

City of Diamond Bar, California Comprehensive Annual Financial Report

Year ending June 30, 2017



Diamond Canyon Park

CITY OF DIAMOND BAR, CALIFORNIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED
JUNE 30, 2017

Prepared by:
Finance Department

Dianna Honeywell
Director of Finance

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CITY OF DIAMOND BAR
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2017

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City of Diamond Bar

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www.DiamondBarCA.gov

November 7, 2017

Honorable Mayor and Council Members
City of Diamond Bar
Diamond Bar, California

It is an honor to submit to you the Comprehensive Annual Financial Report (CAFR) of the City of Diamond Bar for the fiscal year ended June 30, 2017. This report consists of management's representations concerning the finances of the City. Consequently, responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the City's management. To provide a reasonable basis for making these representations, management of the City has established a comprehensive internal control framework that is designed both to protect the City's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City's financial statements in conformance with generally accepted accounting principles (GAAP). Because the cost of internal controls should not outweigh their benefits, the City's comprehensive framework of internal controls has been designed to provide assurance that the financial statements will be free from misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material aspects.

The City's financial statements have been audited by Lance, Soll, & Lunghard, LLP, a firm of certified public accountants. The goal of the independent audit is to provide reasonable assurance that the financial statements of the City for fiscal year ended June 30, 2017, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded based upon the audit that there was a reasonable basis for rendering an unmodified opinion that the City's financial statements for the fiscal year ended June 30, 2017, were fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

GAAP requires 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 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.

PROFILE OF THE CITY OF DIAMOND BAR

The City of Diamond Bar was incorporated on April 18, 1989, and is located at the eastern edge of Los Angeles County in the East San Gabriel Valley. Diamond Bar is a relatively young residential community of about 57,000, situated among the meandering hills and valleys of Brea Canyon. Many desired services can be found in Diamond Bar's shopping and business centers.

Jimmy Lin
Mayor

Ruth M. Low
Mayor Pro Tem

Carol Herrera
Council Member

Nancy A. Lyons
Council Member

Steve Tye
Council Member

Recreational opportunities within the City include more than 75 acres of developed park facilities, hiking trails, a community center, an 18-hole public golf course and more than 370 acres of undeveloped publicly owned open space.

Diamond Bar is also strategically located at the junction of the SR-57 and SR-60 freeways with easy access to the I-10 and SR-71 freeways. This makes Diamond Bar a desirable and convenient location to live and work within close proximity to Los Angeles, Orange, Riverside and San Bernardino counties.

Diamond Bar is a General Law city and operates under the council-manager form of government. Policy making and legislative authority are vested in a five member City Council. The City Council is responsible, among other things, for passing ordinances, adopting the budget, appointing committees and task forces, and hiring both the City Manager and contracting for City Attorney services. The Council Members are elected on a non-partisan basis and serve four-year staggered terms, with elections held every other year. Each December, the City Council selects a Mayor and Mayor Pro Tem from its membership. The City Manager is responsible for overseeing the day-to day operations of the City, and for appointing the heads of the various departments.

The City of Diamond Bar operates primarily as a “contract city” utilizing agreements with other governmental agencies, private sector firms and individuals to provide many of its services. This includes police services, animal services, building and safety services, engineering, road maintenance and landscape maintenance.

The Los Angeles County Fire District provides fire protection, which is independent of the City. Los Angeles County also provides library services through a Library District as well as sewer and sanitation services through a Sanitation District. Funds for these services are collected through property tax bills and are disbursed directly by the Los Angeles County Tax Collector's Office to those entities.

Water services for the City are provided by the Walnut Valley Water District. Refuse collection is provided by private waste collection companies. Additionally, schools are provided by both the Walnut Valley Unified School District and the Pomona Unified School District. Accordingly, none of these activities are included in this report.

ECONOMIC CONDITION AND OUTLOOK

Fiscal year 2016/17 saw sustained improvement in the national, state and local economies. Unemployment rates have continued to come down and consumer spending was on the rise. The housing market has also remained strong.

Fiscal year 2016/17 was a year of continued growth for the City of Diamond Bar. However, it was also another year of closely monitoring revenues, while holding costs to prior year levels wherever possible. The General Fund reserves increased by \$1 million (net of a restatement of <-\$402,436>) during FY 2016/17 with the unassigned fund balance growing to \$20.4 million and total General Fund reserves coming in at \$24.9 million. These reserve figures represent 95.4% and 116.7%, respectively, of total General Fund expenditures.

The largest revenue source in the City, Property Tax revenue, was up 4.9%. Homeowners took advantage of the strong housing market by selling their properties at a gain. Property transfers during FY 16/17 numbered 502 vs. 844 during the previous fiscal year. The most recent average home price (August 2017) was \$794,000 while the median price was \$700,000. Home values in the City during FY 2016/17 finally rose to a level higher than the previous peak price which was in 2006. Assessed valuations citywide increased by 4.35% while the countywide assessed valuations increase by 6.0%.

The City's sales tax base grew with an increase in revenue of 3.6% over last year. City officials have been working diligently toward its economic development goal to diversify its sales tax base. FY 2016/17 saw the addition of several new businesses which have provided additional and significant sales tax revenue to the City.

As the City looks forward to FY 2017/18 there are many exciting projects on the horizon. New retail and restaurant options are under construction at the former K-Mart property with openings anticipated in FY 2017/18. Sprouts Market, one of the new major tenants in the center held their grand opening in October 2017. Residents will continue to see additional nationally known retail and restaurant businesses open their doors in FY 2017/18. A new housing development, South Point, is well under construction bringing 99 new higher-end single family homes to the City. A new 6.9 gross-acre neighborhood park will also be part of that new neighborhood which is also expected to be completed in FY 2017/18. Finally, the City's first comprehensive update to the General Plan since incorporation is well underway. This multi-year effort has allowed the current residents of the City provide input as to their vision of the City for the next 20 years. It has been a very interactive, dynamic and exciting process that will continue into next fiscal year.

The City's future economic health is being secured by building healthy reserves through fiscally conservative budgets and policies in addition to aggressively pursuing economic development opportunities.

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 Diamond Bar for its comprehensive annual financial report for the fiscal year ended June 30, 2016. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local financial reports.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report, with contents that conform to program standards. The CAFR must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. The City of Diamond Bar has received the Certificate of Achievement for the last twenty-two consecutive years (fiscal years ended 1995 through 2016). We believe our current report continues to meet the Certificate of Achievement Program's requirements and we will be submitting it to GFOA to determine its eligibility for another certificate.

REPORTING ENTITY AND ITS SERVICES

This Comprehensive Annual Financial Report includes all funds of the City. The City directly provides a limited range of services and contracts for several other services. The City's significant reliance on contracted services has the benefit of reducing expenses to the citizens of the City of Diamond Bar while simultaneously providing the City with a high degree of flexibility in responding to changing economic conditions. Contracted services include police protection, building and safety, street maintenance, park maintenance, capital improvement projects, animal control, attorney services and engineering. Staff provided services include: community development (which includes planning, economic development, building and safety management, and neighborhood improvement), public works (which includes engineering, capital projects administration, street maintenance contract management, traffic and transportation matters, engineering contract management, park maintenance, landscape maintenance and solid waste contract management), parks & recreation (which includes senior services, recreation services, community events and community center operation), public information, subsidized transit ticket sales, grant administration, financial management and administrative management. All of these activities are included in this report.

INTERNAL CONTROLS

The City of Diamond Bar's accounting system has been developed by giving consideration to the adequacy of internal accounting controls. Internal accounting controls are implemented by the City to provide reasonable assurance that assets are safeguarded against loss from unauthorized use or disposition; and that the City's financial records used for preparing financial statements are maintained in a reliable fashion. The concept of reasonable assurance recognizes that the cost of these controls should not exceed the benefits derived from them. The City's internal controls accomplish these objectives.

ACKNOWLEDGEMENTS

The preparation of this Comprehensive Annual Financial Report was made possible by the dedicated service and excellence found within the City's Finance Department staff, and through the cooperation of the entire City staff. Each City staff member has my sincere appreciation for their cooperation and contributions in the preparation of this Report.

I would like to thank Dianna Honeywell, Finance Director, for her prudent fiscal stewardship. In addition, I would also like to thank our independent auditor, Lance, Soll, and Lunghard, L.L.P., who provided expertise and advice in the preparation of the City's Comprehensive Annual Financial Report.

In closing, without the leadership and support of the City Council of the City of Diamond Bar, the preparation of this Report would not have been possible.

Sincerely,

A handwritten signature in black ink, appearing to read 'Daniel Fox', with a stylized flourish at the end.

Daniel Fox
City Manager



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

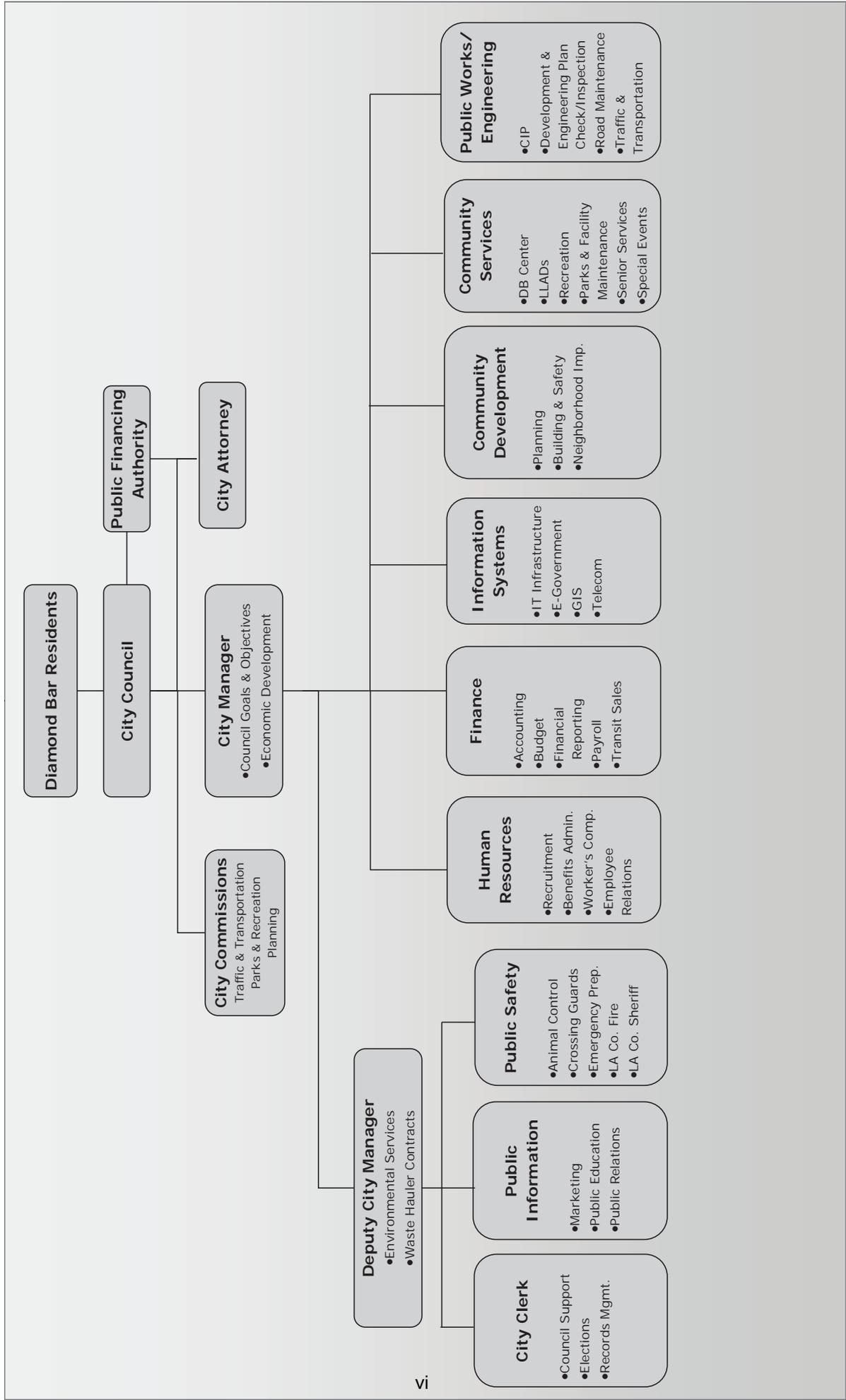
Presented to

**City of Diamond Bar
California**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2016

Executive Director/CEO



CITY OF DIAMOND BAR
ELECTED AND ADMINISTRATIVE OFFICIALS
FISCAL YEAR 16-17

Mayor
Mayor Pro Tem
Councilmember
Councilmember
Councilmember

Jimmy Lin
Ruth Low
Carol Herrera
Nancy Lyons
Steve Tye

City Manager
Assistant City Manager
City Clerk

James DeStefano
Ryan McLean
Tommye Cribbins

Director of:
Parks & Recreation
Community Development
Finance
Information Systems
Public Works

Vacant
Greg Gubman
Dianna Honeywell
Ken Desforges
David Liu

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INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor and Members of the City Council
City of Diamond Bar, California

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of City of Diamond Bar, California, (the City) as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.



To the Honorable Mayor and Members of the City Council
City of Diamond Bar, California

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Diamond Bar, California, as of June 30, 2017, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

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

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

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.



CPAs AND ADVISORS

To the Honorable Mayor and Members of the City Council
City of Diamond Bar, California

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 7, 2017, 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 the City's internal control over financial reporting and compliance.

Lance, Solt & Lughard, LLP

Brea, California
November 7, 2017

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Management's Discussion and Analysis

As management of the City of Diamond Bar, we offer readers of the City of Diamond Bar's financial statements this narrative overview and analysis of the financial activities of the City of Diamond Bar for the fiscal year ended June 30, 2017. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal.

Financial Highlights

- The total revenues and other financing sources from all sources equaled \$30,451,044.
- The total cost of all City programs equaled \$36,317,223.
- The assets and deferred outflows of the City of Diamond Bar exceeded its liabilities and deferred inflows at the close of the fiscal year by \$387,402,734 (*net position*). Of this amount, \$23,047,078 represents unrestricted net position may be used to meet the City's ongoing obligations to citizens and creditors.
- As of the close of the current fiscal year, the City of Diamond Bar's governmental funds reported combined ending fund balances of \$30,221,001, a slight decrease of \$108,517 in comparison with the prior year. Approximately \$20.1 million of the \$30.2 million is available for spending at the City's discretion.
- At the end of the current fiscal year, unrestricted fund balance for the general fund was \$20,379,854, or 95.4% of the amount of general fund expenditures. The General Fund unrestricted balance of \$20.4 million is in addition to a \$4.5 million reserve for emergencies as established by City Council resolution.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City of Diamond Bar's basic financial statements. The City of Diamond Bar's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements – The *government –wide financial statements* are designed to provide readers with a broad overview of the City of Diamond Bar's finances, in a manner similar to a private-sector business.

The ***statement of net position*** presents financial information on all of the City of Diamond Bar's assets, liabilities and deferred inflows/outflows of resources 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 of Diamond Bar is improving or deteriorating.

The **statement of activities** presents information showing how the City's net position changed during the most recent 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 related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City of Diamond Bar that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City of Diamond Bar include general government, public safety, highways and streets, community development, and parks and recreation. The City of Diamond Bar currently has no business-type activities or enterprise funds.

The government-wide financial statements include not only the City of Diamond Bar itself, but also a legally separate financing authority. Although legally separate, the Diamond Bar Financing Authority is included because the City is financially accountable for it.

Fund 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 of Diamond Bar, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

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*, available at the end of the fiscal year. Such information may be useful in assessing the near-term financing requirements necessary to finance City programs.

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 impacts of the City's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The City of Diamond Bar adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

Proprietary Funds – The type of *proprietary funds* that the City maintains are internal service funds that are used to allocate costs internally among the various functions of the City. The City of Diamond Bar uses these funds to account for its liability insurance costs and vehicle, building and computer replacement costs. Because these services predominantly benefit governmental rather than business-type functions, they have been included within *governmental activities* within the government-wide financial statements.

Fiduciary Funds – Fiduciary funds are used to account for resources held for the benefit of parties outside of the government. Fiduciary funds are *not* reported in the government-wide financial statements because the resources of those funds *are not* available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The City of Diamond Bar maintains one fiduciary fund which is the Other Post-Employment Benefits (OPEB) Trust Fund. This fund is used to report resources held in trust for retiree's post-employment health insurance premiums.

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

Other Information – In addition to the basic financial statements and accompanying notes, this report also presents certain required *supplementary information* concerning the City's budgetary control and accounting and expenditures in excess of appropriations.

Government-wide Financial Analysis

As noted earlier, net position over time, may serve over time as a useful indicator of the City's financial position. The City of Diamond Bar's assets and deferred outflows exceeded liabilities and deferred inflows by \$387,402,734 at the close of 2017. (see Table 1)

By far the largest portion of the City's net position (92.6%) is its investment in capital assets (e.g., land, buildings, infrastructure, machinery, equipment, and construction in progress), less the related outstanding debt used to acquire those assets. The City of Diamond Bar uses these capital assets to provide services to its citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Table 1
CITY OF DIAMOND BAR'S
Statement of Net Position

	<u>Governmental Activities</u>	
	<u>2017</u>	<u>2016</u>
Current and other assets	\$37,879,109	\$38,010,700
Capital assets	<u>368,573,699</u>	<u>373,438,626</u>
Total Assets	<u>406,452,808</u>	<u>411,449,326</u>
Deferred Outflows	<u>1,785,323</u>	<u>1,169,894</u>
Long-term debt outstanding	15,457,341	14,554,269
Other Liabilities	<u>5,034,135</u>	<u>4,292,550</u>
Total Liabilities	<u>20,491,476</u>	<u>18,846,819</u>
Deferred Pension Related Items	<u>343,921</u>	<u>503,488</u>
Net position:		
Net investment in capital assets	358,765,476	363,216,277
Restricted	5,590,180	7,309,644
Unrestricted	<u>23,047,078</u>	<u>22,742,992</u>
Total Net Position	<u>\$387,402,734</u>	<u>\$393,268,913</u>

The City's net position decreased by \$5,866,179. This reason for this overall decrease is due primarily to depreciation expense.

At the end of fiscal year 2017 the City reports an increase of \$304,000 in the unrestricted net position from the prior fiscal year. The City has continually expended its resources conservatively in anticipation of economic downturns and future capital needs which has resulted in being able to end the year with \$23,047,078 in Unrestricted Net Position.

Table 2
City of Diamond Bar's
Changes in Net Position

	<u>2017</u>	<u>2016</u>
Revenues:		
Program revenues:		
Charges for services	\$7,569,296	\$9,027,647
Operating grants and contributions	3,844,192	3,687,015
Capital grants and contributions	359,669	1,455,770
General Revenues		
Property taxes	4,951,033	4,665,140
Transient occupancy taxes	923,527	994,476
Sales Taxes	4,789,172	4,598,858
Franchise Taxes	1,320,617	1,431,513
Other taxes	394,961	523,015
Motor vehicle in lieu	5,757,423	5,411,143
Use of money & property	58,160	524,918
Other	482,994	703,457
Total revenues	<u>30,451,044</u>	<u>33,022,952</u>
Expenses:		
General Government	6,627,894	5,812,525
Public Safety	6,586,188	6,216,279
Highways and Streets	14,178,723	11,966,721
Community Development	3,231,764	2,127,206
Parks, Recreation and Culture	5,164,413	6,137,787
Contribution to OPEB Trust	84,761	84,761
Interest and Fiscal Charges	443,480	455,700
Total expenses	<u>36,317,223</u>	<u>32,800,979</u>
Increase(Decrease) in net position	(5,866,179)	221,973
Net position - beginning	393,268,913	395,162,740
Restatement of Net Position	-	(2,115,800)
Net position - ending	<u>\$387,402,734</u>	<u>\$393,268,913</u>

Revenues

In the Statement of Activities, the City's total revenues were \$30.5 million, while the total cost of all programs and services was \$36.3 million. Revenues this fiscal year were 7.79% lower than those of the prior year. There were increases in some areas and decreases in others. The following are highlights of some of the major differences:

- Property Tax revenues were up 6.1% from FY15-16. The housing market continued to improve during FY 16-17 which afforded greater inflation/Proposition 13 based adjustments. Housing sales also continued to increase which allowed the County to increase overall assessed valuations by 6.0% during 2017 while Diamond Bar's assessed valuations were up by 4.3% during 2017.

- Transient Occupancy Taxes were slightly lower by \$71,000 or 7.1% in FY 16-17. The previous year's TOT revenue was the City's highest recorded amount in this category.
- Sales tax revenues were up about 4.1% due to continued improvement in the local economy and new businesses within the City. Last year's figure includes a one-time final payment of the triple flip portion of sales tax.
- Investment Income increased by 29.4%, excluding the fair market value adjustment of \$404,133, due to improving investment yields available in the bond market coupled with more of the City's portfolio being further diversified into higher yielding investments such as highly rated corporate bonds and California municipal bonds. The Local Agency Investment Fund (LAIF) rate also continued to show some improvement and ended the fiscal year at 0.98%. By the end of FY 16/17 the City's overall investment yield increased from 1.297% in FY 2015/16 to 1.47% in FY 2016/17.

