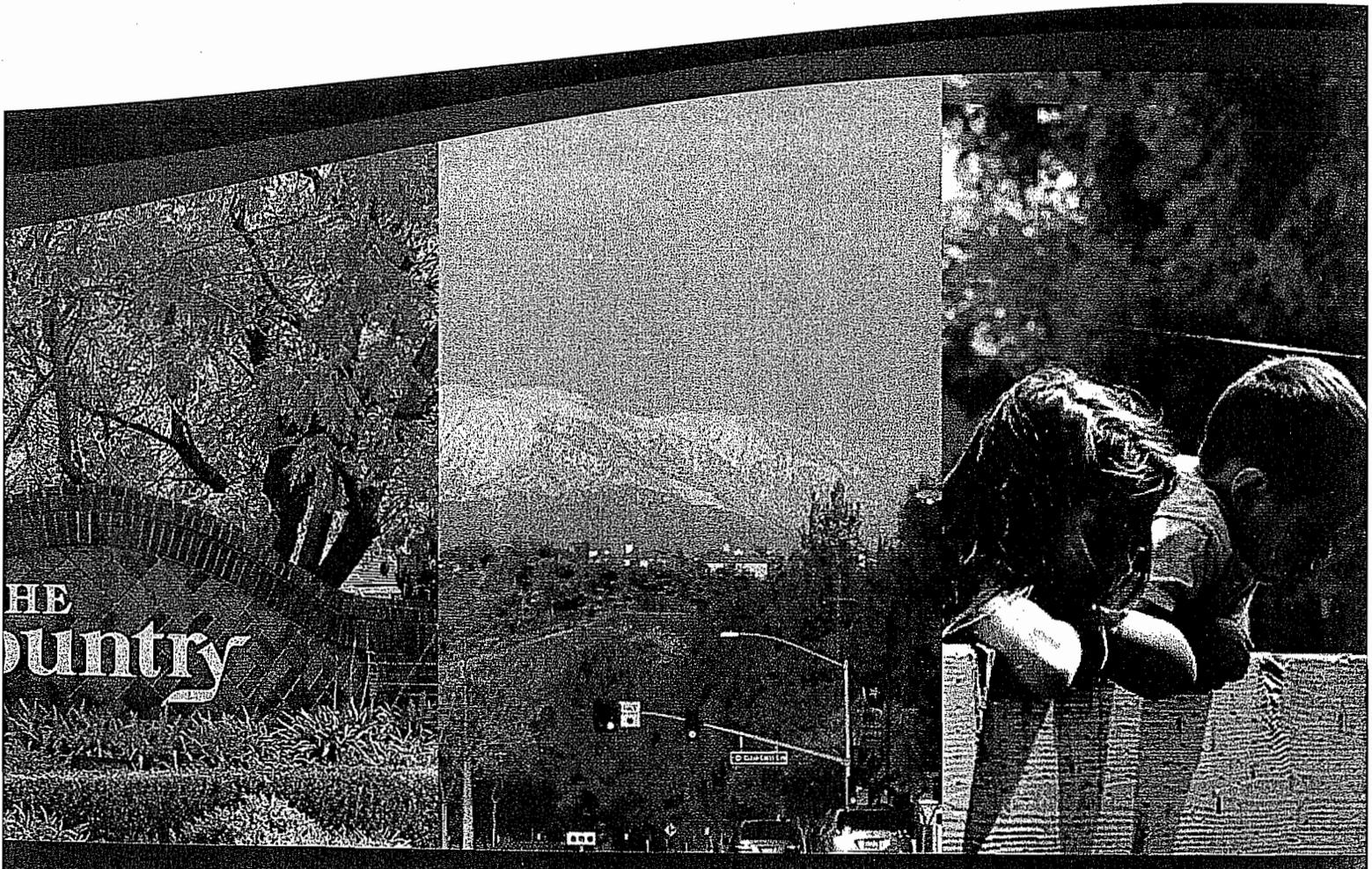


City of Diamond Bar, California
Comprehensive Annual
Financial Report
Year ending June 30, 2010



CITY OF DIAMOND BAR
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED
JUNE 30, 2010

CITY OF DIAMOND BAR
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 FOR THE YEAR ENDED JUNE 30, 2010

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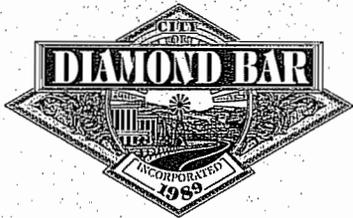
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City of Diamond Bar

21825 Copley Drive • Diamond Bar, CA 91765-4178

(909) 839-7000 • Fax (909) 861-3117

www.CityofDiamondBar.com

November 22, 2010

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

It is a pleasure to submit the Comprehensive Annual Financial Report of the City of Diamond Bar for the fiscal year ended June 30, 2010. This report consists of management's representations concerning the finances of the City. Consequently, responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the City's management. To provide a reasonable basis for making these representations, management of the City has established a comprehensive internal control framework that is designed both to protect the City's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City's financial statements in conformance with generally accepted accounting principles (GAAP). Because the cost of internal controls should not outweigh their benefits, the City's comprehensive framework of internal controls has been designed to provide assurance that the financial statements will be free from misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material aspects.

The City's financial statements have been audited by Lance, Soll, & Lunghard, LLP, a firm of certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City for fiscal year ended June 30, 2010, 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 unqualified opinion that the City's financial statements for the fiscal year ended June 30, 2010, were fairly presented

Steve Tye
Mayor

Ling-Ling Chang
Mayor Pro Tem

Ron Everett
Council Member

Carol Herrera
Council Member

Jack Tanaka
Council Member

in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the City of Diamond Bar was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited City's internal controls and legal requirements involving the administration of federal awards. These reports are available in the City's separately issued Single Audit Report.

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

PROFILE OF THE CITY OF DIAMOND BAR

The City, incorporated in 1989, is located at the junction of the 57 and 60 freeways. As a result, the City of Diamond Bar is at the hub of the Los Angeles basin transportation network. A twenty-five mile radius encompasses Pasadena, downtown Los Angeles, Long Beach, Irvine and Riverside. Diamond Bar is a relatively young residential community of about 61,020, situated among the meandering hills and valleys of Brea Canyon. Many desired services can be found in Diamond Bar's shopping and business centers. Recreational opportunities within the City include more than 70 acres of developed park facilities, hiking trails, a new community center, an 18-hole public golf course and 370 acres of undeveloped publicly owned open space.

The City has operated under the council-manager form of government since incorporation. Policy making and legislative authority are vested in a five member City Council. The City Council is responsible, among other things, for passing ordinances, adopting the budget, appointing committees and task forces, and hiring both the City Manager and City Attorney. The City Manager is responsible for overseeing the day-to-day operations of the City, and for appointing the heads of the various departments. The Council is elected on a non-partisan basis. Council members serve four-year staggered terms, with elections held every other year. Each December, the City Council selects a mayor and mayor pro tem from its membership.

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

The Los Angeles County Fire District provides fire protection, which is independent of the City. Funds are collected through property tax bills and are disbursed directly to the

Los Angeles County Fire District by the Los Angeles County Tax Collector's Office.

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

ECONOMIC CONDITION AND OUTLOOK

The continuing recession has had a significant impact on the national, state and local economies. Retail sales were down and unemployment numbers reached new heights. This along with the major budget shortfalls experienced by the State, are of a major concern to the City of Diamond Bar.

Recent headlines have been filled with news about the slowing economy and budget woes at the State level. With the status of State funds as uncertain as ever, it is anticipated that more of the financial burden will fall upon municipal agencies. This is evidenced by the State's continuing shifting of funds. The City's FY2010-2011 budget has been developed keeping this in mind. The operating budget was kept at or below the prior year's levels.

The erosion of the City's sales tax base continues to be a major concern. The City's interest in promoting economic development has become increasingly more difficult with the tightening of credit and poor retail sales outlook. Since the City is located at a major freeway interchange several of the City's major sales tax producers are service stations, so the price of gasoline greatly influences the sales tax revenue received. It has been the City's economic development goal to diversify its sales tax base. As a part of this strategy the City completed the annexation of the Crestline area this year. The main purpose for annexing this area was to capture sales tax from a major sales tax producer in the area. Unfortunately, changes in the operation of this business significantly reduced the tax benefit to the City of Diamond Bar. The City continues to explore other economic development opportunities.

In October 2007, Majestic Realty announced its plans to develop a professional football stadium based entertainment, retail and office development in the neighboring city, City of Industry. Although discussions of this project have stalled the City is mindful of the potential impacts a development of this nature would bring. The City will be seriously impacted by increased traffic since the primary access to the venue will be at the Orange (SR57) and Pomona (SR-60) interchange located within the City of Diamond Bar. To mitigate these concerns, the City has a settlement agreement with the City of Industry addressing environmental and operational concerns. This agreement provides much needed funding for traffic improvements, noise mitigation, and future funding for City facilities.

During the year the City successfully negotiated new waste hauler franchise agreements

which came into effect in early FY10-11. These contracts enacted a franchise fee which the City had never received previously which is unlike many other cities in the area. These new agreements will provide much needed funds to assist in providing services.

Part of the fallout from the economic decline is the decline in property values. This has provided the City with an opportunity to purchase a building at a great savings. This 50+ thousand square foot building will provide a permanent home for the City of Diamond Bar's City Hall. It is anticipated that City Hall will occupy a little over half of the building. The balance of the space will house the Diamond Bar Branch of the County Library assuming the relocation of the library is approved by the County. Escrow closed on the purchase in August 2010. Although it was a cash purchase, the City has reserved the option of financing this purchase at a future date.

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, 2009. 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 fifteen consecutive years (fiscal years ended 1995 through 2009). We believe our current report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to GFOA to determine its eligibility for another certificate.

REPORTING ENTITY AND ITS SERVICES

This Comprehensive Annual Financial Report includes all funds of the City. The City directly provides a limited range of services and contracts for several other services. The City's significant reliance on contracted services has the benefit of reducing expenses to the citizens of the City of Diamond Bar while simultaneously providing the City with a high degree of flexibility in responding to changing economic conditions. Contracted services include police protection, building and safety, street maintenance,

park maintenance, capital improvement projects, animal control, attorney services and engineering. Staff provided services include: community development (which includes planning, economic development, building and safety management, and neighborhood improvement), public works (which includes engineering, capital projects administration, street maintenance contract management, traffic and transportation matters, engineering contract management, and solid waste contract management), community services (which includes senior services, park maintenance, recreation services, community center operation, and landscape maintenance), community relations, 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 of the City's Finance Department staff, and through the cooperation of the entire City staff. Each staff member has my sincere appreciation for the contributions made in the preparation of this Report.

I would also like to thank our independent auditor, Lance, Soll and Lunghard L.L.P., for its expertise and advice in the preparation of the City's Comprehensive Annual Financial Report.

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

Sincerely,


James DeStefano
City Manager

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, 2009

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.

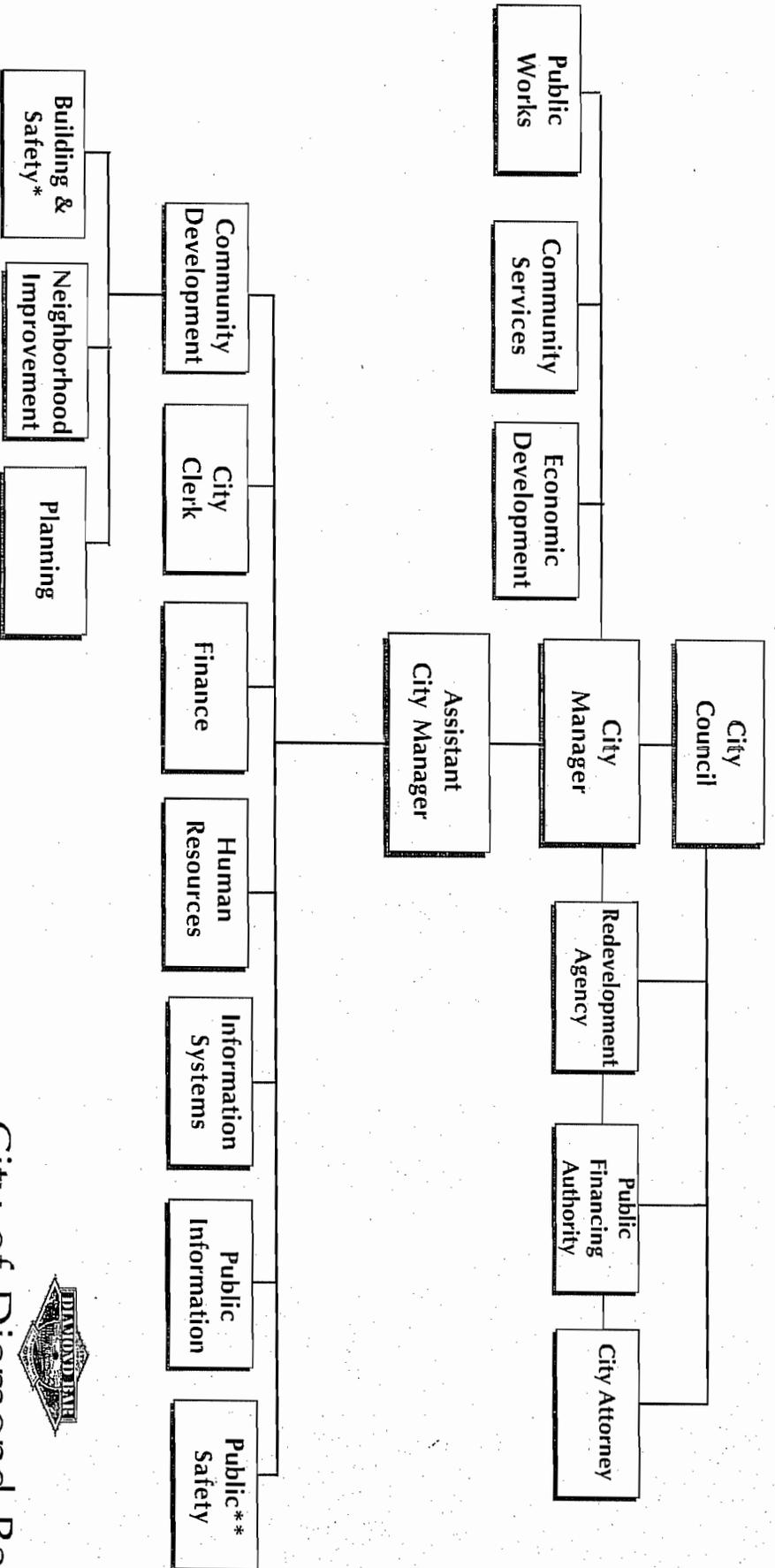


A stylized handwritten signature in black ink, appearing to read "JEFFREY R. EMER".

President

A handwritten signature in black ink, appearing to read "JEFFREY R. EMER".

Executive Director



City of Diamond Bar Organization Chart



* = Contract Services
** = County Service

CITY OF DIAMOND BAR
ELECTED AND ADMINISTRATIVE OFFICIALS
FISCAL YEAR 09-10

Mayor
Mayor Pro Tern
Councilmember
Councilmember
Councilmember

Carol Herrera
Steve Tye
Wen Chang
Jack Tanaka
Ron Everett

City Manager
Assistant City Manager
City Clerk

James DeStefano
David Doyle
Tommye Cribbins

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

Bob Rose
Greg Gubman
Linda Magnuson
Ken Desforges
David Liu



CERTIFIED PUBLIC ACCOUNTANTS

- Brandon W. Burrows, CPA
- Donald L. Parker, CPA
- Michael K. Chu, CPA
- David E. Hale, CPA, CFP
A Professional Corporation
- Donald G. Slater, CPA
- Richard K. Kikuchi, CPA
- Susan F. Matz, CPA
- Shelly K. Jackley, CPA

INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Diamond Bar, California, as of and for the year ended June 30, 2010, which collectively comprise the City's basic financial statements as listed in the accompanying table of contents. These financial statements are the responsibility of the City of Diamond Bar's management. Our responsibility is to express an opinion 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 of material misstatements. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our 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 as of June 30, 2010, and the respective changes in financial position and cash flows, where applicable, and the respective budgetary comparison for the General Fund and the Transportation Grant Fund Special Revenue Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 4, 2010, on our consideration of the City of Diamond Bar's internal control over financial reporting and our tests of its compliance with certain laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis and the other required supplementary information identified in the accompanying table of contents are not a required part of the basic financial statements but are supplementary information required by the accounting principles generally accepted in the United States of America. We have applied certain limited procedures to the management's discussion and analysis, which consisted principally of inquiries of management regarding the methods of measurement and presentation of this required supplementary information. However, we did not audit the management's discussion and analysis and express no opinion on it.



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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Diamond Bar's basic financial statements. The accompanying introductory section, the combining and individual fund statements, budgetary schedules and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying combining and individual nonmajor fund financial statements and budgetary schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and in our opinion are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The accompanying introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express not opinion on them.

