



Comprehensive Annual Financial Report

City of Barstow, California
for **Fiscal Year Ended June 30, 2013**

Prepared by the Finance Department

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2013

CITY OF BARSTOW CALIFORNIA

Julie Hackbarth-McIntyre, Mayor
Tim Silva, Mayor Pro Tem
Merrill Gracey, Councilmember
Rich Harpole, Councilmember
Carmen Hernandez, Councilmember

Curt Mitchell, City Manager

PREPARED BY THE CITY OF BARSTOW FINANCE DEPARTMENT
Cindy Prothro, Finance Director

City of Barstow
Comprehensive Annual Financial Report
For the year ended June 30, 2013

Table of Contents

	<u>Page</u>
 <u>INTRODUCTORY SECTION</u>	
Table of Contents	i
Transmittal Letter	v
Organization Chart.....	ix
List of Elected and Appointed Officials.....	x
 <u>FINANCIAL SECTION</u>	
Independent Auditors’ Report	1
Management’s Discussion and Analysis	5
Basic Financial Statements:	
Government-Wide Financial Statements:	
Statement of Net Position	27
Statement of Activities	28
Fund Financial Statements:	
Governmental Fund Financial Statements:	
Balance Sheet.....	34
Reconciliation of the Governmental Funds Balance Sheet to the Government-Wide Statement of Net Position.....	37
Statement of Revenues, Expenditures and Changes in Fund Balances.....	38
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Government-Wide Statement of Activities	40
Proprietary Fund Financial Statements:	
Statement of Net Position.....	42
Statement of Revenues, Expenses and Changes in Net Position.....	44
Statement of Cash Flows	46
Fiduciary Fund Financial Statements:	
Statement of Net Position.....	50
Statement of Changes in Fiduciary Net Position.....	51
Notes to Basic Financial Statements	53

City of Barstow
Comprehensive Annual Financial Report
For the year ended June 30, 2013

Table of Contents, Continued

	<u>Page</u>
<u>FINANCIAL SECTION, Continued</u>	
Required Supplementary Information (Unaudited):	
Budgets and Budgetary Accounting.....	94
Defined Benefit Pension Plan	98
Other Post Employment Benefits (OPEB).....	98
Supplementary Information:	
Major Governmental Funds:	
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual:	
City Capital Projects Fund	102
Non-Major Governmental Funds:	
Combining Balance Sheet	104
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	106
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual:	
Gas Tax Special Revenue Fund	108
Redevelopment Low and Moderate Income Housing Special Revenue Fund.....	109
Grants Special Revenue Fund.....	110
Asset Seizure Special Revenue Fund.....	111
Barstow Harvey House Foundation Services Special Revenue Fund	112
Redevelopment Housing Successor Special Revenue Fund	113
Agency Funds:	
Combining Statement of Fiduciary Assets and Liabilities.....	114
Combining Statement of Changes in Assets and Liabilities.....	116

City of Barstow
Comprehensive Annual Financial Report
For the year ended June 30, 2013

Table of Contents, Continued

	<u>Page</u>
<u>STATISTICAL SECTION (Unaudited)</u>	
Description of Statistical Section.....	119
Net Position by Component - Last Ten Fiscal Years	120
Changes in Net Position - Last Ten Fiscal Years.....	122
Fund Balances of Governmental Funds - Last Ten Fiscal Years.....	126
Changes in Fund Balances of Governmental Funds - Last Ten Fiscal Years.....	128
Assessed Value and Estimated Actual Value of Taxable Property - Last Ten Fiscal Years.....	130
Assessed Value and Estimated Actual Value of Taxable Property by Class - Last Ten Fiscal Years.....	131
Direct and Overlapping Property Tax Rates - Last Ten Fiscal Years.....	132
Principal Property Tax Payers - Current Year and Ten Years Ago.....	134
Property Tax Levies and Collections - Last Ten Fiscal Years.....	135
Top 25 Sales Tax Producers	136
Taxable Sales by Category	138
Ratios of Outstanding Debt by Type - Last Ten Fiscal Years.....	140
Ratios of General Bonded Debt Outstanding - Last Ten Fiscal Years.....	142
Direct and Overlapping Debt.....	143
Legal Debt Margin Information - Last Ten Fiscal Years	144
Pledged Revenue Coverage - Last Ten Fiscal Years.....	146
Demographic and Economic Statistics - Last Ten Calendar Years.....	147
Principal Employers - 2012 and Nine Years Ago.....	148
Full-Time and Part-Time City Employees by Function - Last Ten Fiscal Years.....	149
Operating Indicators by Function - Last Nine Fiscal Years.....	150
Capital Asset Statistics by Function - Last Ten Fiscal Years	151

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December 30, 2013

Honorable Mayor, Members of the Council
& Citizens of the City of Barstow

It is our pleasure to submit the Comprehensive Annual Financial Report (CAFR) for the City of Barstow. The City annually issues a report on its financial position and activity, audited by an independent firm of certified public accountants as required by State law. This report is published to fulfill that requirement for the fiscal year ended June 30, 2013.

Responsibility for the accuracy of the data, and the completeness and fairness of the presentations including disclosures, rests with the management of the City. To provide a reasonable basis for making these representations, management 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 presentation of the City's financial statements in conformity with accounting principles generally accepted in the United States of America. Because the cost of internal controls should not outweigh their benefits, internal controls have been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the City. Also, all disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

Badawi & Associates, Certified Public Accountants, have issued an unqualified ("clean") opinion on the City of Barstow's financial statements for the year ended June 30, 2013. The independent auditor's report is located at the front of the financial section of this report.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complement this letter of transmittal and should be read in conjunction with it.

PROFILE OF THE GOVERNMENT

The City of Barstow, incorporated in 1947, is located in the northern part of the County of San Bernardino. The City of Barstow prides itself as the "Crossroads of Opportunity" with easy access to major freeways, ample affordable land, minimal pollution, and a business-friendly environment. Situated midway between Los Angeles and Las Vegas, Barstow caters to the needs of approximately 55 million travelers passing through our city each year. The City of Barstow currently occupies a land area of about 40 square miles and serves a population of about 24,000.



The City has operated under the council-manager form of government since 1947. The governing council is responsible, among other things, for passing ordinances, adopting the budget, appointing committees and hiring both the City Manager and City Attorney. The council is elected on a non-

partisan basis. Council members serve four-year terms and elections are staggered every two years. The mayor is elected to serve a four-year term. The mayor and the council members are elected at large. The City Manager is responsible for carrying out the policies and ordinances of the governing council, for overseeing the day-to-day operations of the City government, and working with the directors and managers of City departments.

The City of Barstow provides a full range of services, including police and fire protection services; economic development; construction and maintenance of highways, parks, streets, and other infrastructure; recreational and cultural activities; utilities services of sewer and refuse (through a contract with a private hauler); and general administrative services.

The Council is required to adopt a final budget by no later than the close of the fiscal year. The annual budget serves as the foundation for the City of Barstow's financial planning and established control. The appropriated budget is prepared by fund, department (e.g., police), and division (e.g., police uniform division). Department heads may transfer resources within a department as they see fit, and the City Manager has authority to transfer resources within an individual fund. Supplemental appropriations, and transfers between funds require approval from the governing body.

LOCAL ECONOMY

Major industries located within the government's boundaries or in close proximity include major military installations including both military and civilian personnel; national defense contractors; transportation and rail firms; and numerous educational and financial institutions. The most current population figures show San Bernardino County has increased its population by .85% from January 1, 2012 to January 1, 2013. Coincidentally, the population for the City of Barstow increased .85% also during the same timeframe. The unemployment rate as of April 2013 for this City is 12% and has continued to decline each month. Staff continues to pursue development opportunities in the area that will provide job opportunities for citizens.

General fund property tax revenue increased 5%, excluding one-time revenues from the dissolution of the Redevelopment Agency, and sales tax increased 5.8% from fiscal year 2011/2012. The major components of the City's sales tax revenues continue to be sales tax on fuel sales, which has been the main source of sales tax growth, while a significant increase in retail sales also occurred, compared to the prior year. City management is cautiously optimistic the economy is improving.

The dissolution of redevelopment agencies by the State of California has impacted the City of Barstow. The City is continuing to work with the State to wind down operations and close out the remaining redevelopment activities in accordance with law.



MAJOR ACTIVITY IN THE CITY:

There are many major activities that are underway in the City that are consistent with the City Council's vision and direction to improve and upgrade the infrastructure and public services, and promote economic growth and development. A few of these include:

- Maintaining an ongoing focus on the improvement of City streets, roads, parks and facilities. The fiscal year 2013-14 Capital Budget includes \$29.1 million in projects related to City infrastructure and facility improvements.
- The City's efforts to improve infrastructure in the City include such projects as the Lenwood Grade Separation and the Lenwood Outlet Area infrastructure project to improve traffic flow and circulation in the area; the Montara and Rimrock area street reconstruction projects and the Dean Wash Drainage improvement project to rehabilitate decaying infrastructure; and the Wastewater Treatment Plant improvement project to also renovate the Wastewater Treatment Plant.
- Continued progress on the destination resort and casino project; coordination with potential retail and industrial developers for new projects; and development of the Walmart Supercenter.

LONG-TERM FINANCIAL PLANNING

The City continues to maintain a Council mandated reserve of 20% Working Capital and 5% Emergency, in addition. The Fiscal Year 2013-14 budget falls within the policy guidelines set by the City Council for budgetary and planning purposes. The City has maintained a conservative approach to fiscal matters by managing ongoing expenditures and tracking revenues

The City's financial condition is consistently being monitored. Reports are presented periodically to the City Council regarding the performance of all major funds. By closely tracking revenues and expenditures and forecasting the trends the City has been able to manage the current economic trends, thus reducing impact on City service levels. Current economic factors continue to play an important role in management of city finances and require close observation.

AWARDS AND ACKNOWLEDGEMENTS

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 Barstow for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2011. The City had applied for the award for the fiscal year ended June 30, 2012; however, the GFOA had not completed its review at the time of publication of this report. The award for the Certificate of Achievement for Excellence in Financial Reporting for the period ended June 30, 2011 was the fifth consecutive year the City of Barstow has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized CAFR that satisfied both generally accepted accounting principles and applicable legal requirements.



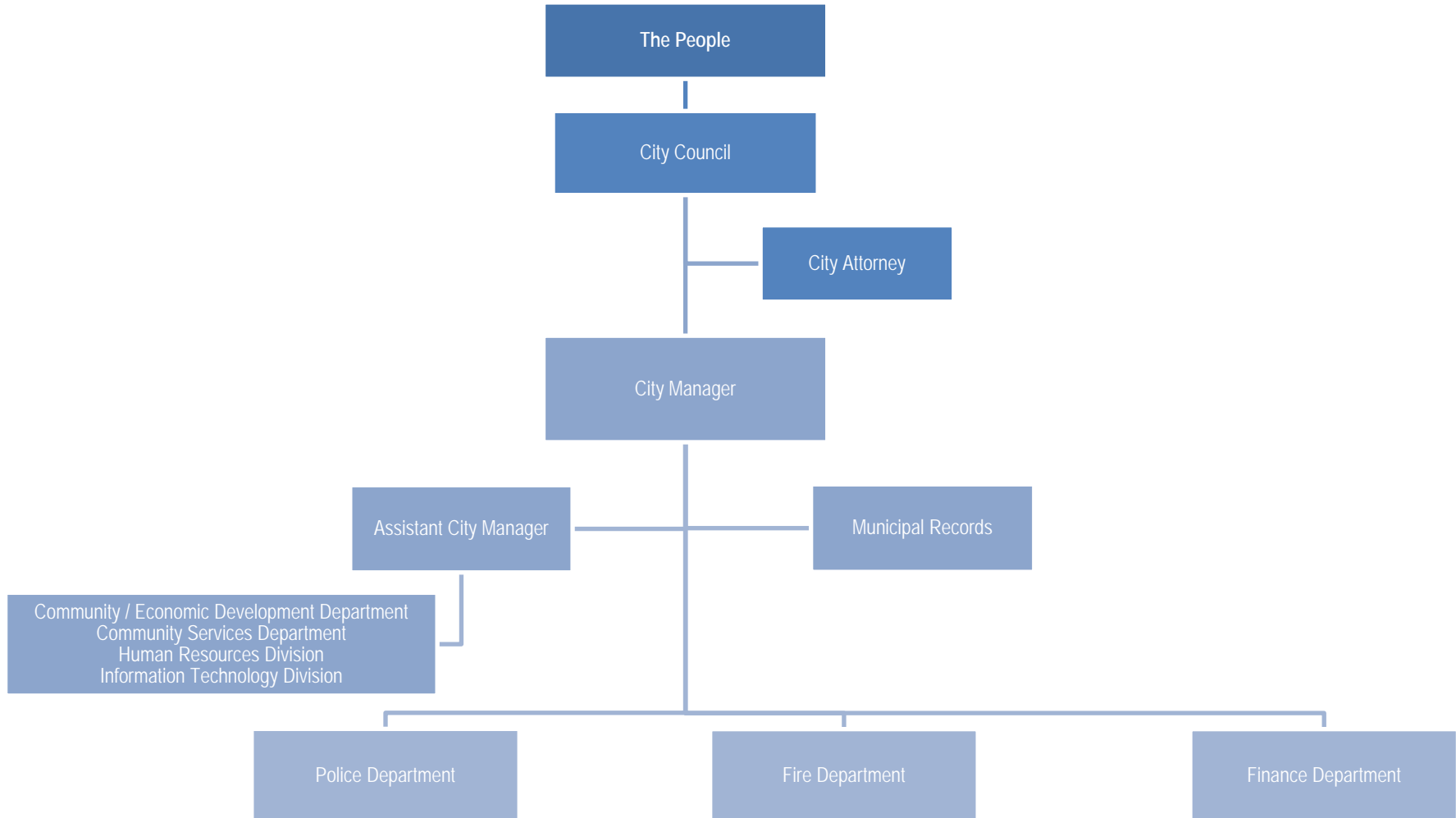
The preparation of the Comprehensive Annual Financial Report was made possible by the efforts of many individuals and the diligent work of the Assistant Finance Director, Mary Stapp. We especially wish to acknowledge the assistance and diligence of our auditors, Badawi & Associates, CPAs.

Respectfully submitted,

Charles C. Mitchell
City Manager

Cindy M. Prothro
Finance Director

CITY OF BARSTOW ORGANIZATIONAL CHART



City of Barstow
List of Elected and Appointed Officials
June 30, 2013

Elected Officials

Mayor	Julie Hackbarth-McIntyre
Council Member, Mayor Pro Tem	Timothy Silva
Council Member	Merrill Gracey
Council Member	Richard Harpole
Council Member	Carmen Hernandez
City Treasurer	Michael J. Lewis
City Clerk	JoAnne Cousino

Appointed Officials

City Manager	Curt Mitchell
Finance Director	Cindy Prothro
City Attorney	Terri Highsmith
Chief of Police	Albert Ramirez



INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and Members of the City Council
of the City of Barstow
Barstow, California

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Barstow, California (City) as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

To the Honorable Mayor and Members of the City Council
of the City of Barstow
Page 2

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of June 30, 2013, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and schedules of funding progress for defined benefit pension plans and other post employment benefits on pages 5-21 and 94-98 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, budgetary comparison information on pages 102 and 108-112, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

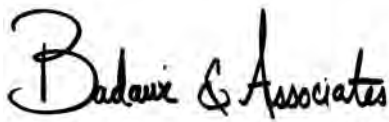
The combining and individual nonmajor fund financial statements, and budgetary comparison information on pages 102 and 108-112 are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements, and budgetary comparison information on pages 102 and 108-112 are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

To the Honorable Mayor and Members of the City Council
of the City of Barstow
Page 3

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 30, 2013, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Badawi & Associates". The signature is written in a cursive, flowing style.

Badawi & Associates, CPAs
Oakland, California
December 30, 2013

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CITY OF BARSTOW
Management's Discussion and Analysis
June 30, 2013

As management of the City of Barstow (City), we offer readers of these financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2013. It is designed to:

- Highlight significant financial issues
- Provide an overview of the City's financial activity
- Discuss changes in the City's financial position
- Explain any material deviations from the approved budget
- Identify individual fund issues

We encourage readers to consider the information presented here in conjunction with the letter of transmittal and the financial statements.

FINANCIAL HIGHLIGHTS

- The governmental program and general revenues were \$25,589,204.
- The cost of governmental activities was \$28,787,659.
- The business-type activities program and general revenues were \$10,746,399.
- The cost of business-type activities was \$10,612,858.
- The General Fund reported expenditures in excess of revenues, or net changes in fund balance of \$2,624,452.
- For the General Fund, actual budgeted revenues were more than budget estimates by \$249,319, and actual expenditures were less than final budget by \$481,469.
- The Measure I Special Revenue Fund, a major governmental fund, ended the fiscal year with \$12,759,615 in fund balance.
- The Barstow Fire Protection District was added as a special district to the City of Barstow on November 17, 2010, is another major governmental fund. The district ended the fiscal year with \$776,358 in fund balance.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the City of Barstow's basic financial statements, which are comprised of 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's finances in a manner similar to a private-sector business.

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

The *statement of activities* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus revenues are

CITY OF BARSTOW
Management's Discussion and Analysis
June 30, 2013

reported in the 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 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 include general government, public safety, public works, recreation and community development. The business-type activities of the City include wastewater reclamation, solid waste disposal, transit services, and the compressed/liquefied natural gas fueling station.

The government-wide financial statements include not only the City itself, (known as the *primary government*), but also its legally separate component units. The Barstow Public Facilities Corporation, Odessa Water District, the Barstow Fire Protection District and the Barstow Harvey House Foundation all function, for all practical purposes, as part of the City of Barstow, and therefore, have been included (blended) as an integral part of the primary government.

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, 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 are divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds

Governmental funds are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government'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 Barstow maintains nine individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Measure I special revenue fund, Barstow Fire Protection District special revenue, and City Capital Projects funds, which are considered to be major funds. Data from the other five governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of *combining statements* as supplementary information. The non-major revenue funds are the special revenue funds. They are Gas Tax, Grants, Asset Seizure, Harvey House Foundation & Redevelopment Housing Successor Fund.

The City adopted an annual appropriated budget for its governmental funds in fiscal year 2013.

The basic governmental fund financial statements can be found on pages 34-39 of this report.

CITY OF BARSTOW
Management's Discussion and Analysis
June 30, 2013

Proprietary funds

The City maintains four proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City uses enterprise funds to account for its wastewater reclamation, solid waste disposal, transit services, and fueling station operations.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the major enterprise funds. The basic proprietary fund financial statements can be found on pages 42-47 of this report.

Fiduciary funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources for those funds are not available to support the City's own programs. The accounting used for fiduciary funds is like that used for proprietary funds. The City maintains five fiduciary funds to account for the receipts and disbursements of special assessments. Fiduciary fund statements are located on page 50-51 of this report.

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. The notes to the financial statements are located on pages 54-91 of this report.

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 information and compliance for the General Fund, Measure I special revenue fund and the Barstow Fire Protection District special revenue fund. The schedule of funding progress, which presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for the benefits, is also presented as required supplementary information as required by GASB Statement No. 45. Required supplementary information can be found on page 94-98 of this report.

Supplementary information for the major government City Capital Projects fund and non-major governmental funds, such as Gas Tax special revenue fund, Grants, Asset Seizure, Barstow Harvey House Foundation and Redevelopment Housing Successor special revenue funds are located on page 99-117 of this report.

CITY OF BARSTOW
Management's Discussion and Analysis
June 30, 2013

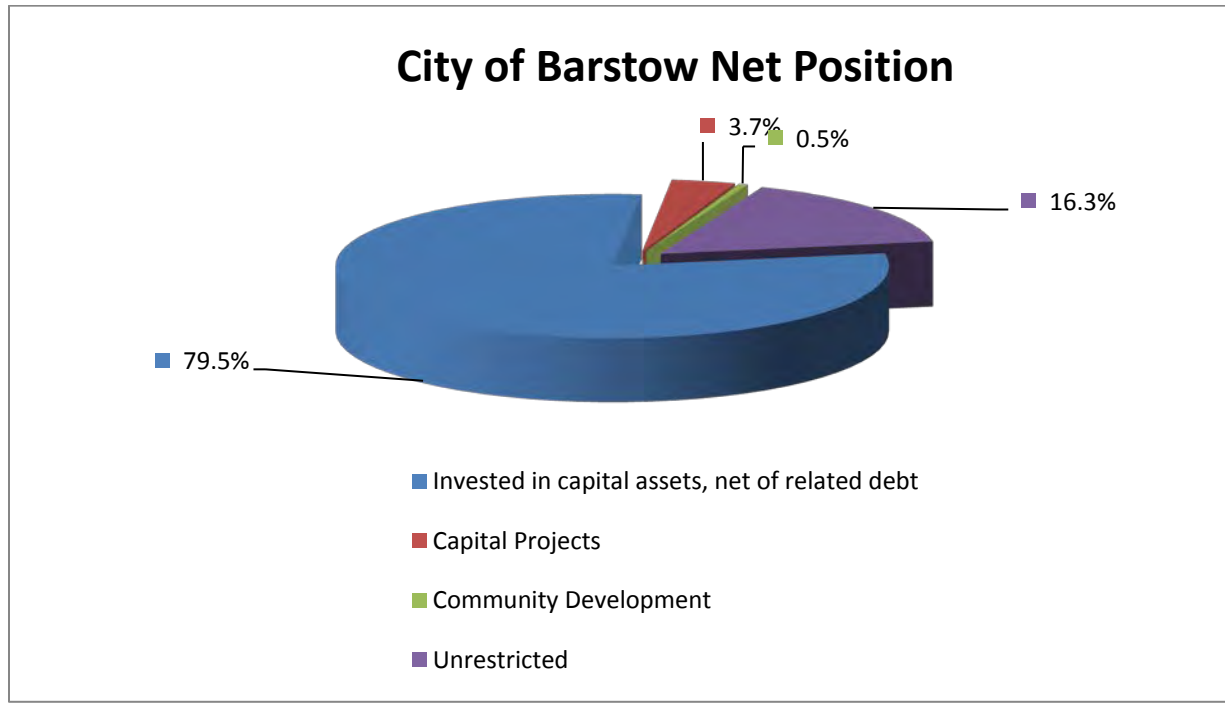
GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net Position

Net position over time may serve as a useful indicator of a government's financial position. In the case of the City, assets exceeded liabilities by \$115,613,647 at the close of the most recent fiscal year, a decrease of 2.6% over the previous year.

The largest portion (80%), \$91,882,968, represents investment in capital assets (e.g., land, buildings, machinery, and equipment) less any related debt used to acquire those assets that is still outstanding. The second largest portion of the City's net position, unrestricted (16%), \$18,793,141, is available to be spent at the discretion of the City Council. The remaining balances are restricted for capital projects (\$4,318,387) and community development, (\$619,151).

As shown in the total column for 2013 in the following chart, an additional portion of the City's net position, \$4,937,538 (4%), represents resources that are subject to restrictions in how they may be used. Of this, \$4,318,387 is restricted for capital projects and \$619,151 is restricted for community development.



CITY OF BARSTOW
Management's Discussion and Analysis
June 30, 2013

CITY OF BARSTOW NET POSITION

	Governmental Activities		Business-Type Activities		Total	
	2013	2012	2013	2012	2013	2012
Current and other assets	\$ 47,904,119	\$ 43,861,669	\$ 2,214,919	\$ 3,409,596	\$ 50,119,038	\$ 47,271,265
Capital assets	80,131,041	75,962,665	19,470,208	18,696,016	99,601,249	94,658,681
Total assets	128,035,160	119,824,334	21,685,127	22,105,612	149,720,287	141,929,946
Long-term liabilities	19,051,010	6,570,592	10,690,699	11,459,243	29,741,709	18,029,835
Other liabilities	3,254,550	4,325,687	1,110,381	895,863	4,364,931	5,221,550
Total liabilities	22,305,560	10,896,279	11,801,080	12,355,106	34,106,640	23,251,385
Net position:						
Invested in capital assets	76,148,543	72,765,415	15,734,425	14,530,286	91,882,968	87,295,701
Restricted	4,937,538	6,609,675			4,937,538	6,609,675
Unrestricted	24,643,519	29,552,965	(5,850,378)	(4,779,780)	18,793,141	24,773,185
Total Net Position:	\$ 105,729,600	\$ 108,928,055	\$ 9,884,047	\$ 9,750,506	\$ 115,613,647	\$ 118,678,561

City of Barstow Changes in Net position

Governmental Activities

Governmental activities decreased net position by \$3,198,455 for fiscal year 2013 as shown in the chart on the page 11. Key variances of this year's activity are discussed below.

TOTAL REVENUES

Total revenues decreased when compared to fiscal year 2012 by \$1.2 million.

- In total, program revenues decreased by \$618,000 or 10%. Further analysis indicates charges for services actually increased due primarily to the new RDA successor agency administration fee of 250,000, paid to the General Fund to administer the dissolution of the former redevelopment agency. This was offset by decreases in grant revenues in fiscal year 2013. In fiscal year 2012, the City received a one-time stimulus grant, Proposition 1B Road grant and Community Development Block Grant construction reimbursement for approximately \$370,000.
- Total general revenues decreased \$535,000.
 - When reviewing all the categories, there was an \$830,000 decrease in property tax revenues. The City received a lump sum of redevelopment dissolution property tax funds in fiscal year 2012. As the redevelopment dissolution winds down, the City will receive more closure payments but this will eventually cease and property taxes, with regards to redevelopment, will stabilize in future years.
 - Sales tax revenues increased in fiscal year 2013 by approximately \$426,000. This reflects an improving economy in conjunction with national indicators.

CITY OF BARSTOW
Management's Discussion and Analysis
June 30, 2013

TOTAL EXPENSES

Total expenses decreased by \$305,000 compared to fiscal year 2012.

- Despite increases in salaries and benefits for both City employees and fire department personnel, the City reduced its expense in total when compared with previous year by continued cost and supply monitoring in an effort to reduce expenses.
- While the City did purchase needed equipment in fiscal year 2013, there was a decrease of \$350,000 in expense for fiscal year 2013. Due to a City-wide assessment, more expensive and bigger quantities of needed equipment were purchased in fiscal year 2012. Staff delayed equipment purchases based on condition and use it could until fiscal year 2013.

More information about governmental activities can be found on the following pages.