Expenses

Once again this year, the City has continued to be very diligent in controlling growth in expenses. This year expenses for the City totaled \$36.3 million which is approximately \$3.5 million, or 10.7% higher than the previous fiscal year. This increase was due primarily due to a significant uptick in capital improvement projects. The changes in various categories are as follows:

- There was an increase in General Government expenses of approximately 13.8% this year. This was due primarily to higher capital outlay in this category this year compared to last year.
- There was an increase in Public Safety expenses of approximately 6.0% this year.
- There was a decrease in Parks & Recreation expenses in the amount of \$973,000. This is due to the reorganization of the department during FY 2016/17. The Parks Maintenance division was moved under the Public Works umbrella for the first time during FY 2016/17.
- The Streets and Highways category increased this year by \$2.2 million. This is due to an increase in the number of Capital Improvement projects completed during the fiscal year.
- Community Development expenses were higher in 2016/17 by \$1.1 million. The increase reflects an increase in building permit activity and the commencement of the City's General Plan Update.

Financial Analysis of the City's Funds

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

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

At June 30, 2017, the City of Diamond Bar's governmental funds reported combined ending fund balances of \$30,221,001, a slight decrease of \$108,517 in comparison with the prior year. Approximately 66.5% of this amount (\$20,089,713) constitutes unassigned fund balance, which is available for spending at the government's discretion. The remainder of the fund balance is either nonspendable, restricted or assigned to indicate that it is 1) not in spendable form (\$42,108), 2) restricted for particular purposes (\$5,589,960 or 3) committed for particular purposes (\$4,500,000).

The general fund is the chief operating fund of the City. At the end of the current fiscal year, the unassigned fund balance of the general fund was \$20,379,854, while the total fund balance was \$24,921,962. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 95.4% of total general fund expenditures, while total fund balance represents 116.7% of the same amount.

Since the City's incorporation in 1989, the City has been fiscally conservative contributing to healthy fund balance reserves. Several years ago the City chose to fund major maintenance projects from General Fund reserves when other funds were not available for this purpose. This fiscal year General Fund Reserves increased \$995,153 (after a restatement of <\$402,436>).

Factors contributing to the change in General Fund ending fund balance are as follows:

- General Fund revenues were down \$919,000 from FY15/16. The largest decrease was in the Licenses and Permits category (\$963,000) which is primarily attributed to a one-time write off last year, which increased the Developer Fees category, of unclaimed developer deposits during FY 2015/16.
- Costs were higher this year in the General Fund by \$722,600 (3.5%) as compared to last year. There were notable increases in the Community Development, Public Safety and Public Works category offset by lower costs in General Government and Parks & Recreation.
- Conservative expenditure budgets over the years have contributed to the City's general fund healthy fund balance reserve. This includes a contract city business model which aids the City in containing costs.

General Fund Budgetary Highlights

Original revenue budget projections were increased during the year by 1.8% to reflect an increase in sales tax, licenses & permits and intergovernmental revenues. The actual revenue came in lower than anticipated by \$617,000. This is due to higher than anticipated sales tax offset by the fact that the mark to market adjustment on the City's investments this year was negative and transfers into the General Fund were lower than anticipated.

General Fund appropriations were increased during the year by \$3,967,213 or 14.9% from the original budget to the amended budget. The final expenditures actually came in \$7,352,662 less than the amended budget due primarily to fewer projects being completed therefore lower transfers out of the General Fund. These projects have been carried over to the new fiscal year.

Capital Asset and Debt Administration

Capital assets - The City of Diamond Bar's investment in capital assets for its governmental activities as of June 30, 2017 amounts to \$368,573,699 (net of accumulated depreciation). This investment in capital assets includes land, Right of Way, buildings and improvements, furniture and fixtures, vehicles and equipment, infrastructure and construction in progress.

Table 3

**City of Diamond Bar
Capital Assets
(net of depreciation)**

	<u>2017</u>	<u>2016</u>
Land	\$5,633,624	\$5,633,624
Right of Way	265,614,104	265,614,104
Buildings and Improvements	20,308,031	19,236,765
Furniture and Fixtures	201,173	292,200
Vehicles & Equipment	763,278	934,779
Infrastructure	73,275,812	77,379,900
Construction in Progress	<u>2,777,677</u>	<u>4,347,254</u>
	<u>\$368,573,699</u>	<u>\$373,438,626</u>

The City's capital assets decreased in value \$4,864,927 during FY16/17. This decrease was due to depreciation expense and lower construction in progress than in previous years.

Construction in progress at the end of the year included eleven projects in various stages of design or construction. The ten projects equaling \$3,815,819 include street rehabilitation and enhancement projects, traffic mitigation projects, median modification and various park projects.

Additional information on the City's capital assets can be found in note 4.

Long-term debt – At the end of the current fiscal year, the City of Diamond Bar’s total long-term debt equaled \$10,456,161. The following table shows the breakdown of the long-term debt outstanding:

Outstanding Long Term Debt at Year-end

Variable Rate Lease Revenue Bonds (backed by the Public Financing Authority)	\$	9,635,000
Unamortized Bond Premium		173,223
Compensated Absences		647,938
	<u>\$</u>	<u>10,456,161</u>

See footnote 5 for additional information on the City’s long-term liabilities as of June 30, 2017.

Economic Factors and Next Year’s Budgets and Rates

While the City maintains a diverse and upscale housing stock, the City’s economy is equally dependent on commercial and retail revenues. The City’s concentration on maintaining and attracting new business clientele is of utmost importance.

The City’s 2017/18 budget is a fiscally conservative budget. As the economy continues to improve, anticipated revenues in the General Fund reflect moderate yet realistic growth. The ongoing operations budget has been maintained at the status quo as much as possible. This budget presents an operating plan that permits the City to live within a reasonable estimate of revenues while continuing to provide community programs and services to the residents of the City of Diamond Bar.

The City has made a conscientious decision to use some general fund balance reserves for economic development purposes. As a result, the FY 2017/18 budget includes an appropriation for economic development. It is anticipated that these efforts will continue to be rewarded in the near future with the development of several new retail spaces.

Contacting the City’s Financial Management

This financial report is designed to provide our citizens, taxpayers, customers, and creditors with a general overview of the City of Diamond Bar’s finances and to show the City’s accountability for the money it receives. If you have questions about this report or need additional financial information, contact the City’s Finance Department, at the City of Diamond Bar, 21810 Copley Drive, Diamond Bar, California 91765.

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CITY OF DIAMOND BAR

STATEMENT OF NET POSITION
JUNE 30, 2017

	<u>Governmental Activities</u>
Assets:	
Cash and investments	\$ 35,343,237
Receivables:	
Accounts	509,078
Notes and loans	370,704
Accrued interest	127,936
Prepaid costs	42,108
Due from other governments	1,484,891
Cash with fiscal agent	80
Due from employees	1,075
Capital assets not being depreciated	274,025,405
Capital assets, net of depreciation	<u>94,548,294</u>
Total Assets	<u>406,452,808</u>
Deferred Outflows of Resources:	
Deferred pension related items	<u>1,785,323</u>
Total Deferred Outflows of Resources	<u>1,785,323</u>
Liabilities:	
Accounts payable	2,843,151
Accrued liabilities	276,112
Accrued interest	34,546
Unearned revenue	162,661
Deposits payable	1,265,187
Due to other governments	452,478
Noncurrent liabilities:	
Due within one year	973,425
Due in more than one year	9,482,736
Net pension liability	4,607,967
OPEB liability	<u>393,213</u>
Total Liabilities	<u>20,491,476</u>
Deferred Inflows of Resources:	
Deferred pension related items	<u>343,921</u>
Total Deferred Inflows of Resources	<u>343,921</u>
Net Position:	
Net investment in capital assets	358,765,476
Restricted for:	
Community development projects	2,066,650
Public safety	243,642
Public works	3,095,734
Capital projects	184,074
Debt service	80
Unrestricted	<u>23,047,078</u>
Total Net Position	<u>\$ 387,402,734</u>

CITY OF DIAMOND BAR

STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2017

	Program Revenues			Net (Expenses) Revenue and Changes in Net Position
	Expenses	Charges for Services	Operating Contributions and Grants	
Functions/Programs				
Primary Government:				
Governmental Activities:				
General government	\$ 6,712,655	\$ 811,846	\$ -	\$ -
Public safety	6,586,188	460,325	168,740	-
Community development	3,231,764	2,077,810	222,370	-
Parks, recreation and culture	5,164,413	1,544,002	406,119	689
Highways and Streets	14,178,723	2,675,313	3,046,963	358,980
Interest on long-term debt	443,480	-	-	-
Total Primary Government	\$ 36,317,223	\$ 7,569,296	\$ 3,844,192	\$ 359,669
				(24,544,066)
General Revenues:				
Taxes:				
Property taxes, levied for general purpose				4,951,033
Transient occupancy taxes				923,527
Sales taxes				4,789,172
Franchise taxes				1,320,617
Other taxes				394,961
Motor vehicle in lieu - unrestricted				5,757,423
Use of money and property				58,160
Other				482,994
Total General Revenues				18,677,887
Change in Net Position				(5,866,179)
Net Position at Beginning of Year				393,268,913
Net Position at End of Year				\$ 387,402,734

CITY OF DIAMOND BAR

**BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2017**

	General	Capital Projects Funds Capital Improvement Fund	Other Governmental Funds	Total Governmental Funds
Assets:				
Pooled cash and investments	\$ 27,100,597	\$ 236,446	\$ 5,578,091	\$ 32,915,134
Receivables:				
Accounts	324,411	-	182,459	506,870
Notes and loans	-	-	370,704	370,704
Accrued interest	127,936	-	-	127,936
Prepaid costs	42,108	-	-	42,108
Due from other governments	1,041,380	310,550	132,961	1,484,891
Due from other funds	48,789	-	-	48,789
Due from employees	1,075	-	-	1,075
Restricted assets:				
Cash and investments with fiscal agents	-	-	80	80
Total Assets	\$ 28,686,296	\$ 546,996	\$ 6,264,295	\$ 35,497,587
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts payable	\$ 2,123,833	\$ 526,587	\$ 191,163	\$ 2,841,583
Accrued liabilities	265,702	-	10,410	276,112
Unearned revenues	109,612	-	53,049	162,661
Deposits payable	1,265,187	-	-	1,265,187
Due to other governments	-	-	370,704	370,704
Due to other funds	-	-	48,789	48,789
Total Liabilities	3,764,334	526,587	674,115	4,965,036
Deferred Inflows of Resources:				
Unavailable revenues	-	310,550	-	310,550
Total Deferred Inflows of Resources	-	310,550	-	310,550
Fund Balances:				
Nonspendable:				
Prepaid costs	42,108	-	-	42,108
Restricted for:				
Community development projects	-	-	2,066,650	2,066,650
Public safety	-	-	243,642	243,642
Highways and streets	-	-	3,095,734	3,095,734
Capital Projects	-	-	184,074	184,074
Debt service	-	-	80	80
Committed to:				
Emergency contingencies	4,500,000	-	-	4,500,000
Unassigned	20,379,854	(290,141)	-	20,089,713
Total Fund Balances	24,921,962	(290,141)	5,590,180	30,222,001
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 28,686,296	\$ 546,996	\$ 6,264,295	\$ 35,497,587

CITY OF DIAMOND BAR

**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2017**

Fund balances of governmental funds		\$ 30,222,001
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets net of depreciation have not been included as financial resources in governmental fund activity.		368,227,026
Deferred outflows related to pension items:		
Adjustments due to difference in proportions	\$ 518,610	
Net difference between project and actual earnings on pension plan investments	860,978	
Change in employer's proportion and differences between the employer's contributions and the employer's proportionate share of contributions	1,444	
Difference between expected and actual experiences	17,485	
Current year contributions that occurred after the measurement date	<u>386,806</u>	1,785,323
Long-term debt, compensated absences, other post employee benefit obligation and net pension liability that have not been included in the governmental fund activity:		
Bonds payable	\$ (9,635,000)	
Unamortized bond premiums/discounts	(173,223)	
Compensated Absences	(647,938)	
Other post employment benefit obligation	(393,213)	
Net pension liability	<u>(4,607,967)</u>	(15,457,341)
Accrued interest payable for the current portion of interest due on bonds has not been reported in the governmental funds.		(34,546)
Deferred inflows related to pension items:		
Adjustment due to difference in proportions	\$ (166)	
Difference between expected and actual experiences	(4,006)	
Change in assumptions	(165,424)	
Change in employer's proportion and differences between the employer's contributions and the employer's proportionate share of contributions	<u>(174,325)</u>	(343,921)
Revenues reported as unavailable revenue in the governmental funds and recognized in the statement of activities. These are included in the intergovernmental revenues in the governmental fund activity.		310,550
Internal service funds are used by management to charge the costs of certain activities, such as equipment management and self-insurance, to individual funds. The assets and liabilities of the internal service funds must be added to the statement of net position.		<u>2,693,642</u>
Net Position of governmental activities		<u><u>\$ 387,402,734</u></u>

CITY OF DIAMOND BAR

STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2017

	General	Capital Projects Funds		Total Governmental Funds
		Capital Improvement Fund	Other Governmental Funds	
Revenues:				
Taxes	\$ 12,698,595	\$ -	\$ 769,014	\$ 13,467,609
Licenses and permits	2,220,572	-	135,408	2,355,980
Intergovernmental	6,207,423	58,214	5,402,880	11,668,517
Charges for services	1,544,032	-	1,355,289	2,899,321
Use of money and property	(65,606)	-	94,084	28,478
Fines and forfeitures	460,325	-	-	460,325
Miscellaneous	371,045	115,243	75,000	561,288
Total Revenues	23,436,386	173,457	7,831,675	31,441,518
Expenditures:				
Current:				
General government	4,960,482	-	600,000	5,560,482
Public safety	6,567,087	-	9,867	6,576,954
Community development	2,290,877	-	695,096	2,985,973
Parks and recreation	2,662,622	-	60,936	2,723,558
Public works	4,788,397	1,833,074	2,342,811	8,964,282
Capital outlay	86,625	2,933,867	20,951	3,041,443
Debt service:				
Principal retirement	-	-	400,000	400,000
Interest and fiscal charges	-	-	459,191	459,191
Total Expenditures	21,356,090	4,766,941	4,588,852	30,711,883
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,080,296	(4,593,484)	3,242,823	729,635
Other Financing Sources (Uses):				
Transfers in	1,155,511	4,285,296	954,781	6,395,588
Transfers out	(1,838,218)	-	(4,993,086)	(6,831,304)
Total Other Financing Sources (Uses)	(682,707)	4,285,296	(4,038,305)	(435,716)
Net Change in Fund Balances	1,397,589	(308,188)	(795,482)	293,919
Fund Balances, Beginning of Year, as previously reported	23,926,809	18,047	6,385,662	30,330,518
Restatements	(402,436)	-	-	(402,436)
Fund Balances, Beginning of Year, as restated	23,524,373	18,047	6,385,662	29,928,082
Fund Balances, End of Year	\$ 24,921,962	\$ (290,141)	\$ 5,590,180	\$ 30,222,001

CITY OF DIAMOND BAR

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2017**

Net change in fund balances - total governmental funds \$ 293,919

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the costs of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.

Capital Expenditures	\$	2,820,713	
Depreciation Expense		(7,525,241)	
Loss on disposal of capital assets		<u>(13,279)</u>	(4,717,807)

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.

Principal repayments	\$	400,000	
Amortization of bond premium		14,126	
Other post employment benefit obligation		22,949	
Compensated Absences		<u>(69,740)</u>	367,335

Accrued interest for long-term liabilities. This is the net change in accrued interest for the current period. 1,585

Pension contributions are expenditures in the governmental funds, but reduce the Net Pension Liability in the statement of net position and changes in the Net Pension Liability are expensed in government-wide statements. (495,411)

Revenues reported as unavailable revenue in the governmental funds and recognized in the statement of activities. These are included in the intergovernmental revenues in the governmental fund activity. (1,020,156)

Internal service funds are used by management to charge the costs of certain activities, such as equipment management and self-insurance, to individual funds. The net revenues (expenses) of the internal service funds is reported with governmental activities. (295,644)

Change in net position of governmental activities \$ (5,866,179)

CITY OF DIAMOND BAR

STATEMENT OF NET POSITION
 PROPRIETARY FUNDS
 JUNE 30, 2017

	<u>Governmental Activities- Internal Service Funds</u>
Assets:	
Current:	
Cash and investments	\$ 2,428,103
Receivables:	
Accounts	2,208
	<u>2,430,311</u>
Total Current Assets	2,430,311
Noncurrent:	
Capital assets - net of accumulated depreciation	346,673
	<u>346,673</u>
Total Noncurrent Assets	346,673
Total Assets	<u>\$ 2,776,984</u>
 Liabilities and Net Position:	
Liabilities:	
Current:	
Accounts payable	\$ 1,568
Due to other governments	81,774
	<u>83,342</u>
Total Liabilities	83,342
 Net Position:	
Investment in capital assets	346,673
Unrestricted	2,346,969
	<u>2,693,642</u>
Total Net Position	2,693,642
Total Liabilities and Net Position	<u>\$ 2,776,984</u>

CITY OF DIAMOND BAR

STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2017

	Governmental Activities- Internal Service Funds
Operating Revenues:	
Sales and service charges	\$ 10,291
Total Operating Revenues	10,291
Operating Expenses:	
Administration and general	20,918
Insurance Premiums	530,772
Equipment repair and maintenance	58,821
Depreciation expense	160,822
Total Operating Expenses	771,333
Operating Income (Loss)	(761,042)
Nonoperating Revenues (Expenses):	
Interest revenue	29,682
Total Nonoperating Revenues (Expenses)	29,682
Income (Loss) Before Transfers	(731,360)
Transfers in	588,716
Transfers out	(153,000)
Changes in Net Position	(295,644)
Net Position:	
Beginning of Year	2,989,286
End of Fiscal Year	\$ 2,693,642

CITY OF DIAMOND BAR

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 YEAR ENDED JUNE 30, 2017

	Governmental Activities- Internal Service Funds
Cash Flows from Operating Activities:	
Insurance Premiums paid	\$ (530,772)
Payments to suppliers	(124,035)
Cash received from others	99,916
	<u> </u>
Net Cash Provided (Used) by Operating Activities	<u>(554,891)</u>
Cash Flows from Non-Capital Financing Activities:	
Cash transfers out	(153,000)
Cash transfers in	588,716
	<u> </u>
Net Cash Provided (Used) by Non-Capital Financing Activities	<u>435,716</u>
Cash Flows from Capital and Related Financing Activities:	
Acquisition and construction of capital assets	(13,702)
	<u> </u>
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(13,702)</u>
Cash Flows from Investing Activities:	
Interest received	29,682
	<u> </u>
Net Cash Provided (Used) by Investing Activities	<u>29,682</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(103,195)
Cash and Cash Equivalents at Beginning of Year	<u>2,531,298</u>
Cash and Cash Equivalents at End of Year	<u>\$ 2,428,103</u>
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:	
Operating income (loss)	\$ (761,042)
Adjustments to reconcile operating income (loss) net cash provided (used) by operating activities:	
Depreciation	160,822
(Increase) decrease in accounts receivable	7,851
Increase (decrease) in accounts payable	(44,296)
Increase (decrease) in due to other governments	81,774
	<u> </u>
Total Adjustments	<u>206,151</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ (554,891)</u>

CITY OF DIAMOND BAR

STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2017

	<u>OPEB Trust Fund</u>
Assets:	
Cash and investments with fiscal agents	<u>\$ 162,315</u>
Total Assets	<u>\$ 162,315</u>
Liabilities:	
Due to other governments	<u>\$ 13,246</u>
Total Liabilities	<u>13,246</u>
Net Position:	
Held in trust for other post retirement benefits	<u>149,069</u>
Total Net Position	<u>\$ 149,069</u>

CITY OF DIAMOND BAR

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
YEAR ENDED JUNE 30, 2017

	<u>OPEB Trust Fund</u>
Additions:	
Interest and change in fair value of investments	\$ 2,696
Contributions from City	<u>84,761</u>
Total Additions	<u>87,457</u>
Deductions:	
Benefits	<u>13,256</u>
Total Deductions	<u>13,256</u>
Changes in Net Position	<u>74,201</u>
Net Position - Beginning of the Year	<u>74,868</u>
Net Position - End of the Year	<u>\$ 149,069</u>

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Note 1: Reporting Entity and Significant Accounting Policies

a. Description of Reporting Entity

The City of Diamond Bar (the City) was incorporated April 18, 1989, as a "General Law" City governed by an elected five-member city council. As required by accounting principles generally accepted in the United States of America, these financial statements present the City of Diamond Bar (the primary government) and its component units. The component units discussed below are included in the City's reporting entity because of the significance of their operational or financial relationship with the City. These entities are legally separate from each other. However, the City of Diamond Bar's elected officials have a continuing full or partial accountability for fiscal matters of the other entities. The financial reporting entity consists of: (1) the City (2) organizations for which the City is financially accountable; and, (3) organizations for which the nature and significance of their relationship with the City are such that exclusion would cause the City's financial statements to be misleading or incomplete.

