equipment Financed Purchase Agreement

In July 2017, the City entered into a financed purchase agreement with Motorola Solutions, Inc. for the acquisition of a PSA System. The agreement term is ten years and the agreement amount of \$1,351,409 is to be paid in annual installments beginning in July 2018. As of June 30, 2023, the outstanding balance was \$629,328.

JP Morgan Equipment Financed Purchase Agreement

In October 2019, the City entered into a financed purchase agreement with JP Morgan Chase Bank, N.A. for the acquisition of one Pierce Fire Engine. The agreement term is ten years and the agreement amount of \$720,786 is to be paid in annual installments beginning in October 2019. As of June 30, 2023, the outstanding balance was \$463,322.

Banc of America Equipment Financed Purchase Agreement

In July 2020, the City entered into a financed purchase agreement with Banc of America Public Capital Corp. for the acquisition of two Pierce Arrow Pumps. The agreement term is 5 years and the agreement amount of \$2,273,805 is to be paid in annual installments beginning on July 30, 2021. As of June 30, 2023, the outstanding balance was \$1,384,723.

JP Morgan Equipment Financed Purchase Agreement

In November 2022, the City entered into a financed purchase agreement with JP Morgan Chase Bank, N.A. for the acquisition of two Pierce Fire Engine and one Pierce Tractor Drawn Aerial Engine. The agreement term is ten years and the agreement amount of \$3,986,967 is to be paid in annual installments beginning in May 2024. As of June 30, 2023, the outstanding balance was \$3,986,967.

CITY OF CHULA VISTA
Notes to Basic Financial Statements (Continued)
For the Fiscal Year Ended June 30, 2023

Note 8 – Long-Term Liabilities (Continued)

Governmental Activities (Continued)

F. Debt Service to Maturity

The debt service requirements to maturity for the long-term debts previously described are as follows:

Year Ending June 30,	Certificates of Participation			Lease Revenue Bonds		
	Principal	Interest	Total	Principal	Interest	Total
2024	4,475,000	2,341,894	6,816,894	7,935,000	2,401,049	10,336,049
2025	4,660,000	2,158,319	6,818,319	8,345,000	2,021,878	10,366,878
2026	4,885,000	1,934,444	6,819,444	8,760,000	1,623,764	10,383,764
2027	5,025,000	1,716,794	6,741,794	9,185,000	1,205,839	10,390,839
2028	5,245,000	1,504,469	6,749,469	2,090,000	803,104	2,893,104
2029-2033	29,745,000	4,093,384	33,838,384	9,175,000	2,945,017	12,120,017
2034-2038	4,920,000	248,788	5,168,788	2,225,000	1,821,402	4,046,402
2039-2043	-	-	-	2,905,000	1,309,131	4,214,131
2044-2048	-	-	-	3,780,000	607,691	4,387,691
2049-2053	-	-	-	875,000	18,703	893,703
Total	\$ 58,955,000	\$ 13,998,092	\$ 72,953,092	\$ 55,275,000	\$ 14,757,578	\$ 70,032,578

Year Ending June 30,	Private Placement Notes			Pension-Related Debt*		
	Principal	Interest	Total	Principal	Interest	Total
2024	930,385	124,666	1,055,051	9,005,000	7,658,019	16,663,019
2025	864,939	96,420	961,359	9,215,000	7,620,288	16,835,288
2026	801,021	72,814	873,835	9,475,000	7,559,469	17,034,469
2027	2,213,250	50,896	2,264,146	9,715,000	7,479,879	17,194,879
2028	692,000	31,542	723,542	10,030,000	7,366,796	17,396,796
2029-2033	723,999	10,806	734,805	56,455,000	34,255,580	90,710,580
2034-2038	-	-	-	82,960,000	27,305,633	110,265,633
2039-2043	-	-	-	101,455,000	15,453,325	116,908,325
2044-2048	-	-	-	46,415,000	2,005,729	48,420,729
Total	\$ 6,225,594	\$ 387,144	\$ 6,612,738	\$ 334,725,000	\$ 116,704,718	\$ 451,429,718

Year Ending June 30,	Financed Purchase Agreements			Total Future Debt Service		
	Principal	Interest	Total	Principal	Interest	Total
2024	952,031	314,838	1,266,869	23,297,416	12,840,466	36,137,882
2025	1,319,037	223,772	1,542,808	24,403,976	12,120,677	36,524,652
2026	1,356,775	189,334	1,546,109	25,277,796	11,379,825	36,657,621
2027	924,982	154,824	1,079,806	27,063,232	10,608,232	37,671,464
2028	652,520	122,566	775,086	18,709,520	9,828,477	28,537,997
2029-2033	2,706,470	245,967	2,952,436	98,805,469	41,550,754	140,356,222
2034-2038	-	-	-	90,105,000	29,375,823	119,480,823
2039-2043	-	-	-	104,360,000	16,762,456	121,122,456
2044-2048	-	-	-	50,195,000	2,613,420	52,808,420
2049-2053	-	-	-	875,000	18,703	893,703
Total	\$ 7,911,814	\$ 1,251,300	\$ 9,163,114	\$ 463,092,408	\$ 147,098,832	\$ 610,191,240

*Pension-Related Debt amounts contain both governmental activities and business-type activities totals.

CITY OF CHULA VISTA
Notes to Basic Financial Statements (Continued)
For the Fiscal Year Ended June 30, 2023

Note 8 – Long-Term Liabilities (Continued)

Business-Type Activities

A. Pension-Related Debt

2021 Taxable Pension Obligation Bonds

In February 2021, the City issued \$350,025,000 in 2021 Taxable Pension Obligation Bonds to finance the rolled forward pension liability as of June 30, 2019, as projected by CalPERS. Interest is payable semi-annually on December 1 and June 1 of each year, commencing December 1, 2021. The bonds mature in 2045 and principal is payable on December 1 each year, commencing June 1, 2022. As of June 30, 2023, the outstanding balance is \$334,725,000. The bonds are allocated among the various funds on the same basis as the City’s net pension liability. The portion of the bonds attributable to business-type activities, after the allocation attributable to governmental activities at June 30, 2023, was \$26,243,279. Refer to the debt service requirements to maturity for this bond on the previous page.

B. Financed Purchase Agreements

Banc of America Equipment Financed Purchase Agreement

In July 2020, the City entered into a financed purchase agreement with Banc of America Public Capital Corp. for the acquisition of a Medix Ambulance, and various equipment associated with the ambulance. The financing term is 5 years and the payment amount of \$4,493,100 is to be paid in annual installments beginning on July 30, 2021. As of June 30, 2023, the outstanding balance was \$2,736,252.

C. Debt Service to Maturity

Year Ending June 30,	Financed Purchase Agreements		
	Principal	Interest	Total
2024	\$ 903,000	\$ 25,112	\$ 928,112
2025	912,053	16,058	928,112
2026	921,199	6,913	928,112
Total	<u>\$ 2,736,252</u>	<u>\$ 48,083</u>	<u>\$ 2,784,336</u>

Fiduciary Funds Long-Term Debt

A. Tax Allocation Bonds

	Balance Beginning of Year	Additions	Deletions	Balance End of Year	Amount Due Within One Year
Private Purpose Trust Funds					
Bonds payable					
Tax Allocation Refunding Bonds	\$ 20,930,000	\$ -	\$ 1,920,000	\$ 19,010,000	\$ 1,995,000
Premium	3,281,459	-	234,390	3,047,069	-
Total Private Purpose Trust Funds	<u>\$ 24,211,459</u>	<u>\$ -</u>	<u>\$ 2,154,390</u>	<u>\$ 22,057,069</u>	<u>\$ 1,995,000</u>

CITY OF CHULA VISTA
Notes to Basic Financial Statements (Continued)
For the Fiscal Year Ended June 30, 2023

Note 8 – Long-Term Liabilities (Continued)

Fiduciary Funds Long-Term Debt (Continued)

A. Tax Allocation Bonds (Continued)

2016 Tax Allocation Refunding Bonds

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

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

The refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$1,669,678, which is reported as a deferred outflow of resources in the accompanying financial statements and amortized over the remaining life of the refunded debt. The City completed the refunding to reduce its total debt service payments by \$9,561,410 and to obtain an economic gain (difference between the present values of the old and new debt services payments) of \$4,617,835. In the event of default of the payment of the scheduled principal of or interest on the 2016 Insured Bonds when all or some becomes due, the Trustee on behalf of any owner of the 2016 Insured Bonds shall have a claim under the 2016 Insurance Policy for such payments. The maturity of Insured bonds shall not be accelerated without the consent of the 2016 Insurer. Interest is payable semi-annually on April 1 and October 1 of each year, commencing April 1, 2017. The certificates mature in 2037 and principal is payable on October 1 each year, commencing October 1, 2017. As of June 30, 2023, the outstanding balance was \$19,010,000.

The annual debt service requirements for the 2016 Tax Allocation Refunding Bonds outstanding at June 30, 2023, are as follows:

Year Ending June 30,	Principal	Interest	Total
2024	1,995,000	795,100	2,790,100
2025	2,075,000	713,700	2,788,700
2026	2,155,000	629,100	2,784,100
2027	1,520,000	555,600	2,075,600
2028	1,585,000	485,575	2,070,575
2029-2033	4,855,000	1,646,625	6,501,625
2034-2038	4,825,000	375,050	5,200,050
Total	\$ 19,010,000	\$ 5,200,750	\$ 24,210,750

CITY OF CHULA VISTA
Notes to Basic Financial Statements (Continued)
For the Fiscal Year Ended June 30, 2023

Note 8 – Long-Term Liabilities (Continued)

Fiduciary Funds Long-Term Debt (Continued)

A. Tax Allocation Bonds (Continued)

Pledged Revenues

The Successor Agency has pledged tax revenues to the repayment of the RDA’s debts transferred to it on February 1, 2012, through the final maturity of the bonds, or early retirement of the bonds, whichever comes first. Tax revenues consist of Redevelopment Property Tax Trust Fund distributions allocated to the RDA’s project areas pursuant to Section 33670 of the Redevelopment Law excluding that portion of such tax increment revenues required to be paid under tax-sharing agreements unless the payment of such amounts has been subordinated to payment of debt services on the bonds. Redevelopment Property Tax Trust Fund distributions earned in fiscal year 2023 was \$3,051,551 and total debt service of all Tax Allocation Bonds paid was \$2,793,400. The bonds required 92% of net distributions. In future years, annual principal and interest payments on the Tax Allocation Bonds are expected to require 84% of Redevelopment Property Tax Trust Fund distributions.

B. Special Assessment Debt – Non-City Obligations

Bonds issued to finance public improvement projects in certain assessment districts are liabilities of the property owners and are secured by liens against the assessed properties. The City acts as an agent for collection of principal and interest payments by the property owners and remittance of such monies to the bondholders. The City has no obligation or duty to pay any delinquency out of any available funds of the City. Neither the faith, credit, nor the taxing power of the City is pledged to the payment of the bonds. At June 30, 2023, the special assessment debts recorded in custodial funds outstanding were as follows:

	Original Amount	Outstanding June 30, 2023
Special Tax Revenue Refunding Bonds, Series 2013	\$ 72,100,000	\$ 47,590,000
Special Tax Revenue Refunding Bonds, Series 2015A	30,460,000	24,270,000
Revenue Refunding Bonds, Series 2015B	43,695,000	27,835,000
CVBFFA Revenue Bonds Series 2022A	37,202,668	* 192,789,453
CVBFFA Revenue Bonds Series 2022B	10,000,000	10,000,000
CFD 16-1 1A1	12,280,000	10,830,000
CFD 16-1 1A2	11,255,000	11,195,000
Bond Premium	10,389,831	7,829,097
Total	<u>\$ 227,382,499</u>	<u>\$ 332,338,550</u>

*An additional \$155,586,785 was issued in Fiscal Year 2022-2023.

CITY OF CHULA VISTA
Notes to Basic Financial Statements (Continued)
For the Fiscal Year Ended June 30, 2023

Note 8 – Long-Term Liabilities (Continued)

Fiduciary Funds Long-Term Debt (Continued)

C. Multi-Family Housing Bonds – Non-City Obligations

Bonds issued to finance public improvement and/or affordable multifamily housing projects are liabilities of the developers and are secured by liens against the assessed property. The City has no obligation or duty to pay any delinquency out of any available funds of the City. Neither the faith, credit, nor the taxing power of the City is pledged to the payment of the bonds. Therefore, none of the following obligations are included in the accompanying basic financial statements. At June 30, 2023, the multi-family housing bonds outstanding were as follows:

	Original Amount	Outstanding June 30, 2023
2007 A Oxford Terrace Apartments	\$ 2,276,000	\$ 1,515,000
2007 B Oxford Terrace Apartments	2,363,000	2,363,000
2006 A Teresina Apartment Projects	37,940,000	37,940,000
2007 C The Landing Apartment	16,670,000	5,401,854
2013 A Congregational Tower	20,540,000	18,490,207
2016 A-1 Duetta Apts Homes	18,675,000	7,484,432
2016 A-3 Duetta Apts Homes junior	725,000	719,000
2016 B-1 Volta Apts Homes	20,925,000	9,517,240
2016 B-3 Volga Apts Homes Junior	775,000	36,000
2010 A-1 Landings II Senior	11,786,233	9,679,906
2019 A Cordova and Trolley Apartments	6,450,000	3,830,396
2019 Series B-1 St. Regis Park Apartments	13,300,000	12,867,606
2019 Series B-4 Sub St. Regis Park Apartments	6,800,000	7,339,623
2020 Series A Otay Ranch Apartments	5,354,124	35,000,000
2021 Series A-3 Columbia Apartments	2,600,000	2,600,000
2021 Series A-1 Columbia Apartments	13,316,443	49,500,000
2021 Series A-2 Columbia Apartments	1,434,112	1,434,112
2023 Series A-1 Otay Ranch Apartments	4,000,000	4,000,000
2023 Series A-2 Otay Ranch Apartments	890,829	890,829
Total	<u>\$ 186,820,741</u>	<u>\$ 210,609,205</u>

Note 9 – Unearned Revenue

At June 30, 2023, unearned revenue was reported in the amount of \$48,025,429 in governmental activities and related to grant program funding, National Opioid Settlements, and Mobile Park Fees received but not expended for allowable costs as of June 30, 2023.

Note 10 – Compensated Absences

The City's liability for vested and unpaid compensated absences (accrued vacation) has been accrued and amounts to \$10,880,804 at June 30, 2023. For the governmental activities claims and judgments and compensated absences are generally liquidated by the general fund and the fleet management internal service fund. In business-type funds, the liabilities are typically liquidated by the Sewer Fund, Development Services Fund, and Other Enterprise Funds. The table and schedule below describe the dollar amount of compensated absences allocated to the different activities and funds, the percentage of liquidation applicable to those funds or activities, and the changes in compensated absences for the year.

CITY OF CHULA VISTA
Notes to Basic Financial Statements (Continued)
For the Fiscal Year Ended June 30, 2023

Note 10 – Compensated Absences (Continued)

	Balance	Percentage of Liquidation
Governmental Activities		
General Fund	\$ 9,817,024	90.2%
Fleet Management internal service fund	77,538	0.7%
Subtotal - Governmental Activities	<u>9,894,562</u>	
Business-Type Activities		
Sewer Fund	270,991	2.5%
Development Services Fund	491,073	4.5%
Other Enterprise Funds	224,178	2.1%
Subtotal - Business-Type Activities	<u>986,242</u>	
Total Compensated Absences	<u>\$ 10,880,804</u>	<u>100.0%</u>

	Balance Beginning of Year	Additions	Deletions	Balance End of Year	Amount Due Within One Year
Governmental Activities					
Compensated Absences	\$ 9,399,894	\$ 6,927,158	\$ 6,432,490	\$ 9,894,562	\$ 7,064,514
Business-Type Activities					
Compensated Absences	844,715	804,418	662,891	986,242	665,155
Grand Total	<u>\$ 10,244,609</u>	<u>\$ 7,731,576</u>	<u>\$ 7,095,381</u>	<u>\$ 10,880,804</u>	<u>\$ 7,729,669</u>

Note 11 – Self-Insurance Accrued Liabilities

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

City Council of the City of Chula Vista authorized the City Manager to execute an Agreement with Intercare Holdings Insurance Services, Inc., to act as the Third-Party Administrator for the City's Workers' Compensation Program, effective July 1, 2023. The term of this agreement began July 1, 2023, and ended on June 30, 2026, for completion of all Required Services. The Agreement may be extended for up to three (3) additional terms.

The City is self-insured for the first \$1,000,000 per occurrence for workers' compensation liabilities. Excess workers' compensation coverage is obtained through participation in the Public Risk Innovation, Solutions, and Management (PRISM), formerly known as CSAC - Excess Insurance Authority. As of June 30, 2023, the program that offers per occurrence coverage up to \$5,000,000 through pooled resources and from \$5,000,000 to statutory limits via group purchased excess insurance policies.

CITY OF CHULA VISTA
Notes to Basic Financial Statements (Continued)
For the Fiscal Year Ended June 30, 2023

Note 11 – Self-Insurance Accrued Liabilities (Continued)

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

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

Year Ended June 30,	Beginning Balance	Claims and Changes in Estimates	Claims Payments	Ending Balance
2021	24,685,336	11,304,276	(4,981,945)	31,007,667
2022	31,007,667	4,790,376	(4,565,636)	31,232,407
2023	31,232,407	15,508,678	(8,663,212)	38,077,873

The City determines that \$4,000,000 of the \$38,077,873 to be short term. The liabilities for claims and judgments are typically liquidated from the General Fund.

Note 12 – Leases

A. Lease Receivable and Deferred Inflows of Resources

430 F Street Property License Agreement (Previously known as 430 F Street Lease)

On July 1, 2021, the City entered into a 24-month lease as Lessor for the use of office space on 430 F Street. On March 28, 2023, the City replaced the 24-month lease with a 39-month property license agreement. An initial lease receivable for the property lease was recorded in the amount of \$116,640. An initial lease receivable for the property license agreement was recorded in the amount of \$199,542. As of June 30, 2023, the value of the lease receivable is \$184,542. The lessee is required to make monthly fixed payments of \$5,000. The license agreement has an interest rate of 0%. The office space estimated useful life was 39 months as of the contract commencement. The value of the deferred inflow of resources as of June 30, 2023 was \$184,542, and the City recognized lease revenue of \$58,740 during the fiscal year. The term may be extended by mutual agreement of the parties.

B. Lease Payable

Dell MDC Lease

On July 1, 2021, the City entered into a 27-month lease as Lessee for the use of Dell Latitude 5420 computers. An initial lease liability was recorded in the amount of \$163,936. As of June 30, 2023, the value of the lease liability was \$0. The computers estimated useful life was 0 months as of the contract commencement. The value of the lease asset as of June 30, 2023 of \$163,936 with accumulated amortization of \$163,936 is included with leased assets in Note 7A table for the governmental activities. The City has the option to purchase the computers for \$1 (one dollar).

Key Government Finance Inc. – NIC Lease

On July 1, 2021, the City entered into a 29-month lease as Lessee for the use of NIC networking equipment, software and licensing package. An initial lease liability was recorded in the amount of \$47,442. On July 1, 2022, the implementation of GASB 96 Subscription Based Information Technology Arrangements went into effect and a total of \$10,449 under this lease was reclassified to GASB 96 (Please refer to “Note 13 – Subscription Based Information Technology Arrangements” for additional information). A total of \$14,808 remained under this lease. As of June 30, 2023 the value of the lease liability is \$0. The leased NIC equipment estimated useful life was 0 months as of the contract commencement. The value of the lease asset as of June 30, 2023 was \$36,993 with an accumulated amortization of \$36,993 is included with leased assets in Note 7A table for the governmental activities. The City has the option to purchase the equipment for \$1 (one dollar).

CITY OF CHULA VISTA
Notes to Basic Financial Statements (Continued)
For the Fiscal Year Ended June 30, 2023

Note 12 – Leases (Continued)

B. Lease Payable (Continued)

Mail Folding Machine Lease

On July 1, 2021, the City entered into an 18-month lease as Lessee for the use of a Mail Folding Machine. An initial lease liability was recorded in the amount of \$10,700. As of June 30, 2023, the value of the lease liability is \$0. The machine estimated useful life was 0 months as of the contract commencement. The value of the lease asset as of June 30, 2023 was \$10,700 and the accumulated amortization of \$10,700 is included with leased assets in Note 7A table for the governmental activities and Note 7A table for the business-type activities. The City has the option to purchase the machine for \$1 (one dollar).

PNC Equipment Lease

On July 1, 2021, the City entered into a 53-month lease as Lessee for the use of two 2016 Pierce Arrow XT Triple Combination Pumper apparatuses. An initial lease liability was recorded in the amount of \$706,653. As of June 30, 2023, the value of the lease liability is \$442,467. The City is required to make annual fixed payments of \$152,189. The lease has an interest rate of 3.2000%. The apparatuses estimated useful life was 0 months as of the contract commencement. The value of the lease asset as of June 30, 2023 of \$706,653 with accumulated amortization of \$201,901 is included with leased assets in Note 7A table for the governmental activities. The City has the option to purchase the equipment for \$441,699.

Velosimo Inc. Software Integration Platform Lease

On July 1, 2021, the City entered into a 52-month lease as Lessee for the use of Velosimo Software Integration Platform. An initial lease liability was recorded in the amount of \$224,226. As of June 30, 2022, the value of the lease liability was \$182,726. On July 1, 2022, the implementation of GASB 96 Subscription Based Information Technology Arrangements went into effect and the full balance at July 1, 2022 was removed from Leases Payable (Please refer to “Note 13 – Subscription Based Information Technology Arrangements” for additional information).

The following is a summary of changes in leases of the City for the year ended June 30, 2023:

Governmental Activities					
Beginning Balance	Adjustments	Additions	Deletions	Ending Balance	Due in One Year
\$ 694,262	\$ (10,449)	\$ -	\$ 241,346	\$ 442,467	\$ 138,466
Business-Type Activities					
Beginning Balance	Adjustments	Additions	Deletions	Ending Balance	Due in One Year
\$ 184,617	\$ (182,726)	\$ -	\$ 1,891	\$ -	\$ -

CITY OF CHULA VISTA
Notes to Basic Financial Statements (Continued)
For the Fiscal Year Ended June 30, 2023

Note 12 – Leases (Continued)

B. Lease Payable (Continued)

Future principal and interest requirements to maturity for the combined lease liability as of June 30, 2023 were as follows:

Future Principal and Interest Requirements			
Governmental Activities			
Year ending June 30,	Principal	Interest	Total Payments
2024	\$ 138,466	\$ 13,723	\$ 152,189
2025	142,897	9,292	152,189
2026	161,103	4,719	165,822
Total	<u>\$ 442,467</u>	<u>\$ 27,733</u>	<u>\$ 470,200</u>

Note 13 – Subscription Based Information Technology Arrangements

A. Subscriptions Payable

Accela Software

On July 1, 2022, the City entered into a 36-month subscription for the use of Accela Software. An initial subscription liability was recorded in the amount of \$802,042. As of June 30, 2023, the value of the subscription liability is \$543,913. The City is required to make annual fixed payments of \$258,129. The subscription has an interest rate of 2.184%. The value of the right to use asset as of June 30, 2023, of \$802,042 with accumulated amortization of \$160,408 is included with Software on the Subscription Class activities table found below.

Axon Evidence.com Lic. Q-213173-43599.826MH

On July 1, 2022, the City entered into a 13-month subscription for the use of Axon evidence.com Lic. Q-213173-43599.826MH. An initial subscription liability was recorded in the amount of \$19,588. As of June 30, 2023, the value of the subscription liability is \$0. The City is required to make annual fixed payments of \$21,337. The subscription has an interest rate of 1.7100%. The value of the right to use asset as of June 30, 2023 of \$19,588 with accumulated amortization of \$3,918 is included with Software on the Subscription Class activities table found below.

Axon Evidence.com Lic. O-244889-43872.782CM

On July 1, 2022, the City entered into a 21-month subscription for the use of Axon evidence.com Lic Q-244889-43872.782CM. An initial subscription liability was recorded in the amount of \$19,327. As of June 30, 2023, the value of the subscription liability is \$0. The City is required to make annual fixed payments of \$21,337. The subscription has an interest rate of 2.0240%. The value of the right to use asset as of June 30, 2023 of \$19,327 with accumulated amortization of \$3,865 is included with Software on the Subscription Class activities table found below.

CITY OF CHULA VISTA
Notes to Basic Financial Statements (Continued)
For the Fiscal Year Ended June 30, 2023

Note 13 – Subscription Based Information Technology Arrangements (Continued)

A. Subscriptions Payable (Continued)

Compliance Focus License Software HA

On July 1, 2022, the City entered into a 24-month subscription for the use of Compliance Focus License Software HA. An initial subscription liability was recorded in the amount of \$34,970. As of June 30, 2023, the value of the subscription liability is \$17,310. The City is required to make annual fixed payments of \$17,660. The subscription has an interest rate of 2.0240%. The value of the right to use asset as of June 30, 2023 of \$34,970 with accumulated amortization of \$6,994 is included with Software on the Subscription Class activities table found below. The City has 3 extension option(s), each for 12 months.

CXM CMS Software

On July 1, 2022, the City entered into a 14-month subscription for the use of CXM CMS Software. An initial subscription liability was recorded in the amount of \$16,166. As of June 30, 2023, the value of the subscription liability is \$0. The City is required to make annual fixed payments of \$16,212. The subscription has an interest rate of 1.7100%. The value of the right to use asset as of June 30, 2023 of \$16,166 with accumulated amortization of \$3,233 is included with Software on the Subscription Class activities table found below.

DebtBook Platform

On July 1, 2022, the City entered into a 42-month subscription for the use of DebtBook Platform. An initial subscription liability was recorded in the amount of \$36,260. As of June 30, 2023, the value of the subscription liability is \$24,172. The City is required to make annual fixed payments of \$12,500. The subscription has an interest rate of 2.2750%. The value of the right to use asset as of June 30, 2023 of \$40,010 with accumulated amortization of \$8,002 is included with Software on the Subscription Class activities table found below.

e-Plan Electronic Plan Review

On July 1, 2022, the City entered into a 40-month subscription for the use of e-Plan electronic plan review. An initial subscription liability was recorded in the amount of \$253,073. As of June 30, 2023, the value of the subscription liability is \$172,274. The City is required to make annual fixed payments of \$82,688. The subscription has an interest rate of 2.1840%. The value of the right to use asset as of June 30, 2023 of \$281,873 with accumulated amortization of \$56,375 is included with Software on the Subscription Class activities table found below. The City has 5 extension option(s), each for 12 months.

eSCRIBE Software

On July 1, 2022, the City entered into a 38-month subscription for the use of eSCRIBE Software. An initial subscription liability was recorded in the amount of \$167,129. As of June 30, 2023, the value of the subscription liability is \$111,810. The City is required to make annual fixed payments of \$54,600. Additionally, there are annual other reasonably certain payments of \$1,500. The subscription has an interest rate of 2.1840%. The value of the right to use asset as of June 30, 2023 of \$185,879. with accumulated amortization of \$37,176 is included with Software on the Subscription Class activities table found below. The City has 5 extension option(s), each for 12 months.

Forensic Technology – IBIS Subscription Lease PD

On 11/28/2022, the City entered into a 76-month subscription for the use of Forensic Technology IBIS Subscription. An initial subscription liability was recorded in the amount of \$307,746. As of June 30, 2023, the value of the subscription liability is \$266,561. The City is required to make annual fixed payments of \$42,500. The subscription has an interest rate of 1.7100%. The value of the right to use asset as of June 30, 2023 of \$314,246 with accumulated amortization of \$41,899 is included with Software on the Subscription Class activities table found below. The City has 5 extension option(s), each for 12 months.

CITY OF CHULA VISTA
Notes to Basic Financial Statements (Continued)
For the Fiscal Year Ended June 30, 2023

Note 13 – Subscription Based Information Technology Arrangements (Continued)

A. Subscriptions Payable (Continued)

IGM Technology Gravity Budget Book Software

On July 1, 2022, the City entered into a 6-month subscription for the use of IGM Technology Gravity Budget Book Software. An initial subscription liability was recorded in the amount of \$24,579. As of June 30, 2023, the value of the subscription liability is \$0. The subscription has an interest rate of 1.7100%. The value of the right to use asset as of June 30, 2023 of \$38,079 with accumulated amortization of \$7,616 is included with Software on the Subscription Class activities table found below. The City has 2 extension option(s), each for 12 months.

