



CHULA VISTA FINANCES IN DECENT SHAPE

January 2018
truthinaccounting.org



THE FINANCIAL STATE OF CHULA VISTA

Truth in Accounting's (TIA) new city report ranks and grades the 75 most populous cities in the United States by their financial health. Chula Vista ranks No. 21, earning it a "C" on TIA's grading scale.

Decisions by city officials have left the city with a debt burden of \$166.4 million, according to TIA's analysis of its 2016 financial filings. That burden equates to \$2,100 for every Chula Vista taxpayer.

Chula Vista's overall debt largely consists of bonds payable and entitlement obligations in the form of pension benefits. The city has \$245.1 million in unfunded pension promises and \$12.9 million in unfunded retiree healthcare benefits. While Chula Vista has promised these benefits, little money has been set aside to fund them.

What is alarming is that city government officials continue to hide significant amounts of retirement debt from their balance sheets, despite new rules to increase financial transparency. This skewed financial data gives residents a false impression of their city's overall financial health.

21

Rank

\$166.4
million

Money needed
to pay bills

-\$2,100

Taxpayer
Burden™

C

Financial grade

CHULA VISTA FINANCIAL BREAKDOWN

FAST FACTS

- + Chula Vista has \$157.4 million available in assets to pay \$323.9 million worth of bills.
- + The outcome is a \$166.4 million shortfall and a \$2,100 Taxpayer Burden™.
- + The city reports all of its pension debt on its balance sheet, but still excludes \$3.4 million of retiree healthcare obligations.

THE CITY'S BILLS EXCEED ITS ASSETS

| | |
|---|-----------------|
| Assets | \$1,216,238,000 |
| <i>Minus:</i> Capital assets | -\$930,572,000 |
| Restricted assets | -\$128,241,000 |
| Assets available to pay bills | \$157,425,000 |
| <i>Minus:</i> Bills | -\$323,863,000 |
| Money needed to pay bills | -\$166,438,000 |
| Each taxpayer's share of this debt | -\$2,100 |

BILLS THE CITY HAS ACCUMULATED

| | |
|---|----------------------|
| Bonds | \$115,901,000 |
| Other liabilities | \$71,669,000 |
| <i>Minus:</i> Debt related to capital assets | -\$121,643,000 |
| Unfunded pension benefits | \$245,059,000 |
| Unfunded retiree healthcare | \$12,877,000 |
| Bills | \$323,863,000 |

GRADE: C

Bottom line: Chula Vista's Taxpayer Burden™ is less than \$5,000, so it has received a "C" for its finances from Truth in Accounting. While better off than many other cities, Chula Vista still owes more than it owns.

Truth in Accounting is committed to educating and empowering citizens with understandable, reliable, and transparent government financial information. To be knowledgeable participants in their government and its budget process, citizens need truthful and transparent financial information.