An organization is fiscally dependent on the primary government if it is unable to adopt its budget, levy taxes or set rates or charges, or issue bonded debt without approval by the primary government. In a blended presentation, a component unit's balances and transactions are reported in a manner similar to the balances and transactions of the City. Component units are presented on a blended basis when the component unit's governing body is substantially the same as the City's or when the component unit provides services almost entirely to the City.

Blended Component Units

The Diamond Bar Public Financing Authority (the Authority) was formed on November 19, 2002. The purpose of the Authority is to issue debt to finance public improvements and other capital purchases for the City and Agency. The activity of the Authority is reported in debt service and capital projects funds. Separate financial statements are not prepared for this blended component unit.

b. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of changes in net position) report information on all of the nonfiduciary activities of the City. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. The City has no business-type activities.

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

Note 1: Reporting Entity and Significant Accounting Policies (Continued)

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

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

The basic financial statements of the City are composed of the following:

- Government-wide financial statements
- Fund financial statements
- Notes to basic financial statements

The government-wide financial statements, proprietary fund and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Under the economic resources measurement focus, all assets and liabilities (current and long-term) are reported. Under the accrual basis of accounting, revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the fiscal year, which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all the eligibility requirements imposed by the provider have been met.

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under the current financial resources measurement focus, generally only current assets and liabilities are reported in the governmental funds. Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Under the modified accrual basis of accounting, revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal year. Expenditures generally are recorded when a liability is incurred, except for principal and interest on long-term liabilities, claims and judgments, and compensated absences which are recognized as expenditures only when payment is due.

The City's fiduciary fund consists of a OPEB trust fund. OPEB trust funds are accounted for using the "economic resources" measurement focus and the accrual basis of accounting. 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.

Note 1: Reporting Entity and Significant Accounting Policies (Continued)

Property taxes, taxpayer-assessed taxes, such as sales taxes, gas taxes, and transient occupancy taxes, and interest associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period to the extent normally collected within the availability period. All other revenue items are considered to be measurable and available only when cash is received by the City.

The accounts of the City are organized and operated on the basis of funds, each of which is considered a separate accounting entity with a self-balancing set of accounts, established for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations.

As a general rule, the effect of Interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the government's proprietary funds functions and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

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

When both restricted and unrestricted resources are combined in a fund, expenses are considered to be paid first from restricted resources, and then from unrestricted resources.

d. Fund Classifications

The City reports the following major governmental funds:

The General Fund is the primary operating fund of the City and is used to account for all revenues and expenditures of the City not legally restricted as to use. A broad range of municipal activities are provided through this fund including City Manager, City Attorney, Finance, City Clerk, Public Works, Building and Safety, and Parks and Recreation.

The Capital Improvement Fund has been classified as a major fund and is used to account for City capital improvement projects. The revenues in this fund will generally come from transfers in from other funds and have been identified for specific capital projects.

The City's fund structure also includes the following fund types:

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted or committed to expenditures for specified purposes.

Debt Service Funds are used to account for the receipt of revenues and payments of debt service related to outstanding bonds.

Note 1: Reporting Entity and Significant Accounting Policies (Continued)

Additionally, the City reports the following fund types:

Internal Service Funds have been established to finance and account for goods and services provided by one City department to other City departments or agencies. These activities include self-insurance, equipment, building maintenance and computer maintenance.

OPEB Trust Fund has been established to account for the prefunding of the City's obligation of postemployment benefits other than pensions (OPEB).

e. Investments

For financial reporting purposes, investments are stated at fair value.

Changes in fair value that occur during a fiscal year are recognized as investment income reported for that fiscal year. Investment income includes interest earnings, changes in fair value, and any gains or losses realized upon the liquidation or sale of investments.

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

f. Cash and Cash Equivalents

For purposes of the statement of cash flows, cash and cash equivalents are defined as short-term, highly liquid investments that are both readily convertible to known amounts of cash or so near their maturity (an original maturity date of three months or less from the date of purchase) that they present insignificant risk of changes in value because of changes in interest rates. Cash and cash equivalents also represent the proprietary funds' share in the cash and investment pool of the City. All cash and investments of the proprietary (internal service) funds are pooled with the City's pooled cash and investments and are therefore considered cash equivalents for purposes of the statement of cash flows.

g. Prepaid Costs

Prepaid costs are accounted for on the consumption method. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

h. Capital Assets

Capital assets (including infrastructure) are recorded at cost where historical records are available and at an estimated original cost where no historical records exist. Contributed capital assets are valued at their estimated fair market value at the date of contribution. Capital asset purchases (other than infrastructure) in excess of \$5,000 are capitalized if they have an expected useful life of three years or more. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are recorded at estimated fair market value at the date of donation.

Capital assets include additions to public domain (infrastructure), certain improvements including roads, streets, sidewalks, medians and storm drains within the City.

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2017

Note 1: Reporting Entity and Significant Accounting Policies (Continued)

Capital assets used in operations are depreciated over their estimated useful lives using the straight-line method in the Government-wide and Proprietary Fund Financial Statements. Depreciation is charged as an expense against operations and accumulated depreciation is reported on the respective balance sheet. The lives used for depreciation purposes of each capital asset class are:

Buildings and improvements	10 - 20 years
Furniture and fixtures	3 - 5 years
Vehicles	5 years
Infrastructure	10 - 50 years
Equipment	5 - 20 years

i. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/ expenditure) until then. The government only has one item that qualifies for reporting in this category. It is deferred outflows relating to the net pension obligation reported in the government-wide statement of net position. These outflows are the results of contributions made after the measurement period, adjustments due to difference in proportions, and the difference between actual contributions made and the proportionate share of the risk pool's total contributions, and differences between expected and actual experiences.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and thus will not be recognized as an inflow of resources (revenue) until that time. The government has one item which arises under the modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from two sources: taxes and grant revenues. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. In addition, the government has an item that qualifies for reporting in this category which relate to deferred inflows relating to the net pension obligation reported in the government-wide statement of net position. These inflows are the result of the net difference between projected and actual earnings on pension plan investments, changes in employer's proportion and difference between the employer's contributions and the employer's proportionate share of contributions, and adjustments due to difference in proportions. These amounts are deferred and amortized straight-line over a five-year period or over the remaining service life.

j. Net Position Flow Assumption

Sometimes the government will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

Note 1: Reporting Entity and Significant Accounting Policies (Continued)

k. Fund Balance Flow Assumptions

Sometimes the government 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 government'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.

l. Compensated Absences

Vacation and sick leave time begin to accumulate as of the first day of employment to a maximum of 360 hours and 280 hours, respectively. Employees who accumulate sick leave in excess of 200 hours are paid for the excess annually at one half the employees current wage rate.

A liability is recorded for unused vacation and similar compensatory leave balances since the employees' entitlement to these balances are attributable to services already rendered and it is probable that virtually all of these balances will be liquidated by either paid time off or payments upon termination or retirement.

A liability is recorded for unused sick leave balances only to the extent that it's probable that the unused balances will result in termination payments. This is estimated by including in the liability the unused balances of employees currently entitled to receive termination payments, as well as those who are expected to become eligible to receive termination benefits as a result of continuing their employment with the City.

If an employee retires, resigns, or terminates in good standing with a minimum of five years of service, the employee is entitled to receive 100% of unused sick leave at one half the employees current wage rate. Compensated absences will be reported in government funds only if they have matured, such as upon retirement.

m. Pension Plan

For purposes of measuring the net pension liability, deferred outflows and inflows of resources related to pensions, and pension expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position have been determined on the same basis as they are reported by the CalPERS Financial Office. For this purpose, benefit payments (including refunds of employee contributions) are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value. CalPERS audited financial statements are publicly available reports that can be obtained at CalPERS' website under Forms and Publications.

n. Property Taxes

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

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2017

Note 1: Reporting Entity and Significant Accounting Policies (Continued)

Property taxes are assessed and collected each fiscal year according to the following property tax calendar:

Lien date	January 1
Levy date	July 1
Due dates	November 1 - 1st installment February 1 - 2nd installment
Collection dates	December 10 - 1st installment April 10 - 2nd installment
Delinquent dates	December 11 - 1st installment April 11 - 2nd installment

o. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

p. Fund Equity

In the fund financial statements, government funds report the following fund balance classification:

- Nonspendable include amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.
- Restricted include amounts that are constrained on the use of resources by either (a) external creditors, grantors, contributors, or laws of regulations of other governments or (b) by law through constitutional provisions or enabling legislation.
- Committed include amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest authority, City Council. The formal action that is required to be taken to establish, modify, or rescind a fund balance commitment is a resolution.
- Assigned include amounts that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed. The Director of Finance is authorized to assign amounts to a specific purpose, which was established by the governing body in resolution.
- Unassigned include the residual amounts that have not been restricted, committed, or assigned to specific purposes. The General Fund is the only fund that reports a positive fund unassigned fund balance amount. In other governmental funds it is not appropriate to report a positive unassigned fund balance amount.

CITY OF DIAMOND BAR

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2017

Note 1: Reporting Entity and Significant Accounting Policies (Continued)

However, in governmental funds other than the general fund, if expenditures incurred for specific purposes exceed the amounts that are restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in that fund.

An individual governmental fund could include nonspendable resources and amounts that are restricted or unrestricted (committed, assigned, or unassigned) or any combination of those classifications. Restricted amounts are to be considered spent when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available and committed, assigned, then unassigned amounts are considered to have been spent when an expenditure is incurred for purposes for which amounts in any of those unrestricted fund balance classifications can be used.

Note 2: Cash and Investments

As of June 30, 2017, cash and investments were reported in the accompanying financial statements as follows:

Statement of Net Position:	
Cash and investments	\$ 35,343,237
Cash and investments with fiscal agents	80
Statement of Fiduciary Net Position:	
Cash and investments with fiscal agents	162,315
	<u>\$ 35,505,632</u>

Cash and investments held by the City at June 30, 2017, consisted of the following:

Cash and cash equivalents:	
Imprest cash on hand	\$ 2,150
Demand deposits	708,517
	<u>Total Cash and cash equivalents 710,667</u>
Investments:	
United States Government Sponsored Enterprise Securities	9,422,142
Certificates of Deposit	9,865,328
Corporate Bonds	2,136,798
Municipal Bonds	7,505,641
Local Agency Investment Fund	5,702,661
Held by fiscal agents:	
Mutual Funds - CalPERS - CERBT 3	162,315
Money Market Mutual Funds	80
	<u>Total Investments and held by fiscal agents 34,794,965</u>
	<u>\$ 35,505,632</u>

CITY OF DIAMOND BAR

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2017

Note 2: Cash and Investments (Continued)

Investments Authorized by the California Government Code and the City's Investment Policy

The following table 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. The City Treasurer may waive the collateral requirement for deposits that are fully insured up to \$250,000 by the FDIC.

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
United States Treasury Obligations	5 years	None	None
United States Government Sponsored Enterprise Securities	5 years	None	None
Banker's Acceptance	180 days	40%	30%
Time Certificates of Deposits	5 years	30%	\$ 250,000
Commercial Paper	270 days	25%	10%
Negotiable Certificates of Deposit	5 years	30%	None
Money Market Mutual Funds	5 years	15%	None
Repurchase Agreements	1 year	None	None
Medium-Term Corporate Notes (1)	5 year	30%	5%
Local Agency Investment Fund (LAIF)	N/A	None	\$ 50,000,000

(1) Notes must be rated "A" or better

N/A - Not Applicable

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2017

Note 2: Cash and Investments (Continued)Investments Authorized by Debt Agreements

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

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
United States Treasury Obligations	None	None	None
United States Government Sponsored Enterprise Securities	None	10%	None
Banker's Acceptance	1 year	None	None
Time Certificate of Deposits	None	None	None
Local Agency Investment Fund	None	None	None
Money Market Funds	None	None	None
Repurchase Obligations Tax Exempt	30 days	None	None
Taxable Government Money Market Portfolios	None	Equal to six months of principal and interest in the bonds	None

Disclosures Relating to Interest Rate Risk

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

CITY OF DIAMOND BAR

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2017

Note 2: Cash and Investments (Continued)

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

Investment Type	Remaining Maturity (in Months)			Total
	12 Months or Less	1 - 3 years	3 - 5 years	
US Government Sponsored Securities	\$ 2,993,605	\$ 1,743,355	\$ 4,685,182	\$ 9,422,142
Certificate of Deposits	495,270	2,932,950	6,437,108	9,865,328
Corporate Bonds	149,971	-	1,986,827	2,136,798
Municipal Bonds	-	2,252,411	5,253,230	7,505,641
Local Agency Investment Fund (LAIF)	5,702,661	-	-	5,702,661
Held by Fiscal Agents:				
Mutual Funds - CalPERS - CERBT Strategy 3	162,315	-	-	162,315
Money Market Mutual Funds	80	-	-	80
	<u>\$ 9,503,902</u>	<u>\$ 6,928,716</u>	<u>\$ 18,362,347</u>	<u>\$ 34,794,965</u>

Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by (where applicable) the California Government Code, the City's investment policy, or debt agreements, and the actual rating, as reported by Moody's, as of year-end for each investment type:

Investment Type	Total as of June 30, 2017	AAA	AA+	AA-	AA	A-	Unrated
US Government Sponsored Securities	\$ 9,422,142	\$ -	\$ 8,680,166	\$ 498,720	\$ -	\$ 243,256	\$ -
Certificate of Deposits	9,865,328	-	-	-	-	-	9,865,328
Corporate Bonds	2,136,798	489,214	751,680	895,904	-	-	-
Municipal Bonds	7,505,641	486,970	-	3,137,415	3,379,046	-	502,210
Local Agency Investment Fund (LAIF)	5,702,661	-	-	-	-	-	5,702,661
Held by Fiscal Agents:							
Mutual Funds - CalPERS - CERBT Strategy 3	162,315	-	-	-	-	-	162,315
Money Market Mutual Funds	80	-	-	-	-	-	80
	<u>\$ 34,794,965</u>	<u>\$ 976,184</u>	<u>\$ 9,431,846</u>	<u>\$ 4,532,039</u>	<u>\$ 3,379,046</u>	<u>\$ 243,256</u>	<u>\$ 16,232,594</u>

CITY OF DIAMOND BAR

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2017

Note 2: Cash and Investments (Continued)

Fair Value Hierarchy

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

The City has the following recurring fair value measurements as of June 30, 2017:

Investments by fair value level	Totals	Level		
		1	2	3
Certificate of Deposit	\$ 9,865,328	\$ -	\$ 9,865,328	\$ -
Corporate Bonds	2,136,798	-	2,136,798	-
Municipal Bonds	7,505,641	-	7,505,641	-
Local Agency Investment Fund	5,702,661	-	5,702,661	-
U.S. Federal Agency Securities	9,422,142	-	9,422,142	-
Cash with Fiscal Agents				
Mutual Funds - CalPERS - CERBT Strategy 3	162,315	-	162,315	-
Totals	34,794,885	\$ -	\$ 34,794,885	\$ -
<u>Investments measured at amortized cost</u>				
Cash with Fiscal Agents				
Money Market Funds	80			
Totals	80			
Total Investments	\$ 34,794,965			

Deposits and securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Local Agency Investment Funds classified in Level 2 of the fair value hierarchy are valued using specified fair market value factors. Federal Agency Securities classified in Level 2 of the fair value hierarchy are valued using institutional bond quotes.

Disclosures Relating to Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the City's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits. The City does not accept 150% of the secured public totals. At June 30, 2017, the City deposits

CITY OF DIAMOND BAR

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2017

Note 2: Cash and Investments (Continued)

(bank balances) were insured by the Federal Depository Insurance Corporation up to \$250,000 and the remaining balances were collateralized under California Law. The cash and investments held by Bond Trustee are uninsured and uncollateralized.

Investment in State Investment Pool

The City is a voluntary participant in the California Local Agency Investment Fund (LAIF) that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. LAIF is overseen by the Local Agency Investment Advisory Board, which consists of five members, in accordance with State statute. The State Treasurer's Office audits the fund annually. The fair value of the position in the investment pool is the same as the value of the pool shares.

Note 3: Interfund Transfers and Due To/From Other Funds

<u>Transfers In</u>	<u>Transfer Out</u>	<u>Amount</u>
Internal Service Funds	General Fund	\$ 588,716
Capital Improvement Fund	General Fund	294,721
Other Governmental Funds	General Fund	954,781
Capital Improvement Fund	Other Governmental Funds	3,837,575
General Fund	Other Governmental Funds	1,155,511
Capital Improvement Fund	Internal Service Funds	153,000
		<u>\$ 6,984,304</u>

Transfers to the General Fund from the Other Governmental Funds were made to reimburse the General Fund for various capital projects and administrative expenditures.

Transfers to the Capital Improvement Fund from the General Fund and Other Governmental Funds were made to pay for various capital projects.

Transfers from the General Fund to the Other Governmental Funds were made to fund various capital improvement projects, the City general plan revision, a fund deficit and debt service payments. Transfers from the Other Governmental Funds to the Internal Service Funds were made to fund the self-insurance, equipment replacement, computer equipment replacement and building facility maintenance.

<u>Due from other funds</u>	<u>Due to other funds</u>	<u>Amount</u>
General Fund	Other Governmental Funds	\$ 48,789
		<u>\$ 48,789</u>

Short-term borrowings were made from the General Fund to Other Governmental Funds due to negative cash. This is expected to be repaid in the immediate future with reimbursements.

CITY OF DIAMOND BAR

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2017

Note 4: Capital Assets

A summary of changes in the Governmental Activities capital assets at June 30, 2017, is as follow:

	Balance at June 30, 2016	Transfers	Additions	Deletions	Balance at June 30, 2017
Capital assets not being depreciated:					
Land	\$ 5,633,624	\$ -	\$ -	\$ -	\$ 5,633,624
Right of way	265,614,104	-	-	-	265,614,104
Construction in progress	4,347,254	(2,723,722)	1,167,424	(13,279)	2,777,677
Total Capital Assets Not being Depreciated	<u>275,594,982</u>	<u>(2,723,722)</u>	<u>1,167,424</u>	<u>(13,279)</u>	<u>274,025,405</u>
Capital assets being depreciated:					
Buildings and improvements	42,238,589	2,677,921	1,007,336	-	45,923,846
Furniture and fixtures	1,607,645	-	118,967	-	1,726,612
Vehicles and equipment	2,683,907	-	13,702	-	2,697,609
Infrastructure	190,846,334	45,801	526,986	-	191,419,121
Total Capital Assets being Depreciated	<u>237,376,475</u>	<u>2,723,722</u>	<u>1,666,991</u>	<u>-</u>	<u>241,767,188</u>
Less accumulated depreciation for:					
Buildings and improvements	23,001,824	-	2,613,991	-	25,615,815
Furniture and fixtures	1,315,445	-	209,994	-	1,525,439
Vehicles and equipment	1,749,128	-	185,203	-	1,934,331
Infrastructure	113,466,434	-	4,676,875	-	118,143,309
Total Accumulated Depreciation	<u>139,532,831</u>	<u>-</u>	<u>7,686,063</u>	<u>-</u>	<u>147,218,894</u>
Total Capital Assets Being Depreciated, Net	<u>97,843,644</u>	<u>2,723,722</u>	<u>(6,019,072)</u>	<u>-</u>	<u>94,548,294</u>
Governmental Activities Capital Assets, Net	<u>\$ 373,438,626</u>	<u>\$ -</u>	<u>\$ (4,851,648)</u>	<u>\$ (13,279)</u>	<u>\$ 368,573,699</u>

Depreciation expense was charged to functions in the Statement of Activities as follows:

General government	\$ 614,800
Public safety	8,971
Highways and streets	4,717,431
Parks, recreation and culture	2,184,039
Internal Service Funds depreciation charges to program	160,822
	<u>\$ 7,686,063</u>

Note 5: Long-Term Liabilities

Long-term liability activity for the year ended June 30, 2017, was as follows:

	Balance at June 30, 2016	Additions	Deletions	Balance at June 30, 2017	Due Within One Year
Bonds payable					
Revenue Bonds	\$ 10,035,000	\$ -	\$ 400,000	\$ 9,635,000	\$ 420,000
Compensated Absences	578,198	563,598	493,858	647,938	553,425
Total	<u>\$ 10,613,198</u>	<u>\$ 563,598</u>	<u>\$ 893,858</u>	<u>10,282,938</u>	<u>\$ 973,425</u>
				Net unamortized bond premium	173,223
				Net Long-Term Debt	<u>\$ 10,456,161</u>

Note 5: Long-Term Liabilities (Continued)

Bonds Payable

In December 2002, the Diamond Bar Public Financing Authority issued \$13,755,000 of 2002 Series A Variable Rate Lease Revenue Bonds to finance the construction of a community/senior center project and other public improvements within the City. The bonds are special limited obligations of the Authority payable solely from revenues, consisting primarily of base rental payments paid by the City. The variable interest rate on the bonds are reset on a bi-weekly basis.

In conjunction with the Bonds, the Authority executed a rate cap agreement on December 2, 2002, (the Agreement) with JPMorgan Chase (Counterparty) to minimize debt service cost on the 2002 Lease Revenue Bonds (the Bonds) by setting a cap on the interest rate on the Bonds. Under the Agreement, the Counterparty will pay the Authority an amount equal to the product of: (i) the amount by which the floating rate exceeds 4.5%, (ii) the notional principal amount and (iii) the actual number of days in the calculation period divided by 365 days. The Agreement is for a notional amount equal to the outstanding principal amount of the Bonds and will decline as the principal amount declines. The Agreement terminated on January 1, 2013.