Key Government Finance Inc – NIC Lease

On July 1, 2022, the City entered into a 17-month subscription for the use of Key Government Finance Inc - NIC Lease. An initial subscription liability was recorded in the amount of \$10,449. As of June 30, 2023, the value of the subscription liability is \$0. The City is required to make annual fixed payments of \$23,730. The subscription has an interest rate of 1.7100%. The value of the right to use asset as of June 30, 2023 of \$10,449 with accumulated amortization of \$2,090 is included with Software on the Subscription Class activities table found below.

LinkedIn Learning Enterprise and License

On January 16, 2023, the City entered into a 36-month subscription for the use of LinkedIn Learning Enterprise and License. An initial subscription liability was recorded in the amount of \$97,062. As of June 30, 2023, the value of the subscription liability is \$65,412. The City is required to make annual fixed payments of \$31,650. The subscription has an interest rate of 2.6560%. The value of the right to use asset as of June 30, 2023 of \$97,062 with accumulated amortization of \$9,706 is included with Software on the Subscription Class activities table found below.

Motorola Solutions – CAD Software

On July 1, 2022, the City entered into a 60-month subscription for the use of Motorola Solutions - CAD Software. An initial subscription liability was recorded in the amount of \$288,655. As of June 30, 2023, the value of the subscription liability is \$228,193. The City is required to make annual fixed payments of \$60,462. The subscription has an interest rate of 2.3660%. The value of the right to use asset as of June 30, 2023 of \$971,122 with accumulated amortization of \$194,225 is included with Software on the Subscription Class activities table found below.

NIC Partners Platform

On July 1, 2022, the City entered into a 48-month subscription for the use of NIC Partners Platform. An initial subscription liability was recorded in the amount of \$222,487. As of June 30, 2023, the value of the subscription liability is \$169,572. The City is required to make monthly fixed payments of \$4,750. The subscription has an interest rate of 2.2750%. The value of the right to use asset as of June 30, 2023 of \$222,487 with accumulated amortization of \$44,497 is included with Software on the Subscription Class activities table found below.

Qualtrax Platform

On July 1, 2022, the City entered into a 27-month subscription for the use of Qualtrax Platform. An initial subscription liability was recorded in the amount of \$39,500. As of June 30, 2023, the value of the subscription liability is \$19,941. The City is required to make annual fixed payments of \$9,685. The subscription has an interest rate of 2.0240%. The value of the right to use asset as of June 30, 2023 of \$47,163 with accumulated amortization of \$9,433 is included with Software on the Subscription Class activities table found below.

CITY OF CHULA VISTA
Notes to Basic Financial Statements (Continued)
For the Fiscal Year Ended June 30, 2023

Note 13 – Subscription Based Information Technology Arrangements (Continued)

A. Subscriptions Payable (Continued)

SPIDR Platform

On July 1, 2022, the City entered into a 19-month subscription for the use of SPIDR Platform. An initial subscription liability was recorded in the amount of \$48,884. As of June 30, 2023, the value of the subscription liability is \$0. The City is required to make annual fixed payments of \$49,500. The subscription has an interest rate of 2.0240%. The value of the right to use asset as of June 30, 2023 of \$48,884 with accumulated amortization of \$9,777 is included with Software on the Subscription Class activities table found below.

Tyler Software

On July 1, 2022, the City entered into a 14-month subscription for the use of Tyler Software. An initial subscription liability was recorded in the amount of \$362,971. As of June 30, 2023, the value of the subscription liability is \$51,104. The City is required to make annual fixed payments of \$311,867. The subscription has an interest rate of 1.7100%. The value of the right to use asset as of June 30, 2023 of \$711,898 with accumulated amortization of \$142,380 is included with Software on the Subscription Class activities table found below.

Velosimo Software Integration Platform

On July 1, 2022, the City entered into a 40-month subscription for the use of Velosimo Software Integration Platform. An initial subscription liability was recorded in the amount of \$141,771.67. As of June 30, 2023, the value of the subscription liability is \$97,829. The City is required to make annual fixed payments of \$45,000. The subscription has an interest rate of 2.1840%. The value of the right to use asset as of June 30, 2023 of \$153,772 with accumulated amortization of \$30,754 is included with Software on the Subscription Class activities table found below. The City has 5 extension option(s), each for 12 months.

Virtual Project Manager Software

On July 1, 2022, the City entered into a 14-month subscription for the use of Virtual Project Manager Software. An initial subscription liability was recorded in the amount of \$13,862. As of June 30, 2023, the value of the subscription liability is \$1,995. The City is required to make monthly fixed payments of \$1,000. The subscription has an interest rate of 1.7100%. The value of the right to use asset as of June 30, 2023 of \$13,862 with accumulated amortization of \$2,772 is included with Software on the Subscription Class activities table found below. The City has 1 extension option(s), each for 12 months.

The following is a summary of changes in subscriptions of the City for the year ended June 30, 2023:

Governmental Activities					
Beginning Balance	Adjustments	Additions	Deletions	Ending Balance	Due in One Year
\$ -	\$ 1,720,127	\$ 404,808	\$ 841,929	\$ 1,283,006	\$ 470,636
Business-Type Activities					
Beginning Balance	Adjustments			Ending Balance	Due in One Year
\$ -	\$ 781,586	\$ -	\$ 294,505	\$ 487,080	\$ 231,590

CITY OF CHULA VISTA
Notes to Basic Financial Statements (Continued)
For the Fiscal Year Ended June 30, 2023

Note 13 – Subscription Based Information Technology Arrangements (Continued)

A. Subscriptions Payable (Continued)

Future principal and interest requirements to maturity for the combined subscription liability as of June 30, 2023 were as follows:

Amount of Subscription Assets by Major Classes of Underlying Asset				
Asset Class	Subscription Asset Value	Accumulated Amortization		
Software	\$ 4,028,879	\$ 775,120		
Total Subscriptions	\$ 4,028,879	\$ 775,120		

Future Principal and Interest Requirements				
Governmental Activities				
Year ending June 30,	Principal	Interest	Total Payments	
2024	\$ 470,636	\$ 26,812	\$ 497,448	
2025	448,525	16,670	465,194	
2026	157,155	6,748	163,903	
2027	109,196	3,850	113,046	
2028	47,602	1,667	49,269	
2029	49,893	853	50,746	
Total	\$ 1,283,006	\$ 56,601	\$ 1,339,606	

Business-Type Activities				
Year ending June 30,	Principal	Interest	Total Payments	
2024	\$ 231,589	\$ 10,584	\$ 242,174	
2025	255,491	5,580	261,071	
Total	\$ 487,080	\$ 16,164	\$ 503,245	

Note 14 – Pension Plans

A. California Public Employees' Retirement Plans

Plan Description

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

CITY OF CHULA VISTA
Notes to Basic Financial Statements (Continued)
For the Fiscal Year Ended June 30, 2023

Note 14 – Pension Plans (Continued)

A. California Public Employees’ Retirement Plans (Continued)

Benefits Provided

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

Benefit, or the Optional Settlement 2W Death Benefit. The cost-of-living adjustments for each plan are applied as specified by the Public Employees’ Retirement Law.

The Plan’s provisions and benefits in effect at June 30, 2023, are summarized as follows:

	Miscellaneous Plan		
	<u>Tier 1*</u>	<u>Tier 2</u>	<u>PEPRA</u>
Hire date	Prior to April 22, 2011	New Member on or after April 22, 2011, but prior to January 1, 2013	New Member on or after January 1, 2013
Benefit formula	3% @ 60	2% @ 60	2% @ 62
Benefit vesting schedule	5 years’ service	5 years’ service	5 years’ service
Benefit payments	monthly for life	monthly for life	monthly for life
Retirement age	50	50	52
Monthly benefits, as a % of eligible compensation	2.0% to 3.0%	1.092% to 2.418%	1.0% to 2.5%
Member paid contribution rate	8.0%	7.0%	7.75%
Employer Contribution rate – normal cost	22.18%	18.03%	14.89%
	Safety Fire Plan		
	<u>Tier 1*</u>	<u>Tier 2</u>	<u>PEPRA</u>
Hire date	Prior to April 22, 2011	New Member on or after April 22, 2011, but prior to January 1, 2013	New Member on or after January 1, 2013
Benefit formula	3% @ 50	3% @ 55	2.7% @ 57
Benefit vesting schedule	5 years’ service	5 years’ service	5 years’ service
Benefit payments	monthly for life	monthly for life	monthly for life
Retirement age	50	50	50
Monthly benefits, as a % of eligible compensation	3.00%	2.4% to 3.0%	2.0% to 2.7%
Member paid contribution rate	9.0%	9.0%	14.25%
Employer contribution rate – normal cost	30.13%	33.11%	25.53%

*Closed to new entrants

CITY OF CHULA VISTA
Notes to Basic Financial Statements (Continued)
For the Fiscal Year Ended June 30, 2023

Note 14 – Pension Plans (Continued)

A. California Public Employees' Retirement Plans (Continued)

	Safety Police Plan		
	<u>Tier 1*</u>	<u>Tier 2</u>	<u>PEPRA</u>
	Prior to April 22, 2011	New Member on or after April 22, 2011, but prior to January 1, 2013	New Member on or after January 1, 2013
Hire date			
Benefit formula	3% @ 50	3% @ 55	2.7% @ 57
Benefit vesting schedule	5 years' service	5 years' service	5 years' service
Benefit payments	monthly for life	monthly for life	monthly for life
Retirement age	50	50	50
Monthly benefits, as a % of eligible compensation	3.00%	2.4% to 3.0%	2.0% to 2.7%
Member paid contribution rate	9.0%	9.0%	14.25%
Employer contribution rate – normal cost	33.78%	34.99%	29.01%

Employees Covered

At June 30, 2023, the following employees were covered by the benefit terms of the plans:

<u>Miscellaneous Plan</u>	
Inactive employees or beneficiaries currently receiving benefits	924
Inactive employees entitled to but not yet receiving benefits	761
Active employees	619
Total	2,304
<u>Safety Plan</u>	
Inactive employees or beneficiaries currently receiving benefits	399
Inactive employees entitled to but not yet receiving benefits	121
Active employees	400
Total	920

Contribution Description

Section 20814(c) of the California Public Employees' Retirement Law (PERL) requires that the employer contribution rates for all public employers are determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through CalPERS' annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The employer is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. Employer contribution rates may change if plan contracts are amended. Payments made by the employer to satisfy contribution requirements that are identified by the pension plan terms as plan member contribution requirements are classified as plan member contributions. \$6,529,685 and \$10,002,548 of contributions for the Miscellaneous and Safety Plan respectively, were recognized as a reduction to the net pension liability for fiscal year ending June 30, 2023.

CITY OF CHULA VISTA
Notes to Basic Financial Statements (Continued)
For the Fiscal Year Ended June 30, 2023

Note 14 – Pension Plans (Continued)

A. California Public Employees’ Retirement Plans (Continued)

Actuarial Methods and Assumptions Used to Determine Total Pension Liability

The June 30, 2021, valuation was rolled forward to determine the June 30, 2022, total pension liability, based on the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal in accordance with the requirements of GASB 68
Actuarial Assumptions	
Discount Rate	6.90%
Inflation	2.50%
Salary Increases	Varies by Entry Age and Service
Mortality Rate Table ¹	Derived using CalPERS' membership data for all funds
Post Retirement Benefit Increase	Contract COLA up to 2.30% until Purchasing Power Protection Allowance floor on purchasing power applies, 2.50% thereafter.

¹ The mortality table was developed based on CalPERS-specific data. The probabilities of mortality are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015. Pre-retirement and post-retirement mortality rates include 15 years of projected mortality improvement using 90% of Scale MP-2016 published by the Society of Actuaries. For more details on this table, please refer to the CalPERS Experience Study and Review of Actuarial Assumptions report from December 2017 that can be found on the CalPERS website.

Long-term Expected Rate of Return

In determining the long-term expected rate of return, CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. Projected returns for all asset classes are estimated and combined with risk estimates, are used to project compound (geometric) returns over the long term. The discount rate used to discount liabilities was informed by the long-term projected portfolio return. The expected real rates of return by asset class are as follows:

Asset Class	Assumed Asset Allocation	Real Return Years 1-10 1,2
Global equity cap weighted	30.00%	4.45%
Global equity non-cap weighted	12.00%	3.84%
Private equity	13.00%	7.28%
Treasury	5.00%	0.27%
Mortgage-backed securities	5.00%	0.50%
Investment grade corp	10.00%	1.56%
High yield	5.00%	2.27%
Emerging market debt	5.00%	2.48%
Private debt	5.00%	3.57%
Real assets	15.00%	3.21%
Leverage	-5.00%	-0.59%

1 An expected inflation rate of 2.30% is used for this period.

2 Figures are based on the 2021-22 Asset Liability Management study.

Note 14 – Pension Plans (Continued)

A. California Public Employees' Retirement Plans (Continued)

Discount Rate

The discount rate used to measure the total pension liability was 6.90%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Amortization of Deferred Outflows and Deferred Inflows of Resources

Under GASB 68, gains and losses related to changes in total pension liability and fiduciary net position are recognized in pension expense systematically over time. The first amortized amounts are recognized in pension expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to pensions and are to be recognized in future pension expense. The amortization period differs depending on the source of the gain or loss:

Net Difference between projected and actual earnings on pension plan investments 5-year straight-line amortization

All other amounts Straight-line amortization over the expected average remaining service lifetime (EARSL) of all members that are provided with benefits (active, inactive, and retired) at the beginning of the measurement period. (3.0 years for Miscellaneous and 5.0 years for Safety)

CITY OF CHULA VISTA
Notes to Basic Financial Statements (Continued)
For the Fiscal Year Ended June 30, 2023

Note 14 – Pension Plans (Continued)

A. California Public Employees' Retirement Plans (Continued)

Changes in the Net Pension Liability

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

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (c) = (a) - (b)
<u>Miscellaneous Plan:</u>			
Balance at: 06/30/2021 (Valuation Date)	\$ 612,197,549	\$ 691,288,629	\$ (79,091,080)
Changes Recognized for the Measurement Period:			
Service Cost	10,380,919	-	10,380,919
Interest on Total Pension Liability	42,332,179	-	42,332,179
Changes of Assumptions	18,477,304	-	18,477,304
Differences Between Expected and Actual Experience	(6,575,745)	-	(6,575,745)
Net Plan to Plan Resource Movement		2,001	(2,001)
Contributions - Employer	-	6,529,685	(6,529,685)
Contributions - Employees	-	4,348,890	(4,348,890)
Net Investment Income	-	(51,347,007)	51,347,007
Benefit Payments, Including Refunds of Employee Contributions	(31,559,480)	(31,559,480)	-
Administrative Expense	-	(430,632)	430,632
Net Changes During 2021-22	<u>33,055,177</u>	<u>(72,456,543)</u>	<u>105,511,720</u>
Balance at: 06/30/2022 (Measurement Date)	<u>645,252,726</u>	<u>618,832,086</u>	<u>26,420,640</u>
<u>Safety Plan:</u>			
Balance at: 06/30/2021 (Valuation Date)	591,629,550	673,312,358	(81,682,808)
Changes Recognized for the Measurement Period:			
Service Cost	14,319,314	-	14,319,314
Interest on Total Pension Liability	41,558,338	-	41,558,338
Changes of Assumptions	23,527,391	-	23,527,391
Differences Between Expected and Actual Experience	(6,077,244)	-	(6,077,244)
Net Plan to Plan Resource Movement		(2,001)	2,001
Contributions - Employer	-	10,002,548	(10,002,548)
Contributions - Employees	-	5,197,226	(5,197,226)
Net Investment Income	-	(50,226,472)	50,226,472
Benefit Payments, Including Refunds of Employee Contributions	(27,889,190)	(27,889,190)	-
Administrative Expense	-	(419,433)	419,433
Net Changes During 2021-22	<u>45,438,609</u>	<u>(63,337,322)</u>	<u>108,775,931</u>
Balance at: 06/30/2022 (Measurement Date)	<u>637,068,159</u>	<u>609,975,036</u>	<u>27,093,123</u>
Total - All Plans	<u>\$ 1,282,320,885</u>	<u>\$ 1,228,807,122</u>	<u>\$ 53,513,763</u>

CITY OF CHULA VISTA
Notes to Basic Financial Statements (Continued)
For the Fiscal Year Ended June 30, 2023

Note 14 – Pension Plans (Continued)

A. California Public Employees’ Retirement Plans (Continued)

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

The following presents the net pension liability of the Plans as of the measurement date, calculated using the discount rate of 6.90 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (5.90 percent) or 1 percentage-point higher (7.90 percent) than the current rate:

	Discount Rate - 1% (5.90%)	Current Discount Rate (6.90%)	Discount Rate +1% (7.90%)
Miscellaneous Plan	\$ 110,636,509	\$ 26,420,640	\$ (43,237,622)
Safety Plan	118,262,791	27,093,123	(47,132,069)
TOTAL	\$ 228,899,300	\$ 53,513,763	\$ (90,369,691)

Pension Plan Fiduciary Net Position

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

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

For the year ended June 30, 2023, the City incurred pension expense of \$11,690,143 and incurred pension expense of \$13,728,343 for the Miscellaneous and Safety Plans, respectively. At June 30, 2023, the City had deferred outflows and deferred inflows of resources related to pensions as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
<u>Miscellaneous Plan</u>		
Contributions Subsequent to Measurement Date	\$ 5,143,861	\$ -
Changes of Assumptions	12,318,203	-
Differences Between Expected and Actual Experience	-	(5,130,273)
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	39,613,883	-
Subtotal - Miscellaneous Plan	<u>57,075,947</u>	<u>(5,130,273)</u>
<u>Safety Plan</u>		
Contributions Subsequent to Measurement Date	11,371,612	-
Changes of Assumptions	18,821,913	-
Differences Between Expected and Actual Experience	894,291	(10,172,521)
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	39,046,174	-
Subtotal - Safety Plan	<u>70,133,990</u>	<u>(10,172,521)</u>
Total - All Plans	<u>\$ 127,209,937</u>	<u>\$ (15,302,794)</u>

CITY OF CHULA VISTA
Notes to Basic Financial Statements (Continued)
For the Fiscal Year Ended June 30, 2023

Note 14 – Pension Plans (Continued)

A. California Public Employees’ Retirement Plans (Continued)

The \$5,143,861 and \$11,371,612 for the Miscellaneous and Safety Plan, respectively, reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2024. Other amounts reported as deferred outflows or deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Fiscal Years Ending June 30,	Deferred Outflows/(Inflows) of Resources		
	Miscellaneous	Safety	Total
2024	\$ 10,680,493	\$ 9,876,932	\$ 20,557,425
2025	11,035,158	8,655,368	19,690,526
2026	5,429,585	7,671,796	13,101,381
2027	19,656,577	22,385,761	42,042,338
2028	-	-	-

B. Defined Contribution Pension Plan

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

For the year ended June 30, 2023, the City’s total hourly payroll (for eligible PARS members) and covered payroll was \$3,157,580. The City made employer contributions of \$118,409 (3.75% of current covered payroll), and employees contributed \$118,409 (3.75% of current covered payroll).

C. Deferred Compensation 457B Plan

The City offers to its employees an optional deferred compensation plan created in accordance with Section 457 of the Internal Revenue Code. This plan is available to substantially all employees and allows participants to defer a portion of their current income until future years, up to a maximum of \$22,500 (in whole dollars) per calendar year, so as to shelter such funds and earnings from state and federal taxation until withdrawal. The deferred compensation is not available to participants until termination, retirement, death, or unforeseeable emergency. This plan is administered through a third-party administrator. The City does not perform the investing function and has no fiduciary accountability for the plan. Thus, plan assets and any related liability to plan participants have been excluded from the City’s financial statements. At June 30, 2023, the balance in the plan was \$122,485,669.

Note 15 – Post Retirement Health Benefits

A. Defined Benefit Other-Post Employment Benefits Plan

Plan Description

The City administers a single-employer defined-benefit post-employment healthcare plan (the Plan). Dependents are eligible to enroll, and benefits continue to surviving spouses.

CITY OF CHULA VISTA
Notes to Basic Financial Statements (Continued)
For the Fiscal Year Ended June 30, 2023

Note 15 – Post Retirement Health Benefits (Continued)

A. Defined Benefit Other-Post Employment Benefits Plan (Continued)

Benefits Provided

Pre-Medicare Miscellaneous employees hired before January 1, 2011, and Safety employees hired before April 22, 2011, pay 100% of the pre-Medicare active/retiree blended rate. All other pre-Medicare employees pay 100% of the unblended (pure retiree) pre-Medicare premium. Medicare retirees pay 100% of the unblended (pure retiree) premium.

Employees Covered by Benefit Terms

At June 30, 2021 (the census date), the benefit terms covered the following employees:

Active	444
Inactive employees or beneficiaries currently receiving benefits	367
Inactive employees entitled to, but not yet receiving benefits	-
	811

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

Contributions

The City pays benefits as they come due.

Contribution Rate:	Benefits due
Reporting period contributions:	\$1,482,784 (includes implicit subsidy credit)

Total OPEB Liability

The City's total OPEB liability was valued as of June 30, 2021 and was used to calculate the total OPEB liability measured as of June 30, 2023.

Actuarial Assumptions

The total OPEB liability in the June 30, 2023, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Measurement Date	6/30/2023	
Discount Rate	3.86%	
Inflation	2.30%	
Health Cost Trend Rates		
Pre-Medicare	6.00%	*
Medicare	4.00%	*
Salary Increases	2.80%	**
Mortality Rates	Based on CalPERS tables.	

* Trending down to 3.94% over 55 years. Applies to calendar years.

** Additional merit-based increases based on CalPERS merit salary increase tables.

CITY OF CHULA VISTA
Notes to Basic Financial Statements (Continued)
For the Fiscal Year Ended June 30, 2023

Note 15 – Post Retirement Health Benefits (Continued)

A. Defined Benefit Other-Post Employment Benefits Plan (Continued)

- Projections of the sharing of benefit-related costs are based on an established pattern of practice.
- Experience studies come from the CalPERS Pension Assumption Model, revised May 14, 2018.
- Inactive employees (retirees) pay 100% of the cost of benefits.
- There were no ad hoc post-employment benefit changes (including ad hoc COLAs) to the plan.
- There were no changes between the measurement date and the report date that are expected to have a significant effect on the net OPEB liability.

Discount Rate

The discount rate used to measure the total OPEB liability is 3.86%. The City's OPEB Plan is an unfunded plan, therefore the discount rate was set to the rate of tax-exempt, high-quality 20-year municipal bonds, as of the valuation date.

Trust Assets

There are no assets accumulated in a trust that meets the criteria in paragraph 4 of GASB 75 to pay related benefits.

Changes in the Total OPEB Liability

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

	<u>Increase (Decrease)</u>
	<u>Total OPEB Liability</u>
Balance at June 30, 2022	\$ 27,450,132
Changes recognized over the measurement period:	
Service Cost	1,255,377
Interest	1,031,876
Differences between actual and expected experience	-
Changes of assumptions	(550,759)
Implicit rate subsidy fulfilled	(1,482,784)
Net Changes	<u>253,710</u>
Balance at June 30, 2023	<u>\$ 27,703,842</u>

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

Sensitivity of the total OPEB liability to changes in the discount rate. The total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (2.86%) or one percentage point higher (4.86%) follows:

	1% Decrease	Discount Rate	1% Increase
	<u>2.86%</u>	<u>3.86%</u>	<u>4.86%</u>
Total OPEB Liability	\$ 29,488,752	\$ 27,703,842	\$ 26,010,950
Increase (Decrease)	1,784,910		(1,692,892)
% Change	6.4%		-6.1%

CITY OF CHULA VISTA
Notes to Basic Financial Statements (Continued)
For the Fiscal Year Ended June 30, 2023

Note 15 – Post Retirement Health Benefits (Continued)

A. Defined Benefit Other-Post Employment Benefits Plan (Continued)

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rate

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates. The healthcare trend for this valuation started at 7.00% and decreased to 3.94% over 55 years. The total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using healthcare cost trend rates that are one percentage point lower (6.00%) or one percentage point higher (8.00%) than current healthcare cost trend rates follows:

	1% Decrease <u>6.00%</u>	<u>7.00%</u>	1% Increase <u>8.00%</u>
Total OPEB Liability	\$ 24,899,219	\$ 27,703,842	\$ 30,883,071
Increase (Decrease)	(2,804,623)		3,179,229
% Change	-10.1%		11.5%

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

For the report year ended June 30, 2023, the City recognized an OPEB expense of \$3,724,974. The City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes of Assumptions	\$ 1,528,347	\$ (3,481,215)
Differences Between Expected and Actual Experience	4,996,806	-
Total	<u>\$ 6,525,153</u>	<u>\$ (3,481,215)</u>

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

Fiscal Years <u>Ending June 30,</u>	Deferred <u>Outflows/(Inflows) of Resources</u>
2024	1,434,999
2025	1,403,234
2026	547,422
2027	(274,083)
2028	(67,634)
Remaining	-

The effects on the total OPEB liability of (1) changes of economic and demographic assumptions or of other inputs and (2) differences between expected and actual experience are required to be included in OPEB expense in a systematic and rational manner over a closed period equal to the average of the expected remaining service lives of all employees that are provided with benefits through the OPEB plan (active employees and inactive employees),

CITY OF CHULA VISTA
Notes to Basic Financial Statements (Continued)
For the Fiscal Year Ended June 30, 2023

Note 15 – Post Retirement Health Benefits (Continued)

A. Defined Benefit Other-Post Employment Benefits Plan (Continued)

beginning in the current period. The expected average remaining service lives (EARSL) for the current period is 5.7 years. Note, however that for calculation purposes, we use 1 when calculating amortizations if the EARSL is less than 1 year.

B. Defined Contribution Other Post-Employment Benefits Plan

The City offers eligible retiring employees a Post-Employment Health Plan (PEHP). This plan is administered through a third-party administrator. PEHP is a tax-exempt Voluntary Employee’s Beneficiary Association (VEBA) Trust, which provides employee benefits pursuant to IRC Code Section 501(c)(9). PEHP creates a defined contribution health reimbursement program that allows for money to be set aside to pay for future medical expenses. PEHP is funded with mandatory eligible employee contributions. Depending on the bargaining unit and its respective plan agreements, these mandatory contributions can be unused vacation and/or compensatory time off due to the employee at the time of retirement. At June 30, 2023, the balance of the assets held by the trustee for this plan was \$1,616,431.

Note 16 – Commitments and Contingencies

Litigation

The City is presently involved in certain matters of litigation that have risen in the normal course of conducting City business. City management believes, based upon consultation with the City Attorney, that these cases, in the aggregate, are not expected to result in a material adverse financial impact on the City as the City’s insurance programs are sufficient to cover any potential losses should an unfavorable outcome materialize . However, the City Attorney also estimates that in the event of an adverse ruling, certain pending lawsuits and claims have a remote possibility of resulting in an additional liability, in the aggregate, up to an amount of approximately \$65 million, of which, any amount exceeding \$50 million would not be covered by insurance. The potential liabilities related to these claims are not individually accrued because it is not probable that a loss has been incurred as of June 30, 2023.

Grants

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

Construction Commitments

<u>Project Description</u>	<u>PO Amount</u>	<u>Expenditures to Date</u>	<u>Remaining Balance</u>
Bike Lane Improv Broadway Ph I Bike Lanes on Broadway	\$ 3,568,000	\$ 3,018,636	\$ 549,364
Traffic Sig Sys-Fiber Network	3,200,000	1,751,218	1,448,782
Major Pavement Rehab FY17/18 Bonita Rd & Allen School Lane	3,010,780	2,622,890	387,890
Loma Verde Quatic and Rec Ph I	12,812,639	8,329,869	4,482,770

Encumbrances

At June 30, 2023, there were encumbrances of \$13,485,675 in the General Fund, \$31,818,763 in the Federal, State, and Local Grants Fund, \$1,429 in the Housing Successor Agency, \$31,166,079 in the Development Impact Fee Fund, \$3,743,427 in the Sewer Fund, \$1,050,728 in the Development Services Fund, \$2,661 in the Sewer Development Impact Fees Fund, and \$12,995,742 in the non-major funds.

