City of Diamond Bar, California

Comprehensive Annual Financial Report

Year ending June 30, 2014

CITY OF DIAMOND BAR, CALIFORNIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED
JUNE 30, 2014

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, 2014

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City of Diamond Bar

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www.DiamondBarCA.gov

November 5, 2014

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, 2014. 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, 2014, 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, 2014, 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.

Carol Herrera
Mayor

Steve Tye
Mayor Pro Tem

Ling-Ling Chang
Council Member

Nancy A. Lyons
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. Funds are collected through property tax bills and are disbursed directly to the Los Angeles County Fire District 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 2013/14 saw meaningful 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 continued to improve. Homes have gained back

the value lost during the recession with most above pre-recession values. Property sales are maintaining the surge that began last year.

Fiscal year 2013/14 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 $2.2 million during FY 13/14 with the unassigned fund balance growing to $15.2 million and total General Fund reserves coming in at $19.8 million. These reserve figures represent 79.4% and 103.3%, respectively, of total General Fund expenditures.

The City's sales tax base continued to grow with an increase in revenue of 3.2% 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. The coming fiscal year promises to bring new, exciting and more diverse options for residents and businesses to "Shop Diamond Bar".

Home values also saw a significant rise during FY 2013/14. The largest revenue source in the City, Property Tax revenue, was up 5.6%. The City also saw a significant increase in home sales which is evidenced by an increase of 23.5% in Property Transfer Tax revenue.

Another sign that the local economy is continuing to recover is the increase in building permit activity. All categories of permits saw a healthy increase in revenue for an overall increase of 30.4% in building permit revenue. This is, in part, due to the development of the area commonly known as "Site D" or the "Willow Heights" housing development. FY 2013/14 saw the sale of land that the Walnut Valley School District owned, along with a small portion that the City owned. The Willow Heights housing development will include 182 dwelling units and a 2.5 acre public park. This is the first large-scale housing project constructed in the City during the last several years. FY 2014/15 will see the completion of 100 of the units with the remainder being completed in FY 2015/16.

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, 2013. 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 nineteen consecutive years (fiscal years ended 1995 through 2013). 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,

James DeStefano
City Manager

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Diamond Bar

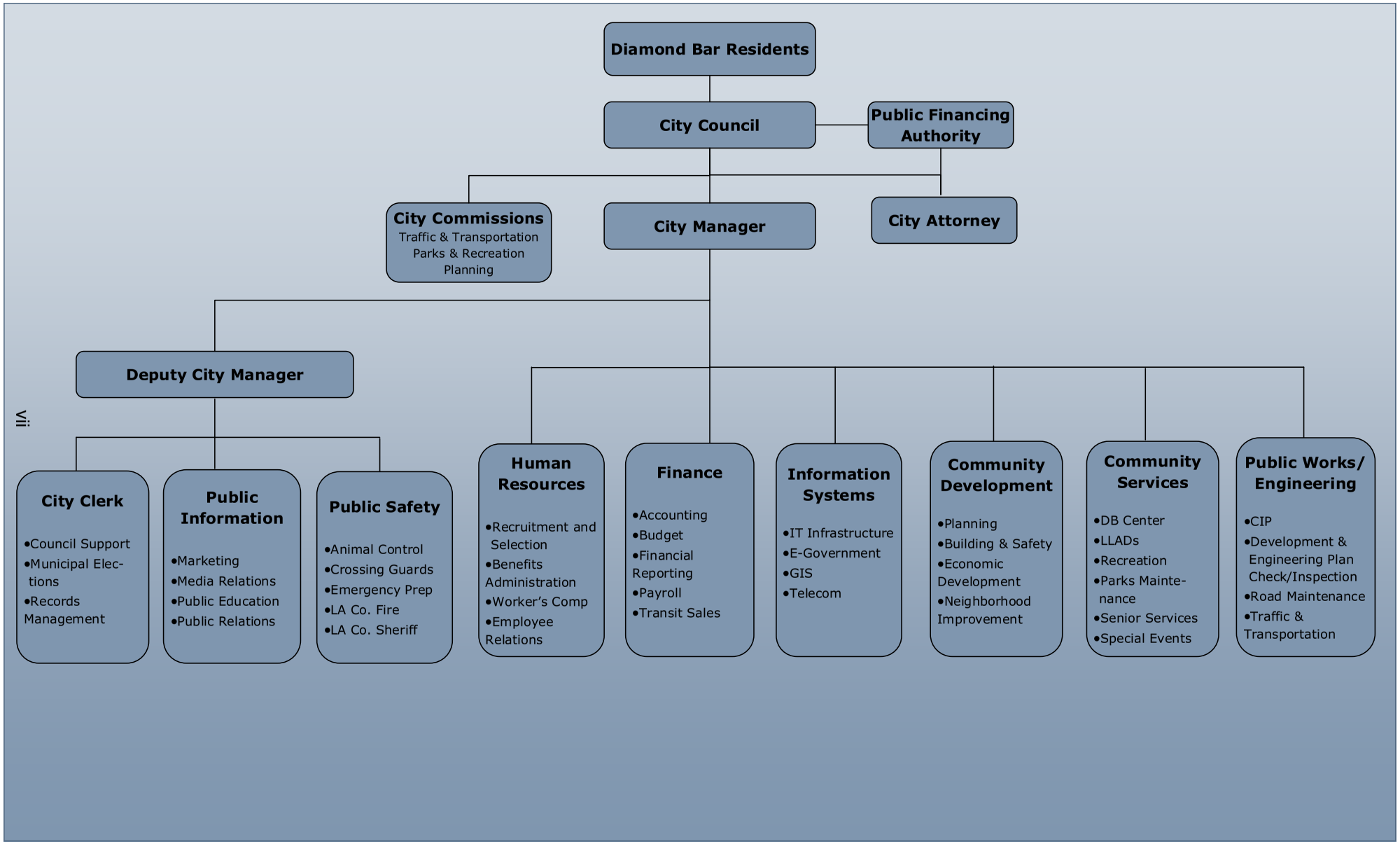
California

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2013

Jeffrey R. Emer

Executive Director/CEO


Diamond Bar Residents
City Council
Public Financing Authority
City Commissions
Traffic & Transportation
Parks & Recreation
Planning
City Manager
City Attorney
Deputy City Manager
City Clerk
•Council Support
•Municipal Elec-tions
•Records Management
Public Information
•Marketing
•Media Relations
•Public Education
•Public Relations
Public Safety
•Animal Control
•Crossing Guards
•Emergency Prep
•LA Co. Fire
•LA Co. Sheriff
Human Resources
•Recruitment and Selection
•Benefits Administration
•Worker's Comp
•Employee Relations
Finance
•Accounting
•Budget
•Financial Reporting
•Payroll
•Transit Sales
Information Systems
•IT Infrastructure
•E-Government
•GIS
•Telecom
Community Development
•Planning
•Building & Safety
•Economic Development
•Neighborhood Improvement
Community Services
•DB Center
•LLADs
•Recreation
•Parks Mainte-nance
•Senior Services
•Special Events
Public Works/ Engineering
•CIP
•Development & Engineering Plan Check/Inspection
•Road Maintenance
•Traffic & Transportation

CITY OF DIAMOND BAR

ELECTED AND ADMINISTRATIVE OFFICIALS

FISCAL YEAR 13-14

Mayor	Carol Herrera
Mayor Pro Tern	Steve Tye
Councilmember	Ling-Ling Chang
Councilmember	Jack Tanaka
Councilmember	Nancy J. Lyons
City Manager	James DeStefano
Deputy City Manager	Ryan McLean
City Clerk	Tommye Cribbins
Director of:	
Community Services	Bob Rose
Community Development	Greg Gubman
Finance	Dianna Honeywell
Information Systems	Ken Desforges
Public Works	David Liu

LSL
CERTIFIED PUBLIC ACCOUNTANTS
vpb A Division of LSL, CPAs
vilmure, peeler & boucher

• David E. Hale, CPA, CFP
• Donald G. Slater, CPA
• Richard K. Kikuchi, CPA
• Susan F. Matz, CPA
• Bryan S. Gruber, CPA
• Deborah A. Harper, CPA
• Gary A. Cates, CPA
• Michael D. Mangold, CPA
• David S. Myers, CPA

INDEPENDENT AUDITORS' REPORT

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

Report on 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, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

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, 2014, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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

Other Matters

Required Supplementary Information

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

Other Information

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

The combining and individual nonmajor fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. 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.

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 5, 2014 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.

Lance, Soll & Lunghard, LLP

Brea, California
November 5, 2014

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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, 2014. 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 $28,813,023.

- The total cost of all City programs equaled $32,814,380.

- The assets of the City of Diamond Bar exceeded its liabilities at the close of the fiscal year by $398,429,156 (*net position*). Of this amount, $20,894,700 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 $25,139,671, an increase of $2,192,162 in comparison with the prior year. Approximately $15.1 million of the $25.1 million is available for spending at the City's discretion.

- At the end of the current fiscal year, unrestricted fund balance for the general fund was $15,199,698, or 79.4% of the amount of general fund expenditures. The General Fund unassigned balance of $15.1 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 n*et position.* Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City of Diamond Bar is improving or deteriorating.

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

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

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

Fund financial statements – A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Diamond Bar, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into 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 $398,429,156 at the close of 2014. (see Table 1)

By far the largest portion of the City's net position (93 percent) 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

	Governmental Activities	
	2014	2013
Current and other assets	$30,963,679	$28,419,412
Capital assets	383,069,197	389,876,038
Total Assets	414,032,876	418,295,450
Long-term debt outstanding	12,003,205	12,301,447
Other Liabilities	3,600,515	3,563,490
Total Liabilities	15,603,720	15,864,937
Net position:		
Net investment in capital assets	372,068,596	378,511,311
Restricted	5,465,860	5,410,779
Unrestricted	20,894,700	18,508,423
Total Net Position	$398,429,156	$402,430,513

The City's net position decreased by $4,001,357. This decrease is primarily due to higher depreciation expense which reduces net position

At the end of fiscal year 2014 the City reports an increase of $2,386,277 in the unrestricted net position from the prior fiscal year. The City has continually expended its resources conservatively in anticipation of economic downturns and future capital needs which has resulted in being able to end the year with $20,894,700 in Unrestricted Net Position.

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

	2014	2013
Revenues:		
Program revenues:		
Charges for services	$7,218,940	$6,153,683
Operating grants and contributions	4,203,990	4,024,537
Capital grants and contributions	207,971	690,732
General Revenues		
Property taxes	4,307,077	4,080,273
Transient occupancy taxes	851,249	782,952
Sales Taxes	3,658,327	3,546,239
Franchise Taxes	1,393,584	1,465,666
Other taxes	471,455	333,250
Motor vehicle in lieu	4,862,100	4,659,994
Use of money & property	256,758	6,307
Other	52,891	533,475
Gain/(Loss) on Disposal of Capital Asset	1,328,681	(21,057)
Total revenues	28,813,023	26,256,051
Expenses:		
General Government	7,301,502	6,942,983
Public Safety	5,627,026	5,831,227
Highways and Streets	10,599,386	10,197,098
Community Development	2,346,073	1,980,646
Parks, Recreation and Culture	6,463,192	5,591,917
Interest and Fiscal Charges	477,201	487,369
Total expenses	32,814,380	31,031,240
Increase(Decrease) in net position	(4,001,357)	(4,775,189)
Net position - beginning	402,430,513	405,860,546
Restatement of Net Position	0	1,345,156
Net position - ending	$398,429,156	$402,430,513

Revenues

In the Statement of Activities, the City's total revenues were $28.8 million, while the total cost of all programs and services was $32.8 million. Revenues this fiscal year were 9.7% 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:

- As expected, Property Tax revenues were up 5.6% from FY12-13. The housing market continued to improve during FY 13-14 which afforded greater inflation/Proposition 13 based adjustments. Housing sales also continued to increase which allowed the County to increase overall assessed valuations by 5.47% during 2014 while Diamond Bar's assessed valuations were up by 5.6% during 2014.

- Transient Occupancy Taxes grew by 8.7% in FY 13-14 as the local economy stabilized and business and vacation travel continued to increase.

- The proceeds from the sale of the property commonly known as "Site D" where recognized this fiscal year. The City's portion of the proceeds were $2,282,406.

- Sales tax revenues were up about 3.2% due to continued improvement in the local economy.

- Investment Income increased by 14.6%, excluding the fair market value adjustment of $102,558, 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. With the Federal Reserve's stimulus plan beginning to ease in early 2014, rates began to rise slightly during FY 13/14. The Local Agency Investment Fund (LAIF) rate also started to show some improvement and ended the fiscal year near 0.25%. By the end of FY 13/14 the City's overall investment yield increased from 0.74% in FY 2012/13 to 0.87% in FY 2013/14.

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 $32.8 million which is us approximately $1.8 million, or 5.7% higher than the previous fiscal year. This increase was due in part to one time expenses reflected as follows:

- There was an increase in General Government expenses of approximately 5.2% this year. This was due primarily to filling vacant staff vacancies, a bi-annual election that took place during the fiscal year and the increased costs related to water and utilities.

- There was a decrease in Public Safety expenses of approximately 3.5% this year. This was due to the fact that the Community Relations Officer position was vacant for half of FY 2013/14 as well as a year-long vacancy of a motor officer.

- The Streets and Highways category was higher this year by a little over $400,000. This is due to an increase in the number of Capital Improvement projects completed during the fiscal year.

- Community Development expenses were higher in 2013/14 by $365,000. The increase reflects increase professional services required due to increased building activity during the year.

- Parks, Rec & Culture was up significantly ($871,275) due to higher operations costs for utilities and more capital projects being completed compared to last 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, 2014, the City of Diamond Bar's governmental funds reported combined ending fund balances of $25,139,671, an increase of $2,192,162 in comparison with the prior year. Approximately 60.1% of this amount ($15,111,059) 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 ($62,752), 2) restricted for particular purposes ($5,465,860) 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 $15,199,698, while the total fund balance was $19,762,450. 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 79.4% of total general fund expenditures, while total fund balance represents 103.3% 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 $2,225,734.