Credit Risk

The Counterparty, JPMorgan Chase, has the following credit ratings of: (i) Standard & Poor's, AA- and (ii) Moody's, Aa2.

Refinancing of the 2002 Series A Lease Revenue Bonds (Community/Senior Center Project)

The 2002 Series A Lease Revenue Bonds were originally issued on December 19, 2002, in the aggregate principal amount of \$13,755,000. Since the date of their initial issuance, the Bonds have borne interest at a Weekly Rate and the regularly scheduled payments of principal of and interest on the Bonds have been payable from the proceeds of draws upon an irrevocable direct-pay letter of credit issued by Union Bank, N.A., formerly known as Union Bank of California, N.A. On December 1, 2011, these Bonds were refinanced and \$12,190,000 was defeased. Subsequently, \$11,790,000 in Bonds were issued with the interest rate converted from a Weekly Rate to a Fixed Rate. The fixed rates range from 3.00% to 5.00% throughout the life of the bond.

CITY OF DIAMOND BAR

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2017

Note 5: Long-Term Liabilities (Continued)

Payments and Associated Debt

As of June 30, 2017, debt service requirements of the Bonds and the Counterparty's payments, assuming current interest rates remain the same for remainder of the term of the Agreement, are as follows.

<u>Year Ending June 30</u>	<u>Fixed Rate Debt</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 420,000	\$ 435,906	\$ 855,906
2019	440,000	414,906	854,906
2020	460,000	397,306	857,306
2021	485,000	378,906	863,906
2022	505,000	354,656	859,656
2023-2027	2,910,000	1,404,950	4,314,950
2028-2032	3,670,000	705,175	4,375,175
2033	745,000	35,388	780,388
Totals	<u>\$ 9,635,000</u>	<u>\$ 4,127,193</u>	<u>\$ 13,762,193</u>

Compensated Absences

The City's policies relating to compensated absences are described in Note 1. This liability, amounting to \$647,938 at June 30, 2017, is expected to be paid in future years from future resources, typically liquidated from the General Fund.

Note 6: Liability, Property and Workers' Compensation Protection

The City of Diamond Bar is a member of the CALIFORNIA JOINT POWERS INSURANCE AUTHORITY (Authority). The Authority is composed of 117 California public entities and is organized under a joint powers agreement pursuant to California Government Code §6500 et seq. The purpose of the Authority is to arrange and administer programs for the pooling of self-insured losses, to purchase excess insurance or reinsurance, and to arrange for group purchased insurance for property and other lines of coverage. The California JPIA began covering claims of its members in 1978. Each member government has an elected official as its representative on the Board of Directors. The Board operates through a nine-member Executive Committee.

Note 6: Liability, Property and Workers' Compensation Protection (Continued)

a. Self-Insurance Programs of the Authority

Each member pays an annual contribution at the beginning of the coverage period. A retrospective adjustment is then conducted annually thereafter, for coverage years 2012-13 and prior. Coverage years 2013-14 and forward are not subject to routine annual retrospective adjustment. The total funding requirement for self-insurance programs is based on an actuarial analysis. Costs are allocated to individual agencies based on payroll and claims history, relative to other members of the risk-sharing pool.

Primary Liability Program

Claims are pooled separately between police and general government exposures. (1) The payroll of each member is evaluated relative to the payroll of other members. A variable credibility factor is determined for each member, which establishes the weight applied to payroll and the weight applied to losses within the formula. (2) The first layer of losses includes incurred costs up to \$30,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the first layer. (3) The second layer of losses includes incurred costs from \$30,000 to \$750,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the second layer. (4) Incurred costs from \$750,000 to \$50 million, are distributed based on the outcome of cost allocation within the first and second loss layers.

For 2016-17 the Authority's pooled retention is \$2 million per occurrence, with reinsurance to \$20 million, and excess insurance to \$50 million. The Authority's reinsurance contracts are subject to the following additional pooled retentions: (a) \$2.5 million annual aggregate deductible in the \$3 million in excess of \$2 million layer, and (b) \$3 million annual aggregate deductible in the \$5 million in excess of \$10 million layer. There is a third annual aggregate deductible in the amount of \$2.5 million in the \$5 million in excess of \$5 million layer, however it is fully covered under a separate policy and therefore not retained by the Authority. The overall coverage limit for each member, including all layers of coverage, is \$50 million per occurrence. Costs of covered claims for subsidence losses have a sub-limit of \$30 million per occurrence.

Workers' Compensation Program

Claims are pooled separately between public safety (police and fire) and general government exposures. (1) The payroll of each member is evaluated relative to the payroll of other members. A variable credibility factor is determined for each member, which establishes the weight applied to payroll and the weight applied to losses within the formula. (2) The first layer of losses includes incurred costs up to \$50,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the first layer. (3) The second layer of losses includes incurred costs from \$50,000 to \$100,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the second layer. (4) Incurred costs from \$100,000 to statutory limits are distributed based on the outcome of cost allocation within the first and second loss layers.

For 2016-17 the Authority's pooled retention is \$2 million per occurrence, with reinsurance to statutory limits under California Workers' Compensation Law. Employer's Liability losses are pooled among members to \$2 million. Coverage from \$2 million to \$5 million is purchased as part of a reinsurance policy, and Employer's Liability losses from \$5 million to \$10 million are pooled among members.

Note 6: Liability, Property and Workers' Compensation Protection (Continued)

b. Purchased Insurance

Pollution Legal Liability Insurance

The City of Diamond Bar participates in the pollution legal liability insurance program which is available through the Authority. The policy covers sudden and gradual pollution of scheduled property, streets, and storm drains owned by the City of Diamond Bar. Coverage is on a claims-made basis. There is a \$50,000 deductible. The Authority has an aggregate limit of \$50 million for the 3-year period from July 1, 2014 through July 1, 2017. Each member of the Authority has a \$10 million sub-limit during the 3-year policy term.

Property Insurance

The City of Diamond Bar participates in the all-risk property protection program of the Authority. This insurance protection is underwritten by several insurance companies. City of Diamond Bar property is currently insured according to a schedule of covered property submitted by the City of Diamond Bar to the Authority. City of Diamond Bar property currently has all-risk property insurance protection in the amount of \$35,408,517. There is a \$5,000 deductible per occurrence except for non-emergency vehicle insurance which has a \$2,500 deductible.

Earthquake and Flood Insurance

The City of Diamond Bar purchases earthquake and flood insurance on a portion of its property. The earthquake insurance is part of the property protection insurance program of the Authority. City of Diamond Bar property currently has earthquake protection in the amount of \$0. There is a deductible of 5% per unit of value with a minimum deductible of \$100,000.

Crime Insurance

The City of Diamond Bar purchases crime insurance coverage in the amount of \$1,000,000 with a \$2,500 deductible. The fidelity coverage is provided through the Authority.

c. Adequacy of Protection

During the past three fiscal years, none of the above programs of protection experienced settlements or judgments that exceeded pooled or insured coverage. There were also no significant reductions in pooled or insured liability coverage in 2016-17.

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2017

Note 7: Pensions

Rate Plan Description

All qualified permanent and probationary employees are eligible to participate in the Public Agency Cost-Sharing Multiple-Employer Defined Benefit Pension Plan (Plan) administered by the California Public Employees' Retirement System (CalPERS.) The Plan consists of individual rate plans (benefit tiers) within a miscellaneous risk pool (all other.) Plan assets may be used to pay benefits for any employer rate plan of the miscellaneous pools. Accordingly, rate plans miscellaneous pools are not separate plans under GASB Statement No. 68. Individual employers may sponsor more than one rate plan in the risk pools. The City sponsors two rate plans. Benefit provisions under the Plan are established by State statute and Local Government resolution. CalPERS issues publicly available reports that include a full description of the pension plan regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

Benefits Provided

CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to rate 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 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 Optional Settlement 2W Death Benefit or the Lump Sum Death Benefit. The cost of living adjustments for each rate plan are applied as specified by the Public Employees' Retirement Law. The Rate Plans' provisions and benefits in effect at June 30, 2017, are summarized as follows:

	<u>Miscellaneous*</u>	<u>Misc. PEPPRA</u>
	Prior to January 1, 2013	January 1, 2013 and thereafter
Hire dates	2% @55	2% @62
Benefit formula	5 years of service monthly for life	5 years of service monthly for life
Benefit vesting schedule	Minimum 50 yrs	Minimum 52 yrs
Benefit payments	1.425% - 2.418%, 50 yrs - 63+ yrs, respectively	1.000% - 2.500%, 52 yrs - 67+ yrs, respectively
Retirement age	6.886%	6.250%
Monthly benefits, as a percentage of eligible compensation	12.005%	6.567%
Required employee contribution rates		
Required employer contribution rates		

* Miscellaneous rate plan is closed to new entrants.

Contributions

Section 20814(c) of the California Public Employees' Retirement Law (PERL) requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total rate plan contributions are determined through the CalPERS' annual actuarial valuation process. The actuarially determined rate is based on the estimated amount necessary to pay the Plan's allocated share of the risk pool's costs of benefits earned by employees during the year, and any unfunded accrued liability. The employer is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

CITY OF DIAMOND BAR

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2017

Note 7: Pensions Rate Plans (Continued)

The City's contributions to the Plan for the year ended June 30, 2017 were \$460,471.

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

As of June 30, 2017 the City reported a net pension liability for its proportionate share of the net pension liability of the Plan of \$4,607,967.

The City's net pension liability for the Plan is measured as the proportionate share of the net pension liability. The net pension liability of the Plan is measured as of June 30, 2016, and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2015, rolled forward to June 30, 2016, using standard update procedures. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to Plan relative to the projected contributions of all participating employers, actuarially determined. The City's proportionate share of the net pension liability for each Rate Plan as of June 30, 2015 and 2016, was as follows:

	<u>Miscellaneous</u>
Proportion - June 30, 2015	0.12165%
Proportion - June 30, 2016	<u>0.13265%</u>
Change - Increase (Decrease)	<u><u>0.01100%</u></u>

CITY OF DIAMOND BAR

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2017

Note 7: Pension Rate Plans (Continued)

For the year ended June 30, 2017, the City recognized pension expense of \$495,411. At June 30, 2017, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 17,486	\$ 4,006
Net Difference between projected and actual earnings on pension plans investments	860,977	-
Adjustment due to difference in proportions	518,610	166
Change in assumptions	-	165,424
Change in employer's proportion and differences between the employer's contributions and the employer's proportionate share of contributions	1,444	174,325
Current year contributions that occurred after the measurement date of June 30, 2016	386,806	-
SubTotal	<u>\$ 1,785,323</u>	<u>\$ 343,921</u>

\$386,806 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, 2018. Other amounts reported as deferred outflows or deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ended June 30,	Deferred Outflows/ (Inflows) of Resources
2017	\$ 246,030
2018	207,698
2019	377,865
2020	223,003
Total	<u>\$ 1,054,596</u>

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2017

Note 7: Pension Rate Plans (Continued)

Actuarial Methods and Assumptions Used to Determine Total Pension Liability

For the measurement period ended June 30, 2016 (the measurement date), the total pension liability was determined by rolling forward the June 30, 2015 total pension liability. The June 30, 2015 and the June 30, 2016, total pension liabilities were based on the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal in accordance with the requirements of GASB Statement No. 68
Actuarial Assumptions	
Discount Rate	7.65%
Inflation	2.75%
Salary Increases	Varies by Entry Age and Service
Investment Rate of Return	7.65% Net of Pension Plan Investment and Administrative Expenses; includes Inflation
Mortality Rate Table (1)	Derived using CalPERS' Membership Data for all Funds Contract COLA up to 2.75% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.75% thereafter
Post Retirement Benefit Increase	

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

All other actuarial assumptions used in the June 30, 2015, valuation was based on the results of an actuarial experience study for the period from 1997 to 2011, including updates to salary increase, mortality and retirement rates. The Experience Study report can be obtained at CalPERS' website under Forms and Publications.

Discount Rate

The discount rate used to measure the total pension liability was 7.65 percent. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 7.65 percent discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate of 7.65 percent is applied to all plans in the Public Employees Retirement Fund. The stress test results are presented in a detailed report called "GASB Crossover Testing Report" that can be obtained at CalPERS' website under the GASB 68 section.

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2017

Note 7: Pension Rate Plans (Continued)

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

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Such cash flows were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years. Using historical returns of all the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

The table below reflects long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These geometric rates of return are net of administrative expenses.

Asset Class	New Strategic Allocation	Real Return Years 1-10*	Real Return Years 11+**
Global Equity	51.00%	5.25%	5.71%
Global Debt Securities	20.00%	0.99%	2.43%
Inflation Assets	6.00%	0.45%	3.36%
Private Equity	10.00%	6.83%	6.95%
Real Estate	10.00%	4.50%	5.13%
Infrastructure and Forestland	2.00%	4.50%	5.09%
Liquidity	1.00%	-0.55%	-1.05%

* An expected inflation of 2.5% used for this period

**An expected inflation of 3.0% used for this period

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2017

Note 7: Pension Rate Plans (Continued)

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

The following presents the net pension liability/(asset) of the Plan as of the measurement date, calculated using the discount rate of 7.65 percent, as well as what the net pension liability/(asset) would be if it were calculated using a discount rate that is 1 percentage-point lower (6.65 percent) or 1 percentage-point higher (8.65 percent) than the current rate:

	Discount Rate - 1% (6.65%)	Current Discount Rate (7.65%)	Discount Rate +1% (8.65%)
Plan's Net Pension Liability/(Assets)	\$ 7,539,307	\$ 4,607,967	\$ 2,185,360

Pension Plan Fiduciary Net Position

Detailed information about the Plan's fiduciary net positions is available in the separately issued CalPERS financial reports.

Note 8: Post-Employment Benefits Other than Pensions

The City provides an agent multiple-employer OPEB plan to retirees through the California Employers' Retiree Benefit Trust (CERBT). Information on the plan is available from CalPERS on their website www.calpers.ca.gov.

Annual OPEB Cost and Net OPEB Obligation

The City's annual OPEB cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and to amortize any unfunded liabilities of the plan over a period not to exceed thirty years.

Funding Policy

The City sets its monthly contribution rates for health insurance on behalf of all eligible retirees according to the PERS Health Program's statutory minimum (\$125/month for calendar 2016 and \$128/month for calendar 2017, increased in all future years according to the rate of medical inflation). The City pays a 0.32% of premium administrative charge on behalf of all retirees. The City is currently funding this OPEB obligation on a pay-as-you-go basis usually using available resources in the general fund. For the year ended June 30, 2017, the City paid \$10,126 in health care costs for its retirees and their covered dependents.

CITY OF DIAMOND BAR

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2017

Note 8: Post-Employment Benefits Other than Pensions (Continued)

The following table shows the components of the City's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the City's net OPEB obligation to the PERS Health Program:

Annual required contribution	\$ 84,761
Interest on net OPEB obligation	12,485
Adjustment to annual required contribution	<u>(25,308)</u>
Annual OPEB cost (expense)	71,938
Contributions made	<u>94,887</u>
Increase in net OPEB obligation	(22,949)
Net OPEB obligation - beginning of year	<u>416,162</u>
Net OPEB obligation - end of year	<u><u>\$ 393,213</u></u>

Three-Year Trend Information

For fiscal year 2017, the City's annual OPEB cost (expense) was \$71,938. Information on the annual OPEB costs, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation is only available for two fiscal years, as presented below:

Fiscal Year Ended	Annual OPEB Costs	Actual Contributions	Percentage of Annual OPEB Costs Contributed	Net OPEB Obligation
6/30/15	\$ 73,775	\$ 6,635	8.99%	\$ 436,244
6/30/16	72,089	92,171	127.86%	416,162
6/30/17	71,938	94,887	131.90%	393,213

Funded Status and Funding Progress

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the City are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

The schedule of funding progress below presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits. The information is as of the latest actuarial valuation.

Type of Valuation	Actuarial Valuation Date	Actuarial Value of Assets	Unfunded Actuarial Accrued Liability	Funded Ratio	Covered Payroll	UAAL as a Percent of Covered Payroll	Interest Rate
Actual	7/1/2014	\$ -	\$ 596,261	0.0%	\$ 4,293,708	13.89%	5.00%
Actual	7/1/2015	-	556,098	0.0%	4,376,116	12.71%	6.00%

Information on the plan is available from CalPERS.

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2017

Note 8: Post-Employment Benefits Other than Pensions (Continued)Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and the plan members at that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets consistent with the long-term perspective of the calculations.

In the July 1, 2015, actuarial valuation, the projected unit credit method was used. The actuarial assumptions included a discount rate of 6.0% per annum, a rate of return on assets of 6.0% per annum and a healthcare cost trend rate of 3.5% for medical and a healthcare cost trend rate of 7.0% for Rx initially, reduced by annual decrements of 1.0% to an ultimate rate of 5.0% after three years. The City's unfunded actuarial accrued liability will be amortized as a level dollar over an open period of 30 years.

Note 9: Classification of Net Position and Fund Balance

Details of the fund balance classifications at June 30, 2017, are as follows:

Restricted for Community Development Projects:	
Integrated Waste Management	\$ 1,170,472
Beverage Center Recycling	54,044
Used Oil Block Grant	17,292
Park and Facility Development	572,371
PEG Fees	252,471
Total	2,066,650
Restricted for Public Safety:	
COPS	222,455
CLEEP	21,187
Total	243,642
Restricted for Highways and Streets:	
State Gas Tax	2,423
Proposition A Transit	466,011
Proposition C Transit	678,660
Transportation Grant Fund	363
Traffic Improvement	1,000,504
Sewer Mitigation	111,097
MTA Grant Fund	33
Landscape Maintenance District	66,811
Measure R Local Return	680,953
Waste Hauler	88,879
Total	3,095,734
Restricted for Capital Projects:	
Air Quality Improvement	184,074
Total	184,074
Restricted for Debt Service:	
	80
Total Restricted Funds	\$ 5,590,180

CITY OF DIAMOND BAR

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2017

Note 10: Contingencies

The City is presently involved in other matters of litigation that have arisen in the normal course of the City's business. City management believes, based upon consultation with the City Attorney, that these cases, in the aggregate, are not expected to have a material adverse financial impact on the City.

Note 11: Construction Commitments

No material construction commitments existed at June 30, 2017.

Note 12: Fund Balance Restatement

Beginning Fund Balance in the General Fund has been restated by \$402,436 related to the recognition of sales tax revenue in the previous year outside the City's revenue recognition policy. There is no impact to the Statement of Net Position due to the basis of accounting.

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REQUIRED SUPPLEMENTARY INFORMATION

CITY OF DIAMOND BAR

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
YEAR ENDED JUNE 30, 2017**

Note 1: Stewardship, Compliance and Accountability

a. Budgetary Data

General Budget Policies

The City adopts an annual budget prepared on the modified accrual basis of accounting for its governmental funds and on the accrual basis of accounting for its proprietary funds. The City Manager or his designee is authorized to transfer budgeted amounts between the accounts of any department or funds that are approved by City Council. Prior year appropriations lapse unless they are approved for carryover into the following fiscal year. Expenditures may not legally exceed appropriations at the department level.

Budget Basis of Accounting

Budgets for governmental funds are adopted on a basis consistent with generally accepted accounting principles (GAAP).

