



Comprehensive Annual Financial Report



**City of Barstow, California
Fiscal Year Ended
June 30, 2015**

Prepared by the Finance Department

220 East Mountain View, Suite A * Barstow, CA 92311-2888 * www.barstowca.org

**COMPREHENSIVE ANNUAL FINANCIAL
REPORT**

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

CITY OF BARSTOW

CALIFORNIA



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

Charles C. 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, 2015

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December 14, 2015

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, 2015.

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 unmodified ("clean") opinion on the City of Barstow's financial statements for the year ended June 30, 2015. 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 .97% from January 1, 2014 to January 1, 2015. The population for the City of Barstow increased .61% also during the same timeframe. The unemployment rate as of October 2015 for this City is 5.7% 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 1.7% and sales tax increased 3.8% from fiscal year 2013/2014. 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 continuing to improve.

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 2015-16 Capital Budget includes \$5.3 million in projects related to City infrastructure and facility improvements.
- The City's efforts to improve infrastructure in the City includes such projects as the Lenwood Grade Separation, the Henderson/Cameron area street reconstruction project, Laverne flood control improvement project, the First Avenue Bridge over the BNSF Classification Yard project and the First Avenue Bridge over the Mojave River project.



- Coordination with potential retail and industrial developers for new projects; construction of the Super Walmart in the Montara Place shopping center; and continuing efforts on the destination resort and casino project.

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 2015-16 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, 2014. The award for the Certificate of Achievement for Excellence in Financial Reporting for the period ended June 30, 2014 was the eighth 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 and Accountant, Jacque Chamberlain. We especially wish to acknowledge the assistance and diligence of our auditors, Badawi & Associates, CPAs.

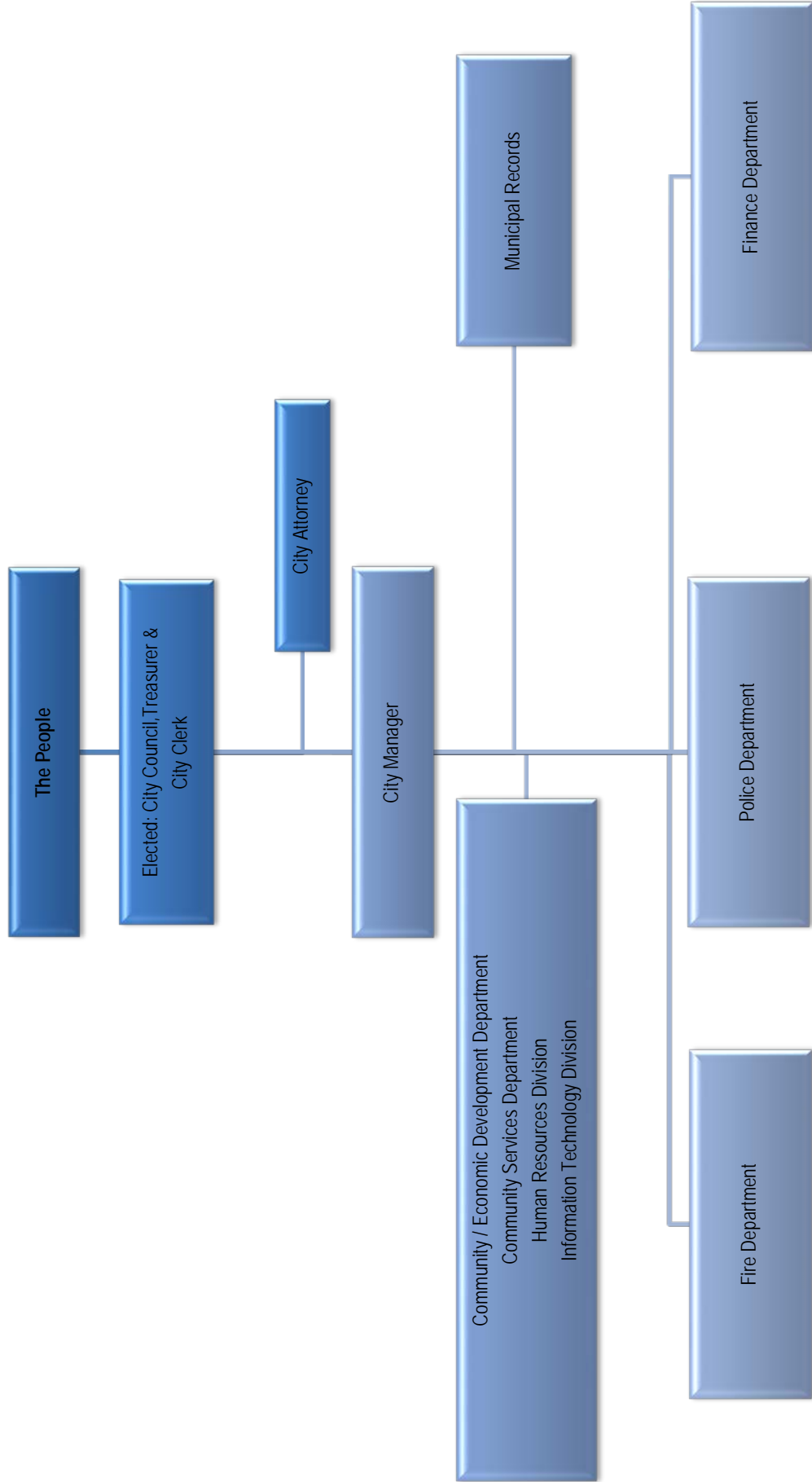
Respectfully submitted,

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, 2015

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 V. Cousino

Appointed Officials

City Manager	Charles C. Mitchell
Finance Director	Cindy Prothro
City Attorney	Terri Highsmith
Chief of Police	Albert Ramirez
Fire Chief	Richard A. Ross



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
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**City of Barstow
California**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2014



Executive Director/CEO



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, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

To the Honorable Mayor and Members of the City Council
of the City of Barstow
Barstow, California
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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, 2015, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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, pension information, and OPEB funded status information on page 5-22, 108-112, 113-122, and 123 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 schedules on pages 128 and 134 to 140 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 schedules on pages 128 and 134 to 140 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 the budgetary comparison schedules on pages 128 and 134 to 140 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
Barstow, California
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The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 14, 2015 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

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

Badawi and Associates
Certified Public Accountants
Oakland, California
December 14, 2015

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CITY OF BARSTOW
Management's Discussion and Analysis
June 30, 2015

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, 2015. 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 \$26,733,587.
- The cost of governmental activities was \$28,488,201.
- The business-type activities program and general revenues were \$12,473,737.
- The cost of business-type activities was \$12,727,366.
- The General Fund reported expenditures in excess of revenues, or net changes in fund balance of \$1,429,006.
- For the General Fund, actual budgeted revenues were more than budget estimates by \$90,370, and actual expenditures were more than final budget by \$407,766.
- The Measure I Special Revenue Fund, a major governmental fund, ended the fiscal year with \$222,086 in fund balance.
- The Barstow Fire Protection District ended the fiscal year with a deficit fund balance of \$1,179,180.
- Total non-major governmental funds had a total fund balance of \$1,914,092.

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.

CITY OF BARSTOW
Management's Discussion and Analysis
June 30, 2015

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 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 (CNG/LNG).

The government-wide financial statements include not only the City itself, (known as the *primary government*), but also its legally separate component units. The Odessa Water District, the Barstow Fire Protection District, the Barstow Harvey House Foundation and the newly formed Barstow Community Services 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 ten 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, Barstow Harvey House Foundation,

CITY OF BARSTOW
Management's Discussion and Analysis
June 30, 2015

Redevelopment Housing Successor Fund and Barstow Community Services Foundation. The Measure I TRIP debt service fund is also combined with the non-major governmental funds.

The City adopted an annual appropriated budget for its governmental and proprietary funds in fiscal year 2015. A budgetary comparison has been provided for the general fund to demonstrate compliance with this budget.

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

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 seven fiduciary funds to account for the receipts and disbursements of special assessments. The City also has one private purpose trust fund to account for redevelopment successor agency activity. 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 54-106 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, the Barstow Fire Protection District special revenue fund and the Flood Control special revenue fund. New this year, this section also includes information regarding the Defined Benefit Pension Plan, that includes the *California Public Employees' Retirement System* (CALPERS) Miscellaneous (Classic) Plan, CALPERS Miscellaneous (PEPRA) Plan, CALPERS Safety (Classic) Plan, CALPERS Safety (PEPRA) Plan and the *San Bernardino County Employees' Retirement Association* (SBCERA) Plan. 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

CITY OF BARSTOW
Management's Discussion and Analysis
June 30, 2015

information as required by GASB Statement No. 45. Required supplementary information can be found on page 107-123 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, Redevelopment Housing Successor and Barstow Community Services Foundation special revenue funds, as well as the Measure I TRIP debt service fund are located on page 125-146 page of this report.

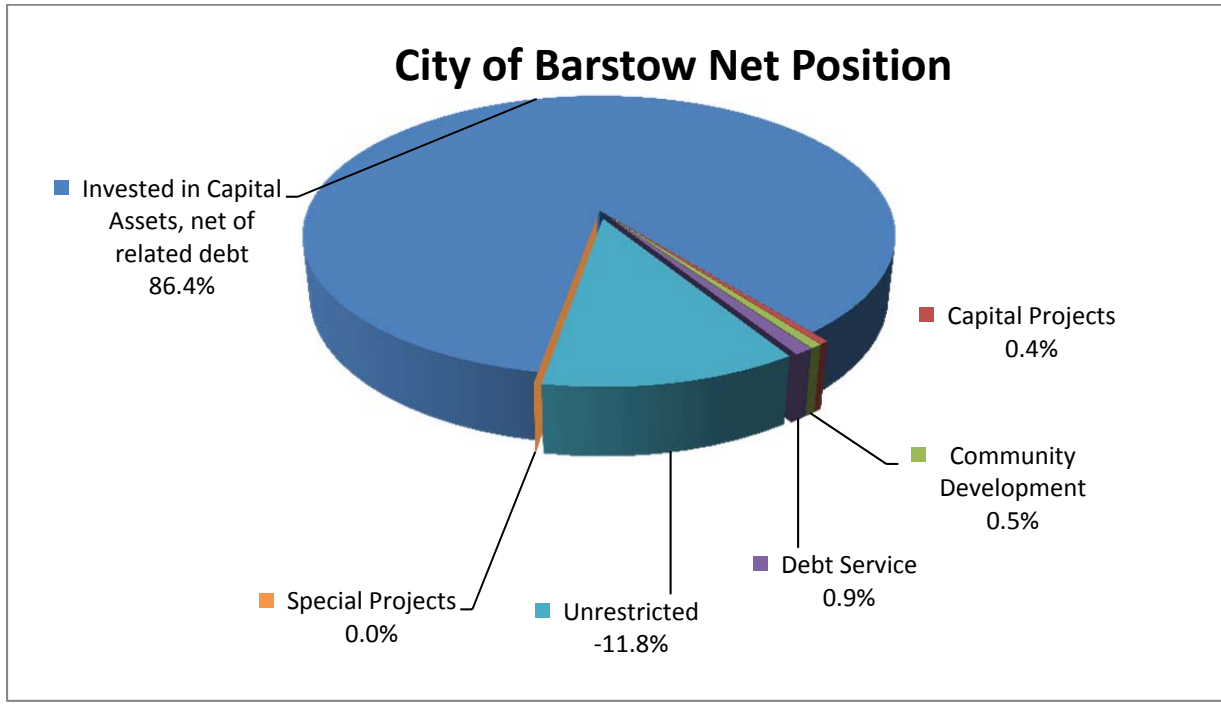
GOVERNMENT-WIDE FINANCIAL ANALYSIS

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 \$92,433,802 at the close of the most recent fiscal year, a decrease of 2% over the restated previous year. The net position for Governmental Activities and Business-type Activities were restated to record the beginning net pension liability in fiscal year 2014.

The largest portion (86.4%), \$104,408,665, 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 (-11.8%), is a deficit of \$14,220,195. This deficit is attributable to the Business-Type Activities. The third largest portion is restricted for debt service, \$1,070,621 or .9%. The remaining balances are restricted for capital projects and are detailed below.

CITY OF BARSTOW
Management's Discussion and Analysis
June 30, 2015



As shown in the total column for 2015 in the following chart, an additional portion of the City's net position, \$2,245,332 (2%), represents resources that are subject to restrictions in how they may be used. Of this restricted amount, \$505,719 is restricted for capital projects, \$1,070,621 for debt service, \$660,127 for community development and \$8,865 is for special projects.

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June 30, 2015

CITY OF BARSTOW NET POSITION

	Governmental Activities		Business-Type Activities		Total	
	2015	2014	2015	2014	2015	2014
Current and other assets	\$ 32,982,932	\$ 37,401,534	\$ (5,914,819)	\$ (570,065)	\$ 27,068,113	\$ 36,831,469
Capital assets	87,213,775	85,699,502	30,815,400	27,242,106	118,029,175	112,941,608
Total assets	120,196,707	123,101,036	24,900,581	26,672,041	145,097,288	149,773,077
Total deferred outflows of resources	6,651,172	3,521,752	192,788	144,216	6,843,960	3,665,968
Current Liabilities	9,208,059	7,154,771	2,318,002	3,126,581	11,526,061	10,281,352
Long-term Liabilities	28,860,383	36,942,225	9,000,988	10,253,957	37,861,371	47,196,182
Total liabilities	38,068,442	44,096,996	11,318,990	13,380,538	49,387,432	57,477,534
Total deferred inflows of resources	9,527,725	1,519,466	592,289		10,120,014	1,519,466
Net position:						
Net invested in capital assets	76,362,833	73,335,444	28,045,832	23,983,537	104,408,665	97,318,981
Restricted	2,245,332	6,079,590			2,245,332	6,079,590
Unrestricted	643,547	1,591,292	(14,863,742)	(10,547,818)	(14,220,195)	(8,956,526)
Total Net Position:	\$ 79,251,712	\$ 81,006,326	\$ 13,182,090	\$ 13,435,719	\$ 92,433,802	\$ 94,442,045

City of Barstow Changes in Net position

First, of major significance, the City of Barstow restated the fiscal year 2014, net position in the amount of approximately \$22 million per the Government Accounting Standards Board (GASB 68) requirement. This restatement recorded net pension liability for the Governmental Activities in the amount of \$21,098,176 and Business-type Activities in the amount of \$896,768 as of June 30, 2014.

When eliminating the restatement and comparing the City of Barstow's overall net position, its net position decreased by \$2,008,243 from the prior fiscal year. The reasons for this overall decrease are discussed in the following sections for governmental activities (a decrease of \$1,754,614) and business-type activities (a decrease of \$253,629).

Governmental Activities

Governmental activities decreased net position by \$1,754,614 for fiscal year 2015 as shown in the chart on the page 11. Some of the major changes are due to a decrease in total program revenues of \$2.9 million. *Capital contributions and grants* had a decrease of approximately \$3.8 million. In the previous year, the City was very active improving infrastructure mainly in the area of road reconstruction and was successful in securing grants. In fiscal year 2015, these projects were completed or nearing completion. This was offset by a \$1 million increase in *Operating contributions and grants*, due in part to the Fire District receiving a Staffing for Adequate Fire and Emergency Response (SAFER) grant for the hiring of additional fire staff.

Total General Revenues remained relatively unchanged.

In correlation to the decrease in *Capital contributions and grants* revenue, Public Works expense also decreased as infrastructure projects, mainly road reconstruction, completed or neared completion.

More information about governmental activities are reflected in the charts and graphs on the following pages.

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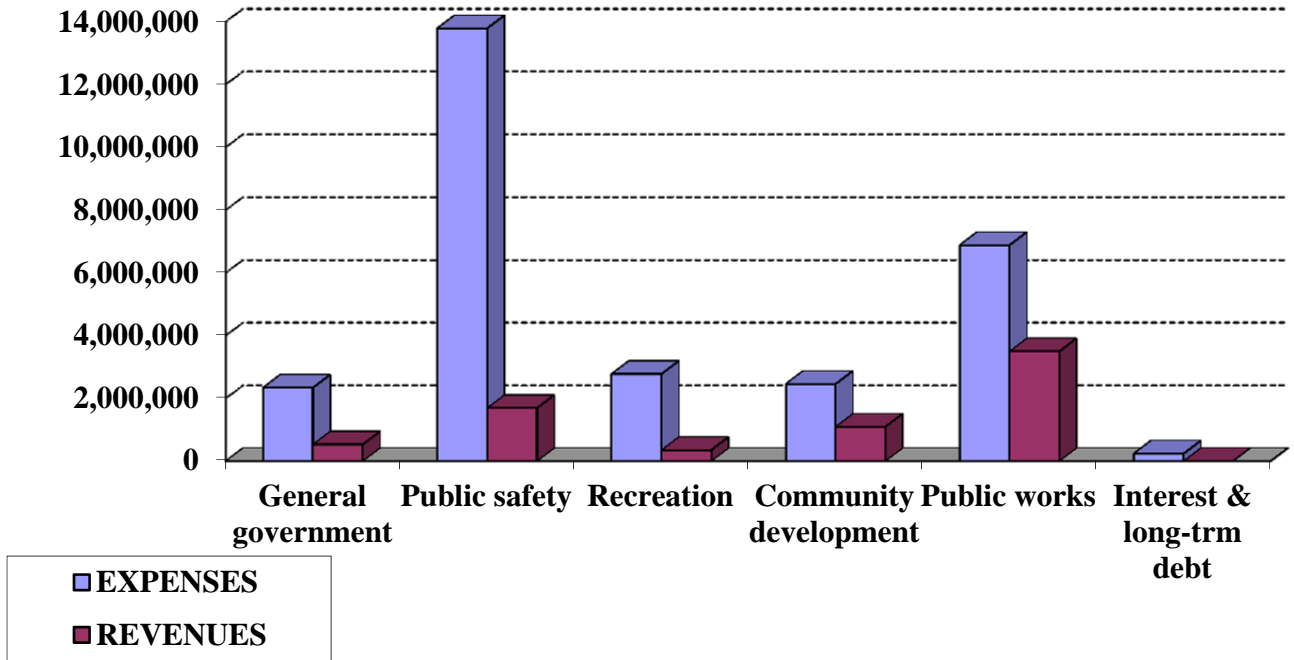
Governmental & Business-Type Activities Net Position

	Governmental Activities		Business-Type Activities		Total	
	2015	2014	2015	2014	2015	2014
Revenues:						
Program Revenues						
Charges for service	\$ 1,490,257	\$ 1,430,544	\$ 9,792,531	\$ 9,657,214	\$ 11,282,788	\$ 11,087,758
Operating contributions and grants	1,702,084	861,484	2,275,972	1,849,657	3,978,056	2,711,141
Capital contributions and grants	3,978,333	7,793,386	405,234	4,779,757	4,383,567	12,573,143
Total Program Revenues	7,170,674	10,085,414	12,473,737	16,286,628	19,644,411	26,372,042
General Revenues						
Property taxes	7,398,978	7,288,665	-	-	7,398,978	7,288,665
Other taxes	4,104,143	3,927,392	-	-	4,104,143	3,927,392
Sales & use tax	7,259,449	7,532,540	-	-	7,259,449	7,532,540
Other revenues	800,343	835,236	-	-	800,343	835,236
Total General Revenues	19,562,913	19,583,833	-	-	19,562,913	19,583,833
Total Revenues	26,733,587	29,669,247	12,473,737	16,286,628	39,207,324	45,955,875
Expenses						
General government	2,340,584	3,040,319	-	-	2,340,584	3,040,319
Public & fire safety	13,789,550	13,263,509	-	-	13,789,550	13,263,509
Recreation	2,777,589	2,647,726	-	-	2,777,589	2,647,726
Community development	2,458,665	2,068,450	-	-	2,458,665	2,068,450
Public works	6,882,670	11,353,600	-	-	6,882,670	11,353,600
Interest on long-term debt	239,143	260,017	-	-	239,143	260,017
Wastewater	-	-	5,217,340	3,933,499	5,217,340	3,933,499
Solid waste	-	-	4,350,342	4,605,465	4,350,342	4,605,465
Transit	-	-	2,685,773	2,916,096	2,685,773	2,916,096
CNG/LNG fueling station	-	-	473,911	382,573	473,911	382,573
Total expenses	28,488,201	32,633,621	12,727,366	11,837,633	41,215,567	44,471,254
Excess (Deficiency) of Revenues over						
(under) Expenses	(1,754,614)	(2,964,374)	(253,629)	4,448,995	(2,008,243)	1,484,621
	(1,754,614)	(2,964,374)	(253,629)	4,448,995	(2,008,243)	1,484,621
Restatement to add net pension:						
Changes in Net Position	(1,754,614)	(2,964,374)	(253,629)	4,448,995	(2,008,243)	(2,964,374)
Net position beginning of year (restated)	81,006,326	105,068,876	13,435,719	9,883,492	94,442,045	114,952,368
Net position June 30	\$ 79,251,712	\$ 81,006,326	\$ 13,182,090	\$ 13,435,719	\$ 92,433,802	\$ 89,993,050

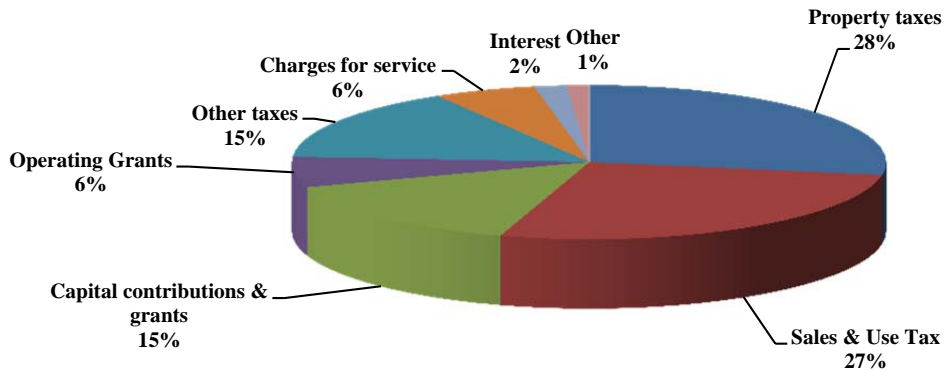
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Governmental activities

Governmental Activities - Expenses and Program Revenues for FY 2014/15



Governmental Activities - Revenues by Source



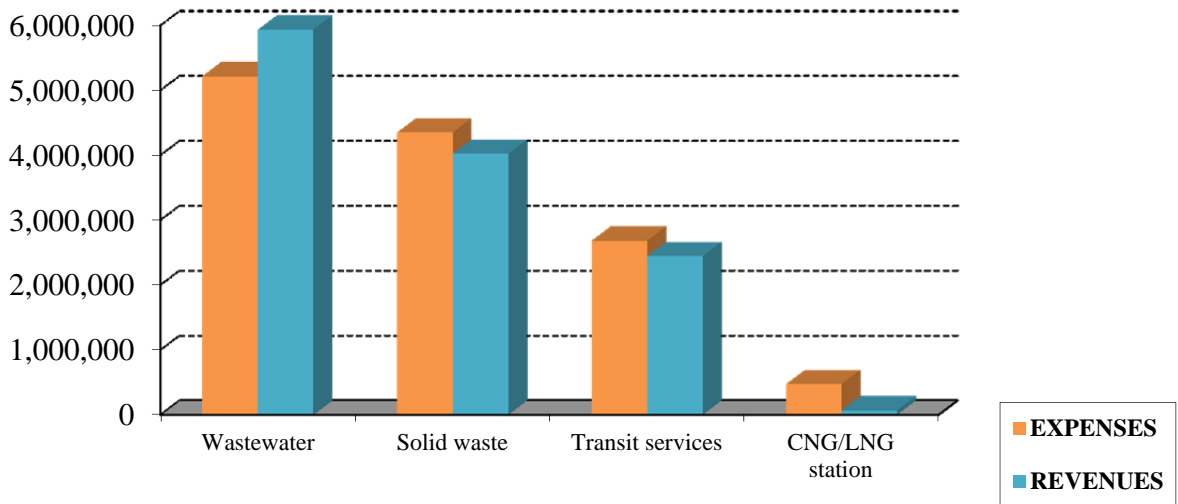
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Business-type Activities

Business-type activities decreased net position by \$253,629 as shown in the chart on page 11. Therefore, Business-type activities actual revenues and expenses were closely matched. When comparing fiscal year 2014 to fiscal year 2015 program revenues, specifically *Capital grants and contributions*, (chart on page 11), there is a \$3.8 million decrease in revenue. The main reason for this decrease was due to infrastructure grants received for sewer line and wastewater facility improvements in fiscal year 2014. Additionally, the City contracted with the County of San Bernardino for reimbursement of new bus stop turnouts and road construction on Rimrock Road and the Montara area roads through the Transit Fund in fiscal year 2014. In fiscal year 2015, these projects were completed or near completion. The upgrades in sewer lines, wastewater plant renovations and roadway are major improvements for the citizens of Barstow.