Lance, Soll & Lingham, LLP

November 4, 2010

Management's Discussion and Analysis

As management of the City of Diamond Bar, we offer readers of the City of Diamond Bar's financial statements this narrative overview and analysis of the financial activities of the City of Diamond Bar for the fiscal year ended June 30, 2010. 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 equaled \$25,746,246.
- The total cost of all City programs equaled \$25,879,178.
- The assets of the City of Diamond Bar exceeded its liabilities at the close of the fiscal year by \$416,022,622 (*net assets*). Of this amount, \$34,215,610 (unrestricted net assets) may be used to meet the City's ongoing obligations to citizens and creditors.
- There were prior period adjustments amounting to \$885,096 which affected the beginning fund balance amount and Net Assets at the beginning of the year. These adjustments were from timing differences in the recognition of revenue (\$763,166) and the recordation of an expenditure in the wrong fiscal year (\$76,814).
- As of the close of the current fiscal year, the City of Diamond Bar's governmental funds reported combined ending fund balances of \$35,730,035, a decrease of \$548,588 in comparison with the prior year. Approximately \$32 million of that amount is available for spending at the City's discretion.
- At the end of the current fiscal year, unreserved fund balance for the general fund was \$28,841,621, or over one and two thirds the amount of general fund expenditures. At the end of the fiscal year, the City entered into an agreement to purchase a building at a cost of approximately \$10 million. The remaining \$20 million may be used for economic development activities or future capital projects to benefit the community.
- As a part of the FY09-10 State budget, the State borrowed 8% of the City's property tax revenue. Additionally the State budget included the Prop A Securitization Program which allowed the City to sell its receivable with virtually no gain or loss to the City, thus making the City whole again.

- Although there hasn't been any recent movement on the NFL football stadium project, in April 2009, the City reached a settlement with the City of Industry over issues related to the proposed construction of such a stadium. This agreement has the potential to provide millions of dollars for traffic and noise mitigation and future community facilities to the City of Diamond Bar.
- During fiscal year 2010, the City completed the annexation of a small unincorporated area into the City of Diamond Bar. It is hoped that this annexation will provide additional property and sales taxes to the City.

Overview of the Financial Statements

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

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

The **statement of net assets** presents information on all of the City of Diamond Bar's assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets 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 assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City of Diamond Bar that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City of Diamond Bar include general government, public safety, highways and streets, community development, and parks and recreation.

The City of Diamond Bar currently has no business-type activities or enterprise funds.

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

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

Governmental Funds – *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, available at the end of the fiscal year. This information helps to determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's 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 and computer replacement costs. Because these services predominantly benefit governmental rather than business-type functions, they have been included within *governmental activities* within the government-wide financial statements.

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

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

Government-wide Financial Analysis

As mentioned earlier, net assets may serve over time as a useful indicator of the City's financial position. The City of Diamond Bar's assets exceeded liabilities by \$416,022,622 at the close of 2010. (see Table 1)

By far the largest component of the City's net assets (90 percent) is its investment in capital assets (e.g., land, buildings, infrastructure, machinery, equipment, and construction in progress), less the related outstanding debt used to acquire those assets. The City of Diamond Bar uses these capital assets to provide services to its citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

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

	Governmental Activities	
	2010	2009
Current and other assets	\$44,579,964	\$44,603,746
Capital assets	390,209,829	380,179,867
Total Assets	434,789,793	424,783,613
Long-term debt outstanding	12,383,585	12,542,475
Other Liabilities	6,383,586	5,214,479
Total Liabilities	18,767,171	17,756,954
Net assets:		
Invested in capital assets, net of debt	377,940,738	367,529,907
Restricted	3,866,274	4,942,668
Unrestricted	34,215,610	34,554,084
Total Net Assets	\$416,022,622	\$407,026,659

The City's Net Assets increased by \$8,995,963. This increase is due to the additional capital assets acquired through the Crestline area annexation. The infrastructure for this area has been valued at \$13,352,026. This amount was offset by a decrease in the total value of capital assets due to the aging and resulting depreciation of the City's capital assets.

At the end of fiscal year 2010 the City reports a slight decrease of \$338,474 in unrestricted net assets 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 \$34,215,610 in Unrestricted Net Assets. This year by using some of its resources the City was able to preserve service levels and continue to maintain its assets at the level the citizens of Diamond Bar have enjoyed since incorporation 21 years ago. This conservation of funds has afforded the City the enviable opportunity to purchase a building for City Hall from its reserves.

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

	2010	2009
Revenues:		
Program revenues:		
Charges for services	\$4,991,932	\$4,605,467
Operating grants and contributions	4,358,895	5,588,818
Capital grants and contributions	15,960,279	2,272,580
General Revenues		
Property taxes	3,837,288	4,001,276
Transient occupancy taxes	569,916	633,075
Sales Taxes	3,122,229	3,085,223
Franchise Taxes	1,115,980	1,093,039
Other taxes	259,384	199,365
Motor vehicle in lieu	4,599,922	4,687,515
Use of money & property	618,963	833,270
Other	7,090	304,463
Total revenues	39,441,878	27,304,091
Expenses:		
General Government	4,973,685	5,159,300
Public Safety	5,526,099	5,396,083
Highways and Streets	12,287,325	13,931,211
Community Development	1,624,547	1,959,303
Parks, Recreation and Culture	5,091,215	4,950,687
Interest and Fiscal Charges	57,948	177,633
Total expenses	29,560,819	31,574,217
Increase(Decrease) in net assets	9,881,059	(4,270,126)
Net assets - 07/01/09 & 07/01/08	407,026,659	411,296,785
Restatement of Net Assets	(885,096)	
Net assets - 06/30/10 & 06/30/09	\$416,022,622	\$407,026,659

Revenues

In the Statement of Activities, the City's total revenues were \$39.4 million, while the total cost of all programs and services was \$29.6 million. Revenues this fiscal year were 44% higher than those of the prior year. This significant increase is primarily due to the capital contribution of infrastructure for the recently annexed Crestline area. If this contribution amount was deducted from the total then the revenue would be \$26.1 million which is a 13.4% decrease from the previous year. There were increases and decreases across the revenue categories which resulted in the overall change in revenue. The following are highlights of some of the major differences:

- In November 2008 the Los Angeles County voters approved Measure R which provides additional funding for transportation improvements through additional sales tax. The receipt of these funds for the first time in FY09-10 caused an increase in the Charges for Services category. Other revenues included in this category remained fairly stable with slight increases and decreases throughout.
- The dramatic decrease of over \$1.2 million or 28% in operating grants and contributions is due to several different factors. In FY08-09, the City received grants and allocations from various entities for specific purposes including traffic improvements, road maintenance and park improvements. Additionally Prop A & C transportation revenues were down this year due to the drop in retail sales throughout the County.
- The dramatic increase in the Capital Grants & Contributions is due to this year's finalization of the Crestline annexation. This resulted in the City adding \$13.3 million in infrastructure to the City's fixed assets.
- As anticipated Property Tax revenues were somewhat lower than FY08-09. This is due to lower housing prices and the revaluation of properties.
- Transient Occupancy Taxes continue to decline as a result of the poor economy.
- Sales Tax and Property Tax in Lieu of Sales were somewhat higher this year due to a slight increase in gasoline prices. The City is located at the intersection of several freeways and as a result some of its highest sales tax producers are service stations.
- Lease revenue included in the Use of Money and Property category is derived from the lease payments made to cover the debt service

on the outstanding variable rate lease revenue bonds. As the interest rates have dropped the City has experienced a similar drop in the interest paid for these bonds.

- Investment Income has decreased once again due to the drop in investment yields. Interest rates started falling during FY07-08 and have continued to drop. At the end of FY08-09 the City was earning 1.377% average yield on a majority of its investments. By the end of FY08-09, the average yield on its investments had dropped to .70%.

Expenses

Due to the poor economy it was anticipated that the City's revenues would be less resulting in a rigorous effort to cut costs where ever possible. This included the freezing of positions and other cost containment measures. As a result, this year expenses for the City totaled \$29.6 million which is approximately \$2 million or 6.8% less than the previous fiscal year. There were both increases and decreases in the various categories. The following are the highlights of the major differences:

- There was an increase in Public Safety expenditures of approximately 2.4% this year. Contract rates with the L.A. County Sheriff's Department rose 3% this fiscal year. This increase however was slightly offset by liability trust fund savings realized late in the fiscal year.
- Streets and Highways category was lower this year by a little over \$1.6 million. During FY2008-09 the City completed additional rehabilitation of Grand Avenue. This was the major reason this category was higher last year. This year work continued on the traffic management system and with the assistance of ARRA funds two slurry seal projects were completed during the year.
- The economic downturn caused a decrease in Community Development expenditures this year. Many development projects have been put on hold.
- The City continued to enjoy the benefits of low interest rates on the outstanding variable rate lease revenue bonds. Last fiscal year the City changed bond remarketing firms and found that this firm who has been able to obtain better rates for the City's bond issue. This in addition to lower outstanding principal amount provided savings to the City.

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, *unreserved fund balance* may serve as a useful measure of a City's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the City of Diamond Bar's governmental funds reported combined ending fund balances of \$35,730,035, a decrease of \$1,400,366 in comparison with the prior year. Of this amount, there is \$2,037,712 reserved to liquidate contracts and purchase orders outstanding at the end of the year.

The general fund is the chief operating fund of the City of Diamond Bar. At the end of the current fiscal year, the unreserved fund balance of the general fund was \$28,841,621, while the total fund balance was \$30,797,098. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 166.5% of total general fund expenditures, while total fund balance represents 177.9% of the same amount.

Since the City's incorporation in 1989, the City has been fiscally conservative contributing to healthy fund balance reserves. Several years ago the City chose to fund major maintenance projects from General Fund reserves when other funds were not available for this purpose. This fiscal year General Fund Reserves dropped \$856,440.

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

- General Fund revenues were down nearly 9% or \$1.5 million from FY08-09. As reported earlier, the City's revenues continue to drop due to the poor economy. Nearly all revenue categories were down this fiscal year with the exception recreation user fees which were up slightly.
- For the past few years the City has been struggling with three landscape and lighting assessment districts which are in financial straits. The assessments for these districts have not been adjusted to keep up with the cost of maintaining these districts. The general fund has continued to subsidize these districts while the City Council considers various options to make these districts self sustaining.

- The City used General Fund reserves to assist in the funding of the irrigation system upgrades. Grants were received to assist with this funding, however the balance covered by reserves equaled approximately \$350 thousand.
- General Fund reserves were used to assist in the funding of two road maintenance projects, the traffic signal interconnect links project and the traffic management 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 aides the City in containing costs.

The City was a recipient of Federal ARRA funds this year. These funds greatly subsidized this year's arterial slurry seal and ADA sidewalk construction activities.

The Gas Tax and Prop A Fund both ended the year with deficit fund balances. It is anticipated that these deficits will be eliminated in FY10-11.

Transportation Grant Fund had a prior year restatement of fund balance. The revenue recorded in this fund was received from an exchange of federal transportation funds for County transportation funds. With this exchange the funds were transmitted to the City, however they are deemed unearned since they haven't been expended. In FY08-09 the revenue was recorded erroneously. The fund now reflects the proper unearned revenue and fund balance.

The Capital Projects Fund ended the year with a negative fund balance of \$521,242 as opposed to a negative of \$425,089 in the previous year. Ideally this fund should carry a zero fund balance. Capital project expenditures are accounted for in this fund along with their offsetting revenues and transfers. Due to revenue and expenditure accruals, it is not unusual for the fund to carry a negative balance since many of the capital improvement projects are funded with reimbursable grants.

General Fund Budgetary Highlights

Original revenue budget projections were decreased during the year by 3.2% to reflect more conservative revenue projections. The actual revenue came in less than 1% less than anticipated.

The General Fund taxes category include property taxes, sales tax, franchise tax and property transfer tax. These revenues came in \$244,647 more than anticipated. The variance between the amount budgeted and the amount

received is primarily due to the under estimation of anticipated sales tax revenue however several other tax revenues came in higher as well.

The City anticipated receiving FEMA reimbursement which has been disallowed. This caused the budgeted revenue in the Intergovernmental category to exceed actual revenue received.

The revenue anticipated for Licenses, Permits and Fees was increased during the year. Unfortunately the actual revenue received was nearer the original budget projection.

Transfers in were less than anticipated due to the related expenditures being less than budgeted.

Due to revenue uncertainties the General Fund appropriations were reduced during the year by \$315,618 or 1.6% from the original budget to the amended budget. The final expenditures actually came in \$1.1 million less than the amended budget. At the end of the year there were open encumbrances of \$302,635 which was carried over into FY10-11. Reasons for the difference between budget and actual expenditures include salary savings from staff vacancies, savings from low interest rates on the City's variable rate debt, various studies and projects which were either postponed or cancelled and overall cost cutting measures implemented by all departments.

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, 2010 amounts to \$390,209,829 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, furniture and fixtures, vehicles and equipment, infrastructure and construction in progress. The total increase in the City's investment in capital assets was approximate 2.6% from the previous year.

Table 3
City of Diamond Bar
Capital Assets
(net of depreciation)

	2010	2009
Land	\$6,587,349	\$6,587,349
Right of Way	265,614,104	256,536,095
Buildings and Improvements	13,411,866	14,564,532
Furniture and Fixtures	11,854	17,260
Vehicles & Equipment	961,586	515,494
Infrastructure	101,705,484	100,633,516
Construction in Progress	1,917,586	1,325,621
	<u>\$390,209,829</u>	<u>\$380,179,867</u>

The City's capital assets increased in value \$10,029,962 during FY09-10. The total value of capital assets increase is due to the previously mentioned Crestline area annexation.

Significant additions to capital assets include:

- This year with the assistance of grants, the City upgraded its irrigation systems with new irrigation controllers throughout the City. The equipment purchased for this upgrade amounted to \$517 thousand. It is anticipated that these new water conserving controllers will result in cost savings and water conservation in the future.
- The City's aging vehicle fleet was partially replaced with the purchase of three hybrid vehicles. The City was able to use air quality funds to purchase these vehicles.
- Traffic signal improvements include the completion of Phase I and Phase II of the City's Interconnect Links. These projects are a part of the implementation of the City's traffic management system. In addition five traffic signals have been improved to include a backup battery system to provide power to the signals in the case of a power outage.
- The Crestline annexation resulted in the City receiving the following infrastructure assets:

Land: Right of Way	\$9,078,432
Storm Drains	657,325
Sewers	930,079
Street Lights	125,535
Traffic Signals	247,000
Pavement or Streets	1,933,508
Sidewalks	308,427
Curb & Gutter	71,717
Total	<u>\$13,352,023</u>

- Sidewalk additions include new ADA curb ramps for areas near Castle Rock and Evergreen Springs elementary schools.

Construction in progress at the end of the year included nine projects in various stages of design or construction. There were four park improvement projects in progress totaling \$660,708. There was a city hall computer room sprinkler improvement project and a median project in progress at the end of the year as well. The other four projects equaling \$1,249,166 include the traffic management system, the reconstruction of Lycoming St.. and two median projects.

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

Long-term debt – At the end of the current fiscal year, the City of Diamond Bar's total long-term debt equaled \$13,003,585. Of this amount \$121,710 is the City's Net OPEB obligation. At this time the City is using a pay as you go methodology for funding its OPEB. The City's long-term debt includes the net OPEB obligation which is the difference between the amounts paid on the pay as you go basis versus the actuarially computed Annual Required Contribution. The following table shows the breakdown of the long-term debt outstanding.

Outstanding Long Term Debt at Year-end

Variable Rate Lease Revenue Bonds (backed by the Public Financing Authority)	12,480,000
Unamortized Bond Discount	(105,455)
Compensated Absences	507,330
Net OPEB Obligation	121,710
	<u>\$13,003,585</u>

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 2010-2011 budget is a fiscally conservative budget. The poor economy and worsening condition of the State's budget continue to be a major concern. As a result anticipated revenues in the General Fund have been reduced. The ongoing operations budget has been reduced as well. To take advantage of the poor real estate market the City has chosen to use General Fund Reserves to purchase a building to house City Hall. Incorporated in the FY10-11 budget are expenditures related to the purchase, design and relocation to the new facility. 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.

As mentioned in the previous paragraph, the City purchased a building in September 2010. With more than four times the square footage of the current City Hall location the building offers a unique setting for the provision of government services. The City is currently working with the County of Los Angeles to partner with the City by relocating and expanding the Diamond Bar Library into the facility. This move would solve a variety of issues for the

library including the provision of additional library services and parking spaces.

To combat some of the economic uncertainties the City recently completed a fee study. This study evaluated the City's current fee structure to verify that costs associated with fees are recovered. Although not total cost recovery, the new fee structure has been established to recover a higher percentage of the costs. It has a fee escalator built into it to keep the fees somewhat even with the escalation of costs. These new fees were implemented in November 2010.

When the City's waste hauler contracts were set to expire, the City looked at other jurisdictions in the area and found that it was not unreasonable to negotiate a franchise fee into the new contracts. These fees effective in August, 2010 will provide the City with an addition revenue stream in which to fund operations.

The 57/60 freeway interchange which transverses the City of Diamond Bar affects City traffic on a daily basis thus significantly impacting the City's residents. The City continues to work tirelessly towards a "big fix" for this interchange by working with the City of Industry and the LACMTA to form creative solutions and obtain funding for this several million dollar project.

The City has made a conscientious decision to use some general fund balance reserves for economic development purposes. As a result, the FY11 budget includes an appropriation for economic development. It is anticipated that these efforts will continue to be rewarded in the near future with the development of several new retail spaces.

Contacting the City's Financial Management

This financial report is designed to provide our citizens, taxpayers, customers, and creditors with a general overview of the City of Diamond Bar's finances and to show the City's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the City's Finance Department, at the City of Diamond Bar, 21825 Copley Drive, Diamond Bar, California 91765.