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

- General Fund revenues were up significantly ($1,407,675 or 7.5%) from FY12/13. The largest increase was in the Intergovernmental category. This was due to the sale of Proposition A Funds to the City of Industry in exchange for General Fund money. This transaction exchanges restricted funds for discretionary funds which the City may use to administer its many different programs.

- The Taxes category also had a significant increase, primarily due to an increase in property tax, sales tax and franchise tax revenues.

- Permit revenue was also up due to increased volume in building activity.

- For the past few years the City has been struggling with three landscape and lighting assessment districts which continue to see rising utility and maintenance costs. The assessments for these districts have not been adjusted to keep up with the cost of maintaining these districts. This year's subsidy is at an all-time high of nearly $200,000. The general fund has continued to subsidize these districts while the City Council considers various options to make these districts self sustaining.

- Costs were higher this year in the General Fund by $1,065,062 (5.9%) as compared to last year due to overall increases in operating expenditures, utilities and professional services.

- 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 aides the City in containing costs.

General Fund Budgetary Highlights

Original revenue budget projections were increased during the year by 4.9% to reflect the improvement in the local economy and an increase in tax revenues coupled with increased building activity. The actual revenue came in higher than anticipated by $1.6 million. This is due primarily to the fact that the sale of the property commonly referred to as "Site D" was sold during the year but not budgeted. 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 $3,792,434 or 17.7% from the original budget to the amended budget. The final expenditures actually came in $3,462,216 less than the amended budget due 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, 2014, amounts to $383,069,197 (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)

	2014	2013
Land	$5,633,624	$6,587,349
Right of Way	265,614,104	265,614,104
Buildings and Improvements	22,777,534	24,719,493
Furniture and Fixtures	798,058	960,421
Vehicles & Equipment	953,119	829,352
Infrastructure	86,624,556	90,757,435
Construction in Progress	668,202	407,884
	$383,069,197	$389,876,038

The City's capital assets decreased in value $6,806,841 during FY13/14. This decrease was due, in part, to the sale of land known as "Site D" for the new housing development known as Willow Heights. The remainder of the decrease was due to depreciation expense.

Construction in progress at the end of the year included ten projects in various stages of design or construction. The ten projects equaling $668,202 include street rehabilitation projects, traffic mitigation projects, a median modification project and a trail project.

Additional information on the City's capital assets can be found in note 5.

Long-term debt – At the end of the current fiscal year, the City of Diamond Bar's total long-term debt equaled $12,003,205. Of this amount $369,104 is the City's Net OPEB obligation. At this time the City is using a pay as you go methodology for funding its OPEB. The City's long-term debt includes the net OPEB obligation which is the difference between the amounts paid on the pay as you go basis versus the actuarially computed Annual Required Contribution. The following table shows the breakdown of the long-term debt outstanding:

Outstanding Long Term Debt at Year-end

Variable Rate Lease Revenue Bonds (backed by the Public Financing Authority)	$	10,785,000
Unamortized Bond Premium		215,601
CJPIA General Liability Deposit		67,148
Compensated Absences		566,352
Net OPEB Obligation		369,104
	$	12,003,205

See footnote 6 for additional information on the City's long-term liabilities as of June 30, 2014.

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 2014/2015 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 14/15 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.

CITY OF DIAMOND BAR

STATEMENT OF NET POSITION
JUNE 30, 2014

	Governmental Activities
Assets:	
Cash and investments	$ 28,517,404
Receivables:	
Accounts	519,085
Notes and loans	362,009
Accrued interest	45,873
Prepaid costs	64,125
Due from other governments	1,437,555
Restricted assets:	
Cash with fiscal agent	15,004
Due from employees	2,624
Capital assets not being depreciated	271,915,930
Capital assets, net of depreciation	111,153,267
Total Assets	**414,032,876**
Liabilities:	
Accounts payable	1,580,979
Accrued liabilities	382,946
Accrued interest	37,914
Unearned revenue	8,417
Deposits payable	1,228,250
Due to other governments	362,009
Noncurrent liabilities:	
Due within one year	796,539
Due in more than one year	11,206,666
Total Liabilities	**15,603,720**
Net Position:	
Net investment in capital assets	372,068,596
Restricted for:	
Community development projects	1,174,082
Public safety	140,747
Public works	4,015,113
Capital projects	135,914
Debt service	4
Unrestricted	20,894,700
Total Net Position	**$ 398,429,156**

See Notes to Financial Statements

CITY OF DIAMOND BAR

STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2014

		Program Revenues			Net (Expenses) Revenue and Changes in Net Position
	Expenses	Charges for Services	Operating Contributions and Grants	Capital Contributions and Grants	Governmental Activities
Functions/Programs					
Primary Government:					
Governmental Activities:					
General government	$ 7,301,502	$ 770,908	$ -	$ -	$ (6,530,594)
Public safety	5,627,026	1,424,984	101,552	-	(4,100,490)
Community development	2,346,073	547,118	283,997	-	(1,514,958)
Parks, recreation and culture	6,463,192	1,804,189	85,935	99	(4,572,969)
Highways and Streets	10,599,386	2,671,741	3,732,506	207,872	(3,987,267)
Interest on long-term debt	477,201	-	-	-	(477,201)
Total Primary Government	**$ 32,814,380**	**$ 7,218,940**	**$ 4,203,990**	**$ 207,971**	**(21,183,479)**

General Revenues:	
Taxes:	
Property taxes, levied for general purpose	4,307,077
Transient occupancy taxes	851,249
Sales taxes	3,658,327
Franchise taxes	1,393,584
Other taxes	471,455
Motor vehicle in lieu - unrestricted	4,862,100
Use of money and property	256,758
Other	52,891
Gain on disposal of capital asset	1,328,681
Total General Revenues	**17,182,122**
Change in Net Position	(4,001,357)
Net Position at Beginning of Year	402,430,513
Net Position at End of Year	**$ 398,429,156**

See Notes to Financial Statements

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

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2014

	General	Other Governmental Funds	Total Governmental Funds
Assets:			
Pooled cash and investments	$ 21,330,524	$ 5,474,042	$ 26,804,566
Receivables:			
Accounts	341,012	176,916	517,928
Notes and loans	-	362,009	362,009
Accrued interest	45,873	-	45,873
Prepaid costs	62,752	-	62,752
Due from other governments	977,190	460,365	1,437,555
Due from other funds	6,570	-	6,570
Due from employees	2,624	-	2,624
Restricted assets:			
Cash and investments with fiscal agents	15,000	4	15,004
Total Assets	**$ 22,781,545**	**$ 6,473,336**	**$ 29,254,881**
Liabilities, Deferred Inflows of Resources, and Fund Balances:			
Liabilities:			
Accounts payable	$ 1,020,146	$ 543,888	$ 1,564,034
Accrued liabilities	364,856	18,090	382,946
Unearned revenues	-	8,417	8,417
Deposits payable	1,228,250	-	1,228,250
Due to other governments	-	362,009	362,009
Due to other funds	-	6,570	6,570
Total Liabilities	**2,613,252**	**938,974**	**3,552,226**
Deferred Inflows of Resources:			
Unavailable revenues	405,843	157,141	562,984
Total Deferred Inflows of Resources	**405,843**	**157,141**	**562,984**
Fund Balances:			
Nonspendable:			
Prepaid costs	62,752	-	62,752
Restricted for:			
Community development projects	-	1,174,082	1,174,082
Public safety	-	140,747	140,747
Highways and streets	-	4,015,113	4,015,113
Capital Projects	-	135,914	135,914
Debt service	-	4	4
Assigned to:			
Emergency contingencies	4,500,000	-	4,500,000
Unassigned	15,199,698	(88,639)	15,111,059
Total Fund Balances	**19,762,450**	**5,377,221**	**25,139,671**
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	**$ 22,781,545**	**$ 6,473,336**	**$ 29,254,881**

See Notes to Financial Statements

CITY OF DIAMOND BAR

RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2014

Fund balances of governmental funds		$ 25,139,671
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.		382,530,131
Long-term debt and compensated absences that have not been included in the governmental fund activity:		
Bonds payable	$ (10,785,000)	
Unamortized bond premiums/discounts	(215,601)	
CJPIA deposit payable	(67,148)	
Compensated Absences	(566,352)	
Other post employment benefit obligation	(369,104)	(12,003,205)
Accrued interest payable for the current portion of interest due on Bonds has not been reported in the governmental funds.		(37,914)
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.		562,984
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.		2,237,489
Net Position of governmental activities		**$ 398,429,156**

See Notes to Financial Statements

CITY OF DIAMOND BAR

STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2014

	General	Other Governmental Funds	Total Governmental Funds
Revenues:			
Taxes	$ 10,638,609	$ 549,402	$ 11,188,011
Licenses and permits	1,421,921	120,844	1,542,765
Intergovernmental	5,462,100	4,819,885	10,281,985
Charges for services	1,805,093	1,516,790	3,321,883
Use of money and property	241,713	40,039	281,752
Fines and forfeitures	582,844	-	582,844
Miscellaneous	85,558	-	85,558
Total Revenues	**20,237,838**	**7,046,960**	**27,284,798**
Expenditures:			
Current:			
General government	4,313,821	801,500	5,115,321
Public safety	5,595,720	6,301	5,602,021
Community development	1,639,782	585,865	2,225,647
Parks and recreation	4,302,114	104,840	4,406,954
Public works	2,744,553	2,954,212	5,698,765
Capital outlay	542,191	1,976,426	2,518,617
Debt service:			
Principal retirement	-	350,000	350,000
Interest and fiscal charges	-	492,159	492,159
Total Expenditures	**19,138,181**	**7,271,303**	**26,409,484**
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,099,657	(224,343)	875,314
Other Financing Sources (Uses):			
Transfers in	1,426,112	3,430,616	4,856,728
Transfers out	(2,582,441)	(3,239,845)	(5,822,286)
Proceeds from sale of capital asset	2,282,406	-	2,282,406
Total Other Financing Sources (Uses)	**1,126,077**	**190,771**	**1,316,848**
Net Change in Fund Balances	2,225,734	(33,572)	2,192,162
Fund Balances, Beginning of Year	17,536,716	5,410,793	22,947,509
Fund Balances, End of Year	**$ 19,762,450**	**$ 5,377,221**	**$ 25,139,671**

See Notes to Financial Statements

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, 2014

Net change in fund balances - total governmental funds		$ 2,192,162
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	$ 1,287,625	
Depreciation Expense	(7,322,367)	
Proceeds of capital assets	(2,282,406)	
Gain on disposal of capital assets	1,321,383	(6,995,765)
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	350,000	
Amortization of bond premium	14,126	
CJPIA General Liability Cumulative Deposit	(67,148)	
Other post employment benefit obligation	(62,417)	
Compensated Absences	(24,917)	209,644
Accrued interest for long-term liabilities. This is the net change in accrued interest for the current period.		832
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.		190,973
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.		400,797
Change in net position of governmental activities		**$ (4,001,357)**

CITY OF DIAMOND BAR

BUDGETARY COMPARISON STATEMENT
GENERAL FUND
YEAR ENDED JUNE 30, 2014

	Budget Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Budgetary Fund Balance, July 1	$ 17,536,716	$ 17,536,716	$ 17,536,716	$ -
Resources (Inflows):				
Taxes	10,177,990	10,395,087	10,638,609	243,522
Licenses and permits	1,126,964	1,387,464	1,421,921	34,457
Intergovernmental	5,041,544	5,436,214	5,462,100	25,886
Charges for services	1,726,736	1,776,736	1,805,093	28,357
Use of money and property	150,000	137,500	241,713	104,213
Fines and forfeitures	520,000	535,900	582,844	46,944
Miscellaneous	223,000	223,200	85,558	(137,642)
Transfers in	1,502,100	2,448,536	1,426,112	(1,022,424)
Proceeds from sale of capital asset	-	-	2,282,406	2,282,406
Amounts Available for Appropriation	**38,005,050**	**39,877,353**	**41,483,072**	**1,605,719**
Charges to Appropriation (Outflow):				
General government				
City Council	181,609	181,609	155,373	26,236
City Attorney	320,000	295,000	206,848	88,152
City Manager/Clerk	1,125,627	1,117,128	962,213	154,915
Finance	538,253	497,253	484,765	12,488
Human resources	289,621	281,121	256,268	24,853
Information systems	830,225	858,725	848,228	10,497
General government	355,998	361,998	329,149	32,849
Public information	572,715	636,315	620,600	15,715
Civic Center	404,007	479,813	450,377	29,436
Subtotal general government	4,618,055	4,708,962	4,313,821	395,141
Public safety				
Law Enforcement	5,917,736	5,946,736	5,414,082	532,654
Fire Protection	7,500	7,500	7,359	141
Animal Control	134,667	134,667	120,487	14,180
Emergency preparedness	60,640	60,640	53,792	6,848
Subtotal public safety	6,120,543	6,149,543	5,595,720	553,823
Community development				
Comm. Dev. & Pl. Adm.	649,054	729,348	602,640	126,708
Building and Safety	482,900	553,900	562,460	(8,560)
Neigh. Imprv.	311,832	311,832	301,225	10,607
Eco. Devel.	317,372	368,822	173,457	195,365
Subtotal community development	1,761,158	1,963,902	1,639,782	324,120
Parks, recreation, and culture				
Comm. Srvcs. Adm.	399,569	410,069	401,630	8,439
Diamond Bar Ctr.	853,989	981,549	962,334	19,215
Park Operations	1,096,687	1,138,027	1,162,593	(24,566)
Recreation	1,796,943	1,858,762	1,775,557	83,205
Subtotal parks, recreation, and culture	4,147,188	4,388,407	4,302,114	86,293
Highways and streets				
Public Works	684,694	758,670	646,299	112,371
Engineering	381,906	467,922	416,948	50,974
Road Maint.	1,247,904	1,525,622	1,345,143	180,479
Landscape Maint.	363,375	363,375	336,163	27,212
Subtotal highways and streets	2,677,879	3,115,589	2,744,553	371,036
Capital outlay	359,750	686,981	542,191	144,790
Transfers out	1,705,831	4,169,454	2,582,441	1,587,013
Total Charges to Appropriations	**21,390,404**	**25,182,838**	**21,720,622**	**3,462,216**
Budgetary Fund Balance, June 30	**$ 16,614,646**	**$ 14,694,515**	**$ 19,762,450**	**$ 5,067,935**