CITY OF CHULA VISTA
Notes to Basic Financial Statements (Continued)
For the Fiscal Year Ended June 30, 2023

Note 16 – Commitments and Contingencies (Continued)

Successor Agency – Long-Range Property Management Plan

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

CITY OF CHULA VISTA
Notes to Basic Financial Statements (Continued)
For the Fiscal Year Ended June 30, 2023

Note 17 – Classification and Fund Balances

	Major Funds					Total
	General Fund	Federal, State, and Local Grants Fund	Housing Successor Agency	Development Impact Fund	Other Governmental Funds	
Nonspendable						
Prepaid costs	\$ 670,923	\$ 32,542	\$ -	\$ -	\$ 458,366	1,161,831
Due from Successor Agency of Chula Vista RDA	2,291,340	-	-	-	-	2,291,340
Advances to other funds	2,340,621	-	-	-	-	2,340,621
Total Nonspendable	5,302,883	32,542	-	-	458,366	5,793,791
Restricted						
Section 115 Trust for Pension	25,673,596	-	-	-	-	25,673,596
Cultural Arts	-	12,778	-	-	-	12,778
Environmental Services	-	1,585,221	-	-	-	1,585,221
Federal Grants	-	1,336,219	-	-	-	1,336,219
State Grants	-	11,699,109	-	-	-	11,699,109
Local Grants	-	5,096,204	-	-	-	5,096,204
Community and housing development	-	-	13,590,518	-	-	13,590,518
Public facilities	-	-	-	22,297,812	-	22,297,812
Drainage facilities	-	-	-	3,491,835	-	3,491,835
Pedestrian Bridge DIF	-	-	-	4,588,358	-	4,588,358
Traffic signal and safety	-	-	-	974,605	-	974,605
Transportation improvements	-	-	-	52,965,001	24,822,607	77,787,608
HOME Program	-	-	-	-	5,587,130	5,587,130
CDBG Programs	-	-	-	-	114,130	114,130
Park acquisitions and development	-	-	-	-	44,258,228	44,258,228
Parking meter services	-	-	-	-	1,363,439	1,363,439
Public Educational & Govt. Fee	-	-	-	-	620,712	620,712
Debt Service	-	-	-	-	5,254,154	5,254,154
Developer Contributions	-	-	-	-	5,286,572	5,286,572
Donations	-	-	-	-	626,761	626,761
National Opioid Settlement	-	-	-	-	81,161	81,161
Public Benefit Contribution	-	-	-	-	246,927	246,927
Industrial Development	-	-	-	-	36	36
LRBs	-	-	-	-	3,398	3,398
Storm drains	-	-	-	-	2,724,040	2,724,040
Open space maintenance	-	-	-	-	51,118,424	51,118,424
Telecom Utility Tax	-	-	-	-	102,983	102,983
Mobile home admin fee	-	-	-	-	234,078	234,078
Assessment district improvements	-	-	-	-	1,116,155	1,116,155
Total Restricted	25,673,596	19,729,530	13,590,518	84,317,612	143,560,975	286,872,231
Committed						
Economic contingency	9,693,445	-	-	-	-	9,693,445
Catastrophic events contingency	4,218,831	-	-	-	-	4,218,831
Measure A Reserve	4,340,757	-	-	-	-	4,340,757
Total Committed	18,253,033	-	-	-	-	18,253,033
Assigned						
City Attorney	3,100	-	-	-	-	3,100
Information Technology Services Department	52,324	-	-	-	-	52,324
Human Resources	25,750	-	-	-	-	25,750
Non-Departmental	1,707,919	-	-	-	-	1,707,919
Animal Care Services	83,000	-	-	-	-	83,000
Economic Development	220,425	-	-	-	-	220,425
Development Services	4,195	-	-	-	-	4,195
Engineering	158,307	-	-	-	-	158,307
Police Department	542	-	-	-	-	542
Fire Department	393,014	-	-	-	-	393,014
Public Works Department	676,106	-	-	-	-	676,106
Recreation Department	33,955	-	-	-	-	33,955
Measure P Sales Tax	25,068,097	-	-	-	-	25,068,097
Measure A Sales Tax	44,761,420	-	-	-	-	44,761,420
ALS	552,266	-	-	-	-	552,266
Bayfront Lease Revenue	519,111	-	-	-	-	519,111
Flexible Spending Account	1,006,426	-	-	-	-	1,006,426
Public liability	481,044	-	-	-	-	481,044
Total Assigned	75,747,000	-	-	-	-	75,747,000
Unassigned	24,895,945	-	-	-	(2,429,054)	22,466,891
Total Fund Balances	\$ 149,872,457	19,762,072	\$ 13,590,518	\$ 84,317,612	141,590,287	409,132,946

CITY OF CHULA VISTA
Notes to Basic Financial Statements (Continued)
For the Fiscal Year Ended June 30, 2023

Note 18 – Restatements of Fund Balance and Net Position

A. Statement of Activities

For the fiscal year ended June 30, 2023, the Government-Wide Statement of Activities reported the following adjustments to beginning net position:

	Government-Wide Statements		
	Governmental Activities	Business-Type Activities	Total
Beginning Net Position, as Originally Reported	\$ 1,260,494,773	\$ 460,254,402	\$ 1,720,749,175
Restatements:			
Other Governmental Funds ¹	644,757	-	644,757
Sewer Fund ²	-	40,042	40,042
Development Services Fund ³	-	70,386	70,386
Governmental Activities ^{4,5}	16,623,669	-	16,623,669
Total Restatements	17,268,426	110,428	17,378,854
Beginning Net Position, as Restated	\$ 1,277,763,199	\$ 460,364,830	\$ 1,738,128,029

1. The restatement to the Developer Contributions of a \$158,472 increase to properly reflect developer contributions previously recorded as a deposit payable. The restatement to the Donations account of \$486,285 was to recognize donations previously recorded in a deposit account.
2. The \$40,042 restatement to the Sewer Fund is due to the implementation of GASB 96 Subscription-Based Information Technology Arrangements.
3. The \$70,386 restatement to the Development Services Fund is due the implementation of GASB 96 Subscription-Based Information Technology Arrangements.
4. The City was notified in the last quarter of fiscal year 2023 that SANDAG had revised the division of assets for the Bus Rapid Transit project between the City, MTS, and SANDAG. Through this process it was identified that there were additional expenses related to previously donated assets that were recorded in a restatement to infrastructure assets of \$15,588,402.
5. The \$1,035,267 restatement to the Governmental Activities is due to the implementation of GASB 96 Subscription-Based Information Technology Arrangements.

B. Statement of Changes in Fiduciary Net Position

For the fiscal year ended June 30, 2023, the City restated the beginning net position of the Custodial Funds by \$15,221,591. This prior period adjustment was made to correct the implementation of GASB Statement No. 84, done during the prior year. Further clarifications received from the GASB Board subsequent to the issuance of the prior year's financial statements resulted in the removal of cash held for future bond repayment of conduit debt from Net Position. This amount is now reflected as a current liability, Due to Bondholders, within the Custodial Funds.

For the fiscal year ended June 30, 2023, the City restated the beginning net position of the Special Tax District Fund by a (\$47,202,668) and the CV Bayfront Facilities Financing Authority by \$47,202,668. This prior period

CITY OF CHULA VISTA
Notes to Basic Financial Statements (Continued)
For the Fiscal Year Ended June 30, 2023

Note 18 – Restatements of Fund Balance and Net Position (Continued)

B. Statement of Changes in Fiduciary Net Position (Continued)

adjustment was to correct the presentation of the loan between these two entities, removing the working capital advance and recording a transfer between these funds.

Note 19 – Change in Reporting Entity

The V2 Pub Benefit Contribution column was displayed separately in the prior year. This represents a specific type of Developer Contribution and the prior year balance of \$376,964 has been combined with the Developer Contribution column in the current year's statements.

Note 20 - Special Item

City Loan to Successor Agency

The City of Chula was successful in appealing a decision made by the California State Department of Finance (DOF). The decision reversed the DOF decision regarding two of the three General Fund loans, including interest, to the Successor Agency. These loans and accumulated interest are reflected within the financial statements. It is anticipated that the Agency will repay these loans from Redevelopment Property Tax Trust Fund distributions. The decision determined the remaining loan to be partially eligible for reimbursement. This resulted in the need to record a Special Item for \$2,765,896 as an expenditure in the General Fund Statements and a revenue of \$4,788,560 to the Successor Agency, as this loan and any accumulated interest will not be paid back.

REQUIRED SUPPLEMENTARY INFORMATION



**CITY OF CHULA VISTA
 BUDGETARY COMPARISON SCHEDULE
 GENERAL FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 139,693,061	\$ 139,693,061	\$ 139,693,061	\$ -
Resources (Inflow):				
Taxes	193,879,210	211,147,227	212,614,370	1,467,143
Licenses and permits	1,876,629	1,876,629	1,918,966	42,337
Intergovernmental	3,397,036	2,046,900	1,599,601	(447,299)
Charges for services	16,250,400	15,322,642	16,801,890	1,479,248
Use of money and property	3,518,678	3,534,114	7,394,696	3,860,582
Fines and forfeitures	956,914	956,914	1,084,498	127,584
Developer participation	1,582,377	1,582,377	1,226,902	(355,475)
Miscellaneous	2,844,552	6,200,409	5,881,087	(319,322)
Transfers in	27,985,568	40,766,171	16,144,177	(24,621,994)
Issuance of debt	-	-	-	-
Amounts Available for Appropriations	391,984,425	423,126,444	404,359,248	(18,767,196)
Charges to Appropriations (Outflow):				
Current				
General government:				
City council	1,596,058	1,756,626	1,286,463	470,163
City clerk	1,304,861	1,571,395	1,393,269	178,126
City attorney	3,122,611	3,297,670	2,789,883	507,787
Administration	2,573,930	2,692,838	2,382,512	310,326
Information technology	4,147,298	5,027,858	4,361,576	666,282
Human resources	3,059,493	3,428,106	3,421,513	6,593
Finance	6,446,914	13,762,917	11,070,054	2,692,863
Non-departmental	7,684,961	10,801,953	9,478,891	1,323,062
Boards and commissions	8,536	35,977	7,950	28,027
Public Safety:				
Police	65,371,273	64,961,011	64,296,774	664,237
Fire	38,049,291	43,440,781	41,878,712	1,562,069
Animal care facility	3,233,863	3,278,324	3,132,117	146,207
Community development:				
Economic development	3,917,918	4,437,974	1,944,134	2,493,840
Development services	2,638,984	6,124,161	5,831,663	292,498
Parks and recreation	11,917,364	4,871,152	4,871,128	24
Public Works:				
Public works	13,627,942	21,899,297	20,890,477	1,008,820
Engineering	9,939,608	9,948,858	9,639,225	309,633
Library	3,587,277	3,724,804	3,446,180	278,624
Capital outlay	13,069,697	61,161,993	34,943,829	26,218,164
Debt service:				
Principal retirement	1,175,228	1,175,228	1,165,140	10,088
Interest and fiscal charges	120,271	120,271	110,183	10,088
Transfers out	38,072,157	49,413,093	36,259,182	13,153,911
Total Charges to Appropriations	234,665,535	316,932,287	264,600,855	52,331,432
Budgetary fund Balance, June 30	\$ 157,318,890	\$ 106,194,157	\$ 139,758,393	\$ (71,098,628)

**CITY OF CHULA VISTA
BUDGETARY COMPARISON SCHEDULE
FEDERAL, STATE, AND LOCAL GRANTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Budgetary Fund Balance, July 1	\$ 3,550,581	\$ 3,550,581	\$ 3,550,581	\$ -
Resources (Inflow):				
Intergovernmental	66,551,766	109,403,334	51,239,391	(58,163,943)
Charges for services	1,588,455	1,703,455	1,859,197	155,742
Use of money and property	(498,916)	(723,053)	1,126,802	1,849,855
Developer participation	-	-	26,554	26,554
Miscellaneous	182,333	198,833	799,473	600,640
Transfers in	463,959	500,628	491,287	(9,341)
Amounts Available for Appropriations	71,838,178	114,633,778	59,093,285	(55,540,493)
Charges to Appropriations (Outflow):				
Current				
General government:				
Finance	2,079,652	5,663,321	3,411,467	2,251,854
Public Safety:				
Police	8,433,611	10,118,746	8,315,412	1,803,334
Fire	189,019	867,634	418,812	448,822
Animal care facility	-	128,372	60,946	67,426
Community development:				
Economic development	5,608,117	6,496,677	4,754,230	1,742,447
Development services	1,554,066	26,972,243	9,852,340	17,119,903
Public Works:				
Public works	1,600,000	3,169,607	3,169,593	14
Library	-	73,567	72,820	747
Capital outlay	20,301,564	71,693,117	37,169,818	34,523,299
Transfers out	31,591,896	26,522,692	3,595,097	22,927,595
Total Charges to Appropriations	71,357,925	151,705,976	70,820,535	80,885,441
Budgetary fund Balance, June 30	\$ 480,253	\$ (37,072,198)	\$ (11,727,250)	\$ 25,344,948

**CITY OF CHULA VISTA
 BUDGETARY COMPARISON SCHEDULE
 HOUSING SUCCESSOR AGENCY
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 13,068,795	\$ 13,068,795	\$ 13,068,795	\$ -
Resources (Inflow):				
Use of money and property	215,000	215,000	466,994	251,994
Miscellaneous	255,000	255,000	143,487	(111,513)
Amounts Available for Appropriations	13,538,795	13,538,795	13,679,276	140,481
Charges to Appropriations (Outflow):				
Current				
General government:				
Development services	2,072,400	2,074,220	6,166	2,068,054
Transfers out	9,858	9,858	5,262	4,596
Total Charges to Appropriations	2,082,258	2,084,078	11,428	2,072,650
Budgetary fund Balance, June 30	\$ 11,456,537	\$ 11,454,717	\$ 13,667,848	\$ 2,213,131

**CITY OF CHULA VISTA
MISCELLANEOUS PLAN
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED
RATIOS AS OF JUNE 30, FOR THE LAST TEN FISCAL YEARS ¹**

	2015	2016	2017	2018
Measurement Date	6/30/2014	6/30/2015	6/30/2016	6/30/2017
TOTAL PENSION LIABILITY				
Service Cost	\$ 8,696,183	\$ 8,570,421	\$ 8,451,918	\$ 9,370,865
Interest	32,359,841	34,103,210	35,618,575	36,639,997
Difference Between Expected and Actual Experience	-	925,960	(2,524,995)	(6,331,454)
Changes of Assumptions	-	(8,500,698)	-	30,693,812
Benefit Payments, Including Refunds of Employee Contributions	(18,639,387)	(19,539,333)	(21,022,078)	(23,072,106)
Net Change in Total Pension Liability	22,416,637	15,559,560	20,523,420	47,301,114
Total Pension Liability - Beginning	436,436,153	458,852,790	474,412,350	494,935,770
Total Pension Liability - Ending (a)	458,852,790	474,412,350	494,935,770	542,236,884
PLAN FIDUCIARY NET POSITION				
Contribution - Employer	9,134,182	13,499,144	12,461,946	13,663,149
Contribution - Employee	4,555,300	3,679,749	3,764,641	3,536,418
Plan to Plan Resource Movement	-	5,268	-	-
Net Investment Income	48,303,496	7,195,063	1,747,676	36,763,992
Benefit Payments, Including Refunds of Employee Contributions	(18,639,387)	(19,539,333)	(21,022,078)	(23,072,106)
Administrative Expense	-	(368,694)	(199,512)	(478,539)
Other Miscellaneous Income/(Expense)	-	-	-	-
Net Change in Fiduciary Net Position	43,353,591	4,471,197	(3,247,327)	30,412,914
Plan Fiduciary Net Position - Beginning	279,540,671	322,894,262	327,365,459	324,118,132
Plan Fiduciary Net Position - Ending (b)	322,894,262	327,365,459	324,118,132	354,531,046
Plan Net Pension Liability/(Assets) - Ending (a) - (b)	\$ 135,958,528	\$ 147,046,891	\$ 170,817,638	\$ 187,705,838
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	70.37%	69.00%	65.49%	65.38%
Covered Payroll	\$ 42,760,249	\$ 44,135,521	\$ 45,990,463	\$ 44,435,640
Plan Net Pension Liability/(Asset) as a Percentage of Covered Payroll	317.96%	333.17%	371.42%	422.42%

Notes to Schedule of Changes in Net Pension Liability and Related Ratios:

Benefit Changes: The figures above generally include any liability impact that may have resulted from voluntary benefit changes that occurred on or before the Measurement Date. However, offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes) after the Valuation Date are not included in the figures above, unless the liability impact is deemed to be material by the plan actuary.

Changes of Assumptions: Effective with the June 30, 2021 valuation date (2022 measurement date), the accounting discount rate was reduced from 7.15% to 6.90%. In determining the long-term expected rate of return, CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. Projected returns for all asset classes are estimated, combined with risk estimates, and are used to project compound (geometric) returns over the long term. The discount rate used to discount liabilities was informed by the long-term projected portfolio return. In addition, demographic assumptions and the inflation rate assumption were changed in accordance with the 2021 CalPERS Experience Study and Review of Actuarial Assumptions. The accounting discount rate was 7.15% for measurement dates 2017 through 2021, 7.65% for measurement dates 2015 through 2016, and 7.50% for measurement date 2014. No changes in 2020 or 2021. In 2019, demographic assumptions and inflation rate were changed in accordance to the CalPERS Experience Study and Review of Actuarial Assumptions December 2017.

¹ Fiscal Year 2015 was the first year of implementation. Future years' information will be displayed up to 10 years as information becomes available.

	2019	2020	2021	2022	2023
	6/30/2018	6/30/2019	6/30/2020	6/30/2021	6/30/2022
\$	9,048,165	\$ 8,696,267	\$ 8,953,165	\$ 9,145,103	\$ 10,380,919
	37,305,907	38,721,727	40,325,600	41,542,929	42,332,179
	(8,223,685)	(413,302)	2,562,816	(3,234,587)	(6,575,745)
	(4,314,060)	-	-	-	18,477,304
	(24,924,595)	(27,001,672)	(28,353,268)	(29,875,845)	(31,559,480)
	8,891,732	20,003,020	23,488,313	17,577,600	33,055,177
	542,236,884	551,128,616	571,131,636	594,619,949	612,197,549
	551,128,616	571,131,636	594,619,949	612,197,549	645,252,726
	14,479,069	16,244,599	18,211,675	205,182,523	6,529,685
	3,603,297	3,592,996	3,800,444	3,856,589	4,348,890
	(874)	-	-	-	2,001
	30,032,849	24,600,973	19,625,933	106,512,033	(51,347,007)
	(24,924,595)	(27,001,672)	(28,353,268)	(29,875,845)	(31,559,480)
	(552,457)	(268,407)	(554,440)	(405,588)	(430,632)
	(1,049,125)	874	-	-	-
	21,588,164	17,169,363	12,730,344	285,269,712	(72,456,543)
	354,531,046	376,119,210	393,288,573	406,018,917	691,288,629
	376,119,210	393,288,573	406,018,917	691,288,629	618,832,086
\$	175,009,406	\$ 177,843,063	\$ 188,601,032	\$ (79,091,080)	\$ 26,420,640
	68.25%	68.86%	68.28%	112.92%	95.91%
\$	44,578,340	\$ 45,798,549	\$ 47,627,626	\$ 48,617,605	\$ 57,341,438
	392.59%	388.32%	395.99%	-162.68%	46.08%

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

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Measurement Date	6/30/2014	6/30/2015	6/30/2016	6/30/2017
TOTAL PENSION LIABILITY				
Service Cost	\$ 10,220,233	\$ 9,646,806	\$ 9,971,492	\$ 11,594,959
Interest	28,334,465	29,979,452	31,658,073	33,213,616
Difference Between Expected and Actual Experience	-	460,215	768,421	(1,210,352)
Changes of Assumptions	-	(7,813,969)	-	29,393,364
Benefit Payments, Including Refunds of Employee Contributions	(15,869,862)	(17,767,853)	(19,460,670)	(20,397,814)
Net Change in Total Pension Liability	22,684,836	14,504,651	22,937,316	52,593,773
Total Pension Liability - Beginning	380,617,699	403,302,535	417,807,186	440,744,502
Total Pension Liability - Ending (a)	403,302,535	417,807,186	440,744,502	493,338,275
PLAN FIDUCIARY NET POSITION				
Contribution - Employer	11,684,174	7,555,357	10,971,712	11,670,017
Contribution - Employee	3,157,921	3,230,989	3,420,273	3,620,014
Plan to Plan Resource Movement	47,649,285	6,999,744	1,664,170	35,554,749
Net Investment Income	(15,869,862)	(17,767,853)	(19,460,670)	(20,397,814)
Benefit Payments, Including Refunds of Employee Contributions	-	(359,830)	(194,899)	(466,842)
Administrative Expense	-	-	-	-
Other Miscellaneous Income/(Expense)	-	-	-	-
Net Change in Fiduciary Net Position	46,621,518	(341,593)	(3,599,414)	29,980,124
Plan Fiduciary Net Position - Beginning	273,515,399	320,136,917	319,795,324	316,195,910
Plan Fiduciary Net Position - Ending (b)	320,136,917	319,795,324	316,195,910	346,176,034
Plan Net Pension Liability/(Assets) - Ending (a) - (b)	\$ 83,165,618	\$ 98,011,862	\$ 124,548,592	\$ 147,162,241
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	79.38%	76.54%	71.74%	70.17%
Covered Payroll	\$ 34,243,101	\$ 34,117,846	\$ 37,174,663	\$ 37,817,316
Plan Net Pension Liability/(Asset) as a Percentage of Covered Payroll	242.87%	287.27%	335.04%	389.14%

Notes to Schedule of Changes in Net Pension Liability and Related Ratios:

Benefit Changes: The figures above generally include any liability impact that may have resulted from voluntary benefit changes that occurred on or before the Measurement Date. However, offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes) after the Valuation Date are not included in the figures above, unless the liability impact is deemed to be material by the plan actuary.

Changes of Assumptions: Effective with the June 30, 2021 valuation date (2022 measurement date), the accounting discount rate was reduced from 7.15% to 6.90%. In determining the long-term expected rate of return, CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. Projected returns for all asset classes are estimated, combined with risk estimates, and are used to project compound (geometric) returns over the long term. The discount rate used to discount liabilities was informed by the long-term projected portfolio return. In addition, demographic assumptions and the inflation rate assumption were changed in accordance with the 2021 CalPERS Experience Study and Review of Actuarial Assumptions. The accounting discount rate was 7.15% for measurement dates 2017 through 2021, 7.65% for measurement dates 2015 through 2016, and 7.50% for measurement date 2014. No changes in 2020 or 2021. In 2019, demographic assumptions and inflation rate were changed in accordance to the CalPERS Experience Study and Review of Actuarial Assumptions December 2017.

¹ Fiscal Year 2015 was the first year of implementation. Future years' information will be displayed up to 10 years as information becomes available.

	2019	2020	2021	2022	2023
	6/30/2018	6/30/2019	6/30/2020	6/30/2021	6/30/2022
\$	12,044,725	\$ 12,267,031	\$ 12,575,630	\$ 13,253,770	\$ 14,319,314
	34,751,830	36,853,969	38,422,153	39,881,546	41,558,338
	(307,813)	4,868,911	(3,779,764)	(6,175,468)	(6,077,244)
	(2,112,530)	-	-	-	23,527,391
	(21,801,437)	(22,950,693)	(24,175,102)	(25,325,483)	(27,889,190)
	22,574,775	31,039,218	23,042,917	21,634,365	45,438,609
	493,338,275	515,913,050	546,952,268	569,995,185	591,629,550
	515,913,050	546,952,268	569,995,185	591,629,550	637,068,159
	13,529,290	15,445,861	17,861,917	183,166,596	10,002,548
	3,804,814	3,966,723	4,257,612	4,884,978	5,197,226
	29,258,121	24,248,349	19,386,578	-	(2,001)
	(21,801,437)	(22,950,693)	(24,175,102)	104,361,444	(50,226,472)
	(539,438)	(263,613)	(549,592)	(25,325,483)	(27,889,190)
	(858)	-	-	(406,200)	(419,433)
	(1,024,401)	858	-	-	-
	23,226,091	20,447,485	16,781,413	266,681,335	(63,337,322)
	346,176,034	369,402,125	389,849,610	406,631,023	673,312,358
	369,402,125	389,849,610	406,631,023	673,312,358	609,975,036
\$	146,510,925	\$ 157,102,658	\$ 163,364,162	\$ (81,682,808)	\$ 27,093,123
	71.60%	71.28%	71.34%	113.81%	95.75%
\$	39,384,099	\$ 40,374,060	\$ 37,732,745	\$ 39,655,225	\$ 48,967,579
	372.01%	389.12%	432.95%	-205.98%	55.33%

**CITY OF CHULA VISTA
SCHEDULES OF PLAN CONTRIBUTIONS
AS OF JUNE 30, FOR THE LAST TEN FISCAL YEARS¹**

CalPERS Miscellaneous Employees Agent, Multiple-Employer Pension Plan:

Fiscal Year Ending June 30,	Actuarially Determined Contribution	Actual Employer Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contribution as a % of Covered Payroll
2015	\$ 9,637,382	\$ 9,637,382	\$ -	\$ 44,135,521	21.84%
2016	10,214,678	10,214,678	-	45,990,463	22.21%
2017	10,864,203	10,864,203	-	44,435,640	24.45%
2018	10,942,584	10,942,584	-	44,578,340	24.55%
2019	12,333,078	12,333,078	-	45,798,549	26.93%
2020	10,890,567	10,890,567	-	47,627,626	22.87%
2021	10,904,285	196,350,263	(185,445,978)	48,617,605	403.87%
2022	3,590,926	3,590,926	-	55,375,215	6.48%
2023	5,143,861	5,143,861	-	57,341,438	8.97%

CalPERS Safety Employees Agent, Multiple-Employer Pension Plan:

Fiscal Year Ending June 30,	Actuarially Determined Contribution	Actual Employer Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contribution as a % of Covered Payroll
2015	\$ 12,553,815	\$ 12,553,815	\$ -	\$ 34,117,846	36.80%
2016	13,859,572	13,859,572	-	37,174,663	37.28%
2017	14,965,975	14,965,975	-	37,817,316	39.57%
2018	17,324,929	17,324,929	-	39,384,099	43.99%
2019	19,585,859	19,585,859	-	40,374,060	48.51%
2020	24,641,503	24,641,503	-	37,732,745	65.31%
2021	28,332,777	191,117,507	(162,784,730)	39,655,225	481.95%
2022	11,120,663	11,120,663	-	47,183,733	23.57%
2023	11,371,612	11,371,612	-	48,967,579	23.22%

¹ Historical information is required only for measurement for which GASB 68 and GASB 75 is applicable. Fiscal year 2015 was the first year of implementation for GASB 68. Future years' information will be displayed up to 10 years as information becomes available.

CITY OF CHULA VISTA
SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY AND
RELATED RATIOS AS OF JUNE 30, FOR THE LAST TEN FISCAL YEARS

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
TOTAL OPEB LIABILITY						
Service cost	\$ 825,786	\$ 819,100	\$ 921,271	\$ 1,468,936	\$ 1,647,777	\$ 1,255,377
Interest on the total OPEB liability	495,822	549,699	516,371	636,356	533,534	1,031,876
Difference between expected and actual experience	4,128	-	5,786,481	-	2,804,304	-
Change of assumptions	183,361	504,190	2,640,687	751,555	(3,029,111)	(550,759)
Implicit rate subsidy fulfilled	(536,155)	(634,315)	(724,009)	(1,148,517)	(1,293,716)	(1,482,784)
Net change in total OPEB liability	972,942	1,238,674	9,140,801	1,708,330	662,788	253,710
Total OPEB Liability - Beginning	13,726,597	14,699,539	15,938,213	25,079,014	26,787,344	27,450,132
Total OPEB Liability - Ending	\$ 14,699,539	\$ 15,938,213	\$ 25,079,014	\$ 26,787,344	\$ 27,450,132	\$ 27,703,842
Plan fiduciary net position as a percentage of the total OPEB liability ²	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Covered-employee payroll	\$ 53,738,469	\$ 55,216,277	\$ 56,734,725	\$ 58,294,930	\$ 42,628,588	\$ 40,763,648
Total OPEB liability as a percentage of covered-employee payroll	27.35%	28.87%	44.20%	45.95%	64.39%	67.96%

Notes to Schedule of Changes in the Total OPEB Liability and Related Ratios:

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

² The plan is not funded through a qualifying trust; therefore, there is no fiduciary net position to offset the total OPEB liability.

CITY OF CHULA VISTA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2023

1. Budgetary Information

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

The adoption of the budget is accomplished by the approval of a Budget Resolution. The legal level of budgetary control is at the department and expenditure category level. Council approval is required for any transfer between departments or overall increase to a department. The City Manager is authorized to transfer appropriations up to \$75,000 between expenditure categories within a departmental budget. Any appropriation transfers between expenditure categories within departments greater than \$75,000 require City Council approval.