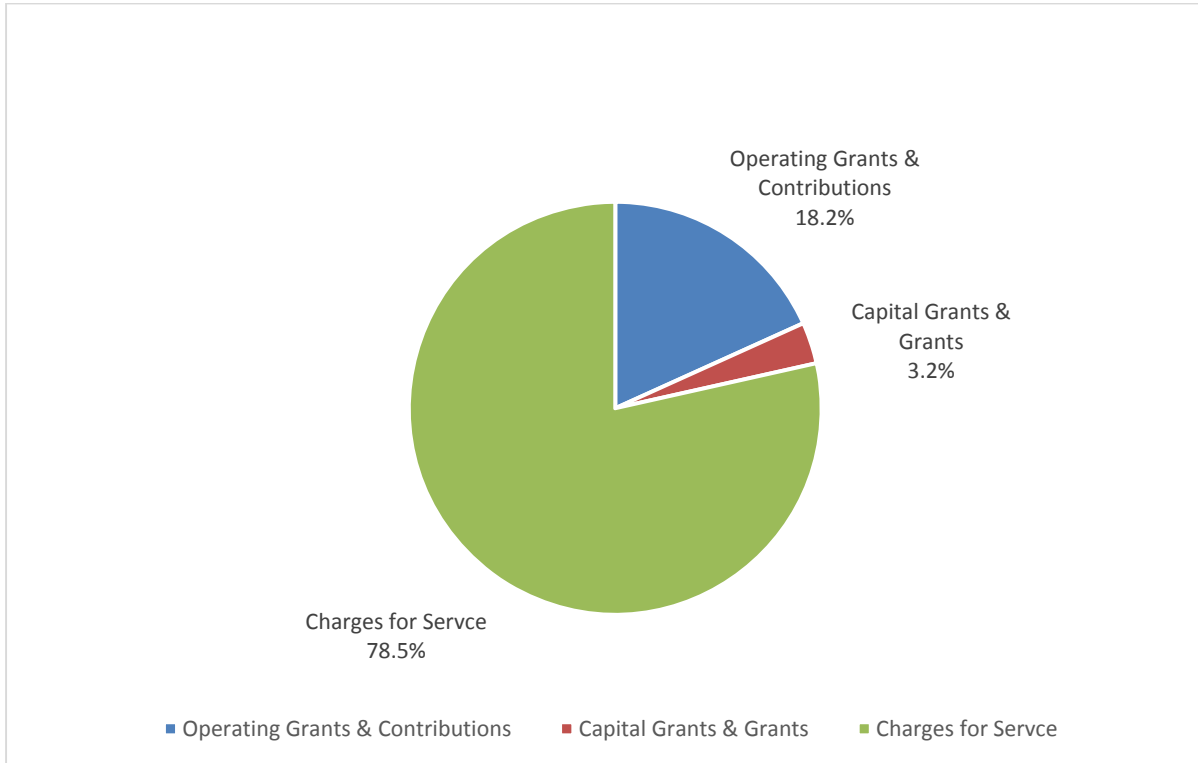
The chart below illustrates business-type expenses and revenues. The second chart on the following page shows Business-type revenues by category.

Business-Type Activities - Expenses and Program Revenues



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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.

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As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$26,474,252, a decrease of 8% when compared to the fund balances of the prior year. In fiscal year 2015, expenditures exceeded revenues by \$2,450,568. In comparing the current year to the previous year, revenues increased by \$4.5 million mainly due to revenue received from the County of San Bernardino for the Dean Wash flood control project (3.8 million). Property taxes, sales and use taxes and transient occupancy taxes all increased due to the continued improvement in the economy. Although revenues were robust, and total expenditures were lower by \$7.8 million when compared with fiscal year 2014, expenditures were still higher than revenues by \$2 million. The main reason for the variance are increased costs for public safety for salaries and benefits for both police and fire. Barstow Fire District received additional grant (SAFER) funding, therefore new fire fighters were hired. SAFER grant expenditures totaled \$675,000. All categories, General Government, Recreation, Community Development and Public Works reflected slightly increased costs over the previous fiscal year.

The *non-spendable* portion of fund balance is 41% or \$10,941,399. The City's non-spendable fund balances are prepaid amounts that pertain to another accounting period, inventories, assets that are not in cash form and deposits that are liabilities. As of June 30, 2015, the major amounts designated as non-spendable were loans from the following funds:

- \$1,786,046 due from the Successor Agency for the swimming pool loan
- \$1,664,868 due from the CNG/LNG Fund
- \$6,233,729 Wastewater Reclamation Fund loans
- \$400,000 Barstow Fire Protection District loan

The non-spendable balance increased from the previous year due mainly to the addition of a \$5 million advance to the Wastewater Fund.

Restricted funds constitute 9% or \$2,269,521 of fund balance.

- 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. Included as a restricted amount is \$1,070,620 for debt service as part of the Total Road Improvement Program (TRIP) financing.
- The Successor Agency Trust Fund constitutes \$660,127 of the restricted fund balance.
- \$497,261 is restricted for Streets & Highway projects. This restriction is part of Measure I, the Development Fund and Gas Tax funds

Approximately 50%, or \$13,263,332, constitutes *unassigned fund balance*, which is available for spending at the government's discretion. This balance is approximately \$4 million less than last year, due to the ongoing capital improvement program and the use of funds to cover project costs. The City adopted Council Fund Balance Policy #4548-2010, and has reserved \$3,940,124 of fund balance for Working Capital and \$952,031 for emergency contingency in compliance with its guidelines. The remaining \$952,031 is not assigned for a specific purpose.

More details about the fund balance for governmental funds can be found on page 100.

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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 \$13,182,090 or a decrease of 2% over the previous restated fiscal year fund balance due to the implementation of GASB 68, net pension restatement. The Wastewater Fund reported an increase of \$718,016. The Solid Waste, Transit and CNG/LNG Fund reported a decrease or loss of fund balance. Overall, this resulted in a decrease of \$253,629 in net position.

- The Wastewater Fund implemented a rate increase at the beginning of the fiscal year. Staff also improved the discharge water analysis from commercial facilities resulting in higher revenues.
- Solid Waste had a decrease in net position due to increases in general administration costs.
- Transit Fund had a reduction in revenues. The City had a change in the contract service provider and the initial conversion resulted in reduced ridership. Transit operations have since been transferred over to Victor Valley Transit Authority as of July 1, 2015.
- The CNG/LNG fueling station revenues were down slightly when compared to the previous fiscal year due to reduced fuel pricing for consumers. Expenditures increased due to an administrative charge in fiscal year 2015 that did not occur in fiscal year 2014. The CNG/LNG fund ended with a net position decrease of \$403,938.

Detailed information can be found on pages 41 - 47.

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GENERAL FUND BUDGETARY HIGHLIGHTS

The schedule below summarizes the General Fund budgetary highlights and actual amounts for fiscal year 2014/2015.

	<u><i>Original Budget</i></u>	<u><i>Final Budget</i></u>	<u><i>Actual Amounts</i></u>	<u><i>Variance with Final Budget</i></u>
Total Revenues	<u>\$17,864,640</u>	<u>\$18,012,881</u>	<u>\$18,103,251</u>	<u>90,370</u>
Expenditures:				
General Government	3,251,457	3,001,450	2,934,731	66,719
Public Safety	8,459,155	8,706,022	9,249,181	(543,159)
Recreation	2,283,536	2,327,226	2,380,982	(53,756)
Community Development	1,856,865	1,872,160	2,081,805	(209,645)
Public Works	2,498,031	2,492,410	2,452,161	40,249
Capital Outlay	321,278	488,102	196,110	291,992
Interest & Fiscal Charges	-	-	166	(166)
Total Expenditures	<u>18,670,322</u>	<u>18,887,370</u>	<u>19,295,136</u>	<u>(407,766)</u>
Revenues Over (Under) Expenditures	(805,682)	(874,489)	(1,191,885)	(317,396)
Other Financing Sources (Uses)	<u>(4,525,189)</u>	<u>(6,122,789)</u>	<u>(237,121)</u>	<u>5,885,668</u>
Net Change in Fund Balance	<u>(5,330,871)</u>	<u>(6,997,278)</u>	<u>(1,429,006)</u>	<u>5,568,272</u>
Fund balance, beginning of the year			<u>26,837,106</u>	
Fund balance, end of year			<u>\$25,408,100</u>	

The original revenue budget and the final amended revenue budget was increased by \$148,000. The General Liability Claims budget was increased by \$88,000 to reflect insurance settlements received. Additionally, the State of California Proposition 30 budget was increased by \$60,000 due to increased funding. The difference in the original expenditure budget and the final amended expenditure budget was an increase in appropriations of \$217,000. This was due primarily to new appropriations for police capital outlay in the same amount for vehicle replacement during the mid-year review of the budget.

Other Financing Sources Budget-The main variance of the original budget to the final budget was an adjustment made during the mid-year review for updated capital project changes.

CITY OF BARSTOW
Management's Discussion and Analysis
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FINAL BUDGET TO ACTUAL AMOUNTS

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

- **Revenue**-Actual revenues were generally within the range of the final budget.
 - Property taxes were \$175,000 higher than expected due to economic gains in housing.
 - Transient occupancy tax was \$192,000 higher than budget. Again, this can be attributed to economic growth in the region.
 - From other agencies, this category exceeded budget by \$623,000 due to the State of California approving to pay cities for back payments due for reimbursement of mandated costs in the amount of \$471,000. Two other major contributors are because of funds from the State of California Office of Emergency Services for storm damage from the August 2014 floods and public safety reimbursement as mandated by the State of California
 - A negative variance of \$622,000 offsets the gains because of land sales that did not occur anticipated for the business park and commercial property. Contracts for the sale of these parcels should be signed in fiscal year 2016.
 - A negative budget variance because interest on funds continues to be lower than estimated.

- **Expenditures**-
 - Public Safety-The major variance was due to higher than budgeted salary expenditures.
 - Recreation-Fees for water increased in California due to extreme drought conditions. The budget was adjusted but variances still occurred. Salaries and benefit costs were slightly higher as well.
 - Community Development-Cost reimbursement was budgeted as a contra account or offset to expenditures. Due to capital budgeting constraints, the City decided to reduce the actual reimbursement for those services, resulting in a \$209,000 budget variance.
 - Capital Outlay-Some planned capital equipment expenditures were not expended and re-evaluated as part of the FY2016 budget.

- **Other Financing Sources**
 - Approximately \$900,000 in capital projects budgeted were not completed in fiscal year 2015. The City utilizes more restrictive funding sources first. The budgeted transfer for capital projects was lower than anticipated due to the approval and use of and other funding sources.

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CAPITAL ASSET AND DEBT ADMINISTRATION

The City's investment in capital assets for its governmental and business-type activities as of June 30, 2015, amounts to \$118,029,175 (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 5%. The City of Barstow's Capital Assets chart is shown on page 20.

Executive management reviews projects and capital expenditures in conjunction with Council priorities. Capital assets increased by \$5 million in total. The increase in capital assets is due to multi-year infrastructure projects that completed in fiscal year ended June 30, 2015. The information is detailed below:

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

Governmental Activities increased \$1.5 million from the previous fiscal year. The increase occurred in infrastructure which had a net increase of \$6.4 million. The major projects for fiscal year 2015 were:

- Montara area road reconstruction, \$3.7 million
- Rimrock Road reconstruction, \$2.8 million
- Lenwood Mall area road renovation and reconstruction, \$2.1 million
- Miscellaneous residential streets, \$1 million

Increases were offset by normal depreciation, the removal of reconstructed streets and roads due to recording new or upgraded streets/roads and the transfer of the infrastructure projects out of Work-in-Progress to completed infrastructure.

Business-type Activities increased by \$3.6 million from fiscal year 2014.

The City replaced sewer lines in conjunction with the Montara Road and Rimrock Road projects reflected in governmental activities. The reconstruction projects were coordinated so that the sewer system was replaced at the same time. The cost of both projects was \$3.1 million.

In addition, the network connection to the Wastewater facility was installed to provide connectivity to the City office facilities at a cost of \$127,000.

The additions to machinery & equipment and infrastructure are prior to depreciation, as reflected in the chart.

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June 30, 2015

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

	Governmental Activities		Business-Type Activities		Total	
	2015	2014	2015	2014	2015	2014
Land & Intangible Assets	\$ 9,787,484	\$ 9,517,209	\$ 1,733,787	\$ 1,733,787	\$ 11,521,271	\$ 11,250,996
Work in progress	8,527,782	12,767,354	11,388,777	9,765,017	\$ 19,916,559	22,532,371
Buildings & Structures	12,498,628	13,063,810	1,604,212	1,683,692	\$ 14,102,840	14,747,502
Machinery and equipment	2,298,169	2,663,084	1,384,460	1,868,116	\$ 3,682,629	4,531,200
Infrastructure	54,101,712	47,688,045	14,704,164	12,191,494	\$ 68,805,876	59,879,539
Total	\$ 87,213,775	\$ 85,699,502	\$ 30,815,400	\$ 27,242,106	\$ 118,029,175	\$ 112,941,608

Additional information on the City's capital assets can be found in Note 6 of Notes to Financial Statements on page 71 & 72 of this report.

Long-term Debt

At the end of the current fiscal year, the City of Barstow had total debt outstanding of \$24,675,974. Of this debt amount, governmental activities accounts for \$15,284,415 and \$9,391,559, 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.

City of Barstow's Outstanding Debt

	Governmental Activities		Business-Type Activities		Total	
	2015	2014	2015	2014	Total 2015	Total 2014
Measure I-TRIP COP	\$ 8,276,499	\$ 9,489,249	\$ -	\$ -	\$ 8,276,499	\$ 9,489,249
Capital Lease Agreement	2,574,443	2,874,809	1,544,288	1,757,803	4,118,731	\$ 4,632,612
Certificates of Participation	-	-	1,225,279	1,500,766	1,225,279	\$ 1,500,766
Pollution Remediation Liab	-	-	6,472,744	6,622,559	6,472,744	\$ 6,622,559
PARS Supplemental Retirement	116,082	174,124	-	-	116,082	\$ 174,124
Claims & Judgments Payable	1,809,728	1,683,490	-	-	1,809,728	\$ 1,683,490
Compensated Absences	2,507,663	2,496,171	149,248	112,969	2,656,911	\$ 2,609,140
Total	\$ 15,284,415	\$ 16,717,843	\$ 9,391,559	\$ 9,994,097	\$ 24,675,974	\$ 26,711,940

In total, all categories of debt decreased with the exception of claims payable, which increased by \$126,000 and compensated absences, which increased by \$48,000. The categories that decreased did so because no new debt was added for fiscal year 2015 and only reflect the scheduled payment decrease. More detail is provided below:

CITY OF BARSTOW
Management's Discussion and Analysis
June 30, 2015

The largest portion of debt is Measure I-TRIP Certificate of Participation. The City of Barstow currently has 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. This additional capital has been used to as part of the road and street reconstruction projects. These projects are now completed or will be in the near future. The City has pledged future Measure I funding to serve as the source for the related debt services payments. The projects identified as meeting the Measure I Strategic Plan were as follows:

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

The Rimrock Road and Montara Area road projects were completed in fiscal year 2015. The Henderson and Cameron Area projects are currently in progress and are slated to be completed in fiscal year 2016. Other debt variances are discussed below:

- Capital Lease-The City did not add any new leased vehicles or other equipment for fiscal year 2015. The decrease from the previous fiscal year reflects the scheduled lease payment.
- Certificates of Participation for the Wastewater bond decreased by (\$275,000) due to scheduled payments made
- Pollution remediation expenses in the Soapmine Road area reduced the liability by (\$150,000)
- The early retirement incentive offered December 2012, and accepted by six employees, decreased by \$58,000. This debt will be satisfied in January 2017.
- Claims and judgments payable increased by \$126,000. This was primarily due to the filing of new claims.
- Compensated absences increased by \$48,000. The increase in value of compensated absences is 2% and due mainly to step increases.

Additional information on the City's long-term debt can be found in Note 7 on page 73 to 79 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 has shown significant improvement. 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.

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Management's Discussion and Analysis
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The City's management team met to develop revenue enhancements and cost reduction strategies wherever possible for the 2015/2016 fiscal year budget. In addition, the executive management team implemented a major capital infrastructure program beginning in fiscal year 2012. The program is continually monitored, reviewed and adjusted to ensure important projects remain viable and funded in the coming year. General Fund revenues for the fiscal year 2015/2016 budget were projected at \$17.8 million and General Fund operating expenditures at \$16.7 million and capital expenditures of \$800,000.

- The City's executive management team continues its commitment to improving the infrastructure for its residents. This is evidenced by the \$9 million net increase in infrastructure for fiscal year 2015. Major road reconstruction including sewer line replacement occurred in the Lenwood Mall area, Rimrock Road, and Montara area.
- Sales and use taxes is a major source of revenue for the City. In fiscal year 2013/2014, actual sales tax revenue was \$7.5 million and declined to \$7.3 million for fiscal year 2014/2015. This decrease reflects a decrease in fuel prices for consumers. These trends will continue to be closely monitored as the City of Barstow is a stopping point for many travelers.
- The unemployment rate for the City of Barstow as of October 2015 was 5.7%. This is a decline from October 2014 of 9.7%. 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, increased by \$143,000 for fiscal year 2015 to 2.9 million and continues to be a significant revenue source. 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 2015/2016.

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.

**BASIC
FINANCIAL STATEMENTS**

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GOVERNMENT-WIDE FINANCIAL STATEMENTS

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City of Barstow
Statement of Net Position
June 30, 2015

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current assets:			
Cash and investments	\$ 12,973,065	\$ 817,989	\$ 13,791,054
Cash and investments with fiscal agents	3,006,144	-	3,006,144
Accounts receivable, net	997,122	2,087,100	3,084,222
Accrued interest	21,248	1,339	22,587
Taxes receivable	58,734	-	58,734
Internal balances	8,877,839	(8,877,839)	-
Due from other governmental agencies	1,910,478	-	1,910,478
Inventories and prepayments	141,873	56,592	198,465
Total current assets	27,986,503	(5,914,819)	22,071,684
Noncurrent assets:			
Cash and investments with fiscal agents	1,070,621	-	1,070,621
Due from Successor Agency Trust Fund	3,199,277	-	3,199,277
Deposits	628,530	-	628,530
Real property held for resale	98,001	-	98,001
Capital assets:			
Not being depreciated	18,315,266	13,122,563	31,437,829
Being depreciated, net	68,898,509	17,692,837	86,591,346
Total capital asset	87,213,775	30,815,400	118,029,175
Total noncurrent assets	92,210,204	30,815,400	123,025,604
Total assets	120,196,707	24,900,581	145,097,288
DEFERRED OUTFLOWS OF RESOURCES			
Deferred employer pension contributions	3,404,900	136,733	3,541,633
Deferred outflows of resources - pension	3,246,272	56,055	3,302,327
Total deferred outflows of resources	6,651,172	192,788	6,843,960
LIABILITIES			
Current liabilities:			
Accounts payable and accrued liabilities	5,722,710	1,195,615	6,918,325
Deposits	54,894	-	54,894
Unearned revenue	248,779	333,671	582,450
Interest payable	43,500	12,543	56,043
Long-term debt due within one year	3,138,176	776,173	3,914,349
Total current liabilities	9,208,059	2,318,002	11,526,061
Noncurrent liabilities:			
Net OPEB obligation	130,694	-	130,694
Net pension liability	16,583,450	385,602	16,969,052
Long-term debt due in more than one year	12,146,239	8,615,386	20,761,625
Total noncurrent liabilities	28,860,383	9,000,988	37,861,371
Total liabilities	38,068,442	11,318,990	49,387,432
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows of resources - pension	9,527,725	592,289	10,120,014
Total deferred inflows of resources	9,527,725	592,289	10,120,014
NET POSITION			
Net investment in capital assets	76,362,833	28,045,832	104,408,665
Restricted for:			
Capital projects	505,719	-	505,719
Debt service	1,070,621	-	1,070,621
Community development	660,127	-	660,127
Special projects	8,865	-	8,865
Total restricted	2,245,332	-	2,245,332
Unrestricted (deficit)	643,547	(14,863,742)	(14,220,195)
Total net position	\$ 79,251,712	\$ 13,182,090	\$ 92,433,802

See accompanying Notes to Basic Financial Statements.

City of Barstow
Statement of Activities
For the year ended June 30, 2015

Functions/Programs	Expenses	Program Revenues			Total
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Primary Government:					
Governmental activities:					
General government	\$ 2,340,584	\$ 55,928	\$ 471,720	\$ 5,206	\$ 532,854
Public safety	13,789,550	488,159	1,202,908	736	1,691,803
Recreation	2,777,589	344,684	10,000	-	354,684
Community development	2,458,665	601,486	15,186	476,720	1,093,392
Public works	6,882,670	-	2,270	3,495,671	3,497,941
Interest on long-term debt	239,143	-	-	-	-
Total governmental activities	28,488,201	1,490,257	1,702,084	3,978,333	7,170,674
Business-type activities:					
Wastewater	5,217,340	5,530,122	-	405,234	5,935,356
Solid waste disposal	4,350,342	4,023,189	-	-	4,023,189
Transit services	2,685,773	169,247	2,275,972	-	2,445,219
CNG/LNG fueling station	473,911	69,973	-	-	69,973
Total business-type activities	12,727,366	9,792,531	2,275,972	405,234	12,473,737
Total primary government	\$ 41,215,567	\$ 11,282,788	\$ 3,978,056	\$ 4,383,567	\$ 19,644,411

General Revenues:

Taxes:

- Property taxes
- Transient occupancy taxes
- Motor vehicle taxes (unrestricted)
- Franchise taxes
- Business license taxes
- Other taxes
- Sales and use taxes

Total taxes

Use of money and property

Other revenue

Total general revenues

Change in net position

Net position - beginning of year (as restated)

Net position - end of year

See accompanying Notes to Basic Financial Statements.

Net (Expense) Revenue
and Changes in Net Position

Governmental Activities	Business-Type Activities	Total
\$ (1,807,730)	\$ -	\$ (1,807,730)
(12,097,747)	-	(12,097,747)
(2,422,905)	-	(2,422,905)
(1,365,273)	-	(1,365,273)
(3,384,729)	-	(3,384,729)
(239,143)	-	(239,143)
<u>(21,317,527)</u>	<u>-</u>	<u>(21,317,527)</u>
-	718,016	718,016
-	(327,153)	(327,153)
-	(240,554)	(240,554)
-	(403,938)	(403,938)
<u>-</u>	<u>(253,629)</u>	<u>(253,629)</u>
<u>(21,317,527)</u>	<u>(253,629)</u>	<u>(21,571,156)</u>
7,398,978	-	7,398,978
2,892,232	-	2,892,232
9,950	-	9,950
961,875	-	961,875
212,725	-	212,725
27,361	-	27,361
7,259,449	-	7,259,449
<u>18,762,570</u>	<u>-</u>	<u>18,762,570</u>
471,980	-	471,980
328,363	-	328,363
<u>19,562,913</u>	<u>-</u>	<u>19,562,913</u>
(1,754,614)	(253,629)	(2,008,243)
81,006,326	13,435,719	94,442,045
<u>\$ 79,251,712</u>	<u>\$ 13,182,090</u>	<u>\$ 92,433,802</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, through 2010. In 2004, San Bernardino County voters approved the extension of Measure I sales tax through 2040.

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

Flood Control Fund is used to account for expenditures toward the construction of Kitchen Dean Wash, Laverne Avenue and Avenue I funded by the San Bernardino County Flood Control District (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, 2015

	Major Funds		
	General Fund	Measure I Special Revenue Fund	Barstow Fire Protection District Special Revenue Fund
ASSETS			
Cash and investments	\$ 11,884,441	\$ 268	\$ 1,038
Cash and investments held by fiscal agents	-	3,006,144	-
Accounts receivable, net	359,458	315,721	115,694
Accrued interest	20,296	-	-
Taxes receivable	-	-	-
Due from other governmental agencies	1,910,478	-	-
Due from other funds	2,152,399	-	-
Advances to other funds	8,298,597	-	-
Due from Successor Agency Trust Fund	1,786,046	-	-
Deposits	628,530	-	-
Prepayments	41,832	-	11,648
Inventory	88,393	-	-
Real property held for resale	98,001	-	-
Total assets	\$ 27,268,471	\$ 3,322,133	\$ 128,380
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
Liabilities:			
Accounts payable and accrued liabilities	1,436,938	2,851,538	157,328
Deposits	54,894	-	-
Due to other funds	-	243,419	741,222
Advances from other funds	-	-	400,000
Unearned revenue	-	-	-
Total liabilities	1,491,832	3,094,957	1,298,550
Deferred inflows of resources:			
Unavailable revenues	368,539	5,090	9,010
Fund Balances: (Note 13)			
Nonspendable	10,941,399	-	-
Restricted	-	222,086	-
Unassigned	14,466,701	-	(1,179,180)
Total fund balances	25,408,100	222,086	(1,179,180)
Total liabilities, deferred inflows of resources, and fund balances	\$ 27,268,471	\$ 3,322,133	\$ 128,380

See accompanying Notes to Basic Financial Statements.