CITY OF DIAMOND BAR

**BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
YEAR ENDED JUNE 30, 2017**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1, as restated	\$ 23,524,373	\$ 23,524,373	\$ 23,524,373	\$ -
Resources (Inflows):				
Taxes	12,106,530	12,421,530	12,698,595	277,065
Licenses and permits	2,131,273	2,382,251	2,220,572	(161,679)
Intergovernmental	6,053,000	6,207,423	6,207,423	-
Charges for services	1,671,282	1,652,032	1,544,032	(108,000)
Use of money and property	263,500	306,500	(65,606)	(372,106)
Fines and forfeitures	482,000	422,000	460,325	38,325
Miscellaneous	121,650	230,351	371,045	140,694
Transfers in	1,538,257	1,586,957	1,155,511	(431,446)
Amounts Available for Appropriations	47,891,865	48,733,417	48,116,270	(617,147)
Charges to Appropriation (Outflow):				
General government				
City Council	191,018	191,018	179,738	11,280
City Attorney	215,000	230,000	212,124	17,876
City Manager/Clerk	1,506,449	1,519,258	1,257,519	261,739
Finance	772,578	748,292	748,292	-
Human resources	426,953	437,453	326,878	110,575
Information systems	1,120,538	1,178,904	1,023,929	154,975
Public information	761,059	768,611	644,624	123,987
Civic Center	518,239	545,451	482,617	62,834
Contribution to OPEB trust	-	84,761	84,761	-
Subtotal general government	<u>5,511,834</u>	<u>5,618,987</u>	<u>4,960,482</u>	<u>658,505</u>
Public safety				
Law Enforcement	6,461,991	6,476,991	6,341,310	135,681
Fire Protection	7,500	7,500	7,359	141
Animal Control	167,500	167,500	161,896	5,604
Emergency preparedness	69,900	69,900	56,522	13,378
Subtotal public safety	<u>6,706,891</u>	<u>6,721,891</u>	<u>6,567,087</u>	<u>154,804</u>
Community development				
Comm. Dev. & Pl. Adm.	1,132,155	1,686,567	980,289	706,278
Building and Safety	718,822	925,995	830,616	95,379
Neigh. Imprv.	312,092	308,192	291,253	16,939
Eco. Devel.	334,563	405,873	188,719	217,154
Subtotal community development	<u>2,497,632</u>	<u>3,326,627</u>	<u>2,290,877</u>	<u>1,035,750</u>
Parks, recreation, and culture				
Comm. Svcs. Adm.	173,542	25,600	24,151	1,449
Diamond Bar Ctr.	1,057,644	1,088,447	962,958	125,489
Recreation	1,936,554	1,927,339	1,675,513	251,826
Subtotal parks, recreation, and culture	<u>3,167,740</u>	<u>3,041,386</u>	<u>2,662,622</u>	<u>378,764</u>
Highways and streets				
Public Works	859,276	885,012	798,363	86,649
Engineering	672,429	1,093,050	665,103	427,947
Road Maint.	1,757,959	1,885,361	1,779,036	106,325
Landscape Maint.	271,108	315,685	315,685	-
Park & Facilities Maintenance	1,316,055	1,584,361	1,230,210	354,151
Subtotal highways and streets	<u>4,876,827</u>	<u>5,763,469</u>	<u>4,788,397</u>	<u>975,072</u>
Capital outlay	114,400	213,145	86,625	126,520
Transfers out	3,704,433	5,861,465	1,838,218	4,023,247
Total Charges to Appropriations	26,579,757	30,546,970	23,194,308	7,352,662
Budgetary Fund Balance, June 30	\$ 21,312,108	\$ 18,186,447	\$ 24,921,962	\$ 6,735,515

CITY OF DIAMOND BAR

**MISCELLANEOUS RATE PLAN
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
AS OF JUNE 30, FOR THE LAST TEN FISCAL YEARS (1)**

	<u>2015</u>		<u>2016</u>		<u>2017</u>
Proportion of the Net Pension Liability	0.12979%		0.12165%		0.13265%
Proportionate Share of the Net Pension Liability	\$ 3,207,669	\$	3,337,560	\$	4,607,967
Covered-Employee Payroll	\$ 4,376,117	\$	4,650,369	\$	4,551,711
Proportionate Share of the Net Pension Liability as Percentage of Covered-Employee Payroll	73.30%		71.77%		101.24%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	79.82%		78.40%		74.06%

Notes to Schedule:

Benefit Changes:

There were no changes to benefit terms that applied to all members of the Public Agency Pool. However, individual employers in the Plan may have provided a benefit improvement to their employees by granting Two Years Additional Service Credit to members retiring during a specified time period (a.k.a. Golden Handshakes). Employers that have done so may need to report this information as a separate liability in their financial statement as CalPERS considers such amounts to be separately financed employer-specific liabilities. These employers should consult with their auditors.

Changes of Assumptions:

There were no changes of assumptions.

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

CITY OF DIAMOND BAR

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

	<u>2015</u>	<u>2016</u>	<u>2017</u>
Actuarially Determined Contribution	\$ 403,553	\$ 460,471	\$ 386,806
Contribution in Relation to the Actuarially Determined Contribution	(403,553)	(460,471)	(386,806)
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered-Employee Payroll	\$ 4,650,369	\$ 4,551,711	\$ 4,680,371
Contributions as a Percentage of Covered-Employee Payroll	8.68%	10.12%	8.26%

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

Note to Schedule:

Valuation Date:	June 30, 2014
Methods and assumptions used to determine contribution rates:	
Actuarial Cost Method	Entry Age Normal Cost Method
Amortization method	Level percentage of payroll, closed
Assets valuation method	Market Value
Discount Rate	7.50% (net of administrative expenses)
Projected Salary Increases	3.30% to 14.20% depending on Age, Service, and type of employment
Inflation	2.75%
Payroll Growth	3.00%
Individual Salary Growth	A merit scale varying by duration of employment coupled with an assumed annual inflation of 2.75% and an annual production growth of 0.25%.

CITY OF DIAMOND BAR

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2017

	Special Revenue Funds				
	State Gas Tax Fund	Proposition A Transit Fund	Proposition C Transit Fund	Transportation Grant Fund	Integrated Waste Management Fund
Assets:					
Pooled cash and investments	\$ 2,423	\$ 496,924	\$ 733,755	\$ 363	\$ 1,052,904
Receivables:					
Accounts	-	-	-	-	131,099
Notes and loans	-	-	-	-	-
Due from other governments	-	-	-	-	-
Cash and investments with fiscal agents	-	-	-	-	-
Total Assets	\$ 2,423	\$ 496,924	\$ 733,755	\$ 363	\$ 1,184,003
Liabilities and Fund Balances:					
Liabilities:					
Accounts payable	\$ -	\$ 28,724	\$ 54,404	\$ -	\$ 7,231
Accrued liabilities	-	2,189	691	-	6,300
Unearned revenues	-	-	-	-	-
Due to other governments	-	-	-	-	-
Due to other funds	-	-	-	-	-
Total Liabilities	-	30,913	55,095	-	13,531
Restricted for:					
Community development projects	-	-	-	-	1,170,472
Public safety	-	-	-	-	-
Highways and streets	2,423	466,011	678,660	363	-
Capital Projects	-	-	-	-	-
Debt service	-	-	-	-	-
Total Fund Balances	2,423	466,011	678,660	363	1,170,472
Total Liabilities and Fund Balances	\$ 2,423	\$ 496,924	\$ 733,755	\$ 363	\$ 1,184,003

CITY OF DIAMOND BAR

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2017

(CONTINUED)

	Special Revenue Funds				
	Traffic Improvement Fund	Sewer Mitigation Fund	Air Quality Improvement Fund	MTA Grant Fund	Beverage Center Recycling Grant Fund
Assets:					
Pooled cash and investments	\$ 1,008,921	\$ 111,097	\$ 165,545	\$ 4,377	\$ 39,537
Receivables:					
Accounts	-	-	-	-	-
Notes and loans	-	-	-	-	-
Due from other governments	-	-	18,529	-	14,507
Cash and investments with fiscal agents	-	-	-	-	-
Total Assets	\$ 1,008,921	\$ 111,097	\$ 184,074	\$ 4,377	\$ 54,044
Liabilities and Fund Balances:					
Liabilities:					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued liabilities	-	-	-	-	-
Unearned revenues	8,417	-	-	4,344	-
Due to other governments	-	-	-	-	-
Due to other funds	-	-	-	-	-
Total Liabilities	8,417	-	-	4,344	-
Restricted for:					
Community development projects	-	-	-	-	54,044
Public safety	-	-	-	-	-
Highways and streets	1,000,504	111,097	-	33	-
Capital Projects	-	-	184,074	-	-
Debt service	-	-	-	-	-
Total Fund Balances	1,000,504	111,097	184,074	33	54,044
Total Liabilities and Fund Balances	\$ 1,008,921	\$ 111,097	\$ 184,074	\$ 4,377	\$ 54,044

CITY OF DIAMOND BAR

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2017

	Special Revenue Funds				
	Used Oil Block Grant Fund	Park and Facility Development Fund	CDBG Fund	COPS Fund	CLEEP Fund
Assets:					
Pooled cash and investments	\$ 34,918	\$ 612,659	\$ -	\$ 187,477	\$ 21,187
Receivables:					
Accounts	-	-	-	-	-
Notes and loans	-	-	370,704	-	-
Due from other governments	-	-	48,837	39,416	-
Cash and investments with fiscal agents	-	-	-	-	-
Total Assets	\$ 34,918	\$ 612,659	\$ 419,541	\$ 226,893	\$ 21,187
Liabilities and Fund Balances:					
Liabilities:					
Accounts payable	\$ 17,626	\$ -	\$ 48	\$ 4,438	\$ -
Accrued liabilities	-	-	-	-	-
Unearned revenues	-	40,288	-	-	-
Due to other governments	-	-	370,704	-	-
Due to other funds	-	-	48,789	-	-
Total Liabilities	17,626	40,288	419,541	4,438	-
Restricted for:					
Community development projects	17,292	572,371	-	-	-
Public safety	-	-	-	222,455	21,187
Highways and streets	-	-	-	-	-
Capital Projects	-	-	-	-	-
Debt service	-	-	-	-	-
Total Fund Balances	17,292	572,371	-	222,455	21,187
Total Liabilities and Fund Balances	\$ 34,918	\$ 612,659	\$ 419,541	\$ 226,893	\$ 21,187

CITY OF DIAMOND BAR

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2017

(CONTINUED)

	Special Revenue Funds			
	Landscape Maintenance District Fund	Measure R Local Return Fund	PEG Fees Fund	Waste Hauler Fund
Assets:				
Pooled cash and investments	\$ 135,061	\$ 680,953	\$ 232,492	\$ 57,498
Receivables:				
Accounts	-	-	19,979	31,381
Notes and loans	-	-	-	-
Due from other governments	11,672	-	-	-
Cash and investments with fiscal agents	-	-	-	-
Total Assets	\$ 146,733	\$ 680,953	\$ 252,471	\$ 88,879
Liabilities and Fund Balances:				
Liabilities:				
Accounts payable	\$ 78,692	\$ -	\$ -	\$ -
Accrued liabilities	1,230	-	-	-
Unearned revenues	-	-	-	-
Due to other governments	-	-	-	-
Due to other funds	-	-	-	-
Total Liabilities	79,922	-	-	-
Restricted for:				
Community development projects	-	-	252,471	-
Public safety	-	-	-	-
Highways and streets	66,811	680,953	-	88,879
Capital Projects	-	-	-	-
Debt service	-	-	-	-
Total Fund Balances	66,811	680,953	252,471	88,879
Total Liabilities and Fund Balances	\$ 146,733	\$ 680,953	\$ 252,471	\$ 88,879

CITY OF DIAMOND BAR

COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2017

	<u>Debt Service Funds</u>	
	<u>Public Financing Authority</u>	<u>Total Governmental Funds</u>
Assets:		
Pooled cash and investments	\$ -	\$ 5,578,091
Receivables:		
Accounts	-	182,459
Notes and loans	-	370,704
Due from other governments	-	132,961
Cash and investments with fiscal agents	80	80
	<u>80</u>	<u>80</u>
Total Assets	<u>\$ 80</u>	<u>\$ 6,264,295</u>
Liabilities and Fund Balances:		
Liabilities:		
Accounts payable	\$ -	\$ 191,163
Accrued liabilities	-	10,410
Unearned revenues	-	53,049
Due to other governments	-	370,704
Due to other funds	-	48,789
	<u>-</u>	<u>674,115</u>
Total Liabilities	<u>-</u>	<u>674,115</u>
Restricted for:		
Community development projects	-	2,066,650
Public safety	-	243,642
Highways and streets	-	3,095,734
Capital Projects	-	184,074
Debt service	80	80
	<u>80</u>	<u>80</u>
Total Fund Balances	<u>80</u>	<u>5,590,180</u>
Total Liabilities and Fund Balances	<u>\$ 80</u>	<u>\$ 6,264,295</u>

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CITY OF DIAMOND BAR

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2017

	Special Revenue Funds				Integrated Waste Management Fund
	State Gas Tax Fund	Proposition A Transit Fund	Proposition C Transit Fund	Transportation Grant Fund	
Revenues:					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-
Intergovernmental	1,079,084	1,034,041	860,946	924,125	-
Charges for services	-	823,272	-	-	532,017
Use of money and property	4,028	9,806	11,513	-	15,688
Miscellaneous	-	-	-	-	75,000
Total Revenues	1,083,112	1,867,119	872,459	924,125	622,705
Expenditures:					
Current:					
General government	-	600,000	-	-	-
Public safety	-	-	-	-	-
Community development	-	-	-	-	561,193
Parks and recreation	-	60,936	-	-	-
Public works	-	1,195,519	395,369	-	-
Capital outlay	-	-	-	-	-
Debt service:					
Principal retirement	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total Expenditures	-	1,856,455	395,369	-	561,193
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,083,112	10,664	477,090	924,125	61,512
Other Financing Sources (Uses):					
Transfers in	-	-	-	220	-
Transfers out	(1,450,291)	(505,976)	(463,445)	-	(112,220)
Total Other Financing Sources (Uses)	(1,450,291)	(505,976)	(463,445)	220	(112,220)
Net Change in Fund Balances	(367,179)	(495,312)	13,645	924,345	(50,708)
Fund Balances, Beginning of Year	369,602	961,323	665,015	(923,982)	1,221,180
Fund Balances, End of Year	\$ 2,423	\$ 466,011	\$ 678,660	\$ 363	\$ 1,170,472

CITY OF DIAMOND BAR

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2017

(CONTINUED)

	Special Revenue Funds				
	Traffic Improvement Fund	Sewer Mitigation Fund	Air Quality Improvement Fund	MTA Grant Fund	Beverage Center Recycling Grant Fund
Revenues:					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	9,883	-	-	-	-
Intergovernmental	-	-	72,892	48,650	29,111
Charges for services	-	-	-	-	-
Use of money and property	18,857	1,591	2,892	33	849
Miscellaneous	-	-	-	-	-
Total Revenues	28,740	1,591	75,784	48,683	29,960
Expenditures:					
Current:					
General government	-	-	-	-	-
Public safety	-	-	-	-	-
Community development	-	-	-	-	27,485
Parks and recreation	-	-	-	-	-
Public works	3,695	-	-	-	-
Capital outlay	-	-	-	-	-
Debt service:					
Principal retirement	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total Expenditures	3,695	-	-	-	27,485
Excess (Deficiency) of Revenues Over (Under) Expenditures	25,045	1,591	75,784	48,683	2,475
Other Financing Sources (Uses):					
Transfers in	-	-	-	-	-
Transfers out	(543,858)	-	(159,694)	(48,650)	-
Total Other Financing Sources (Uses)	(543,858)	-	(159,694)	(48,650)	-
Net Change in Fund Balances	(518,813)	1,591	(83,910)	33	2,475
Fund Balances, Beginning of Year	1,519,317	109,506	267,984	-	51,569
Fund Balances, End of Year	\$ 1,000,504	\$ 111,097	\$ 184,074	\$ 33	\$ 54,044

CITY OF DIAMOND BAR

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2017

	Special Revenue Funds				
	Used Oil Block Grant Fund	Park and Facility Development Fund	CDBG Fund	COPS Fund	CLEEP Fund
Revenues:					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-
Intergovernmental	15,769	406,119	119,965	168,740	-
Charges for services	-	-	-	-	-
Use of money and property	175	11,590	-	2,978	391
Miscellaneous	-	-	-	-	-
Total Revenues	15,944	417,709	119,965	171,718	391
Expenditures:					
Current:					
General government	-	-	-	-	-
Public safety	-	-	-	9,867	-
Community development	14,223	-	92,195	-	-
Parks and recreation	-	-	-	-	-
Public works	-	-	-	-	-
Capital outlay	-	-	-	2,435	11,148
Debt service:					
Principal retirement	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total Expenditures	14,223	-	92,195	12,302	11,148
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,721	417,709	27,770	159,416	(10,757)
Other Financing Sources (Uses):					
Transfers in	-	-	-	-	-
Transfers out	-	(765,786)	(27,770)	(98,958)	-
Total Other Financing Sources (Uses)	-	(765,786)	(27,770)	(98,958)	-
Net Change in Fund Balances	1,721	(348,077)	-	60,458	(10,757)
Fund Balances, Beginning of Year	15,571	920,448	-	161,997	31,944
Fund Balances, End of Year	\$ 17,292	\$ 572,371	\$ -	\$ 222,455	\$ 21,187

CITY OF DIAMOND BAR

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2017

(CONTINUED)

	Special Revenue Funds			
	Landscape Maintenance District Fund	Measure R Local Return Fund	PEG Fees Fund	Waste Hauler Fund
Revenues:				
Taxes	\$ 685,863	\$ -	\$ 83,151	\$ -
Licenses and permits	-	-	-	125,525
Intergovernmental	-	643,438	-	-
Charges for services	-	-	-	-
Use of money and property	-	9,642	2,789	1,158
Miscellaneous	-	-	-	-
Total Revenues	685,863	653,080	85,940	126,683
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Community development	-	-	-	-
Parks and recreation	-	-	-	-
Public works	748,228	-	-	-
Capital outlay	-	-	7,368	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	748,228	-	7,368	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	(62,365)	653,080	78,572	126,683
Other Financing Sources (Uses):				
Transfers in	95,423	-	-	-
Transfers out	-	(700,816)	-	(115,622)
Total Other Financing Sources (Uses)	95,423	(700,816)	-	(115,622)
Net Change in Fund Balances	33,058	(47,736)	78,572	11,061
Fund Balances, Beginning of Year	33,753	728,689	173,899	77,818
Fund Balances, End of Year	\$ 66,811	\$ 680,953	\$ 252,471	\$ 88,879

CITY OF DIAMOND BAR

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2017

	<u>Debt Service Funds</u>	<u>Total Governmental Funds</u>
	<u>Public Financing Authority</u>	
Revenues:		
Taxes	\$ -	\$ 769,014
Licenses and permits	-	135,408
Intergovernmental	-	5,402,880
Charges for services	-	1,355,289
Use of money and property	104	94,084
Miscellaneous	-	75,000
Total Revenues	104	7,831,675
Expenditures:		
Current:		
General government	-	600,000
Public safety	-	9,867
Community development	-	695,096
Parks and recreation	-	60,936
Public works	-	2,342,811
Capital outlay	-	20,951
Debt service:		
Principal retirement	400,000	400,000
Interest and fiscal charges	459,191	459,191
Total Expenditures	859,191	4,588,852
Excess (Deficiency) of Revenues Over (Under) Expenditures	(859,087)	3,242,823
Other Financing Sources (Uses):		
Transfers in	859,138	954,781
Transfers out	-	(4,993,086)
Total Other Financing Sources (Uses)	859,138	(4,038,305)
Net Change in Fund Balances	51	(795,482)
Fund Balances, Beginning of Year	29	6,385,662
Fund Balances, End of Year	\$ 80	\$ 5,590,180

CITY OF DIAMOND BAR

BUDGETARY COMPARISON SCHEDULE
 STATE GAS TAX FUND
 YEAR ENDED JUNE 30, 2017

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 369,602	\$ 369,602	\$ 369,602	\$ -
Resources (Inflows):				
Intergovernmental	1,164,130	1,114,791	1,079,084	(35,707)
Use of money and property	5,500	7,500	4,028	(3,472)
Amounts Available for Appropriations	1,539,232	1,491,893	1,452,714	(39,179)
Charges to Appropriation (Outflow):				
Transfers out	1,573,242	1,542,667	1,450,291	92,376
Total Charges to Appropriations	1,573,242	1,542,667	1,450,291	92,376
Budgetary Fund Balance, June 30	\$ (34,010)	\$ (50,774)	\$ 2,423	\$ 53,197

CITY OF DIAMOND BAR

**BUDGETARY COMPARISON SCHEDULE
PROPOSITION A TRANSIT FUND
YEAR ENDED JUNE 30, 2017**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 961,323	\$ 961,323	\$ 961,323	\$ -
Resources (Inflows):				
Intergovernmental	1,038,288	1,038,288	1,034,041	(4,247)
Charges for services	1,075,000	1,075,000	823,272	(251,728)
Use of money and property	6,000	10,000	9,806	(194)
Amounts Available for Appropriations	3,080,611	3,084,611	2,828,442	(256,169)
Charges to Appropriation (Outflow):				
General government	600,000	600,000	600,000	-
Parks, recreation and culture	81,250	81,250	60,936	20,314
Highways and Streets	1,510,909	1,510,909	1,195,519	315,390
Capital outlay	14,500	14,500	-	14,500
Transfers out	760,155	710,155	505,976	204,179
Total Charges to Appropriations	2,966,814	2,916,814	2,362,431	554,383
Budgetary Fund Balance, June 30	\$ 113,797	\$ 167,797	\$ 466,011	\$ 298,214

CITY OF DIAMOND BAR

BUDGETARY COMPARISON SCHEDULE
 PROPOSITION C TRANSIT FUND
 YEAR ENDED JUNE 30, 2017

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 665,015	\$ 665,015	\$ 665,015	\$ -
Resources (Inflows):				
Intergovernmental	861,232	861,232	860,946	(286)
Use of money and property	5,700	9,000	11,513	2,513
Amounts Available for Appropriations	1,531,947	1,535,247	1,537,474	2,227
Charges to Appropriation (Outflow):				
Highways and Streets	551,637	551,637	395,369	156,268
Transfers out	902,565	1,053,458	463,445	590,013
Total Charges to Appropriations	1,454,202	1,605,095	858,814	746,281
Budgetary Fund Balance, June 30	\$ 77,745	\$ (69,848)	\$ 678,660	\$ 748,508

CITY OF DIAMOND BAR

BUDGETARY COMPARISON SCHEDULE
 TRANSPORTATION GRANT FUND
 YEAR ENDED JUNE 30, 2017

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ (923,982)	\$ (923,982)	\$ (923,982)	\$ -
Resources (Inflows):				
Intergovernmental	7,682,387	7,682,387	924,125	(6,758,262)
Transfers in	-	-	220	220
Amounts Available for Appropriations	6,758,405	6,758,405	363	(6,758,042)
Charges to Appropriation (Outflow):				
Transfers out	7,682,387	7,721,103	-	7,721,103
Total Charges to Appropriations	7,682,387	7,721,103	-	7,721,103
Budgetary Fund Balance, June 30	\$ (923,982)	\$ (962,698)	\$ 363	\$ 963,061