Appropriations, other than for capital projects, remaining unspent at the end of any fiscal year will be canceled and returned to Available Fund Balance with the exception of any appropriations encumbered as the result of a valid purchase order or as approved for a specific project or purpose by the City Council or the City Manager. Appropriations for capital projects will necessarily be carried over from year to year until the project is deemed to be complete.

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

An annual budget for the year ended June 30, 2023, was adopted and approved by the City Council for the general, special revenue, capital project and debt service funds. These budgets are prepared on the modified accrual basis of accounting, excluding the effects of GASB 31, GASB 87, and GASB 96.

CITY OF CHULA VISTA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2023

2. Reconciliation of Net Change in Fund Balance for the General Fund prepared on a GAAP basis to that prepared on the budgetary basis for the year ended June 30, 2023

	General Fund
Net Change in Fund Balance - GAAP Basis	\$ 9,304,443
Add (Deduct):	
GASB 31 Fair Market Value	1,612,140
Encumbrances	(13,485,675)
Flexible Spending Account	(131,472)
Special Item - Successor Agency	2,765,896
Net Change in Fund Balance - Budgetary Basis	<u>\$ 65,332</u>

3. Reconciliation of Net Change in Fund Balance for the Federal, State, And Local Grant Fund prepared on a GAAP basis to that prepared on the budgetary basis for the year ended June 30, 2023

	Federal, State, and Local Grants
Net Change in Fund Balance - GAAP Basis	\$ 16,211,491
Add (Deduct):	
GASB 31 Fair Market Value	329,441
Encumbrances	(31,818,763)
Net Change in Fund Balance - Budgetary Basis	<u>\$ (15,277,831)</u>

4. Reconciliation of Net Change in Fund Balance for the Housing Successor Agency Fund prepared on a GAAP basis to that prepared on the budgetary basis for the year ended June 30, 2023

	Housing Successor Agency
Net Change in Fund Balance - GAAP Basis	\$ 521,723
Add (Deduct):	
GASB 31 Fair Market Value	78,759
Encumbrances	(1,429)
Net Change in Fund Balance - Budgetary Basis	<u>\$ 599,053</u>

CITY OF CHULA VISTA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2023

5. ACTUARIAL ASSUMPTIONS UNDERLYING THE SCHEDULE OF PLAN CONTRIBUTIONS FOR MISCELLANEOUS AND SAFETY PENSION PLANS

The actuarial methods and assumptions used to set the actuarially determined contributions for fiscal year ended June 30, 2023 were derived from the June 30, 2020 funding valuation report.

Actuarial Cost Method:	Entry Age Normal
Amortization Method/Period:	For details, see the June 30, 2020 funding valuation report, available at CalPERS' website
Asset Valuation Method:	Market Value of Assets
Inflation:	2.50 percent
Salay Increases:	Varies by Entry Age and Service
Payroll Growth:	2.75 percent
Investment Rate of Return:	7.00 percent, net of investment and administrative expenses
Retirement Age:	The probabilities of retirement are based on the 2017 CalPERS Experience Study for the period of 1997 to 2015.
Mortality:	The probabilities of mortality are based on the 2017 CalPERS Experience Study for the period of 1997 to 2015. Pre-retirement and post-retirement mortality rates include 15 years of projected mortality improvement using 90.00 percent of Scale MP-2016 published by the Society of Actuaries.

SUPPLEMENTARY INFORMATION



NON-MAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS:

Transportation Gas Taxes - This fund accounts for revenues and expenditures received from the State of California under the Street and Safety Code Sections 2103, 2105, 2106, 2107, 2107.5 and the Road Repair and Accountability Act of 2017 (Senate Bill 1). The allocations must be spent for street maintenance or construction and a limited amount for engineering.

Parking Meter - This fund accounts for revenues and expenditures from the operation of parking meters located in the downtown area and parking citation payments for expired meter violations within the parking district. The funds pay for the collection and maintenance of parking meters, parking enforcement staff that monitor the downtown area, general upkeep and signage of the downtown parking lots.

Traffic Safety - This fund is a depository for 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 equipment and maintenance thereof or for the maintenance, improvement or construction of public streets.

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

Town Center I - This fund accounts 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. Monies in this fund are restricted for the purchase or development of parking sites.

Open Space Districts - This fund is a depository for 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 a depository for federal housing rehabilitation monies held in trust by Bank of America for the issuance of housing rehabilitation loans to qualified low- and moderate-income recipients.

Housing Authority - This fund accounts for all housing related activity which is reimbursed from various Local, State and Federal funding sources. The Housing Authority focuses on the development of sustainable neighborhoods through investments in and administration of programs that seek to improve, preserve and increase the supply of affordable housing in the City and serve low-income residents.

Transportation Sales Tax - This fund accounts for the City's share of the San Diego countywide one-half cent transportation sales tax (TransNet) to be used for local street and road improvements.

Mobile Park Fee - This fund accounts for the Mobile Home Park Space Rent Review Administrative Fee to reimburse the City for labor and other costs associated with administering the review.

NON-MAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS (Continued):

Public Education and Government (PEG) Fee - This fund accounts for the 1% of gross revenues assessed on all video service providers that use the public rights-of-way, including all local franchisees and all holders of state franchises as consistent with state or Federal law. PEG Fees collected are used to provide public, educational, or governmental programming.

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

National Opioid Settlement - This fund is utilized for the National Opioid Settlement against manufacturers, distributors and other entities responsible for aiding the opioid epidemic. Funds are to be utilized for opioid abatement activities. Payments are expected to be received through 2038.

Special Revenue Endowments - This fund accounts for the donation of money and property meant to be used for operations or programs that are consistent with the wishes of the donor(s).

Developer Contributions - This fund accounts for contributions from developers used to fund the construction of City facilities.

Donations - This fund accounts for monies received from a donor(s) for various programming.

CAPITAL PROJECTS FUNDS:

Park Acquisition Development - This fund is a depository for fees collected from subdividers for the purpose of providing park and recreational facilities directly benefiting and serving the residents of the regulated subdivisions east and west of the California Interstate Highway 805.

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

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

Bicycle Facility - This fund is a depository for local Transportation Development Act funds (TDA), Article 3.0, received from the San Diego County for bicycle related programs.

Industrial Development Authority - The Industrial Development Authority (IDA) is a conduit-issuer of bonds, formed in February 1982 (Ordinance 1970) by the City of Chula Vista City Council. The IDA enables bonds to be issued with a tax-exempt status but does not pledge City funds to repay the bond issues. The City can issue and sell bonds to provide financial assistance that has a public benefit for the acquisition, construction, and installation of facilities for industrial, commercial, business, or public utility purposes.

Assessment District Improvement - This fund is 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.

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

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

Capital Projects Fund - This fund accounts for general purpose capital projects funded primarily from General Fund. Funds are utilized to account for resources used for the acquisition and construction of capital facilities by the City.

DEBT SERVICE FUNDS:

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

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

City Debt Service - This fund accounts for the activities of the City's bonds, notes, and financed purchases.

Notes Payable - This fund accounts for principal and interest payments on various notes payable.

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



**CITY OF CHULA VISTA
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
JUNE 30, 2023**

	Special Revenue Funds				
	Transportation Gas Taxes	Parking Meter	Traffic Safety	Storm Drain	Town Center I
ASSETS					
Cash and investments	\$ 19,971,474	\$ 1,432,426	\$ -	\$ 2,602,706	\$ 245,588
Receivables:					
Accounts (net of allowance for uncollectibles)	-	23,605	25,928	137,114	-
Taxes	1,699,432	-	-	-	-
Accrued interest	116,341	8,204	1,112	14,281	1,339
Deferred loans (net of allowance for uncollectibles)	-	-	-	-	-
Due from other governments	-	-	-	-	-
Prepaid costs	-	-	-	-	-
Restricted assets:					
Cash and investments with fiscal agents	-	-	-	-	-
Total Assets	\$ 21,787,247	\$ 1,464,235	\$ 27,040	\$ 2,754,101	\$ 246,927
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE					
Liabilities:					
Accounts payable	\$ 1,932,636	\$ 100,796	\$ 17,038	\$ 27,835	\$ -
Retentions payable	325,711	-	-	-	-
Accrued liabilities	10,364	-	-	-	-
Deposits payable	-	-	-	-	-
Due to other funds	-	-	14,736	-	-
Unearned revenues	-	-	-	-	-
Total Liabilities	\$ 2,268,711	\$ 100,796	\$ 31,774	\$ 27,835	\$ -
Deferred Inflows of Resources:					
Unavailable revenues	-	-	-	2,226	-
Total Deferred Inflows of Resources	-	-	-	2,226	-
Fund Balances:					
Nonspendable	-	-	-	-	-
Restricted	19,518,536	1,363,439	-	2,724,040	246,927
Unassigned (Deficit)	-	-	(4,734)	-	-
Total Fund Balances (Deficit)	19,518,536	1,363,439	(4,734)	2,724,040	246,927
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 21,787,247	\$ 1,464,235	\$ 27,040	\$ 2,754,101	\$ 246,927

**CITY OF CHULA VISTA
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
JUNE 30, 2023**

(CONTINUED)

	Special Revenue Funds				
	Open Space Districts	Housing Programs	Housing Authority	Transportation Sales Tax	Mobile Park Fee
ASSETS					
Cash and investments	\$ 52,248,955	\$ 67,588	\$ 5,585,102	\$ 139,241	\$ 249,901
Receivables:					
Accounts (net of allowance for uncollectibles)	81,539	-	63,360	-	12
Taxes	-	-	-	-	-
Accrued interest	289,066	-	30,395	617	-
Deferred loans (net of allowance for uncollectibles)	-	513,668	3,887,857	-	-
Due from other governments	-	133,831	-	182,099	-
Prepaid costs	6,120	-	-	-	-
Restricted assets:					
Cash and investments with fiscal agents	-	-	-	-	-
Total Assets	\$ 52,625,680	\$ 715,087	\$ 9,566,714	\$ 321,957	\$ 249,913
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE					
Liabilities:					
Accounts payable	\$ 1,329,708	\$ 25,471	\$ 19,349	\$ 746,027	\$ 83
Retentions payable	171,428	-	-	27,639	-
Accrued liabilities	-	-	37,758	-	-
Deposits payable	-	-	-	-	-
Due to other funds	-	-	-	-	-
Unearned revenues	-	-	-	-	15,740
Total Liabilities	\$ 1,501,136.0	\$ 25,471.0	\$ 57,107.0	\$ 773,666.0	\$ 15,823.0
Deferred Inflows of Resources:					
Unavailable revenues	-	575,486	3,922,457	182,099	12
Total Deferred Inflows of Resources	-	575,486	3,922,457	182,099	12
Fund Balances:					
Nonspendable	6,120	-	-	-	-
Restricted	51,118,424	114,130	5,587,150	-	234,078
Unassigned (Deficit)	-	-	-	(633,808)	-
Total Fund Balances (Deficit)	51,124,544	114,130	5,587,150	(633,808)	234,078
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 52,625,680	\$ 715,087	\$ 9,566,714	\$ 321,957	\$ 249,913

**CITY OF CHULA VISTA
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL
FUNDS JUNE 30, 2023**

(CONTINUED)

	Special Revenue Funds					
	Public Education and Govt Fee	Utility Tax Settlement	National Opioid Settlement	Special Revenue Endowments	Developer Contributions	Donations
ASSETS						
Cash and investments	\$ 556,910	\$ 102,425	\$ 309,584	\$ 1,422,124	\$ 5,258,592	\$ 623,355
Receivables:						
Accounts (net of allowance for uncollectibles)	-	-	-	-	-	-
Taxes	99,425	-	-	-	-	-
Accrued interest	-	558	1,663	7,789	28,983	3,406
Deferred loans (net of allowance for uncollectibles)	-	-	-	-	-	-
Due from other governments	485,140	-	-	-	-	-
Prepaid costs	-	-	-	-	-	-
Restricted assets:						
Cash and investments with fiscal agents	-	-	-	-	-	-
Total Assets	\$ 1,141,475	\$ 102,983	\$ 311,247	\$ 1,429,913	\$ 5,287,575	\$ 626,761
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE						
Liabilities:						
Accounts payable	\$ 35,623	\$ -	\$ -	\$ 18,535	\$ 1,003	\$ -
Retentions payable	-	-	-	7,333	-	-
Accrued liabilities	-	-	-	-	-	-
Deposits payable	-	-	-	1,404,045	-	-
Due to other funds	-	-	-	-	-	-
Unearned revenues	-	-	230,086	-	-	-
Total Liabilities	\$ 35,623	\$ -	\$ 230,086	\$ 1,429,913	\$ 1,003	\$ -
Deferred Inflows of Resources:						
Unavailable revenues	485,140	-	-	-	-	-
Total Deferred Inflows of Resources	485,140	-	-	-	-	-
Fund Balances:						
Nonspendable	-	-	-	-	-	-
Restricted	620,712	102,983	81,161	-	5,286,572	626,761
Unassigned (Deficit)	-	-	-	-	-	-
Total Fund Balances (Deficit)	620,712	102,983	81,161	-	5,286,572	626,761
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 1,141,475	\$ 102,983	\$ 311,247	\$ 1,429,913	\$ 5,287,575	\$ 626,761

**CITY OF CHULA VISTA
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL
FUNDS JUNE 30, 2023**

(CONTINUED)

	Capital Project Funds				
	Park Acquisition Development	Residential Construction Tax	Highway Safety	Bicycle Facility	Industrial Development Authority
ASSETS					
Cash and investments	\$ 44,565,428	\$ -	\$ 971	\$ -	\$ 56
Receivables:					
Accounts (net of allowance for uncollectibles)	60,073	-	-	-	-
Taxes	-	-	-	-	-
Accrued interest	242,958	-	5	-	-
Deferred loans (net of allowance for uncollectibles)	2,893,289	-	-	-	-
Due from other governments	-	-	-	-	-
Prepaid costs	-	-	-	-	-
Restricted assets:					
Cash and investments with fiscal agents	-	-	-	-	-
Total Assets	\$ 47,761,748	\$ -	\$ 976	\$ -	\$ 56
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE					
Liabilities:					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -
Retentions payable	-	-	-	-	-
Accrued liabilities	-	-	-	-	-
Deposits payable	-	-	-	-	-
Due to other funds	-	1,310,131	-	4,460	-
Unearned revenues	-	-	-	-	-
Total Liabilities	-	1,310,131	-	4,460	-
Deferred Inflows of Resources:					
Unavailable revenues	3,503,520	-	-	-	-
Total Deferred Inflows of Resources	3,503,520	-	-	-	-
Fund Balances:					
Nonspendable	-	-	-	-	-
Restricted	44,258,228	-	976	-	56
Unassigned (Deficit)	-	(1,310,131)	-	(4,460)	-
Total Fund Balances (Deficit)	44,258,228	(1,310,131)	976	(4,460)	56
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 47,761,748	\$ -	\$ 976	\$ -	\$ 56

**CITY OF CHULA VISTA
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL
FUNDS JUNE 30, 2023**

(CONTINUED)

	Capital Project Funds			
	Assessment District Improvement	Transportation Partnership	Other Transportation Program	Capital Projects Fund
ASSETS				
Cash and investments	\$ 1,110,106	\$ 108	\$ -	\$ 6,482,047
Receivables:				
Accounts (net of allowance for uncollectibles)	-	-	-	-
Taxes	-	-	-	-
Accrued interest	6,049	-	-	35,924
Deferred loans (net of allowance for uncollectibles)	-	-	-	-
Due from other governments	-	-	240,453	450,000
Prepaid costs	-	-	-	-
Restricted assets:				
Cash and investments with fiscal agents	-	-	-	695,403
Total Assets	\$ 1,116,155	\$ 108	\$ 240,453	\$ 7,663,374
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ 22,418	\$ 1,723,046
Retentions payable	-	-	11,418	187,341
Accrued liabilities	-	-	-	-
Deposits payable	-	-	-	-
Due to other funds	-	-	537,697	-
Unearned revenues	-	-	-	-
Total Liabilities	-	-	571,533	1,910,387
Deferred Inflows of Resources:				
Unavailable revenues	-	-	144,841	450,000
Total Deferred Inflows of Resources	-	-	144,841	450,000
Fund Balances:				
Nonspendable	-	-	-	-
Restricted	1,116,155	108	-	5,302,987
Unassigned (Deficit)	-	-	(475,921)	-
Total Fund Balances (Deficit)	1,116,155	108	(475,921)	5,302,987
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 1,116,155	\$ 108	\$ 240,453	\$ 7,663,374

**CITY OF CHULA VISTA
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL
FUNDS JUNE 30, 2023**

(CONTINUED)

	Debt Service Funds					Total Governmental Funds
	Public Financing Authority	Municipal Financing Authority	City Debt Service	Notes Payable	Lease Payable	
ASSETS						
Cash and investments	\$ -	\$ 4,610	\$ 640	\$ 40,127	\$ -	\$ 143,020,064
Receivables:						
Accounts (net of allowance for uncollectibles)	-	-	-	-	-	391,631
Taxes	-	-	-	-	-	1,798,857
Accrued interest	78,897	2	-	-	-	867,589
Deferred loans (net of allowance for uncollectibles)	-	-	-	-	-	7,294,814
Due from other governments	-	-	-	-	-	1,491,523
Prepaid costs	-	-	452,246	-	-	458,366
Restricted assets:						
Cash and investments with fiscal agents	5,132,494	3,384	1,996	-	-	5,833,277
Total Assets	\$ 5,211,391	\$ 7,996	\$ 454,882	\$ 40,127	\$ -	\$ 161,156,121
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE						
Liabilities:						
Accounts payable	\$ -	\$ 4,598	\$ -	\$ -	\$ -	\$ 6,004,166
Retentions payable	-	-	-	-	-	730,870
Accrued liabilities	-	-	-	-	-	48,122
Deposits payable	-	-	-	-	-	1,404,045
Due to other funds	-	-	-	-	-	1,867,024
Unearned revenues	-	-	-	-	-	245,826
Total Liabilities	-	4,598	-	-	-	10,300,053
Deferred Inflows of Resources:						
Unavailable revenues	-	-	-	-	-	9,265,781
Total Deferred Inflows of Resources	-	-	-	-	-	9,265,781
Fund Balances:						
Nonspendable	-	-	452,246	-	-	458,366
Restricted	5,211,391	3,398	2,636	40,127	-	143,560,975
Unassigned (Deficit)	-	-	-	-	-	(2,429,054)
Total Fund Balances (Deficit)	5,211,391	3,398	454,882	40,127	-	141,590,287
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 5,211,391	\$ 7,996	\$ 454,882	\$ 40,127	\$ -	\$ 161,156,121

**CITY OF CHULA VISTA
COMBINING STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND
BALANCES NON-MAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	Special Revenue Funds				
	Transportation	Parking Meter	Traffic Safety	Storm Drain	Town Center I
	Gas Taxes				
Revenues:					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
License and permits	-	42,100	-	-	-
Intergovernmental	13,199,799	-	-	-	-
Charges for service	1,602	-	-	620,342	10,500
Use of money and property (investment losses)	209,139	436,325	2,271	23,946	2,312
Fines and forfeitures	-	231,033	282,454	400	-
Developer participation	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Total Revenues (net losses)	13,410,540	709,458	284,725	644,688	12,812
Expenditures:					
Current:					
General government	-	652,601	-	-	-
Public safety	-	-	48,872	-	-
Community development	-	-	-	-	30
Public works	244,798	-	-	236,160	-
Parks and recreation	-	-	-	-	-
Capital outlay	7,748,475	15,403	2,175	-	-
Debt service:					
Principal retirement	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total Expenditures	7,993,273	668,004	51,047	236,160	30
Excess (Deficiency) Revenues over Expenditures	5,417,267	41,454	233,678	408,528	12,782
Other Financing Sources (Uses):					
Transfers in	2,000	-	-	-	-
Transfers out	(4,582,973)	(655)	(236,374)	(27,685)	-
Issuance of debt	-	-	-	-	-
Total Other Financing Sources (Uses)	(4,580,973)	(655)	(236,374)	(27,685)	-
Net Change in Fund Balance	836,294	40,799	(2,696)	380,843	12,782
Fund Balances - Beginning	18,682,242	1,322,640	(2,038)	2,343,197	234,145
Restatements	-	-	-	-	-
Fund Balances - Beginning as Restated	18,682,242	1,322,640	(2,038)	2,343,197	234,145
Fund Balances (Deficit) - Ending	\$ 19,518,536	\$ 1,363,439	\$ (4,734)	\$ 2,724,040	\$ 246,927

**CITY OF CHULA VISTA
COMBINING STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

(CONTINUED)

	Special Revenue Funds				
	Open Space Districts	Housing Programs	Housing Authority	Transportation Sales Tax	Mobile Park Fee
Revenues:					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
License and permits	-	-	-	-	-
Intergovernmental	-	92,019	-	2,897,705	-
Charges for service	19,937,364	-	392,412	-	24,076
Use of money and property (investment losses)	482,822	-	145,650	2,161	-
Fines and forfeitures	-	-	-	-	-
Developer participation	-	-	4,890	-	-
Miscellaneous	66	-	765,296	-	-
Total Revenues (net losses)	20,420,252	92,019	1,308,248	2,899,866	24,076
Expenditures:					
Current:					
General government	-	-	-	-	-
Public safety	-	-	-	-	-
Community development	-	133,831	1,251,581	-	38,898
Public works	13,972,838	-	-	-	-
Parks and recreation	-	-	-	-	-
Capital outlay	-	-	-	3,035,950	-
Debt service:					
Principal retirement	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total Expenditures	13,972,838	133,831	1,251,581	3,035,950	38,898
Excess (Deficiency) Revenues over Expenditures	6,447,414	(41,812)	56,667	(136,084)	(14,822)
Other Financing Sources (Uses):					
Transfers in	272,641	-	6,000	-	-
Transfers out	(12,763)	-	(368,819)	-	-
Issuance of debt	-	-	-	-	-
Total Other Financing Sources (Uses)	259,878	-	(362,819)	-	-
Net Change in Fund Balance	6,707,292	(41,812)	(306,152)	(136,084)	(14,822)
Fund Balances - Beginning	44,417,252	155,942	5,893,302	(497,724)	248,900
Restatements	-	-	-	-	-
Fund Balances - Beginning as Restated	44,417,252	155,942	5,893,302	(497,724)	248,900
Fund Balances (Deficit) - Ending	\$ 51,124,544	\$ 114,130	\$ 5,587,150	\$ (633,808)	\$ 234,078

**CITY OF CHULA VISTA
COMBINING STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND
BALANCES NON-MAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

(CONTINUED)

	Special Revenue Funds					
	Public Education and Govt Fee	Utility Tax Settlement	National Opioid Settlement	Special Revenue Endowments	Developer Contributions	Donations
Revenues:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
License and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for service	-	-	-	-	-	-
Use of money and property (investment losses)	-	1,469	(6,961)	-	(118,336)	(7,739)
Fines and forfeitures	-	-	-	-	-	-
Developer participation	-	-	-	-	4,184,260	-
Miscellaneous	416,801	-	88,159	-	-	128,098
Total Revenues (net losses)	416,801	1,469	81,198	-	4,065,924	120,359
Expenditures:						
Current:						
General government	587,978	12	37	-	15	71,176
Public safety	-	-	-	-	-	16,106
Community development	-	-	-	-	183,139	53,527
Public works	-	-	-	-	-	-
Parks and recreation	-	-	-	-	-	8
Capital outlay	139,531	-	-	-	52,634	-
Debt service:						
Principal retirement	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-
Total Expenditures	727,509	12	37	-	235,788	140,817
Excess (Deficiency) Revenues over Expenditures	(310,708)	1,457	81,161	-	3,830,136	(20,458)
Other Financing Sources (Uses):						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Issuance of debt	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-
Net Change in Fund Balance	(310,708)	1,457	81,161	-	3,830,136	(20,458)
Fund Balances - Beginning	931,420	101,526	-	-	1,297,964	160,934
Restatements	-	-	-	-	158,472	486,285
Fund Balances - Beginning as Restated	931,420	101,526	-	-	1,456,436	647,219
Fund Balances (Deficit) - Ending	\$ 620,712	\$ 102,983	\$ 81,161	\$ -	\$ 5,286,572	\$ 626,761

**CITY OF CHULA VISTA
COMBINING STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

(CONTINUED)

	Capital Project Funds				
	Park Acquisition Development	Residential Construction Tax	Highway Safety	Bicycle Facility	Industrial Development Authority
Revenues:					
Taxes	\$ -	\$ 166,875	\$ -	\$ -	\$ -
License and permits	-	-	-	-	-
Intergovernmental	-	-	-	-	-
Charges for service	-	-	-	-	-
Use of money and property (investment losses)	619,583	(18,399)	13	-	2
Fines and forfeitures	-	-	-	-	-
Developer participation	658,724	-	-	-	-
Miscellaneous	-	-	-	-	-
Total Revenues (net losses)	1,278,307	148,476	13	-	2
Expenditures:					
Current:					
General government	-	-	-	-	-
Public safety	-	-	-	-	-
Community development	5,390	-	-	-	-
Public works	-	-	-	-	-
Parks and recreation	-	-	-	-	-
Capital outlay	-	-	-	-	-
Debt service:					
Principal retirement	-	-	-	-	-
Interest and fiscal charges	190,377	-	-	-	-
Total Expenditures	195,767	-	-	-	-
Excess (Deficiency) Revenues over Expenditures	1,082,540	148,476	13	-	2
Other Financing Sources (Uses):					
Transfers in	-	-	-	-	-
Transfers out	(16,945)	(632,071)	-	-	-
Issuance of debt	-	-	-	-	-
Total Other Financing Sources (Uses)	(16,945)	(632,071)	-	-	-
Net Change in Fund Balance	1,065,595	(483,595)	13	-	2
Fund Balances - Beginning	43,192,633	(826,536)	963	(4,460)	54
Restatements	-	-	-	-	-
Fund Balances - Beginning as Restated	43,192,633	(826,536)	963	(4,460)	54
Fund Balances (Deficit) - Ending	\$ 44,258,228	\$ (1,310,131)	\$ 976	\$ (4,460)	\$ 56

**CITY OF CHULA VISTA
 COMBINING STATEMENT OF REVENUES,
 EXPENDITURES, AND CHANGES IN FUND
 BALANCES NON-MAJOR GOVERNMENTAL FUNDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

(CONTINUED)

	Capital Project Funds			
	Assessment District Improvement	Transportation Partnership	Other Transportation Program	Capital Projects Fund
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
License and permits	-	-	-	-
Intergovernmental	-	-	704,244	-
Charges for service	-	-	-	-
Use of money and property (investment losses)	15,927	4	-	117,157
Fines and forfeitures	-	-	-	-
Developer participation	-	-	-	-
Miscellaneous	-	-	-	49,083
Total Revenues (net losses)	15,927	4	704,244	166,240
Expenditures:				
Current:				
General government	134	-	-	-
Public safety	-	-	-	-
Community development	-	-	-	-
Public works	-	-	-	508,967
Parks and recreation	-	-	-	-
Capital outlay	-	-	533,657	8,402,109
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	134	-	533,657	8,911,076
Excess (Deficiency) Revenues over Expenditures	15,793	4	170,587	(8,744,836)
Other Financing Sources (Uses):				
Transfers in	-	-	-	8,739,618
Transfers out	-	-	-	(24,343)
Issuance of debt	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	8,715,275
Net Change in Fund Balance	15,793	4	170,587	(29,561)
Fund Balances - Beginning	1,100,362	104	(646,508)	5,332,548
Restatements	-	-	-	-
Fund Balances - Beginning as Restated	1,100,362	104	(646,508)	5,332,548
Fund Balances (Deficit) - Ending	\$ 1,116,155	\$ 108	\$ (475,921)	\$ 5,302,987

**CITY OF CHULA VISTA
COMBINING STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND
BALANCES NON-MAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

(CONTINUED)