CITY OF BARSTOW
Management's Discussion and Analysis
June 30, 2013

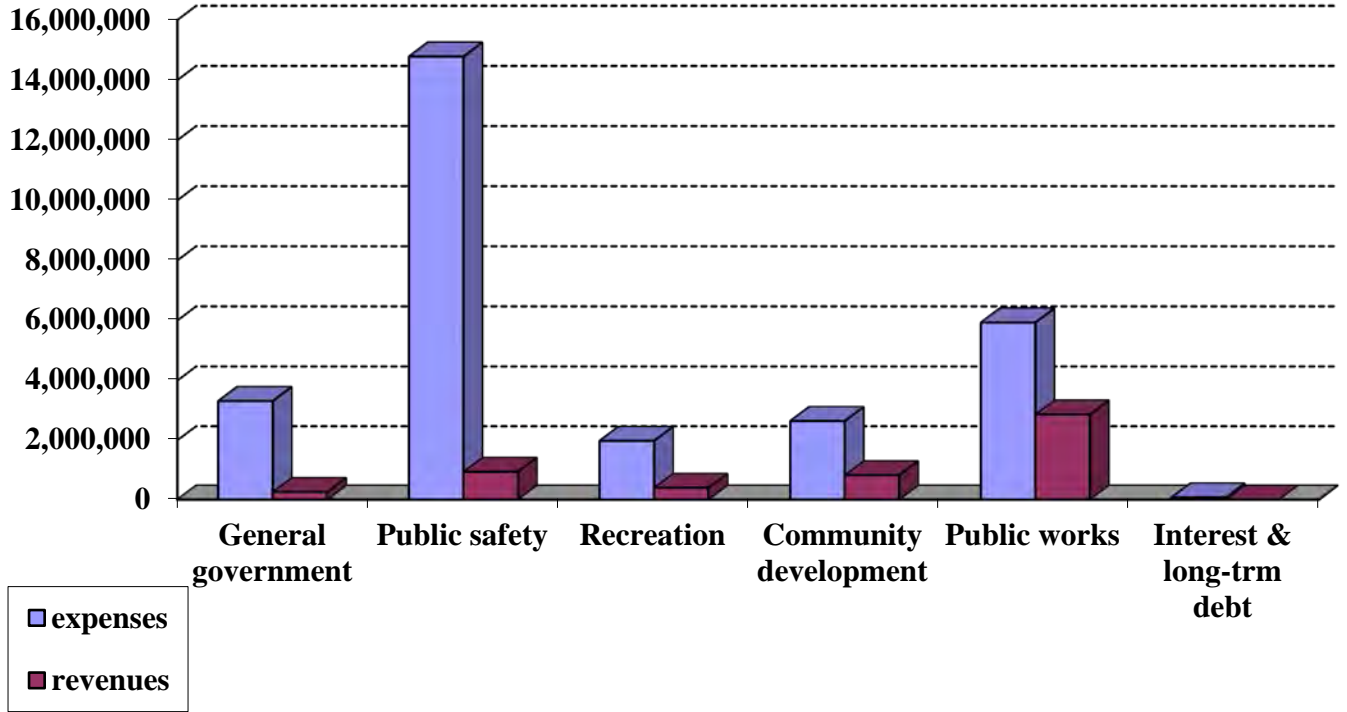
Governmental & Business-Type Activities Net position

	Governmental Activities		Business-Type Activities		Total	
	2013	2012	2013	2012	2013	2012
Revenues:						
Program Revenues						
Charges for service	\$ 1,543,686	\$ 1,200,799	\$ 8,364,861	\$ 8,811,146	\$ 9,908,547	\$ 10,011,945
Operating contributions and grants	436,434	595,522	2,381,538	2,044,518	2,817,972	2,640,040
Capital contributions and grants	3,297,685	4,099,782	-	-	3,297,685	4,099,782
Total Program Revenues	5,277,805	5,896,103	10,746,399	10,855,664	16,024,204	16,751,767
General Revenues						
Property taxes	8,750,763	9,581,086	-	-	8,750,763	9,581,086
Other taxes	3,775,793	3,864,111	-	-	3,775,793	3,864,111
Sales & use tax	7,346,732	6,942,387	-	-	7,346,732	6,942,387
Other revenues	438,111	458,473	-	-	438,111	458,473
Total General Revenues	20,311,399	20,846,057	-	-	20,311,399	20,846,057
Total Revenues	25,589,204	26,742,160	10,746,399	10,855,664	36,335,603	37,597,824
Expenses						
General government	3,318,398	4,372,577	-	-	3,318,398	4,372,577
Public & fire safety	14,781,347	13,910,834	-	-	14,781,347	13,910,834
Recreation	1,980,078	2,226,201	-	-	1,980,078	2,226,201
Community development	2,646,525	3,233,598	-	-	2,646,525	3,233,598
Public works	5,928,990	4,976,071	-	-	5,928,990	4,976,071
Interest on long-term debt	132,321	373,524	-	-	132,321	373,524
Wastewater	-	-	3,478,998	4,398,844	3,478,998	4,398,844
Solid waste	-	-	4,095,682	3,989,240	4,095,682	3,989,240
Transit	-	-	2,714,135	2,943,943	2,714,135	2,943,943
CNG/LNG fueling station	-	-	324,043	336,203	324,043	336,203
Total expenses	28,787,659	29,092,805	10,612,858	11,668,230	39,400,517	40,761,035
Excess (Deficiency) of Revenues over (under) Expenses	(3,198,455)	(2,350,645)	133,541	(812,566)	(3,064,914)	(3,163,211)
	(3,198,455)	(2,350,645)	133,541	(812,566)	(3,064,914)	(3,163,211)
Transfers and Special Item:						
Transfers in/(out)	-	-	-	-	-	-
Special item-merger of fire district	-	-	-	-	-	-
Extraordinary item-gain dissolution of RDA	-	311,238	-	-	-	311,238
Total Transfers and Special Item:	-	311,238	-	-	-	-
Changes in Net Position	(3,198,455)	(2,039,407)	133,541	(812,566)	(3,064,914)	(2,851,973)
Net position beginning of year (restated)	108,928,055	110,967,462	9,750,506	10,563,072	118,678,561	121,530,534
Net position June 30	\$ 105,729,600	\$ 108,928,055	\$ 9,884,047	\$ 9,750,506	\$ 115,613,647	\$ 118,678,561

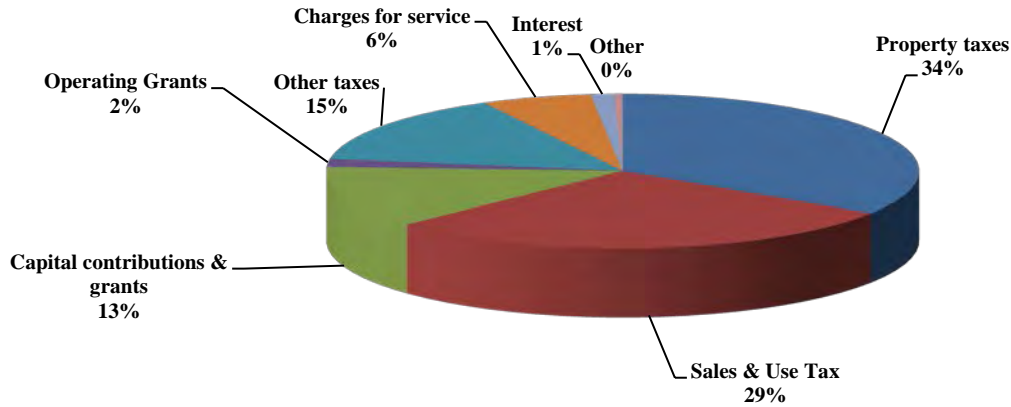
CITY OF BARSTOW
Management's Discussion and Analysis
June 30, 2013

Governmental activities

Governmental Activities - Expenses and Program Revenues for FY 2012/13



Governmental Activities - Revenues by Source



CITY OF BARSTOW
Management's Discussion and Analysis
June 30, 2013

Business-type Activities As shown in the chart on page 11 business-type activities increased the City of Barstow net position by \$133,541. Key elements of this increase are as follows and are reflected on page 28 and 29 of this report in the Statement of Activities.

TOTAL REVENUES

Revenues decreased from the previous year by \$109,000.

- In review of the details, operating contributions and grants increased by \$337,000. The City received grant funding for the wastewater treatment plant facility renovation from the Environmental Protection Agency.
- This was offset by a decrease in charges for services of \$446,000. The primary reason is because the Transit Fund had capital reimbursement in fiscal year 2012 for buses and other related transit equipment. Whereas, in fiscal year 2013, there was no capital expense, therefore no revenue reimbursement.

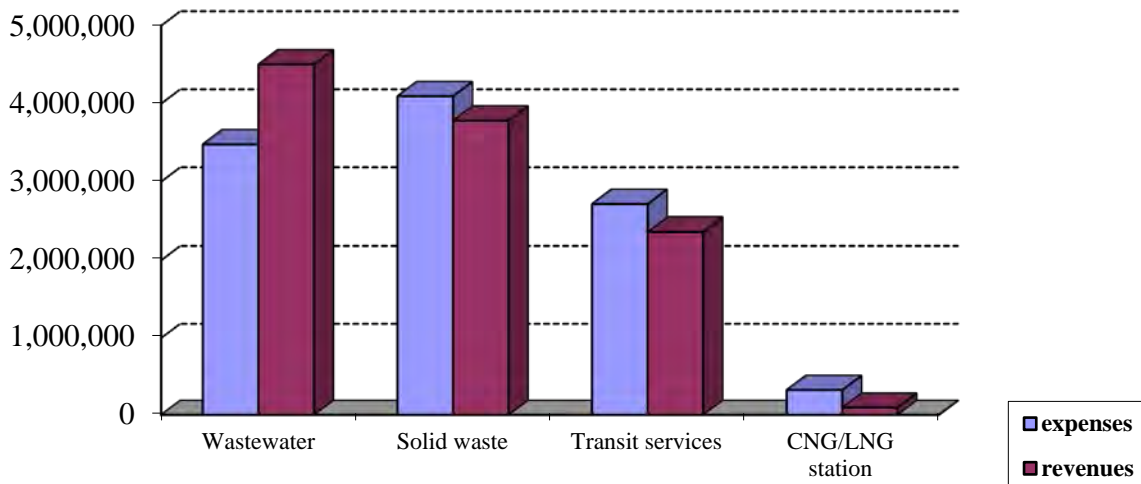
TOTAL EXPENSES

Total expenses were \$1.1 million lower when compared with fiscal year 2012.

- The primary decrease in expense is within the Wastewater Fund. The City cancelled the contract for providing services in fiscal year 2013 and hired employees to run and maintain the plant. This provided the City with substantial savings as opposed to paying a contractor to run the facility, resulting in a \$920,000 savings compared to fiscal year 2012.
- The second decrease is lower expense in transit services. As discussed in the revenue point above, there were no capital expenses for fiscal year 2013 for an overall savings of \$230,000.

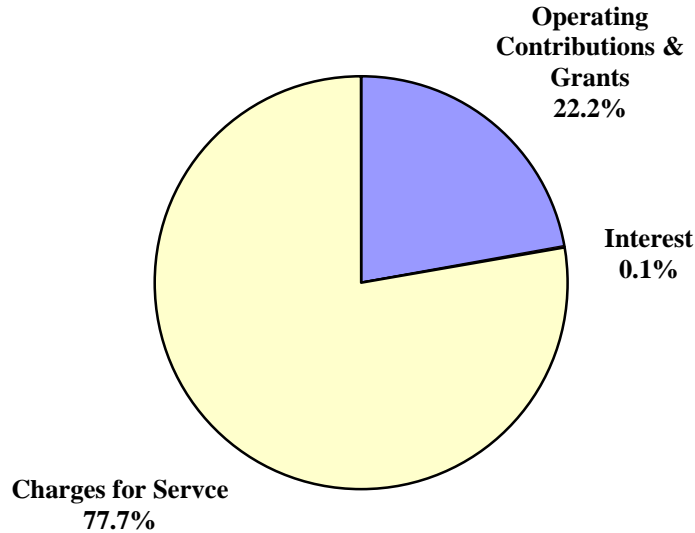
The chart below illustrates Business-type expenses and revenues.

Business-Type Activities - Expenses and Program Revenues



CITY OF BARSTOW
Management's Discussion and Analysis
June 30, 2013

Business-Type Activities - Revenues by Source



FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

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

Governmental Funds

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

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$43,885,436, an increase of \$5,474,908 when compared to the fund balances of the prior year. Approximately 52%, or \$22,782,384, constitutes *unassigned fund balance*, which is available for spending at the government's discretion.

The *non-spendable* portion of fund balance is 13% or \$5,819,857. The City's non-spendable fund balances are prepaid amounts that pertain to another accounting period, inventories, that are not in cash form and deposits that are liabilities. As of June 30, 2013, the City also classifies \$2,437,448, which is due from the Successor Agency for the pool loan as non-spendable, the advance to the CNG/LNG fuel station fund for \$1,193,089 and the Wastewater Reclamation Fund loans for \$1,701,753 as non-spendable.

CITY OF BARSTOW
Management's Discussion and Analysis
June 30, 2013

Restricted funds constitute 35% or \$15,283,195 of fund balance. Measure I funds, restricted for Streets & Highway category are the largest portion of restricted funds \$12,759,615. In fiscal year 2013, the City entered into an agreement with the California Statewide Communities Development Authority Total Road Improvement Program (TRIP) to finance extensive local street improvements and reconstruction. TRIP funds are pledged against future Measure I funding to serve as the source for the related debt. The projects were identified through the City's Pavement Management System as meeting the Measure I Strategic Plan.

With regards to additional restricted funds, the City's Capital Projects Fund has development fees accumulated in the amount of \$1,071,677 for specific capital project needs. The second largest category of restricted funds is for public safety and fire protection needs in the amount of \$830,889.

Unassigned fund balance is 52% or \$22,782,384 of the overall fund balance. The City adopted Council Fund Balance Policy #4548-2010, and has reserved \$3,497,489 of fund balance for Working Capital and \$874,372 for emergency contingency in compliance with its guidelines. The remaining \$18,410,523 is not assigned for a specific purpose.

More details about the fund balance for governmental funds can be found on page 87.

Proprietary Funds

The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

At year-end the total net position of all proprietary funds was \$9,884,047 or an increase of 1% over the previous fiscal year fund balance. The Wastewater Fund reported an increase of \$1,024,810. Solid waste, transit services and the CNG/LNG fueling station recorded a combined loss of \$891,269. This loss, when combined the wastewater funds increased net position, reflects a marginal increase in net position of \$133,541.

In review, Wastewater and CNG/LNG fueling station had higher revenues than the previous fiscal year. This was due mainly to an approved sewer rate increase to customers in fiscal year 2013. The CNG/LNG station had a modest increase in revenues as it began recouping fuel costs from the Transit Fund per a cost & revenue study. Conversely, the transit service and Solid Waste Fund revenues were slightly lower than the previous year. Transit did not have capital expenses for fiscal year 2013 as it had in the past, therefore it did not receive capital reimbursement. Solid waste had an adjustment to bad debt the negatively impacted revenue.

Expenses were lower also for all the funds with the exception of the Solid Waste Fund that was slightly higher by \$101,000. This again, was due to an adjustment to increase the bad debt allowance per an annual review. The operations for all the proprietary funds are being closely monitored to contain costs and increase revenues.

Detailed information can be found on pages 42 - 47.

CITY OF BARSTOW
Management's Discussion and Analysis
June 30, 2013

GENERAL FUND BUDGETARY HIGHLIGHTS

The schedule below summarizes the General Fund budgetary highlights and actual amounts for fiscal year 2012/2013.

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
Total Revenues	<u>\$17,155,185</u>	<u>\$17,288,045</u>	<u>\$17,537,364</u>	<u>249,319</u>
Expenditures:				
General Government	2,443,894	2,598,567	2,793,073	(194,506)
Public Safety	9,047,952	9,218,135	9,080,095	138,040
Recreation	1,686,406	1,684,481	1,520,643	163,838
Community Development	2,270,451	2,294,926	1,596,645	698,281
Public Works	2,808,017	2,772,508	3,015,617	(243,109)
Capital Outlay	77,000	360,809	437,382	(76,573)
Interest & Fiscal Charges	-	-	4,502	(4,502)
Total Expenditures	<u>18,333,720</u>	<u>18,929,426</u>	<u>18,447,957</u>	<u>481,469</u>
Revenues Over (Under) Expenditures	(1,178,535)	(1,641,381)	(910,593)	730,788
Other Financing Sources (Uses)	<u>920,000</u>	<u>(2,363,590)</u>	<u>(1,713,859)</u>	<u>649,731</u>
Net Change in Fund Balance	<u>(258,535)</u>	<u>(4,004,971)</u>	<u>(2,624,452)</u>	<u>1,380,519</u>
Fund balance, beginning of the year			<u>31,474,858</u>	
Fund balance, end of year			<u>\$28,850,406</u>	

The difference between the original revenue budget and the final amended revenue budget was an increase of \$132,860. The difference in the original expenditure budget and the final amended expenditure budget was an increase in appropriations of \$595,706. Both variances are briefly summarized below:

REVENUE BUDGET Revenue was increased by \$132,860 to record the acceptance by Council of California Proposition 30 funds for the Police Department.

EXPENDITURE BUDGET The original expenditure budget of \$18 million increased by \$596,000. The major appropriations are summarized below:

- The City adopted the updated classification and compensation study for the City resulting in an increase of personnel costs in October 2012. A budget adjustment was processed to increase the General Fund for \$169,000.
- The City adopted the updated capital budget for equipment purchases, \$220,000

CITY OF BARSTOW
Management's Discussion and Analysis
June 30, 2013

- On December 3, 2012, the City authorized an appropriation to increase the budget for the PARS supplemental early retirement program for \$108,000

OTHER FINANCING SOURCES BUDGET In November 2012, Council approved and appropriated funding for the Capital Improvement Plan. The General Fund added an additional \$3.3 million appropriation to cover the approved projects.

Actual amounts differed from the final General Fund budget as follows:

- Actual revenues were within final budget estimates.
- Minor variances between the expenditure categories are due to personnel reclassifications between the departments, but the budget was not adjusted. Overall, expenditures were slightly less than anticipated when measured against budget.

CAPITAL ASSET AND DEBT ADMINISTRATION

The City's investment in capital assets for its governmental and business-type activities as of June 30, 2013, amounts to \$99,601,248 (net of accumulated depreciation). This investment in capital assets includes land, building and system improvements, machinery and equipment and park facilities. The total change in the City's investment in capital assets for the current fiscal year, when compared to the previous year's capital assets, was an increase of 4%. The City of Barstow's Capital Assets chart is shown on page 19.

Annually, executive management reviews projects and capital expenditures in conjunction with Council priorities. Further analysis indicates the major variances are due to multi-year infrastructure projects that commenced in fiscal year 2011 and 2012, and completed in fiscal year 2013, increasing governmental activities infrastructure. The information is detailed below:

Increases in Capital Assets for Governmental Activities & Business-type Activities:

- Additions to infrastructure were \$8.5 million, net of depreciation
 - **Governmental Activities Infrastructure** increase was \$6.6 million for fiscal year 2013. As was true for fiscal year 2012, road construction and infrastructure has been a top priority for executive staff. The major projects completed for fiscal year 2013 were:
 - Road reconstruction- Agnes/Elm/Frances Drives, Caliente & Elizabeth streets, Monterey Road, Mountain View & Helen Runyon Way to facilitate better access to the new hospital
 - Parking lot reconstruction for the following: Sportspark facility, Harvey House, Lillian Park, Barstow Police Department
 - Channel and storm drainage repair to Bradshaw Street and Virginia Way
 - Fencing installed for the Transit area project
 - Other small scale road reconstruction projects, as well as drainage upgrades were completed that upgraded the City's infrastructure.

CITY OF BARSTOW
Management's Discussion and Analysis
June 30, 2013

- Energy conservation and retrofit project completed reducing energy use throughout the City
- **Business-type Activities Infrastructure** increased assets by \$1.9 million, net of depreciation.
 - As discussed under governmental activities, the energy conservation and retrofit project also had a business-type component. Gas blowers were replaced with electric blowers to reduce energy costs and increase efficiency at the wastewater treatment plant for approximately \$2.3 million.
 - A \$125,000 access road to the wastewater treatment plant was reconstructed.

Increases in Governmental Activities Machinery & Equipment:

Additions to machinery & equipment were \$300,000 for governmental activities, net of depreciation. The City also has implemented a vehicle lease program with Enterprise Fleet Services to ensure its fleet is maintained to ensure maximum efficiency through a multi-year vehicle schedule in fiscal year 2012. In accordance with the adopted multi-year plan, the City added:

- Three additional police units for \$74,000
- Five utility vehicles for various departments through-out the City, \$134,000
- The fire department leased a new Pierce Pumper Fire Engine for \$522,000
- Removed fifteen older model vehicles for an original cost decrease of \$343,000

Decreases in Work-in-Progress for Governmental & Business-type activities:

- **Governmental Activities Work-in-Progress** decreased by \$3.2 million for fiscal year 2013. Many of the major road projects that commenced in fiscal year 2011 and fiscal year 2012 were completed and added as part of the infrastructure additions; road reconstruction and drainage improvements.
- **Business-type Activities Work-in-Progress** decreased by \$600,000. While \$1.5 million was added to work-in-progress for engineering design costs related to a multi-year project for solids and liquids processing plant design and sewer line replacement, this was offset by the reclassification of \$2.1 million to infrastructure due to the completion of the energy conservation and retrofit project which upgrades the pumps and blowers at the wastewater plant facility.

Further analysis indicates land as well as building and structure variances were relatively unchanged for fiscal year 2013.

CITY OF BARSTOW
Management's Discussion and Analysis
June 30, 2013

City of Barstow's Capital Assets
(Net of Depreciation)

	Governmental Activities		Business-Type Activities		Total	
	2013	2012	2013	2012	2013	2012
Land & Intangible Assets	\$ 9,511,209	\$ 9,511,209	\$ 1,733,787	\$ 1,733,787	\$ 11,244,996	\$ 11,244,996
Work in progress	4,213,818	7,385,667	1,887,109	2,526,896	6,100,927	9,912,563
Buildings & Structures	13,335,133	13,847,794	1,763,172	1,804,226	15,098,305	15,652,020
Machinery and equipment	2,919,698	2,612,676	2,176,800	2,650,925	5,096,498	5,263,601
Infrastructure	50,151,183	43,535,574	11,909,339	9,980,182	62,060,522	53,515,756
Total	\$ 80,131,041	\$ 76,892,920	\$ 19,470,207	\$ 18,696,016	\$ 99,601,248	\$ 95,588,936

Additional information on the City's capital assets can be found in Note 6 of Notes to Financial Statements on page 70 & 71 of this report.

Long-term Debt

At the end of the current fiscal year, the City of Barstow had total debt outstanding of the government of \$29,741,709. Of this amount of debt, governmental activities accounts for \$19,051,010 and \$10,690,699, is related to business-type activities. As shown in the chart below, the City has no general obligation bond debt or tax allocation bond debt.

Further analysis indicates the City's total debt increased by \$11.7 million or 65%. The major reason for the increase is the City of Barstow entered into an agreement with the California Statewide Communities Development Authority Total Road Improvement Program (TRIP) to finance extensive local street improvements and reconstruction that were identified throughout the City. The addition of \$10.7 million in debt is reflected in the City of Barstow's Outstanding Debt chart below. The City has pledged future Measure I funding to serve as the source for the related debt services payments. The projects identified through the City's Pavement management System as meeting the Measure I Strategic Plan are as follows:

- Rimrock Road Project
- Montara Area Project
- Henderson Area Project
- Cameron Area Project
- West Section 7 Area Project

San Bernardino Associated Governments (SANBAG) reviewed and approved the proposed projects on September 5, 2012.

Other debt variances are discussed below:

- Routine bond debt payments for the wastewater bond account for a decrease of (\$261,000)
- Pollution remediation expenses in the Soapmine Road area reduced the liability by (\$382,000)

CITY OF BARSTOW
Management's Discussion and Analysis
June 30, 2013

- The early retirement incentive offered December 2012, and accepted by six employees, increased our outstanding debt by \$232,000.
- Certificates of Participation decreased by (\$252,000) due to scheduled payments made
- The pollution remediation liability decreased by (\$345,000) due to fiscal year 2012 expenses incurred.
- Claims and judgments payable increased by \$926,000. This was primarily due to an increase in pending workers compensation and risk management cases as estimated by Public Entity Risk Management Authority (PERMA) for fiscal year 2013.
- Compensated absences increased by \$553,000. The increase in value of compensated absences is due to the City council approval of the class and compensation study October 2012, resulting in increased wages for most employees. On May 20, 2013 City council approved the MOU with Barstow Professional Firefighters' Association, which increased firefighters' hourly rates, which will decrease future benefit costs.

City of Barstow's Outstanding Debt

	Governmental Activities		Business-Type Activities		Total	
	2013	2012	2013	2012	Total 2013	Total 2012
Measure I-TRIP COP	\$ 10,671,999	\$ -	\$ -	\$ -	\$ 10,671,999	\$ -
Capital Lease Agreement	3,337,511	3,197,150	1,968,975	2,137,571	5,306,486	5,334,721
Certificates of Participation	-	-	1,766,808	2,028,159	1,766,808	2,028,159
Pollution Remediation Liab	-	-	6,874,532	7,256,767	6,874,532	7,256,767
PARS Supplemental Retirement	232,166	-	-	-	232,166	-
Claims & Judgments Payable	2,355,205	1,428,959	-	-	2,355,205	1,428,959
Compensated Absences	2,454,129	1,944,483	80,384	36,746	2,534,513	1,981,229
Total	\$ 19,051,010	\$ 6,570,592	\$ 10,690,699	\$ 11,459,243	\$ 29,741,709	\$ 18,029,835

Additional information on the City's long-term debt can be found in Note 7 on page 72 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The economy continues to be at the forefront of management's consideration in leading and providing services for the residents of the City of Barstow. The economy continues to improve. City management continues to closely monitor economic indicators and make adjustments as needed. The management team continuously takes the necessary steps required to address the needs of its residents for the short-term and the long-term, focusing on needed infrastructure improvements, community services including recreation and activities for all ages, business and economic development and planning for long-term growth in conjunction with the City Council.

The City's management team met to develop revenue enhancements and cost reduction strategies wherever possible for the 2013/2014 fiscal year budget. In addition, the executive management team implemented a major capital infrastructure and equipment program in fiscal year 2012, which continues

CITY OF BARSTOW
Management's Discussion and Analysis
June 30, 2013

to be monitored, reviewed and adjusted to ensure important projects remain viable and funded in the coming year. General Fund revenues for the fiscal year 2013/2014 budget were projected at \$17.5 million and General Fund expenditures at \$17.5 million.

- The City's executive management team is committed to improving the infrastructure for its residents. This is evidenced by the \$8.5 million net increase in new infrastructure for fiscal year. This trend will continue since staff has secured bonded funding through California Communities, Local Measure I Sales, Tax Revenue, Total Road Improvement Program or TRIP.
- Sales and use taxes are a major source of revenue for the City. In fiscal year 2011/12, actual sales tax revenue was \$6.9 million but increased to \$7.3 million for fiscal year 2012/2013. This increase reflects improvement in the economy. These trends will continue to be closely monitored.
- The unemployment rate for the City of Barstow as of April 2013 was 12%. The City's Economic Division team continually explores ways to bring new businesses and subsequent employment opportunities to residents.
- The transient occupancy tax, also known as the hotel and motel tax charged to travelers utilizing the City's hotels, continues to be a significant revenue source (\$2.6 million). Revenues as compared with fiscal year 2011/12 remain stable and reflect a modest increase of \$20,000 in fiscal year 2013. Not only do the hotels and motels in the Barstow area support the needs of routine travelers, they also serve as temporary lodging by government contractors related to the surrounding military installations.

Financial activity is being closely monitored to ensure resources and expenses are in-line with budgeted projections. All of these factors were considered in the preparation of the City's budget for fiscal year 2013/14.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance Director, 220 E. Mountain View Street, Suite A, Barstow, California 92311.

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**BASIC
FINANCIAL STATEMENTS**

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GOVERNMENT-WIDE FINANCIAL STATEMENTS

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City of Barstow
Statement of Net Position
June 30, 2013

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current assets:			
Cash and investments	\$ 26,911,828	\$ 3,641,910	\$ 30,553,738
Cash and investments with fiscal agents	5,726,788	-	5,726,788
Accounts receivable, net	1,071,022	1,729,470	2,800,492
Accrued interest	70,945	11,691	82,636
Taxes receivable	48,884	-	48,884
Internal balances	3,180,597	(3,180,597)	-
Due from other governmental agencies	1,941,469	-	1,941,469
Inventories and prepayments	112,348	12,445	124,793
Total current assets	<u>39,063,881</u>	<u>2,214,919</u>	<u>41,278,800</u>
Noncurrent assets:			
Cash and investments with fiscal agents	4,300,224	-	4,300,224
Due from Successor Agency Trust Fund	3,850,679	-	3,850,679
Unamortized bond issuance costs	269,883	-	269,883
Deposits	379,885	-	379,885
Real property held for resale	39,567	-	39,567
Capital assets:			
Not being depreciated	13,725,027	3,620,897	17,345,924
Being depreciated, net	66,406,014	15,849,311	82,255,325
Total capital asset	<u>80,131,041</u>	<u>19,470,208</u>	<u>99,601,249</u>
Total noncurrent assets	<u>88,971,279</u>	<u>19,470,208</u>	<u>108,441,487</u>
Total assets	<u>128,035,160</u>	<u>21,685,127</u>	<u>149,720,287</u>
LIABILITIES			
Current liabilities:			
Accounts payable and accrued liabilities	2,859,922	1,079,161	3,939,083
Deposits	98,141	13,581	111,722
Unearned revenue	234,514	-	234,514
Interest payable	61,973	17,639	79,612
Long-term debt due within one year	3,187,400	3,023,326	6,210,726
Total current liabilities	<u>6,441,950</u>	<u>4,133,707</u>	<u>10,575,657</u>
Noncurrent liabilities:			
Long-term debt due in more than one year	15,863,610	7,667,373	23,530,983
Total noncurrent liabilities	<u>15,863,610</u>	<u>7,667,373</u>	<u>23,530,983</u>
Total liabilities	<u>22,305,560</u>	<u>11,801,080</u>	<u>34,106,640</u>
NET POSITION			
Net investment in capital assets	76,148,543	15,734,425	91,882,968
Restricted for:			
Capital projects	4,318,387	-	4,318,387
Community Development	619,151	-	619,151
Special projects	-	-	-
Total restricted	<u>4,937,538</u>	<u>-</u>	<u>4,937,538</u>
Unrestricted (deficit)	24,643,519	(5,850,378)	18,793,141
Total net position	<u>\$ 105,729,600</u>	<u>\$ 9,884,047</u>	<u>\$ 115,613,647</u>

See accompanying Notes to Basic Financial Statements.