CITY OF DIAMOND BAR

**BUDGETARY COMPARISON SCHEDULE
INTEGRATED WASTE MANAGEMENT FUND
YEAR ENDED JUNE 30, 2017**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 1,221,180	\$ 1,221,180	\$ 1,221,180	\$ -
Resources (Inflows):				
Charges for services	540,000	540,000	532,017	(7,983)
Use of money and property	12,000	16,000	15,688	(312)
Miscellaneous	-	-	75,000	75,000
Amounts Available for Appropriations	1,773,180	1,777,180	1,843,885	66,705
Charges to Appropriation (Outflow):				
Community development	571,333	688,963	561,193	127,770
Transfers out	112,220	112,220	112,220	-
Total Charges to Appropriations	683,553	801,183	673,413	127,770
Budgetary Fund Balance, June 30	\$ 1,089,627	\$ 975,997	\$ 1,170,472	\$ 194,475

CITY OF DIAMOND BAR

BUDGETARY COMPARISON SCHEDULE
 TRAFFIC IMPROVEMENT FUND
 YEAR ENDED JUNE 30, 2017

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 1,519,317	\$ 1,519,317	\$ 1,519,317	\$ -
Resources (Inflows):				
Licenses and permits	168,562	168,562	9,883	(158,679)
Use of money and property	5,000	15,000	18,857	3,857
Amounts Available for Appropriations	1,692,879	1,702,879	1,548,057	(154,822)
Charges to Appropriation (Outflow):				
Highways and streets	-	16,465	3,695	12,770
Transfers out	1,096,281	1,519,698	543,858	975,840
Total Charges to Appropriations	1,096,281	1,536,163	547,553	988,610
Budgetary Fund Balance, June 30	\$ 596,598	\$ 166,716	\$ 1,000,504	\$ 833,788

CITY OF DIAMOND BAR

BUDGETARY COMPARISON SCHEDULE
 SEWER MITIGATION FUND
 YEAR ENDED JUNE 30, 2017

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 109,506	\$ 109,506	\$ 109,506	\$ -
Resources (Inflows):				
Use of money and property	-	1,500	1,591	91
Amounts Available for Appropriations	109,506	111,006	111,097	91
Charges to Appropriation (Outflow):				
Transfers out	109,000	109,000	-	109,000
Total Charges to Appropriations	109,000	109,000	-	109,000
Budgetary Fund Balance, June 30	\$ 506	\$ 2,006	\$ 111,097	\$ 109,091

CITY OF DIAMOND BAR

BUDGETARY COMPARISON SCHEDULE
 AIR QUALITY IMPROVEMENT FUND
 YEAR ENDED JUNE 30, 2017

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 267,984	\$ 267,984	\$ 267,984	\$ -
Resources (Inflows):				
Intergovernmental	65,000	65,000	72,892	7,892
Use of money and property	1,200	2,800	2,892	92
Amounts Available for Appropriations	334,184	335,784	343,768	7,984
Charges to Appropriation (Outflow):				
Transfers out	219,705	325,958	159,694	166,264
Total Charges to Appropriations	219,705	325,958	159,694	166,264
Budgetary Fund Balance, June 30	\$ 114,479	\$ 9,826	\$ 184,074	\$ 174,248

CITY OF DIAMOND BAR

BUDGETARY COMPARISON SCHEDULE
 MTA GRANT FUND
 YEAR ENDED JUNE 30, 2017

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ -	\$ -	\$ -	\$ -
Resources (Inflows):				
Intergovernmental	3,517,094	3,517,094	48,650	(3,468,444)
Use of money and property	-	-	33	33
Amounts Available for Appropriations	3,517,094	3,517,094	48,683	(3,468,411)
Charges to Appropriation (Outflow):				
Transfers out	3,517,094	3,561,663	48,650	3,513,013
Total Charges to Appropriations	3,517,094	3,561,663	48,650	3,513,013
Budgetary Fund Balance, June 30	\$ -	\$ (44,569)	\$ 33	\$ 44,602

CITY OF DIAMOND BAR

BUDGETARY COMPARISON SCHEDULE
 BEVERAGE CENTER RECYCLING GRANT FUND
 YEAR ENDED JUNE 30, 2017

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 51,569	\$ 51,569	\$ 51,569	\$ -
Resources (Inflows):				
Intergovernmental	14,604	14,604	29,111	14,507
Use of money and property	500	500	849	349
Amounts Available for Appropriations	66,673	66,673	81,529	14,856
Charges to Appropriation (Outflow):				
Community development	41,500	41,500	27,485	14,015
Total Charges to Appropriations	41,500	41,500	27,485	14,015
Budgetary Fund Balance, June 30	\$ 25,173	\$ 25,173	\$ 54,044	\$ 28,871

CITY OF DIAMOND BAR

BUDGETARY COMPARISON SCHEDULE
 USED OIL BLOCK GRANT FUND
 YEAR ENDED JUNE 30, 2017

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 15,571	\$ 15,571	\$ 15,571	\$ -
Resources (Inflows):				
Intergovernmental	15,700	15,700	15,769	69
Use of money and property	100	100	175	75
Amounts Available for Appropriations	31,371	31,371	31,515	144
Charges to Appropriation (Outflow):				
Community development	16,300	16,300	14,223	2,077
Total Charges to Appropriations	16,300	16,300	14,223	2,077
Budgetary Fund Balance, June 30	\$ 15,071	\$ 15,071	\$ 17,292	\$ 2,221

CITY OF DIAMOND BAR

BUDGETARY COMPARISON SCHEDULE
 PARK AND FACILITY DEVELOPMENT FUND
 YEAR ENDED JUNE 30, 2017

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 920,448	\$ 920,448	\$ 920,448	\$ -
Resources (Inflows):				
Intergovernmental	345,900	345,900	406,119	60,219
Use of money and property	4,500	13,000	11,590	(1,410)
Amounts Available for Appropriations	1,270,848	1,279,348	1,338,157	58,809
Charges to Appropriation (Outflow):				
Transfers out	897,916	1,146,200	765,786	380,414
Total Charges to Appropriations	897,916	1,146,200	765,786	380,414
Budgetary Fund Balance, June 30	\$ 372,932	\$ 133,148	\$ 572,371	\$ 439,223

CITY OF DIAMOND BAR

BUDGETARY COMPARISON SCHEDULE
 COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG FUND)
 YEAR ENDED JUNE 30, 2017

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ -	\$ -	\$ -	\$ -
Resources (Inflows):				
Intergovernmental	204,096	429,096	119,965	(309,131)
Amounts Available for Appropriations	204,096	429,096	119,965	(309,131)
Charges to Appropriation (Outflow):				
Community development	129,813	118,624	92,195	26,429
Transfers out	136,301	587,801	27,770	560,031
Total Charges to Appropriations	266,114	706,425	119,965	586,460
Budgetary Fund Balance, June 30	\$ (62,018)	\$ (277,329)	\$ -	\$ 277,329

CITY OF DIAMOND BAR

BUDGETARY COMPARISON SCHEDULE
 CITIZENS OPTION FOR PUBLIC SAFETY (COPS) FUND
 YEAR ENDED JUNE 30, 2017

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 161,997	\$ 161,997	\$ 161,997	\$ -
Resources (Inflows):				
Intergovernmental	100,000	100,000	168,740	68,740
Use of money and property	1,500	3,000	2,978	(22)
Amounts Available for Appropriations	263,497	264,997	333,715	68,718
Charges to Appropriation (Outflow):				
Public safety	6,200	9,301	9,867	(566)
Capital outlay	5,000	3,000	2,435	565
Transfers out	92,935	98,958	98,958	-
Total Charges to Appropriations	104,135	111,259	111,260	(1)
Budgetary Fund Balance, June 30	\$ 159,362	\$ 153,738	\$ 222,455	\$ 68,717

CITY OF DIAMOND BAR

BUDGETARY COMPARISON SCHEDULE
 CALIFORNIA LAW ENFORCEMENT EQUIPMENT PROGRAM (CLEEP) FUND
 YEAR ENDED JUNE 30, 2017

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 31,944	\$ 31,944	\$ 31,944	\$ -
Resources (Inflows):				
Use of money and property	200	400	391	(9)
Amounts Available for Appropriations	32,144	32,344	32,335	(9)
Charges to Appropriation (Outflow):				
Capital outlay	10,000	11,148	11,148	-
Total Charges to Appropriations	10,000	11,148	11,148	-
Budgetary Fund Balance, June 30	\$ 22,144	\$ 21,196	\$ 21,187	\$ (9)

CITY OF DIAMOND BAR

BUDGETARY COMPARISON SCHEDULE
 LANDSCAPE MAINTENANCE DISTRICT FUND
 YEAR ENDED JUNE 30, 2017

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 33,753	\$ 33,753	\$ 33,753	\$ -
Resources (Inflows):				
Taxes	684,000	689,302	685,863	(3,439)
Transfers in	201,547	201,547	95,423	(106,124)
Amounts Available for Appropriations	919,300	924,602	815,039	(109,563)
Charges to Appropriation (Outflow):				
Highways and Streets	879,649	945,059	748,228	196,831
Total Charges to Appropriations	879,649	945,059	748,228	196,831
Budgetary Fund Balance, June 30	\$ 39,651	\$ (20,457)	\$ 66,811	\$ 87,268

CITY OF DIAMOND BAR

BUDGETARY COMPARISON SCHEDULE
 MEASURE R LOCAL RETURN FUND
 YEAR ENDED JUNE 30, 2017

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 728,689	\$ 728,689	\$ 728,689	\$ -
Resources (Inflows):				
Intergovernmental	645,877	645,877	643,438	(2,439)
Use of money and property	5,500	11,000	9,642	(1,358)
Amounts Available for Appropriations	1,380,066	1,385,566	1,381,769	(3,797)
Charges to Appropriation (Outflow):				
Transfers out	722,821	1,484,821	700,816	784,005
Total Charges to Appropriations	722,821	1,484,821	700,816	784,005
Budgetary Fund Balance, June 30	\$ 657,245	\$ (99,255)	\$ 680,953	\$ 780,208

CITY OF DIAMOND BAR

BUDGETARY COMPARISON SCHEDULE
 PEG FEES FUND
 YEAR ENDED JUNE 30, 2017

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 173,899	\$ 173,899	\$ 173,899	\$ -
Resources (Inflows):				
Taxes	100,000	100,000	83,151	(16,849)
Use of money and property	1,500	2,700	2,789	89
Amounts Available for Appropriations	275,399	276,599	259,839	(16,760)
Charges to Appropriation (Outflow):				
Capital outlay	85,000	115,000	7,368	107,632
Total Charges to Appropriations	85,000	115,000	7,368	107,632
Budgetary Fund Balance, June 30	\$ 190,399	\$ 161,599	\$ 252,471	\$ 90,872

CITY OF DIAMOND BAR

BUDGETARY COMPARISON SCHEDULE
 WASTE HAULER FUND
 YEAR ENDED JUNE 30, 2017

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 77,818	\$ 77,818	\$ 77,818	\$ -
Resources (Inflows):				
Licenses and permits	125,490	125,490	125,525	35
Use of money and property	1,000	1,000	1,158	158
Amounts Available for Appropriations	204,308	204,308	204,501	193
Charges to Appropriation (Outflow):				
Transfers out	202,023	204,957	115,622	89,335
Total Charges to Appropriations	202,023	204,957	115,622	89,335
Budgetary Fund Balance, June 30	\$ 2,285	\$ (649)	\$ 88,879	\$ 89,528

CITY OF DIAMOND BAR

BUDGETARY COMPARISON SCHEDULE
 CAPITAL IMPROVEMENT FUND
 YEAR ENDED JUNE 30, 2017

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 18,047	\$ 18,047	\$ 18,047	\$ -
Resources (Inflows):				
Intergovernmental	453,985	442,851	58,214	(384,637)
Miscellaneous	503,000	503,000	115,243	(387,757)
Transfers in	18,555,369	21,527,779	4,285,296	(17,242,483)
Amounts Available for Appropriations	19,530,401	22,491,677	4,476,800	(18,014,877)
Charges to Appropriation (Outflow):				
Public works	-	-	1,833,074	(1,833,074)
Capital outlay	19,596,438	22,698,631	2,933,867	19,764,764
Total Charges to Appropriations	19,596,438	22,698,631	4,766,941	17,931,690
Budgetary Fund Balance, June 30	\$ (66,037)	\$ (206,954)	\$ (290,141)	\$ (83,187)

CITY OF DIAMOND BAR

BUDGETARY COMPARISON SCHEDULE
 PUBLIC FINANCING AUTHORITY
 YEAR ENDED JUNE 30, 2017

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 29	\$ 29	\$ 29	\$ -
Resources (Inflows):				
Use of money and property	-	-	104	104
Transfers in	860,606	860,606	859,138	(1,468)
Amounts Available for Appropriations	860,635	860,635	859,271	(1,364)
Charges to Appropriation (Outflow):				
Debt service:				
Principal retirement	400,000	400,000	400,000	-
Interest and fiscal charges	460,606	460,606	459,191	1,415
Total Charges to Appropriations	860,606	860,606	859,191	1,415
Budgetary Fund Balance, June 30	\$ 29	\$ 29	\$ 80	\$ 51

CITY OF DIAMOND BAR

COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
JUNE 30, 2017

	Governmental Activities - Internal Service Funds				Totals
	Self Insurance Fund	Equipment Replacement Fund	Computer Equipment Replacement	Building Facility & Maintenance	
Assets:					
Current:					
Cash and investments	\$ 1,003,280	\$ 537,236	\$ 454,217	\$ 433,370	\$ 2,428,103
Receivables:					
Accounts	-	-	-	2,208	2,208
Total Current Assets	1,003,280	537,236	454,217	435,578	2,430,311
Noncurrent:					
Capital assets - net of accumulated depreciation	-	130,191	216,482	-	346,673
Total Noncurrent Assets	-	130,191	216,482	-	346,673
Total Assets	\$ 1,003,280	\$ 667,427	\$ 670,699	\$ 435,578	\$ 2,776,984
Liabilities and Net Position:					
Liabilities:					
Current:					
Accounts payable	\$ -	\$ 1,568	\$ -	\$ -	\$ 1,568
Due to other governments	81,774	-	-	-	81,774
Total Current Liabilities	81,774	1,568	-	-	83,342
Total Liabilities	81,774	1,568	-	-	83,342
Net Position:					
Investment in capital assets	-	130,191	216,482	-	346,673
Unrestricted	921,506	535,668	454,217	435,578	2,346,969
Total Net Position	921,506	665,859	670,699	435,578	2,693,642
Total Liabilities and Net Position	\$ 1,003,280	\$ 667,427	\$ 670,699	\$ 435,578	\$ 2,776,984

CITY OF DIAMOND BAR

**COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2017**

	Governmental Activities - Internal Service Funds				Totals
	Self Insurance Fund	Equipment Replacement Fund	Computer Equipment Replacement	Building Facility & Maintenance	
Operating Revenues:					
Sales and service charges	\$ -	\$ -	\$ -	\$ 10,291	\$ 10,291
Total Operating Revenues	-	-	-	10,291	10,291
Operating Expenses:					
Administration and general	-	20,918	-	-	20,918
Insurance premiums	530,772	-	-	-	530,772
Equipment repair and maintenance	-	23,137	11,132	24,552	58,821
Depreciation expense	-	39,982	120,840	-	160,822
Total Operating Expenses	530,772	84,037	131,972	24,552	771,333
Operating Income (Loss)	(530,772)	(84,037)	(131,972)	(14,261)	(761,042)
Nonoperating Revenues (Expenses):					
Interest revenue	8,680	8,005	4,676	8,321	29,682
Total Nonoperating Revenues (Expenses)	8,680	8,005	4,676	8,321	29,682
Income (Loss) Before Transfers	(522,092)	(76,032)	(127,296)	(5,940)	(731,360)
Transfers in	441,316	-	147,400	-	588,716
Transfers out	-	-	-	(153,000)	(153,000)
Changes in Net Position	(80,776)	(76,032)	20,104	(158,940)	(295,644)
Net Position:					
Beginning of Year	1,002,282	741,891	650,595	594,518	2,989,286
End of Fiscal Year	\$ 921,506	\$ 665,859	\$ 670,699	\$ 435,578	\$ 2,693,642

CITY OF DIAMOND BAR

**COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2017**

	Governmental Activities - Internal Service Funds				
	Self Insurance Fund	Equipment Replacement Fund	Computer Equipment Replacement Fund	Building Facility & Maintenance Fund	Totals
Cash Flows from Operating Activities:					
Insurance Premiums paid	\$ (530,772)	\$ -	\$ -	\$ -	\$ (530,772)
Payments to suppliers	(42,830)	(45,521)	(11,132)	(24,552)	(124,035)
Cash received from others	81,774	9,000	-	9,142	99,916
Net Cash Provided (Used) by Operating Activities	(491,828)	(36,521)	(11,132)	(15,410)	(554,891)
Cash Flows from Non-Capital Financing Activities:					
Cash transfers out	-	-	-	(153,000)	(153,000)
Cash transfers in	441,316	-	147,400	-	588,716
Net Cash Provided (Used) by Non-Capital Financing Activities	441,316	-	147,400	(153,000)	435,716
Cash Flows from Capital and Related Financing Activities:					
Acquisition and construction of capital assets	-	-	(13,702)	-	(13,702)
Net Cash Provided (Used) by Capital and Related Financing Activities	-	-	(13,702)	-	(13,702)
Cash Flows from Investing Activities:					
Interest received	8,680	8,005	4,676	8,321	29,682
Net Cash Provided (Used) by Investing Activities	8,680	8,005	4,676	8,321	29,682
Net Increase (Decrease) in Cash and Cash Equivalents	(41,832)	(28,516)	127,242	(160,089)	(103,195)
Cash and Cash Equivalents at Beginning of Year	1,045,112	565,751	326,976	593,459	2,531,298
Cash and Cash Equivalents at End of Year	\$ 1,003,280	\$ 537,235	\$ 454,218	\$ 433,370	\$ 2,428,103
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:					
Operating income (loss)	\$ (530,772)	\$ (84,037)	\$ (131,972)	\$ (14,261)	\$ (761,042)
Adjustments to reconcile operating income (loss) net cash provided (used) by operating activities:					
Depreciation	-	39,982	120,840	-	160,822
(Increase) decrease in accounts receivable	-	9,000	-	(1,149)	7,851
Increase (decrease) in accounts payable	(42,830)	(1,466)	-	-	(44,296)
Increase (decrease) in due to other governments	81,774	-	-	-	81,774
Total Adjustments	38,944	47,516	120,840	(1,149)	206,151
Net Cash Provided (Used) by Operating Activities	\$ (491,828)	\$ (36,521)	\$ (11,132)	\$ (15,410)	\$ (554,891)

DESCRIPTION OF STATISTICAL SECTION CONTENTS

June 30, 2017

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

Contents:	Schedules
<u>Financial Trends</u> – These schedules contain trend information to help the reader understand how the city's financial performance and well-being have changed over time.	1 - 4
<u>Revenue Capacity</u> – These schedules contain information to help the reader assess the city's most significant local revenue source, the property tax.	5 - 8
<u>Debt Capacity</u> – 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.	9 - 11
<u>Demographic and Economic Information</u> – These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	12 - 13
<u>Operating Information</u> – These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	14 - 16

City of Diamond Bar
Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year Ended June 30,				
	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Governmental activities:					
Net investment in capital assets	\$ 370,949,296	\$ 367,529,907	\$ 377,940,738	\$ 381,985,940	\$ 382,660,310
Restricted for:					
Capital projects	2,912,276	3,526,991	2,260,872	146,567	163,603
Community development	889,176	568,280	725,667	1,644,861	958,293
Public safety		541,482	559,920	453,730	285,508
Public works				3,636,487	3,504,339
Debt service	309,533	305,915	319,815	333,694	2
Unrestricted	36,236,504	34,554,084	34,215,610	22,582,318	18,288,491
Total governmental activities net position	<u>\$ 411,296,785</u>	<u>\$ 407,026,659</u>	<u>\$ 416,022,622</u>	<u>\$ 410,783,597</u>	<u>\$ 405,860,546</u>

<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
\$ 378,511,311	\$ 372,068,596	\$ 368,779,901	\$ 363,216,277	\$ 358,765,476
165,587	135,914	207,205	267,984	184,074
1,084,434	1,174,082	1,482,522	2,382,667	2,066,650
196,503	140,747	171,928	193,941	243,642
3,964,252	4,015,113	3,862,123	4,465,023	3,095,734
3	4	3	29	80
18,508,423	20,894,700	20,659,058	22,742,992	23,047,078
<u>\$ 402,430,513</u>	<u>\$ 398,429,156</u>	<u>\$ 395,162,740</u>	<u>\$ 393,268,913</u>	<u>\$ 387,402,734</u>