See Notes to Financial Statements

CITY OF DIAMOND BAR

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2014

	Governmental Activities- Internal Service Funds
Assets:	
Current:	
Cash and investments	$ 1,712,838
Receivables:	
Accounts	1,157
Prepaid costs	1,373
Total Current Assets	**1,715,368**
Noncurrent:	
Capital assets - net of accumulated depreciation	539,066
Total Noncurrent Assets	**539,066**
Total Assets	**$ 2,254,434**
Liabilities and Net Position:	
Liabilities:	
Current:	
Accounts payable	$ 16,945
Total Liabilities	**16,945**
Net Position:	
Investment in capital assets	539,066
Unrestricted	1,698,423
Total Net Position	**2,237,489**
Total Liabilities and Net Position	**$ 2,254,434**

See Notes to Financial Statements

CITY OF DIAMOND BAR

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION PROPRIETARY FUNDS YEAR ENDED JUNE 30, 2014

	Governmental Activities- Internal Service Funds
Operating Revenues:	
Sales and service charges	$ 9,950
Total Operating Revenues	**9,950**
Operating Expenses:	
Insurance Premiums	344,325
Equipment repair and maintenance	184,874
Depreciation expense	54,083
Total Operating Expenses	**583,282**
Operating Income (Loss)	(573,332)
Nonoperating Revenues (Expenses):	
Interest revenue	8,571
Total Nonoperating Revenues (Expenses)	**8,571**
Income (Loss) Before Transfers	(564,761)
Transfers in	965,558
Changes in Net Position	400,797
Net Position:	
Beginning of Year	1,836,692
End of Fiscal Year	**$ 2,237,489**

See Notes to Financial Statements

CITY OF DIAMOND BAR

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2014

	Governmental Activities- Internal Service Funds
Cash Flows from Operating Activities:	
Insurance Premiums (paid)/refund received	$ (432,923)
Payments to suppliers	(204,715)
Cash received from (payments to) others	24,423
Net Cash Provided (Used) by Operating Activities	**(613,215)**
Cash Flows from Non-Capital Financing Activities:	
Cash transfers in	965,558
Net Cash Provided (Used) by Non-Capital Financing Activities	**965,558**
Cash Flows from Capital and Related Financing Activities:	
Acquisition and construction of capital assets	(243,007)
Net Cash Provided (Used) by Capital and Related Financing Activities	**(243,007)**
Cash Flows from Investing Activities:	
Interest received	8,571
Net Cash Provided (Used) by Investing Activities	**8,571**
Net Increase (Decrease) in Cash and Cash Equivalents	**117,907**
Cash and Cash Equivalents at Beginning of Year	1,594,931
Cash and Cash Equivalents at End of Year	**$ 1,712,838**
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:	
Operating income (loss)	$ (573,332)
Adjustments to reconcile operating income (loss) net cash provided (used) by operating activities:	
Depreciation	54,083
(Increase) decrease in accounts receivable	14,473
Increase (decrease) in accounts payable	(19,841)
Increase (decrease) in retrospective deposit payable	(88,598)
Total Adjustments	**(39,883)**
Net Cash Provided (Used) by Operating Activities	**$ (613,215)**

See Notes to Financial Statements

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

Special Revenue Funds have are used for specific revenue sources that have restricted uses for special purposes.

Capital Project Funds are used to account for the financial resources used for the acquisition and construction of capital assets and/or projects.

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 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. In the fiscal year ended June 30, 2014, the City, with the assistance of an outside consultant, valued and recorded its public domain assets acquired prior to July 1, 2002. The City now has all of its infrastructure asset data valued and recorded in its entirety as of June 30, 2014.

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.

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 only one type of item, which arises only

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

under a 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.

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.

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.

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

l. 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
	February 1 - 2nd installment
Collection dates	December 10 - 1st installment
	April 10 - 2nd installment
Delinquent dates	December 11 - 1st installment
	April 11 - 2nd installment

m. 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.

n. 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

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

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.

The City implemented GASB Statement 65, *Items Previously Reported as Assets and Liabilities*. GASB 65, among other things, amends prior guidance with respect to the treatment of debt issuance costs. Debt issuance costs should be recognized in the period incurred rather than reported on the statement of net position as deferred charges and recognized systematically over the life of the debt.

Note 2: 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).

b. At June 30, 2014, the following funds had deficit fund balances:

Other Governmental Funds:	
Capital Improvement Fund	$ 88,639

Note 3: Cash and Investments

Cash and Investments

Cash and investments at June 30, 2014, consisted of the following:

Statement of Net Position:		
Cash and investments	$	28,517,404
Cash and investments with fiscal agents		15,004
	$	28,532,408

Cash and investments held by the City at June 30, 2014, consisted of the following:

Imprest cash on hand	$	1,750
Demand deposits		1,508,304
Investments:		
United States Government Sponsored Enterprise Securities		11,458,390
Certificates of Deposit		7,213,395
Local Agency Investment Fund		8,335,565
Held by fiscal agents:		
Escrow deposits		15,000
Money Market Mutual Funds		4
	$	28,532,408

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.

Note 3: 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

Note 3: 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:

	Remaining Maturity (in Months)			
Investment Type	12 Months or Less	1 - 3 years	3 - 5 years	Total
US Government Sponsored Securities	$ 1,487,865	$ 3,489,839	$ 6,480,686	$ 11,458,390
Certificate of Deposits	746,075	2,746,346	3,720,974	7,213,395
Local Agency Investment Fund (LAIF)	8,335,565	-	-	8,335,565
Held by Fiscal Agents:				
Lawyers Title Co. - Escrow Deposit	15,000	-	-	15,000
Money Market Mutual Funds	4	-	-	4
	$ 10,584,509	$ 6,236,185	$ 10,201,660	$ 27,022,354

Disclosures Relating to Credit Risk

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

Investment Type	Total as of June 30,2014	Aaa	Unrated
US Government Sponsored Securities	$ 11,458,390	$ 11,458,390	$ -
Certificate of Deposits	7,213,395	7,213,395	-
Local Agency Investment Fund (LAIF)	8,335,565	-	8,335,565
Held by Fiscal Agents:			
Lawyers Title Co. - Escrow Deposit	15,000		15,000
Money Market Mutual Funds	4	-	4
Total	$ 27,022,354	$ 18,671,785	$ 8,350,569

Note 3: 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, 2014, 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 4: Interfund Transfers and Due To/From Other Funds

Transfers In	Transfer Out	Amount
General Fund	Other Governmental Funds	$ 1,426,112
Other Governmental Funds	General Fund	1,616,883
Other Governmental Funds	Other Governmental Funds	1,813,733
Internal Service Funds	General Fund	965,558
		$ 5,822,286

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

Note 4: Interfund Transfers and Due To/From Other Funds (Continued)

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 General Fund to the Internal Service Funds were made to fund the self-insurance, equipment replacement, computer equipment replacement and building facility maintenance.

Due from other funds	Due to other funds	Amount
General Fund	Other Governmental Funds	$ 6,570
		$ 6,570

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 5: Capital Assets

A summary of changes in the Governmental Activities capital assets at June 30, 2014, is as follows:

	Balance at July 1, 2013	Transfers	Additions	Deletions	Balance at June 30, 2014
Capital assets not being depreciated:					
Land	$ 6,587,349	$ -	$ -	$ 953,725	$ 5,633,624
Right of way	265,614,104	-	-	-	265,614,104
Construction in progress	407,884	(550,359)	810,677	-	668,202
Total Capital Assets Not being Depreciated	272,609,337	(550,359)	810,677	953,725	271,915,930
Capital assets being depreciated:					
Buildings and improvements	40,639,225	-	319,081	-	40,958,306
Furniture and fixtures	1,428,111	-	117,653	8,035	1,537,729
Vehicles and equipment	2,244,135	-	283,221	99,455	2,427,901
Infrastructure	190,096,216	550,359	-	1,292	190,645,283
Total Capital Assets being Depreciated	234,407,687	550,359	719,955	108,782	235,569,219
Less accumulated depreciation for:					
Buildings and improvements	15,919,732	-	2,261,040	-	18,180,772
Furniture and fixtures	467,690	-	280,016	8,035	739,671
Vehicles and equipment	1,414,783	-	153,448	93,449	1,474,782
Infrastructure	99,338,781	-	4,681,946	-	104,020,727
Total Accumulated Depreciation	117,140,986	-	7,376,450	101,484	124,415,952
Total Capital Assets Being Depreciated, Net	117,266,701	550,359	(6,656,495)	7,298	111,153,267
Governmental Activities Capital Assets, Net	$ 389,876,038	$ -	$ (5,845,818)	$ 961,023	$ 383,069,197

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

General government	$ 701,915
Public safety	14,443
Highways and streets	4,776,140
Parks, recreation and culture	1,829,869
Internal Service Funds depreciation charges to program	54,083
	$ 7,376,450

Note 6: Long-Term Liabilities

Long-term liability activity for the year ended June 30, 2014, was as follows:

	Balance July 1, 2013	Additions	Deletions	Balance at June 30, 2014	Due Within One Year
Bonds payable					
Revenue Bonds	$ 11,135,000	$ -	$ 350,000	$ 10,785,000	$ 365,000
CJPIA General Liability Cumulative Deposit Payable	88,598	-	21,450	67,148	-
Compensated absences	541,435	437,470	412,553	566,352	431,539
Net OPEB obligation (Note 10)	306,687	70,389	7,972	369,104	-
Total	$ 12,071,720	$ 507,859	$ 791,975	11,787,604	$ 796,539
Net unamortized bond premium				215,601	
Net Long-Term Debt				$ 12,003,205	

Bonds Payable

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

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

Credit Risk

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

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

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

Note 6: Long-Term Liabilities (Continued)

Payments and Associated Debt

As of June 30, 2014, 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.

	Fixed Rate Debt		
Year Ending June 30	Principal	Interest	Total
2015	$ 365,000	$ 478,406	$ 843,406
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
2020-2024	2,535,000	1,763,181	4,298,181
2025-2029	3,195,000	1,151,413	4,346,413
2030-2034	3,045,000	361,788	3,406,788
Totals	$ 10,785,000	$ 5,528,962	$ 16,313,962

Compensated Absences

The City's policies relating to compensated absences are described in Note 1. This liability, amounting to $566,352 at June 30, 2014, is expected to be paid in future years from future resources, typically liquidated from the General Fund.

Note 7: 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, 2014, had a retrospective deposit due of $67,148 related to the Workers' Compensation program.

Optional Payment Plans

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.

Note 7: CJPIA Retrospective Deposit Liability (Continued)

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.

Note 8: 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 119 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.

a. Self-Insurance Programs of the Authority

Each member pays an annual contribution to cover estimated losses for the coverage period. This initial funding is paid at the beginning of the coverage period. After the close of the coverage period, outstanding claims are valued. A retrospective deposit computation is then conducted annually thereafter until all claims incurred during the coverage period 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.

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.

<u>Liability</u>

With respect to the liability program, claims are pooled separately between police and non-police 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

Note 8: Liability, Property and Workers' Compensation Protection (Continued)

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 in excess of $750,000 up to the reinsurance attachment point of $5 million are distributed based on the outcome of cost allocation within the first and second loss layers. (5) Costs of covered claims from $5 million to $10 million are paid under a reinsurance contract subject to a $2.5 million annual aggregate deductible. The $2.5 million annual aggregate deductible is fully covered under a separate policy; as such no portion of it is retained by the Authority. Costs of covered claims from $10 million to $15 million are paid under two reinsurance contracts subject to a combined $3 million annual aggregate deductible. The $3.0 million annual aggregate deductible is fully retained by the Authority. (6) Costs of covered claims from $15 million to $20 million are paid under reinsurance agreements. (7) Costs of covered claims from $20 million to $50 million are paid under excess insurance policies.

The overall coverage limit for each member including all layers of coverage is $50 million per occurrence.

Costs of covered claims for subsidence losses are paid by reinsurance and excess insurance with a pooled sub-limit of $30 million per occurrence. This $30 million subsidence sub-limit is composed of (a) $5 million retained within the pool's SIR, (b) $15 million in reinsurance, subject to the same annual aggregate deductibles previously stated, and (c) $10 million in excess insurance. The excess insurance layer has a $10 million annual aggregate limit.

Workers' Compensation

In the workers' compensation program claims are pooled separately between public safety (police and fire) and non-public safety exposures. (1) The payroll of each member is evaluated relative to the payroll of other members. A variable credibility factor is determined for each member, which establishes the weight applied to payroll and the weight applied to losses within the formula. (2) The first layer of losses includes incurred costs up to $50,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the first layer. (3) The second layer of losses includes incurred costs from $50,000 to $100,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the second layer. (4) Incurred costs in excess of $100,000 up to the reinsurance attachment point of $2 million are distributed based on the outcome of cost allocation within the first and second loss layers. (5) Costs of covered claims from $2 million up to statutory limits are paid under a reinsurance policy. Protection is provided per statutory liability 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 (formerly called environmental insurance) which is available through the Authority. The

Note 8: Liability, Property and Workers' Compensation Protection (Continued)

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, 2011 through July 1, 2014. Each member of the Authority has a $10 million sub-limit 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 $33,506,528. 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 2013-14.

The aforementioned information is not included in the accompanying financial statements. Complete financial statements for the Authority may be obtained at their administrative office located at 8081 Moody Street, La Palma, California 90623.

Note 9: Pension Plan

Plan Description

The City of Diamond Bar participates in the Miscellaneous 2% at 55 Risk Pool of the California Public Employee's Retirement System (PERS), a cost-sharing, multiple-employer defined benefit pension plan administered by PERS. PERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions and all other requirements are established by State statue and District ordinance. Copies of the PERS' annual financial report may be obtained from the

Note 9: Pension Plan (Continued)

PERS Executive Office 400 P Street, Sacramento, California 95814.

Funding Policy

The contribution requirements of the plan members are established by State statute and the employer contribution rate is established and may be amended by PERS. Active City employees are required to contribute 7% of their annual covered salary to PERS. The City makes the contributions required of City employees on their behalf and for their account usually using available resources in the general fund. The City is required to contribute the actuarially determined remaining amounts necessary to fund the benefits for its members. The current rate is 10.282% of covered payroll. The City's contributions to CalPERS for the years ending June 30, 2014, 2013 and 2012, were 418,370, $394,659 and $445,185 respectively and were equal to the required contribution for each year.