City of Barstow
Statement of Activities
For the year ended June 30, 2013

Functions/Programs	Expenses	Program Revenues			Total
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Primary Government:					
Governmental activities:					
General government	\$ 3,318,398	\$ 158,935	\$ 81,573	\$ 14,960	\$ 255,468
Public safety	14,781,347	593,507	336,250	5,861	935,618
Recreation	1,980,078	306,538	-	90,906	397,444
Community development	2,646,525	484,706	15,206	321,103	821,015
Public works	5,928,990	-	3,405	2,864,855	2,868,260
Interest on long-term debt	132,321	-	-	-	-
Total governmental activities	28,787,659	1,543,686	436,434	3,297,685	5,277,805
Business-type activities:					
Wastewater	3,478,998	4,297,624	206,184	-	4,503,808
Solid waste disposal	4,095,682	3,785,422	-	-	3,785,422
Transit services	2,714,135	186,984	2,175,354	-	2,362,338
CNG/LNG fueling station	324,043	94,831	-	-	94,831
Total business-type activities	10,612,858	8,364,861	2,381,538	-	10,746,399
Total primary government	\$ 39,400,517	\$ 9,908,547	\$ 2,817,972	\$ 3,297,685	\$ 16,024,204

General Revenues:

Taxes:

- Property taxes
- Transient occupancy taxes
- Franchise taxes
- Business license taxes
- Other taxes
- Sales and use taxes

Total taxes

Use of money and property

Other revenue

Total general revenues and transfers

Change in net position

Net position - beginning of year (as restated)

Net position - end of year

Net (Expense) Revenue
and Changes in Net Position

Governmental Activities	Business-Type Activities	Total
\$ (3,062,930)	\$ -	\$ (3,062,930)
(13,845,729)	-	(13,845,729)
(1,582,634)	-	(1,582,634)
(1,825,510)	-	(1,825,510)
(3,060,730)	-	(3,060,730)
(132,321)	-	(132,321)
<u>(23,509,854)</u>	<u>-</u>	<u>(23,509,854)</u>
-	1,024,810	1,024,810
-	(310,260)	(310,260)
-	(351,797)	(351,797)
-	(229,212)	(229,212)
<u>-</u>	<u>133,541</u>	<u>133,541</u>
<u>(23,509,854)</u>	<u>133,541</u>	<u>(23,376,313)</u>
8,750,763	-	8,750,763
2,649,694	-	2,649,694
895,473	-	895,473
192,512	-	192,512
38,114	-	38,114
7,346,732	-	7,346,732
<u>19,873,288</u>	<u>-</u>	<u>19,873,288</u>
328,226	-	328,226
109,885	-	109,885
<u>20,311,399</u>	<u>-</u>	<u>20,311,399</u>
(3,198,455)	133,541	(3,064,914)
<u>108,928,055</u>	<u>9,750,506</u>	<u>118,678,561</u>
<u>\$ 105,729,600</u>	<u>\$ 9,884,047</u>	<u>\$ 115,613,647</u>

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FUND FINANCIAL STATEMENTS

Governmental Funds Financial Statements

Enterprise Funds Financial Statements

Fiduciary Funds Financial Statements

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GOVERNMENTAL FUND FINANCIAL STATEMENTS

General Fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.

The Measure I Special Revenue Fund is used to account for money generated by a one-half percent sales tax approved by the voters in 1989.

The Barstow Fire Protection District Special Revenue Fund accounts for operations of the Barstow Fire Protection District.

The City Capital Projects Fund accounts for transactions related to proceeds from bonds and other resources and their use to acquire and construct certain capital facilities.

Non-Major Governmental Funds is the aggregate of all the non-major governmental funds.

City of Barstow
Balance Sheet
Governmental Funds
June 30, 2013

	Major Funds		
	General Fund	Measure I Special Revenue Fund	Barstow Fire Protection District Special Revenue Fund
ASSETS			
Cash and investments	\$ 20,977,514	\$ 3,451,606	\$ 923,654
Cash and investments held by fiscal agents	-	10,027,012	-
Accounts receivable, net	321,745	351,576	14,568
Accrued interest	58,254	8,566	631
Taxes receivable	-	-	-
Due from other governmental agencies	1,941,469	-	-
Due from other funds	1,089,368	-	-
Advances to other funds	2,894,841	-	-
Due from Successor Agency Trust Fund	2,437,448	-	-
Deposits	379,885	-	-
Prepayments	21,413	-	466
Inventory	86,270	-	-
Real property held for resale	39,567	-	-
Total assets	\$ 30,247,774	\$ 13,838,760	\$ 939,319
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable and accrued liabilities	\$ 1,028,707	\$ 696,113	\$ 162,961
Deposits	98,141	-	-
Due to other funds	-	383,032	-
Unavailable and unearned revenue	270,520	-	-
Total liabilities	1,397,368	1,079,145	162,961
Fund Balances: (Note 13)			
Nonspendable	5,819,857	-	-
Restricted	-	12,759,615	776,358
Unassigned	23,030,549	-	-
Total fund balances	28,850,406	12,759,615	776,358
Total liabilities and fund balances	\$ 30,247,774	\$ 13,838,760	\$ 939,319

See accompanying Notes to Basic Financial Statements.

<u>Major Funds</u>		
<u>City Capital Projects Fund</u>	<u>Non-Major Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 1,175,731	\$ 383,323	\$ 26,911,828
-	-	10,027,012
-	383,133	1,071,022
2,595	899	70,945
-	48,884	48,884
-	-	1,941,469
-	-	1,089,368
-	-	2,894,841
-	1,413,231	3,850,679
-	-	379,885
-	4,199	26,078
-	-	86,270
-	-	39,567
<u>\$ 1,178,326</u>	<u>\$ 2,233,669</u>	<u>\$ 48,437,848</u>
\$ 106,649	\$ 865,492	\$ 2,859,922
-	-	98,141
-	420,580	803,612
-	520,217	790,737
<u>106,649</u>	<u>1,806,289</u>	<u>4,552,412</u>
-	-	5,819,857
1,071,677	675,545	15,283,195
-	(248,165)	22,782,384
<u>1,071,677</u>	<u>427,380</u>	<u>43,885,436</u>
<u>\$ 1,178,326</u>	<u>\$ 2,233,669</u>	<u>\$ 48,437,848</u>

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City of Barstow
Reconciliation of the Governmental Funds Balance Sheet
to the Government-Wide Statement of Net Position
June 30, 2013

Total Fund Balances - Total Governmental Funds \$ 43,885,436

Amounts reported for governmental activities in the Statement of Net Position were different because:

Costs related to the issuance of long-term debt were not current financial resources. Therefore, they were not reported in the Governmental Funds Balance Sheet. This amount is to be amortized over the life of the long-term debt. 269,883

Capital assets net of depreciation have not been included as financial resources in governmental fund activity. 80,131,041

Long-term debt and compensated absences have not been included in the governmental fund activity.

Compensated absences	(2,454,129)	
PARS supplemental retirement	(232,166)	
Certificates of Participation	(10,671,999)	
Capital leases	(3,337,511)	
Claims and judgments payable	<u>(2,355,205)</u>	(19,051,010)

Accrued interest payable for the current portion of interest due on debt service has not been reported in the governmental fund activity. (61,973)

Long-term receivables are not available to pay for current period expenditures and, therefore, are deferred on the modified accrual basis in governmental funds. 556,223

Net Position of Governmental Activities \$ 105,729,600

See accompanying Notes to Basic Financial Statements.

City of Barstow
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the year ended June 30, 2013

	Major Funds		
	General Fund	Measure I Special Revenue Fund	Barstow Fire Protection District Special Revenue Fund
REVENUES:			
Property taxes	\$ 4,374,582	\$ -	\$ 4,376,181
Sales and use taxes	7,346,732	-	-
Transient occupancy tax	2,649,694	-	-
Franchise taxes	895,473	-	-
Business license taxes	192,512	-	-
Other taxes	38,114	-	-
Licenses and permits	181,832	-	23,149
Fines and penalties	104,690	-	-
From other agencies	391,893	2,055,951	181,116
Charges for current services	1,099,480	-	-
Other	41,971	-	29,414
Use of money and property	220,391	67,365	20,306
Total revenues	17,537,364	2,123,316	4,630,166
EXPENDITURES:			
Current:			
General government	2,793,073	-	-
Public safety	9,080,095	47,742	4,299,883
Recreation	1,520,643	-	-
Community development	1,596,645	-	-
Public works	3,015,617	-	-
Capital outlay	437,382	-	789,308
Debt service:			
Interest and fiscal charges	4,502	172,102	-
Cost of issuance	-	269,883	-
Total expenditures	18,447,957	489,727	5,089,191
REVENUES OVER (UNDER) EXPENDITURES	(910,593)	1,633,589	(459,025)
OTHER FINANCING SOURCES (USES):			
Transfers in	-	-	-
Transfers out	(1,938,728)	(3,233,879)	-
Proceeds from issuance of debt	-	9,770,000	-
Issuance premium	-	901,999	-
Capital lease financing	208,429	-	443,119
Proceeds from sale of assets	16,440	-	6,856
Total other financing sources (uses)	(1,713,859)	7,438,120	449,975
Net change in fund balances	(2,624,452)	9,071,709	(9,050)
FUND BALANCES:			
Beginning of year	31,474,858	3,687,906	785,408
End of year	\$ 28,850,406	\$ 12,759,615	\$ 776,358

See accompanying Notes to Basic Financial Statements.

Major Funds		
City Capital Projects Fund	Non-Major Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ 8,750,763
-	-	7,346,732
-	-	2,649,694
-	-	895,473
-	-	192,512
-	-	38,114
-	-	204,981
-	-	104,690
274,514	1,003,680	3,907,154
-	-	1,099,480
-	-	71,385
-	20,164	328,226
<u>274,514</u>	<u>1,023,844</u>	<u>25,589,204</u>
-	5,168	2,798,241
-	-	13,427,720
-	-	1,520,643
-	955,710	2,552,355
-	465,779	3,481,396
5,695,881	310,823	7,233,394
-	903	177,507
-	-	269,883
<u>5,695,881</u>	<u>1,738,383</u>	<u>31,461,139</u>
<u>(5,421,367)</u>	<u>(714,539)</u>	<u>(5,871,935)</u>
5,596,067	-	5,596,067
-	(423,460)	(5,596,067)
-	-	9,770,000
-	-	901,999
-	-	651,548
-	-	23,296
<u>5,596,067</u>	<u>(423,460)</u>	<u>11,346,843</u>
174,700	(1,137,999)	5,474,908
896,977	1,565,379	38,410,528
<u>\$ 1,071,677</u>	<u>\$ 427,380</u>	<u>\$ 43,885,436</u>

City of Barstow

Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Government-Wide Statement of Activities For the year ended June 30, 2013

Net Change in Fund Balances - Total Governmental Funds \$ 5,474,908

Amounts reported for governmental activities in the statement of activities differ from the amounts reported in the statement of revenues, and changes in fund balances because:

Governmental funds reported capital outlay as expenditures. However, in the Government-Wide Statement of Activities, the cost of those assets was allocated over their estimated useful lives as depreciation expense. This was the amount of capital assets recorded in the current period. 7,031,071

Depreciation expense on capital assets was reported in the Government-Wide Statement of Activities, but they did not require the use of current financial resources. Therefore, depreciation expense was not reported as expenditures in the governmental funds. (3,687,394)

In the statement of activities, only the gain or (loss) on the sale of capital assets is reported, whereas in the governmental funds proceeds from sales increases financial resources:

Proceeds from sale of assets are not recorded on the Statement of Activities (23,296)

Loss on disposal of capital assets are not recorded on the Government Funds Statement of Revenues, Expenditures, and Changes in Fund Balance (82,260)

Accrued interest payable applicable to the City's governmental activities is not due and payable in the current period and accordingly is not reported as fund liabilities. The statement of net position includes accrued interest. This amount represents the change in accrued interest. 45,186

Some revenues reported in the statement of activities do not represent current financial resources and therefore are not reported as revenue in the governmental funds. This amount represents the change in deferred revenues. 253,865

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. This amount is the net effect of these differences in the treatment of long-term debt related items:

Issuance of long term debt	(10,671,999)	
Costs related to issuance of debt	269,883	
Increase in capital lease obligations	(651,548)	
Payments on capital lease obligations	511,187	
Net increase in claims and judgments	(926,246)	
PARS supplemental retirement liability	(232,166)	
Net increase in compensated absences	(509,646)	(12,210,535)

Change in Net Position of Governmental Activities \$ (3,198,455)

ENTERPRISE FUND FINANCIAL STATEMENTS

The Wastewater Reclamation Fund accounts for the operation of the wastewater system. The City operates the wastewater system pursuant to a separate management agreement with Aquarion Operating Services

The Solid Waste Disposal Fund is used to account for the operation of the Solid Waste (trash) utility, a self-supporting activity which renders services on a user charge basis to residents and businesses located in the Barstow area.

The Transit Services Fund accounts for the operations of the City's transportation system for a fixed route and demand response service (Barstow Area Transit and Dial-A-Ride), which, along with fare box revenues, receives grants from the Transportation Development Act (TDA).

The CNG/LNG Fund accounts for the operations of the City's CNG/LNG fueling station.

City of Barstow
Statement of Net Position
Enterprise Funds
June 30, 2013

	Wastewater Reclamation	Solid Waste Disposal	Transit Services
ASSETS			
Current assets:			
Cash and investments	\$ 2,138,652	\$ 1,488,293	\$ 2,835
Accounts receivable, net	757,617	573,399	398,454
Accrued interest	7,432	4,259	-
Prepays	8,690	3,755	-
Total current assets	<u>2,912,391</u>	<u>2,069,706</u>	<u>401,289</u>
Noncurrent assets:			
Capital assets:			
Not being depreciated	3,544,747	-	-
Being depreciated, net	13,128,865	112,657	488,320
Total capital assets	<u>16,673,612</u>	<u>112,657</u>	<u>488,320</u>
Total noncurrent assets	<u>16,673,612</u>	<u>112,657</u>	<u>488,320</u>
Total assets	<u>19,586,003</u>	<u>2,182,363</u>	<u>889,609</u>
LIABILITIES			
Current liabilities:			
Accounts payable and accrued liabilities	667,399	210,787	183,767
Unearned revenue	-	-	13,581
Due to other funds	-	-	285,756
Interest payable	17,639	-	-
Pollution remediation liability - due within one year	2,500,000	-	-
Compensated absences payable - due within one year	21,840	8,108	2,206
Capital lease payable - due within one year	211,172	-	-
Long-term debt - due within one year	280,000	-	-
Total current liabilities	<u>3,698,050</u>	<u>218,895</u>	<u>485,310</u>
Noncurrent liabilities:			
Advances from other funds	1,701,752	-	-
Pollution remediation liability	4,374,532	-	-
Compensated absences payable	32,759	12,163	3,308
Capital lease payable	1,757,803	-	-
Long-term debt	1,486,808	-	-
Total noncurrent liabilities	<u>9,353,654</u>	<u>12,163</u>	<u>3,308</u>
Total liabilities	<u>13,051,704</u>	<u>231,058</u>	<u>488,618</u>
NET POSITION			
Net investment in capital assets	12,937,829	112,657	488,320
Unrestricted (deficit)	(6,403,530)	1,838,648	(87,329)
Total net position	<u>\$ 6,534,299</u>	<u>\$ 1,951,305</u>	<u>\$ 400,991</u>

See accompanying Notes to Basic Financial Statements.

<u>Nonmajor</u>	
<u>CNG/LNG</u>	
<u>Fueling Station</u>	<u>Total</u>
\$ 12,130	\$ 3,641,910
-	1,729,470
-	11,691
-	12,445
<u>12,130</u>	<u>5,395,516</u>
76,150	3,620,897
<u>2,119,469</u>	<u>15,849,311</u>
<u>2,195,619</u>	<u>19,470,208</u>
<u>2,195,619</u>	<u>19,470,208</u>
<u>2,207,749</u>	<u>24,865,724</u>
17,208	1,079,161
-	13,581
-	285,756
-	17,639
-	2,500,000
-	32,154
-	211,172
-	280,000
<u>17,208</u>	<u>4,419,463</u>
1,193,089	2,894,841
-	4,374,532
-	48,230
-	1,757,803
-	1,486,808
<u>1,193,089</u>	<u>10,562,214</u>
<u>1,210,297</u>	<u>14,981,677</u>
2,195,619	15,734,425
<u>(1,198,167)</u>	<u>(5,850,378)</u>
<u>\$ 997,452</u>	<u>\$ 9,884,047</u>

City of Barstow
Statement of Revenues, Expenses and Changes in Net Position
Enterprise Funds
For the year ended June 30, 2013

	Wastewater Reclamation	Solid Waste Disposal	Transit Services
OPERATING REVENUES:			
Services charges	\$ 4,296,370	\$ 3,785,422	\$ 178,593
Total operating revenues	4,297,624	3,785,422	178,593
OPERATING EXPENSES:			
General administration	904,914	437,341	115,745
Cost of services	1,571,081	3,645,802	2,223,907
Insurance expenses and claims	34,847	-	6,651
Depreciation	753,410	7,210	351,798
Total operating expenses	3,264,252	4,090,353	2,698,101
OPERATING INCOME	1,033,372	(304,931)	(2,519,508)
NONOPERATING REVENUES (EXPENSES):			
Interest income	-	-	8,391
Interest expense	(214,746)	(5,329)	(16,034)
Grants and contributions	206,184	-	2,175,354
Total nonoperating revenues (expenses)	(8,562)	(5,329)	2,167,711
Change in net position	1,024,810	(310,260)	(351,797)
NET POSITION:			
Beginning of year	5,509,489	2,261,565	752,788
End of year	\$ 6,534,299	\$ 1,951,305	\$ 400,991

See accompanying Notes to Basic Financial Statements.

<u>Nonmajor CNG/LNG Fueling Station</u>	<u>Total</u>
\$ 70,869	\$ 8,331,254
<u>70,869</u>	<u>8,332,508</u>
3,781	1,461,781
171,407	7,612,197
15,698	57,196
<u>113,195</u>	<u>1,225,613</u>
<u>304,081</u>	<u>10,356,787</u>
<u>(233,212)</u>	<u>(2,024,279)</u>
23,962	32,353
(19,962)	(256,071)
<u>-</u>	<u>2,381,538</u>
<u>4,000</u>	<u>2,157,820</u>
(229,212)	133,541
<u>1,226,664</u>	<u>9,750,506</u>
<u>\$ 997,452</u>	<u>\$ 9,884,047</u>

City of Barstow
Statement of Cash Flows
Enterprise Funds
For the year ended June 30, 2013

	Wastewater Reclamation	Solid Waste Disposal	Transit Services
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash received from customers	\$ 4,135,332	\$ 3,801,975	\$ 489,360
Cash payments to suppliers of goods and services	(1,791,654)	(3,653,683)	(2,341,266)
Cash payments to employees for services	(707,615)	(429,908)	(113,078)
Net cash (used) in operating activities	1,636,063	(281,616)	(1,964,984)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Operating grants and contributions	206,184	-	2,175,354
Interfund borrowings	-	-	-
Payments on interfund borrowing	(177,024)	-	(198,913)
Net cash provided (used) in noncapital financing activities	29,160	-	1,976,441
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Principal payments on long-term debt and capital lease	(503,903)	-	-
Interest paid on long-term debt and capital lease	(203,400)	(5,327)	(17,013)
Acquisition of capital assets	(1,893,956)	(45,543)	-
Net cash (used) by capital and related financing activities	(2,601,259)	(50,870)	(17,013)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest on investments	4,501	3,668	8,391
Net cash provided by investing activities	4,501	3,668	8,391
NET (DECREASE) IN CASH AND CASH EQUIVALENTS	(931,535)	(328,818)	2,835
CASH AND CASH EQUIVALENTS - Beginning of year	3,070,187	1,817,111	-
CASH AND CASH EQUIVALENTS - End of year	\$ 2,138,652	\$ 1,488,293	\$ 2,835
FINANCIAL STATEMENT PRESENTATION:			
Cash and investments	\$ 2,138,652	\$ 1,488,293	\$ 2,835
Restricted cash and investments with fiscal agents	-	-	-
Total	\$ 2,138,652	\$ 1,488,293	\$ 2,835
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:			
Operating income (loss)	\$ 1,033,372	\$ (304,931)	\$ (2,519,508)
Adjustments to reconcile operating loss to net cash provided (used) by operating activities:			
Depreciation	753,410	7,210	351,798
Changes in assets and liabilities:			
Accounts receivable	(162,292)	6,247	348,059
Prepays	(8,690)	(3,755)	-
Deposits	-	10,306	-
Accounts payable and accrued liabilities	364,068	(4,393)	(105,549)
Unearned revenues	-	-	(37,292)
Pollution remediation liability	(382,235)	-	-
Compensated absences payable	38,430	7,700	(2,492)
Total adjustments	602,691	23,315	554,524
Net cash provided (used) in operating activities	\$ 1,636,063	\$ (281,616)	\$ (1,964,984)
Noncash items:			
Capital assets acquired through lease financing	\$ 60,306	\$ -	\$ -

See accompanying Notes to Basic Financial Statements.

Nonmajor CNG/LNG	
Fueling Station	Total
\$ 70,869	\$ 8,497,536
(186,101)	(7,972,704)
-	(1,250,601)
<u>(115,232)</u>	<u>(725,769)</u>

-	2,381,538
127,187	127,187
(23,787)	(399,724)
<u>103,400</u>	<u>2,109,001</u>

-	(503,903)
-	(225,740)
-	(1,939,499)
<u>-</u>	<u>(2,669,142)</u>

23,962	40,522
<u>23,962</u>	<u>40,522</u>

12,130	(1,245,388)
-	4,887,298
<u>\$ 12,130</u>	<u>\$ 3,641,910</u>

\$ 12,130	\$ 3,641,910
-	-
<u>\$ 12,130</u>	<u>\$ 3,641,910</u>

\$ (233,212)	\$ (2,024,279)
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113,195	1,225,613
-	192,014
-	(12,445)
-	10,306
4,785	258,911
-	(37,292)
-	(382,235)
-	43,638
<u>117,980</u>	<u>1,298,510</u>
<u>\$ (115,232)</u>	<u>\$ (725,769)</u>

<u>\$ -</u>	<u>\$ 60,306</u>
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FIDUCIARY FUND FINANCIAL STATEMENTS

City of Barstow
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2012

	Agency Funds	Private Purpose Trust Fund Successor Agency Trust Fund
ASSETS		
Current assets:		
Cash and investments	\$ 180,715	\$ 1,920,854
Taxes and liens receivable	60,631	120,000
Interest receivable	416	10,454
Due from City of Barstow	-	45,461
Total current assets	<u>241,762</u>	<u>2,096,769</u>
Noncurrent assets:		
Property held for resale	-	4,393,652
Total assets	<u>241,762</u>	<u>6,490,421</u>
LIABILITIES		
Liabilities:		
Current liabilities:		
Accounts payable	22,564	5,883
Interest payable	-	100,376
Deposits	99,559	-
Due to bondholders	97,043	-
Payable to City of Barstow	-	3,850,679
Due to other agencies	22,596	-
Bonds Payable - due within one year	-	560,000
Total current liabilities	<u>241,762</u>	<u>4,516,938</u>
Noncurrent liabilities:		
Bonds Payable - due in more than one year	-	6,240,000
Total liabilities	<u>\$ 241,762</u>	<u>10,756,938</u>
NET POSITION:		
Held in trust for dissolution of RDA		<u>(4,266,517)</u>
Total net position		<u>\$ (4,266,517)</u>

See accompanying Notes to Basic Financial Statements.

City of Barstow
Statement of Changes in Fiduciary Net Position
Fiduciary Funds - Private Purpose Trust Funds
For the year ended June 30, 2013

	Successor Agency Trust Fund
ADDITIONS:	
From other agencies	\$ 1,878,687
Transfer from City of Barstow	801,927
Total additions	<u>2,680,614</u>
DEDUCTIONS:	
Administration	4,954,576
Interest expense	501,546
Transfer to City of Barstow	250,000
Total Deductions	<u>5,706,122</u>
Change in net position	(3,025,508)
NET POSITION:	
Beginning of year	<u>(1,241,009)</u>
End of year	<u>\$ (4,266,517)</u>

See accompanying Notes to Basic Financial Statements.

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NOTES TO BASIC FINANCIAL STATEMENTS

City of Barstow
Notes to Basic Financial Statements
For the year ended June 30, 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of the City of Barstow California (City) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental agencies. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the City's accounting policies are described below.

A. Financial Reporting Entity

The City of Barstow (City) was incorporated on September 30, 1947, under the general laws of the State of California. The City operates under a council-manager form of government and provides the following services: park and recreation, public safety (police), highways and streets, public improvements, planning and zoning, and general administrative services.

The accompanying financial statements include the financial activities of the City, and its component units, the Barstow Redevelopment Agency, the Barstow Public Financing Authority, the Barstow Public Facilities Corporation, the Odessa Water District, the Barstow Harvey House Foundation and the Barstow Fire Protection District. Financial information for the City and these components are accounted for in the accompanying financial statements in accordance with principles defining the governmental reporting entity adopted by the Governmental Accounting Standards Board. The City Council serves as the governing board of these component units and, as such, these entities are presented on a blended basis:

The Barstow Public Financing Authority (the Authority) was established on April 1, 1994, pursuant to California Code Section 6500. The Authority was established to provide a financing mechanism for the City's and Redevelopment Agency's various public projects. With the dissolution of all Redevelopment Agencies in the State of California effective February 1, 2012, the Barstow Public Financing Authority was legally dissolved.

The Barstow Public Facilities Corporation (the Facilities Corporation) was established on September 21, 1989, to render financial assistance to the City by financing, refinancing, acquiring, constructing, improving, leasing, selling or otherwise conveying property of any kind to the City. The City Council acts as the Corporation's governing board and exerts significant influence over its operations. The City is responsible for the Facilities Corporation's obligations. Separate financial statements are not produced for the Facilities Corporation.

The Odessa Water District (Odessa) was established on July 5, 1993, pursuant to legislation approved by the State in 1991 to provide water resources to the City. The City Council acts as the District's governing board and exerts significant influence over its operations. The City is responsible for Odessa's obligations. Separate financial statements are not produced for Odessa.

City of Barstow
Notes to Basic Financial Statements
For the year ended June 30, 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

A. Financial Reporting Entity, Continued

The Barstow Harvey House Foundation (the Foundation) is a nonprofit public benefit corporation established on January 16, 1992 to promote development of the Harvey House historic site, to improve, renovate, and maintain the historic significance of the site. The City Council acts as the Foundation's governing board and exerts significant influence over its operations. The City is responsible for the Foundation's obligations. Separate financial statements are not produced for the Foundation.

The Barstow Fire Protection District (the District) became a component unit of the City on November 17, 2010. Previously the District was an independent district. The District will continue to be operated according to the applicable state fire protection district laws and the property taxes collected within the district will be used exclusively for the administration and operational costs of the district. The City is responsible for the District's obligations. The City Council acts as the District's governing board and exerts significant influence over its operations. Separate financial statements are produced for the District and may be obtained from the City's Finance Administration Office.

B. Basis of Accounting and Measurement Focus

The accounts of the City are organized on the basis of funds, each of which is considered a separate entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures or expenses, as appropriate. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

Government-Wide Financial Statements

The City's government-wide financial statements include a statement of net position and a statement of activities. These statements present summaries of governmental and business-type activities for the City accompanied by a total column. Fiduciary activities of the City are not included in these statements.

These statements are presented on an economic resources measurement focus and the accrual basis of accounting. Accordingly, all of the City's assets and liabilities, including capital assets, as well as infrastructure assets and long-term liabilities, are included in the accompanying statement of net position. The statement of activities presents changes in net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses recognized in the period in which the liability is incurred. Grant revenues are recognized when all eligibility requirements imposed by the provider have been met. The types of transactions reported as program revenues for the City are reported in three categories: 1) charges for services, 2) operating grants and contributions, and 3) capital grants and contributions.

City of Barstow
Notes to Basic Financial Statements
For the year ended June 30, 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

B. Basis of Accounting and Measurement Focus, Continued

Certain eliminations have been made as prescribed by Governmental Accounting Standards Board (GASB) Statement No. 34 in regards to interfund activities, payables and receivables. All internal balances in the statement of net position have been eliminated except those representing balances between the governmental activities and the business-type activities.

Governmental Fund Financial Statements

Governmental funds financial statements include a balance sheet and a statement of revenues, expenditures and changes in fund balances for all major governmental funds and nonmajor funds aggregated. An accompanying schedule is presented to reconcile and explain the differences in fund balances as presented in these statements to the net position presented in the government-wide financial statements.

The City of Barstow reports the following major governmental funds:

- The General fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.
- The Measure I fund is used to account for money generated by a one-half percent sales tax approved by the voters in 1989 and debt proceeds and related expenditures of the California Communities Local Measure I Sales Tax Revenue Certificates of Participation, Series 2012.
- The Barstow Fire Protection District Special Revenue fund accounts for operations of the Barstow Fire Protection District which was annexed to the City effective November 17, 2010.
- The City Capital Projects fund accounts for transactions related to proceeds from bonds and other resources and their use to acquire and construct certain capital facilities.

