

# City of Diamond Bar, California

# Comprehensive Annual

# Financial Report

*Year ending June 30, 2015*



**CITY OF DIAMOND BAR, CALIFORNIA**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FOR THE YEAR ENDED**  
**JUNE 30, 2015**

**Prepared by:**  
**Finance Department**

**Dianna Honeywell**  
**Director of Finance**

CITY OF DIAMOND BAR, CALIFORNIA  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE YEAR ENDED  
JUNE 30, 2015

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, 2015

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# City of Diamond Bar

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[www.DiamondBarCA.gov](http://www.DiamondBarCA.gov)

November 17, 2015

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

It is a pleasure to submit the Comprehensive Annual Financial Report of the City of Diamond Bar for the fiscal year ended June 30, 2015. 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 was to provide reasonable assurance that the financial statements of the City for fiscal year ended June 30, 2015, 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, 2015, 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.

**Steve Tye**  
Mayor

**Nancy A. Lyons**  
Mayor Pro Tem

**Carol Herrera**  
Council Member

**Jimmy Lin**  
Council Member

**Jack Tanaka**  
Council Member

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, incorporated in 1989, is located at the junction of the 57 and 60 freeways. As a result, the City of Diamond Bar is at the hub of the Los Angeles basin transportation network. A twenty-five mile radius encompasses Pasadena, downtown Los Angeles, Long Beach, Irvine and Riverside. Diamond Bar is a relatively young residential community of about 56,400, situated among the meandering hills and valleys of Brea Canyon. Many desired services can be found in Diamond Bar's shopping and business centers. Recreational opportunities within the City include more than 70 acres of developed park facilities, hiking trails, a community center, an 18-hole public golf course and 370 acres of undeveloped publicly owned open space.

The City has operated under the council-manager form of government since incorporation. 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 City Manager is responsible for overseeing the day-to day operations of the City, and for appointing the heads of the various departments. The Council is elected on a non-partisan basis. Council members 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 of Diamond Bar is a contract city and as such contracts for many of its services. This includes police 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. The County also provides library services through a Library District as well as sewer and sanitation services through a Sanitation District. Funds are collected through property tax bills and are disbursed directly by the Los Angeles County Tax Collector's Office.

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 2014/15 saw improvement in the national, state and local economies. Unemployment rates have continued to come down and consumer spending is on the rise. The housing market has also continued to improve.

Fiscal year 2014/15 was a year of continued growth for the City of Diamond Bar. It was a year of monitoring where revenues were headed, while holding costs to prior year levels wherever possible. The General Fund reserves increased by \$2.5 million during FY 14/15 with the unassigned fund balance growing to \$17.7 million and total General Fund reserves coming in at \$22.2 million. These reserve figures represent 90.8% and 114.4%, respectively, of total General Fund expenditures.

The City's sales tax base continued to grow with an increase in revenue of 8.6% over last year. The City's interest in promoting economic development has become increasingly important. Since the City is located at a major freeway interchange, several of the City's major sales tax producers are service stations, so the price of gasoline greatly influences the sales tax revenue received. City officials have been working diligently toward its economic development goal to diversify its sales tax base. FY 14/15 saw the addition of new business' which have provided additional and significant sales tax revenue to the City. New retail and restaurant options are under construction or in the planning phase for openings in FY 15/16 and FY 16/17.

Home values also saw a significant rise during FY 2014/15. The largest revenue source in the City, Property Tax revenue, was up 3.3%. Assessed valuations citywide increased by 5.5% which is just below the countywide increase of 6.13%.

Another sign that the local economy is continuing to recover is the increase in building permit activity. Much of this building activity is centered around the Willow Heights housing development which is a 182 unit project with a 2.5 acre public park. During FY 14/15, building permit revenue more than doubled over the previous year. This is the first large-scale housing project constructed in the City during the last several years. FY 2015/16 will see the completion of the project.

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, 2014. 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 consecutive years (fiscal years ended 1995 through 2014). We believe our current report continues to meet the Certificate of Achievement Program's requirements and we are 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, and solid waste contract management), community services (which includes senior services, park maintenance, recreation services, community center operation, and landscape maintenance), 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**

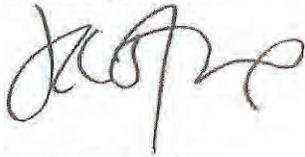
The preparation of this Comprehensive Annual Financial Report was made possible by the dedicated service and excellence found within the City's Finance Department staff,

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 'James DeStefano', written in a cursive style.

James DeStefano  
City Manager



Government Finance Officers Association

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

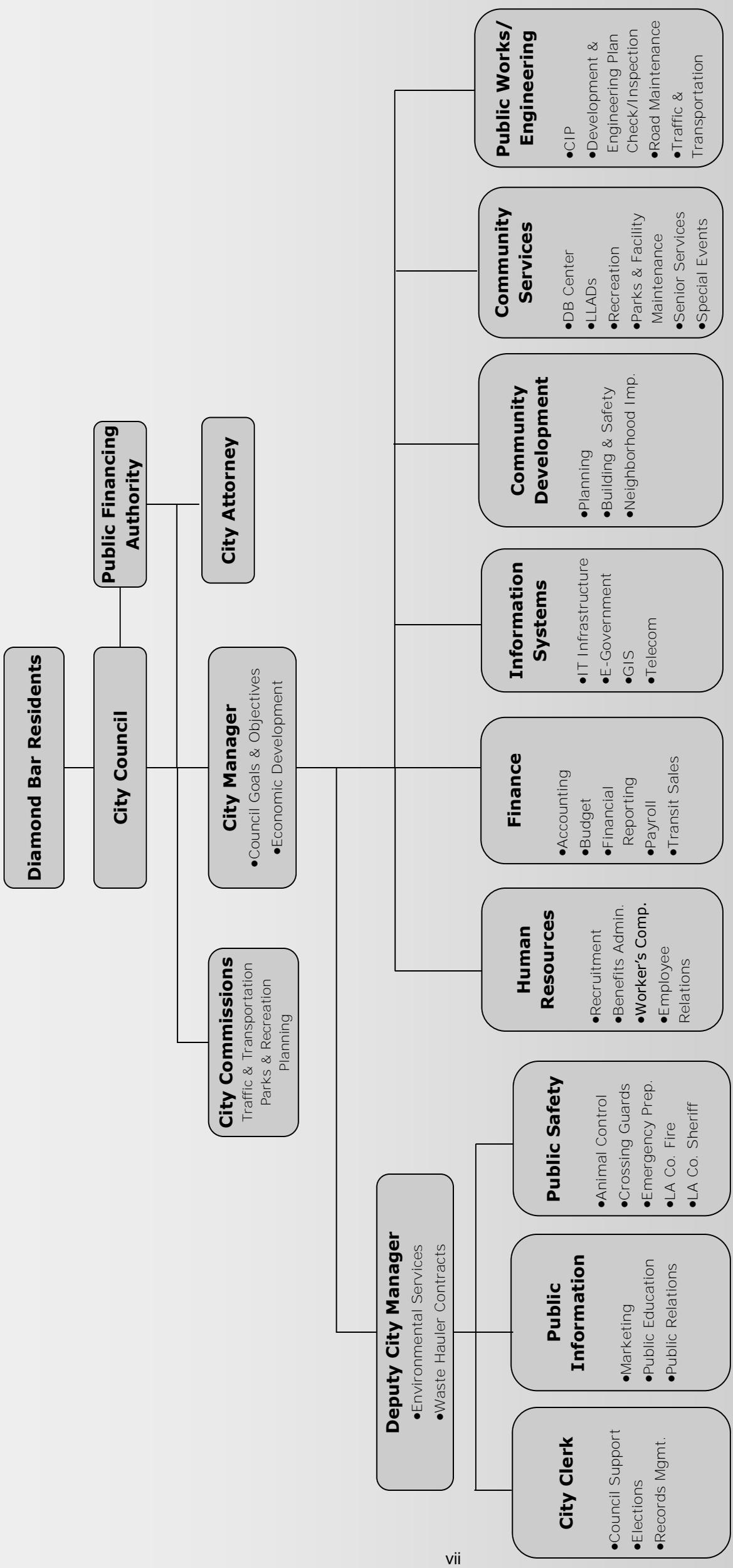
Presented to

**City of Diamond Bar  
California**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2014**

Executive Director/CEO



**CITY OF DIAMOND BAR**  
**ELECTED AND ADMINISTRATIVE OFFICIALS**  
**FISCAL YEAR 14-15**

Mayor  
Mayor Pro Tern  
Councilmember  
Councilmember  
Councilmember

Steve Tye  
Nancy A. Lyons  
Carol Herrera  
Jack Tanaka  
Jimmy Lin

City Manager  
Deputy City Manager  
City Clerk

James DeStefano  
Ryan McLean  
Tommye Cribbins

Director of:  
Community Services  
Community Development  
Finance  
Information Systems  
Public Works

Bob Rose  
Greg Gubman  
Dianna Honeywell  
Ken Desforjes  
David Liu

## 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, 2015, 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.

### ***Auditors' 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, 2015, 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.

### ***Change in Accounting Principle***

As discussed in Note 1 to the financial statements, in 2015 the City adopted new accounting guidance, GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – An Amendment of GASB Statement No. 27*.

### ***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, 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. Such 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.



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

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.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated November 4, 2015, 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 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 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.

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

Brea California  
November 4, 2015

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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, 2015. 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 \$32,785,658.
- The total cost of all City programs equaled \$32,035,132.
- The assets of the City of Diamond Bar exceeded its liabilities at the close of the fiscal year by \$395,162,740 (*net position*). Of this amount, \$20,659,058 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 \$27,884,766, an increase of \$2,745,095 in comparison with the prior year. Approximately \$17.6 million of the \$27.9 million is available for spending at the City's discretion.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$17,656,659, or 90.8% of the amount of general fund expenditures. The General Fund unassigned balance of \$17.7 million is in addition to a \$4.5 million assigned 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 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*. New to the statement of net position as of June 30, 2015 is the line item dedicated to reporting Net Pension Liability. The balance of the net pension liability is now being reported (per GASB #68) and was implemented this year (see Note 8 in the notes to the financial statements for more information). 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 two categories: governmental funds, and proprietary 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.

***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 mentioned earlier, net position may serve over time as a useful indicator of the City's financial position. The City of Diamond Bar's assets exceeded liabilities by \$395,162,740 at the close of 2015. (see Table 1)

By far the largest portion of the City's net position (93.3%) 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**

|                                  | <b>Governmental Activities</b> |                       |
|----------------------------------|--------------------------------|-----------------------|
|                                  | 2015                           | 2014                  |
| Current and other assets         | \$ 36,937,467                  | \$ 30,963,676         |
| Capital assets                   | 379,401,376                    | 383,069,197           |
| <b>Total Assets</b>              | <b>416,338,843</b>             | <b>414,032,873</b>    |
| Deferred pension related items   | 503,376                        | -                     |
| <b>Total Deferred Outflows</b>   | <b>503,376</b>                 | <b>-</b>              |
| Long-term debt outstanding       | 14,868,078                     | 12,003,205            |
| Other Liabilities                | 5,667,561                      | 3,600,515             |
| <b>Total Liabilities</b>         | <b>20,535,639</b>              | <b>15,603,720</b>     |
| Deferred pension related items   | 1,143,840                      | -                     |
| <b>Total Deferred Inflows</b>    | <b>1,143,840</b>               | <b>-</b>              |
| Net position:                    |                                |                       |
| Net investment in capital assets | 368,779,901                    | 372,068,596           |
| Restricted                       | 5,723,781                      | 5,465,860             |
| Unrestricted                     | 20,659,058                     | 20,894,700            |
| <b>Total Net Position</b>        | <b>\$ 395,162,740</b>          | <b>\$ 398,429,156</b> |

The City's net position decreased by \$3,266,416. This decrease is primarily due to the inclusion of the net pension liability coupled with higher depreciation expense which both reduce net position.

At the end of fiscal year 2015 the City reports a decrease of \$235,642 in the unrestricted net position from the prior fiscal year. Nearly \$4.4 million in additional liabilities or deferred inflows of resources were reported for the first time as part of total net position. These liabilities have a direct impact on the level of unrestricted funds. 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 \$20,659,058 in Unrestricted Net Position.

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

|  | 2015                  | 2014                  |
|--|-----------------------|-----------------------|
| <b>Revenues:</b>                         |                       |                       |
| <b>Program revenues:</b>                 |                       |                       |
| Charges for services                     | \$ 10,869,461         | \$ 7,218,940          |
| Operating grants and contributions       | 4,443,765             | 4,203,990             |
| Capital grants and contributions         | 717,961               | 207,971               |
| <b>General Revenues</b>                  |                       |                       |
| Property taxes                           | 4,448,566             | 4,307,077             |
| Transient occupancy taxes                | 935,355               | 851,249               |
| Sales Taxes                              | 3,974,564             | 3,658,327             |
| Franchise Taxes                          | 1,460,342             | 1,393,584             |
| Other taxes                              | 442,914               | 471,455               |
| Motor vehicle in lieu                    | 5,133,910             | 4,862,100             |
| Use of money & property                  | 244,275               | 256,758               |
| Other                                    | 114,545               | 52,891                |
| Gain/(Loss) on Disposal of Capital Asset | -                     | 1,328,681             |
| <b>Total revenues</b>                    | <b>32,785,658</b>     | <b>28,813,023</b>     |
| <b>Expenses:</b>                         |                       |                       |
| General Government                       | 6,524,968             | 7,301,502             |
| Public Safety                            | 5,929,156             | 5,627,026             |
| Highways and Streets                     | 10,225,922            | 10,599,386            |
| Community Development                    | 2,587,504             | 2,346,073             |
| Parks, Recreation and Culture            | 6,300,920             | 6,463,192             |
| Interest and Fiscal Charges              | 466,662               | 477,201               |
| <b>Total expenses</b>                    | <b>32,035,132</b>     | <b>32,814,380</b>     |
| Increase(Decrease) in net position       | 750,526               | <b>(4,001,357)</b>    |
| Net position - beginning                 | 398,429,156           | 402,430,513           |
| Restatement of Net Position              | <b>(4,016,942)</b>    | -                     |
| Net position - ending                    | <b>\$ 395,162,740</b> | <b>\$ 398,429,156</b> |

## Revenues

In the Statement of Activities, the City's total revenues were \$32.8 million, while the total cost of all programs and services was \$32.0 million. Revenues this fiscal year were 13.8% higher than those of the prior year. There were increases across the revenue categories which resulted in the overall change in revenue. The following are highlights of some of the major differences:

- Property Tax revenues were up 3.3% from FY13-14. The housing market continued to improve during FY 14-15 which afforded greater inflation/Proposition 13 based adjustments. Housing sales also continued to increase which allowed the County to increase overall assessed valuations by 6.13% during 2015 while Diamond Bar's assessed valuations were up by 5.5% during 2015.

- Transient Occupancy Taxes grew by 9.9% in FY 14-15 as the local economy stabilized and business and vacation travel continued to increase.
- Sales tax revenues were up about 8.6% due to continued improvement in the local economy, new businesses within the City, as well as the increase in the triple flip portion of sales tax.
- Investment Income increased by 30.0%, excluding the fair market value adjustment of \$40,595, due to improving investment yields available in the bond market coupled with more of the City's portfolio being more diversified rather than a bulk of the funds being invested in money market funds. The Local Agency Investment Fund (LAIF) rate also started to show some improvement and ended the fiscal year at 0.28%. By the end of FY 14/15 the City's overall investment yield increased from 0.87% in FY 2013/14 to 0.97% in FY 2014/15.

## **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 \$32.0 million which is approximately \$779,000, or 2.4% lower than the previous fiscal year. This decrease was due in part to one-time expenses reflected as follows:

- There was a decrease in General Government expenses of approximately 10.7% this year. This was due primarily to lower capital outlay this year compared to last year.
- There was an increase in Public Safety expenses of approximately 5.3% this year. This was due to the fact that the Community Relations Officer position was filled during FY 2014/15 after being vacant during last fiscal year.
- The Streets and Highways category was lower this year by a little over \$373,000. This is due to a slight decrease in the number of Capital Improvement projects completed during the fiscal year.
- Community Development expenses were higher in 2014/15 by \$241,000. The increase reflects higher professional services required due to the continued increase in building activity as well as filling staff vacancies during the year.

## **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, 2015, the City of Diamond Bar's governmental funds reported combined ending fund balances of \$27,884,766, an increase of \$2,745,095 in comparison with the prior year. Approximately 63.0% of this amount (\$17,585,098) 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 (\$75,887), 2) restricted for particular purposes (\$5,723,781) or 3) assigned 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 \$17,656,659, while the total fund balance was \$22,232,546. 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 90.8% of total general fund expenditures, while total fund balance represents 114.4% 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 \$2,470,096.

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

- General Fund revenues were up significantly (\$3,632,579 or 17.9%) from FY13/14. The largest increase was in the Licenses and Permits category. This was due to the collection of developer and permit fees related to the Willow Heights housing project.
- The Taxes category also had a slight increase, primarily due to an increase in property tax, sales tax and franchise tax revenues.
- Costs were only slightly higher this year in the General Fund by \$302,914 (1.6%) as compared to last year.
- 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 0.9% to reflect the increased building activity due to the construction of the Willow Heights housing development. The actual revenue came in higher than anticipated by \$1.1 million. This is due to higher than anticipated property, sales and transient occupancy tax being collected as well as higher permit fees due to an accelerated building schedule for Willow Heights. This is offset by the fact that transfers into the General Fund were lower than anticipated.

General Fund appropriations were increased during the year by \$1,935,752 or 7.8% from the original budget to the amended budget. The final expenditures actually came in \$3,906,361 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, 2015 amounts to \$379,401,376 (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)**

|                            | <b>2015</b>           | <b>2014</b>           |
|----------------------------|-----------------------|-----------------------|
| Land                       | \$ 5,633,624          | \$ 5,633,624          |
| Right of Way               | 265,614,104           | 265,614,104           |
| Buildings and Improvements | 20,237,112            | 22,777,534            |
| Furniture and Fixtures     | 607,700               | 798,058               |
| Vehicles & Equipment       | 925,982               | 953,119               |
| Infrastructure             | 81,910,754            | 86,624,556            |
| Construction in Progress   | 4,472,100             | 668,202               |
|                            | <u>\$ 379,401,376</u> | <u>\$ 383,069,197</u> |

The City's capital assets decreased in value \$3,667,821 during FY14/15. This decrease was due to depreciation expense offset by higher 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 eleven projects equaling \$4,472,100 include street rehabilitation and enhancement projects, traffic mitigation projects, a comprehensive groundwater drainage project, parking lot improvements, 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 \$11,224,165. The following table shows the breakdown of the long-term debt outstanding:

**Outstanding Long Term Debt at Year-end**

|  |                      |
|--|----------------------|
| Variable Rate Lease Revenue Bonds<br>(backed by the Public Financing<br>Authority) | \$ 10,420,000        |
| Unamortized Bond Premium   | 201,475              |
| Compensated Absences   | 602,690              |
|  | <u>\$ 11,224,165</u> |

See footnote 5 for additional information on the City's long-term liabilities as of June 30, 2015.

**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 2015/2016 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 15/16 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, 2015

|   | <u>Governmental<br/>Activities</u> |
|---|------------------------------------|
| <b>Assets:</b>                                  |                                    |
| Cash and investments                            | \$ 33,852,333                      |
| Receivables:                                    |                                    |
| Accounts  | 750,087                            |
| Notes and loans                                 | 385,639                            |
| Accrued interest                                | 56,010                             |
| Prepaid costs                                   | 77,337                             |
| Due from other governments                      | 1,814,561                          |
| Restricted assets:                              |                                    |
| Cash with fiscal agent                          | 3                                  |
| Due from employees                              | 1,497                              |
| Capital assets not being depreciated            | 275,719,828                        |
| Capital assets, net of depreciation             | <u>103,681,548</u>                 |
| <b>Total Assets</b>                             | <b><u>416,338,843</u></b>          |
| <b>Deferred Outflows of Resources:</b>          |                                    |
| Deferred pension related items                  | <u>503,376</u>                     |
| <b>Total Deferred Outflows<br/>of Resources</b> | <b><u>503,376</u></b>              |
| <b>Liabilities:</b>                             |                                    |
| Accounts payable                                | 3,630,147                          |
| Accrued liabilities                             | 418,034                            |
| Accrued interest                                | 37,046                             |
| Unearned revenue                                | 23,095                             |
| Deposits payable                                | 1,164,526                          |
| Due to other governments                        | 385,639                            |
| Retentions payable                              | 9,074                              |
| Noncurrent liabilities:                         |                                    |
| Due within one year                             | 855,705                            |
| Due in more than one year                       | 10,368,460                         |
| Net pension liability                           | 3,207,669                          |
| OPEB liability                                  | <u>436,244</u>                     |
| <b>Total Liabilities</b>                        | <b><u>20,535,639</u></b>           |
| <b>Deferred Inflows of Resources:</b>           |                                    |
| Deferred pension related items                  | <u>1,143,840</u>                   |
| <b>Total Deferred Inflows<br/>of Resources</b>  | <b><u>1,143,840</u></b>            |
| <b>Net Position:</b>                            |                                    |
| Net investment in capital assets                | 368,779,901                        |
| Restricted for:                                 |                                    |
| Community development projects                  | 1,482,522                          |
| Public safety                                   | 171,928                            |
| Public works                                    | 3,862,123                          |
| Capital projects                                | 207,205                            |
| Debt service                                    | 3                                  |
| Unrestricted                                    | <u>20,659,058</u>                  |
| <b>Total Net Position</b>                       | <b><u>\$ 395,162,740</u></b>       |

CITY OF DIAMOND BAR

STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2015

|  | Program Revenues     |                         |  | Net (Expenses)<br>Revenue and<br>Changes in Net<br>Position |
|--|----------------------|-------------------------|--|---|
|  | Expenses             | Charges for<br>Services | Operating<br>Contributions<br>and Grants |   |
| <b>Functions/Programs</b>                  |                      |                         |  |   |
| <b>Primary Government:</b>                 |                      |                         |  |   |
| Governmental Activities:                   |                      |                         |  |   |
| General government                         | \$ 6,524,968         | \$ 587,081              | \$ -                                     | \$ -  |
| Public safety                              | 5,929,156            | 523,145                 | 107,801                                  | -   |
| Community development                      | 2,587,504            | 2,463,932               | 488,553                                  | -   |
| Parks, recreation and culture              | 6,300,920            | 1,758,319               | 402,845                                  | 22,807  |
| Highways and Streets                       | 10,225,922           | 5,536,984               | 3,444,566                                | 695,154   |
| Interest on long-term debt                 | 466,662              | -                       | -  | -   |
| <b>Total Primary Government</b>            | <b>\$ 32,035,132</b> | <b>\$ 10,869,461</b>    | <b>\$ 4,443,765</b>                      | <b>\$ 717,961</b>   |
|  |                      |                         |  | <b>(16,003,945)</b>   |
| <b>General Revenues:</b>                   |                      |                         |  |   |
| Taxes:                                     |                      |                         |  |   |
| Property taxes, levied for general purpose |                      |                         |  | 4,448,566   |
| Transient occupancy taxes                  |                      |                         |  | 935,355   |
| Sales taxes                                |                      |                         |  | 3,974,564   |
| Franchise taxes                            |                      |                         |  | 1,460,342   |
| Other taxes                                |                      |                         |  | 442,914   |
| Motor vehicle in lieu - unrestricted       |                      |                         |  | 5,133,910   |
| Use of money and property                  |                      |                         |  | 244,275   |
| Other                                      |                      |                         |  | 114,545   |
| <b>Total General Revenues</b>              |                      |                         |  | <b>16,754,471</b>   |
| Change in Net Position                     |                      |                         |  | 750,526   |
| Net Position at Beginning of Year          |                      |                         |  | 398,429,156   |
| Restatement of Net Position                |                      |                         |  | (4,016,942)   |
| <b>Net Position at End of Year</b>         |                      |                         |  | <b>\$ 395,162,740</b>                                       |

CITY OF DIAMOND BAR

**BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2015**

|  | General              | Capital Projects<br>Funds<br>Capital<br>Improvement<br>Fund | Other<br>Governmental<br>Funds | Total<br>Governmental<br>Funds |
|--|----------------------|---|--------------------------------|--------------------------------|
| <b>Assets:</b>   |                      |   |                                |                                |
| Pooled cash and investments  | \$ 24,633,750        | \$ 1,114,437  | \$ 5,764,807                   | \$ 31,512,994                  |
| Receivables:   |                      |   |                                |                                |
| Accounts   | 370,288              | -   | 189,626                        | 559,914                        |
| Notes and loans  | -                    | -   | 385,639                        | 385,639                        |
| Accrued interest   | 56,010               | -   | -                              | 56,010                         |
| Prepaid costs  | 75,887               | -   | -                              | 75,887                         |
| Due from other governments   | 1,378,701            | 202,055   | 233,805                        | 1,814,561                      |
| Due from other funds   | 75,675               | -   | -                              | 75,675                         |
| Due from employees   | 1,497                | -   | -                              | 1,497                          |
| Restricted assets:   |                      |   |                                |                                |
| Cash and investments with fiscal agents  | -                    | -   | 3                              | 3                              |
| <b>Total Assets</b>  | <b>\$ 26,591,808</b> | <b>\$ 1,316,492</b>   | <b>\$ 6,573,880</b>            | <b>\$ 34,482,180</b>           |
| <b>Liabilities, Deferred Inflows of Resources,<br/>and Fund Balances:</b>      |                      |   |                                |                                |
| <b>Liabilities:</b>  |                      |   |                                |                                |
| Accounts payable   | \$ 1,983,712         | \$ 1,291,071  | \$ 250,559                     | \$ 3,525,342                   |
| Accrued liabilities  | 396,059              | -   | 21,975                         | 418,034                        |
| Unearned revenues  | -                    | -   | 23,095                         | 23,095                         |
| Deposits payable   | 1,164,526            | -   | -                              | 1,164,526                      |
| Due to other governments   | -                    | -   | 385,639                        | 385,639                        |
| Due to other funds   | -                    | -   | 75,675                         | 75,675                         |
| Retentions payable   | -                    | 7,374   | 1,700                          | 9,074                          |
| <b>Total Liabilities</b>   | <b>3,544,297</b>     | <b>1,298,445</b>  | <b>758,643</b>                 | <b>5,601,385</b>               |
| <b>Deferred Inflows of Resources:</b>  |                      |   |                                |                                |
| Unavailable revenues   | 814,965              | 89,608  | 91,456                         | 996,029                        |
| <b>Total Deferred Inflows of Resources</b>                                     | <b>814,965</b>       | <b>89,608</b>   | <b>91,456</b>                  | <b>996,029</b>                 |
| <b>Fund Balances:</b>  |                      |   |                                |                                |
| <b>Nonspendable:</b>   |                      |   |                                |                                |
| Prepaid costs  | 75,887               | -   | -                              | 75,887                         |
| <b>Restricted for:</b>   |                      |   |                                |                                |
| Community development projects   | -                    | -   | 1,482,522                      | 1,482,522                      |
| Public safety  | -                    | -   | 171,928                        | 171,928                        |
| Highways and streets   | -                    | -   | 3,862,123                      | 3,862,123                      |
| Capital Projects   | -                    | -   | 207,205                        | 207,205                        |
| Debt service   | -                    | -   | 3                              | 3                              |
| <b>Assigned to:</b>  |                      |   |                                |                                |
| Emergency contingencies  | 4,500,000            | -   | -                              | 4,500,000                      |
| <b>Unassigned</b>  | 17,656,659           | (71,561)  | -                              | 17,585,098                     |
| <b>Total Fund Balances</b>   | <b>22,232,546</b>    | <b>(71,561)</b>   | <b>5,723,781</b>               | <b>27,884,766</b>              |
| <b>Total Liabilities, Deferred Inflows of<br/>Resources, and Fund Balances</b> | <b>\$ 26,591,808</b> | <b>\$ 1,316,492</b>   | <b>\$ 6,573,880</b>            | <b>\$ 34,482,180</b>           |

**CITY OF DIAMOND BAR**

**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF NET POSITION  
JUNE 30, 2015**

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|   |                    |                                     |
|---|--------------------|-------------------------------------|
| Fund balances of governmental funds   |                    | \$ 27,884,766                       |
| 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.   |                    | 378,880,852                         |
| Deferred outflows related to pension items:   |                    |                                     |
| Adjustments due to difference in proportions  | \$ 92,963          |                                     |
| Change in employer's proportion and differences between the employer's contributions and the employer's proportionate share of contributions  | 6,860              |                                     |
| Current year contributions that occurred after the measurement date   | <u>403,553</u>     | 503,376                             |
| 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   | \$ (10,420,000)    |                                     |
| Unamortized bond premiums/discounts   | (201,475)          |                                     |
| Compensated Absences  | (602,690)          |                                     |
| Other post employment benefit obligation  | (436,244)          |                                     |
| Net pension liability   | <u>(3,207,669)</u> | (14,868,078)                        |
| Accrued interest payable for the current portion of interest due on Bonds has not been reported in the governmental funds.  |                    | (37,046)                            |
| Deferred inflows related to pension items:  |                    |                                     |
| Net difference between project and actual earnings on pension plan investments  | \$ (1,077,925)     |                                     |
| Adjustment due to difference in proportions   | (580)              |                                     |
| Change in employer's proportion and differences between the employer's contributions and the employer's proportionate share of contributions  | <u>(65,335)</u>    | (1,143,840)                         |
| 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.   |                    | 996,029                             |
| 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>2,946,681</u>                    |
| <b>Net Position of governmental activities</b>  |                    | <b><u><u>\$ 395,162,740</u></u></b> |

CITY OF DIAMOND BAR

**STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2015**

|  | General              | Capital Projects<br>Funds<br>Capital<br>Improvement<br>Fund | Other<br>Governmental<br>Funds | Total<br>Governmental<br>Funds |
|--|----------------------|---|--------------------------------|--------------------------------|
| <b>Revenues:</b>   |                      |   |                                |                                |
| Taxes  | \$ 10,730,234        | \$ -  | \$ 672,492                     | \$ 11,402,726                  |
| Licenses and permits   | 5,022,618            | -   | 452,147                        | 5,474,765                      |
| Intergovernmental  | 5,471,410            | 205,422   | 5,508,657                      | 11,185,489                     |
| Charges for services   | 1,760,404            | -   | 1,583,952                      | 3,344,356                      |
| Use of money and property                                    | 225,820              | -   | 47,836                         | 273,656                        |
| Fines and forfeitures  | 523,145              | -   | -                              | 523,145                        |
| Miscellaneous  | 136,786              | -   | -                              | 136,786                        |
| <b>Total Revenues</b>  | <b>23,870,417</b>    | <b>205,422</b>  | <b>8,265,084</b>               | <b>32,340,923</b>              |
| <b>Expenditures:</b>   |                      |   |                                |                                |
| Current:   |                      |   |                                |                                |
| General government   | 4,590,491            | -   | 450,000                        | 5,040,491                      |
| Public safety  | 5,909,419            | -   | 4,985                          | 5,914,404                      |
| Community development  | 2,035,268            | -   | 505,162                        | 2,540,430                      |
| Parks and recreation   | 4,144,974            | -   | 80,964                         | 4,225,938                      |
| Public works   | 2,508,497            | -   | 2,707,586                      | 5,216,083                      |
| Capital outlay   | 252,446              | 4,339,507   | 54,938                         | 4,646,891                      |
| Debt service:  |                      |   |                                |                                |
| Principal retirement   | -                    | -   | 365,000                        | 365,000                        |
| Interest and fiscal charges                                  | -                    | -   | 481,656                        | 481,656                        |
| <b>Total Expenditures</b>                                    | <b>19,441,095</b>    | <b>4,339,507</b>  | <b>4,650,291</b>               | <b>28,430,893</b>              |
| Excess (Deficiency) of Revenues<br>Over (Under) Expenditures | 4,429,322            | (4,134,085)   | 3,614,793                      | 3,910,030                      |
| <b>Other Financing Sources (Uses):</b>                       |                      |   |                                |                                |
| Transfers in   | 1,278,249            | 4,151,163   | 1,655,217                      | 7,084,629                      |
| Transfers out  | (3,237,475)          | -   | (5,012,089)                    | (8,249,564)                    |
| <b>Total Other Financing Sources<br/>(Uses)</b>              | <b>(1,959,226)</b>   | <b>4,151,163</b>  | <b>(3,356,872)</b>             | <b>(1,164,935)</b>             |
| Net Change in Fund Balances                                  | 2,470,096            | 17,078  | 257,921                        | 2,745,095                      |
| Fund Balances, Beginning of Year                             | 19,762,450           | (88,639)  | 5,465,860                      | 25,139,671                     |
| <b>Fund Balances, End of Year</b>                            | <b>\$ 22,232,546</b> | <b>\$ (71,561)</b>  | <b>\$ 5,723,781</b>            | <b>\$ 27,884,766</b>           |

**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, 2015**

---

Net change in fund balances - total governmental funds \$ 2,745,095

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               | \$ 4,110,111     |             |
| Depreciation Expense               | (7,604,605)      |             |
| Loss on disposal of capital assets | <u>(154,785)</u> | (3,649,279) |

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                       | 365,000         |         |
| Amortization of bond premium               | 14,126          |         |
| CJPIA General Liability Cumulative Deposit | 67,148          |         |
| Other post employment benefit obligation   | (67,140)        |         |
| Compensated Absences                       | <u>(36,338)</u> | 342,796 |

Accrued interest for long-term liabilities. This is the net change in accrued interest for the current period. 868

Pension obligation expenses is an expenditure 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. 168,809

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. 433,045

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. 709,192

**Change in net position of governmental activities \$ 750,526**

CITY OF DIAMOND BAR

STATEMENT OF NET POSITION  
 PROPRIETARY FUNDS  
 JUNE 30, 2015

|  | <u>Governmental<br/>Activities-<br/>Internal<br/>Service Funds</u> |
|--|--|
| <b>Assets:</b>                                   |  |
| Current:   |  |
| Cash and investments                             | \$ 2,339,339   |
| Receivables:                                     |  |
| Accounts   | 190,173  |
| Prepaid costs                                    | <u>1,450</u>   |
| <b>Total Current Assets</b>                      | <b><u>2,530,962</u></b>  |
| Noncurrent:                                      |  |
| Capital assets - net of accumulated depreciation | <u>520,524</u>   |
| <b>Total Noncurrent Assets</b>                   | <b><u>520,524</u></b>  |
| <b>Total Assets</b>                              | <b><u><u>\$ 3,051,486</u></u></b>                                  |
| <br><b>Liabilities and Net Position:</b>         |  |
| <b>Liabilities:</b>                              |  |
| Current:   |  |
| Accounts payable                                 | <u>\$ 104,805</u>  |
| <b>Total Liabilities</b>                         | <b><u>104,805</u></b>  |
| <b>Net Position:</b>                             |  |
| Investment in capital assets                     | 520,524  |
| Unrestricted                                     | <u>2,426,157</u>   |
| <b>Total Net Position</b>                        | <b><u>2,946,681</u></b>  |
| <b>Total Liabilities and Net Position</b>        | <b><u><u>\$ 3,051,486</u></u></b>                                  |

CITY OF DIAMOND BAR

STATEMENT OF REVENUES, EXPENSES  
AND CHANGES IN FUND NET POSITION  
PROPRIETARY FUNDS  
YEAR ENDED JUNE 30, 2015

|   | <b>Governmental<br/>Activities-<br/>Internal<br/>Service Funds</b> |
|---|--|
| <b>Operating Revenues:</b>                        |  |
| Sales and service charges                         | \$ 9,550   |
| <b>Total Operating Revenues</b>                   | <b>9,550</b>   |
| <b>Operating Expenses:</b>                        |  |
| Insurance premiums                                | 198,935  |
| Equipment repair and maintenance                  | 123,087  |
| Depreciation expense                              | 154,961  |
| <b>Total Operating Expenses</b>                   | <b>476,983</b>   |
| Operating Income (Loss)                           | (467,433)  |
| <b>Nonoperating Revenues (Expenses):</b>          |  |
| Interest revenue                                  | 11,690   |
| <b>Total Nonoperating<br/>Revenues (Expenses)</b> | <b>11,690</b>  |
| Income (Loss) Before Transfers                    | (455,743)  |
| Transfers in                                      | 1,164,935  |
| Changes in Net Position                           | 709,192  |
| <b>Net Position:</b>                              |  |
| Beginning of Year                                 | 2,237,489  |
| <b>End of Fiscal Year</b>                         | <b>\$ 2,946,681</b>  |

CITY OF DIAMOND BAR

STATEMENT OF CASH FLOWS  
 PROPRIETARY FUNDS  
 YEAR ENDED JUNE 30, 2015

|   | <b>Governmental<br/>Activities-<br/>Internal<br/>Service Funds</b> |
|---|--|
| <b>Cash Flows from Operating Activities:</b>  |  |
| Insurance Premiums paid   | \$ (388,154)   |
| Payments to suppliers   | (35,227)   |
| Cash received from others   | 9,676  |
|   | <u>                    </u>  |
| <b>Net Cash Provided (Used) by Operating Activities</b>   | <b><u>(413,705)</u></b>  |
| <b>Cash Flows from Non-Capital<br/>Financing Activities:</b>  |  |
| Cash transfers in   | 1,164,935  |
|   | <u>                    </u>  |
| <b>Net Cash Provided (Used) by<br/>Non-Capital Financing Activities</b>                                       | <b><u>1,164,935</u></b>  |
| <b>Cash Flows from Capital<br/>and Related Financing Activities:</b>  |  |
| Acquisition and construction of capital assets  | (136,419)  |
|   | <u>                    </u>  |
| <b>Net Cash Provided (Used) by<br/>Capital and Related Financing Activities</b>                               | <b><u>(136,419)</u></b>  |
| <b>Cash Flows from Investing Activities:</b>  |  |
| Interest received   | 11,690   |
|   | <u>                    </u>  |
| <b>Net Cash Provided (Used) by<br/>Investing Activities</b>   | <b><u>11,690</u></b>   |
| <b>Net Increase (Decrease) in Cash<br/>and Cash Equivalents</b>   | <b>626,501</b>   |
| Cash and Cash Equivalents at Beginning of Year  | 1,712,838  |
|   | <u>                    </u>  |
| <b>Cash and Cash Equivalents at End of Year</b>   | <b><u>\$ 2,339,339</u></b>   |
| <b>Reconciliation of Operating Income to Net Cash<br/>Provided (Used) by Operating Activities:</b>            |  |
| Operating income (loss)   | \$ (467,433)   |
|   | <u>                    </u>  |
| <b>Adjustments to reconcile operating income (loss)<br/>net cash provided (used) by operating activities:</b> |  |
| Depreciation  | 154,961  |
| (Increase) decrease in accounts receivable  | (189,016)  |
| (Increase) decrease in prepaid expense  | (77)   |
| Increase (decrease) in accounts payable   | 87,860   |
|   | <u>                    </u>  |
| <b>Total Adjustments</b>  | <b><u>53,728</u></b>   |
| <b>Net Cash Provided (Used) by<br/>Operating Activities</b>   | <b><u>\$ (413,705)</u></b>   |

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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 and proprietary funds. 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 and proprietary 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.

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

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

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.

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 have been used for specific revenue sources that have restricted uses for special purposes.

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

**Proprietary Funds**

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.

**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.

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

**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. 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.

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

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  |

**h. 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.

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

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.

**i. 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.

**j. 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.

**k. 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.

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

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.

**I. 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.

**m. 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.

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<br>February 1 - 2nd installment |
| Collection dates | December 10 - 1st installment<br>April 10 - 2nd installment  |
| Delinquent dates | December 11 - 1st installment<br>April 11 - 2nd installment  |

**n. 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.

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

**o. 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.

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.

**p. Change in Accounting Principles**

The Entity implemented GASB Statement 68, *Accounting and Financial Reporting for Pensions – An Amendment of GASB Statement No. 27*. Accordingly, the cumulative effect of the accounting change as of the beginning of the year is reported in the government-wide statement of activities.

GASB Statement No. 71 – Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68. The objective of this Statement is to address an issue regarding application of the transition provisions of Statement No. 68, *Accounting and Financial Reporting for Pensions*. The issue relates to amounts associated with contributions, if any, made by a local government employer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability. The provisions of GASB Statement No. 71 are effective for financial statements beginning after June 15, 2014.

CITY OF DIAMOND BAR

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2015

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**Note 2: Cash and Investments**

Cash and Investments

Cash and investments at June 30, 2015, consisted of the following:

Statement of Net Position:

|   |    |                   |
|---|----|-------------------|
| Cash and investments                    | \$ | 33,852,333        |
| Cash and investments with fiscal agents |    | <u>3</u>          |
|   | \$ | <u>33,852,336</u> |

Cash and investments held by the City at June 30, 2015, consisted of the following:

|  |    |                   |
|--|----|-------------------|
| Imprest cash on hand                                     | \$ | 1,950             |
| Demand deposits  |    | 3,152,918         |
| Investments:   |    |                   |
| United States Government Sponsored Enterprise Securities |    | 8,645,874         |
| Certificates of Deposit                                  |    | 10,396,534        |
| Local Agency Investment Fund                             |    | 11,655,057        |
| Held by fiscal agents:                                   |    |                   |
| Money Market Mutual Funds                                |    | <u>3</u>          |
|  | \$ | <u>33,852,336</u> |

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

The table below identifies the investment types that are authorized for the City by the California Government Code (or the City's investment policy, where more restrictive). The table also identifies certain provisions of the California Government Code (or the City's investment policy, where more restrictive) that address interest rate risk, credit risk, and concentration of credit risk. This table does not address investments of debt proceeds held by bond trustee that are governed by the provisions of debt agreements of the City, rather than the general provisions of the California Government Code or the City's investment policy. The City Treasurer may waive the collateral requirement for deposits that are fully insured up to \$250,000 by the FDIC.

CITY OF DIAMOND BAR

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2015

**Note 2: Cash and Investments (Continued)**

| 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          | 40%                             | None                             |
| Banker's Acceptance                                      | 180 days         | 40%                             | 30%                              |
| Time Certificates of Deposits                            | 5 years          | None                            | None                             |
| 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%                             | None                             |
| Local Agency Investment Fund (LAIF)                      | N/A              | None                            | \$ 40,000,000                    |

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

N/A - Not Applicable

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                             |

**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2015**
**Note 2: Cash and Investments (Continued)**
Disclosures Relating to Interest Rate Risk

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

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

| Investment Type                     | Remaining Maturity (in Months) |                     |                     | Total                |
|-------------------------------------|--------------------------------|---------------------|---------------------|----------------------|
|                                     | 12 Months or Less              | 1 - 3 years         | 3 - 5 years         |                      |
| US Government Sponsored Securities  | \$ -                           | \$ 6,382,964        | \$ 2,262,910        | \$ 8,645,874         |
| Certificate of Deposits             | 1,740,724                      | 3,230,304           | 5,425,506           | 10,396,534           |
| Local Agency Investment Fund (LAIF) | 11,655,057                     | -                   | -                   | 11,655,057           |
| Held by Fiscal Agents:              |                                |                     |                     |                      |
| Money Market Mutual Funds           | 3                              | -                   | -                   | 3                    |
|                                     | <u>\$ 13,395,784</u>           | <u>\$ 9,613,268</u> | <u>\$ 7,688,416</u> | <u>\$ 30,697,468</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          | Aaa                  | Unrated              |
|-------------------------------------|----------------------|----------------------|----------------------|
|                                     | June 30, 2015        |                      |                      |
| US Government Sponsored Securities  | \$ 8,645,874         | \$ 8,645,874         | \$ -                 |
| Certificate of Deposits             | 10,396,534           | 10,396,534           | -                    |
| Local Agency Investment Fund (LAIF) | 11,655,057           | -                    | 11,655,057           |
| Held by Fiscal Agents:              |                      |                      |                      |
| Money Market Mutual Funds           | 3                    | -                    | 3                    |
| Total                               | <u>\$ 30,697,468</u> | <u>\$ 19,042,408</u> | <u>\$ 11,655,060</u> |

**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2015**

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**Note 2: Cash and Investments (Continued)**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, 2015, the City deposits (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 Local Agency Investment Fund (LAIF) that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The fair value of the City's investment in this pool is reported in the accompanying financial statements at amounts based upon the City's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis.

**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             | \$ 1,164,935        |
| Capital Improvement Fund | General Fund             | 477,787             |
| Capital Improvement Fund | Other Governmental Funds | 3,673,376           |
| General Fund             | Other Governmental Funds | 1,278,249           |
| Other Governmental Funds | General Fund             | 1,594,753           |
| Other Governmental Funds | Other Governmental Funds | 60,464              |
|                          |                          | <u>\$ 8,249,564</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.

CITY OF DIAMOND BAR

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2015

**Note 3: Interfund Transfers and Due To/From Other Funds (Continued)**

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 Other Governmental Funds to Other Governmental Funds were made to fund various capital improvement projects. 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  | \$ 75,675        |
|                             |                           | <u>\$ 75,675</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.

**Note 4: Capital Assets**

A summary of changes in the Governmental Activities capital assets at June 30, 2015, is as follows:

|  | <u>Balance at<br/>July 1, 2014</u> | <u>Additions</u>      | <u>Deletions</u>  | <u>Balance at<br/>June 30, 2015</u> |
|--|------------------------------------|-----------------------|-------------------|-------------------------------------|
| Capital assets not being depreciated:          |                                    |                       |                   |                                     |
| Land   | \$ 5,633,624                       | \$ -                  | \$ -              | \$ 5,633,624                        |
| Right of way                                   | 265,614,104                        | -                     | -                 | 265,614,104                         |
| Construction in progress                       | 668,202                            | 3,958,683             | 154,785           | 4,472,100                           |
| Total Capital Assets Not<br>being Depreciated  | <u>271,915,930</u>                 | <u>3,958,683</u>      | <u>154,785</u>    | <u>275,719,828</u>                  |
| Capital assets being depreciated:              |                                    |                       |                   |                                     |
| Buildings and improvements                     | 40,958,306                         | 11,456                | -                 | 40,969,762                          |
| Furniture and fixtures                         | 1,537,729                          | 116,107               | 46,191            | 1,607,645                           |
| Vehicles and equipment                         | 2,427,901                          | 160,284               | 13,896            | 2,574,289                           |
| Infrastructure                                 | 190,645,283                        | -                     | -                 | 190,645,283                         |
| Total Capital Assets<br>being Depreciated      | <u>235,569,219</u>                 | <u>287,847</u>        | <u>60,087</u>     | <u>235,796,979</u>                  |
| Less accumulated depreciation for:             |                                    |                       |                   |                                     |
| Buildings and improvements                     | 18,180,772                         | 2,551,878             | -                 | 20,732,650                          |
| Furniture and fixtures                         | 739,671                            | 306,465               | 46,191            | 999,945                             |
| Vehicles and equipment                         | 1,474,782                          | 187,421               | 13,896            | 1,648,307                           |
| Infrastructure                                 | 104,020,727                        | 4,713,802             | -                 | 108,734,529                         |
| Total Accumulated<br>Depreciation              | <u>124,415,952</u>                 | <u>7,759,566</u>      | <u>60,087</u>     | <u>132,115,431</u>                  |
| Total Capital Assets<br>Being Depreciated, Net | <u>111,153,267</u>                 | <u>(7,471,719)</u>    | <u>-</u>          | <u>103,681,548</u>                  |
| Governmental Activities<br>Capital Assets, Net | <u>\$ 383,069,197</u>              | <u>\$ (3,513,036)</u> | <u>\$ 154,785</u> | <u>\$ 379,401,376</u>               |

**CITY OF DIAMOND BAR**

**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2015**

**Note 4: Capital Assets (Continued)**

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

|  |                     |
|--|---------------------|
| General government                                     | \$ 726,711          |
| Public safety  | 14,752              |
| Highways and streets                                   | 4,923,945           |
| Parks, recreation and culture                          | 1,939,197           |
| Internal Service Funds depreciation charges to program | 154,961             |
|  | <u>\$ 7,759,566</u> |

**Note 5: Long-Term Liabilities**

Long-term liability activity for the year ended June 30, 2015, was as follows:

|   | Balance<br>July 1, 2014 | Adjustments | Adjusted<br>Balance<br>July 1, 2014 | Additions         | Deletions         | Balance at<br>June 30, 2015 | Due Within<br>One Year |
|---|-------------------------|-------------|-------------------------------------|-------------------|-------------------|-----------------------------|------------------------|
| Bonds payable   |                         |             |                                     |                   |                   |                             |                        |
| Revenue Bonds   | \$ 10,785,000           | \$ -        | \$ 10,785,000                       | \$ -              | \$ 365,000        | \$ 10,420,000               | \$ 385,000             |
| CJPIA General Liability Cumulative<br>Deposit Payable | 67,148                  | -           | 67,148                              | -                 | 67,148            | -                           | -                      |
| Compensated Absences                                  | 566,352                 | -           | 566,352                             | 478,663           | 442,325           | 602,690                     | 470,705                |
| Total   | <u>\$ 11,418,500</u>    | <u>\$ -</u> | <u>\$ 11,418,500</u>                | <u>\$ 478,663</u> | <u>\$ 874,473</u> | 11,022,690                  | <u>\$ 855,705</u>      |
| Net unamortized bond premium                          |                         |             |                                     |                   |                   | 201,475                     |                        |
| Net Long-Term Debt                                    |                         |             |                                     |                   |                   | <u>\$ 11,224,165</u>        |                        |

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.

**CITY OF DIAMOND BAR**

**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2015**

**Note 5: Long-Term Liabilities (Continued)**

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.