Major Funds			
Flood Control Special Revenue Fund	City Capital Projects Fund	Non-Major Governmental Funds	Total Governmental Funds
\$ -	\$ 565,192	\$ 522,126	\$ 12,973,065
-	-	1,070,621	4,076,765
-	-	206,249	997,122
-	231	721	21,248
-	-	58,734	58,734
-	-	-	1,910,478
-	-	-	2,152,399
-	-	-	8,298,597
-	-	1,413,231	3,199,277
-	-	-	628,530
-	-	-	53,480
-	-	-	88,393
-	-	-	98,001
<u>\$ -</u>	<u>\$ 565,423</u>	<u>\$ 3,271,682</u>	<u>\$ 34,556,089</u>
-	456,269	\$ 820,637	\$ 5,722,710
-	-	-	54,894
-	-	188,516	1,173,157
-	-	-	400,000
-	-	248,779	248,779
<u>-</u>	<u>456,269</u>	<u>1,257,932</u>	<u>7,599,540</u>
-	-	99,658	482,297
-	-	-	10,941,399
-	109,154	1,938,281	2,269,521
-	-	(24,189)	13,263,332
<u>-</u>	<u>109,154</u>	<u>1,914,092</u>	<u>26,474,252</u>
<u>\$ -</u>	<u>\$ 565,423</u>	<u>\$ 3,271,682</u>	<u>\$ 34,556,089</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, 2015

Total Fund Balances - Total Governmental Funds \$ 26,474,252

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

Capital assets net of depreciation have not been included as financial resources in governmental fund activity. 87,213,775

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

	Net OPEB obligation	(130,694)	
	Net pension liability	(16,583,450)	
	Compensated absences	(2,507,663)	
	PARS supplemental retirement	(116,082)	
	Certificates of Participation	(8,276,499)	
	Capital leases	(2,574,443)	
	Claims and judgments payable	<u>(1,809,758)</u>	(31,998,559)

Employer contributions for pension were recorded as expenditures in the governmental funds. However, in the Government-Wide Financial Statements these contributions are deferred. 3,404,900

In the Government-Wide Financial Statements, certain differences between actuarial amounts and actual results for pension are deferred and amortized over a period of time, however these differences do not impact the Governmental Funds Balance Sheet:

Deferred outflows of resources - pension	3,246,272
Deferred inflows of resources - pension	(9,527,725)

Accrued interest payable for the current portion of interest due on debt service has not been reported in the governmental fund activity. (43,500)

Long-term receivables are not available to pay for current period expenditures and, therefore, are deferred on the modified accrual basis in governmental funds. 482,297

Net Position of Governmental Activities \$ 79,251,712

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, 2015

	Major Funds		
	General Fund	Measure I Special Revenue Fund	Barstow Fire Protection District Special Revenue Fund
REVENUES:			
Property taxes	\$ 3,727,349	\$ -	\$ 3,662,206
Sales and use taxes	7,259,449	-	-
Transient occupancy tax	2,892,232	-	-
Motor vehicle fees, in lieu, unrestricted	9,950	-	-
Franchise taxes	961,875	-	-
Business license taxes	212,725	-	-
Other taxes	27,361	-	-
Licenses and permits	191,069	-	25,462
Fines and penalties	125,915	-	-
From other agencies	825,109	2,243,077	837,808
Charges for current services	1,281,351	-	-
Other	70,332	-	1,778
Use of money and property	518,534	21,606	7,241
Total revenues	18,103,251	2,264,683	4,534,495
EXPENDITURES:			
Current:			
General government	2,934,731	-	-
Public safety	9,249,181	-	5,156,134
Recreation	2,380,982	-	-
Community development	2,081,805	-	-
Public works	2,452,161	-	-
Capital outlay	196,110	-	262,591
Debt service:			
Principal retirement	-	1,100,000	-
Interest and fiscal charges	166	353,445	3,350
Total expenditures	19,295,136	1,453,445	5,422,075
REVENUES OVER (UNDER) EXPENDITURES	(1,191,885)	811,238	(887,580)
OTHER FINANCING SOURCES (USES):			
Transfers in	-	25,010	-
Transfers out	(237,503)	(4,759,025)	-
Proceeds from sale of assets	382	-	-
Total other financing sources (uses)	(237,121)	(4,734,015)	-
Net change in fund balances	(1,429,006)	(3,922,777)	(887,580)
FUND BALANCES:			
Beginning of year	26,837,106	4,144,863	(291,600)
End of year	\$ 25,408,100	\$ 222,086	\$ (1,179,180)

See accompanying Notes to Basic Financial Statements.

Major Funds			
Flood Control Special Revenue Fund	City Capital Projects Fund	Non-Major Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ -	\$ 7,389,555
-	-	-	7,259,449
-	-	-	2,892,232
-	-	-	9,950
-	-	-	961,875
-	-	-	212,725
-	-	-	27,361
-	-	-	216,531
-	-	-	125,915
3,866,353	13,144	1,492,538	9,278,029
-	-	-	1,281,351
-	-	43,511	115,621
-	1,800	37,057	586,238
<u>3,866,353</u>	<u>14,944</u>	<u>1,573,106</u>	<u>30,356,832</u>
-	-	-	2,934,731
-	-	87,866	14,493,181
-	-	-	2,380,982
-	-	345,305	2,427,110
-	-	597,844	3,050,005
-	5,567,850	37,870	6,064,421
-	-	-	1,100,000
-	-	9	356,970
-	5,567,850	1,068,894	32,807,400
<u>3,866,353</u>	<u>(5,552,906)</u>	<u>504,212</u>	<u>(2,450,568)</u>
-	5,376,523	-	5,401,533
-	-	(405,005)	(5,401,533)
-	-	-	382
-	5,376,523	(405,005)	382
3,866,353	(176,383)	99,207	(2,450,186)
<u>(3,866,353)</u>	<u>285,537</u>	<u>1,814,885</u>	<u>28,924,438</u>
<u>\$ -</u>	<u>\$ 109,154</u>	<u>\$ 1,914,092</u>	<u>\$ 26,474,252</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, 2015

Net Change in Fund Balances - Total Governmental Funds	\$	(2,450,186)
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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.		6,005,918
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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.		(4,067,783)
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Employer contributions for pension were recorded as expenditures in the governmental funds. However, in the Government-Wide Financial Statements these contributions are deferred.		3,404,900
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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		(382)
Loss on disposal of capital assets are not recorded on the Government Funds Statement of Revenues, Expenditures, and Changes in Fund Balance		(423,481)

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.		5,068
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OPEB expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		(1,477)
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Pension expense is recorded as incurred in the Government-Wide Statement of Activities, however pension expense does not required the use of current financial resources, and is not recognized in the governmental funds.		(1,766,726)
--	--	-------------

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 inflows.		(3,893,893)
--	--	-------------

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:		
Payments made on Measure I TRIP Certificates of Participation, Series 2012	1,100,000	
Decrease in Measure I TRIP Certificates of Participation, Series 2012 original issuance premium	112,750	
Payments on capital lease obligations	300,366	
Net increase in claims and judgments	(126,238)	
Payments on PARS supplemental retirement liability	58,042	
Net increase in compensated absences	(11,492)	1,433,428

Change in Net Position of Governmental Activities	\$	(1,754,614)
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See accompanying Notes to Basic Financial Statements.

ENTERPRISE FUND FINANCIAL STATEMENTS

The Wastewater Reclamation Fund accounts for the operation of the City's wastewater system.

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, 2015

	Wastewater Reclamation	Solid Waste Disposal	Transit Services
ASSETS			
Current assets:			
Cash and investments	\$ 107,895	\$ 709,616	\$ 232
Accounts receivable, net	772,830	483,756	830,514
Accrued interest	377	962	-
Prepays	15,132	41,460	-
Total current assets	896,234	1,235,794	830,746
Noncurrent assets:			
Capital assets:			
Not being depreciated	12,896,385	150,028	-
Being depreciated, net	12,917,906	275,037	2,606,815
Total capital assets	25,814,291	425,065	2,606,815
Total noncurrent assets	25,814,291	425,065	2,606,815
Total assets	26,710,525	1,660,859	3,437,561
DEFERRED OUTFLOWS OF RESOURCES			
Deferred employer pension contributions	61,267	75,466	-
Deferred outflows of resources - pension	25,118	30,937	-
Total deferred outflows of resources	86,385	106,403	-
LIABILITIES			
Current liabilities:			
Accounts payable and accrued liabilities	239,234	626,174	312,372
Unearned revenue	-	-	333,671
Due to other funds	794,541	-	184,701
Interest payable	12,543	-	-
Pollution remediation liability - due within one year	180,000	-	-
Compensated absences payable - due within one year	44,786	14,912	-
Capital lease payable - due within one year	231,475	-	-
Long-term debt - due within one year	305,000	-	-
Total current liabilities	1,807,579	641,086	830,744
Noncurrent liabilities:			
Advances from other funds	6,233,729	-	-
Pollution remediation liability - due in more than one year	6,292,744	-	-
Compensated absences payable - due in more than one year	67,180	22,369	-
Capital lease payable - due in more than one year	1,312,814	-	-
Long-term debt - due in more than one year	920,279	-	-
Net pension liability	172,778	212,824	-
Total noncurrent liabilities	14,999,524	235,193	-
Total liabilities	16,807,103	876,279	830,744
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows of resources - pension	265,389	326,900	-
Total deferred inflows of resources	265,389	326,900	-
NET POSITION			
Net investment in capital assets	23,044,723	425,065	2,606,815
Unrestricted (deficit)	(13,320,305)	139,018	2
Total net position	\$ 9,724,418	\$ 564,083	\$ 2,606,817

See accompanying Notes to Basic Financial Statements.

Nonmajor			
CNG/LNG			
Fueling Station		Total	
\$ 246		\$ 817,989	
-		2,087,100	
-		1,339	
-		56,592	
246		2,963,020	
76,150		13,122,563	
1,893,079		17,692,837	
1,969,229		30,815,400	
1,969,229		30,815,400	
1,969,475		33,778,420	
-		136,733	
-		56,055	
-		192,788	
17,835		1,195,615	
-		333,671	
-		979,242	
-		12,543	
-		180,000	
-		59,698	
-		231,475	
-		305,000	
17,835		3,297,244	
1,664,868		7,898,597	
-		6,292,744	
-		89,549	
-		1,312,814	
-		920,279	
-		385,602	
1,664,868		16,899,585	
1,682,703		20,196,829	
-		592,289	
-		592,289	
1,969,229		28,045,832	
(1,682,457)		(14,863,742)	
\$ 286,772		\$ 13,182,090	

City of Barstow
Statement of Revenues, Expenses and Changes in Net Position
Enterprise Funds
For the year ended June 30, 2015

	Wastewater Reclamation	Solid Waste Disposal	Transit Services
OPERATING REVENUES:			
Services charges	\$ 5,505,797	\$ 4,017,556	\$ 169,247
Rents	-	-	-
Other revenue	24,325	-	-
Total operating revenues	5,530,122	4,017,556	169,247
OPERATING EXPENSES:			
General administration	896,712	602,480	76,398
Cost of services	2,919,541	3,720,282	2,347,787
Insurance expenses and claims	98,243	5,536	6,799
Depreciation	845,275	22,044	240,556
Total operating expenses	4,759,771	4,350,342	2,671,540
OPERATING INCOME	770,351	(332,786)	(2,502,293)
NONOPERATING REVENUES (EXPENSES):			
Interest income	-	5,633	-
Interest expense	(240,212)	-	(14,233)
Grants and contributions	-	-	2,275,972
Gain(loss) from sale of asset	(217,357)	-	-
Total nonoperating revenues (expenses)	(457,569)	5,633	2,261,739
INCOME (LOSS) BEFORE CONTRIBUTION AND TRANSFERS	312,782	(327,153)	(240,554)
Capital contributions	405,234	-	-
Total contributions and transfers	405,234	-	-
Change in net position	718,016	(327,153)	(240,554)
NET POSITION:			
Beginning of year, as restated	9,006,402	891,236	2,847,371
End of year	\$ 9,724,418	\$ 564,083	\$ 2,606,817

See accompanying Notes to Basic Financial Statements.

<u>Nonmajor</u>	
<u>CNG/LNG</u>	
<u>Fueling Station</u>	<u>Total</u>
\$ 68,363	\$ 9,760,963
-	-
<u>1,610</u>	<u>25,935</u>
<u>69,973</u>	<u>9,786,898</u>
3,623	1,579,213
311,819	9,299,429
3,827	114,405
<u>113,194</u>	<u>1,221,069</u>
<u>432,463</u>	<u>12,214,116</u>
<u>(362,490)</u>	<u>(2,427,218)</u>
-	5,633
(41,448)	(295,893)
-	2,275,972
<u>-</u>	<u>(217,357)</u>
<u>(41,448)</u>	<u>1,768,355</u>
(403,938)	(658,863)
<u>-</u>	<u>405,234</u>
<u>-</u>	<u>405,234</u>
(403,938)	(253,629)
<u>690,710</u>	<u>13,435,719</u>
<u>\$ 286,772</u>	<u>\$ 13,182,090</u>

City of Barstow
Statement of Cash Flows
Enterprise Funds
For the year ended June 30, 2015

	Wastewater Reclamation	Solid Waste Disposal	Transit Services
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash received from customers	\$ 5,890,304	\$ 4,131,635	\$ 2,818,461
Cash payments to suppliers of goods and services	(4,181,049)	(3,418,381)	(2,643,642)
Cash payments to employees for services	(881,461)	(653,805)	(78,146)
Net cash provided by (used in) operating activities	827,794	59,449	96,673
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Operating grants and contributions	-	-	2,275,972
Interfund borrowings	4,856,403	-	-
Payments on interfund borrowing	(321,463)	-	(2,373,814)
Net cash provided by (used) in noncapital financing activities	4,534,940	-	(97,842)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Capital grants and contributions	405,234	-	-
Principal payments on long-term debt and capital lease	(503,515)	-	-
Interest paid on long-term debt and capital lease	(228,721)	-	(14,233)
Proceeds from sale of capital assets	5,000	-	-
Acquisition of capital assets	(4,946,955)	(69,765)	-
Net cash (used) in capital and related financing activities	(5,268,957)	(69,765)	(14,233)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest on investments	-	5,331	-
Net cash provided by investing activities	-	5,331	-
NET (DECREASE) IN CASH AND CASH EQUIVALENTS	93,777	(4,985)	(15,402)
CASH AND CASH EQUIVALENTS - Beginning of year	14,118	714,601	15,634
CASH AND CASH EQUIVALENTS - End of year	\$ 107,895	\$ 709,616	\$ 232
RECONCILIATION OF OPERATING INCOME TO NET			
CASH PROVIDED BY OPERATING ACTIVITIES:			
Operating income (loss)	\$ 770,351	\$ (332,786)	\$ (2,502,293)
Adjustments to reconcile operating loss to net cash provided (used) by operating activities:			
Depreciation	845,275	22,044	240,556
Changes in assets and liabilities:			
Accounts receivable	360,182	148,046	2,481,213
Prepays	(15,132)	(6,805)	-
Deferred employer pension contributions	3,353	4,130	-
Accounts payable and accrued liabilities	(964,560)	316,837	(287,844)
Unearned revenues	-	-	168,001
Deposits payable	-	(33,967)	-
Net pension liability	(293,659)	(361,723)	-
Deferred inflows of resources - pension	265,389	326,900	-
Pollution remediation liability	(149,815)	-	-
Compensated absences payable	31,528	7,710	(2,960)
Total adjustments	57,443	392,235	2,598,966
Net cash provided (used) in operating activities	\$ 827,794	\$ 59,449	\$ 96,673

See accompanying Notes to Basic Financial Statements.

<u>Nonmajor</u>	
<u>CNG/LNG</u>	
<u>Fueling Station</u>	<u>Total</u>
\$ 70,300	\$ 12,910,700
(318,718)	(10,561,790)
-	(1,613,412)
<u>(248,418)</u>	<u>735,498</u>
-	2,275,972
282,485	5,138,888
(41,448)	(2,736,725)
<u>241,037</u>	<u>4,678,135</u>
-	405,234
-	(503,515)
-	(242,954)
-	5,000
-	(5,016,720)
<u>-</u>	<u>(5,352,955)</u>
-	5,331
<u>-</u>	<u>5,331</u>
(7,381)	66,009
7,627	751,980
<u>\$ 246</u>	<u>\$ 817,989</u>
\$ (362,490)	\$ (2,427,218)
113,194	1,221,069
327	2,989,768
-	(21,937)
-	7,483
551	(935,016)
-	168,001
-	(33,967)
-	(655,382)
-	592,289
-	(149,815)
-	36,278
<u>114,072</u>	<u>3,162,716</u>
<u>\$ (248,418)</u>	<u>\$ 735,498</u>

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FIDUCIARY FUND FINANCIAL STATEMENTS

City of Barstow
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2015

	Agency Funds	Private Purpose Trust Fund Successor Agency Trust Fund
ASSETS		
Current assets:		
Cash and investments	\$ 295,051	\$ 1,466,191
Taxes and liens receivable	55	97,000
Interest receivable	448	1,575
Due from City of Barstow	-	45,461
Total current assets	<u>295,554</u>	<u>1,610,227</u>
Noncurrent assets:		
Property held for resale	-	4,123,378
Total assets	<u>295,554</u>	<u>5,733,605</u>
LIABILITIES		
Liabilities:		
Current liabilities:		
Accounts payable	24,827	3,177
Interest payable	-	82,193
Deposits	166,485	-
Due to bondholders	99,198	-
Payable to City of Barstow	-	3,199,277
Due to other agencies	5,044	-
Bonds Payable - due within one year	-	610,000
Total current liabilities	<u>295,554</u>	<u>3,894,647</u>
Noncurrent liabilities:		
Bonds Payable - due in more than one year	-	5,045,000
Total liabilities	<u>\$ 295,554</u>	<u>8,939,647</u>
NET POSITION:		
Held in trust for dissolution of RDA		<u>(3,206,044)</u>
Total net position		<u>\$ (3,206,044)</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, 2015

	Successor Agency Trust Fund
ADDITIONS:	
Investment income	\$ 8,310
From other agencies	1,724,621
Other	786
Transfer from City of Barstow	-
Total additions	1,733,717
DEDUCTIONS:	
Administration	120,397
Interest expense	321,246
Transfer to City of Barstow	520,274
Total Deductions	961,917
Change in net position	771,800
NET POSITION:	
Beginning of year	(3,977,844)
End of year	<u>\$ (3,206,044)</u>

See accompanying Notes to Basic Financial Statements.

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SUPPLEMENTARY INFORMATION

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NOTES TO BASIC FINANCIAL STATEMENTS

City of Barstow
Notes to Basic Financial Statements
For the year ended June 30, 2015

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 and fire), 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 Public Financing Authority, the Barstow Public Facilities Corporation, the Odessa Water District, the Barstow Harvey House Foundation, Barstow Community Services 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 produced for the District and may be obtained from the City's Finance Administration Office.

City of Barstow
Notes to Basic Financial Statements
For the year ended June 30, 2015

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 Community Services Foundation (the Community Services Foundation) was formed on October 7, 2013 as a non-profit public benefit corporation. The Community Services Foundation will receive, invest and utilize funds and property acquired through the solicitation of contributions, donations, grants, gifts, bequests for the purposes of fostering and promoting community interests, events and programs promoting and celebrating Barstow, its history and contributions, and any other purpose beneficial to the public. The City Council acts as the Community Services Foundation's governing board and exerts significant influence over its operations. The City is responsible for the Community Services Foundation's obligations. Separate financial statements for the Community Services Foundation are not produced.

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 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.

City of Barstow
Notes to Basic Financial Statements
For the year ended June 30, 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

B. Basis of Accounting and Measurement Focus, Continued

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.

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 extended in 2004 by the San Bernardino County voters to continue until 2040. The fund is also used to account for the 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 District's main source of revenue is through the collection of property taxes. This constitutes approximately 92% of its revenue source. Minor sources of revenue are fees for permits, plan and specification review, and grants.
- The Flood Control Special Revenue fund accounts for expenditures toward the constructions of the Kitchen Dean Wash, Laverne Avenue, and Avenue I funded by the San Bernardino Flood Control District.

City of Barstow
Notes to Basic Financial Statements
For the year ended June 30, 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

B. Basis of Accounting and Measurement Focus, Continued

Governmental Fund Financial Statements, Continued

- 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.

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.

City of Barstow
Notes to Basic Financial Statements
For the year ended June 30, 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

B. Basis of Accounting and Measurement Focus, Continued

Enterprise Fund Financial Statements, Continued

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.

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. Agency funds are also used to account for transit operations for Big River and Trona, for which the City acts as the fiduciary, developer deposits, and other small funds for the benefit of other agencies.
- 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, 2015.

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.

City of Barstow
Notes to Basic Financial Statements
For the year ended June 30, 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

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.

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 City uses the consumption method of accounting for inventories. 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, 2015

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 two years 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 updated its Capital Asset Policy on June 16, 2014 per Council approval. The City capitalizes its assets as follows:

Buildings and Building Improvements	Costs of \$50,000 or more
Furniture	Costs of \$20,000 or more
Equipment	Costs of \$20,000 or more
Infrastructure	Costs of \$100,000 or more

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, compensation time, and sick leave. 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, 2015

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, 2015 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, 2015 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, 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

M. Landfills

The County of San Bernardino owns and operates a separate landfill located outside 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. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/ expenditure) until then. The government reports deferred employer pension contributions and other deferred outflows related to the City's pension plans in this category.

In addition to liabilities, the statement of net position or balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

The government reports two items in this category, unavailable revenue and amounts related to changes in the City's net pension liability that are deferred and amortized over a stated period. Unavailable revenue arises only under a modified accrual basis of accounting and accordingly is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from one source: grant revenues. These amounts are deferred and will be recognized as an inflow of resources in the period that the amounts become available. Certain changes in the City's net pension liability are required to be deferred and reflected in pension expense over a closed amortization period. The City reported the unamortized net difference between the projected and actual earnings on pension plans as deferred inflows of resources in the government-wide and enterprise funds' statements of net position.

O. Pension

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the City's California Public Employees' Retirement System (CalPERS) plans (Plans) and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

City of Barstow
Notes to Basic Financial Statements
For the year ended June 30, 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

P. New Pronouncements

In 2015, the City adopted new accounting standards in order to conform to the following Governmental Accounting Standards Board Statements:

- GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – An Amendment of GASB Statement No. 27* – This statement improves accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. The City restated beginning net position as part of implementation of this statement.

This Statement establishes standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures. For defined benefit pensions, this statement identifies the methods and assumptions that should be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service.

The following are the major impacts:

- This Statement requires the liability of employers and nonemployer contributing entities to employees for defined benefit pensions (**net pension liability**) to be measured as the portion of the present value of projected benefit payments to be provided through the pension plan to current active and inactive employees that is attributed to those employees' past periods of service (**total pension liability**), less the amount of the pension plan's **fiduciary net position**.
 - The actuarial present value of projected benefit payments is required to be attributed to period of employee service using the entry age actuarial cost method with each period's service cost determined as a level percentage of pay. The actuarial present value is required to be attributed for each employee individually, from the period when the employee first accrues pensions through the period when the employee retires.
- GASB Statement No. 69, *Government Combinations and Disposals of Government Operations* – This statement establishes accounting and financial reporting standards related to government combinations and disposals of government operations. As used in this statement, the term *government combinations* include a variety of transactions referred to as mergers, acquisitions, and transfers of operations. There was no effect on net position as part of implementation of this standard.
 - GASB Statement No. 71, *Pension Transition for the Contributions Made Subsequent to the Measurement Date – An Amendment of GASB Statement No. 68* – The objective of this statement is to address an issue regarding the application of the transition provisions of Statement No. 68, *Accounting and Financial Reporting for Pensions*. The issue related to amounts associated with contributions, if any, made by a state or local government employer or nonemployer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability. The City restated beginning net position as part of implementation of this standard.

City of Barstow
Notes to Basic Financial Statements
For the year ended June 30, 2015

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</u>	<u>Business-Type</u>	<u>Fiduciary</u>	<u>Total</u>
	Activities	Activities	Funds	
Cash and investments	\$ 12,973,065	\$ 817,989	\$ 1,761,242	\$ 15,552,296
Restricted cash and investments	4,076,774	-	-	4,076,774
Total cash and investments	\$ 17,049,839	\$ 817,989	\$ 1,761,242	\$ 19,629,070

Cash and investments as of June 30, 2015 consist of the following:

Deposits:	
Cash on hand	\$ 1,740
Deposits with financial institution	885,725
Total deposits	887,465
Investments:	
Local Agency Investment funds	2,701,015
Investments	11,963,816
Total investments	14,664,831
Total City Treasury	15,552,296
Restricted cash and investments	
Cash with fiscal agent	4,076,774
Total restricted cash and investments	4,076,774
Total cash and investments	\$ 19,629,070

City of Barstow
Notes to Basic Financial Statements
For the year ended June 30, 2015

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 \$885,725 at June 30, 2015. Bank balances before reconciling items were \$1,104,923, 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 68.

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, 2015

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)	\$ 3,990,010	\$ -	\$ -	\$ 3,990,010	\$ -	\$ -
Federal Home Loan Bank Bonds (FHLB)	1,994,720	-	-	1,994,720	-	-
Federal Home Loan Mortg. Corp. Notes (FHLMC)	1,996,120	-	-	1,996,120	-	-
Federal National Mortg. Assn. Notes (FNMA)	995,460	-	-	995,460	-	-
Medium Term Notes						
Customers Bk Phoenixville PA	250,000	250,000	-	-	-	-
First Bank P R Santurce	250,835	250,835	-	-	-	-
GE Cap Bank Inc	250,435	250,435	-	-	-	-
Discover Bank	250,838	250,838	-	-	-	-
Comenity Cap Bk Utah	248,456	-	-	248,456	-	-
Ally Bank Midvale UT	248,273	-	-	248,273	-	-
American Exp Fed Svcg Bk Ins	248,275	-	-	248,275	-	-
Goldman Sachs Bk USA NY	248,330	-	-	248,330	-	-
Sallie Mae Bk Slt Lake City	248,273	-	-	248,273	-	-
Capital One Bk USA Natl Assn	248,082	-	-	248,082	-	-
American Exp Centrn	247,772	-	-	247,772	-	-
BMC BK North Amer Salt Lake	247,938	-	-	247,938	-	-
Local Agency Investment Funds	2,701,015	2,701,015	-	-	-	-
Total	\$ 14,664,831	\$ 3,703,123	\$ -	\$ 10,961,709	\$ -	\$ -

City of Barstow
Notes to Basic Financial Statements
For the year ended June 30, 2015

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	Legal Minimum Rating	Rating as of Year End					
			Aaa	A1	A3	Aa2	B1	Not Rated
Securities of U.S. Government								
Treasury and Agencies:								
Federal Farm Credit Bank Bonds (FFCB)	\$ 3,990,010	N/A	\$ 3,990,010	\$ -	\$ -	\$ -	\$ -	\$ -
Federal Home Loan Bank Bonds (FHLB)	1,994,720	N/A	1,994,720	-	-	-	-	-
Federal Home Loan Mortg. Corp. Notes (FHLMC)	1,996,120	N/A	1,996,120	-	-	-	-	-
Federal National Mortg. Assn. Notes (FNMA)	995,460	N/A	995,460	-	-	-	-	-
Medium Term Notes								
Customers Bk Phoenixville PA	250,000	A	-	-	-	-	-	250,000
First Bank P R Santurce	250,835	A	-	-	-	-	250,835	-
GE Cap Bank Inc	250,435	A	-	250,435	-	-	-	-
Discover Bank	250,838	A	-	-	250,838	-	-	-
Comenity Cap Bk Utah	248,456	A	-	-	-	-	-	248,456
Ally Bank Midvale UT	248,273	A	-	-	-	-	-	248,273
American Exp Fed Svgy Bk Ins	248,275	A	-	-	-	-	-	248,275
Goldman Sachs Bk USA NY	248,330	A	-	248,330	-	-	-	-
Sallie Mae Bk Slt Lake City	248,273	A	-	-	-	-	-	248,273
Capital One Bk USA Natl Assn	248,082	A	-	248,082	-	-	-	-
American Exp Centr	247,772	A	-	-	-	247,772	-	-
BMC BK North Amer Salt Lake	247,938	A	-	-	-	-	-	247,938
Local Agency Investment Funds	2,701,015	N/A	2,701,015	-	-	-	-	-
Total	\$ 14,664,831		\$ 11,677,325	\$ 746,847	\$ 250,838	\$ 247,772	\$ 250,835	\$ 1,491,215

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	\$ 3,990,010
Federal Home Loan Bank	Federal Agency Securities	1,994,720
Federal Home Loan Mortgage Corporation	Federal Agency Securities	1,996,120
Federal National Mortgage Association	Federal Agency Securities	995,460

City of Barstow
Notes to Basic Financial Statements
For the year ended June 30, 2015

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, 2015, 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, 2015, 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, 2015, 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, 2015, the City had \$ 2,701,015 invested in LAIF, which had invested 2.08% 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 1.000375979 to the total investments held by LAIF.

City of Barstow
Notes to Basic Financial Statements
For the year ended June 30, 2015

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	\$ 429,672	\$ (70,214)	\$ 359,458
Measure I Special Revenue Fund	315,721	-	315,721
Barstow Fire Protection District Special Revenue Fund	115,694	-	115,694
Nonmajor Governmental Funds	206,249	-	206,249
Enterprise Funds			
Wastewater Reclamation	1,203,692	(323,731)	879,961
Solid Waste Disposal	715,375	(338,750)	376,625
Transit Services	830,514	-	830,514
	<u>\$ 3,816,917</u>	<u>\$ (732,695)</u>	<u>\$ 3,084,222</u>

4. INTERFUND BALANCES

The following table presents the interfund balances as of June 30, 2015:

<u>Due To General Fund</u>	<u>Due From Other Funds</u>
Measure I Special Revenue Fund	\$ 243,419
Barstow Fire Protection District Fund	741,222
Non-Major Governmental Funds	188,516
Wastewater Reclamation Fund	794,541
Transit Services Enterprise Fund	184,701
Total	<u>\$ 2,152,399</u>

Capital projects, funded by reimbursable grants and capital allocations from Federal, State, and County sources, were approved by the City Council with the understanding that the General Fund lends monies to other funds with the expectation that the amounts will be repaid based on contractual commitments from other governmental entities. All the funds listed have expenses for which the expected reimbursement has not yet been received as of June 30, 2015.

City of Barstow
Notes to Basic Financial Statements
For the year ended June 30, 2015

4. INTERFUND BALANCES, Continued

The following table presents advances as of June 30, 2015:

	Advances from Other Funds			Total
	Barstow Fire Protection District Special Revenue Fund	Wastewater Reclamation Enterprise Fund	CNG/LNG Fuel Station Enterprise Fund	
Advances to Other Funds				
General Fund	\$ 400,000	\$ 6,233,729	\$ 1,664,868	\$ 8,298,597
Total	\$ 400,000	\$ 6,233,729	\$ 1,664,868	\$ 8,298,597

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. In fiscal year 2010, the General Fund advanced \$2.36 million to the Wastewater fund for sewer line repairs and facility capital upgrades. The advance will be paid over 10 years from customer revenues at the current LAIF interest rate plus 1%. In fiscal year 2015, the General Fund advanced \$5 million to the Wastewater fund to cover major capital facility improvements. The funds were advanced for a period of three years at a 2% interest rate. As of June 30, 2015, the total amount owed to the General Fund from the Wastewater Fund is \$6,233,729. 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. The General Fund advanced \$400,000 to the Barstow Fire Protection District Special Revenue Fund to cover operational expenditures for the year. The advance does not accrue interest and is to be repaid upon the District's accumulation of funds necessary to reimburse the General Fund. The City, at its option, may declare at any point in time that the entire principal amount outstanding will be due and payable to the City immediately. As of June 30, 2015, the total amount owed to the General Fund from the Barstow Fire Protection District Special Revenue Fund is \$400,000.

City of Barstow
Notes to Basic Financial Statements
For the year ended June 30, 2015

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 \$5,401,533 as follows:

<u>Transfers Out</u>	<u>Measure I Special Revenue Fund</u>	<u>City Capital Projects Fund</u>	<u>Total</u>
Major Funds			
General Fund	\$ -	\$ 237,503	\$ 237,503
Measure I Special Revenue Fund	-	4,759,025	4,759,025
Non-major Govtl Funds	25,010	379,995	405,005
Total	<u>\$ 25,010</u>	<u>\$ 5,376,523</u>	<u>\$ 5,401,533</u>

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

The transfers of \$237,503 from the General Fund, \$4,759,025 from the Measure I Fund, \$630 from the Gas Tax Fund, and \$379,365 from the Grants Fund to the City Capital Projects Fund were for capital project expenditures. The transfer of \$25,010 from the Measure I TRIP Debt Service Fund to the Measure I Special Revenue Fund was for Measure I projects.

6. CAPITAL ASSETS

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

	Balance July 1, 2014	Increases	Decreases	Balance June 30, 2015
Non-depreciable assets:				
Work in progress	\$ 12,767,354	\$ 4,829,768	\$ (9,069,340)	\$ 8,527,782
Land	9,432,209	270,275	-	9,702,484
Intangible Asset-Water Rights	85,000	-	-	85,000
Total non-depreciable assets	<u>22,284,563</u>	<u>5,100,043</u>	<u>(9,069,340)</u>	<u>18,315,266</u>
Depreciable assets:				
Building and improvements	26,865,066	-	-	26,865,066
Machinery and equipment	4,658,058	130,073	(56,792)	4,731,339
Property under capital leases	1,323,234	-	-	1,323,234
Infrastructure	93,516,278	9,845,142	(3,489,191)	99,872,229
Total depreciable assets	<u>126,362,636</u>	<u>9,975,215</u>	<u>(3,545,983)</u>	<u>132,791,868</u>
Less accumulated depreciation:				
Building and improvements	(13,801,256)	(565,182)	-	(14,366,438)
Machinery and equipment	(3,037,005)	(349,327)	23,474	(3,362,858)
Property under capital leases	(281,203)	(112,343)	-	(393,546)
Infrastructure	(45,828,233)	(3,040,931)	3,098,647	(45,770,517)
Total accumulated depreciation	<u>(62,947,697)</u>	<u>(4,067,783)</u>	<u>3,122,121</u>	<u>(63,893,359)</u>
Total depreciable assets, net	<u>63,414,939</u>	<u>5,907,432</u>	<u>(423,862)</u>	<u>68,898,509</u>
Total capital assets	<u>\$ 85,699,502</u>	<u>\$ 11,007,475</u>	<u>\$ (9,493,202)</u>	<u>\$ 87,213,775</u>

City of Barstow
Notes to Basic Financial Statements
For the year ended June 30, 2015

6. CAPITAL ASSETS, Continued

A summary of changes in the business-type activities capital assets at June 30, 2015 is as follows:

	Balance July 1, 2014	Increases	Decreases	Balance June 30, 2015
Non-depreciable assets:				
Work in progress	\$ 9,765,017	\$ 5,069,395	\$ (3,445,635)	\$ 11,388,777
Land	1,733,787	-	-	1,733,787
Total non-depreciable assets	<u>11,498,804</u>	<u>5,069,395</u>	<u>(3,445,635)</u>	<u>13,122,564</u>
Depreciable assets:				
Buildings and improvements	2,497,958	-	-	2,497,958
Machinery and equipment	7,700,826	183,545	(352,947)	7,531,424
Property under capital lease	51,031	-	-	51,031
Infrastructure	21,109,191	3,209,415	(79,800)	24,238,806
Total depreciable assets	<u>31,359,006</u>	<u>3,392,960</u>	<u>(432,747)</u>	<u>34,319,219</u>
Less accumulated depreciation:				
Buildings and improvements	(814,266)	(79,480)	-	(893,746)
Machinery and equipment	(5,875,236)	(438,465)	130,590	(6,183,111)
Property under capital lease	(8,505)	(6,379)	-	(14,884)
Infrastructure	(8,917,697)	(696,745)	79,800	(9,534,642)
Total accumulated depreciation	<u>(15,615,704)</u>	<u>(1,221,069)</u>	<u>210,390</u>	<u>(16,626,383)</u>
Total depreciable assets, net	<u>15,743,302</u>	<u>2,171,891</u>	<u>(222,357)</u>	<u>17,692,836</u>
Total capital assets	<u>\$ 27,242,106</u>	<u>\$ 7,241,286</u>	<u>\$ (3,667,992)</u>	<u>\$ 30,815,400</u>

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

	Governmental Activities	Business-type Activities
General government	\$ 433,658	\$ -
Public Safety	303,883	-
Recreation	386,850	-
Community Development	12,810	-
Public Works	2,930,582	-
Wastewater Reclamation	-	845,275
Solid Waste Disposal	-	22,044
Transit	-	240,556
CNG/LNG Fueling Station	-	113,194
Total depreciation expense	<u>\$ 4,067,783</u>	<u>\$ 1,221,069</u>

City of Barstow
Notes to Basic Financial Statements
For the year ended June 30, 2015

7. LONG-TERM DEBT

During the year ended June 30, 2015, the following changes occurred in liabilities reported in long-term debt:

	Balance June 30, 2014	Additions	Deletions	Bond Discount/ Premium	Balance June 30, 2015	Due Within One Year
Governmental Activities:						
Measure I TRIP COP, Series 2012	\$ 9,489,249	\$ -	\$ (1,100,000)	\$ (112,750)	\$ 8,276,499	\$ 1,145,000
Capital lease agreements	2,874,809	-	(300,366)	-	2,574,443	479,637
Compensated absences	2,496,171	1,604,434	(1,592,942)	-	2,507,663	1,003,065
PARS Supplemental Retirement	174,124	-	(58,042)	-	116,082	58,042
Claims and judgements payable	1,683,490	126,238	-	-	1,809,728	452,432
Net pension liability	23,100,462	-	(6,517,012)	-	16,583,450	-
Total governmental activities	<u>\$ 39,818,305</u>	<u>\$ 1,730,672</u>	<u>\$ (9,568,362)</u>	<u>\$ (112,750)</u>	<u>\$ 31,867,865</u>	<u>\$ 3,138,176</u>
Business type Activities:						
Certificates of Participation	\$ 1,500,766	\$ -	\$ (290,000)	\$ 14,513	\$ 1,225,279	\$ 305,000
Pollution remediation liability	6,622,559	-	(149,815)	-	6,472,744	180,000
Capital lease agreement	1,757,803	-	(213,515)	-	1,544,288	231,475
Compensated absences	112,969	120,004	(83,725)	-	149,248	59,698
Net pension liability	1,040,984	-	(655,382)	-	385,602	-
Total business-type activities	<u>\$ 11,035,081</u>	<u>\$ 120,004</u>	<u>\$ (1,392,437)</u>	<u>\$ 14,513</u>	<u>\$ 9,777,161</u>	<u>\$ 776,173</u>

Compensated absences, claims and judgement payable, and net pension liability typically have been liquidated by the General Fund for governmental activities.

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. 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, 2015 were \$2,243,077.

City of Barstow
Notes to Basic Financial Statements
For the year ended June 30, 2015

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
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	1,290,000	161,000	1,451,000
2020	1,340,000	165,200	1,505,200
2021	1,395,000	-	1,395,000
Subtotal	7,600,000	\$ 1,099,000	\$ 8,699,000
Bond Premium	676,499		
Total	<u>\$ 8,276,499</u>		

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 expired in 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 July 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 2015, the City made an annual lease payment of \$100,461.

During fiscal year 2014, 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, 2015

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
2016	\$ 626,576	\$ 136,073	\$ 762,649
2017	733,271	137,538	870,809
2018	642,077	109,855	751,932
2019	713,321	82,572	795,893
2020	612,482	53,953	666,435
2021-2022	791,004	25,051	816,055
Total	\$ 4,118,731	\$ 545,042	\$ 4,663,773
Governmental activities	\$ 2,574,443	\$ 313,056	\$ 2,887,499
Business type activities	1,544,288	231,986	1,776,274
Total	\$ 4,118,731	\$ 545,042	\$ 4,663,773

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, 2015, was \$2,507,663 for governmental activities and \$149,248 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, 2015, the City has outstanding obligations for 6 employees. The balance of the accrued benefits, as of June 30, 2015 was \$116,082.

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 \$1,615,626 against the total principal and interest payment of \$345,465. The outstanding balance at June 30, 2015 is \$1,225,279.

City of Barstow
Notes to Basic Financial Statements
For the year ended June 30, 2015

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
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	1,285,000	\$ 104,199	\$ 1,389,199
Bond discount	(59,721)		
Total	\$ 1,225,279		

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 \$2,382,256 has been spent.

Implementation of the mitigation order has been delayed pending the outcome of the discussions with the Regional Water Quality Board to include perchlorate remediation, (which is not the City's responsibility) with nitrate remediation. It is anticipated this change in scope will provide access to federal and state funding for all or a significant portion of the remediation. The City anticipates spending \$180,000 for the design in fiscal year 2016 and will continue the monitoring costs relating to legal mandates such as regulatory agency orders, court orders or other affirmative legal obligations.

A summary of the components of the pollution remediation liability at June 30, 2015 is as follows:

Obligating Event	Liability
Pollution poses an imminent danger to the public or environment:	
Quarterly groundwater sampling	\$ 3,414,703
Operation and maintenance of groundwater	2,907,136
Replacement drinking water	150,905
Total by obligating event	\$ 6,472,744

City of Barstow
Notes to Basic Financial Statements
For the year ended June 30, 2015

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, 2015, the following changes occurred in liabilities reported in long-term debt for Fiduciary Funds:

	Balance June 30, 2014	Additions	Deletions	Balance June 30, 2015	Due Within One Year
Fiduciary Funds: Successor Agency Private Purpose Trust					
Redevelopment Tax Allocation Bonds:					
1994 Tax Allocation Bonds	\$ 165,000	\$ -	\$ (165,000)	\$ -	\$ -
2004 Tax Allocation Bonds	6,075,000	-	(420,000)	5,655,000	610,000
Total fiduciary funds	<u>\$ 6,240,000</u>	<u>\$ -</u>	<u>\$ (585,000)</u>	<u>\$ 5,655,000</u>	<u>\$ 610,000</u>

City of Barstow
Notes to Basic Financial Statements
For the year ended June 30, 2015

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).

Principal and interest paid for the year was \$170,775. The bonds fully matured during fiscal year 2015.

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, 2015 is \$0.

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 \$674,980. The principal amount outstanding at June 30, 2015 is \$5,655,000.

City of Barstow
Notes to Basic Financial Statements
For the year ended June 30, 2015

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
2004 Tax Allocation Bonds			
2016	\$ 610,000	\$ 234,380	\$ 844,380
2017	635,000	209,480	844,480
2018	660,000	182,920	842,920
2019	690,000	154,225	844,225
2020	720,000	123,550	843,550
2021-2023	2,340,000	166,345	2,506,345
Total	<u>\$ 5,655,000</u>	<u>\$ 1,070,900</u>	<u>\$ 6,725,900</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-two participating member agencies: twenty-two cities, three transit agencies and seven 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, Cyber Liability, 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, 2015

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 Cyber Liability program is also group purchased under a master insurance policy and provides coverage for information security and privacy liability, privacy notification costs, regulatory defense and penalties, website media content liability, cyber extortion, first party data protection, and business interruption losses. The program provides its insureds with access to a breach response team consisting of privacy expert attorneys, forensic specialists to determine scope of breach, notification vendors, and credit monitoring services at preferred rates.

The Crime Coverage program is also group purchased under a master insurance policy and provides coverage up to \$1,000,000 for employee theft, 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 \$31,202.

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, 2015

8. RISK MANAGEMENT, Continued

	2015	2014	2013
<u>Workers' Compensation</u>			
Liability, July 1	\$ 1,382,784	\$ 1,794,626	\$ 1,170,892
Incurred claims and changes in estimates	498,370	234,080	1,201,310
Claim payments	(360,987)	(645,922)	(577,576)
Liability, June 30	<u>\$ 1,520,167</u>	<u>\$ 1,382,784</u>	<u>\$ 1,794,626</u>
Due within one year	304,033	276,557	358,925
Due in more than one year	1,216,134	1,106,227	1,435,701
	<u>\$ 1,520,167</u>	<u>\$ 1,382,784</u>	<u>\$ 1,794,626</u>
<u>General Liability</u>			
Liability, July 1	\$ 300,706	\$ 560,579	\$ 258,067
Incurred claims and changes in estimates	295,700	(77,622)	781,144
Claim payments	(306,845)	(182,251)	(478,632)
Liability, June 30	<u>\$ 289,561</u>	<u>\$ 300,706</u>	<u>\$ 560,579</u>
Due within one year	\$ 72,390	\$ 75,177	\$ 140,145
Due in more than one year	217,171	225,529	420,434
	<u>\$ 289,561</u>	<u>\$ 300,706</u>	<u>\$ 560,579</u>

9. RETIREMENT PLANS

A. Summary of Pension Plan Balances

Pension related balances presented on the Statement of Net Position as of June 30, 2015 by individual plan are described in the following table:

	Deferred Employer Contributions	Deferred Outflows - Pension	Net Pension Liability	Deferred Inflows - Pension
CALPERS Miscellaneous - Classic	986,619	396,392	2,912,545	4,475,119
CALPERS Miscellaneous - PEPRA	46,887	27,308	2,063	2,750
CALPERS Safety - Classic	1,188,064	231,589	6,975,138	2,106,025
CALPERS Safety - PEPRA	33,693	20,502	2,905	21,551
SBCERA - Barstow Fire Protection District	1,286,370	2,626,536	7,076,401	3,515,569
Total	<u>3,541,633</u>	<u>3,302,327</u>	<u>16,969,052</u>	<u>10,121,014</u>

City of Barstow
Notes to Basic Financial Statements
For the year ended June 30, 2015

9. RETIREMENT PLANS, Continued

B. CALPERS Safety and Miscellaneous Employees Plans

Plan Description

Substantially all City employees are eligible to participate in pension plans offered by California Public Employees Retirement System (CALPERS) a cost sharing multiple employer defined benefit pension plan which acts as a common investment and administrative agent for its participating member employers. CALPERS provides retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. The City's employees participate in the separate Safety (police and fire) and Miscellaneous (all other) Employee Plans. Benefit provisions under both Plans are established by State statute and City resolution. Benefits are based on years of credited service, equal to one year of full time employment. Funding contributions for both Plans are determined on an actuarial basis as of June 30 of each year. The City must contribute the amounts determined by CALPERS.

Benefits Provided

CALPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 5 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employee's Retirement Law.

The Plans' provisions and benefits in effect at June 30, 2015 are summarized as follows:

	<u>Safety - Classic</u>	<u>Miscellaneous - Classic</u>
Hire Date	Prior to January 1, 2013	Prior to January 1, 2013
Benefit vesting schedule	5 years service	5 years service
Benefit payment	Monthly for life	Monthly for life
Retirement age	50	55
Monthly benefits, as a % of annual salary	3%	2.7%
Required employee contribution rates	9.00%	8.00%
Required employer contribution rates	27.849%	10.612%
	<u>Safety - PEPRA</u>	<u>Miscellaneous - PEPRA</u>
Hire Date	On or after January 1, 2013	On or after January 1, 2013
Benefit vesting schedule	5 years service	5 years service
Benefit payments	Monthly for life	Monthly for life
Retirement age	57	62
Monthly benefits, as a % of annual salary	2.70%	2.00%
Required employee contribution rates	11.50%	6.25%
Required employer contribution rates	11.50%	6.25%

City of Barstow
Notes to Basic Financial Statements
For the year ended June 30, 2015

9. RETIREMENT PLANS, Continued

B. CALPERS Safety and Miscellaneous Employees Plans, Continued

Contributions - Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for the Plan is determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The City is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

For the year ended June 30, 2015, the contributions recognized against net pension liability for the Plans were as follows:

	Miscellaneous Classic	Miscellaneous PEPRA	Safety Classic	Safety PEPRA
Contributions - employer	\$ 662,262	\$ 37,334	\$ 833,926	\$ 28,184
Contributions - employee (paid by employer)	\$ 390,476	\$ -	\$ 279,858	\$ -

Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions

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

	Proportionate Share of Net Pension Liability
Miscellaneous - Classic	\$ 2,912,545
Miscellaneous - PEPRA	2,063
Safety - Classic	6,975,138
Safety - PEPRA	2,905
Total Net Pension Liability	\$ 9,892,651

The City's net pension liabilities for the Plans are measured as the proportionate share of the total net pension liability of each Plan. The net pension liability of the Plans are measured as of June 30, 2015, and the total pension liability for the Plans used to calculate the net pension liability was determined by actuarial valuations as of June 30, 2013 rolled forward to June 30, 2014 using standard update procedures. The City's proportionate share of the net pension liability was based on the City's plan liability and asset-related information where available, and proportional allocations of individual plan amounts as of the valuation date where not available.

City of Barstow
Notes to Basic Financial Statements
For the year ended June 30, 2015

9. RETIREMENT PLANS, Continued

B. CALPERS Safety and Miscellaneous Employees Plans, Continued

The City's proportionate share of the net pension liability for each Plan as of June 30, 2013 and 2014 were as follows:

	Miscellaneous Classic	Miscellaneous PEPRA	Safety Classic	Safety PEPRA
Proportion - June 30, 2013	0.240047%	0.000086%	0.1930522%	0.000080%
Proportion - June 30, 2014	0.117850%	0.000080%	0.1859600%	0.000080%
Change - Increase (Decrease)	-0.122197%	-0.000006%	-0.0070922%	0.000000%

For the year ended June 30, 2015, the City recognized pension expense of \$944,885. At June 30, 2015, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 2,255,263	\$ -
Changes in employer's proportion and differences between the employer's contribution and the employer's proportionate share of contributions	675,791	(406,323)
Net differences between projected and actual earnings on plan investments		(6,198,122)
Total	\$ 2,931,054	\$ (6,604,445)

\$2,255,263 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2016.

City of Barstow
Notes to Basic Financial Statements
For the year ended June 30, 2015

9. RETIREMENT PLANS, Continued

B. CALPERS Safety and Miscellaneous Employees Plans, Continued

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

	Measurement Period	
	Ending June 30:	
	2016	\$ (1,455,558)
	2017	(1,455,558)
	2018	(1,473,297)
	2019	(1,544,241)

Actuarial Assumptions - The total pension liabilities in the June 30, 2013 actuarial valuations were determined using the following actuarial assumptions:

	Miscellaneous Plans	Safety Plans
Valuation Date	June 30, 2013	June 30, 2013
Measurement Date	June 30, 2014	June 30, 2014
Actuarial Cost Method	Entry-Age Normal Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:		
Discount Rate	7.50%	7.50%
Inflation	2.75%	2.75%
Projected Salary Increase	Varies by entry age and service	Varies by entry age and service
Investment Rate of Return	(1) 7.50%	7.50%
Mortality	Derived by CalPERS membership data for all funds	Derived by CalPERS membership data for all funds

(1) Net of pension plan investment expenses, including inflation

The underlying mortality assumptions and all other actuarial assumptions used in the June 30, 2013 valuation were based on the results of a January 2014 actuarial experience study for the period 1997 to 2011. Further details of the Experience Study can found on the CalPERS website.

City of Barstow
Notes to Basic Financial Statements
For the year ended June 30, 2015

9. RETIREMENT PLANS, Continued

B. CALPERS Safety and Miscellaneous Employees Plans, Continued

Discount Rate - The discount rate used to measure the total pension liability was 7.50% for the Plan. To determine whether the municipal bond rate should be used in the calculation of a discount rate for the Plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 7.50 percent discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate of 7.50 percent will be applied to all plans in the Public Employees

Retirement Fund (PERF). The stress test results are presented in a detailed report that can be obtained from the CalPERS website.

According to Paragraph 30 of Statement 68, the long-term discount rate should be determined without reduction for pension plan administrative expense. The 7.50 percent investment return assumption used in this accounting valuation is net of administrative expenses. Administrative expenses are assumed to be 15 basis points. An investment return excluding administrative expenses would have been 7.65 percent. Using this lower discount rate has resulted in a slightly higher Total Pension Liability and Net Pension Liability. CalPERS checked the materiality threshold for the difference in calculation and did not find it to be a material difference.