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CITY OF DIAMOND BAR

STATEMENT OF NET ASSETS
JUNE 30, 2010

	Governmental Activities
Assets:	
Cash and investments	\$ 40,446,953
Receivables:	
Accounts	333,756
Notes and loans	242,626
Accrued interest	58,526
Due from other governments	2,319,352
Deferred charges	484,341
Restricted assets:	
Cash with fiscal agent	684,815
Due from employees	9,595
Capital assets not being depreciated	274,119,039
Capital assets, net of depreciation	116,090,790
Total Assets	434,789,793
Liabilities:	
Accounts payable	2,736,312
Accrued liabilities	208,986
Accrued interest	3,556
Unearned revenue	1,292,357
Deposits payable	972,773
Due to other governments	242,626
Retentions payable	306,976
Noncurrent liabilities:	
Due within one year	620,000
Due in more than one year	12,383,585
Total Liabilities	18,767,171
Net Assets:	
Invested in capital assets, net of related debt	377,940,738
Restricted for:	
Community development projects	725,667
Public safety	559,920
Capital projects	2,260,872
Debt service	319,815
Unrestricted	34,215,610
Total Net Assets	\$ 416,022,622

CITY OF DIAMOND BAR

STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2010

	Expenses	Program Revenues		Governmental Activities	Net (Expenses) Revenues and Changes in Net Assets
		Charges for Services	Operating Contributions and Grants		
Governmental Activities:					
General government	\$ 4,973,685	\$ 131,633	\$ -	\$ -	\$ (4,842,052)
Public safety	5,526,099	1,014,237	135,195	-	(4,376,667)
Community development	1,624,547	21,106	1,310,271	177,615	(115,555)
Parks, recreation and culture	5,091,215	1,754,789	308,430	-	(3,027,996)
Highways and Streets	12,287,325	2,070,167	2,604,999	15,782,664	8,170,505
Interest on long-term debt	57,948	-	-	-	(57,948)
Total Governmental Activities	29,560,819	4,991,932	4,358,895	15,960,279	(4,249,713)
Total Primary Government	\$ 29,560,819	\$ 4,991,932	\$ 4,358,895	\$ 15,960,279	(4,249,713)
General Revenues:					
Taxes:					
Property taxes, levied for general purpose					3,837,288
Transient occupancy taxes					569,916
Sales taxes					3,122,229
Franchise taxes					1,115,980
Other taxes					259,384
Motor vehicle in lieu - unrestricted					4,599,922
Use of money and property					618,963
Other					7,090
Total General Revenues, Contributions, Special Items and Transfers					14,130,772
Change in Net Assets					9,881,059
Net Assets at Beginning of Year					407,026,659
Restatement of Net Assets					(885,096)
Net Assets at End of Year					\$ 416,022,622

GOVERNMENTAL FUNDS

GENERAL FUND

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

SPECIAL REVENUE FUND

The Special Revenue Funds are used to account for the proceeds of specific revenue sources that are restricted by law or administrative action for a specified purpose. The following Special Revenue Funds have been classified as major funds in the accompanying financial statements:

The Transportation Grant Fund has been classified as a major fund and is used to account for various Federal and State transportation grants received by the City.

CAPITAL PROJECTS FUND

The Capital Projects Fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by Special Revenue Funds).

Capital Improvement Fund - This fund is used to account for the costs of constructing street improvements, park improvements and other public improvements not normally included within the other Capital Projects funds. Financing is provided by developer fees and interfund transfers from the Special Revenue Funds and the General Fund.

CITY OF DIAMOND BAR

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2010

		Special Revenue Funds	Capital Projects Funds	
	General	Transportation Grant Fund	Capital Improvement Fund	Other Governmental Funds
Assets:				
Pooled cash and investments	\$ 31,764,656	\$ 755,891	\$ -	\$ 5,952,484
Receivables:				
Accounts	299,609	-	-	34,147
Notes and loans	-	-	-	242,626
Accrued interest	58,526	-	-	-
Due from other governments	1,045,571	-	697,573	576,208
Due from other funds	640,784	-	-	-
Due from employees	9,595	-	-	-
Restricted assets:				
Cash and investments with fiscal agents	365,000	-	-	319,815
Total Assets	\$ 34,183,741	\$ 755,891	\$ 697,573	\$ 7,125,280
Liabilities and Fund Balances:				
Liabilities:				
Accounts payable	\$ 1,823,513	\$ -	\$ 67,317	\$ 557,710
Accrued liabilities	201,582	-	-	7,404
Deferred revenues	388,775	-	437,355	93,278
Unearned revenues	-	751,616	-	540,741
Deposits payable	972,773	-	-	-
Due to other governments	-	-	-	242,626
Due to other funds	-	-	408,278	232,506
Retentions payable	-	-	305,865	1,111
Total Liabilities	3,386,643	751,616	1,218,815	1,675,376
Fund Balances:				
Reserved:				
Reserved for encumbrances	302,635	-	1,499,540	235,537
Reserved for bond retirement	1,652,842	-	-	-
Unreserved:				
Unreserved, reported in nonmajor:				
Special revenue funds	-	-	-	4,894,552
Debt service funds	-	-	-	319,815
Undesignated	28,841,621	4,275	(2,020,782)	-
Total Fund Balances	30,797,098	4,275	(521,242)	5,449,904
Total Liabilities and Fund Balances	\$ 34,183,741	\$ 755,891	\$ 697,573	\$ 7,125,280

CITY OF DIAMOND BAR

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2010

	<u>Total Governmental Funds</u>
Assets:	
Pooled cash and investments	\$ 38,473,031
Receivables:	
Accounts	333,756
Notes and loans	242,626
Accrued interest	58,526
Due from other governments	2,319,352
Due from other funds	640,784
Due from employees	9,595
Restricted assets:	
Cash and investments with fiscal agents	684,815
Total Assets	<u>\$ 42,762,485</u>
Liabilities and Fund Balances:	
Liabilities:	
Accounts payable	\$ 2,448,540
Accrued liabilities	208,986
Deferred revenues	919,408
Unearned revenues	1,292,357
Deposits payable	972,773
Due to other governments	242,626
Due to other funds	640,784
Retentions payable	306,976
Total Liabilities	<u>7,032,450</u>
Fund Balances:	
Reserved:	
Reserved for encumbrances	2,037,712
Reserved for bond retirement	1,652,842
Unreserved:	
Unreserved, reported in nonmajor:	
Special revenue funds	4,894,552
Debt service funds	319,815
Undesignated	26,825,114
Total Fund Balances	<u>35,730,035</u>
Total Liabilities and Fund Balances	<u>\$ 42,762,485</u>

CITY OF DIAMOND BAR

RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET ASSETS
JUNE 30, 2010

Fund balances of governmental funds		\$ 35,730,035
Amounts reported for governmental activities in the statement of net assets are different because:		
Capital assets net of depreciation have not been included as financial resources in governmental fund activity		390,191,762
Long-term debt and compensated absences that have not been included in the governmental fund activity:		
Bonds Payable	\$ (12,480,000)	
Deferred charges for issuance costs	484,341	
Bonds discount	105,455	
Compensated absences	(507,330)	
Other post employment benefit obligation	(121,710)	(12,519,244)
Accrued interest payable for the current portion of interest due on Bonds has not been reported in the governmental funds		(3,556)
Revenues reported as deferred revenue in the governmental funds and recognized in the Statement of Activities. These are included in the intergovernmental revenues in the governmental fund activity.		919,408
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 assets		1,704,217
Net assets of governmental activities		\$ 416,022,622

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CITY OF DIAMOND BAR

STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2010

	General	Special Revenue Funds Transportation Grant Fund	Capital Projects Funds Capital Improvement Fund	Other Governmental Funds
Revenues:				
Taxes	\$ 8,591,893	\$ -	\$ -	\$ 556,989
Licenses and permits	640,287	-	-	-
Intergovernmental	4,854,137	224,741	1,734,028	4,665,550
Charges for services	1,757,805	-	-	1,433,611
Use of money and property	276,420	4,275	-	367,808
Fines and forfeitures	607,936	-	-	-
Miscellaneous	27,868	-	-	2,898
Total Revenues	16,756,346	229,016	1,734,028	7,026,856
Expenditures:				
Current:				
General government	4,435,858	-	-	-
Public safety	5,510,951	-	-	13,328
Community development	1,186,608	-	-	417,612
Parks, recreation and culture	3,591,552	-	-	63,477
Highways and streets	2,461,342	-	-	2,722,622
Capital outlay	129,533	-	4,559,335	473,056
Debt service:				
Principal retirement	-	-	-	280,000
Interest and fiscal charges	-	-	-	33,904
Total Expenditures	17,315,844	-	4,559,335	4,003,999
Excess (Deficiency) of Revenues Over (Under) Expenditures	(559,498)	229,016	(2,825,307)	3,022,857
Other Financing Sources (Uses):				
Transfers in	1,371,877	-	2,729,154	278,687
Transfers out	(1,592,005)	(11,550)	-	(3,191,819)
Total Other Financing Sources (Uses)	(220,128)	(11,550)	2,729,154	(2,913,132)
Net Change in Fund Balances	(779,626)	217,466	(96,153)	109,725
Fund Balances, Beginning of Year, as previously reported	31,653,538	473,161	(425,089)	5,428,791
Restatements	(76,814)	(686,352)	-	(88,612)
Fund Balances, Beginning of Year, as restated	31,576,724	(213,191)	(425,089)	5,340,179
Fund Balances, End of Year	\$ 30,797,098	\$ 4,275	\$ (521,242)	\$ 5,449,904

CITY OF DIAMOND BAR

STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2010

	<u>Total Governmental Funds</u>
Revenues:	
Taxes	\$ 9,148,882
Licenses and permits	640,287
Intergovernmental	11,478,456
Charges for services	3,191,416
Use of money and property	648,503
Fines and forfeitures	607,936
Miscellaneous	30,766
	<u>25,746,246</u>
Total Revenues	25,746,246
Expenditures:	
Current:	
General government	4,435,858
Public safety	5,524,279
Community development	1,604,220
Parks, recreation and culture	3,655,029
Highways and streets	5,183,964
Capital outlay	5,161,924
Debt service:	
Principal retirement	280,000
Interest and fiscal charges	33,904
	<u>25,879,178</u>
Total Expenditures	25,879,178
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(132,932)</u>
Other Financing Sources (Uses):	
Transfers in	4,379,718
Transfers out	<u>(4,795,374)</u>
Total Other Financing Sources (Uses)	(415,656)
Net Change in Fund Balances	<u>(548,588)</u>
Fund Balances, Beginning of Year, as previously reported	37,130,401
Restatements	<u>(851,778)</u>
Fund Balances, Beginning of Year, as restated	<u>36,278,623</u>
Fund Balances, End of Year	\$ 35,730,035

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, 2010**

Net change in fund balances - total governmental funds \$ (548,588)

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	\$ 2,672,303	
Capital contributions	13,351,603	
Depreciation expense	<u>(5,937,557)</u>	10,086,349

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

Principal payment	280,000	
Amortization of bond discount	(4,585)	
Amortization of issuance costs	(21,059)	
Other post employment benefit obligation	(56,923)	
Compensated absences	<u>(49,602)</u>	147,831

Accrued interest for long-term liabilities. This is the net change in accrued interest for the current period. 1,600

Revenues reported as deferred revenue in the governmental funds and recognized in the Statement of Activities. These are included in the intergovernmental revenues in the governmental fund activity. 329,577

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 (135,710)

Change in net assets of governmental activities \$ 9,881,059

CITY OF DIAMOND BAR

**BUDGETARY COMPARISON STATEMENT
GENERAL FUND
YEAR ENDED JUNE 30, 2010**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1 as restated	\$ 31,576,724	\$31,576,724	\$ 31,576,724	\$ -
Resources (Inflows):				
Taxes	8,937,000	8,351,000	8,591,893	240,893
Licenses and permits	677,750	776,500	640,287	(136,213)
Intergovernmental	5,880,000	4,961,888	4,854,137	(107,751)
Charges for services	1,686,972	1,692,972	1,757,805	64,833
Use of money and property	550,000	300,000	276,420	(23,580)
Fines and forfeitures	528,900	566,900	607,936	41,036
Miscellaneous	23,500	26,510	27,868	1,358
Transfers in	1,552,062	1,548,392	1,371,877	(176,515)
Amounts Available for Appropriation	51,412,908	49,800,886	49,704,947	(95,939)
Charges to Appropriation (Outflow):				
General government				
City Council	177,600	192,600	168,742	23,858
City Attorney	215,000	195,000	149,701	45,299
City Manager/Clerk	1,098,240	1,098,240	1,037,032	61,208
Finance	454,900	439,400	415,649	23,751
Human resources	226,130	226,130	173,768	52,362
Information systems	750,500	750,500	819,713	(69,213)
General government	1,546,540	1,351,040	1,142,457	208,583
Public information	519,620	577,420	528,796	48,624
Subtotal general government	<u>4,988,530</u>	<u>4,830,330</u>	<u>4,435,858</u>	<u>394,472</u>
Public safety				
Law enforcement	5,425,502	5,425,502	5,326,790	98,712
Fire protection	11,360	11,360	7,359	4,001
Animal control	132,000	132,000	126,716	5,284
Emergency preparedness	42,140	60,640	50,086	10,554
Subtotal public safety	<u>5,611,002</u>	<u>5,629,502</u>	<u>5,510,951</u>	<u>118,551</u>
Community development	1,505,550	1,598,048	1,186,608	411,440
Parks, recreation and culture	3,801,350	3,809,060	3,591,552	217,508
Public works	3,511,285	2,740,533	2,461,342	279,191
Capital outlay	500	330,387	129,533	200,854
Transfers out	928,498	1,151,037	1,592,005	(440,968)
Total Charges to Appropriations	20,346,715	20,088,897	18,907,849	1,181,048
Budgetary Fund Balance, June 30	\$ 31,066,193	\$ 29,711,989	\$ 30,797,098	\$ 1,085,109

CITY OF DIAMOND BAR

**BUDGETARY COMPARISON STATEMENT
TRANSPORTATION GRANT FUND
YEAR ENDED JUNE 30, 2010**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1 as restated	\$ (213,191)	\$ (213,191)	\$ (213,191)	\$ -
Resources (Inflows):				
Intergovernmental	500,000	500,000	224,741	(275,259)
Use of money and property	-	-	4,275	4,275
Amounts Available for Appropriation	286,809	286,809	15,825	(270,984)
Charges to Appropriation (Outflow):				
Transfers out	-	500,000	11,550	488,450
Total Charges to Appropriations	-	500,000	11,550	488,450
Budgetary Fund Balance, June 30	\$ 286,809	\$ (213,191)	\$ 4,275	\$ 217,466

CITY OF DIAMOND BAR

STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
JUNE 30, 2010

	<u>Governmental Activities- Internal Service Funds</u>
Assets:	
Current:	
Cash and investments	\$ 1,973,922
Total Current Assets	<u>1,973,922</u>
Noncurrent:	
Capital assets - net of accumulated depreciation	18,067
Total Noncurrent Assets	<u>18,067</u>
Total Assets	<u>\$ 1,991,989</u>
Liabilities and Net Assets:	
Liabilities:	
Current:	
Accounts payable	\$ 287,772
Total Current Liabilities	<u>287,772</u>
Total Liabilities	<u>287,772</u>
Net Assets:	
Invested in capital assets, net of related debt	18,767
Unrestricted	1,685,450
Total Net Assets	<u>1,704,217</u>
Total Liabilities and Net Assets	<u>\$ 1,991,989</u>

CITY OF DIAMOND BAR

STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2010

	<u>Governmental Activities- Internal Service Funds</u>
Operating Expenses:	
Insurance premiums	\$ 373,250
Maintenance and operations	169,498
Depreciation expense	23,070
	<hr/>
Total Operating Expenses	565,818
	<hr/>
Operating Income (Loss)	(565,818)
	<hr/>
Nonoperating Revenues (Expenses):	
Interest revenue	14,452
	<hr/>
Total Nonoperating Revenues (Expenses)	14,452
	<hr/>
Income (Loss) Before Transfers	(551,366)
	<hr/>
Transfers in	415,656
	<hr/>
Changes in Net Assets	(135,710)
	<hr/>
Net Assets:	
Beginning of Year	1,839,927
	<hr/>
End of Fiscal Year	\$ 1,704,217
	<hr/> <hr/>

CITY OF DIAMOND BAR

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 YEAR ENDED JUNE 30, 2010

	<u>Governmental Activities- Internal Service Funds</u>
Cash Flows from Operating Activities:	
Insurance premiums	\$ (373,250)
Payments to suppliers	(193,517)
	<u>(566,767)</u>
Net Cash Provided (Used) by Operating Activities	(566,767)
Cash Flows from Non-Capital Financing Activities:	
Cash transfers in	415,656
	<u>415,656</u>
Net Cash Provided (Used) by Non-Capital Financing Activities	415,656
Cash Flows from Investing Activities:	
Interest received	14,452
	<u>14,452</u>
Net Cash Provided (Used) by Investing Activities	14,452
Net Increase (Decrease) in Cash and Cash Equivalents	(136,659)
Cash and Cash Equivalents at Beginning of Year	<u>2,110,581</u>
Cash and Cash Equivalents at End of Year	<u>\$ 1,973,922</u>
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:	
Operating income (loss)	\$ (565,818)
Adjustments to reconcile operating income (loss) net cash provided (used) by operating activities:	
Depreciation	23,070
Increase (decrease) in accounts payable	(24,019)
	<u>(949)</u>
Total Adjustments	(949)
Net Cash Provided (Used) by Operating Activities	\$ (566,767)

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CITY OF DIAMOND BAR

NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2010

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 the component unit provides services almost entirely to the City.

Blended Component Units

The Diamond Bar Community Redevelopment Agency (the Agency) was established February 6, 1996, pursuant to the State of California Health and Safety Code, Section 33000, entitled "Community Redevelopment Law". Although it is a legally separate entity from the City, the Agency is reported as if it were part of the City because of its purpose to prepare and execute plans for improvement, rehabilitation and redevelopment of blighted areas within the territorial limits of the City. According to the California Supreme Court's decision on August 9, 2000, the Agency's Redevelopment Plan was deemed invalid. No activities occurred during the year ended June 30, 2010. Accordingly, no financial statements of the Agency were issued.

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.

b. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) 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

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

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 and proprietary funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

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

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

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

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary funds 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 period with the exception of gas tax which is 210 days. 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.

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

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

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

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 Transportation Grant Special Revenue Fund is used to account for various Federal and State transportation grants received by the City.

The Capital Improvement Capital Projects Fund is used to account for the costs of constructing street improvements, park improvements and other public improvements not normally included within the other Capital Projects funds. Financing is provided by developer fees and interfund transfers from the Special Revenue Funds and the General Fund.

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

Governmental Funds

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are restricted by law or administrative action for a specified purpose.

Debt Service Fund is used primarily to account for the accumulation of resources for the payment of principal and interest on long-term liabilities of the City.

Proprietary Funds

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

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

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. Capital Assets

Capital assets (including infrastructure) are recorded at cost where historical records are available and at an estimated original cost where no historical records exist. Contributed capital assets are valued at their estimated fair market value at the date of contribution. Capital asset purchases (other than infrastructure) in excess of \$1,500 are capitalized if they have an expected useful life of three years or more.

Capital assets include additions to public domain (infrastructure), certain improvements including roads, streets, sidewalks, medians and storm drains within the City. In the fiscal year ended June 30, 2010, the City, with the assistance of an outside consultant, valued and recorded its public domain assets acquired prior to July 1, 2002. The City now has all of its infrastructure asset data valued and recorded in its entirety as of June 30, 2010.

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 and equipment	5 years
Infrastructure	10 - 50 years

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

h. Compensated Absences

Vacation and sick leave time begin to accumulate as of the first day of employment to a maximum of 320 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.

i. Deferred Charges

Deferred charges represent capitalized costs incurred in connection with the issuance of long-term debt. These costs are amortized over the life of the debt on a straight-line basis.

j. 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)

k. Use of Estimates

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

Note 2: Stewardship, Compliance and Accountability

a. Budgetary Data

General Budget Policies

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

Encumbrances

Encumbrances are estimations of costs related to unperformed contracts for goods and services. These commitments are recorded for budgetary control purposes in the General, Special Revenue, and similar governmental funds. Encumbrances outstanding at year-end are reported as a reservation of fund balance. They represent the estimated amount of the expenditure ultimately to result if unperformed contracts in process at year end are completed. They do not constitute expenditures or estimated liabilities.

Budget Basis of Accounting

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

b. At June 30, 2010, the following funds had deficit fund balances:

Major Fund	
Capital Improvement Capital Projects Fund	\$ 521,242
Other Governmental Fund:	
State Gas Tax Special Revenue Fund	101,101
Proposition A Transit Fund	97,996
Edward Byrne Justice Assistance Grant Fund	90
Landscape Maintenance District Fund	13,901
EECBG Grant Fund	393

CITY OF DIAMOND BAR

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2010

Note 2: Stewardship, Compliance and Accountability (Continued)

c. Excess of expenditures over appropriations are as follows:

Expenditures for the year ended June 30, 2010, exceeded the appropriations of the General Fund as follows:

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
General Fund:			
General Government			
Information systems	\$ 750,500	\$ 819,713	\$ (69,213)

Note 3: Cash and Investments

Cash and Investments

Cash and investments at June 30, 2010, consisted of the following:

Statement of Net Assets:		
Cash and investments		\$ 40,446,953
Cash and investments with fiscal agents		<u>684,815</u>
		<u>\$ 41,131,768</u>

Cash and investments held by the City at June 30, 2010, consisted of the following:

Imprest cash on hand	\$ 1,246
Demand deposits	472,549
Escrow deposits	15,000
Investments:	
United States Government Sponsored Enterprise Securities	5,000,000
Local Agency Investment Fund	34,973,158
Held by Bond Trustee:	
Money Market Mutual Funds	<u>669,815</u>
	<u>\$ 41,131,768</u>

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

The table below identifies the investment types that are authorized for the City by the California Government Code (or the City's investment policy, where more restrictive). The table also identifies certain provisions of the California Government Code (or the City's investment policy, where more restrictive) that address interest rate risk, credit risk, and concentration of credit risk. This table does not address investments of debt proceeds held by bond trustee that are governed by the provisions of debt agreements of the City, rather than the general provisions of the California Government Code or the City's investment policy.

CITY OF DIAMOND BAR

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2010

Note 3: Cash and Investments (Continued)

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

*-Excluding amounts held in bond trustees that are not subject to California Government Code Restrictions

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

N/A - Not Applicable

Investments Authorized by Debt Agreements

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

CITY OF DIAMOND BAR

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2010

Note 3: Cash and Investments (Continued)

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.

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	25 - 60 months	Total
United States Government Sponsored Enterprise Securities	\$ -	\$ 5,000,000	\$ 5,000,000
Local Agency Investment Fund (LAIF)	34,973,158	-	34,973,158
Held by Bond Trustees:			
Money Market Mutual Funds	684,815	-	684,815
	\$ 35,657,973	\$ 5,000,000	\$ 40,657,973

CITY OF DIAMOND BAR

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2010

Note 3: Cash and Investments (Continued)

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 Standard and Poor's, as of year end for each investment type:

Investment Type	Total as of June 30,2010	Minimum Legal Rating	AAA	Unrated
United States Government Sponsored Enterprise Securities	\$ 5,000,000	N/A	\$ 5,000,000	\$ -
Local Agency Investment Fund (LAIF)	34,973,158	N/A	-	34,973,158
Held by Bond Trustees: Money Market Mutual Funds	684,815	A	684,815	-
Total	\$ 40,657,973		\$ 5,684,815	\$ 34,973,158

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, 2010, 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, 2010

Note 3: Cash and Investments (Continued)

Investment in State Investment Pool

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

Note 4: Interfund Receivables, Payables and Transfers

The composition of interfund balances as of June 30, 2010, is as follows:

Due To/From Other Funds

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Capital Improvement Capital Projects Fund	\$ 408,278
	Other Governmental Funds	232,506
		<u>\$ 640,784</u>

The amounts loaned from the General Fund to the Capital Improvement Capital Projects Fund and Other Governmental Funds are to provide short-term loans to fund temporary cash shortfalls.

Interfund Transfers

<u>Transfers In</u>	<u>Transfer Out</u>	<u>Amount</u>
General Fund	Other Governmental Funds	\$ 1,371,877
Capital Improvement Capital Projects Fund	General Fund	897,662
	Transportation Grant Fund	
	Special Revenue Fund	11,550
	Other Governmental Funds	1,819,942
Other Governmental Funds	General Fund	278,687
Internal Service Funds	General Fund	415,656
		<u>\$ 4,795,374</u>

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

CITY OF DIAMOND BAR

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2010

Note 4: Interfund Receivables, Payables and Transfers (Continued)

Transfers to the Capital Improvement Capital Projects Fund were made to provide funding for various capital projects.

Transfers from the General Fund to the Other Governmental Funds were made to provide for debt service payments.

Transfers from the General Fund to the Internal Service Funds were made to provide for purchases of a vehicle and equipment and uninsured insurance losses.

Note 5: Capital Assets

A summary of changes in the Governmental Activities capital assets at June 30, 2010, is as follows:

	Balance at July 1, 2009	Adjustments	Adjusted Balance July 1, 2009	Transfers	Additions	Deletions	Balance at June 30, 2010
Capital assets not being depreciated:							
Land	\$ 6,587,349	\$ -	\$ 6,587,349	\$ -	\$ -	\$ -	\$ 6,587,349
Right of way	256,536,095	-	256,536,095	-	9,078,009	-	265,614,104
Construction in progress	1,325,621	(158,188)	1,167,433	(562,955)	1,313,108	-	1,917,586
Total Capital Assets Not being Depreciated	264,449,065	(158,188)	264,290,877	(562,955)	10,391,117	-	274,119,039
Capital assets being depreciated:							
Buildings and improvements	24,676,271	128,655	24,804,926	-	2,271	-	24,807,197
Furniture and fixtures	84,372	-	84,372	-	-	-	84,372
Vehicles and equipment	1,746,425	-	1,746,425	-	626,295	122,802	2,249,918
Infrastructure	181,726,821	-	181,726,821	562,955	5,004,225	-	187,294,001
Total Capital Assets being Depreciated	208,233,889	128,655	208,362,544	562,955	5,632,791	122,802	214,435,488
Less accumulated depreciation for:							
Buildings and improvements	10,111,739	3,785	10,115,524	-	1,279,807	-	11,395,331
Furniture and fixtures	67,112	-	67,112	-	5,406	-	72,518
Vehicles and equipment	1,230,931	-	1,230,931	-	176,914	119,513	1,288,332
Infrastructure	81,093,305	-	81,093,305	-	4,495,212	-	85,588,517
Total Accumulated Depreciation	92,503,087	3,785	92,506,872	-	5,957,339	119,513	98,344,698
Total Capital Assets Being Depreciated, Net	115,730,802	124,870	115,855,672	562,955	(324,548)	3,289	116,090,790
Governmental Activities Capital Assets, Net	\$ 380,179,867	\$ (33,318)	\$ 380,146,549	\$ -	\$ 10,066,569	\$ 3,289	\$ 390,209,829

CITY OF DIAMOND BAR

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2010

Note 5: Capital Assets (Continued)

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

General government	\$ 83,234
Public safety	1,820
Highways and streets	4,546,027
Community development	1,303,188
Internal Service Funds depreciation charges to program	23,070
	<u>\$ 5,957,339</u>

Note 6: Long-Term Liabilities

Long-term liability activity for the year ended June 30, 2010, was as follows:

	<u>Balance July 1, 2009</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at June 30, 2010</u>	<u>Due Within One Year</u>
Bonds payable					
Revenue Bonds	\$ 12,760,000	\$ -	\$ 280,000	\$ 12,480,000	\$ 290,000
Compensated absences	457,728	378,724	329,122	507,330	330,000
Net OPEB obligation (Note 9)	64,787	62,517	5,594	121,710	-
Total	<u>\$ 13,282,515</u>	<u>\$ 441,241</u>	<u>\$ 614,716</u>	13,109,040	<u>\$ 620,000</u>
Net unamortized bond discount				<u>(105,455)</u>	
Net Long-Term Debt				<u>\$ 13,003,585</u>	

Bonds Payable

In December 2002, the Diamond Bar Public Financing Authority issued \$13,755,000 of 2002 Series A Variable Rate Lease Revenue Bonds to finance the construction of a community/senior center project and other public improvements within the City. The bonds are special limited obligations of the Authority payable solely from revenues, consisting primarily of base rental payments paid by the City. The variable interest rate on the bonds is reset on a bi-weekly basis. As of June 30, 2010, \$12,480,000 of the bonds is outstanding.

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 terminates on January 1, 2013.

CITY OF DIAMOND BAR

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2010

Note 6: Long-Term Liabilities (Continued)

Fair Value

At June 30, 2010, the Agreement had a positive fair value of \$5,839. This is the amount that the Authority would receive in the event that the Agreement is terminated. The fair value was estimated by the City's financial advisor.

Credit Risk

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

Basis Risk

The Agreement does not expose the Authority to basis risk, which refers to a mismatch between the interest rate cap of 4.5% and the variable rate payments to be made on the debt.

Termination Risk

If the rate cap is terminated, the rate on the Bonds that the Authority would prospectively have to pay will not be subject to the cap rate of 4.5%. The termination of the Agreement could therefore increase the Authority's total debt service in the event that the variable rate is higher than the cap rate of 4.5%. At June 30, 2010, the Agreement had a positive fair value of \$5,839.

Payments and Associated Debt

Using a variable rate of 1.30% as of June 30, 2010, 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. As rates vary, the variable rate interest payments and net rate cap payments will vary.

Year Ending June 30	Variable Rate Debt		
	Principal	Interest	Total
2011	\$ 290,000	\$ 166,523	\$ 456,523
2012	305,000	162,506	467,506
2013	320,000	158,288	478,288
2014	335,000	153,866	488,866
2015	350,000	149,243	499,243
2015-2020	2,010,000	669,060	2,679,060
2020-2025	2,535,000	516,341	3,051,341
2025-2030	3,195,000	323,831	3,518,831
2030-2035	3,140,000	87,278	3,227,278
Totals	\$ 12,480,000	\$ 2,386,936	\$ 14,866,936

Compensated Absences

The City's policies relating to compensated absences are described in Note 1. This liability, amounting to \$507,330 at June 30, 2010, is expected to be paid in future years from future resources, typically liquidated from the General Fund.

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2010

Note 7: Liability, Property and Workers' Compensation Protection

The City is a member of the California Joint Powers Insurance Authority (Insurance Authority). The Insurance Authority is composed of 122 California public entities and is organized under a joint powers agreement pursuant to California Government Code Section 6500 et. seq. The purpose of the Insurance 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 Insurance Authority's pool 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 9-member Executive Committee.

a. Self-Insurance Programs of the Authority

General Liability

Each member government pays a primary deposit to cover estimated losses for a fiscal year (claims year). After the close of a fiscal year, outstanding claims are valued. A retrospective deposit computation is then made for each open claims year. Claims are pooled separately between police and non-police. Costs are allocated to members by the following methods within each of the four layers of coverage: (1) the first \$30,000 of each occurrence is charged directly to the member's primary deposit; (2) costs from \$30,000 to \$750,000 and the loss development reserves associated with losses up to \$750,000 are pooled based on the member's share of losses under \$30,000; (3) losses from \$750,000 to \$5,000,000 and the associated loss development reserves are pooled based on payroll; (4a) costs of covered claims from \$5,000,000 to \$10,000,000 are paid under reinsurance policies and are subject to a \$2,500,000 annual aggregate deductible; (4b) costs of covered claims from \$10,000,000 to \$50,000,000 are covered through excess insurance policies; (4c) Costs of covered claims for subsidence losses are paid by excess insurance with a sub-limit of \$25,000,000 per occurrence per member. This \$25,000,000 subsidence sub-limit is composed of \$10,000,000 in reinsurance and \$15,000,000 in excess insurance. The excess insurance layer has a \$15,000,000 annual aggregate. The costs associated with 4a, 4b, and 4c are estimated using actuarial models and pre-funded as part of the primary and retrospective deposits.

The overall policy limit for each member including all layers of coverage is \$50,000,000 per occurrence.

Workers' Compensation

The City also participates in the workers' compensation pool administered by the Insurance Authority. Each member pays a primary deposit to cover estimated losses for a fiscal year (claims year). After the close of a fiscal year, outstanding claims are valued. A retrospective deposit computation is then made for each open Claims year. Claims are pooled separately between public safety and non-public safety. Costs are allocated to members by the following methods within each of the four layers of coverage: (1) the first \$50,000 of each loss is charged directly to the member's primary deposit; (2) losses from \$50,000 to \$100,000 and the loss development reserve associated with losses up to \$100,000 are pooled based on the member's share of losses under \$50,000; (3) losses from \$100,000 to \$2,000,000 and the loss development reserves associated with those losses are pooled based on payroll; (4) losses from \$2,000,000 up to statutory limits are paid under an excess insurance policy. Protection is provided per statutory liability under California Workers' Compensation law.

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

Employer's liability losses are pooled among members to \$2,000,000, coverage from \$2,000,000 to \$4,000,000 is purchased as part of an excess insurance policy, and losses from \$4,000,000 to \$10,000,000 are pooled among members.

b. Purchased Insurance

Environmental Insurance

The City participates in the pollution legal liability and remediation legal liability insurance which is available through the Insurance Authority. This policy covers sudden and gradual pollution of scheduled property, streets, and storm drains owned by the City. Coverage is on a claims-made basis. There is a \$50,000 deductible. The Insurance Authority has a limit of \$50,000,000 for the 3-year period from July 1, 2008 through July 1, 2011. Each member of the Insurance Authority has a \$10,000,000 limit during the 3-year term of the policy.

Property Insurance

The City participates in the all-risk property protection program of the Insurance Authority. This insurance protection is underwritten by several insurance companies. The City's property is currently insured according to a schedule of covered property submitted by the City to the Insurance Authority. The City's property currently has all-risk property insurance protection in the amount of \$19,050,858. There is a \$5,000 deductible per occurrence except for non-emergency vehicle insurance which has a \$1,000 deductible. Premiums for the coverage are paid annually and are not subject to retroactive adjustments.

Crime Insurance

The City purchases crime insurance coverage in the amount of \$1,000,000 with a \$2,500 deductible. The fidelity coverage is provided through the Insurance Authority. Premiums are paid annually and are not subject to retroactive adjustments.

c. Adequacy of Protection

During the past three fiscal (claims) years none of the above programs of protection have had settlements or judgments that exceed pooled or insured coverage. There have been no significant reductions in pooled or insured liability coverage from coverage in the prior year.

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

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2010

Note 8: Pension Plan

Plan Description

The City of Diamond Bar participates in the Miscellaneous 2% at 55 Risk Pool of the California Public Employee's Retirement System (PERS), a cost-sharing, multiple-employer defined benefit pension plan administered by PERS. PERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions and all other requirements are established by State statute and District ordinance. Copies of the PERS' annual financial report may be obtained from the PERS Executive Office -400 P Street, Sacramento, California 95814.

Funding Policy

The contribution requirements of the plan members are established by State statute and the employer contribution rate is established and may be amended by PERS. Active City employees are required to contribute 7% of their annual covered salary to PERS. The city makes the contributions required of City employees on their behalf and for their account. The City is required to contribute the actuarially determined remaining amounts necessary to fund the benefits for its members. The current rate is 10.73% of covered payroll. The City's contributions to CalPERS for the years ending June 30, 2010, 2009 and 2008, were \$396,087, \$392,608 and \$373,818, respectively and were equal to the required contribution for each year.

Plan Description

In connection with the retirement benefits for employees described in Note 8, the City provides post-retirement health care benefits to retirees through the California Public Employees' Retirement System Health Benefits program (the PERS Health program). The program is an agent multiple-employer defined benefit health care plan that provides healthcare insurance for eligible retirees, through the City's group plans, which cover both active and retired employees. Employees become eligible to retire and receive City-paid healthcare benefits upon attainment of age 50 and 5 years of covered PERS service, or by qualifying disability retirement status. Retired employees over the age of 65 must join one of the supplemental (Medicare-coordinated) options under the PERS Health Program. Benefits are paid for the lifetime of the retiree. Benefit provisions are established by city ordinance which references state statutes (the Public Employee Medical and Hospital Care Act). The PERS Health Program does not issue a publicly available financial report.

Funding Policy

The City sets its monthly contribution rates for health insurance on behalf of all eligible retirees according to the PERS Health Program's statutory minimum (\$101/month for calendar 2009 and \$101/month for calendar 2010, increased in all future years according to the rate of medical inflation). The City pays a 0.45% of premium administrative charge on behalf of all retirees. The City is currently funding this OPEB obligation on a pay-as-you-go basis. For the year ended June 30, 2010, the City paid \$5,594 in health care costs for its retirees and their covered dependents.

CITY OF DIAMOND BAR

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2010

Note 9: Postemployment Benefits Other than Pensions

Annual OPEB Cost and Net OPEB Obligation

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

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

Annual required contribution	\$ 62,171
Interest on net OPEB obligation	3,239
Adjustment to annual required contribution	<u>(2,893)</u>
Annual OPEB cost (expense)	62,517
Contributions made	<u>5,594</u>
Increase in net OPEB obligation	56,923
Net OPEB obligation - beginning of year	<u>64,787</u>
Net OPEB obligation - end of year	<u>\$ 121,710</u>

Three-Year Trend Information

For fiscal year 2010, the City's annual OPEB cost (expense) \$62,517 was equal to the ARC. Since this fiscal year is the transition year, information on the annual OPEB costs, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation is only available for the current fiscal year, as presented below:

Fiscal Year Ended	Annual OPEB Costs	Actual Contributions	Percentage of Annual OPEB Costs Contributed	Net OPEB Obligation
6/30/09	\$ 70,456	\$ 5,669	8.05%	\$ 64,787
6/30/10	62,517	5,594	8.95%	121,710

Funded Status and Funding Progress

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

CITY OF DIAMOND BAR

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2010

Note 9: Postemployment Benefits Other than Pensions (Continued)

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

Type of Valuation	Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability	Unfunded Actuarial Accrued Liability	Funded Ratio	Covered Payroll	UAAL as a Percent of Covered Payroll	Interest Rate
Actual	7/1/2008	\$ -	\$ 402,007	\$ 402,007	0.0%	\$ 3,657,956	10.99%	5.00%

Actuarial Methods and Assumptions

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

In the July 1, 2008, actuarial valuation, the projected unit credit method was used. The actuarial assumptions included a discount rate of 5.0% per annum, a rate of return on assets of 5.0% per annum and a healthcare cost trend rate of 8.0% initially, reduced by annual decrements of 1.0% to an ultimate rate of 5.0% after three years. The City's unfunded actuarial accrued liability will be amortized as a level dollar over an open period of 30 years.

Note 10: Contingencies

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

Note 11: Construction Commitments

The following material construction commitments existed at June 30, 2010:

Project Name	Expenditure as of June 30, 2010	Remaining Commitments
Park Improvements	\$ 324,334	\$ 45,579
Street Improvements	36,593	1,050,611
Misc. Improvements	47,058	165,941
	<u>\$ 407,985</u>	<u>\$ 1,262,131</u>

CITY OF DIAMOND BAR

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2010

Note 12: Operating Leases

The City leases building and office facilities under non-cancelable operating leases. The total costs for such leases were \$268,997 for the year ended June 30, 2010. The future minimum lease payments for the lease of building and office facilities are as follows:

Year Ending June 30, <u>2011</u>	<u>\$ 179,332</u>
Total	<u>\$ 179,332</u>

Note 13: Fund Balance

Fund balance restatements:

Major governmental funds:

General Fund:

To adjust fund balance for revenue that was incorrectly recognized in the prior year \$ (76,814)

Transportation Grant Fund:

To adjust fund balance for revenue that was incorrectly recognized in the prior year (686,352)

Nonmajor governmental funds:

Proposition A Transit Fund:

To move expenditures that were placed in the current year but actually incurred in the prior year. (88,612)

Total Fund Balance Restatements \$ (851,778)

In addition to the adjustments to fund balance, the following restatements have been made to net assets:

Government-wide Net Assets:

Fund balance restatements (above) \$ (851,778)

To adjust beginning balance of capital assets to reflect projects that were completed in the prior year and not moved to depreciable assets when completed (33,318)

Total Net Asset restatements \$ (885,096)

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2010

Note 14: Transactions with the State of California

a. Proposition 1A Borrowing by the State of California

Under the provisions of Proposition 1A and as part of the 2009-10 budget package passed by the California state legislature on July 28, 2009, the State of California borrowed 8% of the amount of property tax revenue, including those property taxes associated with the in-lieu motor vehicle license fee, the triple flip in lieu sales tax, and supplemental property tax, apportioned to cities, counties and special districts (excluding redevelopment agencies). The state is required to repay this borrowing plus interest by June 30, 2013. After repayment of this initial borrowing, the California legislature may consider only one additional borrowing within a ten-year period. The amount of this borrowing pertaining to the City of Diamond Bar was \$379,119.

Authorized with the 2009-10 State budget package, the Proposition 1A Securitization Program was instituted by the California Statewide Communities Development Authority ("California Communities"), a joint powers authority sponsored by the California State Association of Counties and the League of California Cities, to enable local governments to sell their Proposition 1A receivables to California Communities. Under the Securitization Program, California Communities simultaneously purchased the Proposition 1A receivables and issued bonds ("Prop 1A Bonds") to provide local agencies with cash proceeds in two equal installments, on January 15, 2010 and May 3, 2010. The purchase price paid to the local agencies equaled 100% of the amount of the property tax reduction. All transaction costs of issuance and interest were paid by the State of California. Participating local agencies have no obligation on the bonds and no credit exposure to the State. The City participated in the securitization program and accordingly property taxes have been recorded in the same manner as if the State had not exercised its rights under Proposition 1A. The receivable sale proceeds were equal to the book value and, as a result, no gain or loss was recorded.

b. Delay of State Gas Tax Payments

In March 2010, the State Legislature passed legislation delaying a variety of State payments to local agencies in response to anticipated State cash flow problems in fiscal year 2010-2011. AB5 8x contains provisions to delay a portion (approximately 60%) of the payments of State Gas Tax monies for the first nine months of 2010-2011 (July 2010 through March 2011) to be paid no later than April 28, 2011.

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CITY OF DIAMOND BAR

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2010

	Special Revenue Funds			
	State Gas Tax Fund	Proposition A Transit Fund	Proposition C Transit Fund	Integrated Waste Management Fund
Assets:				
Pooled cash and investments	\$ -	\$ 232,834	\$ 2,021,163	\$ 545,128
Receivables:				
Accounts	-	134	-	34,013
Notes and loans	-	-	-	-
Due from other governments	92,468	-	-	7,492
Restricted assets:				
Cash and investments with fiscal agents	-	-	-	-
Total Assets	\$ 92,468	\$ 232,968	\$ 2,021,163	\$ 586,633
Liabilities and Fund Balances:				
Liabilities:				
Accounts payable	\$ -	\$ 325,711	\$ 9,910	\$ 7,453
Accrued liabilities	-	5,253	-	1,720
Deferred revenues	-	-	-	-
Unearned revenues	-	-	-	-
Due to other governments	-	-	-	-
Due to other funds	193,569	-	-	-
Retention payable	-	-	-	-
Total Liabilities	193,569	330,964	9,910	9,173
Fund Balances:				
Reserved:				
Reserved for encumbrances	-	-	32,726	-
Unreserved:				
Designated for debt service	-	-	-	-
Undesignated	(101,101)	(97,996)	1,978,527	577,460
Total Fund Balances	(101,101)	(97,996)	2,011,253	577,460
Total Liabilities and Fund Balances	\$ 92,468	\$ 232,968	\$ 2,021,163	\$ 586,633

CITY OF DIAMOND BAR

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2010

(Continued)

	<u>Special Revenue Funds</u>			
	<u>Traffic Improvement Fund</u>	<u>Traffic Congestion Relief Fund</u>	<u>Air Quality Improvement Fund</u>	<u>Proposition 1B Bond Fund</u>
Assets:				
Pooled cash and investments	\$ 266,534	\$ 295,835	\$ 129,839	\$ 493,749
Receivables:				
Accounts	-	-	-	-
Notes and loans	-	-	-	-
Due from other governments	-	152,811	18,368	-
Restricted assets:				
Cash and investments with fiscal agents	-	-	-	-
Total Assets	<u>\$ 266,534</u>	<u>\$ 448,646</u>	<u>\$ 148,207</u>	<u>\$ 493,749</u>
Liabilities and Fund Balances:				
Liabilities:				
Accounts payable	\$ 21,190	\$ -	\$ -	\$ -
Accrued liabilities	-	-	-	-
Deferred revenues	-	-	-	-
Unearned revenues	-	-	-	493,749
Due to other governments	-	-	-	-
Due to other funds	-	-	-	-
Retention payable	-	-	-	-
Total Liabilities	<u>21,190</u>	<u>-</u>	<u>-</u>	<u>493,749</u>
Fund Balances:				
Reserved:				
Reserved for encumbrances	165,272	-	-	-
Unreserved:				
Designated for debt service	-	-	-	-
Undesignated	80,072	448,646	148,207	-
Total Fund Balances	<u>245,344</u>	<u>448,646</u>	<u>148,207</u>	<u>-</u>
Total Liabilities and Fund Balances	<u>\$ 266,534</u>	<u>\$ 448,646</u>	<u>\$ 148,207</u>	<u>\$ 493,749</u>

CITY OF DIAMOND BAR

COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2010

	<u>Special Revenue Funds</u>			
	Park and Facility Development Fund	CDBG Fund	COPS Fund	Asset Seizure Fund
Assets:				
Pooled cash and investments	\$ 886,301	\$ -	\$ 130,612	\$ 365,116
Receivables:				
Accounts	-	-	-	-
Notes and loans	-	242,626	-	-
Due from other governments	152,916	117,121	7,548	-
Restricted assets:				
Cash and investments with fiscal agents	-	-	-	-
Total Assets	\$ 1,039,217	\$ 359,747	\$ 138,160	\$ 365,116
Liabilities and Fund Balances:				
Liabilities:				
Accounts payable	\$ -	\$ 54,695	\$ -	\$ -
Accrued liabilities	-	431	-	-
Deferred revenues	70,938	22,340	-	-
Unearned revenues	-	-	-	-
Due to other governments	-	242,626	-	-
Due to other funds	-	38,544	-	-
Retention payable	-	1,111	-	-
Total Liabilities	70,938	359,747	-	-
Fund Balances:				
Reserved:				
Reserved for encumbrances	7,768	-	-	-
Unreserved:				
Designated for debt service	-	-	-	-
Undesignated	960,511	-	138,160	365,116
Total Fund Balances	968,279	-	138,160	365,116
Total Liabilities and Fund Balances	\$ 1,039,217	\$ 359,747	\$ 138,160	\$ 365,116

CITY OF DIAMOND BAR

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2010

(Continued)

	Special Revenue Funds			
	CLEEP Fund	Edward Byrne Justice Assistance Grant (JAG) Fund	Landscape Maintenance District Fund	Measure R Local Return Fund
Assets:				
Pooled cash and investments	\$ 56,644	\$ 46,902	\$ 97,366	\$ 384,461
Receivables:				
Accounts	-	-	-	-
Notes and loans	-	-	-	-
Due from other governments	-	-	18,434	-
Restricted assets:				
Cash and investments with fiscal agents	-	-	-	-
Total Assets	\$ 56,644	\$ 46,902	\$ 115,800	\$ 384,461
Liabilities and Fund Balances:				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ 129,701	\$ -
Accrued liabilities	-	-	-	-
Deferred revenues	-	-	-	-
Unearned revenues	-	46,992	-	-
Due to other governments	-	-	-	-
Due to other funds	-	-	-	-
Retention payable	-	-	-	-
Total Liabilities	-	46,992	129,701	-
Fund Balances:				
Reserved:				
Reserved for encumbrances	8,574	-	21,197	-
Unreserved:				
Designated for debt service	-	-	-	-
Undesignated	48,070	(90)	(35,098)	384,461
Total Fund Balances	56,644	(90)	(13,901)	384,461
Total Liabilities and Fund Balances	\$ 56,644	\$ 46,902	\$ 115,800	\$ 384,461

CITY OF DIAMOND BAR

COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2010

	Special Revenue Funds	Debt Service Funds	
	EECBG Grant Fund	Public Financing Authority	Total Governmental Funds
Assets:			
Pooled cash and investments	\$ -	\$ -	\$ 5,952,484
Receivables:			
Accounts	-	-	34,147
Notes and loans	-	-	242,626
Due from other governments	9,050	-	576,208
Restricted assets:			
Cash and investments with fiscal agents	-	319,815	319,815
Total Assets	\$ 9,050	\$ 319,815	\$ 7,125,280
Liabilities and Fund Balances:			
Liabilities:			
Accounts payable	\$ 9,050	\$ -	\$ 557,710
Accrued liabilities	-	-	7,404
Deferred revenues	-	-	93,278
Unearned revenues	-	-	540,741
Due to other governments	-	-	242,626
Due to other funds	393	-	232,506
Retention payable	-	-	1,111
Total Liabilities	9,443	-	1,675,376
Fund Balances:			
Reserved:			
Reserved for encumbrances	-	-	235,537
Unreserved:			
Designated for debt service	-	319,815	319,815
Undesignated	(393)	-	4,894,552
Total Fund Balances	(393)	319,815	5,449,904
Total Liabilities and Fund Balances	\$ 9,050	\$ 319,815	\$ 7,125,280

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CITY OF DIAMOND BAR

COMBINING STATEMENT OF REVENUE,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2010

	Special Revenue Funds			
	State Gas Tax Fund	Proposition A Transit Fund	Proposition C Transit Fund	Integrated Waste Management Fund
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	1,053,209	767,942	637,041	11,275
Charges for services	-	997,413	-	436,198
Use of money and property	381	2,704	16,128	4,005
Miscellaneous	-	-	-	-
Total Revenues	1,053,590	1,768,059	653,169	451,478
Expenditures:				
Current:				
Public safety	-	-	-	-
Community development	-	-	-	128,568
Parks, recreation and culture	-	63,477	-	-
Highways and streets	-	1,974,830	54,436	-
Capital outlay	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	-	2,038,307	54,436	128,568
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,053,590	(270,248)	598,733	322,910
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Transfers out	(1,101,900)	(19,690)	(275,664)	(168,112)
Total Other Financing Sources (Uses)	(1,101,900)	(19,690)	(275,664)	(168,112)
Net Change in Fund Balances	(48,310)	(289,938)	323,069	154,798
Fund Balances, Beginning of Year	(52,791)	280,554	1,688,184	422,662
Restatements	-	(88,612)	-	-
Fund Balances, Beginning of Year, as Restated	(52,791)	191,942	1,688,184	422,662
Fund Balances, End of Year	\$ (101,101)	\$ (97,996)	\$ 2,011,253	\$ 577,460

CITY OF DIAMOND BAR

COMBINING STATEMENT OF REVENUE,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2010

(Continued)

	Special Revenue Funds			
	Traffic Improvement Fund	Traffic Congestion Relief Fund	Air Quality Improvement Fund	Proposition 1B Bond Fund
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	547,799	87,267	359,101
Charges for services	-	-	-	-
Use of money and property	2,979	2,054	1,455	-
Miscellaneous	-	-	2,898	-
Total Revenues	2,979	549,853	91,620	359,101
Expenditures:				
Current:				
Public safety	-	-	-	-
Community development	-	-	176	-
Parks, recreation and culture	-	-	-	-
Highways and streets	89,645	-	-	-
Capital outlay	-	-	88,855	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	89,645	-	89,031	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	(86,666)	549,853	2,589	359,101
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Transfers out	(53,921)	(579,588)	-	(391,113)
Total Other Financing Sources (Uses)	(53,921)	(579,588)	-	(391,113)
Net Change in Fund Balances	(140,587)	(29,735)	2,589	(32,012)
Fund Balances, Beginning of Year	385,931	478,381	145,618	32,012
Restatements	-	-	-	-
Fund Balances, Beginning of Year, as Restated	385,931	478,381	145,618	32,012
Fund Balances, End of Year	\$ 245,344	\$ 448,646	\$ 148,207	\$ -

CITY OF DIAMOND BAR

COMBINING STATEMENT OF REVENUE,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2010

	Special Revenue Funds			
	Park and Facility Development Fund	CDBG Fund	COPS Fund	Asset Seizure Fund
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	81,978	518,851	121,747	-
Charges for services	-	-	-	-
Use of money and property	8,965	-	1,243	3,168
Miscellaneous	-	-	-	-
Total Revenues	90,943	518,851	122,990	3,168
Expenditures:				
Current:				
Public safety	-	-	9,258	3,573
Community development	5,200	190,118	-	-
Parks, recreation and culture	-	-	-	-
Highways and streets	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	5,200	190,118	9,258	3,573
Excess (Deficiency) of Revenues Over (Under) Expenditures	85,743	328,733	113,732	(405)
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Transfers out	(175,231)	(328,733)	(94,887)	-
Total Other Financing Sources (Uses)	(175,231)	(328,733)	(94,887)	-
Net Change in Fund Balances	(89,488)	-	18,845	(405)
Fund Balances, Beginning of Year	1,057,767	-	119,315	365,521
Restatements	-	-	-	-
Fund Balances, Beginning of Year, as Restated	1,057,767	-	119,315	365,521
Fund Balances, End of Year	\$ 968,279	\$ -	\$ 138,160	\$ 365,116

CITY OF DIAMOND BAR

COMBINING STATEMENT OF REVENUE,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2010

(Continued)

	Special Revenue Funds			
	CLEEP Fund	Edward Byrne Justice Assistance Grant (JAG) Fund	Landscape Maintenance District Fund	Measure R Local Return Fund
Revenues:				
Taxes	\$ -	\$ -	\$ 556,989	\$ -
Intergovernmental	-	2,890	-	383,293
Charges for services	-	-	-	-
Use of money and property	495	-	415	1,168
Miscellaneous	-	-	-	-
Total Revenues	495	2,890	557,404	384,461
Expenditures:				
Current:				
Public safety	497	-	-	-
Community development	-	-	-	-
Parks, recreation and culture	-	-	-	-
Highways and streets	-	-	603,711	-
Capital outlay	-	-	384,201	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	497	-	987,912	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2)	2,890	(430,508)	384,461
Other Financing Sources (Uses):				
Transfers in	-	-	278,687	-
Transfers out	-	(2,980)	-	-
Total Other Financing Sources (Uses)	-	(2,980)	278,687	-
Net Change in Fund Balances	(2)	(90)	(151,821)	384,461
Fund Balances, Beginning of Year	56,646	-	137,920	-
Restatements	-	-	-	-
Fund Balances, Beginning of Year, as Restated	56,646	-	137,920	-
Fund Balances, End of Year	\$ 56,644	\$ (90)	\$ (13,901)	\$ 384,461

CITY OF DIAMOND BAR

COMBINING STATEMENT OF REVENUE,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2010

	Special Revenue Funds	Debt Service Funds	Total Governmental Funds
	EECBG Grant Fund	Public Financing Authority	
Revenues:			
Taxes	\$ -	\$ -	\$ 556,989
Intergovernmental	93,157	-	4,665,550
Charges for services	-	-	1,433,611
Use of money and property	-	322,648	367,808
Miscellaneous	-	-	2,898
Total Revenues	93,157	322,648	7,026,856
Expenditures:			
Current:			
Public safety	-	-	13,328
Community development	93,550	-	417,612
Parks, recreation and culture	-	-	63,477
Highways and streets	-	-	2,722,622
Capital outlay	-	-	473,056
Debt service:			
Principal retirement	-	280,000	280,000
Interest and fiscal charges	-	33,904	33,904
Total Expenditures	93,550	313,904	4,003,999
Excess (Deficiency) of Revenues Over (Under) Expenditures	(393)	8,744	3,022,857
Other Financing Sources (Uses):			
Transfers in	-	-	278,687
Transfers out	-	-	(3,191,819)
Total Other Financing Sources (Uses)	-	-	(2,913,132)
Net Change in Fund Balances	(393)	8,744	109,725
Fund Balances, Beginning of Year	-	311,071	5,428,791
Restatements	-	-	(88,612)
Fund Balances, Beginning of Year, as Restated	-	311,071	5,340,179
Fund Balances, End of Year	\$ (393)	\$ 319,815	\$ 5,449,904

CITY OF DIAMOND BAR

BUDGETARY COMPARISON SCHEDULE
 STATE GAS TAX FUND
 YEAR ENDED JUNE 30, 2010

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ (52,791)	\$ (52,791)	\$ (52,791)	\$ -
Resources (Inflows):				
Intergovernmental	1,099,050	950,300	1,053,209	102,909
Use of money and property	2,000	2,000	381	(1,619)
Amounts Available for Appropriation	1,048,259	899,509	1,000,799	101,290
Charges to Appropriation (Outflow):				
Transfers out	-	1,011,900	1,101,900	(90,000)
Total Charges to Appropriations	-	1,011,900	1,101,900	(90,000)
Budgetary Fund Balance, June 30	\$ 1,048,259	\$ (112,391)	\$ (101,101)	\$ 11,290

CITY OF DIAMOND BAR

BUDGETARY COMPARISON SCHEDULE
 PROPOSITION A TRANSIT FUND
 YEAR ENDED JUNE 30, 2010

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1 as restated	\$ 191,942	\$ 191,942	\$ 191,942	\$ -
Resources (Inflows):				
Intergovernmental	981,900	981,900	767,942	(213,958)
Charges for services	1,000,000	1,000,000	997,413	(2,587)
Use of money and property	8,000	8,000	2,704	(5,296)
Amounts Available for Appropriation	2,181,842	2,181,842	1,960,001	(221,841)
Charges to Appropriation (Outflow):				
Parks, recreation and culture	-	72,700	63,477	9,223
Highways and Streets	-	2,081,450	1,974,830	106,620
Transfers out	-	-	19,690	(19,690)
Total Charges to Appropriations	-	2,154,150	2,057,997	96,153
Budgetary Fund Balance, June 30	\$ 2,181,842	\$ 27,692	\$ (97,996)	\$ (125,688)

CITY OF DIAMOND BAR

BUDGETARY COMPARISON SCHEDULE
 PROPOSITION C TRANSIT FUND
 YEAR ENDED JUNE 30, 2010

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 1,688,184	\$ 1,688,184	\$ 1,688,184	\$ -
Resources (Inflows):				
Intergovernmental	760,000	760,000	637,041	(122,959)
Use of money and property	20,000	20,000	16,128	(3,872)
Amounts Available for Appropriation	2,468,184	2,468,184	2,341,353	(126,831)
Charges to Appropriation (Outflow):				
Highways and Streets	-	113,712	54,436	59,276
Transfers out	-	399,000	275,664	123,336
Total Charges to Appropriations	-	512,712	330,100	182,612
Budgetary Fund Balance, June 30	\$ 2,468,184	\$ 1,955,472	\$ 2,011,253	\$ 55,781

CITY OF DIAMOND BAR

**BUDGETARY COMPARISON SCHEDULE
INTEGRATED WASTE MANAGEMENT FUND
YEAR ENDED JUNE 30, 2010**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 422,662	\$ 422,662	\$ 422,662	\$ -
Resources (Inflows):				
Intergovernmental	45,500	28,650	11,275	(17,375)
Charges for services	466,000	466,000	436,198	(29,802)
Use of money and property	10,000	4,000	4,005	5
Amounts Available for Appropriation	944,162	921,312	874,140	(47,172)
Charges to Appropriation (Outflow):				
Community development	-	268,550	128,568	139,982
Transfers out	-	175,000	168,112	6,888
Total Charges to Appropriations	-	443,550	296,680	146,870
Budgetary Fund Balance, June 30	\$ 944,162	\$ 477,762	\$ 577,460	\$ 99,698

CITY OF DIAMOND BAR

BUDGETARY COMPARISON SCHEDULE
 TRAFFIC IMPROVEMENT FUND
 YEAR ENDED JUNE 30, 2010

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 385,931	\$ 385,931	\$ 385,931	\$ -
Resources (Inflows):				
Use of money and property	5,000	5,000	2,979	(2,021)
Amounts Available for Appropriation	390,931	390,931	388,910	(2,021)
Charges to Appropriation (Outflow):				
Highways and Streets	-	279,916	89,645	190,271
Transfers out	-	135,000	53,921	81,079
Total Charges to Appropriations	-	414,916	143,566	271,350
Budgetary Fund Balance, June 30	\$ 390,931	\$ (23,985)	\$ 245,344	\$ 269,329

CITY OF DIAMOND BAR

**BUDGETARY COMPARISON SCHEDULE
TRAFFIC CONGESTION RELIEF FUND
YEAR ENDED JUNE 30, 2010**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 478,381	\$ 478,381	\$ 478,381	\$ -
Resources (Inflows):				
Intergovernmental	570,934	543,483	547,799	4,316
Use of money and property	1,000	1,000	2,054	1,054
Amounts Available for Appropriation	1,050,315	1,022,864	1,028,234	5,370
Charges to Appropriation (Outflow):				
Transfers out	-	543,483	579,588	(36,105)
Total Charges to Appropriations	-	543,483	579,588	(36,105)
Budgetary Fund Balance, June 30	\$ 1,050,315	\$ 479,381	\$ 448,646	\$ (30,735)

CITY OF DIAMOND BAR

BUDGETARY COMPARISON SCHEDULE
 AIR QUALITY IMPROVEMENT FUND
 YEAR ENDED JUNE 30, 2010

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 145,618	\$ 145,618	\$ 145,618	\$ -
Resources (Inflows):				
Intergovernmental	72,000	72,000	87,267	15,267
Use of money and property	4,000	4,000	1,455	(2,545)
Miscellaneous	-	-	2,898	2,898
Amounts Available for Appropriation	221,618	221,618	237,238	15,620
Charges to Appropriation (Outflow):				
Community development	-	13,000	176	12,824
Capital outlay	-	100,000	88,855	11,145
Total Charges to Appropriations	-	113,000	89,031	23,969
Budgetary Fund Balance, June 30	\$ 221,618	\$ 108,618	\$ 148,207	\$ 39,589

CITY OF DIAMOND BAR

BUDGETARY COMPARISON SCHEDULE
 PROPOSITION 1B BOND SPECIAL REVENUE FUND
 YEAR ENDED JUNE 30, 2010

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 32,012	\$ 32,012	\$ 32,012	\$ -
Resources (Inflows):				
Intergovernmental	-	700,985	359,101	(341,884)
Use of money and property	5,000	5,000	-	(5,000)
Amounts Available for Appropriation	37,012	737,997	391,113	(346,884)
Charges to Appropriation (Outflow):				
Transfers out	-	325,659	391,113	(65,454)
Total Charges to Appropriations	-	325,659	391,113	(65,454)
Budgetary Fund Balance, June 30	\$ 37,012	\$ 412,338	\$ -	\$ (412,338)

CITY OF DIAMOND BAR

**BUDGETARY COMPARISON SCHEDULE
PARK AND FACILITY DEVELOPMENT SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2010**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 1,057,767	\$ 1,057,767	\$ 1,057,767	\$ -
Resources (Inflows):				
Intergovernmental	125,998	125,998	81,978	(44,020)
Use of money and property	22,000	22,000	8,965	(13,035)
Amounts Available for Appropriation	1,205,765	1,205,765	1,148,710	(57,055)
Charges to Appropriation (Outflow):				
Community development	-	-	5,200	(5,200)
Parks, recreation and culture	-	12,968	-	12,968
Capital outlay	-	150,000	-	150,000
Transfers out	-	401,850	175,231	226,619
Total Charges to Appropriations	-	564,818	180,431	384,387
Budgetary Fund Balance, June 30	\$ 1,205,765	\$ 640,947	\$ 968,279	\$ 327,332

CITY OF DIAMOND BAR

BUDGETARY COMPARISON SCHEDULE
 COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) FUND
 YEAR ENDED JUNE 30, 2010

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ -	\$ -	\$ -	\$ -
Resources (Inflows):				
Intergovernmental	608,547	671,455	518,851	(152,604)
Amounts Available for Appropriation	608,547	671,455	518,851	(152,604)
Charges to Appropriation (Outflow):				
Community development	-	256,769	190,118	66,651
Transfers out	-	414,686	328,733	85,953
Total Charges to Appropriations	-	671,455	518,851	152,604
Budgetary Fund Balance, June 30	\$ 608,547	\$ -	\$ -	\$ -

CITY OF DIAMOND BAR

**BUDGETARY COMPARISON SCHEDULE
CITIZENS OPTION FOR PUBLIC SAFETY (COPS) FUND
YEAR ENDED JUNE 30, 2010**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 119,315	\$ 119,315	\$ 119,315	\$ -
Resources (Inflows):				
Intergovernmental	100,000	100,000	121,747	21,747
Use of money and property	1,500	1,500	1,243	(257)
Amounts Available for Appropriation	220,815	220,815	242,305	21,490
Charges to Appropriation (Outflow):				
Public safety	-	38,900	9,258	29,642
Transfers out	-	111,300	94,887	16,413
Total Charges to Appropriations	-	150,200	104,145	46,055
Budgetary Fund Balance, June 30	\$ 220,815	\$ 70,615	\$ 138,160	\$ 67,545

CITY OF DIAMOND BAR

BUDGETARY COMPARISON SCHEDULE
 ASSET SEIZURE FUND
 YEAR ENDED JUNE 30, 2010

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 365,521	\$ 365,521	\$ 365,521	\$ -
Resources (Inflows):				
Use of money and property	10,000	10,000	3,168	(6,832)
Amounts Available for Appropriation	375,521	375,521	368,689	(6,832)
Charges to Appropriation (Outflow):				
Public safety	-	4,000	3,573	427
Total Charges to Appropriations	-	4,000	3,573	427
Budgetary Fund Balance, June 30	\$ 375,521	\$ 371,521	\$ 365,116	\$ (6,405)

CITY OF DIAMOND BAR

BUDGETARY COMPARISON SCHEDULE
 CALIFORNIA LAW ENFORCEMENT EQUIPMENT PROGRAM (CLEEP) FUND
 YEAR ENDED JUNE 30, 2010

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 56,646	\$ 56,646	\$ 56,646	\$ -
Resources (Inflows):				
Use of money and property	1,500	1,500	495	(1,005)
Amounts Available for Appropriation	58,146	58,146	57,141	(1,005)
Charges to Appropriation (Outflow):				
Public safety	-	56,646	497	56,149
Total Charges to Appropriations	-	56,646	497	56,149
Budgetary Fund Balance, June 30	\$ 58,146	\$ 1,500	\$ 56,644	\$ 55,144

CITY OF DIAMOND BAR

BUDGETARY COMPARISON SCHEDULE
 JAG GRANT FUND
 YEAR ENDED JUNE 30, 2010

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ -	\$ -	\$ -	\$ -
Resources (Inflows):				
Intergovernmental	55,152	55,152	2,890	(52,262)
Use of money and property	-	-	-	-
Amounts Available for Appropriation	55,152	55,152	2,890	(52,262)
Charges to Appropriation (Outflow):				
Transfers out	-	55,152	2,980	52,172
Total Charges to Appropriations	-	55,152	2,980	52,172
Budgetary Fund Balance, June 30	\$ 55,152	\$ -	\$ (90)	\$ (90)

CITY OF DIAMOND BAR

**BUDGETARY COMPARISON SCHEDULE
LANDSCAPE MAINTENCE DISTRICT FUND
YEAR ENDED JUNE 30, 2010**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 137,920	\$ 137,920	\$ 137,920	\$ -
Resources (Inflows):				
Taxes	554,157	554,157	556,989	2,832
Use of money and property	1,200	1,200	415	(785)
Transfers in	523,844	520,381	278,687	(241,694)
Amounts Available for Appropriation	1,217,121	1,213,658	974,011	(239,647)
Charges to Appropriation (Outflow):				
Highways and Streets	-	774,302	603,711	170,591
Capital outlay	-	384,210	384,201	9
Total Charges to Appropriations	-	1,158,512	987,912	170,600
Budgetary Fund Balance, June 30	\$ 1,217,121	\$ 55,146	\$ (13,901)	\$ (69,047)

CITY OF DIAMOND BAR

BUDGETARY COMPARISON SCHEDULE
 MEASURE R LOCAL RETURN FUND
 YEAR ENDED JUNE 30, 2010

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ -	\$ -	\$ -	\$ -
Resources (Inflows):				
Intergovernmental	310,858	310,858	383,293	72,435
Use of money and property	-	-	1,168	1,168
Amounts Available for Appropriation	310,858	310,858	384,461	73,603
Charges to Appropriation (Outflow):				
Transfers out	-	310,858	-	310,858
Total Charges to Appropriations	-	310,858	-	310,858
Budgetary Fund Balance, June 30	\$ 310,858	\$ -	\$ 384,461	\$ 384,461

CITY OF DIAMOND BAR

BUDGETARY COMPARISON SCHEDULE
 EECBG FUND
 YEAR ENDED JUNE 30, 2010

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ -	\$ -	\$ -	\$ -
Resources (Inflows):				
Intergovernmental	-	516,500	93,157	(423,343)
Amounts Available for Appropriation	-	516,500	93,157	(423,343)
Charges to Appropriation (Outflow):				
Community development	-	516,500	93,550	422,950
Total Charges to Appropriations	-	516,500	93,550	422,950
 Budgetary Fund Balance, June 30	 \$ -	 \$ -	 \$ (393)	 \$ (393)

CITY OF DIAMOND BAR

BUDGETARY COMPARISON SCHEDULE
 CAPITAL IMPROVEMENT FUND
 YEAR ENDED JUNE 30, 2010

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ (425,089)	\$ (425,089)	\$ (425,089)	\$ -
Resources (Inflows):				
Licenses and permits	250,000	250,000	-	(250,000)
Intergovernmental	3,282,772	3,282,772	1,734,028	(1,548,744)
Transfers in	3,526,326	3,130,536	2,729,154	(401,382)
Amounts Available for Appropriation	6,634,009	6,238,219	4,038,093	(2,200,126)
Charges to Appropriation (Outflow):				
Capital outlay	-	8,186,585	4,559,335	3,627,250
Total Charges to Appropriations	-	8,186,585	4,559,335	3,627,250
Budgetary Fund Balance, June 30	\$ 6,634,009	\$ (1,948,366)	\$ (521,242)	\$ 1,427,124

CITY OF DIAMOND BAR

BUDGETARY COMPARISON SCHEDULE
 PUBLIC FINANCING AUTHORITY
 YEAR ENDED JUNE 30, 2010

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 311,071	\$ 311,071	\$ 311,071	\$ -
Resources (Inflows):				
Use of money and property	-	-	322,648	322,648
Amounts Available for Appropriation	311,071	311,071	633,719	322,648
Charges to Appropriation (Outflow):				
Debt service:				
Principal retirement	-	-	280,000	(280,000)
Interest and fiscal charges	-	-	33,904	(33,904)
Total Charges to Appropriations	-	-	313,904	(313,904)
Budgetary Fund Balance, June 30	\$ 311,071	\$ 311,071	\$ 319,815	\$ 8,744