Payments and Associated Debt

As of June 30, 2015, 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>         |
| 2016                       | \$ 385,000             | \$ 467,456          | \$ 852,456           |
| 2017                       | 400,000                | 455,906             | 855,906              |
| 2018                       | 420,000                | 435,906             | 855,906              |
| 2019                       | 440,000                | 414,906             | 854,906              |
| 2020                       | 460,000                | 397,306             | 857,306              |
| 2021-2025                  | 2,655,000              | 1,647,275           | 4,302,275            |
| 2026-2030                  | 3,345,000              | 1,012,825           | 4,357,825            |
| 2031-2035                  | 2,315,000              | 218,975             | 2,533,975            |
| Totals                     | <u>\$ 10,420,000</u>   | <u>\$ 5,050,555</u> | <u>\$ 15,470,555</u> |

Compensated Absences

The City's policies relating to compensated absences are described in Note 1. This liability, amounting to \$602,690 at June 30, 2015, is expected to be paid in future years from future resources, typically liquidated from the General Fund.

Net Pension Liability

See Note 8 detailing the net pension liability. The total liability at June 30, 2015, was \$3,207,669.

**Note 6: CJPIA Retrospective Deposit Liability**

Retrospective deposits and refunds are cost allocation adjustments to prior coverage periods. Some claims take many years to resolve and over time their estimated value changes. The retrospective adjustments are calculated annually and take into consideration all the changes in claim values that occurred during the most recent year. The formula is designed to adequately cover the cost of claims brought against members and to ensure the overall financial strength and security of the Authority. The formula was developed to be as equitable as possible by taking into consideration both risk exposure and claims experience of individual members. CJPIA has temporarily deferred the payment on retrospective deposits owed to the Authority by members. The payment deferral period extends until July 1, 2013, for the Liability program and July 1, 2015, for the Workers' Compensation program. Retrospective deposit payments are scheduled to resume on these dates. The October 2011, annual retrospective adjustment is included in these balances. The City at June 30, 2015, had a cumulative refund due of \$189,142 related to the General and Automobile Liability program.

**Optional Payment Plans**

If the City has a cumulative amount due to CJPIA and when retrospective deposit payments resume as indicated above, members will have the opportunity to select from a variety of optional payment plans. Discounts under the incentive plan are available to members choosing to voluntarily accelerate payment during the deferral period.

After the deferral period, members choosing from among the optional payment plans will be subject to a moderate annual fee. The fee is intended to provide a means for the Authority to recover otherwise foregone investment earnings and to serve as a minor disincentive for the selection of longer financing terms.

Retrospective balances will change annually.

Retrospective balances will change with each annual computation during the payment deferral period. Member balances may increase or decrease as a result of the most recent year's claim development. Accordingly, some members who chose to pay off their balance in full may be required to pay additional retrospective deposits in the future based on the outcome of actual claim development reflected in subsequent retrospective deposit computations. Conversely, if claim development is favorable then subsequent retrospective adjustments could potentially result in refunds to the member.

More information on the CJPIA retrospective balances can be found on the CJPIA website at [CJPIA.org](http://CJPIA.org).

**Note 7: 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 118 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 7: 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. Retrospective adjustments are scheduled to continue indefinitely on coverage years 2012-13 and prior, until all claims incurred during those coverage years are closed, on a pool-wide basis. This subsequent cost re-allocation among members, based on actual claim development, can result in adjustments of either refunds or additional deposits required. Coverage years 2013-14 and forward are not subject to routine annual retrospective adjustment.

The total funding requirement for self-insurance programs is estimated using actuarial models and pre-funded through the annual contribution. Costs are allocated to individual agencies based on exposure (payroll) and experience (claims) relative to other members of the risk-sharing pool. Additional information regarding the cost allocation methodology is provided below.

Liability

In the 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 2014-15, 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) 50% of the \$2.5 million annual aggregate deductible in the \$3 million x/s \$2 million layer, (b) 50% quota share of the \$3 million x/s \$2 million layer, and (c) \$3 million annual aggregate deductible in the \$5 million x/s \$10 million layer. 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

In the 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 valued 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

**Note 7: Liability, Property and Workers' Compensation Protection (Continued)**

second loss layers. For 2014-15, 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.

**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 a 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 sublimit during the 3-year term of the policy.

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 \$34,405,464. There is a \$5,000 deductible per occurrence except for non-emergency vehicle insurance which has a \$1,000 deductible. Premiums for the coverage are paid annually and are not subject to retrospective adjustments.

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. Premiums for the coverage are paid annually and are not subject to retrospective adjustments.

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. Premiums are paid annually and are not subject to retrospective adjustments.

**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 2014-15.

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2015

**Note 8: Pension Plans**

***Plan Description***

All qualified permanent and probationary employees are eligible to participate in the City's separate Safety (police and fire) and Miscellaneous (all other) Employee Pension Plans, cost-sharing multiple employer defined benefit pension plans administered by the California Public Employees' Retirement System (CalPERS). Benefit provisions under the Plans are established by State statute and City resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

***Benefits Provided***

CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Members with five years of total service are eligible to retire at age 50 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 plan are applied as specified by the Public Employees' Retirement Law. The Plans' provisions and benefits in effect at June 30, 2015, are summarized as follows:

|  | <u>Miscellaneous*</u>                                 | <u>Misc. PEPR</u>                                     |
|--|---|---|
|  | Prior to January 1,<br>2013                           | January 1, 2013 and<br>thereafter                     |
| Hire dates   | 2013  | thereafter  |
| Benefit formula  | 2% @55  | 2% @62  |
| Benefit vesting schedule                                   | 5 years of service                                    | 5 years of service                                    |
| Benefit payments   | monthly for life                                      | monthly for life                                      |
| Retirement age   | Minimum 50 yrs  | Minimum 52 yrs  |
| Monthly benefits, as a percentage of eligible compensation | 1.425% - 2.418%,<br>50 yrs - 63+ yrs,<br>respectively | 1.000% - 2.500%,<br>52 yrs - 67+ yrs,<br>respectively |
| Required employee contribution rates                       | 6.891%  | 6.308%  |
| Required employer contribution rates                       | 10.282%   | 6.250%  |

\* Miscellaneous 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 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.

For the year ended June 30, 2015, the employer contributions recognized as a reduction to the Net Pension Liability for each Plan were \$359,021 and \$6,867 for the Miscellaneous Plan and the Miscellaneous PEPR Plan, respectively.

CITY OF DIAMOND BAR

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2015

**Note 8: Pension Plans (Continued)**

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

As of June 30, 2015, the City reported net pension liabilities for its proportionate shares of the net pension liability of each Plan as follows:

|                             | <b>Proportionate Share of<br/>Net Pension Liability</b> |
|-----------------------------|---|
| Miscellaneous               | \$ 3,207,627  |
| PEPRA                       | 42  |
| Total Net Pension Liability | <u>\$ 3,207,669</u>                                     |

The City's net pension liability for each Plan is measured as the proportionate share of the net pension liability. The net pension liability of each of the Plans is measured as of June 30, 2014, and the total pension liability for each Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2013, rolled forward to June 30, 2014, 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 the pension plans relative to the projected contributions of all participating employers, actuarially determined. The City's proportionate share of the net pension liability for each Plan as of June 30, 2013 and 2014, was as follows:

|                              | <b>Miscellaneous</b> | <b>Miscellaneous<br/>PEPRA</b> |
|------------------------------|----------------------|--------------------------------|
| Proportion - June 30, 2013   | <u>0.13376%</u>      | <u>0.00000%</u>                |
| Proportion - June 30, 2014   | <u>0.12979%</u>      | <u>0.00000%</u>                |
| Change - Increase (Decrease) | <u>-0.00397%</u>     | <u>0.00000%</u>                |

For the year ended June 30, 2015, the City recognized pension expense of \$234,745. At June 30, 2015, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

CITY OF DIAMOND BAR

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2015

**Note 8: Pension Plans (Continued)**

**Miscellaneous Plan**

|  | <u>Deferred Outflows of<br/>Resources</u> | <u>Deferred Inflows of<br/>Resources</u> |
|--|---|--|
| Net Difference between Projected and Actual Earnings on Pension Plan Investments   | \$ -                                      | \$ 1,077,911                             |
| Adjustment due to Difference in Proportions  | 92,963                                    | -  |
| Change in employer's proportion and differences between the employer's contributions and the employer's proportionate share of contributions | -   | 65,335                                   |
| Current year contributions that occurred after the measurement date of June 30, 2014   | 391,678                                   | -  |
| <b>SubTotal</b>  | <b>\$ 484,641</b>                         | <b>\$ 1,143,246</b>                      |

**Miscellaneous PEPRA Plan**

|  | <u>Deferred Outflows of<br/>Resources</u> | <u>Deferred Inflows of<br/>Resources</u> |
|--|---|--|
| Net Difference between Projected and Actual Earnings on Pension Plan Investments   | \$ -                                      | \$ 14                                    |
| Adjustment due to Difference in Proportions  | -   | 580                                      |
| Change in employer's proportion and differences between the employer's contributions and the employer's proportionate share of contributions | 6,860                                     | -  |
| Current year contributions that occurred after the measurement date of June 30, 2014   | 11,875                                    | -  |
| <b>SubTotal</b>  | <b>\$ 18,735</b>                          | <b>\$ 594</b>                            |
| <b>Total Plans</b>   | <b>\$ 503,376</b>                         | <b>\$ 1,143,840</b>                      |

\$391,678 and \$11,875 for the miscellaneous plan and PEPRA plan, respectively, reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows or deferred inflows of resources related to pensions will be recognized as pension expense as follows:

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2015

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**Note 8: Pension Plans (Continued)**

**Miscellaneous Plan**

| Year ended<br>June 30: | Deferred<br>Outflows/(Inflows) of<br>Resources |
|------------------------|--|
| 2016                   | \$ (253,471)                                   |
| 2017                   | (253,471)                                      |
| 2018                   | (260,111)                                      |
| 2019                   | (283,230)                                      |

**PEPRA Plan**

| Year ended<br>June 30: | Deferred<br>Outflows/(Inflows) of<br>Resources |
|------------------------|--|
| 2016                   | \$ 1,594                                       |
| 2017                   | 1,594  |
| 2018                   | 1,635  |
| 2019                   | 1,443  |

***Actuarial Methods and Assumptions Used to Determine Total Pension Liability***

For the measurement period ended June 30, 2014 (the measurement date), the total pension liability was determined by rolling forward the June 30, 2013 total pension liability. The June 30, 2013 and the June 30, 2014, 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                    | 7.50%   |
| Inflation                        | 2.75%   |
| Salary Increases                 | Varies by Entry Age and Service   |
| Investment Rate of Return        | 7.50% Net of Pension Plan Investment and Administrative Expenses; includes Inflation                                      |
| Mortality Rate Table (1)         | Derived using CalPERS' Membership Data for all Funds  |
| Post Retirement Benefit Increase | Contract COLA up to 2.75% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.75% thereafter |

(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.

**Note 8: Pension Plans (Continued)**

All other actuarial assumptions used in the June 30, 2013, valuation were 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 7.50 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 7.50 percent discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate of 7.50 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.

According to Paragraph 30 of Statement 68, the long-term discount rate should be determined without reduction for pension plan administrative expense. The 7.50 percent investment return assumption used in this accounting valuation is net of administrative expenses. Administrative expenses are assumed to be 15 basis points. An investment return excluding administrative expenses would have been 7.65 percent. Using this lower discount rate has resulted in a slightly higher total pension liability and net pension liability. CalPERS determined this difference was deemed immaterial to the Public Agency Cost-Sharing Multiple-Employer Defined Benefit Pension Plan. More information can be found on the CalPERS website.

CalPERS is scheduled to review all actuarial assumptions as part of its regular Asset Liability Management review cycle that is scheduled to be completed in February 2018. Any changes to the discount rate will require Board action and proper stakeholder outreach. For these reasons, CalPERS expects to continue using a discount rate net of administrative expenses for GASB 67 and 68 calculations through at least the 2017-18 fiscal year. CalPERS will continue to check the materiality of the difference in calculation until such time as they have changed their methodology.

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.

CITY OF DIAMOND BAR

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2015

**Note 8: Pension Plans (Continued)**

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.

| <b>Asset Class</b>            | <b>New Strategic Allocation</b> | <b>Real Return Years 1 - 10 (1)</b> | <b>Real Return Years 11+ (2)</b> |
|-------------------------------|---------------------------------|-------------------------------------|----------------------------------|
| Global Equity                 | 47.0%                           | 5.25%                               | 5.71%                            |
| Global Fixed Income           | 19.0                            | 0.99                                | 2.43                             |
| Inflation Sensitive           | 6.0                             | 0.45                                | 3.36                             |
| Private Equity                | 12.0                            | 6.83                                | 6.95                             |
| Real Estate                   | 11.0                            | 4.50                                | 5.13                             |
| Infrastructure and Forestland | 3.0                             | 4.50                                | 5.09                             |
| Liquidity                     | 2.0                             | (0.55)                              | (1.05)                           |

(1) An expected inflation of 2.5% used for this period

(2) An expected inflation of 3.0% used for this period

***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 7.50 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 (6.50 percent) or 1 percentage-point higher (8.50 percent) than the current rate:

**Miscellaneous Plan**

|                                       | Discount Rate - 1%<br>(6.50%) | Current Discount Rate<br>(7.5%) | Discount Rate +1%<br>(8.5%) |
|---------------------------------------|-------------------------------|---------------------------------|-----------------------------|
| Plan's Net Pension Liability/(Assets) | \$ 5,715,000                  | \$ 3,207,627                    | \$ 1,126,746                |

**PEPRA Plan**

|                                       | Discount Rate - 1%<br>(6.50%) | Current Discount Rate<br>(7.5%) | Discount Rate +1%<br>(8.5%) |
|---------------------------------------|-------------------------------|---------------------------------|-----------------------------|
| Plan's Net Pension Liability/(Assets) | \$ 75                         | \$ 42                           | \$ 15                       |

***Pension Plan Fiduciary Net Position***

Detailed information about each pension plan's fiduciary net position is available in the separately issued CalPERS financial reports. See CalPERS website for additional information.

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2015

**Note 9: Postemployment Benefits Other than Pensions**

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 (\$112/month for calendar 2013 and \$115/month for calendar 2014, increased in all future years according to the rate of medical inflation). The City pays a 0.36% 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, 2015, the City paid \$6,635 in health care costs for its retirees and their covered dependents.

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               | \$ 85,299                |
| Interest on net OPEB obligation            | 7,382                    |
| Adjustment to annual required contribution | <u>(18,906)</u>          |
| Annual OPEB cost (expense)                 | 73,775                   |
| Contributions made                         | <u>6,635</u>             |
| Increase in net OPEB obligation            | 67,140                   |
| Net OPEB obligation - beginning of year    | <u>369,104</u>           |
| Net OPEB obligation - end of year          | <u><u>\$ 436,244</u></u> |

Three-Year Trend Information

For fiscal year 2015, the City's annual OPEB cost (expense) \$73,775 was equal to the ARC. 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<br>Ended | Annual OPEB<br>Costs | Actual<br>Contributions | Percentage of<br>Annual OPEB Costs<br>Contributed | Net OPEB<br>Obligation |
|----------------------|----------------------|-------------------------|---|------------------------|
| 6/30/13              | \$ 72,644            | \$ 8,190                | 11.27%  | \$ 306,687             |
| 6/30/14              | 70,389               | 7,972                   | 11.33%  | 369,104                |
| 6/30/15              | 73,775               | 6,635                   | 8.99%   | 436,244                |

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2015

**Note 9: Postemployment Benefits Other than Pensions (Continued)**

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 | Actuarial Accrued Liability | Funded Ratio | Covered Payroll | Percent of Covered Payroll | Interest Rate |
|-------------------|--------------------------|---------------------------|-----------------------------|--------------|-----------------|----------------------------|---------------|
| Actual            | 7/1/2011                 | \$ -                      | \$ 502,013                  | 0.0%         | \$ 3,959,573    | 12.68%                     | 5.00%         |
| Actual            | 7/1/2014                 | -                         | 596,261                     | 0.0%         | 4,293,708       | 13.89%                     | 5.00%         |

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, 2014, actuarial valuation, the projected unit credit method was used. The actuarial assumptions included a discount rate of 4.0% per annum, a rate of return on assets of 4.0% per annum and a healthcare cost trend rate of 4.0% for medical and a healthcare cost trend rate of 8.0% 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.

CITY OF DIAMOND BAR

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2015

**Note 10: Classification of Net Position and Fund Balance**

Details of the fund balance classifications at June 30, 2015, are as follows:

|   |                                   |
|---|-----------------------------------|
| <b>Restricted for Community Development Projects:</b> |                                   |
| Integrated Waste Management                           | \$ 1,169,522                      |
| Beverage Center Recycling                             | 44,211                            |
| Used Oil Block Grant                                  | 14,525                            |
| Park and Facility Development                         | 159,940                           |
| CDBG  | 7                                 |
| PEG Fees  | 94,317                            |
| <b>Total</b>  | <b><u>1,482,522</u></b>           |
| <b>Restricted for Public Safety:</b>                  |                                   |
| COPS  | 140,350                           |
| CLEEP   | 31,578                            |
| <b>Total</b>  | <b><u>171,928</u></b>             |
| <b>Restricted for Public Works:</b>                   |                                   |
| State Gas Tax   | 774,586                           |
| Proposition A Transit                                 | 402,596                           |
| Proposition C Transit                                 | 404,804                           |
| Traffic Improvement                                   | 1,330,925                         |
| Sewer Mitigation                                      | 108,251                           |
| Measure R Local Return                                | 717,620                           |
| Transportation Grant                                  | 363                               |
| Waste Hauler  | 122,978                           |
| <b>Total</b>  | <b><u>3,862,123</u></b>           |
| <b>Restricted for Capital Projects:</b>               |                                   |
| Air Quality Improvement                               | 207,205                           |
| <b>Total</b>  | <b><u>207,205</u></b>             |
| <b>Restricted for Debt Service:</b>                   |                                   |
|   | <b><u>3</u></b>                   |
| <b>Total Restricted Funds</b>                         | <b><u><u>\$ 5,723,781</u></u></b> |

**Note 11: 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.

CITY OF DIAMOND BAR

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2015

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**Note 12: Construction Commitments**

The following material construction commitments existed at June 30, 2015:

| Project Name                    | Expenditures<br>as of<br>June 30, 2015 | Remaining<br>Commitments |
|---------------------------------|--|--------------------------|
| Park Improvements               | \$ 40,336                              | \$ 72,057                |
| Street Improvements             | 36,457                                 | 1,683,047                |
| Traffic Management Improvements | -                                      | 97,790                   |
| Miscellaneous Improvements      | 634,393                                | 1,786,806                |
|                                 | \$ 711,186                             | \$ 3,639,700             |

**Note 13: Net Position Restatement**

Beginning Net Position has been restated by \$4,016,942 related to the accrued pension liability. This restatement is a result of the new Governmental Accounting Standards Board Statement No. 68.

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## **GOVERNMENTAL FUNDS**

### GENERAL FUND

The General Fund has been classified as a major fund and is used to account for resources traditionally associated with government, which are not legally or by sound financial management to be accounted for in another fund.

**CITY OF DIAMOND BAR**

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
YEAR ENDED JUNE 30, 2015**

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**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, 2015

|   | Budget Amounts       |                      | Actual<br>Amounts    | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---|----------------------|----------------------|----------------------|---|
|   | Original             | Final                |                      |   |
| Budgetary Fund Balance, July 1              | \$ 19,762,450        | \$ 19,762,450        | \$ 19,762,450        | \$ -  |
| <b>Resources (Inflows):</b>                 |                      |                      |                      |   |
| Taxes                                       | 10,478,087           | 10,403,109           | 10,730,234           | 327,125   |
| Licenses and permits                        | 3,634,187            | 4,091,557            | 5,022,618            | 931,061   |
| Intergovernmental                           | 5,258,348            | 5,471,414            | 5,471,410            | (4)   |
| Charges for services                        | 1,828,413            | 1,829,613            | 1,760,404            | (69,209)  |
| Use of money and property                   | 127,000              | 174,200              | 225,820              | 51,620  |
| Fines and forfeitures                       | 557,000              | 565,000              | 523,145              | (41,855)  |
| Miscellaneous                               | 211,225              | 150,075              | 136,786              | (13,289)  |
| Transfers in                                | 1,540,543            | 1,340,543            | 1,278,249            | (62,294)  |
| <b>Amounts Available for Appropriations</b> | <b>43,397,253</b>    | <b>43,787,961</b>    | <b>44,911,116</b>    | <b>1,123,155</b>  |
| <b>Charges to Appropriation (Outflow):</b>  |                      |                      |                      |   |
| General government                          |                      |                      |                      |   |
| City Council                                | 171,283              | 171,283              | 158,007              | 13,276  |
| City Attorney                               | 285,000              | 240,000              | 233,771              | 6,229   |
| City Manager/Clerk                          | 963,569              | 1,065,569            | 966,802              | 98,767  |
| Finance                                     | 576,927              | 603,698              | 603,698              | -   |
| Human resources                             | 288,292              | 309,792              | 265,848              | 43,944  |
| Information systems                         | 883,440              | 917,710              | 917,710              | -   |
| General government                          | 344,850              | 347,850              | 327,179              | 20,671  |
| Public information                          | 609,708              | 620,760              | 590,647              | 30,113  |
| Civic Center                                | 518,028              | 543,028              | 526,829              | 16,199  |
| Subtotal general government                 | <u>4,641,097</u>     | <u>4,819,690</u>     | <u>4,590,491</u>     | <u>229,199</u>  |
| Public safety                               |                      |                      |                      |   |
| Law Enforcement                             | 6,129,240            | 6,130,150            | 5,727,017            | 403,133   |
| Fire Protection                             | 7,500                | 7,500                | 7,359                | 141   |
| Animal Control                              | 140,000              | 140,000              | 121,330              | 18,670  |
| Emergency preparedness                      | 57,390               | 57,390               | 53,713               | 3,677   |
| Subtotal public safety                      | <u>6,334,130</u>     | <u>6,335,040</u>     | <u>5,909,419</u>     | <u>425,621</u>  |
| Community development                       |                      |                      |                      |   |
| Comm. Dev. & Pl. Adm.                       | 595,143              | 598,843              | 551,797              | 47,046  |
| Building and Safety                         | 707,657              | 1,002,218            | 1,002,218            | -   |
| Neigh. Imprv.                               | 302,915              | 306,035              | 285,385              | 20,650  |
| Eco. Devel.                                 | 315,243              | 392,570              | 195,868              | 196,702   |
| Subtotal community development              | <u>1,920,958</u>     | <u>2,299,666</u>     | <u>2,035,268</u>     | <u>264,398</u>  |
| Parks, recreation, and culture              |                      |                      |                      |   |
| Comm. Svcs. Adm.                            | 421,176              | 436,976              | 421,384              | 15,592  |
| Diamond Bar Ctr.                            | 981,881              | 978,639              | 927,972              | 50,667  |
| Park Operations                             | 1,096,523            | 1,130,685            | 1,057,516            | 73,169  |
| Recreation                                  | 1,943,380            | 1,952,287            | 1,738,102            | 214,185   |
| Subtotal parks, recreation, and culture     | <u>4,442,960</u>     | <u>4,498,587</u>     | <u>4,144,974</u>     | <u>353,613</u>  |
| Highways and streets                        |                      |                      |                      |   |
| Public Works                                | 804,672              | 857,710              | 692,247              | 165,463   |
| Engineering                                 | 406,786              | 467,328              | 334,076              | 133,252   |
| Road Maint.                                 | 1,586,151            | 1,487,673            | 1,190,520            | 297,153   |
| Landscape Maint.                            | 230,757              | 335,757              | 291,654              | 44,103  |
| Subtotal highways and streets               | <u>3,028,366</u>     | <u>3,148,468</u>     | <u>2,508,497</u>     | <u>639,971</u>  |
| Capital outlay                              | 305,600              | 377,946              | 252,446              | 125,500   |
| Transfers out                               | 3,976,068            | 5,105,534            | 3,237,475            | 1,868,059   |
| <b>Total Charges to Appropriations</b>      | <b>24,649,179</b>    | <b>26,584,931</b>    | <b>22,678,570</b>    | <b>3,906,361</b>  |
| <b>Budgetary Fund Balance, June 30</b>      | <b>\$ 18,748,074</b> | <b>\$ 17,203,030</b> | <b>\$ 22,232,546</b> | <b>\$ 5,029,516</b>                                     |

**CITY OF DIAMOND BAR**

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

|   | <u>2015</u>  |
|---|--------------|
| Proportion of the Net Pension Liability   |              |
| Miscellaneous Plan  | 0.05155%     |
| Miscellaneous - PEPR Plan   | 0.00000%     |
| Proportionate Share of the Net Pension Liability  |              |
| Miscellaneous Plan  | \$ 3,207,627 |
| Miscellaneous - PEPR Plan   | 42           |
| Covered-Employee Payroll  |              |
| Miscellaneous Plan  | \$ 4,266,252 |
| Miscellaneous - PEPR Plan   | 109,864      |
| Proportionate Share of the Net Pension Liability as<br>Percentage of Covered-Employee Payroll     |              |
| Miscellaneous Plan  | 75.19%       |
| Miscellaneous - PEPR Plan   | 0.04%        |
| Total Miscellaneous Plan Fiduciary Net Position as a Percentage of the Total<br>Pension Liability | 81.15%       |

