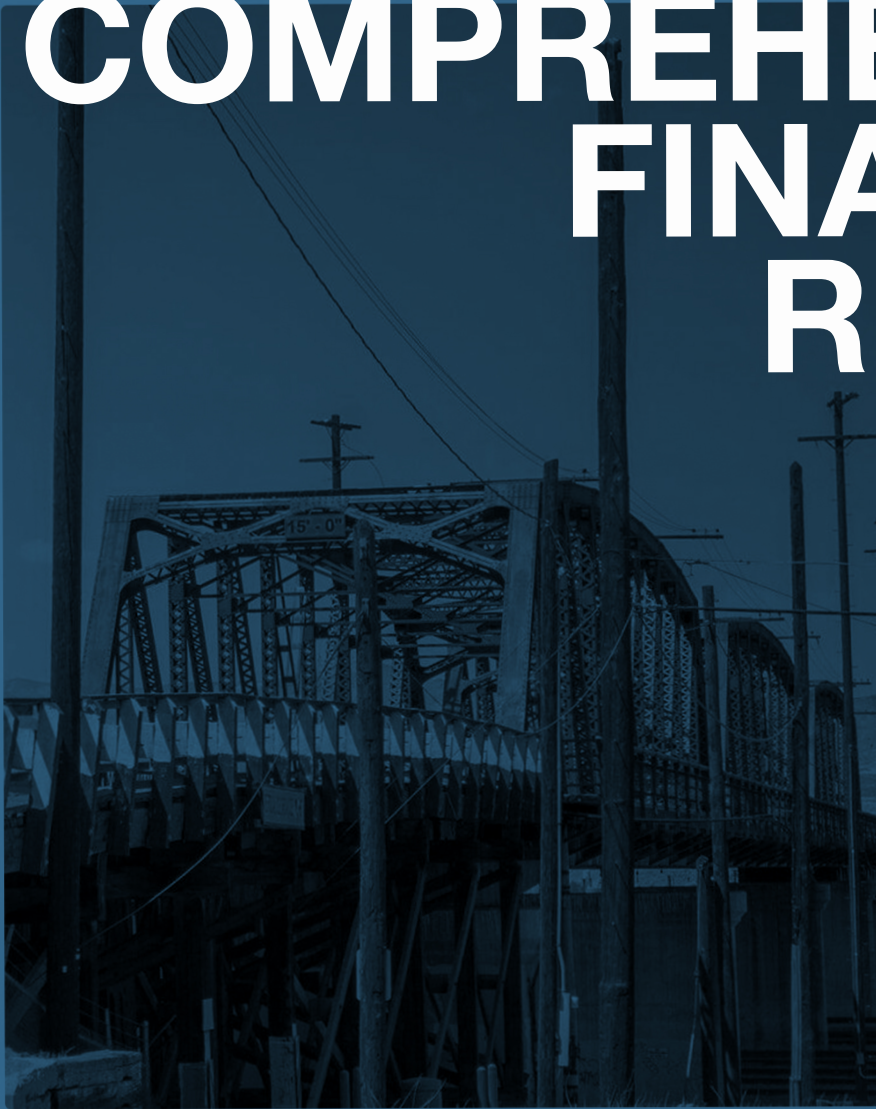




# ANNUAL COMPREHENSIVE FINANCIAL REPORT



FISCAL YEAR ENDED JUNE 30, 2021

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220 EAST MOUNTAIN VIEW, SUITE A, BARSTOW, CA 92311  
[WWW.BARSTOWCA.ORG](http://WWW.BARSTOWCA.ORG)



**About the Cover:** The First Avenue Bridge over the Burlington Northern and Santa Fe (BNSF) railyard was originally constructed in 1930. The City of Barstow in cooperation with the California Department of Transportation and the San Bernardino County Transportation Authority is proposing to replace the existing two-lane bridge over the BNSF railyard with a new two-lane bridge with eight foot shoulders and an eight foot wide sidewalk. The estimated start of construction is anticipated to commence in the fall of 2022.

CITY OF BARSTOW  
ANNUAL COMPREHENSIVE FINANCIAL REPORT  
FOR YEAR ENDED JUNE 30, 2021

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CITY OF BARSTOW  
 ANNUAL COMPREHENSIVE FINANCIAL REPORT  
 FOR YEAR ENDED JUNE 30, 2021

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December 17, 2021

For the Citizens of the City of Barstow,

Honorable Mayor and City Council  
City of Barstow

It is our pleasure to submit the Annual Comprehensive Financial Report (ACFR) for the City of Barstow. State law requires that all general-purpose local governments publish each fiscal year a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the Annual Comprehensive Financial Report of the City of Barstow for the fiscal year ended June 30, 2021.

This report consists of management's representations concerning the finances of the City of Barstow. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. Management of the City of Barstow has established a comprehensive internal control framework that is designed to compile sufficient reliable information for the preparation of the City's financial statements in conformity with GAAP. Because the cost of internal controls should not exceed anticipated benefits, the City's comprehensive framework of internal controls has been designed to provide reasonable, rather than, absolute assurance that the financial statements will be free from material misstatement.

The City of Barstow's financial statements have been audited by Lance, Soll, & Lunghard, LLP, a firm of licensed certified public accountants. The independent auditors have issued an unmodified opinion and have concluded that the City's financial statements for the fiscal year ended June 30, 2021, are fairly presented in conformity with generally accepted accounting principles. The independent auditors' report is presented as the first component of the financial section of this report. GAAP require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City of Barstow's MD&A can be found immediately following the report of the independent auditors.

