

City of Chula Vista

Statement of Revenues, Expenditures and Changes in Fund Balances

Governmental Funds

For the year ended June 30, 2002

	Major Funds				
	General	Sewer Special Revenue	Development Impact Capital Projects	Redevelopment Agency Capital Projects	Capital Improvement Capital Projects
REVENUES:					
Taxes	\$ 51,457,719	\$ -	\$ -	\$ 2,660,377	\$ -
Intergovernmental	15,882,300	-	-	-	-
Licenses and permits	3,458,645	-	-	-	-
Developer fees	-	-	10,326,419	-	-
Charges for services	11,471,285	22,600,285	-	-	-
Fines and forfeitures	920,531	-	-	-	-
Use of money and property	3,595,682	2,773,475	4,005,722	6,048,896	561,038
Other	13,359,798	385,718	502,843	283,336	4,091,165
Total revenues	100,145,960	25,759,478	14,834,984	8,992,609	4,652,203
EXPENDITURES:					
Current:					
General government	24,451,019	-	962,246	6,190,121	-
Public safety	39,409,867	-	765,207	-	-
Public works	19,379,018	14,618,966	2,043,553	-	-
Parks and recreation	7,978,726	-	-	-	-
Library	6,900,253	-	-	-	-
Capital outlay	5,520,797	4,128,097	9,371,501	4,933,616	12,876,134
Debt service:					
Principal	-	-	-	-	-
Interest and fiscal charges	69,645	-	37,800	226,505	1,622,099
Total expenditures	103,709,325	18,747,063	13,180,307	11,350,242	14,498,233
REVENUES OVER (UNDER) EXPENDITURES	(3,563,365)	7,012,415	1,654,677	(2,357,633)	(9,846,030)
OTHER FINANCING SOURCES (USES):					
Proceeds from bond sale	-	-	-	-	60,145,000
Operating transfers in	15,010,230	1,340,000	10,700,000	1,948,044	-
Operating transfers out	(1,880,274)	(8,900,474)	(8,687,089)	(10,001,840)	(5,205,000)
Total other financing sources (uses)	13,129,956	(7,560,474)	2,012,911	(8,053,796)	54,940,000
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	9,566,591	(548,059)	3,667,588	(10,411,429)	45,093,970
FUND BALANCES:					
Beginning of year	46,422,947	43,312,518	51,697,245	40,298,249	15,905,752
Adjustment to fund balances	330,014	233,894	310,567	29,299	2,843
End of year	\$ 56,319,552	\$ 42,998,353	\$ 55,675,400	\$ 29,916,119	\$ 61,002,565

See accompanying Notes to Basic Financial Statements.

Other Governmental Funds	Total Governmental Funds
\$ 10,196,685	\$ 64,314,781
15,425,684	31,307,984
26,154	3,484,799
312,706	10,639,125
1,122,972	35,194,542
532,348	1,452,879
3,534,704	20,519,517
4,189,665	22,812,525
<u>35,340,918</u>	<u>189,726,152</u>
2,413,193	34,016,579
696,871	40,871,945
3,333,673	39,375,210
-	7,978,726
32,431	6,932,684
17,783,906	54,614,051
4,516,442	4,516,442
8,261,785	10,217,834
<u>37,038,301</u>	<u>198,523,471</u>
<u>(1,697,383)</u>	<u>(8,797,319)</u>
-	60,145,000
15,487,657	44,485,931
<u>(9,682,502)</u>	<u>(44,357,179)</u>
<u>5,805,155</u>	<u>60,273,752</u>
4,107,772	51,476,433
57,947,909	255,584,620
(43,541,948)	(42,635,331)
<u>\$ 18,513,733</u>	<u>\$ 264,425,722</u>

City of Chula Vista
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2002

9. SELF-INSURANCE ACCRUED LIABILITIES, Continued

Annual pool premiums and assessments are approved by the Board of Directors and are adjusted annually based on the City's share of:

- Each member's incurred losses;
- Each member's share of such losses and other expenses as a proportion of all members such losses;
- The contribution to reserves, including reserves for incurred-but-not-reported (IBNR) losses;
- Cost to purchase excess insurance; and
- Cost to purchase any additional coverage

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 coverage from the prior year and there were no insurance settlements which exceeded coverage in each of the past three years.