**Notes to Schedule:**

Benefit Changes: None

Changes of Assumptions: None

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

**CITY OF DIAMOND BAR**

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

|   | <u>2015</u>      |
|---|------------------|
| Actuarially Determined Contribution                                 |                  |
| Miscellaneous Plan  | \$ 391,678       |
| Miscellaneous - PEPR Plan   | 11,875           |
| Contribution in Relation to the Actuarially Determined Contribution | <u>(403,553)</u> |
| Contribution Deficiency (Excess)                                    | <u>\$ -</u>      |
| <br>  |                  |
| Covered-Employee Payroll  | \$ 5,536,273     |
| <br>  |                  |
| Contributions as a Percentage of Covered-Employee Payroll           | 7.29%            |

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

**Note to Schedule:**

|   |  |
|---|--|
| Valuation Date:   | June 30, 2013  |
| Methods and assumptions used to determine contribution rates: |  |
| Single and Agent Employers                                    | Entry age normal   |
| Amortization method   | Straight Line  |
| Remaining amortization period                                 | 3.8 Years  |
| Assets valuation method                                       | Building-Block Method  |
| Inflation   | 2.75%  |
| Salary Increases  | Varies by Entry Age and Service                                      |
| Investment rate of return                                     | 7.50% net of pension plan investment expense,<br>including inflation |
| Retirement age  | Minimum 50 years   |
| Mortality   | Derived using CalPERS' Membership Data for all Funds                 |

CITY OF DIAMOND BAR

COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2015

|  | Special Revenue Funds |                               |                               |                              | Integrated<br>Waste<br>Management<br>Fund |
|--|-----------------------|-------------------------------|-------------------------------|------------------------------|---|
|  | State Gas Tax<br>Fund | Proposition A<br>Transit Fund | Proposition C<br>Transit Fund | Transportation<br>Grant Fund |   |
| <b>Assets:</b>                             |                       |                               |                               |                              |   |
| Pooled cash and investments                | \$ 774,586            | \$ 437,930                    | \$ 461,957                    | \$ -                         | \$ 1,050,095                              |
| Receivables:                               |                       |                               |                               |                              |   |
| Accounts                                   | -                     | -                             | -                             | -                            | 134,231                                   |
| Notes and loans                            | -                     | -                             | -                             | -                            | -   |
| Due from other governments                 | -                     | -                             | -                             | 64,983                       | -   |
| Restricted assets:                         |                       |                               |                               |                              |   |
| Cash and investments with fiscal agents    | -                     | -                             | -                             | -                            | -   |
| <b>Total Assets</b>                        | <b>\$ 774,586</b>     | <b>\$ 437,930</b>             | <b>\$ 461,957</b>             | <b>\$ 64,983</b>             | <b>\$ 1,184,326</b>                       |
| <b>Liabilities and Fund Balances:</b>      |                       |                               |                               |                              |   |
| <b>Liabilities:</b>                        |                       |                               |                               |                              |   |
| Accounts payable                           | \$ -                  | \$ 32,192                     | \$ 50,390                     | \$ -                         | \$ 3,314                                  |
| Accrued liabilities                        | -                     | 3,142                         | 6,763                         | -                            | 11,490                                    |
| Unearned revenues                          | -                     | -                             | -                             | -                            | -   |
| Due to other governments                   | -                     | -                             | -                             | -                            | -   |
| Due to other funds                         | -                     | -                             | -                             | 64,620                       | -   |
| Retentions payable                         | -                     | -                             | -                             | -                            | -   |
| <b>Total Liabilities</b>                   | <b>-</b>              | <b>35,334</b>                 | <b>57,153</b>                 | <b>64,620</b>                | <b>14,804</b>                             |
| <b>Deferred Inflows of Resources:</b>      |                       |                               |                               |                              |   |
| Unavailable revenues                       | -                     | -                             | -                             | -                            | -   |
| <b>Total Deferred Inflows of Resources</b> | <b>-</b>              | <b>-</b>                      | <b>-</b>                      | <b>-</b>                     | <b>-</b>                                  |
| <b>Fund Balances:</b>                      |                       |                               |                               |                              |   |
| <b>Restricted for:</b>                     |                       |                               |                               |                              |   |
| Community development projects             | -                     | -                             | -                             | -                            | 1,169,522                                 |
| Public safety                              | -                     | -                             | -                             | -                            | -   |
| Public works                               | 774,586               | 402,596                       | 404,804                       | 363                          | -   |
| Capital Projects                           | -                     | -                             | -                             | -                            | -   |
| Debt service                               | -                     | -                             | -                             | -                            | -   |
| <b>Total Fund Balances</b>                 | <b>774,586</b>        | <b>402,596</b>                | <b>404,804</b>                | <b>363</b>                   | <b>1,169,522</b>                          |
| <b>Total Liabilities and Fund Balances</b> | <b>\$ 774,586</b>     | <b>\$ 437,930</b>             | <b>\$ 461,957</b>             | <b>\$ 64,983</b>             | <b>\$ 1,184,326</b>                       |

CITY OF DIAMOND BAR

COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2015

|  | Special Revenue Funds          |                             |                                    |                   |   |
|--|--------------------------------|-----------------------------|------------------------------------|-------------------|---|
|  | Traffic<br>Improvement<br>Fund | Sewer<br>Mitigation<br>Fund | Air Quality<br>Improvement<br>Fund | MTA Grant<br>Fund | Beverage<br>Center<br>Recycling<br>Grant Fund |
| <b>Assets:</b>                             |                                |                             |                                    |                   |   |
| Pooled cash and investments                | \$ 1,339,342                   | \$ 108,251                  | \$ 188,843                         | \$ -              | \$ 44,211                                     |
| Receivables:                               |                                |                             |                                    |                   |   |
| Accounts                                   | -                              | -                           | -                                  | -                 | -   |
| Notes and loans                            | -                              | -                           | -                                  | -                 | -   |
| Due from other governments                 | -                              | -                           | 18,362                             | -                 | 14,678  |
| Restricted assets:                         |                                |                             |                                    |                   |   |
| Cash and investments with fiscal agents    | -                              | -                           | -                                  | -                 | -   |
| <b>Total Assets</b>                        | <b>\$ 1,339,342</b>            | <b>\$ 108,251</b>           | <b>\$ 207,205</b>                  | <b>\$ -</b>       | <b>\$ 58,889</b>                              |
| <b>Liabilities and Fund Balances:</b>      |                                |                             |                                    |                   |   |
| <b>Liabilities:</b>                        |                                |                             |                                    |                   |   |
| Accounts payable                           | \$ -                           | \$ -                        | \$ -                               | \$ -              | \$ -  |
| Accrued liabilities                        | -                              | -                           | -                                  | -                 | -   |
| Unearned revenues                          | 8,417                          | -                           | -                                  | -                 | 14,678  |
| Due to other governments                   | -                              | -                           | -                                  | -                 | -   |
| Due to other funds                         | -                              | -                           | -                                  | -                 | -   |
| Retentions payable                         | -                              | -                           | -                                  | -                 | -   |
| <b>Total Liabilities</b>                   | <b>8,417</b>                   | <b>-</b>                    | <b>-</b>                           | <b>-</b>          | <b>14,678</b>                                 |
| <b>Deferred Inflows of Resources:</b>      |                                |                             |                                    |                   |   |
| Unavailable revenues                       | -                              | -                           | -                                  | -                 | -   |
| <b>Total Deferred Inflows of Resources</b> | <b>-</b>                       | <b>-</b>                    | <b>-</b>                           | <b>-</b>          | <b>-</b>                                      |
| <b>Fund Balances:</b>                      |                                |                             |                                    |                   |   |
| <b>Restricted for:</b>                     |                                |                             |                                    |                   |   |
| Community development projects             | -                              | -                           | -                                  | -                 | 44,211  |
| Public safety                              | -                              | -                           | -                                  | -                 | -   |
| Public works                               | 1,330,925                      | 108,251                     | -                                  | -                 | -   |
| Capital Projects                           | -                              | -                           | 207,205                            | -                 | -   |
| Debt service                               | -                              | -                           | -                                  | -                 | -   |
| <b>Total Fund Balances</b>                 | <b>1,330,925</b>               | <b>108,251</b>              | <b>207,205</b>                     | <b>-</b>          | <b>44,211</b>                                 |
| <b>Total Liabilities and Fund Balances</b> | <b>\$ 1,339,342</b>            | <b>\$ 108,251</b>           | <b>\$ 207,205</b>                  | <b>\$ -</b>       | <b>\$ 58,889</b>                              |

CITY OF DIAMOND BAR

COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2015

|  | Special Revenue Funds           |   |                   |                   |                  |
|--|---------------------------------|---|-------------------|-------------------|------------------|
|  | Used Oil<br>Block Grant<br>Fund | Park and<br>Facility<br>Development<br>Fund | CDBG Fund         | COPS Fund         | CLEEP Fund       |
| <b>Assets:</b>                             |                                 |   |                   |                   |                  |
| Pooled cash and investments                | \$ 17,060                       | \$ 159,940                                  | \$ -              | \$ 140,350        | \$ 31,578        |
| Receivables:                               |                                 |   |                   |                   |                  |
| Accounts                                   | -                               | -   | -                 | -                 | -                |
| Notes and loans                            | -                               | -   | 385,639           | -                 | -                |
| Due from other governments                 | -                               | 91,456                                      | 36,354            | -                 | -                |
| Restricted assets:                         |                                 |   |                   |                   |                  |
| Cash and investments with fiscal agents    | -                               | -   | -                 | -                 | -                |
| <b>Total Assets</b>                        | <b>\$ 17,060</b>                | <b>\$ 251,396</b>                           | <b>\$ 421,993</b> | <b>\$ 140,350</b> | <b>\$ 31,578</b> |
| <b>Liabilities and Fund Balances:</b>      |                                 |   |                   |                   |                  |
| <b>Liabilities:</b>                        |                                 |   |                   |                   |                  |
| Accounts payable                           | \$ 2,535                        | \$ -  | \$ 23,012         | \$ -              | \$ -             |
| Accrued liabilities                        | -                               | -   | 580               | -                 | -                |
| Unearned revenues                          | -                               | -   | -                 | -                 | -                |
| Due to other governments                   | -                               | -   | 385,639           | -                 | -                |
| Due to other funds                         | -                               | -   | 11,055            | -                 | -                |
| Retentions payable                         | -                               | -   | 1,700             | -                 | -                |
| <b>Total Liabilities</b>                   | <b>2,535</b>                    | <b>-</b>                                    | <b>421,986</b>    | <b>-</b>          | <b>-</b>         |
| <b>Deferred Inflows of Resources:</b>      |                                 |   |                   |                   |                  |
| Unavailable revenues                       | -                               | 91,456                                      | -                 | -                 | -                |
| <b>Total Deferred Inflows of Resources</b> | <b>-</b>                        | <b>91,456</b>                               | <b>-</b>          | <b>-</b>          | <b>-</b>         |
| <b>Fund Balances:</b>                      |                                 |   |                   |                   |                  |
| <b>Restricted for:</b>                     |                                 |   |                   |                   |                  |
| Community development projects             | 14,525                          | 159,940                                     | 7                 | -                 | -                |
| Public safety                              | -                               | -   | -                 | 140,350           | 31,578           |
| Public works                               | -                               | -   | -                 | -                 | -                |
| Capital Projects                           | -                               | -   | -                 | -                 | -                |
| Debt service                               | -                               | -   | -                 | -                 | -                |
| <b>Total Fund Balances</b>                 | <b>14,525</b>                   | <b>159,940</b>                              | <b>7</b>          | <b>140,350</b>    | <b>31,578</b>    |
| <b>Total Liabilities and Fund Balances</b> | <b>\$ 17,060</b>                | <b>\$ 251,396</b>                           | <b>\$ 421,993</b> | <b>\$ 140,350</b> | <b>\$ 31,578</b> |

CITY OF DIAMOND BAR

COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2015

|  | Special Revenue Funds                     |                                   |                   |                      |
|--|---|-----------------------------------|-------------------|----------------------|
|  | Landscape<br>Maintenance<br>District Fund | Measure R<br>Local Return<br>Fund | PEG Fees<br>Fund  | Waste Hauler<br>Fund |
| <b>Assets:</b>                             |   |                                   |                   |                      |
| Pooled cash and investments                | \$ 119,597                                | \$ 717,620                        | \$ 81,012         | \$ 92,435            |
| Receivables:                               |   |                                   |                   |                      |
| Accounts                                   | -   | -                                 | 24,852            | 30,543               |
| Notes and loans                            | -   | -                                 | -                 | -                    |
| Due from other governments                 | 7,972                                     | -                                 | -                 | -                    |
| Restricted assets:                         |   |                                   |                   |                      |
| Cash and investments with fiscal agents    | -   | -                                 | -                 | -                    |
| <b>Total Assets</b>                        | <b>\$ 127,569</b>                         | <b>\$ 717,620</b>                 | <b>\$ 105,864</b> | <b>\$ 122,978</b>    |
| <b>Liabilities and Fund Balances:</b>      |   |                                   |                   |                      |
| <b>Liabilities:</b>                        |   |                                   |                   |                      |
| Accounts payable                           | \$ 127,569                                | \$ -                              | \$ 11,547         | \$ -                 |
| Accrued liabilities                        | -   | -                                 | -                 | -                    |
| Unearned revenues                          | -   | -                                 | -                 | -                    |
| Due to other governments                   | -   | -                                 | -                 | -                    |
| Due to other funds                         | -   | -                                 | -                 | -                    |
| Retentions payable                         | -   | -                                 | -                 | -                    |
| <b>Total Liabilities</b>                   | <b>127,569</b>                            | <b>-</b>                          | <b>11,547</b>     | <b>-</b>             |
| <b>Deferred Inflows of Resources:</b>      |   |                                   |                   |                      |
| Unavailable revenues                       | -   | -                                 | -                 | -                    |
| <b>Total Deferred Inflows of Resources</b> | <b>-</b>                                  | <b>-</b>                          | <b>-</b>          | <b>-</b>             |
| <b>Fund Balances:</b>                      |   |                                   |                   |                      |
| <b>Restricted for:</b>                     |   |                                   |                   |                      |
| Community development projects             | -   | -                                 | 94,317            | -                    |
| Public safety                              | -   | -                                 | -                 | -                    |
| Public works                               | -   | 717,620                           | -                 | 122,978              |
| Capital Projects                           | -   | -                                 | -                 | -                    |
| Debt service                               | -   | -                                 | -                 | -                    |
| <b>Total Fund Balances</b>                 | <b>-</b>                                  | <b>717,620</b>                    | <b>94,317</b>     | <b>122,978</b>       |
| <b>Total Liabilities and Fund Balances</b> | <b>\$ 127,569</b>                         | <b>\$ 717,620</b>                 | <b>\$ 105,864</b> | <b>\$ 122,978</b>    |

CITY OF DIAMOND BAR

COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2015

|  | <u>Debt Service<br/>Funds</u>             |   |
|--|---|---|
|  | <u>Public<br/>Financing<br/>Authority</u> | <u>Total<br/>Governmental<br/>Funds</u> |
| <b>Assets:</b>                             |   |   |
| Pooled cash and investments                | \$ -                                      | \$ 5,764,807                            |
| Receivables:                               |   |   |
| Accounts                                   | -   | 189,626                                 |
| Notes and loans                            | -   | 385,639                                 |
| Due from other governments                 | -   | 233,805                                 |
| Restricted assets:                         |   |   |
| Cash and investments with fiscal agents    | 3   | 3                                       |
| <b>Total Assets</b>                        | <u><u>\$ 3</u></u>                        | <u><u>\$ 6,573,880</u></u>              |
| <b>Liabilities and Fund Balances:</b>      |   |   |
| <b>Liabilities:</b>                        |   |   |
| Accounts payable                           | \$ -                                      | \$ 250,559                              |
| Accrued liabilities                        | -   | 21,975                                  |
| Unearned revenues                          | -   | 23,095                                  |
| Due to other governments                   | -   | 385,639                                 |
| Due to other funds                         | -   | 75,675                                  |
| Retentions payable                         | -   | 1,700                                   |
| <b>Total Liabilities</b>                   | <u>-</u>                                  | <u>758,643</u>                          |
| <b>Deferred Inflows of Resources:</b>      |   |   |
| Unavailable revenues                       | -   | 91,456                                  |
| <b>Total Deferred Inflows of Resources</b> | <u>-</u>                                  | <u>91,456</u>                           |
| <b>Fund Balances:</b>                      |   |   |
| <b>Restricted for:</b>                     |   |   |
| Community development projects             | -   | 1,482,522                               |
| Public safety                              | -   | 171,928                                 |
| Public works                               | -   | 3,862,123                               |
| Capital Projects                           | -   | 207,205                                 |
| Debt service                               | 3   | 3                                       |
| <b>Total Fund Balances</b>                 | <u>3</u>                                  | <u>5,723,781</u>                        |
| <b>Total Liabilities and Fund Balances</b> | <u><u>\$ 3</u></u>                        | <u><u>\$ 6,573,880</u></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, 2015

|  | Special Revenue Funds |                               |                               |                              | Integrated<br>Waste<br>Management<br>Fund |
|--|-----------------------|-------------------------------|-------------------------------|------------------------------|---|
|  | State Gas Tax<br>Fund | Proposition A<br>Transit Fund | Proposition C<br>Transit Fund | Transportation<br>Grant Fund |   |
| <b>Revenues:</b>   |                       |                               |                               |                              |   |
| Taxes  | \$ -                  | \$ -                          | \$ -                          | \$ -                         | \$ -                                      |
| Licenses and permits   | -                     | -                             | -                             | -                            | -   |
| Intergovernmental  | 1,525,721             | 992,127                       | 825,931                       | 613,828                      | -   |
| Charges for services   | -                     | 964,919                       | -                             | -                            | 511,513                                   |
| Use of money and property                                    | 7,768                 | 3,363                         | 8,643                         | -                            | 9,491                                     |
| <b>Total Revenues</b>  | <b>1,533,489</b>      | <b>1,960,409</b>              | <b>834,574</b>                | <b>613,828</b>               | <b>521,004</b>                            |
| <b>Expenditures:</b>   |                       |                               |                               |                              |   |
| Current:   |                       |                               |                               |                              |   |
| General government   | -                     | 450,000                       | -                             | -                            | -   |
| Public safety  | -                     | -                             | -                             | -                            | -   |
| Community development  | -                     | -                             | -                             | -                            | 366,040                                   |
| Parks and recreation   | -                     | 80,964                        | -                             | -                            | -   |
| Public works   | -                     | 1,329,319                     | 628,951                       | -                            | -   |
| Capital outlay   | -                     | -                             | -                             | -                            | -   |
| Debt service:  |                       |                               |                               |                              |   |
| Principal retirement   | -                     | -                             | -                             | -                            | -   |
| Interest and fiscal charges                                  | -                     | -                             | -                             | -                            | -   |
| <b>Total Expenditures</b>                                    | <b>-</b>              | <b>1,860,283</b>              | <b>628,951</b>                | <b>-</b>                     | <b>366,040</b>                            |
| Excess (Deficiency) of Revenues<br>Over (Under) Expenditures | 1,533,489             | 100,126                       | 205,623                       | 613,828                      | 154,964                                   |
| <b>Other Financing Sources (Uses):</b>                       |                       |                               |                               |                              |   |
| Transfers in   | -                     | -                             | -                             | -                            | -   |
| Transfers out  | (1,659,373)           | -                             | (865,161)                     | (613,828)                    | (133,805)                                 |
| <b>Total Other Financing Sources<br/>(Uses)</b>              | <b>(1,659,373)</b>    | <b>-</b>                      | <b>(865,161)</b>              | <b>(613,828)</b>             | <b>(133,805)</b>                          |
| Net Change in Fund Balances                                  | (125,884)             | 100,126                       | (659,538)                     | -                            | 21,159                                    |
| Fund Balances, Beginning of Year                             | 900,470               | 302,470                       | 1,064,342                     | 363                          | 1,148,363                                 |
| <b>Fund Balances, End of Year</b>                            | <b>\$ 774,586</b>     | <b>\$ 402,596</b>             | <b>\$ 404,804</b>             | <b>\$ 363</b>                | <b>\$ 1,169,522</b>                       |

## CITY OF DIAMOND BAR

COMBINING STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2015

|  | Special Revenue Funds          |                             |                                    |                   |   |
|--|--------------------------------|-----------------------------|------------------------------------|-------------------|---|
|  | Traffic<br>Improvement<br>Fund | Sewer<br>Mitigation<br>Fund | Air Quality<br>Improvement<br>Fund | MTA Grant<br>Fund | Beverage<br>Center<br>Recycling<br>Grant Fund |
| <b>Revenues:</b>   |                                |                             |                                    |                   |   |
| Taxes  | \$ -                           | \$ -                        | \$ -                               | \$ -              | \$ -  |
| Licenses and permits   | 329,974                        | -                           | -                                  | -                 | -   |
| Intergovernmental  | -                              | -                           | 71,116                             | 98,231            | -   |
| Charges for services   | -                              | 107,520                     | -                                  | -                 | -   |
| Use of money and property                                    | 8,150                          | 731                         | 1,016                              | 174               | 227   |
| <b>Total Revenues</b>  | <b>338,124</b>                 | <b>108,251</b>              | <b>72,132</b>                      | <b>98,405</b>     | <b>227</b>                                    |
| <b>Expenditures:</b>   |                                |                             |                                    |                   |   |
| Current:   |                                |                             |                                    |                   |   |
| General government   | -                              | -                           | -                                  | -                 | -   |
| Public safety  | -                              | -                           | -                                  | -                 | -   |
| Community development  | -                              | -                           | -                                  | -                 | 459   |
| Parks and recreation   | -                              | -                           | -                                  | -                 | -   |
| Public works   | 1,795                          | -                           | -                                  | -                 | -   |
| Capital outlay   | -                              | -                           | -                                  | -                 | -   |
| Debt service:  |                                |                             |                                    |                   |   |
| Principal retirement   | -                              | -                           | -                                  | -                 | -   |
| Interest and fiscal charges                                  | -                              | -                           | -                                  | -                 | -   |
| <b>Total Expenditures</b>                                    | <b>1,795</b>                   | <b>-</b>                    | <b>-</b>                           | <b>-</b>          | <b>459</b>                                    |
| Excess (Deficiency) of Revenues<br>Over (Under) Expenditures | 336,329                        | 108,251                     | 72,132                             | 98,405            | (232)   |
| <b>Other Financing Sources (Uses):</b>                       |                                |                             |                                    |                   |   |
| Transfers in   | 251,767                        | -                           | 28,526                             | -                 | 44,443  |
| Transfers out  | -                              | -                           | (29,367)                           | (98,405)          | -   |
| <b>Total Other Financing Sources<br/>(Uses)</b>              | <b>251,767</b>                 | <b>-</b>                    | <b>(841)</b>                       | <b>(98,405)</b>   | <b>44,443</b>                                 |
| Net Change in Fund Balances                                  | 588,096                        | 108,251                     | 71,291                             | -                 | 44,211  |
| Fund Balances, Beginning of Year                             | 742,829                        | -                           | 135,914                            | -                 | -   |
| <b>Fund Balances, End of Year</b>                            | <b>\$ 1,330,925</b>            | <b>\$ 108,251</b>           | <b>\$ 207,205</b>                  | <b>\$ -</b>       | <b>\$ 44,211</b>                              |

CITY OF DIAMOND BAR

COMBINING STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2015

|  | Special Revenue Funds           |   |                  |                   |                  |
|--|---------------------------------|---|------------------|-------------------|------------------|
|  | Used Oil<br>Block Grant<br>Fund | Park and<br>Facility<br>Development<br>Fund | CDBG Fund        | COPS Fund         | CLEEP Fund       |
| <b>Revenues:</b>   |                                 |   |                  |                   |                  |
| Taxes  | \$ -                            | \$ -  | \$ -             | \$ -              | \$ -             |
| Licenses and permits   | -                               | -   | -                | -                 | -                |
| Intergovernmental  | 15,753                          | 361,679                                     | 280,694          | 106,230           | -                |
| Charges for services   | -                               | -   | -                | -                 | -                |
| Use of money and property                                    | 88                              | 164   | -                | 1,270             | 301              |
| <b>Total Revenues</b>  | <b>15,841</b>                   | <b>361,843</b>                              | <b>280,694</b>   | <b>107,500</b>    | <b>301</b>       |
| <b>Expenditures:</b>   |                                 |   |                  |                   |                  |
| Current:   |                                 |   |                  |                   |                  |
| General government   | -                               | -   | -                | -                 | -                |
| Public safety  | -                               | -   | -                | 4,985             | -                |
| Community development  | 17,337                          | -   | 121,326          | -                 | -                |
| Parks and recreation   | -                               | -   | -                | -                 | -                |
| Public works   | -                               | -   | -                | -                 | -                |
| Capital outlay   | -                               | -   | -                | 1,348             | 4,799            |
| Debt service:  |                                 |   |                  |                   |                  |
| Principal retirement   | -                               | -   | -                | -                 | -                |
| Interest and fiscal charges                                  | -                               | -   | -                | -                 | -                |
| <b>Total Expenditures</b>                                    | <b>17,337</b>                   | <b>-</b>                                    | <b>121,326</b>   | <b>6,333</b>      | <b>4,799</b>     |
| Excess (Deficiency) of Revenues<br>Over (Under) Expenditures | (1,496)                         | 361,843                                     | 159,368          | 101,167           | (4,498)          |
| <b>Other Financing Sources (Uses):</b>                       |                                 |   |                  |                   |                  |
| Transfers in   | 16,021                          | 250,000                                     | -                | -                 | -                |
| Transfers out  | -                               | (477,620)                                   | (159,363)        | (65,488)          | -                |
| <b>Total Other Financing Sources<br/>(Uses)</b>              | <b>16,021</b>                   | <b>(227,620)</b>                            | <b>(159,363)</b> | <b>(65,488)</b>   | <b>-</b>         |
| Net Change in Fund Balances                                  | 14,525                          | 134,223                                     | 5                | 35,679            | (4,498)          |
| Fund Balances, Beginning of Year                             | -                               | 25,717                                      | 2                | 104,671           | 36,076           |
| <b>Fund Balances, End of Year</b>                            | <b>\$ 14,525</b>                | <b>\$ 159,940</b>                           | <b>\$ 7</b>      | <b>\$ 140,350</b> | <b>\$ 31,578</b> |