	Debt Service Funds					Total Governmental Funds
	Public Financing Authority	Municipal Financing Authority	City Debt Service	Notes Payable	Lease Payable	
Revenues:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 166,875
License and permits	-	-	-	-	-	42,100
Intergovernmental	-	-	-	-	-	16,893,767
Charges for service	-	-	-	-	-	20,986,296
Use of money and property (investment losses)	(331,521)	20,184	2,024	-	2,687	1,600,720
Fines and forfeitures	-	-	-	-	-	513,887
Developer participation	-	-	-	-	-	4,847,874
Miscellaneous	-	246,113	-	-	12,818	1,706,434
Total Revenues (net losses)	(331,521)	266,297	2,024	-	15,505	46,757,953
Expenditures:						
Current:						
General government	12,000	16,599	3,665	-	-	1,344,217
Public safety	-	-	-	-	-	64,978
Community development	-	-	-	-	-	1,666,396
Public works	-	-	-	-	-	14,962,763
Parks and recreation	-	-	-	-	-	8
Capital outlay	-	-	-	-	-	19,929,934
Debt service:						
Principal retirement	4,250,000	7,860,000	8,057,426	786,898	274,187	21,228,511
Interest and fiscal charges	2,557,393	2,776,920	7,055,771	173,435	22,228	12,776,124
Total Expenditures	6,819,393	10,653,519	15,116,862	960,333	296,415	71,972,931
Excess (Deficiency) Revenues over Expenditures	(7,150,914)	(10,387,222)	(15,114,838)	(960,333)	(280,910)	(25,214,978)
Other Financing Sources (Uses):						
Transfers in	6,478,565	10,391,886	15,095,588	960,333	283,760	42,230,391
Transfers out	-	-	-	-	(100,664)	(6,003,292)
Issuance of debt	-	-	-	-	-	-
Total Other Financing Sources (Uses)	6,478,565	10,391,886	15,095,588	960,333	183,096	36,227,099
Net Change in Fund Balance	(672,349)	4,664	(19,250)	-	(97,814)	11,012,121
Fund Balances - Beginning	5,883,740	(1,266)	474,132	40,127	97,814	129,933,409
Restatements	-	-	-	-	-	644,757
Fund Balances - Beginning as Restated	5,883,740	(1,266)	474,132	40,127	97,814	130,578,166
Fund Balances (Deficit) - Ending	\$ 5,211,391	\$ 3,398	\$ 454,882	\$ 40,127	\$ -	\$ 141,590,287

CITY OF CHULA VISTA
BUDGETARY COMPARISON SCHEDULE BY EXPENDITURE CATEGORY
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Final Budget	Actual on Budgetary Basis	Variance with Final Budget Positive (Negative)
Current:			
City council			
Personnel Services	\$ 1,500,420	\$ 1,241,056	\$ 259,364
Supplies and Services	254,867	44,720	210,147
Utilities	1,339	687	652
Total City council	<u>1,756,626</u>	<u>1,286,463</u>	<u>470,163</u>
City clerk			
Personnel Services	965,967	965,967	-
Supplies and Services	591,467	413,518	177,949
Utilities	461	328	133
Other Expenses	13,500	13,456	44
Total City clerk	<u>1,571,395</u>	<u>1,393,269</u>	<u>178,126</u>
City attorney			
Personnel Services	2,449,149	2,272,220	176,929
Supplies and Services	847,435	516,897	330,538
Utilities	1,086	766	320
Total City attorney	<u>3,297,670</u>	<u>2,789,883</u>	<u>507,787</u>
Administration			
Personnel Services	2,316,424	2,086,877	229,547
Supplies and Services	337,668	257,005	80,663
Utilities	675	559	116
Other Expenses	38,071	38,071	-
Total Administration	<u>2,692,838</u>	<u>2,382,512</u>	<u>310,326</u>
Information technology			
Personnel Services	2,636,124	2,450,856	185,268
Supplies and Services	2,387,464	1,909,186	478,278
Utilities	4,198	1,462	2,736
Internal Service	72	72	-
Total Information technology	<u>5,027,858</u>	<u>4,361,576</u>	<u>666,282</u>
Human resources			
Personnel Services	2,891,564	2,891,564	-
Supplies and Services	534,671	528,425	6,246
Utilities	1,871	1,524	347
Total Human resources	<u>3,428,106</u>	<u>3,421,513</u>	<u>6,593</u>
Finance			
Personnel Services	3,980,908	3,930,056	50,852
Supplies and Services	2,701,600	1,780,411	921,189
Utilities	1,789	1,432	357
Other Expenses	7,078,620	5,358,155	1,720,465
Total Finance	<u>13,762,917</u>	<u>11,070,054</u>	<u>2,692,863</u>
Non-departmental			
Personnel Services	436,880	345,933	90,947
Supplies and Services	6,136,995	5,555,327	581,668
Utilities	30,036	30,036	-
Other Expenses	4,198,042	3,547,595	650,447
Total Non-departmental	<u>10,801,953</u>	<u>9,478,891</u>	<u>1,323,062</u>
Board and commissions			
Supplies and Services	35,977	7,950	28,027
Total Board and commissions	<u>35,977</u>	<u>7,950</u>	<u>28,027</u>
Police			
Personnel Services	57,902,083	57,826,301	75,782
Supplies and Services	4,169,391	3,853,771	315,620
Utilities	844,196	820,816	23,380
Other Expenses	624,533	624,533	-
Internal Service	1,420,808	1,171,353	249,455
Total Police	<u>64,961,011</u>	<u>64,296,774</u>	<u>664,237</u>

CITY OF CHULA VISTA
BUDGETARY COMPARISON SCHEDULE BY EXPENDITURE CATEGORY
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

(CONTINUED)

Fire			
Personnel Services	38,003,270	36,936,294	1,066,976
Supplies and Services	2,953,957	2,522,712	431,245
Utilities	346,597	346,597	-
Other Expenses	529,843	529,843	-
Internal Service	1,607,114	1,543,266	63,848
Total Fire	<u>43,440,781</u>	<u>41,878,712</u>	<u>1,562,069</u>
Animal care facilities			
Personnel Services	2,720,835	2,618,560	102,275
Supplies and Services	398,966	389,281	9,685
Utilities	82,520	77,639	4,881
Other Expenses	4,812	4,812	-
Internal Service	71,191	41,825	29,366
Total Animal care facilities	<u>3,278,324</u>	<u>3,132,117</u>	<u>146,207</u>
Economic development			
Personnel Services	1,176,655	1,129,465	47,190
Supplies and Services	531,487	531,487	-
Utilities	1,776	1,644	132
Other Expenses	2,728,056	281,538	2,446,518
Total Economic development	<u>4,437,974</u>	<u>1,944,134</u>	<u>2,493,840</u>
Development services			
Personnel Services	2,430,620	2,166,823	263,797
Supplies and Services	221,039	221,039	-
Utilities	2,586	2,586	-
Other Expenses	3,437,935	3,426,108	11,827
Internal Service	31,981	15,107	16,874
Total Development services	<u>6,124,161</u>	<u>5,831,663</u>	<u>292,498</u>
Parks and recreation			
Personnel Services	3,438,072	3,438,072	-
Supplies and Services	917,756	917,733	23
Utilities	332,366	332,366	-
Other Expenses	166,987	166,987	-
Internal Service	15,971	15,970	1
Total Parks and recreation	<u>4,871,152</u>	<u>4,871,128</u>	<u>24</u>
Public works			
Personnel Services	12,529,227	12,529,227	-
Supplies and Services	4,404,316	3,938,963	465,353
Utilities	3,780,890	3,362,504	418,386
Other Expenses	147,645	121,188	26,457
Internal Service	1,037,219	938,595	98,624
Total Public works	<u>21,899,297</u>	<u>20,890,477</u>	<u>1,008,820</u>
Engineering			
Personnel Services	7,133,641	7,112,645	20,996
Supplies and Services	1,108,880	915,582	193,298
Utilities	1,346,391	1,330,925	15,466
Other Expenses	109,347	72,851	36,496
Internal Service	250,599	207,222	43,377
Total Engineering	<u>9,948,858</u>	<u>9,639,225</u>	<u>309,633</u>
Library			
Personnel Services	2,673,575	2,673,555	20
Supplies and Services	288,916	266,672	22,244
Utilities	357,561	312,941	44,620
Other Expenses	400,244	190,282	209,962
Internal Service	4,508	2,730	1,778
Total Library	<u>3,724,804</u>	<u>3,446,180</u>	<u>278,624</u>
Debt service			
Principal retirement	1,175,228	1,165,140	10,088
Interest and fiscal charges	120,271	110,183	10,088
Total Debt Service	<u>1,295,499</u>	<u>1,275,323</u>	<u>20,176</u>
Capital outlay	61,161,993	34,943,829	26,218,164
Transfers out	49,413,093	36,259,182	13,153,911
Total Expenditures	<u>\$ 316,932,287</u>	<u>\$ 264,600,855</u>	<u>\$ 52,331,432</u>

CITY OF CHULA VISTA
BUDGETARY COMPARISON SCHEDULE BY EXPENDITURE CATEGORY
FEDERAL, STATE, AND LOCAL GRANTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Final Budget	Actual on Budgetary Basis	Variance with Final Budget Positive (Negative)
Current:			
Finance			
Personnel Services	\$ 1,541,000	\$ 1,541,000	\$ -
Other Expenses	4,122,321	1,870,467	2,251,854
Total Finance	<u>5,663,321</u>	<u>3,411,467</u>	<u>2,251,854</u>
Police			
Personnel Services	6,948,083	6,112,272	835,811
Supplies and Services	2,644,204	1,794,242	849,962
Other Expenses	526,459	408,898	117,561
Total Police	<u>10,118,746</u>	<u>8,315,412</u>	<u>1,803,334</u>
Fire			
Personnel Services	499,842	176,245	323,597
Supplies and Services	292,318	167,093	125,225
Other Expenses	75,474	75,474	-
Total Fire	<u>867,634</u>	<u>418,812</u>	<u>448,822</u>
Animal care facilities			
Supplies and Services	41,172	35,627	5,545
Other Expenses	87,200	25,319	61,881
Total Animal care facilities	<u>128,372</u>	<u>60,946</u>	<u>67,426</u>
Economic development			
Personnel Services	908,958	754,998	153,960
Supplies and Services	2,216,092	1,267,114	948,978
Utilities	35,840	-	35,840
Other Expenses	3,321,946	2,718,277	603,669
Internal Service	13,841	13,841	-
Total Economic development	<u>6,496,677</u>	<u>4,754,230</u>	<u>1,742,447</u>
Development services			
Supplies and Services	4,692,745	6,005	4,686,740
Utilities	4,653	-	4,653
Other Expenses	22,274,845	9,846,335	12,428,510
Total Development services	<u>26,972,243</u>	<u>9,852,340</u>	<u>17,119,903</u>
Public works			
Other Expenses	3,169,607	3,169,593	14
Total Public works	<u>3,169,607</u>	<u>3,169,593</u>	<u>14</u>
Library			
Personnel Services	57,377	57,377	-
Supplies and Services	12,190	12,190	-
Other Expenses	4,000	3,253	747
Total Library	<u>73,567</u>	<u>72,820</u>	<u>747</u>
Capital outlay	71,693,117	37,169,818	34,523,299
Transfers out	26,522,692	3,595,097	22,927,595
Total Expenditures	<u>\$ 151,705,976</u>	<u>\$ 70,820,535</u>	<u>\$ 80,885,441</u>

CITY OF CHULA VISTA
BUDGETARY COMPARISON SCHEDULE BY EXPENDITURE CATEGORY
HOUSING SUCCESSOR AGENCY
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	<u>Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance with Final Budget Positive (Negative)</u>
Current:			
Development services			
Supplies and Services	\$ 59,720	\$ 1,852	\$ 57,868
Other Expenses	2,014,500	4,314	2,010,186
Total Development services	<u>2,074,220</u>	<u>6,166</u>	<u>2,068,054</u>
Transfers out	9,858	5,262	4,596
Total Expenditures	<u>\$ 2,084,078</u>	<u>\$ 11,428</u>	<u>\$ 2,072,650</u>

CITY OF CHULA VISTA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
TRANSPORTATION GAS TAXES
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	<u>Final Budget</u>	<u>Actual on a Budgetary Basis</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Intergovernmental	\$ 14,261,679	\$ 13,199,799	\$ (1,061,880)
Charges for service	-	1,602	1,602
Use of money and property (investment loss)	-	441,498	441,498
Total Revenues	<u>14,261,679</u>	<u>13,642,899</u>	<u>(618,780)</u>
Expenditures:			
Current:			
Public works	271,043	244,800	26,243
Capital outlay	26,452,753	9,560,761	16,891,992
Total Expenditures	<u>26,723,796</u>	<u>9,805,561</u>	<u>16,918,235</u>
Excess (Deficiency) Revenues over Expenditures	(12,462,117)	3,837,338	(17,537,015)
Other Financing Sources (Uses):			
Transfers in	2,000	2,000	-
Transfers out	(4,594,140)	(4,582,973)	11,167
Total Other Financing Sources (Uses)	<u>(4,592,140)</u>	<u>(4,580,973)</u>	<u>11,167</u>
Net Change in Fund Balance	<u>\$ (17,054,257)</u>	<u>(743,635)</u>	<u>\$ (17,525,848)</u>
Fund Balances - Beginning		18,682,242	
Fund Balances - Ending		<u>\$ 17,938,607</u>	

CITY OF CHULA VISTA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
PARKING METER
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	<u>Final Budget</u>	<u>Actual on a Budgetary Basis</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Licenses and permits	\$ 25,000	\$ 42,100	\$ 17,100
Use of money and property (investment loss)	365,000	445,423	80,423
Fines and forfeitures	230,162	231,033	871
Total Revenues	<u>620,162</u>	<u>718,556</u>	<u>98,394</u>
Expenditures:			
Current:			
General government	730,868	730,869	(1)
Capital outlay	40,307	17,879	22,428
Debt service:			-
Total Expenditures	<u>771,175</u>	<u>748,748</u>	<u>22,427</u>
Excess (Deficiency) Revenues over Expenditures	<u>(151,013)</u>	<u>(30,192)</u>	<u>120,821</u>
Other Financing Sources (Uses):			
Transfers out	(1,227)	(655)	572
Total Other Financing Sources (Uses)	<u>(1,227)</u>	<u>(655)</u>	<u>572</u>
Net Change in Fund Balance	<u>\$ (152,240)</u>	<u>(30,847)</u>	<u>\$ 121,393</u>
Fund Balances - Beginning		1,322,640	
Fund Balances - Ending		<u>\$ 1,291,793</u>	

CITY OF CHULA VISTA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
TRAFFIC SAFETY
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	<u>Final Budget</u>	<u>Actual on a Budgetary Basis</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Use of money and property (investment loss)	\$ -	\$ 1,693	\$ 1,693
Fines and forfeitures	437,640	282,454	(155,186)
Other revenues	-	-	-
Total Revenues	<u>437,640</u>	<u>284,147</u>	<u>(153,493)</u>
Expenditures:			
Current:			
Public safety	57,773	48,872	8,901
Capital outlay	2,175	2,175	-
Total Expenditures	<u>59,948</u>	<u>51,047</u>	<u>8,901</u>
Excess (Deficiency) Revenues over Expenditures	<u>377,692</u>	<u>233,100</u>	<u>(144,592)</u>
Other Financing Sources (Uses):			
Transfers out	(399,140)	(236,374)	162,766
Total Other Financing Sources (Uses)	<u>(399,140)</u>	<u>(236,374)</u>	<u>162,766</u>
Net Change in Fund Balance	<u>\$ (21,448)</u>	<u>(3,274)</u>	<u>\$ 18,174</u>
Fund Balances - Beginning		(2,038)	
Fund Balances - Ending		<u>\$ (5,312)</u>	

CITY OF CHULA VISTA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
STORM DRAIN
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	<u>Final Budget</u>	<u>Actual on a Budgetary Basis</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Charges for service	\$ 585,000	\$ 620,342	\$ 35,342
Use of money and property (investment loss)	-	50,699	50,699
Fines and forfeitures	5,000	400	(4,600)
Total Revenues	<u>590,000</u>	<u>671,441</u>	<u>81,441</u>
Expenditures:			
Current:			
Public works	500,397	399,334	101,063
Total Expenditures	<u>500,397</u>	<u>399,334</u>	<u>101,063</u>
Excess (Deficiency) Revenues over Expenditures	89,603	272,107	182,504
Other Financing Sources (Uses):			
Transfers out	(128,284)	(27,685)	100,599
Total Other Financing Sources (Uses)	<u>(128,284)</u>	<u>(27,685)</u>	<u>100,599</u>
Net Change in Fund Balance	<u>\$ (38,681)</u>	244,422	<u>\$ 283,103</u>
Fund Balances - Beginning		2,343,197	
Fund Balances - Ending		<u>\$ 2,587,619</u>	

CITY OF CHULA VISTA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
TOWN CENTER I
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	<u>Final Budget</u>	<u>Actual on a Budgetary Basis</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Charges for service	\$ -	\$ 10,500	\$ 10,500
Use of money and property (investment loss)	30	5,028	4,998
Total Revenues	30	15,528	15,498
Expenditures:			
Current:			
Community development	30	30	0
Capital outlay	10,120	-	10,120
Total Expenditures	10,150	30	10,120
Net Change in Fund Balance	<u>\$ (10,120)</u>	<u>15,498</u>	<u>\$ 25,618</u>
Fund Balances - Beginning		234,145	
Fund Balances - Ending		<u>\$ 249,643</u>	

CITY OF CHULA VISTA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
OPEN SPACE DISTRICTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	<u>Final Budget</u>	<u>Actual on a Budgetary Basis</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Charges for service	\$ 19,046,901	\$ 19,937,364	\$ 890,463
Use of money and property (investment loss)	-	961,921	961,921
Other revenues	-	66	66
Total Revenues	<u>19,046,901</u>	<u>20,899,351</u>	<u>1,852,450</u>
Expenditures:			
Current:			
Public works	19,336,977	14,261,680	5,075,297
Capital outlay	65,022	64,705	317
Total Expenditures	<u>19,401,999</u>	<u>14,326,385</u>	<u>5,075,614</u>
Excess (Deficiency) Revenues over Expenditures	<u>(355,098)</u>	<u>6,572,966</u>	<u>6,928,064</u>
Other Financing Sources (Uses):			
Transfers in	272,661	272,641	(20)
Transfers out	(256,273)	(12,763)	243,510
Total Other Financing Sources (Uses)	<u>16,388</u>	<u>259,878</u>	<u>243,490</u>
Net Change in Fund Balance	<u><u>\$ (338,710)</u></u>	<u>6,832,844</u>	<u><u>\$ 7,171,554</u></u>
Fund Balances - Beginning		44,417,252	
Fund Balances - Ending		<u><u>\$ 51,250,096</u></u>	

CITY OF CHULA VISTA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
HOUSING PROGRAMS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	<u>Final Budget</u>	<u>Actual on a Budgetary Basis</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Intergovernmental	\$ 100,000	\$ 92,019	\$ (7,981)
Total Revenues	100,000	92,019	(7,981)
Expenditures:			
Current:			
Community development	1,009,290	136,956	872,334
Total Expenditures	1,009,290	136,956	872,334
Excess (Deficiency) Revenues over Expenditures	(909,290)	(44,937)	864,353
Net Change in Fund Balance	\$ (909,290)	(44,937)	\$ 864,353
Fund Balances - Beginning		155,942	
Fund Balances - Ending		\$ 111,005	

CITY OF CHULA VISTA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
HOUSING AUTHORITY
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	<u>Final Budget</u>	<u>Actual on a Budgetary Basis</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Developer participation	\$ -	\$ 4,890	\$ 4,890
Charges for service	864,809	392,412	(472,397)
Use of money and property (investment loss)	-	163,739	163,739
Other revenues	170,000	765,296	595,296
Total Revenues	<u>1,034,809</u>	<u>1,326,337</u>	<u>291,528</u>
Expenditures:			
Current:			
Community development	4,341,439	1,365,540	2,975,899
Total Expenditures	<u>4,341,439</u>	<u>1,365,540</u>	<u>2,975,899</u>
Excess (Deficiency) Revenues over Expenditures	<u>(3,306,630)</u>	<u>(39,203)</u>	<u>3,267,427</u>
Other Financing Sources (Uses):			
Transfers in	45,765	6,000	(39,765)
Transfers out	(370,269)	(368,819)	1,450
Total Other Financing Sources (Uses)	<u>(324,504)</u>	<u>(362,819)</u>	<u>(38,315)</u>
Net Change in Fund Balance	<u>\$ (3,631,134)</u>	<u>(402,022)</u>	<u>\$ 3,229,112</u>
Fund Balances - Beginning		5,893,302	
Fund Balances - Ending		<u>\$ 5,491,280</u>	

CITY OF CHULA VISTA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
TRANSPORTATION SALES TAX
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	<u>Final Budget</u>	<u>Actual on a Budgetary Basis</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Intergovernmental	\$ 6,673,500	\$ 2,897,705	\$ (3,775,795)
Use of money and property (investment loss)	-	2,161	2,161
Other revenues	1,869,000	-	(1,869,000)
Total Revenues	<u>8,542,500</u>	<u>2,899,866</u>	<u>(5,642,634)</u>
Expenditures:			
Current:			
Capital outlay	22,573,576	4,448,993	18,124,583
Total Expenditures	<u>22,573,576</u>	<u>4,448,993</u>	<u>18,124,583</u>
Net Change in Fund Balance	<u>\$ (14,031,076)</u>	<u>(1,549,127)</u>	<u>\$ 12,481,949</u>
Fund Balances - Beginning		(497,724)	
Fund Balances - Ending		<u>\$ (2,046,851)</u>	

CITY OF CHULA VISTA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
MOBILE PARK FEE
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	<u>Final Budget</u>	<u>Actual on a Budgetary Basis</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Charges for service	\$ 65,000	\$ 24,076	\$ (40,924)
Total Revenues	<u>65,000</u>	<u>24,076</u>	<u>(40,924)</u>
Expenditures:			
Current:			
Community development	67,070	43,849	23,221
Total Expenditures	<u>67,070</u>	<u>43,849</u>	<u>23,221</u>
Net Change in Fund Balance	<u>\$ (2,070)</u>	<u>(19,773)</u>	<u>\$ (17,703)</u>
Fund Balances - Beginning		248,900	
Fund Balances - Ending		<u>\$ 229,127</u>	

CITY OF CHULA VISTA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
PUBLIC EDUCATION AND GOVT FEE
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	<u>Final Budget</u>	<u>Actual on a Budgetary Basis</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Other revenues	\$ 540,000	\$ 416,801	\$ (123,199)
Total Revenues	540,000	416,801	(123,199)
Expenditures:			
Current:			
General government	637,034	596,276	40,758
Capital outlay	338,000	258,143	79,857
Total Expenditures	975,034	854,419	120,615
Net Change in Fund Balance	\$ (435,034)	(437,618)	\$ (2,584)
Fund Balances - Beginning		931,420	
Fund Balances - Ending		\$ 493,802	

CITY OF CHULA VISTA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
UTILITY TAX SETTLEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	<u>Final Budget</u>	<u>Actual on a Budgetary Basis</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Use of money and property (investment loss)	\$ 13	\$ 2,058	\$ 2,045
Total Revenues	<u>13</u>	<u>2,058</u>	<u>2,045</u>
Expenditures:			
Current:			
General government	13	12	1
Total Expenditures	<u>13</u>	<u>12</u>	<u>1</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>2,046</u>	<u>\$ 2,046</u>
Fund Balances - Beginning		101,526	
Fund Balances - Ending		<u><u>\$ 103,572</u></u>	

CITY OF CHULA VISTA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
NATIONAL OPIOID SETTLEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	<u>Final Budget</u>	<u>Actual on a Budgetary Basis</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Use of money and property (investment loss)	\$ -	\$ 4,222	\$ 4,222
Other revenues	301,208	88,160	(213,049)
Total Revenues	<u>301,208</u>	<u>92,382</u>	<u>(208,826)</u>
Expenditures:			
Current:			
General government	301,208	37	301,171
Total Expenditures	<u>301,208</u>	<u>37</u>	<u>301,171</u>
Excess (Deficiency) Revenues over Expenditures	<u>-</u>	<u>92,345</u>	<u>92,345</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>92,345</u>	<u>\$ 92,345</u>
Fund Balances - Beginning		-	
Fund Balances - Ending		<u><u>\$ 92,345</u></u>	

CITY OF CHULA VISTA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
SPECIAL REVENUE ENDOWMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	<u>Final Budget</u>	<u>Actual on a Budgetary Basis</u>	<u>Variance with Final Budget Positive (Negative)</u>
Expenditures:			
Current:			
Community development	\$ 190,485	\$ 99,527	\$ 90,958
Total Expenditures	<u>190,485</u>	<u>99,527</u>	<u>90,958</u>
 Net Change in Fund Balance	<u>(190,485)</u>	<u>(99,527)</u>	<u>90,958</u>
 Fund Balances - Beginning		-	
Fund Balances - Ending		<u>\$ (99,527)</u>	

CITY OF CHULA VISTA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
DEVELOPER CONTRIBUTIONS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	<u>Final Budget</u>	<u>Actual on a Budgetary Basis</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Developer participation	\$ 35,768,699	\$ 4,184,261	\$ (31,584,438)
Use of money and property (investment loss)	546	64,807	64,261
Other revenues	158,472	-	(158,472)
Total Revenues	<u>35,927,717</u>	<u>4,249,068</u>	<u>(31,678,649)</u>
Expenditures:			
Current:			
General government	15	15	-
Community development	1,076,472	183,139	893,333
Capital outlay	34,761,835	52,634	34,709,201
Total Expenditures	<u>35,838,322</u>	<u>235,788</u>	<u>35,602,534</u>
 Net Change in Fund Balance	 <u><u>\$ 89,395</u></u>	 <u><u>4,013,280</u></u>	 <u><u>\$ 3,923,885</u></u>
Fund Balances - Beginning		1,297,964	
Restatements		158,472	
Fund Balances - Beginning, as Restated		<u>1,456,436</u>	
Fund Balances - Ending		<u><u>\$ 5,469,716</u></u>	

CITY OF CHULA VISTA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
DONATIONS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	<u>Final Budget</u>	<u>Actual on a Budgetary Basis</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Use of money and property (investment loss)	\$ -	\$ 15,184	\$ 15,184
Other revenues	732,877	128,099	(604,778)
Total Revenues	<u>732,877</u>	<u>143,283</u>	<u>(589,594)</u>
Expenditures:			
Current:			
General government	130,615	71,177	59,438
Community development	247,616	53,527	194,089
Public safety	276,006	16,106	259,900
Parks and recreation	145,979	8	145,971
Total Expenditures	<u>800,216</u>	<u>140,818</u>	<u>659,398</u>
Excess (Deficiency) Revenues over Expenditures	<u>(67,339)</u>	<u>2,465</u>	<u>69,804</u>
Net Change in Fund Balance	<u>\$ (67,339)</u>	<u>2,465</u>	<u>\$ 69,804</u>
Fund Balances - Beginning		160,934	
Restatements		486,285	
Fund Balances - Beginning, as Restated		<u>647,219</u>	
Fund Balances - Ending		<u>\$ 649,684</u>	

CITY OF CHULA VISTA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
DEVELOPMENT IMPACT FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	<u>Final Budget</u>	<u>Actual on a Budgetary Basis</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Developer participation	\$ 19,090,000	\$ 22,343,828	\$ 3,253,828
Charges for service	350,000	384,808	34,808
Use of money and property (investment loss)	200,804	1,763,743	1,562,939
Total Revenues	<u>19,640,804</u>	<u>24,492,379</u>	<u>4,851,575</u>
Expenditures:			
Current:			
Community development	4,281,797	3,380,223	901,574
Capital outlay	42,105,861	34,114,290	7,991,571
Debt service:			
Principal retirement	126,488	67,902	58,586
Interest and fiscal charges	392,695	187,896	204,799
Total Expenditures	<u>46,906,841</u>	<u>37,750,311</u>	<u>9,156,530</u>
Excess (Deficiency) Revenues over Expenditures	<u>(27,266,037)</u>	<u>(13,257,932)</u>	<u>14,008,105</u>
Other Financing Sources (Uses):			
Transfers out	<u>(5,276,291)</u>	<u>(5,276,292)</u>	<u>(1)</u>
Total Other Financing Sources (Uses)	<u>(5,276,291)</u>	<u>(5,276,292)</u>	<u>(1)</u>
Net Change in Fund Balance	<u>\$ (32,542,328)</u>	<u>(18,534,224)</u>	<u>\$ 14,008,104</u>
Fund Balances - Beginning		72,329,429	
Fund Balances - Ending		<u>\$ 53,795,205</u>	