## **PROFILE OF THE CITY**

### **The Reporting Entity**

This report combines the financial statements of the City of Barstow, 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 to constitute a single reporting entity. The City Council serves as the governing board of these component units and, as such, this combined presentation better represents the financial activities of the City of Barstow.

The City directly provides a full range of services, including police and fire protection services. Contracted services include engineering, street sweeping, solid waste management, and attorney services. Staff

provided services include police services and fire protection services, customer service and community relations, community development (which includes planning, economic development, housing and grant administration activities as well as overall department administration), public works oversight including construction and maintenance of roadways, parks and streets, recreational and cultural activities, sewer utility services and general administrative services. All of these activities are included in this report. Fire protection is provided by the Barstow Fire Protection District, a subsidiary agency of the City.

The City is served by private water companies. However, sewerage services are provided by the City of Barstow. Additionally, the Barstow Unified School District is a separate entity and, accordingly, not included in this report.

### **History of the City**

The City of Barstow is a General Law Council/Manager municipality incorporated in 1947. It is located in the northern part of the County of San Bernardino, approximately 114 miles northeast of Los Angeles, and approximately 70 miles north of the City of San Bernardino. The City boundary encompasses approximately 40 square miles and serves a population of over 24,000. The City prides itself as the “Crossroads of Opportunity” at the juncture of the I-40 and I-15 freeways. Situated midway between Los Angeles and Las Vegas, Barstow caters to the needs of approximately 55 million travelers passing through the City annually.

The City Council is responsible for, among other things, 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 is elected at large while the council members are elected by districts.

The City Manager is responsible for carrying out the policies and ordinances of the governing body, and for overseeing the day-to-day operations of the City government working with the directors and managers of various City departments.

The City Manager administers the Annual Operating and Capital Improvement Budget and maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the appropriated budget approved by the City’s governing body. Activities of the general fund, special revenue funds, enterprise funds, debt service fund and capital projects funds are included in the annual appropriated budget. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is *established at the individual fund level*. Appropriations lapse at year end. However, encumbrances and project appropriations generally are re-appropriated as part of the following fiscal year’s operating budget.

### **ECONOMIC CONDITION AND OUTLOOK**

From a historical perspective, growth in the City of Barstow has proceeded at a fairly slow, but steady pace. Major industries located within the city’s boundaries, or in close proximity, included major military installations with both military and civilian personnel, national defense contractors, transportation and rail firms, as well as numerous educational and financial institutions. The most current population figures show San Bernardino County has increased its population by 0.61% from January 1, 2020 to January 1, 2021.

The population for the City of Barstow had a slight decrease of 0.5% according to the California Department of Finance. The unemployment rate as of June 2021 for the City is 8.0% which is a decrease from 12.1% at the beginning of the COVID-19 pandemic in June 2020. Staff continues to pursue economic development in areas of the local economy that will provide job opportunities for residents.

Sales tax revenue, excluding Measure Q, increased from \$6.1 million in fiscal year 2020 to \$7.5 million in fiscal year 2021, largely due to rebounding revenues from the downturn caused by the COVID-19 pandemic. The City's transient occupancy tax continues to be a major source of revenue for the City and came in at \$3.44 million for fiscal year 2021, up from \$2.85 million in fiscal year 2020. City management remains optimistic that negative impacts of the COVID-19 pandemic on the City's revenue bases are mostly behind us.

### **MAJOR ACTIVITY IN THE CITY:**

Major development activities are underway in the City consistent with the City's General Plan and Council's vision and direction to improve and upgrade infrastructure, public services, and promote economic growth and development. Some of these development activities include:

- The City has approved construction of a Marriott hotel project in the Lenwood area of Barstow along the freeway. The project includes constructing two hotels totaling 181 rooms using an innovative shared footprint design. The two hotels are a Fairfield Inn (short term stay) and a Towne Place Suites (long term stay). The hotels are currently under construction and expected to open in July, 2022. The hotels are located close to the Outlet mall and conservatively will add over \$1 million annually in new revenues.
- The City has entered into two Inter Governmental Service Agreements (IGSAs) with Fort Irwin (Army) and are in the process of completing negotiations on three more that are expected to add over \$800,000 annually in new revenues. The three additional IGSC contracts are now awaiting final approvals from the Army which is expected to occur within the next few months.
- The City has approved creation of a "green zone" and are beginning to take applications as of December 1, 2021 and anticipating issuance of permits in January, 2022. Based upon a Cannabis fee study completed for the City by HdL, subject area experts, the City is expecting to receive over \$250,000 in new revenues during the current fiscal year. Thereafter, the City will receive over \$70,000 annually in regulatory fees plus 3% of gross sales (above the City's existing 2%) per approved development agreements. Annual revenues received pursuant to approved development agreements are expected to be significant.
- The City continued its efforts to improve infrastructure in fiscal year 2021. The major infrastructure projects are pavement preservation, the design phase for Phase One of the West Section 7 project, the First Avenue Bridge over the BNSF Classification Yard project, and the First Avenue Bridge over the Mojave River project.
- The City successfully passed a local general sales tax ballot measure on November 6, 2018. Income from the new general sales tax measure began to be collected on April 1, 2019. The City received over \$8.85 million from the sales tax measure in fiscal year 2021, an increase of \$1.4 million from the prior fiscal year.

## **LONG-TERM FINANCIAL PLANNING**

The City continues to maintain a Council mandated reserve of 20% