

# City of Diamond Bar, California Comprehensive Annual Financial Report

Year ending June 30, 2019



CITY OF DIAMOND BAR, CALIFORNIA  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE YEAR ENDED  
JUNE 30, 2019

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, 2019

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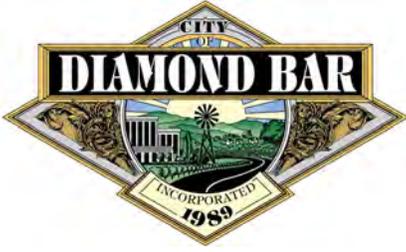
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# City of Diamond Bar

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

**Carol Herrera**  
*Mayor*

**Steve Tye**  
*Mayor Pro Tem*

**Andrew Chou**  
*Council Member*

**Ruth M. Low**  
*Council Member*

**Nancy A. Lyons**  
*Council Member*

November 4, 2019

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

It is an honor to submit to you the Comprehensive Annual Financial Report (CAFR) of the City of Diamond Bar for the fiscal year ended June 30, 2019. This report consists of management's representations concerning the finances of the City. Consequently, responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the City's management. To provide a reasonable basis for making these representations, management of the City has established a comprehensive internal control framework that is designed both to protect the City's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City's financial statements in conformance with generally accepted accounting principles (GAAP). Because the cost of internal controls should not outweigh their benefits, the City's comprehensive framework of internal controls has been designed to provide assurance that the financial statements will be free from misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material aspects.

The City's financial statements have been audited by Lance, Soll, & Lunghard, LLP, a firm of certified public accountants. The goal of the independent audit is to provide reasonable assurance that the financial statements of the City for fiscal year ended June 30, 2019, 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, 2019, were fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement and should be read in conjunction with the MD&A. The City's MD&A can be found immediately following the report of the independent auditors.

## **PROFILE OF THE CITY OF DIAMOND BAR**

The City of Diamond Bar was incorporated on April 18, 1989, and is located at the eastern edge of Los Angeles County in the East San Gabriel Valley. Diamond Bar is a relatively young residential community of about 57,000, situated among the meandering hills and valleys of Brea Canyon. Many desired services can be found in Diamond Bar's shopping and business centers. Recreational opportunities within the City include more than 75 acres of developed park facilities, hiking trails, a community center, an 18-hole public golf course and more than 370 acres of undeveloped publicly owned open space.

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

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

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

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

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

## **ECONOMIC CONDITION AND OUTLOOK**

Fiscal year 2018/19 saw the national, state and local economies begin to level off. Unemployment rates have remained low. However, local consumer spending began to show signs of slowing. The housing market also showed signs of balancing with resale homes prices dipping and the length of time for homes to sell increasing.

Fiscal year 2018/19 was another year of closely monitoring revenues, while holding costs to prior year levels wherever possible. The General Fund reserves did decrease by \$856,973 during FY 2018/19 with the unassigned fund balance decreasing to \$18.6 million and total General Fund reserves coming in at \$23.1 million. The primary reason for the decrease in reserves is due to their use to fund various Capital Improvement Projects, the Tres Hermanos property acquisition and related legal fees.

The largest revenue source to the City, Property Tax revenue, was up 4.4%. The housing market started off slow during the first three quarters of the fiscal year but was a bit stronger in the fourth quarter when compared to FY 2017/18. Full value sales during FY 2018/19 numbered 379. The average detached home price at June 30, 2019 was \$835,129 while the median price was \$705,500. These levels are 0.77% and 5.2% lower, respectively, than June 30, 2018. Assessed valuations citywide increased by 4.63% while the countywide assessed valuations increased by 6.5%.

The City's sales tax revenue decreased slightly by 0.58% compared to last year. City officials have been working diligently towards its economic development goal to diversify its sales tax base. FY 2018/19 saw the addition of the Habit Burger Grill who joined Spouts, Ross, Chipotle and Coffee Bean and Tea Leaf at the newly renovated Diamond Ranch Center.

Voters successfully passed Measure Q in the November 2018 elections increasing the City's Transient Occupancy Tax. Construction in the new South Pointe development was completed.

As the City looks forward to FY 2019/20 there are many exciting projects on the horizon. Residents will continue to see additional local and nationally recognized retail and restaurant businesses open their doors in FY 2019/20. A new Hampton Inn Suites and office development is anticipated to complete the entitlement process and commence construction. The City will continue to invest in the City's infrastructure with focus on traffic signal infrastructure system upgrades and road rehabilitation projects through the Capital Improvement Program. Finally, the 2040 Comprehensive General Plan Update is expected to be completed following a three-year interactive, dynamic and exciting community process.

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, 2018. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local financial reports.

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

A Certificate of Achievement is valid for a period of one year only. The City of Diamond Bar has received the Certificate of Achievement for the last twenty-four consecutive years (fiscal years ended 1995 through 2018). We believe our current report continues to meet the Certificate of Achievement Program's requirements and we will be submitting it to GFOA to determine its eligibility for another certificate.

## **REPORTING ENTITY AND ITS SERVICES**

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

## **INTERNAL CONTROLS**

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

## **ACKNOWLEDGEMENTS**

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

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

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

Sincerely,

A handwritten signature in black ink that reads "DANE FOX". The letters are stylized and connected, with a prominent "X" at the end.

Daniel Fox  
City Manager



Government Finance Officers Association

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

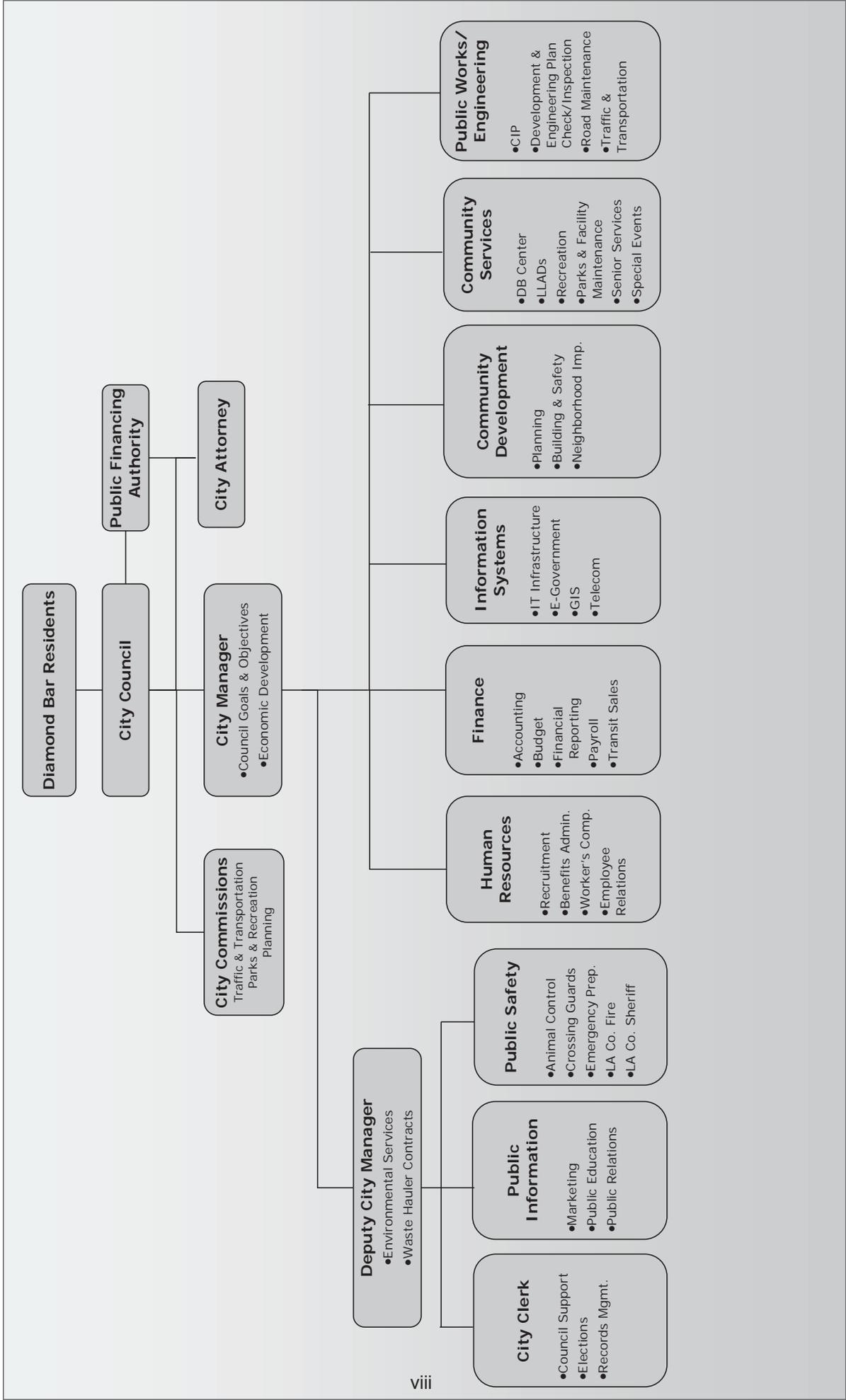
Presented to

**City of Diamond Bar  
California**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2018**

Executive Director/CEO



**CITY OF DIAMOND BAR**  
**ELECTED AND ADMINISTRATIVE OFFICIALS**  
**FISCAL YEAR 18-19**

Mayor  
Mayor Pro Tern  
Councilmember  
Councilmember  
Councilmember

Carol Herrera  
Steve Tye  
Andrew Chou  
Ruth Low  
Nancy Lyons

City Manager  
Assistant City Manager  
City Clerk

Dan Fox  
Ryan McLean  
Tommye Cribbins

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

Ryan Wright  
Greg Gubman  
Dianna Honeywell  
Ken Desforges  
David Liu

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## INDEPENDENT AUDITORS' REPORT

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

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of City of Diamond Bar, California, (the City) as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

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

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

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



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

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Diamond Bar, California, as of June 30, 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Other Matters***

#### *Required Supplementary Information*

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

#### *Other Information*

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

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

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



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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated November 4, 2019 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

*Lance, Soll & Lingham, LLP*

Brea, California  
November 4, 2019

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## Management's Discussion and Analysis

As management of the City of Diamond Bar, we offer readers this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2019. 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 from all sources totaled \$42,524,705.
- The total cost of all City programs totaled \$39,485,975.
- The assets of the City of Diamond Bar exceeded its liabilities at the close of the fiscal year by \$384,902,155 (*net position*). Of this amount, \$21,083,148 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 \$36,353,312, an increase of \$6,686,181 in comparison with the prior year. Approximately \$18.0 million of the \$36.4 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 \$18,583,174, or 77.6% of the amount of general fund expenditures. The General Fund unrestricted balance of \$18.6 million is in addition to a \$4.5 million reserve for emergencies as established by City Council resolution.

### Overview of the Financial Statements

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

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

The *statement of net position* presents financial information on all of the City of Diamond Bar's assets, liabilities and deferred inflows/outflows of resources with the difference reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City of Diamond Bar is improving or deteriorating.

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

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

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

**Fund financial statements** – A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Diamond Bar, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

**Governmental Funds** – *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, available at the end of the fiscal year. Such information may be useful in assessing the near-term financing requirements necessary to finance City programs.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impacts of the City's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

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

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

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

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

## **Government-wide Financial Analysis**

As noted earlier, net position over time, may serve over time as a useful indicator of the City's financial position. The City of Diamond Bar's assets exceeded liabilities by \$384,902,155 at the close of 2019 (see Table 1).

By far the largest portion of the City's net position (90.9%) is its investment in capital assets (e.g., land, buildings, infrastructure, machinery, equipment, and construction in progress), less the related outstanding debt used to acquire those assets. The City of Diamond Bar uses these capital assets to provide services to its citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

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

	<u>Governmental Activities</u>	
	<u>2019</u>	<u>2018</u>
Current and other assets	\$46,140,969	\$37,088,532
Capital assets	<u>358,937,801</u>	<u>364,198,409</u>
<b>Total Assets</b>	405,078,770	401,286,941
<b>Deferred Outflows</b>	1,908,301	2,149,696
Bonds payable	8,919,971	9,374,097
Net pension liability	5,424,380	5,537,585
Net OPEB liability	520,905	541,295
Other liabilities	<u>6,631,317</u>	<u>5,823,842</u>
<b>Total Liabilities</b>	21,496,573	21,276,819
<b>Deferred Inflows</b>	588,343	296,393
Net position:		
Net investment in capital assets	350,017,830	354,824,312
Restricted	13,801,177	5,768,372
Unrestricted	<u>21,083,148</u>	<u>21,270,741</u>
<b>Total Net Position</b>	<u>\$384,902,155</u>	<u>\$381,863,425</u>

The City's net position increased by \$3,038,730. This reason for this overall increase is due primarily to a one-time receipt for traffic mitigation projects offset by depreciation expense.

At the end of fiscal year 2019 the City reports a decrease of \$187,593 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 \$21,083,148 in Unrestricted Net Position.

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

	<u>2019</u>	<u>2018</u>
<b>Revenues:</b>		
<b>Program revenues:</b>		
Charges for services	\$14,919,706	\$8,533,432
Operating grants and contributions	5,651,932	4,120,526
Capital grants and contributions	12,595	159,258
<b>General Revenues</b>		
Property taxes	5,405,335	5,187,630
Transient occupancy taxes	1,222,925	1,019,915
Sales Taxes	4,970,980	4,999,873
Franchise Taxes	1,355,003	1,419,605
Other taxes	1,062,003	509,322
Motor vehicle in lieu	6,285,504	6,011,177
Use of money & property	1,397,727	67,046
Other	240,995	161,145
<b>Total revenues</b>	<u>42,524,705</u>	<u>32,188,929</u>
<b>Expenses:</b>		
General Government	8,990,203	6,926,331
Public Safety	7,142,733	6,904,971
Highways and Streets	13,644,523	14,612,857
Community Development	3,069,374	3,083,101
Parks, Recreation and Culture	6,149,343	5,532,810
Contribution to OPEB Trust	87,128	84,591
Interest and Fiscal Charges	402,671	423,400
<b>Total expenses</b>	<u>39,485,975</u>	<u>37,568,061</u>
Increase(Decrease) in net position	3,038,730	(5,379,132)
Net position - beginning	381,863,425	387,402,734
Restatement of Net Position	-	(160,177)
Net position - ending	<u>\$384,902,155</u>	<u>\$381,863,425</u>

## Revenues

In the Statement of Activities, the City's total revenues were \$42.5 million, while the total cost of all programs and services was \$39.5 million. Revenues this fiscal year were 32.1% higher than those of the prior year. Nearly every category saw increases in FY 18/19. The following are highlights of some of the major differences:

- Property Tax revenues were up 4.4% from FY 18/19. Housing sales remained consistent which allowed the County to increase overall assessed valuations by 6.5% during FY 18/19 while Diamond Bar's assessed valuations were up by 4.6% during FY 18/19.

- Transient Occupancy Taxes were higher by \$203,000 or 19.9%. This is directly related to the increase to the TOT tax rate from 10% to 14% in December 2018.
- Sales tax revenues decreased slightly by 0.58% compared to last year. Local consumer spending has shown signs of slowing which is reflected in lower revenue in this category.
- The Charges for Services category increased 75% because the City received a one-time payment of \$6.5 million which is earmarked for traffic improvements throughout the City related to the Grand Crossing Development and the Industry Business Center.
- Investment Income increased by 34.0%, excluding the fair market value adjustment of \$680,492 due to higher idle cash balances available to invest into the bond market coupled with more of the City's portfolio being further diversified into higher yielding investments such as highly rated corporate bonds and California municipal bonds. The Local Agency Investment Fund (LAIF) rate also continued to improve and ended the fiscal year at 2.43%. By the end of FY 18/19 the City's overall investment yield increased from 1.71% in FY 17/18 to 2.12% in FY 18/19.

## 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 \$39.5 million which is approximately \$1.9 million, or 5.1% higher than the previous fiscal year. This increase was due primarily to the purchase of the Tres Hermanos property, a small increase to public safety costs and the completion of Parks & Facilities capital improvement projects. The changes in various categories are as follows:

- There was an increase in General Government expenses of approximately 29.8% this year. This was due to the purchase of the Tres Hermanos property.
- There was an increase in Public Safety expenses of approximately 3.4% this year.
- There was an increase in Parks & Recreation expenses of 11.1%. This is due primarily to significant progress on various parks and facilities Capital Improvement projects.
- The Streets and Highways category was lower this year by 6.6%. This is due to a decrease in the number of Capital Improvement projects completed during the fiscal year.
- Community Development expenses remained nearly unchanged.

## 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, 2019, the City of Diamond Bar's governmental funds reported combined ending fund balances of \$36,353,312, an increase of \$6,686,181 in comparison with the prior year. Approximately 49.6% of this amount (\$18,025,932) constitutes unassigned fund balance, which is available for spending at the government's discretion. The remainder of the fund balance is either non-spendable, restricted or assigned to indicate that it is 1) not in spendable form (\$26,203), 2) restricted for particular purposes (\$13,801,177) or 3) committed for particular purposes (\$4,500,000).

The general fund is the chief operating fund of the City. At the end of the current fiscal year, the unassigned fund balance of the general fund was \$18,583,174, while the total fund balance was \$23,109,377. 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 77.6% of total general fund expenditures, while total fund balance represents 96.5%% 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 total General Fund Reserves decreased \$839,000.

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

- General Fund revenues were up \$2.4 million from FY 17/18. Factors contributing to the increase include an increase in total property tax including Property Tax In Lieu of VLF (\$492,000), the proceeds from the exchange of Proposition A funds for General Fund funds (\$888,500) and an increase in investment earnings (\$1.2 million) which includes the adjustment to mark up all investments to their full market value.

- Costs were higher this year in the General Fund by \$761,000 (3.3%) as compared to last year. There were notable increases in the General Government. The increase in General Government category is primarily related to the purchase of the Tres Hermanos property.
- There were a variety of specific projects that the City Council appropriated the use of General Fund reserves. These projects included various Capital Improvement projects, the purchase of the Tres Hermanos property and the continued investment in the new Enterprise Resource Planning (ERP) system.
- Conservative expenditure budgets over the years have contributed to the City's general fund healthy fund balance reserve. This includes a contract city business model which aids the City in containing costs.

### **General Fund Budgetary Highlights**

Original revenue budget projections were increased by \$623,000 during the year. The actual revenue came in higher than anticipated by \$937,000. This is due primarily to higher than anticipated building permit revenue and the fact that the mark to market adjustment on the City's investments this year was \$680,000.

General Fund appropriations were increased during the year by \$2.3 million or 7.7% from the original budget to the amended budget. The final expenditures actually came in \$4.6 million less than the amended budget due primarily to fewer projects being completed than anticipated 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, 2019 amounts to \$358,937,801 (net of accumulated depreciation). This investment in capital assets includes land, Right of Way, buildings and improvements, furniture and fixtures, vehicles and equipment, infrastructure and construction in progress.

Table 3

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

	<u>2019</u>	<u>2018</u>
Land	\$6,369,506	\$6,369,506
Right of Way	265,614,104	265,614,104
Buildings and Improvements	16,721,372	18,339,438
Furniture and Fixtures	55,304	96,895
Vehicles & Equipment	1,165,111	1,032,191
Infrastructure	67,940,889	69,822,181
Construction in Progress	<u>1,071,515</u>	<u>2,924,094</u>
	<u>\$358,937,801</u>	<u>\$364,198,409</u>

The City's capital assets decreased in value \$5,260,608 during FY18/19. This decrease was due primarily to depreciation expense offset by increases in Vehicles & Equipment.

Construction in progress at the end of the year included ten projects in various stages of design or construction. The projects include street rehabilitation and enhancement projects, traffic mitigation projects and various park projects.

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

**Long-term debt** – At the end of the current fiscal year, the City of Diamond Bar's total long-term debt totaled \$8,919,971. 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)	\$ 8,775,000
Unamortized Bond-Premium	<u>144,971</u>
	<u>\$ 8,919,971</u>

See footnote 5 for additional information on the City's long-term liabilities as of June 30, 2019.

## **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 2019/20 budget is a fiscally conservative budget. As the economy is expected to level out, 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.