City of Barstow
Notes to Basic Financial Statements
For the year ended June 30, 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

B. Basis of Accounting and Measurement Focus, Continued

All governmental funds are accounted for on a spending or current financial resources measurement focus and the modified accrual basis of accounting. Accordingly, only current assets and current liabilities are included on the balance sheets. The statement of revenues, expenditures and changes in fund balances presents increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in fund balance. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. Accordingly, revenues are recorded when received in cash, except that revenues subject to accrual (generally received within 60 days after year-end). The primary revenue sources, which have been treated as susceptible to accrual by the City, are property tax, sales tax, intergovernmental revenues and other taxes. Expenditures are recorded in the accounting period in which the related fund liability is incurred.

Enterprise Fund Financial Statements

Enterprise fund financial statements include a statement of net position, a statement of revenues, expenses and changes in fund net position, and a statement of cash flows for each major enterprise fund and nonmajor funds aggregated.

The City of Barstow reports the following major enterprise funds:

- The Wastewater Reclamation Fund accounts for the operation of the wastewater system. The City and its employees operate the wastewater system and plant.
- The Solid Waste Disposal Fund is used to account for the operation of the Solid Waste (trash) utility, a self-supporting activity which renders services on a user charge basis to residents and businesses located in the Barstow area.
- The Transit Services Fund accounts for the operations of the City's transportation system for a fixed route and demand response service (Barstow Area Transit and Dial-A-Ride), which, along with fare box revenues, receives grants from the Transportation Development Act (TDA).

Enterprise funds are accounted for using the economic resources measurement focus and the accrual basis of accounting. Accordingly, all assets and liabilities (whether current or non-current) are included on the statement of net position. The statement of revenues, expenses and changes in fund net position present increases (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred.

Operating revenues in the proprietary funds are those revenues that are generated from the primary operations of the fund. All other revenues are reported as nonoperating revenues. Operating expenses are those expenses that are essential to the primary operations of the fund. All other expenses are reported as nonoperating expenses.

City of Barstow
Notes to Basic Financial Statements
For the year ended June 30, 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

B. Basis of Accounting and Measurement Focus, Continued

Fiduciary Fund Financial Statements

Fiduciary fund financial statements include a statement of fiduciary assets and liabilities, and a statement of changes in fiduciary net position. The City's fiduciary funds represent agency funds and a private-purpose trust fund. Agency funds are custodial in nature (statement of fiduciary assets and liabilities) and do not involve measurement of results of operations. Private-purpose trust funds account for resources of all other trust arrangements in which principal and income benefit individuals, private organizations, or other governments (i.e. unclaimed property/escheat property). Fiduciary funds are accounted for on the accrual basis of accounting.

The City reports the following fiduciary funds:

- *Agency Funds* - account for receipt of special taxes and assessments used to pay principal and interest on related bonds with no direct City liability.
- *Successor Agency Private Purpose Trust Fund* - accounts for assets and liabilities transferred from the City to the Successor Agency Trust Fund.

C. Cash and Investments

The City pools idle cash from all funds for the purpose of increasing income through investment activities. In compliance with Governmental Accounting Standards Board Statement No. 31, the City's investments are stated at fair value. Market value is used for those securities for which market quotations are readily available. For securities that lack readily available market quotations, reasonable estimates of fair value are used based on the market value of similar investments. The City generally holds all investments until maturity or until market values equal or exceed cost. Therefore, the fair value of securities in the investment pool does not necessarily reflect realized gains or losses but rather the fair value of those investments as of June 30, 2013.

D. Cash and Cash Equivalents

For purposes of the statement of cash flows, the City considered all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. All pooled cash and investments of the enterprise funds are considered cash equivalents.

E. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

City of Barstow
Notes to Basic Financial Statements
For the year ended June 30, 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

F. Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds."

Advances to other funds, as reported in the fund financial statements, are offset by a nonspendable fund balance.

Governmental fund and enterprise fund receivables are shown net of an allowance for uncollectible amounts. Utility customers are billed bi-monthly on an alternating basis.

Property taxes are assessed, collected and allocated by San Bernardino County throughout the fiscal year according to the following property tax calendar:

Lien Date	January 1
Levy Date	July 1 to June 30
Due Dates	November 1, 1st Installment February 1, 2nd Installment
Delinquent Dates	December 11, 1st Installment April 11, 2nd Installment

City property tax revenues are recognized when levied to the extent that they result in current receivables. The City elected to participate in the County of San Bernardino Teeter Plan guaranteed payment as of June 30, 1993.

The County of San Bernardino collects an administration fee from the City for its services. The City receives a percentage of the basic 1% ad valorem tax rate allowed on property within the City of Barstow. Property tax rates for the City's general obligation debt are set by the City Council based on assessed valuations and debt service requirements. The assessed valuation is at "full cash value."

G. Inventories and Prepayments

Inventory is valued at cost using the first in, first out method. The cost is recorded as an expense/expenditure as inventory items are consumed. Certain types of goods and services such as payments to vendors and pension costs are paid in advance and reflect costs applicable to future accounting periods and are recorded as prepaid items.

City of Barstow
Notes to Basic Financial Statements
For the year ended June 30, 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

H. Use of Restricted/Unrestricted Net Position

When an expense is incurred for purposes for which both restricted and unrestricted net position are available, the City's policy is to apply restricted net position first.

I. Capital Assets

The City's buildings, machinery, equipment, infrastructure and intangible assets with useful lives of more than one year are stated at historical cost or estimated historical cost and reported in the government-wide financial statements. Enterprise capital assets are also reported in their respective fund financial statements. Donated assets are stated at fair value on the date donated. The City generally capitalizes assets with a cost of \$5,000 or more as purchased and construction outlays occur. The costs of normal maintenance and repairs that do not add to the asset value or materially extend useful lives are not capitalized. Capital assets are depreciated using the straight-line method. When capital assets are disposed, the cost and applicable accumulated depreciation are removed from the respective accounts, and the resulting gain or loss is recorded in operations. Amortization of assets acquired under capital leases is based on the shorter of the lease term or the estimated useful life of the asset and is included in depreciation and amortization. Water rights, which are intangible assets are not amortized. Estimated useful lives, in years, for depreciable assets are as follows:

Buildings	50 years
Infrastructure and improvements other than buildings	10-100 years
Machinery and equipment	3-15 years

J. Compensated Absence Payable

Under certain circumstances and according to negotiated labor agreements, employees of the City are allowed to accumulate vacation leave and compensation time. This amount is included as a liability in the government-wide and enterprise fund financial statements.

K. Long-Term Obligations

In the government-wide financial statements and enterprise fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or enterprise fund type statement of net position.

City of Barstow
Notes to Basic Financial Statements
For the year ended June 30, 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

L. Net Position and Fund Equity

In the government-wide financial statements, net position is classified in the following categories:

Net Investment in Capital Assets: This category groups all capital assets into one component of net position. Accumulated depreciation on these assets and the outstanding principal of related debt reduce this category.

Restricted Net Position: This category represents external restrictions imposed by creditors, grantors, contributors, or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.

Unrestricted Net Position: This category represents the net position of the City that are not externally restricted for any project or other purpose.

In the fund financial statements, governmental funds are classified in the following categories:

Nonspendable Fund Balance - includes amounts that are (a) not in spendable form, or (b) legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash, for example: inventories, prepaid amounts, and long-term notes receivable.

Restricted Fund Balance - includes amounts that are restricted for specific purposes stipulated by external resources providers, constitutionally or through enabling legislation. Restrictions may effectively be changed or lifted only with the consent of resource providers.

Committed Fund Balance - includes amounts that can only be used for the specific purposes approved by Council. Commitments may be changed or lifted only by the City taking the same formal action that imposed the constraint originally (for example: resolution and ordinance). The City at June 30, 2013 does not have any committed fund balances.

Assigned Fund Balance - includes amounts intended to be used by the City for specific purposes that are neither restricted nor committed. Intent is expressed by (a) City Council or (b) a body (a budget, finance committee, or management (City Wide Leadership team, which consists of City Manager and Executive Department Heads)) to which the assigned amounts are to be used for specific purposes. Assigned amounts also include all residual amounts in governmental funds (except negative amounts) other than the General Fund, that are not classified as nonspendable, restricted, or committed. The City at June 30, 2013 does not have any assigned fund balances.

Unassigned Fund Balance - the residual classification for the General Fund and includes all not contained in the other classifications. Governmental funds report residual negative balances as unassigned fund balance.

In circumstances when an expenditure is made for a purpose for which amounts are available in multiple fund balance classifications, fund balance is depleted in the order of restricted, committed, assigned, and unassigned.

City of Barstow
Notes to Basic Financial Statements
For the year ended June 30, 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

M. Landfills

The County of San Bernardino owns and operates a separate landfill located within the City's limits. The City, however, is not responsible for any of the operating, closure or post-closure costs associated with this landfill. Accordingly, no accrual for these costs is reflected in the City's financial statements.

N. New Pronouncements

In 2013, the City adopted new accounting standards in order to conform to the following Governmental Accounting Standards Board Statements:

- GASB Statement No. 60, *Accounting and Financial Reporting for Service Concession Arrangements* – The objective of this statement is to improve financial reporting by addressing issues related to service concession arrangements, which are a type of public-private or public-public partnership. There was no effect on net position by the City implementing this new accounting standard.
- GASB Statement No. 61, *The Financial Reporting Entity: Omnibus* – The requirements of this statement result in financial statements being more relevant by improving guidance for including, presenting, and disclosing information about component units and equity interest transactions of a financial reporting entity. There was no effect on net position by the City implementing this new accounting standard.
- GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements* – The requirements of this statement improve financial reporting by contributing to the Governmental Accounting Standards Board's (GASB) efforts to codify all sources of generally accepted accounting principles for state and local governments so that they derive from a single source. There was no effect on net position by the City implementing this new accounting standard.
- GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* – The objective of this statement is to provide guidance for reporting deferred outflows of resources, deferred inflows of resources, and net position in a statement of financial position and related disclosure.

City of Barstow
Notes to Basic Financial Statements
For the year ended June 30, 2013

2. CASH AND INVESTMENTS

Cash and investments are reported in the accompanying financial statements as follows:

	<u>Government-Wide Statement of Net Assets</u>			
	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Fiduciary Funds</u>	<u>Total</u>
Cash and investments	\$ 26,911,828	\$ 3,641,910	\$ 2,101,569	\$ 32,655,307
Restricted cash and investments	10,027,012	-	-	10,027,012
Total cash and investments	\$ 36,938,840	\$ 3,641,910	\$ 2,101,569	\$ 42,682,319

Cash and investments as of June 30, 2013 consist of the following:

Deposits:	
Cash on hand	\$ 1,640
Deposits with financial institution	<u>649,281</u>
Total deposits	<u>650,921</u>
Investments:	
Local Agency Investment funds	3,200,875
Investments	<u>28,803,511</u>
Total investments	<u>32,004,386</u>
Total City Treasury	<u>32,655,307</u>
Restricted cash and investments	
Cash with fiscal agent	<u>10,027,012</u>
Total restricted cash and investments	<u>10,027,012</u>
Total cash and investments	\$ <u>42,682,319</u>

City of Barstow
Notes to Basic Financial Statements
For the year ended June 30, 2013

2. CASH AND INVESTMENTS, Continued

The City follows the practice of pooling cash and investments of all funds, except for funds required to be held by fiscal agents under provisions of bond indentures. Interest income earned on pooled cash and investments is allocated to the various funds based on the period-end cash and investment balances. Interest income from cash and investments with fiscal agents is credited directly to the related fund. The carrying amount of the City's cash deposit was \$649,281 at June 30, 2013. Bank balances before reconciling items were \$1,784,305, the total amount of which was insured and/or collateralized with securities held by pledging financial institutions in the City's name as discussed on page 63.

A. Investments Authorized by the California Government Code and the City of Barstow Adopted Investment Policy

The table below identifies the investment types that are authorized for the City of Barstow by the California Government Code and by the City's adopted investment policy. The table also identifies certain provisions of the California Government Code or the City's adopted 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 or its authorities, rather than the general provisions of the California Government Code or the City's adopted investment policy.

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
U.S. Treasury Bills, Notes, or Bonds	5 years	None	None
U.S. Agencies	5 years	None	None
Time Certificates of Deposit	5 years	None	50%
Negotiable Certificates of Deposit	N/A	30%	50%
Bankers' Acceptance	180 days	40%	30%
Prime Commercial Paper	270 days	25%	50%
Repurchase Agreements	1 year	None	50%
Mutual Funds investing in eligible securities	N/A	20%	10%
Medium Term Notes	5 years	30%	50%
County Pooled Funds	N/A	None	None
Local Agency Investment Fund (LAIF)	N/A	100%	\$50 million*

*Limit set by LAIF Governing Board, not Government Code

City of Barstow
Notes to Basic Financial Statements
For the year ended June 30, 2013

2. CASH AND INVESTMENTS, Continued

B. Investments Authorized by Debt Agreements

Investment of debt proceeds held by bond trustee is governed by provisions of the debt agreements rather than the general provisions of the California Government Code or the City's investment policy.

C. Disclosures Related 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 to market interest rate fluctuations is provided in the following table that shows the distribution of the City's investments by maturity:

Investment Type	Fair Value	Investment Maturities (in years)				
		1 year or Less	2 years	3 years	4 years	5 years
Securities of U.S. Government						
Treasury and Agencies:						
Federal Farm Credit Bank Bonds (FFCB)	\$ 7,842,870	\$ -	\$ -	\$ -	\$ 996,710	\$ 6,846,160
Federal Home Loan Bank Bonds (FHLB)	9,333,600	-	1,028,621	-	1,441,669	6,863,310
Federal Home Loan Bank Step up (FHLBSU)	977,080	-	-	-	-	977,080
Federal Home Loan Mortg. Corp. Notes (FHLMC)	1,949,520	-	-	-	-	1,949,520
Federal National Mortg. Assn. Notes (FNMA)	4,160,800	-	-	-	2,202,200	1,958,600
Medium Term Notes						
Bank Baroda NY	248,313	248,313				
Fifth Third Bank	248,783	248,783				
GE Capital Corporate	2,031,430	-	-	1,042,170	989,260	-
JP Morgan Chase & Co	1,021,110	-	-	1,021,110	-	-
BMW Bk North America Utah	247,500	-	-	247,500	-	-
First Bank P R Santurce	247,498	-	-	247,498	-	-
GE Cap Bank Inc	247,568	-	-	247,568	-	-
Discover Bank	247,440	-	-	247,440	-	-
Local Agency Investment Funds	3,200,874	3,200,874	-	-	-	-
Total	\$ 32,004,386	\$ 3,697,970	\$ 1,028,621	\$ 3,053,286	\$ 5,629,839	\$ 18,594,670

City of Barstow
Notes to Basic Financial Statements
For the year ended June 30, 2013

2. CASH AND INVESTMENTS, Continued

D. Disclosures Related 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 the California Government Code or the City's investment policy, and the actual rating as of year end for each investment type.

Investment Type	Fair Value	Minimum Rating	Rating as of Year End							
			Aaa	A1	A2	A3	Baa3	B2	Not Rated	
Securities of U.S. Government										
Treasury and Agencies:										
Federal Farm Credit Bank Bonds (FFCB)	\$ 7,842,870	N/A	\$ 7,842,870	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
Federal Home Loan Bank Bonds (FHLB)	9,333,599	N/A	9,333,599	-	-	-	-	-	-	-
Federal Home Loan Bank Step up (FHLBSU)	977,080	N/A	977,080	-	-	-	-	-	-	-
Federal Home Loan Mortg. Corp. Notes (FHLMC)	1,949,520	N/A	1,949,520	-	-	-	-	-	-	-
Federal National Mortg. Assn. Notes (FNMA)	4,160,800	N/A	4,160,800	-	-	-	-	-	-	-
Medium Term Notes										
Bank Baroda NY	248,313	A	-	-	-	-	248,313	-	-	-
Fifth Third Bank	248,783	A	-	-	-	248,783	-	-	-	-
GE Capital Corporate	2,031,430	A	-	2,031,430	-	-	-	-	-	-
JP Morgan Chase & Co	1,021,110	A	-	-	1,021,110	-	-	-	-	-
BMW Bk North America Utah	247,500	A	-	-	247,500	-	-	-	-	-
First Bank P R Santurce	247,498	A	-	-	-	-	-	247,498	-	-
GE Cap Bank Inc	247,568	A	-	247,568	-	-	-	-	-	-
Discover Bank	247,440	A	-	-	-	-	247,440	-	-	-
Local Agency Investment Funds	3,200,874	N/A	-	-	-	-	-	-	-	3,200,874
Total	\$ 32,004,385		\$ 24,263,869	\$ 2,278,998	\$ 1,268,610	\$ 248,783	\$ 495,753	\$ 247,498	\$ 3,200,874	

E. Concentration of Credit Risk

The City's investment policy contains certain limitations as disclosed in the accompanying table on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. The distribution of investments, by issuer that represents 5% or more of the City's investments is as follows:

Issuer Name	Investment Type	Reported Amount
Federal Farm Credit bank	Federal Agency Securities	\$ 7,842,870
Federal Home Loan Bank	Federal Agency Securities	9,333,599
Federal Home Loan Mortgage Corporation	Federal Agency Securities	1,949,520
Federal National Mortgage Association	Federal Agency Securities	4,160,800
GE Capital Corporate	Medium Term Notes	2,031,430

City of Barstow
Notes to Basic Financial Statements
For the year ended June 30, 2013

2. CASH AND INVESTMENTS, Continued

F. 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 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.

As of June 30, 2013, none of the City's deposits with financial institutions in excess of federal depository insurance limits were held in uncollateralized accounts. As of June 30, 2013, no City investments were held by the same broker-dealer (counterparty) that was used by the City to buy the securities.

G. Local Agency Investment Fund

The City is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by the California Government Code under the oversight of the Treasurer of the State of California. The balance is available for withdrawal on demand. The City's investments with LAIF at June 30, 2013, include a portion of the pooled funds invested in Structured Notes and Asset-Backed Securities. These investments include the following:

Structures Notes are debt securities (other than asset-backed securities) whose cash flow characteristics (coupon rate, redemption amount, or stated maturity) depend upon one or more indices and/or that have embedded forwards or options.

Asset-Backed Securities the bulk of which are mortgage-backed securities, entitle their purchasers to receive a share of the cash flows from a pool of assets such as principal and interest repayments from a pool of mortgages (such as Collateralized Mortgage Obligations) or credit card receivables.

As of June 30, 2013, the City had \$3,200,874 invested in LAIF, which had invested 1.96% of the pool investment funds in Structured Notes and Asset-Backed Securities. The City reports its investment in LAIF at the fair value amount provided by LAIF, which is the same as the value of the pool share. The fair value of LAIF was calculated by applying a factor of 1.000273207 to the total investments held by LAIF.

City of Barstow
Notes to Basic Financial Statements
For the year ended June 30, 2013

3. ACCOUNTS RECEIVABLE

Receivables as of year-end, including the applicable allowances for uncollectible accounts, are as follows:

	<u>Accounts Receivable</u>	<u>Allowances for Uncollectibles</u>	<u>Accounts Receivable, Net</u>
Governmental Funds			
General Fund	\$ 410,778	\$ (89,033)	\$ 321,745
Measure I Special Revenue Fund	351,576	-	351,576
Barstow Fire Protection District			
Special Revenue Fund	14,568	-	14,568
Nonmajor Governmental Funds	383,133	-	383,133
Enterprise Funds			
Wastewater Reclamation	949,775	(192,158)	757,617
Solid Waste Disposal	933,335	(359,936)	573,399
Transit Services	398,454	-	398,454
	<u>\$ 3,441,619</u>	<u>\$ (641,127)</u>	<u>\$ 2,800,492</u>

4. INTERFUND BALANCES

The following table presents the interfund balances as of June 30, 2013:

<u>Due To General Fund</u>	<u>Due From Other Funds</u>
Measure I Special Revenue Fund	\$ 383,032
Non-Major Governmental Funds	420,580
Transit Services Enterprise Fund	285,756
Total	<u>\$ 1,089,368</u>

City of Barstow
Notes to Basic Financial Statements
For the year ended June 30, 2013

4. INTERFUND BALANCES, Continued

The following table presents advances as of June 30, 2013

	Advances from Other Funds		Total
	Wastewater Reclamation Enterprise Fund	CNG/LNG Fuel Station Enterprise Fund	
Advances to Other Funds			
General Fund	\$ 1,701,753	\$ 1,193,089	\$ 2,894,842
Total	\$ 1,701,753	\$ 1,193,089	\$ 2,894,842

The advances made by the General Fund to the Wastewater Enterprise Fund were due to the necessary and immediate capital improvements as authorized by the City Council. The advance will be paid over 10 years from customer revenues at the current LAIF interest rate plus 1%. As of June 30, 2013, the total amount owed to the General Fund from the Wastewater Fund is \$1,701,753. The advance made by the General Fund to the CNG/LNG Fueling Station non major enterprise fund are made under a long term agreement under which the City will be repaid a percentage of sales after a base amount is met. No repayments were made during the fiscal year for the advance made to the CNG/LNG Fueling Station non major enterprise fund.

5. INTERFUND TRANSFERS

With Council approval, resources may be transferred from one City fund to another. The purpose of the majority of transfers is to reimburse a fund that has made expenditure on behalf of another fund.

In the governmental fund financial statements, total transfers were \$5,596,067 as follows:

Transfers Out	City Capital Projects Fund	Total
Major Funds		
General Fund	\$ 1,938,728	\$ 1,938,728
Measure I Special Revenue Fund	3,233,879	3,233,879
Non-major Govtl Funds	423,460	423,460
Total	\$ 5,596,067	\$ 5,596,067

The transfers between governmental funds have been eliminated in the government-wide statements.

The transfers of \$1,938,728 from the General Fund, \$3,233,879 from the Measure I Fund, \$175,737 from the Gas Tax Fund, and \$247,723 from the Grants Fund to the City Capital Projects Fund were for capital project expenditures.

City of Barstow
Notes to Basic Financial Statements
For the year ended June 30, 2013

6. CAPITAL ASSETS

A summary of changes in the governmental activities capital assets at June 30, 2013 is as follows:

	Balance July 1, 2012	Increases	Decreases	Balance June 30, 2013
Non-depreciable assets:				
Work in progress	\$ 7,385,667	\$ 2,953,307	\$ (6,125,156)	\$ 4,213,818
Land	9,426,209	-	-	9,426,209
Intangible Asset-Water Rights	85,000	-	-	85,000
Total non-depreciable assets	<u>16,896,876</u>	<u>2,953,307</u>	<u>(6,125,156)</u>	<u>13,725,027</u>
Depreciable assets:				
Building and improvements	26,597,639	32,397	(29,500)	26,600,536
Machinery and equipment	4,624,629	148,846	(289,440)	4,484,035
Property under capital leases	592,971	730,263	-	1,323,234
Infrastructure	85,358,036	9,291,414	(1,509,563)	93,139,887
Total depreciable assets	<u>117,173,275</u>	<u>10,202,920</u>	<u>(1,828,503)</u>	<u>125,547,692</u>
Less accumulated depreciation:				
Building and improvements	(12,749,845)	(545,058)	29,500	(13,265,403)
Machinery and equipment	(2,521,742)	(465,922)	268,953	(2,718,711)
Property under capital leases	(83,182)	(85,678)	-	(168,860)
Infrastructure	(41,822,462)	(2,590,736)	1,424,494	(42,988,704)
Total accumulated depreciation	<u>(57,177,231)</u>	<u>(3,687,394)</u>	<u>1,722,947</u>	<u>(59,141,678)</u>
Total depreciable assets, net	<u>59,996,044</u>	<u>6,515,526</u>	<u>(105,556)</u>	<u>66,406,014</u>
Total capital assets	<u>\$ 76,892,920</u>	<u>\$ 9,468,833</u>	<u>\$ (6,230,712)</u>	<u>\$ 80,131,041</u>

City of Barstow
Notes to Basic Financial Statements
For the year ended June 30, 2013

6. CAPITAL ASSETS, Continued

A summary of changes in the business-type activities capital assets at June 30, 2013 is as follows:

	Balance July 1, 2012	Increases	Decreases	Balance June 30, 2012
Non-depreciable assets:				
Work in progress	\$ 2,526,896	\$ 1,474,532	\$ (2,114,318)	\$ 1,887,110
Land	1,733,787	-	-	1,733,787
Total non-depreciable assets	<u>4,260,683</u>	<u>1,474,532</u>	<u>(2,114,318)</u>	<u>3,620,897</u>
Depreciable assets:				
Buildings and improvements	2,432,120	37,838	-	2,469,958
Machinery and equipment	7,354,177	91,385	-	7,445,562
Property under capital lease	-	51,031	-	51,031
Infrastructure	17,866,381	2,459,337	-	20,325,718
Total depreciable assets	<u>27,652,678</u>	<u>2,639,591</u>	<u>-</u>	<u>30,292,269</u>
Less accumulated depreciation:				
Buildings and improvements	(627,894)	(78,892)	-	(706,786)
Machinery and equipment	(4,703,252)	(614,415)	-	(5,317,667)
Property under capital lease	-	(2,126)	-	(2,126)
Infrastructure	(7,886,199)	(530,180)	-	(8,416,379)
Total accumulated depreciation	<u>(13,217,345)</u>	<u>(1,225,613)</u>	<u>-</u>	<u>(14,442,958)</u>
Total depreciable assets, net	<u>14,435,333</u>	<u>1,413,978</u>	<u>-</u>	<u>15,849,311</u>
Total capital assets	<u>\$ 18,696,016</u>	<u>\$ 2,888,510</u>	<u>\$ (2,114,318)</u>	<u>\$ 19,470,208</u>

Depreciation expense was charged to functions/programs of the primary government as follows:

	Governmental Activities	Business-type Activities
General government	\$ 449,103	\$ -
Public Safety	355,000	-
Recreation	364,781	-
Community Development	12,811	-
Public Works	2,505,699	-
Wastewater Reclamation	-	753,410
Solid Waste Disposal	-	7,210
Transit	-	351,798
CNG/LNG Fueling Station	-	113,195
Total depreciation expense	<u>\$ 3,687,394</u>	<u>\$ 1,225,613</u>

City of Barstow
Notes to Basic Financial Statements
For the year ended June 30, 2013

7. LONG-TERM DEBT

During the year ended June 30, 2013, the following changes occurred in liabilities reported in long-term debt:

	Balance June 30, 2012	Additions	Deletions	Bond Discount/ Premium	Balance June 30, 2013	Due Within One Year
Governmental Activities:						
Measure I TRIP COP, Series 2012	\$ -	\$ 9,770,000	\$ -	\$ 901,999	\$ 10,671,999	\$ 1,070,000
Capital lease agreements	3,197,150	651,548	(511,187)	-	3,337,511	488,905
Compensated absences	1,944,483	1,654,752	(1,145,106)	-	2,454,129	981,652
PARS Supplemental Retirement	-	232,166	-	-	232,166	58,042
Claims and judgements payable	1,428,959	1,982,454	(1,056,208)	-	2,355,205	588,801
Total governmental activities	<u>\$ 6,570,592</u>	<u>\$ 14,290,920</u>	<u>\$ (2,712,501)</u>	<u>\$ 901,999</u>	<u>\$ 19,051,010</u>	<u>\$ 3,187,400</u>
Business type Activities:						
Certificates of Participation	\$ 2,028,159	\$ -	\$ (275,000)	\$ 13,649	\$ 1,766,808	\$ 280,000
Pollution remediation liability	7,256,767	-	(382,235)	-	6,874,532	2,500,000
Capital lease agreement	2,137,571	60,306	(228,902)	-	1,968,975	211,172
Compensated absences	36,746	114,351	(70,713)	-	80,384	32,154
Total business-type activities	<u>\$ 11,459,243</u>	<u>\$ 174,657</u>	<u>\$ (956,850)</u>	<u>\$ 13,649</u>	<u>\$ 10,690,699</u>	<u>\$ 3,023,326</u>

A. California Communities Local Measure I Sales Tax Revenue (Installment Sale) Certificates of Participation, Series 2012 (T.R.I.P. – Total Road Improvement Program)

On December 1, 2012, the City entered into an installment sale agreement with the California Statewide Communities Development Authority (Authority) to issue California Communities Local Measure I Sales Tax Revenue (Installment Sale) Certificates of Participation, Series 2012 (T.R.I.P. – Total Road Improvement Program), totaling \$9,770,000. The purpose was to (i) finance the design, acquisition, and construction of certain local roadway improvements and street resurfacing projects within the jurisdiction of the City; (ii) fund a reserve subaccount within the reserve fund for the Certificates, and ; (iii) pay the costs incurred in connection with the execution, sale, and delivery of the Certificates.