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

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

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

City of Barstow
Notes to Basic Financial Statements
For the year ended June 30, 2015

9. RETIREMENT PLANS, Continued

B. CALPERS Safety and Miscellaneous Employees Plans, Continued

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

Asset Class	New Strategic Allocation	Real Return Years 1 - 10(a)	Real Return Years 11+(b)
Global Equity	47.00%	5.25%	5.71%
Global Fixed Income	19.00%	0.99%	2.43%
Inflation Sensitive	6.00%	0.45%	3.36%
Private Equity	12.00%	6.83%	6.95%
Real Estate	11.00%	4.50%	5.13%
Infrastructure and Forestland	3.00%	4.50%	5.09%
Liquidity	2.00%	-0.55%	-1.05%
Total	100%		

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

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

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate -

The following presents the City's proportionate share of the net pension liability for the Plan, calculated using the discount rate for the Plan, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	Miscellaneous Classic	Miscellaneous PEPRA	Safety Classic	Safety PEPRA	Total
1% Decrease	6.50%	6.50%	6.50%	6.50%	6.50%
Net Pension Liability	\$ 11,158,362	\$ 3,675	\$ 12,003,309	\$ 5,000	\$ 23,170,346
Current Discount Rate	7.50%	7.50%	7.50%	7.50%	7.50%
Net Pension Liability	\$ 2,912,545	\$ 2,063	\$ 6,975,138	\$ 2,905	\$ 9,892,651
1% Increase	8.50%	8.50%	8.50%	8.50%	8.50%
Net Pension Liability	\$ (3,930,699)	\$ 725	\$ 2,832,142	\$ 1,180	\$ (1,096,652)

Pension Plan Fiduciary Net Position - Detailed information about each pension plan's fiduciary net position is available in the separately issued CalPERS financial reports.

City of Barstow
Notes to Basic Financial Statements
For the year ended June 30, 2015

9. RETIREMENT PLANS, Continued

B. CALPERS Safety and Miscellaneous Employees Plans, Continued

Payable to the Pension Plan

At June 30, 2015 the City reported a payable of \$0 for outstanding amount of contributions to the pension plan required for the year ended June 30, 2015.

C. San Bernardino County Employees' Retirement Association (SBCERA)

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.

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.

Benefits Provided

SBCERA provides service retirement, disability, death and survivor benefits to eligible employees. Generally, any employee of the County of San Bernardino or participating employers who is appointed to a regular position whose service is greater than fifty percent of the full standard of hours required by a participating SBCERA employer (e.g. 20 hours per week or more) must become a member of SBCERA effective on the first day of employment. There are separate retirement benefits for General and Safety member employees. Safety membership is extended to those involved in active law enforcement and fire suppression. All other members are classified as General Members.

City of Barstow
Notes to Basic Financial Statements
For the year ended June 30, 2015

9. RETIREMENT PLANS, Continued

C. San Bernardino County Employees' Retirement Association (SBCERA), Continued

There are currently two tiers applicable to both General and Safety members. Members with membership dates before January 1, 2013 are included in General Tier 1 or Safety Tier 1. Any new member who becomes a member on or after January 1, 2013 is designated as General Tier 2 or Safety Tier 2 and is subject to the provisions of California Public Employees' Pension Reform Act of 2013 (CalPEPRA), California Government Code 7522 et seq. and Assembly Bill (AB) 197.

General members prior to January 1, 2013, are eligible to retire once they attain the age of 70 regardless of service or at age 50 and have acquired 10 or more years of retirement service credit. A member with 30 years of service is eligible to retire regardless of age. General members who are first hired on or after January 1, 2013, are eligible to retire once they attain the age of 70 regardless of service or at age 52 and have acquired five or more years of retirement service credit.

Safety members prior to January 1, 2013, are eligible to retire once they attain the age of 70 regardless of service or at age 50 and have acquired 10 or more years of retirement service credit. A member with 20 years of service is eligible to retire regardless of age. Safety members who are first hired on or after January 1, 2013, are eligible to retire once they attain the age of 70 regardless of service or at age 50, and have acquired five or more years of retirement service credit.

The retirement benefit the member will receive is based upon age at retirement, final average compensation, years of retirement service credit and retirement plan and tier.

General Tier 1 benefit is calculated pursuant to the provisions of California Government Code of Section 31676.15. The monthly allowance is equal to 2% of final compensation times years of accrued retirement service credit times age factor from Section 31676.15. General Tier 2 benefit is calculated pursuant to the provisions found in California Government Code Section 7522.20(a). The monthly allowance is equal to the final compensation multiplied by years of accrued retirement credit multiplied by the age factor from Section 7522.20(a).

Safety Tier 1 benefit is calculated pursuant to the provisions of California Government Code Section 31664.1. The monthly allowance is equal to 3% of final compensation times years of accrued retirement service credit times age factor from Section 31664.1. Safety Tier 2 benefit is calculated pursuant to the provisions found in California Government Code Section 7522.25(d). The monthly allowance is equal to the final compensation multiplied by years of accrued retirement credit multiplied by the age factor from Section 7522.25(d).

City of Barstow
Notes to Basic Financial Statements
For the year ended June 30, 2015

9. RETIREMENT PLANS, Continued

C. San Bernardino County Employees' Retirement Association (SBCERA)

For Tier 1 members, the maximum monthly retirement allowance is 100% of final compensation. There is no final compensation limit on the maximum retirement benefit for Tier 2 members. However, the maximum amount of compensation earnable that can be taken into account for 2015 for Tier 1 members with membership dates on or after July 1, 1996 is \$265,000. The maximum amount of pensionable compensation for Tier 2 members that can be taken into account for 2015 is equal to \$140,424. These limits are adjusted on an annual basis. Members are exempt from paying member contributions and employers are exempt from paying employer contributions on compensation in excess of the annual cap.

Final average compensation consists of the highest 12 consecutive months for Tier 1 members and the highest 36 consecutive months for Tier 2 members

The member may elect an unmodified retirement allowance, or choose an optional retirement allowance. The unmodified retirement allowance provides the highest monthly benefit and a 60% continuance to an eligible surviving spouse or domestic partner. An eligible surviving spouse or domestic partner is one married to or registered with the member one year prior to the effective retirement date or at least two years prior to the date of death and has attained age 55 on or prior to the date of death. There are four optional retirement allowances the member may choose. Each of the optional retirement allowances requires a reduction in the unmodified retirement allowance in order to allow the member the ability to provide certain benefits to a surviving spouse, domestic partner, or named beneficiary having an insurable interest in the life of the member.

SBCERA provides an annual cost-of-living benefit to all retirees. The cost-of-living adjustment, based upon the Consumer Price Index for All Urban Consumers for the Los Angeles-Riverside-Orange County Area, is capped at 2.0%.

The County of San Bernardino and participating employers contribute to the retirement plan based upon actuarially determined contribution rates adopted by the Board of Retirement. Employer contribution rates are adopted annually based upon recommendations received from SBCERA's actuary after the completion of the annual actuarial valuation. The average employer contribution rate as of June 30, 2014 for 2013-2014 (based on the June 30, 2012 valuation) was 23.08% of compensation.

All members are required to make contributions to SBCERA regardless of the retirement plan or tier in which they are included. The average member contribution rate as of June 30, 2014 for 2013-2014 (based on the June 30, 2012 valuation) was 10.58% of compensation.

Fire safety members contribute the required employee share of their pension. The percentage of pay varies between 10.94-16.87%.

City of Barstow
Notes to Basic Financial Statements
For the year ended June 30, 2015

9. RETIREMENT PLANS, Continued

C. San Bernardino County Employees' Retirement Association (SBCERA)

The District pays a capped percentage of the employer's pension cost per the Barstow Professional Fire Fighters Association Memorandum of Understanding. Employer pension costs have two tiers. Employees hired prior to January 1, 2013 are in Tier 1 and the total pension cost is 69.01%. Employees hired after January 1, 2013 are Tier 2 employees and the total pension cost is 58.61%. The employer's costs are capped at 42% with the employee paying the difference.

Contributions - Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for the Plan is determined annually on an actuarial basis as of June 30 by SBCERA. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The City is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

For the year ended June 30, 2015, the contributions recognized against net pension liability for the Plans were as follows:

	<u>Safety</u>
Contributions - employer	\$ 1,286,370

Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions

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

	<u>Proportionate Share of Net Pension Liability</u>
Safety	<u>\$ 7,076,401</u>
Total Net Pension Liability	<u>\$ 7,076,401</u>

City of Barstow
Notes to Basic Financial Statements
For the year ended June 30, 2015

9. RETIREMENT PLANS, Continued

C. San Bernardino County Employees' Retirement Association (SBCERA)

The City's net pension liabilities for the Plans are measured as the proportionate share of the total net pension liability of each Plan. The net pension liability of the Plans are measured as of June 30, 2015, and the total pension liability for the Plans used to calculate the net pension liability was determined by actuarial valuations as of June 30, 2013 rolled forward to June 30, 2014 using standard update procedures. The City's proportionate of the net pension liability was based on the City's share of all actual contributions, actuarially determined.

The City's proportionate share of the net pension liability for each Plan as of June 30, 2013 and 2014 were as follows:

	<u>Safety</u>
Proportion - June 30, 2013	0.354%
Proportion - June 30, 2014	0.416%
Change - Increase (Decrease)	0.062%

For the year ended June 30, 2015, the City recognized pension expense of \$846,909. At June 30, 2015, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Pension contributions subsequent to measurement date	\$ 1,286,370	\$ -
Changes of assumptions or other inputs	1,148,955	-
Changes in employer's proportion and differences between the employer's contribution and the employer's proportionate share of contributions	1,477,581	-
Net differences between projected and actual earnings on plan investments	-	(2,167,357)
Difference between expected and actual experience in the total pension liability	-	(1,348,212)
Total	<u>\$ 3,912,906</u>	<u>\$ (3,515,569)</u>

City of Barstow
Notes to Basic Financial Statements
For the year ended June 30, 2015

9. RETIREMENT PLANS, Continued

C. San Bernardino County Employees' Retirement Association (SBCERA)

\$1,286,370 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2016.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

	Measurement Period	
	Ending June 30:	
2016	\$	(388,169)
2017		(388,169)
2018		(388,169)
2019		(27,517)
2020		246,109
Thereafter		56,882

Actuarial Assumptions - The total pension liabilities in the June 30, 2013 actuarial valuations were determined using the following actuarial assumptions:

Valuation Date	June 30, 2013
Measurement Date	June 30, 2014
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	7.50%
Inflation	3.25%
Projected Salary Increase	General: 4.60% to 13.75% and Safety: 4.55 to 13.75%
Investment Rate of Return (1)	7.50%

Mortality

Mortality rates are based on the RP-2000 Combined Healthy mortality table projected to 2020 using Projection Scale BB. For healthy General members, no adjustments are made. For healthy Safety members, ages are set back two years for males and one year for females. For disabled General members, ages are set forward seven years for males and set forward eight years for females. For disabled Safety members, ages are set forward two years for males and females. Beneficiaries are assumed to have the same mortality as a General member of the opposite sex who is receiving a service retirement.

(1) Net of pension plan investment expenses, including inflation

City of Barstow
Notes to Basic Financial Statements
For the year ended June 30, 2015

9. RETIREMENT PLANS, Continued

C. San Bernardino County Employees' Retirement Association (SBCERA)

Discount Rate - The discount rates used to measure the Total Pension Liability was 7.50% as of June 30, 2014. The projection of cash flows used to determine the discount rate assumed employer and member contributions will be made at rates equal to the actuarially determined contribution rates. For this purpose, only employee and employer contributions that are intended to fund benefits for current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs for future plan members and their beneficiaries, as well as projected contributions from future plan members, are not included. Based on those assumptions, the Pension Plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments for current plan members. Therefore, the long-term expected rate of return on pension plan investments of 7.50% was applied to all periods of projected benefit payments to determine the Total Pension Liability as of both June 30, 2014, respectively.

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

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of inflation) are developed for each major asset class. These returns are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adding expected inflation and subtracting expected investment expenses and a risk margin.

The June 30, 2014 target allocations (approved by the Board) and projected arithmetic real rates of return for each major asset class, after deducting inflation but before deducting investment expenses, used in the derivation of the long-term expected investment rate of return assumption is summarized in the table on the following page.

City of Barstow
Notes to Basic Financial Statements
For the year ended June 30, 2015

9. RETIREMENT PLANS, Continued

C. San Bernardino County Employees' Retirement Association (SBCERA)

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)
Large Cap U.S. Equity	5.00%	5.94%
Small Cap U.S. Equity	2.00%	6.50%
Developed International Equity	6.00%	6.87%
Emerging Market Equity	6.00%	8.06%
U.S. Core Fixed Income	2.00%	0.69%
High Yield/Credit Strategies	13.00%	3.10%
Global Core Fixed Income	1.00%	0.30%
Emerging Market Debt	6.00%	4.16%
Real Estate	9.00%	4.96%
Cash & Equivalents	2.00%	-0.03%
International Credit	10.00%	6.76%
Absolute Return	13.00%	2.88%
Real Assets	6.00%	6.85%
Long/Short Equity	3.00%	4.86%
Private Equity	16.00%	9.64%
Total	100%	

City of Barstow
Notes to Basic Financial Statements
For the year ended June 30, 2015

9. RETIREMENT PLANS, Continued

C. San Bernardino County Employees' Retirement Association (SBCERA)

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate - The following presents the City's proportionate share of the net pension liability for the Plan, calculated using the discount rate for the Plan, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

1% Decrease		6.50%
Net Pension Liability	\$	12,505,639
Current Discount Rate		7.50%
Net Pension Liability	\$	7,076,401
1% Increase		8.50%
Net Pension Liability	\$	2,580,073

Pension Plan Fiduciary Net Position - Detailed information about each pension plan's fiduciary net position is available in the separately issued SBCERA financial reports.

Payable to the Pension Plan

At June 30, 2015 the City reported a payable of \$0 for outstanding amount of contributions to the pension plan required for the year ended June 30, 2015.

City of Barstow
Notes to Basic Financial Statements
For the year ended June 30, 2015

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. Copies of the CalPERS' annual financial report may be obtained from the CalPERS Executive Office, 400 Q Street, Sacramento, CA 95811.

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 has a separate health insurance plan, Aetna, apart from City employees. The City provides retiree medical benefits to eligible retirees and their spouses in accordance with their labor agreements.

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, 2015:

	<u>Fire</u>	<u>Police</u>	<u>Miscellaneous</u>	<u>Total</u>
PEMCHA - 5 year service	1	-	10	11
Eligible Active Retirees - 10 year service	2	3	26	31
Retired employees	1	27	74	102
	<u>4</u>	<u>30</u>	<u>110</u>	<u>144</u>

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.

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, 2015, the City contributed \$79,268 and \$703,114 to the plan for Fire employees and Police and Miscellaneous employees respectively.

City of Barstow
Notes to Basic Financial Statements
For the year ended June 30, 2015

10. POST-EMPLOYMENT HEALTH CARE BENEFITS, Continued

C. Funding Policy, Continued

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, 2015, the City contributed \$79,268 and \$703,114 to the plan for Fire employees and Police and Miscellaneous employees respectively.

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 obligations as of July 1, 2013, the most recent actuarial valuation, were \$69,131 and \$8,466,621 for Fire employees and Police and Miscellaneous employees respectively. The ARC for Fire employees was \$76,876 and \$703,114 for Police and Miscellaneous employees. 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 for Fire employees and Police and Miscellaneous employees:

	Fire Employees	Police and Misc Employees	City Total
Annual required contribution	\$ 79,268	\$ 703,114	\$ 782,382
Interest on net OPEB obligation	9,368	-	9,368
Amortization of net OPEB obligation	(7,891)	-	(7,891)
Annual OPEB cost	80,745	703,114	783,859
Payments made	(79,268)	(703,114)	(782,382)
Increase (decrease) in net OPEB obligation	1,477	-	1,477
Net OPEB obligation - beginning of the year	129,217	-	129,217
Net OPEB obligation - end of the year	\$ 130,694	\$ -	\$ 130,694

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
6/30/2013	\$ 775,791	83.6%	\$ 127,607
6/30/2014	781,600	99.8%	129,217
6/30/2015	783,859	99.8%	130,694

City of Barstow
Notes to Basic Financial Statements
For the year ended June 30, 2015

10. POST-EMPLOYMENT HEALTH CARE BENEFITS, Continued

C. Funding Status and Progress, Continued

Fire Employees

As of June 30, 2013, the most recent valuation date, the actuarial accrued liability for benefits was \$69,131, and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$69,131 and a funded ratio (actuarial value of assets as a percentage of the actuarial accrued liability) of 0.0%. Covered payroll for the year was \$1,910,631 and the UAAL as a percentage of covered payroll was 3.62%.

Police and Miscellaneous Employees

As of July 1, 2013, the most recent valuation date, the actuarial accrued liability for benefits was \$8,466,621, and the actuarial value of assets was \$426,503, resulting in an unfunded actuarial accrued liability (UAAL) of \$8,040,118 and a funded ratio (actuarial value of assets as a percentage of the actuarial accrued liability) of 5.0%. Covered payroll for the year was \$9,466,047 and the UAAL as a percentage of covered payroll was 84.9%. 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 4.00 and 7.25 percent investment rates of return for fire employees and police and miscellaneous employees respectively, 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, 2015

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, 2015, 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, 2015 the City had nonspendable fund balance of inventories and prepaid amount of \$130,225, deposits of \$628,530, due from Successor Agency Trust Fund of \$1,786,046, advances to other funds of \$8,298,597, and property held for resale of \$98,001.

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, 2015 the City had restricted fund balances of: \$39,535 for public safety, \$497,260 for streets and highways, \$0 for parks and recreation, \$1,070,621 for debt service, \$660,127 for low and moderate income housing, and \$1,978 for other purposes.

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, 2015, the City has assigned fund balance of \$3,940,124 for emergency contingency, and \$985,031 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, 2015, the City General Fund had an unassigned fund balance of \$14,466,701.

City of Barstow
Notes to Basic Financial Statements
For the year ended June 30, 2015

12. FUND BALANCE FOR GOVERNMENTAL FUNDS, Continued

The schedule on the following page illustrates the City's fund balances as of June 30, 2015 for its governmental funds:

	Major Governmental Funds						Total Government
	Barstow					Non Major Government Funds	
	General Fund	Measure I Special Revenue Fund	Fire Protection District Special Revenue Fund	Flood Control Special Revenue Fund	City Capital Projects Fund		
Fund Balances							
Nonspendable fund balance:							
Prepays & Inventory	130,225	-	-	-	-	-	130,225
Deposits	628,530	-	-	-	-	-	628,530
Due from Successor Agency Trust Fund	1,786,046	-	-	-	-	-	1,786,046
Advances to other funds	8,298,597	-	-	-	-	-	8,298,597
Property Held for Resale	98,001	-	-	-	-	-	98,001
	<u>10,941,399</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,941,399</u>
Restricted fund balance for:							
Public Safety/Fire Protection	-	-	-	-	8,693	17,239	25,932
Streets & Highway	-	222,086	-	-	100,461	174,713	497,260
Debt Service	-	-	-	-	-	1,070,621	1,070,621
Low & Moderate Income Housing	-	-	-	-	-	660,127	660,127
Other Purposes	-	-	-	-	-	15,581	15,581
	<u>-</u>	<u>222,086</u>	<u>-</u>	<u>-</u>	<u>109,154</u>	<u>1,938,281</u>	<u>2,269,521</u>
Unassigned fund balance							
Emergency Contingency Policy	3,940,124	-	-	-	-	-	3,940,124
Working Capital Reserve	985,031	-	-	-	-	-	985,031
Other	9,541,546	-	(1,179,180)	-	-	(24,189)	8,338,177
	<u>14,466,701</u>	<u>-</u>	<u>(1,179,180)</u>	<u>-</u>	<u>-</u>	<u>(24,189)</u>	<u>13,263,332</u>
Total Fund Balances	<u>25,408,100</u>	<u>222,086</u>	<u>(1,179,180)</u>	<u>-</u>	<u>109,154</u>	<u>1,914,092</u>	<u>26,474,252</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, 2015

13. SUCCESSOR AGENCY TRUST FOR ASSETS OF FORMER REDEVELOPMENT AGENCY

Significant debt payments authorized in the Recognizable Obligations Payment Schedule (ROPS) by the State of California’s Department of Finance and made in FY 2014-15 from the Redevelopment Property Tax Trust Fund (RPTTF) include the following:

1994 Bonds	Principal	\$165,000
	Interest	5,775
2004 Bonds	Principal	420,000
	Interest	254,980
Pool loan repayment to the City of Barstow		\$225,649

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 \$4,123,378.

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, 2015

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 \$ 445

- Bond fees incurred during the fiscal year slightly exceeded management's budget estimates.

Barstow Fire Protection District Special Revenue Fund \$ 502,183

- The budget was impacted by unanticipated fire strike team activity, which also impacted overtime costs. The Fire District had an unexpected retirement of an employee. There was an additional payment due to San Bernardino County Employees' Retirement Association for additional pension costs. The Fire District experienced work compensation related injuries in fiscal year 2015. Management also worked with the Fire Chief to implement staffing changes to lessen the impact of overtime. Staffing changes were approved by the Board/Council in fiscal year 2016. The budget was not adjusted for these additional items.

Redevelopment Housing Successor \$ 1,686

- The City did not budget in fiscal year 2014/15 for this fund as there was anticipated to be minimal activity.

Barstow Community Services Foundation \$ 735

- The City did not budget in fiscal year 2014/15 for this fund as there was anticipated to be minimal activity.

Measure I TRIP Debt Service Fund \$ 18,548

- The City transferred the amount remaining in the cost of issuance fiscal agent account to the Acquisition account to be spent on the project. The City did not budget for this transfer.

The following funds have negative fund balance/net position as of June 30, 2015:

Barstow Fire Protection District Fund \$ 1,179,180

- Expenditures were higher due to unanticipated fire strike steam activity, which also impacted overtime costs. The City had to pay an additional payment due to San Bernardino County Employees' Retirement Association for additional pension costs. Management was aware of ongoing fiscal issues and monitored the situation. Management also worked with the Fire Chief to implement staffing changes to lessen the impact of overtime. Staffing changes were approved by the Board/Council in fiscal year 2016.

Grants Fund \$ 23,955

- The City receives certain grants that are on a reimbursement basis which results in negative fund balance until reimbursements are received.

City of Barstow
Notes to Basic Financial Statements
For the year ended June 30, 2015

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

Barstow Community Services Foundation \$ 234

- The Foundation incurred expenditures slightly in excess of revenues earned.

15. SUBSEQUENT EVENTS

As of July 1, 2015, the City of Barstow entered into a Joint Powers Agreement (JPA) with the County of San Bernardino and the Cities of Victorville, Adelanto, Hesperia and the Town of Apple Valley, also known as the Victor Valley Transit Authority (VVTA). The original JPA was created in 1974 and amended on July 1, 2015 to include the City of Barstow. VVTA will act as the agency will provide transit services as requested by the member agencies and will serve the transit needs of the High Desert Region, including the City of Barstow. The City of Barstow will contribute the use of its assets (buses and related equipment) but retain full and separate ownership of these assets for a period of two years. The City of Barstow will continue to record these assets and related depreciation and VVTA will not absorb any assets or liabilities of the City of Barstow. All future transit operation revenue and expenditure will be recorded by VVTA.

The fiduciary Big River Transit Fund will be dissolved in fiscal year 2016 and remaining funds will be returned to San Bernardino Associated Governments (SANBAG) since the City of Barstow will no longer have transit operational jurisdiction over the Colorado River region. The fiduciary Trona Transit Fund will also be dissolved and funds combined with the remaining funds from the Barstow Area Transit Fund. These funds can be used on SANBAG approved projects.

16. PRIOR PERIOD ADJUSTMENT

The City recorded prior period adjustments to record contributions made for pension in fiscal year 2014 as deferred outflows of contributions, record the beginning balance of the City's net pension liability, and record other deferred inflows/outflows of resources related to the City's pension plans for which information was available.

Government-wide Statements

	Net Position, as Previously Reported	Prior Period Adjustment			Deferred Inflows of Resources - Pension	Net Position as Restated
		Deferred Employer Pension Contributions	Deferred Outflows of Resources - Pension	Net Pension Liability		
Government-Wide Statements						
Governmental Activities	\$ 102,104,502	\$ 3,198,470	\$ 323,282	\$ (23,100,462)	\$ (1,519,466)	\$ 81,006,326
Business-type Activities	\$ 14,332,487	\$ 144,216	\$ -	\$ (1,040,984)	\$ -	\$ 13,435,719

City of Barstow
Notes to Basic Financial Statements
For the year ended June 30, 2015

16. PRIOR PERIOD ADJUSTMENT, Continued

Fund Financial Statements

	Fund Balance, as Previously Reported	Prior Period Adjustment		Fund Balance as Restated
		Deferred Employer Pension Contributions	Net Pension Liability	
Fund Financial Statements				
Wastewater Reclamation	\$ 9,408,219	\$ 64,620	\$ (466,437)	\$ 9,006,402
Solid Waste Disposal Fund	\$ 1,386,187	\$ 79,596	\$ (574,547)	\$ 891,236

17. BARSTOW FIRE PROTECTION DISTRICT

The Barstow Fire Protection District (District) has had on going losses and implemented GASB 68 this fiscal year resulting in a negative fund balance of \$1,179,180 and a negative government-wide net position of \$7,442,915 for the District.

Both the Board and management have studied and reviewed a variety of options to address this issue.