## **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, 2019

	<u>Governmental Activities</u>
<b>Assets:</b>	
Cash and investments	\$ 43,172,382
Receivables:	
Accounts	835,229
Notes and loans	440,886
Accrued interest	190,396
Prepaid costs	26,203
Due from other governments	1,475,194
Cash with fiscal agent	361
Due from employees	318
Capital assets not being depreciated	273,055,125
Capital assets, net of depreciation	<u>85,882,676</u>
<b>Total Assets</b>	<b><u>405,078,770</u></b>
<b>Deferred Outflows of Resources:</b>	
Deferred pension related items	1,906,872
Deferred OPEB related items	<u>1,429</u>
<b>Total Deferred Outflows of Resources</b>	<b><u>1,908,301</u></b>
<b>Liabilities:</b>	
Accounts payable	2,729,418
Accrued liabilities	227,585
Accrued interest	31,487
Unearned revenue	545,230
Deposits payable	1,990,879
Due to other governments	440,886
Noncurrent liabilities:	
Compensated absences - due within one year	351,122
Bonds payable - due within one year	460,000
Compensated absences - due in more than one year	314,710
Bonds payable - due in more than one year	8,459,971
Net pension liability	5,424,380
Net OPEB liability	<u>520,905</u>
<b>Total Liabilities</b>	<b><u>21,496,573</u></b>
<b>Deferred Inflows of Resources:</b>	
Deferred pension related items	585,438
Deferred OPEB related items	<u>2,905</u>
<b>Total Deferred Inflows of Resources</b>	<b><u>588,343</u></b>
<b>Net Position:</b>	
Net investment in capital assets	350,017,830
Restricted for:	
Community development projects	2,137,080
Public safety	286,848
Public works	10,721,764
Capital projects	655,124
Debt service	361
Unrestricted	<u>21,083,148</u>
<b>Total Net Position</b>	<b><u>\$ 384,902,155</u></b>

CITY OF DIAMOND BAR

STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2019

	Expenses	Program Revenues			Net (Expenses) Revenue and Changes in Net Position
		Charges for Services	Operating Contributions and Grants	Capital Contributions and Grants	Governmental Activities
<b>Functions/Programs</b>					
<b>Primary Government:</b>					
Governmental Activities:					
General government	\$ 9,077,331	\$ 1,248,171	\$ -	\$ -	\$ (7,829,160)
Public safety	7,142,733	415,701	179,579	-	(6,547,453)
Community development	3,069,374	2,110,515	635,781	-	(323,078)
Parks and recreation	6,149,343	1,347,448	49,999	-	(4,751,896)
Public works	13,644,523	9,797,871	4,786,573	12,595	952,516
Interest on long-term debt	402,671	-	-	-	(402,671)
<b>Total Primary Government</b>	<b>\$ 39,485,975</b>	<b>\$ 14,919,706</b>	<b>\$ 5,651,932</b>	<b>\$ 12,595</b>	<b>(18,901,742)</b>
<b>General Revenues:</b>					
Taxes:					
Property taxes, levied for general purpose					5,405,335
Transient occupancy taxes					1,222,925
Sales taxes					4,970,980
Franchise taxes					1,355,003
Other taxes					1,062,003
Motor vehicle in lieu - unrestricted					6,285,504
Use of money and property					1,397,727
Other					240,995
<b>Total General Revenues</b>					<b>21,940,472</b>
Change in Net Position					3,038,730
Net Position at Beginning of Year					381,863,425
<b>Net Position at End of Year</b>					<b>\$ 384,902,155</b>

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CITY OF DIAMOND BAR

BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2019

	General	Special Revenue Funds Traffic Improvement Fund	Capital Projects Funds Capital Improvement Fund	Other Governmental Funds	Total Governmental Funds
<b>Assets:</b>					
Pooled cash and investments	\$ 26,140,848	\$ 7,034,327	\$ -	\$ 6,739,532	\$ 39,914,707
Receivables:					
Accounts	592,654	-	-	189,755	782,409
Notes and loans	-	-	-	440,886	440,886
Accrued interest	190,396	-	-	-	190,396
Prepaid costs	26,203	-	-	-	26,203
Due from other governments	517,405	-	340,950	616,839	1,475,194
Due from other funds	353,080	-	-	-	353,080
Due from employees	318	-	-	-	318
Restricted assets:					
Cash and investments with fiscal agents	-	-	-	361	361
<b>Total Assets</b>	<b>\$ 27,820,904</b>	<b>\$ 7,034,327</b>	<b>\$ 340,950</b>	<b>\$ 7,987,373</b>	<b>\$ 43,183,554</b>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances:</b>					
<b>Liabilities:</b>					
Accounts payable	\$ 2,024,095	\$ -	\$ 239,283	\$ 374,878	\$ 2,638,256
Accrued liabilities	217,639	-	-	9,946	227,585
Unearned revenues	478,914	-	1,560	64,756	545,230
Deposits payable	1,990,879	-	-	-	1,990,879
Due to other governments	-	-	-	440,886	440,886
Due to other funds	-	-	78,971	274,109	353,080
<b>Total Liabilities</b>	<b>4,711,527</b>	<b>-</b>	<b>319,814</b>	<b>1,164,575</b>	<b>6,195,916</b>
<b>Deferred Inflows of Resources:</b>					
Unavailable revenues	-	-	340,950	293,376	634,326
<b>Total Deferred Inflows of Resources</b>	<b>-</b>	<b>-</b>	<b>340,950</b>	<b>293,376</b>	<b>634,326</b>
<b>Fund Balances:</b>					
<b>Nonspendable:</b>					
Prepaid costs	26,203	-	-	-	26,203
<b>Restricted for:</b>					
Community development projects	-	-	-	2,137,080	2,137,080
Public safety	-	-	-	286,848	286,848
Highways and streets	-	7,034,327	-	3,687,437	10,721,764
Capital Projects	-	-	-	655,124	655,124
Debt service	-	-	-	361	361
<b>Committed to:</b>					
Emergency contingencies	4,500,000	-	-	-	4,500,000
<b>Unassigned</b>	<b>18,583,174</b>	<b>-</b>	<b>(319,814)</b>	<b>(237,428)</b>	<b>18,025,932</b>
<b>Total Fund Balances</b>	<b>23,109,377</b>	<b>7,034,327</b>	<b>(319,814)</b>	<b>6,529,422</b>	<b>36,353,312</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 27,820,904</b>	<b>\$ 7,034,327</b>	<b>\$ 340,950</b>	<b>\$ 7,987,373</b>	<b>\$ 43,183,554</b>

CITY OF DIAMOND BAR

RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF NET POSITION  
JUNE 30, 2019

Fund balances of governmental funds		\$ 36,353,312
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.		358,294,653
Deferred outflows related to pension items:		
Adjustments due to difference in proportions	\$ 261,025	
Net difference between project and actual earnings on pension plan investments	29,399	
Difference between expected and actual experiences	228,163	
Change in assumptions	677,936	
Current year contributions that occurred after the measurement date	<u>710,349</u>	1,906,872
Deferred outflows related to OPEB:		
Net difference between project and actual earnings on OPEB plan investments	<u>1,429</u>	1,429
Long-term debt, compensated absences, other post employee benefit obligation and net pension liability that have not been included in the governmental fund activity:		
Bonds payable	(8,775,000)	
Unamortized bond premiums/discounts	(144,971)	
Compensated Absences	(665,832)	
Net OPEB liability	(520,905)	
Net pension liability	<u>(5,424,380)</u>	(15,531,088)
Accrued interest payable for the current portion of interest due on bonds has not been reported in the governmental funds.		(31,487)
Deferred inflows related to pension items:		
Difference between expected and actual experiences	(77,642)	
Change in assumptions	(166,149)	
Change in employer's proportion and differences between the employer's contributions and the employer's proportionate share of contributions	<u>(341,647)</u>	(585,438)
Deferred inflows related to OPEB:		
Net difference between project and actual earnings on OPEB plan investments	<u>(2,905)</u>	(2,905)
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.		634,326
Internal service funds are used by management to charge the costs of certain activities, such as equipment management and self-insurance, to individual funds. The assets and liabilities of the internal service funds must be added to the statement of net position.		<u>3,862,481</u>
<b>Net Position of Governmental Activities</b>		<b><u>\$ 384,902,155</u></b>

CITY OF DIAMOND BAR

STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2019

	General	Special Revenue Funds Traffic Improvement Fund	Capital Projects Funds Capital Improvement Fund	Other Governmental Funds	Total Governmental Funds
<b>Revenues:</b>					
Taxes	\$ 13,233,033	\$ -	\$ -	\$ 783,213	\$ 14,016,246
Licenses and permits	2,589,628	6,558,981	-	188,604	9,337,213
Intergovernmental	7,174,004	-	197,883	6,641,983	14,013,870
Charges for services	1,351,841	-	-	1,188,503	2,540,344
Use of money and property	1,215,723	29,374	-	116,226	1,361,323
Fines and forfeitures	415,701	-	-	-	415,701
Miscellaneous	278,317	-	-	-	278,317
<b>Total Revenues</b>	<b>26,258,247</b>	<b>6,588,355</b>	<b>197,883</b>	<b>8,918,529</b>	<b>41,963,014</b>
<b>Expenditures:</b>					
Current:					
General government	6,878,152	-	-	1,200,000	8,078,152
Public safety	7,131,562	-	-	4,800	7,136,362
Community development	2,339,296	-	-	560,824	2,900,120
Parks and recreation	3,021,569	-	-	54,366	3,075,935
Public works	4,567,894	-	1,771,446	2,314,085	8,653,425
Capital outlay	18,770	-	2,605,218	85,457	2,709,445
Debt service:					
Principal retirement	-	-	-	440,000	440,000
Interest and fiscal charges	-	-	-	418,191	418,191
<b>Total Expenditures</b>	<b>23,957,243</b>	<b>-</b>	<b>4,376,664</b>	<b>5,077,723</b>	<b>33,411,630</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,301,004	6,588,355	(4,178,781)	3,840,806	8,551,384
<b>Other Financing Sources (Uses):</b>					
Transfers in	916,352	-	3,907,266	1,138,533	5,962,151
Transfers out	(4,056,356)	(37,674)	-	(3,733,324)	(7,827,354)
<b>Total Other Financing Sources (Uses)</b>	<b>(3,140,004)</b>	<b>(37,674)</b>	<b>3,907,266</b>	<b>(2,594,791)</b>	<b>(1,865,203)</b>
Net Change in Fund Balances	(839,000)	6,550,681	(271,515)	1,246,015	6,686,181
Fund Balances, Beginning of Year	23,948,377	483,646	(48,299)	5,283,407	29,667,131
<b>Fund Balances, End of Year</b>	<b>\$ 23,109,377</b>	<b>\$ 7,034,327</b>	<b>\$ (319,814)</b>	<b>\$ 6,529,422</b>	<b>\$ 36,353,312</b>

CITY OF DIAMOND BAR

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2019**

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Net change in fund balances - total governmental funds \$ 6,686,181

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

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

Capital Expenditures	\$ 2,915,266	
Depreciation Expense	<u>(8,260,941)</u>	\$ (5,345,675)

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	440,000	
Amortization of bond premium	14,126	
Compensated Absences	<u>15,267</u>	469,393

Accrued interest for long-term liabilities. This is the net change in accrued interest for the current period. 1,394

Pension contributions are expenditures in the governmental funds, but reduce the Net Pension Liability in the statement of net position and changes in the Net Pension Liability are expensed in statement of activities. (416,759)

OPEB contributions are expenditures in the governmental funds, but reduce the Net OPEB Liability on the statement of net position and changes in the Net OPEB Liability are expensed in the statement of activities. 17,009

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. 525,287

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. 1,101,900

**Change in Net Position of Governmental Activities \$ 3,038,730**

CITY OF DIAMOND BAR

STATEMENT OF NET POSITION  
 PROPRIETARY FUNDS  
 JUNE 30, 2019

	<b>Governmental Activities- Internal Service Funds</b>
<b>Assets:</b>	
Current:	
Cash and investments	\$ 3,257,675
Due from other governments	<u>52,820</u>
<b>Total Current Assets</b>	<b><u>3,310,495</u></b>
Noncurrent:	
Capital assets - net of accumulated depreciation	<u>643,148</u>
<b>Total Noncurrent Assets</b>	<b><u>643,148</u></b>
<b>Total Assets</b>	<b><u>\$ 3,953,643</u></b>
<b>Liabilities and Net Position:</b>	
<b>Liabilities:</b>	
Current:	
Accounts payable	<u>\$ 91,162</u>
<b>Total Current Liabilities</b>	<b><u>91,162</u></b>
<b>Total Liabilities</b>	<b><u>91,162</u></b>
<b>Net Position:</b>	
Investment in capital assets	643,148
Unrestricted	<u>3,219,333</u>
<b>Total Net Position</b>	<b><u>3,862,481</u></b>
<b>Total Liabilities and Net Position</b>	<b><u>\$ 3,953,643</u></b>

CITY OF DIAMOND BAR

STATEMENT OF REVENUES, EXPENSES  
AND CHANGES IN FUND NET POSITION  
PROPRIETARY FUNDS  
YEAR ENDED JUNE 30, 2019

	<b>Governmental Activities- Internal Service Funds</b>
<b>Operating Expenses:</b>	
Administration and general	\$ 33,844
Insurance Premiums	412,308
Equipment repair and maintenance	154,000
Depreciation expense	<u>199,555</u>
<b>Total Operating Expenses</b>	<b><u>799,707</u></b>
Operating Income (Loss)	<u>(799,707)</u>
<b>Nonoperating Revenues (Expenses):</b>	
Interest revenue	<u>36,404</u>
<b>Total Nonoperating Revenues (Expenses)</b>	<b><u>36,404</u></b>
Income (Loss) Before Transfers	(763,303)
Transfers in	<u>1,865,203</u>
Changes in Net Position	<u>1,101,900</u>
<b>Net Position:</b>	
Beginning of Fiscal Year	<u>2,760,581</u>
<b>End of Fiscal Year</b>	<b><u><u>\$ 3,862,481</u></u></b>

CITY OF DIAMOND BAR

STATEMENT OF CASH FLOWS  
 PROPRIETARY FUNDS  
 YEAR ENDED JUNE 30, 2019

	<b>Governmental Activities- Internal Service Funds</b>
<b>Cash Flows from Operating Activities:</b>	
Insurance Premiums paid	\$ (412,308)
Payments to suppliers	(144,279)
Cash received from others	<u>26,438</u>
<b>Net Cash Provided (Used) by Operating Activities</b>	<b><u>(530,149)</u></b>
<b>Cash Flows from Non-Capital Financing Activities:</b>	
Cash transfers in	<u>1,865,203</u>
<b>Net Cash Provided (Used) by Non-Capital Financing Activities</b>	<b><u>1,865,203</u></b>
<b>Cash Flows from Capital and Related Financing Activities:</b>	
Acquisition and construction of capital assets	<u>(284,622)</u>
<b>Net Cash Provided (Used) by Capital and Related Financing Activities</b>	<b><u>(284,622)</u></b>
<b>Cash Flows from Investing Activities:</b>	
Interest received	<u>36,404</u>
<b>Net Cash Provided (Used) by Investing Activities</b>	<b><u>36,404</u></b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>1,086,836</b>
Cash and Cash Equivalents at Beginning of Year	<u>2,170,839</u>
<b>Cash and Cash Equivalents at End of Year</b>	<b><u>\$ 3,257,675</u></b>
<b>Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:</b>	
Operating income (loss)	<u>\$ (799,707)</u>
<b>Adjustments to reconcile operating income (loss) net cash provided (used) by operating activities:</b>	
Depreciation	199,555
(Increase) decrease in due from other governments	26,438
Increase (decrease) in accounts payable	<u>43,565</u>
<b>Total Adjustments</b>	<b><u>269,558</u></b>
<b>Net Cash Provided (Used) by Operating Activities</b>	<b><u>\$ (530,149)</u></b>

**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.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**d. Fund Classifications**

The City reports the following major governmental funds:

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

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

The Traffic Improvement Fund is used to account for funds which have been received from development projects and designated by the City Council for traffic mitigation projects.

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

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

Capital Projects Funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

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

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

Additionally, the City reports the following fund types:

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

**e. Investments**

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

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

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

**f. Cash and Cash Equivalents**

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

**g. Prepaid Costs**

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

**h. Capital Assets**

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

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

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2019

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

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

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

**i. Deferred Outflows/Inflows of Resources**

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

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

**j. Net Position Flow Assumption**

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

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

**k. Fund Balance Flow Assumptions**

Sometimes the government will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

**l. Compensated Absences**

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

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

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

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

**m. Pension Plan**

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

**n. Other Post-Employment Benefits (OPEB)**

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the City's plan (OPEB Plan), the assets of which are held by California Employers' Retiree Benefit Trust (CERBT), and additions to/deductions from the

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2019

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

OPEB Plan’s fiduciary net position have been determined by an independent actuary. For this purpose, benefit payments are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value.

Generally accepted accounting principles require that the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used:

Valuation Date	June 30, 2017
Measurement Date	June 30, 2019
Measurement Period	July 1, 2018 to June 30, 2019

*Recognition of Deferred Outflows and Deferred Inflows of Resources*

Gains and losses related to changes in total OPEB liability and fiduciary net position are recognized in OPEB expense systematically over time. Amounts are first recognized in OPEB expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to OPEB and are to be recognized in future OPEB expense.

The recognition period differs depending on the source of the gain or loss:

Net difference between projected and actual earnings on OPEB plan investments	5 years
All other amounts	Expected average remaining service lifetime (EARSL)

**o. 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

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

**p. 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.

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

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

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

CITY OF DIAMOND BAR

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2019

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**Note 2: Cash and Investments**

As of June 30, 2019, cash and investments were reported in the accompanying financial statements as follows:

Statement of Net Position:

Cash and investments	\$ 43,172,382
Cash and investments with fiscal agents	<u>361</u>
	<u>\$ 43,172,743</u>

Cash and investments held by the City at June 30, 2019, consisted of the following:

Cash and cash equivalents:

Imprest cash on hand	\$ 2,150
Demand deposits	<u>1,027,248</u>
Total Cash and cash equivalents	<u>1,029,398</u>

Investments:

United States Government Sponsored Enterprise Securities	5,978,025
Certificates of Deposit	11,094,099
Corporate Bonds	4,504,754
Municipal Bonds	4,961,138
Local Agency Investment Fund	15,604,968
Held by fiscal agents:	
Money Market Mutual Funds	<u>361</u>
Total Investments and held by fiscal agents	<u>42,143,345</u>
	<u>\$ 43,172,743</u>

CITY OF DIAMOND BAR

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2019

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

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

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

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
United States Treasury Obligations	5 years	None	None
United States Government Sponsored Enterprise Securities	5 years	None	None
Banker's Acceptances	180 days	40%	30%
Time Certificates of Deposits	5 years	30%	\$ 250,000
Commercial Paper	270 days	25%	10%
Negotiable Certificates of Deposit	5 years	30%	None
Money Market Mutual Funds	5 years	20%	None
Repurchase Agreements	1 year	None	None
Medium-Term Corporate Notes (1)	5 years	30%	5%
Supranational	5 years	30%	None
Local Agency Investment Fund (LAIF)	N/A	60%	\$ 50,000,000

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

N/A - Not Applicable

**CITY OF DIAMOND BAR**

**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2019**

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

Investments Authorized by Debt Agreements

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

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

Disclosures Relating to Interest Rate Risk

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

**CITY OF DIAMOND BAR**

**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2019**

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

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

Investment Type	Remaining Maturity (in Months)			
	12 Months or Less	1 - 3 years	3 - 5 years	Total
US Government Sponsored Securities	\$ 249,159	\$ 4,728,808	\$ 1,000,058	\$ 5,978,025
Certificate of Deposits	2,182,722	6,925,695	1,985,682	11,094,099
Corporate Bonds	499,404	1,997,852	2,007,498	4,504,754
Municipal Bonds	981,343	3,979,795	-	4,961,138
Local Agency Investment Fund (LAIF)	15,604,968	-	-	15,604,968
Held by Fiscal Agents:				
Money Market Mutual Funds	361	-	-	361
	<u>\$ 19,517,957</u>	<u>\$ 17,632,150</u>	<u>\$ 4,993,238</u>	<u>\$ 42,143,345</u>

Disclosures Relating to Credit Risk

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

Investment Type	Total as of June 30, 2019	Aaa	Aa1	Aa2	Aa3	A1	A2	Unrated
US Government Sponsored Securities	\$ 5,978,025	\$ 5,978,025	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Certificate of Deposits	11,094,099	-	-	-	-	-	-	11,094,099
Corporate Bonds	4,504,754	995,147	752,768	2,009,553	747,286	-	-	-
Municipal Bonds	4,961,138	-	706,054	153,306	892,717	500,920	443,410	2,264,731
Local Agency Investment Fund (LAIF)	15,604,968	-	-	-	-	-	-	15,604,968
Held by Fiscal Agents:	-	-	-	-	-	-	-	-
Money Market Mutual Funds	361	-	-	-	-	-	-	361
	<u>\$ 42,143,345</u>	<u>\$ 6,973,172</u>	<u>\$ 1,458,822</u>	<u>\$ 2,162,859</u>	<u>\$ 1,640,003</u>	<u>\$ 500,920</u>	<u>\$ 443,410</u>	<u>\$ 28,964,159</u>

**CITY OF DIAMOND BAR**

**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2019**

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

Fair Value Hierarchy

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

The City has the following recurring fair value measurements as of June 30, 2019:

Investments by fair value level	Totals	Level		
		1	2	3
U.S. Government Sponsored Securities	\$ -	\$ -	\$ 5,978,025	\$ -
Certificate of Deposit	-	-	11,094,099	-
Corporate Bonds	-	-	4,504,754	-
Municipal Bonds	-	-	4,961,138	-
<b>Totals</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 26,538,016</b>	<b>\$ -</b>
<u>Other investments</u>				
Local Agency Investment Fund	15,604,968			
Cash with Fiscal Agents				
Money Market Funds	361			
<b>Totals</b>	<b>15,605,329</b>			
<b>Total Investments</b>	<b>\$ 42,143,345</b>			

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

Disclosures Relating to Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the City's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits. The City does not accept 150% of the secured public totals. At June 30, 2019, 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.

**CITY OF DIAMOND BAR**

**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2019**

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

Investment in State Investment Pool

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

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

<u>Transfers In</u>	<u>Transfer Out</u>	<u>Amount</u>
Internal Service Funds	General Fund	\$ 1,865,203
Capital Improvement Fund	General Fund	1,052,620
Capital Improvement Fund	Other Governmental Funds	2,816,972
Capital Improvement Fund	Traffic Improvement Fund	37,674
Other Governmental Funds	General Fund	1,138,533
General Fund	Other Governmental Funds	916,352
		<u>\$ 7,827,354</u>

Transfers from the General Fund to the Internal Service Funds were made to fund the self-insurance and computer equipment replacement funds.

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

Transfers from the General Fund to the Other Governmental Funds were made to fund various capital improvement projects, the City general plan revision, a fund deficit and debt service payments.

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

<u>Due from other funds</u>	<u>Due to other funds</u>	<u>Amount</u>
General Fund	Other Governmental Funds	\$ 274,109
General Fund	Capital Improvement Fund	78,971
		<u>\$ 353,080</u>

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

CITY OF DIAMOND BAR

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2019

**Note 4: Capital Assets**

A summary of changes in the Governmental Activities capital assets at June 30, 2019, is as follows:

	Balance at June 30, 2018	Transfers	Additions	Deletions	Balance at June 30, 2019
Capital assets not being depreciated:					
Land	\$ 6,369,506	\$ -	\$ -	\$ -	\$ 6,369,506
Right of way	265,614,104	-	-	-	265,614,104
Construction in progress	2,924,094	(4,618,994)	2,766,415	-	1,071,515
Total Capital Assets Not being Depreciated	<u>274,907,704</u>	<u>(4,618,994)</u>	<u>2,766,415</u>	<u>-</u>	<u>273,055,125</u>
Capital assets being depreciated:					
Buildings and improvements	46,706,060	1,725,060	-	-	48,431,120
Furniture and fixtures	259,868	-	-	-	259,868
Vehicles and equipment	4,156,199	-	433,473	418,270	4,171,402
Infrastructure	192,625,002	2,893,934	-	-	195,518,936
Total Capital Assets being Depreciated	<u>243,747,129</u>	<u>4,618,994</u>	<u>433,473</u>	<u>418,270</u>	<u>248,381,326</u>
Less accumulated depreciation for:					
Buildings and improvements	28,366,622	-	3,343,126	-	31,709,748
Furniture and fixtures	162,973	-	41,591	-	204,564
Vehicles and equipment	3,124,008	-	300,553	418,270	3,006,291
Infrastructure	122,802,821	-	4,775,226	-	127,578,047
Total Accumulated Depreciation	<u>154,456,424</u>	<u>-</u>	<u>8,460,496</u>	<u>418,270</u>	<u>162,498,650</u>
Total Capital Assets Being Depreciated, Net	<u>89,290,705</u>	<u>4,618,994</u>	<u>(8,027,023)</u>	<u>-</u>	<u>85,882,676</u>
Governmental Activities Capital Assets, Net	<u>\$ 364,198,409</u>	<u>\$ -</u>	<u>\$ (5,260,608)</u>	<u>\$ -</u>	<u>\$ 358,937,801</u>

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

General government	\$ 534,483
Public safety	6,371
Highways and streets	4,821,323
Parks, recreation and culture	2,898,764
Internal Service Funds depreciation charges to program	199,555
	<u>\$ 8,460,496</u>

**Note 5: Long-Term Liabilities**

Long-term liability activity for the year ended June 30, 2019, was as follows:

	Balance at June 30, 2018	Additions	Deletions	Balance at June 30, 2019	Due Within One Year
Bonds payable					
Revenue Bonds	\$ 9,215,000	\$ -	\$ 440,000	\$ 8,775,000	\$ 460,000
				144,971	
				<u>\$ 8,919,971</u>	

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

Bonds Payable

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

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

Credit Risk

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

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

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

**CITY OF DIAMOND BAR**

**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2019**

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

Payments and Associated Debt

As of June 30, 2019, 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.

Year Ending June 30,	Fixed Rate Debt		
	Principal	Interest	Total
2020	\$ 460,000	\$ 397,306	\$ 857,306
2021	485,000	378,906	863,906
2022	505,000	354,656	859,656
2023	530,000	329,406	859,406
2024	555,000	302,906	857,906
2025-2029	3,195,000	1,151,413	4,346,413
2030-2034	3,045,000	361,788	3,406,788
	<u>\$ 8,775,000</u>	<u>\$ 3,276,381</u>	<u>\$ 12,051,381</u>

Compensated Absences

The City's policies relating to compensated absences are described in Note 1. This liability, amounting to \$665,832 at June 30, 2019, is expected to be paid in future years from future resources, typically liquidated from the General Fund.

	Balance at June 30, 2018	Additions	Deletions	Balance at June 30, 2019	Due Within One Year
Compensated absences	\$ 681,099	\$ 343,906	\$ 359,173	\$ 665,832	\$ 351,122

**Note 6: Liability, Property and Workers' Compensation Protection**

The City of Diamond Bar is a member of the California Joint Powers Insurance Authority (Authority). The Authority is composed of 116 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 at the beginning of the coverage period. A retrospective adjustment is then conducted annually thereafter, for coverage years 2012-13 and prior. Coverage years 2013-14 and forward are not subject to routine annual retrospective adjustment. The total funding requirement for primary self-insurance programs is based on an actuarial analysis. Costs are allocated to individual agencies based on payroll and claims history, relative to other members of the risk-sharing pool.

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

Primary Liability Program

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

The overall coverage limit for each member, including all layers of coverage, is \$50 million per occurrence. Subsidence losses have a sub-limit of \$40 million per occurrence. The coverage structure includes retained risk that is pooled among members, reinsurance, and excess insurance. More detailed information about the various layers of coverage is available on the following website: <https://cjpia.org/protection/coverage-programs>.

Primary Workers' Compensation Program

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

For 2018-19 the Authority's pooled retention is \$2 million per occurrence, with reinsurance to statutory limits under California Workers' Compensation Law. Employer's Liability losses are pooled among members to \$2 million. Coverage from \$2 million to \$5 million is purchased as part of a reinsurance policy, and Employer's Liability losses from \$5 million to \$10 million are pooled among members.

**b. Purchased Insurance**

Pollution Legal Liability Insurance

The City of Diamond Bar participates in the pollution legal liability insurance program which is available through the Authority. The policy covers sudden and gradual pollution of scheduled property, streets, and storm drains owned by the City of Diamond Bar. Coverage is on a claims-made basis. There is a \$50,000 deductible. The Authority has an aggregate limit of \$50 million for the 3-year period from July 1, 2017 through July 1, 2020. Each member of the Authority has a \$10 million sub-limit during the 3-year policy term.

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

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 \$36,790,218. There is a \$10,000 deductible per occurrence except for non-emergency vehicle insurance which has a \$2,500 deductible.

Earthquake and Flood Insurance

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

Crime Insurance

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

Special Event Tenant User Liability Insurance

The City of Diamond Bar further protects against liability damages by requiring tenant users of certain property to purchase low-cost tenant user liability insurance for certain activities on agency property. The insurance premium is paid by the tenant user and is paid to the City of Diamond Bar according to a schedule. The City of Diamond Bar then pays for the insurance. The insurance is facilitated by the Authority.

**c. Adequacy of Protection**

During the past three fiscal years, none of the above programs of protection experienced settlements or judgments that exceeded pooled or insured coverage. There were also no significant reductions in pooled or insured liability coverage in 2018-19.

**Note 7: Pensions**

***Rate Plan Description***

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

**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2019**

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**Note 7: Pensions (Continued)*****Benefits Provided***

CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to rate plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full-time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: The Optional Settlement 2W Death Benefit or the Lump Sum Death Benefit. The cost of living adjustments for each rate plan are applied as specified by the Public Employees' Retirement Law. The Rate Plans' provisions and benefits in effect at June 30, 2019, are summarized as follows:

	Miscellaneous*	Misc. PEPPRA
Hire dates	Prior to January 1, 2013	January 1, 2013 and thereafter
Benefit formula	2% @55	2% @62
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	monthly for life	monthly for life
Retirement age	Minimum 50 yrs	Minimum 52 yrs
Monthly benefits, as a percentage of eligible compensation	1.425% - 2.418%, 50 yrs - 63+ yrs, respectively	1.000% - 2.500%, 52 yrs - 67+ yrs, respectively
Required employee contribution rates	6.902%	6.250%
Required employer contribution rates	8.892%	6.842%
Payment towards UAL	\$ 267,962	\$ 1,659

\* Miscellaneous rate plan is closed to new entrants.

***Contributions***

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

The City's contributions to the Plan for the year ended June 30, 2019, were \$710,349.

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

As of June 30, 2019, the City reported a net pension liability for its proportionate share of the net pension liability of the Plan of \$5,424,380.

CITY OF DIAMOND BAR

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2019

**Note 7: Pensions (Continued)**

The City's net pension liability for the Plan is measured as the proportionate share of the net pension liability. The net pension liability of the Plan is measured as of June 30, 2018, and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2017, rolled forward to June 30, 2018, using standard update procedures. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to Plan relative to the projected contributions of all participating employers, actuarially determined. The City's proportionate share of the net pension liability for each Rate Plan as of June 30, 2017 and 2018, was as follows:

	<u>Miscellaneous</u>
Proportion - June 30, 2017	0.05584%
Proportion - June 30, 2018	<u>0.05629%</u>
Change - Increase (Decrease)	<u><u>0.00045%</u></u>

For the year ended June 30, 2019, the City recognized pension expense of \$1,127,109. At June 30, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 228,163	\$ 77,642
Net Difference between projected and actual earnings on pension plans investments	29,399	-
Adjustment due to difference in proportions	261,025	-
Change in assumptions	677,936	166,149
Change in employer's proportion and differences between the employer's contributions and the employer's proportionate share of contributions	-	341,647
Current year contributions that occurred after the measurement date of June 30, 2018	710,349	-
SubTotal	<u>\$ 1,906,872</u>	<u>\$ 585,438</u>

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2019

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**Note 7: Pension (Continued)**

\$710,349 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2020. Other amounts reported as deferred outflows or deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ended June 30,	Deferred Outflows/ (Inflows) of Resources
2019	\$ 534,854
2020	306,137
2021	(176,419)
2022	(53,487)
Total	<u>\$ 611,085</u>

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

For the measurement period ended June 30, 2018 (the measurement date), the total pension liability was determined by rolling forward the June 30, 2017 total pension liability. The June 30, 2018 total pension liability was based on the following actuarial methods and assumptions:

Actuarial Methods and Assumptions

The collective total pension liability for the June 30, 2018 measurement period was determined by an actuarial valuation as of June 30, 2017, with update procedures used to roll forward the total pension liability to June 30, 2018. The collective total pension liability was based on the following assumptions:

Investment rate of return	7.15%
Inflation	2.50%
Salary increases	Varies by Entry Age and Service
Mortality rate table <sup>1</sup>	Derived using CalPERS' Membership Date for all Funds
Post-retirement benefit increase	Contract COLA up to 2.50% until Purchasing Power Protection Allowance Floor on Purchasing Power applies.

<sup>1</sup> The mortality table was used developed based on CalPERS-specific data. The table includes 15 years of mortality improvements using Society of Actuaries Scale 90% of scale MP 2016. For more details on this table, please refer to the December 2017 experience study report (based on CalPERS demographic date from 1997 to 2015) that can be found on the CalPERS website.

All other actuarial assumptions used in the June 30, 2016 valuation were based on the results of an actuarial experience study for the period from 1997 to 2011, including updates to salary increase, mortality and retirement rates. The Experience Study report can be obtained at CalPERS' website under Forms and Publications.

***Change in Assumptions***

In 2018, demographic assumptions and inflation rate were changed in accordance to the CalPERS Experience Study and Review of Actuarial Assumptions December 2017. There were no changes in the discount rate.

**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2019**

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**Note 7: Pension (Continued)*****Discount Rate***

The discount rate used to measure the total pension liability was 7.15 percent. To determine whether the municipal bond rate should be used in the calculation of the discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. The tests revealed the assets would not run out. Therefore, the current 7.15 percent discount rate is appropriate and the use of the municipal bond rate calculation is not deemed necessary. The long-term expected discount rate of 7.15 percent is applied to all plans in the Public Employees' Retirement Fund (PERF). The cash flows used in the testing were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years. The stress test results are presented in a detailed report called "GASB Crossover Testing Report" that can be obtained at CalPERS website under the GASB 68 section.

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

In determining the long-term expected rate of return, staff took into account both short-term and long-term market return expectations as well as the expected pension fund (PERF) cash flows. Taking into account historical returns of all the Public Employees Retirement Funds' asset classes (which includes the agent plan and two cost-sharing plans or PERF A, B, and C funds), expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each PERF fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equal to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

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

Asset Class <sup>1</sup>	Assumed asset allocation	Real return years 1-10 <sup>2</sup>	Real return years 11+ <sup>3</sup>
Globalequity	50.00%	4.80%	5.98%
Fixed income	28.00	1.00	2.62
Inflation assets	-	0.77	1.81
Private equity	8.00	6.30	7.23
Real assets	13.00	3.75	4.93
Liquidity	1.00	-	(0.92)

(1) In the System's CAFR, Fixed Income is included in Global Debt Securities; Liquidity is included in Short-term Investments; Inflation Assets are included in both Global Equity Securities and Global Debt Securities.

(2) An expected inflation of 2.00% used for this period.

(3) An expected inflation of 2.92% used for this period.

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2019

**Note 7: Pension (Continued)**

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

The following presents the net pension liability/(asset) of the Plan as of the measurement date, calculated using the discount rate of 7.15 percent, as well as what the net pension liability/(asset) would be if it were calculated using a discount rate that is 1 percentage-point lower (6.15 percent) or 1 percentage-point higher (8.15 percent) than the current rate:

	Discount Rate - 1% (6.15%)	Current Discount Rate (7.15%)	Discount Rate +1% (8.15%)
Plan's Net Pension Liability/(Assets)	\$ 9,029,701	\$ 5,424,380	\$ 2,448,245

***Pension Plan Fiduciary Net Position***

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

**Note 8: Post-Employment Benefits Other than Pensions**

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

***Plan Description***

*Plan administration.* Medical coverage is provided through CalPERS under the Public Employees' Medical and Hospital Care Act (PEMHCA), also referred to as PERS Health. Employees may choose from a variety of HMO and PPO medical and prescription drug options.

*Benefits provided.* The City sets its monthly contribution rates for health insurance on behalf of active employees according to the PEMHCA statutory minimum (\$128/month for calendar 2017 and \$133/month for calendar 2018.) These amounts are indexed (increased) in all future years according to the rate of medical inflation. The City pays a 0.33% of premium administrative charge for all active employees. The City offers the same medical plans to its retirees as to its active employees, with the general exception that upon reaching age 65 and becoming eligible for Medicare, the retiree must join one of the Medicare Supplement coverages offered under PEMHCA.

Employees become eligible to retire and receive City-paid healthcare benefits upon attainment of age 50 and 5 years of covered PERS service (age 52 and 5 for hires after 1/1/13), or by attaining qualifying disability retirement status. The City's contribution on behalf of all eligible retirees is the same as for active employees (\$128/month for calendar 2017 and \$133/month for calendar 2019, increased in all future years according to the rate of medical inflation.) The City pays a 0.33% of premium administrative charge on behalf of all retirees.

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2019

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

***Plan membership***

At July 1, 2017, membership consisted of the following:

Inactive plan members or beneficiaries currently receiving benefit payments	7
Active plan members	59
Total	<u>66</u>

***Contributions***

The City currently contributes the full Actuarially Determined Contribution (ADC) to the CERBT OPEB trust, in addition to paying benefit payments outside the trust. For the measurement date ended June 30, 2019, the City's cash contributions were \$101,654 in total payments, which were recognized as a reduction to the OPEB liability.

***Investments***

The CERBT was established for public agencies to pre-fund other post-employment benefit obligations. Employers may choose amount three different investment strategies. The City of Diamond Bar has selected Strategy 3. Compared to strategies 1 and 2, this portfolio consists of a higher percentage of bonds and other assets and a lesser percentage of equities. The following was the investment committee approved asset allocation targets as of June 30, 2018 (CalPERS CAFR for fiscal year 2018-2019 was not available as of the issuance of the City's CAFR):

<u>Asset Class</u>	<u>Target Allocation</u>
Global Equity	24%
U.S. Fixed Income	39
TIPS	26
REITs	8
Commodities	3
Cash	0
Total	<u>100%</u>

***Net OPEB Liability***

The City's Net OPEB Liability was measured as of June 30, 2019 and the Total OPEB Liability used to calculate the Net OPEB Liability was determined by an actuarial valuation as of July 1, 2017. Standard actuarial update procedures were used to project/discount from valuation to measurement dates.

*Actuarial assumptions.* The total OPEB liability was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Actuarial Cost Method Actuarial Assumptions	Entry Age Level Percent of Pay Cost Method
Discount Rate	6.00%
Salary increases	3.00%
Inflation rate	3.00%
Investment rate of return	6.00%, net of OPEB plan investment expense

**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2019**

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

Pre-retirement mortality rates were based on the RP-2014 Employee Mortality Table for Males or Females, as appropriate, without projection. Post-retirement mortality rates were based on the RP-2014 Health Annuitant Mortality Table for Males or Females, as appropriate, without projection.

Retirement and termination assumptions used were based on a review of plan experience and the actuary's best estimate of future plan experience.

**Discount rate**

The discount rate used to measure the total OPEB liability was 6.0%. The projection of cash flows used to determine the discount rate assumed that the City contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

**Changes in the Net OPEB Liability**

The changes in the net OPEB liability are as follows:

	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability/(Assets) (c) = (a) - (b)
Balance at June 30, 2018 (measurement date 6/30/18)	\$ 781,925	\$ 240,630	\$ 541,295
Changes recognized for the measurement period:			
Service Cost	57,513	-	57,513
Interest	46,352	-	46,352
Contributions - employer	-	106,186	(106,186)
Net investment income	-	18,278	(18,278)
Benefit payments	(19,058)	(19,058)	-
Administrative expense	-	(209)	209
Net changes	84,807	105,197	(20,390)
Balance at June 30, 2019 (measurement date 6/30/19)	\$ 866,732	\$ 345,827	\$ 520,905

\*Contributions-employer amount includes implicit subsidy associated with benefits paid.

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2019

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

***Sensitivity of the Net OPEB liability to changes in the discount rate***

The following presents the net OPEB liability, as well as what the net OPEB liability would be if it were calculated using a discount rate that is 1 percentage-point lower (5.00 percent) or 1 percentage-point higher (7.00 percent) than the current discount rate:

	Discount Rate - 1% (5.00%)	Current Discount Rate (6.00%)	Discount Rate +1% (7.00%)
Net OPEB liability (asset)	\$ 642,045	\$ 520,905	\$ 421,560

***Sensitivity of the Net OPEB liability to changes in the healthcare cost trend rates***

The following presents the net OPEB liability, as well as what the net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (5.00 percent decreasing to 4.00 percent) or 1-percentage-point higher (7.00 percent decreasing to 6.00 percent) than the current healthcare cost trend rates:

	Trend Rate - 1% (5.00% decreasing to 4.00%)	Trend Rate (6.00% decreasing to 5.00%)	Trend Rate +1% (7.00% decreasing to 6.00%)
Net OPEB liability (asset)	\$ 393,367	\$ 520,905	\$ 643,175

***Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB***

At June 30, 2019, the City's deferred outflows of resources and deferred inflows of resources to OPEB from the following sources are:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between projected and actual return investments	\$ 1,429	\$ 2,905

Amounts reported as deferred outflows and deferred inflows of resources will be recognized in OPEB expense as follows:

Year Ended June 30,	Deferred Outflows/ (Inflows) of Resources
2020	\$ (250)
2021	(250)
2021	(249)
2023	(727)
Total	<u>\$ (1,476)</u>

CITY OF DIAMOND BAR

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2019

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

***Actuarially Determined Contribution***

The following shows the actuarial determined contribution for year ending June 30, 2019:

Service Cost	\$ 57,513
Net OPEB Liability Amortization Payment (30-year)	29,616
Total	<u>\$ 87,129</u>

**Note 9: Classification of Restricted Fund Balance**

Details of the restricted fund balance classifications at June 30, 2019, are as follows:

Restricted for Community Development Projects:	
Integrated Waste Management	\$ 1,292,829
Beverage Center Recycling	56,172
Used Oil Block Grant	22,037
Park and Facility Development	380,728
PEG Fees	371,262
CASP Fees (SB1186)	14,052
Total	<u>2,137,080</u>
Restricted for Public Safety:	
COPS	272,257
CLEEP	14,591
Total	<u>286,848</u>
Restricted for Highways and Streets:	
State Gas Tax	132,791
Proposition A Transit	467,645
Proposition C Transit	1,078,994
Transportation Grant	363
Traffic Improvement	7,034,327
Sewer Mitigation	115,418
Road Maintenance & Rehab	1,384,273
Measure R Local Return	148,436
Waste Hauler	33,152
Street Beautification	326,365
Total	<u>10,721,764</u>
Restricted for Capital Projects:	
Air Quality Improvement	101,857
Measure M Local Return	528,074
Landscape Maintenance	25,193
Total	<u>655,124</u>
Restricted for Debt Service:	
Debt Service	361
Total Restricted Funds	<u>\$ 13,801,177</u>

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2019

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**Note 10: Tres Hermanos Conservation Authority Joint Powers Authority**

The Tres Hermanos Conservation Authority (Authority) is a joint powers agency created by a joint powers agreement between the cities of Chino Hills and Diamond Bar, California, dated January 19, 1999. It was created pursuant to Articles 1 through 4 of Chapter 5, Division 7, Title 1 of the Government Code of the State of California, in accordance with the provisions of the Marks-Roos Local Bond Pooling Act of 1985. The purpose of the Authority is to create a public entity to coordinate the overall development and conservation of a large undeveloped area of real property known as the Tres Hermanos Ranch, by preparing studies, plans, environmental reviews and similar information and by making recommendations to its members to take such actions including, but not limited to, acquisition and eminent domain as are necessary to implement its recommendations.

On February 6, 2019, the Authority amended and restated its agreement with the City of Industry pursuant to a Settlement Agreement. The City of Industry purchased the Tres Hermanos Ranch from the Successor Agency to Industry's Urban Development Agency. The City of Chino Hills and Diamond Bar contributed 10% of the purchase of the land. With the new agreement each City will contribute approximately \$70,000 each year for ranch expenses and maintenance costs. The Board shall consist of seven voting directors and one alternate from each City, actions taken require at least four approval. Three must come from the City of Industry, two from City of Chino Hills and two from City of Diamond Bar.

The Authority is a public entity separate and apart from each of the Cities. The funds of the Authority have not been included within the scope of the basic financial statements of the Cities because the Authority has its own governing board that has responsibility over the operations of the Authority.

**Note 11: Construction Commitments**

No material construction commitments existed at June 30, 2019.

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# **REQUIRED SUPPLEMENTARY INFORMATION**

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CITY OF DIAMOND BAR

**BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
YEAR ENDED JUNE 30, 2019**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$23,948,377	\$23,948,377	\$23,948,377	\$ -
<b>Resources (Inflows):</b>				
Taxes	13,190,669	13,304,669	13,233,033	(71,636)
Licenses and Permits	1,420,345	2,129,729	2,589,628	459,899
Intergovernmental	7,050,220	7,097,924	7,174,004	76,080
Charges for Services	1,748,365	1,641,365	1,351,841	(289,524)
Use of Money and Property	450,400	450,400	1,215,723	765,323
Fines and Forfeitures	407,500	407,500	415,701	8,201
Miscellaneous	187,460	278,237	278,317	80
Transfers In	1,159,377	927,348	916,352	(10,996)
<b>Amounts Available for Appropriations</b>	<b>49,562,713</b>	<b>50,185,549</b>	<b>51,122,976</b>	<b>937,427</b>
<b>Charges to Appropriation (Outflow):</b>				
General Government				
City Council	205,227	205,227	185,376	19,851
City Attorney	695,000	741,491	527,739	213,752
City Manager/Clerk	1,727,872	1,710,522	1,412,559	297,963
Finance	785,428	785,428	769,486	15,942
Human Resources	473,815	471,150	341,392	129,758
Information Systems	1,213,566	1,216,265	1,228,899	(12,634)
General government	-	1,205,033	1,205,033	-
Public Information	698,444	704,218	633,227	70,991
Civic Center	585,524	607,883	487,313	120,570
Contribution to OPEB Trust	86,600	86,600	87,128	(528)
Subtotal General Government	<u>6,471,476</u>	<u>7,733,817</u>	<u>6,878,152</u>	<u>855,665</u>
Public Safety				
Law Enforcement	7,039,503	7,037,503	6,922,275	115,228
Fire Protection	7,500	7,500	7,359	141
Animal Control	183,500	184,671	180,591	4,080
Emergency Preparedness	72,200	72,200	21,337	50,863
Subtotal Public Safety	<u>7,302,703</u>	<u>7,301,874</u>	<u>7,131,562</u>	<u>170,312</u>
Community Development				
Community Development & Planning Admin.	1,102,784	1,072,766	943,923	128,843
Building and Safety	655,137	861,772	851,338	10,434
Neighborhood Improvement	302,349	301,404	271,881	29,523
Recreation Services	59,085	59,085	51,299	7,786
Economic Development	295,584	298,160	220,855	77,305
Subtotal Community Development	<u>2,414,939</u>	<u>2,593,187</u>	<u>2,339,296</u>	<u>253,891</u>
Parks and recreation				
Diamond Bar Center	1,372,742	1,403,186	1,219,987	183,199
Recreation Services	2,048,672	2,042,202	1,801,582	240,620
Subtotal Parks and recreation	<u>3,421,414</u>	<u>3,445,388</u>	<u>3,021,569</u>	<u>423,819</u>
Public works				
Public Works	724,771	703,201	615,174	88,027
Engineering	1,151,845	1,195,978	671,282	524,696
Road Maintenance	1,691,042	1,758,948	1,583,343	175,605
Landscape Maintenance	304,313	347,713	342,761	4,952
Parks & Facilities Maintenance	1,447,956	1,483,344	1,355,334	128,010
Subtotal Public works	<u>5,319,927</u>	<u>5,489,184</u>	<u>4,567,894</u>	<u>921,290</u>
Capital Outlay	122,300	217,453	18,770	198,683
Transfers Out	5,231,852	5,833,920	4,056,356	1,777,564
<b>Total Charges to Appropriations</b>	<b>30,284,611</b>	<b>32,614,823</b>	<b>28,013,599</b>	<b>4,601,224</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$19,278,102</b>	<b>\$17,570,726</b>	<b>\$23,109,377</b>	<b>\$ 5,538,651</b>

CITY OF DIAMOND BAR

BUDGETARY COMPARISON SCHEDULE  
 TRAFFIC IMPROVEMENT FUND  
 YEAR ENDED JUNE 30, 2019

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 483,646	\$ 483,646	\$ 483,646	\$ -
<b>Resources (Inflows):</b>				
Licenses and permits	-	-	6,558,981	6,558,981
Use of money and property	8,000	8,000	29,374	21,374
<b>Amounts Available for Appropriations</b>	<b>491,646</b>	<b>491,646</b>	<b>7,072,001</b>	<b>6,580,355</b>
<b>Charges to Appropriation (Outflow):</b>				
Transfers out	254,460	158,067	37,674	120,393
<b>Total Charges to Appropriations</b>	<b>254,460</b>	<b>158,067</b>	<b>37,674</b>	<b>120,393</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 237,186</b>	<b>\$ 333,579</b>	<b>\$7,034,327</b>	<b>\$ 6,700,748</b>

CITY OF DIAMOND BAR

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

	2015	2016	2017	2018	2019
Proportion of the Net Pension Liability	0.05155%	0.04862%	0.05325%	0.05584%	0.05629%
Proportionate Share of the Net Pension Liability	\$ 3,207,669	\$ 3,337,560	\$ 4,607,967	\$ 5,537,585	\$ 5,424,380
Covered Payroll	\$ 4,376,117	\$ 4,650,369	\$ 4,551,711	\$ 4,680,371	\$ 5,088,134
Proportionate Share of the Net Pension Liability as Percentage of Covered Payroll	73.30%	71.77%	101.24%	118.32%	106.61%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	79.82%	78.40%	74.06%	73.31%	75.26%

Notes to Schedule:

Changes of Assumptions:

In 2018, demographic assumptions and inflation rate were changed in accordance to the CalPERS Experience Study and Review of Actuarial Assumptions December 2017. There were no changes in the discount rate.

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

CITY OF DIAMOND BAR

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

	2015	2016	2017	2018	2019
Actuarially Determined Contribution	\$ 403,553	\$ 460,471	\$ 386,806	\$ 418,739	\$ 710,349
Contribution in Relation to the Actuarially Determined Contribution	(403,553)	(587,684)	(542,557)	(618,219)	(710,349)
Contribution Deficiency (Excess)	\$ -	\$ (127,213)	\$ (155,751)	\$ (199,480)	\$ -
Covered Payroll	\$ 4,650,369	\$ 4,551,711	\$ 4,680,371	\$ 5,088,134	\$ 5,077,171
Contributions as a Percentage of Covered Payroll	8.68%	12.91%	11.59%	12.15%	13.99%

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

**Note to Schedule:**

Valuation Date: June 30, 2016

Methods and assumptions used to determine contribution rates:

Actuarial Cost Method	Entry Age Normal Cost Method
Discount Rate	7.38%
Inflation	2.75%
Salary Increases	Varies by Entry Age and Service
Mortality Rate Table	Derived using CalPERS' Membership Data for all Funds
Post Retirement Benefit Increase	Contract COLA up to 2.75% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.75% thereafter

CITY OF DIAMOND BAR

**SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS  
AS OF JUNE 30, FOR THE LAST TEN FISCAL YEARS (1)**

	2018	2019
<b>Total OPEB Liability</b>		
Service cost	\$ 55,838	\$ 57,513
Interest on the total OPEB liability	41,616	46,352
Benefit payments	(17,988)	(19,058)
<b>Net change in total OPEB liability</b>	<b>79,466</b>	<b>84,807</b>
<b>Total OPEB liability - beginning</b>	<b>702,459</b>	<b>781,925</b>
<b>Total OPEB liability - ending (a)</b>	<b>781,925</b>	<b>866,732</b>
<b>Plan Fiduciary Net Position</b>		
Contribution - employer	102,579	106,186
Net investment income	7,102	18,278
Benefit payments	(17,988)	(19,058)
Administrative expense	(132)	(209)
<b>Net change in plan fiduciary net position</b>	<b>91,561</b>	<b>105,197</b>
<b>Plan fiduciary net position - beginning</b>	<b>149,069</b>	<b>240,630</b>
<b>Plan fiduciary net position - ending (b)</b>	<b>\$ 240,630</b>	<b>\$ 345,827</b>
<b>Net OPEB Liability/(Assets) - ending (a) - (b)</b>	<b>\$ 541,295</b>	<b>\$ 520,905</b>
<b>Plan fiduciary net position as a percentage of the total OPEB liability</b>	30.77%	39.90%
<b>Covered-employee payroll</b>	\$ 5,163,684	\$ 5,077,171
<b>Net OPEB liability as a percentage of covered-employee payroll</b>	10.48%	10.26%

(1) Historical information is required only for the measurement periods for which GASB 75 is applicable. Fiscal Year 2018 was the first year of implementation. Future years' information will be displayed up to 10 years as information becomes available.

**Notes to Schedule:**

Changes in assumptions:

There were no changes of assumptions.

CITY OF DIAMOND BAR

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

	<b>2018</b>	<b>2019</b>
Actuarially Determined Contribution	\$ 84,591	\$ 87,129
Contribution in Relation to the Actuarially Determined Contributions	(102,579)	(106,186)
Contribution Deficiency (Excess)	<u>\$ (17,988)</u>	<u>\$ (19,057)</u>
Covered-employee payroll	\$ 5,163,684	\$ 5,077,171
Contributions as a percentage of covered-employee payroll	1.64%	1.72%

(1) Historical information is required only for the measurement periods for which GASB 75 is applicable. Fiscal Year 2018 was the first year of implementation. Future years' information will be displayed up to 10 years as information becomes available.

**Notes to Schedule: N/A**

\*Actuarial methods and assumptions used to set the actuarially determined contribution for Fiscal Year 2018 were from the June 30, 2017 actuarial valuation.

**Methods and assumptions used to determine contributions:**

Actuarial Cost Method	Entry Age Level Percent of Pay Cost Method
Discount rate	6.00%
Salary increases	3.00%
Investment rate of return	6.00%, net of OPEB plan investment expense
Healthcare cost trend rates	6.00% for 2017; 5.00% for 2018 and later years
PEMHCA Minimum Increase Rate	3.90% for 2017; 3.50% for 2018 and later years
Retirement and termination	Retirement and termination assumptions used were based on a review of plan experience and our best estimate of future plan experience.

Mortality Pre-retirement mortality rates were based on the RP-2014 Employee Mortality Table for Males or Females, as appropriate, without projection. Post-retirement mortality rates were based on the RP-2014 Health Annuitant Mortality Table for Males or Females, as appropriate, without projection.

CITY OF DIAMOND BAR

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
YEAR ENDED JUNE 30, 2019

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**Note 1: Stewardship, Compliance and Accountability**

**a. Budgetary Data**

General Budget Policies

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

Budget Basis of Accounting

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

Deficit Fund Balances / Net Position

The following funds had deficit fund balances as of June 30, 2019. These governmental funds' deficits will be eliminated by future years' revenues and transfers.

Governmental Funds:

MTA Grant Fund	\$	(52,623)
Measure A Neighborhood Park Acts Fund		(184,805)

Compliance with Budgetary Limitations

The Transportation Grant special revenue fund did not adopt budgets for the fiscal year ended June 30, 2019.

Expenditures in Excess of Appropriations

The following departments had expenditures in excess of appropriations within the General Fund as of June 30, 2019.

Information Systems	\$	(12,634)
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CITY OF DIAMOND BAR

COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 JUNE 30, 2019

	Special Revenue Funds				
	State Gas Tax Fund	Proposition A Transit Fund	Proposition C Transit Fund	Transportation Grant Fund	Integrated Waste Management Fund
<b>Assets:</b>					
Pooled cash and investments	\$ 132,791	\$ 551,277	\$ 1,123,604	\$ 363	\$ 1,176,505
Receivables:					
Accounts	-	-	-	-	133,790
Notes and loans	-	-	-	-	-
Due from other governments	-	-	-	-	-
Restricted assets:					
Cash and investments with fiscal agents	-	-	-	-	-
<b>Total Assets</b>	<b>\$ 132,791</b>	<b>\$ 551,277</b>	<b>\$ 1,123,604</b>	<b>\$ 363</b>	<b>\$ 1,310,295</b>
<b>Liabilities and Fund Balances:</b>					
<b>Liabilities:</b>					
Accounts payable	\$ -	\$ 81,242	\$ 43,259	\$ -	\$ 12,768
Accrued liabilities	-	2,390	1,351	-	4,698
Unearned revenues	-	-	-	-	-
Due to other governments	-	-	-	-	-
Due to other funds	-	-	-	-	-
<b>Total Liabilities</b>	<b>-</b>	<b>83,632</b>	<b>44,610</b>	<b>-</b>	<b>17,466</b>
<b>Deferred Inflows of Resources:</b>					
Unavailable revenues	-	-	-	-	-
<b>Total Deferred Inflows of Resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balances:</b>					
<b>Restricted for:</b>					
Community development projects	-	-	-	-	1,292,829
Public safety	-	-	-	-	-
Highways and streets	132,791	467,645	1,078,994	363	-
Capital Projects	-	-	-	-	-
Debt service	-	-	-	-	-
<b>Unassigned</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Fund Balances</b>	<b>132,791</b>	<b>467,645</b>	<b>1,078,994</b>	<b>363</b>	<b>1,292,829</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 132,791</b>	<b>\$ 551,277</b>	<b>\$ 1,123,604</b>	<b>\$ 363</b>	<b>\$ 1,310,295</b>

COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2019

(CONTINUED)

	Special Revenue Funds				
	Sewer Mitigation Fund	Air Quality Improvement Fund	Measure M Local Return Fund	Road Maintenance & Rehab	Trails & Bikeways Fund
<b>Assets:</b>					
Pooled cash and investments	\$ 115,418	\$ 102,354	\$ 528,074	\$ 1,196,217	\$ -
Receivables:					
Accounts	-	-	-	-	-
Notes and loans	-	-	-	-	-
Due from other governments	-	19,322	-	188,056	-
Restricted assets:					
Cash and investments with fiscal agents	-	-	-	-	-
<b>Total Assets</b>	<b>\$ 115,418</b>	<b>\$ 121,676</b>	<b>\$ 528,074</b>	<b>\$ 1,384,273</b>	<b>\$ -</b>
<b>Liabilities and Fund Balances:</b>					
<b>Liabilities:</b>					
Accounts payable	\$ -	\$ 19,819	\$ -	\$ -	\$ -
Accrued liabilities	-	-	-	-	-
Unearned revenues	-	-	-	-	-
Due to other governments	-	-	-	-	-
Due to other funds	-	-	-	-	-
<b>Total Liabilities</b>	<b>-</b>	<b>19,819</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Deferred Inflows of Resources:</b>					
Unavailable revenues	-	-	-	-	-
<b>Total Deferred Inflows of Resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balances:</b>					
<b>Restricted for:</b>					
Community development projects	-	-	-	-	-
Public safety	-	-	-	-	-
Highways and streets	115,418	-	-	1,384,273	-
Capital Projects	-	101,857	528,074	-	-
Debt service	-	-	-	-	-
<b>Unassigned</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Fund Balances</b>	<b>115,418</b>	<b>101,857</b>	<b>528,074</b>	<b>1,384,273</b>	<b>-</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 115,418</b>	<b>\$ 121,676</b>	<b>\$ 528,074</b>	<b>\$ 1,384,273</b>	<b>\$ -</b>

CITY OF DIAMOND BAR

COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2019

	Special Revenue Funds				
	MTA Grant Fund	Beverage Center Recycling Grant Fund	Used Oil Block Grant Fund	Park and Facility Development Fund	CDBG Fund
<b>Assets:</b>					
Pooled cash and investments	\$ -	\$ 56,172	\$ 22,418	\$ 419,564	\$ -
Receivables:					
Accounts	-	-	-	-	-
Notes and loans	-	-	-	-	440,886
Due from other governments	53,999	-	-	25,920	77,518
Restricted assets:					
Cash and investments with fiscal agents	-	-	-	-	-
<b>Total Assets</b>	<b>\$ 53,999</b>	<b>\$ 56,172</b>	<b>\$ 22,418</b>	<b>\$ 445,484</b>	<b>\$ 518,404</b>
<b>Liabilities and Fund Balances:</b>					
<b>Liabilities:</b>					
Accounts payable	\$ -	\$ -	\$ 381	\$ -	\$ 42,213
Accrued liabilities	-	-	-	-	-
Unearned revenues	-	-	-	64,756	-
Due to other governments	-	-	-	-	440,886
Due to other funds	53,999	-	-	-	35,305
<b>Total Liabilities</b>	<b>53,999</b>	<b>-</b>	<b>381</b>	<b>64,756</b>	<b>518,404</b>
<b>Deferred Inflows of Resources:</b>					
Unavailable revenues	52,623	-	-	-	-
<b>Total Deferred Inflows of Resources</b>	<b>52,623</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balances:</b>					
<b>Restricted for:</b>					
Community development projects	-	56,172	22,037	380,728	-
Public safety	-	-	-	-	-
Highways and streets	-	-	-	-	-
Capital Projects	-	-	-	-	-
Debt service	-	-	-	-	-
<b>Unassigned</b>	<b>(52,623)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Fund Balances</b>	<b>(52,623)</b>	<b>56,172</b>	<b>22,037</b>	<b>380,728</b>	<b>-</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 53,999</b>	<b>\$ 56,172</b>	<b>\$ 22,418</b>	<b>\$ 445,484</b>	<b>\$ 518,404</b>

CITY OF DIAMOND BAR

COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2019

(CONTINUED)

Special Revenue Funds

	COPS Fund	CLEEP Fund	Landscape Maintenance District Fund	Measure R Local Return Fund	PEG Fees Fund
<b>Assets:</b>					
Pooled cash and investments	\$ 272,257	\$ 14,591	\$ 190,389	\$ 148,436	\$ 348,449
Receivables:					
Accounts	-	-	-	-	22,813
Notes and loans	-	-	-	-	-
Due from other governments	55,948	-	11,271	-	-
Restricted assets:					
Cash and investments with fiscal agents	-	-	-	-	-
<b>Total Assets</b>	<b>\$ 328,205</b>	<b>\$ 14,591</b>	<b>\$ 201,660</b>	<b>\$ 148,436</b>	<b>\$ 371,262</b>
<b>Liabilities and Fund Balances:</b>					
<b>Liabilities:</b>					
Accounts payable	\$ -	\$ -	\$ 175,196	\$ -	\$ -
Accrued liabilities	-	-	1,271	-	-
Unearned revenues	-	-	-	-	-
Due to other governments	-	-	-	-	-
Due to other funds	-	-	-	-	-
<b>Total Liabilities</b>	<b>-</b>	<b>-</b>	<b>176,467</b>	<b>-</b>	<b>-</b>
<b>Deferred Inflows of Resources:</b>					
Unavailable revenues	55,948	-	-	-	-
<b>Total Deferred Inflows of Resources</b>	<b>55,948</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balances:</b>					
<b>Restricted for:</b>					
Community development projects	-	-	-	-	371,262
Public safety	272,257	14,591	-	-	-
Highways and streets	-	-	-	148,436	-
Capital Projects	-	-	25,193	-	-
Debt service	-	-	-	-	-
<b>Unassigned</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Fund Balances</b>	<b>272,257</b>	<b>14,591</b>	<b>25,193</b>	<b>148,436</b>	<b>371,262</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 328,205</b>	<b>\$ 14,591</b>	<b>\$ 201,660</b>	<b>\$ 148,436</b>	<b>\$ 371,262</b>

CITY OF DIAMOND BAR

COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2019

	Special Revenue Funds				Debt Service Funds	Total Governmental Funds
	Waste Hauler Fund	CASP Fees (SB1186)	Measure A Neighborhood Park Acts Fund	Street Beautification	Public Financing Authority	
<b>Assets:</b>						
Pooled cash and investments	\$ -	\$ 14,288	\$ -	\$ 326,365	\$ -	\$ 6,739,532
Receivables:						
Accounts	33,152	-	-	-	-	189,755
Notes and loans	-	-	-	-	-	440,886
Due from other governments	-	-	184,805	-	-	616,839
Restricted assets:						
Cash and investments with fiscal agents	-	-	-	-	361	361
<b>Total Assets</b>	<b>\$ 33,152</b>	<b>\$ 14,288</b>	<b>\$ 184,805</b>	<b>\$ 326,365</b>	<b>\$ 361</b>	<b>\$ 7,987,373</b>
<b>Liabilities and Fund Balances:</b>						
<b>Liabilities:</b>						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 374,878
Accrued liabilities	-	236	-	-	-	9,946
Unearned revenues	-	-	-	-	-	64,756
Due to other governments	-	-	-	-	-	440,886
Due to other funds	-	-	184,805	-	-	274,109
<b>Total Liabilities</b>	<b>-</b>	<b>236</b>	<b>184,805</b>	<b>-</b>	<b>-</b>	<b>1,164,575</b>
<b>Deferred Inflows of Resources:</b>						
Unavailable revenues	-	-	184,805	-	-	293,376
<b>Total Deferred Inflows of Resources</b>	<b>-</b>	<b>-</b>	<b>184,805</b>	<b>-</b>	<b>-</b>	<b>293,376</b>
<b>Fund Balances:</b>						
<b>Restricted for:</b>						
Community development projects	-	14,052	-	-	-	2,137,080
Public safety	-	-	-	-	-	286,848
Highways and streets	33,152	-	-	326,365	-	3,687,437
Capital Projects	-	-	-	-	-	655,124
Debt service	-	-	-	-	361	361
<b>Unassigned</b>	<b>-</b>	<b>-</b>	<b>(184,805)</b>	<b>-</b>	<b>-</b>	<b>(237,428)</b>
<b>Total Fund Balances</b>	<b>33,152</b>	<b>14,052</b>	<b>(184,805)</b>	<b>326,365</b>	<b>361</b>	<b>6,529,422</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 33,152</b>	<b>\$ 14,288</b>	<b>\$ 184,805</b>	<b>\$ 326,365</b>	<b>\$ 361</b>	<b>\$ 7,987,373</b>

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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, 2019

	Special Revenue Funds				
	State Gas Tax Fund	Proposition A Transit Fund	Proposition C Transit Fund	Transportation Grant Fund	Integrated Waste Management Fund
<b>Revenues:</b>					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-
Intergovernmental	1,168,800	1,145,663	950,295	-	-
Charges for services	-	639,779	-	-	548,724
Use of money and property	3,119	28,752	18,330	-	-
<b>Total Revenues</b>	<b>1,171,919</b>	<b>1,814,194</b>	<b>968,625</b>	<b>-</b>	<b>548,724</b>
<b>Expenditures:</b>					
Current:					
General government	-	1,200,000	-	-	-
Public safety	-	-	-	-	-
Community development	-	-	-	-	450,319
Parks and recreation	-	54,366	-	-	-
Public works	-	1,092,835	277,594	-	-
Capital outlay	-	1,412	-	-	-
Debt service:					
Principal retirement	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
<b>Total Expenditures</b>	<b>-</b>	<b>2,348,613</b>	<b>277,594</b>	<b>-</b>	<b>450,319</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,171,919	(534,419)	691,031	-	98,405
<b>Other Financing Sources (Uses):</b>					
Transfers in	-	-	-	-	-
Transfers out	(1,111,350)	(71,236)	(341,316)	-	(10,000)
<b>Total Other Financing Sources (Uses)</b>	<b>(1,111,350)</b>	<b>(71,236)</b>	<b>(341,316)</b>	<b>-</b>	<b>(10,000)</b>
Net Change in Fund Balances	60,569	(605,655)	349,715	-	88,405
Fund Balances, Beginning of Year	72,222	1,073,300	729,279	363	1,204,424
<b>Fund Balances, End of Year</b>	<b>\$ 132,791</b>	<b>\$ 467,645</b>	<b>\$ 1,078,994</b>	<b>\$ 363</b>	<b>\$ 1,292,829</b>

## CITY OF DIAMOND BAR

COMBINING STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2019

(CONTINUED)

	Special Revenue Funds				
	Sewer Mitigation Fund	Air Quality Improvement Fund	Measure M Local Return Fund	Road Maintenance & Rehab	Trails & Bikeways Fund
<b>Revenues:</b>					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-
Intergovernmental	-	74,529	802,895	1,053,713	23,631
Charges for services	-	-	-	-	-
Use of money and property	2,426	1,685	8,944	16,192	-
<b>Total Revenues</b>	<b>2,426</b>	<b>76,214</b>	<b>811,839</b>	<b>1,069,905</b>	<b>23,631</b>
<b>Expenditures:</b>					
Current:					
General government	-	-	-	-	-
Public safety	-	-	-	-	-
Community development	-	10,090	-	-	-
Parks and recreation	-	-	-	-	-
Public works	-	-	-	-	-
Capital outlay	-	54,292	-	-	-
Debt service:					
Principal retirement	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
<b>Total Expenditures</b>	<b>-</b>	<b>64,382</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,426	11,832	811,839	1,069,905	23,631
<b>Other Financing Sources (Uses):</b>					
Transfers in	-	-	-	-	-
Transfers out	-	(49,265)	(501,186)	(20,768)	(23,631)
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>(49,265)</b>	<b>(501,186)</b>	<b>(20,768)</b>	<b>(23,631)</b>
Net Change in Fund Balances	2,426	(37,433)	310,653	1,049,137	-
Fund Balances, Beginning of Year	112,992	139,290	217,421	335,136	-
<b>Fund Balances, End of Year</b>	<b>\$ 115,418</b>	<b>\$ 101,857</b>	<b>\$ 528,074</b>	<b>\$ 1,384,273</b>	<b>\$ -</b>

CITY OF DIAMOND BAR

COMBINING STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2019

	Special Revenue Funds				
	MTA Grant Fund	Beverage Center Recycling Grant Fund	Used Oil Block Grant Fund	Park and Facility Development Fund	CDBG Fund
<b>Revenues:</b>					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	48,228	-
Intergovernmental	61,352	14,462	15,798	49,999	419,173
Charges for services	-	-	-	-	-
Use of money and property	-	1,035	336	9,064	-
<b>Total Revenues</b>	<b>61,352</b>	<b>15,497</b>	<b>16,134</b>	<b>107,291</b>	<b>419,173</b>
<b>Expenditures:</b>					
Current:					
General government	-	-	-	-	-
Public safety	-	-	-	-	-
Community development	-	12,589	10,583	-	77,243
Parks and recreation	-	-	-	-	-
Public works	-	-	-	-	-
Capital outlay	-	-	-	-	-
Debt service:					
Principal retirement	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
<b>Total Expenditures</b>	<b>-</b>	<b>12,589</b>	<b>10,583</b>	<b>-</b>	<b>77,243</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	61,352	2,908	5,551	107,291	341,930
<b>Other Financing Sources (Uses):</b>					
Transfers in	-	-	-	-	-
Transfers out	(113,975)	-	-	(54,237)	(340,611)
<b>Total Other Financing Sources (Uses)</b>	<b>(113,975)</b>	<b>-</b>	<b>-</b>	<b>(54,237)</b>	<b>(340,611)</b>
Net Change in Fund Balances	(52,623)	2,908	5,551	53,054	1,319
Fund Balances, Beginning of Year	-	53,264	16,486	327,674	(1,319)
<b>Fund Balances, End of Year</b>	<b>\$ (52,623)</b>	<b>\$ 56,172</b>	<b>\$ 22,037</b>	<b>\$ 380,728</b>	<b>\$ -</b>

## CITY OF DIAMOND BAR

**COMBINING STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2019**

(CONTINUED)

	Special Revenue Funds				
	COPS Fund	CLEEP Fund	Landscape Maintenance District Fund	Measure R Local Return Fund	PEG Fees Fund
<b>Revenues:</b>					
Taxes	\$ -	\$ -	\$ 688,258	\$ -	\$ 94,955
Licenses and permits	-	-	-	-	-
Intergovernmental	148,747	-	-	712,926	-
Charges for services	-	-	-	-	-
Use of money and property	6,073	307	-	3,605	6,758
<b>Total Revenues</b>	<b>154,820</b>	<b>307</b>	<b>688,258</b>	<b>716,531</b>	<b>101,713</b>
<b>Expenditures:</b>					
Current:					
General government	-	-	-	-	-
Public safety	4,800	-	-	-	-
Community development	-	-	-	-	-
Parks and recreation	-	-	-	-	-
Public works	-	-	943,656	-	-
Capital outlay	-	-	-	-	29,753
Debt service:					
Principal retirement	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
<b>Total Expenditures</b>	<b>4,800</b>	<b>-</b>	<b>943,656</b>	<b>-</b>	<b>29,753</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	150,020	307	(255,398)	716,531	71,960
<b>Other Financing Sources (Uses):</b>					
Transfers in	-	-	280,591	-	-
Transfers out	(99,231)	-	-	(631,488)	-
<b>Total Other Financing Sources (Uses)</b>	<b>(99,231)</b>	<b>-</b>	<b>280,591</b>	<b>(631,488)</b>	<b>-</b>
Net Change in Fund Balances	50,789	307	25,193	85,043	71,960
Fund Balances, Beginning of Year	221,468	14,284	-	63,393	299,302
<b>Fund Balances, End of Year</b>	<b>\$ 272,257</b>	<b>\$ 14,591</b>	<b>\$ 25,193</b>	<b>\$ 148,436</b>	<b>\$ 371,262</b>

CITY OF DIAMOND BAR

COMBINING STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2019

	Special Revenue Funds				Debt Service Funds	Total Governmental Funds
	Waste Hauler Fund	CASP Fees (SB1186)	Measure A Neighborhood Park Acts Fund	Street Beautification	Public Financing Authority	
<b>Revenues:</b>						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 783,213
Licenses and permits	132,607	7,769	-	-	-	188,604
Intergovernmental	-	-	-	-	-	6,641,983
Charges for services	-	-	-	-	-	1,188,503
Use of money and property	1,045	218	-	7,926	411	116,226
<b>Total Revenues</b>	<b>133,652</b>	<b>7,987</b>	<b>-</b>	<b>7,926</b>	<b>411</b>	<b>8,918,529</b>
<b>Expenditures:</b>						
Current:						
General government	-	-	-	-	-	1,200,000
Public safety	-	-	-	-	-	4,800
Community development	-	-	-	-	-	560,824
Parks and recreation	-	-	-	-	-	54,366
Public works	-	-	-	-	-	2,314,085
Capital outlay	-	-	-	-	-	85,457
Debt service:						
Principal retirement	-	-	-	-	440,000	440,000
Interest and fiscal charges	-	-	-	-	418,191	418,191
<b>Total Expenditures</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>858,191</b>	<b>5,077,723</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	133,652	7,987	-	7,926	(857,780)	3,840,806
<b>Other Financing Sources (Uses):</b>						
Transfers in	-	-	-	-	857,942	1,138,533
Transfers out	(180,225)	-	(184,805)	-	-	(3,733,324)
<b>Total Other Financing Sources (Uses)</b>	<b>(180,225)</b>	<b>-</b>	<b>(184,805)</b>	<b>-</b>	<b>857,942</b>	<b>(2,594,791)</b>
Net Change in Fund Balances	(46,573)	7,987	(184,805)	7,926	162	1,246,015
Fund Balances, Beginning of Year	79,725	6,065	-	318,439	199	5,283,407
<b>Fund Balances, End of Year</b>	<b>\$ 33,152</b>	<b>\$ 14,052</b>	<b>\$ (184,805)</b>	<b>\$ 326,365</b>	<b>\$ 361</b>	<b>\$ 6,529,422</b>

CITY OF DIAMOND BAR

BUDGETARY COMPARISON SCHEDULE  
 STATE GAS TAX FUND  
 YEAR ENDED JUNE 30, 2019

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 72,222	\$ 72,222	\$ 72,222	\$ -
<b>Resources (Inflows):</b>				
Intergovernmental	1,441,273	1,214,844	1,168,800	(46,044)
Use of money and property	2,500	2,500	3,119	619
<b>Amounts Available for Appropriations</b>	<b>1,515,995</b>	<b>1,289,566</b>	<b>1,244,141</b>	<b>(45,425)</b>
<b>Charges to Appropriation (Outflow):</b>				
Transfers out	1,521,595	1,289,566	1,111,350	178,216
<b>Total Charges to Appropriations</b>	<b>1,521,595</b>	<b>1,289,566</b>	<b>1,111,350</b>	<b>178,216</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ (5,600)</b>	<b>\$ -</b>	<b>\$ 132,791</b>	<b>\$ 132,791</b>

CITY OF DIAMOND BAR

BUDGETARY COMPARISON SCHEDULE  
 PROPOSITION A TRANSIT FUND  
 YEAR ENDED JUNE 30, 2019

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$1,073,300	\$1,073,300	\$1,073,300	\$ -
<b>Resources (Inflows):</b>				
Intergovernmental	1,116,939	1,116,939	1,145,663	28,724
Charges for services	925,000	925,000	639,779	(285,221)
Use of money and property	10,000	10,000	28,752	18,752
<b>Amounts Available for Appropriations</b>	<b>3,125,239</b>	<b>3,125,239</b>	<b>2,887,494</b>	<b>(237,745)</b>
<b>Charges to Appropriation (Outflow):</b>				
General government	1,200,000	1,200,000	1,200,000	-
Parks and recreation	78,750	70,250	54,366	15,884
Public works	1,361,252	1,461,252	1,092,835	368,417
Capital outlay	17,000	17,000	1,412	15,588
Transfers out	331,200	311,722	71,236	240,486
<b>Total Charges to Appropriations</b>	<b>2,988,202</b>	<b>3,060,224</b>	<b>2,419,849</b>	<b>640,375</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 137,037</b>	<b>\$ 65,015</b>	<b>\$ 467,645</b>	<b>\$ 402,630</b>

CITY OF DIAMOND BAR

BUDGETARY COMPARISON SCHEDULE  
 PROPOSITION C TRANSIT FUND  
 YEAR ENDED JUNE 30, 2019

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 729,279	\$ 729,279	\$ 729,279	\$ -
<b>Resources (Inflows):</b>				
Intergovernmental	926,471	926,471	950,295	23,824
Use of money and property	10,500	10,500	18,330	7,830
<b>Amounts Available for Appropriations</b>	<b>1,666,250</b>	<b>1,666,250</b>	<b>1,697,904</b>	<b>31,654</b>
<b>Charges to Appropriation (Outflow):</b>				
Public works	562,141	462,141	277,594	184,547
Transfers out	864,319	829,495	341,316	488,179
<b>Total Charges to Appropriations</b>	<b>1,426,460</b>	<b>1,291,636</b>	<b>618,910</b>	<b>672,726</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 239,790</b>	<b>\$ 374,614</b>	<b>\$ 1,078,994</b>	<b>\$ 704,380</b>

CITY OF DIAMOND BAR

**BUDGETARY COMPARISON SCHEDULE  
INTEGRATED WASTE MANAGEMENT FUND  
YEAR ENDED JUNE 30, 2019**

	<b>Budget Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
Budgetary Fund Balance, July 1	\$1,204,424	\$1,204,424	\$1,204,424	\$ -
<b>Resources (Inflows):</b>				
Charges for services	547,000	547,000	548,724	1,724
Miscellaneous	92,000	17,000	-	(17,000)
<b>Amounts Available for Appropriations</b>	<b>1,843,424</b>	<b>1,768,424</b>	<b>1,753,148</b>	<b>(15,276)</b>
<b>Charges to Appropriation (Outflow):</b>				
Community development	526,706	486,091	450,319	35,772
Capital outlay	40,000	30,000	-	30,000
Transfers out	10,000	10,000	10,000	-
<b>Total Charges to Appropriations</b>	<b>576,706</b>	<b>526,091</b>	<b>460,319</b>	<b>65,772</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$1,266,718</b>	<b>\$1,242,333</b>	<b>\$1,292,829</b>	<b>\$ 50,496</b>

CITY OF DIAMOND BAR

BUDGETARY COMPARISON SCHEDULE  
 SEWER MITIGATION FUND  
 YEAR ENDED JUNE 30, 2019

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 112,992	\$ 112,992	\$ 112,992	\$ -
<b>Resources (Inflows):</b>				
Use of money and property	1,000	2,000	2,426	426
<b>Amounts Available for Appropriations</b>	<b>113,992</b>	<b>114,992</b>	<b>115,418</b>	<b>426</b>
<b>Charges to Appropriation (Outflow):</b>				
Transfers out	64,551	64,551	-	64,551
<b>Total Charges to Appropriations</b>	<b>64,551</b>	<b>64,551</b>	<b>-</b>	<b>64,551</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 49,441</b>	<b>\$ 50,441</b>	<b>\$ 115,418</b>	<b>\$ 64,977</b>

CITY OF DIAMOND BAR

BUDGETARY COMPARISON SCHEDULE  
 AIR QUALITY IMPROVEMENT FUND  
 YEAR ENDED JUNE 30, 2019

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 139,290	\$ 139,290	\$ 139,290	\$ -
<b>Resources (Inflows):</b>				
Intergovernmental	70,000	70,000	74,529	4,529
Use of money and property	3,000	3,000	1,685	(1,315)
<b>Amounts Available for Appropriations</b>	<b>212,290</b>	<b>212,290</b>	<b>215,504</b>	<b>3,214</b>
<b>Charges to Appropriation (Outflow):</b>				
Community development	68,545	68,545	10,090	58,455
Capital outlay	35,000	56,000	54,292	1,708
Transfers out	74,195	74,195	49,265	24,930
<b>Total Charges to Appropriations</b>	<b>177,740</b>	<b>198,740</b>	<b>113,647</b>	<b>85,093</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 34,550</b>	<b>\$ 13,550</b>	<b>\$ 101,857</b>	<b>\$ 88,307</b>

CITY OF DIAMOND BAR

BUDGETARY COMPARISON SCHEDULE  
 MEASURE M LOCAL RETURN FUND  
 YEAR ENDED JUNE 30, 2019

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 217,421	\$ 217,421	\$ 217,421	\$ -
<b>Resources (Inflows):</b>				
Intergovernmental	787,501	787,501	802,895	15,394
Use of money and property	1,000	7,000	8,944	1,944
<b>Amounts Available for Appropriations</b>	<b>1,005,922</b>	<b>1,011,922</b>	<b>1,029,260</b>	<b>17,338</b>
<b>Charges to Appropriation (Outflow):</b>				
Transfers out	937,691	977,850	501,186	476,664
<b>Total Charges to Appropriations</b>	<b>937,691</b>	<b>977,850</b>	<b>501,186</b>	<b>476,664</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 68,231</b>	<b>\$ 34,072</b>	<b>\$ 528,074</b>	<b>\$ 494,002</b>

CITY OF DIAMOND BAR

BUDGETARY COMPARISON SCHEDULE  
 ROAD MAINTENANCE & REHAB  
 YEAR ENDED JUNE 30, 2019

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 335,136	\$ 335,136	\$ 335,136	\$ -
<b>Resources (Inflows):</b>				
Intergovernmental	947,641	911,144	1,053,713	142,569
Use of money and property	5,000	7,500	16,192	8,692
<b>Amounts Available for Appropriations</b>	<b>1,287,777</b>	<b>1,253,780</b>	<b>1,405,041</b>	<b>151,261</b>
<b>Charges to Appropriation (Outflow):</b>				
Transfers out	1,200,282	1,276,811	20,768	1,256,043
<b>Total Charges to Appropriations</b>	<b>1,200,282</b>	<b>1,276,811</b>	<b>20,768</b>	<b>1,256,043</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 87,495</b>	<b>\$ (23,031)</b>	<b>\$ 1,384,273</b>	<b>\$ 1,407,304</b>

CITY OF DIAMOND BAR

BUDGETARY COMPARISON SCHEDULE  
 TRAILS & BIKEWAYS FUND  
 YEAR ENDED JUNE 30, 2019

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ -	\$ -	\$ -	\$ -
<b>Resources (Inflows):</b>				
Intergovernmental	157,338	157,338	23,631	(133,707)
<b>Amounts Available for Appropriations</b>	<b>157,338</b>	<b>157,338</b>	<b>23,631</b>	<b>(133,707)</b>
<b>Charges to Appropriation (Outflow):</b>				
Transfers out	157,338	132,337	23,631	108,706
<b>Total Charges to Appropriations</b>	<b>157,338</b>	<b>132,337</b>	<b>23,631</b>	<b>108,706</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ -</b>	<b>\$ 25,001</b>	<b>\$ -</b>	<b>\$ (25,001)</b>

CITY OF DIAMOND BAR

BUDGETARY COMPARISON SCHEDULE  
 MTA GRANT FUND  
 YEAR ENDED JUNE 30, 2019

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ -	\$ -	\$ -	\$ -
<b>Resources (Inflows):</b>				
Intergovernmental	1,278,800	1,278,800	61,352	(1,217,448)
<b>Amounts Available for Appropriations</b>	<b>1,278,800</b>	<b>1,278,800</b>	<b>61,352</b>	<b>(1,217,448)</b>
<b>Charges to Appropriation (Outflow):</b>				
Transfers out	1,278,800	1,289,418	113,975	1,175,443
<b>Total Charges to Appropriations</b>	<b>1,278,800</b>	<b>1,289,418</b>	<b>113,975</b>	<b>1,175,443</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ -</b>	<b>\$ (10,618)</b>	<b>\$ (52,623)</b>	<b>\$ (42,005)</b>

CITY OF DIAMOND BAR

BUDGETARY COMPARISON SCHEDULE  
 BEVERAGE CENTER RECYCLING GRANT FUND  
 YEAR ENDED JUNE 30, 2019

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 53,264	\$ 53,264	\$ 53,264	\$ -
<b>Resources (Inflows):</b>				
Intergovernmental	14,409	14,409	14,462	53
Use of money and property	600	600	1,035	435
<b>Amounts Available for Appropriations</b>	<b>68,273</b>	<b>68,273</b>	<b>68,761</b>	<b>488</b>
<b>Charges to Appropriation (Outflow):</b>				
Community development	14,410	14,410	12,589	1,821
<b>Total Charges to Appropriations</b>	<b>14,410</b>	<b>14,410</b>	<b>12,589</b>	<b>1,821</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 53,863</b>	<b>\$ 53,863</b>	<b>\$ 56,172</b>	<b>\$ 2,309</b>

CITY OF DIAMOND BAR

BUDGETARY COMPARISON SCHEDULE  
 USED OIL BLOCK GRANT FUND  
 YEAR ENDED JUNE 30, 2019

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 16,486	\$ 16,486	\$ 16,486	\$ -
<b>Resources (Inflows):</b>				
Intergovernmental	15,700	15,700	15,798	98
Use of money and property	300	300	336	36
<b>Amounts Available for Appropriations</b>	<b>32,486</b>	<b>32,486</b>	<b>32,620</b>	<b>134</b>
<b>Charges to Appropriation (Outflow):</b>				
Community development	15,700	15,700	10,583	5,117
<b>Total Charges to Appropriations</b>	<b>15,700</b>	<b>15,700</b>	<b>10,583</b>	<b>5,117</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 16,786</b>	<b>\$ 16,786</b>	<b>\$ 22,037</b>	<b>\$ 5,251</b>

CITY OF DIAMOND BAR

BUDGETARY COMPARISON SCHEDULE  
 PARK AND FACILITY DEVELOPMENT FUND  
 YEAR ENDED JUNE 30, 2019

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 327,674	\$ 327,674	\$ 327,674	\$ -
<b>Resources (Inflows):</b>				
Licenses and permits	-	-	48,228	48,228
Intergovernmental	50,000	50,000	49,999	(1)
Use of money and property	4,000	6,000	9,064	3,064
<b>Amounts Available for Appropriations</b>	<b>381,674</b>	<b>383,674</b>	<b>434,965</b>	<b>51,291</b>
<b>Charges to Appropriation (Outflow):</b>				
Transfers out	298,801	333,015	54,237	278,778
<b>Total Charges to Appropriations</b>	<b>298,801</b>	<b>333,015</b>	<b>54,237</b>	<b>278,778</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 82,873</b>	<b>\$ 50,659</b>	<b>\$ 380,728</b>	<b>\$ 330,069</b>

CITY OF DIAMOND BAR

BUDGETARY COMPARISON SCHEDULE  
 COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG FUND)  
 YEAR ENDED JUNE 30, 2019

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ (1,319)	\$ (1,319)	\$ (1,319)	\$ -
<b>Resources (Inflows):</b>				
Intergovernmental	468,734	485,075	419,173	(65,902)
<b>Amounts Available for Appropriations</b>	<b>467,415</b>	<b>483,756</b>	<b>417,854</b>	<b>(65,902)</b>
<b>Charges to Appropriation (Outflow):</b>				
Community development	130,044	130,044	77,243	52,801
Transfers out	338,690	343,732	340,611	3,121
<b>Total Charges to Appropriations</b>	<b>468,734</b>	<b>473,776</b>	<b>417,854</b>	<b>55,922</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ (1,319)</b>	<b>\$ 9,980</b>	<b>\$ -</b>	<b>\$ (9,980)</b>