The City is required under the 2012 installment sale agreement to make installment sale payments to the Authority, which Installment Sale Payments are payable from a first lien on all Measure I receipts, generally consisting of certain amounts received by the City from a 0.5% sales and use tax that is collected in the County of San Bernardino, California for a thirty-year period ending on March 31, 2040. Measure I revenues received by the City for the fiscal year ended June 30, 2013 were \$2,055,951.

City of Barstow
Notes to Basic Financial Statements
For the year ended June 30, 2013

7. LONG-TERM DEBT, Continued

A. California Communities Local Measure I Sales Tax Revenue (Installment Sale) Certificates of Participation, Series 2012 (T.R.I.P - Total Road Improvement Program)

The annual debt service requirements on the Measure I Certificates of Participation, Series 2012 are as follows:

Year Ending June 30,	Principal	Interest	Total
2014	1,070,000	380,100	1,450,100
2015	1,100,000	348,000	1,448,000
2016	1,145,000	304,000	1,449,000
2017	1,190,000	258,200	1,448,200
2018	1,240,000	210,600	1,450,600
2019-2021	4,025,000	326,200	4,351,200
Subtotal	9,770,000	\$ 1,827,100	\$ 11,597,100
Bond Premium	901,999		
Total	\$ 10,671,999		

B. Capital Lease Agreements

The City has entered into a lease agreement for financing heavy equipment for its public works department. The lease is for 60 months with monthly payments of \$3,958 and expires on February, 2015.

The City entered into a capital lease agreement to finance the cost of an energy retrofit project for \$5,489,461. The City is required to make monthly payments of \$55,536. The monthly payment includes principal and interest @ 4.795%. The lease is for 126 months and expires in September 2021.

The City entered into a multi-year capital lease program for vehicle replacement. Each year, vehicles in the fleet are evaluated and proposed additions and retirements are taken to the City Council for approval. The City makes an annual payment based on the leased vehicles in the fleet. In fiscal year 2013, the City made an annual lease payment of \$72,838.

During the fiscal year, the City entered into a capital lease agreement for a new fire engine. The City is required to make semi-annual payments of \$47,289. The payment includes principal and interest at a variable rate. The lease is for 60 months and expires in June 2017.

City of Barstow
Notes to Basic Financial Statements
For the year ended June 30, 2013

7. LONG-TERM DEBT, Continued

C. Capital Lease Agreements, Continued

Future minimum lease payments under all of the leases are as follows:

Year Ending June 30,	Principal	Interest	Total
2014	700,077	214,272	914,349
2015	711,440	187,076	898,516
2016	706,379	160,471	866,850
2017	703,061	133,290	836,351
2018	593,562	105,398	698,960
2019-2022	1,891,967	145,883	2,037,850
Total	\$ 5,306,486	\$ 946,390	\$ 6,252,876
Governmental activities	3,337,511	549,471	3,886,982
Business type activities	1,968,975	396,919	2,365,894
Total	\$ 5,306,486	\$ 946,390	\$ 6,252,876

D. Compensated Absences

The City's policy relating to compensated absences is described in Note 1. Compensated absences are liquidated primarily by the General Fund and the Enterprise Funds. The total amount outstanding at June 30, 2013, was \$2,454,129 for governmental activities and \$80,384 for business-type activities.

E. PARS Retirement Supplemental

During the fiscal year ended June 30, 2013, the City offered a supplemental early retirement program to eligible employees through the Public Agency Retirement System (PARS). The incentive included the opportunity to retire from the City and receive monthly annuity benefit payments. The City is obligated to make annual premium payments of \$58,042 for the annuity contracts for 4 years. As of June 30, 2013, the City has outstanding obligations for 3 employees. The balance of the accrued benefits, as of June 30, 2013 was \$232,166.

F. Certificates of Participation

The California Statewide Communities Development Authority issued its Water and Wastewater Revenue Bonds, Series 2004B bonds in the amount of \$7,850,000 in September 2004. The City of Barstow received \$3,850,000 of the proceeds to defease and repay in full the Barstow Public Facilities Corporation 1994 Certificates of Participation and for certain improvements to wastewater facilities. Installment payments are made which correspond to the debt service payments on the bonds. The City's installment payments vary from \$230,000 to \$340,000 with payments due semiannually starting on October 1, 2005. Interest on installment payments varies from 2.00% to 4.05%. The certificates of participation are secured and to be serviced from all gross income and revenue received from the ownership or operation of the wastewater facilities less operation and maintenance costs excluding depreciation, through the fiscal year 2019. Net revenue recognized during the year was \$1,786,808 against the total principal and interest payment of \$350,164. The outstanding balance at June 30, 2013 is \$1,766,808.

City of Barstow
Notes to Basic Financial Statements
For the year ended June 30, 2013

7. LONG-TERM DEBT, Continued

E. Certificates of Participation, Continued

Annual debt service requirements to maturity for Certificates of Participation are as follows:

Year Ending June 30,	Principal	Interest	Total
2014	\$ 280,000	\$ 65,658	\$ 345,658
2015	290,000	55,465	345,465
2016	305,000	44,454	349,454
2017	315,000	32,671	347,671
2018	325,000	20,189	345,189
2019	340,000	6,885	346,885
Subtotal	1,855,000	\$ 225,322	\$ 2,080,322
Bond discount	(88,192)		
Total	\$ 1,766,808		

F. Pollution Remediation Liability

On August 2, 2006, the California Regional Water Quality Board issued an order requiring the City of Barstow to take remediation action for wastewater discharges resulting in alleged increases in the nitrate levels in the water supply resulting from the City's wastewater plant. Major long-term costs associated with the project include: quarterly well sampling and reporting; operation and maintenance of a groundwater remediation system; and replacement drinking water to select residents. To date approximately \$1,980,467 has been spent.

The City anticipates spending an estimated \$2.5 million in fiscal year 2014 and \$500,000 annually thereafter for environmental mitigation monitoring obligations. Environmental monitoring costs relating to legal mandates such as regulatory agency orders, court orders or other affirmative legal obligations are included in the anticipated spending.

A summary of the components of the pollution remediation liability at June 30, 2013 is as follows:

Obligating Event	Liability
Pollution poses an imminent danger to the public or environment:	
Quarterly groundwater sampling	\$ 3,581,744
Operation and maintenance of groundwater	3,106,518
Replacement drinking water	186,270
Total by obligating event	<u>\$ 6,874,532</u>

City of Barstow
Notes to Basic Financial Statements
For the year ended June 30, 2013

7. LONG-TERM DEBT, Continued

F. Pollution Remediation Liability, Continued

1. Method and Assumption

With the adoption of GASB 49, the pollution remediation sites on the property managed and operated by the City were evaluated. The City applied the requirements of GASB 49 and measured the environmental liabilities for pollution remediation sites using the expected cash flow technique. The measurements are based on the current value of the outlays expected to be incurred. The cash flow scenarios include components which can be reasonably estimated for outlays such as testing, monitoring, legal services and indirect outlays. Reasonable estimates of ranges of possible cash flows are limited from a single scenario to a few scenarios. Data used to develop the cash flow scenarios is obtained from outside consultants and City staff.

Changes to estimates will be made when new information becomes available, increases or reductions in price, changes in technology or changes in applicable laws or regulations. At a minimum, the City will evaluate the estimates for the pollution remediation sites when the following benchmarks occur.

- Receipt of an administrative order
- Participation, as a responsible party or a potentially responsible party, in the site assessment or investigation.
- Completion of a corrective measures feasibility study.
- Issuance of an authorization to proceed.
- Remediation design and implementation, through and including operation and maintenance and post remediation monitoring.

G. Fiduciary Funds - Successor Agency Private Purpose Trust Fund

During the year ended June 30, 2013, the following changes occurred in liabilities reported in long-term debt for Fiduciary Funds:

	Balance June 30, 2012	Additions	Deletions	Balance June 30, 2013	Due Within One Year
Fiduciary Funds: Successor Agency Private Purpose Trust					
Redevelopment Tax Allocation Bonds:					
1994 Tax Allocation Bonds	\$ 470,000	\$ -	\$ (145,000)	\$ 325,000	\$ 160,000
2004 Tax Allocation Bonds	6,865,000	-	(390,000)	6,475,000	400,000
Total fiduciary funds	\$ 7,335,000	\$ -	\$ (535,000)	\$ 6,800,000	\$ 560,000

City of Barstow
Notes to Basic Financial Statements
For the year ended June 30, 2013

7. LONG-TERM DEBT, Continued

1994 Tax Allocation Bonds

On May 1, 1994, the Agency issued \$11,785,000 in Tax Allocation Bonds, Series 1994, of which the Agency issued \$6,600,000 in tax allocation bonds to advance refund \$6,600,000 of outstanding Tax Allocation Bonds, Series 1986. The net proceeds along with a contribution from the Agency were used to purchase U.S. Government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for debt service payments on the Series 1986 bonds after fiscal year 1994. As a result, the Series 1986 bonds are considered to be in-substance defeased, and the assets and liability for those bonds has been removed from long-term debt, components of the Agency. Payments on the 1994 Tax Allocation Bonds are due semi-annually in September and March. The 1994 Tax Allocation Bonds are secured by the Agency's pledge of certain tax increment revenues to be derived from Project Area I and are payable from the tax increment revenues and such other funds as may become available for such purposes. The bonds bear interest payable semi-annually at rates ranging from 3.00% to 4.70% per annum with maturity dates until September 1, 2014.

As of February 1, 2012, the future annual debt service requirements of the 1994 Tax Allocation Bonds were taken over by the Successor Agency to the Redevelopment Agency due to the dissolution of the Barstow Redevelopment Agency per Assembly Bill AB 1X 26 and Assembly Bill AB1484 (See Note 13).

The total principal and interest remaining to be paid on the bonds is \$347,925. Principal and interest paid for the year was \$172,825. The principal amount outstanding at June 30, 2013 is \$325,000.

Although the 1986 Series portion of the bond refinance has been removed from the long-term debt of the Agency, in accordance with the terms of the 1994 indenture, the 1994 trustee shall pay the principal (Sinking Account Installments) and interest due on the 1986 bonds until they mature on September 1, 2014. These funds will remain on deposit with the trustee in the escrow fund including investment earnings. In the event the maturing principal and interest on these securities is insufficient to make the payments, the Escrow Agent shall give the Agency prompt notice. The amount of defeased debt outstanding at June 30, 2013 is \$635,000.

2004 Tax Allocation Bonds

On July 1, 2004, the Agency issued \$8,660,000 in Tax Allocation Bonds, Series 2004, for the purpose of refunding a portion of the Agency's outstanding Central Redevelopment Project Tax Allocation Bonds, 1994 Series A, which are secured by an irrevocable pledge of the tax revenues payable to the Agency.

The 2004 Tax Allocation Bonds are secured by the Agency increment pledge of certain tax increment revenues to be derived from Project Area I and are payable from the Tax Revenues and such other funds as may become available for such purposes. The notes bear interest payable semiannually at rates ranging from 3.00% to 4.70% per annum, with maturity dates until September 1, 2022.

As of February 1, 2012, the future annual debt service requirements of the 2004 Tax Allocation Bonds were taken over by the Successor Agency to the Redevelopment Agency due to the dissolution of the Barstow Redevelopment Agency per Assembly Bill AB 1X 26 and Assembly Bill AB1484 (See Note 13).

For the current year, principal and interest paid was \$675,693. The principal amount outstanding at June 30, 2013 is \$6,475,000.

City of Barstow
Notes to Basic Financial Statements
For the year ended June 30, 2013

7. LONG-TERM DEBT, Continued

G. Fiduciary Funds – Successor Agency Private Purpose Trust Fund

Tax allocation bonds debt service requirements to maturity are as follows:

Year Ending June 30,	Principal	Interest	Total
1994 Tax Allocation Bonds:			
2014	\$ 160,000	\$ 17,150	\$ 177,150
2015	165,000	5,775	170,775
Total	<u>\$ 325,000</u>	<u>\$ 22,925</u>	<u>\$ 347,925</u>
2004 Tax Allocation Bonds			
2014	\$ 400,000	\$ 270,880	\$ 670,880
2015	420,000	254,980	674,980
2016	610,000	234,380	844,380
2017	635,000	209,480	844,480
2018	660,000	182,920	842,920
2019-2023	3,750,000	444,120	4,194,120
Total	<u>\$ 6,475,000</u>	<u>\$ 1,596,760</u>	<u>\$ 8,071,760</u>

8. RISK MANAGEMENT

The City is a member of Public Entity Risk Management Authority (PERMA), a joint powers insurance authority formed under Section 990 of the California Government Code for the purpose of jointly funding programs of insurance coverage for its members. PERMA is comprised of thirty-one participating member agencies: twenty-two cities, three transit agencies and six special districts. PERMA is governed by a Board of Directors which consists of one director from each member agency. The City participates in the Liability, Workers' Compensation, Employment Practices Liability, Property Insurance, Auto Physical Damage and Crime Coverage insurance programs of PERMA.

The Liability program provides coverage up to \$50 million per occurrence for personal injury, bodily Injury, property damage and public officials' errors and omissions. The City self-insures up to \$125,000 per occurrence and participates in risk sharing pools for losses up to \$1 million followed by PERMA's membership in the CSAC Excess Insurance Authority (EIA) for \$49 million excess liability coverage. PERMA administers the City's liability claims.

The Workers' Compensation program provides statutory limits per accident for workers' compensation and \$5 million each accident for employers' liability. The City self-insures up to \$250,000 per accident or employee and participates in a risk sharing pool for losses up to \$500,000 followed by PERMA's membership in the Local Agency Workers' Compensation Excess Joint Powers Authority (LAWCX) for excess coverage. A third party administrator administers the City's workers' compensation claims.

City of Barstow
Notes to Basic Financial Statements
For the year ended June 30, 2013

8. RISK MANAGEMENT, Continued

The Employment Practices Liability program provides up to \$50 million coverage for employment related lawsuits, such as wrongful termination and discrimination. The City self-insures up to \$25,000 per occurrence and participates in the Employment Risk Management Authority (ERMA) for losses up to \$1 million. Coverage above \$1 million and up to \$50 million is available through PERMA's membership in the CSAC EIA for excess liability coverage.

The Property Insurance program is group purchased under a master property insurance policy with accumulated values from all participants effecting lower rates and broader coverage for members. The program covers real property, business personal property, inland marine coverage for special mobile equipment and business interruption. Commercial property coverage is written on a replacement cost basis and all risk, eliminating the traditional commercial "named peril" policy.

The auto physical damage program is also group purchased under a master insurance policy with accumulated values from all participants effecting lower rates for members. Auto physical damage coverage is written on an agreed amount basis.

The Crime Coverage program is also group purchased under a master insurance policy and provides coverage up to \$250,000 for employee theft per occurrence and coverage up to \$1 million for forgery or alteration, computer fraud and funds transfer fraud.

The claims liability is estimated based on actuarial studies of the Liability and Workers' Compensation program. The actuary used a 65% confidence level and discounted the liabilities using a 2% interest rate. During the year, claims exceeded the City's self-insured retentions by \$55,371.

None of the above programs of protection have had settlements or judgments that exceeded pooled or insured coverage for the past three (3) years. There have been no reductions in pooled or insured coverage from coverage in the prior year. General fund resources would be typically used to liquidate the claims liability, should the need arise.

City of Barstow
Notes to Basic Financial Statements
For the year ended June 30, 2013

8. RISK MANAGEMENT, Continued

	2013	2012	2011
<u>Workers' Compensation</u>			
Liability, July 1	\$ 1,170,892	\$ 533,288	\$ 762,656
Incurred claims and changes in estimates	1,201,310	910,417	167,718
Claim payments	(577,576)	(272,813)	(397,086)
Liability, June 30	<u>\$ 1,794,626</u>	<u>\$ 1,170,892</u>	<u>\$ 533,288</u>
Due within one year	358,925	234,178	79,993
Due in more than one year	1,435,701	936,714	453,295
	<u>\$ 1,794,626</u>	<u>\$ 1,170,892</u>	<u>\$ 533,288</u>
<u>General Liability</u>			
Liability, July 1	\$ 258,067	\$ 260,214	\$ 40,087
Incurred claims and changes in estimates	781,144	63,672	228,356
Claim payments	(478,632)	(65,819)	(8,229)
Liability, June 30	<u>\$ 560,579</u>	<u>\$ 258,067</u>	<u>\$ 260,214</u>
Due within one year	\$ 140,145	\$ 64,517	\$ 39,032
Due in more than one year	420,434	193,550	221,182
	<u>\$ 560,579</u>	<u>\$ 258,067</u>	<u>\$ 260,214</u>

9. DEFINED BENEFIT PENSION PLAN

A. California Public Employees' Retirement Plan (PERS)

1. Plan Description

The City contributes to the California Public Employees Retirement System (PERS), a cost-sharing multiple-employer public employee defined benefit pension plan. PERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. PERS acts as a common investment and administrative agent for participating public entities within the State of California. Benefit provisions and all other requirements are established by state statute and Council resolution. Copies of PERS' annual financial report may be obtained from their executive office: 400 Q Street, Sacramento, CA 95811. A separate report for the City's plan is not prepared.

City of Barstow
Notes to Basic Financial Statements
For the year ended June 30, 2013

9. DEFINED BENEFIT PENSION PLAN, Continued

A. California Public Employees' Retirement Plan (PERS), Continued

2. Funding Policy

The City pays the contributions required of miscellaneous employees and for police safety employees hired prior to July 1, 2010. On January 1, 2013, the Public Employee Pension Reform Act (PEPRA) went into effect. This State law applies to employees hired after January 1, 2013, who are new to PERS. These employees are termed PEPRA members and employees that were enrolled in PERS (without significant separation) prior to January 1, 2013 are now referred to as classic members. PEPRA miscellaneous members will be enrolled in a 2% at 62 plan and PEPRA safety members will be enrolled in a 2.7% at 57 plan. PEPRA members will be required to pay half the normal cost of their plans.

	<u>Member Rates as a Percentage of Wages</u>	<u>2012-2013 Amount Paid</u>
Classic miscellaneous members	8%	\$ 403,040
PEPRA miscellaneous members	6.25%	5,108
Classic police safety members	9%	289,466
PEPRA police safety members	11.5%	<u>7,255</u>
Total Member Portion Paid		<u>\$ 704,869</u>

The City is required to contribute the actuarially determined remaining amounts necessary to fund the benefit for its members. The actuarial methods and assumptions used are those adopted by the CalPERS Board of Administration. The required employer contribution rate for fiscal year 2012-2013 was 0% for classic miscellaneous employees, 6.25% for PEPRA miscellaneous employees, 24.706% for classic police safety group, and 11.5% for PEPRA safety group. 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. At the time of joining the risk pool, a side fund was created to account for the difference between the funded status of the pool and the funded status of the City's plan. The side fund is credited, on an annual basis, with the actuarial investment return assumption, currently 7.5%. In the absence of subsequent contract amendments or funding changes, the side fund will disappear at the end of the amortization period. As of the June 30, 2012 Annual Valuation Report, the amortization period was projected to end in 10 years.

City of Barstow
Notes to Basic Financial Statements
For the year ended June 30, 2013

9. DEFINED BENEFIT PENSION PLAN, Continued

A. California Public Employees' Retirement Plan (PERS), Continued

2. Funding Policy, Continued

The Police Safety pension plan, which has less than 100 active members, was required to enroll in a CalPERS risk-sharing pool in 2003. As part of the enrollment process, CalPERS calculated the funded status of the Plan and compared that amount to the funded status of the risk pool at inception. The difference was being financed by CalPERS over an 8 year period at the assumed rate of return of the CalPERS pooled investment fund (7.75%). On June 7, 2010, via City Council action, the City elected to prepay the full amount of \$3,582,139.

3. Annual Pension Cost

For fiscal year 2012-2013, the City's annual pension costs of \$5,108 for miscellaneous PEPRA employees, \$0 for miscellaneous classic employees, \$7,255 for safety PEPRA employees and \$774,496 for classic police safety for PERS was equal to the City's required and actual contributions. The following is a schedule of employer contributions which provides the annual pension cost (APC), percentage of APC contributed and the net pension obligation for the last three fiscal years:

Fiscal Year	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
	Miscellaneous		
6/30/2011	-	N/A	-
6/30/2012	-	N/A	-
6/30/2013	5,108	100%	-

Fiscal Year	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
	Safety		
6/30/2011	653,521	100%	-
6/30/2012	777,477	100%	-
6/30/2013	781,751	100%	-

4. Funding Status as of the Most Recent Actuarial Date

The City retirement plans for police safety employees and miscellaneous employees are part of the CalPERS risk pool for cities and other governmental entities that have less than 100 active members. Actuarial valuations performed included other participants within the same risk pool. Therefore, standalone information of the schedule of funding progress for the City's police safety and miscellaneous employees are no longer available.

City of Barstow
Notes to Basic Financial Statements
For the year ended June 30, 2013

9. DEFINED BENEFIT PENSION PLAN, Continued

B. Pension Plan – Bartow Fire Protection District

The District became a component of the City from November 17, 2010 and effective that date all of the employees of the District have become employees of the City. The District employees were covered under the pension plan of the San Bernardino County Employees' Retirement Association (SBCERA). Subsequent to the merger, the members of Barstow Professional Firefighters Association are enrolled in the City's retirement program through the SBCERA.

1. Plan Description

The SBCERA is a cost-sharing multiple- employer defined benefit pension plan (the Plan) operating under the California County Employees' Retirement Act of 1937 (1937 Act). It provides retirement, death and disability benefits to members. Although legally established as a single employer plan, the City of Big Bear Lake, Department of Water and Power-City of Big Bear Lake, Crestline Sanitation District, California State Association of Counties, South Coast Air Quality Management District (SCAQMD), San Bernardino Associated Governments (SANBAG), Local Agency Formation Commission (LAFCO), San Bernardino County Law Library, Barstow Fire Protection District, Hesperia Recreation and Parks District, SBCERA, City of Chino Hills, Mojave Desert Air Quality Management District (MDAQMD), California Electronic Recording Transaction Network Authority (CERTNA), Inland Valley Development Agency (IVDA), San Bernardino International Airport Authority (SBIAA), the San Bernardino County Superior Court Inland Library system (ILS) and Rim of the World Recreation and Parks District (RIM-REC) were later included, along with the County, and are collectively referred to as the "Participating Members." The plan is governed by the SBCERA Board of Retirement under the 1937 Act. Employees become eligible for membership on their first day of regular employment and become fully vested after 5 years. SBCERA issues a stand-alone financial report, which may be obtained by contacting the Board of Retirement, 348 W Hospitality Lane - 3rd Floor, San Bernardino, California 92415-0014.

2. Funding Policy

Participating members are required by statute (Sections 31621, 31621.6 and 31639.25 of the California Government Code) to contribute a percentage of covered salary based on certain actuarial assumptions and their age at entry to the Plan. Employee contribution rates vary according to age and classification (general or safety). Safety members contribute between 10.65% - 16.33% of their annual covered salaries based on age on entry into the retirement system, of which, prior to May 20, 2013, the District paid approximately 50% for safety employees, and the District was required to contribute 51.73% for safety employees. Effective May 20, 2013 Barstow Fire Protection District approved a new MOU which changed the funding of the District and employees share. The employer is capped out at 42% with the employee paying the difference. For 2013, the District's pension cost of \$877,917 was equal to the District's required and actual contributions. Employee contribution rates are established and may be amended pursuant to Articles 6 and 6.8 of the 1937 Act. Employer rates are determined pursuant to Section 31453 of the 1937 Act.

City of Barstow
Notes to Basic Financial Statements
For the year ended June 30, 2013

9. DEFINED BENEFIT PENSION PLAN, Continued

B. Pension Plan - Bartow Fire Protection District, Continued

2. Funding Policy, Continued

The following table shows the District's required contributions and percentage contributed for the current year and two preceding years:

Fiscal Year	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/2011	868,363	100%	-
6/30/2012	907,521	100%	-
6/30/2013	877,917	100%	-

10. POST-EMPLOYMENT HEALTH CARE BENEFITS

A. Plan Description

The City provides retiree medical benefits under the CalPERS health plan which provide medical insurance benefits to eligible retirees and their spouses in accordance with various labor agreements. The Barstow Fire Protection District became part of the City of Barstow in November 2010 as a special revenue fund. The Barstow Fire Professional Fire Fighters Association participates in a different health insurance plan and does not have post-employment health coverage. Copies of the CalPERS' annual financial report may be obtained from the CalPERS Executive Office, 400 Q Street, Sacramento, CA 95811.

B. Eligibility

Employees are eligible for retiree health benefits if they retire from the City on or after age 50 (unless disabled) and are eligible for a PERS pension. The benefits are available only to employees who retire from the City. Membership of the plan consisted of the following at June 30, 2013:

	Police	Miscellaneous	Total
Eligible active employees	33	83	116
Retired employees	24	89	113
	57	172	229

The above table does not reflect current retirees not enrolled in the CalPERS health plan who are eligible to enroll in the plan at a later date.

City of Barstow
Notes to Basic Financial Statements
For the year ended June 30, 2013

10. POST-EMPLOYMENT HEALTH CARE BENEFITS, Continued

C. Funding Policy

The contribution requirements of plan members and the City are established and may be amended by the City Council. The City must agree to make a defined monthly payment towards the cost of each retiree’s coverage. The required contribution is based on projected prefunding financing requirements. For the year ended June 30, 2012, the City contributed \$648,184 to the plan.

Annual OPEB Cost and Net OPEB Obligation. The City’s annual other postemployment benefit (OPEB) cost (expense) is calculated based on the *annual required contribution of the employer (ARC)*, an amount actuarially determined in accordance with the 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 amortize any unfunded actuarial liabilities (or funding excess) not to exceed thirty years.

The City’s OPEB actuarial accrued liability obligation as of July 1, 2011, the most recent actuarial valuation, was \$7,673,957. This results in an ARC of \$648,184. 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:

Annual required contribution	\$ 648,184
Interest on net OPEB obligation	-
Amortization of net OPEB obligation	-
Annual OPEB cost	<u>648,184</u>
Payments made	<u>(648,184)</u>
Increase (decrease) in net OPEB obligation	-
Net OPEB obligation - beginning of the year	-
Net OPEB obligation - ending of year	<u><u>\$ -</u></u>

The City’s annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation (asset) for the last three years is as follows:

Fiscal Year	Annual OPEB Cost	Percentage of APC Contributed	Net OPEB Obligation
6/30/2011	606,944	100%	-
6/30/2012	627,375	100%	-
6/30/2013	648,184	100%	-

City of Barstow
Notes to Basic Financial Statements
For the year ended June 30, 2013

10. POST-EMPLOYMENT HEALTH CARE BENEFITS, Continued

C. Funding Status and Progress

As of July 1, 2011, the most recent valuation date, the actuarial accrued liability for benefits was \$7.7 million, and the actuarial value of assets was \$250,216, resulting in an unfunded actuarial accrued liability (UAAL) of \$7.4 million and a funded ratio (actuarial value of assets as a percentage of the actuarial accrued liability) of 3.3%. Covered payroll for the year was \$8,723,959 and the UAAL as a percentage of covered payroll was 85.1%. As of June 30, 2009, the City joined the California Employers' Retiree Benefit Trust (CERBT), an agent multi-employer plan administered by CalPERS, consisting of an aggregation of single-employer plans.

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 employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for the benefits.

D. 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 employer and plan members to 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 assets, consistent with the long-term perspective of the calculations.

The actuarial cost method used for determining the benefit obligations is the Entry Age Normal Cost Method, with a level percent of pay. The actuarial assumptions included a 7.61 percent investment rate of return, which is based on assumed long-term investment returns on plan assets, as provided by CalPERS, and an annual healthcare cost trend rate which varies from 4.5 to 10 percent annually. The UAAL is being amortized as a level percentage of projected payroll over 30 years. It is assumed the City's payroll will increase 3.25% per year, which includes an assumption of general inflation of 3%.

City of Barstow
Notes to Basic Financial Statements
For the year ended June 30, 2013

11. COMMITMENTS AND CONTINGENCIES

A. Pending Litigation

The City is a defendant in a number of lawsuits that have arisen in the normal course of business. While substantial damages are alleged in some of these actions, their outcome cannot be predicted with certainty. In the opinion of the City Attorney, these actions, when finally adjudicated, will not have any material adverse effect in the financial position of the City.

12. FUND BALANCE FOR GOVERNMENTAL FUNDS

As prescribed by GASB Statement No. 54, governmental funds report fund balance in classifications based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in the funds can be spent. Fund balances at June 30, 2013, for the governmental funds are nonspendable, restricted, assigned, and unassigned for the following purposes:

Nonspendable Fund Balance - includes amounts that are (a) not in spendable form, or (b) legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash. At June 30, 2013 the City had nonspendable fund balance of inventories and prepaid amount of \$107,683, advances to other funds of \$2,894,841, due from Successor Agency Trust Fund of \$2,437,448, and deposits of \$379,885.