CITY OF DIAMOND BAR

COMBINING STATEMENT OF NET ASSETS
INTERNAL SERVICE FUNDS
JUNE 30, 2010

	Governmental Activities - Internal Service Funds			Totals
	Self Insurance Fund	Equipment Replacement Fund	Computer Equipment Replacement Fund	
Assets:				
Current:				
Cash and investments	\$ 1,364,540	\$ 249,157	\$ 360,225	\$ 1,973,922
Total Current Assets	1,364,540	249,157	360,225	1,973,922
Noncurrent:				
Capital assets - net of accumulated depreciation	-	7,292	10,775	18,067
Total Noncurrent Assets	-	7,292	10,775	18,067
Total Assets	\$ 1,364,540	\$ 256,449	\$ 371,000	\$ 1,991,989
Liabilities and Net Assets:				
Liabilities:				
Current:				
Accounts payable	\$ 269,388	\$ -	\$ 18,384	\$ 287,772
Total Current Liabilities	269,388	-	18,384	287,772
Total Liabilities	269,388	-	18,384	287,772
Net Assets:				
Invested in capital assets, net of related debt	-	7,992	10,775	18,767
Unrestricted	1,095,152	248,457	341,841	1,685,450
Total Net Assets	1,095,152	256,449	352,616	1,704,217
Total Liabilities and Net Assets	\$ 1,364,540	\$ 256,449	\$ 371,000	\$ 1,991,989

CITY OF DIAMOND BAR

COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET ASSETS
INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2010

	Governmental Activities - Internal Service Funds			
	Self Insurance Fund	Equipment Replacement Fund	Computer Equipment Replacement Fund	Totals
Operating Expenses:				
Insurance premiums	\$ 373,250	\$ -	\$ -	\$ 373,250
Maintenance and operations	-	-	169,498	169,498
Depreciation expense	-	19,478	3,592	23,070
Total Operating Expenses	373,250	19,478	173,090	565,818
Operating Income (Loss)	(373,250)	(19,478)	(173,090)	(565,818)
Nonoperating Revenues (Expenses):				
Interest revenue	8,780	2,155	3,517	14,452
Total Nonoperating Revenues (Expenses)	8,780	2,155	3,517	14,452
Income (Loss) Before Transfers	(364,470)	(17,323)	(169,573)	(551,366)
Transfers in	365,656	-	50,000	415,656
Changes in Net Assets	1,186	(17,323)	(119,573)	(135,710)
Net Assets:				
Beginning of Year	1,093,966	273,772	472,189	1,839,927
End of Fiscal Year	\$ 1,095,152	\$ 256,449	\$ 352,616	\$ 1,704,217

CITY OF DIAMOND BAR

COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2010

	<u>Governmental Activities - Internal Service Funds</u>			
	<u>Self Insurance Fund</u>	<u>Equipment Replacement Fund</u>	<u>Computer Equipment Replacement Fund</u>	<u>Totals</u>
Cash Flows from Operating Activities:				
Insurance premiums	\$ (373,250)	\$ -	\$ -	\$ (373,250)
Payments to suppliers	-	-	(193,517)	(193,517)
Net Cash Provided (Used) by Operating Activities	(373,250)	-	(193,517)	(566,767)
Cash Flows from Non-Capital Financing Activities:				
Cash transfers in	365,656	-	50,000	415,656
Net Cash Provided (Used) by Non-Capital Financing Activities	365,656	-	50,000	415,656
Cash Flows from Investing Activities:				
Interest received	8,780	2,155	3,517	14,452
Net Cash Provided (Used) by Investing Activities	8,780	2,155	3,517	14,452
Net Increase (Decrease) in Cash and Cash Equivalents	1,186	2,155	(140,000)	(136,659)
Cash and Cash Equivalents at Beginning of Year	1,363,354	247,002	500,225	2,110,581
Cash and Cash Equivalents at End of Year	\$ 1,364,540	\$ 249,157	\$ 360,225	\$ 1,973,922
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:				
Operating income (loss)	\$ (373,250)	\$ (19,478)	\$ (173,090)	\$ (565,818)
Adjustments to reconcile operating income (loss) net cash provided (used) by operating activities:				
Depreciation	-	19,478	3,592	23,070
Increase (decrease) in accounts payable	-	-	(24,019)	(24,019)
Total Adjustments	-	19,478	(20,427)	(949)
Net Cash Provided (Used) by Operating Activities	\$ (373,250)	\$ -	\$ (193,517)	\$ (566,767)

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City of Diamond Bar
 Net Assets by Component
 Last Eight Fiscal Years
 (accrual basis of accounting)

	Fiscal Year Ended June 30,				
	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
Governmental activities:					
Invested in capital assets, net of related debt(1)	\$ 8,237,553	\$ 10,844,807	\$ 10,692,694	\$ 14,593,935	\$ 375,216,400
Restricted for:					
Capital projects	5,988,178	241,767	3,775,552	3,323,474	3,446,872
Community development			1,398,057	1,296,806	1,013,495
Public safety					
Debt service			245,763	243,697	321,747
Unrestricted	26,205,849	31,231,827	29,775,169	29,461,178	34,072,884
Total governmental activities net assets	<u>\$ 40,431,580</u>	<u>\$ 42,318,401</u>	<u>\$ 45,887,235</u>	<u>\$ 48,919,090</u>	<u>\$ 414,071,398</u>

Note:

The City implemented GASB 34 for the fiscal year ended June 30, 2003.

Information prior to the implementation of GASB 34 is not available.

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

<u>2008</u>	<u>2009</u>	<u>2010</u>
\$ 370,949,296	\$ 367,529,907	\$ 377,940,738
2,912,276	3,526,991	2,260,872
889,176	568,280	725,667
	541,482	559,920
309,533	305,915	319,815
36,236,504	34,554,084	34,215,610
<u>\$ 411,296,785</u>	<u>\$ 407,026,659</u>	<u>\$ 416,022,622</u>

City of Diamond Bar
Changes in Net Assets
Last Eight Fiscal Years
(accrual basis of accounting)

	Fiscal Year Ended June 30,				
	2003	2004	2005	2006	2007
Expenses:					
Governmental activities:					
General government	\$ 3,315,082	\$ 3,713,530	\$ 3,997,319	\$ 4,203,123	\$ 4,784,314
Public safety	4,988,449	4,875,823	4,969,183	5,418,005	4,876,435
Highways and streets	1,006,768	1,365,737	4,622,014	5,240,568	14,019,550
Community development	3,370,116	5,724,606	1,050,025	2,759,718	2,292,757
Parks, recreation and culture	2,309,150	2,580,454	3,814,887	3,737,071	4,779,588
Interest on long-term debt	535,752	171,223	270,735	423,320	498,042
Total general revenues	<u>15,525,317</u>	<u>18,431,373</u>	<u>18,724,163</u>	<u>21,781,805</u>	<u>31,250,686</u>
Program revenues:					
Governmental activities:					
Charges for services					
General Government	74,805	225,656	486,925	707,272	262,541
Public safety	813,617	733,902	1,159,264	1,277,170	1,512,195
Highways and streets	517,930	529,330	1,328,637	1,555,993	3,493,798
Community development	908,330	933,985	7,888	16,841	21,297
Parks, recreation and culture	558,227	610,772	1,147,088	1,260,849	1,385,788
Operating grants and contributions	4,390,722	4,068,446	4,040,785	5,281,308	6,968,824
Capital grants and contributions	1,779,510	261,994		1,150	1,254,314
Total governmental activities program revenues	<u>9,043,141</u>	<u>7,364,085</u>	<u>8,170,587</u>	<u>10,100,583</u>	<u>14,898,757</u>
General revenues:					
Taxes					
Property taxes	2,727,712	2,717,949	3,191,006	3,555,244	3,754,955
Transient occupancy taxes	578,680	628,564	717,879	718,889	774,757
Sales taxes	2,965,292	3,167,901	3,508,341	3,949,349	3,943,345
Franchise taxes	828,242	912,531	941,319	996,567	1,064,621
Property transfer tax	367,638	367,464	413,247	416,423	331,096
Unrestricted Motor vehicle in lieu	3,370,387	2,716,134	4,386,800	3,663,061	4,356,641
Use of money and property	439,455	182,069	532,091	1,051,922	1,476,010
Other revenues	84,795	250,250	676,292	361,622	41,362
Total general revenues	<u>11,362,201</u>	<u>10,942,862</u>	<u>14,366,975</u>	<u>14,713,077</u>	<u>15,742,787</u>
Change in net assets	<u>\$ 4,880,025</u>	<u>\$ (124,426)</u>	<u>\$ 3,813,399</u>	<u>\$ 3,031,855</u>	<u>\$ (609,142)</u>

Note:

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

Source:

City Finance Department

<u>2008</u>	<u>2009</u>	<u>2010</u>
\$ 4,473,666	\$ 5,159,300	\$ 4,973,685
4,944,729	5,396,083	5,526,099
12,034,669	13,931,211	12,287,325
2,251,196	1,959,303	1,624,547
5,188,977	4,950,687	5,091,215
392,548	177,633	57,948
<u>29,285,785</u>	<u>31,574,217</u>	<u>29,560,819</u>
225,553	132,262	131,633
1,176,931	1,017,336	1,014,237
2,851,187	1,732,985	2,070,167
23,351	17,602	21,106
1,581,597	1,705,282	1,754,789
4,307,074	5,588,818	4,358,895
219,193	2,272,580	15,960,279
<u>10,384,886</u>	<u>12,466,865</u>	<u>25,311,106</u>
3,927,073	4,001,276	3,837,288
800,390	633,075	569,916
4,102,177	3,085,223	3,122,229
1,024,710	1,093,039	1,115,980
283,433	199,365	259,384
4,563,127	4,687,515	4,599,922
1,420,988	833,270	618,963
4,388	304,463	7,090
<u>16,126,286</u>	<u>14,837,226</u>	<u>14,130,772</u>
<u>\$ (2,774,613)</u>	<u>\$ (4,270,126)</u>	<u>\$ 9,881,059</u>

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

	Fiscal Year Ended 30,					
	2003	2004	2005	2006	2007	2008
General fund:						
Reserved	\$ 440,407	\$ 866,843	\$ 1,125,918	\$ 1,310,172	\$ 1,893,287	\$ 1,864,387
Unreserved	21,913,219	21,796,659	24,809,721	25,103,444	28,568,263	31,065,127
Total general fund	22,353,626	22,663,502	25,935,639	26,413,616	30,461,550	32,929,514
All other governmental funds:						
Reserved	5,719,861	105,861	5,555,988	2,274,829	3,311,451	5,810,250
Unreserved, reported in:						
Special revenue funds	8,030,278	6,043,352	6,111,202	5,485,933	5,736,366	4,955,552
Debt Service Fund		505,915	274,426			
Capital projects funds	268,317	241,767	(5,443,309)	(2,612,373)	(4,681,728)	(5,703,854)
Total all other governmental funds	14,018,456	6,896,895	6,498,307	5,148,389	4,366,089	5,061,948
Total fund balances	\$36,372,082	\$ 29,560,397	\$ 32,433,946	\$ 31,562,005	\$ 34,827,639	\$37,991,462

The City has elected to show only seven years of data for this schedule.

Source: City Finance Department

<u>2009</u>	<u>2010</u>
\$ 1,612,181	\$ 1,955,477
30,041,357	28,756,623
<u>31,653,538</u>	<u>30,712,100</u>
2,754,526	1,735,077
5,423,979	5,303,640
(2,701,642)	(2,020,782)
<u>5,476,863</u>	<u>5,017,935</u>
<u>\$ 37,130,401</u>	<u>\$ 35,730,035</u>

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

	Fiscal Year Ended June 30,				
	2003	2004	2005	2006	2007
Revenues:					
Taxes	\$ 7,432,575	\$ 7,759,331	\$ 8,632,837	\$ 9,508,757	\$ 9,876,760
Special assessments	557,601	555,232	593,778	504,908	541,382
Intergovernmental	8,602,856	6,353,152	8,306,557	8,821,141	11,169,052
Charges for services	706,137	709,011	761,040	870,314	1,002,210
Fines and forfeitures	813,617	733,903	713,201	589,922	546,902
Licenses and permits	1,467,127	1,457,345	1,732,555	2,389,149	4,247,626
Investment income	658,922	395,929	654,066	1,250,570	1,716,194
Other	74,818	234,951	480,740	792,216	767,457
Total revenues	20,313,653	18,198,854	21,874,774	24,726,977	29,867,583
Expenditures:					
Current:					
General government	3,163,516	3,663,055	3,787,005	3,551,659	4,402,235
Public safety	4,973,248	4,857,179	4,954,630	5,404,259	4,880,290
Highway and streets	1,006,768	1,365,737	4,301,146	4,769,497	5,114,274
Parks, recreation and culture	1,946,025	2,114,090	2,750,815	2,613,834	3,475,549
Community development	2,808,613	3,419,856	1,050,025	2,748,539	2,292,757
Capital outlay	8,057,482	9,261,289	1,682,830	5,320,597	5,344,935
Debt service					
Principal				235,000	240,000
Interest charges	86,562	145,580	237,487	404,075	493,840
Fiscal charges	1,080,940				
Total expenditures	23,123,154	24,826,786	18,763,938	25,047,460	26,243,880
Excess (deficiency) of revenues over (under) expenditures	(2,809,501)	(6,627,932)	3,110,836	(320,483)	3,623,703
Other financing sources (uses):					
Bond issued	13,755,000				
Bonds discount and issuance costs	(769,300)				
Transfers in	10,259,848	9,906,970	2,363,367	6,469,523	6,030,764
Transfers out	(10,453,243)	(10,090,723)	(2,600,654)	(6,733,961)	(6,354,106)
Total other financing sources (uses)	12,792,305	(183,753)	(237,287)	(264,438)	(323,342)
Net changes in fund balances	9,982,804	(6,811,685)	2,873,549	(584,921)	3,300,361
Debt service as a percentage of noncapital expenditures	7.48%	0.82%	1.38%	3.18%	2.91%

The City has elected to show only six years of data for this schedule.

Source: City Finance Department

2008	2009	2010
\$ 10,165,881	\$ 9,119,375	\$ 8,559,012
543,561	550,822	556,989
9,896,948	12,081,466	11,511,337
1,111,655	1,460,828	2,292,247
637,484	601,533	607,936
3,121,476	1,445,324	1,547,672
1,629,257	938,053	340,322
826,177	1,018,956	327,833
27,932,439	27,216,357	25,743,348

3,987,656	5,071,860	4,435,858
4,933,958	5,407,476	5,524,279
4,926,418	5,607,870	5,183,964
3,714,762	3,673,282	3,655,029
2,246,496	1,945,951	1,601,322
4,271,890	5,508,167	5,161,924

255,000	265,000	280,000
411,583	187,212	33,904

24,747,763	27,666,818	25,876,280
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3,184,676	(450,461)	(132,932)
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7,266,149	6,629,225	4,294,720
(7,608,749)	(7,039,825)	(4,710,376)

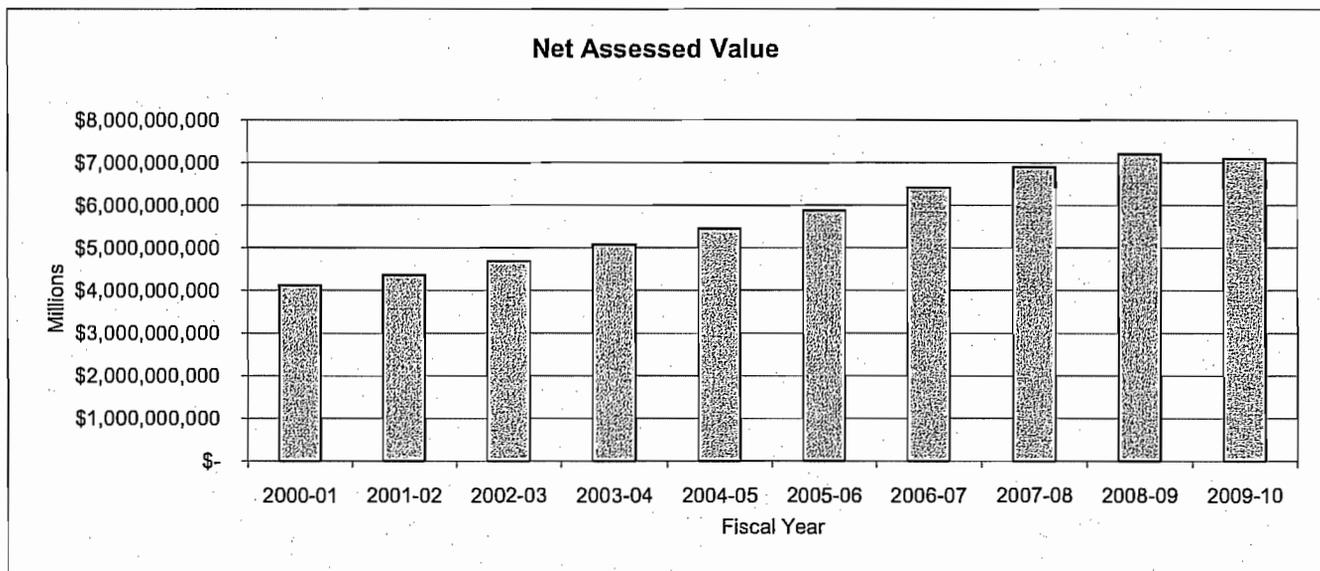
(342,600)	(410,600)	(415,656)
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2,842,076	(861,061)	(548,588)
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2.89%	2.08%	1.54%
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City of Diamond Bar
Assessed and Estimated Actual Values of Taxable Property
2000/01 - 2009/10 Taxable Property Values
(unaudited)

Fiscal Year Ended June 30,	Secured	Unsecured	Nonunitary *	Net Taxable Values	Tax Exemptions	% Change
2000-01	\$ 4,058,203,577	\$ 67,345,947	\$ 116,405	\$ 4,125,665,929	\$ 40,088,648	
2001-02	4,286,132,334	71,531,889	127,441	4,357,791,664	41,869,703	5.63%
2002-03	4,618,700,097	69,981,865	122,697	4,688,804,659	44,188,829	7.60%
2003-04	5,003,437,689	77,407,924	140,122	5,080,985,735	47,621,182	8.36%
2004-05	5,370,469,396	76,173,121	174,846	5,446,817,363	39,831,091	7.20%
2005-06	5,791,564,163	83,223,023	163,090	5,874,950,276	51,408,286	7.86%
2006-07	6,331,041,269	90,751,985	134,088	6,421,927,342	28,682,577	9.31%
2007-08	6,784,318,579	109,704,881	0	6,894,023,460	39,859,238	7.35%
2008-09	7,102,450,158	99,170,064	0	7,201,620,222	48,909,164	4.46%
2009-10	7,004,770,702	90,528,493	0	7,095,299,195	66,422,679	-1.48%



Exempt values are not included in Total Net Taxable Values.