1. The District is pursuing a change of its retirement provider from *San Bernardino County Employees' Retirement Association (SBCERA)* to *California Public Employees' Retirement System (CALPERS)*. The process to initiate the conversion began in the of Spring of 2015. Per the analysis, management believes there will be substantial savings and in time, will reduce the deficit.
2. The District worked with the Barstow Professional Firefighters Association to update its current District staffing policy. The goal of the update was to ensure the fair distribution of overtime, ease of use, flexibility in staffing levels for special events and to ensure the best possible coverage levels based on budget scenarios. The new policy will assist the duty captains when covering shifts on a daily basis. Adopted by the Board on September 9, 2015, the new policy will allow flexibility with regards to appropriate daily staffing and assist in reducing overtime costs.
3. The economy has shown continued improvement and new development growth is expected within the City of Barstow. Management is anticipating increases in property tax revenue to continue. The District has hired Hdl Coren & Cone, an experienced property tax tracking firm, to keep management abreast of property tax trends and meets with them on a quarterly basis. All indicators reflect the district boundaries are posed for an increase in property tax revenue.

The Board and management will monitor the Barstow Fire Protection District financial situation, and continue to explore all avenues of potential savings. Management will keep the Board informed of developing highlights and concerns regarding the District.

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**REQUIRED
SUPPLEMENTARY INFORMATION**

City of Barstow
Required Supplementary Information
For the year ended June 30, 2015

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

Encumbrances are estimations of costs related to unperformed contracts for goods and services. These commitments are recorded for budgetary control purposes in the governmental and proprietary funds. They represent the estimated amount of the expenditure ultimately to result if unperformed contracts in process at year-end are completed and reported as restricted or committed fund balance. They do not constitute expenditures or estimated liabilities. The City did not record any significant encumbrances on June 30, 2015.

City of Barstow
Required Supplementary Information, Continued
For the year ended June 30, 2015

1. BUDGETS AND BUDGETARY ACCOUNTING, Continued

A. 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	\$ 3,552,795	\$ 3,552,795	\$ 3,727,349	\$ 174,554
Sales and use taxes	7,350,000	7,350,000	7,259,449	(90,551)
Transient occupancy tax	2,700,100	2,700,100	2,892,232	192,132
Motor vehicle fees, in lieu, unrestricted	12,500	12,500	9,950	(2,550)
Franchise taxes	926,000	926,000	961,875	35,875
Business license taxes	187,000	187,000	212,725	25,725
Other taxes	30,000	30,000	27,361	(2,639)
Licenses and permits	167,860	167,860	191,069	23,209
Fines and penalties	119,000	119,000	125,915	6,915
From other agencies	201,891	201,891	825,109	623,218
Charges for current services	992,204	1,140,445	1,281,351	140,906
Other	692,585	692,585	70,332	(622,253)
Use of money and property	932,705	932,705	518,534	(414,171)
Total revenues	17,864,640	18,012,881	18,103,251	90,370
EXPENDITURES:				
Current:				
General government	3,251,457	3,001,450	2,934,731	66,719
Public safety	8,459,155	8,706,022	9,249,181	(543,159)
Recreation	2,283,536	2,327,226	2,380,982	(53,756)
Community development	1,856,865	1,872,160	2,081,805	(209,645)
Public works	2,498,031	2,492,410	2,452,161	40,249
Capital outlay	321,278	488,102	196,110	291,992
Debt service:				
Interest and fiscal charges	-	-	166	(166)
Total expenditures	18,670,322	18,887,370	19,295,136	(407,766)
REVENUES OVER (UNDER) EXPENDITURES	(805,682)	(874,489)	(1,191,885)	(317,396)
OTHER FINANCING SOURCES (USES):				
Transfers out	(4,535,189)	(6,132,789)	(237,503)	5,895,286
Proceeds from sale of assets	10,000	10,000	382	(9,618)
Total other financing sources (uses)	(4,525,189)	(6,122,789)	(237,121)	5,885,668
Net change in fund balance	\$ (5,330,871)	\$ (6,997,278)	(1,429,006)	\$ 5,568,272
FUND BALANCE:				
Beginning of year			26,837,106	
End of year			\$ 25,408,100	

City of Barstow
Required Supplementary Information, Continued
For the year ended June 30, 2015

1. BUDGETS AND BUDGETARY ACCOUNTING, Continued

A. 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	\$ 2,192,199	\$ 2,192,199	\$ 2,243,077	\$ 50,878
Use of money and property	2,529	2,529	21,606	19,077
Total revenues	2,194,728	2,194,728	2,264,683	69,955
EXPENDITURES:				
Debt Service:				
Principal retirement	1,100,000	1,100,000	1,100,000	-
Interest and fiscal charges	353,000	353,000	353,445	(445)
Total expenditures	1,453,000	1,453,000	1,453,445	(445)
REVENUES OVER (UNDER) EXPENDITURES	741,728	741,728	811,238	69,510
OTHER FINANCING SOURCES (USES):				
Transfers in	6,471	6,471	25,010	18,539
Transfers out	(2,153,044)	(5,171,296)	(4,759,025)	412,271
Total other financing sources (uses)	(2,146,573)	(5,164,825)	(4,734,015)	430,810
Net change in fund balance	\$ (1,404,845)	\$ (4,423,097)	(3,922,777)	\$ 500,320
FUND BALANCE:				
Beginning of year (as restated)			4,144,863	
End of year			\$ 222,086	

City of Barstow
Required Supplementary Information, Continued
For the year ended June 30, 2015

1. BUDGETS AND BUDGETARY ACCOUNTING, Continued

A. 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	\$ 3,662,206	\$ (237,794)
Licenses and permits	45,000	45,000	25,462	(19,538)
From other agencies	740,984	763,164	837,808	74,644
Other	5,500	5,500	1,778	(3,722)
Use of money and property	8,000	8,000	7,241	(759)
Total revenues	4,699,484	4,721,664	4,534,495	(187,169)
EXPENDITURES:				
Current:				
Public safety	4,576,909	4,646,909	5,156,134	(509,225)
Capital outlay	157,450	272,983	262,591	10,392
Debt service:				
Interest and fiscal charges	-	-	3,350	(3,350)
Total expenditures	4,734,359	4,919,892	5,422,075	(502,183)
REVENUES OVER (UNDER) EXPENDITURES	(34,875)	(198,228)	(887,580)	(689,352)
OTHER FINANCING SOURCES (USES):				
Transfers in	-	3,067	-	(3,067)
Total other financing sources (uses)	-	3,067	-	(3,067)
Net change in fund balance	\$ (34,875)	\$ (195,161)	(887,580)	\$ (692,419)
FUND BALANCE:				
Beginning of year			(291,600)	
End of year			\$ (1,179,180)	

City of Barstow
Required Supplementary Information, Continued
For the year ended June 30, 2015

1. BUDGETS AND BUDGETARY ACCOUNTING, Continued

A. Budgetary Comparison Schedules, Continued

Budgetary Comparison Schedule, Flood Control Special Revenue Fund

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
From other agencies	\$ 2,000,000	\$ 2,000,000	\$ 3,866,353	\$ 1,866,353
Total revenues	<u>2,000,000</u>	<u>2,000,000</u>	<u>3,866,353</u>	<u>1,866,353</u>
Net change in fund balance	<u>\$ 2,000,000</u>	<u>\$ 2,000,000</u>	3,866,353	<u>\$ 1,866,353</u>
FUND BALANCE:				
Beginning of year			<u>(3,866,353)</u>	
End of year			<u>\$ -</u>	

City of Barstow
Required Supplementary Information, Continued
For the year ended June 30, 2015

2. DEFINED BENEFIT PENSION PLAN

A. CALPERS Miscellaneous (Classic) Plan

City of Barstow Miscellaneous (Classic) Plan, a Cost Sharing Defined Benefit Pension Plan
 As of June 30, 2015
 Last of 10 Years*

SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

	<u>6/30/2014</u>
Proportion of the net pension liability	0.04728%
Proportionate share of the net pension liability	\$ 2,941,867
Covered - employee payroll	\$ 1,664,487
Proportionate Share of the net pension liability as percentage of covered-employee payroll	176.74%
Plan's fiduciary net position	\$ 15,916,089
Plan fiduciary net position as a percentage of the total pension liability	84.40%

Notes to Schedule:

*- Fiscal year 2015 was the 1 st year of implementation, therefore only one year is shown.

City of Barstow
Required Supplementary Information, Continued
For the year ended June 30, 2015

2. DEFINED BENEFIT PENSION PLAN, Continued

A. Miscellaneous (Classic) Plan, Continued

City of Barstow Miscellaneous (Classic) Plan, a Cost Sharing Defined Benefit Pension Plan
As of June 30, 2015
Last 10 Years*

SCHEDULE OF CONTRIBUTIONS

	<u>2015</u>
Contractually required contribution (actuarially determined)	\$ 613,585
Contribution in relation to the actuarially determined contributions	(613,585)
Contribution deficiency (excess)	<u>\$ -</u>
Covered-employee payroll	\$ 5,781,993
Contributions as a percentage of covered-employee payroll	10.61%

Note to Schedule

Valuation date: 6/30/2012

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age
Amortization method	Level percentage of payroll, closed
Remaining amortization period	19 years
Asset valuation method	15 year smoothed market
Inflation	2.75%
Salary increases	3.30% to 14.20%, depending on Age, Service, and employment
Investment rate of return	7.50% (net of administrative expenses)
Retirement age	55 yrs.
Mortality	RP-2000 Healthy Annuitant Mortality Table

* - Fiscal year 2015 was the 1 st year of implementation, therefore only one year is shown

City of Barstow
Required Supplementary Information, Continued
For the year ended June 30, 2015

2. DEFINED BENEFIT PENSION PLAN, Continued

B. CALPERS Miscellaneous (PEPRA) Plan

City of Barstow Miscellaneous (PEPRA) Plan, a Cost Sharing Defined Benefit Pension Plan
As of June 30, 2015
Last of 10 Years*

SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

	<u>6/30/2014</u>
Proportion of the net pension liability	0.00003%
Proportionate share of the net pension liability	\$ 2,063
Covered - employee payroll	\$ 303,815
Proportionate Share of the net pension liability as percentage of covered-employee payroll	0.68%
Plan's fiduciary net position	\$ 8,652
Plan fiduciary net position as a percentage of the total pension liability	83.02%

Notes to Schedule:

*- Fiscal year 2015 was the 1 st year of implementation, therefore only one year is shown.

City of Barstow
Required Supplementary Information, Continued
For the year ended June 30, 2015

2. DEFINED BENEFIT PENSION PLAN, Continued

B. Miscellaneous (PEPRA) Plan, Continued

City of Barstow Miscellaneous (PEPRA) Plan, a Cost Sharing Defined Benefit Pension Plan
As of June 30, 2015
Last 10 Years*

SCHEDULE OF CONTRIBUTIONS

	<u>2015</u>
Contractually required contribution (actuarially determined)	\$ 46,888
Contribution in relation to the actuarially determined contributions	(46,888)
Contribution deficiency (excess)	<u>\$ -</u>
Covered-employee payroll	\$ 750,203
Contributions as a percentage of covered-employee payroll	6.25%
Note to Schedule	
Valuation date:	6/30/2012
Methods and assumptions used to determine contribution rates:	
Actuarial cost method	Entry age
Amortization method	Level percentage of payroll, closed
Remaining amortization period	Not available
Asset valuation method	15 year smoothed market
Inflation	2.75%
Salary increases	Not available
Investment rate of return	7.50% (net of administrative expenses)
Retirement age	62 years
Mortality	RP-2000 Healthy Annuitant Mortality Table

* - Fiscal year 2015 was the 1 st year of implementation, therefore only one year is shown

City of Barstow
Required Supplementary Information, Continued
For the year ended June 30, 2015

2. DEFINED BENEFIT PENSION PLAN, Continued

C. CALPERS Safety (Classic) Plan

City of Barstow Safety (Classic) Plan, a Cost Sharing Defined Benefit Pension Plan
 As of June 30, 2015
 Last of 10 Years*

SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

	<u>6/30/2014</u>
Proportion of the net pension liability	0.11210%
Proportionate share of the net pension liability	\$ 6,975,138
Covered - employee payroll	\$ 3,012,853
Proportionate Share of the net pension liability as percentage of covered-employee payroll	231.51%
Plan's fiduciary net position	\$ 26,565,244
Plan fiduciary net position as a percentage of the total pension liability	81.42%

Notes to Schedule:

*- Fiscal year 2015 was the 1 st year of implementation, therefore only one year is shown.

City of Barstow
Required Supplementary Information, Continued
For the year ended June 30, 2015

2. DEFINED BENEFIT PENSION PLAN, Continued

C. Safety (Classic) Plan, Continued

City of Barstow Safety (Classic) Plan, a Cost Share Plan Defined Benefit Pension Plan
As of June 30, 2015
Last 10 Years*

SCHEDULE OF CONTRIBUTIONS

	<u>2015</u>
Contractually required contribution (actuarially determined)	\$ 907,864
Contribution in relation to the actuarially determined contributions	<u>(907,864)</u>
Contribution deficiency (excess)	<u>\$ -</u>
Covered-employee payroll	\$ 3,259,952
Contributions as a percentage of covered-employee payroll	27.85%
Note to Schedule	
Valuation date:	6/30/2012
Methods and assumptions used to determine contribution rates:	
Actuarial cost method	Entry age
Amortization method	Level percentage of payroll, closed
Remaining amortization period	19 years
Asset valuation method	15 year smoothed market
Inflation	2.75%
Salary increases	3.30% to 14.20%, depending on Age, Service, and employment
Investment rate of return	7.50% (net of administrative expenses)
Retirement age	55 years
Mortality	RP-2000 Healthy Annuitant Mortality Table

* - Fiscal year 2015 was the 1 st year of implementation, therefore only one year is shown

City of Barstow
Required Supplementary Information, Continued
For the year ended June 30, 2015

2. DEFINED BENEFIT PENSION PLAN, Continued

D. CALPERS Safety (PEPRA) Plan

City of Barstow Safety (PEPRA) Plan, a Cost Sharing Defined Benefit Pension Plan
 As of June 30, 2015
 Last of 10 Years*

SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

	<u>6/30/2014</u>
Proportion of the net pension liability	0.00005%
Proportionate share of the net pension liability	\$ 2,905
Covered - employee payroll	\$ 231,018
Proportionate Share of the net pension liability as percentage of covered-employee payroll	1.26%
Plan's fiduciary net position	\$ 11,066
Plan fiduciary net position as a percentage of the total pension liability	81.42%

Notes to Schedule:

*- Fiscal year 2015 was the 1 st year of implementation, therefore only one year is shown.

City of Barstow
Required Supplementary Information, Continued
For the year ended June 30, 2015

2. DEFINED BENEFIT PENSION PLAN, Continued

D. Safety (PEPRA) Plan, Continued

City of Barstow Safety (PEPRA) Plan, a Cost Share Plan Defined Benefit Pension Plan
As of June 30, 2015
Last 10 Years*

SCHEDULE OF CONTRIBUTIONS

	<u>2015</u>
Contractually required contribution (actuarially determined)	\$ 33,693
Contribution in relation to the actuarially determined contributions	(33,693)
Contribution deficiency (excess)	<u>\$ -</u>
Covered-employee payroll	\$ 292,987
Contributions as a percentage of covered-employee payroll	11.50%

Note to Schedule

Valuation date: 6/30/2012

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age
Amortization method	Level percentage of payroll, closed
Remaining amortization period	Not available
Asset valuation method	15 year smoothed market
Inflation	2.75%
Salary increases	Not available
Investment rate of return	7.50% (net of administrative expenses)
Retirement age	57 years
Mortality	RP-2000 Healthy Annuitant Mortality Table

* - Fiscal year 2015 was the 1 st year of implementation, therefore only one year is shown

City of Barstow
Required Supplementary Information, Continued
For the year ended June 30, 2015

2. DEFINED BENEFIT PENSION PLAN, Continued

E. SBCERA Plan

Barstow Fire Protection District SBCERA Plan, a Cost Sharing Defined Benefit Pension Plan
As of June 30, 2015
Last of 10 Years*

SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

	<u>6/30/2012</u>		<u>6/30/2013</u>		<u>6/30/2014</u>
Proportion of the net pension liability	0.33900%		0.35400%		0.41600%
Proportionate share of the net pension liability	\$ 8,236,719	\$	7,032,983	\$	7,076,400
Covered - employee payroll	\$ 1,661,960	\$	1,607,162	\$	1,863,261
Proportionate Share of the net pension liability as percentage of covered-employee payroll	495.60%		437.60%		379.79%
Plan's fiduciary net position	\$ 9,467,991	\$	12,669,824	\$	14,400,131
Plan fiduciary net position as a percentage of the total pension liability	53.90%		64.30%		67.05%

Notes to Schedule:

*- Only three years of information available.

City of Barstow
Required Supplementary Information, Continued
For the year ended June 30, 2015

2. DEFINED BENEFIT PENSION PLAN, Continued

E. SBCERA Plan, Continued

Barstow Fire Protection District SBCERA Plan, a Cost Share Plan Defined Benefit Pension Plan
 As of June 30, 2015
 Last 10 Years*

SCHEDULE OF CONTRIBUTIONS

	<u>2015</u>
Contractually required contribution (actuarially determined)	\$ 948,683
Contribution in relation to the actuarially determined contributions	<u>(948,683)</u>
Contribution deficiency (excess)	<u>\$ -</u>
Covered-employee payroll	\$ 2,258,769
Contributions as a percentage of covered-employee payroll	42.00%

Note to Schedule

Valuation date: 6/30/2013

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age
Amortization method	Level percentage of payroll, closed
Remaining amortization period	20 years
Asset valuation method	15 year smoothed market
Inflation	2.00%
Salary increases	4.75 to 14.00%
Investment rate of return	7.75%
Retirement age	45 - 75 years
Mortality	RP-2000 Combined Healthy Mortality Table

* - Fiscal year 2015 was the 1 st year of implementation, therefore only one year is shown

City of Barstow
Required Supplementary Information, Continued
For the year ended June 30, 2015

3. OTHER POST EMPLOYMENT BENEFITS (OPEB)

Schedules of funding progress as of the three most recent actuarial valuations are presented below.

Fire Employees

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
6/30/2013	\$ -	\$ 69,131	\$ 69,131	0.00%	\$ 1,910,631	3.6%

* Based on the most recent actuarial valuation available

** Annual payroll of active employees covered by the plan

Police and Miscellaneous Employees

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
7/1/2010	\$ 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%
7/1/2013	\$ 426,503	\$ 8,466,621	\$ 8,040,118	5.00%	\$ 9,466,047	84.9%

* Based on the most recent actuarial valuation available

** Annual payroll of active employees covered by the plan

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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, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
From other agencies	\$ 154,938	\$ 154,938	\$ 13,144	\$ (141,794)
Use of money and property	-	-	1,800	1,800
Total revenues	<u>154,938</u>	<u>154,938</u>	<u>14,944</u>	<u>(139,994)</u>
EXPENDITURES:				
Current:				
Capital outlay	-	8,484,158	5,567,850	2,916,308
Total expenditures	<u>-</u>	<u>8,484,158</u>	<u>5,567,850</u>	<u>2,916,308</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>154,938</u>	<u>(8,329,220)</u>	<u>(5,552,906)</u>	<u>2,776,314</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	-	8,479,158	5,376,523	(3,102,635)
Transfers out	(330,190)	(229,510)	-	229,510
Total other financing sources (uses)	<u>(330,190)</u>	<u>8,249,648</u>	<u>5,376,523</u>	<u>(2,873,125)</u>
Net change in fund balance	<u>\$ (175,252)</u>	<u>\$ (79,572)</u>	<u>\$ (176,383)</u>	<u>\$ (96,811)</u>
FUND BALANCE:				
Beginning of year			<u>285,537</u>	
End of year			<u>\$ 109,154</u>	

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 housing income to be used to promote low and moderate income programs for residents.

Barstow Community Services Foundation Fund is used to account for activities of the Barstow Community Services Foundation Inc.

DEBT SERVICE FUNDS

Measure I TRIP Fund is used to account for the reserve amount held as reserve for the Measure I TRIP Certificates of Participation, Series 2012

City of Barstow
Combining Balance Sheet
Non-Major Governmental Funds
June 30, 2015

	Special Revenue			
	Gas Tax	Grants	Assets Seizure	Barstow Harvey House Foundation
ASSETS				
Cash and investments	\$ 115,856	\$ 316,026	\$ 25,762	\$ 15,558
Cash and investments held by fiscal agents	-	-	-	-
Accounts receivable, net	-	206,249	-	-
Accrued interest	123	474	36	23
Taxes receivable	58,734	-	-	-
Due from Successor Agency Trust Fund	-	-	-	-
Total assets	\$ 174,713	\$ 522,749	\$ 25,798	\$ 15,581
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable and accrued liabilities	-	18,310	-	-
Due to other funds	-	188,516	-	-
Unearned revenue	-	240,220	8,559	-
Total liabilities	-	447,046	8,559	-
Deferred Inflow of Resources:				
Unavailable revenue	-	99,658	-	-
Fund Balances:				
Restricted	174,713	-	17,239	15,581
Unassigned	-	(23,955)	-	-
Total fund balances	174,713	(23,955)	17,239	15,581
Total liabilities, deferred inflows of resources, and fund balances	\$ 174,713	\$ 522,749	\$ 25,798	\$ 15,581

Special Revenue		Debt Service	Total
Redevelopment Housing Successor	Barstow Community Services	Measure I TRIP	Non Major Governmental Funds
\$ 48,758	\$ 166	\$ -	\$ 522,126
-	-	1,070,621	1,070,621
-	-	-	206,249
65	-	-	721
-	-	-	58,734
1,413,231	-	-	1,413,231
<u>\$ 1,462,054</u>	<u>\$ 166</u>	<u>\$ 1,070,621</u>	<u>\$ 3,271,682</u>
801,927	400	-	\$ 820,637
-	-	-	188,516
-	-	-	248,779
801,927	400	-	1,257,932
-	-	-	99,658
660,127	-	1,070,621	1,938,281
-	(234)	-	(24,189)
660,127	(234)	1,070,621	1,914,092
<u>\$ 1,462,054</u>	<u>\$ 166</u>	<u>\$ 1,070,621</u>	<u>\$ 3,271,682</u>

City of Barstow
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-Major Governmental Funds
For the year ended June 30, 2015

	Special Revenue			
	Gas Tax	Grants	Assets Seizure	Barstow Harvey House Foundation
REVENUES:				
From other agencies	\$ 674,038	\$ 803,681	\$ 14,319	\$ -
Other	43,511	-	-	-
Use of money and property	9	2,494	447	131
Total revenues	717,558	806,175	14,766	131
EXPENDITURES:				
Current:				
Public safety	-	86,885	981	-
Community development	-	342,884	-	-
Public works	597,844	-	-	-
Capital outlay	-	-	37,870	-
Debt Service:				
Interest and fiscal charges	-	-	-	-
Total expenditures	597,844	429,769	38,851	-
REVENUES OVER (UNDER) EXPENDITURES	119,714	376,406	(24,085)	131
OTHER FINANCING SOURCES (USES):				
Transfers out	(630)	(379,365)	-	-
Total other financing sources (uses)	(630)	(379,365)	-	-
Net change in fund balances	119,084	(2,959)	(24,085)	131
FUND BALANCES:				
Beginning of year	55,629	(20,996)	41,324	15,450
End of year	\$ 174,713	\$ (23,955)	\$ 17,239	\$ 15,581

Special Revenue		Debt Service	Total
Redevelopment Housing Successor	Barstow Community Services	Measure I TRIP	Non-Major Governmental Funds
\$ -	\$ 500	\$ -	\$ 1,492,538
-	-	-	43,511
33,975	1	-	37,057
33,975	501	-	1,573,106
-	-	-	87,866
1,686	735	-	345,305
-	-	-	597,844
-	-	-	37,870
-	-	9	9
1,686	735	9	1,068,894
32,289	(234)	(9)	504,212
-	-	(25,010)	(405,005)
-	-	(25,010)	(405,005)
32,289	(234)	(25,019)	99,207
627,838	-	1,095,640	1,814,885
\$ 660,127	\$ (234)	\$ 1,070,621	\$ 1,914,092

City of Barstow

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

Gas Tax Fund

For the year ended June 30, 2015

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
From other agencies	\$ 601,858	\$ 601,858	\$ 674,038	\$ 72,180
Other	-	-	43,511	43,511
Use of money and property	-	-	9	9
Total revenues	601,858	601,858	717,558	115,700
EXPENDITURES:				
Current:				
Public works	-	601,858	597,844	4,014
Total expenditures	-	601,858	597,844	4,014
REVENUES OVER (UNDER) EXPENDITURES	601,858	-	119,714	111,686
OTHER FINANCING SOURCES (USES):				
Transfers out	-	(10,782)	(630)	10,152
Total other financing sources (uses)	-	(10,782)	(630)	10,152
Net change in fund balance	\$ 601,858	\$ (10,782)	119,084	\$ 121,838
FUND BALANCE:				
Beginning of year			55,629	
End of year			\$ 174,713	

City of Barstow

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

Grants Fund

For the year ended June 30, 2015

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
From other agencies	\$ 291,162	\$ 2,718,982	\$ 803,681	\$ (1,915,301)
Use of money and property	-	-	2,494	2,494
Total revenues	291,162	2,718,982	806,175	(1,912,807)
EXPENDITURES:				
Current:				
Public safety	114,362	129,469	86,885	42,584
Community development	141,750	753,646	342,884	410,762
Capital outlay	-	61,841	-	61,841
Total expenditures	256,112	944,956	429,769	515,187
REVENUES OVER (UNDER) EXPENDITURES	35,050	1,774,026	376,406	(1,397,620)
OTHER FINANCING SOURCES (USES):				
Transfers out	(216,822)	(1,937,848)	(379,365)	1,558,483
Total other financing sources (uses)	(216,822)	(1,937,848)	(379,365)	1,558,483
Net change in fund balance	\$ (181,772)	\$ (163,822)	(2,959)	\$ 160,863
FUND BALANCE:				
Beginning of year			(20,996)	
End of year			\$ (23,955)	

City of Barstow

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

Assets Seizure Fund

For the year ended June 30, 2015

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
From other agencies	\$ 5,000	\$ 5,000	\$ 14,319	\$ 9,319
Use of money and property	-	-	447	447
Total revenues	5,000	5,000	14,766	9,766
EXPENDITURES:				
Current:				
Public safety	4,831	4,831	981	3,850
Capital outlay	-	44,000	37,870	6,130
Total expenditures	4,831	48,831	38,851	9,980
Net change in fund balance	\$ 169	\$ (43,831)	(24,085)	\$ 19,746
FUND BALANCE:				
Beginning of year			41,324	
End of year			\$ 17,239	

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, 2015

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Use of money and property	\$ -	\$ -	\$ 131	\$ 131
Total revenues	-	-	131	131
Net change in fund balance	\$ -	\$ -	131	\$ 131
FUND BALANCE:				
Beginning of year			15,450	
End of year			<u>\$ 15,581</u>	

City of Barstow

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

Redevelopment Housing Successor

For the year ended June 30, 2015

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Use of money and property	\$ -	\$ -	\$ 33,975	\$ 33,975
Total revenues	-	-	33,975	33,975
EXPENDITURES:				
Current:				
Community development	-	-	1,686	(1,686)
Total expenditures	-	-	1,686	(1,686)
Net change in fund balance	\$ -	\$ -	32,289	\$ 32,289
FUND BALANCE:				
Beginning of year			627,838	
End of year			\$ 660,127	

City of Barstow

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

Barstow Community Services Foundation

For the year ended June 30, 2015

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
From other agencies	\$ -	\$ -	\$ 500	\$ 500
Use of money and property	-	-	1	1
Total revenues	-	-	501	1
EXPENDITURES:				
Current:				
Community development	-	-	735	(735)
Total expenditures	-	-	735	(735)
Net change in fund balance	\$ -	\$ -	(234)	\$ (734)
FUND BALANCE:				
Beginning of year			-	
End of year			\$ (234)	

City of Barstow

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

Measure I TRIP Debt Service Fund

For the year ended June 30, 2015

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Use of money and property	\$ -	\$ 6,471	\$ -	\$ (6,471)
Total revenues	-	6,471	-	(6,471)
EXPENDITURES:				
Debt Service:				
Interest and fiscal charges	-	-	9	(9)
Total expenditures	-	-	9	(9)
REVENUES OVER (UNDER) EXPENDITURES	-	6,471	(9)	(6,480)
OTHER FINANCING SOURCES (USES):				
Transfers out		(6,471)	(25,010)	(18,539)
Total other financing sources (uses)	-	(6,471)	(25,010)	(18,539)
Net change in fund balance	\$ -	\$ -	(25,019)	\$ (25,019)
FUND BALANCE:				
Beginning of year			1,095,640	
End of year			<u>\$ 1,070,621</u>	

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.