Restricted Fund Balance - includes amounts that are restricted for specific purposes stipulated by resources providers, constitutionally or through enabling legislation. Restrictions may effectively be changed or lifted only with the consent of resource providers. At June 30, 2013 the City had restricted fund balances of: \$817,244 for public safety, \$13,831,061 for streets and highways, \$231 for transit, \$619,151 for low and moderate income housing, and \$15,508 for other purpose.

Unassigned Fund Balance - includes amounts that are constrained by the City's intent by its Council itself or a body or official to which the City Council has delegated the authority to assign amounts to be used for specific purposes that are neither restricted nor committed. The City Council has delegated this authority to the City Manager. In June 2010 the City Council adopted Resolution No. 4548-2010 approving Policy Memorandum No 2010-15 - Fund Balance Policy. The policy aims to help reduce the negative impact on the City in times of economic uncertainty and potential losses of funding from other governmental agencies. City reserves are restricted for one-time purposes. The policy establishes minimum requirements for General Fund nondepartmental reserves, and provides guidelines for the use of these funds. Appropriation for contingencies is maintained at twenty percent of total General Fund net appropriations for one-time emergencies and economic uncertainties. Excess fund balance at year-end must first be used to replenish the reserve amount at the 20% level. Accordingly, at June 30, 2013, the City has assigned fund balance of \$874,372 for emergency contingency, and \$3,497,489 for working capital reserve, which are 25% of the general fund operating expenditures for the year. The Fund Balance Policy can be changed only by a resolution of the City Council. The residual classification for the General Fund and includes all amounts not contained in the other classifications. Governmental funds report residual negative balances as unassigned fund balance. At June 30, 2013, the City General Fund had an unassigned fund balance of \$22,782,384.

City of Barstow
Notes to Basic Financial Statements
For the year ended June 30, 2013

12. FUND BALANCE FOR GOVERNMENTAL FUNDS, Continued

The schedule on the following page illustrates the City's fund balances as of June 30, 2013 for its governmental funds:

	Major Governmental Funds				Non Major Government Funds	Total Government
	General Fund	Measure I Special Revenue Fund	Barstow Fire Protection District Special Revenue Fund	City Capital Projects Fund		
Fund Balances						
Nonspendable fund balance:						
Prepays & Inventory	107,683	-	-	-	-	107,683
Deposits	379,885	-	-	-	-	379,885
Due from Successor Agency Trust Fund	2,437,448	-	-	-	-	2,437,448
Advances to other funds	2,894,841	-	-	-	-	2,894,841
	<u>5,819,857</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,819,857</u>
Restricted fund balance for:						
Public Safety/Fire Protection	-	-	776,358	-	40,886	817,244
Streets & Highway	-	12,759,384	-	1,071,677	-	13,831,061
Transit	-	231	-	-	-	231
Low & Moderate Income Housing	-	-	-	-	619,151	619,151
Other Purposes	-	-	-	-	15,508	15,508
	<u>-</u>	<u>12,759,615</u>	<u>776,358</u>	<u>1,071,677</u>	<u>675,545</u>	<u>15,283,195</u>
Unassigned fund balance						
Emergency Contingency Policy	874,372	-	-	-	-	874,372
Working Capital Reserve	3,497,489	-	-	-	-	3,497,489
Other	18,658,688	-	-	-	(248,165)	18,410,523
	<u>23,030,549</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(248,165)</u>	<u>22,782,384</u>
Total Fund Balances	<u>28,850,406</u>	<u>12,759,615</u>	<u>776,358</u>	<u>1,071,677</u>	<u>427,380</u>	<u>43,885,436</u>

13. SUCCESSOR AGENCY TRUST FOR ASSETS OF FORMER REDEVELOPMENT AGENCY

On December 29, 2011, the California Supreme Court upheld Assembly Bill 1X 26 ("the Bill") that provides for the dissolution of all redevelopment agencies in the State of California. This action impacted the reporting entity of the City of Barstow that previously had reported a redevelopment agency within the reporting entity of the city as a blended component unit.

The Bill provides that upon dissolution of a redevelopment agency, either the city or another unit of local government will agree to serve as the "successor agency" to hold the assets until they are distributed to other units of state and local government. On January 17, 2012, the City Council elected to become the Successor Agency for the former redevelopment agency in accordance with the Bill as part of City resolution number 4653-2012.

City of Barstow
Notes to Basic Financial Statements
For the year ended June 30, 2013

13. SUCCESSOR AGENCY TRUST FOR ASSETS OF FORMER REDEVELOPMENT AGENCY

In FY 2012-13 the Successor Agency made two payments to San Bernardino County totaling \$4,831,016 for distribution to the taxing entities. The first payment of \$1,098,213 was paid July 10, 2012 returning the excess distribution of property tax increment by the county from February 1, 2012 to June 30, 2013. The second payment of \$3,732,803 paid on March 13, 2013 represented the balance to be distributed to the taxing entities from the Non Housing Other Funds and Accounts Due Diligence Review.

Significant debt payments authorized in the Recognizable Obligations Payment Schedule (ROPS) by the State of California’s Department of Finance and made in FY 2012-13 from the Redevelopment Property Tax Trust Fund (RPTTF) include the following:

1994 Bonds	Principal	\$145,000
	Interest	27,825
2004 Bonds	Principal	390,000
	Interest	285,693
Pool loan repayment to the City of Barstow		\$572,000

In addition, a \$250,000 administration charge was paid to the City of Barstow and other authorized payments were made for one direct charge employee and other miscellaneous fees.

REAL PROPERTY HELD FOR RESALE

In order to improve blighted conditions in the City of Barstow, the City formed the Barstow Redevelopment Agency in 1973. Additionally, the Agency had adopted a Five Year Implementation Plan for the Project Area I with an established goal of supporting affordable housing and promoting economic development, as well as community, commercial and institutional revitalization. To implement these programs and activities, the Agency acquired real property within the Project Area I to be redeveloped. Thirty-two parcels were held in the Land Held for Resale asset account by the Agency totaling \$4,393,652.

As of February 1, 2012, the land held for resale was taken over by the Successor Agency to the Redevelopment Agency due to the dissolution of the Barstow Redevelopment Agency per Assembly Bill AB 1X 26 and Assembly Bill AB1484.

City of Barstow
Notes to Basic Financial Statements
For the year ended June 30, 2013

14. EXCESS OF EXPENDITURES OVER APPROPRIATIONS AND NEGATIVE FUND BALANCE/NET POSITION

The following funds have expenditures in excess of appropriations:

Measure I Special Revenue Fund \$ 44,714

- The City used an approved cost allocation, which was based on expected revenues. Actual revenues were down slightly than expected resulting in a negative variance in expenditures for fiscal year 2013/2013.

Barstow Fire Protection District Special Revenue Fund \$ 330,853

- Salaries and benefits in fiscal year 2012/2013 exceed budget estimates. The Memorandum of Understanding for fire safety employees was approved late in May 2013 by Council, which included adjustments to their pay. The adjustment over time will reduce pension costs to the City. Barstow Fire Protection District is a fairly new fund for the City as they were formerly a separate district under the County of San Bernardino. An appropriation adjustment not processed. Due to year-end payouts and an increase in workers compensation costs, the magnitude of this variance was not apparent until the close of the fiscal year.

Barstow Harvey House Foundation \$ 75

- The City did not prepare a budget for the foundation for fiscal year 2012/13. Activity in the fund is minimal.

Redevelopment Housing Successor \$ 812,226

- The City received the determination on the Housing DDR in August 2013, after the close of the fiscal year 2012/2013. Given the determination, the City reclassified the liability for \$801,927 as a transfer from the Redevelopment Dissolution Trust Account. Due to the timing of the determination, a budget appropriation was not processed. In addition, the City expended funds in the amount of \$10,299, which was not budgeted, but these expenditures were offset by other housing revenues of \$18,147. An appropriation was not processed for these items.

The following funds have negative fund balance/net position as of June 30, 2013:

Gas Tax Fund \$ 4,012

- The City used an approved cost allocation, which was based on expected revenues. Actual revenues were down slightly than expected resulting in a small negative fund balance for fiscal year 2012/2013. Adjustments will be made in fiscal year 2013/2014 to resolve this issue.

Grants Fund \$ 244,153

- The City will be receiving grant revenue in the amount of \$197,753 through Caltrans and the Federal Highway Administration for the North 1st Avenue Overhead Bridge project. This amount was deferred in fiscal year 2012/2013. In addition, the City has also deferred revenue it will receive for various Community Development Block Grant expenditures that were deferred in the amount of \$87,951.

City of Barstow
Notes to Basic Financial Statements
For the year ended June 30, 2013

15. SUBSEQUENT EVENTS

The City of Barstow completed the Housing Due Diligence Review and received the State of California’s Department of Finance determination letter on August 12, 2013. On August 14, 2013, a payment of \$337,517 was made to San Bernardino County to be distributed to the taxing entities from the Low-Mod Housing Funds and Accounts Due Diligence Review.

On September 9, 2013, the City of Barstow received its Finding of Completion from the State Department of Finance. The “Finding of Completion” allows the City of Barstow to move forward with the Long Range Property Management Plan (LRPMP). The development of the LRPMP is in process with an estimated completion date of March 2014.

16. PRIOR PERIOD ADJUSTMENT

The City recorded a prior period adjustment to properly account for the City’s participation in a risk pool. Previously, the City reported it’s proportionate share in the risk pool as an investment in joint venture.

Government-wide Statements

	Net Position, as Previously Reported	<u>Prior Period Adjustment</u> Investment in Joint Venture	Net Position, as Restated
Government-Wide Statements			
Governmental Activities	\$ 109,858,310	\$ (930,255)	\$ 108,928,055

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**REQUIRED
SUPPLEMENTARY INFORMATION**

City of Barstow
Required Supplementary Information
For the year ended June 30, 2013

1. BUDGETS AND BUDGETARY ACCOUNTING

A. Budgetary Control and Budgetary Accounting

The City follows these procedures in establishing the budgets.

1. The annual budget is adopted by the City Council after the holding of a hearing and provides for the general operation of the City. The operating budget includes proposed expenditures and the means of financing them.
2. The City Council approves total budgeted appropriations and any amendments to appropriations throughout the year. This “appropriated budget” covers City expenditures in all governmental funds, except debt service and capital improvement projects carried forward from prior years.

The City manager is authorized to transfer budgeted amounts between departments. Actual expenditures may not exceed budgeted appropriations at the fund level.

3. Formal budgetary integration is employed as a management control device during the year. Commitments for materials and services, such as purchase orders and contracts, are recorded as encumbrances to assist in controlling expenditures. Capital projects appropriations are an automatic supplemental appropriation for next year. All others lapse unless they are encumbered at year end or re-appropriated through the formal budget process.
4. Annual budgets are adopted for the General Fund, all special revenue funds, capital projects funds, and debt service funds, on a basis substantially consistent with accounting principles generally accepted in the United States of America. Accordingly, actual revenues and expenditures can be compared with related budgeted amounts without any significant reconciling items.

B. Encumbrances

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of moneys are recorded in order to reserve that portion of the applicable appropriation is employed as an extension of formal budgetary integration. Encumbrances outstanding at year-end are reported as restricted or committed fund balance since they do not constitute expenditures or liabilities and are added to the subsequent year’s adopted appropriations.

City of Barstow
Required Supplementary Information, Continued
For the year ended June 30, 2013

1. BUDGETS AND BUDGETARY ACCOUNTING, Continued

C. Budgetary Comparison Schedules

The following are the budget comparison schedules for the General Fund and all major special revenue funds.

Budgetary Comparison Schedule, General Fund

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Property taxes	\$ 3,390,000	\$ 3,630,000	\$ 4,374,582	\$ 744,582
Sales and use taxes	6,950,000	6,950,000	7,346,732	396,732
Transient occupancy tax	2,600,500	2,600,500	2,649,694	49,194
Motor vehicle fees, in lieu, unrestricted	47,308	47,308	-	(47,308)
Franchise taxes	886,500	886,500	895,473	8,973
Business license taxes	225,500	225,500	192,512	(32,988)
Other taxes	265,000	25,000	38,114	13,114
Licenses and permits	154,700	154,700	181,832	27,132
Fines and penalties	135,000	135,000	104,690	(30,310)
From other agencies	186,200	186,200	391,893	205,693
Charges for current services	743,550	876,410	1,099,480	223,070
Other	245,287	245,287	41,971	(203,316)
Use of money and property	1,325,640	1,325,640	220,391	(1,105,249)
Total revenues	17,155,185	17,288,045	17,537,364	249,319
EXPENDITURES:				
Current:				
General government	2,443,894	2,598,567	2,793,073	(194,506)
Public safety	9,047,952	9,218,135	9,080,095	138,040
Recreation	1,686,406	1,684,481	1,520,643	163,838
Community development	2,270,451	2,294,926	1,596,645	698,281
Public works	2,808,017	2,772,508	3,015,617	(243,109)
Capital outlay	77,000	360,809	437,382	(76,573)
Debt service:				
Interest and fiscal charges	-	-	4,502	(4,502)
Total expenditures	18,333,720	18,929,426	18,447,957	481,469
REVENUES OVER (UNDER) EXPENDITURES	(1,178,535)	(1,641,381)	(910,593)	730,788
OTHER FINANCING SOURCES (USES):				
Transfers in	975,000	975,000	-	(975,000)
Transfers out	(75,000)	(3,358,590)	(1,938,728)	1,419,862
Capital lease financing	-	-	208,429	208,429
Proceeds from sale of assets	20,000	20,000	16,440	(3,560)
Total other financing sources (uses)	920,000	(2,363,590)	(1,713,859)	649,731
Net change in fund balance	\$ (258,535)	\$ (4,004,971)	(2,624,452)	\$ 1,380,519
FUND BALANCE:				
Beginning of year			31,474,858	
End of year			<u>\$ 28,850,406</u>	

City of Barstow
Required Supplementary Information, Continued
For the year ended June 30, 2013

1. BUDGETS AND BUDGETARY ACCOUNTING, Continued

C. Budgetary Comparison Schedules, Continued

Budgetary Comparison Schedule, Measure I Special Revenue Fund

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
From other agencies	\$ 1,820,159	\$ 1,820,159	\$ 2,055,951	\$ 235,792
Use of money and property	10,000	10,000	67,365	57,365
Total revenues	<u>1,830,159</u>	<u>1,830,159</u>	<u>2,123,316</u>	<u>293,157</u>
EXPENDITURES:				
Current:				
Public safety	3,029	3,029	47,742	(44,713)
Debt Service:				
Interest and fiscal charges	-	172,101	172,102	(1)
Cost of issuance	-	269,883	269,883	-
Total expenditures	<u>3,029</u>	<u>445,013</u>	<u>489,727</u>	<u>(44,714)</u>
REVENUES OVER (UNDER) EXPENDITURE	<u>1,827,130</u>	<u>1,385,146</u>	<u>1,633,589</u>	<u>248,443</u>
OTHER FINANCING SOURCES (USES):				
Transfers out	(1,817,130)	(15,903,968)	(3,233,879)	12,670,089
Proceeds from issuance of debt	-	-	9,770,000	9,770,000
Issuance premium	-	-	901,999	901,999
Total other financing sources (uses)	<u>(1,817,130)</u>	<u>(15,903,968)</u>	<u>7,438,120</u>	<u>23,342,088</u>
Net change in fund balance	<u>\$ 10,000</u>	<u>\$ (14,518,822)</u>	<u>9,071,709</u>	<u>\$ 23,590,531</u>
FUND BALANCE:				
Beginning of year (as restated)			<u>3,687,906</u>	
End of year			<u>\$ 12,759,615</u>	

City of Barstow
Required Supplementary Information, Continued
For the year ended June 30, 2013

1. BUDGETS AND BUDGETARY ACCOUNTING, Continued

C. Budgetary Comparison Schedules, Continued

Budgetary Comparison Schedule, Barstow Fire Protection District Special Revenue Fund

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Property taxes	\$ 3,900,000	\$ 3,900,000	\$ 4,376,181	\$ 476,181
Licenses and permits	42,700	42,700	23,149	(19,551)
From other agencies	115,350	115,350	181,116	65,766
Other	29,000	29,000	29,414	414
Use of money and property	13,000	13,000	20,306	7,306
Total revenues	<u>4,100,050</u>	<u>4,100,050</u>	<u>4,630,166</u>	<u>530,116</u>
EXPENDITURES:				
Current:				
Public safety	3,750,577	3,846,119	4,299,883	(453,764)
Capital outlay	-	912,219	789,308	122,911
Total expenditures	<u>3,750,577</u>	<u>4,758,338</u>	<u>5,089,191</u>	<u>(330,853)</u>
REVENUES OVER (UNDER) EXPENDITURE	<u>349,473</u>	<u>(658,288)</u>	<u>(459,025)</u>	<u>199,263</u>
OTHER FINANCING SOURCES (USES):				
Capital lease financing	-	-	443,119	443,119
Proceeds from sale of assets	-	-	6,856	6,856
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>449,975</u>	<u>449,975</u>
Net change in fund balance	<u>\$ 349,473</u>	<u>\$ (658,288)</u>	<u>(9,050)</u>	<u>\$ 649,238</u>
FUND BALANCE:				
Beginning of year			<u>785,408</u>	
End of year			<u>\$ 776,358</u>	

City of Barstow
Required Supplementary Information, Continued
For the year ended June 30, 2013

2. DEFINED BENEFIT PENSION PLAN

The City retirement plans for police safety employees and miscellaneous employees are part of the CalPERS risk pool for cities and other governmental entities that have less than 100 active members. Actuarial valuations performed included other participants within the same risk pool. Therefore, standalone information of the schedule of funding progress for the City's police safety and miscellaneous employees are no longer available.

3. OTHER POST EMPLOYMENT BENEFITS (OPEB)

A schedule of funding progress as of the most recent actuarial valuation is presented below.

Actuarial Valuation Date *	Actuarial Asset Value	Actuarial Accrued Liability (AAL) Entry Age	Unfunded Actuarial Accrued Liability	Funded Ratio	Covered Payroll **	Unfunded Actuarial Liability as Percentage of Covered Payroll
7/1/2009	\$ -	\$ 7,947,457	\$ 7,947,457	0.00%	\$ 9,082,254	87.5%
7/1/2010	187,715	7,399,279	7,211,564	2.54%	9,121,093	79.1%
7/1/2011	250,216	7,673,957	7,423,741	3.26%	8,723,959	85.1%

* Based on the most recent actuarial valuation available

** Annual payroll of active employees covered by the plan

SUPPLEMENTARY INFORMATION

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**MAJOR GOVERNMENTAL FUNDS, OTHER THAN GENERAL FUND AND SPECIAL
REVENUE FUNDS**

City Capital Projects Fund

The City Capital Projects Fund accounts for transactions related to proceeds from bonds and other resources and their use to acquire and construct certain capital facilities.

City of Barstow

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

City Capital Projects Fund

For the year ended June 30, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
From other agencies	\$ 197,200	\$ 240,600	\$ 274,514	\$ 33,914
Use of money and property	9,000	9,000	-	(9,000)
Total revenues	206,200	249,600	274,514	24,914
EXPENDITURES:				
Current:				
Capital outlay	765,111	25,900,244	5,695,881	20,204,363
Total expenditures	765,111	25,900,244	5,695,881	20,204,363
REVENUES OVER (UNDER) EXPENDITURES	(756,111)	(25,891,244)	(5,421,367)	20,195,363
OTHER FINANCING SOURCES (USES):				
Transfers in	-	23,973,859	5,596,067	(18,377,792)
Total other financing sources (uses)	-	23,973,859	5,596,067	(18,377,792)
Net change in fund balance	\$ (756,111)	\$ (1,917,385)	\$ 174,700	\$ 1,817,571
FUND BALANCE:				
Beginning of year			896,977	
End of year			\$ 1,071,677	

NON-MAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUES FUNDS

Gas Tax Special Revenue Fund is used to account for receipts and expenditures of money apportioned under Street and Highway Code Sections 2105, 2106, 2107 and 2107.5 of the State of California.

Grants Special Revenue Fund is used to account for receipts and expenditures of money received from various governmental grants.

Asset Seizure Special Revenue Fund is used to account for asset seizure and forfeitures resulting from police investigations and court decisions.

Barstow Harvey House Foundation Special Revenue Fund is used to account for the operations of the Harvey House facility. The City rents portions of the premises to various organizations.

Redevelopment Housing Successor Special Revenue Fund is used to account for the operations of the Harvey House facility. The City rents portions of the premises to various organizations.

City of Barstow
Combining Balance Sheet
Non-Major Governmental Funds
June 30, 2013

	Special Revenue			
	Gas Tax	Grants	Assets Seizure	Barstow Harvey House Foundation
ASSETS				
Cash and investments	\$ 2,330	\$ 275,919	\$ 81,672	\$ 15,508
Accounts receivable, net	-	383,133	-	-
Accrued interest	-	696	203	-
Taxes receivable	48,884	-	-	-
Prepays	-	4,199	-	-
Due from Successor Agency Trust Fund	-	-	-	-
Total assets	\$ 51,214	\$ 663,947	\$ 81,875	\$ 15,508
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable and accrued liabilities	\$ -	\$ 22,529	\$ 40,989	\$ -
Due to other funds	55,226	365,354	-	-
Unavailable and unearned revenue	-	520,217	-	-
Total liabilities	55,226	908,100	40,989	-
Fund Balances:				
Restricted	-	-	40,886	15,508
Unassigned	(4,012)	(244,153)	-	-
Total fund balances	(4,012)	(244,153)	40,886	15,508
Total liabilities and fund balances	\$ 51,214	\$ 663,947	\$ 81,875	\$ 15,508

<u>Special Revenue</u>	Total
Redevelopment	Non Major
Housing	Governmental
Successor	Funds
\$ 7,894	\$ 383,323
-	383,133
-	899
-	48,884
-	4,199
<u>1,413,231</u>	<u>1,413,231</u>
<u>\$ 1,421,125</u>	<u>\$ 2,233,669</u>

\$ 801,974	\$ 865,492
-	420,580
-	520,217
<u>801,974</u>	<u>1,806,289</u>
619,151	675,545
-	(248,165)
<u>619,151</u>	<u>427,380</u>
<u>\$ 1,421,125</u>	<u>\$ 2,233,669</u>

City of Barstow
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-Major Governmental Funds
For the year ended June 30, 2013

	Special Revenue			
	Gas Tax	Grants	Assets Seizure	Barstow Harvey House Foundation
REVENUES:				
Property taxes	\$ -	\$ -	\$ -	\$ -
From other agencies	553,240	449,511	929	-
Licenses and permits	-	-	-	-
Other	-	-	-	-
Use of money and property	1,880	-	-	138
Total revenues	555,120	449,511	929	138
EXPENDITURES:				
Current:				
General government	-	1,789	3,304	75
Public safety	-	-	-	-
Community development	-	143,484	-	-
Public works	465,779	-	-	-
Capital outlay	981	309,842	-	-
Debt Service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	903	-	-	-
Total expenditures	467,663	455,115	3,304	75
REVENUES OVER (UNDER) EXPENDITURES	87,457	(5,604)	(2,375)	63
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	-
Transfers out	(175,737)	(247,723)	-	-
Total other financing sources (uses)	(175,737)	(247,723)	-	-
Net change in fund balances	(88,280)	(253,327)	(2,375)	63
FUND BALANCES:				
Beginning of year	84,268	9,174	43,261	15,445
End of year	\$ (4,012)	\$ (244,153)	\$ 40,886	\$ 15,508

<u>Special Revenue</u> <u>Redevelopment</u> <u>Housing</u> <u>Successor</u>	<u>Total</u> <u>Non-Major</u> <u>Governmental</u> <u>Funds</u>
\$ -	\$ -
-	1,003,680
-	-
-	-
<u>18,146</u>	<u>20,164</u>
<u>18,146</u>	<u>1,023,844</u>
-	5,168
-	-
812,226	955,710
-	465,779
-	310,823
-	-
<u>-</u>	<u>903</u>
<u>812,226</u>	<u>1,738,383</u>
<u>(794,080)</u>	<u>(714,539)</u>
-	-
<u>-</u>	<u>(423,460)</u>
<u>-</u>	<u>(423,460)</u>
(794,080)	(1,137,999)
<u>1,413,231</u>	<u>1,565,379</u>
<u>\$ 619,151</u>	<u>\$ 427,380</u>

City of Barstow

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

Gas Tax Fund

For the year ended June 30, 2013

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
From other agencies	\$ 637,649	\$ 637,649	\$ 553,240	\$ (84,409)
Use of money and property	5,000	5,000	1,880	(3,120)
Total revenues	642,649	642,649	555,120	(87,529)
EXPENDITURES:				
Current:				
Public works	637,649	637,649	465,779	171,870
Capital outlay	-	-	981	(981)
Debt service:				
Interest and fiscal charges	-	-	903	(903)
Total expenditures	637,649	637,649	467,663	169,986
REVENUES OVER (UNDER) EXPENDITURES	5,000	5,000	87,457	(257,515)
OTHER FINANCING SOURCES (USES):				
Transfers out	-	(170,000)	(175,737)	(5,737)
Total other financing sources (uses)	-	(170,000)	(175,737)	(5,737)
Net change in fund balance	\$ 5,000	\$ (165,000)	(88,280)	\$ (263,252)
FUND BALANCE:				
Beginning of year			84,268	
End of year			<u>\$ (4,012)</u>	

City of Barstow

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual Grants Fund For the year ended June 30, 2013

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
From other agencies	\$ 140,700	\$ 709,333	\$ 449,511	\$ (259,822)
Use of money and property	-	-	-	-
Total revenues	140,700	709,333	449,511	(259,822)
EXPENDITURES:				
Current:				
General government	-	-	1,789	(1,789)
Community development	10,750	320,798	143,484	177,314
Capital outlay	239,950	364,662	309,842	54,820
Total expenditures	250,700	685,460	455,115	230,345
REVENUES OVER (UNDER) EXPENDITURES	(110,000)	23,873	(5,604)	(29,477)
OTHER FINANCING SOURCES (USES):				
Transfers out	-	(4,188,796)	(247,723)	3,941,073
Total other financing sources (uses)	-	(4,188,796)	(247,723)	-
Net change in fund balance	\$ (110,000)	\$ (4,164,923)	(253,327)	\$ (29,477)
FUND BALANCE:				
Beginning of year			9,174	
End of year			<u>\$ (244,153)</u>	

City of Barstow

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

Assets Seizure Fund

For the year ended June 30, 2013

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
From other agencies	\$ -	\$ -	\$ 929	\$ 929
Use of money and property	500	500	-	(500)
Total revenues	500	500	929	429
EXPENDITURES:				
Current:				
General government	38,069	38,069	3,304	34,765
Total expenditures	38,069	38,069	3,304	34,765
Net change in fund balance	\$ (37,569)	\$ (37,569)	(2,375)	\$ (34,336)
FUND BALANCE:				
Beginning of year			43,261	
End of year			\$ 40,886	

City of Barstow

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

Barstow Harvey House Foundation Fund

For the year ended June 30, 2013

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Other	\$ -	\$ -	\$ -	\$ -
Use of money and property	-	-	138	138
Total revenues	-	-	138	138
EXPENDITURES:				
Current:				
General government	-	-	75	(75)
Total expenditures	-	-	75	(75)
Net change in fund balance	\$ -	\$ -	63	\$ 63
FUND BALANCE:				
Beginning of year			15,445	
End of year			\$ 15,508	

City of Barstow

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

Redevelopment Housing Successor

For the year ended June 30, 2012

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Use of money and property	\$ -	\$ -	\$ 18,146	\$ 18,146
Total revenues	-	-	18,146	18,146
EXPENDITURES:				
Current:				
Community development	-	-	812,226	(812,226)
Total expenditures	-	-	812,226	(812,226)
REVENUES OVER (UNDER) EXPENDITURES	-	-	(794,080)	(794,080)
OTHER FINANCING SOURCES (USES):				
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balance	\$ -	\$ -	(794,080)	\$ (794,080)
FUND BALANCE:				
Beginning of year			1,413,231	
End of year			\$ 619,151	

AGENCY FUNDS

Public Improvement District 91-1 accounts for the receipt of assessments relating to Public Improvement District 91-1 and the disposition of the assessments under the terms of the agreement.

Landscape Assessment District accounts for the receipt of assessment relating to the Landscape District and the disposition of the assessments under the terms of the agreements.

Other Agency accounts for the receipt of funds from other agencies and the disposition of the funds under the terms of the agreements.

Transit Big River accounts for the receipt of funds relating to the management of the County of San Bernardino Big River transit program.

Transit Trona accounts for the receipt of funds relating to the management of the County of San Bernardino Trona transit program.