Plan Description

In connection with the retirement benefits for employees described in Note 10, the City provides post-retirement health care benefits to retirees through the California Public Employees' Retirement System Health Benefits program (the PERS Health program). The program is an agent multiple-employer defined benefit health care plan that provides healthcare insurance for eligible retirees, through the City's group plans, which cover both active and retired employees. Employees become eligible to retire and receive City-paid healthcare benefits upon attainment of age 50 and 5 years of covered PERS service, or by qualifying disability retirement status. Retired employees over the age of 65 must join one of the supplemental (Medicare-coordinated) options under the PERS Health Program. Benefits are paid for the lifetime of the retiree. Benefit provisions are established by city ordinance which references state statutes (the Public Employee Medical and Hospital Care Act). The PERS Health Program does not issue a publicly available financial report.

Public Employees' Pension Reform Act – PEPRA

Assembly Bill (AB) 340 created the Public Employees' Pension Reform Act (PEPRA) that implemented new benefit formulas and final compensation period, as well as new contribution requirements for employees hired on or after January 1, 2013 who meet the definition of new member as per PEPRA. New miscellaneous members will participate in the Miscellaneous 2% at age 62 risk pool that was created by the CalPERS Board in November 2012 in response to the passage of PEPRA. The employer contribution rate is 6.25% of reportable compensation and will be good until June 30, 2015. This rate will not be revised until the June 30, 2014, actuarial valuation of the Miscellaneous 2% at the 62 risk pool is completed in the fall of 2014 that will set the contribution requirement for fiscal year July 1, 2015 through June 30, 2016. The member contribution rate is 6.25% of reportable compensation.

Note 10: 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.

Note 10: Postemployment Benefits Other than Pensions (Continued)

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, 2014, the City paid $7,972 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 (in thousands):

Annual required contribution	$ 79,497
Interest on net OPEB obligation	6,134
Adjustment to annual required contribution	(15,242)
Annual OPEB cost (expense)	70,389
Contributions made	7,972
Increase in net OPEB obligation	62,417
Net OPEB obligation - beginning of year	306,687
Net OPEB obligation - end of year	$ 369,104

Three-Year Trend Information

For fiscal year 2014, the City's annual OPEB cost (expense) $70,389 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 Ended	Annual OPEB Costs	Actual Contributions	Percentage of Annual OPEB Costs Contributed	Net OPEB Obligation
6/30/12	$ 74,774	$ 7,512	10.05%	$ 242,233
6/30/13	72,644	8,190	11.27%	306,687
6/30/14	70,389	7,972	11.33%	369,104

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.

Note 10: Postemployment Benefits Other than Pensions (Continued)

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	7/1/2008	$ -	$ 402,007	0.0%	$ 3,936,516	10.99%	5.00%
Actual	7/1/2011	-	502,013	0.0%	3,959,573	12.68%	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, 2011, actuarial valuation, the projected unit credit method was used. The actuarial assumptions included a discount rate of 7.5% per annum, inflation rate of 2.75% a rate of return on assets of 5.0% per annum and a healthcare cost trend rate of 8.0% initially, reduced by annual decrements of 1.0% to an ultimate rate of 5.0% after three years. The City's unfunded actuarial accrued liability will be amortized as a level dollar over an open period of 30 years.

Note 11: Classification of Net Position and Fund Balance

Details of the fund balance classifications at June 30, 2014, are as follows:

Restricted for Community Development Projects:	
Integrated Waste Management	$ 1,148,363
Park and Facility Development	25,717
CDBG	2
Total	**1,174,082**
Restricted for Public Safety:	
COPS	104,671
CLEEP	36,076
Total	**140,747**
Restricted for Public Works:	
State Gas Tax	900,470
Proposition A Transit	302,470
Proposition C Transit	1,064,342
Traffic Improvement	742,829
Measure R Local Return	903,259
Transportation Grant	363
Waste Hauler	101,380
Total	**4,015,113**
Restricted for Capital Projects:	
Air Quality Improvement	135,914
Total	**135,914**
Restricted for Debt Service:	**4**
Total Restricted Funds	**$ 5,465,860**

Note 12: Contingencies

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

Note 13: Construction Commitments

The following material construction commitments existed at June 30, 2014:

Project Name	Expenditures as of June 30, 2014	Remaining Commitments
Park Improvements	$ 127,101	$ 763,612
Street Improvements	69,985	2,290,072
Transportation Infrastructure	110,436	789,754
Traffic Management Improvements	34,071	375,929
Miscellaneous Improvements	101,490	955,802
	$ 443,083	$ 5,175,169

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CITY OF DIAMOND BAR

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2014

	Special Revenue Funds			
	State Gas Tax Fund	**Proposition A Transit Fund**	**Proposition C Transit Fund**	**Transportation Grant Fund**
Assets:				
Pooled cash and investments	$ 720,015	$ 495,000	$ 1,045,982	$ 363
Receivables:				
Accounts	-	-	-	-
Notes and loans	-	-	-	-
Due from other governments	180,455	-	71,682	-
Restricted assets:				
Cash and investments with fiscal agents	-	-	-	-
Total Assets	**$ 900,470**	**$ 495,000**	**$ 1,117,664**	**$ 363**
Liabilities and Fund Balances:				
Liabilities:				
Accounts payable	$ -	$ 190,261	$ 46,008	$ -
Accrued liabilities	-	2,269	7,314	-
Unearned revenues	-	-	-	-
Due to other governments	-	-	-	-
Due to other funds	-	-	-	-
Accrued interest	-	-	-	-
Total Liabilities	**-**	**192,530**	**53,322**	**-**
Deferred Inflows of Resources:				
Unavailable revenues	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-
Fund Balances:				
Restricted for:				
Community development projects	-	-	-	-
Public safety	-	-	-	-
Public works	900,470	302,470	1,064,342	363
Capital Projects	-	-	-	-
Debt service	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balances	**900,470**	**302,470**	**1,064,342**	**363**
Total Liabilities and Fund Balances	**$ 900,470**	**$ 495,000**	**$ 1,117,664**	**$ 363**

CITY OF DIAMOND BAR

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2014 (CONTINUED)

	Special Revenue Funds			
	Integrated Waste Management Fund	Traffic Improvement Fund	Air Quality Improvement Fund	Trails & Bikeways Fund
Assets:				
Pooled cash and investments	$ 1,033,218	$ 751,246	$ 118,981	$ -
Receivables:				
Accounts	146,705	-	-	-
Notes and loans	-	-	-	-
Due from other governments	14,926	-	18,073	-
Restricted assets:				
Cash and investments with fiscal agents	-	-	-	-
Total Assets	**$ 1,194,849**	**$ 751,246**	**$ 137,054**	**$ -**
Liabilities and Fund Balances:				
Liabilities:				
Accounts payable	$ 37,979	$ -	$ 1,140	$ -
Accrued liabilities	8,507	-	-	-
Unearned revenues	-	8,417	-	-
Due to other governments	-	-	-	-
Due to other funds	-	-	-	-
Accrued interest	-	-	-	-
Total Liabilities	**46,486**	**8,417**	**1,140**	**-**
Deferred Inflows of Resources:				
Unavailable revenues	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-
Fund Balances:				
Restricted for:				
Community development projects	1,148,363	-	-	-
Public safety	-	-	-	-
Public works	-	742,829	-	-
Capital Projects	-	-	135,914	-
Debt service	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balances	**1,148,363**	**742,829**	**135,914**	**-**
Total Liabilities and Fund Balances	**$ 1,194,849**	**$ 751,246**	**$ 137,054**	**$ -**

CITY OF DIAMOND BAR

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2014

	Special Revenue Funds			
	Park and Facility Development Fund	CDBG Fund	COPS Fund	Asset Seizure Fund
Assets:				
Pooled cash and investments	$ 25,717	$ -	$ 104,671	$ -
Receivables:				
Accounts	-	-	-	-
Notes and loans	-	362,009	-	-
Due from other governments	50,454	10,687	-	-
Restricted assets:				
Cash and investments with fiscal agents	-	-	-	-
Total Assets	**$ 76,171**	**$ 372,696**	**$ 104,671**	**$ -**
Liabilities and Fund Balances:				
Liabilities:				
Accounts payable	$ -	$ 4,115	$ -	$ -
Accrued liabilities	-	-	-	-
Unearned revenues	-	-	-	-
Due to other governments	-	362,009	-	-
Due to other funds	-	6,570	-	-
Accrued interest	-	-	-	-
Total Liabilities	**-**	**372,694**	**-**	**-**
Deferred Inflows of Resources:				
Unavailable revenues	50,454	-	-	-
Total Deferred Inflows of Resources	50,454	-	-	-
Fund Balances:				
Restricted for:				
Community development projects	25,717	2	-	-
Public safety	-	-	104,671	-
Public works	-	-	-	-
Capital Projects	-	-	-	-
Debt service	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balances	**25,717**	**2**	**104,671**	**-**
Total Liabilities and Fund Balances	**$ 76,171**	**$ 372,696**	**$ 104,671**	**$ -**

CITY OF DIAMOND BAR

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2014 (CONTINUED)

	Special Revenue Funds			
	CLEEP Fund	Landscape Maintenance District Fund	Measure R Local Return Fund	Waste Hauler Fund
Assets:				
Pooled cash and investments	$ 36,076	$ 97,909	$ 903,259	$ 71,169
Receivables:				
Accounts	-	-	-	30,211
Notes and loans	-	-	-	-
Due from other governments	-	7,302	-	-
Restricted assets:				
Cash and investments with fiscal agents	-	-	-	-
Total Assets	**$ 36,076**	**$ 105,211**	**$ 903,259**	**$ 101,380**
Liabilities and Fund Balances:				
Liabilities:				
Accounts payable	$ -	$ 105,211	$ -	$ -
Accrued liabilities	-	-	-	-
Unearned revenues	-	-	-	-
Due to other governments	-	-	-	-
Due to other funds	-	-	-	-
Accrued interest	-	-	-	-
Total Liabilities	**-**	**105,211**	**-**	**-**
Deferred Inflows of Resources:				
Unavailable revenues	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-
Fund Balances:				
Restricted for:				
Community development projects	-	-	-	-
Public safety	36,076	-	-	-
Public works	-	-	903,259	101,380
Capital Projects	-	-	-	-
Debt service	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balances	**36,076**	**-**	**903,259**	**101,380**
Total Liabilities and Fund Balances	**$ 36,076**	**$ 105,211**	**$ 903,259**	**$ 101,380**

CITY OF DIAMOND BAR

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2014

	Capital Projects Funds	Debt Service Funds	
	Capital Improvement Fund	Public Financing Authority	Total Governmental Funds
Assets:			
Pooled cash and investments	$ 70,436	$ -	$ 5,474,042
Receivables:			
Accounts	-	-	176,916
Notes and loans	-	-	362,009
Due from other governments	106,786	-	460,365
Restricted assets:			
Cash and investments with fiscal agents	-	4	4
Total Assets	**$ 177,222**	**$ 4**	**$ 6,473,336**
Liabilities and Fund Balances:			
Liabilities:			
Accounts payable	$ 159,174	$ -	$ 543,888
Accrued liabilities	-	-	18,090
Unearned revenues	-	-	8,417
Due to other governments	-	-	362,009
Due to other funds	-	-	6,570
Accrued interest	-	-	-
Total Liabilities	**159,174**	**-**	**938,974**
Deferred Inflows of Resources:			
Unavailable revenues	106,687	-	157,141
Total Deferred Inflows of Resources	106,687	-	157,141
Fund Balances:			
Restricted for:			
Community development projects	-	-	1,174,082
Public safety	-	-	140,747
Public works	-	-	4,015,113
Capital Projects	-	-	135,914
Debt service	-	4	4
Unassigned	(88,639)	-	(88,639)
Total Fund Balances	**(88,639)**	**4**	**5,377,221**
Total Liabilities and Fund Balances	**$ 177,222**	**$ 4**	**$ 6,473,336**

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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, 2014

	Special Revenue Funds			
	State Gas Tax Fund	**Proposition A Transit Fund**	**Proposition C Transit Fund**	**Transportation Grant Fund**
Revenues:				
Taxes	$ -	$ -	$ -	$ -
Licenses and permits	-	-	-	-
Intergovernmental	1,893,867	952,101	792,581	110,436
Charges for services	-	1,004,134	-	-
Use of money and property	3,050	6,932	9,486	-
Total Revenues	**1,896,917**	**1,963,167**	**802,067**	**110,436**
Expenditures:				
Current:				
General government	-	800,000	-	-
Public safety	-	-	-	-
Community development	-	-	-	-
Parks and recreation	-	67,758	-	-
Public works	-	1,447,353	762,098	-
Capital outlay	-	10,000	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	**-**	**2,325,111**	**762,098**	**-**
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,896,917	(361,944)	39,969	110,436
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Transfers out	(1,665,697)	-	(281,653)	(110,436)
Total Other Financing Sources (Uses)	**(1,665,697)**	**-**	**(281,653)**	**(110,436)**
Net Change in Fund Balances	231,220	(361,944)	(241,684)	-
Fund Balances, Beginning of Year	669,250	664,414	1,306,026	363
Fund Balances, End of Year	**$ 900,470**	**$ 302,470**	**$ 1,064,342**	**$ 363**

CITY OF DIAMOND BAR

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS YEAR ENDED JUNE 30, 2014 **(CONTINUED)**

	Special Revenue Funds			
	Integrated Waste Management Fund	Traffic Improvement Fund	Air Quality Improvement Fund	Trails & Bikeways Fund
Revenues:				
Taxes	$ -	$ -	$ -	$ -
Licenses and permits	-	-	-	-
Intergovernmental	46,153	-	69,510	-
Charges for services	512,656	-	-	-
Use of money and property	7,420	4,045	934	-
Total Revenues	**566,229**	**4,045**	**70,444**	**-**
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Community development	348,231	-	86,832	-
Parks and recreation	-	-	-	37,082
Public works	-	3,130	-	-
Capital outlay	24,028	-	13,285	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	**372,259**	**3,130**	**100,117**	**37,082**
Excess (Deficiency) of Revenues Over (Under) Expenditures	193,970	915	(29,673)	(37,082)
Other Financing Sources (Uses):				
Transfers in	-	500,000	-	-
Transfers out	(60,455)	(225,000)	-	(32,000)
Total Other Financing Sources (Uses)	**(60,455)**	**275,000**	**-**	**(32,000)**
Net Change in Fund Balances	133,515	275,915	(29,673)	(69,082)
Fund Balances, Beginning of Year	1,014,848	466,914	165,587	69,082
Fund Balances, End of Year	**$ 1,148,363**	**$ 742,829**	**$ 135,914**	**$ -**