CITY OF DIAMOND BAR

COMBINING STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2015

|  | Special Revenue Funds                     |                                   |                  |                      |
|--|---|-----------------------------------|------------------|----------------------|
|  | Landscape<br>Maintenance<br>District Fund | Measure R<br>Local Return<br>Fund | PEG Fees<br>Fund | Waste Hauler<br>Fund |
| <b>Revenues:</b>   |   |                                   |                  |                      |
| Taxes  | \$ 550,107                                | \$ -                              | \$ 122,385       | \$ -                 |
| Licenses and permits   | -   | -                                 | -                | 122,173              |
| Intergovernmental  | -   | 617,347                           | -                | -                    |
| Charges for services   | -   | -                                 | -                | -                    |
| Use of money and property                                    | -   | 5,555                             | 326              | 563                  |
| <b>Total Revenues</b>  | <b>550,107</b>                            | <b>622,902</b>                    | <b>122,711</b>   | <b>122,736</b>       |
| <b>Expenditures:</b>   |   |                                   |                  |                      |
| Current:   |   |                                   |                  |                      |
| General government   | -   | -                                 | -                | -                    |
| Public safety  | -   | -                                 | -                | -                    |
| Community development  | -   | -                                 | -                | -                    |
| Parks and recreation   | -   | -                                 | -                | -                    |
| Public works   | 747,521                                   | -                                 | -                | -                    |
| Capital outlay   | -   | -                                 | 48,791           | -                    |
| Debt service:  |   |                                   |                  |                      |
| Principal retirement   | -   | -                                 | -                | -                    |
| Interest and fiscal charges                                  | -   | -                                 | -                | -                    |
| <b>Total Expenditures</b>                                    | <b>747,521</b>                            | <b>-</b>                          | <b>48,791</b>    | <b>-</b>             |
| Excess (Deficiency) of Revenues<br>Over (Under) Expenditures | (197,414)                                 | 622,902                           | 73,920           | 122,736              |
| <b>Other Financing Sources (Uses):</b>                       |   |                                   |                  |                      |
| Transfers in   | 197,414                                   | -                                 | 20,397           | -                    |
| Transfers out  | -   | (808,541)                         | -                | (101,138)            |
| <b>Total Other Financing Sources<br/>(Uses)</b>              | <b>197,414</b>                            | <b>(808,541)</b>                  | <b>20,397</b>    | <b>(101,138)</b>     |
| Net Change in Fund Balances                                  | -   | (185,639)                         | 94,317           | 21,598               |
| Fund Balances, Beginning of Year                             | -   | 903,259                           | -                | 101,380              |
| <b>Fund Balances, End of Year</b>                            | <b>\$ -</b>                               | <b>\$ 717,620</b>                 | <b>\$ 94,317</b> | <b>\$ 122,978</b>    |

CITY OF DIAMOND BAR

COMBINING STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2015

|  | <b>Debt Service<br/>Funds</b>         | <b>Total<br/>Governmental<br/>Funds</b> |
|--|---------------------------------------|---|
|  | <b>Public Financing<br/>Authority</b> |   |
| <b>Revenues:</b>   |                                       |   |
| Taxes  | \$ -                                  | \$ 672,492                              |
| Licenses and permits   | -                                     | 452,147                                 |
| Intergovernmental  | -                                     | 5,508,657                               |
| Charges for services   | -                                     | 1,583,952                               |
| Use of money and property                                    | 6                                     | 47,836                                  |
| <b>Total Revenues</b>  | <b>6</b>                              | <b>8,265,084</b>                        |
| <b>Expenditures:</b>   |                                       |   |
| Current:   |                                       |   |
| General government   | -                                     | 450,000                                 |
| Public safety  | -                                     | 4,985                                   |
| Community development  | -                                     | 505,162                                 |
| Parks and recreation   | -                                     | 80,964                                  |
| Public works   | -                                     | 2,707,586                               |
| Capital outlay   | -                                     | 54,938                                  |
| Debt service:  |                                       |   |
| Principal retirement   | 365,000                               | 365,000                                 |
| Interest and fiscal charges                                  | 481,656                               | 481,656                                 |
| <b>Total Expenditures</b>                                    | <b>846,656</b>                        | <b>4,650,291</b>                        |
| Excess (Deficiency) of Revenues<br>Over (Under) Expenditures | (846,650)                             | 3,614,793                               |
| <b>Other Financing Sources (Uses):</b>                       |                                       |   |
| Transfers in   | 846,649                               | 1,655,217                               |
| Transfers out  | -                                     | (5,012,089)                             |
| <b>Total Other Financing Sources<br/>(Uses)</b>              | <b>846,649</b>                        | <b>(3,356,872)</b>                      |
| Net Change in Fund Balances                                  | (1)                                   | 257,921                                 |
| Fund Balances, Beginning of Year                             | 4                                     | 5,465,860                               |
| <b>Fund Balances, End of Year</b>                            | <b>\$ 3</b>                           | <b>\$ 5,723,781</b>                     |

CITY OF DIAMOND BAR

BUDGETARY COMPARISON SCHEDULE  
 STATE GAS TAX FUND  
 YEAR ENDED JUNE 30, 2015

|   | Budget Amounts    |                  | Actual<br>Amounts | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---|-------------------|------------------|-------------------|---|
|   | Original          | Final            |                   |   |
| Budgetary Fund Balance, July 1              | \$ 900,470        | \$ 900,470       | \$ 900,470        | \$ -  |
| <b>Resources (Inflows):</b>                 |                   |                  |                   |   |
| Intergovernmental                           | 1,531,645         | 1,531,645        | 1,525,721         | (5,924)   |
| Use of money and property                   | 3,000             | 5,500            | 7,768             | 2,268   |
| <b>Amounts Available for Appropriations</b> | <b>2,435,115</b>  | <b>2,437,615</b> | <b>2,433,959</b>  | <b>(3,656)</b>  |
| <b>Charges to Appropriation (Outflow):</b>  |                   |                  |                   |   |
| Transfers out                               | 2,250,487         | 2,377,130        | 1,659,373         | 717,757   |
| <b>Total Charges to Appropriations</b>      | <b>2,250,487</b>  | <b>2,377,130</b> | <b>1,659,373</b>  | <b>717,757</b>  |
| <b>Budgetary Fund Balance, June 30</b>      | <b>\$ 184,628</b> | <b>\$ 60,485</b> | <b>\$ 774,586</b> | <b>\$ 714,101</b>                                       |

CITY OF DIAMOND BAR

**BUDGETARY COMPARISON SCHEDULE  
PROPOSITION A TRANSIT FUND  
YEAR ENDED JUNE 30, 2015**

|   | Budget Amounts   |                  | Actual<br>Amounts | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---|------------------|------------------|-------------------|---|
|   | Original         | Final            |                   |   |
| Budgetary Fund Balance, July 1              | \$ 302,470       | \$ 302,470       | \$ 302,470        | \$ -  |
| <b>Resources (Inflows):</b>                 |                  |                  |                   |   |
| Intergovernmental                           | 982,329          | 982,329          | 992,127           | 9,798   |
| Charges for services                        | 1,200,000        | 1,200,000        | 964,919           | (235,081)   |
| Use of money and property                   | 8,200            | 3,500            | 3,363             | (137)   |
| <b>Amounts Available for Appropriations</b> | <b>2,492,999</b> | <b>2,488,299</b> | <b>2,262,879</b>  | <b>(225,420)</b>  |
| <b>Charges to Appropriation (Outflow):</b>  |                  |                  |                   |   |
| General government                          | 450,000          | 450,000          | 450,000           | -   |
| Parks, recreation and culture               | 91,700           | 91,700           | 80,964            | 10,736  |
| Highways and Streets                        | 1,680,640        | 1,670,582        | 1,329,319         | 341,263   |
| Capital outlay                              | 12,500           | 12,500           | -                 | 12,500  |
| Transfers out                               | 230,000          | 230,000          | -                 | 230,000   |
| <b>Total Charges to Appropriations</b>      | <b>2,464,840</b> | <b>2,454,782</b> | <b>1,860,283</b>  | <b>594,499</b>  |
| <b>Budgetary Fund Balance, June 30</b>      | <b>\$ 28,159</b> | <b>\$ 33,517</b> | <b>\$ 402,596</b> | <b>\$ 369,079</b>                                       |

CITY OF DIAMOND BAR

BUDGETARY COMPARISON SCHEDULE  
 PROPOSITION C TRANSIT FUND  
 YEAR ENDED JUNE 30, 2015

|   | Budget Amounts   |                     | Actual<br>Amounts | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---|------------------|---------------------|-------------------|---|
|   | Original         | Final               |                   |   |
| Budgetary Fund Balance, July 1              | \$ 1,064,342     | \$ 1,064,342        | \$ 1,064,342      | \$ -  |
| <b>Resources (Inflows):</b>                 |                  |                     |                   |   |
| Intergovernmental                           | 814,816          | 814,816             | 825,931           | 11,115  |
| Use of money and property                   | 8,400            | 8,400               | 8,643             | 243   |
| <b>Amounts Available for Appropriations</b> | <b>1,887,558</b> | <b>1,887,558</b>    | <b>1,898,916</b>  | <b>11,358</b>   |
| <b>Charges to Appropriation (Outflow):</b>  |                  |                     |                   |   |
| Highways and Streets                        | 790,934          | 700,992             | 628,951           | 72,041  |
| Transfers out                               | 1,023,990        | 1,320,178           | 865,161           | 455,017   |
| <b>Total Charges to Appropriations</b>      | <b>1,814,924</b> | <b>2,021,170</b>    | <b>1,494,112</b>  | <b>527,058</b>  |
| <b>Budgetary Fund Balance, June 30</b>      | <b>\$ 72,634</b> | <b>\$ (133,612)</b> | <b>\$ 404,804</b> | <b>\$ 538,416</b>                                       |

CITY OF DIAMOND BAR

**BUDGETARY COMPARISON SCHEDULE  
TRANSPORTATION GRANT FUND  
YEAR ENDED JUNE 30, 2015**

|   | Budget Amounts   |                  | Actual<br>Amounts | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---|------------------|------------------|-------------------|---|
|   | Original         | Final            |                   |   |
| Budgetary Fund Balance, July 1              | \$ 363           | \$ 363           | \$ 363            | \$ -  |
| <b>Resources (Inflows):</b>                 |                  |                  |                   |   |
| Intergovernmental                           | 2,492,697        | 2,492,697        | 613,828           | (1,878,869)   |
| <b>Amounts Available for Appropriations</b> | <b>2,493,060</b> | <b>2,493,060</b> | <b>614,191</b>    | <b>(1,878,869)</b>                                      |
| <b>Charges to Appropriation (Outflow):</b>  |                  |                  |                   |   |
| Transfers out                               | 2,492,698        | 2,492,698        | 613,828           | 1,878,870   |
| <b>Total Charges to Appropriations</b>      | <b>2,492,698</b> | <b>2,492,698</b> | <b>613,828</b>    | <b>1,878,870</b>  |
| <b>Budgetary Fund Balance, June 30</b>      | <b>\$ 362</b>    | <b>\$ 362</b>    | <b>\$ 363</b>     | <b>\$ 1</b>   |

CITY OF DIAMOND BAR

**BUDGETARY COMPARISON SCHEDULE  
INTEGRATED WASTE MANAGEMENT FUND  
YEAR ENDED JUNE 30, 2015**

|   | Budget Amounts      |                     | Actual<br>Amounts   | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---|---------------------|---------------------|---------------------|---|
|   | Original            | Final               |                     |   |
| Budgetary Fund Balance, July 1              | \$ 1,148,363        | \$ 1,148,363        | \$ 1,148,363        | \$ -  |
| <b>Resources (Inflows):</b>                 |                     |                     |                     |   |
| Charges for services                        | 490,000             | 490,000             | 511,513             | 21,513  |
| Use of money and property                   | 7,500               | 7,500               | 9,491               | 1,991   |
| <b>Amounts Available for Appropriations</b> | <b>1,645,863</b>    | <b>1,645,863</b>    | <b>1,669,367</b>    | <b>23,504</b>   |
| <b>Charges to Appropriation (Outflow):</b>  |                     |                     |                     |   |
| Community development                       | 461,537             | 466,487             | 366,040             | 100,447   |
| Transfers out                               | 99,698              | 140,162             | 133,805             | 6,357   |
| <b>Total Charges to Appropriations</b>      | <b>561,235</b>      | <b>606,649</b>      | <b>499,845</b>      | <b>106,804</b>  |
| <b>Budgetary Fund Balance, June 30</b>      | <b>\$ 1,084,628</b> | <b>\$ 1,039,214</b> | <b>\$ 1,169,522</b> | <b>\$ 130,308</b>                                       |

CITY OF DIAMOND BAR

**BUDGETARY COMPARISON SCHEDULE  
TRAFFIC IMPROVEMENT FUND  
YEAR ENDED JUNE 30, 2015**

|   | Budget Amounts    |                   | Actual<br>Amounts   | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---|-------------------|-------------------|---------------------|---|
|   | Original          | Final             |                     |   |
| Budgetary Fund Balance, July 1              | \$ 742,829        | \$ 742,829        | \$ 742,829          | \$ -  |
| <b>Resources (Inflows):</b>                 |                   |                   |                     |   |
| Licenses and permits                        | 154,730           | 173,730           | 329,974             | 156,244   |
| Use of money and property                   | 2,000             | 5,000             | 8,150               | 3,150   |
| Transfers in                                | -                 | 250,000           | 251,767             | 1,767   |
| <b>Amounts Available for Appropriations</b> | <b>899,559</b>    | <b>1,171,559</b>  | <b>1,332,720</b>    | <b>161,161</b>  |
| <b>Charges to Appropriation (Outflow):</b>  |                   |                   |                     |   |
| Highways and streets                        | 131,018           | 261,426           | 1,795               | 259,631   |
| Transfers out                               | 188,730           | 188,730           | -                   | 188,730   |
| <b>Total Charges to Appropriations</b>      | <b>319,748</b>    | <b>450,156</b>    | <b>1,795</b>        | <b>448,361</b>  |
| <b>Budgetary Fund Balance, June 30</b>      | <b>\$ 579,811</b> | <b>\$ 721,403</b> | <b>\$ 1,330,925</b> | <b>\$ 609,522</b>                                       |

CITY OF DIAMOND BAR

BUDGETARY COMPARISON SCHEDULE  
 SEWER MITIGATION FUND  
 YEAR ENDED JUNE 30, 2015

|   | Budget Amounts   |                   | Actual<br>Amounts | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---|------------------|-------------------|-------------------|---|
|   | Original         | Final             |                   |   |
| Budgetary Fund Balance, July 1, as restated | \$ -             | \$ -              | \$ -              | \$ -  |
| <b>Resources (Inflows):</b>                 |                  |                   |                   |   |
| Charges for services                        | 32,400           | 107,400           | 107,520           | 120   |
| Use of money and property                   | -                | 500               | 731               | 231   |
| <b>Amounts Available for Appropriations</b> | <b>32,400</b>    | <b>107,900</b>    | <b>108,251</b>    | <b>351</b>  |
| <b>Budgetary Fund Balance, June 30</b>      | <b>\$ 32,400</b> | <b>\$ 107,900</b> | <b>\$ 108,251</b> | <b>\$ 351</b>   |

CITY OF DIAMOND BAR

**BUDGETARY COMPARISON SCHEDULE  
AIR QUALITY IMPROVEMENT FUND  
YEAR ENDED JUNE 30, 2015**

|   | Budget Amounts   |                  | Actual<br>Amounts | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---|------------------|------------------|-------------------|---|
|   | Original         | Final            |                   |   |
| Budgetary Fund Balance, July 1              | \$ 135,914       | \$ 135,914       | \$ 135,914        | \$ -  |
| <b>Resources (Inflows):</b>                 |                  |                  |                   |   |
| Intergovernmental                           | 65,000           | 65,000           | 71,116            | 6,116   |
| Use of money and property                   | 750              | 750              | 1,016             | 266   |
| Transfers in                                | -                | -                | 28,526            | 28,526  |
| <b>Amounts Available for Appropriations</b> | <b>201,664</b>   | <b>201,664</b>   | <b>236,572</b>    | <b>34,908</b>   |
| <b>Charges to Appropriation (Outflow):</b>  |                  |                  |                   |   |
| Community development                       | 57,350           | 57,350           | -                 | 57,350  |
| Capital outlay                              | 17,500           | 19,215           | -                 | 19,215  |
| Transfers out                               | 89,000           | 91,600           | 29,367            | 62,233  |
| <b>Total Charges to Appropriations</b>      | <b>163,850</b>   | <b>168,165</b>   | <b>29,367</b>     | <b>138,798</b>  |
| <b>Budgetary Fund Balance, June 30</b>      | <b>\$ 37,814</b> | <b>\$ 33,499</b> | <b>\$ 207,205</b> | <b>\$ 173,706</b>                                       |

CITY OF DIAMOND BAR

BUDGETARY COMPARISON SCHEDULE  
 MTA GRANT FUND  
 YEAR ENDED JUNE 30, 2015

|   | Budget Amounts |                | Actual<br>Amounts | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---|----------------|----------------|-------------------|---|
|   | Original       | Final          |                   |   |
| Budgetary Fund Balance, July 1              | \$ -           | \$ -           | \$ -              | \$ -  |
| <b>Resources (Inflows):</b>                 |                |                |                   |   |
| Intergovernmental                           | 450,000        | 450,000        | 98,231            | (351,769)   |
| Use of money and property                   | -              | 50             | 174               | 124   |
| <b>Amounts Available for Appropriations</b> | <b>450,000</b> | <b>450,050</b> | <b>98,405</b>     | <b>(351,645)</b>  |
| <b>Charges to Appropriation (Outflow):</b>  |                |                |                   |   |
| Transfers out                               | 450,000        | 450,000        | 98,405            | 351,595   |
| <b>Total Charges to Appropriations</b>      | <b>450,000</b> | <b>450,000</b> | <b>98,405</b>     | <b>351,595</b>  |
| <b>Budgetary Fund Balance, June 30</b>      | <b>\$ -</b>    | <b>\$ 50</b>   | <b>\$ -</b>       | <b>\$ (50)</b>  |

CITY OF DIAMOND BAR

**BUDGETARY COMPARISON SCHEDULE  
BEVERAGE CENTER RECYCLING GRANT FUND  
YEAR ENDED JUNE 30, 2015**

|   | <b>Budget Amounts</b> |                  | <b>Actual<br/>Amounts</b> | <b>Variance with<br/>Final Budget<br/>Positive<br/>(Negative)</b> |
|---|-----------------------|------------------|---------------------------|---|
|   | <b>Original</b>       | <b>Final</b>     |                           |   |
| Budgetary Fund Balance, July 1              | \$ -                  | \$ -             | \$ -                      | \$ -  |
| <b>Resources (Inflows):</b>                 |                       |                  |                           |   |
| Intergovernmental                           | 14,744                | 14,744           | -                         | (14,744)  |
| Use of money and property                   | 200                   | 150              | 227                       | 77  |
| Transfers in                                | 20,000                | 44,443           | 44,443                    | -   |
| <b>Amounts Available for Appropriations</b> | <b>34,944</b>         | <b>59,337</b>    | <b>44,670</b>             | <b>(14,667)</b>   |
| <b>Charges to Appropriation (Outflow):</b>  |                       |                  |                           |   |
| Community development                       | 14,744                | 38,500           | 459                       | 38,041  |
| <b>Total Charges to Appropriations</b>      | <b>14,744</b>         | <b>38,500</b>    | <b>459</b>                | <b>38,041</b>   |
| <b>Budgetary Fund Balance, June 30</b>      | <b>\$ 20,200</b>      | <b>\$ 20,837</b> | <b>\$ 44,211</b>          | <b>\$ 23,374</b>  |

CITY OF DIAMOND BAR

**BUDGETARY COMPARISON SCHEDULE  
USED OIL BLOCK GRANT FUND  
YEAR ENDED JUNE 30, 2015**

|   | Budget Amounts |               | Actual<br>Amounts | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---|----------------|---------------|-------------------|---|
|   | Original       | Final         |                   |   |
| Budgetary Fund Balance, July 1              | \$ -           | \$ -          | \$ -              | \$ -  |
| <b>Resources (Inflows):</b>                 |                |               |                   |   |
| Intergovernmental                           | 16,021         | 15,753        | 15,753            | -   |
| Use of money and property                   | -              | 50            | 88                | 38  |
| Transfers in                                | -              | 16,021        | 16,021            | -   |
| <b>Amounts Available for Appropriations</b> | <b>16,021</b>  | <b>31,824</b> | <b>31,862</b>     | <b>38</b>   |
| <b>Charges to Appropriation (Outflow):</b>  |                |               |                   |   |
| Community development                       | 16,021         | 31,774        | 17,337            | 14,437  |
| <b>Total Charges to Appropriations</b>      | <b>16,021</b>  | <b>31,774</b> | <b>17,337</b>     | <b>14,437</b>   |
| <b>Budgetary Fund Balance, June 30</b>      | <b>\$ -</b>    | <b>\$ 50</b>  | <b>\$ 14,525</b>  | <b>\$ 14,475</b>  |

CITY OF DIAMOND BAR

**BUDGETARY COMPARISON SCHEDULE  
PARK AND FACILITY DEVELOPMENT FUND  
YEAR ENDED JUNE 30, 2015**

|   | Budget Amounts    |                   | Actual<br>Amounts | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---|-------------------|-------------------|-------------------|---|
|   | Original          | Final             |                   |   |
| Budgetary Fund Balance, July 1              | \$ 25,717         | \$ 25,717         | \$ 25,717         | \$ -  |
| <b>Resources (Inflows):</b>                 |                   |                   |                   |   |
| Intergovernmental                           | 147,320           | 395,000           | 361,679           | (33,321)  |
| Use of money and property                   | 1,000             | 100               | 164               | 64  |
| Transfers in                                | 384,615           | 634,615           | 250,000           | (384,615)   |
| <b>Amounts Available for Appropriations</b> | <b>558,652</b>    | <b>1,055,432</b>  | <b>637,560</b>    | <b>(417,872)</b>  |
| <b>Charges to Appropriation (Outflow):</b>  |                   |                   |                   |   |
| Transfers out                               | 423,582           | 572,220           | 477,620           | 94,600  |
| <b>Total Charges to Appropriations</b>      | <b>423,582</b>    | <b>572,220</b>    | <b>477,620</b>    | <b>94,600</b>   |
| <b>Budgetary Fund Balance, June 30</b>      | <b>\$ 135,070</b> | <b>\$ 483,212</b> | <b>\$ 159,940</b> | <b>\$ (323,272)</b>                                     |

CITY OF DIAMOND BAR

BUDGETARY COMPARISON SCHEDULE  
 COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG FUND)  
 YEAR ENDED JUNE 30, 2015

|   | Budget Amounts     |                    | Actual<br>Amounts | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---|--------------------|--------------------|-------------------|---|
|   | Original           | Final              |                   |   |
| Budgetary Fund Balance, July 1              | \$ 2               | \$ 2               | \$ 2              | \$ -  |
| <b>Resources (Inflows):</b>                 |                    |                    |                   |   |
| Intergovernmental                           | 336,298            | 336,298            | 280,694           | (55,604)  |
| <b>Amounts Available for Appropriations</b> | <b>336,300</b>     | <b>336,300</b>     | <b>280,696</b>    | <b>(55,604)</b>   |
| <b>Charges to Appropriation (Outflow):</b>  |                    |                    |                   |   |
| Community development                       | 130,268            | 130,268            | 121,326           | 8,942   |
| Transfers out                               | 224,295            | 276,703            | 159,363           | 117,340   |
| <b>Total Charges to Appropriations</b>      | <b>354,563</b>     | <b>406,971</b>     | <b>280,689</b>    | <b>126,282</b>  |
| <b>Budgetary Fund Balance, June 30</b>      | <b>\$ (18,263)</b> | <b>\$ (70,671)</b> | <b>\$ 7</b>       | <b>\$ 70,678</b>  |