The assessed valuation data shown above represents the only data currently available with respect to the actual market value of taxable property and is subject to the limitations described above.

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

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

Agency	<u>2000/01</u>	<u>2001/02</u>	<u>2002/03</u>	<u>2003/04</u>	<u>2004/05</u>
Basic Levy*	1.00000	1.00000	1.00000	1.00000	1.00000
County Detention Facilities 1987 Debt	0.00131	0.00113	0.00103	0.00099	0.00092
LA County Flood Control	0.00155	0.00107	0.00088	0.00046	0.00025
Metropolitan Water District	0.00880	0.00770	0.00670	0.00610	0.00580
Mt. San Antonio College	0.00000	0.00000	0.01946	0.01525	0.01473
Pomona Unified School Dist	0.13493	0.12202	0.12342	0.12633	0.12910
Rowland Heights Unified	0.03734	0.03636	0.03618	0.03780	0.03885
Walnut Valley Unified School Dist	0.08840	0.09163	0.10086	0.09660	0.09515
Total Direct & Overlapping Tax Rates	1.2723	1.2599	1.2885	1.2835	1.2848
City's Share of 1% Levy Per Prop 13*	0.05192	0.05192	0.05192	0.05192	0.05192
General Obligation Debt Rate					
Redevelopment Rate*					
Total Direct Rate*	0.0519	0.0485	0.0512	0.0513	0.0531

*

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

2005/06 2006/07 2007/08 2008/09 2009/10

1.00000 1.00000 1.00000 1.00000 1.00000

0.00080 0.00066 0.00000 0.00000 0.00000
0.00005 0.00005 0.00000 0.00000 0.00000
0.00520 0.00470 0.00450 0.00430 0.00430
0.02122 0.02530 0.01750 0.02333 0.02571
0.12488 0.12401 0.11379 0.11577 0.14546
0.03633 0.07429 0.06944 0.07029 0.06769
0.09140 0.08749 0.08462 0.11297 0.11674

1.2799 1.3165 1.2899 1.3267 1.3599

0.05192 0.05192 0.05192 0.05192 0.05192

0.0529 0.0528 0.0549 0.0527 0.0527

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

<u>Current Taxpayers</u>	<u>2009-10 Assessed Valuation</u>	<u>Percentage of Total Net Assessed Valuation</u>
Diamond Bar Business Corporation	49,470,000	0.700%
Country hills Holding LLC	45,676,620	0.640%
Behringer Harvard Western Portfolio LP	41,546,291	0.590%
CRP 2 Holdings CC LP	39,535,200	0.560%
VIF II Hampton At Diamond Bar LLC	37,539,894	0.530%
Target Corporation	28,424,081	0.400%
Dorothy V. Cauffman Family LP	25,950,559	0.370%
Muller Rock 2 Gateway	24,992,888	0.360%
Danari Diamond Bar LLC	24,087,082	0.340%
Gateway Corporate Center LP	18,227,808	0.260%
	335,450,423	4.750%

<u>Taxpayers Ten Years Ago</u>	<u>2000-01 Assessed Valuation</u>	<u>Percentage of Total Net Assessed Valuation</u>
IRPM Muller Associates LLC	\$21,624,000	0.520%
M & H Realty Partners II	19,006,800	0.460%
Diamond Bar Business Corporation	15,495,213	0.380%
Martin Bratrud Properties	13,889,845	0.340%
H R Barros Family LP	13,668,000	0.330%
PGP Inland Communities	12,911,440	0.310%
Shea Homes LP	11,827,729	0.290%
Lakeview Village Corporation	11,611,777	0.280%
Arden Realty Finance III LLC	10,648,728	0.260%
Lincoln Emerald Pointe	8,660,980	0.210%
	139,344,512	3.380%

Source: Hdl Coren & Cone, L.A. County Assessor 2009/10 combined tax rolls.

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

Fiscal Year Ended June 30	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	% to Levy		Amount	% of Levy
2001	\$ 2,104,530	\$ 2,027,817	96.35%	\$ 106,713	\$ 2,033,335	96.62%
2002	2,289,208	2,161,417	94.42%	127,792	2,261,747	98.80%
2003	2,474,222	2,376,390	96.05%	97,831	2,401,626	97.07%
2004	2,699,991	2,584,106	95.71%	115,884	2,533,329	93.83%
2005	2,870,810	2,739,911	95.44%	130,899	2,812,366	97.96%
2006	3,107,457	2,800,968	90.14%	306,489	3,079,327	99.09%
2007	3,378,087	3,116,729	92.26%	261,359	3,367,552	99.69%
2008	3,582,055	3,260,073	91.01%	321,981	3,575,656	99.82%
2009	3,781,997	3,458,210	91.44%	323,786	3,726,933	98.54%
2010	3,715,310	3,424,173	92.16%	291,137	3,687,298	99.25%

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

Fiscal Year Ended June 30	Governmental Activities			Total Primary Government	% of Per Capita Income (b)	Debt Per Capita (b)
	Lease Revenue Bonds (a)	Other Bond & Loans	Total Governmental Activities			
2001	\$ -	\$ -	\$ -	\$ -	0.00%	\$ -
2002	13,755,000	0	13,755,000	13,755,000	0.92%	237
2003	13,755,000	0	13,755,000	13,755,000	0.88%	234
2004	13,755,000	0	13,755,000	13,755,000	0.84%	232
2005	13,655,000	0	13,655,000	13,655,000	0.79%	229
2006	13,520,000	0	13,520,000	13,520,000	0.74%	227
2007	13,280,000	0	13,280,000	13,280,000	0.70%	223
2008	13,025,000	0	13,025,000	13,025,000	0.68%	217
2009	12,760,000	0	12,760,000	12,760,000	0.68%	212
2010	12,480,000	0	12,480,000	12,480,000	0.66%	207

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 per capita income can be found in the Demographic and Economic Statistics Table.

Source: City Finance Department

**City of Diamond Bar
Direct and Overlapping Debt
June 30, 2010
(unaudited)**

	Debt Outstanding	%	City's Share of Debt 06/30/10
Direct Debt as of June 30, 2009			
Diamond Bar Lease Revenue Bond	\$ 12,480,000	100.000	\$ 12,480,000
Overlapping Debts as of June 30, 2009 (2)			
330.10 Metropolitan Water District	121,475,156	0.823	999,840
809.50 Mt San Antonio Com Col Dis 2001 Ser S-A	2,250,000	10.560	237,598
809.51 Mt San Antonio Com Col Dis 2004 Ser B	9,870,000	10.560	1,042,261
809.52 Mt San Antonio CCD DS 05 Ref Bond	61,525,843	10.560	6,497,063
809.53 Mt San Antonio CD DS 01, 06 Ser C	79,695,008	10.560	8,415,707
809.54 Mt San Antonio DS 2001, 2008 Series D	25,430,293	10.560	2,685,412
915.57 Pomona Unified School District Refund Ser 1997A	32,125,000	19.327	6,208,739
915.62 Pomona Unified School District 2000 Ser A	17,600,000	19.327	3,401,519
915.64 Pomona Unified SD Refunding 2001 Ser A Debt Svcs	18,375,000	19.327	3,551,302
915.65 Pomona Unified SD 2002 Ser A Debt Service	8,165,000	19.327	1,578,034
915.66 Pomona Unified School District 2002 Ser B	12,655,000	19.327	2,445,808
915.67 Pomona Unified School District 2002 Ser C	13,195,000	19.327	2,550,173
915.68 Pomona Unified School District 2002 Ser D	13,500,000	19.327	2,609,120
915.69 Pomona Unified School District 2002 Ser E	12,280,000	19.327	2,373,333
915.70 Pomona Unified School District 2007 Ref Bds	8,952,934	19.327	1,730,317
915.71 Pomona Unified School District 2008 Series A	35,000,000	19.327	6,764,384
980.55 Walnut Valley Unified SD Refund 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 Bonds	11,705,000	58.773	6,879,391
980.62 Walnut Valley Unified SD 2007 (Measure S)	29,095,000	58.773	17,100,033
980.63 Walnut Valley Unified SD 2007 (Measure Y)	7,145,887	58.773	4,199,859
Total Overlapping Debts:	<u>580,607,790</u>		<u>116,867,389</u>
Grand Total Direct and Overlapping Debt:	<u>\$ 593,087,790</u>		<u>\$ 129,347,389</u>

Debt to Assessed Valuation Ratios as of June 30, 2010:

2009/10 Net Assessed Valuation: \$ 7,095,299,195	Direct Debt	0.18%	\$207
2009 Estimated Total City Population: 60,407	Overlapping Debt	1.65%	\$1,935
	Total Debt	1.82%	\$2,142

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
City Finance Department

City of Diamond Bar
 Computation of Legal Debt Margin
 Last Ten Fiscal Years
 (unaudited)

Fiscal Year	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
Net assessed value	\$ 4,125,665,929	\$ 4,357,791,664	\$ 4,688,804,659	\$ 5,080,985,735	\$ 5,446,817,363
Add back: Exemptions	40,088,648	41,869,703	44,188,829	47,621,182	39,831,091
Gross assessed value	4,165,754,577	4,399,661,367	4,732,993,488	5,128,606,917	5,486,648,454
Conversion percentage	25%	25%	25%	25%	25%
Adjusted assessed valuation	1,041,438,644	1,099,915,342	1,183,248,372	1,282,151,729	1,371,662,114
Debt limit percentage	15%	15%	15%	15%	15%
Debt limit	156,215,797	164,987,301	177,487,256	192,322,759	205,749,317
City Debts:					
Revenue bonds	0	13,755,000	13,755,000	13,755,000	13,755,000
Legal debt margin	<u>\$ 156,215,797</u>	<u>\$ 151,232,301</u>	<u>\$ 163,732,256</u>	<u>\$ 178,567,759</u>	<u>\$ 191,994,317</u>

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

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

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

City of Diamond Bar
Demographic and Economic Statistics

General Information

Date of Incorporation April 18, 1989
 Form of Government Council-Manager
 Area 14.76 Square Miles
 Miles of Streets 128

Public Safety

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

Water Services

Service Provider Walnut Valley Water District

Education

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

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

Demographic and Statistical Information (Last Ten Calendar Years)

<u>Calendar Year</u>	<u>Population</u>	<u>Personal Income (In Thousands)</u>	<u>Per Capita Personal Income</u>	<u>Unemployment Rate</u>	<u>Median Age</u>	<u>Pop 25+ Bachelor Degree</u>
2000	\$ 56,287	\$ 1,431,529	\$ 25,433	3.80%	36.4	42.2%
2001	57,032	1,468,388	25,747	4.00%		
2002	58,035	1,499,464	25,837	4.80%		
2003	58,843	1,555,942	26,442	4.90%		
2004	59,304	1,642,869	27,703	4.60%		
2005	59,528	1,721,421	28,918	3.80%		
2006	59,497	1,827,966	30,724	3.40%		
2007	59,629	1,903,585	31,924	3.60%		
2008	59,920	1,929,498	32,201	5.30%		
2009	60,184	1,885,698	31,332	8.30%	39.2	46.7%

Sources: Info USA
 HdL Cornen & Cone

City of Diamond Bar
2009 Principal Employers*
(unaudited)

Company Name	Address	Map City	Number of Employees	% of City Employment
South Coast Air Quality Management	21865 copley Dr	Diamond Bar	786	6.13%
Walnut Valley Unified	Various	Diamond Bar	500	3.90%
Travelers	21688 Gateway Center Dr #300	Diamond Bar	401	3.13%
Southcoast Cabinet Inc	755 Pinefalls Ave	Diamond Bar	280	2.18%
Pomona Unified	Various	Diamond Bar	211	1.65%
AAA Auto Club of California	2843 S Diamond Bar Blvd	Diamond Bar	200	1.56%
On Assignment Healthcare	21680 Gateway Center Dr #310	Diamond Bar	200	1.56%
JFJ Inc	655 Brea Canyon Road	Diamond Bar	180	1.40%
First Team Real Estate	1950 S Brea Canyon Road #1	Diamond Bar	150	1.17%
J F Shea Company	655 Brea Canyon Road	Diamond Bar	135	1.05%
Century 21 Diamond Realty	21015 Pathfinder Road #100	Diamond Bar	120	0.94%
Goodrich Sensors And Intgrd Systems	1550 Valley Vista Dr	Diamond Bar	120	0.94%
QTC Medical Svc Inc	1350 Valley Vista Dr	Diamond Bar	120	0.94%
Southwest Patrol	556 N Diamond Bar Blvd #207	Diamond Bar	120	0.94%
Starside Security & Investigation	1930 S Brea Canyon Road #220	Diamond Bar	120	0.94%
City of Diamond Bar	21825 Copley Dr	Diamond Bar	113	0.88%
First Mortgage	Various	Diamond Bar	110	0.86%
Administaff	1440 Bridgegate Dr #100	Diamond Bar	100	0.78%
Bryan A Stirrat And Associates	1360 Valley Vista Dr	Diamond Bar	100	0.78%
Dacor	1440 Bridgegate Dr #200	Diamond Bar	100	0.78%
Total of Top Employers			4166	32.51%
Total Employees in City			12,815	

Notes:

Map City is the city where the business is located once its GPS coordinates have been arrayed on a map.

Date Source: HdL, Coren & Cone

City of Diamond Bar
Full-time and Part-time City Employees by Function
Last Ten Fiscal Years

Function	Fiscal Year Ended June 30,				
	2001	2002	2003	2004	2005
General government	24	24	24	25	25
Community development	4	4	4	5	7
Community services	38	37	38	45	74
Public works	4	4	5	6	7
Total	70	69	71	81	113

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

Note:

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

Source: City Finance Department

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

Function	Fiscal Year Ended June 30,				
	2001	2002	2003	2004	2005
Police: (1)					
Physical arrests	764	571	552	481	520
Street Sweeping Parking Citation	2,996	7,995	6,662	6,710	6,250
Fire: (2)					
Number of emergency calls	2,647	2,666	2,741	2,755	2,615
Inspections	(a)	(a)	(a)	1,206	1,159
Public works: (3)					
Street resurfacing (miles)	24.6	19.7	18.5	5.0	18.6
Parks and recreation:(4)					
Number of recreation classes	1,062	947	915	1,022	1,102
Number of facility rentals	785	785	1,021	1,736	4,123

Function	Fiscal Year Ended June 30,				
	2006	2007	2008	2009	2010
Police:(in fiscal year) (1)					
Physical arrests	558	582	543	591	700
Street Sweeping Parking Citation	5,790	5,684	5,200	5,103	5,110
Fire: (in fiscal year) (2)					
Number of emergency calls	2,592	2,612	2,595	2,561	2,575
Inspections	837	1,114	1,085	1,100	1,093
Public works: (in fiscal year) (3)					
Street resurfacing (miles)	16.8	19.6	18.5	13.8	23.3
Parks and recreation:(in fiscal year)(4)					
Number of rescreation classes(5)	1,376	1,558	1,569	1,315	2,456
Number of facility rentals	4,305	4,555	4,103	4,299	4,111

(a) Unavailable

Sources:

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

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

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

Function	Fiscal Year Ended June 30,							
	2003	2004	2005	2006	2007	2008	2009	2010
Public safety (1)								
Police:								
Station	1	1	1	1	1	1	1	1
Patrol units (all shifts combined)	20	20	20	19	19	18	18	18
Fire stations (2)	3	3	3	3	3	3	3	3
Highways and streets (3)								
Streets (miles)	128	128	128	128	128	128	128	129.4
Streetlights	(a)	(a)	(a)	(a)	233	233	233	294
Traffic signals	(a)	(a)	(a)	(a)	74	74	74	76
Culture and recreation:(4)								
Parks acreage (developed)	62.7	62.7	62.7	62.7	62.7	62.7	62.7	62.7
Parks acreage (undeveloped)	439.0	439.0	439.0	439.0	439.0	439.0	439.4	439.4
Parks	11	11	11	11	11	11	12	12
Public Tennis courts	8	8	8	8	8	8	8	8
Community centers	3	3	3	3	3	3	3	3
Golf Course:(5)								
County golf courses	1	1	1	1	1	1	1	1
Sewer (3)								
Sanitary sewers (miles)	(a)	(a)	(a)	(a)	157	157	157	158.4

(a) Unavailable

Sources:

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

Note:

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

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

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www.cityofdiamondbar.com ❖ 909.839.7050