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

	June 30,	
	2002	2001
Unpaid claims, beginning of year	\$ 3,832,672	\$ 3,084,068
Incurred claims and changes in estimates	6,472,599	2,035,218
Claim payments	(3,438,885)	(1,286,614)
Unpaid claims, end of year	\$ 6,866,386	\$ 3,832,672

10. PENSION PLANS

A. California Public Employees' Retirement Plan

Plan Description

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

City of Chula Vista
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2002

10. PENSION PLANS, Continued

A. California Public Employees' Retirement Plan, Continued

Funding Policy

Active plan members are required by State statute to contribute 7% for miscellaneous and 9% for safety employees of their annual covered salary. The City employer makes the contributions required of City employees on their behalf and for their account, which amounted to \$4,450,685 for the year ended June 30, 2002. The City employer is required to contribute at an actuarial determined rate of 0% and 0% of annual covered payroll for miscellaneous and safety employees, respectively.

Annual Pension Cost – For 2001-2002, the City's annual pension cost of \$0 for PERS was equal to the City's required and actual contributions. The required contribution was determined as part of the June 30, 1999, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions included (a) 8.25% investment rate of return (net of administrative expenses), (b) projected salary increases range from 3.75% to 14.2% for miscellaneous employees and 3.75% to 11.59% for safety employees depending on age, service, and type of employment, and (c) 2% per year cost-of-living adjustments. Both (a) and (b) included an inflation component of 3.5%. The actuarial value of PERS assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a three year period. PERS unfunded actuarial accrued liability (or surplus) is being amortized as a level percentage of projected payroll on a closed basis. The amortization period at June 30, 2002, was 58 years for miscellaneous employees and 10 years for safety employees for prior and current service unfunded liability.

THREE-YEAR TREND INFORMATION FOR PERS

Fiscal Year	Pension Cost (APC)	APC Contributed	Net Pension Obligation
6/30/00	\$ 3,468,232	100%	\$ -
6/30/01	3,777,173	100%	-
6/30/02	4,450,685	100%	-

B. Defined Contribution Pension Plan

The City provides pension plan benefits for all of its part-time employees through a defined contribution plan (Public Agency Retirement Plan). In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. The plan is administered as part of the City's 457 Plan. All part-time employees are eligible to participate from the date of employment. Federal legislation requires contributions of at least 7.5% to a retirement plan, and City Council resolved to match the employees' contributions of 3.75%. The City's contributions for each employee (and interest earned by the accounts) are fully vested immediately.

For the year ended June 30, 2002, the City's total payroll and covered payroll was \$2,588,381. The City made employer contributions of \$97,064 (3.75% of current covered payroll), and employees contributed \$97,064 (3.75% of current covered payroll).

City of Chula Vista
 Required Supplementary Information, Continued
 For the year ended June 30, 2002

PUBLIC EMPLOYEE RETIREMENT SYSTEMS (PERS)
 SCHEDULE OF FUNDING PROGRESS

Miscellaneous Employees

Actuarial Valuation Date	Actuarial Asset Value	Entry Age Actuarial Accrued Liability	Overfunded Actuarial Accrued Liability	Funded Ratio	Covered Payroll	Overfunded Actuarial Liability as Percentage of Covered Payroll
6/30/1999	\$ 119,219,693	\$ 84,025,110	\$ 35,194,583	141.89%	\$ 23,987,336	146.72%
6/30/2000	132,880,629	96,209,510	36,671,119	138.12%	30,080,412	121.91%
6/30/2001	138,800,687	132,693,419	6,107,268	104.60%	35,246,083	17.33%

Safety Employees

Actuarial Valuation Date	Actuarial Asset Value	Entry Age Actuarial Accrued Liability	Overfunded Actuarial Accrued Liability	Funded Ratio	Covered Payroll	Overfunded Actuarial Liability as Percentage of Covered Payroll
6/30/1999	\$ 139,419,049	\$ 107,103,394	\$ 32,315,655	130.17%	\$ 13,833,505	233.60%
6/30/2000	153,368,952	116,455,722	36,913,230	131.70%	15,099,374	244.47%
6/30/2001	157,972,500	132,206,831	25,765,669	119.49%	17,247,370	149.39%