CITY OF CHULA VISTA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
PARK ACQUISITION DEVELOPMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	<u>Final Budget</u>	<u>Actual on a Budgetary Basis</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Developer participation	\$ 665,000	\$ 658,723	\$ (6,277)
Use of money and property (investment loss)	196,500	895,151	698,651
Total Revenues	861,500	1,553,874	692,374
Expenditures:			
Current:			
Community development	610,000	505,389	104,611
Capital outlay	1,500,000	-	1,500,000
Debt service:			
Interest and fiscal charges	196,500	190,377	6,123
Total Expenditures	2,306,500	695,766	1,610,734
Excess (Deficiency) Revenues over Expenditures	(1,445,000)	858,108	2,303,108
Other Financing Sources (Uses):			
Transfers in	50,000	-	(50,000)
Transfers out	(81,743)	(16,944)	64,798
Total Other Financing Sources (Uses)	(31,743)	(16,944)	14,798
Net Change in Fund Balance	<u>\$ (1,476,743)</u>	<u>841,164</u>	<u>\$ 2,317,906</u>
Fund Balances - Beginning		43,192,633	
Fund Balances - Ending		\$ 44,033,797	

CITY OF CHULA VISTA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
RESIDENTIAL CONSTRUCTION TAX
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	<u>Final Budget</u>	<u>Actual on a Budgetary Basis</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Taxes	\$ 325,505	\$ 166,875	\$ (158,630)
Use of money and property (investment loss)	-	(18,399)	(18,399)
Total Revenues	<u>325,505</u>	<u>148,476</u>	<u>(177,029)</u>
Other Financing Sources (Uses):			
Transfers out	(666,582)	(632,071)	34,511
Total Other Financing Sources (Uses)	<u>(666,582)</u>	<u>(632,071)</u>	<u>34,511</u>
Net Change in Fund Balance	<u>\$ (341,077)</u>	<u>(483,595)</u>	<u>\$ (142,518)</u>
Fund Balances - Beginning		<u>(826,536)</u>	
Fund Balances - Ending		<u>\$ (1,310,131)</u>	

CITY OF CHULA VISTA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
HIGHWAY SAFETY
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	<u>Final Budget</u>	<u>Actual on a Budgetary Basis</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Use of money and property (investment loss)	\$ -	\$ 19	\$ 19
Total Revenues	\$ -	\$ 19	\$ 19
Net Change in Fund Balance	<u>-</u>	<u>19</u>	<u>18</u>
Fund Balances - Beginning		<u>963</u>	
Fund Balances - Ending		<u>\$ 982</u>	

CITY OF CHULA VISTA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
INDUSTRIAL DEVELOPMENT AUTHORITY
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	<u>Final Budget</u>	<u>Actual on a Budgetary Basis</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Use of money and property (investment loss)	\$ -	\$ 2	\$ 2
Total Revenues	<u>-</u>	<u>2</u>	<u>2</u>
 Net Change in Fund Balance	 <u>\$ -</u>	 <u>2</u>	 <u>\$ 2</u>
 Fund Balances - Beginning		 <u>54</u>	
Fund Balances - Ending		<u>\$ 56</u>	

CITY OF CHULA VISTA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
ASSESSMENT DISTRICT IMPROVEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	<u>Final Budget</u>	<u>Actual on a Budgetary Basis</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Use of money and property (investment loss)	\$ 134	\$ 22,310	\$ 22,176
Total Revenues	134	22,310	22,176
Expenditures:			
Current:			
General government	134	134	-
Total Expenditures	134	134	-
Excess (Deficiency) Revenues over Expenditures	-	22,176	22,176
Net Change in Fund Balance	<u>\$ -</u>	<u>22,176</u>	<u>\$ 22,176</u>
Fund Balances - Beginning		1,100,362	
Fund Balances - Ending		<u>\$ 1,122,538</u>	

CITY OF CHULA VISTA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
TRANSPORTATION PARTNERSHIP
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	<u>Final Budget</u>	<u>Actual on a Budgetary Basis</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Use of money and property (investment loss)	\$ -	\$ 4	\$ 4
Total Revenues	<u>-</u>	<u>4</u>	<u>4</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>4</u>	<u>\$ 4</u>
Fund Balances - Beginning		104	
Restatements		-	
Fund Balances - Beginning, as Restated		<u>104</u>	
Fund Balances - Ending		<u>\$ 108</u>	

CITY OF CHULA VISTA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
OTHER TRANSPORTATION PROGRAM
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	<u>Final Budget</u>	<u>Actual on a Budgetary Basis</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Intergovernmental	\$ 3,045,432	\$ 704,244	\$ (2,341,188)
Total Revenues	<u>3,045,432</u>	<u>704,244</u>	<u>(2,341,188)</u>
Expenditures:			
Current:			
Capital outlay	8,095,655	2,363,880	5,731,775
Total Expenditures	<u>8,095,655</u>	<u>2,363,880</u>	<u>5,731,775</u>
Excess (Deficiency) Revenues over Expenditures	<u>(5,050,223)</u>	<u>(1,659,636)</u>	<u>3,390,587</u>
Net Change in Fund Balance	<u><u>(5,050,223)</u></u>	<u><u>(1,659,636)</u></u>	<u><u>3,390,587</u></u>
Fund Balances - Beginning		(646,508)	
Fund Balances - Ending		<u><u>\$ (2,306,144)</u></u>	

CITY OF CHULA VISTA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
CAPITAL PROJECTS FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	<u>Final Budget</u>	<u>Actual on a Budgetary Basis</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Use of money and property (investment loss)	\$ -	\$ 69,453	\$ 69,453
Other revenues	210,000	49,083	(160,917)
Total Revenues	210,000	118,536	(91,464)
Expenditures:			
Current:			
Public works	508,966	508,966	-
Capital outlay	30,423,591	14,338,832	16,084,759
Total Expenditures	30,932,557	14,847,798	16,084,759
Excess (Deficiency) Revenues over Expenditures	(30,722,557)	(14,729,262)	15,993,295
Other Financing Sources (Uses):			
Transfers in	10,355,062	8,739,618	(1,615,444)
Transfers out	(24,343)	(24,343)	-
Total Other Financing Sources (Uses)	10,330,719	8,715,274	(1,615,444)
Net Change in Fund Balance	(20,391,838)	(6,013,987)	\$ 14,377,851
Fund Balances - Beginning		5,332,548	
Fund Balances - Ending		\$ (681,439)	

CITY OF CHULA VISTA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
PUBLIC FINANCING AUTHORITY
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	<u>Final Budget</u>	<u>Actual on a Budgetary Basis</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Use of money and property (investment loss)	\$ -	\$ (331,393)	\$ (331,393)
Total Revenues	<u>-</u>	<u>(331,393)</u>	<u>(331,393)</u>
Expenditures:			
Current:			
General government	15,278	13,000	2,278
Debt service:			
Principal retirement	4,250,002	4,250,000	2
Interest and fiscal charges	2,557,397	2,557,393	4
Total Expenditures	<u>6,822,677</u>	<u>6,820,393</u>	<u>2,284</u>
Excess (Deficiency) Revenues over Expenditures	<u>(6,822,677)</u>	<u>(7,151,786)</u>	<u>(329,109)</u>
Other Financing Sources (Uses):			
Transfers in	6,822,401	6,478,565	(343,836)
Total Other Financing Sources (Uses)	<u>6,822,401</u>	<u>6,478,565</u>	<u>(343,836)</u>
Net Change in Fund Balance	<u>\$ (276)</u>	<u>(673,221)</u>	<u>\$ (672,945)</u>
Fund Balances - Beginning		5,883,740	
Fund Balances - Ending		<u>\$ 5,210,519</u>	

CITY OF CHULA VISTA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
MUNICIPAL FINANCING AUTHORITY
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	<u>Final Budget</u>	<u>Actual on a Budgetary Basis</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Use of money and property (investment loss)	\$ -	\$ 20,167	\$ 20,167
Other revenues	246,000	246,113	113
Total Revenues	246,000	266,280	20,280
Expenditures:			
Current:			
General government	21,253	17,599	3,654
Debt service:			
Principal retirement	7,860,000	7,860,000	-
Interest and fiscal charges	2,776,921	2,776,920	1
Total Expenditures	10,658,174	10,654,519	3,655
Excess (Deficiency) Revenues over Expenditures	(10,412,174)	(10,388,239)	23,935
Other Financing Sources (Uses):			
Transfers in	10,412,174	10,391,886	(20,288)
Transfers out	-	-	-
Total Other Financing Sources (Uses)	10,412,174	10,391,886	(20,288)
Net Change in Fund Balance	\$ -	3,647	\$ 3,647
Fund Balances - Beginning		(1,266)	
Fund Balances - Ending		\$ 2,381	

CITY OF CHULA VISTA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
CITY DEBT SERVICE
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	<u>Final Budget</u>	<u>Actual on a Budgetary Basis</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Use of money and property (investment loss)	\$ -	\$ 2,015	\$ 2,015
Total Revenues	<u>-</u>	<u>2,015</u>	<u>2,015</u>
Expenditures:			
Current:			
General government	5,000	3,969	1,031
Debt service:			
Principal retirement	8,057,426	8,057,426	(0)
Interest and fiscal charges	7,679,215	7,055,771	623,444
Total Expenditures	<u>15,741,641</u>	<u>15,117,166</u>	<u>624,475</u>
Excess (Deficiency) Revenues over Expenditures	<u>(15,741,641)</u>	<u>(15,115,151)</u>	<u>626,490</u>
Other Financing Sources (Uses):			
Transfers in	15,741,641	15,095,588	(646,053)
Total Other Financing Sources (Uses)	<u>15,741,641</u>	<u>15,095,588</u>	<u>(646,053)</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>(19,563)</u>	<u>\$ (19,563)</u>
Fund Balances - Beginning		474,132	
Fund Balances - Ending		<u>\$ 454,569</u>	

CITY OF CHULA VISTA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
NOTES PAYABLE
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	<u>Final Budget</u>	<u>Actual on a Budgetary Basis</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Other revenues	\$ 258,000	\$ -	\$ (258,000)
Total Revenues	258,000	-	(258,000)
Expenditures:			
Debt service:			
Principal retirement	794,185	786,898	7,286
Interest and fiscal charges	173,437	173,435	2
Total Expenditures	967,622	960,333	7,289
Excess (Deficiency) Revenues over Expenditures	(709,622)	(960,333)	(250,711)
Other Financing Sources (Uses):			
Transfers in	967,335	960,333	(7,002)
Total Other Financing Sources (Uses)	967,335	960,333	(7,002)
Net Change in Fund Balance	\$ 257,713	-	\$ (257,713)
Fund Balances - Beginning		40,127	
Fund Balances - Ending		\$ 40,127	

CITY OF CHULA VISTA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
LEASE PAYABLE
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	<u>Final Budget</u>	<u>Actual on a Budgetary Basis</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Use of money and property (investment loss)	\$ -	\$ (370)	\$ (370)
Other revenues	12,700	12,818	118
Total Revenues	12,700	12,448	(252)
Expenditures:			
Debt service:			
Principal retirement	470,989	274,188	196,801
Interest and fiscal charges	69,829	22,228	47,601
Total Expenditures	540,818	296,416	244,402
Excess (Deficiency) Revenues over Expenditures	(528,118)	(283,968)	244,150
Other Financing Sources (Uses):			
Transfers in	283,718	283,760	42
Transfers out	(100,665)	(100,664)	1
Total Other Financing Sources (Uses)	183,053	183,096	43
Net Change in Fund Balance	\$ (345,065)	(100,872)	\$ 244,193
Fund Balances - Beginning		97,814	
Fund Balances - Ending		\$ (3,058)	



CITY OF CHULA VISTA
COMBINING STATEMENT OF NET POSITION
NON-MAJOR PROPRIETARY FUNDS
JUNE 30, 2023

	Business-Type Activities - Enterprise Funds			
	Bayfront Trolley Station	Transit Fund	Chula Vista Muni Golf Course	Transport Enterprise
ASSETS				
Current Assets:				
Cash and investments	\$ 89,548	\$ 87,532	\$ 135,711	\$ 2,081,751
Cash with fiscal agent	-	-	864,549	-
Receivables:				
Accounts (net of allowance for uncollectibles)	-	-	-	12,666,233
Accrued interest	488	495	-	26,249
Prepaid costs	-	-	936	-
Inventories	-	-	123,078	-
Total Current Assets	90,036	88,027	1,124,274	14,774,233
Capital assets:				
Land	-	-	598,659	-
Buildings and structures	-	-	727,553	-
Machinery and equipment	-	42,304	117,382	4,484,516
Less accumulated depreciation/amortization	-	(37,418)	(648,287)	(2,211,931)
Total Noncurrent Assets	-	4,886	795,307	2,272,585
Total Assets	90,036	92,913	1,919,581	17,046,818
DEFERRED OUTFLOWS OF RESOURCES				
Pension deferred outflows	-	-	-	3,928,676
OPEB deferred outflows	-	-	-	335,101
Total Deferred Outflows of Resources	-	-	-	4,263,777
LIABILITIES				
Current Liabilities:				
Accounts payable	-	-	198,838	252,898
Accrued liabilities	-	-	23,232	300,989
Accrued interest payable	-	-	-	11,414
Accrued compensated absences	-	-	-	199,208
Bonds, notes, subscriptions, and financed purchases	-	-	-	903,001
Total Current Liabilities	-	-	222,070	1,667,510
Noncurrent Liabilities:				
Advances from other funds	-	-	-	2,340,621
Accrued compensated absences	-	-	24,970	-
Net pension liability	-	-	-	1,818,596
Net OPEB liability	-	-	-	1,422,737
Bonds, notes, subscriptions, and financed purchases	-	-	-	1,833,250
Total Noncurrent Liabilities	-	-	24,970	7,415,204
Total Liabilities	-	-	247,040	9,082,714
DEFERRED INFLOWS OF RESOURCES				
Pension deferred inflows	-	-	-	353,128
OPEB deferred inflows	-	-	-	178,779
Total Deferred Inflows of Resources	-	-	-	531,907
NET POSITION (DEFICIT)				
Net investment in capital assets	-	4,886	795,307	(463,666)
Unrestricted	90,036	88,027	877,234	12,159,640
Total Net Position (Deficit)	\$ 90,036	\$ 92,913	\$ 1,672,541	\$ 11,695,974

CITY OF CHULA VISTA
COMBINING STATEMENT OF NET POSITION
NON-MAJOR PROPRIETARY FUNDS
JUNE 30, 2023

	Business-Type Activities - Enterprise Funds	
	Living Coast	
	Discovery Center	Totals
ASSETS		
Current Assets:		
Cash and investments	\$ 28,930	\$ 2,423,472
Cash with fiscal agent	-	864,549
Receivables:		
Accounts (net of allowance for uncollectibles)	-	12,666,233
Accrued interest	363	27,595
Prepaid costs	-	936
Inventories	-	123,078
Total Current Assets	29,293	16,105,863
Capital assets:		
Land	-	598,659
Buildings and structures	-	727,553
Machinery and equipment	-	4,644,202
Less accumulated depreciation/amortization	-	(2,897,636)
Total Noncurrent Assets	-	3,072,778
Total Assets	29,293	19,178,641
DEFERRED OUTFLOWS OF RESOURCES		
Pension deferred outflows	-	3,928,676
OPEB deferred outflows	-	335,101
Total Deferred Outflows of Resources	-	4,263,777
LIABILITIES		
Current Liabilities:		
Accounts payable	30,091	481,827
Accrued liabilities	-	324,221
Accrued interest payable	-	11,414
Accrued compensated absences	-	199,208
Bonds, notes, subscriptions, and financed purchases	-	903,001
Total Current Liabilities	30,091	1,919,671
Noncurrent Liabilities:		
Advances from other funds	-	2,340,621
Accrued compensated absences	-	24,970
Net pension liability	-	1,818,596
Net OPEB liability	-	1,422,737
Bonds, notes, subscriptions, and financed purchases	-	1,833,250
Total Noncurrent Liabilities	-	7,440,174
Total Liabilities	30,091	9,359,845
DEFERRED INFLOWS OF RESOURCES		
Pension deferred inflows	-	353,128
OPEB deferred inflows	-	178,779
Total Deferred Inflows of Resources	-	531,907
NET POSITION (DEFICIT)		
Net investment in capital assets	-	336,527
Unrestricted	(798)	13,214,139
Total Net Position (Deficit)	\$ (798)	\$ 13,550,666

**CITY OF CHULA VISTA
COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION
NON-MAJOR PROPRIETARY FUNDS
FOR FISCAL YEAR ENDED JUNE 30, 2023**

	Business -Type Activities - Enterprise Funds			
	Bayfront Trolley Station	Transit Fund	Chula Vista Muni Golf Course	Transport Enterprise
OPERATING REVENUES				
Sales and service charges	\$ -	\$ -	\$ 3,214,664	\$ 18,224,005
Other	-	-	-	-
Total Operating Revenues	-	-	3,214,664	18,224,005
OPERATING EXPENSES				
Administration and general	11	22	3,121,922	10,231,954
Depreciation/amortization expense	-	8,461	51,912	884,806
Total Operating Expenses	11	8,483	3,173,834	11,116,760
Operating Income (Loss)	(11)	(8,483)	40,830	7,107,245
NONOPERATING REVENUES (EXPENSES)				
Investment earnings (loss)	1,285	786	-	(92,104)
Interest expense	-	-	-	(87,817)
Total Nonoperating Revenues (Expenses):	1,285	786	-	(179,921)
Income (Loss) Before Transfers	1,274	(7,697)	40,830	6,927,324
Transfers in	-	-	-	58,000
Transfers out	-	-	-	(3,259,685)
Change in Net Position	1,274	(7,697)	40,830	3,725,639
NET POSITION (DEFICIT) - BEGINNING	88,762	100,610	1,631,711	7,970,335
NET POSITION (DEFICIT) - ENDING	\$ 90,036	\$ 92,913	\$ 1,672,541	\$ 11,695,974

**CITY OF CHULA VISTA
COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION
NON-MAJOR PROPRIETARY FUNDS
FOR FISCAL YEAR ENDED JUNE 30, 2023**

	Business -Type Activities - Enterprise Funds	
	Living Coast Discovery Center	Totals
OPERATING REVENUES		
Sales and service charges	\$ -	\$ 21,438,669
Other	-	-
Total Operating Revenues	-	21,438,669
OPERATING EXPENSES		
Administration and general	173,295	13,527,204
Depreciation/amortization expense	-	945,179
Total Operating Expenses	173,295	14,472,383
Operating Income (Loss)	(173,295)	6,966,286
NONOPERATING REVENUES (EXPENSES)		
Investment earnings (loss)	(467)	(90,500)
Interest expense	-	(87,817)
Total Nonoperating Revenues (Expenses):	(467)	(178,317)
Income (Loss) Before Transfers	(173,762)	6,787,969
Transfers in	173,762	231,762
Transfers out	-	(3,259,685)
Change in Net Position	-	3,760,046
NET POSITION (DEFICIT) - BEGINNING	(798)	9,790,620
NET POSITION (DEFICIT) - ENDING	\$ (798)	\$ 13,550,666

**CITY OF CHULA VISTA
COMBINING STATEMENT OF CASH FLOWS
NON-MAJOR PROPRIETARY FUNDS
FOR FISCAL YEAR ENDED JUNE 30, 2023**

	Business-Type Activities - Enterprise Funds			
	Bayfront Trolley Station	Transit Fund	Chula Vista Muni Golf Course	Transport Enterprise
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received from customers and users	\$ -	\$ -	\$ 3,215,018	\$ 17,561,722
Cash paid to suppliers for goods and services	(11)	(22)	(1,805,096)	(5,031,029)
Cash paid to employees for services	-	-	(1,366,682)	(6,469,534)
Cash received from others	-	-	40,849	-
Net Cash Provided by (Used for) Operating Activities	(11)	(22)	84,089	6,061,159
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES				
Cash transfers in	-	-	-	58,000
Cash transfers out	-	-	-	(3,259,685)
Cash received from interfund borrowings	-	-	-	-
Repayment of interfund borrowings	-	-	-	(442,528)
Net Cash Provided by (Used for) Non-Capital Financing Activities	-	-	-	(3,644,213)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition and construction of capital assets	-	-	-	(98,266)
Principal paid on capital debt	-	-	-	(894,038)
Interest paid on capital debt	-	-	-	(91,546)
Net Cash Used for Capital and Related Financing Activities	-	-	-	(1,083,850)
CASH FLOWS FROM INVESTING ACTIVITIES				
Investment loss	1,168	668	-	(111,735)
Net Cash Used for Investing Activities	1,168	668	-	(111,735)
Net Increase (Decrease) in Cash and Cash Equivalents	1,157	646	84,089	1,221,361
Cash and Cash Equivalents - July 1	88,391	86,886	916,171	860,390
Cash and Cash Equivalents - June 30	\$ 89,548	\$ 87,532	\$ 1,000,260	\$ 2,081,751
Reconciliation of Cash and Cash Equivalents to the Amounts Reported on the Statement of Net Position				
Cash and investments	\$ 89,548	\$ 87,532	\$ 135,711	\$ 2,081,751
Cash with fiscal agent	-	-	864,549	-
Total Cash and Cash Equivalents reported on the Statement of Net Position	\$ 89,548	\$ 87,532	\$ 1,000,260	\$ 2,081,751

**CITY OF CHULA VISTA
COMBINING STATEMENT OF CASH FLOWS
NON-MAJOR PROPRIETARY FUNDS
FOR FISCAL YEAR ENDED JUNE 30, 2023**

	Business -Type Activities - Enterprise Funds	
	Living Coast Discovery Center	Totals
	Center	Totals
CASH FLOWS FROM OPERATING ACTIVITES		
Cash received from customers and users	\$ -	\$ 20,776,740
Cash paid to suppliers for goods and services	(143,824)	(6,979,982)
Cash paid to employees for services	-	(7,836,216)
Cash received from others	-	40,849
Net Cash Provided by (Used for) Operating Activities	(143,824)	6,001,391
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES		
Cash transfers in	173,762	231,762
Cash transfers out	-	(3,259,685)
Cash received from interfund borrowings	(178)	(178)
Repayment of interfund borrowings	-	(442,528)
Net Cash Provided by (Used for) Non-Capital Financing Activities	173,584	(3,470,629)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition and construction of capital assets	-	(98,266)
Principal paid on capital debt	-	(894,038)
Interest paid on capital debt	-	(91,546)
Net Cash Used for Capital and Related Financing Activities	-	(1,083,850)
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment loss	(830)	(110,729)
Net Cash Used for Investing Activities	(830)	(110,729)
Net Increase (Decrease) in Cash and Cash Equivalents	28,930	1,336,183
Cash and Cash Equivalents - July 1	-	1,951,838
Cash and Cash Equivalents - June 30	\$ 28,930	\$ 3,288,021
Reconciliation of Cash and Cash Equivalents to the Amounts Reported on the Statement of Net Position		
Cash and investments	\$ 28,930	\$ 2,423,472
Cash with fiscal agent	-	864,549
Total Cash and Cash Equivalents reported on the Statement of Net Position	\$ 28,930	\$ 3,288,021

CITY OF CHULA VISTA
COMBINING STATEMENT OF CASH FLOWS
NON-MAJOR PROPRIETARY FUNDS
FOR FISCAL YEAR ENDED JUNE 30, 2023

	Business-Type Activities - Enterprise Funds			
	Bayfront Trolley Station	Transit Fund	Chula Vista Muni Golf Course	Transport Enterprise
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:				
Operating income (loss)	\$ (11)	\$ (8,483)	\$ 40,830	\$ 7,107,245
Adjustments to Reconcile Operating Income (loss) to Net Cash Provided by (Used for) Operating Activities:				
Depreciation/Amortization	-	8,461	51,912	884,806
(Increase) decrease in accounts receivable	-	-	354	(662,646)
(Increase) decrease in prepaid costs and inventories	-	-	(36,299)	-
(Increase) decrease in deferred outflows from pensions	-	-	-	(3,928,676)
(Increase) decrease in deferred outflows from OPEB	-	-	-	17,939
Increase (decrease) in accounts payable	-	-	40,849	(43,789)
Increase (decrease) in accrued liabilities	-	-	(14,028)	48,739
Increase (decrease) in compensated absences	-	-	471	199,208
Increase (decrease) in net pension liability	-	-	-	1,818,596
Increase (decrease) in net OPEB liability	-	-	-	220,457
Increase (decrease) in deferred inflows from pensions	-	-	-	353,128
Increase (decrease) in deferred inflows from OPEB	-	-	-	46,152
Total Adjustments	-	8,461	43,259	(1,046,086)
Net Cash Provided by (Used for) Operating Activities	\$ (11)	\$ (22)	\$ 84,089	\$ 6,061,159

**CITY OF CHULA VISTA
COMBINING STATEMENT OF CASH FLOWS
NON-MAJOR PROPRIETARY FUNDS
FOR FISCAL YEAR ENDED JUNE 30, 2023**

	Business -Type Activities - Enterprise Funds	
	Living Coast Discovery Center	Totals
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:		
Operating income (loss)	\$ (173,295)	\$ 6,966,286
Adjustments to Reconcile Operating Income (loss) to Net Cash Provided by (Used for) Operating Activities:		
Depreciation/Amortization	-	945,179
(Increase) decrease in accounts receivable	-	(662,292)
(Increase) decrease in prepaid costs and inventories	-	(36,299)
(Increase) decrease in deferred outflows from pensions	-	(3,928,676)
(Increase) decrease in deferred outflows from OPEB	-	17,939
Increase (decrease) in accounts payable	29,471	26,531
Increase (decrease) in accrued liabilities	-	34,711
Increase (decrease) in compensated absences	-	199,679
Increase (decrease) in net pension liability	-	1,818,596
Increase (decrease) in net OPEB liability	-	220,457
Increase (decrease) in deferred inflows from pensions	-	353,128
Increase (decrease) in deferred inflows from OPEB	-	46,152
Total Adjustments	<u>29,471</u>	<u>(964,895)</u>
Net Cash Provided by (Used for) Operating Activities	<u>\$ (143,824)</u>	<u>\$ 6,001,391</u>

CITY OF CHULA VISTA
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
JUNE 30, 2023

	Governmental Activities - Internal Service Funds			
	Fleet Management	Technology Replacement	Workers Compensation	Totals
ASSETS				
Current Assets:				
Cash and investments	\$ 3,217,293	\$ 2,650	\$ 8,971,305	\$ 12,191,248
Cash with fiscal agent	12	-	-	12
Receivables:				
Accounts (net of allowance for uncollectibles)	34,892	-	-	34,892
Accrued interest	3,949	-	-	3,949
Due from other governments	131	-	-	131
Prepaid costs	2,695	-	-	2,695
Total Current Assets	<u>3,258,972</u>	<u>2,650</u>	<u>8,971,305</u>	<u>12,232,927</u>
Capital assets:				
Machinery and equipment	5,534,682	-	-	5,534,682
Less accumulated depreciation/amortization	(4,686,390)	-	-	(4,686,390)
Total Noncurrent Assets	<u>848,292</u>	<u>-</u>	<u>-</u>	<u>848,292</u>
Total Assets	<u>4,107,264</u>	<u>2,650</u>	<u>8,971,305</u>	<u>13,081,219</u>
DEFERRED OUTFLOWS OF RESOURCES				
Pension deferred outflows	1,055,838	-	-	1,055,838
OPEB deferred outflows	58,509	-	-	58,509
Total Deferred Outflows of Resources	<u>1,114,347</u>	<u>-</u>	<u>-</u>	<u>1,114,347</u>
LIABILITIES				
Current Liabilities:				
Accounts payable	275,426	-	122,735	398,161
Accrued liabilities	50,645	-	-	50,645
Accrued interest payable	3,313	-	-	3,313
Accrued compensated absences	19,490	-	-	19,490
Bonds Payable	49,170	-	-	49,170
Total Current Liabilities	<u>398,044</u>	<u>-</u>	<u>122,735</u>	<u>520,779</u>
Noncurrent Liabilities:				
Accrued compensated absences	58,048	-	-	58,048
Net pension liability	488,750	-	-	488,750
Net OPEB liability	248,414	-	-	248,414
Bonds Payable	1,778,539	-	-	1,778,539
Total Noncurrent Liabilities	<u>2,573,751</u>	<u>-</u>	<u>-</u>	<u>2,573,751</u>
Total Liabilities	<u>2,971,795</u>	<u>-</u>	<u>122,735</u>	<u>3,094,530</u>
DEFERRED INFLOWS OF RESOURCES				
Pension deferred inflows	94,904	-	-	94,904
OPEB deferred inflows	31,215	-	-	31,215
Total Deferred Inflows of Resources	<u>126,119</u>	<u>-</u>	<u>-</u>	<u>126,119</u>
NET POSITION (DEFICIT)				
Net investment in capital assets	848,292	-	-	848,292
Unrestricted	1,275,405	2,650	8,848,570	10,126,625
Total Net Position (Deficit):	<u>\$ 2,123,697</u>	<u>\$ 2,650</u>	<u>\$ 8,848,570</u>	<u>\$ 10,974,917</u>