City of Diamond Bar
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year Ended June 30,				
	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Expenses:					
Governmental activities:					
General government	\$ 4,473,666	\$ 5,159,300	\$ 4,973,685	\$ 6,370,986	\$ 6,384,072
Public safety	4,944,729	5,396,083	5,526,099	5,591,049	6,104,982
Highways and streets	12,034,669	13,931,211	12,287,325	10,619,860	11,248,137
Community development	2,251,196	1,959,303	1,624,547	1,969,540	2,126,906
Parks, recreation and culture	5,188,977	4,950,687	5,091,215	5,153,264	5,559,427
Contribution to OPEB Trust					
Interest on long-term debt	392,548	177,633	57,948	72,592	848,976
Total general expenses	<u>29,285,785</u>	<u>31,574,217</u>	<u>29,560,819</u>	<u>29,777,291</u>	<u>32,272,500</u>
Program revenues:					
Governmental activities:					
Charges for services					
General Government	225,553	132,262	131,633	118,016	247,248
Public safety	632,980	596,375	605,262	558,544	491,831
Highways and streets	2,851,187	1,732,985	2,070,167	2,400,272	2,555,900
Community development	567,302	438,563	430,081	955,380	1,006,971
Parks, recreation and culture	1,581,597	1,705,282	1,754,789	1,829,409	1,753,585
Operating grants and contributions	4,307,074	5,588,818	4,358,895	3,685,378	4,992,856
Capital grants and contributions	219,193	2,272,580	15,960,279	40,779	1,242,636
Total governmental activities program revenues	<u>10,384,886</u>	<u>12,466,865</u>	<u>25,311,106</u>	<u>9,587,778</u>	<u>12,291,027</u>
General revenues:					
Taxes					
Property taxes	3,927,073	4,001,276	3,837,288	4,187,896	3,951,722
Transient occupancy taxes	800,390	633,075	569,916	642,509	692,162
Sales taxes	4,102,177	3,085,223	3,122,229	3,355,127	3,397,259
Franchise taxes	1,024,710	1,093,039	1,115,980	1,259,471	1,415,924
Other taxes	283,433	199,365	259,384	172,687	202,951
Unrestricted Motor vehicle in lieu	4,563,127	4,687,515	4,599,922	4,766,225	4,646,985
Use of money and property	1,420,988	833,270	618,963	474,598	145,408
Other revenues	4,388	304,463	7,090	91,975	46,342
Loss on disposal of capital asset					
Total general revenues	<u>16,126,286</u>	<u>14,837,226</u>	<u>14,130,772</u>	<u>14,950,488</u>	<u>14,498,753</u>
Change in net position	(2,774,613)	(4,270,126)	9,881,059	(5,239,025)	(5,482,720)
Net position at beginning of year	414,071,398	411,296,785	407,026,659	416,022,622	410,783,597
Restatement of net position			(885,096.00)		559,669
Net position at end of year	<u>\$ 411,296,785</u>	<u>\$ 407,026,659</u>	<u>\$ 416,022,622</u>	<u>\$ 410,783,597</u>	<u>\$ 405,860,546</u>

Source:
City Finance Department

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
\$	6,942,983	\$ 7,301,502	\$ 6,524,968	\$ 5,812,525	\$ 6,627,894
	5,831,227	5,627,026	5,929,156	6,216,279	6,586,188
	10,197,098	10,599,386	10,225,922	11,966,721	14,178,723
	1,980,646	2,346,073	2,587,504	2,127,206	3,231,764
	5,591,916	6,463,192	6,300,920	6,137,787	5,164,413
				84,761	84,761
	487,369	477,201	466,662	455,700	443,480
	31,031,239	32,814,380	32,035,132	32,800,979	36,317,223
	160,379	770,908	587,081	661,910	811,846
	502,948	559,008	523,145	470,722	460,325
	2,604,053	2,671,741	5,536,984	4,389,876	2,675,313
	1,196,806	1,413,094	2,463,932	1,820,325	2,077,810
	1,689,497	1,804,189	1,758,319	1,684,814	1,544,002
	4,024,537	4,203,990	4,443,765	3,687,015	3,844,192
	690,732	207,971	717,961	1,455,770	359,669
	10,868,952	11,630,901	16,031,187	14,170,432	11,773,157
	4,080,273	4,307,077	4,448,566	4,665,140	4,951,033
	782,952	851,249	935,355	994,476	923,527
	3,546,239	3,658,327	3,974,564	4,598,858	4,789,172
	1,465,666	1,393,584	1,460,342	1,431,513	1,320,617
	333,250	471,455	442,914	523,015	394,961
	4,659,994	4,862,100	5,133,910	5,411,143	5,757,423
	6,307	256,758	244,275	524,918	58,160
	533,475	52,891	114,545	703,457	482,994
	-21,057	1,328,681	-	-	-
	15,387,099	17,182,122	16,754,471	18,852,520	18,677,887
	(4,775,188)	(4,001,357)	750,526	221,973	(5,866,179)
	405,860,546	402,430,513	398,429,156	395,162,740	393,268,913
	1,345,156		(4,016,942)	(2,115,800)	
\$	402,430,513	\$ 398,429,156	\$ 395,162,740	\$ 393,268,913	\$ 387,402,734

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City of Diamond Bar
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
General fund:							
Nonspendable:							
Prepaid costs	\$ 41,451	\$ 28,114	\$ 26,331	\$ 62,752	\$ 75,887	\$ 75,866	\$ 42,108
Committed to:							
Emergency contingencies	4,500,000	4,500,000	4,500,000	4,500,000	4,500,000	4,500,000	4,500,000
Unassigned	<u>16,726,964</u>	<u>12,616,200</u>	<u>13,010,385</u>	<u>15,199,698</u>	<u>17,656,659</u>	<u>19,350,943</u>	<u>20,379,854</u>
Total general fund	<u>21,268,415</u>	<u>17,144,314</u>	<u>17,536,716</u>	<u>19,762,450</u>	<u>22,232,546</u>	<u>23,926,809</u>	<u>24,921,962</u>
All other governmental funds:							
Restricted for:							
Comm development projects	1,644,861	958,293	1,085,184	1,174,082	1,482,522	2,382,667	2,066,650
Public safety	453,730	285,508	196,503	140,747	171,928	193,941	243,642
Highways and streets	3,271,595	3,170,407	3,964,252	4,015,113	3,862,123	3,541,041	3,095,734
Capital Projects	146,567	164,867	165,587	135,914	207,205	267,984	184,074
Debt service	333,694	2	3	4	3	29	80
Assigned to:							
Capital Projects			2,730				
Unassigned			(3,466)	(88,639)	(71,561)	18,047	(290,141)
Total all other governmental funds	<u>5,850,447</u>	<u>4,579,077</u>	<u>5,410,793</u>	<u>5,377,221</u>	<u>5,652,220</u>	<u>6,403,709</u>	<u>5,300,039</u>
Total fund balances	<u>27,118,862</u>	<u>21,723,391</u>	<u>22,947,509</u>	<u>25,139,671</u>	<u>27,884,766</u>	<u>30,330,518</u>	<u>30,222,001</u>

	<u>Fiscal Year Ended June 30</u>		
	<u>2008</u>	<u>2009</u>	<u>2010</u>
General fund:			
Reserved	\$ 1,864,387	\$ 1,612,181	\$ 1,955,477
Unreserved	<u>31,065,127</u>	<u>30,041,357</u>	<u>28,841,621</u>
Total general fund	<u>32,929,514</u>	<u>31,653,538</u>	<u>30,797,098</u>
All other governmental funds:			
Reserved	5,810,250	2,754,526	1,735,077
Unreserved, reported in:			
Special revenue funds	4,955,552	5,423,979	5,218,642
Debt Service Fund			
Capital projects funds	(5,703,854)	(2,701,642)	(2,020,782)
Total all other governmental funds	<u>5,061,948</u>	<u>5,476,863</u>	<u>4,932,937</u>
Total fund balances	<u>\$37,991,462</u>	<u>\$37,130,401</u>	<u>\$35,730,035</u>

Note:

The City implemented GASB 54, titled "Fund Balance Reporting and Governmental Fund Type Definitions" as of the fiscal year ended June 30, 2011.

Source: City Finance Department

City of Diamond Bar
 Changes in Fund Balances, Governmental Funds
 Last Ten Fiscal Years
 (modified accrual basis of accounting)

	Fiscal Year Ended June 30,				
	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Revenues:					
Taxes	\$ 10,165,881	\$ 9,119,375	\$ 8,591,893	\$ 9,646,883	\$ 9,664,801
Special assessments	543,561	550,822	556,989	556,562	547,209
Intergovernmental	9,896,948	12,081,466	11,478,456	9,441,959	11,053,326
Charges for services	1,111,655	1,460,828	3,191,416	3,390,367	3,190,675
Fines and forfeitures	637,484	601,533	607,936	567,575	509,166
Licenses and permits	3,121,476	1,445,324	640,287	818,913	1,127,569
Use of money and property	1,629,257	938,053	648,503	499,377	183,507
Other	826,177	1,018,956	30,766	113,578	54,634
Total revenues	27,932,439	27,216,357	25,746,246	25,035,214	26,330,887
Expenditures:					
Current:					
General government	3,987,656	5,071,860	4,435,858	4,977,021	5,485,001
Public safety	4,933,958	5,407,476	5,524,279	5,580,507	5,731,595
Public works	4,926,418	5,607,870	5,183,964	5,002,456	6,609,087
Parks, recreation and culture	3,714,762	3,673,282	3,655,029	3,712,194	4,090,551
Community development	2,246,496	1,945,951	1,604,220	1,960,125	2,114,433
Capital outlay	4,271,890	5,508,167	5,161,924	11,480,595	6,702,615
Debt service:					
Principal retirement	255,000	265,000	280,000	290,000	12,510,000
Interest and fiscal charges	411,583	187,212	33,904	37,461	406,626
Total expenditures	24,747,763	27,666,818	25,879,178	33,040,359	43,649,908
Excess (deficiency) of revenues over (under) expenditures	3,184,676	(450,461)	(132,932)	(8,005,145)	(17,319,021)
Other financing sources (uses):					
Bond issued or refinancing					11,790,000
Bonds discount or premium					252,381
Transfers in	7,266,149	6,629,225	4,379,718	2,929,528	6,085,337
Transfers out	(7,608,749)	(7,039,825)	(4,795,374)	(3,535,556)	(6,494,449)
Proceeds from sale of capital asset					
Contribution to OPEB Trust					
Total other financing sources (uses)	(342,600)	(410,600)	(415,656)	(606,028)	11,633,269
Net changes in fund balances	\$ 2,842,076	\$ (861,061)	\$ (548,588)	\$ (8,611,173)	\$ (5,685,752)
Debt service as a percentage of noncapital expenditures	2.89%	1.77%	1.35%	1.45%	35.00%

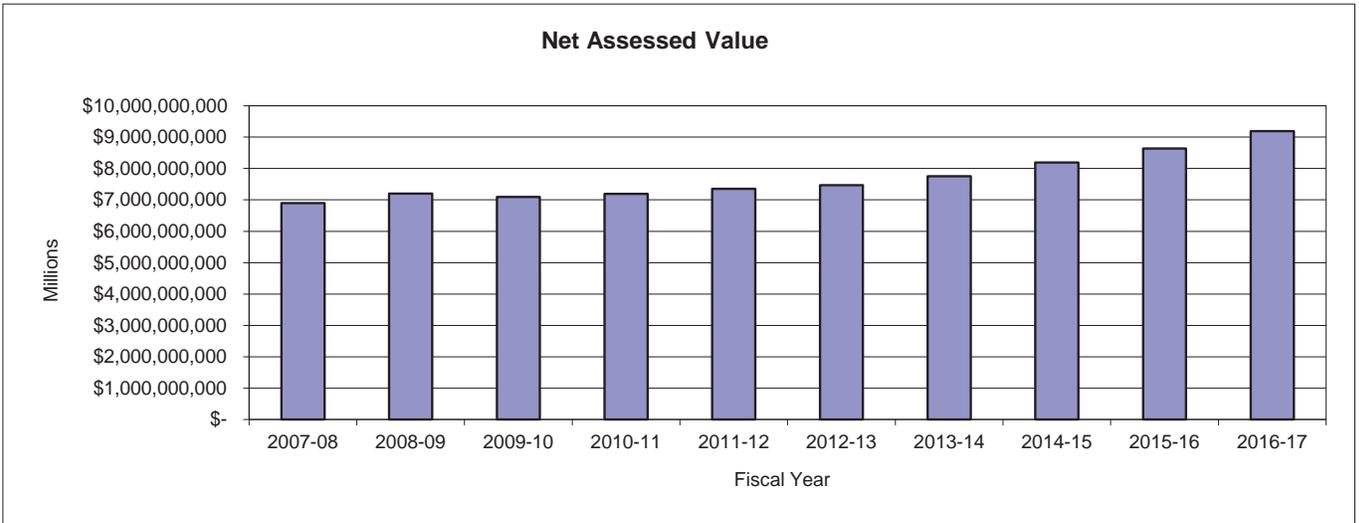
Source: City Finance Department

<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
\$ 10,200,419	\$ 10,638,609	\$ 10,730,234	\$ 12,930,081	\$ 12,698,595
550,609	549,402	672,492	781,232	769,014
10,427,352	10,281,985	11,185,489	10,384,417	11,668,517
3,238,165	3,321,883	3,344,356	3,101,103	2,899,321
522,142	582,844	523,145	470,722	460,325
1,238,626	1,542,765	5,474,765	4,121,387	2,355,980
30,116	281,752	273,656	563,300	28,478
551,710	85,558	136,786	716,914	561,288
<u>26,759,139</u>	<u>27,284,798</u>	<u>32,340,923</u>	<u>33,069,156</u>	<u>31,441,518</u>
4,214,834	5,115,321	5,040,491	5,092,527	5,475,721
5,678,614	5,602,021	5,914,404	6,201,985	6,576,954
5,263,046	5,698,765	5,216,083	5,531,705	8,964,282
4,050,161	4,406,954	4,225,938	4,232,431	2,723,558
2,010,040	2,225,647	2,540,430	2,313,053	2,985,973
3,031,168	2,518,617	4,646,891	5,598,997	3,041,443
335,000	350,000	365,000	385,000	400,000
502,291	492,159	481,656	470,741	459,191
<u>25,085,154</u>	<u>26,409,484</u>	<u>28,430,893</u>	<u>29,826,439</u>	<u>30,627,122</u>
1,673,985	875,314	3,910,030	3,242,717	814,396
5,195,892	4,856,728	7,084,629	7,287,721	6,395,588
(5,690,201)	(5,822,286)	(8,249,564)	(7,999,925)	(6,831,304)
	2,282,406		(84,761)	(84,761)
<u>(494,309)</u>	<u>1,316,848</u>	<u>(1,164,935)</u>	<u>(796,965)</u>	<u>(520,477)</u>
<u>\$ 1,179,676</u>	<u>\$ 2,192,162</u>	<u>\$ 2,745,095</u>	<u>\$ 2,445,752</u>	<u>\$ 293,919</u>
3.49%	3.35%	3.48%	3.25%	3.09%

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City of Diamond Bar
 Assessed and Estimated Actual Values of Taxable Property
 2006/07 - 2015/16 Taxable Property Values
 (unaudited)

Fiscal Year Ended June 30,	Real Property		Other Property	Less Tax Exemptions	Total Taxable Assessed Value	Total Direct Tax Rate	% Change
	Secured Property	Unsecured Property					
2007-08	\$ 6,824,177,817	\$ 109,704,881	-	\$ 39,859,238	\$ 6,894,023,460	0.05485	7.35%
2008-09	7,151,359,322	99,170,064	-	48,909,164	7,201,620,222	0.05270	4.46%
2009-10	7,071,193,381	90,528,493	-	66,422,679	7,095,299,195	0.05274	-1.48%
2010-11	7,183,008,793	81,410,401	-	70,706,628	7,193,712,566	0.05270	1.39%
2011-12	7,347,032,537	77,283,606	-	74,296,191	7,350,019,952	0.05268	2.17%
2012-13	7,471,528,800	76,724,231	-	78,856,697	7,469,396,334	0.05267	1.62%
2013-14	7,765,883,788	69,544,511	-	83,574,453	7,751,853,846	0.05264	3.78%
2014-15	8,201,610,010	70,524,426	-	83,189,280	8,188,945,156	0.05260	5.64%
2015-16	8,649,508,385	72,343,401	-	85,103,082	8,636,748,704	0.05256	5.47%
2016-17	9,174,331,277	75,610,798	-	62,484,967	9,187,457,108	0.05252	6.38%



Note: Exempt values are not included in Total Net Taxable Values.
 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: HDL Coren & Cone and Los Angeles County Auditor/Controller-Property Tax Division.

City of Diamond Bar
Direct and Overlapping Property Tax Rates
(Rate per \$100 of Assessed Value)

Agency	<u>2007/08</u>	<u>2008/09</u>	<u>2009/10</u>	<u>2010/11</u>	<u>2011/12</u>	<u>2012/13</u>	<u>2013/14</u>
Basic Levy*	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000
Metropolitan Water District	0.00450	0.00430	0.00430	0.00370	0.00370	0.00350	0.00350
Mt. San Antonio College	0.01750	0.02333	0.02571	0.02636	0.02642	0.02896	0.02023
Pomona Unified School Dist	0.11379	0.11577	0.14546	0.17721	0.17364	0.18488	0.16407
Walnut Valley Unified School Dist	0.08462	0.11297	0.11674	0.11839	0.11735	0.12554	0.11342
Total Direct & Overlapping Tax Rates	1.2204	1.2564	1.2922	1.3257	1.3211	1.3429	1.3012
City's Share of 1% Levy Per Prop 13*	0.05192	0.05192	0.05192	0.05192	0.05192	0.05192	0.05192
General Obligation Debt Rate							
Redevelopment Rate*							
Total Direct Rate*	0.05485	0.05270	0.05274	0.05270	0.05268	0.05267	0.05264

*

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 any voter approved bonds for the Pomona Unified School District or Walnut Valley Unified School Districts in Diamond Bar depending on which school district the property is located in.

Overlapping rates are those of local and county governments that apply to property owners within the City. Not all overlapping rates apply to all city property owners.

RDA rate is based on the largest RDA tax rate area(TRA) and includes only rate(s) from indebtedness adopted prior to 1989 per California State statute. RDA direct and overlapping rates are applied only to the incremental property values.

Total Direct Rate is the weighted average of all individual direct rates applied by the government preparing the statistical section information.

Source: Hdl Coren & Cone

<u>2014/15</u>	<u>2015/16</u>	<u>2016/17</u>
1.00000	1.00000	1.00000
0.00350	0.00350	0.00350
0.02129	0.02154	0.02400
0.16599	0.15364	0.14368
0.11510	0.09285	0.06601
<hr/>		
1.3059	1.2715	1.2372
0.05192	0.05192	0.05192
0.05260	0.05256	0.05252

City of Diamond Bar
Top 10 Property Taxpayers
Current Year and Nine Years Ago

<u>Current Taxpayers</u>	<u>2016-17 Assessed Valuation</u>	<u>Percentage of Total Net Assessed Valuation</u>
Roic Diamond Hills Plaza LLC	\$ 79,448,567	0.86%
Lennar Homes of California Inc	47,082,654	0.51%
SRGMF South Grand Diamond Bar LLC	47,070,092	0.51%
BSP Senita Gateway Center LLC	41,100,000	0.45%
Emerald Pointe Apartments LLC	39,076,957	0.43%
Pacifica Trenton Holdings-2 LLC	31,311,101	0.34%
Hua Qing Enterprise LLC	28,708,616	0.31%
Target Corporation	27,883,753	0.30%
Kaiser	27,879,630	0.30%
Muller Rock 2 Gateway	27,187,917	0.30%
Top Ten Total	<u>\$ 396,749,287</u>	4.32%
City Total	<u>\$ 9,187,457,108</u>	

<u>Taxpayers Nine Years Ago</u>	<u>2007-08 Assessed Valuation</u>	<u>Percentage of Total Net Assessed Valuation</u>
Behringer Harvard Western Portfolio	\$ 39,933,000	0.58%
Hampton Apartments at Diamond Bar LP	35,496,990	0.51%
Target Corporation	30,593,344	0.44%
CRP-2 Holdings CC	28,682,236	0.42%
DB Gateway Corporate Inc	26,809,313	0.39%
Muller Rock 2 Gateway	24,022,387	0.35%
Gateway Corporate Center LP	19,250,000	0.28%
Hidden Manna Corporation	19,020,602	0.28%
Ari Diamond Bar LP	18,783,376	0.27%
Millennium Diamond Road Partners LLC	17,998,919	0.26%
Top Ten Total	<u>\$ 260,590,167</u>	3.78%
City Total	<u>\$ 6,894,023,460</u>	

Source: Hdl Coren & Cone.