CITY OF DIAMOND BAR

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2014

	Special Revenue Funds			
	Park and Facility Development Fund	**CDBG Fund**	**COPS Fund**	**Asset Seizure Fund**
Revenues:				
Taxes	$ -	$ -	$ -	$ -
Licenses and permits	-	-	-	-
Intergovernmental	35,335	210,110	100,000	-
Charges for services	-	-	-	-
Use of money and property	146	-	896	383
Total Revenues	**35,481**	**210,110**	**100,896**	**383**
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	-	6,301	-
Community development	-	150,802	-	-
Parks and recreation	-	-	-	-
Public works	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	**-**	**150,802**	**6,301**	**-**
Excess (Deficiency) of Revenues Over (Under) Expenditures	35,481	59,308	94,595	383
Other Financing Sources (Uses):				
Transfers in	75,000	-	-	-
Transfers out	(85,266)	(59,308)	(84,057)	(66,637)
Total Other Financing Sources (Uses)	**(10,266)**	**(59,308)**	**(84,057)**	**(66,637)**
Net Change in Fund Balances	25,215	-	10,538	(66,254)
Fund Balances, Beginning of Year	502	2	94,133	66,254
Fund Balances, End of Year	**$ 25,717**	**$ 2**	**$ 104,671**	**$ -**

CITY OF DIAMOND BAR

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2014

(CONTINUED)

	Special Revenue Funds			
	CLEEP Fund	Landscape Maintenance District Fund	Measure R Local Return Fund	Waste Hauler Fund
Revenues:				
Taxes	$ -	$ 549,402	$ -	$ -
Licenses and permits	-	-	-	120,844
Intergovernmental	-	-	589,379	-
Charges for services	-	-	-	-
Use of money and property	273	-	6,225	242
Total Revenues	**273**	**549,402**	**595,604**	**121,086**
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Community development	-	-	-	-
Parks and recreation	-	-	-	-
Public works	-	741,631	-	-
Capital outlay	313	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	**313**	**741,631**	**-**	**-**
Excess (Deficiency) of Revenues Over (Under) Expenditures	(40)	(192,229)	595,604	121,086
Other Financing Sources (Uses):				
Transfers in	-	194,945	-	-
Transfers out	-	-	(549,630)	(19,706)
Total Other Financing Sources (Uses)	**-**	**194,945**	**(549,630)**	**(19,706)**
Net Change in Fund Balances	(40)	2,716	45,974	101,380
Fund Balances, Beginning of Year	36,116	(2,716)	857,285	-
Fund Balances, End of Year	**$ 36,076**	**$ -**	**$ 903,259**	**$ 101,380**

CITY OF DIAMOND BAR

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2014

	Capital Projects Funds	Debt Service Funds	
	Capital Improvement Fund	**Public Financing Authority**	**Total Governmental Funds**
Revenues:			
Taxes	$ -	$ -	$ 549,402
Licenses and permits	-	-	120,844
Intergovernmental	20,413	-	4,819,885
Charges for services	-	-	1,516,790
Use of money and property	-	7	40,039
Total Revenues	**20,413**	**7**	**7,046,960**
Expenditures:			
Current:			
General government	-	1,500	801,500
Public safety	-	-	6,301
Community development	-	-	585,865
Parks and recreation	-	-	104,840
Public works	-	-	2,954,212
Capital outlay	1,928,800	-	1,976,426
Debt service:			
Principal retirement	-	350,000	350,000
Interest and fiscal charges	-	492,159	492,159
Total Expenditures	**1,928,800**	**843,659**	**7,271,303**
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,908,387)	(843,652)	(224,343)
Other Financing Sources (Uses):			
Transfers in	1,817,018	843,653	3,430,616
Transfers out	-	-	(3,239,845)
Total Other Financing Sources (Uses)	**1,817,018**	**843,653**	**190,771**
Net Change in Fund Balances	(91,369)	1	(33,572)
Fund Balances, Beginning of Year	2,730	3	5,410,793
Fund Balances, End of Year	**$ (88,639)**	**$ 4**	**$ 5,377,221**

CITY OF DIAMOND BAR

BUDGETARY COMPARISON SCHEDULE
STATE GAS TAX FUND
YEAR ENDED JUNE 30, 2014

	Budget Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Budgetary Fund Balance, July 1	$ 669,250	$ 669,250	$ 669,250	$ -
Resources (Inflows):				
Intergovernmental	1,774,381	1,719,380	1,893,867	174,487
Use of money and property	3,500	3,000	3,050	50
Amounts Available for Appropriations	**2,447,131**	**2,391,630**	**2,566,167**	**174,537**
Charges to Appropriation (Outflow):				
Transfers out	2,612,867	2,548,158	1,665,697	882,461
Total Charges to Appropriations	**2,612,867**	**2,548,158**	**1,665,697**	**882,461**
Budgetary Fund Balance, June 30	**$ (165,736)**	**$ (156,528)**	**$ 900,470**	**$ 1,056,998**

CITY OF DIAMOND BAR

BUDGETARY COMPARISON SCHEDULE
PROPOSITION A TRANSIT FUND
YEAR ENDED JUNE 30, 2014

	Budget Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Budgetary Fund Balance, July 1	$ 664,414	$ 664,414	$ 664,414	$ -
Resources (Inflows):				
Intergovernmental	950,088	950,088	952,101	2,013
Charges for services	1,200,000	1,200,000	1,004,134	(195,866)
Use of money and property	3,500	6,500	6,932	432
Amounts Available for Appropriations	**2,818,002**	**2,821,002**	**2,627,581**	**(193,421)**
Charges to Appropriation (Outflow):				
General government	400,000	800,000	800,000	-
Parks, recreation and culture	81,300	83,700	67,758	15,942
Highways and Streets	1,670,324	1,670,324	1,447,353	222,971
Capital outlay	12,500	12,500	10,000	2,500
Total Charges to Appropriations	**2,164,124**	**2,566,524**	**2,325,111**	**241,413**
Budgetary Fund Balance, June 30	**$ 653,878**	**$ 254,478**	**$ 302,470**	**$ 47,992**

CITY OF DIAMOND BAR

BUDGETARY COMPARISON SCHEDULE
PROPOSITION C TRANSIT FUND
YEAR ENDED JUNE 30, 2014

	Budget Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Budgetary Fund Balance, July 1	$ 1,306,026	$ 1,306,026	$ 1,306,026	$ -
Resources (Inflows):				
Intergovernmental	788,073	788,073	792,581	4,508
Use of money and property	8,500	10,000	9,486	(514)
Amounts Available for Appropriations	**2,102,599**	**2,104,099**	**2,108,093**	**3,994**
Charges to Appropriation (Outflow):				
Highways and Streets	712,782	776,225	762,098	14,127
Transfers out	985,800	1,082,304	281,653	800,651
Total Charges to Appropriations	**1,698,582**	**1,858,529**	**1,043,751**	**814,778**
Budgetary Fund Balance, June 30	**$ 404,017**	**$ 245,570**	**$ 1,064,342**	**$ 818,772**

CITY OF DIAMOND BAR

BUDGETARY COMPARISON SCHEDULE
TRANSPORTATION GRANT FUND
YEAR ENDED JUNE 30, 2014

	Budget Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Budgetary Fund Balance, July 1	$ 363	$ 363	$ 363	$ -
Resources (Inflows):				
Intergovernmental	1,599,410	1,599,410	110,436	(1,488,974)
Amounts Available for Appropriations	**1,599,773**	**1,599,773**	**110,799**	**(1,488,974)**
Charges to Appropriation (Outflow):				
Transfers out	1,599,410	1,599,410	110,436	1,488,974
Total Charges to Appropriations	**1,599,410**	**1,599,410**	**110,436**	**1,488,974**
Budgetary Fund Balance, June 30	**$ 363**	**$ 363**	**$ 363**	**$ -**

CITY OF DIAMOND BAR

BUDGETARY COMPARISON SCHEDULE
INTEGRATED WASTE MANAGEMENT FUND
YEAR ENDED JUNE 30, 2014

	Budget Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Budgetary Fund Balance, July 1	$ 1,014,848	$ 1,014,848	$ 1,014,848	$ -
Resources (Inflows):				
Intergovernmental	20,000	20,000	46,153	26,153
Charges for services	475,000	475,000	512,656	37,656
Use of money and property	3,000	6,000	7,420	1,420
Amounts Available for Appropriations	**1,512,848**	**1,515,848**	**1,581,077**	**65,229**
Charges to Appropriation (Outflow):				
Community development	460,425	489,578	348,231	141,347
Capital outlay	-	25,000	24,028	972
Transfers out	60,681	60,681	60,455	226
Total Charges to Appropriations	**521,106**	**575,259**	**432,714**	**142,545**
Budgetary Fund Balance, June 30	**$ 991,742**	**$ 940,589**	**$ 1,148,363**	**$ 207,774**

CITY OF DIAMOND BAR

BUDGETARY COMPARISON SCHEDULE
TRAFFIC IMPROVEMENT FUND
YEAR ENDED JUNE 30, 2014

	Budget Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Budgetary Fund Balance, July 1	$ 466,914	$ 466,914	$ 466,914	$ -
Resources (Inflows):				
Use of money and property	1,000	3,500	4,045	545
Transfers in	-	500,000	500,000	-
Amounts Available for Appropriations	**467,914**	**970,414**	**970,959**	**545**
Charges to Appropriation (Outflow):				
Highways and streets	8,995	143,143	3,130	140,013
Transfers out	225,000	225,000	225,000	-
Total Charges to Appropriations	**233,995**	**368,143**	**228,130**	**140,013**
Budgetary Fund Balance, June 30	**$ 233,919**	**$ 602,271**	**$ 742,829**	**$ 140,558**

CITY OF DIAMOND BAR

BUDGETARY COMPARISON SCHEDULE
AIR QUALITY IMPROVEMENT FUND
YEAR ENDED JUNE 30, 2014

	Budget Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Budgetary Fund Balance, July 1	$ 165,587	$ 165,587	$ 165,587	$ -
Resources (Inflows):				
Intergovernmental	65,000	65,000	69,510	4,510
Use of money and property	750	750	934	184
Amounts Available for Appropriations	**231,337**	**231,337**	**236,031**	**4,694**
Charges to Appropriation (Outflow):				
Community development	55,850	90,850	86,832	4,018
Capital outlay	15,000	15,000	13,285	1,715
Total Charges to Appropriations	**70,850**	**105,850**	**100,117**	**5,733**
Budgetary Fund Balance, June 30	**$ 160,487**	**$ 125,487**	**$ 135,914**	**$ 10,427**

CITY OF DIAMOND BAR

BUDGETARY COMPARISON SCHEDULE
TRAILS & BIKEWAYS FUND
YEAR ENDED JUNE 30, 2014

	Budget Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Budgetary Fund Balance, July 1	$ 69,082	$ 69,082	$ 69,082	$ -
Resources (Inflows):				
Intergovernmental	35,414	35,414	-	(35,414)
Amounts Available for Appropriations	**104,496**	**104,496**	**69,082**	**(35,414)**
Charges to Appropriation (Outflow):				
Parks and recreation	-	-	37,082	(37,082)
Transfers out	-	32,000	32,000	-
Total Charges to Appropriations	**-**	**32,000**	**69,082**	**(37,082)**
Budgetary Fund Balance, June 30	**$ 104,496**	**$ 72,496**	**$ -**	**$ (72,496)**

CITY OF DIAMOND BAR

BUDGETARY COMPARISON SCHEDULE
PARK AND FACILITY DEVELOPMENT FUND
YEAR ENDED JUNE 30, 2014

	Budget Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Budgetary Fund Balance, July 1	$ 502	$ 502	$ 502	$ -
Resources (Inflows):				
Intergovernmental	120,340	115,340	35,335	(80,005)
Use of money and property	-	-	146	146
Transfers in	75,000	75,000	75,000	-
Amounts Available for Appropriations	**195,842**	**190,842**	**110,983**	**(79,859)**
Charges to Appropriation (Outflow):				
Transfers out	143,217	493,094	85,266	407,828
Total Charges to Appropriations	**143,217**	**493,094**	**85,266**	**407,828**
Budgetary Fund Balance, June 30	**$ 52,625**	**$ (302,252)**	**$ 25,717**	**$ 327,969**

CITY OF DIAMOND BAR

BUDGETARY COMPARISON SCHEDULE
COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG FUND)
YEAR ENDED JUNE 30, 2014

	Budget Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Budgetary Fund Balance, July 1	$ 2	$ 2	$ 2	$ -
Resources (Inflows):				
Intergovernmental	301,190	408,190	210,110	(198,080)
Amounts Available for Appropriations	**301,192**	**408,192**	**210,112**	**(198,080)**
Charges to Appropriation (Outflow):				
Community development	180,796	220,796	150,802	69,994
Transfers out	120,396	187,396	59,308	128,088
Total Charges to Appropriations	**301,192**	**408,192**	**210,110**	**198,082**
Budgetary Fund Balance, June 30	**$ -**	**$ -**	**$ 2**	**$ 2**

CITY OF DIAMOND BAR

BUDGETARY COMPARISON SCHEDULE
CITIZENS OPTION FOR PUBLIC SAFETY (COPS) FUND
YEAR ENDED JUNE 30, 2014

	Budget Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Budgetary Fund Balance, July 1	$ 94,133	$ 94,133	$ 94,133	$ -
Resources (Inflows):				
Intergovernmental	100,000	100,000	100,000	-
Use of money and property	500	500	896	396
Amounts Available for Appropriations	**194,633**	**194,633**	**195,029**	**396**
Charges to Appropriation (Outflow):				
Public safety	5,000	5,000	6,301	(1,301)
Capital outlay	5,000	5,000	-	5,000
Transfers out	107,322	107,322	84,057	23,265
Total Charges to Appropriations	**117,322**	**117,322**	**90,358**	**26,964**
Budgetary Fund Balance, June 30	**$ 77,311**	**$ 77,311**	**$ 104,671**	**$ 27,360**