Developer Deposits accounts for the deposits paid by developers for various projects.

City of Barstow
Combining Statement of Fiduciary Assets and Liabilities
Agency Funds
June 30, 2015

	Public Improvement District 91-1	Landscape Assessment District	Other Agency	Transit Big River
ASSETS				
Cash and investments	\$ 99,054	\$ 57,288	\$ 29,889	\$ 27,027
Accounts receivable	-	55	-	-
Interest receivable	144	85	44	48
Total assets	\$ 99,198	\$ 57,428	\$ 29,933	\$ 27,075
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ -	\$ 1,022	\$ 21,254	\$ 257
Deposits	-	56,406	3,635	26,818
Due to bondholders	99,198	-	-	-
Due to other agencies	-	-	5,044	-
Total liabilities	\$ 99,198	\$ 57,428	\$ 29,933	\$ 27,075



<u>Transit Trona</u>	<u>Developer Deposits</u>	<u>Total Agency Funds</u>
\$ 61,580	\$ 20,213	\$ 295,051
-	-	55
98	29	448
<u>\$ 61,678</u>	<u>\$ 20,242</u>	<u>\$ 295,554</u>

\$ 2,294	\$ -	\$ 24,827
59,384	20,242	166,485
-	-	99,198
-	-	5,044
<u>\$ 61,678</u>	<u>\$ 20,242</u>	<u>\$ 295,554</u>

City of Barstow
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the year ended June 30, 2015

	Balance July 1, 2014	Additions	Deductions	Balance June 30, 2014
Public Improvement District 91-1				
Assets:				
Cash and investments	\$ 98,301	\$ 919	\$ 166	\$ 99,054
Interest receivable	65	145	66	144
Total assets	\$ 98,366	\$ 1,064	\$ 232	\$ 99,198
Liabilities:				
Due to bondholders	\$ 98,366	\$ 1,643	\$ 811	\$ 99,198
Total liabilities	\$ 98,366	\$ 1,643	\$ 811	\$ 99,198
Landscape Assessment District				
Assets:				
Cash and investments	\$ 46,688	\$ 23,208	\$ 12,608	\$ 57,288
Taxes receivable	61	55	61	55
Interest receivable	32	85	32	85
Total assets	\$ 46,781	\$ 23,348	\$ 12,701	\$ 57,428
Liabilities:				
Accounts Payable	\$ 1,425	\$ 12,020	\$ 12,423	\$ 1,022
Deposits	45,356	57,206	46,156	56,406
Total liabilities	\$ 46,781	\$ 69,226	\$ 58,579	\$ 57,428
Other Agency				
Assets:				
Cash and investments	\$ 29,022	\$ 2,705	\$ 1,838	\$ 29,889
Interest receivable	19	44	19	44
Total assets	\$ 29,041	\$ 2,749	\$ 1,857	\$ 29,933
Liabilities:				
Accounts payable	\$ -	\$ 1,721	\$ 1,721	\$ -
Due to other agencies	29,041	1,028	136	29,933
Total liabilities	\$ 29,041	\$ 2,749	\$ 1,857	\$ 29,933

City of Barstow
Combining Statement of Changes in Assets and Liabilities, Continued
Agency Funds
For the year ended June 30, 2015

	Balance July 1, 2014	Additions	Deductions	Balance June 30, 2015
Transit - Big River				
Assets:				
Cash and investments	\$ 6,027	\$ 117,803	\$ 96,803	\$ 27,027
Accounts Receivable	35,469	15,750	51,219	-
Interest receivable	7	47	6	48
Total assets	\$ 41,503	\$ 133,600	\$ 148,028	\$ 27,075
Liabilities:				
Accounts payable	\$ 2,095	\$ 42,526	\$ 44,364	\$ 257
Deposits	39,408	265,385	277,975	26,818
Total liabilities	\$ 41,503	\$ 307,911	\$ 322,339	\$ 27,075
Transit - Trona				
Assets:				
Cash and investments	\$ 48,142	\$ 111,607	\$ 98,169	\$ 61,580
Accounts Receivable	38,834	19,830	58,664	-
Interest receivable	35	98	35	98
Total assets	\$ 87,011	\$ 131,535	\$ 156,868	\$ 61,678
Liabilities:				
Accounts payable	\$ 2,881	\$ 53,963	\$ 54,549	\$ 2,295
Deposits	84,130	260,408	285,155	59,383
Total liabilities	\$ 87,011	\$ 314,371	\$ 339,704	\$ 61,678
Developer Deposits				
Assets:				
Cash and investments	\$ 7,500	\$ 25,104	\$ 12,391	\$ 20,213
Interest receivable	-	29	-	29
Total assets	\$ 7,500	\$ 25,133	\$ 12,391	\$ 20,242
Liabilities:				
Accounts payable	\$ 4,500	\$ 4,850	\$ 9,350	\$ -
Deposits	3,000	20,283	3,041	20,242
Total liabilities	\$ 7,500	\$ 25,133	\$ 12,391	\$ 20,242

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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	148
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	158
These schedules contain information to help the reader assess the City’s most significant local revenues sources, property tax and sales tax.	
Debt Capacity	168
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	175
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	178
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				
	2006	2007	2008	2009	2010
Governmental Activities:					
Net investment in capital assets	\$ 27,704,096	\$ 75,092,771	\$ 63,939,275	\$ 58,651,372	\$ 65,754,048
Restricted	15,656,211	10,536,166	19,980,860	23,996,154	7,467,900
Unrestricted	26,233,234	25,416,537	30,585,194	32,172,987	39,910,774
Total Governmental Activities Net Position	\$ 69,593,541	\$ 111,045,474	\$ 114,505,329	\$ 114,820,513	\$ 113,132,722
Business-type Activities:					
Net investment in capital assets	\$ 5,365,622	\$ 13,069,478	\$ 13,296,278	\$ 16,080,466	\$ 14,309,391
Restricted	598,449				
Unrestricted	8,887,135	8,376,130	(881,594)	(2,300,969)	(3,002,623)
Total Business-type Activities Net Position	\$ 14,851,206	\$ 21,445,608	\$ 12,414,684	\$ 13,779,497	\$ 11,306,768
Primary Government:					
Net investment in capital assets	\$ 33,069,718	\$ 88,162,249	\$ 77,235,553	\$ 74,731,838	\$ 80,063,439
Restricted	16,254,660	10,536,166	19,980,860	23,996,154	7,467,900
Unrestricted	35,120,369	33,792,667	29,703,600	29,872,018	36,908,151
Total Primary Government Net Position	\$ 84,444,747	\$ 132,491,082	\$ 126,920,013	\$ 128,600,010	\$ 124,439,490

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				
2011	2012	2013	2014	2015
\$ 68,836,403	\$ 72,765,415	\$ 76,148,543	\$ 73,335,444	\$ 76,362,833
13,313,448	6,609,675	4,937,538	6,079,590	2,245,332
32,818,270	29,552,965	23,982,795	1,591,292	643,547
<u>\$ 114,968,121</u>	<u>\$ 108,928,055</u>	<u>\$ 105,068,876</u>	<u>\$ 81,006,326</u>	<u>\$ 79,251,712</u>
\$ 11,609,403	\$ 14,530,286	\$ 15,734,425	\$ 23,983,537	\$ 28,045,832
(1,046,331)	(4,779,780)	(5,850,933)	(10,547,818)	(14,863,742)
<u>\$ 10,563,072</u>	<u>\$ 9,750,506</u>	<u>\$ 9,883,492</u>	<u>\$ 13,435,719</u>	<u>\$ 13,182,090</u>
\$ 80,445,806	\$ 87,295,701	\$ 91,882,968	\$ 97,318,981	\$ 104,408,665
13,313,448	6,609,675	4,937,538	6,079,590	2,245,332
31,771,939	24,773,185	18,131,862	(8,956,526)	(14,220,195)
<u>\$ 125,531,193</u>	<u>\$ 118,678,561</u>	<u>\$ 114,952,368</u>	<u>\$ 94,442,045</u>	<u>\$ 92,433,802</u>

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

	Fiscal Year				
	2006	2007	2008	2009	2010
Expenses:					
Governmental activities:					
General government	5,463,803	2,852,043	5,186,329	7,328,056	6,094,918
Public safety	6,476,180	6,971,475	7,169,661	7,755,294	8,431,831
Recreation			1,839,427	2,522,146	2,169,160
Public works	2,700,343	3,755,588	4,503,709	3,811,039	5,631,968
Community development	1,866,271	4,628,881	3,308,455	3,208,592	3,394,422
Unallocated depreciation	1,356,124	-	-	-	-
Interest on long-term debt	933,682	880,548	977,402	1,014,907	470,703
Total Governmental Activities Expenses	<u>18,796,403</u>	<u>19,088,535</u>	<u>22,984,983</u>	<u>25,640,034</u>	<u>26,193,002</u>
Business-type Activities:					
Wastewater	2,150,916	2,746,749	13,033,007	2,901,787	3,247,228
Solid Waste	4,061,999	4,195,541	3,974,067	4,045,892	4,011,446
Transit Services	2,800,343	2,678,016	3,168,024	3,237,953	3,372,469
Interest on long-term debt	-	-	-	-	-
Other Enterprise Funds	234,587	298,069	386,788	297,942	398,573
Total Business-type Activities Expenses	<u>9,247,845</u>	<u>9,918,375</u>	<u>20,561,886</u>	<u>10,483,574</u>	<u>11,029,716</u>
Total Primary Government Expenses	<u>28,044,248</u>	<u>29,006,910</u>	<u>43,546,869</u>	<u>36,123,608</u>	<u>37,222,718</u>
Program revenues:					
Governmental activities:					
Charges for services:					
General government	2,153,127	1,609,778	1,973,746	1,648,299	1,560,775
Operating grants and contributions	213,243	3,796,362	3,353,033	2,705,247	2,188,144
Capital grants and contributions	3,294,159	2,217,854	1,001,826	903,617	950,770
Total governmental activities program revenues	<u>5,660,529</u>	<u>7,623,994</u>	<u>6,328,605</u>	<u>5,257,163</u>	<u>4,699,689</u>
Business-type activities:					
Charges for services:					
Wastewater	2,788,820	3,273,734	3,473,018	3,195,509	3,069,587
Solid Waste	3,157,778	3,522,318	3,746,302	3,748,330	3,634,446
Transit Services	258,622	239,540	252,459	351,130	253,898
Other business-type activities	97,004	165,914	160,244	106,903	130,852
Operating grants and contributions	1,956,188	1,980,839	2,698,498	2,694,980	2,580,170
Capital grants and contributions	258,989	91,237	960,443	1,462,475	419,872
Total business-type activities program revenues	<u>8,517,401</u>	<u>9,273,582</u>	<u>11,290,964</u>	<u>11,559,327</u>	<u>10,088,825</u>
Total primary government program revenues	<u>14,177,930</u>	<u>16,897,576</u>	<u>17,619,569</u>	<u>16,816,490</u>	<u>14,788,514</u>

(Continued)

Fiscal Year				
2011	2012	2013	2014	2015
5,419,817	4,372,577	3,979,122	3,040,319	2,340,584
11,379,248	13,910,834	14,781,347	13,263,509	13,789,550
1,651,047	2,226,201	1,980,078	2,647,726	2,777,589
3,284,720	4,976,071	5,928,990	11,353,600	6,882,670
4,390,903	3,233,598	2,646,525	2,068,450	2,458,665
-	-	-	-	-
571,721	373,524	132,321	260,017	239,143
26,697,456	29,092,805	29,448,383	32,633,621	28,488,201
3,514,998	4,398,844	3,479,553	3,933,499	5,217,340
4,213,429	3,989,240	4,095,682	4,605,465	4,350,342
2,890,641	2,943,943	2,714,135	2,916,096	2,685,773
-	-	-	-	-
343,653	336,203	324,043	382,573	473,911
10,962,721	11,668,230	10,613,413	11,837,633	12,727,366
37,660,177	40,761,035	40,061,796	44,471,254	41,215,567
1,502,836	1,200,799	1,543,686	1,430,544	1,490,257
2,977,984	595,522	436,434	861,484	1,702,084
54,290	4,099,782	3,297,685	7,793,386	3,978,333
4,535,110	5,896,103	5,277,805	10,085,414	7,170,674
3,221,304	4,025,728	4,297,624	4,930,118	5,530,122
3,876,407	4,062,908	3,785,422	4,040,347	4,023,189
610,343	688,374	186,984	610,918	169,247
49,508	34,136	94,831	75,831	69,973
2,018,897	2,044,518	2,381,538	1,849,657	2,275,972
151,117	-	-	4,779,757	405,234
9,927,576	10,855,664	10,746,399	16,286,628	12,473,737
14,462,686	16,751,767	16,024,204	26,372,042	19,644,411

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

	Fiscal Year				
	2006	2007	2008	2009	2010
Net revenues (expenses):					
Governmental activities	(13,135,874)	(11,464,541)	(16,656,378)	(20,382,871)	(21,493,313)
Business-type activities	(730,444)	(644,793)	(9,270,922)	1,075,753	(940,891)
Total net revenues (expenses)	<u>(13,866,318)</u>	<u>(12,109,334)</u>	<u>(25,927,300)</u>	<u>(19,307,118)</u>	<u>(22,434,204)</u>
General Revenues and Other Changes in Net Position:					
Governmental activities:					
Taxes:					
Property taxes	3,852,670	5,129,433	5,734,799	7,894,148	8,359,770
Sales tax	6,025,029	6,662,596	5,925,848	6,084,702	5,802,928
Transient occupancy taxes	2,282,557	2,281,494	2,455,043	2,484,223	2,392,610
Other taxes	4,695,973	1,181,430	1,153,309	1,150,982	1,110,266
Motor vehicle in lieu, unrestricted	2,017,520	1,651,504	1,889,772	63,143	110,643
Investment income	974,002	2,396,289	2,483,993	2,537,309	1,775,846
Other general revenues	302,305	770,348	419,527	483,548	253,459
Gain (loss) on sale of assets	-	80,768	-	-	-
Transfers	(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>32,242,705</u>	<u>20,153,862</u>	<u>20,062,291</u>	<u>20,698,055</u>	<u>19,805,522</u>
Business-type activities:					
Investment Income	73,960	-	-	-	-
Use of money and property	-	368,282	293,548	289,060	177,265
Other revenue	-	-	392	-	-
Special item-impairment loss	-	-	-	-	(1,709,103)
Transfers	2,397,663	-	-	-	-
Total Business-type Activities	<u>2,471,623</u>	<u>368,282</u>	<u>293,940</u>	<u>289,060</u>	<u>(1,531,838)</u>
Total Primary Government	<u>34,714,328</u>	<u>20,522,144</u>	<u>20,356,231</u>	<u>20,987,115</u>	<u>18,273,684</u>
Changes in Net Position:					
Governmental activities	19,106,831	8,689,321	3,405,913	315,184	(1,687,791)
Business-type activities	1,741,179	(276,511)	(8,976,982)	1,364,813	(2,472,729)
Total Primary Government	<u>20,848,010</u>	<u>8,412,810</u>	<u>(5,571,069)</u>	<u>1,679,997</u>	<u>(4,160,520)</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 FY06 net position is not

Fiscal Year				
2011	2012	2013	2014	2015
(22,162,346)	(23,196,702)	(24,170,578)	(22,548,207)	(21,317,527)
(1,035,145)	(812,566)	132,986	4,448,995	(253,629)
(23,197,491)	(24,009,268)	(24,037,592)	(18,099,212)	(21,571,156)
10,106,231	9,581,086	8,750,763	7,288,665	7,398,978
6,589,010	6,942,387	7,346,732	7,532,540	7,259,449
2,541,970	2,626,389	2,649,694	2,748,763	2,892,232
1,107,418	1,213,263	1,126,099	1,178,629	1,211,911
110,786	24,459	-	-	-
1,903,747	1,297,074	328,226	693,341	471,980
334,103	91,654	109,885	141,895	328,363
-	-	-	-	-
(183,479)	-	-	-	-
1,487,959	-	-	-	-
-	311,238	-	-	-
-	-	-	-	-
23,997,745	22,087,550	20,311,399	19,583,833	19,562,913
-	-	-	-	-
105,720	-	-	-	-
2,250	-	-	-	-
-	-	-	-	-
183,479	-	-	-	-
291,449	-	-	-	-
24,289,194	22,087,550	20,311,399	19,583,833	19,562,913
1,835,399	(1,109,152)	(3,859,179)	(2,964,374)	(1,754,614)
(743,696)	(812,566)	132,986	4,448,995	(253,629)
1,091,703	(1,921,718)	(3,726,193)	1,484,621	(2,008,243)

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

	Fiscal Year			
	2006	2007	2008**	2009**
General Fund:				
Reserved	\$ 3,249,760	\$ 218,659	\$ 1,623,614	\$ 1,075,061
Nonspendable*				
Restricted*				
Assigned*				
Unreserved/Unassigned*	23,464,839	29,774,340	13,397,822	14,077,368
Total General Fund	\$ 26,714,599	\$ 29,992,999	\$ 15,021,436	\$ 15,152,429
All Other Governmental Funds:				
Reserved	\$ 7,843,986	\$ 7,216,481	\$ 11,147,285	\$ 10,903,385
Nonspendable*				
Restricted*				
Assigned*				
Unreserved/Unassigned*, reported in:				
Special revenue funds	6,374,327	6,449,950	24,704,172	24,494,870
Debt Service	(4,052,881)	(2,375,041)	(1,078,693)	(26,730)
Capital projects funds	4,972,571	7,412,771	8,918,847	9,037,542
Total all other governmental funds	\$ 15,138,003	\$ 18,704,161	\$ 43,691,611	\$ 44,409,067

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				
2010**	2011	2012	2013	2014	2015
\$ 3,119,315	\$ 4,155,542	\$ 6,025,426	\$ 5,819,857	\$ 5,391,889	\$ 10,941,399
	5,943,956	-	-	-	-
	4,425,000	-	-	-	-
7,403,967	18,756,466	25,449,432	22,749,055	21,445,217	14,466,701
\$ 10,523,282	\$ 33,280,964	\$ 31,474,858	\$ 28,568,912	\$ 26,837,106	\$ 25,408,100
\$ 9,678,496	\$ 5,150,568	\$ -	\$ -	\$ -	\$ -
	8,442,243	6,935,670	15,283,195	6,266,281	2,269,521
	5,977,305	-	-	-	-
25,272,143	(11,336)	-	(229,905)	(4,178,949)	(1,203,369)
1,483,316	-	-	-	-	-
7,210,373	-	-	-	-	-
\$ 43,644,328	\$ 19,558,780	\$ 6,935,670	\$ 15,053,290	\$ 2,087,332	\$ 1,066,152

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

	Fiscal Year			
	2006	2007	2008	2009
Revenues:				
Taxes	\$ 13,099,367	\$ 16,906,457	\$ 17,158,769	\$ 17,677,199
Licenses and permits	538,809	467,676	330,523	157,319
Fines and forfeitures	214,193	210,687	189,967	111,180
Rental income	537,621	-	-	-
From other agencies	5,838,577	6,000,893	8,970,828	3,131,095
Charges for services	793,375	901,135	1,416,576	1,261,364
Use of Money and Property	3,915,201	2,396,287	2,484,002	2,537,309
Other	3,915,201	813,953	463,290	593,469
Total Revenues	28,852,344	27,697,088	31,013,955	25,468,935
Expenditures				
Current:				
General government	5,201,272	3,111,934	4,438,516	6,360,460
Public safety	6,384,530	6,971,475	7,169,661	7,693,503
Public works	2,540,937	3,755,588	1,643,649	1,670,133
Recreation	-	1,400,592	1,839,427	1,877,647
Community development	1,244,735	3,228,289	3,308,455	3,207,583
Debt service:	-	-	-	-
Principal retirement	748,232	825,349	870,210	1,103,698
Interest and fiscal charges	1,210,527	887,647	858,029	870,144
Capital Outlay	-	754,602	2,230,093	2,010,835
Total Expenditures	17,330,233	20,935,476	22,358,040	24,794,003
Excess (Deficiency) of Revenues Over (Under) Expenditures	11,522,111	6,761,612	8,655,915	674,932
Other financing sources (uses):				
Transfers in	1,494,000	1,534,800	1,592,942	1,849,139
Transfers out	(4,660,129)	(1,534,800)	(1,539,000)	(1,849,139)
Proceeds from sale of assets	3,000	128,704	13,597	-
Capital grants and contributions	8,944	-	-	-
Capital leases	-	-	-	173,517
Issuance of bonds	-	-	-	-
Issuance premium	-	-	-	-
Special item - merger of fire district	-	-	-	-
Extraordinary loss on dissolution of RDA	-	-	-	-
Total Other Financing Sources (Uses)	(3,154,185)	128,704	67,539	173,517
Net Change in Fund Balances	\$ 8,367,926	\$ 6,890,316	\$ 8,723,454	\$ 848,449
Debt service as a percentage of noncapital expenditures	11.3%	8.6%	8.6%	8.7%

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;

Fiscal Year						
2010	2011	2012	2013	2014	2015	
\$ 17,776,217	\$ 20,455,415	\$ 20,387,584	\$ 19,873,288	\$ 18,558,246	\$ 18,540,422	
131,610	160,411	196,868	204,981	472,222	429,256	
131,389	129,349	106,341	104,690	142,409	125,915	
-	-	-	-	-	-	
3,141,460	2,977,499	4,915,206	3,907,154	5,075,232	9,278,029	
1,232,865	1,156,934	677,688	1,099,480	750,382	1,281,351	
1,775,849	1,903,747	990,102	328,226	768,427	586,238	
326,843	332,229	91,654	71,385	82,362	115,621	
24,516,233	27,115,584	27,365,443	25,589,204	25,849,280	30,356,832	
6,398,855	5,122,706	3,076,341	3,061,475	2,882,514	2,934,731	
11,504,311	10,698,792	13,338,769	13,427,720	13,473,842	14,493,181	
1,929,250	2,505,479	2,746,018	3,481,396	3,108,045	3,050,005	
1,816,436	1,300,759	1,547,172	1,520,643	2,333,991	2,380,982	
3,391,348	3,278,264	3,035,640	2,552,355	2,147,003	2,427,110	
-	-	-	-	-	-	
1,190,588	490,000	510,000	-	1,070,000	1,100,000	
656,716	578,895	382,583	447,390	386,172	356,970	
3,437,099	8,090,746	9,775,072	7,233,394	15,212,059	6,064,421	
30,324,603	32,065,641	34,411,595	31,724,373	40,613,626	32,807,400	
(5,808,370)	(4,950,057)	(7,046,152)	(6,135,169)	(14,764,346)	(2,450,568)	
1,500,963	10,988,832	24,557,219	5,596,067	13,715,655	5,401,533	
(1,500,963)	(11,172,311)	(24,557,219)	(5,596,067)	(13,715,655)	(5,401,533)	
-	23,107	41,770	23,296	33,374	382	
-	-	-	-	-	-	
414,484	3,128,993	264,473	651,548	33,208	-	
-	-	-	9,770,000	-	-	
-	-	-	901,999	-	-	
-	653,570	-	-	-	-	
-	-	(7,023,762)	-	-	-	
414,484	3,622,191	(6,717,519)	11,346,843	66,582	382	
\$ (5,393,886)	\$ (1,327,866)	\$ (13,763,671)	\$ 5,211,674	\$ (14,697,764)	\$ (2,450,186)	
6.9%	4.5%	3.6%	0.7%	5.7%	5.4%	

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
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%
2014	1,039,983,380	102,817,129	677,094	1,143,477,603	-4.67%
2015	1,051,514,240	103,609,217	562,232	1,155,685,689	1.07%

*Exempt values are not included in Total Assessed Value.

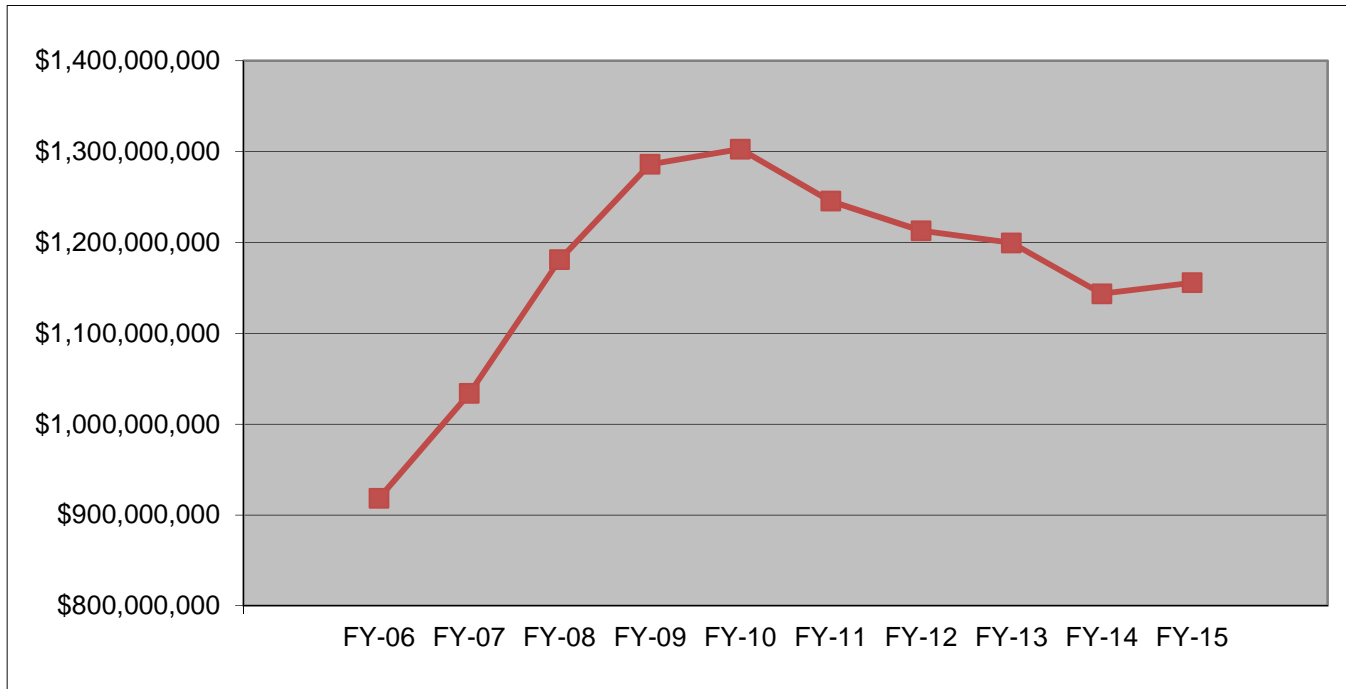
CITY OF BARSTOW
Assessed Value of Taxable Property by Class
Last Ten Fiscal Years

Fiscal Year	Residential Property	Commercial Property	Industrial Property	Vacant Land	SBE Non Unitary	Unsecured	Other	Total Taxable Assessed Value (a)	Total Direct Tax Rate
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	0.392%
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	31,696,028	1,245,377,885	0.413%
2011-12	537,307,938	344,666,172	33,358,242	168,757,467	2,186,442	105,571,293	21,084,157	1,212,931,711	0.410%
2012-13	520,704,582	354,140,448	30,209,573	173,103,339	2,165,193	104,914,213	14,250,390	1,199,487,738	0.404%
2013-14	504,674,199	342,399,149	29,304,358	150,618,871	677,094	102,817,129	12,986,803	1,143,477,603	0.150%
2014-15	525,855,023	344,691,557	29,536,256	99,024,673	562,232	103,609,217	52,406,731	1,155,685,689	0.150%

Source: HdL Coren & Cone/San Bernardino Co Assessor 2004/05-2013/14 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			
	2006	2007	2008	2009
Direct & Overlapping (2) Tax Rates				
Basic Levy (1)	1.000	1.000	1.000	1.000
Barstow Unified School Bond	0.0489	0.0392	0.0378	0.0352
Mojave Water Agency	0.1675	0.1675	0.1675	0.1675
Total Direct & Overlapping Rates	\$ 1.2164	\$ 1.2067	\$ 1.2053	\$ 1.2027
City's Share of 1% Levy Per Prop 13 (3)	0.14974	0.14974	0.14974	0.14974
General Obligation Debt Rate				
Redevelopment Rate (4)	1.0000	1.0000	1.0000	1.0000
Total Direct Rate (5)	0.35542	0.36126	0.37067	0.39225

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 of any voter approved bonds.

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

(3) City's Share of 1% Levy is based on the City's share of the general 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) Total Direct Rate is the weighted average of all individual direct rates applied to the City.

Fiscal Year					
<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
1.000	1.000	1.000	1.000	1.000	1.000
0.0312	0.0370	0.0401	0.0393	0.0370	0.0474
<u>0.1675</u>	<u>0.1675</u>	<u>0.1675</u>	<u>0.1675</u>	<u>0.1675</u>	<u>0.1675</u>
<u>\$ 1.1987</u>	<u>\$ 1.2045</u>	<u>\$ 1.2076</u>	<u>\$ 1.2068</u>	<u>\$ 1.2045</u>	<u>\$ 1.2149</u>
0.14974	0.14974	0.14974	0.14974	0.14974	0.14974
1.0000	1.0000	1.0000	N/A	N/A	N/A
0.40558	0.41321	0.41035	0.40408	0.14996	0.14998

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

Owner	2014/15		2005/06	
	Taxable Assessed Value	Percent of Total City Taxable Assessed Value	Taxable Assessed Value	Percent of Total City Taxable Assessed Value
Hospital of Barstow Inc	\$ 47,873,355	4.14%		
Burlington Northern & Santa Fe Railway			\$ 28,776,077	3.13%
Barstow Outlet Mall			\$ 28,718,193	3.13%
Tanger Properties LP	\$ 25,566,045	2.21%	\$ 13,662,200	1.49%
TA Operating Corporation			\$ 15,636,291	1.70%
Pilot Travel Centers LLC	\$ 12,896,410	1.12%		
Walmart Real Estate Business Trust	\$ 12,729,477	1.10%	\$ 9,253,584	1.01%
Fred and Robin Rosenberg Family Limited	\$ 12,096,582	1.05%	\$ 11,966,394	1.30%
TVL Properties LLC	\$ 12,002,034	1.04%		
Lee Family Irrevocable Trust	\$ 10,699,754	0.93%		
Home Depot USA Inc	\$ 10,571,548	0.91%		
Hospitality Express II LLC	\$ 9,644,512	0.83%		
TT Group Inc	\$ 8,670,173	0.75%		
Yellow Freight System Inc			\$ 8,115,917	0.88%
Free II LLC			\$ 7,965,921	0.87%
Service Rock Products Corporation			\$ 7,176,561	0.78%
Newmark International Inc			\$ 7,156,752	0.78%
TOTAL OF TOP TEN:	\$ 162,749,890	14.08%	\$ 138,427,890	15.07%

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		Collected in Subsequent Years	Total Collections to Date	
		Fiscal Year of Levy	Percent of Levy		Amount	Percentage of Levy
2006	3,996,336	3,825,721	96%	123,240	3,948,961	99%
2007	4,514,703	4,304,168	95%	245,612	4,549,780	100%
2008	5,214,288	4,905,219	94%	421,676	5,326,895	102%
2009	5,917,020	5,252,310	89%	533,529	5,785,839	98%
2010	6,140,577	5,581,206	91%	389,147	5,970,353	97%
2011	5,978,472	5,462,801	91%	283,926	5,746,727	96%
2012	5,822,819	5,329,890	92%	191,054	5,520,944	95%
2013	5,699,934	4,879,402	86%	129,128	5,008,530	88%
2014	5,355,305	5,030,643	94%	81,354	5,111,997	95%
2015	5,737,731	5,210,729	91%		5,210,729	91%

Source: San Bernardino Auditor-Controller Recorder

CITY OF BARSTOW
Top 25 Sales Tax Producers (Alphabetically)
For the Fiscal Year 2014/2015

<u>Business Name</u>	<u>Business Category</u>
Arco AM PM	Service Stations
Bally	Shoe Stores
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	Quick-Service Restaurants
Food 4 Less	Grocery Stores Liquor
Home Depot	Lumber/Building Materials
In N Out Burgers	Quick-Service Restaurants
Love's Gas Station	Service Stations
McDonalds	Quick-Service Restaurants
Michael Kors	Family Apparel
Mojave Ford/Nissan of Barstow	New Motor Vehicle Dealers
Mojave Toyota Chrysler Dodge Jeep Ram	New Motor Vehicle Dealers
Nike	Shoe Stores
Pilot Travel Center	Service Stations
Ralph Lauren	Family Apparel
Samsonite	Speciality Stores
Tesoro Refining & Marketing	Service Stations
Travel Centers of America	Service Stations
Valero Corner Store	Service Stations
Walmart	Discount Dept Stores

Percent of Fiscal Year Total Paid by Top 25 Accounts = 68.43%

Period: April 2014 thru March 2015

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

CITY OF BARSTOW
Top 25 Sales Tax Producers (Alphabetically)
For the Fiscal Year 2005/2006

<u>Business Name</u>	<u>Business Category</u>
American Travel Center	Service Stations
Arco AM PM	Service Stations
Arco AM PM Mini Mart	Service Stations
Chevron	Service Stations
Circle K	Service Stations
Coach	Women's Apparel
Crossroads Fuel & Food	Service Stations
Del Taco	Quick-Service Restaurants
Flying J Travel Plaza	Service Stations
Gap	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	Quick-Service Restaurants
McDonalds	Quick-Service Restaurants
Pikes Mobil	Service Stations
Pilot Travel Center	Service Stations
Polo Ralph Lauren Factory Store	Family Apparel
Service Rock Products	Contractors
Soutar's Ford/Nissan/Lincoln	New Motor Vehicle Dealers
Soutar's Toyota/Chrysler/Dodge/Jeep	New Motor Vehicle Dealers
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 = 67.68%

Period: April 2005 thru March 2006

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			
	2005	2006	2007	2008
Apparel Stores	\$ 55,885	\$ 62,095	\$ 70,712	\$ 84,765
Food Stores	\$ 12,935	\$ 13,979	\$ 14,468	\$ 14,346
Eating & Drinking Places	\$ 66,124	\$ 69,528	\$ 70,879	\$ 70,103
Auto Dealers & Supplies	\$ 51,537	\$ 53,475	\$ 48,672	\$ 34,595
Service Stations	\$ 208,770	\$ 249,400	\$ 246,604	\$ 254,016
Other Retail Stores	\$ 100,612	\$ 103,858	\$ 108,151	\$ 98,209
All Other Outlets	\$ 75,331	\$ 88,582	\$ 94,961	\$ 80,543
Total	\$ 571,194	\$ 640,917	\$ 654,447	\$ 636,577

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 revenue.

Calendar Year

2009	2010	2011	2012	2013	2014
\$ 82,238	\$ 104,114	\$ 123,850	\$ 137,656	\$ 135,329	\$ 135,230
\$ 14,437	\$ 14,203	\$ 14,316	\$ 14,593	\$ 21,527	\$ 30,577
\$ 69,683	\$ 69,991	\$ 71,285	\$ 73,875	\$ 72,897	\$ 77,637
\$ 25,622	\$ 24,986	\$ 30,989	\$ 30,639	\$ 27,430	\$ 27,670
\$ 208,381	\$ 244,089	\$ 263,916	\$ 285,829	\$ 292,835	\$ 299,383
\$ 89,275	\$ 86,478	\$ 87,179	\$ 90,660	\$ 90,262	\$ 91,544
\$ 84,111	\$ 89,885	\$ 82,459	\$ 101,405	\$ 95,112	\$ 95,006
<u>\$ 573,747</u>	<u>\$ 633,746</u>	<u>\$ 673,994</u>	<u>\$ 734,657</u>	<u>\$ 735,392</u>	<u>\$ 757,047</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		
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	
2014	-	-	9,849,249	2,874,809	12,724,058	
2015	-	-	8,276,499	2,574,443	10,850,942	

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
3,620,000	-	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
1,500,766	1,757,803	3,258,569	3,258,569	16.98%	140
1,225,279	1,544,289	2,769,568	2,769,568	14.15%	119

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
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%	-
2014	-	0.00%	-
2015	-	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, 2015

<u>OVERLAPPING TAX AND ASSESSMENT DEBT:</u>	Total Debt 6/30/2015	Percentage Applicable (1)	City's share of Debt
Barstow Unified School District	\$ 9,814,849	62.99%	\$ 6,182,766
Mojave Water Agency	11,685,000	3.97%	463,544
Total Overlapping Tax and Assessment Debt			\$ 6,646,310
<u>City of Barstow-DIRECT DEBT:</u>			
Measure I TRIP COP, Series 2012	8,276,499	100.00%	8,276,499
Capital Lease Agreements	2,574,443	100.00%	2,574,443
Total Direct Debt	-		\$ 10,850,942
<u>OVERLAPPING GENERAL FUND OBLIGATION DEBT:</u>			
San Bernardino County General Fund Obligations	\$ 470,135,000	0.65%	\$ 3,041,773
San Bernardino County Pension Obligations Bonds	455,796,704	0.65%	2,949,005
San Bernardino County Flood Control District General Fund Obligations	97,230,000	0.65%	629,078
Overlapping General Fund Obligation Debt			6,619,856
<u>OVERLAPPING TAX INCREMENT DEBT (Successor Agency):</u>	\$ 5,655,000	100.00%	\$ 5,655,000
COMBINED TOTAL DEBT			\$ 29,772,109

(1) The percentage of overlapping debt applicable to the city is estimated using taxable assessed property value. Applicable percentages were estimated by determining the portion of the overlapping district's assessed value that is within the boundaries of the city divided by the district's total taxable assessed value.

2014-15 City's Assessed Valuation : \$1,155,685,689

Ratios to 2014-15 Assessed Valuation:

Total Direct and Overlapping Tax and Assessment Debt	0.58%
Direct Debt	0.94%
Overlapping General Fund Obligation Debt	0.57%
Overlapping Tax Increment Debt-Successor Agency	0.49%
Combined Total Debt	2.58%

Ratios to Redevelopment Successor Agency Incremental Valuation (\$388,500,184):

Total overlapping Tax Increment Debt 1.46%

CITY OF BARSTOW
Legal Debt Margin Information
Last Ten Fiscal Years

	Fiscal Year			
	2006	2007	2008	2009
Assessed valuation	\$ 918,235,888	\$ 1,033,849,366	\$ 1,180,934,285	\$ 1,285,994,393
Conversion percentage	<u>25%</u>	<u>25%</u>	<u>25%</u>	<u>25%</u>
Adjusted assessed valuation	229,558,972	258,462,342	295,233,571	321,498,598
Debt limit percentage	<u>15%</u>	<u>15%</u>	<u>15%</u>	<u>15%</u>
Debt limit	34,433,846	38,769,351	44,285,036	48,224,790
Total net debt applicable to limit:				
Legal debt margin	<u>\$ 34,433,846</u>	<u>\$ 38,769,351</u>	<u>\$ 44,285,036</u>	<u>\$ 48,224,790</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					
2010	2011	2012	2013	2014	2015
\$ 1,302,738,721	\$ 1,245,957,805	\$ 1,212,931,711	\$ 1,199,487,738	\$ 1,143,477,603	\$ 1,155,685,689
<u>25%</u>	<u>25%</u>	<u>25%</u>	<u>25%</u>	<u>25%</u>	<u>25%</u>
325,684,680	311,489,451	303,232,928	299,871,935	285,869,401	288,921,422
<u>15%</u>	<u>15%</u>	<u>15%</u>	<u>15%</u>	<u>15%</u>	<u>15%</u>
48,852,702	46,723,418	45,484,939	44,980,790	42,880,410	43,338,213
<u>\$ 48,852,702</u>	<u>\$ 46,723,418</u>	<u>\$ 45,484,939</u>	<u>\$ 44,980,790</u>	<u>\$ 42,880,410</u>	<u>\$ 43,338,213</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
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	-	-	-
2014	-	-	-
2015	-	-	-

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.

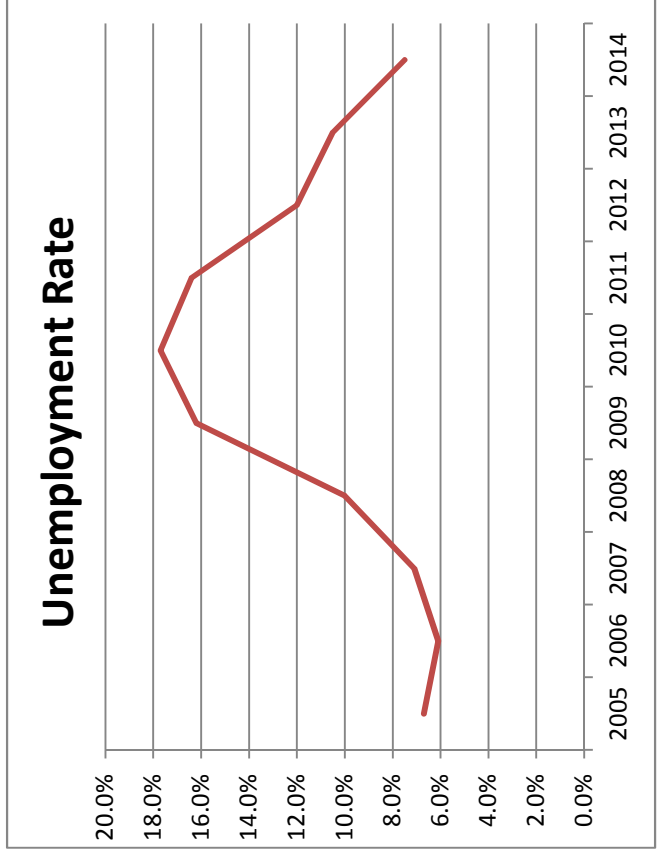
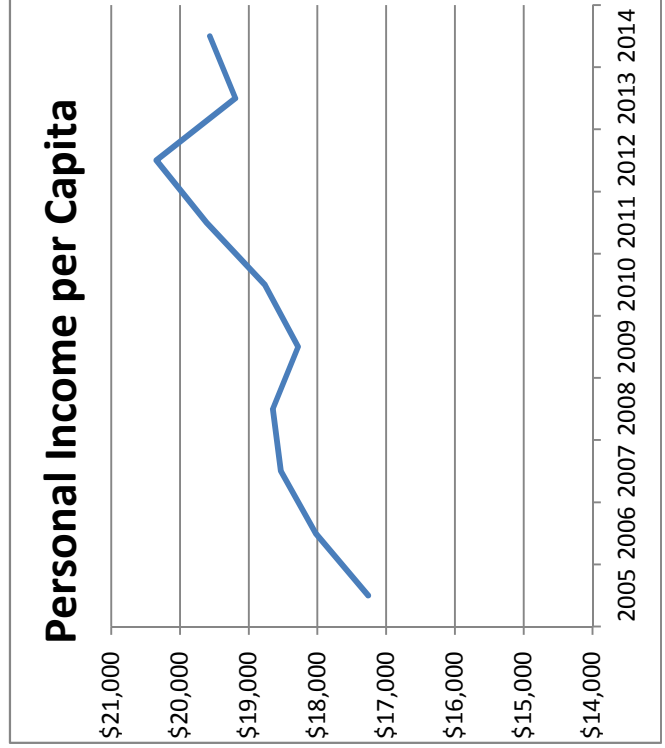
CITY OF BARSTOW
Demographic and Economic Statistics
Last Ten Calendar Years

Calendar	Population	Personal Income	Per Capita	Unemployment	Median Age	% of Pop 25+ with High School Degree	% of Pop 25+ with Bachelor's Degree
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%
2013	23,292	\$ 447,043	19,193	10.5%	32.9	79.8%	9.7%
2014	23,265	\$ 455,250	19,568	7.5%	33.7	82.4%	10.6%

Sources: HdL Coren & Cone

(1) Population: California State Department of Finance

(2) Unemployment Data: California Employment Development Department



**CITY OF BARSTOW
Principal Employers
2014 and Five Years Ago****

Employer	2015		2009	
	Number of Employees	Percent of Total Employment	Number of Employees	Percent of Total Employment
Ft. Irwin National Training Center*	22,700	73.3%	5,565	42.7%
Marine Corps Logistics Base*	2,071	6.7%	2,123	16.3%
Northrup Grunman	469	1.5%	1,210	9.3%
BNSF Railroad	1,000	3.2%	950	7.3%
Barstow Unified School District	643	2.1%	675	5.2%
Raytheon Technical Services Co, LLC*	501	1.6%	396	3.0%
Tanger Outlet Stores	600	1.9%	483	3.7%
San Bernardino County	410	1.3%	300	2.3%
High Desert Support Services	330	1.1%	-	0.0%
Barstow Community Hospital	300	1.0%	274	2.1%
Silver Valley School District*	306	1.0%	282	2.2%
Wal-Mart	190	0.6%	275	2.1%
Barstow Community College	396	1.3%	200	1.5%
Veterans Home of CA-Barstow	217	0.7%	173	1.3%
City of Barstow	163	0.5%	121	0.9%
Other Employers	678	2.2%	Not available	Not available

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 principal employers located within City limits plus the employers totals outside of the City limits. Total employed in 2015 was 30,974 of major employers. Fort Irwin National Training Ctr includes soldiers training on rotaion at the facility for 2015.

Total employed in 2009 is 13,027 of major employers.

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

Full-Time Employees as of June 30

Function	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General government	20	20	21	21	19	22	22	21	13	15
Police Safety										
Sworn	35	37	38	40	40	40	41	41	37	37
Non-Sworn	19	16	18	18	18	19	13	13	17	16
Fire Safety										
Sworn							20	23	23	23
Non-Sworn							1	1	1	1
Recreation			15	15	15	16	19	18	16	14
Community Service	20	24	18	18	19	18	32	31	36	33
Community Developmer	10	12	12	12	12	7	10	10	10	12
Redevelopment	1	2	4	4	3	4	2	-	-	-
Solid Waste	1	1	1	1	1	2	1	2	2	3
Wastewater	1	1	1	1	1	1	8	9	8	9
Transit	1	1	1	1	1	1	1	1	1	-
Total	108	114	129	131	129	130	170	170	164	163

Source: City of Barstow Budget

CITY OF BARSTOW
Operating Indicators
by Function
Last Ten Fiscal Years

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Police:										
Arrests	2,394	2,703	2,907	2,915	3,223	2,766	2,795	2,672	2,959	2911
Parking citations issued	1,039	995	431	366	666	313	201	266	489	522
Fire Services:										
Fire Calls	329	255	257	219	207	170	188	140	199	1022**
Medical Aid Calls	3,820	3,811	3,837	3,585	3,625	3,867	4,050	3,636	3,452	3279**
Parks and recreation:										
Number of recreation classes	34	34	34	18	19	14	16	14	14	14
Number of facility rentals	26	40	39	52	60	68	70	139	68	99
Sewer:										
New connections	75	103	103	12	9	9	17	30	4	2
Average/Millions of Gallons Sewage Treatment	2.65	2.57	2.56	2.40	2.70	2.20	2.13	2.11	2.11	2.11
Building Department:										
Permits	*	392	301	402	555	558	663	870	533	879
Fire Permits										
Fire Permits	*	*	*	*	*	*	*	*	*	61

Source: City of Barstow

* Data not available

**The City of Barstow assumed dispatching services from County of San Bernardino. Incident tracking has changed due to enhanced software.

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

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Police:										
Stations	2	2	2	2	2	2	2	2	2	2
Fire District **										
Stations	2	2	2	2	2	3	3	3	3	3
Public Works:										
Streets (miles)	88	88	88	88	89	89	90	91	91	91
Streetlights	*	*	*	1,001	1,001	1,001	1,001	1,081	1,081	1081
Traffic signals	19	19	19	19	20	20	21	21	22	22
Parks and Recreation:										
Parks	10	10	10	10	10	10	10	10	10	10
Community pools	2	2	2	1	1	1	1	1	1	1
Community centers	3	3	3	3	3	3	3	3	3	3
Wastewater:										
Sanitary sewers (miles)	80	80	80	113	113	113	117	117	117	113
Storm sewers (miles)	2	2	2	2	2	2	15	15	16	16
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