CITY OF DIAMOND BAR

BUDGETARY COMPARISON SCHEDULE  
 CITIZENS OPTION FOR PUBLIC SAFETY (COPS) FUND  
 YEAR ENDED JUNE 30, 2019

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 221,468	\$ 221,468	\$ 221,468	\$ -
<b>Resources (Inflows):</b>				
Intergovernmental	100,000	100,000	148,747	48,747
Use of money and property	3,000	4,500	6,073	1,573
<b>Amounts Available for Appropriations</b>	<b>324,468</b>	<b>325,968</b>	<b>376,288</b>	<b>50,320</b>
<b>Charges to Appropriation (Outflow):</b>				
Public safety	20,000	20,000	4,800	15,200
Transfers out	110,226	110,226	99,231	10,995
<b>Total Charges to Appropriations</b>	<b>130,226</b>	<b>130,226</b>	<b>104,031</b>	<b>26,195</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 194,242</b>	<b>\$ 195,742</b>	<b>\$ 272,257</b>	<b>\$ 76,515</b>

CITY OF DIAMOND BAR

BUDGETARY COMPARISON SCHEDULE  
 CALIFORNIA LAW ENFORCEMENT EQUIPMENT PROGRAM (CLEEP) FUND  
 YEAR ENDED JUNE 30, 2019

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 14,284	\$ 14,284	\$ 14,284	\$ -
<b>Resources (Inflows):</b>				
Use of money and property	250	250	307	57
<b>Amounts Available for Appropriations</b>	<b>14,534</b>	<b>14,534</b>	<b>14,591</b>	<b>57</b>
<b>Charges to Appropriation (Outflow):</b>				
Public safety	10,000	10,000	-	10,000
<b>Total Charges to Appropriations</b>	<b>10,000</b>	<b>10,000</b>	<b>-</b>	<b>10,000</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 4,534</b>	<b>\$ 4,534</b>	<b>\$ 14,591</b>	<b>\$ 10,057</b>

CITY OF DIAMOND BAR

**BUDGETARY COMPARISON SCHEDULE  
 LANDSCAPE MAINTENANCE DISTRICT FUND  
 YEAR ENDED JUNE 30, 2019**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ -	\$ -	\$ -	\$ -
<b>Resources (Inflows):</b>				
Taxes	568,934	691,091	688,258	(2,833)
Transfers in	346,983	560,912	280,591	(280,321)
<b>Amounts Available for Appropriations</b>	<b>915,917</b>	<b>1,252,003</b>	<b>968,849</b>	<b>(283,154)</b>
<b>Charges to Appropriation (Outflow):</b>				
Public works	1,182,072	1,252,003	943,656	308,347
<b>Total Charges to Appropriations</b>	<b>1,182,072</b>	<b>1,252,003</b>	<b>943,656</b>	<b>308,347</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ (266,155)</b>	<b>\$ -</b>	<b>\$ 25,193</b>	<b>\$ 25,193</b>

CITY OF DIAMOND BAR

BUDGETARY COMPARISON SCHEDULE  
 MEASURE R LOCAL RETURN FUND  
 YEAR ENDED JUNE 30, 2019

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 63,393	\$ 63,393	\$ 63,393	\$ -
<b>Resources (Inflows):</b>				
Intergovernmental	694,868	694,868	712,926	18,058
Use of money and property	4,500	4,500	3,605	(895)
<b>Amounts Available for Appropriations</b>	<b>762,761</b>	<b>762,761</b>	<b>779,924</b>	<b>17,163</b>
<b>Charges to Appropriation (Outflow):</b>				
Transfers out	844,868	769,535	631,488	138,047
<b>Total Charges to Appropriations</b>	<b>844,868</b>	<b>769,535</b>	<b>631,488</b>	<b>138,047</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ (82,107)</b>	<b>\$ (6,774)</b>	<b>\$ 148,436</b>	<b>\$ 155,210</b>

CITY OF DIAMOND BAR

BUDGETARY COMPARISON SCHEDULE  
 PEG FEES FUND  
 YEAR ENDED JUNE 30, 2019

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 299,302	\$ 299,302	\$ 299,302	\$ -
<b>Resources (Inflows):</b>				
Taxes	100,000	100,000	94,955	(5,045)
Use of money and property	4,000	4,000	6,758	2,758
<b>Amounts Available for Appropriations</b>	<b>403,302</b>	<b>403,302</b>	<b>401,015</b>	<b>(2,287)</b>
<b>Charges to Appropriation (Outflow):</b>				
Capital outlay	110,000	110,000	29,753	80,247
<b>Total Charges to Appropriations</b>	<b>110,000</b>	<b>110,000</b>	<b>29,753</b>	<b>80,247</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 293,302</b>	<b>\$ 293,302</b>	<b>\$ 371,262</b>	<b>\$ 77,960</b>

CITY OF DIAMOND BAR

**BUDGETARY COMPARISON SCHEDULE  
WASTE HAULER FUND  
YEAR ENDED JUNE 30, 2019**

	<b>Budget Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
Budgetary Fund Balance, July 1	\$ 79,725	\$ 79,725	\$ 79,725	\$ -
<b>Resources (Inflows):</b>				
Licenses and permits	130,000	130,000	132,607	2,607
Use of money and property	1,000	1,000	1,045	45
<b>Amounts Available for Appropriations</b>	<b>210,725</b>	<b>210,725</b>	<b>213,377</b>	<b>2,652</b>
<b>Charges to Appropriation (Outflow):</b>				
Transfers out	128,000	213,256	180,225	33,031
<b>Total Charges to Appropriations</b>	<b>128,000</b>	<b>213,256</b>	<b>180,225</b>	<b>33,031</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 82,725</b>	<b>\$ (2,531)</b>	<b>\$ 33,152</b>	<b>\$ 35,683</b>

CITY OF DIAMOND BAR

**BUDGETARY COMPARISON SCHEDULE  
 CASP FEES (SB1186)  
 YEAR ENDED JUNE 30, 2019**

	<b>Budget Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
Budgetary Fund Balance, July 1	\$ 6,065	\$ 6,065	\$ 6,065	\$ -
<b>Resources (Inflows):</b>				
Licenses and permits	8,000	8,000	7,769	(231)
Use of money and property	-	-	218	218
<b>Amounts Available for Appropriations</b>	<b>14,065</b>	<b>14,065</b>	<b>14,052</b>	<b>(13)</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 14,065</b>	<b>\$ 14,065</b>	<b>\$ 14,052</b>	<b>\$ (13)</b>

CITY OF DIAMOND BAR

BUDGETARY COMPARISON SCHEDULE  
 MEASURE A NEIGHBORHOOD PARKS ACTS FUND  
 YEAR ENDED JUNE 30, 2019

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ -	\$ -	\$ -	\$ -
<b>Resources (Inflows):</b>				
Intergovernmental	236,770	236,770	-	(236,770)
<b>Amounts Available for Appropriations</b>	<b>236,770</b>	<b>236,770</b>	-	<b>(236,770)</b>
<b>Charges to Appropriation (Outflow):</b>				
Transfers out	190,717	190,717	184,805	5,912
<b>Total Charges to Appropriations</b>	<b>190,717</b>	<b>190,717</b>	<b>184,805</b>	<b>5,912</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 46,053</b>	<b>\$ 46,053</b>	<b>\$ (184,805)</b>	<b>\$ (230,858)</b>

CITY OF DIAMOND BAR

BUDGETARY COMPARISON SCHEDULE  
 STREET BEAUTIFICATION FUND  
 YEAR ENDED JUNE 30, 2019

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 318,439	\$ 318,439	\$ 318,439	\$ -
<b>Resources (Inflows):</b>				
Licenses and permits	-	70,000	-	(70,000)
Use of money and property	-	-	7,926	7,926
<b>Amounts Available for Appropriations</b>	<b>318,439</b>	<b>388,439</b>	<b>326,365</b>	<b>(62,074)</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 318,439</b>	<b>\$ 388,439</b>	<b>\$ 326,365</b>	<b>\$ (62,074)</b>

CITY OF DIAMOND BAR

BUDGETARY COMPARISON SCHEDULE  
 CAPITAL IMPROVEMENT FUND  
 YEAR ENDED JUNE 30, 2019

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ (48,299)	\$ (48,299)	\$ (48,299)	\$ -
<b>Resources (Inflows):</b>				
Intergovernmental	302,713	608,743	197,883	(410,860)
Miscellaneous	75,000	75,000	-	(75,000)
Transfers in	9,731,055	9,895,545	3,907,266	(5,988,279)
<b>Amounts Available for Appropriations</b>	<b>10,060,469</b>	<b>10,530,989</b>	<b>4,056,850</b>	<b>(6,474,139)</b>
<b>Charges to Appropriation (Outflow):</b>				
Public works	-	-	1,771,446	(1,771,446)
Capital outlay	10,183,768	10,654,294	2,605,218	8,049,076
<b>Total Charges to Appropriations</b>	<b>10,183,768</b>	<b>10,654,294</b>	<b>4,376,664</b>	<b>6,277,630</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ (123,299)</b>	<b>\$ (123,305)</b>	<b>\$ (319,814)</b>	<b>\$ (196,509)</b>

CITY OF DIAMOND BAR

BUDGETARY COMPARISON SCHEDULE  
 PUBLIC FINANCING AUTHORITY  
 YEAR ENDED JUNE 30, 2019

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 199	\$ 199	\$ 199	\$ -
<b>Resources (Inflows):</b>				
Use of money and property	-	100	411	311
Transfers in	-	858,307	857,942	(365)
<b>Amounts Available for Appropriations</b>	<b>199</b>	<b>858,606</b>	<b>858,552</b>	<b>(54)</b>
<b>Charges to Appropriation (Outflow):</b>				
Debt service:				
Principal retirement	-	440,000	440,000	-
Interest and fiscal charges	-	418,407	418,191	216
<b>Total Charges to Appropriations</b>	<b>-</b>	<b>858,407</b>	<b>858,191</b>	<b>216</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 199</b>	<b>\$ 199</b>	<b>\$ 361</b>	<b>\$ 162</b>

CITY OF DIAMOND BAR

COMBINING STATEMENT OF NET POSITION  
INTERNAL SERVICE FUNDS  
JUNE 30, 2019

	Governmental Activities - Internal Service Funds				Totals
	Self Insurance Fund	Equipment Replacement Fund	Computer Equipment Replacement	Building Facility & Maintenance	
<b>Assets:</b>					
Current:					
Cash and investments	\$ 947,180	\$ 222,200	\$ 1,634,652	\$ 453,643	\$ 3,257,675
Due from other governments	52,820	-	-	-	52,820
<b>Total Current Assets</b>	<b>1,000,000</b>	<b>222,200</b>	<b>1,634,652</b>	<b>453,643</b>	<b>3,310,495</b>
Noncurrent:					
Capital assets - net of accumulated depreciation	-	175,784	467,364	-	643,148
<b>Total Noncurrent Assets</b>	<b>-</b>	<b>175,784</b>	<b>467,364</b>	<b>-</b>	<b>643,148</b>
<b>Total Assets</b>	<b>\$ 1,000,000</b>	<b>\$ 397,984</b>	<b>\$ 2,102,016</b>	<b>\$ 453,643</b>	<b>\$ 3,953,643</b>
<b>Liabilities and Net Position:</b>					
<b>Liabilities:</b>					
Current:					
Accounts payable	\$ -	\$ 2,261	\$ 67,541	\$ 21,360	\$ 91,162
<b>Total Current Liabilities</b>	<b>-</b>	<b>2,261</b>	<b>67,541</b>	<b>21,360</b>	<b>91,162</b>
<b>Total Liabilities</b>	<b>-</b>	<b>2,261</b>	<b>67,541</b>	<b>21,360</b>	<b>91,162</b>
<b>Net Position:</b>					
Investment in capital assets	-	175,784	467,364	-	643,148
Unrestricted	1,000,000	219,939	1,567,111	432,283	3,219,333
<b>Total Net Position</b>	<b>1,000,000</b>	<b>395,723</b>	<b>2,034,475</b>	<b>432,283</b>	<b>3,862,481</b>
<b>Total Liabilities and Net Position</b>	<b>\$ 1,000,000</b>	<b>\$ 397,984</b>	<b>\$ 2,102,016</b>	<b>\$ 453,643</b>	<b>\$ 3,953,643</b>

CITY OF DIAMOND BAR

COMBINING STATEMENT OF REVENUES, EXPENSES  
AND CHANGES IN FUND NET POSITION  
INTERNAL SERVICE FUNDS  
YEAR ENDED JUNE 30, 2019

	Governmental Activities - Internal Service Funds				Totals
	Self Insurance Fund	Equipment Replacement Fund	Computer Equipment Replacement	Building Facility & Maintenance	
<b>Operating Expenses:</b>					
Administration and general	\$ -	\$ 33,844	\$ -	\$ -	\$ 33,844
Insurance premiums	412,308	-	-	-	412,308
Equipment repair and maintenance	-	31,380	101,260	21,360	154,000
Depreciation expense	-	77,229	122,326	-	199,555
<b>Total Operating Expenses</b>	<b>412,308</b>	<b>142,453</b>	<b>223,586</b>	<b>21,360</b>	<b>799,707</b>
Operating Income (Loss)	(412,308)	(142,453)	(223,586)	(21,360)	(799,707)
<b>Nonoperating Revenues (Expenses):</b>					
Interest revenue	11,873	5,456	9,539	9,536	36,404
<b>Total Nonoperating Revenues (Expenses)</b>	<b>11,873</b>	<b>5,456</b>	<b>9,539</b>	<b>9,536</b>	<b>36,404</b>
Income (Loss) Before Transfers	(400,435)	(136,997)	(214,047)	(11,824)	(763,303)
Transfers in	400,435	-	1,464,768	-	1,865,203
Changes in Net Position	-	(136,997)	1,250,721	(11,824)	1,101,900
<b>Net Position:</b>					
Beginning of Year	1,000,000	532,720	783,754	444,107	2,760,581
<b>End of Fiscal Year</b>	<b>\$ 1,000,000</b>	<b>\$ 395,723</b>	<b>\$ 2,034,475</b>	<b>\$ 432,283</b>	<b>\$ 3,862,481</b>

## CITY OF DIAMOND BAR

**COMBINING STATEMENT OF CASH FLOWS  
INTERNAL SERVICE FUNDS  
YEAR ENDED JUNE 30, 2019**

	<b>Governmental Activities - Internal Service Funds</b>				
	<b>Self Insurance Fund</b>	<b>Equipment Replacement Fund</b>	<b>Computer Equipment Replacement Fund</b>	<b>Building Facility &amp; Maintenance Fund</b>	<b>Totals</b>
<b>Cash Flows from Operating Activities:</b>					
Insurance Premiums paid	\$ (412,308)	\$ -	\$ -	\$ -	\$ (412,308)
Payments to suppliers	-	(65,646)	(78,633)	-	(144,279)
Cash received from others	26,438	-	-	-	26,438
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>(385,870)</b>	<b>(65,646)</b>	<b>(78,633)</b>	<b>-</b>	<b>(530,149)</b>
<b>Cash Flows from Non-Capital Financing Activities:</b>					
Cash transfers in	400,435	-	1,464,768	-	1,865,203
<b>Net Cash Provided (Used) by Non-Capital Financing Activities</b>	<b>400,435</b>	<b>-</b>	<b>1,464,768</b>	<b>-</b>	<b>1,865,203</b>
<b>Cash Flows from Capital and Related Financing Activities:</b>					
Acquisition and construction of capital assets	-	(45,872)	(238,750)	-	(284,622)
<b>Net Cash Provided (Used) by Capital and Related Financing Activities</b>	<b>-</b>	<b>(45,872)</b>	<b>(238,750)</b>	<b>-</b>	<b>(284,622)</b>
<b>Cash Flows from Investing Activities:</b>					
Interest received	11,873	5,456	9,539	9,536	36,404
<b>Net Cash Provided (Used) by Investing Activities</b>	<b>11,873</b>	<b>5,456</b>	<b>9,539</b>	<b>9,536</b>	<b>36,404</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>26,438</b>	<b>(106,062)</b>	<b>1,156,924</b>	<b>9,536</b>	<b>1,086,836</b>
Cash and Cash Equivalents at Beginning of Year	920,742	328,262	477,728	444,107	2,170,839
<b>Cash and Cash Equivalents at End of Year</b>	<b>\$ 947,180</b>	<b>\$ 222,200</b>	<b>\$ 1,634,652</b>	<b>\$ 453,643</b>	<b>\$ 3,257,675</b>
<b>Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:</b>					
Operating income (loss)	\$ (412,308)	\$ (142,453)	\$ (223,586)	\$ (21,360)	\$ (799,707)
<b>Adjustments to reconcile operating income (loss) net cash provided (used) by operating activities:</b>					
Depreciation	-	77,229	122,326	-	199,555
(Increase) decrease in due from other governments	26,438	-	-	-	26,438
Increase (decrease) in accounts payable	-	(422)	22,627	21,360	43,565
<b>Total Adjustments</b>	<b>26,438</b>	<b>76,807</b>	<b>144,953</b>	<b>21,360</b>	<b>269,558</b>
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>\$ (385,870)</b>	<b>\$ (65,646)</b>	<b>\$ (78,633)</b>	<b>\$ -</b>	<b>\$ (530,149)</b>

## DESCRIPTION OF STATISTICAL SECTION CONTENTS

June 30, 2019

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

Contents:	Schedules
<u>Financial Trends</u> – These schedules contain trend information to help the reader understand how the city's financial performance and well-being have changed over time.	1 - 4
<u>Revenue Capacity</u> – These schedules contain information to help the reader assess the city's most significant local revenue source, the property tax.	5 - 9
<u>Debt Capacity</u> – These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	10 - 12
<u>Demographic and Economic Information</u> – These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	13 - 14
<u>Operating Information</u> – These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	15 - 17

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

<u>Fiscal Year</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Governmental activities:					
Net investment in capital assets	\$ 368,779,901	\$ 363,216,277	\$ 358,765,476	\$ 354,824,312	\$ 350,017,830
Restricted for:					
Capital projects	207,205	267,984	184,074	356,711	655,124
Community development	1,482,522	2,382,667	2,066,650	1,907,215	2,137,080
Public safety	171,928	193,941	243,642	235,752	286,848
Public works	3,862,123	4,465,023	3,095,734	3,268,495	10,721,764
Debt service	3	29	80	199	361
Unrestricted	20,659,058	22,742,992	23,047,078	21,270,741	21,083,148
Total governmental activities net position	<u>\$ 395,162,740</u>	<u>\$ 393,268,913</u>	<u>\$ 387,402,734</u>	<u>\$ 381,863,425</u>	<u>\$ 384,902,155</u>

<u>Fiscal Year</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Governmental activities:					
Net investment in capital assets	\$ 377,940,738	\$ 381,985,940	\$ 382,660,310	\$ 378,511,311	\$ 372,068,596
Restricted for:					
Capital projects	2,260,872	146,567	163,603	165,587	135,914
Community development	725,667	1,644,861	958,293	1,084,434	1,174,082
Public safety	559,920	453,730	285,508	196,503	140,747
Public works	-	3,636,487	3,504,339	3,964,252	4,015,113
Debt service	319,815	333,694	2	3	4
Unrestricted	34,215,610	22,582,318	18,288,491	18,508,423	20,894,700
Total governmental activities net position	<u>\$ 416,022,622</u>	<u>\$ 410,783,597</u>	<u>\$ 405,860,546</u>	<u>\$ 402,430,513</u>	<u>\$ 398,429,156</u>

Source:  
City Finance Department

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

	Fiscal Year Ended June 30,				
	2010	2011	2012	2013	2014
Expenses:					
Governmental Activities:					
General government	\$ 4,973,685	\$ 6,370,986	\$ 6,384,072	\$ 6,942,983	\$ 7,301,502
Public safety	5,526,099	5,591,049	6,104,982	5,831,227	5,627,026
Public works	12,287,325	10,619,860	11,248,137	10,197,098	10,599,386
Community development	1,624,547	1,969,540	2,126,906	1,980,646	2,346,073
Parks and recreation	5,091,215	5,153,264	5,559,427	5,591,916	6,463,192
Interest on long-term debt	57,948	72,592	848,976	487,369	477,201
Contribution to OPEB Trust					
Total Primary Government	<u>29,560,819</u>	<u>29,777,291</u>	<u>32,272,500</u>	<u>31,031,239</u>	<u>32,814,380</u>
Program Revenues:					
Governmental Activities:					
Charges for services					
General Government	131,633	118,016	247,248	160,379	770,908
Public safety	605,262	558,544	491,831	502,948	559,008
Public works	2,070,167	2,400,272	2,555,900	2,604,053	2,671,741
Community development	430,081	955,380	1,006,971	1,196,806	1,413,094
Parks, recreation and culture	1,754,789	1,829,409	1,753,585	1,689,497	1,804,189
Operating grants and contributions	4,358,895	3,685,378	4,992,856	4,024,537	4,203,990
Capital grants and contributions	15,960,279	40,779	1,242,636	690,732	207,971
Total Governmental Activities					
Program Revenues	<u>25,311,106</u>	<u>9,587,778</u>	<u>12,291,027</u>	<u>10,868,952</u>	<u>11,630,901</u>
General Revenues:					
Taxes					
Property taxes	3,837,288	4,187,896	3,951,722	4,080,273	4,307,077
Transient occupancy taxes	569,916	642,509	692,162	782,952	851,249
Sales taxes	3,122,229	3,355,127	3,397,259	3,546,239	3,658,327
Franchise taxes	1,115,980	1,259,471	1,415,924	1,465,666	1,393,584
Other taxes	259,384	172,687	202,951	333,250	471,455
Unrestricted Motor vehicle in lieu	4,599,922	4,766,225	4,646,985	4,659,994	4,862,100
Use of money and property	618,963	474,598	145,408	6,307	256,758
Other revenues	7,090	91,975	46,342	533,475	52,891
Loss on disposal of capital asset				-21,057	1,328,681
Total General Revenues	<u>14,130,772</u>	<u>14,950,488</u>	<u>14,498,753</u>	<u>15,387,099</u>	<u>17,182,122</u>
Change in Net Position	9,881,059	(5,239,025)	(5,482,720)	(4,775,188)	(4,001,357)
Net Position at Beginning of Year	407,026,659	416,022,622	410,783,597	405,860,546	402,430,513
Restatement of Net Position	(885,096.00)		559,669	1,345,156	
Net Position at End of Year	<u>\$ 416,022,622</u>	<u>\$ 410,783,597</u>	<u>\$ 405,860,546</u>	<u>\$ 402,430,513</u>	<u>\$ 398,429,156</u>