CITY OF DIAMOND BAR, CALIFORNIA

Property Tax Levies and Collections

Last Ten Fiscal Years
(unaudited)

Fiscal Year Ended June 30	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of Levy		Collections in Subsequent	
		Amount	% to Levy	Years	% to Levy
2008	3,598,889	3,276,908	91.05%	321,981	8.95%
2009	3,760,371	3,436,585	91.39%	323,786	8.61%
2010	3,704,133	3,412,996	92.14%	291,137	7.86%
2011	3,750,806	3,505,792	93.47%	245,015	6.53%
2012	3,844,101	3,506,696	91.22%	337,405	8.78%
2013	3,908,533	3,778,461	96.67%	130,072	3.33%
2014	4,075,791	3,960,684	97.18%	115,107	2.82%
2015	4,326,040	4,189,390	96.84%	136,650	3.16%
2016	4,568,789	4,412,561	96.58%	156,228	3.42%
2017	4,842,897	4,643,891	95.89%	199,007	4.11%

Source: Los Angeles County Auditor/Controller.
City Finance Department

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CITY OF DIAMOND BAR, CALIFORNIA

Ratios of Outstanding Debt by Type

Last Ten Fiscal Years
(Unaudited)

Fiscal Year Ended June 30	Governmental Activities			Total Primary Government	% of Personal Income (b)	Debt Per Capita (b)
	Lease Revenue Bonds (a)	Unamortized Bond Premium (Discount)	Total Governmental Activities			
2008	\$ 13,025,000	\$ (114,625)	\$ 12,910,375	\$ 12,910,375	0.68%	215
2009	12,760,000	(110,040)	12,649,960	12,649,960	0.66%	210
2010	12,480,000	(105,455)	12,374,545	12,374,545	0.66%	223
2011	12,190,000	(100,869)	12,089,131	12,089,131	0.62%	217
2012	11,470,000	243,853	11,713,853	11,713,853	0.63%	210
2013	11,135,000	229,727	11,364,727	11,364,727	0.57%	203
2014	10,785,000	215,601	11,000,601	11,000,601	0.55%	195
2015	10,420,000	201,475	10,621,475	10,621,475	0.55%	188
2016	10,035,000	187,349	10,222,349	10,222,349	0.53%	179
2017	9,635,000	173,223	9,808,223	9,808,223	0.50%	172

Note:

(a) Details regarding the City's outstanding lease revenue bonds can be found in the notes to the financial statements.

(b) Details regarding the City's population and personal income can be found in the Demographic and Economic Statistics Table.

Source: City Finance Department

CITY OF DIAMOND BAR, CALIFORNIA

Direct and Overlapping Debt
June 30, 2017
(unaudited)

	Gross Bonded Debt Balance	% Applicable To City (1)	Net Bonded Debt
Direct Debt as of June 30, 2017			
Diamond Bar Lease Revenue Bond	\$ 9,635,000	100.000	\$ 9,635,000
Net Unamortized Bond Premium	173,223	100.000	<u>173,223</u>
			9,808,223
Overlapping Debts as of June 30, 2017 (2)			
330.10 Metropolitan Water District	36,281,674	0.850	308,298
809.54 Mt San Antonio CCD DS 2001, 2008 Series D	394,812	11.060	43,667
809.56 Mt San Antonio CCD DS 2008 Series 13A	200,561,691	11.060	22,182,496
809.57 Mt San Antonio CCD DS 2008 Series 13B	8,460,000	11.060	935,692
809.58 Mt San Antonio CCD DS 2013 Series A	67,410,000	11.060	7,455,671
809.59 Mt San Antonio CCD DS 2013 Series B	40,990,000	11.060	4,533,570
809.60 Mt San Antonio CCD DS 2008 Series 2015C	19,500,000	11.060	2,156,736
809.61 Mt San Antonio CCD DS 2015 Ref Bonds	19,130,000	11.060	2,115,814
915.62 Pomona Unified School District 2000 Ser A	13,390,000	19.799	2,651,053
915.64 Pomona Unified SD Refunding 2001 Ser A	12,295,000	19.799	2,434,257
915.71 Pomona Unified School District 2008 Series A	3,590,000	19.799	710,775
915.72 Pomona USD DS 2008 Series B	2,990,000	19.799	591,983
915.73 Pomona USD 2008 Series C	40,525,000	19.799	8,023,445
915.74 Pomona USD DS 2012 Refunding Bond Series A	28,895,000	19.799	5,720,850
915.75 Pomona USD DS 2012 Refunding Bond Series B	13,875,000	19.799	2,747,077
915.76 Pomona USD DS 2008 Series D QSCBS	20,970,000	19.799	4,151,799
915.79 Pomona USD DS 2015 Ref Bonds	39,860,000	19.799	7,891,783
915.82 Pomona USD DS 2016 Ref Bonds	113,358,077	19.799	22,443,486
980.60 Walnut Valley Unified USD DS 2000 Series E	11,428,114	60.198	6,879,469
980.62 Walnut Valley Unified SD 2007 Series A (Measure S)	5,167,108	60.198	3,110,483
980.64 Walnut Valley Unified SD 2011 Refunding	25,685,606	60.198	15,462,160
980.65 Walnut Valley Unified SD 2007 Series B Meas. S	1,160,000	60.198	698,294
980.67 Walnut Valley Unified SD 2012 Ref Bonds	2,070,000	60.198	1,246,094
980.68 Walnut Valley USD 2007 Series C	195,887	60.198	117,920
980.69 Walnut Valley USD 2014 Ref Bonds Series A	15,000,000	60.198	9,029,664
980.70 Walnut Valley USD 2014 Ref Bonds Series B	8,700,000	60.198	5,237,205
980.71 Walnut Valley USD 2016 Ref Bonds	40,010,000	60.198	24,085,124
Total Overlapping Debts:	<u>791,892,969</u>		<u>162,964,865</u>
Grand Total Direct and Overlapping Debt:	<u>\$ 801,527,969</u>		<u>\$ 172,773,088</u>

Debt to Assessed Valuation Ratios as of June 30, 2017:
 2016/17 Net Assessed Valuation: \$ 9,187,457,108
 2016 Total City Population: 57,066

Direct Debt	0.10%	\$172
Overlapping Debt	1.77%	\$2,856
Total Debt	1.88%	\$3,028

Note:

- (1) Percentage of direct and overlapping agency's assessed valuation located within boundaries of the city.
- (2) The overlapping debt is the portion of a larger agency, and is responsible for debt in areas outside the city.

Source:

Hdl Coren & Cone
 U.S. Census Bureau
 City Finance Department

CITY OF DIAMOND BAR, CALIFORNIA
Direct and Overlapping Debt
June 30, 2008
(unaudited)

	Gross Bonded Debt Balance	% Applicable To City (1)	Net Bonded Debt
Direct Debt as of June 30, 2008			
146.01 Diamond Bar Lease Revenue Bond	\$ 13,025,000	100.000	\$ 13,025,000
Unamortized Discount	(114,625)	100.000	(114,625)
			<u>12,910,375</u>
Overlapping Debts			
330.10 Metropolitan Water District	150,054,336	0.870	1,304,724
809.50 Mt San Antomio CCD 2001 Series A	4,470,000	10.596	473,636
809.51 Mt San Antomio CCD 2004 Series B	13,300,000	10.596	1,409,252
809.52 Mt San Antomio CCD 2005 Bond	71,525,843	10.596	7,578,793
809.53 Mt San Antomio CCD 2006 Series C	79,996,203	10.596	8,476,302
915.57 Pomona Unified AD Refund Series 1997A	37,450,000	19.764	7,401,767
915.62 Pomona Unified SD 2000 Series A	18,505,000	19.764	3,657,402
915.63 Pomona Unified SD 1998 Series D	190,000	19.764	37,552
915.64 Pomona Unified SD Ref 2001 Series A	19,680,000	19.764	3,889,633
915.65 Pomona Unified SD Ref 2002 Series A	8,750,000	19.764	1,729,385
915.66 Pomona Unified SD Ref 2002 Series B	13,545,000	19.764	2,677,088
915.67 Pomona Unified SD Ref 2002 Series C	14,025,000	19.764	2,771,957
915.68 Pomona Unified SD Ref 2002 Series D	14,320,000	19.764	2,830,262
915.69 Pomona Unified SD Ref 2002 Series E	21,859,163	19.764	4,320,332
980-50 Walnut Valley Unif. 2007 Series A	36,800,887	58.750	21,620,455
980.55 Walnut Valley Unified SD Series 1997A	31,867,718	58.923	18,777,407
980.56 Walnut Valley Unified SD 2000 Series A	640,000	58.923	377,107
980.57 Walnut Valley Unified SD 2000 Series B	400,000	58.923	235,692
980.58 Walnut Valley Unified SD 2000 Series C	7,160,000	58.923	4,218,885
980.59 Walnut Valley Unified SD 2000 Series D	21,763,114	58.923	12,823,474
980.60 Walnut Valley Unified SD 2000 Series E	6,001,837	58.923	3,536,461
980.61 Walnut Valley Unified SD 2005 Ref Bds	11,835,000	58.923	6,973,534
	<u>584,139,101</u>		<u>117,121,100</u>
Grand Total Direct and Overlapping Debt:	<u>\$ 597,049,476</u>		<u>\$ 130,031,475</u>

2007/08 Net Assessed Valuation: \$ 6,894,023,460

Debt to Assessed Valuation Ratios:

2008 Total City Population: 59,920

Direct Debt	0.19%	\$215
Overlapping Debt	1.70%	\$1,955
Total Debt	1.89%	\$2,170

Note:

- (1) Percentage of direct and overlapping agency's assessed valuation located within boundaries of the city.
- (2) The overlapping debt is the portion of a larger agency, and is responsible for debt in areas outside the city.

Source:

Hdl Coren & Cone
U.S. Census Bureau
City Finance Department

CITY OF DIAMOND BAR, CALIFORNIA
 Computation of Legal Debt Margin
 Last Ten Fiscal Years
 (unaudited)

<u>Fiscal Year</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Net assessed value	\$ 7,469,396,334	\$ 7,751,853,846	\$ 8,188,945,156	\$ 8,636,748,704	\$ 9,187,457,108
Add back: Exemptions	78,856,697	83,574,453	83,189,280	85,146,082	62,484,967
Gross assessed value	7,548,253,031	7,835,428,299	8,272,134,436	8,721,894,786	9,249,942,075
Conversion percentage	25%	25%	25%	25%	25%
Adjusted assessed valuation	1,887,063,258	1,958,857,075	2,068,033,609	2,180,473,697	2,312,485,519
Debt limit percentage	15%	15%	15%	15%	15%
Debt limit	283,059,489	293,828,561	310,205,041	327,071,054	346,872,828
City Debts:					
Revenue bonds	11,135,000	10,785,000	10,420,000	10,035,000	9,635,000
Unamortized Bond Premium	229,727	215,601	201,475	187,349	173,223
Legal debt margin	\$ 271,694,762	\$ 282,827,960	\$ 299,583,566	\$ 316,848,705	\$ 337,064,605

<u>Fiscal Year</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Net assessed value	\$ 6,894,023,460	\$ 7,201,620,222	\$ 7,095,299,195	\$ 7,193,712,566	\$ 7,350,019,952
Add back: Exemptions	39,859,238	48,909,164	66,422,679	70,706,628	74,296,191
Gross assessed value	6,933,882,698	7,250,529,386	7,161,721,874	7,264,419,194	7,424,316,143
Conversion percentage	25%	25%	25%	25%	25%
Adjusted assessed valuation	1,733,470,675	1,812,632,347	1,790,430,469	1,816,104,799	1,856,079,036
Debt limit percentage	15%	15%	15%	15%	15%
Debt limit	260,020,601	271,894,852	268,564,570	272,415,720	278,411,855
City Debts:					
Revenue bonds	13,025,000	12,760,000	12,480,000	12,190,000	11,470,000
Unamortized Bond Premium	(114,625)	(110,040)	(105,455)	(100,869)	243,853
Legal debt margin	\$ 247,110,226	\$ 259,244,892	\$ 256,190,025	\$ 260,326,589	\$ 266,698,002

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 the 25% level that was in effect at the time that the legal debt margin was enacted by the State of California for local government located within the state.

Source: Section 43605 of the California Government Code
 HdI Coren & Cone
 City Finance Department

CITY OF DIAMOND BAR, CALIFORNIA
Demographic and Economic Statistics
(unaudited)

General Information

Date of Incorporation April 18, 1989
Form of Government Council-Manager
Area 14.88 Square Miles
Miles of Streets 128

Public Safety

Police Protection Los Angeles County Sheriff Department
Fire Protection Los Angeles County Fire Department

Education

School District Pomona Unified School District
Schools 1 High School, 1 Middle School, & 4 Elementary Schools
School District Walnut Valley Unified School District
Schools 1 High School, 2 Middle Schools, & 4 Elementary Schools

Calendar Year	Population	Personal Income (In Thousands)	Per Capita Personal Income	Median Household Income	Unemployment Rate	Median Age	Pop 25+ High School Degree	Pop 25+ Bachelor Degree
2007	59,629	\$ 1,903,585	\$ 31,924	\$ 87,224	3.60%			
2008	59,920	1,929,498	32,201	94,061	5.30%			
2009	60,184	1,885,698	31,332	89,185	8.30%	39.2	93.1%	46.7%
2010	55,766	1,960,418	35,154	87,216	9.10%	39.8	92.0%	47.6%
2011	55,819	1,846,158	33,074	90,153	8.80%	40.5	92.5%	47.8%
2012	56,099	1,991,290	35,496	90,181	6.60%	40.6	92.6%	48.8%
2013	56,400	1,984,772	35,191	88,422	5.40%	41.3	92.4%	49.7%
2014	56,426	1,919,782	34,023	90,901	5.30%	40.9	92.0%	48.4%
2015	57,081	1,943,144	34,041	89,221	4.30%	41.1	91.5%	47.9%
2016	57,066	1,978,657	34,673	90,061	3.30%	42.0	92.1%	50.9%

Population Distribution by Race (2010 US Census)

	Total	Percent
Asian	28,106.06	50.40%
White	18,570.08	33.30%
Hispanic or Latino	10,294.40	18.46%
African American	2,174.87	3.90%
Others	-	0.00%

Single Family Residential Full Value Sales (01/01/2012-06/30/2017)

Year	Full Value Sales	Average Price	Median Price	Median % Change
2012	789	484,681	\$ 417,500	
2013	814	591,380	500,000	19.76%
2014	701	660,281	535,000	7.00%
2015	726	626,515	551,000	2.99%
2016	822	633,353	574,250	4.22%
2017	353 (Jan-Jul 2017))	667,147	610,000	6.23%

Source: L.A. County Recorder
HdL Cornen & Cone

US Bureau of the Census. The official population census of the United States is conducted every ten years, most recently in 2010.
Median Household Income were obtained from U.S. Census Bureau, 2011-2015 American Community Survey 5-Year Estimates.

CITY OF DIAMOND BAR, CALIFORNIA
Taxable Sales by Category
(unaudited)

	2007	2008	2009	2010	2011
Apparel Stores	\$ 1,105,000	\$ 817,000	\$ 625,000	\$ 648,000	\$ 724,000
Food Stores	12,958,000	13,290,000	12,251,000	11,846,000	11,577,000
Eating and Drinking Places	48,162,000	49,952,000	46,028,000	46,570,000	48,948,000
Building Materials	3,269,000	2,411,000	1,845,000	1,896,000	2,422,000
Service Stations	107,331,000	115,009,000	89,072,000	99,425,000	119,234,000
Other Retail Stores	133,411,000	87,674,000	77,126,000	71,307,000	68,812,000
All Other Outlets	91,698,000	84,554,000	78,453,000	89,288,000	92,733,000
Total	\$ 397,934,000	\$ 353,707,000	\$ 305,400,000	\$ 320,980,000	\$ 344,450,000

Source: State of California Board of Equalization and The HdL Companies.

Note: Due to confidentiality issues, the names of the ten largest revenue payers are not available. The categories presented are intended to provide alternative information regarding the sources of the City's revenue.

2012	2013	2014	2015	2016
\$ 905,000	\$ 1,595,000	\$ 1,924,000	\$ 2,072,000	\$ 2,476,000
10,189,000	10,527,000	11,010,000	12,487,000	15,866,000
50,623,000	52,796,000	54,241,000	56,680,000	58,666,000
2,275,000	1,757,000	1,482,000	1,877,000	2,375,000
125,532,000	120,371,000	112,487,000	104,360,000	92,419,000
74,365,000	75,645,000	75,280,000	68,373,000	69,377,000
89,638,000	97,801,000	101,276,000	210,800,000	250,911,000
<u>\$ 353,527,000</u>	<u>\$ 360,492,000</u>	<u>\$ 357,700,000</u>	<u>\$ 456,649,000</u>	<u>\$ 492,090,000</u>

CITY OF DIAMOND BAR, CALIFORNIA
Full-time and Part-time City Government Employees
by Function/Program

Function	Fiscal Year Ended June 30,				
	2013	2014	2015	2016	2017
General government	24	24	25	25	27
Community development	8	8	8	9	9
Public works	8	8	9	10	17
Community services-(full time)	14	14	15	13	0
-(part time)	73	56	58	56	0
Parks and recreation-(full time)					9
-(part time)					50
Total	127	110	115	113	112

Function	Fiscal Year Ended June 30,				
	2008	2009	2010	2011	2012
General government	24	25	21	24	23
Community development	6	7	8	8	8
Community services	69	71	75	75	75
Public works	10	10	9	9	9
Total	109	113	113	116	115

Note:

The City is a contract city and as such contracts for many of its services. This includes police services, fire services, building and safety services, engineering, road maintenance and landscape maintenance. A full-time employee is scheduled to work 2,080 hours per year (including vacation and sick leave).

Beginning In FY2017, part of the former Community Services Department, road maintenance and landscape maintenance, has been centralizd in Public Works.

Source: City Finance Department

CITY OF DIAMOND BAR, CALIFORNIA
 Operating Indicators by Function
 Last Ten Fiscal Years

Function	Fiscal Year Ended June 30,				
	2013	2014	2015	2016	2017
Police:(in fiscal year) (1)					
Physical arrests	630	494	522	702	636
Street Sweeping Parking Citation	3,776	5,774	5,887	5,682	5,289
Fire: (in fiscal year) (2)					
Number of emergency calls	2,604	2,760	2,820	3,180	3,331
Inspections	1,477	1,434	1,413	1,667	1,336
Public works: (in fiscal year) (3)					
Street resurfacing (miles)	8.3	12.5	17.0	19.3	14.4
Parks and recreation:(in fiscal year)(4)					
Number of recreation classes(5)	2,082	2,623	2,591	2,546	2,338
Number of facility rentals	4,332	4,178	4,491	4,804	4,316

Function	Fiscal Year Ended June 30,				
	2008	2009	2010	2011	2012
Police: (1)					
Physical arrests	543	591	700	647	737
Street Sweeping Parking Citation	5,200	5,103	5,110	4,137	3,766
Fire: (2)					
Number of emergency calls	2,595	2,561	2,654	2,594	2,516
Inspections	1,085	1,100	979	1,202	1,287
Public works: (3)					
Street resurfacing (miles)	18.5	13.8	23.3	12.0	9.2
Parks and recreation:(4)					
Number of recreation classes	1,569	1,315	2,456	2,115	2,096
Number of facility rentals	4,103	4,299	4,111	4,147	4,270

Sources:

- (1) Police Walnut/Diamond Bar Station
- (2) LA County Fire Dep East Regional Operation Bureau
- (3) City Public Works Department
- (4) City Community Services Department
- (5) Includes online classes

Note: Indicators are not available for the general government function.

CITY OF DIAMOND BAR, CALIFORNIA
Capital Asset Statistics by Function
Last Ten Fiscal Years

Function	Fiscal Year Ended June 30,									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Public safety (1)										
Police:										
Station	1	1	1	1	1	1	1	1	1	1
Patrol units (all shifts combined)	18	18	18	18	18	18	18	18	18	18
Fire stations (2)	3	3	3	3	3	3	3	3	3	3
Highways and streets (3)										
Streets (miles)	128	128	129.4	129.4	129.4	129.4	129.4	129.4	130.9	130.9
Streetlights	233	233	294	294	294	294	294	294	294	307
Traffic signals	73	73	73	74	74	74	74	74	74	76
Culture and recreation:(4)										
Parks acreage (developed)	62.7	62.7	62.7	63.6	67.9	67.9	67.9	67.9	67.9	72.6
Parks acreage (undeveloped)	439.0	439.4	439.4	440.3	440.3	440.3	440.3	440.3	440.3	440.3
Hiking Trails (developed miles)	2.7	2.7	2.7	2.7	3.2	3.2	3.2	4.0	4.0	4.5
Hiking Trails (undeveloped miles)	5.4	5.4	5.4	5.4	5.0	5.0	5.0	4.1	4.1	4.0
Parks	12	13	13	14	15	15	15	15	15	16
Public Tennis courts	8	8	8	8	8	8	8	8	8	8
Community centers	3	3	3	3	3	3	3	3	3	3
Golf Course:(5)										
County golf courses	1	1	1	1	1	1	1	1	1	1
Sewer (3)										
Sanitary sewers (miles)	157	157	158.4	158.4	158.4	161.21	161.21	161.21	161.21	161.38

Sources:

- (1) Police Walnut/Diamond Bar Station
- (2) LA County Fire Department, Division VIII Office
- (3) City Public Works Department
- (4) City Community Services Department
- (5)LA County Golf Course

Note:

The City is a contract city and as such contracts for many of its services. This includes police services, fire services, building and safety services, engineering, road maintenance and landscape maintenance.

No capital asset indicators are available for the general government function.



City of Diamond Bar Finance Department

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