City of Barstow
Combining Statement of Fiduciary Assets and Liabilities
Agency Funds
June 30, 2013

	Public Improvement District 91-1	Landscape Assessment District	Other Agency	Transit Big River
ASSETS				
Cash and investments	\$ 96,796	\$ 39,108	\$ 22,543	\$ 57
Accounts receivable	-	46	-	28,735
Interest receivable	247	85	53	-
Total assets	\$ 97,043	\$ 39,239	\$ 22,596	\$ 28,792
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ -	\$ 1,516	\$ -	\$ 12,385
Deposits	-	37,723	-	16,407
Due to bondholders	97,043	-	-	-
Due to other agencies	-	-	22,596	-
Total liabilities	\$ 97,043	\$ 39,239	\$ 22,596	\$ 28,792



<u>Transit Trona</u>	<u>Total Agency Funds</u>
\$ 22,211	\$ 180,715
31,850	60,631
<u>31</u>	<u>416</u>
<u>\$ 54,092</u>	<u>\$ 241,762</u>

\$ 8,663	\$ 22,564
45,429	99,559
-	97,043
-	22,596
<u>\$ 54,092</u>	<u>\$ 241,762</u>

City of Barstow
Agency Funds
Combining Statement of Changes in Assets and Liabilities
For the year ended June 30, 2013

	Balance July 1, 2012	Additions	Deductions	Balance June 30, 2013
Public Improvement District 91-1				
Assets:				
Cash and investments	\$ 97,075	\$ 1,583	\$ 1,862	\$ 96,796
Interest receivable	346	247	346	247
Total assets	\$ 97,421	\$ 1,830	\$ 2,208	\$ 97,043
Liabilities:				
Due to bondholders	\$ 97,421	\$ 1,830	\$ 2,208	\$ 97,043
Total liabilities	\$ 97,421	\$ 1,830	\$ 2,208	\$ 97,043
Landscape Assessment District				
Assets:				
Cash and investments	\$ 32,359	\$ 23,206	\$ 16,457	\$ 39,108
Taxes receivable	73	46	73	46
Interest receivable	81	85	81	85
Total assets	\$ 32,513	\$ 23,337	\$ 16,611	\$ 39,239
Liabilities:				
Accounts Payable	\$ 1,474	\$ 1,516	\$ 1,474	\$ 1,516
Deposits	31,039	21,821	15,137	37,723
Total liabilities	\$ 32,513	\$ 23,337	\$ 16,611	\$ 39,239
Other Agency				
Assets:				
Cash and investments	\$ 21,227	\$ 8,667	\$ 7,351	\$ 22,543
Interest receivable	84	53	84	53
Total assets	\$ 21,311	\$ 8,720	\$ 7,435	\$ 22,596
Liabilities:				
Due to other agencies	\$ 21,311	\$ 8,720	\$ 7,435	\$ 22,596
Total liabilities	\$ 21,311	\$ 8,720	\$ 7,435	\$ 22,596

City of Barstow

Agency Funds

Combining Statement of Changes in Assets and Liabilities, Continued

For the year ended June 30, 2013

	Balance June 30, 2012	Additions	Deductions	Balance June 30, 2012
Transit - Big River				
Assets:				
Cash and investments	\$ 24,968	\$ 76,241	\$ 101,152	\$ 57
Accounts Receivable	-	28,735	-	28,735
Interest receivable	180	-	180	-
Total assets	\$ 25,148	\$ 104,976	\$ 101,332	\$ 28,792
Liabilities:				
Accounts payable	\$ 10,194	\$ 91,357	\$ 89,166	\$ 12,385
Deposits	14,954	13,619	12,166	16,407
Total liabilities	\$ 25,148	\$ 104,976	\$ 101,332	\$ 28,792
Transit - Trona				
Assets:				
Cash and investments	\$ 40,534	\$ 72,364	\$ 90,687	\$ 22,211
Accounts Receivable	-	31,850	-	31,850
Interest receivable	212	31	212	31
Total assets	\$ 40,746	\$ 104,245	\$ 90,899	\$ 54,092
Liabilities:				
Accounts payable	\$ 6,233	\$ 80,194	\$ 78,890	\$ 7,537
Deposits	34,513	24,051	12,009	46,555
Total liabilities	\$ 40,746	\$ 104,245	\$ 90,899	\$ 54,092

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STATISTICAL SECTION

This part of the City of Barstow’s comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City.

Index	Page
Financial Trends	120
These schedules contain trend information to help the reader understand how the City’s financial performance and well-being have changed over time.	
Revenue Capacity	130
These schedules contain information to help the reader assess the City’s most significant local revenues sources, property tax and sales tax.	
Debt Capacity	140
These schedules present information to help the reader assess the affordability of the City’s current levels of outstanding debt and the City’s ability issues additional debt in the future.	
Demographic and Economic Information	147
These schedules offer demographic and economic indicators to help the reader understand the environment within which the City’s financial activities take place.	
Operating Information	150
These schedules contain service and infrastructure data to help the reader understand how the information in the City’s financial report relates to the services the City provides and the activities it performs.	

CITY OF BARSTOW
Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year			
	2004	2005	2006	2007
Governmental Activities:				
Net investment in				
capital assets	\$ 3,154,343	\$ 11,779,469	\$ 27,704,096	\$ 75,092,771
Restricted	14,057,930	13,516,589	15,656,211	10,536,166
Unrestricted	21,693,217	25,190,652	26,233,234	25,416,537
Total Governmental Activities Net Position	<u>\$ 38,905,490</u>	<u>\$ 50,486,710</u>	<u>\$ 69,593,541</u>	<u>\$ 111,045,474</u>
Business-type Activities:				
Net investment in				
capital assets	\$ 5,612,500	\$ 5,612,500	\$ 5,365,622	\$ 13,069,478
Restricted	-	298,915	598,449	
Unrestricted	5,498,328	7,198,612	8,887,135	8,376,130
Total Business-type Activities Net Position	<u>\$ 11,110,828</u>	<u>\$ 13,110,027</u>	<u>\$ 14,851,206</u>	<u>\$ 21,445,608</u>
Primary Government:				
Net investment in				
capital assets	\$ 8,766,843	\$ 17,391,969	\$ 33,069,718	\$ 88,162,249
Restricted	14,057,930	13,815,504	16,254,660	10,536,166
Unrestricted	27,191,545	32,389,264	35,120,369	33,792,667
Total Primary Government Net Position	<u>\$ 50,016,318</u>	<u>\$ 63,596,737</u>	<u>\$ 84,444,747</u>	<u>\$ 132,491,082</u>

Source: Barstow Department of Finance

The FY07 net position reflect a change in accounting policy for the capitalization threshold for capital assets and the effect of a capital asset inventory conducted at June 30, 2006.

Fiscal Year					
2008	2009	2010	2011	2012	2013
\$ 63,939,275	\$ 58,651,372	\$ 65,754,048	\$ 68,836,403	\$ 72,765,415	\$ 76,148,543
19,980,860	23,996,154	7,467,900	13,313,448	6,609,675	4,937,538
30,585,194	32,172,987	39,910,774	32,818,270	29,552,965	24,643,519
<u>\$ 114,505,329</u>	<u>\$ 114,820,513</u>	<u>\$ 113,132,722</u>	<u>\$ 114,968,121</u>	<u>\$ 108,928,055</u>	<u>\$ 105,729,600</u>
\$ 13,296,278	\$ 16,080,466	\$ 14,309,391	\$ 11,609,403	\$ 14,530,286	\$ 15,734,425
(881,594)	(2,300,969)	(3,002,623)	(1,046,331)	(4,779,780)	(5,850,378)
<u>\$ 12,414,684</u>	<u>\$ 13,779,497</u>	<u>\$ 11,306,768</u>	<u>\$ 10,563,072</u>	<u>\$ 9,750,506</u>	<u>\$ 9,884,047</u>
\$ 77,235,553	\$ 74,731,838	\$ 80,063,439	\$ 80,445,806	\$ 87,295,701	\$ 91,882,968
19,980,860	23,996,154	7,467,900	13,313,448	6,609,675	4,937,538
29,703,600	29,872,018	36,908,151	31,771,939	24,773,185	18,793,141
<u>\$ 126,920,013</u>	<u>\$ 128,600,010</u>	<u>\$ 124,439,490</u>	<u>\$ 125,531,193</u>	<u>\$ 118,678,561</u>	<u>\$ 115,613,647</u>

CITY OF BARSTOW
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year			
	2004	2005	2006	2007
Expenses:				
Governmental activities:				
General government	3,621,873	4,256,533	5,463,803	2,852,043
Public safety	5,067,546	5,256,515	6,476,180	6,971,475
Recreation				
Public works	1,687,319	1,525,840	2,700,343	3,755,588
Community development	1,216,896	1,222,092	1,866,271	4,628,881
Unallocated depreciation	931,785	1,589,710	1,356,124	-
Interest on long-term debt	1,410,528	1,128,425	933,682	880,548
Total Governmental Activities Expenses	<u>13,935,947</u>	<u>14,979,115</u>	<u>18,796,403</u>	<u>19,088,535</u>
Business-type Activities:				
Wastewater	2,465,828	2,423,874	2,150,916	2,746,749
Solid Waste	2,563,280	2,765,613	4,061,999	4,195,541
Transit Services	1,967,581	2,192,166	2,800,343	2,678,016
Interest on long-term debt	190,720	-	-	-
Other Enterprise Funds	87,386	98,251	234,587	298,069
Total Business-type Activities Expenses	<u>7,274,795</u>	<u>7,479,904</u>	<u>9,247,845</u>	<u>9,918,375</u>
Total Primary Government Expenses	<u>21,210,742</u>	<u>22,459,019</u>	<u>28,044,248</u>	<u>29,006,910</u>
Program revenues:				
Governmental activities:				
Charges for services:				
General government	2,962,745	2,987,527	2,153,127	1,609,778
Operating grants and contributions	-	174,484	213,243	3,796,362
Capital grants and contributions	2,743,541	7,844,489	3,294,159	2,217,854
Total governmental activities program revenues	<u>5,706,286</u>	<u>11,006,500</u>	<u>5,660,529</u>	<u>7,623,994</u>
Business-type activities:				
Charges for services:				
Wastewater	2,547,894	3,829,426	2,788,820	3,273,734
Solid Waste	2,753,456	2,709,042	3,157,778	3,522,318
Transit Services	238,304	287,901	258,622	239,540
Other business-type activities	100,642	495,637	97,004	165,914
Operating grants and contributions	1,521,529	1,379,080	1,956,188	1,980,839
Capital grants and contributions	487,661	1,048,702	258,989	91,237
Total business-type activities program revenues	<u>7,649,486</u>	<u>9,749,788</u>	<u>8,517,401</u>	<u>9,273,582</u>
Total primary government program revenues	<u>13,355,772</u>	<u>20,756,288</u>	<u>14,177,930</u>	<u>16,897,576</u>

(Continued)

Fiscal Year					
2008	2009	2010	2011	2012	2013
5,186,329	7,328,056	6,094,918	5,419,817	4,372,577	3,318,398
7,169,661	7,755,294	8,431,831	11,379,248	13,910,834	14,781,347
1,839,427	2,522,146	2,169,160	1,651,047	2,226,201	1,980,078
4,503,709	3,811,039	5,631,968	3,284,720	4,976,071	5,928,990
3,308,455	3,208,592	3,394,422	4,390,903	3,233,598	2,646,525
-	-	-	-	-	-
977,402	1,014,907	470,703	571,721	373,524	132,321
22,984,983	25,640,034	26,193,002	26,697,456	29,092,805	28,787,659
13,033,007	2,901,787	3,247,228	3,514,998	4,398,844	3,478,998
3,974,067	4,045,892	4,011,446	4,213,429	3,989,240	4,095,682
3,168,024	3,237,953	3,372,469	2,890,641	2,943,943	2,714,135
-	-	-	-	-	-
386,788	297,942	398,573	343,653	336,203	324,043
20,561,886	10,483,574	11,029,716	10,962,721	11,668,230	10,612,858
43,546,869	36,123,608	37,222,718	37,660,177	40,761,035	39,400,517
1,973,746	1,648,299	1,560,775	1,502,836	1,200,799	1,543,686
3,353,033	2,705,247	2,188,144	2,977,984	595,522	436,434
1,001,826	903,617	950,770	54,290	4,099,782	3,297,685
6,328,605	5,257,163	4,699,689	4,535,110	5,896,103	5,277,805
3,473,018	3,195,509	3,069,587	3,221,304	4,025,728	4,297,624
3,746,302	3,748,330	3,634,446	3,876,407	4,062,908	3,785,422
252,459	351,130	253,898	610,343	688,374	186,984
160,244	106,903	130,852	49,508	34,136	94,831
2,698,498	2,694,980	2,580,170	2,018,897	2,044,518	2,381,538
960,443	1,462,475	419,872	151,117	-	-
11,290,964	11,559,327	10,088,825	9,927,576	10,855,664	10,746,399
17,619,569	16,816,490	14,788,514	14,462,686	16,751,767	16,024,204

CITY OF BARSTOW
Changes in Net Position (Continued)
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year			
	2004	2005	2006	2007
Net revenues (expenses):				
Governmental activities	(8,229,661)	(3,972,615)	(13,135,874)	(11,464,541)
Business-type activities	374,691	2,269,884	(730,444)	(644,793)
Total net revenues (expenses)	<u>(7,854,970)</u>	<u>(1,702,731)</u>	<u>(13,866,318)</u>	<u>(12,109,334)</u>
General Revenues and Other Changes in Net Position:				
Governmental activities:				
Taxes:				
Property taxes	2,772,537	2,765,138	3,852,670	5,129,433
Sales tax	4,660,782	4,772,730	6,025,029	6,662,596
Transient occupancy taxes	1,741,015	1,961,506	2,282,557	2,281,494
Other taxes	1,212,217	2,764,439	4,695,973	1,181,430
Motor vehicle in lieu, unrestricted	1,052,291	1,390,868	2,017,520	1,651,504
Investment income	387,716	1,368,810	974,002	2,396,289
Other general revenues	166,672	47,294	302,305	770,348
Gain (loss) on sale of assets	-	-	-	80,768
Transfers	46,096	(5,307)	(2,397,663)	-
Special item - merger of fire district				
Extraordinary item - gain due to dissolution of RDA				
Inventory Adjustment for Capital Assets	-	-	14,490,312	-
Total Governmental Activities	<u>12,039,326</u>	<u>15,065,478</u>	<u>32,242,705</u>	<u>20,153,862</u>
Business-type activities:				
Investment Income	56,973	127,315	73,960	-
Use of money and property	-	-	-	368,282
Other revenue	286,626	23,094	-	-
Special item-impairment loss	-	-	-	-
Transfers	(46,096)	113,750	2,397,663	-
Total Business-type Activities	<u>297,503</u>	<u>264,159</u>	<u>2,471,623</u>	<u>368,282</u>
Total Primary Government	<u>12,336,829</u>	<u>15,329,637</u>	<u>34,714,328</u>	<u>20,522,144</u>
Changes in Net Position:				
Governmental activities	3,809,665	11,092,863	19,106,831	8,689,321
Business-type activities	672,194	2,534,043	1,741,179	(276,511)
Total Primary Government	<u>4,481,859</u>	<u>13,626,906</u>	<u>20,848,010</u>	<u>8,412,810</u>

Source: Barstow Department of Finance

The FY07 net position reflect a change in accounting policy for the capitalization threshold for capital assets and the affect of a capital asset inventory conducted at June 30, 2006. Therefore the FY04 to FY06 net position are not comparable to later years.

Fiscal Year					
2008	2009	2010	2011	2012	2013
(16,656,378)	(20,382,871)	(21,493,313)	(22,162,346)	(23,196,702)	(23,509,854)
(9,270,922)	1,075,753	(940,891)	(1,035,145)	(812,566)	133,541
(25,927,300)	(19,307,118)	(22,434,204)	(23,197,491)	(24,009,268)	(23,376,313)
5,734,799	7,894,148	8,359,770	10,106,231	9,581,086	8,750,763
5,925,848	6,084,702	5,802,928	6,589,010	6,942,387	7,346,732
2,455,043	2,484,223	2,392,610	2,541,970	2,626,389	2,649,694
1,153,309	1,150,982	1,110,266	1,107,418	1,213,263	1,126,099
1,889,772	63,143	110,643	110,786	24,459	-
2,483,993	2,537,309	1,775,846	1,903,747	1,297,074	328,226
419,527	483,548	253,459	334,103	91,654	109,885
-	-	-	-	-	-
-	-	-	(183,479)	-	-
-	-	-	1,487,959	-	-
-	-	-	-	311,238	-
-	-	-	-	-	-
20,062,291	20,698,055	19,805,522	23,997,745	22,087,550	20,311,399
-	-	-	-	-	-
293,548	289,060	177,265	105,720	-	-
392	-	-	2,250	-	-
-	-	(1,709,103)	-	-	-
-	-	-	183,479	-	-
293,940	289,060	(1,531,838)	291,449	-	-
20,356,231	20,987,115	18,273,684	24,289,194	22,087,550	20,311,399
3,405,913	315,184	(1,687,791)	1,835,399	(1,109,152)	(3,198,455)
(8,976,982)	1,364,813	(2,472,729)	(743,696)	(812,566)	133,541
(5,571,069)	1,679,997	(4,160,520)	1,091,703	(1,921,718)	(3,064,914)

CITY OF BARSTOW
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year			
	2004	2005	2006	2007
General Fund:				
Reserved	\$ 531,731	\$ 1,672,386	\$ 3,249,760	\$ 218,659
Nonspendable*				
Restricted*				
Assigned*				
Unreserved/Unassigned*	20,481,137	22,413,177	23,464,839	29,774,340
Total General Fund	\$ 21,012,868	\$ 24,085,563	\$ 26,714,599	\$ 29,992,999
All Other Governmental Funds:				
Reserved	\$ 8,127,814	\$ 8,182,909	\$ 7,843,986	\$ 7,216,481
Nonspendable*				
Restricted*				
Assigned*				
Unreserved/Unassigned*, reported in:				
Special revenue funds	3,448,875	3,748,724	6,374,327	6,449,950
Debt Service	(5,026,356)	(4,715,218)	(4,052,881)	(2,375,041)
Capital projects funds	7,507,597	5,745,800	4,972,571	7,412,771
Total all other governmental funds	\$ 14,057,930	\$ 12,962,215	\$ 15,138,003	\$ 18,704,161

Source: Barstow Finance Department

* FY11 Implementation of GASB 54 Fund Balance Classifications.

**The Hospital Fund for FY08, FY09 & FY10 was not included with the General Fund balances but shown as a separate special revenue fund. For comparison purposes, the Hospital Fund is combined with the General Fund.

Fiscal Year					
2008**	2009**	2010**	2011	2012	2013
\$ 1,623,614	\$ 1,075,061	\$ 3,119,315			
			\$ 4,155,542	\$ 6,025,426	\$ 5,819,857
			5,943,956	-	-
			4,425,000	-	-
13,397,822	14,077,368	7,403,967	18,756,466	25,449,432	23,030,549
<u>\$ 15,021,436</u>	<u>\$ 15,152,429</u>	<u>\$ 10,523,282</u>	<u>\$ 33,280,964</u>	<u>\$ 31,474,858</u>	<u>\$ 28,850,406</u>
\$ 11,147,285	\$ 10,903,385	\$ 9,678,496			
			\$ 5,150,568	\$ -	\$ -
			8,442,243	6,935,670	15,283,195
			5,977,305	-	-
24,704,172	24,494,870	25,272,143	(11,336)	-	(248,165)
(1,078,693)	(26,730)	1,483,316	-	-	-
8,918,847	9,037,542	7,210,373	-	-	-
<u>\$ 43,691,611</u>	<u>\$ 44,409,067</u>	<u>\$ 43,644,328</u>	<u>\$ 19,558,780</u>	<u>\$ 6,935,670</u>	<u>\$ 15,035,030</u>

CITY OF BARSTOW
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years

	Fiscal Year			
	2004	2005	2006	2007
Revenues:				
Taxes	\$ 9,971,562	\$ 10,906,444	\$ 13,099,367	\$ 16,906,457
Licenses and permits	309,026	470,044	538,809	467,676
Fines and forfeitures	105,964	150,520	214,193	210,687
Rental income	1,200,771	1,232,691	537,621	-
From other agencies	3,897,055	5,045,547	5,838,577	6,000,893
Charges for services	745,935	723,770	793,375	901,135
Use of Money and Property	932,719	2,186,727	3,915,201	2,396,287
Other	932,719	2,186,727	3,915,201	813,953
Total Revenues	18,095,751	22,902,470	28,852,344	27,697,088
Expenditures				
Current:				
General government	4,102,546	5,548,356	5,201,272	3,111,934
Public safety	5,374,822	5,629,391	6,384,530	6,971,475
Public works	3,980,678	5,027,348	2,540,937	3,755,588
Recreation	-	-	-	1,400,592
Community development	1,041,137	923,715	1,244,735	3,228,289
Debt service:	-	-	-	-
Principal retirement	939,272	8,734,376	748,232	825,349
Interest and fiscal charges	1,136,312	1,894,142	1,210,527	887,647
Capital Outlay	-	-	-	754,602
Total Expenditures	16,574,767	27,757,328	17,330,233	20,935,476
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,520,984	(4,854,858)	11,522,111	6,761,612
Other financing sources (uses):				
Transfers in	1,886,696	1,535,412	1,494,000	1,534,800
Transfers out	(1,897,113)	(1,955,366)	(4,660,129)	(1,534,800)
Proceeds from sale of assets	13,701	47,294	3,000	128,704
Capital grants and contributions	25,532	4,515,731	8,944	-
Capital leases	-	-	-	-
Issuance of bonds	-	8,860,000	-	-
Issuance premium	-	-	-	-
Special item - merger of fire district	-	-	-	-
Extraordinary loss on dissolution of RDA	-	-	-	-
Total Other Financing Sources (Uses)	28,816	13,003,071	(3,154,185)	128,704
Net Change in Fund Balances	\$ 1,549,800	\$ 8,148,213	\$ 8,367,926	\$ 6,890,316
Debt service as a percentage of noncapital expenditures	12.5%	38.3%	11.3%	8.6%

Source: Barstow Finance Department

The FY07 fund balances reflect changes in accounting policy for the capitalization threshold for capital assets, accounting treatment of long-term debt and deferred revenues, and the affect of a capital asset inventory conducted at June 30, 2006; therefore, the FY04 to FY06 net asset are not comparable.

		Fiscal Year									
		2008	2009	2010	2011	2012	2013				
\$	17,158,769	\$	17,677,199	\$	17,776,217	\$	20,455,415	\$	20,387,584	\$	19,873,288
	330,523		157,319		131,610		160,411		196,868		204,981
	189,967		111,180		131,389		129,349		106,341		104,690
	-		-		-		-		-		-
	8,970,828		3,131,095		3,141,460		2,977,499		4,915,206		3,907,154
	1,416,576		1,261,364		1,232,865		1,156,934		677,688		1,099,480
	2,484,002		2,537,309		1,775,849		1,903,747		990,102		328,226
	463,290		593,469		326,843		332,229		91,654		71,385
	<u>31,013,955</u>		<u>25,468,935</u>		<u>24,516,233</u>		<u>27,115,584</u>		<u>27,365,443</u>		<u>25,589,204</u>
	4,438,516		6,360,460		6,398,855		5,122,706		3,076,341		2,798,241
	7,169,661		7,693,503		11,504,311		10,698,792		13,338,769		13,427,720
	1,643,649		1,670,133		1,929,250		2,505,479		2,746,018		3,481,396
	1,839,427		1,877,647		1,816,436		1,300,759		1,547,172		1,520,643
	3,308,455		3,207,583		3,391,348		3,278,264		3,035,640		2,552,355
	-		-		-		-		-		-
	870,210		1,103,698		1,190,588		490,000		510,000		-
	858,029		870,144		656,716		578,895		382,583		447,390
	2,230,093		2,010,835		3,437,099		8,090,746		9,775,072		7,233,394
	<u>22,358,040</u>		<u>24,794,003</u>		<u>30,324,603</u>		<u>32,065,641</u>		<u>34,411,595</u>		<u>31,461,139</u>
	8,655,915		674,932		(5,808,370)		(4,950,057)		(7,046,152)		(5,871,935)
	1,592,942		1,849,139		1,500,963		10,988,832		24,557,219		5,596,067
	(1,539,000)		(1,849,139)		(1,500,963)		(11,172,311)		(24,557,219)		(5,596,067)
	13,597		-		-		23,107		41,770		23,296
	-		-		-		-		-		-
	-		173,517		414,484		3,128,993		264,473		651,548
	-		-		-		-		-		9,770,000
	-		-		-		653,570		-		901,999
	-		-		-		-		(7,023,762)		-
	<u>67,539</u>		<u>173,517</u>		<u>414,484</u>		<u>3,622,191</u>		<u>(6,717,519)</u>		<u>11,346,843</u>
\$	<u>8,723,454</u>	\$	<u>848,449</u>	\$	<u>(5,393,886)</u>	\$	<u>(1,327,866)</u>	\$	<u>(13,763,671)</u>	\$	<u>5,474,908</u>
	8.6%		8.7%		6.9%		4.5%		3.5%		1.8%

CITY OF BARSTOW
Assessed Value of Taxable Property
Last Ten Fiscal Years

Fiscal Year Ended June 30	City of Barstow				
	Secured	Unsecured	SBE Nonunitary	City Net Value	% Change
2004	732,700,856	79,034,569	29,948,086	841,683,511	2.81%
2005	766,763,028	77,850,700	28,829,408	873,443,136	3.77%
2006	808,484,167	80,494,969	29,256,752	918,235,888	5.13%
2007	932,009,696	74,295,326	27,544,344	1,033,849,366	12.59%
2008	1,091,641,646	87,057,908	2,234,731	1,180,934,285	14.23%
2009	1,185,390,590	98,372,746	2,231,057	1,285,994,393	8.90%
2010	1,191,331,204	109,266,545	2,140,972	1,302,738,721	1.30%
2011	1,135,166,443	108,035,363	2,176,079	1,245,377,885	-4.40%
2012	1,105,173,976	105,571,293	2,186,442	1,212,931,711	-2.61%
2013	1,092,408,332	104,914,213	2,165,193	1,199,487,738	-1.11%

Source: San Bernardino Co Assessor 2012/13 Combined Rolls-HdL, Coren & Cone & Co of San Bernardino Agency Net Valuations

*Exempt values are not included in Total Assessed Value.