Source:  
City Finance Department

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
\$	6,524,968	\$ 5,812,525	\$ 6,627,894	\$ 6,926,331	\$ 8,990,203
	5,929,156	6,216,279	6,586,188	6,904,971	7,142,733
	10,225,922	11,966,721	14,178,723	14,612,857	13,644,523
	2,587,504	2,127,206	3,231,764	3,083,101	3,069,374
	6,300,920	6,137,787	5,164,413	5,532,810	6,149,343
	466,662	455,700	443,480	423,400	402,671
		84,761	84,761	84,591	87,128
	32,035,132	32,800,979	36,317,223	37,568,061	39,485,975
	587,081	661,910	811,846	619,147	1,248,171
	523,145	470,722	460,325	459,615	415,701
	5,536,984	4,389,876	2,675,313	3,782,259	9,797,871
	2,463,932	1,820,325	2,077,810	2,023,466	2,110,515
	1,758,319	1,684,814	1,544,002	1,648,945	1,347,448
	4,443,765	3,687,015	3,844,192	4,120,526	5,651,932
	717,961	1,455,770	359,669	159,258	12,595
	16,031,187	14,170,432	11,773,157	12,813,216	20,584,233
	4,448,566	4,665,140	4,951,033	5,187,630	5,405,335
	935,355	994,476	923,527	1,019,915	1,222,925
	3,974,564	4,598,858	4,789,172	4,999,873	4,970,980
	1,460,342	1,431,513	1,320,617	1,419,605	1,355,003
	442,914	523,015	394,961	509,322	1,062,003
	5,133,910	5,411,143	5,757,423	6,011,177	6,285,504
	244,275	524,918	58,160	67,046	1,397,727
	114,545	703,457	482,994	161,145	240,995
	-	-	-	-	-
	16,754,471	18,852,520	18,677,887	19,375,713	21,940,472
	750,526	221,973	(5,866,179)	(5,379,132)	3,038,730
	398,429,156	395,162,740	393,268,913	387,402,734	381,863,425
	(4,016,942)	(2,115,800)		(160,177)	
\$	395,162,740	\$ 393,268,913	\$ 387,402,734	\$ 381,863,425	\$ 384,902,155

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

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
General fund:					
Nonspendable:					
Prepaid costs	\$ 41,451	\$ 28,114	\$ 26,331	\$ 62,752	\$ 75,887
Committed to:					
Emergency contingencies	4,500,000	4,500,000	4,500,000	4,500,000	4,500,000
Unassigned	<u>16,726,964</u>	<u>12,616,200</u>	<u>13,010,385</u>	<u>15,199,698</u>	<u>17,656,659</u>
 Total general fund	 <u>21,268,415</u>	 <u>17,144,314</u>	 <u>17,536,716</u>	 <u>19,762,450</u>	 <u>22,232,546</u>
 All other governmental funds:					
Restricted for:					
Comm development projects	1,644,861	958,293	1,085,184	1,174,082	1,482,522
Public safety	453,730	285,508	196,503	140,747	171,928
Highways and streets	3,271,595	3,170,407	3,964,252	4,015,113	3,862,123
Capital projects	146,567	164,867	165,587	135,914	207,205
Debt service	333,694	2	3	4	3
Assigned to:					
Capital Projects			2,730		
Unassigned			(3,466)	(88,639)	(71,561)
 Total all other governmental funds	 <u>5,850,447</u>	 <u>4,579,077</u>	 <u>5,410,793</u>	 <u>5,377,221</u>	 <u>5,652,220</u>
 Total fund balances	 <u>27,118,862</u>	 <u>21,723,391</u>	 <u>22,947,509</u>	 <u>25,139,671</u>	 <u>27,884,766</u>

	<u>2010</u>
General fund:	
Reserved	\$ 1,955,477
Unreserved	<u>28,841,621</u>
 Total general fund	 <u>30,797,098</u>
 All other governmental funds:	
Reserved	1,735,077
Unreserved, reported in:	
Special revenue funds	5,218,642
Debt Service Fund	
Capital projects funds	(2,020,782)
	<u>4,932,937</u>
 Total all other governmental funds	 <u>4,932,937</u>
 Total fund balances	 <u>\$ 35,730,035</u>

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

Source: City Finance Department

<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
\$ 75,866	\$ 42,108	\$ 8,230	\$ 26,203
4,500,000	4,500,000	4,500,000	4,500,000
<u>19,350,943</u>	<u>20,379,854</u>	<u>19,440,147</u>	<u>18,583,174</u>
<u>23,926,809</u>	<u>24,921,962</u>	<u>23,948,377</u>	<u>23,109,377</u>
2,382,667	2,066,650	1,907,215	2,137,080
193,941	243,642	235,752	286,848
3,541,041	3,095,514	3,268,495	10,721,764
267,984	184,074	356,711	655,124
29	80	199	361
18,047	(290,141)	(49,618)	(557,242)
<u>6,403,709</u>	<u>5,299,819</u>	<u>5,718,754</u>	<u>13,243,935</u>
<u><u>30,330,518</u></u>	<u><u>30,221,781</u></u>	<u><u>29,667,131</u></u>	<u><u>36,353,312</u></u>

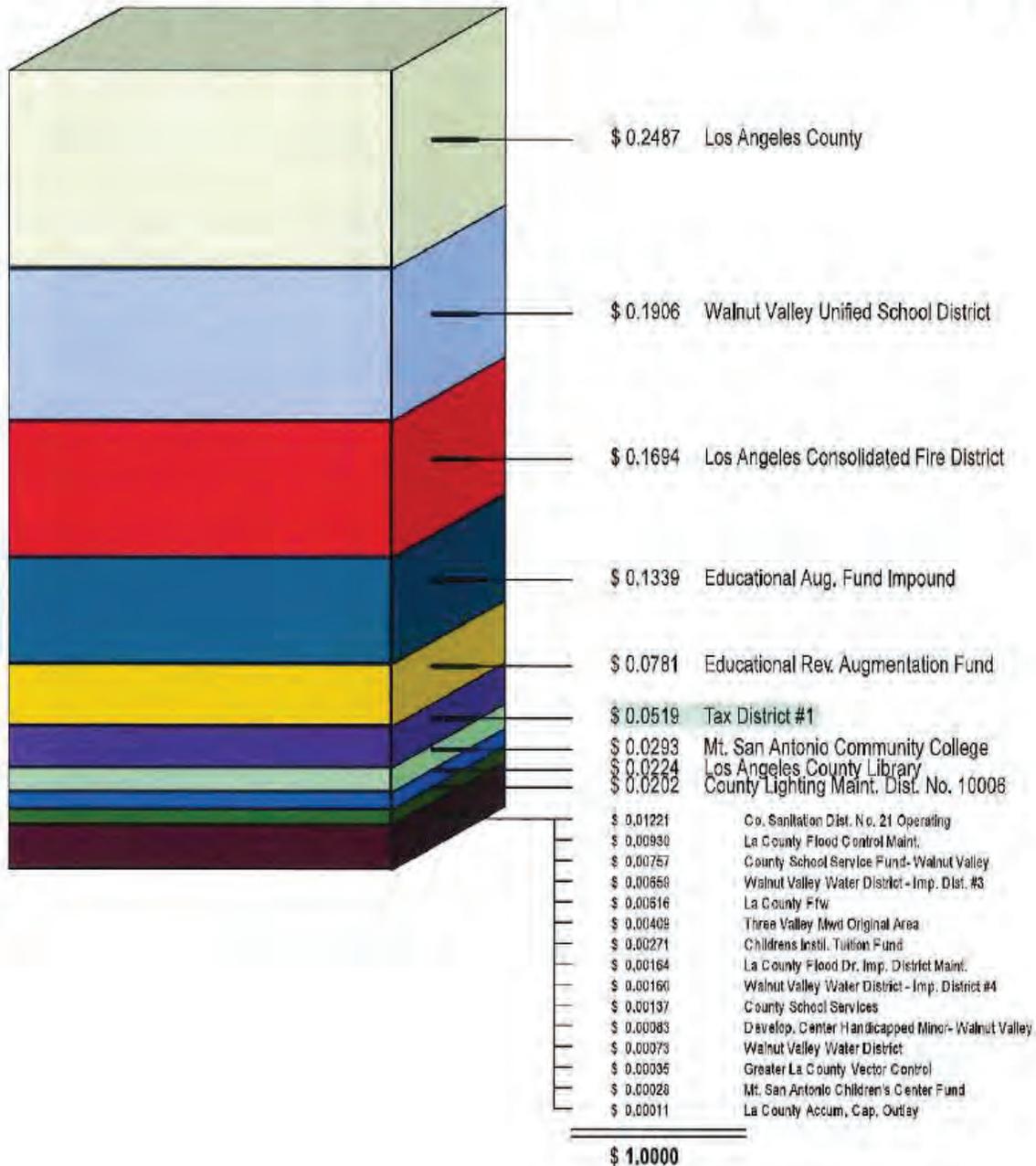
City of Diamond Bar  
 Changes in Fund Balances, Governmental Funds  
 Last Ten Fiscal Years  
 (modified accrual basis of accounting)

	Fiscal Year Ended June 30,				
	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
<b>Revenues:</b>					
Taxes	\$ 8,591,893	\$ 9,646,883	\$ 9,664,801	\$ 10,200,419	\$ 10,638,609
Special assessments	556,989	556,562	547,209	550,609	549,402
Intergovernmental	11,478,456	9,441,959	11,053,326	10,427,352	10,281,985
Charges for services	3,191,416	3,390,367	3,190,675	3,238,165	3,321,883
Fines and forfeitures	607,936	567,575	509,166	522,142	582,844
Licenses and permits	640,287	818,913	1,127,569	1,238,626	1,542,765
Use of money and property	648,503	499,377	183,507	30,116	281,752
Other	30,766	113,578	54,634	551,710	85,558
<b>Total revenues</b>	<b>25,746,246</b>	<b>25,035,214</b>	<b>26,330,887</b>	<b>26,759,139</b>	<b>27,284,798</b>
<b>Expenditures:</b>					
<b>Current:</b>					
General government	4,435,858	4,977,021	5,485,001	4,214,834	5,115,321
Public safety	5,524,279	5,580,507	5,731,595	5,678,614	5,602,021
Public works	5,183,964	5,002,456	6,609,087	5,263,046	5,698,765
Parks, recreation and culture	3,655,029	3,712,194	4,090,551	4,050,161	4,406,954
Community development	1,604,220	1,960,125	2,114,433	2,010,040	2,225,647
Capital outlay	5,161,924	11,480,595	6,702,615	3,031,168	2,518,617
<b>Debt service:</b>					
Principal retirement	280,000	290,000	12,510,000	335,000	350,000
Interest and fiscal charges	33,904	37,461	406,626	502,291	492,159
<b>Total expenditures</b>	<b>25,879,178</b>	<b>33,040,359</b>	<b>43,649,908</b>	<b>25,085,154</b>	<b>26,409,484</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(132,932)</b>	<b>(8,005,145)</b>	<b>(17,319,021)</b>	<b>1,673,985</b>	<b>875,314</b>
<b>Other financing sources (uses):</b>					
Bond issued or refinancing			11,790,000		
Bonds discount or premium			252,381		
Transfers in	4,379,718	2,929,528	6,085,337	5,195,892	4,856,728
Transfers out	(4,795,374)	(3,535,556)	(6,494,449)	(5,690,201)	(5,822,286)
Proceeds from sale of capital asset					2,282,406
<b>Total other financing sources (uses)</b>	<b>(415,656)</b>	<b>(606,028)</b>	<b>11,633,269</b>	<b>(494,309)</b>	<b>1,316,848</b>
<b>Net changes in fund balances</b>	<b>\$ (548,588)</b>	<b>\$ (8,611,173)</b>	<b>\$ (5,685,752)</b>	<b>\$ 1,179,676</b>	<b>\$ 2,192,162</b>
<b>Debt service as a percentage of noncapital expenditures</b>	<b>1.35%</b>	<b>1.45%</b>	<b>35.00%</b>	<b>3.49%</b>	<b>3.35%</b>

Source: City Finance Department

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
\$	10,730,234	\$ 12,930,081	\$ 12,698,595	\$ 13,031,475	\$ 13,233,033
	672,492	781,232	769,014	788,971	783,213
	11,185,489	10,384,417	11,668,517	11,753,427	14,013,870
	3,344,356	3,101,103	2,899,321	2,972,508	2,540,344
	523,145	470,722	460,325	459,615	415,701
	5,474,765	4,121,387	2,355,980	3,128,048	9,337,213
	273,656	563,300	28,478	39,014	1,361,323
	136,786	716,914	561,288	189,350	278,317
	<u>32,340,923</u>	<u>33,069,156</u>	<u>31,441,518</u>	<u>32,362,408</u>	<u>41,963,014</u>
	5,040,491	5,177,288	5,560,482	5,956,082	8,078,152
	5,914,404	6,201,985	6,576,954	6,898,325	7,136,362
	5,216,083	5,531,705	8,964,282	9,298,972	8,653,425
	4,225,938	4,232,431	2,723,558	2,893,702	3,075,935
	2,540,430	2,313,053	2,985,973	2,874,443	2,900,120
	4,646,891	5,598,997	3,041,443	3,230,907	2,709,445
	365,000	385,000	400,000	420,000	440,000
	481,656	470,741	459,191	439,191	418,191
	<u>28,430,893</u>	<u>29,911,200</u>	<u>30,711,883</u>	<u>32,011,622</u>	<u>33,411,630</u>
	3,910,030	3,157,956	729,635	350,786	8,551,384
	7,084,629	7,287,721	6,395,368	6,758,082	5,962,151
	(8,249,564)	(7,999,925)	(6,831,304)	(7,663,738)	(7,827,354)
	<u>(1,164,935)</u>	<u>(712,204)</u>	<u>(435,936)</u>	<u>(905,656)</u>	<u>(1,865,203)</u>
\$	<u>2,745,095</u>	<u>2,445,752</u>	<u>293,699</u>	<u>(554,870)</u>	<u>6,686,181</u>
	3.48%	3.24%	3.08%	2.95%	2.81%

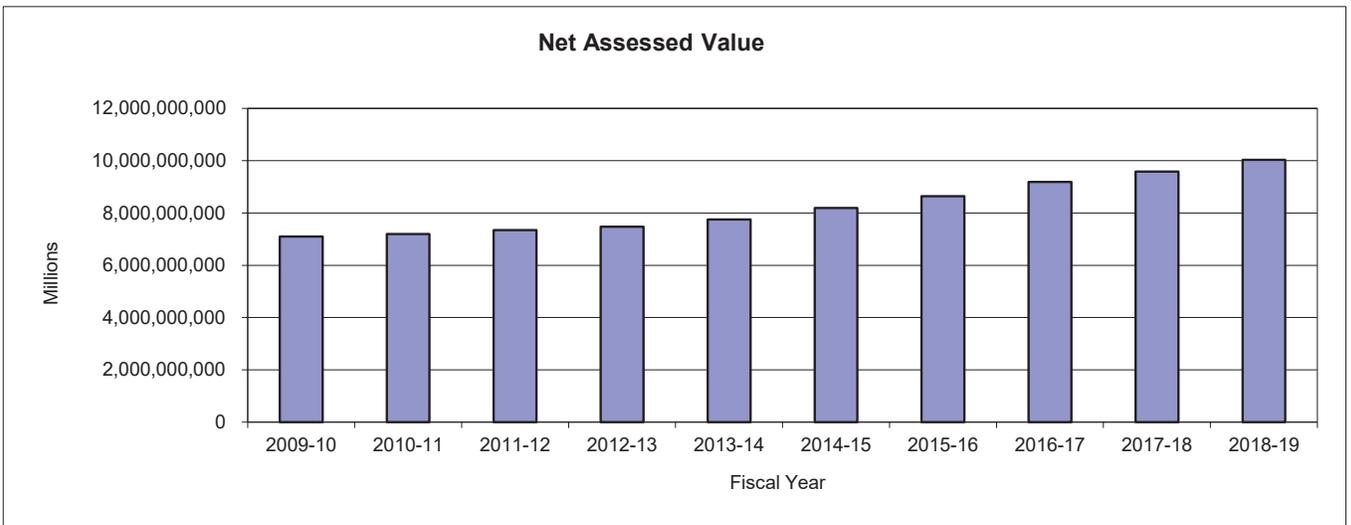
# THE CITY OF DIAMOND BAR PROPERTY TAX DOLLAR BREAKDOWN



Source: Los Angeles County Assessor Annual Tax Increment Tables.

**City of Diamond Bar**  
**Assessed and Estimated Actual Values of Taxable Property**  
**2009/10 - 2018/19 Taxable Property Values**  
**(unaudited)**

Fiscal Year Ended June 30,	Real Property		Other Property	Less Tax Exemptions	Total Taxable Assessed Value	Total Direct Tax Rate	% Change
	Secured Property	Unsecured Property					
2009-10	7,071,193,381	90,528,493	0	66,422,679	7,095,299,195	0.0527	-1.48%
2010-11	7,183,008,793	81,410,401	0	70,706,628	7,193,712,566	0.0527	1.39%
2011-12	7,347,032,537	77,283,606	0	74,296,191	7,350,019,952	0.0527	2.17%
2012-13	7,471,528,800	76,724,231	0	78,856,697	7,469,396,334	0.0527	1.62%
2013-14	7,765,883,788	69,544,511	0	83,574,453	7,751,853,846	0.0526	3.78%
2014-15	8,201,610,010	70,524,426	0	83,189,280	8,188,945,156	0.0526	5.64%
2015-16	8,649,508,385	72,343,401	0	85,103,082	8,636,748,704	0.0526	5.47%
2016-17	9,175,049,277	74,892,798	0	62,484,967	9,187,457,108	0.0525	6.38%
2017-18	9,589,040,619	76,356,565	0	78,363,662	9,587,033,522	0.0525	4.35%
2018-19	10,037,428,342	83,787,675	0	90,713,106	10,030,502,911	0.0525	4.63%



Note: Exempt values are not included in Total Net Taxable Values.  
The assessed valuation data shown above represents the only data currently available with respect to the actual market value of taxable property and is subject to the limitations described above.

Source: HDL Coren & Cone and Los Angeles County Auditor/Controller-Property Tax Division.

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

Agency	<u>2009/10</u>	<u>2010/11</u>	<u>2011/12</u>	<u>2012/13</u>	<u>2013/14</u>	<u>2014/15</u>	<u>2015/16</u>
<b>Basic Levy*</b>	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Metropolitan Water District	0.004	0.004	0.004	0.004	0.004	0.004	0.004
Mt. San Antonio College	0.026	0.026	0.026	0.029	0.020	0.021	0.022
Pomona Unified School Dist	0.145	0.177	0.174	0.185	0.164	0.166	0.154
Walnut Valley Unified School Dist	0.117	0.118	0.117	0.126	0.113	0.115	0.093
<b>Total Direct &amp; Overlapping Tax Rates</b>	<b>1.292</b>	<b>1.325</b>	<b>1.321</b>	<b>1.344</b>	<b>1.301</b>	<b>1.306</b>	<b>1.273</b>
<b>City's Share of 1% Levy Per Prop 13*</b>	0.0519	0.0519	0.0519	0.0519	0.0519	0.0519	0.0519
<b>General Obligation Debt Rate</b>							
<b>Redevelopment Rate*</b>							
<b>Total Direct Rate*</b>	<b>0.0527</b>	<b>0.0527</b>	<b>0.0527</b>	<b>0.0527</b>	<b>0.0526</b>	<b>0.0526</b>	<b>0.0526</b>

\*

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

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

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

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

Source: Hdl Coren & Cone

<u>2016/17</u>	<u>2017/18</u>	<u>2018/19</u>
1.000	1.000	1.000
0.004	0.004	0.004
0.024	0.024	0.024
0.144	0.173	0.169
0.066	0.074	0.106
<hr/>		
<b>1.238</b>	<b>1.275</b>	<b>1.303</b>
0.0519	0.0519	0.0519
<b>0.0525</b>	<b>0.0525</b>	<b>0.0525</b>

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

<u>Current Taxpayers</u>	<u>2018-19 Assessed Valuation</u>	<u>Percentage of Total Net Assessed Valuation</u>
Roic Diamond Hills Plaza LLC	\$ 53,004,313	0.53%
Tlus Sam Red HDB Owner LLC	49,016,396	0.49%
BSP Senita Gateway Center LLC	45,777,600	0.46%
Emerald Pointe Apartments LLC	40,117,913	0.40%
Roic DBTC LLC	29,653,944	0.30%
Target Corporation	28,892,996	0.29%
Muller Rock 2 Gateway	28,286,305	0.28%
Kaiser	28,242,093	0.28%
300 S. Diamond Bar Blvd LLC (pending)	27,466,560	0.27%
Bridgagate Drive Properties LLC	27,300,000	0.27%
Top Ten Total	<u>\$ 357,758,120</u>	3.57%
City Total	<u>\$ 10,030,502,911</u>	

<u>Taxpayers Nine Years Ago</u>	<u>2009-10 Assessed Valuation</u>	<u>Percentage of Total Net Assessed Valuation</u>
DB Gateway Corporate Inc	\$ 49,470,000	0.70%
Country Hills Holdings LLC	45,676,620	0.64%
Behringer Harvard Western Portfolio LP	41,546,291	0.59%
CRP 2 Holdings CC LP	39,535,200	0.56%
VIF II Hampton at Diamond Bar LLC	37,539,894	0.53%
Target Corporation	28,424,081	0.40%
Dorothy V. Cauffman Family LP	25,950,559	0.37%
Muller Rock 2 Gateway	24,992,888	0.35%
Danari Diamond Bar LLC	24,087,082	0.34%
Gateway Corporate Center LP	18,227,808	0.26%
Top Ten Total	<u>\$ 335,450,423</u>	4.73%
City Total	<u>\$ 7,095,299,195</u>	

Source: Hdl Coren & Cone.