CITY OF DIAMOND BAR

BUDGETARY COMPARISON SCHEDULE  
 CITIZENS OPTION FOR PUBLIC SAFETY (COPS) FUND  
 YEAR ENDED JUNE 30, 2015

|   | Budget Amounts   |                  | Actual<br>Amounts | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---|------------------|------------------|-------------------|---|
|   | Original         | Final            |                   |   |
| Budgetary Fund Balance, July 1              | \$ 104,671       | \$ 104,671       | \$ 104,671        | \$ -  |
| <b>Resources (Inflows):</b>                 |                  |                  |                   |   |
| Intergovernmental                           | 100,000          | 100,000          | 106,230           | 6,230   |
| Use of money and property                   | 1,000            | 1,000            | 1,270             | 270   |
| <b>Amounts Available for Appropriations</b> | <b>205,671</b>   | <b>205,671</b>   | <b>212,171</b>    | <b>6,500</b>  |
| <b>Charges to Appropriation (Outflow):</b>  |                  |                  |                   |   |
| Public safety                               | 6,500            | 6,500            | 4,985             | 1,515   |
| Capital outlay                              | 5,000            | 5,000            | 1,348             | 3,652   |
| Transfers out                               | 109,462          | 109,462          | 65,488            | 43,974  |
| <b>Total Charges to Appropriations</b>      | <b>120,962</b>   | <b>120,962</b>   | <b>71,821</b>     | <b>49,141</b>   |
| <b>Budgetary Fund Balance, June 30</b>      | <b>\$ 84,709</b> | <b>\$ 84,709</b> | <b>\$ 140,350</b> | <b>\$ 55,641</b>  |

CITY OF DIAMOND BAR

**BUDGETARY COMPARISON SCHEDULE  
 CALIFORNIA LAW ENFORCEMENT EQUIPMENT PROGRAM (CLEEP) FUND  
 YEAR ENDED JUNE 30, 2015**

|   | Budget Amounts   |                  | Actual<br>Amounts | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---|------------------|------------------|-------------------|---|
|   | Original         | Final            |                   |   |
| Budgetary Fund Balance, July 1              | \$ 36,076        | \$ 36,076        | \$ 36,076         | \$ -  |
| <b>Resources (Inflows):</b>                 |                  |                  |                   |   |
| Use of money and property                   | 200              | 200              | 301               | 101   |
| <b>Amounts Available for Appropriations</b> | <b>36,276</b>    | <b>36,276</b>    | <b>36,377</b>     | <b>101</b>  |
| <b>Charges to Appropriation (Outflow):</b>  |                  |                  |                   |   |
| Capital outlay                              | 10,000           | 10,000           | 4,799             | 5,201   |
| <b>Total Charges to Appropriations</b>      | <b>10,000</b>    | <b>10,000</b>    | <b>4,799</b>      | <b>5,201</b>  |
| <b>Budgetary Fund Balance, June 30</b>      | <b>\$ 26,276</b> | <b>\$ 26,276</b> | <b>\$ 31,578</b>  | <b>\$ 5,302</b>   |

CITY OF DIAMOND BAR

BUDGETARY COMPARISON SCHEDULE  
 LANDSCAPE MAINTENANCE DISTRICT FUND  
 YEAR ENDED JUNE 30, 2015

|   | Budget Amounts |                    | Actual<br>Amounts | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---|----------------|--------------------|-------------------|---|
|   | Original       | Final              |                   |   |
| Budgetary Fund Balance, July 1              | \$ -           | \$ -               | \$ -              | \$ -  |
| <b>Resources (Inflows):</b>                 |                |                    |                   |   |
| Taxes                                       | 554,000        | 554,000            | 550,107           | (3,893)   |
| Transfers in                                | 316,011        | 316,011            | 197,414           | (118,597)   |
| <b>Amounts Available for Appropriations</b> | <b>870,011</b> | <b>870,011</b>     | <b>747,521</b>    | <b>(122,490)</b>  |
| <b>Charges to Appropriation (Outflow):</b>  |                |                    |                   |   |
| Highways and Streets                        | 870,011        | 896,826            | 747,521           | 149,305   |
| <b>Total Charges to Appropriations</b>      | <b>870,011</b> | <b>896,826</b>     | <b>747,521</b>    | <b>149,305</b>  |
| <b>Budgetary Fund Balance, June 30</b>      | <b>\$ -</b>    | <b>\$ (26,815)</b> | <b>\$ -</b>       | <b>\$ 26,815</b>  |

CITY OF DIAMOND BAR

BUDGETARY COMPARISON SCHEDULE  
 MEASURE R LOCAL RETURN FUND  
 YEAR ENDED JUNE 30, 2015

|   | Budget Amounts   |                  | Actual<br>Amounts | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---|------------------|------------------|-------------------|---|
|   | Original         | Final            |                   |   |
| Budgetary Fund Balance, July 1              | \$ 903,259       | \$ 903,259       | \$ 903,259        | \$ -  |
| <b>Resources (Inflows):</b>                 |                  |                  |                   |   |
| Intergovernmental                           | 611,120          | 611,120          | 617,347           | 6,227   |
| Use of money and property                   | 5,500            | 5,500            | 5,555             | 55  |
| <b>Amounts Available for Appropriations</b> | <b>1,519,879</b> | <b>1,519,879</b> | <b>1,526,161</b>  | <b>6,282</b>  |
| <b>Charges to Appropriation (Outflow):</b>  |                  |                  |                   |   |
| Transfers out                               | 1,459,391        | 1,451,171        | 808,541           | 642,630   |
| <b>Total Charges to Appropriations</b>      | <b>1,459,391</b> | <b>1,451,171</b> | <b>808,541</b>    | <b>642,630</b>  |
| <b>Budgetary Fund Balance, June 30</b>      | <b>\$ 60,488</b> | <b>\$ 68,708</b> | <b>\$ 717,620</b> | <b>\$ 648,912</b>                                       |

CITY OF DIAMOND BAR

BUDGETARY COMPARISON SCHEDULE  
 PEG FEES FUND  
 YEAR ENDED JUNE 30, 2015

|   | Budget Amounts   |                  | Actual<br>Amounts | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---|------------------|------------------|-------------------|---|
|   | Original         | Final            |                   |   |
| Budgetary Fund Balance, July 1              | \$ -             | \$ -             | \$ -              | \$ -  |
| <b>Resources (Inflows):</b>                 |                  |                  |                   |   |
| Taxes                                       | 100,000          | 100,000          | 122,385           | 22,385  |
| Use of money and property                   | 1,000            | 300              | 326               | 26  |
| Transfers in                                | -                | -                | 20,397            | 20,397  |
| <b>Amounts Available for Appropriations</b> | <b>101,000</b>   | <b>100,300</b>   | <b>143,108</b>    | <b>42,808</b>   |
| <b>Charges to Appropriation (Outflow):</b>  |                  |                  |                   |   |
| Capital outlay                              | 85,000           | 85,000           | 48,791            | 36,209  |
| <b>Total Charges to Appropriations</b>      | <b>85,000</b>    | <b>85,000</b>    | <b>48,791</b>     | <b>36,209</b>   |
| <b>Budgetary Fund Balance, June 30</b>      | <b>\$ 16,000</b> | <b>\$ 15,300</b> | <b>\$ 94,317</b>  | <b>\$ 79,017</b>  |

CITY OF DIAMOND BAR

**BUDGETARY COMPARISON SCHEDULE  
WASTE HAULER FUND  
YEAR ENDED JUNE 30, 2015**

|   | Budget Amounts  |                | Actual<br>Amounts | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---|-----------------|----------------|-------------------|---|
|   | Original        | Final          |                   |   |
| Budgetary Fund Balance, July 1              | \$ 101,380      | \$ 101,380     | \$ 101,380        | \$ -  |
| <b>Resources (Inflows):</b>                 |                 |                |                   |   |
| Licenses and permits                        | 122,173         | 122,173        | 122,173           | -   |
| Use of money and property                   | 500             | 500            | 563               | 63  |
| <b>Amounts Available for Appropriations</b> | <b>224,053</b>  | <b>224,053</b> | <b>224,116</b>    | <b>63</b>   |
| <b>Charges to Appropriation (Outflow):</b>  |                 |                |                   |   |
| Transfers out                               | 218,017         | 223,311        | 101,138           | 122,173   |
| <b>Total Charges to Appropriations</b>      | <b>218,017</b>  | <b>223,311</b> | <b>101,138</b>    | <b>122,173</b>  |
| <b>Budgetary Fund Balance, June 30</b>      | <b>\$ 6,036</b> | <b>\$ 742</b>  | <b>\$ 122,978</b> | <b>\$ 122,236</b>                                       |

CITY OF DIAMOND BAR

BUDGETARY COMPARISON SCHEDULE  
 CAPITAL IMPROVEMENT FUND  
 YEAR ENDED JUNE 30, 2015

|   | Budget Amounts     |                       | Actual<br>Amounts  | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---|--------------------|-----------------------|--------------------|---|
|   | Original           | Final                 |                    |   |
| Budgetary Fund Balance, July 1              | \$ (88,639)        | \$ (88,639)           | \$ (88,639)        | \$ -  |
| <b>Resources (Inflows):</b>                 |                    |                       |                    |   |
| Taxes                                       | -                  | -                     | -                  | -   |
| Intergovernmental                           | 300,110            | 369,343               | 205,422            | (163,921)   |
| Transfers in                                | 9,643,514          | 10,656,545            | 4,151,163          | (6,505,382)   |
| <b>Amounts Available for Appropriations</b> | <b>9,854,985</b>   | <b>10,937,249</b>     | <b>4,267,946</b>   | <b>(6,669,303)</b>                                      |
| <b>Charges to Appropriation (Outflow):</b>  |                    |                       |                    |   |
| Capital outlay                              | 9,943,624          | 13,615,038            | 4,339,507          | 9,275,531   |
| <b>Total Charges to Appropriations</b>      | <b>9,943,624</b>   | <b>13,615,038</b>     | <b>4,339,507</b>   | <b>9,275,531</b>  |
| <b>Budgetary Fund Balance, June 30</b>      | <b>\$ (88,639)</b> | <b>\$ (2,677,789)</b> | <b>\$ (71,561)</b> | <b>\$ 2,606,228</b>                                     |

CITY OF DIAMOND BAR

**BUDGETARY COMPARISON SCHEDULE  
PUBLIC FINANCING AUTHORITY  
YEAR ENDED JUNE 30, 2015**

|   | Budget Amounts |                | Actual<br>Amounts | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---|----------------|----------------|-------------------|---|
|   | Original       | Final          |                   |   |
| Budgetary Fund Balance, July 1              | \$ 4           | \$ 4           | \$ 4              | \$ -  |
| <b>Resources (Inflows):</b>                 |                |                |                   |   |
| Use of money and property                   | -              | -              | 6                 | 6   |
| Transfers in                                | 848,406        | 848,406        | 846,649           | (1,757)   |
| <b>Amounts Available for Appropriations</b> | <b>848,410</b> | <b>848,410</b> | <b>846,659</b>    | <b>(1,751)</b>  |
| <b>Charges to Appropriation (Outflow):</b>  |                |                |                   |   |
| General government                          | 1,500          | 1,500          | -                 | 1,500   |
| Debt service:                               |                |                |                   |   |
| Principal retirement                        | 365,000        | 365,000        | 365,000           | -   |
| Interest and fiscal charges                 | 481,906        | 481,906        | 481,656           | 250   |
| <b>Total Charges to Appropriations</b>      | <b>848,406</b> | <b>848,406</b> | <b>846,656</b>    | <b>1,750</b>  |
| <b>Budgetary Fund Balance, June 30</b>      | <b>\$ 4</b>    | <b>\$ 4</b>    | <b>\$ 3</b>       | <b>\$ (1)</b>   |

## CITY OF DIAMOND BAR

**COMBINING STATEMENT OF NET POSITION  
INTERNAL SERVICE FUNDS  
JUNE 30, 2015**

|  | Governmental Activities - Internal Service Funds |                                  |                                      |                                       | Totals              |
|--|--|----------------------------------|--------------------------------------|---------------------------------------|---------------------|
|  | Self<br>Insurance<br>Fund                        | Equipment<br>Replacement<br>Fund | Computer<br>Equipment<br>Replacement | Building<br>Facility &<br>Maintenance |                     |
| <b>Assets:</b>                                   |  |                                  |                                      |                                       |                     |
| Current:   |  |                                  |                                      |                                       |                     |
| Cash and investments                             | \$ 816,442                                       | \$ 730,614                       | \$ 413,421                           | \$ 378,862                            | \$ 2,339,339        |
| Receivables:                                     |  |                                  |                                      |                                       |                     |
| Accounts   | 189,142  | -                                | -                                    | 1,031                                 | 190,173             |
| Prepaid costs                                    | 1,450  | -                                | -                                    | -                                     | 1,450               |
| <b>Total Current Assets</b>                      | <b>1,007,034</b>                                 | <b>730,614</b>                   | <b>413,421</b>                       | <b>379,893</b>                        | <b>2,530,962</b>    |
| Noncurrent:                                      |  |                                  |                                      |                                       |                     |
| Capital assets - net of accumulated depreciation | -  | 99,631                           | 420,893                              | -                                     | 520,524             |
| <b>Total Noncurrent Assets</b>                   | <b>-</b>   | <b>99,631</b>                    | <b>420,893</b>                       | <b>-</b>                              | <b>520,524</b>      |
| <b>Total Assets</b>                              | <b>\$ 1,007,034</b>                              | <b>\$ 830,245</b>                | <b>\$ 834,314</b>                    | <b>\$ 379,893</b>                     | <b>\$ 3,051,486</b> |
| <b>Liabilities and Net Position:</b>             |  |                                  |                                      |                                       |                     |
| <b>Liabilities:</b>                              |  |                                  |                                      |                                       |                     |
| Current:   |  |                                  |                                      |                                       |                     |
| Accounts payable                                 | \$ -   | \$ -                             | \$ 104,805                           | \$ -                                  | \$ 104,805          |
| <b>Total Liabilities</b>                         | <b>-</b>   | <b>-</b>                         | <b>104,805</b>                       | <b>-</b>                              | <b>104,805</b>      |
| <b>Net Position:</b>                             |  |                                  |                                      |                                       |                     |
| Investment in capital assets                     | -  | 99,631                           | 420,893                              | -                                     | 520,524             |
| Unrestricted                                     | 1,007,034  | 730,614                          | 308,616                              | 379,893                               | 2,426,157           |
| <b>Total Net Position</b>                        | <b>1,007,034</b>                                 | <b>830,245</b>                   | <b>729,509</b>                       | <b>379,893</b>                        | <b>2,946,681</b>    |
| <b>Total Liabilities and Net Position</b>        | <b>\$ 1,007,034</b>                              | <b>\$ 830,245</b>                | <b>\$ 834,314</b>                    | <b>\$ 379,893</b>                     | <b>\$ 3,051,486</b> |

CITY OF DIAMOND BAR

COMBINING STATEMENT OF REVENUES, EXPENSES  
AND CHANGES IN FUND NET POSITION  
INTERNAL SERVICE FUNDS  
JUNE 30, 2015

|   | Governmental Activities - Internal Service Funds |                            |                                |                                 | Totals              |
|---|--|----------------------------|--------------------------------|---------------------------------|---------------------|
|   | Self Insurance Fund                              | Equipment Replacement Fund | Computer Equipment Replacement | Building Facility & Maintenance |                     |
| <b>Operating Revenues:</b>                    |  |                            |                                |                                 |                     |
| Sales and service charges                     | \$ -   | \$ -                       | \$ -                           | \$ 9,550                        | \$ 9,550            |
| <b>Total Operating Revenues</b>               | <b>-</b>   | <b>-</b>                   | <b>-</b>                       | <b>9,550</b>                    | <b>9,550</b>        |
| <b>Operating Expenses:</b>                    |  |                            |                                |                                 |                     |
| Insurance premiums                            | 198,935  | -                          | -                              | -                               | 198,935             |
| Equipment repair and maintenance              | -  | -                          | 123,087                        | -                               | 123,087             |
| Depreciation expense                          | -  | 20,977                     | 133,984                        | -                               | 154,961             |
| <b>Total Operating Expenses</b>               | <b>198,935</b>                                   | <b>20,977</b>              | <b>257,071</b>                 | <b>-</b>                        | <b>476,983</b>      |
| Operating Income (Loss)                       | (198,935)  | (20,977)                   | (257,071)                      | 9,550                           | (467,433)           |
| <b>Nonoperating Revenues (Expenses):</b>      |  |                            |                                |                                 |                     |
| Interest revenue                              | 5,661  | 3,296                      | 1,524                          | 1,209                           | 11,690              |
| <b>Total Nonoperating Revenues (Expenses)</b> | <b>5,661</b>                                     | <b>3,296</b>               | <b>1,524</b>                   | <b>1,209</b>                    | <b>11,690</b>       |
| Income (Loss) Before Transfers                | (193,274)  | (17,681)                   | (255,547)                      | 10,759                          | (455,743)           |
| Transfers in                                  | 198,935  | 400,000                    | 316,000                        | 250,000                         | 1,164,935           |
| Changes in Net Position                       | 5,661  | 382,319                    | 60,453                         | 260,759                         | 709,192             |
| <b>Net Position:</b>                          |  |                            |                                |                                 |                     |
| Beginning of Year                             | 1,001,373  | 447,926                    | 669,056                        | 119,134                         | 2,237,489           |
| <b>End of Fiscal Year</b>                     | <b>\$ 1,007,034</b>                              | <b>\$ 830,245</b>          | <b>\$ 729,509</b>              | <b>\$ 379,893</b>               | <b>\$ 2,946,681</b> |

## CITY OF DIAMOND BAR

**COMBINING STATEMENT OF CASH FLOWS  
INTERNAL SERVICE FUNDS  
YEAR ENDED JUNE 30, 2015**

|   | <b>Governmental Activities - Internal Service Funds</b> |   |  |   |                     |
|---|---|---|--|---|---------------------|
|   | <b>Self<br/>Insurance<br/>Fund</b>                      | <b>Equipment<br/>Replacement<br/>Fund</b> | <b>Computer<br/>Equipment<br/>Replacement<br/>Fund</b> | <b>Building<br/>Facility &amp;<br/>Maintenance<br/>Fund</b> | <b>Totals</b>       |
| <b>Cash Flows from Operating Activities:</b>  |   |   |  |   |                     |
| Insurance Premiums paid   | \$ (388,154)  | \$ -                                      | \$ -   | \$ -  | \$ (388,154)        |
| Payments to suppliers   | -   | -   | (35,227)   | -   | (35,227)            |
| Cash received from others   | -   | -   | -  | 9,676   | 9,676               |
| <b>Net Cash Provided (Used) by Operating Activities</b>   | <b>(388,154)</b>  | <b>-</b>                                  | <b>(35,227)</b>  | <b>9,676</b>  | <b>(413,705)</b>    |
| <b>Cash Flows from Non-Capital<br/>Financing Activities:</b>  |   |   |  |   |                     |
| Cash transfers in   | 198,935   | 400,000                                   | 316,000  | 250,000   | 1,164,935           |
| <b>Net Cash Provided (Used) by<br/>Non-Capital Financing Activities</b>                                       | <b>198,935</b>  | <b>400,000</b>                            | <b>316,000</b>   | <b>250,000</b>  | <b>1,164,935</b>    |
| <b>Cash Flows from Capital<br/>and Related Financing Activities:</b>  |   |   |  |   |                     |
| Acquisition and construction of capital assets  | -   | (56,148)                                  | (80,271)   | -   | (136,419)           |
| <b>Net Cash Provided (Used) by<br/>Capital and Related Financing Activities</b>                               | <b>-</b>  | <b>(56,148)</b>                           | <b>(80,271)</b>  | <b>-</b>  | <b>(136,419)</b>    |
| <b>Cash Flows from Investing Activities:</b>  |   |   |  |   |                     |
| Interest received   | 5,661   | 3,296                                     | 1,524  | 1,209   | 11,690              |
| <b>Net Cash Provided (Used) by<br/>Investing Activities</b>   | <b>5,661</b>  | <b>3,296</b>                              | <b>1,524</b>   | <b>1,209</b>  | <b>11,690</b>       |
| <b>Net Increase (Decrease) in Cash<br/>and Cash Equivalents</b>   | <b>(183,558)</b>  | <b>347,148</b>                            | <b>202,026</b>   | <b>260,885</b>  | <b>626,501</b>      |
| Cash and Cash Equivalents at Beginning of Year  | 1,000,000   | 383,466                                   | 211,395  | 117,977   | 1,712,838           |
| <b>Cash and Cash Equivalents at End of Year</b>   | <b>\$ 816,442</b>                                       | <b>\$ 730,614</b>                         | <b>\$ 413,421</b>                                      | <b>\$ 378,862</b>   | <b>\$ 2,339,339</b> |
| <b>Reconciliation of Operating Income to Net Cash<br/>Provided (Used) by Operating Activities:</b>            |   |   |  |   |                     |
| Operating income (loss)   | \$ (198,935)  | \$ (20,977)                               | \$ (257,071)   | \$ 9,550  | \$ (467,433)        |
| <b>Adjustments to reconcile operating income (loss)<br/>net cash provided (used) by operating activities:</b> |   |   |  |   |                     |
| Depreciation  | -   | 20,977                                    | 133,984  | -   | 154,961             |
| (Increase) decrease in accounts receivable  | (189,142)   | -   | -  | 126   | (189,016)           |
| (Increase) decrease in prepaid expense  | (77)  | -   | -  | -   | (77)                |
| Increase (decrease) in accounts payable   | -   | -   | 87,860   | -   | 87,860              |
| <b>Total Adjustments</b>  | <b>(189,219)</b>  | <b>20,977</b>                             | <b>221,844</b>   | <b>126</b>  | <b>53,728</b>       |
| <b>Net Cash Provided (Used) by<br/>Operating Activities</b>   | <b>\$ (388,154)</b>                                     | <b>\$ -</b>                               | <b>\$ (35,227)</b>                                     | <b>\$ 9,676</b>   | <b>\$ (413,705)</b> |

## DESCRIPTION OF STATISTICAL SECTION CONTENTS

June 30, 2015

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>2006</u>                | <u>2007</u>           | <u>2008</u>           | <u>2009</u>           | <u>2010</u>           |
| Governmental activities:                   |                            |                       |                       |                       |                       |
| Net investment in capital assets           | \$ 14,593,935              | \$ 375,216,400        | \$ 370,949,296        | \$ 367,529,907        | \$ 377,940,738        |
| Restricted for:                            |                            |                       |                       |                       |                       |
| Capital projects                           | 3,323,474                  | 3,446,872             | 2,912,276             | 3,526,991             | 2,260,872             |
| Community development                      | 1,296,806                  | 1,013,495             | 889,176               | 568,280               | 725,667               |
| Public safety                              |                            |                       |                       | 541,482               | 559,920               |
| Public works                               |                            |                       |                       |                       |                       |
| Debt service                               | 243,697                    | 321,747               | 309,533               | 305,915               | 319,815               |
| Unrestricted                               | 29,461,178                 | 34,072,884            | 36,236,504            | 34,554,084            | 34,215,610            |
| Total governmental activities net position | <u>\$ 48,919,090</u>       | <u>\$ 414,071,398</u> | <u>\$ 411,296,785</u> | <u>\$ 407,026,659</u> | <u>\$ 416,022,622</u> |

Note:

As allowed by GASB 34, the value of infrastructure placed in service was not included in the net assets until the fiscal year ended June 30, 2007.