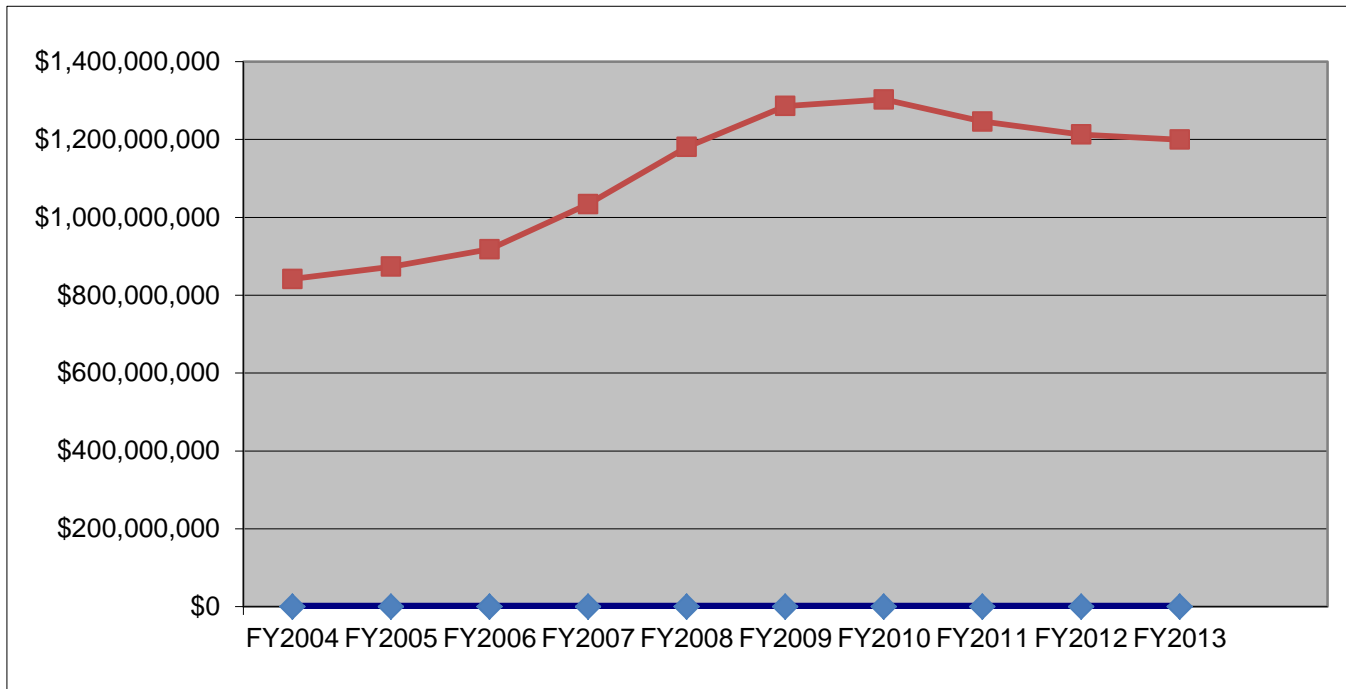
CITY OF BARSTOW
Assessed Value of Taxable Property by Class
Last Ten Fiscal Years

Fiscal Year	Residential Property	Commercial Property	Industrial Property	Vacant Land	SBE Non Unitary	Unsecured	Other	Total Taxable Assessed Value (a)	Total Direct Tax Rate
2003-04	391,524,129	236,158,006	25,887,316	61,154,300	29,948,086	79,034,569	17,977,105	841,683,511	0.354%
2004-05	414,449,105	250,972,870	24,533,560	61,596,544	28,829,408	77,850,700	15,210,949	873,443,136	0.358%
2005-06	441,648,727	253,663,769	24,820,785	70,993,887	29,256,752	80,494,969	17,356,999	918,235,888	0.355%
2006-07	522,998,720	263,260,967	24,487,034	102,684,251	27,544,344	74,295,326	18,578,724	1,033,849,366	0.361%
2007-08	605,422,360	289,013,500	26,449,777	137,134,937	2,234,731	87,057,908	33,621,072	1,180,934,285	0.371%
2008-09	652,316,400	317,560,341	26,683,171	156,562,311	2,231,057	98,372,746	32,268,367	1,285,994,393	0.369%
2009-10	627,566,328	338,817,782	33,850,382	156,715,114	2,140,972	109,266,545	34,381,598	1,302,738,721	0.406%
2010-11	568,233,728	345,783,589	33,307,174	156,145,924	2,176,079	108,035,363	32,275,948	1,245,957,805	0.413%
2011-12	536,928,516	344,666,172	33,157,744	168,757,467	2,186,442	105,571,293	21,664,077	1,212,931,711	0.410%
2012-13	520,317,571	354,140,448	30,005,065	173,103,339	2,165,193	104,914,213	14,841,909	1,199,487,738	0.404%

Source: HdL Coren & Cone/San Bernardino Co Assessor 2003/04-2012/13 Combined Tax Rolls

Notes:

(a) Exempt values are not included in Total Assessed Value.



CITY OF BARSTOW
Direct and Overlapping Property Tax Rates
(Rate per \$100 of assessed value)
Last Ten Fiscal Years

	Fiscal Year			
	2004	2005	2006	2007
Direct & Overlapping (2) Tax Rates				
Basic Levy (1)	1.000	1.000	1.000	1.000
Barstow Unified School Bond	0.0579	0.0518	0.0489	0.0392
Mojave Water Agency Land Only	0.1125	0.1125	0.1125	0.1125
Mojave Water Agency	<u>0.0550</u>	<u>0.0550</u>	<u>0.0550</u>	<u>0.0550</u>
Total Direct & Overlapping Rates	<u>\$ 1.2254</u>	<u>\$ 1.2193</u>	<u>\$ 1.2164</u>	<u>\$ 1.2067</u>
City's Share of 1% Levy Per Prop 13 (3)	0.37418	0.37418	0.37418	0.37418
General Obligation Debt Rate				
Redevelopment Rate (4)	1.0000	1.0000	1.0000	1.0000
Total Direct Rate (5)	0.35391	0.35828	0.35542	0.36126

Source: San Bernardino County Assessor/Hdl, Coren & Cone

NOTE:

(1) 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 the Barstow Unified School District bonds.

(2) Overlapping reates 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.

(3) City's Share of 1% Levy is based on the City's share of the feneral fund tax rate area with the largest net taxable value within the City. ERAF general fund tax shifts may not be included in tax ratio figures.

(4) Redevelopment Rate is based on the largest RDA tax rate area and only includes 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. The approval of ABX1 26 eliminated Redevelopment from the State of California for the fiscal year 2012/13 and years thereafter.

(5) Because basic and debt rates vary by tax rate area individual rates cannot be summed. The Total Direct Rate is the weighted average of all individual direct rates for the City of Barstow.

Fiscal Year					
<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
1.000	1.000	1.000	1.000	1.000	1.000
0.0378	0.0352	0.0312	0.0370	0.0401	0.0393
0.1125	0.1125	0.1125	0.1125	0.1125	0.1125
<u>0.0550</u>	<u>0.0550</u>	<u>0.0550</u>	<u>0.0550</u>	<u>0.0550</u>	<u>0.0550</u>
<u>\$ 1.2053</u>	<u>\$ 1.2027</u>	<u>\$ 1.1987</u>	<u>\$ 1.2045</u>	<u>\$ 1.2076</u>	<u>\$ 1.2068</u>
0.37418	0.37418	0.37418	0.37418	0.37418	0.37418
1.0000	1.0000	1.0000	1.0000	1.0000	N/A
0.37067	0.39225	0.40558	0.41321	0.41035	0.40408

CITY OF BARSTOW
Principal Property Tax Payers
Current Year and Ten Years Ago

Owner	2012/13		2003/04	
	Taxable Assessed Value	Percent of Total City Taxable Assessed Value	Taxable Assessed Value	Percent of Total City Taxable Assessed Value
New Plan Factory Malls			\$ 38,066,675	4.52%
Burlington Northern & Santa Fe Railway			\$ 29,423,225	3.50%
Hospital of Barstow	\$ 42,114,201	3.51%		
Tanger Properties LP	\$ 25,103,634	2.09%	\$ 13,148,824	1.56%
Walmart Stores	\$ 13,540,620	1.13%		
Pilot Travel Centers LLC	\$ 12,639,083	1.05%		
CB Time LLC	\$ 11,039,982	0.92%		
Home Depot United States	\$ 10,885,219	0.91%		
Barstow Outlet	\$ 10,424,883	0.87%		
Meruelo Maddux Properties	\$ 10,162,159	0.85%		
Hospitality Express II LLC	\$ 9,684,863	0.81%		
Tan and EAP Enterprises LLC	\$ 9,185,751	0.77%		
Fred and Robin Rosenberg Family Limited			\$ 11,495,193	1.37%
Rip Griffin Truck Service Center			\$ 10,969,492	1.30%
WalMart Real Estate Business Trust			\$ 8,770,809	1.04%
Yellow Freight System			\$ 8,057,450	0.96%
Free II LLC			\$ 7,666,591	0.91%
Service Rock Products Corporation			\$ 6,575,342	0.78%
Newmark International Inc			\$ 6,453,658	0.77%
TOTAL OF TOP TEN:	<u>\$ 154,780,395</u>	12.91%	<u>\$ 140,627,259</u>	16.71%

Source: Hdl Coren & Cone-San Bernardino County Assessor

**City of Barstow
Property Tax Levies and Collections
Last Ten Fiscal Years**

Fiscal Year Ended June 30	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of Levy		Collected in Subsequent Years	Total Collections to Date	
		Amount	Percent of Levy		Amount	Percentage of Levy
2004	3,667,674	3,456,180	94%	128,443	3,584,623	98%
2005	3,828,327	3,603,748	94%	152,730	3,756,478	98%
2006	3,932,328	3,734,541	95%	114,903	3,849,444	98%
2007	4,335,503	4,095,726	94%	170,157	4,265,883	98%
2008	4,895,661	4,552,351	93%	297,320	4,849,671	99%
2009	5,524,724	4,843,253	88%	403,731	5,246,984	95%
2010	5,773,720	5,198,837	90%	268,587	5,467,424	95%
2011	5,679,690	5,149,865	91%	200,779	5,350,644	94%
2012	5,526,746	5,028,637	91%	109,971	5,138,608	93%
2013	5,399,411	4,586,298	85%	30,909	4,617,207	86%

Source: San Bernardino Auditor-Controller Recorder

NOTE:

The amounts presented include City property taxes and Redevelopment Agency tax increment. This schedule also includes amounts collected by the City and Redevelopment Agency that were passed-through to other agencies.

CITY OF BARSTOW
Top 25 Sales Tax Producers (Alphabetically)
For the Fiscal Year 2012/2013

<u>Business Name</u>	<u>Business Category</u>
Arco	Service Stations
Arco AM PM	Service Stations
Barstow Shell	Service Stations
Calvin Klein	Family Apparel
Chevron	Service Stations
Circle K	Service Stations
Coach	Women's Apparel
Crossroads Fuel & Foods	Service Stations
Del Taco	Restaurants No Alcohol
Home Depot	Lumber/Building Materials
In N Out Burgers	Restaurants No Alcohol
Love's Gas Station	Service Stations
McDonalds	Restaurants No Alcohol
Michael Kors	Family Apparel
Pilot Travel Center	Service Stations
Ralph Lauren	Family Apparel
Soutars Ford/Nissan/Lincoln	New Motor Vehicle Dealers
Soutars Toyota/Chrysler/Dodge/Jeep	New Motor Vehicle Dealers
Terrible Herbst	Service Stations
Tesoro Refining & Marketing	Service Stations
Travel Centers of America	Service Stations
Union 76	Service Stations
Valero Corner Store	Service Stations
Valmont Newmark International	Energy/Utilities
Walmart	Discount Dept Stores

Percent of Fiscal Year Total Paid by Top 25 Accounts = 69.71%

Period: April 2012 thru March 2013

Source: Hinderliter, de Llamas & Associates, State Board of Equalization

CITY OF BARSTOW
Top 25 Sales Tax Producers (Alphabetically)
For the Fiscal Year 2003/2004

<u>Business Name</u>	<u>Business Category</u>
Arco AM PM	Service Stations
Arco AM PM Mini Mart	Service Stations
Chevron	Service Stations
Circle K	Service Stations
Crossroads Fuel & Food	Service Stations
Del Taco	Restaurants No Alcohol
Flying J Travel Plaza	Service Stations
Freeway Mobile Service	Service Stations
Gap Outlet	Family Apparel
H & E Home Builders City	Lumber/Building Materials
Ideal Chevrolet Pontiac Buick	New Motor Vehicle Dealers
Imperial Valley Lumber Company	Lumber/Building Materials
In N Out Burgers	Restaurants No Alcohol
McDonalds	Restaurants No Alcohol
Pilot Travel Center	Service Stations
Polo Ralph Lauren Factory Store	Family Apparel
Rip Griffin Truck Service	Service Stations
Service Rock Products	Contractors
Soutar's Ford/Nissan/Lincoln	New Motor Vehicle Dealers
Soutar's Toyota/Chrysler/Dodge/Jeep	New Motor Vehicle Dealers
Stater Bros	Grocery Stores Liquor
Terrible Herbst	Service Stations
Truck Stops of America	Service Stations
Valero Corner Store	Service Stations
Walmart	Discount Dept Stores

Percent of Fiscal Year Total Paid by Top 25 Accounts = 62.35%

Period: April 2003 thru March 2004

Source: Hinderliter, de Llamas & Associates, State Board of Equalization

CITY OF BARSTOW
Taxable Sales by Category
Last Ten Calendar Years (in thousands of dollars)

	Calendar Year			
	2003	2004	2005	2006
Apparel Stores	\$ 51,406	\$ 49,725	\$ 55,841	\$ 60,842
Food Stores	\$ 12,853	\$ 12,388	\$ 12,938	\$ 13,934
Eating & Drinking Places	\$ 56,440	\$ 61,491	\$ 66,068	\$ 69,507
Auto Dealers & Supplies	\$ 43,771	\$ 49,760	\$ 52,093	\$ 54,015
Service Stations	\$ 140,727	\$ 154,295	\$ 207,969	\$ 249,618
Other Retail Stores	\$ 85,095	\$ 96,754	\$ 100,455	\$ 102,581
All Other Outlets	\$ 61,710	\$ 65,024	\$ 75,684	\$ 89,066
Total	\$ 452,002	\$ 489,437	\$ 571,048	\$ 639,563

Source: State of California Board of Equalization and The Hdl Companies

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

Calendar Year

2007	2008	2009	2010	2011	2012
\$ 71,552	\$ 84,205	\$ 83,048	\$ 103,304	\$ 124,440	\$ 137,798
\$ 14,464	\$ 14,357	\$ 14,433	\$ 14,201	\$ 14,364	\$ 14,807
\$ 70,729	\$ 70,023	\$ 69,628	\$ 69,882	\$ 71,220	\$ 73,226
\$ 49,063	\$ 34,887	\$ 24,522	\$ 25,131	\$ 30,282	\$ 30,027
\$ 247,012	\$ 255,383	\$ 206,895	\$ 243,781	\$ 264,421	\$ 286,372
\$ 107,106	\$ 96,915	\$ 88,244	\$ 85,640	\$ 87,247	\$ 90,339
\$ 94,757	\$ 81,415	\$ 84,967	\$ 90,845	\$ 83,258	\$ 103,725
<u>\$ 654,683</u>	<u>\$ 637,185</u>	<u>\$ 571,737</u>	<u>\$ 632,784</u>	<u>\$ 675,232</u>	<u>\$ 736,294</u>

CITY OF BARSTOW
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year Ended June 30	Governmental Activities				Total Governmental Activities
	Tax Allocation		Measure I	Capital Lease	
	Bonds	Loans	TRIP	Agreements	
2004	9,807,629	4,518,449	-	-	14,326,078
2005	10,486,631	4,589,505	-	-	15,076,136
2006	10,325,349	4,392,929	-	-	14,718,278
2007	10,125,210	4,184,505	-	-	14,309,715
2008	10,610,209	3,963,575	-	-	14,573,784
2009	9,525,588	5,442,620	-	154,440	15,122,648
2010	8,335,000	5,094,383	-	465,845	13,895,228
2011	7,845,000	4,731,252	-	3,407,341	15,983,593
2012	-	-	-	3,197,150	3,197,150
2013	-	-	10,671,999	3,337,511	14,009,510

Details regarding the City's outstanding debt can be found in the notes to the financial statements.

¹ These ratios are calculated using personal income and population for the prior calendar year

		Business-type			
Wastewater Certificates of Participation	Wastewater Capital Lease Agreements	Total Business-type Activities	Total Primary Government	Percentage of Personal Income ¹	Debt Per Capita ¹
3,630,000	-	3,630,000	17,956,078	110.74%	777
3,850,000	-	3,850,000	18,926,136	113.01%	813
3,620,000	-	3,620,000	18,338,278	106.25%	776
3,380,000	-	3,380,000	17,689,715	98.15%	748
3,140,000	-	3,140,000	17,713,784	95.59%	744
2,900,000	-	2,900,000	18,022,648	96.65%	757
2,650,000	-	2,650,000	16,545,228	90.51%	684
2,279,943	2,316,949	4,596,892	18,263,536	97.33%	752
2,028,159	2,137,571	4,165,730	4,165,730	21.24%	181
1,766,808	1,968,975	3,735,783	3,735,783	18.36%	161

CITY OF BARSTOW
Ratio of General Bonded Debt Outstanding
Last Ten Fiscal Years

Fiscal Year Ended June 30	Tax Allocation Bonds	Percent of Assessed Value ¹	Per Capita
2004	9,807,629	1.17%	424
2005	10,486,631	1.20%	451
2006	10,325,349	1.12%	437
2007	10,125,210	0.98%	428
2008	10,610,209	0.90%	445
2009	9,525,588	0.74%	400
2010	8,335,000	0.64%	345
2011	7,845,000	0.63%	323
2012	-	0.00%	-
2013	-	0.00%	-

Source: Barstow Finance Department

General bonded debt is debt payable with governmental fund resources and general obligation bonds recorded in enterprise funds (of which, the City has none).

¹ Assessed value has been used because the actual value of taxable property is not readily available in the State of California.

CITY OF BARSTOW
Direct & Overlapping Governmental Activities Debt
As of June 30, 2013

<u>DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:</u>	Total Debt 6/30/2013	Percentage Applicable (1)	Net Bonded Debt
Barstow Unified School District	\$ 10,794,849	62.50%	\$ 6,747,104
Mojave Water Agency	15,530,000	4.37%	678,195
City of Barstow	-	100%	-
Total Overlapping Tax and Assessment Debt			<u>\$ 7,425,299</u>
 <u>OVERLAPPING GENERAL FUND OBLIGATION DEBT:</u>			
San Bernardino County General Fund Obligations	\$ 573,875	0.734%	\$ 4,212,243
San Bernardino County Pension Obligations	519,745,214	0.734%	3,814,930
San Bernardino County Flood Control District Certificates of Participation	104,705,000	0.734%	768,535
			<u>8,795,708</u>
 <u>OVERLAPPING TAX INCREMENT DEBT:</u>	 \$ 6,800,000	 100.000%	 \$ 6,800,000
 COMBINED TOTAL DEBT			 <u>\$ 23,021,007</u> (2)

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

(2) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and tax allocation bonds and non-bonded capital lease obligations.

2012-13 City's Assessed Valuation : \$ 1,199,487,738

Ratios to 2012-13 Assessed Valuation:

Direct Debt	0.00%
Total Direct and Overlapping Tax and Assessment Debt	0.62%
Combined Total Debt	1.92%

CITY OF BARSTOW
Legal Debt Margin Information
Last Ten Fiscal Years

	Fiscal Year			
	2004	2005	2006	2007
Assessed valuation	\$ 841,683,511	\$ 873,443,136	\$ 918,235,888	\$ 1,033,849,366
Conversion percentage	<u>25%</u>	<u>25%</u>	<u>25%</u>	<u>25%</u>
Adjusted assessed valuation	210,420,878	218,360,784	229,558,972	258,462,342
Debt limit percentage	<u>15%</u>	<u>15%</u>	<u>15%</u>	<u>15%</u>
Debt limit	31,563,132	32,754,118	34,433,846	38,769,351
Total net debt applicable to limit:				
Legal debt margin	<u>\$ 31,563,132</u>	<u>\$ 32,754,118</u>	<u>\$ 34,433,846</u>	<u>\$ 38,769,351</u>
Total debt applicable to the limit as a percentage of debt limit	0.0%	0.0%	0.0%	0.0%

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

Source: Barstow Department of Finance
County Tax Assessor's Office

Fiscal Year					
2008	2009	2010	2011	2012	2013
\$ 1,180,934,285	\$ 1,285,994,393	\$ 1,302,738,721	\$ 1,245,957,805	\$ 1,212,931,711	\$ 1,199,487,738
<u>25%</u>	<u>25%</u>	<u>25%</u>	<u>25%</u>	<u>25%</u>	<u>25%</u>
295,233,571	321,498,598	325,684,680	311,489,451	303,232,928	299,871,935
<u>15%</u>	<u>15%</u>	<u>15%</u>	<u>15%</u>	<u>15%</u>	<u>15%</u>
44,285,036	48,224,790	48,852,702	46,723,418	45,484,939	44,980,790
<u>\$ 44,285,036</u>	<u>\$ 48,224,790</u>	<u>\$ 48,852,702</u>	<u>\$ 46,723,418</u>	<u>\$ 45,484,939</u>	<u>\$ 44,980,790</u>
0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

CITY OF BARSTOW
Pledged-Revenue Coverage
Last Ten Fiscal Years

Fiscal Year Ended	Tax Allocation Bonds		
	Tax	Debt Service (1)	Coverage
	Increment (1)	Principal and Interest	
June 30	Increment (1)	Interest	Coverage
2004	4,003,000	1,603,000	2.50
2005	4,420,000	1,560,000	2.83
2006	4,916,000	1,381,000	3.56
2007	5,568,000	1,411,000	3.95
2008	6,046,000	1,409,000	4.29
2009	5,924,000	1,888,000	3.14
2010	4,998,000	1,616,000	3.09
2011	3,522,000	849,000	4.15
2012	-	-	-
2013	-	-	-

Source: Barstow Finance Department

Note: Details regarding the city's outstanding debt can be found in the notes to the financial statements. Operating expenses do not include interest or depreciation expenses.

(1) Amounts have been rounded to the nearest thousand.

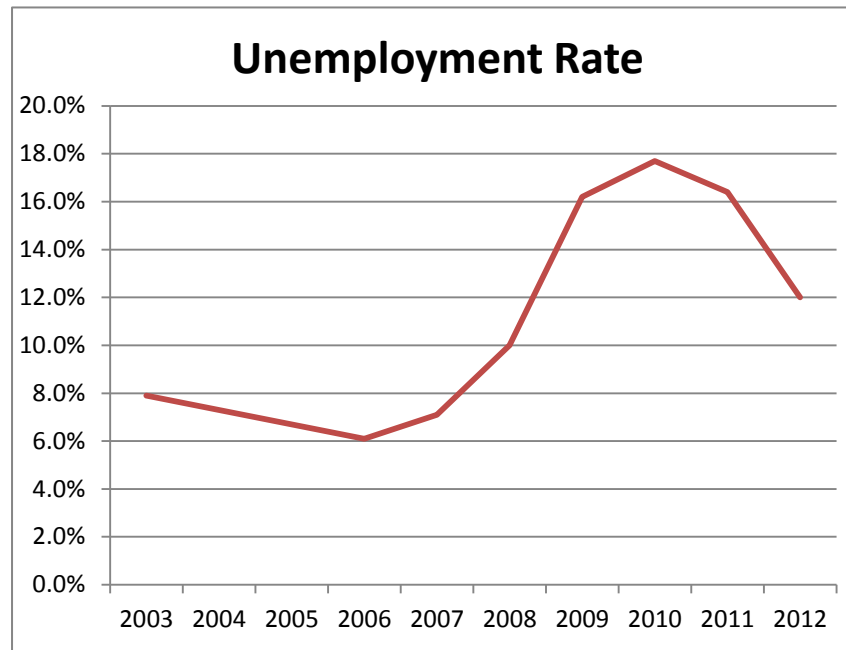
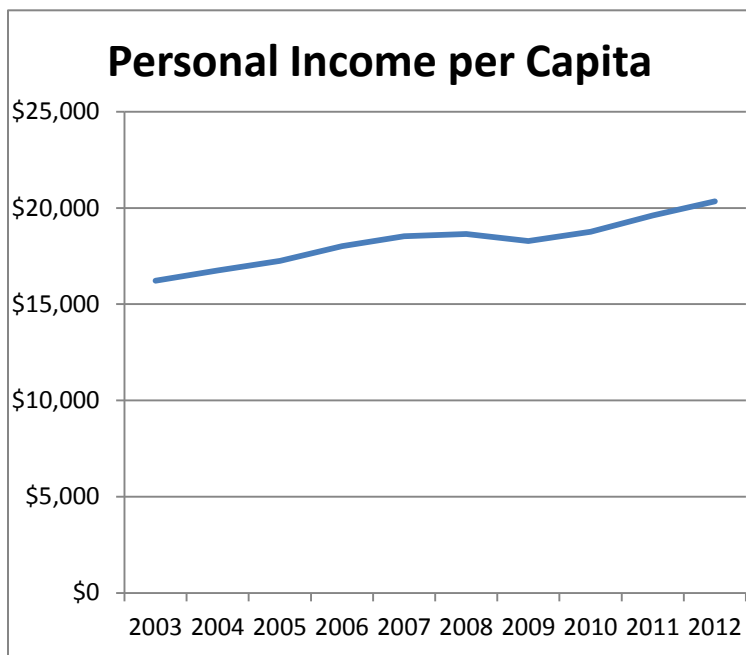
CITY OF BARSTOW
Demographic and Economic Statistics
Last Ten Calendar Years

Calendar	Population	Personal Income	Per Capita	Unemployment	Median Age	% of Pop 25+ with High School Degree	% of Pop 25+ with Bachelor's Degree
2003	23,104	\$ 374,601	16,214	7.9%			
2004	23,273	\$ 389,742	16,747	7.3%			
2005	23,646	\$ 408,138	17,260	6.7%			
2006	23,643	\$ 426,137	18,024	6.1%			
2007	23,822	\$ 441,450	18,531	7.1%			
2008	23,795	\$ 443,741	18,648	10.0%			
2009	24,174	\$ 441,931	18,281	16.2%	32.4	78.8%	9.3%
2010	24,281	\$ 455,609	18,764	17.7%	31.5	78.2%	9.8%
2011	23,019	\$ 451,449	19,612	16.4%	33.1	78.9%	9.4%
2012	23,168	\$ 471,330	20,344	12.0%	33.3	81.0%	9.2%

Sources: HdL Coren & Cone

(1) Population: California State Department of Finance

(2) Unemployment Data: California Employment Development Department



**CITY OF BARSTOW
Principal Employers
2013 and Four Years Ago****

Employer	2013		2009	
	Number of Employees	Percent of Total Employment	Number of Employees	Percent of Total Employment
Ft. Irwin National Training Center*	5,972	27.6%	5,565	39.8%
Marine Corps Logistics Base*	2,047	7.8%	2,123	15.2%
Northrup Grunman (Vernell till 2002)*	849	5.8%	1,210	8.6%
BNSF Railroad	1,000	4.9%	950	6.8%
Barstow Unified School District	609	4.1%	675	4.8%
Raytheon Technical Services Co, LLC*	550	2.4%	396	2.8%
Tanger Outlet Stores	600	4.1%	483	3.5%
San Bernardino County	410	2.8%	300	2.1%
High Desert Support Services	300	2.0%	-	0.0%
Barstow Community Hospital	300	2.0%	274	2.0%
Silver Valley School District*	300	1.4%	282	2.0%
Wal-Mart	290	2.0%	275	2.0%
Barstow Community College	272	1.9%	200	1.4%
Veterans Home of CA-Barstow	210	1.4%	173	1.2%
City of Barstow	189	1.3%	121	0.9%

Source: City of Barstow Economic Development Department

***Employers outside of City Limits**

**City of Barstow compiles data on employers periodically and has elected to show 2009 employers.

"Total Employment" as used above represents the total employment of all employers located within City limits plus the employers totals outside of the City limits. Total employed in 2013 was 14,681. Total employed in 2009 is 13,994.

CITY OF BARSTOW
Full-time and Part-time City Employees
by Function
Last Ten Fiscal Years

Full-Time Employees as of June 30

Function	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
General government	23	20	20	20	21	21	19	22	22	21
Police Safety										
Sworn	38	35	35	37	38	40	40	40	41	41
Non-Sworn	21	19	19	16	18	18	18	19	13	13
Fire Safety										
Sworn									20	23
Non-Sworn									1	1
Recreation					15	15	15	16	19	18
Community Service	23	20	20	24	18	18	19	18	32	31
Community Development	12	10	10	12	12	12	12	7	10	10
Redevelopment	1	1	1	2	4	4	3	4	2	-
Solid Waste	1	1	1	1	1	1	1	2	1	2
Wastewater	1	1	1	1	1	1	1	1	8	9
Transit	1	1	1	1	1	1	1	1	1	1
Total	121	108	108	114	129	131	129	130	170	170

Source: City of Barstow Budget

CITY OF BARSTOW
Operating Indicators
by Function
Last Nine Fiscal Years

	Fiscal Year								
	2005	2006	2007	2008	2009	2010	2011	2012	2013
Police:									
Arrests	2,320	2,394	2,703	2,907	2,915	3,223	2,766	2,795	2,672
Parking citations issued	710	1,039	995	431	366	666	313	201	266
Parks and recreation:									
Number of recreation classes	34	34	34	34	18	19	14	16	14
Number of facility rentals	27	26	40	39	52	60	68	70	139
Sewer:									
New connections	56	75	103	103	12	9	9	17	30
Average/Millions of Gallons Sewage Treatment	2.71	2.65	2.57	2.56	2.40	2.70	2.20	2.13	2.11
Building Department:									
Permits	*	*	392	301	402	555	558	663	870

Source: City of Barstow

* Data not available

Notes: The City of Barstow has elected to show only nine years of data for this schedule.

CITY OF BARSTOW
Capital Asset Statistics
by Function
Last Ten Fiscal Years

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Police:										
Stations	2	2	2	2	2	2	2	2	2	2
Fire District **										
Stations	2	2	2	2	2	2	2	3	3	3
Public Works:										
Streets (miles)	88	88	88	88	88	88	89	89	90	91
Streetlights	*	*	*	*	*	1,001	1,001	1,001	1,001	1,081
Traffic signals	19	19	19	19	19	19	20	20	21	21
Parks and Recreation:										
Parks	10	10	10	10	10	10	10	10	10	10
Community pools	2	2	2	2	2	1	1	1	1	1
Community centers	3	3	3	3	3	3	3	3	3	3
Wastewater:										
Sanitary sewers (miles)	80	80	80	80	80	113	113	113	117	117
Storm sewers (miles)	2	2	2	2	2	2	2	2	15	15
Maximum daily treatment capacity (millions of gallons per day)	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5

Source: City of Barstow

* Data not available

**Fire District added November 17, 2010