CITY OF DIAMOND BAR

BUDGETARY COMPARISON SCHEDULE
ASSET SEIZURE FUND
YEAR ENDED JUNE 30, 2014

	Budget Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Budgetary Fund Balance, July 1	$ 66,254	$ 66,254	$ 66,254	$ -
Resources (Inflows):				
Use of money and property	500	500	383	(117)
Amounts Available for Appropriations	**66,754**	**66,754**	**66,637**	**(117)**
Charges to Appropriation (Outflow):				
Transfers out	65,863	66,754	66,637	117
Total Charges to Appropriations	**65,863**	**66,754**	**66,637**	**117**
Budgetary Fund Balance, June 30	**$ 891**	**$ -**	**$ -**	**$ -**

CITY OF DIAMOND BAR

BUDGETARY COMPARISON SCHEDULE
CALIFORNIA LAW ENFORCEMENT EQUIPMENT PROGRAM (CLEEP) FUND
YEAR ENDED JUNE 30, 2014

	Budget Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Budgetary Fund Balance, July 1	$ 36,116	$ 36,116	$ 36,116	$ -
Resources (Inflows):				
Use of money and property	200	200	273	73
Amounts Available for Appropriations	**36,316**	**36,316**	**36,389**	**73**
Charges to Appropriation (Outflow):				
Capital outlay	10,000	10,000	313	9,687
Total Charges to Appropriations	**10,000**	**10,000**	**313**	**9,687**
Budgetary Fund Balance, June 30	**$ 26,316**	**$ 26,316**	**$ 36,076**	**$ 9,760**

CITY OF DIAMOND BAR

BUDGETARY COMPARISON SCHEDULE
LANDSCAPE MAINTENANCE DISTRICT FUND
YEAR ENDED JUNE 30, 2014

	Budget Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Budgetary Fund Balance, July 1	$ (2,716)	$ (2,716)	$ (2,716)	$ -
Resources (Inflows):				
Taxes	559,674	553,032	549,402	(3,630)
Transfers in	130,835	216,188	194,945	(21,243)
Amounts Available for Appropriations	**687,793**	**766,504**	**741,631**	**(24,873)**
Charges to Appropriation (Outflow):				
Highways and Streets	690,509	781,227	741,631	39,596
Transfers out	-	9,721	-	9,721
Total Charges to Appropriations	**690,509**	**790,948**	**741,631**	**49,317**
Budgetary Fund Balance, June 30	**$ (2,716)**	**$ (24,444)**	**$ -**	**$ 24,444**

CITY OF DIAMOND BAR

BUDGETARY COMPARISON SCHEDULE
MEASURE R LOCAL RETURN FUND
YEAR ENDED JUNE 30, 2014

	Budget Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Budgetary Fund Balance, July 1	$ 857,285	$ 857,285	$ 857,285	$ -
Resources (Inflows):				
Intergovernmental	591,053	591,053	589,379	(1,674)
Use of money and property	3,500	6,500	6,225	(275)
Amounts Available for Appropriations	**1,451,838**	**1,454,838**	**1,452,889**	**(1,949)**
Charges to Appropriation (Outflow):				
Transfers out	1,279,190	1,401,770	549,630	852,140
Total Charges to Appropriations	**1,279,190**	**1,401,770**	**549,630**	**852,140**
Budgetary Fund Balance, June 30	**$ 172,648**	**$ 53,068**	**$ 903,259**	**$ 850,191**

CITY OF DIAMOND BAR

BUDGETARY COMPARISON SCHEDULE
WASTE HAULER FUND
YEAR ENDED JUNE 30, 2014

	Budget Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Budgetary Fund Balance, July 1	$ -	$ -	$ -	$ -
Resources (Inflows):				
Licenses and permits	120,844	120,844	120,844	-
Use of money and property	-	-	242	242
Amounts Available for Appropriations	**120,844**	**120,844**	**121,086**	**242**
Charges to Appropriation (Outflow):				
Transfers out	120,844	120,844	19,706	101,138
Total Charges to Appropriations	**120,844**	**120,844**	**19,706**	**101,138**
Budgetary Fund Balance, June 30	**$ -**	**$ -**	**$ 101,380**	**$ 101,380**

CITY OF DIAMOND BAR

BUDGETARY COMPARISON SCHEDULE
CAPITAL IMPROVEMENT FUND
YEAR ENDED JUNE 30, 2014

	Budget Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Budgetary Fund Balance, July 1	$ 2,730	$ 2,730	$ 2,730	$ -
Resources (Inflows):				
Taxes	-	-	-	-
Intergovernmental	205,648	295,278	20,413	(274,865)
Transfers in	6,095,446	6,975,462	1,817,018	(5,158,444)
Amounts Available for Appropriations	**6,303,824**	**7,273,470**	**1,840,161**	**(5,433,309)**
Charges to Appropriation (Outflow):				
Capital outlay	6,301,094	7,324,153	1,928,800	5,395,353
Total Charges to Appropriations	**6,301,094**	**7,324,153**	**1,928,800**	**5,395,353**
Budgetary Fund Balance, June 30	**$ 2,730**	**$ (50,683)**	**$ (88,639)**	**$ (37,956)**

CITY OF DIAMOND BAR

BUDGETARY COMPARISON SCHEDULE
PUBLIC FINANCING AUTHORITY
YEAR ENDED JUNE 30, 2014

	Budget Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Budgetary Fund Balance, July 1	$ 3	$ 3	$ 3	$ -
Resources (Inflows):				
Use of money and property	-	-	7	7
Transfers in	842,406	843,906	843,653	(253)
Amounts Available for Appropriations	**842,409**	**843,909**	**843,663**	**(246)**
Charges to Appropriation (Outflow):				
General government	-	1,500	1,500	-
Debt service:				
Principal retirement	350,000	350,000	350,000	-
Interest and fiscal charges	492,406	492,406	492,159	247
Total Charges to Appropriations	**842,406**	**843,906**	**843,659**	**247**
Budgetary Fund Balance, June 30	**$ 3**	**$ 3**	**$ 4**	**$ 1**

CITY OF DIAMOND BAR

COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
JUNE 30, 2014

	Governmental Activities - Internal Service Funds				
	Self Insurance Fund	**Equipment Replacement Fund**	**Computer Equipment Replacemen**	**Building Facility & Maintenance**	**Totals**
Assets:					
Current:					
Cash and investments	$ 1,000,000	$ 383,466	$ 211,395	$ 117,977	$ 1,712,838
Receivables:					
Accounts	-	-	-	1,157	1,157
Prepaid costs	1,373	-	-	-	1,373
Total Current Assets	**1,001,373**	**383,466**	**211,395**	**119,134**	**1,715,368**
Noncurrent:					
Capital assets - net of accumulated depreciation	-	64,460	474,606	-	539,066
Total Noncurrent Assets	**-**	**64,460**	**474,606**	**-**	**539,066**
Total Assets	**$ 1,001,373**	**$ 447,926**	**$ 686,001**	**$ 119,134**	**$ 2,254,434**
Liabilities and Net Position:					
Liabilities:					
Current:					
Accounts payable	$ -	$ -	$ 16,945	$ -	$ 16,945
Total Liabilities	**-**	**-**	**16,945**	**-**	**16,945**
Net Position:					
Investment in capital assets	-	64,460	474,606	-	539,066
Unrestricted	1,001,373	383,466	194,450	119,134	1,698,423
Total Net Position	**1,001,373**	**447,926**	**669,056**	**119,134**	**2,237,489**
Total Liabilities and Net Position	**$ 1,001,373**	**$ 447,926**	**$ 686,001**	**$ 119,134**	**$ 2,254,434**

CITY OF DIAMOND BAR

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION INTERNAL SERVICE FUNDS JUNE 30, 2014

	Governmental Activities - Internal Service Funds				
	Self Insurance Fund	Equipment Replacement Fund	Computer Equipment Replacemen	Building Facility & Maintenance	Totals
Operating Revenues:					
Sales and service charges	$ -	$ -	$ -	$ 9,950	$ 9,950
Total Operating Revenues	**-**	**-**	**-**	**9,950**	**9,950**
Operating Expenses:					
Insurance Premiums	344,325	-	-	-	344,325
Equipment repair and maintenance	-	-	184,874	-	184,874
Depreciation expense	-	10,044	44,039	-	54,083
Total Operating Expenses	**344,325**	**10,044**	**228,913**	**-**	**583,282**
Operating Income (Loss)	(344,325)	(10,044)	(228,913)	9,950	(573,332)
Nonoperating Revenues (Expenses):					
Interest revenue	6,357	1,738	288	188	8,571
Total Nonoperating Revenues (Expenses)	**6,357**	**1,738**	**288**	**188**	**8,571**
Income (Loss) Before Transfers	(337,968)	(8,306)	(228,625)	10,138	(564,761)
Transfers in	174,365	210,000	481,193	100,000	965,558
Changes in Net Position	(163,603)	201,694	252,568	110,138	400,797
Net Position:					
Beginning of Year	1,164,976	246,232	416,488	8,996	1,836,692
End of Fiscal Year	**$ 1,001,373**	**$ 447,926**	**$ 669,056**	**$ 119,134**	**$ 2,237,489**

CITY OF DIAMOND BAR

COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2014

	Governmental Activities - Internal Service Funds				
	Self Insurance Fund	Equipment Replacement Fund	Computer Equipment Replacement Fund	Building Facility & Maintenance Fund	Totals
Cash Flows from Operating Activities:					
Insurance Premiums (paid)/refund received	$ (432,923)	$ -	$ -	$ -	$ (432,923)
Payments to suppliers	-	-	(204,715)	-	(204,715)
Cash received from (payments to) others	13,483	-	-	10,940	24,423
Net Cash Provided (Used) by Operating Activities	**(419,440)**	**-**	**(204,715)**	**10,940**	**(613,215)**
Cash Flows from Non-Capital Financing Activities:					
Cash transfers in	174,365	210,000	481,193	100,000	965,558
Net Cash Provided (Used) by Non-Capital Financing Activities	**174,365**	**210,000**	**481,193**	**100,000**	**965,558**
Cash Flows from Capital and Related Financing Activities:					
Acquisition and construction of capital assets	-	(46,688)	(196,319)	-	(243,007)
Net Cash Provided (Used) by Capital and Related Financing Activities	**-**	**(46,688)**	**(196,319)**	**-**	**(243,007)**
Cash Flows from Investing Activities:					
Interest received	6,357	1,738	288	188	8,571
Net Cash Provided (Used) by Investing Activities	**6,357**	**1,738**	**288**	**188**	**8,571**
Net Increase (Decrease) in Cash and Cash Equivalents	**(238,718)**	**165,050**	**80,447**	**111,128**	**117,907**
Cash and Cash Equivalents at Beginning of Year	1,238,718	218,416	130,948	6,849	1,594,931
Cash and Cash Equivalents at End of Year	**$ 1,000,000**	**$ 383,466**	**$ 211,395**	**$ 117,977**	**$ 1,712,838**
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:					
Operating income (loss)	$ (344,325)	$ (10,044)	$ (228,913)	$ 9,950	$ (573,332)
Adjustments to reconcile operating income (loss) net cash provided (used) by operating activities:					
Depreciation	-	10,044	44,039	-	54,083
(Increase) decrease in accounts receivable	13,483	-	-	990	14,473
Increase (decrease) in accounts payable	-	-	(19,841)	-	(19,841)
Increase (decrease) in retrospective deposit payable	(88,598)	-	-	-	(88,598)
Total Adjustments	**(75,115)**	**10,044**	**24,198**	**990**	**(39,883)**
Net Cash Provided (Used) by Operating Activities	**$ (419,440)**	**$ -**	**$ (204,715)**	**$ 10,940**	**$ (613,215)**

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DESCRIPTION OF STATISTICAL SECTION CONTENTS

June 30, 2014

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
Financial Trends – 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
Revenue Capacity – These schedules contain information to help the reader assess the city's most significant local revenue source, the property tax.	5 - 8
Debt Capacity – These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	9 - 11
Demographic and Economic Information – These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	12 - 13
Operating Information – 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,				
	2005	2006	2007	2008	2009
Governmental activities:					
Net investment in capital assets	$ 10,692,694	$ 14,593,935	$ 375,216,400	$ 370,949,296	$ 367,529,907
Restricted for:					
Capital projects	3,775,552	3,323,474	3,446,872	2,912,276	3,526,991
Community development	1,398,057	1,296,806	1,013,495	889,176	568,280
Public safety					541,482
Public works					
Debt service	245,763	243,697	321,747	309,533	305,915
Unrestricted	29,775,169	29,461,178	34,072,884	36,236,504	34,554,084
Total governmental activities net position	$ 45,887,235	$ 48,919,090	$ 414,071,398	$ 411,296,785	$ 407,026,659

Note:

The City implemented GASB 34 for the fiscal year ended June 30, 2003.
Information prior to the implementation of GASB 34 is not available.

As allowed by GASB 34, the value of infrastructure placed in service prior to July 1, 2002 was not included in the net assets until the fiscal year ended June 30, 2007.

Schedule 1

2010	2011	2012	2013	2014
$ 377,940,738	$ 381,985,940	$ 382,660,310	$ 378,511,311	$ 372,068,596
2,260,872	146,567	163,603	165,587	135,914
725,667	1,644,861	958,293	1,084,434	1,174,082
559,920	453,730	285,508	196,503	140,747
	3,636,487	3,504,339	3,964,252	4,015,113
319,815	333,694	2	3	4
34,215,610	22,582,318	18,288,491	18,508,423	20,894,700
$ 416,022,622	$ 410,783,597	$ 405,860,546	$ 402,430,513	$ 398,429,156

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

	Fiscal Year Ended June 30,				
	2005	2006	2007	2008	2009
Expenses:					
Governmental activities:					
General government	$ 3,997,319	$ 4,203,123	$ 4,784,314	$ 4,473,666	$ 5,159,300
Public safety	4,969,183	5,418,005	4,876,435	4,944,729	5,396,083
Highways and streets	4,622,014	5,240,568	14,019,550	12,034,669	13,931,211
Community development	1,050,025	2,759,718	2,292,757	2,251,196	1,959,303
Parks, recreation and culture	3,814,887	3,737,071	4,779,588	5,188,977	4,950,687
Interest on long-term debt	270,735	423,320	498,042	392,548	177,633
Total general expenses	18,724,163	21,781,805	31,250,686	29,285,785	31,574,217
Program revenues:					
Governmental activities:					
Charges for services					
General Government	486,925	707,272	262,541	225,553	132,262
Public safety	1,159,264	1,277,170	1,512,195	1,176,931	1,017,336
Highways and streets	1,328,637	1,555,993	3,493,798	2,851,187	1,732,985
Community development	7,888	16,841	21,297	23,351	17,602
Parks, recreation and culture	1,147,088	1,260,849	1,385,788	1,581,597	1,705,282
Operating grants and contributions	4,040,785	5,281,308	6,968,824	4,307,074	5,588,818
Capital grants and contributions		1,150	1,254,314	219,193	2,272,580
Total governmental activities program revenues	8,170,587	10,100,583	14,898,757	10,384,886	12,466,865
General revenues:					
Taxes					
Property taxes	3,191,006	3,555,244	3,754,955	3,927,073	4,001,276
Transient occupancy taxes	717,879	718,889	774,757	800,390	633,075
Sales taxes	3,508,341	3,949,349	3,943,345	4,102,177	3,085,223
Franchise taxes	941,319	996,567	1,064,621	1,024,710	1,093,039
Other taxes	413,247	416,423	331,096	283,433	199,365
Unrestricted Motor vehicle in lieu	4,386,800	3,663,061	4,356,641	4,563,127	4,687,515
Use of money and property	532,091	1,051,922	1,476,010	1,420,988	833,270
Other revenues	676,292	361,622	41,362	4,388	304,463
Loss on disposal of capital asset					
Total general revenues	14,366,975	14,713,077	15,742,787	16,126,286	14,837,226
Change in net position	3,813,399	3,031,855	(609,142)	(2,774,613)	(4,270,126)
Net position at beginning of year	42,318,401	45,887,235	414,680,540	414,071,398	411,296,785
Restatement of net position					
Net position at end of year	$46,131,800	$48,919,090	$414,071,398	$411,296,785	$407,026,659

Note:
The City implemented GASB 34 for the fiscal year ended June 30, 2003. Information prior to the implementation of GASB 34 is not available.

Source:
City Finance Department

Schedule 2

2010	2011	2012	2013	2014
$ 4,973,685	$ 6,370,986	$ 6,384,072	$ 6,942,983	$ 7,301,502
5,526,099	5,591,049	6,104,982	5,831,227	5,627,026
12,287,325	10,619,860	11,248,137	10,197,098	10,599,386
1,624,547	1,969,540	2,126,906	1,980,646	2,346,073
5,091,215	5,153,264	5,559,427	5,591,917	6,463,192
57,948	72,592	848,976	487,369	477,201
29,560,819	29,777,291	32,272,500	31,031,240	32,814,380
131,633	118,016	247,248	160,379	770,908
1,014,237	996,409	1,050,851	1,167,012	1,424,984
2,070,167	2,400,272	2,555,900	2,604,053	2,671,741
21,106	517,515	447,951	532,742	547,118
1,754,789	1,829,409	1,753,585	1,689,497	1,804,189
4,358,895	3,685,378	4,992,856	4,024,537	4,203,990
15,960,279	40,779	1,242,636	690,732	207,971
25,311,106	9,587,778	12,291,027	10,868,952	11,630,901
3,837,288	4,187,896	3,951,722	4,080,273	4,307,077
569,916	642,509	692,162	782,952	851,249
3,122,229	3,355,127	3,397,259	3,546,239	3,658,327
1,115,980	1,259,471	1,415,924	1,465,666	1,393,584
259,384	172,687	202,951	333,250	471,455
4,599,922	4,766,225	4,646,985	4,659,994	4,862,100
618,963	474,598	145,408	6,307	256,758
7,090	91,975	46,342	533,475	52,891
			-21,057	1,328,681
14,130,772	14,950,488	14,498,753	15,387,099	17,182,122
9,881,059	(5,239,025)	(5,482,720)	(4,775,189)	(4,001,357)
407,026,659	416,022,622	410,783,597	405,860,546	402,430,513
(885,096)		559,669	1,345,156	
$ 416,022,622	$ 410,783,597	$ 405,860,546	$ 402,430,513	$ 398,429,156

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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,					
	2005	2006	2007	2008	2009	2010
General fund:						
Reserved	$ 1,125,918	$ 1,310,172	$ 1,893,287	$ 1,864,387	$ 1,612,181	$ 1,955,477
Unreserved	24,809,721	25,103,444	28,568,263	31,065,127	30,041,357	28,841,621
Total general fund	25,935,639	26,413,616	30,461,550	32,929,514	31,653,538	30,797,098
All other governmental funds:						
Reserved	5,555,988	2,274,829	3,311,451	5,810,250	2,754,526	1,735,077
Unreserved, reported in:						
Special revenue funds	6,111,202	5,485,933	5,736,366	4,955,552	5,423,979	5,218,642
Debt Service Fund	274,426					
Capital projects funds	(5,443,309)	(2,612,373)	(4,681,728)	(5,703,854)	(2,701,642)	(2,020,782)
Total all other governmental funds	6,498,307	5,148,389	4,366,089	5,061,948	5,476,863	4,932,937
Total fund balances	$ 32,433,946	$ 31,562,005	$ 34,827,639	$ 37,991,462	$ 37,130,401	$ 35,730,035

	2011	2012	2013	2014
General fund:				
Nonspendable:				
Prepaid costs	$ 41,451	$ 28,114	$ 26,331	$ 62,752
Committed to:				
Emergency contingencies	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
Total general fund	21,268,415	17,144,314	17,536,716	19,762,450
All other governmental funds:				
Nonspendable:				
Prepaid costs			750	
Restricted for:				
Comm development projects	1,644,861	958,293	1,084,434	1,174,082
Public safety	453,730	285,508	196,503	140,747
Highways and streets	3,271,595	3,170,407	3,964,252	4,015,113
Capital Projects	146,567	164,867	165,587	135,914
Debt service	333,694	2	3	4
Assigned to:				
Capital Projects			2,730	
Unassigned			(3,466)	(88,639)
Total all other governmental funds	5,850,447	4,579,077	5,410,793	5,377,221
Total fund balances	$ 27,118,862	$ 21,723,391	$ 22,947,509	$ 25,139,671

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

Source: City Finance Department

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

	Fiscal Year Ended June 30,				
	2005	2006	2007	2008	2009
Revenues:					
Taxes	$ 8,632,837	$ 9,508,757	$ 9,876,760	$ 10,165,881	$ 9,119,375
Special assessments	593,778	504,908	541,382	543,561	550,822
Intergovernmental	8,306,557	8,821,141	11,169,052	9,896,948	12,081,466
Charges for services	761,040	870,314	1,002,210	1,111,655	1,460,828
Fines and forfeitures	713,201	589,922	546,902	637,484	601,533
Licenses and permits	1,732,555	2,389,149	4,247,626	3,121,476	1,445,324
Investment income	654,066	1,250,570	1,716,194	1,629,257	938,053
Other	480,740	792,216	767,457	826,177	1,018,956
Total revenues	21,874,774	24,726,977	29,867,583	27,932,439	27,216,357
Expenditures:					
Current:					
General government	3,787,005	3,551,659	4,402,235	3,987,656	5,071,860
Public safety	4,954,630	5,404,259	4,880,290	4,933,958	5,407,476
Public works	4,301,146	4,769,497	5,114,274	4,926,418	5,607,870
Parks, recreation and culture	2,750,815	2,613,834	3,475,549	3,714,762	3,673,282
Community development	1,050,025	2,748,539	2,292,757	2,246,496	1,945,951
Capital outlay	1,682,830	5,320,597	5,344,935	4,271,890	5,508,167
Debt service:					
Principal retirement		235,000	240,000	255,000	265,000
Interest and fiscal charges	237,487	404,075	493,840	411,583	187,212
Total expenditures	18,763,938	25,047,460	26,243,880	24,747,763	27,666,818
Excess (deficiency) of revenues over (under) expenditures	3,110,836	(320,483)	3,623,703	3,184,676	(450,461)
Other financing sources (uses):					
Bond issued or refinancing					
Bonds discount or premium					
Transfers in	2,363,367	6,469,523	6,030,764	7,266,149	6,629,225
Transfers out	(2,600,654)	(6,733,961)	(6,354,106)	(7,608,749)	(7,039,825)
Proceeds from sale of capital asset					
Total other financing sources (uses)	(237,287)	(264,438)	(323,342)	(342,600)	(410,600)
Net changes in fund balances	$ 2,873,549	$ (584,921)	$ 3,300,361	$ 2,842,076	$ (861,061)
Debt service as a percentage of noncapital expenditures	1.38%	3.18%	2.91%	2.89%	1.77%

Source: City Finance Department

Schedule 4

2010	2011	2012	2013	2014
$ 8,591,893	$ 9,646,883	$ 9,664,801	$ 10,200,419	$ 10,638,609
556,989	556,562	547,209	550,609	549,402
11,478,456	9,441,959	11,053,326	10,427,352	10,281,985
3,191,416	3,390,367	3,190,675	3,238,165	3,321,883
607,936	567,575	509,166	522,142	582,844
640,287	818,913	1,127,569	1,238,626	1,542,765
648,503	499,377	183,507	30,116	281,752
30,766	113,578	54,634	551,710	85,558
25,746,246	25,035,214	26,330,887	26,759,139	27,284,798
4,435,858	4,977,021	5,485,001	4,214,834	5,115,321
5,524,279	5,580,507	5,731,595	5,678,614	5,602,021
5,183,964	5,002,456	6,609,087	5,263,046	5,698,765
3,655,029	3,712,194	4,090,551	4,050,161	4,406,954
1,604,220	1,960,125	2,114,433	2,010,040	2,225,647
5,161,924	11,480,595	6,702,615	3,031,168	2,518,617
280,000	290,000	12,510,000	335,000	350,000
33,904	37,461	406,626	502,291	492,159
25,879,178	33,040,359	43,649,908	25,085,154	26,409,484
(132,932)	(8,005,145)	(17,319,021)	1,673,985	875,314
		11,790,000		
		252,381		
4,379,718	2,929,528	6,085,337	5,195,892	4,856,728
(4,795,374)	(3,535,556)	(6,494,449)	(5,690,201)	(5,822,286)
				2,282,406
(415,656)	(606,028)	11,633,269	(494,309)	1,316,848
$ (548,588)	$ (8,611,173)	$ (5,685,752)	$ 1,179,676	$ 2,192,162
1.35%	1.45%	35.00%	3.49%	3.35%

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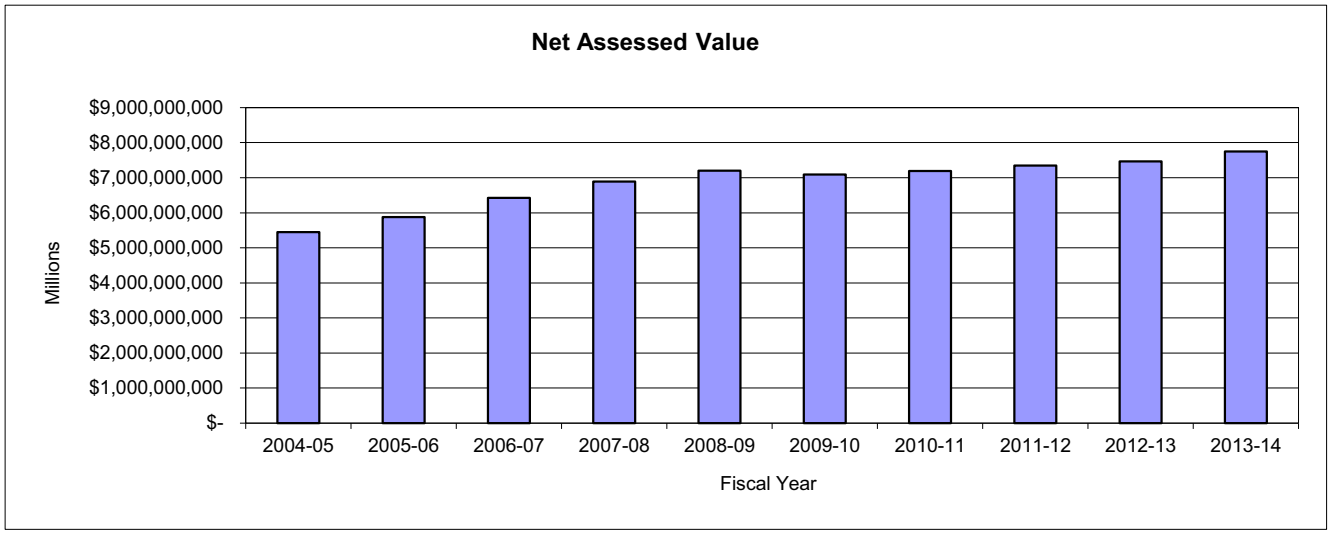
Schedule 5

City of Diamond Bar
Assessed and Estimated Actual Values of Taxable Property
2004/05 - 2013/14 Taxable Property Values
(unaudited)

Fiscal Year Ended June 30,	Real Property Secured Property	Real Property Unsecured Property	Other Property	Less Tax Exemptions	Total Taxable Assessed Value	Total Direct Tax Rate	% Change
2004-05	$ 5,410,300,487	$ 76,173,121	$ 174,846	$ 39,831,091	$ 5,446,817,363	0.05313	7.20%
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%



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	2004/05	2005/06	2006/07	2007/08	2008/09
Basic Levy*	1.00000	1.00000	1.00000	1.00000	1.00000
County Detention Facilities 1987 Debt	0.00092	0.00080	0.00066	0.00000	0.00000
LA County Flood Control	0.00025	0.00005	0.00005	0.00000	0.00000
Metropolitan Water District	0.00580	0.00520	0.00470	0.00450	0.00430
Mt. San Antonio College	0.01473	0.02122	0.02530	0.01750	0.02333
Pomona Unified School Dist	0.12910	0.12488	0.12401	0.11379	0.11577
Rowland Heights Unified	0.03885	0.03633	0.07429	0.06944	0.07029
Walnut Valley Unified School Dist	0.09515	0.09140	0.08749	0.08462	0.11297
Total Direct & Overlapping Tax Rates	**1.2848**	**1.2799**	**1.3165**	**1.2899**	**1.3267**
City's Share of 1% Levy Per Prop 13*	0.05192	0.05192	0.05192	0.05192	0.05192
General Obligation Debt Rate					
Redevelopment Rate*					
Total Direct Rate*	**0.05313**	**0.05288**	**0.05280**	**0.05485**	**0.05270**

*
In 1978, California voters passed Proposition 13 which sets the property tax rate at a 1.00% fixed amount. This 1.00% is shared by all taxing agencies for which the subject property resides within. In addition to the 1.00% fixed amount, property owners are charged taxes as a percentage of assessed property values for the payment of any voter approved bonds for the Pomona Unified School District or Walnut Valley Unified School Districts in Diamond Bar depending on which school district the property is located in.

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

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

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

Source: Hdl Coren & Cone

Schedule 6

2009/10	2010/11	2011/12	2012/13	2013/14
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
0.00430	0.00370	0.00370	0.00350	0.00350
0.02571	0.02636	0.02642	0.02896	0.02023
0.14546	0.17721	0.17364	0.18488	0.16407
0.06769	0.07538	0.09195	0.10053	0.12297
0.11674	0.11839	0.11735	0.12554	0.11342
1.3599	**1.4010**	**1.4131**	**1.4434**	**1.4242**
0.05192	0.05192	0.05192	0.05192	0.05192
0.05274	**0.05270**	**0.05268**	**0.05267**	**0.05264**

Schedule 7

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

Current Taxpayers	2013-14 Assessed Valuation	Percentage of Total Net Assessed Valuation
Diamond Bar Gateway Corp Inc	$ 40,000,000	0.52%
SRGMF South Grand Diamond Bar	39,653,361	0.51%
Roic California LLC	31,856,200	0.41%
Pacifica Trenton Holdings-2 LLC	30,100,000	0.39%
Target Corporation	26,650,578	0.34%
Muller Rock 2 Gateway	26,136,302	0.34%
Hua Qing Enterprice LLC	22,392,214	0.29%
Margaret M. Tam Trust ETAL	18,021,782	0.23%
Emerald Pointe Apartments LLC	17,526,129	0.23%
Roic DBTC LLC	17,059,484	0.22%
Top Ten Total	$ 269,396,050	3.48%
City Total	$ 7,751,853,846	

Taxpayers Nine Years Ago	2004-05 Assessed Valuation	Percentage of Total Net Assessed Valuation
Opus Real Estate California IV LP	$ 28,864,519	0.53%
Gem Gateway Limited	25,515,268	0.47%
Country Hills DB LLC	21,118,272	0.39%
Muller Gateway LLC	19,100,061	0.35%
Pacifica Trenton Center	18,810,650	0.35%
Hampton Apartments	17,748,200	0.33%
Ari Diamond Bar	15,914,689	0.29%
Margaret M. Tam Trust	15,611,248	0.29%
Emerald Pointe Apartments LLC	15,171,930	0.28%
H R Barros Family Ltd	14,775,372	0.27%
Top Ten Total	$ 192,630,209	3.55%
City Total	$ 5,446,817,363	

Source: Hdl Coren & Cone.

Schedule 8

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

Fiscal Year Ended June 30	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of Levy		Collections in Subsequent Years	
		Amount	% to Levy		% to Levy
2005	$ 2,844,211	$ 2,713,312	95.40%	$ 130,899	4.60%
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%

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

Schedule 9

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

Fiscal Year Ended June 30	Governmental Activities: Lease Revenue Bonds (a)	Governmental Activities: Other Bond & Loans	Governmental Activities: Total Governmental Activities	Total Primary Government	% of Personal Income (b)	Debt Per Capita (b)
2005	$ 13,655,000	0	$ 13,655,000	$ 13,655,000	0.79%	229
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

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

Schedule 10

City of Diamond Bar
Direct and Overlapping Debt
June 30, 2014
(unaudited)

	Gross Bonded Debt Balance	% Applicable To City (1)	Net Bonded Debt
Direct Debt as of June 30, 2014			
Diamond Bar Lease Revenue Bond	$ 10,785,000	100.000	$ 10,785,000
Overlapping Debts as of June 30, 2014 (2)			
330.10 Metropolitan Water District	64,271,492	0.839	539,261
809.51 Mt San Antonio CCD 2001 Series 2004B	2,150,000	10.848	233,227
809.53 Mt San Antonio CCD 2001 Series C 2006	2,940,000	10.848	318,925
809.54 Mt San Antonio CCD DS 2001, 2008 Series D	22,378,676	10.848	2,427,590
809.56 Mt San Antonio CCD DS 2008 Series 13A	205,586,691	10.848	22,301,700
809.57 Mt San Antonio CCD DS 2008 Series 2013B	11,715,000	10.848	1,270,824
809.58 Mt San Antonio CCD DS 2013 Series A	74,910,000	10.848	8,126,111
809.59 Mt San Antonio CCD DS 2013 Series B	48,190,000	10.848	5,227,570
915.62 Pomona Unified School District 2000 Ser A	15,430,000	20.151	3,109,317
915.64 Pomona Unified SD Refunding 2001 Ser A	15,230,000	20.151	3,069,015
915.68 Pomona Unified School District 2002 Ser D	11,640,000	20.151	2,345,590
915.69 Pomona Unified School District 2002 Ser E	11,240,000	20.151	2,264,985
915.70 Pomona Unified School DS 2007 & 2012 Ref Bds	7,984,428	20.151	1,608,951
915.71 Pomona Unified School District 2008 Series A	32,170,000	20.151	6,482,613
915.72 Pomona USD DS 2008 Series B	42,740,000	20.151	8,612,586
915.73 Pomona USD 2008 Series C	14,000,000	20.151	2,821,156
915.74 Pomona USD DS 2012 Refunding Bond Series A	20,005,000	20.151	4,031,230
915.75 Pomona USD DS 2012 Refunding Bond Series B	28,165,000	20.151	5,675,561
915.76 Pomona USD DS 2008 Series D QSCBS	24,725,000	20.151	4,982,363
980.60 Walnut Valley Unified USD DS 2000 Series E	11,830,243	59.114	6,993,322
980.61 Walnut Valley Unified SD 2005 Ref Bond	9,755,000	59.114	5,766,564
980.62 Walnut Valley Unified SD 2007 Series A (Measure S	6,001,837	59.114	3,547,922
980.63 Walnut Valley Unified SD 2007 Series A (Measure Y	27,480,000	59.114	16,244,508
980.64 Walnut Valley Unified SD 2011 Refunding	12,655,000	59.114	7,480,868
980.65 Walnut Valley USD 2007 Series B (Measure S)	6,410,887	59.114	3,789,727
980.66 Walnut Valley USD 2007 Series B (Measure Y)	27,846,553	59.114	16,461,192
980.66 Walnut Valley USD 2012 Ref Bonds	15,915,000	59.114	9,407,980
Total Overlapping Debts:	773,365,807		155,140,658
Grand Total Direct and Overlapping Debt:	$ 784,150,807		$ 165,925,658

Debt to Assessed Valuation Ratios as of June 30, 2014:

2013/14 Net Assessed Valuation: $ 7,751,853,846	Direct Debt	0.14%	$191
2013 Total City Population: 56,400	Overlapping Debt	2.00%	$2,751
	Total Debt	2.14%	$2,942

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)

Fiscal Year	2005	2006	2007	2008	2009
Net assessed value	$ 5,446,817,363	$ 5,874,950,276	$ 6,421,927,342	$ 6,894,023,460	$ 7,201,620,222
Add back: Exemptions	39,831,091	51,408,286	28,682,577	39,859,238	48,909,164
Gross assessed value	5,486,648,454	5,926,358,562	6,450,609,919	6,933,882,698	7,250,529,386
Conversion percentage	25%	25%	25%	25%	25%
Adjusted assessed valuation	1,371,662,114	1,481,589,641	1,612,652,480	1,733,470,675	1,812,632,347
Debt limit percentage	15%	15%	15%	15%	15%
Debt limit	205,749,317	222,238,446	241,897,872	260,020,601	271,894,852
City Debts:					
Revenue bonds	13,755,000	13,520,000	13,280,000	13,025,000	12,760,000
Legal debt margin	$ 191,994,317	$ 208,718,446	$ 228,617,872	$ 246,995,601	$ 259,134,852

Fiscal Year	2010	2011	2012	2013	2014
Net assessed value	$ 7,095,299,195	$ 7,193,712,566	$ 7,350,019,952	$ 7,469,396,334	$ 7,751,853,846
Add back: Exemptions	66,422,679	70,706,628	74,296,191	78,856,697	83,574,453
Gross assessed value	7,161,721,874	7,264,419,194	7,424,316,143	7,548,253,031	7,835,428,299
Conversion percentage	25%	25%	25%	25%	25%
Adjusted assessed valuation	1,790,430,469	1,816,104,799	1,856,079,036	1,887,063,258	1,958,857,075
Debt limit percentage	15%	15%	15%	15%	15%
Debt limit	268,564,570	272,415,720	278,411,855	283,059,489	293,828,561
City Debts:					
Revenue bonds	12,480,000	12,190,000	11,470,000	11,135,000	10,785,000
Legal debt margin	$ 256,084,570	$ 260,225,720	$ 266,941,855	$ 271,924,489	$ 283,043,561

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

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)

Calendar Year	Population	Personal Income (In Thousands)	Per Capita Personal Income	Unemployment Rate	Median Age	Pop 25+ High School Degree	Pop 25+ Bachelor Degree
2004	59,304	$ 1,642,869	$ 27,702	4.60%			
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%

Single Family Residential Full Value Sales (01/01/2012-07/31/2014)

Year	Full Value Sales	Average Price	Median Price	Median % Change
2012	789	$ 484,681	$ 417,500	
2013	813	$ 591,831	$ 500,000	19.76%
2014	435	$ 652,588	$ 545,000	9.00%

Sources: * U.S. Census Bureau
HdL Cornen & Cone
City Finance Department

Schedule 13

City of Diamond Bar
Principal Employers
(unaudited)
Current Fiscal Year and Nine Fiscal Years Ago

	2014		
Company Name	Number of Employees	Rank	Percent of Employment
South Coast Air Quality Management	786	1	2.48%
Walnut Valley Unified Schools	513	2	1.62%
Video Transcription Services	500	3	1.58%
Travelers	401	4	1.26%
Magan Medical Inc	300	5	0.95%
Pomona Unified Schools	213	7	0.67%
Allstate Insurance - Claim Dept	200	6	0.63%
Rapid Rack Industries Inc	151	9	0.48%
Baybrook Services Inc	120	10	0.38%
Total	3,184		10.05%

	2005		
Company Name	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
Walnut Valley Unified Schools	520	5	n/a
Pomona Unified Schools	210	6	n/a
Lab Support Inc	200	7	n/a
Century 21 Diamond Realty	150	8	n/a
Baybrook Services	120	9	n/a
Goodrich Corp	120	10	n/a
Total	3,670		n/a

Note:
Total city employment 31,700 in 2014, provided by California Labor Market.
Data Source: Info USA HdL,

Schedule 14

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

Function	Fiscal Year Ended June 30, 2010	2011	2012	2013	2014
General government	21	24	23	24	24
Community development	8	8	8	8	8
Community services	75	75	75	87	70
Public works	9	9	9	8	8
Total	113	116	115	127	110

Function	Fiscal Year Ended June 30, 2005	2006	2007	2008	2009
General government	25	22	21	24	25
Community development	7	8	8	6	7
Community services	74	77	74	69	71
Public works	7	7	8	10	10
Total	113	114	111	109	113

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

Schedule 15

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

Function	Fiscal Year Ended June 30, 2010	2011	2012	2013	2014
Police:(in fiscal year) (1)					
Physical arrests	700	647	737	630	494
Street Sweeping Parking Citation	5,110	4,137	3,766	3,776	5,774
Fire: (in fiscal year) (2)					
Number of emergency calls	2,654	2,594	2,516	2,604	2,760
Inspections	979	1,202	1,287	1,477	1,434
Public works: (in fiscal year) (3)					
Street resurfacing (miles)	23.3	12.0	9.2	8.3	12.5
Parks and recreation:(in fiscal year)(4)					
Number of recreation classes(5)	2,456	2,115	2,096	2,082	2,623
Number of facility rentals	4,111	4,147	4,270	4,332	4,178

Function	Fiscal Year Ended June 30, 2005	2006	2007	2008	2009
Police: (1)					
Physical arrests	520	558	582	543	591
Street Sweeping Parking Citation	6,250	5,790	5,684	5,200	5,103
Fire					
Number of emergency calls	2,615	2,592	2,612	2,595	2,561
Inspections	1,159	837	1,114	1,085	1,100
Public works: (3)					
Street resurfacing (miles)	18.6	16.8	19.6	18.5	13.8
Parks and recreation:(4)					
Number of recreation classes	1,102	1,376	1,558	1,569	1,315
Number of facility rentals	4,123	4,305	4,555	4,103	4,299

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.

Schedule 16

City of Diamond Bar
Capital Asset Statistics by Function
Last Ten Fiscal Years

Function	Fiscal Year Ended June 30, 2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Public safety (1)										
Police:										
Station	1	1	1	1	1	1	1	1	1	1
Patrol units (all shifts combined)	20	19	19	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	128	129.4	129.4	129.4	129.4	129.4
Streetlights	(a)	(a)	233	233	233	294	294	294	294	294
Traffic signals	(a)	(a)	74	74	74	76	76	76	76	76
Culture and recreation:(4)										
Parks acreage (developed)	62.7	62.7	62.7	62.7	62.7	62.7	63.6	67.9	67.9	68.8
Parks acreage (undeveloped)	439.0	439.0	439.0	439.0	439.4	439.4	440.3	440.3	440.3	440.3
Parks	11	11	11	11	12	12	13	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)	(a)	157	157	157	158.4	158.4	158.4	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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