Schedule 1

| <u>2011</u>           | <u>2012</u>           | <u>2013</u>           | <u>2014</u>           | <u>2015</u>           |
|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| \$ 381,985,940        | \$ 382,660,310        | \$ 378,511,311        | \$ 372,068,596        | \$ 368,779,901        |
| 146,567               | 163,603               | 165,587               | 135,914               | 207,205               |
| 1,644,861             | 958,293               | 1,084,434             | 1,174,082             | 1,482,522             |
| 453,730               | 285,508               | 196,503               | 140,747               | 171,928               |
| 3,636,487             | 3,504,339             | 3,964,252             | 4,015,113             | 3,862,123             |
| 333,694               | 2                     | 3                     | 4                     | 3                     |
| 22,582,318            | 18,288,491            | 18,508,423            | 20,894,700            | 20,659,058            |
| <u>\$ 410,783,597</u> | <u>\$ 405,860,546</u> | <u>\$ 402,430,513</u> | <u>\$ 398,429,156</u> | <u>\$ 395,162,740</u> |

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

|  | Fiscal Year Ended June 30, |                       |                       |                       |                       |
|--|----------------------------|-----------------------|-----------------------|-----------------------|-----------------------|
|  | <u>2006</u>                | <u>2007</u>           | <u>2008</u>           | <u>2009</u>           | <u>2010</u>           |
| Expenses:                                      |                            |                       |                       |                       |                       |
| Governmental activities:                       |                            |                       |                       |                       |                       |
| General government                             | \$ 4,203,123               | \$ 4,784,314          | \$ 4,473,666          | \$ 5,159,300          | \$ 4,973,685          |
| Public safety                                  | 5,418,005                  | 4,876,435             | 4,944,729             | 5,396,083             | 5,526,099             |
| Highways and streets                           | 5,240,568                  | 14,019,550            | 12,034,669            | 13,931,211            | 12,287,325            |
| Community development                          | 2,759,718                  | 2,292,757             | 2,251,196             | 1,959,303             | 1,624,547             |
| Parks, recreation and culture                  | 3,737,071                  | 4,779,588             | 5,188,977             | 4,950,687             | 5,091,215             |
| Interest on long-term debt                     | 423,320                    | 498,042               | 392,548               | 177,633               | 57,948                |
| Total general expenses                         | <u>21,781,805</u>          | <u>31,250,686</u>     | <u>29,285,785</u>     | <u>31,574,217</u>     | <u>29,560,819</u>     |
| Program revenues:                              |                            |                       |                       |                       |                       |
| Governmental activities:                       |                            |                       |                       |                       |                       |
| Charges for services                           |                            |                       |                       |                       |                       |
| General Government                             | 707,272                    | 262,541               | 225,553               | 132,262               | 131,633               |
| Public safety                                  | 28,414                     | 537,068               | 632,980               | 596,375               | 605,262               |
| Highways and streets                           | 1,555,993                  | 3,493,798             | 2,851,187             | 1,732,985             | 2,070,167             |
| Community development                          | 1,265,597                  | 996,424               | 567,302               | 438,563               | 430,081               |
| Parks, recreation and culture                  | 1,260,849                  | 1,385,788             | 1,581,597             | 1,705,282             | 1,754,789             |
| Operating grants and contributions             | 5,281,308                  | 6,968,824             | 4,307,074             | 5,588,818             | 4,358,895             |
| Capital grants and contributions               | 1,150                      | 1,254,314             | 219,193               | 2,272,580             | 15,960,279            |
| Total governmental activities program revenues | <u>10,100,583</u>          | <u>14,898,757</u>     | <u>10,384,886</u>     | <u>12,466,865</u>     | <u>25,311,106</u>     |
| General revenues:                              |                            |                       |                       |                       |                       |
| Taxes  |                            |                       |                       |                       |                       |
| Property taxes                                 | 3,555,244                  | 3,754,955             | 3,927,073             | 4,001,276             | 3,837,288             |
| Transient occupancy taxes                      | 718,889                    | 774,757               | 800,390               | 633,075               | 569,916               |
| Sales taxes                                    | 3,949,349                  | 3,943,345             | 4,102,177             | 3,085,223             | 3,122,229             |
| Franchise taxes                                | 996,567                    | 1,064,621             | 1,024,710             | 1,093,039             | 1,115,980             |
| Other taxes                                    | 416,423                    | 331,096               | 283,433               | 199,365               | 259,384               |
| Unrestricted Motor vehicle in lieu             | 3,663,061                  | 4,356,641             | 4,563,127             | 4,687,515             | 4,599,922             |
| Use of money and property                      | 1,051,922                  | 1,476,010             | 1,420,988             | 833,270               | 618,963               |
| Other revenues                                 | 361,622                    | 41,362                | 4,388                 | 304,463               | 7,090                 |
| Loss on disposal of capital asset              |                            |                       |                       |                       |                       |
| Total general revenues                         | <u>14,713,077</u>          | <u>15,742,787</u>     | <u>16,126,286</u>     | <u>14,837,226</u>     | <u>14,130,772</u>     |
| Change in net position                         | 3,031,855                  | (609,142)             | (2,774,613)           | (4,270,126)           | 9,881,059             |
| Net position at beginning of year              | 45,887,235                 | 414,680,540           | 414,071,398           | 411,296,785           | 407,026,659           |
| Restatement of net position                    |                            |                       |                       |                       | (885,096)             |
| Net position at end of year                    | <u>\$ 48,919,090</u>       | <u>\$ 414,071,398</u> | <u>\$ 411,296,785</u> | <u>\$ 407,026,659</u> | <u>\$ 416,022,622</u> |

Source:  
City Finance Department

Schedule 2

| <u>2011</u>           | <u>2012</u>           | <u>2013</u>           | <u>2014</u>           | <u>2015</u>           |
|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| \$ 6,370,986          | \$ 6,384,072          | \$ 6,942,983          | \$ 7,301,502          | \$ 6,524,968          |
| 5,591,049             | 6,104,982             | 5,831,227             | 5,627,026             | 5,929,156             |
| 10,619,860            | 11,248,137            | 10,197,098            | 10,599,386            | 10,225,922            |
| 1,969,540             | 2,126,906             | 1,980,646             | 2,346,073             | 2,587,504             |
| 5,153,264             | 5,559,427             | 5,591,916             | 6,463,192             | 6,300,920             |
| 72,592                | 848,976               | 487,369               | 477,201               | 466,662               |
| 29,777,291            | 32,272,500            | 31,031,239            | 32,814,380            | 32,035,132            |
| 118,016               | 247,248               | 160,379               | 770,908               | 587,081               |
| 558,544               | 491,831               | 502,948               | 559,008               | 523,145               |
| 2,400,272             | 2,555,900             | 2,604,053             | 2,671,741             | 5,536,984             |
| 955,380               | 1,006,971             | 1,196,806             | 1,413,094             | 2,463,932             |
| 1,829,409             | 1,753,585             | 1,689,497             | 1,804,189             | 1,758,319             |
| 3,685,378             | 4,992,856             | 4,024,537             | 4,203,990             | 4,443,765             |
| 40,779                | 1,242,636             | 690,732               | 207,971               | 717,961               |
| 9,587,778             | 12,291,027            | 10,868,952            | 11,630,901            | 16,031,187            |
| 4,187,896             | 3,951,722             | 4,080,273             | 4,307,077             | 4,448,566             |
| 642,509               | 692,162               | 782,952               | 851,249               | 935,355               |
| 3,355,127             | 3,397,259             | 3,546,239             | 3,658,327             | 3,974,564             |
| 1,259,471             | 1,415,924             | 1,465,666             | 1,393,584             | 1,460,342             |
| 172,687               | 202,951               | 333,250               | 471,455               | 442,914               |
| 4,766,225             | 4,646,985             | 4,659,994             | 4,862,100             | 5,133,910             |
| 474,598               | 145,408               | 6,307                 | 256,758               | 244,275               |
| 91,975                | 46,342                | 533,475               | 52,891                | 114,545               |
|                       |                       | (21,057)              | 1,328,681             | -                     |
| 14,950,488            | 14,498,753            | 15,387,099            | 17,182,122            | 16,754,471            |
| (5,239,025)           | (5,482,720)           | (4,775,188)           | (4,001,357)           | 750,526               |
| 416,022,622           | 410,783,597           | 405,860,546           | 402,430,513           | 398,429,156           |
|                       | 559,669               | 1,345,156             |                       | (4,016,942)           |
| <u>\$ 410,783,597</u> | <u>\$ 405,860,546</u> | <u>\$ 402,430,513</u> | <u>\$ 398,429,156</u> | <u>\$ 395,162,740</u> |

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

Schedule 3

|   | Fiscal Year Ended June 30, |                      |                      |                      |                      |
|---|----------------------------|----------------------|----------------------|----------------------|----------------------|
|   | <u>2006</u>                | <u>2007</u>          | <u>2008</u>          | <u>2009</u>          | <u>2010</u>          |
| General fund:                             |                            |                      |                      |                      |                      |
| Reserved                                  | \$ 1,310,172               | \$ 1,893,287         | \$ 1,864,387         | \$ 1,612,181         | \$ 1,955,477         |
| Unreserved                                | 25,103,444                 | 28,568,263           | 31,065,127           | 30,041,357           | 28,841,621           |
| <b>Total general fund</b>                 | <b>26,413,616</b>          | <b>30,461,550</b>    | <b>32,929,514</b>    | <b>31,653,538</b>    | <b>30,797,098</b>    |
| All other governmental funds:             |                            |                      |                      |                      |                      |
| Reserved                                  | 2,274,829                  | 3,311,451            | 5,810,250            | 2,754,526            | 1,735,077            |
| Unreserved, reported in:                  |                            |                      |                      |                      |                      |
| Special revenue funds                     | 5,485,933                  | 5,736,366            | 4,955,552            | 5,423,979            | 5,218,642            |
| Debt Service Fund                         |                            |                      |                      |                      |                      |
| Capital projects funds                    | (2,612,373)                | (4,681,728)          | (5,703,854)          | (2,701,642)          | (2,020,782)          |
| <b>Total all other governmental funds</b> | <b>5,148,389</b>           | <b>4,366,089</b>     | <b>5,061,948</b>     | <b>5,476,863</b>     | <b>4,932,937</b>     |
| <b>Total fund balances</b>                | <b>\$31,562,005</b>        | <b>\$ 34,827,639</b> | <b>\$ 37,991,462</b> | <b>\$ 37,130,401</b> | <b>\$ 35,730,035</b> |
|   |                            |                      |                      |                      |                      |
|   | <u>2011</u>                | <u>2012</u>          | <u>2013</u>          | <u>2014</u>          | <u>2015</u>          |
| General fund:                             |                            |                      |                      |                      |                      |
| Nonspendable:                             |                            |                      |                      |                      |                      |
| Prepaid costs                             | \$ 41,451                  | \$ 28,114            | \$ 26,331            | \$ 62,752            | \$ 75,887            |
| Committed to:                             |                            |                      |                      |                      |                      |
| Emergency contingencies                   | 4,500,000                  | 4,500,000            | 4,500,000            | 4,500,000            | 4,500,000            |
| Unassigned                                | 16,726,964                 | 12,616,200           | 13,010,385           | 15,199,698           | 17,656,659           |
| <b>Total general fund</b>                 | <b>21,268,415</b>          | <b>17,144,314</b>    | <b>17,536,716</b>    | <b>19,762,450</b>    | <b>22,232,546</b>    |
| All other governmental funds:             |                            |                      |                      |                      |                      |
| Nonspendable:                             |                            |                      |                      |                      |                      |
| Prepaid costs                             |                            |                      | 750                  |                      |                      |
| Restricted for:                           |                            |                      |                      |                      |                      |
| Comm development projects                 | 1,644,861                  | 958,293              | 1,084,434            | 1,174,082            | 1,482,522            |
| Public safety                             | 453,730                    | 285,508              | 196,503              | 140,747              | 171,928              |
| Highways and streets                      | 3,271,595                  | 3,170,407            | 3,964,252            | 4,015,113            | 3,862,123            |
| Capital Projects                          | 146,567                    | 164,867              | 165,587              | 135,914              | 207,205              |
| Debt service                              | 333,694                    | 2                    | 3                    | 4                    | 3                    |
| Assigned to:                              |                            |                      |                      |                      |                      |
| Capital Projects                          |                            |                      | 2,730                |                      |                      |
| Unassigned                                |                            |                      | (3,466)              | (88,639)             | (71,561)             |
| <b>Total all other governmental funds</b> | <b>5,850,447</b>           | <b>4,579,077</b>     | <b>5,410,793</b>     | <b>5,377,221</b>     | <b>5,652,220</b>     |
| <b>Total fund balances</b>                | <b>\$27,118,862</b>        | <b>\$ 21,723,391</b> | <b>\$ 22,947,509</b> | <b>\$ 25,139,671</b> | <b>\$ 27,884,766</b> |

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

|  | Fiscal Year Ended June 30, |                     |                     |                     |                     |
|--|----------------------------|---------------------|---------------------|---------------------|---------------------|
|  | <u>2006</u>                | <u>2007</u>         | <u>2008</u>         | <u>2009</u>         | <u>2010</u>         |
| <b>Revenues:</b>   |                            |                     |                     |                     |                     |
| Taxes  | \$ 9,508,757               | \$ 9,876,760        | \$ 10,165,881       | \$ 9,119,375        | \$ 8,591,893        |
| Special assessments  | 504,908                    | 541,382             | 543,561             | 550,822             | 556,989             |
| Intergovernmental  | 8,821,141                  | 11,169,052          | 9,896,948           | 12,081,466          | 11,478,456          |
| Charges for services   | 870,314                    | 1,002,210           | 1,111,655           | 1,460,828           | 3,191,416           |
| Fines and forfeitures  | 589,922                    | 546,902             | 637,484             | 601,533             | 607,936             |
| Licenses and permits   | 2,389,149                  | 4,247,626           | 3,121,476           | 1,445,324           | 640,287             |
| Investment income  | 1,250,570                  | 1,716,194           | 1,629,257           | 938,053             | 648,503             |
| Other  | 792,216                    | 767,457             | 826,177             | 1,018,956           | 30,766              |
| <b>Total revenues</b>  | <b>24,726,977</b>          | <b>29,867,583</b>   | <b>27,932,439</b>   | <b>27,216,357</b>   | <b>25,746,246</b>   |
| <b>Expenditures:</b>   |                            |                     |                     |                     |                     |
| <b>Current:</b>  |                            |                     |                     |                     |                     |
| General government   | 3,551,659                  | 4,402,235           | 3,987,656           | 5,071,860           | 4,435,858           |
| Public safety  | 5,404,259                  | 4,880,290           | 4,933,958           | 5,407,476           | 5,524,279           |
| Public works   | 4,769,497                  | 5,114,274           | 4,926,418           | 5,607,870           | 5,183,964           |
| Parks, recreation and culture                                    | 2,613,834                  | 3,475,549           | 3,714,762           | 3,673,282           | 3,655,029           |
| Community development  | 2,748,539                  | 2,292,757           | 2,246,496           | 1,945,951           | 1,604,220           |
| Capital outlay   | 5,320,597                  | 5,344,935           | 4,271,890           | 5,508,167           | 5,161,924           |
| <b>Debt service:</b>   |                            |                     |                     |                     |                     |
| Principal retirement   | 235,000                    | 240,000             | 255,000             | 265,000             | 280,000             |
| Interest and fiscal charges                                      | 404,075                    | 493,840             | 411,583             | 187,212             | 33,904              |
| <b>Total expenditures</b>  | <b>25,047,460</b>          | <b>26,243,880</b>   | <b>24,747,763</b>   | <b>27,666,818</b>   | <b>25,879,178</b>   |
| <b>Excess (deficiency) of revenues over (under) expenditures</b> | <b>(320,483)</b>           | <b>3,623,703</b>    | <b>3,184,676</b>    | <b>(450,461)</b>    | <b>(132,932)</b>    |
| <b>Other financing sources (uses):</b>                           |                            |                     |                     |                     |                     |
| Bond issued or refinancing                                       |                            |                     |                     |                     |                     |
| Bonds discount or premium  |                            |                     |                     |                     |                     |
| Transfers in   | 6,469,523                  | 6,030,764           | 7,266,149           | 6,629,225           | 4,379,718           |
| Transfers out  | (6,733,961)                | (6,354,106)         | (7,608,749)         | (7,039,825)         | (4,795,374)         |
| Proceeds from sale of capital asset                              |                            |                     |                     |                     |                     |
| <b>Total other financing sources (uses)</b>                      | <b>(264,438)</b>           | <b>(323,342)</b>    | <b>(342,600)</b>    | <b>(410,600)</b>    | <b>(415,656)</b>    |
| <b>Net changes in fund balances</b>                              | <b>\$ (584,921)</b>        | <b>\$ 3,300,361</b> | <b>\$ 2,842,076</b> | <b>\$ (861,061)</b> | <b>\$ (548,588)</b> |
| <b>Debt service as a percentage of noncapital expenditures</b>   | <b>3.18%</b>               | <b>2.91%</b>        | <b>2.89%</b>        | <b>1.77%</b>        | <b>1.35%</b>        |

Source: City Finance Department

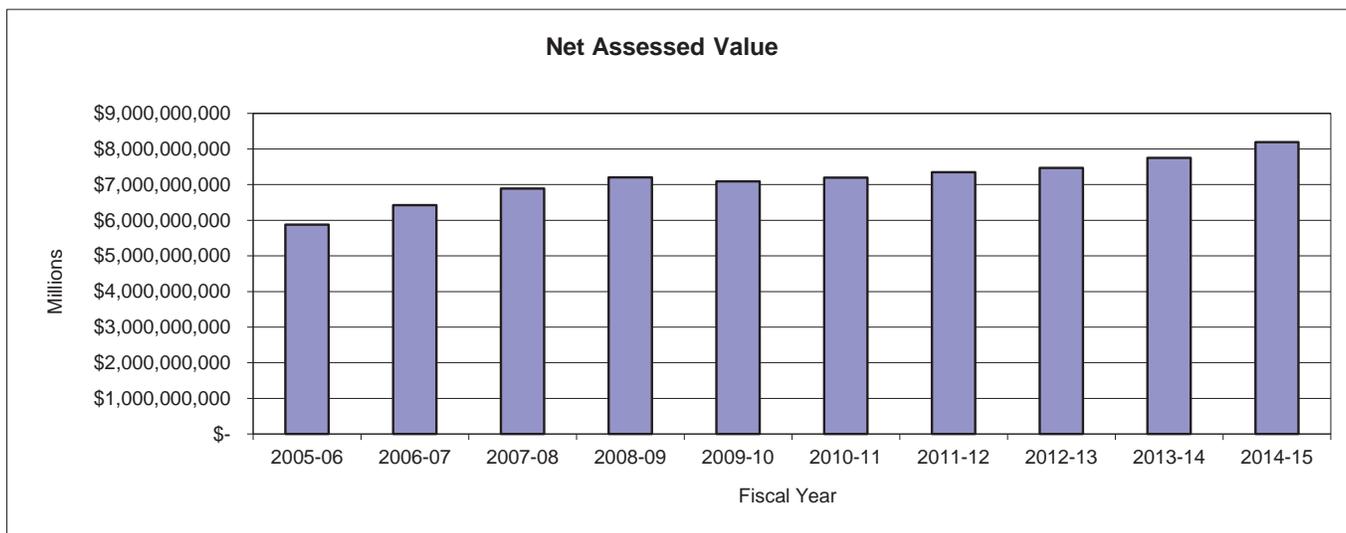
## Schedule 4

| <u>2011</u>           | <u>2012</u>           | <u>2013</u>         | <u>2014</u>         | <u>2015</u>         |
|-----------------------|-----------------------|---------------------|---------------------|---------------------|
| \$ 9,646,883          | \$ 9,664,801          | \$ 10,200,419       | \$ 10,638,609       | \$ 10,730,234       |
| 556,562               | 547,209               | 550,609             | 549,402             | 672,492             |
| 9,441,959             | 11,053,326            | 10,427,352          | 10,281,985          | 11,185,489          |
| 3,390,367             | 3,190,675             | 3,238,165           | 3,321,883           | 3,344,356           |
| 567,575               | 509,166               | 522,142             | 582,844             | 523,145             |
| 818,913               | 1,127,569             | 1,238,626           | 1,542,765           | 5,474,765           |
| 499,377               | 183,507               | 30,116              | 281,752             | 273,656             |
| 113,578               | 54,634                | 551,710             | 85,558              | 136,786             |
| <u>25,035,214</u>     | <u>26,330,887</u>     | <u>26,759,139</u>   | <u>27,284,798</u>   | <u>32,340,923</u>   |
| 4,977,021             | 5,485,001             | 4,214,834           | 5,115,321           | 5,040,491           |
| 5,580,507             | 5,731,595             | 5,678,614           | 5,602,021           | 5,914,404           |
| 5,002,456             | 6,609,087             | 5,263,046           | 5,698,765           | 5,216,083           |
| 3,712,194             | 4,090,551             | 4,050,161           | 4,406,954           | 4,225,938           |
| 1,960,125             | 2,114,433             | 2,010,040           | 2,225,647           | 2,540,430           |
| 11,480,595            | 6,702,615             | 3,031,168           | 2,518,617           | 4,646,891           |
| 290,000               | 12,510,000            | 335,000             | 350,000             | 365,000             |
| 37,461                | 406,626               | 502,291             | 492,159             | 481,656             |
| <u>33,040,359</u>     | <u>43,649,908</u>     | <u>25,085,154</u>   | <u>26,409,484</u>   | <u>28,430,893</u>   |
| (8,005,145)           | (17,319,021)          | 1,673,985           | 875,314             | 3,910,030           |
|                       | 11,790,000            | -                   | -                   | -                   |
|                       | 252,381               | -                   | -                   | -                   |
| 2,929,528             | 6,085,337             | 5,195,892           | 4,856,728           | 7,084,629           |
| (3,535,556)           | (6,494,449)           | (5,690,201)         | (5,822,286)         | (8,249,564)         |
|                       |                       |                     | 2,282,406           | -                   |
| <u>(606,028)</u>      | <u>11,633,269</u>     | <u>(494,309)</u>    | <u>1,316,848</u>    | <u>(1,164,935)</u>  |
| <u>\$ (8,611,173)</u> | <u>\$ (5,685,752)</u> | <u>\$ 1,179,676</u> | <u>\$ 2,192,162</u> | <u>\$ 2,745,095</u> |
| 1.45%                 | 35.00%                | 3.49%               | 3.35%               | 3.48%               |

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**City of Diamond Bar**  
**Assessed and Estimated Actual Values of Taxable Property**  
**2005/06 - 2014/15 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 |                |                     |                              |                       |          |
| 2005-06                    | \$ 5,842,972,449 | \$ 83,223,023      | \$ 163,090     | \$ 51,408,286       | \$ 5,874,950,276             | 0.05288               | 7.86%    |
| 2006-07                    | 6,359,723,846    | 90,751,985         | 134,088        | 28,682,577          | 6,421,927,342                | 0.05280               | 9.31%    |
| 2007-08                    | 6,824,177,817    | 109,704,881        | 0              | 39,859,238          | 6,894,023,460                | 0.05485               | 7.35%    |
| 2008-09                    | 7,151,359,322    | 99,170,064         | 0              | 48,909,164          | 7,201,620,222                | 0.05270               | 4.46%    |
| 2009-10                    | 7,071,193,381    | 90,528,493         | 0              | 66,422,679          | 7,095,299,195                | 0.05274               | -1.48%   |
| 2010-11                    | 7,183,008,793    | 81,410,401         | 0              | 70,706,628          | 7,193,712,566                | 0.05270               | 1.39%    |
| 2011-12                    | 7,347,032,537    | 77,283,606         | 0              | 74,296,191          | 7,350,019,952                | 0.05268               | 2.17%    |
| 2012-13                    | 7,471,528,800    | 76,724,231         | 0              | 78,856,697          | 7,469,396,334                | 0.05267               | 1.62%    |
| 2013-14                    | 7,765,883,788    | 69,544,511         | 0              | 83,574,453          | 7,751,853,846                | 0.05264               | 3.78%    |
| 2014-15                    | 8,201,610,010    | 70,524,426         | 0              | 83,189,280          | 8,188,945,156                | 0.05260               | 5.64%    |



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.

\* Prior to 2007, all SBE Nonunitary Railroad Properties were taxed at the tax rate area level. As of 2007, there was legislation passed that requires Counties to track this value for the each county in a specific tax rate area and it's distributed differently. Therefore from this year forward, Cities can no longer keep tracking how much value there is on railroad properties within each City.

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>2005/06</u> | <u>2006/07</u> | <u>2007/08</u> | <u>2008/09</u> | <u>2009/10</u> |
|---|----------------|----------------|----------------|----------------|----------------|
| <b>Basic Levy*</b>                              | 1.00000        | 1.00000        | 1.00000        | 1.00000        | 1.00000        |
| County Detention Facilities 1987 Debt           | 0.00080        | 0.00066        | 0.00000        | 0.00000        | 0.00000        |
| LA County Flood Control                         | 0.00005        | 0.00005        | 0.00000        | 0.00000        | 0.00000        |
| Metropolitan Water District                     | 0.00520        | 0.00470        | 0.00450        | 0.00430        | 0.00430        |
| Mt. San Antonio College                         | 0.02122        | 0.02530        | 0.01750        | 0.02333        | 0.02571        |
| Pomona Unified School Dist                      | 0.12488        | 0.12401        | 0.11379        | 0.11577        | 0.14546        |
| Walnut Valley Unified School Dist               | 0.09140        | 0.08749        | 0.08462        | 0.11297        | 0.11674        |
| <b>Total Direct &amp; Overlapping Tax Rates</b> | <b>1.2436</b>  | <b>1.2422</b>  | <b>1.2204</b>  | <b>1.2564</b>  | <b>1.2922</b>  |
| <b>City's Share of 1% Levy Per Prop 13*</b>     | 0.05192        | 0.05192        | 0.05192        | 0.05192        | 0.05192        |
| <b>General Obligation Debt Rate</b>             |                |                |                |                |                |
| <b>Redevelopment Rate*</b>                      |                |                |                |                |                |
| <b>Total Direct Rate*</b>                       | <b>0.05288</b> | <b>0.05280</b> | <b>0.05485</b> | <b>0.05270</b> | <b>0.05274</b> |

\*

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.