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	
		Amount	% to Levy	Years	% to Levy
2010	3,704,133	3,412,996	92.14%	291,137	7.86%
2011	3,750,806	3,505,792	93.47%	245,015	6.53%
2012	3,844,101	3,506,696	91.22%	337,405	8.78%
2013	3,908,533	3,778,461	96.67%	130,072	3.33%
2014	4,075,791	3,960,684	97.18%	115,107	2.82%
2015	4,326,040	4,189,390	96.84%	136,650	3.16%
2016	4,568,789	4,412,561	96.58%	156,228	3.42%
2017	4,842,897	4,643,891	95.89%	199,007	4.11%
2018	5,081,117	4,838,019	95.22%	243,098	4.78%
2019	5,313,057	5,131,554	96.58%	181,503	3.42%

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

**CITY OF DIAMOND BAR, CALIFORNIA**

Ratios of Outstanding Debt by Type

Last Ten Fiscal Years  
(Unaudited)

Fiscal Year Ended June 30	Governmental Activities			Total Primary Government	% of Personal Income (b)	Debt Per Capita (b)
	Lease Revenue Bonds (a)	Unamortized Bond Premium (Discount)	Total Governmental Activities			
2010	12,480,000	(105,455)	12,374,545	12,374,545	0.66%	223
2011	12,190,000	(100,869)	12,089,131	12,089,131	0.62%	217
2012	11,470,000	243,853	11,713,853	11,713,853	0.63%	210
2013	11,135,000	229,727	11,364,727	11,364,727	0.57%	203
2014	10,785,000	215,601	11,000,601	11,000,601	0.55%	195
2015	10,420,000	201,475	10,621,475	10,621,475	0.55%	188
2016	10,035,000	187,349	10,222,349	10,222,349	0.53%	179
2017	9,635,000	173,223	9,808,223	9,808,223	0.50%	172
2018	9,215,000	159,097	9,374,097	9,374,097	0.48%	163
2019	8,775,000	144,971	8,919,971	8,919,971	0.43%	155

Note:

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

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

Source: City Finance Department

**CITY OF DIAMOND BAR, CALIFORNIA**

Direct and Overlapping Debt  
June 30, 2019  
(unaudited)

	<u>Gross Bonded Debt Balance</u>	<u>% Applicable To City (1)</u>	<u>Net Bonded Debt</u>
Direct Debt			
Diamond Bar Lease Revenue Bond	\$ 8,775,000	100.000	\$ 8,775,000
Net Unamortized Bond Premium	\$ 144,971	100.000	<u>\$ 144,971</u>
			8,919,971
Overlapping Debts (2)			
330.10 Metropolitan Water District	23,317,224	0.824	192,155
809.56 Mt San Antonio CCD DS 2008 Series 13A	200,306,691	10.859	21,751,171
809.57 Mt San Antonio CCD DS 2008 Series 2013B	6,215,000	10.859	674,883
809.58 Mt San Antonio CCD DS 2013 Series A	58,265,000	10.859	6,326,958
809.59 Mt San Antonio CCD DS 2013 Series B	32,415,000	10.859	3,519,923
809.60 Mt San Antonio CCD DS 2008 Series 2015C	32,515,000	10.859	3,530,782
809.61 Mt San Antonio CCD DS 2015 Ref Bonds	310,700,000	10.859	33,738,707
915.62 Pomona Unified School District 2000 Ser A	11,805,000	19.479	2,299,491
915.64 Pomona Unified SD Refunding 2001 Ser A	10,015,000	19.479	1,950,818
915.71 Pomona Unified School District 2008 Series A	1,255,000	19.479	244,461
915.72 Pomona USD DS 2008 Series B	2,305,000	19.479	448,990
915.73 Pomona USD 2008 Series C	38,835,000	19.479	7,564,653
915.74 Pomona USD DS 2012 Refunding Bond Series A	515,000	19.479	100,317
915.75 Pomona USD DS 2012 Refunding Bond Series B	20,030,000	19.479	3,901,635
915.76 Pomona USD DS 2008 Series D QSCBS	20,715,000	19.479	4,035,066
915.77 Pomona USD DS 2008 Series E	13,340,000	19.479	2,598,493
915.77 Pomona USD DS 2008 Series F	21,550,000	19.479	4,197,715
915.79 Pomona USD DS 2015 Ref Bonds	15,955,000	19.479	3,107,868
915.80 Pomona USD DS 2016 Ref Bond Series B	19,860,311	19.479	3,868,582
915.81 Pomona USD DS 2008 Ref Bond Series G	24,370,000	19.479	4,747,022
915.82 Pomona USD DS 2016 Ref Bonds	5,925,000	19.479	1,154,128
915.83 Pomona USD DS 2016 Series A	55,400,000	19.479	10,791,343
915.84 Pomona USD DS 2016 Series B	55,000,000	19.479	10,713,427
980.64 Walnut Valley Unified SD 2011 Refunding	21,396,993	59.613	12,755,348
980.65 Walnut Valley Unified SD 2007 Series B Meas. S	15,937,573	59.613	9,500,835
980.67 Walnut Valley Unified SD 2012 Ref Bonds	705,000	59.613	420,270
980.68 Walnut Valley USD 2007 Series C	15,000,000	59.613	8,941,921
980.69 Walnut Valley USD 2014 Ref Bonds Series A	3,260,000	59.613	1,943,378
980.70 Walnut Valley USD 2014 Ref Bonds Series B	3,875,000	59.613	2,309,996
980.71 Walnut Valley USD 2016 Ref Bonds	40,010,000	59.613	23,851,084
980.72 Walnut Valley USD 2016 Series A	43,765,000	59.613	26,089,545
Total Overlapping Debts:	<u>1,124,558,792</u>		<u>217,270,965</u>
Grand Total Direct and Overlapping Debt:	<u>\$ 1,133,333,792</u>		<u>\$ 226,190,936</u>

Debt to Assessed Valuation Ratios:

2018/19 Net Assessed Valuation: \$ 10,030,502.911	Direct Debt	0.09%	\$155
Total City Population: 57,495	Overlapping Debt	2.17%	\$3,779
	Total Debt	2.25%	\$3,934

Note:

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

Source:

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

**CITY OF DIAMOND BAR, CALIFORNIA**

Direct and Overlapping Debt

June 30, 2010

(unaudited)

	Gross Bonded Debt Balance	% Applicable To City (1)	Net Bonded Debt
<b>Direct Debt as of June 30, 2010</b>			
146.01 Diamond Bar Lease Revenue Bond	\$ 12,480,000	100.000	\$ 12,480,000
Unamortized Discount	\$ (105,455)	100.000	\$ (105,455)
			<u>\$ 12,374,545</u>
<b>Overlapping Debts</b>			
330.10 Metropolitan Water District	121,475,156	0.823	999,455
809.50 Mt San Antonio CCD 2001 Series A	2,250,000	10.557	237,535
809.51 Mt San Antonio CCD 2004 Series B	9,870,000	10.557	1,041,988
809.52 Mt San Antonio CCD 2005 Refunding Bond	61,525,843	10.557	6,495,359
809.53 Mt San Antonio CCD 2001 Series C 2006	79,695,008	10.557	8,413,500
809.54 Mt San Antonio CCD 2001 Series D 2008	25,430,293	10.557	2,684,707
915.57 Pomona Unified AD Refund Series 1997 A	32,125,000	19.327	6,208,739
915.62 Pomona Unified SD 2000 Series A	17,600,000	19.327	3,401,519
915.64 Pomona Unified SD Ref 2001 Series A	18,375,000	19.327	3,551,302
915.65 Pomona Unified SD Ref 2002 Series A	8,165,000	19.327	1,578,034
915.66 Pomona Unified SD Ref 2002 Series B	12,655,000	19.327	2,445,808
915.67 Pomona Unified SD Ref 2002 Series C	13,195,000	19.327	2,550,173
915.68 Pomona Unified SD Ref 2002 Series D	13,500,000	19.327	2,609,120
915.69 Pomona Unified SD Ref 2002 Series E	12,280,000	19.327	2,373,333
915.70 Pomona Unified SD 2007 Ref Bonds	8,952,934	19.327	1,730,317
915.71 Pomona Unified SD 2008 Ref Bonds	35,000,000	19.327	6,764,384
980.55 Walnut Valley Unified SD Series 1997 A	26,437,718	58.773	15,538,266
980.56 Walnut Valley Unified SD 2000 Series A	230,000	58.773	135,178
980.58 Walnut Valley Unified SD 2000 Series C	6,710,000	58.773	3,943,675
980.59 Walnut Valley Unified SD 2000 Series D	21,188,114	58.773	12,452,911
980.60 Walnut Valley Unified SD 2000 Series E	6,001,837	58.773	3,527,466
980.61 Walnut Valley Unified SD 2005 Ref Bds	11,705,000	58.773	6,879,391
980.62 Walnut Valley Unified SD 2007 Series A (M-S)	29,095,000	58.773	17,100,033
980.63 Walnut Valley Unified SD 2007 Series A (M-Y)	7,145,887	58.773	4,199,859
			<u>116,862,052</u>
<b>Grand Total Direct and Overlapping Debt:</b>			<u>\$ 129,236,597</u>

2009/10 Net Assessed Valuation: \$ 7,095,299,195

Debt to Assessed Valuation Ratios:

2010 Total City Population: 61,019

Direct Debt	0.18%	\$203
Overlapping Debt	1.65%	\$1,915
Total Debt	1.82%	\$2,118

**Note:**

(1) Percentage of direct and overlapping agency's assessed valuation located within boundaries of the city.

(2) The overlapping debt is the portion of a larger agency, and is responsible for debt in areas outside the city.

**Source:**

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

**CITY OF DIAMOND BAR, CALIFORNIA**

Computation of Legal Debt Margin

Last Ten Fiscal Years

(unaudited)

<u>Fiscal Year</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Net assessed value	\$ 8,188,945,156	\$ 8,636,748,704	\$ 9,187,457,108	\$ 9,587,033,522	\$ 10,030,502,911
Add back: Exemptions	83,189,280	85,146,082	62,484,967	78,363,662	90,713,106
Gross assessed value	8,272,134,436	8,721,894,786	9,249,942,075	9,665,397,184	10,121,216,017
Conversion percentage	25%	25%	25%	25%	25%
Adjusted assessed valuation	2,068,033,609	2,180,473,697	2,312,485,519	2,416,349,296	2,530,304,004
Debt limit percentage	15%	15%	15%	15%	15%
Debt limit	310,205,041	327,071,054	346,872,828	362,452,394	379,545,601
City Debts:					
Revenue bonds	10,420,000	10,035,000	9,635,000	9,215,000	8,775,000
Unamortized Bond Premium	201,475	187,349	173,223	159,097	144,971
Legal debt margin	<u>\$ 299,583,566</u>	<u>\$ 316,848,705</u>	<u>\$ 337,064,605</u>	<u>\$ 353,078,297</u>	<u>\$ 370,625,630</u>

<u>Fiscal Year</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
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
Unamortized Bond Premium	(105,455)	(100,869)	243,853	229,727	215,601
Legal debt margin	<u>\$ 256,190,025</u>	<u>\$ 260,326,589</u>	<u>\$ 266,698,002</u>	<u>\$ 271,694,762</u>	<u>\$ 282,827,960</u>

The Government Code of the State of California provides for a legal debt limit of 15% of gross assessed valuation. However, this provision was enacted when assessed valuation was based upon 25% of market value. Effective with the 1981-82 fiscal year, each parcel is now assessed at 100% of market value (as of the most recent change in ownership for that parcel). The computations shown above reflect a conversion of assessed valuation data for each fiscal year from the current full valuation the 25% level that was in effect at the time that the legal debt margin was enacted by the State of California for local government located within the state.

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

**THE CITY OF DIAMOND BAR**  
**DEMOGRAPHIC AND ECONOMIC STATISTICS**  
(unaudited)

General Information

Date of Incorporation      April 18, 1989  
Form of Government        Council-Manager  
Area                              14.88 Square Miles  
Miles of Streets            132.3

Public Safety

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

Education

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

<u>Population Distribution by Race (2010 US Census)</u>	<u>Total</u>	<u>Percent</u>
Asian	28,106.06	50.40%
White	18,570.08	33.30%
Hispanic or Latino	10,294.40	18.46%
African American	2,174.87	3.90%
Others	-	0.00%

Single Family Residential Full Value Sales (01/01/2012-06/30/2019) \*

Year	Full Value Sales	Average Price	Median Price	Median % Change
2012	789	484,681	417,500	
2013	814	591,380	500,000	19.76%
2014	701	660,281	535,000	7.00%
2015	726	626,515	551,000	2.99%
2016	837	628,252	570,000	4.22%
2017	745	645,253	589,500	3.42%
2018	647	702,146	655,000	11.16%
2019	307 (Jan-Jun 2019)	680,275	620,000	-5.34%



\* "Single Family Residential" includes both stand-alone homes and townhouses and condos with a common wall.

Source: L.A. County Recorder  
HdL Cornen & Cone  
US Bureau of the Census. The official population census of the United States is conducted every ten years, most recently in 2010.  
Median Household Income were obtained from U.S. Census Bureau, 2017 American Community Survey 1-Year Estimates.

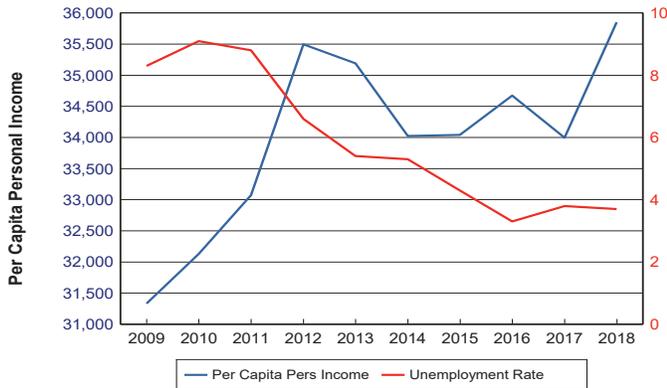
# THE CITY OF DIAMOND BAR

## DEMOGRAPHIC AND ECONOMIC STATISTICS

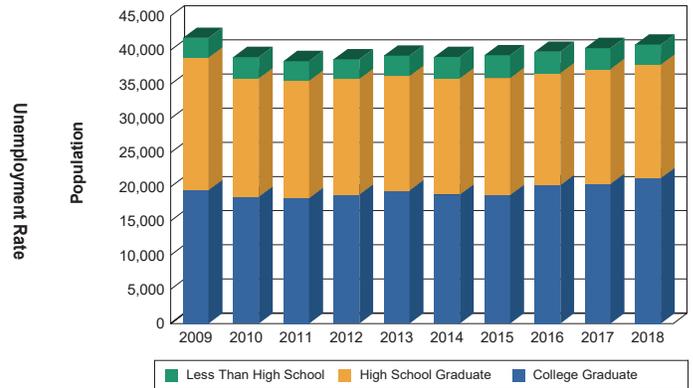
(unaudited)

Calendar Year	Population	Personal Income (In Thousands)	Per Capita Personal Income	Median Household Income	Unemployment Rate	Median Age	% of Pop 25+ with High School Degree	% of Pop 25+ with Bachelor's Degree
2009	60,184	\$1,885,698	\$31,332	\$85,351	8.3%	39.2	93.1%	46.7%
2010	61,019	\$1,960,418	\$32,128	\$84,402	9.1%	39.8	92.0%	47.6%
2011	55,819	\$1,846,158	\$33,074	\$83,454	8.8%	40.5	92.5%	47.8%
2012	56,099	\$1,991,290	\$35,496	\$83,654	6.6%	40.6	92.6%	48.8%
2013	56,400	\$1,984,772	\$35,191	\$84,180	5.4%	41.3	92.4%	49.7%
2014	56,426	\$1,919,782	\$34,023	\$84,705	5.3%	40.9	92.0%	48.4%
2015	57,081	\$1,943,144	\$34,041	\$85,505	4.3%	41.1	91.5%	47.9%
2016	57,066	\$1,978,657	\$34,673	\$89,409	3.3%	42.0	92.1%	50.9%
2017	57,460	\$1,953,402	\$33,995	\$94,630	3.8%	42.2	92.4%	50.7%
2018	57,495	\$2,061,233	\$35,850	\$98,660	3.7%	42.6	92.8%	52.1%

### Personal Income and Unemployment



### Education Level Attained for Population 25 and Over



**Notes and Data Sources:**

Population: California State Department of Finance. Unemployment Data: California Employment Development Department  
 2000-2009 Income, Age, and Education Data: ESRI - *Demographic Estimates are based on the last available Census.* Projections are developed by incorporating all of the prior census data released to date. Demographic Data is totaled from Census Block Groups that overlap the City's boundaries  
 2010 and later - Income, Age and Education Data - US Census Bureau, most recent American Community Survey. Estimated Median Household Income - Nielsen Company.

**CITY OF DIAMOND BAR, CALIFORNIA**  
**Taxable Sales by Category**  
**Last Ten Calendar Years**  
**(in thousands of dollars)**

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Apparel Stores	\$ 625	\$ 648	\$ 724	\$ 905	\$ 1,601
Food Stores	12,249	11,846	11,577	10,189	10,474
Eating and Drinking Places	46,028	46,585	48,948	50,623	52,948
Building Materials	2,114	2,371	2,811	2,584	1,919
Auto Dealers and Supplies	11,139	7,696	6,021	6,390	7,150
Service Stations	89,308	99,425	119,738	125,532	120,373
Other Retail Stores	66,035	63,510	62,952	68,157	69,091
All Other Outlets	78,131	89,405	92,737	89,230	95,458
<b>Total</b>	<b><u>\$ 305,629</u></b>	<b><u>\$ 321,486</u></b>	<b><u>\$ 345,508</u></b>	<b><u>\$ 353,610</u></b>	<b><u>\$ 359,014</u></b>

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

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

<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
\$ 1,924	\$ 2,104	\$ 2,347	\$ 2,008	\$ 7,874
11,004	12,481	15,591	17,395	18,550
54,397	56,871	59,572	63,664	63,412
1,619	2,115	2,434	2,929	3,135
7,607	7,649	7,488	6,638	6,505
112,494	104,369	92,417	96,579	104,105
68,019	61,009	62,406	62,537	64,166
98,327	208,447	252,305	256,299	296,212
<u>\$ 355,391</u>	<u>\$ 455,045</u>	<u>\$ 494,560</u>	<u>\$ 508,049</u>	<u>\$ 563,959</u>

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

Function	Fiscal Year Ended June 30,				
	2015	2016	2017	2018	2019
General government	25	25	27	27	27
Community development	8	9	9	8	9
Public works	9	10	17	17	14
Community services-(full time)	15	14	0	0	0
-(part time & seasonal)	58	56	0	0	0
Parks and recreation-(full time)			9	9	11
-(part time & seasonal)			50	65	51
<b>Total</b>	<b>115</b>	<b>114</b>	<b>112</b>	<b>126</b>	<b>112</b>

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
Public works	9	9	9	8	8
Community services-(full time)	14	14	14	14	14
-(part time & seasonal)	61	61	61	60	60
<b>Total</b>	<b>113</b>	<b>116</b>	<b>115</b>	<b>114</b>	<b>114</b>

**Note:**

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

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

Source: City Finance Department

## CITY OF DIAMOND BAR, CALIFORNIA

### Operating Indicators by Function Last Ten Fiscal Years

Function	Fiscal Year Ended June 30,				
	2015	2016	2017	2018	2019
Police:(in fiscal year) (1)					
Physical arrests	522	702	636	493	653
Street Sweeping Parking Citation	5,887	5,682	5,289	5,367	5,256
Fire: (in fiscal year) (2)					
Number of incident calls	2,820	3,180	3,331	3,362	3,207
Inspections	1,413	1,667	1,336	1,403	1,151
Public works: (in fiscal year) (3)					
Street resurfacing (miles)	17.0	19.3	14.4	17.2	12.3
Parks and recreation:(in fiscal year)(4)					
Number of recreation classes(5)	2,591	2,546	2,338	2,461	2,461
Number of facility rentals	4,491	4,804	4,316	4,610	4,610

Function	Fiscal Year Ended June 30,				
	2010	2011	2012	2013	2014
Police: (1)					
Physical arrests	700	647	737	630	494
Street Sweeping Parking Citation	5,110	4,137	3,766	3,776	5,774
Fire: (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: (3)					
Street resurfacing (miles)	23.3	12.0	9.2	8.3	12.5
Parks and recreation:(4)					
Number of recreation classes	2,456	2,115	2,096	2,082	2,623
Number of facility rentals	4,111	4,147	4,270	4,332	4,178

Sources:

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

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

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

Function	Fiscal Year Ended June 30				
	2010	2011	2012	2013	2014
Public safety (1)					
Police:					
Station	1	1	1	1	1
Patrol units (all shifts combined)	18	18	18	18	18
Fire stations (2)	3	3	3	3	3
Highways and streets (3)					
Streets (miles)	129.4	129.4	129.4	129.4	129.4
Streetlights	294	294	294	294	294
Traffic signals	73	74	74	74	74
Culture and recreation (4)					
Parks Acreage	62.7	63.6	67.9	67.9	67.9
Hiking Trails	2.7	2.7	3.2	3.2	3.2
Parks	13	14	15	15	15
Public Tennis courts	8	8	8	8	8
Community centers	3	3	3	3	3
Golf Course (5)					
County golf course	1	1	1	1	1
Sewer (3)					
Sanitary sewers (miles)	158.4	158.4	158.4	161.21	161.21

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.

2015	2016	2017	2018	2019
1	1	1	1	1
18	18	18	18	18
3	3	3	3	3
129.4	130.9	130.9	132.3	132.3
294	294	307	307	314
74	74	76	76	76
67.9	67.9	72.6	79.4	79.4
4.0	4.0	4.5	4.5	4.5
15	15	16	17	17
8	8	8	8	8
3	3	3	3	3
1	1	1	1	1
161.21	161.21	161.38	161.38	161.38

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