CITY OF CHULA VISTA
COMBINING STATEMENT OF REVENUES,
EXPENSES AND CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS
FOR FISCAL YEAR ENDED JUNE 30, 2023

	Governmental Activities - Internal Service Funds			Totals
	Fleet Management	Technology Replacement	Workers Compensation	
OPERATING REVENUES				
Sales and service charges	\$ 125,551	\$ -	\$ -	\$ 125,551
Interdepartmental charges	4,861,669	-	4,785,897	9,647,566
Other	343,660	-	60,602	404,262
Total Operating Revenues	5,330,880	-	4,846,499	10,177,379
OPERATING EXPENSES				
Administration and general	5,009,061	-	4,693,803	9,702,864
Depreciation/amortization expense	184,900	-	-	184,900
Total Operating Expenses	5,193,961	-	4,693,803	9,887,764
Operating Income (Loss)	136,919	-	152,696	289,615
NONOPERATING REVENUES (EXPENSES)				
Investment earnings (loss)	24,564	-	-	24,564
Interest expense	(42,045)	-	-	(42,045)
Gain on disposal of capital assets	48,356	-	-	48,356
Total Nonoperating Revenues (Expenses)	30,875	-	-	30,875
Income (Loss) Before Transfers	167,794	-	152,696	320,490
Transfers in	321,760	-	-	321,760
Transfers out	(82,673)	-	-	(82,673)
Change in Net Position	406,881	-	152,696	559,577
NET POSITION (DEFICIT) - BEGINNING	1,716,816	2,650	8,695,874	10,415,340
NET POSITION (DEFICIT) - ENDING	\$ 2,123,697	\$ 2,650	\$ 8,848,570	\$ 10,974,917

**CITY OF CHULA VISTA
COMBINING STATEMENT OF CASH
FLOWS INTERNAL SERVICE FUNDS
FOR FISCAL YEAR ENDED JUNE 30, 2023**

	Governmental Activities - Internal Service Funds			
	Fleet Management	Technology Replacement	Workers Compensation	Totals
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received from customers and users	\$ 474,163	\$ -	\$ -	\$ 474,163
Cash received from interfund service provided	4,861,669	-	4,846,499	9,708,168
Cash paid to suppliers for goods and services	(3,875,989)	-	(509,902)	(4,385,891)
Cash paid to employees for services	(1,179,865)	-	(4,101,916)	(5,281,781)
Net Cash Provided by (Used for)				
Operating Activities	279,978	-	234,681	514,659
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES				
Cash transfers in	321,760	-	-	321,760
Cash transfers out	(82,673)	-	-	(82,673)
Principal payments on pension bonds	(48,024)	-	-	(48,024)
Interest paid on pension bonds	(42,054)	-	-	(42,054)
Net Cash Provided by (Used for)				
Non-Capital Financing Activities	149,009	-	-	149,009
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Proceeds from sales of capital assets	48,356	-	-	48,356
Acquisition and construction of capital assets	(587,351)	-	-	(587,351)
Net Cash Used for				
Capital and Related Financing Activities	(538,995)	-	-	(538,995)
CASH FLOWS FROM INVESTING ACTIVITIES				
Investment loss	25,263	-	-	25,263
Net Cash Used for				
Investing Activities	25,263	-	-	25,263
Net Increase in Cash and Cash Equivalents	(84,745)	-	234,681	149,936
Cash and Cash Equivalents - July 1	3,302,050	2,650	8,736,624	12,041,324
Cash and Cash Equivalents - June 30	\$ 3,217,305	\$ 2,650	\$ 8,971,305	\$ 12,191,260
Reconciliation of Cash and Cash Equivalents to the Amounts Reported on the Statement of Net Position				
Cash and investments	\$ 3,217,293	\$ 2,650	\$ 8,971,305	\$ 12,191,248
Cash with fiscal agent	12	-	-	12
Total Cash and Cash Equivalents reported on the Statement of Net Position	\$ 3,217,305	\$ 2,650	\$ 8,971,305	\$ 12,191,260

CITY OF CHULA VISTA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR FISCAL YEAR ENDED JUNE 30, 2023

	Governmental Activities - Internal Service Funds			
	Fleet Management	Technology Replacement	Workers Compensation	Totals
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities:				
Operating income (loss)	\$ 136,919	\$ -	\$ 152,696	\$ 289,615
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:				
Depreciation/Amortization	184,900	-	-	184,900
(Increase) decrease in accounts receivable	4,952	-	-	4,952
(Increase) decrease in prepaid costs	123	-	-	123
(Increase) decrease in deferred outflows from pensions	(957,657)	-	-	(957,657)
(Increase) decrease in deferred outflows from OPEB	9,383	-	-	9,383
Increase (decrease) in accounts payable	(227,896)	-	81,985	(145,911)
Increase (decrease) in accrued liabilities	7,030	-	-	7,030
Increase (decrease) in compensated absences	(13,547)	-	-	(13,547)
Increase (decrease) in net pension liability	2,171,219	-	-	2,171,219
Increase (decrease) in net OPEB liability	17,206	-	-	17,206
Increase (decrease) in deferred inflows from pensions	(1,058,364)	-	-	(1,058,364)
Increase (decrease) in deferred inflows from OPEB	5,710	-	-	5,710
Total Adjustments	<u>143,059</u>	<u>-</u>	<u>81,985</u>	<u>225,044</u>
Net Cash Provided by (Used for) Operating Activities	<u>\$ 279,978</u>	<u>\$ -</u>	<u>\$ 234,681</u>	<u>\$ 514,659</u>

CITY OF CHULA VISTA
COMBINING STATEMENT OF FIDUCIARY NET POSITION
CUSTODIAL FUNDS
JUNE 30, 2023

	Special Assessment Districts	Bayfront Special Tax District	CV Bayfront Facilities Financing Authority	Total
ASSETS				
Cash and cash equivalents	\$ 8,231,022	\$ 150,639	\$ -	\$ 8,381,661
Cash and cash equivalents held with fiscal agents	34,423,353	-	96,009,063	130,432,416
Receivables:				
Accounts	75,720	-	419,137	494,857
Taxes	-	100,134	-	100,134
Notes and loans	-	-	103,937,814	103,937,814
Accrued interest	155,820	765	-	156,585
Advances to other funds	-	-	-	-
Capital assets, not being depreciated	-	-	135,822,432	135,822,432
Total Assets	42,885,915	251,538	336,188,446	379,325,899
LIABILITIES				
Accounts payable	385	-	12,167,669	12,168,054
Accrued interest	1,958,303	7,053	-	1,965,356
Deposit payable	120,532	-	-	120,532
Due to bond holders	13,333,125	-	-	13,333,125
Long-term liabilities:				
Due within one year:				
Loans Payable	-	550,000	-	550,000
Due in more than one year:				
Bonds Payable	-	-	202,789,453	202,789,453
Loans Payable	-	103,387,814	-	103,387,814
Total Liabilities	15,412,345	103,944,867	214,957,122	334,314,334
NET POSITION (DEFICIT):				
Net investment in capital assets	-	-	1,924,016	1,924,016
Restricted:				
Individuals, organizations, and other governments	27,473,570	(103,693,329)	119,307,308	43,087,549
Total Net Position (Deficit)	\$ 27,473,570	\$ (103,693,329)	\$ 121,231,324	\$ 45,011,565

**CITY OF CHULA VISTA
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
CUSTODIAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	Special Assessment Districts	Bayfront Special Tax District	CV Bayfront Facilities Financing Authority	Total
ADDITIONS				
Investment Earnings:				
Net decrease in fair value of investments	\$ 16,748	\$ (1,840)	\$ 377,628	\$ 392,536
Interest, dividends, and other	989,530	4,857	2,449,867	3,444,254
Total Investment Earnings	<u>1,006,278</u>	<u>3,017</u>	<u>2,827,495</u>	<u>3,836,790</u>
Contributions from other governments	-	-	12,600,672	12,600,672
Special assessments	13,154,581	560,186	-	13,714,767
Special tax district contribution	-	-	-	-
Transfers in	-	-	57,213,203	57,213,203
Total Additions	<u>14,160,858</u>	<u>563,203</u>	<u>72,641,370</u>	<u>87,365,431</u>
DEDUCTIONS				
Administrative expenses	1,030	14	-	1,044
Contractual services	246,602	44,004	12,083,049	12,373,655
Debt service and fiscal agent charges	12,813,146	31,116	13,628,351	26,472,613
Transfers out	-	57,213,203	-	57,213,203
Total Deductions	<u>13,060,778</u>	<u>57,288,337</u>	<u>25,711,400</u>	<u>96,060,515</u>
Net Increase in Fiduciary Net Position	<u>1,100,080</u>	<u>(56,725,134)</u>	<u>46,929,970</u>	<u>(8,695,084)</u>
NET POSITION (DEFICIT) - BEGINNING	41,595,081	234,473	27,098,686	68,928,240
Restatements	<u>(15,221,591)</u>	<u>(47,202,668)</u>	<u>47,202,668</u>	<u>(15,221,591)</u>
Net Position (Deficit) - Beginning, as restated	<u>26,373,490</u>	<u>(46,968,195)</u>	<u>74,301,354</u>	<u>53,706,649</u>
NET POSITION (DEFICIT) - ENDING	<u>\$ 27,473,570</u>	<u>\$ (103,693,329)</u>	<u>\$ 121,231,324</u>	<u>\$ 45,011,565</u>



CITY OF CHULA VISTA

Statistical Section

June 30

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

Table of Contents

Page No.

Financial Trends

These schedules contain information to help the reader understand how the city's financial performance and well-being have changed over time.

204-211

Revenue Capacity

These schedules contain information to help the reader assess the factors affecting the city's ability to generate its property and sales taxes.

212-215

Debt Capacity

These schedules present information to help the reader assess the affordability of the city's current levels of outstanding debt and the city's ability to issue additional debt in the future.

216-222

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the city's financial activities take place and to help make comparisons over time and with other governments.

223-224

Operating Information

These schedules contain information about the city's operations and resources to help the reader understand how the city's financial information relates to the services the city provides and the activities it performs.

225-227

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

Fiscal Year	2014	2015	2016	2017	2018
Governmental activities:					
Net investment in capital assets	\$ 649,314,016	\$ 643,174,160	\$ 672,940,012	\$ 1,031,902,782	\$ 963,595,553
Restricted	107,106,257	129,460,665	125,439,323	128,114,370	143,958,910
Unrestricted	<u>22,522,443</u>	<u>(245,432,296)</u>	<u>(222,570,459)</u>	<u>(222,843,737)</u>	<u>(139,744,867)</u>
Total governmental activities net position	<u>778,942,716</u>	<u>527,202,529</u>	<u>575,808,876</u>	<u>937,173,415</u>	<u>967,809,596</u>
Business-type activities:					
Net investment in capital assets	136,513,268	134,368,634	135,989,851	331,199,513	327,687,650
Restricted	-	5,141,430	2,803,451	2,593,403	-
Unrestricted	<u>97,393,640</u>	<u>71,945,411</u>	<u>67,970,476</u>	<u>72,366,978</u>	<u>78,539,054</u>
Total business-type activities net position	<u>233,906,908</u>	<u>211,455,475</u>	<u>206,763,778</u>	<u>406,159,894</u>	<u>406,226,704</u>
Primary government:					
Net investment in capital assets	785,827,284	777,542,794	808,929,863	1,363,102,295	1,291,283,203
Restricted	107,106,257	134,602,095	128,242,774	130,707,773	143,958,910
Unrestricted	<u>119,916,083</u>	<u>(173,486,885)</u>	<u>(154,599,983)</u>	<u>(150,476,759)</u>	<u>(61,205,813)</u>
Total primary government net position	<u>\$ 1,012,849,624</u>	<u>\$ 738,658,004</u>	<u>\$ 782,572,654</u>	<u>\$ 1,343,333,309</u>	<u>\$ 1,374,036,300</u>

	2019	2020	2021	2022	2023
\$	997,561,287	\$ 1,048,711,594	\$ 1,092,307,720	\$ 1,139,225,615	\$ 1,228,680,322
	167,223,184	181,367,432	196,782,954	230,821,470	287,363,139
	<u>(139,394,302)</u>	<u>(135,426,227)</u>	<u>(123,311,317)</u>	<u>(109,552,312)</u>	<u>(120,215,065)</u>
	<u>1,025,390,169</u>	<u>1,094,652,799</u>	<u>1,165,779,357</u>	<u>1,260,494,773</u>	<u>1,395,828,396</u>
	322,072,495	317,722,714	317,133,368	324,179,036	325,567,886
	-	-	565,547	-	-
	<u>90,839,632</u>	<u>102,067,475</u>	<u>107,279,738</u>	<u>136,075,366</u>	<u>152,394,676</u>
	<u>412,912,127</u>	<u>419,790,189</u>	<u>424,978,653</u>	<u>460,254,402</u>	<u>477,962,562</u>
	1,319,633,782	1,366,434,308	1,409,441,088	1,463,404,651	1,554,248,208
	167,223,184	181,367,432	197,348,501	230,821,470	287,363,139
	<u>(48,554,670)</u>	<u>(33,358,752)</u>	<u>(16,031,579)</u>	<u>26,523,054</u>	<u>32,179,611</u>
\$	<u>1,438,302,296</u>	<u>1,514,442,988</u>	<u>1,590,758,010</u>	<u>1,720,749,175</u>	<u>1,873,790,958</u>

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

Fiscal Year	2014	2015	2016	2017	2018
Expenses:					
Governmental activities:					
General government	\$ 25,386,867	\$ 36,693,953	\$ 25,564,824	\$ 35,375,230	\$ 29,311,449
Public safety	74,896,803	81,002,999	87,749,418	94,716,683	106,802,130
Community development	-	-	1,974,046	1,552,750	18,617,269
Community services	-	12,837	5,632	14,990	-
Public works	63,312,155	62,454,130	67,910,401	68,885,918	72,192,449
Parks and recreation	6,118,351	6,441,907	6,834,240	6,875,635	9,553,392
Library	4,092,263	3,906,984	3,997,677	5,018,878	1,542,733
Interest on long-term debt	7,287,461	6,776,635	6,073,434	4,673,047	7,718,906
Total governmental activities expenses	181,093,900	197,289,445	200,109,672	217,113,131	245,738,328
Business-type activities:					
Transit	6,875,214	4,807,985	86,512	39,594	13,008
Bayfront trolley station	61,823	59,863	-	-	27
Transport enterprise	-	-	-	-	-
Sewer fund	26,046,175	31,615,457	25,234,891	32,179,875	34,857,066
Sewer DIFs	129,279	120,197	1,146,838	8,305	34,547
Development services fund	6,113,133	5,996,109	5,741,600	6,655,654	10,683,709
Chula Vista Mini Golf Course	-	-	-	27,092	-
CV Elite Athlete Training Ctr	-	-	-	449,028	676,260
Living Coast Discovery Center	-	-	-	-	-
Total business-type activities expenses	39,225,624	42,599,611	32,209,841	39,359,548	46,264,617
Total primary government expenses	220,319,524	239,889,056	232,319,513	256,472,679	292,002,945
Program revenues:					
Governmental activities:					
Charges for services:					
General government	8,767,069	7,623,676	6,468,756	12,317,921	8,562,792
Public safety	10,198,058	12,100,712	11,764,603	11,997,221	178,674
Community development	-	297,866	730,197	771,603	17,920,527
Public works	30,495,980	31,703,848	24,218,733	32,598,199	23,487,119
Parks and recreation	5,292,433	4,511,278	10,683,649	8,221,019	1,490,236
Library	1,078,592	1,302,869	1,943,416	1,575,837	872,352
Operating contributions and grants	29,456,557	25,102,165	22,416,276	22,751,556	21,246,015
Capital contributions and grants	1,921,554	12,954,191	7,143,130	5,619,731	33,859,885
Total governmental activities program revenues	87,210,243	95,596,605	85,368,760	95,853,087	107,617,600
Business-type activities:					
Charges for services:					
Transit fund	2,672,231	1,503,262	-	-	-
Sewer fund	33,190,660	36,054,603	35,775,374	36,289,930	37,870,947
Sewer DIFs	268,092	166,333	239,143	111,907	1,201,669
Development services fund	6,338,495	6,118,566	6,546,936	7,291,037	10,596,287
Chula Vista Muni Golf Course	-	-	-	-	-
Transport Enterprise	-	-	-	-	-
Operating grants and contributions	3,800,358	5,474,658	306,884	-	104,899
Capital grants and contributions	-	-	-	-	-
Total business-type activities program revenues	46,269,836	49,317,422	42,868,337	43,692,874	49,773,802
Total primary government program revenues	133,480,079	144,914,027	128,237,097	139,545,961	157,391,402
Net revenues (expenses):					
Governmental activities	(93,883,657)	(101,692,840)	(114,740,912)	(121,260,044)	(138,120,728)
Business-type activities	7,044,212	6,717,811	10,658,496	4,333,326	3,509,185
Total net revenues (expenses)	(86,839,445)	(94,975,029)	(104,082,416)	(116,926,718)	(134,611,543)
General revenues and other changes in net assets:					
Governmental activities:					
Taxes:					
Property taxes	45,266,172	47,485,292	50,136,856	53,248,196	56,512,850
Sales tax	29,171,174	41,883,924	33,317,380	36,469,033	57,541,043
Other taxes	32,145,209	23,225,498	24,463,262	24,101,777	32,496,156
Investment income	1,944,988	4,216,186	6,233,144	2,954,403	5,652,663
Other general revenues	686,054	12,921,129	1,034,027	8,970	-
Miscellaneous	-	27,882	336,661	1,677,271	12,675,502
Gain (loss) on sale of capital asset	-	-	-	-	-
Special Item	-	-	-	-	-
Transfers	3,551,004	3,848,746	2,799,555	4,180,778	4,170,702
Total governmental activities	112,764,601	133,608,657	118,320,885	122,640,428	169,048,916
Business-type activities:					
Investment income	1,505,052	657,343	1,357,938	322,527	1,155,739
Miscellaneous	845,650	2,789,595	524,616	198,847,750	414,696
Gain (loss) on sale of capital asset	-	-	-	115,703	-
Transfers	(3,551,004)	(3,848,746)	(2,799,555)	(4,180,778)	(4,170,702)
Total business-type activities	(1,200,302)	(401,808)	(917,001)	195,105,202	(2,600,267)
Total primary government	111,564,299	133,206,849	117,403,884	317,745,630	166,448,649
Changes in net position					
Governmental activities	18,880,944	31,915,817	3,579,973	1,380,384	30,928,188
Business-type activities	5,843,910	6,316,003	9,741,495	199,438,528	908,918
Total primary government	\$ 24,724,854	\$ 38,231,820	\$ 13,321,468	\$ 200,818,912	\$ 31,837,106

	2019	2020	2021	2022	2023
\$	27,922,521	\$ 33,033,582	\$ 18,121,564	\$ 57,993,429	\$ 43,199,147
	111,269,341	125,991,666	131,262,122	111,173,472	130,847,798
	11,153,109	11,768,626	8,555,836	45,701,258	25,674,814
	-	-	-	-	-
	57,563,725	69,016,706	68,218,192	58,402,021	81,289,367
	14,633,191	16,592,077	40,789,923	13,542,362	5,783,062
	1,007,869	1,107,068	4,505,740	2,954,806	3,749,853
	6,740,877	6,027,344	8,857,969	15,631,745	13,400,138
	<u>230,290,633</u>	<u>263,537,069</u>	<u>280,311,346</u>	<u>305,399,093</u>	<u>303,944,179</u>
	160,797	13,923	8,461	8,500	8,483
	-	-	-	19	11
	-	-	3,634,677	12,006,347	11,191,576
	36,815,795	38,523,661	39,808,699	33,398,914	40,934,038
	495,865	510,789	438,680	305,619	387,959
	10,755,535	9,644,465	10,165,866	8,233,072	10,155,101
	-	-	-	2,982,489	3,173,834
	595,579	691,256	585,009	575,339	1,219,972
	-	95,405	101,112	118,750	172,989
	<u>48,823,571</u>	<u>49,479,499</u>	<u>54,742,504</u>	<u>57,629,049</u>	<u>67,243,963</u>
	<u>279,114,204</u>	<u>313,016,568</u>	<u>335,053,850</u>	<u>363,028,142</u>	<u>371,188,142</u>
	5,004,895	1,194,045	3,685,466	6,763,379	1,943,828
	5,865,227	8,154,003	6,912,095	7,752,570	8,933,510
	4,701,195	46,290,223	10,780,843	5,836,312	9,647,486
	23,562,841	24,140,150	20,949,678	30,823,899	30,697,778
	2,134,964	2,066,000	1,576,819	2,101,823	2,479,537
	877,744	653,790	701,945	810,146	604,712
	20,686,617	16,656,454	25,787,760	47,300,700	54,392,158
	<u>27,052,711</u>	<u>25,449,043</u>	<u>59,987,995</u>	<u>58,796,673</u>	<u>62,001,862</u>
	<u>89,886,194</u>	<u>124,603,708</u>	<u>130,382,601</u>	<u>160,185,502</u>	<u>170,700,871</u>
	-	-	-	-	-
	44,213,351	44,740,438	42,091,953	49,050,723	49,117,788
	1,265,579	834,494	594,707	886,029	832,475
	9,317,298	9,269,133	10,617,448	10,807,052	9,298,438
	-	-	-	3,300,593	3,214,664
	-	-	-	19,980,980	18,224,005
	163,380	33,893	185,587	-	-
	-	-	2,672,900	-	-
	<u>54,959,608</u>	<u>54,877,958</u>	<u>56,162,595</u>	<u>84,025,377</u>	<u>80,687,370</u>
	<u>144,845,802</u>	<u>179,481,666</u>	<u>186,545,196</u>	<u>244,210,879</u>	<u>251,388,241</u>
	(140,404,439)	(138,933,361)	(149,928,745)	(145,213,591)	(133,243,308)
	6,136,037	5,398,459	1,420,091	26,396,328	13,443,407
	<u>(134,268,402)</u>	<u>(133,534,902)</u>	<u>(148,508,654)</u>	<u>(118,817,263)</u>	<u>(119,799,901)</u>
	59,841,972	62,905,983	66,864,796	69,565,097	75,655,629
	73,187,780	78,964,672	92,895,930	102,428,825	103,350,833
	35,204,174	35,247,893	38,175,933	41,671,204	46,690,873
	12,243,685	14,062,136	4,836,055	(6,855,109)	9,523,650
	-	-	-	-	-
	13,963,434	13,897,888	12,696,745	21,755,785	11,184,009
	102,283	-	105,741	192,543	(296,411)
	-	-	-	-	(2,765,896)
	4,339,276	4,352,954	4,664,733	7,527,863	7,965,818
	<u>198,882,604</u>	<u>209,431,526</u>	<u>220,239,933</u>	<u>236,286,208</u>	<u>251,308,505</u>
	4,575,679	5,450,627	1,175,687	(3,650,561)	2,319,648
	252,213	380,617	7,245,994	16,545,269	9,730,345
	60,770	1,313	11,425	47,609	70,150
	<u>(4,339,276)</u>	<u>(4,352,954)</u>	<u>(4,664,733)</u>	<u>(7,527,863)</u>	<u>(7,965,818)</u>
	549,386	1,479,603	3,768,373	5,414,454	4,154,325
	<u>199,431,990</u>	<u>210,911,129</u>	<u>224,008,306</u>	<u>241,700,662</u>	<u>255,462,830</u>
	58,478,165	70,498,165	70,311,188	91,072,617	118,065,197
	6,685,423	6,878,062	5,188,464	31,810,782	17,597,732
\$	<u>65,163,588</u>	<u>77,376,227</u>	<u>75,499,652</u>	<u>122,883,399</u>	<u>135,662,929</u>

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

Fiscal Year	2014	2015	2016	2017	2018
General fund:					
Nonspendable	\$ 7,424,812	\$ 7,419,002	\$ 1,527,055	\$ 7,363,413	\$ 7,676,350
Restricted	-	-	-	-	-
Committed	6,215,601	7,602,021	6,417,095	5,938,600	64,147,929
Assigned	4,807,244	4,688,124	4,315,568	8,526,339	11,866,874
Unassigned	<u>14,511,252</u>	<u>16,412,879</u>	<u>25,132,939</u>	<u>20,020,613</u>	<u>24,512,363</u>
Total general fund	<u>32,958,909</u>	<u>36,122,026</u>	<u>37,392,657</u>	<u>41,848,965</u>	<u>108,203,516</u>
All other governmental funds:					
Nonspendable	\$ 23,537,524	\$ -	\$ 5,834,630	\$ 5,460	\$ 3,459
Restricted	107,106,257	129,464,688	125,439,323	128,114,370	143,915,260
Committed	10,677,564	9,584,176	9,068,623	6,583,603	6,303,075
Assigned	-	-	1,459,891	-	10,891
Unassigned	<u>(40,451,233)</u>	<u>(37,216,118)</u>	<u>(26,983,855)</u>	<u>(19,394,021)</u>	<u>(4,433)</u>
Total all other governmental funds	<u>\$ 100,870,112</u>	<u>\$ 101,832,746</u>	<u>\$ 114,818,612</u>	<u>\$ 115,309,412</u>	<u>\$ 150,228,252</u>

	2019	2020	2021	2022	2023
\$	7,578,086	\$ 9,290,599	\$ 12,559,029	\$ 12,121,324	\$ 5,302,883
	-	-	1,042,970	9,465,060	25,673,596
	46,370,754	11,082,859	11,904,304	11,731,844	18,253,033
	41,546,738	66,514,060	65,282,025	79,567,415	75,747,000
	<u>23,378,859</u>	<u>25,636,659</u>	<u>28,315,924</u>	<u>27,682,371</u>	<u>24,895,945</u>
	<u>118,874,437</u>	<u>112,524,177</u>	<u>119,104,252</u>	<u>140,568,014</u>	<u>149,872,457</u>
\$	4,277	\$ 189,587	\$ 519,258	\$ 504,336	\$ 490,908
	167,241,347	181,367,432	195,739,984	220,356,410	261,198,635
	5,219,729	5,321,988	5,344,272	-	-
	64,202	122,922	-	-	-
	<u>(2,147,643)</u>	<u>(878,624)</u>	<u>(2,583,780)</u>	<u>(1,978,532)</u>	<u>(2,429,054)</u>
\$	<u>170,381,912</u>	<u>186,123,305</u>	<u>199,019,734</u>	<u>218,882,214</u>	<u>259,260,489</u>

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

Fiscal Year	2014	2015	2016	2017	2018
Revenues:					
Taxes	\$ 106,825,885	\$ 112,594,714	\$ 110,452,962	\$ 121,462,604	\$ 139,296,422
Licenses and permits	1,355,342	1,322,254	1,328,020	1,290,968	1,601,980
Fines and forfeitures	1,685,268	2,280,880	1,942,656	1,805,508	2,035,823
Investment income (loss)	4,698,387	5,044,602	7,006,545	3,766,457	5,682,112
Developer fees	9,515,921	7,484,592	11,657,266	8,810,178	23,506,237
Intergovernmental	28,647,410	26,409,294	23,868,074	23,427,460	25,522,199
Charges for services	20,748,232	20,112,124	22,647,645	26,662,094	23,630,103
Contributions	-	-	-	-	11,176,064
Other	14,896,960	15,932,194	15,839,288	23,529,357	21,132,605
Total revenues	<u>188,373,405</u>	<u>191,180,654</u>	<u>194,742,456</u>	<u>210,754,626</u>	<u>253,583,545</u>
Expenditures					
Current:					
General government	29,341,881	26,413,901	29,087,838	33,218,003	23,723,205
Public safety	76,457,979	80,235,099	83,637,644	87,731,136	95,424,528
Public works	40,894,934	41,459,698	49,775,141	45,135,590	37,856,917
Community Development	-	-	1,974,046	2,030,654	17,601,341
Parks and recreation	3,590,441	3,746,349	4,059,567	4,246,605	4,276,366
Library	3,810,004	3,625,949	3,969,307	4,721,120	3,943,063
Capital outlay	15,347,338	22,216,530	12,976,408	19,172,666	40,843,898
Debt service:					
Principal retirement	54,040,855	5,340,205	34,980,737	6,110,055	11,898,280
Interest and fiscal charges	7,850,448	6,678,144	6,437,941	5,194,264	8,382,476
Payment to refunded bond escrow agent	-	-	422,751	2,673,892	-
Total expenditures	<u>231,333,880</u>	<u>189,715,875</u>	<u>227,321,380</u>	<u>210,233,985</u>	<u>243,950,074</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(42,960,475)</u>	<u>1,464,779</u>	<u>(32,578,924)</u>	<u>520,641</u>	<u>9,633,471</u>
Other financing sources (uses):					
Transfers in	20,113,296	30,478,465	21,708,446	27,905,430	49,858,764
Transfers out	(16,551,879)	(27,503,760)	(18,897,272)	(25,949,256)	(47,177,986)
Proceeds from long-term debt	2,174,204	2,121,500	578,224	377,487	-
Proceeds from bond sale	-	45,920,000	-	34,330,000	34,485,000
Payment to escrow agent trust	-	-	-	(7,135,000)	(36,860,637)
Bond premium/(bond discount)	-	3,537,111	-	2,262,493	2,836,273
Subscriptions	-	-	-	-	-
Financed Purchase	-	-	-	-	-
Leases	-	-	-	-	1,285,053
Total other financing sources (uses)	<u>5,735,621</u>	<u>54,553,316</u>	<u>3,389,398</u>	<u>31,791,154</u>	<u>4,426,467</u>
Special item	-	-	-	-	-
Net change in fund balances	<u>\$ (37,224,854)</u>	<u>\$ 56,018,095</u>	<u>\$ (29,189,526)</u>	<u>\$ 32,311,795</u>	<u>\$ 14,059,938</u>
Debt service as a percentage of noncapital expenditures	30.3%	6.9%	20.3%	6.0%	10.0%