Schedule 6

| <u>2010/11</u> | <u>2011/12</u> | <u>2012/13</u> | <u>2013/14</u> | <u>2014/15</u> |
|----------------|----------------|----------------|----------------|----------------|
| 1.00000        | 1.00000        | 1.00000        | 1.00000        | 1.00000        |
| 0.00000        | 0.00000        | 0.00000        | 0.00000        | 0.00000        |
| 0.00000        | 0.00000        | 0.00000        | 0.00000        | 0.00000        |
| 0.00370        | 0.00370        | 0.00350        | 0.00350        | 0.00350        |
| 0.02636        | 0.02642        | 0.02896        | 0.02023        | 0.02129        |
| 0.17721        | 0.17364        | 0.18488        | 0.16407        | 0.16599        |
| 0.11839        | 0.11735        | 0.12554        | 0.11342        | 0.11510        |
| <b>1.3257</b>  | <b>1.3211</b>  | <b>1.3429</b>  | <b>1.3012</b>  | <b>1.3059</b>  |
| 0.05192        | 0.05192        | 0.05192        | 0.05192        | 0.05192        |
| <b>0.05270</b> | <b>0.05268</b> | <b>0.05267</b> | <b>0.05264</b> | <b>0.05260</b> |

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

Schedule 7

| <b>Current Taxpayers</b>        | <b>2014-15<br/>Assessed Valuation</b> | <b>Percentage of Total<br/>Net Assessed Valuation</b> |
|---------------------------------|---------------------------------------|---|
| Roic California LLC             | \$ 48,217,907                         | 0.59%   |
| SRGMF South Grand Diamond Bar   | 45,449,908                            | 0.56%   |
| Diamond Bar Gateway Corp Inc    | 40,000,000                            | 0.49%   |
| Pacifica Trenton Holdings-2 LLC | 30,236,654                            | 0.37%   |
| Roic DBTC LLC                   | 27,926,208                            | 0.34%   |
| Target Corporation              | 26,556,094                            | 0.32%   |
| Muller Rock 2 Gateway           | 26,254,959                            | 0.32%   |
| Millenium Diamond Road          | 23,869,795                            | 0.29%   |
| Foremost Diamond Ranch          | 18,841,989                            | 0.23%   |
| Margaret M. Tam Trust ETAL      | 18,103,517                            | 0.22%   |
| Top Ten Total                   | <u>\$ 305,457,031</u>                 | <u>3.73%</u>  |
| City Total                      | <u>\$ 8,188,945,156</u>               |   |

| <b>Taxpayers Nine Years Ago</b>      | <b>2005-06<br/>Assessed Valuation</b> | <b>Percentage of Total<br/>Net Assessed Valuation</b> |
|--------------------------------------|---------------------------------------|---|
| Hampton Apartments at Diamond Bar LP | \$ 34,100,000                         | 0.58%   |
| Behringer Harvard Western Portfo     | 29,441,806                            | 0.50%   |
| Pacifica Trenton Center LP           | 27,300,000                            | 0.46%   |
| Gem Gateway Limited Inc              | 25,768,277                            | 0.44%   |
| Muller Rock 2 Gateway                | 19,482,061                            | 0.33%   |
| Millennium Diamond Road Partners LLC | 17,300,000                            | 0.29%   |
| Margaret M. Tam Trust                | 15,923,105                            | 0.27%   |
| Ari Diamond Bar                      | 15,886,720                            | 0.27%   |
| Emerald Pointe Apartments LLC        | 15,474,148                            | 0.27%   |
| H R Barros Family Ltd Partnership    | 15,070,875                            | 0.26%   |
| Top Ten Total                        | <u>\$ 215,746,992</u>                 | <u>3.67%</u>  |
| City Total                           | <u>\$ 5,874,950,276</u>               |   |

Source: Hdl Coren & Cone.

City of Diamond Bar  
Property Tax Levies and Collections  
Last Ten Fiscal Years  
(unaudited)

Schedule 8

| Fiscal Year<br>Ended<br>June 30 | Taxes Levied<br>for the<br>Fiscal Year | Collected within the<br>Fiscal Year of Levy |           | Collections in<br>Subsequent |           |
|---------------------------------|--|---|-----------|------------------------------|-----------|
|                                 |  | Amount                                      | % to Levy | Years                        | % to Levy |
| 2006                            | \$ 3,068,292                           | \$ 2,761,804                                | 90.01%    | \$ 306,489                   | 9.99%     |
| 2007                            | 3,351,647                              | 3,090,289                                   | 92.20%    | 261,359                      | 7.80%     |
| 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%     |

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

City of Diamond Bar  
Ratios of Outstanding Debt by Type  
Last Ten Fiscal Years

Schedule 9

| Fiscal Year<br>Ended<br>June 30 | Governmental Activities       |                          |                                     | Total<br>Primary<br>Government | % of<br>Personal<br>Income (b) | Debt<br>Per<br>Capita (b) |
|---------------------------------|-------------------------------|--------------------------|-------------------------------------|--------------------------------|--------------------------------|---------------------------|
|                                 | Lease<br>Revenue<br>Bonds (a) | Other<br>Bond &<br>Loans | Total<br>Governmental<br>Activities |                                |                                |                           |
| 2006                            | \$ 13,520,000                 | 0                        | \$ 13,520,000                       | \$ 13,520,000                  | 0.74%                          | 227                       |
| 2007                            | 13,280,000                    | 0                        | 13,280,000                          | 13,280,000                     | 0.70%                          | 223                       |
| 2008                            | 13,025,000                    | 0                        | 13,025,000                          | 13,025,000                     | 0.68%                          | 217                       |
| 2009                            | 12,760,000                    | 0                        | 12,760,000                          | 12,760,000                     | 0.68%                          | 212                       |
| 2010                            | 12,480,000                    | 0                        | 12,480,000                          | 12,480,000                     | 0.64%                          | 225                       |
| 2011                            | 12,190,000                    | 0                        | 12,190,000                          | 12,190,000                     | 0.66%                          | 218                       |
| 2012                            | 11,470,000                    | 0                        | 11,470,000                          | 11,470,000                     | 0.62%                          | 205                       |
| 2013                            | 11,135,000                    | 0                        | 11,135,000                          | 11,135,000                     | 0.56%                          | 198                       |
| 2014                            | 10,785,000                    | 0                        | 10,785,000                          | 10,785,000                     | 0.54%                          | 191                       |
| 2015                            | 10,420,000                    | 0                        | 10,420,000                          | 10,420,000                     | 0.54%                          | 185                       |

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  
Direct and Overlapping Debt  
June 30, 2015  
(unaudited)

Schedule 10

|   | Gross Bonded<br>Debt Balance | % Applicable<br>To City (1) | Net Bonded<br>Debt           |
|---|------------------------------|-----------------------------|------------------------------|
| <b>Direct Debt as of June 30, 2015</b>                    |                              |                             |                              |
| Diamond Bar Lease Revenue Bond                            | \$ 10,420,000                | 100.000                     | \$ 10,420,000                |
| <b>Overlapping Debts as of June 30, 2015 (2)</b>          |                              |                             |                              |
| 330.10 Metropolitan Water District                        | 53,296,395                   | 0.842                       | 448,799                      |
| 809.53 Mt San Antonio CCD 2001 Series C 2006              | 1,975,000                    | 10.867                      | 214,617                      |
| 809.54 Mt San Antonio CCD DS 2001, 2008 Series D          | 21,706,654                   | 10.867                      | 2,358,797                    |
| 809.56 Mt San Antonio CCD DS 2008 Series 13A              | 203,861,691                  | 10.867                      | 22,153,041                   |
| 809.57 Mt San Antonio CCD DS 2008 Series 2013B            | 10,640,000                   | 10.867                      | 1,156,217                    |
| 809.58 Mt San Antonio CCD DS 2013 Series A                | 73,910,000                   | 10.867                      | 8,031,579                    |
| 809.59 Mt San Antonio CCD DS 2013 Series B                | 47,085,000                   | 10.867                      | 5,116,586                    |
| 915.62 Pomona Unified School District 2000 Ser A          | 14,800,000                   | 20.188                      | 2,987,876                    |
| 915.64 Pomona Unified SD Refunding 2001 Ser A             | 14,305,000                   | 20.188                      | 2,887,944                    |
| 915.68 Pomona Unified School District 2002 Ser D          | 7,711,052                    | 20.188                      | 1,556,734                    |
| 915.69 Pomona Unified School District 2002 Ser E          | 31,185,000                   | 20.188                      | 6,295,738                    |
| 915.70 Pomona Unified School DS 2007 Ref Bonds            | 42,040,000                   | 20.188                      | 8,487,183                    |
| 915.71 Pomona Unified School District 2008 Series A       | 15,170,000                   | 20.188                      | 3,062,573                    |
| 915.72 Pomona USD DS 2008 Series B                        | 26,675,000                   | 20.188                      | 5,385,243                    |
| 915.73 Pomona USD 2008 Series C                           | 14,000,000                   | 20.188                      | 2,826,369                    |
| 915.74 Pomona USD DS 2012 Refunding Bond Series A         | 23,000,000                   | 20.188                      | 4,643,321                    |
| 915.75 Pomona USD DS 2012 Refunding Bond Series B         | 19,650,000                   | 20.188                      | 3,967,011                    |
| 915.76 Pomona USD DS 2008 Series D QSCBS                  | 24,590,000                   | 20.188                      | 4,964,316                    |
| 980.60 Walnut Valley Unified USD DS 2000 Series E         | 11,428,114                   | 59.259                      | 6,772,213                    |
| 980.61 Walnut Valley Unified SD 2005 Ref Bond             | 5,266,837                    | 59.259                      | 3,121,087                    |
| 980.62 Walnut Valley Unified SD 2007 Series A (Measure S) | 620,000                      | 59.259                      | 367,407                      |
| 980.63 Walnut Valley Unified SD 2007 Series A (Measure Y) | 27,145,000                   | 59.259                      | 16,085,918                   |
| 980.64 Walnut Valley Unified SD 2011 Refunding            | 11,525,000                   | 59.259                      | 6,829,626                    |
| 980.65 Walnut Valley USD 2007 Series B (Measure S)        | 6,355,887                    | 59.259                      | 3,766,450                    |
| 980.66 Walnut Valley USD 2007 Series B (Measure Y)        | 27,658,541                   | 59.259                      | 16,390,239                   |
| 980.67 Walnut Valley USD 2012 Ref Bonds                   | 35,565,000                   | 59.259                      | 21,075,546                   |
| Total Overlapping Debts:                                  | <u>771,165,171</u>           |                             | <u>160,952,431</u>           |
| <b>Grand Total Direct and Overlapping Debt:</b>           | <u><u>\$ 781,585,171</u></u> |                             | <u><u>\$ 171,372,431</u></u> |

**Debt to Assessed Valuation Ratios as of June 30, 2015:**

|  |                  |       |         |
|--|------------------|-------|---------|
| 2014/15 Net Assessed Valuation: \$ 8,188,945,156 | Direct Debt      | 0.13% | \$185   |
| 2014 Total City Population: 56,426               | Overlapping Debt | 1.97% | \$2,852 |
|  | Total Debt       | 2.10% | \$3,037 |

**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  
 Computation of Legal Debt Margin  
 Last Ten Fiscal Years  
 (unaudited)

Schedule 11

| Fiscal Year                 | <u>2011</u>           | <u>2012</u>           | <u>2013</u>           | <u>2014</u>           | <u>2015</u>           |
|-----------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Net assessed value          | \$ 7,193,712,566      | \$ 7,350,019,952      | \$ 7,469,396,334      | \$ 7,751,853,846      | \$ 8,188,945,156      |
| Add back: Exemptions        | 70,706,628            | 74,296,191            | 78,856,697            | 83,574,453            | 83,189,280            |
| Gross assessed value        | 7,264,419,194         | 7,424,316,143         | 7,548,253,031         | 7,835,428,299         | 8,272,134,436         |
| Conversion percentage       | 25%                   | 25%                   | 25%                   | 25%                   | 25%                   |
| Adjusted assessed valuation | 1,816,104,799         | 1,856,079,036         | 1,887,063,258         | 1,958,857,075         | 2,068,033,609         |
| Debt limit percentage       | 15%                   | 15%                   | 15%                   | 15%                   | 15%                   |
| Debt limit                  | 272,415,720           | 278,411,855           | 283,059,489           | 293,828,561           | 310,205,041           |
| City Debts:                 |                       |                       |                       |                       |                       |
| Revenue bonds               | 12,190,000            | 11,470,000            | 11,135,000            | 10,785,000            | 10,420,000            |
| Legal debt margin           | <u>\$ 260,225,720</u> | <u>\$ 266,941,855</u> | <u>\$ 271,924,489</u> | <u>\$ 283,043,561</u> | <u>\$ 299,785,041</u> |

| Fiscal Year                 | <u>2006</u>           | <u>2007</u>           | <u>2008</u>           | <u>2009</u>           | <u>2010</u>           |
|-----------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Net assessed value          | \$ 5,874,950,276      | \$ 6,421,927,342      | \$ 6,894,023,460      | \$ 7,201,620,222      | \$ 7,095,299,195      |
| Add back: Exemptions        | 51,408,286            | 28,682,577            | 39,859,238            | 48,909,164            | 66,422,679            |
| Gross assessed value        | 5,926,358,562         | 6,450,609,919         | 6,933,882,698         | 7,250,529,386         | 7,161,721,874         |
| Conversion percentage       | 25%                   | 25%                   | 25%                   | 25%                   | 25%                   |
| Adjusted assessed valuation | 1,481,589,641         | 1,612,652,480         | 1,733,470,675         | 1,812,632,347         | 1,790,430,469         |
| Debt limit percentage       | 15%                   | 15%                   | 15%                   | 15%                   | 15%                   |
| Debt limit                  | 222,238,446           | 241,897,872           | 260,020,601           | 271,894,852           | 268,564,570           |
| City Debts:                 |                       |                       |                       |                       |                       |
| Revenue bonds               | 13,520,000            | 13,280,000            | 13,025,000            | 12,760,000            | 12,480,000            |
| Legal debt margin           | <u>\$ 208,718,446</u> | <u>\$ 228,617,872</u> | <u>\$ 246,995,601</u> | <u>\$ 259,134,852</u> | <u>\$ 256,084,570</u> |

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  
 Hdl Coren & Cone  
 City Finance Department

City of Diamond Bar  
Demographic and Economic Statistics

Schedule 12

**General Information**

Date of Incorporation      April 18, 1989  
Form of Government        Council-Manager  
Area                              15 Square Miles  
Miles of Streets            128

**Public Safety**

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

**Water Services**

Service Provider            Walnut Valley Water District

**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

**Demographic and Statistical Information (Last Ten Calendar Years)**

| <u>Calendar Year</u> | <u>Population</u> | <u>Personal Income (In Thousands)</u> | <u>Per Capita Personal Income</u> | <u>Unemployment Rate</u> | <u>Median Age</u> | <u>Pop 25+ High School Degree</u> | <u>Pop 25+ Bachelor Degree</u> |
|----------------------|-------------------|---------------------------------------|-----------------------------------|--------------------------|-------------------|-----------------------------------|--------------------------------|
| 2005                 | 59,528            | 1,721,421                             | 28,918                            | 3.80%                    |                   |                                   |                                |
| 2006                 | 59,497            | 1,827,966                             | 30,724                            | 3.40%                    |                   |                                   |                                |
| 2007                 | 59,629            | 1,903,585                             | 31,924                            | 3.60%                    |                   |                                   |                                |
| 2008                 | 59,920            | 1,929,498                             | 32,201                            | 5.30%                    |                   |                                   |                                |
| 2009                 | 60,184            | 1,885,698                             | 31,332                            | 8.30%                    | 39.2              | 93.1%                             | 46.7%                          |
| 2010                 | 55,766 *          | 1,960,418                             | 35,154                            | 9.10%                    | 39.8              | 92.0%                             | 47.6%                          |
| 2011                 | 55,819            | 1,846,158                             | 33,074                            | 8.80%                    | 40.5              | 92.5%                             | 47.8%                          |
| 2012                 | 56,099            | 1,991,290                             | 35,496                            | 6.60%                    | 40.6              | 92.6%                             | 48.8%                          |
| 2013                 | 56,400            | 1,984,772                             | 35,191                            | 5.40%                    | 41.3              | 92.4%                             | 49.7%                          |
| 2014                 | 56,426            | 1,919,782                             | 34,023                            | 5.30%                    | 40.9              | 92.0%                             | 48.4%                          |

**Single Family Residential Full Value Sales (01/01/2012-07/31/2015)**

| <u>Year</u> | <u>Full Value Sales</u> | <u>Average Price</u> | <u>Median Price</u> | <u>Median % Change</u> |
|-------------|-------------------------|----------------------|---------------------|------------------------|
| 2012        | 789                     | \$ 484,681           | \$ 417,500          |                        |
| 2013        | 814                     | \$ 591,380           | \$ 500,000          | 19.76%                 |
| 2014        | 701                     | \$ 660,281           | \$ 535,000          | 7.00%                  |
| 2015        | 417                     | \$ 647,549           | \$ 555,000          | 3.74%                  |

Data Source:

L.A. County Recorder  
HdL Cornen & Cone

City of Diamond Bar  
Principal Employers  
(unaudited)

Schedule 13

**Current Fiscal Year and Nine Fiscal Years Ago**

| Company Name                           | 2015                |      |                       |
|--|---------------------|------|-----------------------|
|  | Number of Employees | Rank | Percent of Employment |
| Walnut Valley Unified Schools District | 2000                | 1    | 6.99%                 |
| South Coast Air Quality Management     | 800                 | 2    | 2.80%                 |
| Allstate Insurance - Claim Dept        | 485                 | 3    | 1.70%                 |
| Travelers Insurance                    | 475                 | 4    | 1.66%                 |
| Kaiser Permanente                      | 400                 | 5    | 1.40%                 |
| Pomona Unified School District         | 385                 | 6    | 1.35%                 |
| QTC/Lockheed                           | 250                 | 7    | 0.87%                 |
| Liferay                                | 202                 | 8    | 0.71%                 |
| Wells Fargo Bank                       | 180                 | 9    | 0.63%                 |
| Insperty                               | 180                 | 10   | 0.63%                 |
| <b>Total</b>                           | <b>5,357</b>        |      | <b>18.74%</b>         |

Total city employment 28,600 in 2015.

| Company Name                       | 2006                |      |                      |
|------------------------------------|---------------------|------|----------------------|
|                                    | Number of Employees | Rank | % of City Employment |
| South Coast Air Quality Management | 750                 | 1    | n/a                  |
| Avnet                              | 600                 | 2    | n/a                  |
| Allstate Insurance Co              | 550                 | 3    | n/a                  |
| Acosta Sales & Marketing Group     | 450                 | 4    | n/a                  |
| St Paul Travelers                  | 400                 | 5    | n/a                  |
| Diamond Bar High School            | 200                 | 6    | n/a                  |
| Lab Support Inc                    | 200                 | 7    | n/a                  |
| Baybrook Services                  | 120                 | 8    | n/a                  |
| Goodrich Corp                      | 120                 | 9    | n/a                  |
| Century 21 Diamond Realty          | 100                 | 10   | n/a                  |
| <b>Total</b>                       | <b>3,490</b>        |      | <b>n/a</b>           |

Sources:

- (1) State of California - Labor Market Info
- (2) Info USA - Government Division
- (3) City Manager's Office

City of Diamond Bar  
Full-time and Part-time City Government Employees  
by Function/Program

Schedule 14

| Function              | Fiscal Year Ended June 30, |            |            |            |            |
|-----------------------|----------------------------|------------|------------|------------|------------|
|                       | 2011                       | 2012       | 2013       | 2014       | 2015       |
| General government    | 24                         | 23         | 24         | 24         | 25         |
| Community development | 8                          | 8          | 8          | 8          | 8          |
| Community services    | 75                         | 75         | 87         | 70         | 73         |
| Public works          | 9                          | 9          | 8          | 8          | 9          |
| <b>Total</b>          | <b>116</b>                 | <b>115</b> | <b>127</b> | <b>110</b> | <b>115</b> |

| Function              | Fiscal Year Ended June 30, |            |            |            |            |
|-----------------------|----------------------------|------------|------------|------------|------------|
|                       | 2006                       | 2007       | 2008       | 2009       | 2010       |
| General government    | 22                         | 21         | 24         | 25         | 21         |
| Community development | 8                          | 8          | 6          | 7          | 8          |
| Community services    | 77                         | 74         | 69         | 71         | 75         |
| Public works          | 7                          | 8          | 10         | 10         | 9          |
| <b>Total</b>          | <b>114</b>                 | <b>111</b> | <b>109</b> | <b>113</b> | <b>113</b> |

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).

Source: City Finance Department

City of Diamond Bar  
Operating Indicators by Function  
Last Ten Fiscal Years

| Function                                 | Fiscal Year Ended June 30, |       |       |       |       |
|--|----------------------------|-------|-------|-------|-------|
|  | 2011                       | 2012  | 2013  | 2014  | 2015  |
| Police:(in fiscal year) (1)              |                            |       |       |       |       |
| Physical arrests                         | 647                        | 737   | 630   | 494   | 522   |
| Street Sweeping Parking Citation         | 4,137                      | 3,766 | 3,776 | 5,774 | 5,887 |
| Fire: (in fiscal year) (2)               |                            |       |       |       |       |
| Number of emergency calls                | 2,594                      | 2,516 | 2,604 | 2,760 | 2,820 |
| Inspections                              | 1,202                      | 1,287 | 1,477 | 1,434 | 1,413 |
| Public works: (in fiscal year) (3)       |                            |       |       |       |       |
| Street resurfacing (miles)               | 12.0                       | 9.2   | 8.3   | 12.5  | 17.0  |
| Parks and recreation:(in fiscal year)(4) |                            |       |       |       |       |
| Number of recreation classes(5)          | 2,115                      | 2,096 | 2,082 | 2,623 | 2,591 |
| Number of facility rentals               | 4,147                      | 4,270 | 4,332 | 4,178 | 4,491 |

| Function                         | Fiscal Year Ended June 30, |       |       |       |       |
|----------------------------------|----------------------------|-------|-------|-------|-------|
|                                  | 2006                       | 2007  | 2008  | 2009  | 2010  |
| Police: (1)                      |                            |       |       |       |       |
| Physical arrests                 | 558                        | 582   | 543   | 591   | 700   |
| Street Sweeping Parking Citation | 5,790                      | 5,684 | 5,200 | 5,103 | 5,110 |
| Fire                             |                            |       |       |       |       |
| Number of emergency calls        | 2,592                      | 2,612 | 2,595 | 2,561 | 2,654 |
| Inspections                      | 837                        | 1,114 | 1,085 | 1,100 | 979   |
| Public works: (3)                |                            |       |       |       |       |
| Street resurfacing (miles)       | 16.8                       | 19.6  | 18.5  | 13.8  | 23.3  |
| Parks and recreation:(4)         |                            |       |       |       |       |
| Number of recreation classes     | 1,376                      | 1,558 | 1,569 | 1,315 | 2,456 |
| Number of facility rentals       | 4,305                      | 4,555 | 4,103 | 4,299 | 4,111 |

## 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  
Capital Asset Statistics by Function  
Last Ten Fiscal Years

| Function                           | Fiscal Year Ended June 30, |       |       |       |       |       |       |        |        |        |
|------------------------------------|----------------------------|-------|-------|-------|-------|-------|-------|--------|--------|--------|
|                                    | 2006                       | 2007  | 2008  | 2009  | 2010  | 2011  | 2012  | 2013   | 2014   | 2015   |
| Public safety (1)                  |                            |       |       |       |       |       |       |        |        |        |
| Police:                            |                            |       |       |       |       |       |       |        |        |        |
| Station                            | 1                          | 1     | 1     | 1     | 1     | 1     | 1     | 1      | 1      | 1      |
| Patrol units (all shifts combined) | 19                         | 19    | 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   | 128   | 128   | 129.4 | 129.4 | 129.4 | 129.4  | 129.4  | 129.4  |
| Streetlights                       | (a)                        | 233   | 233   | 233   | 294   | 294   | 294   | 294    | 294    | 294    |
| Traffic signals                    | (a)                        | 74    | 74    | 74    | 76    | 76    | 76    | 76     | 76     | 76     |
| Culture and recreation:(4)         |                            |       |       |       |       |       |       |        |        |        |
| Parks acreage (developed)          | 62.7                       | 62.7  | 62.7  | 62.7  | 62.7  | 63.6  | 67.9  | 67.9   | 68.8   | 68.8   |
| Parks acreage (undeveloped)        | 439.0                      | 439.0 | 439.0 | 439.4 | 439.4 | 440.3 | 440.3 | 440.3  | 440.3  | 440.3  |
| Parks                              | 11                         | 11    | 11    | 12    | 12    | 13    | 14    | 14     | 14     | 14     |
| 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)            | (a)                        | 157   | 157   | 157   | 158.4 | 158.4 | 158.4 | 161.21 | 161.21 | 161.21 |

(a) The City fully implemented the new reporting model of the Infrastructure Valuation and Asset Management System in accordance with GASB 34 in FY2007.

## 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.

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