	2019	2020	2021	2022	2023
\$	157,824,296	\$ 166,215,250	\$ 185,983,649	\$ 201,616,493	\$ 212,781,244
	2,367,165	1,834,236	2,005,923	1,962,967	1,961,064
	2,218,235	1,670,628	1,346,492	1,572,303	1,598,385
	12,212,190	14,062,136	4,836,055	(6,841,017)	9,499,084
	18,068,217	10,653,015	15,955,351	25,983,157	28,445,159
	26,409,517	27,836,371	37,274,120	67,809,266	69,732,761
	24,925,513	27,616,079	30,993,090	38,459,855	40,032,188
	15,244,658	11,984,032	7,679,652	-	-
	17,419,459	16,225,790	19,790,763	11,027,272	8,663,030
	<u>276,689,250</u>	<u>278,097,537</u>	<u>305,865,095</u>	<u>341,590,296</u>	<u>372,712,915</u>
	23,452,836	28,002,094	81,861,532	56,671,621	39,194,530
	101,580,642	114,661,942	286,042,703	109,040,668	117,430,150
	29,974,482	33,284,800	87,018,056	34,949,572	46,209,666
	10,860,838	10,951,941	19,453,357	45,770,658	24,315,988
	11,208,237	10,661,708	44,357,263	11,596,166	4,837,190
	3,948,154	3,580,413	10,709,718	3,115,863	3,478,517
	49,253,675	51,371,872	49,508,887	31,055,664	62,025,766
	11,760,783	12,810,263	13,254,548	20,191,204	22,461,553
	8,023,403	7,348,481	7,961,316	15,626,455	13,074,203
	-	-	-	-	-
	<u>250,063,050</u>	<u>272,673,514</u>	<u>600,167,380</u>	<u>328,017,871</u>	<u>333,027,563</u>
	26,626,200	5,424,023	(294,302,285)	13,572,425	39,685,352
	20,965,197	22,619,355	31,219,762	51,475,566	58,865,855
	(16,625,921)	(18,443,510)	(26,732,447)	(44,115,233)	(51,139,125)
	-	-	-	3,426,935	-
	-	-	308,476,104	-	-
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	404,808
	-	-	-	-	3,986,967
	759,697	1,023,800	-	13,323,750	-
	<u>5,098,973</u>	<u>5,199,645</u>	<u>312,963,419</u>	<u>24,111,018</u>	<u>12,118,505</u>
	-	-	-	-	(2,765,896)
\$	<u>31,725,173</u>	<u>10,623,668</u>	<u>18,661,134</u>	<u>37,683,443</u>	<u>49,037,961</u>
	10.0%	9.3%	3.6%	10.8%	10.7%

CITY OF CHULA VISTA

**Assessed Value and Estimated Actual Value of Taxable Property Last
Ten Fiscal Years**

Fiscal Year Ended June 30,	Secured	Unsecured	Less: Exemptions	Taxable Assessed Value ¹	Total Direct Tax Rate
2014	\$ 21,922,151,025	\$ 555,819,631	\$ (831,701,747)	\$ 21,646,268,909	0.1438%
2015	23,413,030,465	542,342,957	(864,933,069)	23,090,440,353	0.1438%
2016	24,754,131,895	549,312,047	(847,445,301)	24,455,998,641	0.1438%
2017	26,210,551,258	543,505,450	(977,982,199)	25,776,074,509	0.1438%
2018	27,801,823,181	559,678,820	(1,009,910,410)	27,351,591,591	0.1438%
2019	29,390,231,110	592,221,286	(1,118,567,598)	28,863,884,798	0.1438%
2020	31,185,048,225	602,642,833	(1,191,602,603)	30,596,088,455	0.1437%
2021	33,136,962,193	641,452,322	(1,374,268,953)	32,404,145,562	0.1438%
2022	34,629,964,921	570,315,343	(1,606,360,066)	33,593,920,198	0.1438%
2023	37,345,350,471	721,184,037	(1,688,479,696)	36,378,054,812	0.1438%

¹ Includes redevelopment incremental valuation.

Note:

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

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

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

Fiscal Year	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
City Direct Rates:										
City basic rate	0.1438	0.1438	0.1438	0.1438	0.1438	0.1438	0.1437	0.1438	0.1438	0.1438
Overlapping Rates:										
Chula Vista Elementary School District Bonds	0.0463	0.0475	0.0430	0.0432	0.0359	0.0392	0.0374	0.0646	0.0628	0.0505
Sweetwater Union High School District Bonds	0.0582	0.0541	0.0517	0.0516	0.0516	0.0528	0.0516	0.0488	0.0461	0.0691
Southwestern Community College Bonds	0.0368	0.0358	0.0396	0.0386	0.0498	0.0467	0.0448	0.0279	0.0485	0.0422
MWD D/S Remainder of SDCWA 15019999	0.0035	0.0035	0.0035	0.0035	0.0035	0.0035	0.0035	0.0035	0.0035	0.0035
County of San Diego*	<u>1.0000</u>	<u>1.0000</u>	<u>1.0000</u>	<u>1.0000</u>	<u>1.0000</u>	<u>1.0000</u>	<u>1.0000</u>	<u>1.0000</u>	<u>1.0000</u>	<u>1.0000</u>
Total Overlapping Rates	<u>1.1448</u>	<u>1.1409</u>	<u>1.1378</u>	<u>1.1369</u>	<u>1.1408</u>	<u>1.1422</u>	<u>1.1373</u>	<u>1.1448</u>	<u>1.1609</u>	<u>1.1653</u>

*Breakdown of the County of San Diego 1.00 Rate:

County General	0.15920355
Gen Elem Chula Vista	0.29103670
High Sweetwater Union	0.18823068
Southwestern Community College	0.05072194
County School Service	0.00757296
County School Service - Capital Outlay	0.00190859
Childrens Institutions Tuition	0.00161434
Regional Occupational Centers	0.00483027
Chula Vista Project (19/84601)	0.00019695
Chula Vista Project (19/84602)	0.00039390
Educational Revenue Augmentation Fund	0.14676995
Chula Vista City	0.14375071
South Bay Irrigation	-
CWA South Bay Irrigation	0.00376946
San Diego Unified Port	-
Total	1.00000000

Note:

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

Source: County of San Diego Property Tax Services and ACAP 345B

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

Taxpayer	2023			2014		
	Taxable Assessed Value	Rank	Percent of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percent of Total City Taxable Assessed Value
Rohr Inc.	208,196,329	1	0.57%	\$ 252,188,020	1	1.17%
John Hancock Life Insurance Co USA	161,181,354.00	2	0.44%	-	-	-
GGP Otay Ranch LP	142,213,758	3	0.39%	-	-	-
R-12 B LLC	136,761,342	4	0.38%	-	-	-
Chula Vista Apartments LLC	134,693,743	5	0.37%	-	-	-
Regulo Place Apartments Invest	125,225,243	6	0.34%	92,415,852	4	0.43%
Homefed Otay Land II LLC	119,654,541	7	0.33%	-	-	-
Village of Escaya Apartments LLC	117,558,319	8	0.32%	-	-	-
Sunbow Partners LP	104,098,342	9	0.29%	-	-	-
N M Pulse LLC	104,021,582	10	0.29%	-	-	-
JPB Development	-	-	-	226,747,987	2	1.05%
EQR Teresina LP	-	-	-	137,976,588	3	0.64%
Chula Vista Center LLC	-	-	-	70,554,229	5	0.33%
Camden USA Inc	-	-	-	65,411,407	6	0.30%
Wal-Mart Stores Inc	-	-	-	51,681,393	7	0.24%
Bre Properties Inc.	-	-	-	51,652,307	8	0.24%
S S B T L C R E V LLC	-	-	-	51,485,601	9	0.24%
Costco Wholesale Corp	-	-	-	44,653,537	10	0.21%
Total	\$ 1,353,604,553		3.72%	\$ 1,044,766,921		4.85%

Sources: MuniServices, LLC, an Avenu Insights & Analytics Company
HdL, Coren & Cone
County of San Diego Property Tax Services PT Base Tab Taxable Assessed Value for FYE

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

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year ¹	Collected within the Fiscal Year of Levy		Collections in Subsequent Years ²	Total Collections to Date	
		Amount	Percent of Levy		Amount	Percent of Levy
2014	\$ 26,063,753	\$ 25,758,225	98.83%	\$ 39,776	\$ 25,798,000	98.98%
2015	27,726,666	27,398,740	98.82%	36,404	27,435,143	98.95%
2016	29,083,269	28,800,156	99.03%	68,973	28,869,128	99.26%
2017	30,632,668	30,388,650	99.20%	49,984	30,438,634	99.37%
2018	32,518,946	32,206,343	99.04%	58,329	32,264,672	99.22%
2019	34,198,598	33,877,270	99.06%	6,562	33,883,832	99.08%
2020	36,202,585	35,677,358	98.55%	80,701	35,758,059	98.77%
2021	38,360,550	37,854,693	98.68%	211,814	38,066,507	99.23%
2022	39,703,800	39,278,153	98.93%	158,717	39,436,870	99.33%
2023	42,826,740	42,399,453	99.00%	(75,775)	42,323,678	98.83%

¹ Levy amounts do not include supplemental taxes.

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

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

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

Fiscal Year Ended June 30,	Governmental Activities							Total Governmental Activities
	Pension Obligation Bonds	Loans	Certificates of Participation	Capital Leases ²	Leases ²	Financed Purchases ²	SBITA ³	
2014	\$ -	\$ 16,319,311	\$ 121,650,000	\$ 2,047,312	\$ -	\$ -	\$ -	\$ 140,016,623
2015	-	15,455,642	117,590,000	2,393,674	-	-	-	135,439,316
2016	-	16,205,773	111,195,000	2,467,714	-	-	-	129,868,487
2017	-	42,581,074	81,610,000	3,279,703	-	-	-	127,470,777
2018	-	117,927,392	78,260,000	5,125,643	-	-	-	201,313,035
2019	-	108,811,346	74,770,000	5,243,991	-	-	-	188,825,337
2020	-	99,253,322	71,110,000	5,188,939	-	-	-	175,552,261
2021	311,272,126	89,342,072	67,250,000	6,497,094	-	-	-	474,361,292
2022*	316,587,171	82,444,480	63,205,000	-	694,262	4,800,982	-	467,731,895
2023	308,481,721	15,053,436	114,230,000	-	442,467	7,911,814	1,283,006	447,402,444

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

² GASB Statement No. 87, *Leases* implementation in FY2022.

³ GASB Statement No. 96, *Subscription-Based Information Technology Arrangement (SBITA)* implementation in FY2023.

* The Pension Obligation Bonds balance was reallocated between Governmental Activities and Business-Type Activities due to changes in accounting estimates.

** SANDAG's estimates for FY2022 and 2023 are not available.

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

Source: San Diego Association of Governments (SANDAG)
City Finance Department

Business-Type Activities

Pension Obligation Bonds	Capital Leases ²	Leases ²	Financed Purchases ²	SBITA ³	Total Bus-Type Activities	Total Primary Government	Percentage of Personal Income ¹	Debt Per Capita ¹
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 140,016,623	1.09%	\$ 538
-	-	-	-	-	-	135,439,316	0.99%	516
-	-	-	-	-	-	129,868,487	0.97%	492
-	-	-	-	-	-	127,470,777	0.88%	478
-	-	-	-	-	-	201,313,035	1.46%	750
-	-	-	-	-	-	188,825,337	1.29%	696
-	10,858	-	-	-	10,858	175,563,119	1.13%	642
38,752,874	4,500,499	-	-	-	43,253,373	517,614,665	2.85%	1,728
26,932,829	-	184,617	3,630,290	-	30,747,736	498,479,631	n/a **	1,690
26,243,279	-	-	2,736,251	487,080	29,466,610	476,869,054	n/a**	n/a**

CITY OF CHULA VISTA
Ratio of General Bonded Debt Outstanding
Last Ten Fiscal Years

Fiscal Year Ended June 30,	Outstanding General Bonded Debt			
	Pension Obligation		Percent of Assessed Value ¹	Per Capita
	Bonds	Total		
2014	\$ -	\$ -	0.00%	\$ -
2015	-	-	0.00%	-
2016	-	-	0.00%	-
2017	-	-	0.00%	-
2018	-	-	0.00%	-
2019	-	-	0.00%	-
2020	-	-	0.00%	-
2021	350,025,000	350,025,000	1.08%	1,275
2022	343,520,000	343,520,000	1.02%	1,241
2023	334,725,000	334,725,000	0.92%	n/a *

General bonded debt is debt payable with governmental fund resources and general obligation bonds recorded in enterprise funds.

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

* Per Capita estimate from SANDAG for FY2023 is not available.

Source: San Diego Association of Governments (SANDAG)
City Finance Department

CITY OF CHULA VISTA
Direct and Overlapping Debt
June 30, 2023

2022-23 Assessed Valuation: \$ 36,378,054,812

<u>OVERLAPPING TAX AND ASSESSMENT DEBT:</u>	Total Debt		City's Share of Debt
	6/30/2023	% Applicable ¹	6/30/2023
Metropolitan Water District	\$ 19,215,000	0.999%	\$ 191,958
Southwestern Community College District	758,359,345	50.549%	383,343,065
Sweetwater Union High School District	617,301,738	59.883%	369,658,800
Chula Vista City School District	109,173,285	87.995%	96,067,032
Chula Vista City School District Schools Facilities Improvement District No. 1	76,540,000	80.403%	61,540,456
National School District	35,574,000	3.681%	1,309,479
City of Chula Vista Community Facilities Districts	119,135,000	100.000%	119,135,000
Sweetwater Union High School District Community Facilities District No. 1	11,724,715	100.000%	11,724,715
Sweetwater Union High School District Community Facilities District No. 2	69,392	100.000%	69,392
Sweetwater Union High School District Community Facilities District No. 3	3,734,157	100.000%	3,734,157
Sweetwater Union High School District Community Facilities District No. 4	1,982,009	100.000%	1,982,009
Sweetwater Union High School District Community Facilities District No. 5	988,836	68.799%	680,309
Sweetwater Union High School District Community Facilities District No. 6	4,345,674	100.000%	4,345,674
Sweetwater Union High School District Community Facilities District No. 10	2,775,680	21.811%	605,404
Sweetwater Union High School District Community Facilities District No. 11	2,892,779	100.000%	2,892,779
Sweetwater Union High School District Community Facilities District No. 12	1,305,437	100.000%	1,305,437
Sweetwater Union High School District Community Facilities District No. 13	1,669,745	100.000%	1,669,745
Sweetwater Union High School District Community Facilities District No. 14	3,096,618	100.000%	3,096,618
Sweetwater Union High School District Community Facilities District No. 15	1,812,866	100.000%	1,812,866
Sweetwater Union High School District Community Facilities District No. 16	1,934,302	100.000%	1,934,302
Sweetwater Union High School District Community Facilities District No. 17	2,983,856	100.000%	2,983,856
Sweetwater Union High School District Community Facilities District No. 18	69,392	100.000%	69,392
City of Chula Vista 1915 Act Bonds	2,560,000	100.000%	2,560,000
California Municipal Financing Authoring Community Facilities District No. 2021-11	39,380,000	100.000%	39,380,000
California Statewide Communities Development Authority 1915 Act Bonds	422,252	100.000%	422,252
TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT			\$ 1,112,514,697

DIRECT AND OVERLAPPING GENERAL FUND DEBT:

San Diego County General Fund Obligations	\$ 229,680,000	5.538%	\$ 12,719,678
San Diego County Pension Obligation Bonds	277,990,000	5.538%	15,395,086
San Diego County Superintendent of Schools Obligations	6,935,000	5.538%	384,060
Southwestern Community College District Certificates of Participation	260,000	50.549% ¹	131,427
Sweetwater Union High School District General Fund Obligations	770,000	59.883%	461,099
Chula Vista City School District Certificates of Participation	179,945,000	87.995%	158,342,603
City of Chula Vista General Fund Obligations	138,920,723	100.000%	138,920,723 ²
City of Chula Vista Pension Obligation Bonds	308,481,721	100.000%	308,481,721
TOTAL DIRECT AND OVERLAPPING GENERAL FUND DEBT			\$ 634,836,397

OVERLAPPING TAX INCREMENT DEBT (Successor Agency): \$ 19,010,000 99.689% \$ 18,950,879

TOTAL DIRECT DEBT	\$ 447,402,444
TOTAL OVERLAPPING DEBT	1,318,899,529
COMBINED TOTAL DEBT	\$ 1,766,301,973³

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

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

³ Excludes tax and revenue anticipation notes, enterprise revenue and mortgage revenue. Qualified Zone Academy Bonds are included based on principal due at maturity.

Ratios to 2022-23 Assessed Valuation:

Total Overlapping Tax and Assessment Debt	3.06%
Total Direct Debt (\$447,402,444)	1.23%
Combined Total Debt	4.86%

Ratios to Redevelopment Successor Agency Incremental Valuation (\$2,177,478,698):

Total Overlapping Tax Increment Debt	0.87%
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Sources: California Municipal Statistics, Inc.
City Finance Department

CITY OF CHULA VISTA
Legal Debt Margin Information
(Dollars in Thousands)
Last Ten Fiscal Years

Fiscal Year	2014	2015	2016	2017	2018
Assessed valuation	\$ 21,646,269	\$ 23,090,440	\$ 24,455,999	\$ 25,776,075	\$ 27,351,592
Conversion percentage	25%	25%	25%	25%	25%
Adjusted assessed valuation Debt	5,411,567	5,772,610	6,114,000	6,444,019	6,837,898
limit percentage	15%	15%	15%	15%	15%
Debt limit	811,735	865,892	917,100	966,603	1,025,685
Total net debt applicable to limit: Pension obligation bonds	-	-	-	-	-
Legal debt margin	<u>\$ 811,735</u>	<u>\$ 865,892</u>	<u>\$ 917,100</u>	<u>\$ 966,603</u>	<u>\$ 1,025,685</u>
Total debt applicable to the limit as a percentage of debt limit	0.0%	0.0%	0.0%	0.0%	0.0%

Note:

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.

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

	2019	2020	2021	2022	2023
\$	28,863,885	\$ 30,596,088	\$ 32,404,146	\$ 33,593,920	\$ 36,378,055
	25%	25%	25%	25%	25%
	7,215,971	7,649,022	8,101,036	8,398,480	9,094,514
	15%	15%	15%	15%	15%
	1,082,396	1,147,353	1,215,155	1,259,772	1,364,177
	-	-	350,025	343,520	334,774
<u>\$</u>	<u>1,082,396</u>	<u>\$ 1,147,353</u>	<u>\$ 865,130</u>	<u>\$ 916,252</u>	<u>\$ 1,029,403</u>
	0.0%	0.0%	28.8%	27.3%	24.5%

CITY OF CHULA VISTA
Pledged-Revenue Coverage Last Ten
Fiscal Years

Note: The City does not have debt in the last ten fiscal years with this requirement. Details regarding the City's outstanding debt can be found in the notes to basic financial statements.

Source: City Finance Department

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

Year	Total Population ¹	% of S.D. County Population ¹	% Change from Previous Year ¹	Median Age ²	Avg. Household Size ¹	Educational Attainment			Unemployment Rate ⁴	Personal Income (in thousands) ⁵	Per Capita Personal Income ⁵
						% High School Graduate ³	% Bachelor's Degree or Higher ³	% Below Poverty ³			
2014	260,177	8.0%	1.5%	32.9	3.29	80.4%	27.8%	12.8%	8.20%	\$ 12,819,059	\$ 49,271
2015	262,484	8.0%	0.9%	33.0	3.30	82.3%	29.8%	10.6%	6.60%	13,615,626	51,872
2016	264,046	8.0%	0.6%	33.0	3.30	80.1%	27.4%	10.5%	5.2%	13,358,859	50,593
2017	266,427	8.1%	0.9%	33.1	3.30	80.9%	28.1%	11.5%	4.4%	14,432,090	54,169
2018	268,588	8.1%	0.8%	33.1	3.29	85.5%	27.4%	8.4%	3.7%	13,834,485	51,508
2019	271,362	8.1%	1.0%	33.1	3.27	83.2%	29.2%	8.7%	3.60%	14,606,180	53,825
2020	273,384	8.2%	0.7%	33.1	3.25	83.8%	29.2%	9.5%	10.70%	15,598,460	57,057
2021	274,449	8.3%	0.4%	32.9	3.23	82.6%	33.0%	8.9%	7.5%	16,658,152	60,482
2022 *	276,785	8.4%	0.1%	37.2	3.22	n/a	n/a	n/a	3.9%	n/a	n/a
2023 *	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a

Source:

Data compiled by SANDAG Service Bureau using the following sources:

¹ California Department of Finance, "January Population and Housing Estimates"

² SANDAG Estimates, Vintage 2021 (2011-2021)

³ American Community Survey (ACS) 1-Year Estimates, Tables B15003 (Educational Attainment) and B17001 (Poverty)

⁴ California Employment Development Department (EDD), Local Area Unemployment Statistics (LAUS), Annual Average

⁵ U.S. Bureau of Economic Analysis (BEA), Regional Economic Accounts "Local Area Personal Income Accounts," Table CA5N; ACS 1-Year Estimates, Table B19301; Bureau of Labor Statistics (BLS), retrieved from FRED, Chained Consumer Price Index (CPI), "Series CUUSA424SA0." Personal Income and PCPI of 2022 is not available yet.

* SANDAG estimates for FY2022 and 2023 are not available.

Note: Year-to-year variation for Educational Attainment and Poverty are the result of both actual change and sampling error. Per Capita Personal Income (PCPI) is the share of the jurisdiction's Per Capita Income to the region's based on the ACS 1-Year Estimates, Table B19301, multiplied by the region's PCPI from BEA. Personal Income is the product of PCPI and Total Population. Dollar values are inflation-adjusted to 2021 dollars.

BEA Personal Income definition: "Personal income is the income received by, or on behalf of, all persons from all sources: from participation as laborers in production, from owning a home or business, from the ownership of financial assets, and from government and business in the form of transfers. It includes income from domestic sources as well as the rest of world. It does not include realized or unrealized capital gains or losses."

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

Employer	2023			2014		
	Number of Employees	Rank	Percent of Total Employment	Number of Employees	Rank	Percent of Total Employment
Sweetwater Union High School District	3,993	1	6.14%	4,096	1	6.92%
Chula Vista Elementary School District	3,776	2	5.81%	2,803	2	4.73%
Sharp Chula Vista Medical Center	2,823	3	4.34%	1,823	4	3.08%
Southwestern Community College	1,792	4	2.76%	1,699	5	2.87%
Wal-Mart	1,413	5	2.17%	1,239	6	2.09%
City of Chula Vista	1,398	6	2.15%	1,154	7	1.95%
Rohr Inc./Goodrich Aerospace	1,307	7	2.01%	2,468	3	4.17%
Scripps Mercy Hospital Chula Vista	1,073	8	1.65%	1,132	8	1.91%
Costco Wholesale	707	9	1.09%	-	-	-
Transdev Services	602	10	0.93%	-	-	-
Target Corporation	-	-	-	659	9	1.11%
24 Hour Fitness	-	-	-	568	10	0.96%

Note:

"Total Employment" as used above represents the total employment of all employers located within City limits.
Per State Employment Development Department's CY2022 Quarter 4 average, this amounts to
65,042 employees in current FY.

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

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

Fiscal Year	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Government	312	288	205	210	198	160	160	172	165	189
Public Safety	425	469	470	474	492	527	554	620	642	656
Public Works/Engr	161	161	241	228	228	184	180	189	185	251
Parks and Recreation	130	161	176	153	158	229	69	137	192	164
Library	77	88	70	77	73	74	24	39	53	66
Development Services	49	49	57	55	58	73	71	69	71	72
Total	1,154	1,216	1,219	1,197	1,207	1,247	1,058	1,226	1,308	1,398

Source: City Finance Department

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

Fiscal Year	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Police:										
Citizen-initiated calls for service	65,645	64,486	67,512	65,672	65,643	64,066	66,470	65,537	66,882	61,623
Fire: ¹										
Number of emergency calls	14,787	18,328	19,612	19,612	21,397	21,803	22,843	24,794	30,895	31,711
Inspections	2,262	4,209	4,207	4,207	3,907	3,862	4,029	6,071	7,776	9,479
Public works:										
Street resurfacing/maintenance ² (square feet)	38,087	61,640	39,338	61,640	16,178	14,734	61,640	32,923	35,859	26,302
Parks and recreation: ³										
Number of recreation classes	2,456	2,388	3,859	3,124	2,658	3,552	2,008	575	2,303	2,408
Number of facility rentals	1,781	1,921	1,573	1,482	688	771	1,100	121	525	663
Library:										
Circulation	954,071	839,616	706,594	706,594	637,119	539,762	500,195	115,005	502,326	498,753
Attendance ⁴	822,895	803,535	857,475	857,475	958,117	1,635,849	961,848	162,300	958,723	922,542
Sewer:										
New connections	553	210	2,211	211	502	1,456	1,628	425	107	187
Average daily sewage treatment (millions of gallons)	15.5	15.5	15.4	15.4	15.2	15.9	16.6	16.1	16.8	17.0

¹ Emergency calls and inspections reported by calendar year.

² Excludes filling of potholes and crack sealing.

³ Parks and Recreation closed majority of FY2021, offered limited number of classes and rentals in between.

⁴ Library closed from March 2020 to May 2021.

Source: City of Chula Vista

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

Fiscal Year	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Fire:										
Fire stations	9	9	9	9	9	9	10	10	10	10
Public works:										
Streets (miles)	433.9	433.9	433.9	433.9	434.2	434.2	445.2	445.2	445.2	447.0
Streetlights ³	9,069	9,069	9,144	9,282	9,539	9,787	9,818	9,828	9,921	9,952
Traffic signals ³	273	273	275	275	282	288	294	301	303	315
Parks and recreation:										
Parks (acreage) ¹	527.7	557.2	557.2	708.0	660.0	660.0	704.0	716.9	722.0	560.0
Recreation facilities	11	11	11	11	11	11	11	11	11	11
Library:										
Libraries	3	3	3	3	3	3	3	3	3	3
Sewer:										
Sewer pipes (miles) ²	511.3	514.3	514.6	514.6	514.6	514.6	516.8	517.0	522.4	527.9
Storm drains (miles) ²	255.2	263.2	266.2	269.6	272.4	273.8	280.6	282.5	307.1	316.7
Maximum daily treatment capacity (millions of gallons)	20.9	20.9	20.9	20.9	20.9	20.9	20.9	20.9	20.9	20.9

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

² Updated Sewer: Sewer Pipes and Storm Drains (miles) per GASB 34 in FY2018.

³ Updated Public Works: Streetlights and Traffic Signals per GASB 34 in FY2020.

Source: City of Chula Vista





INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Chula Vista, California (the "City"), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated December 28, 2023.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.



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

Purpose of This Report

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

Lance, Solt & Lughard, LLP

Brea, California
December 28, 2023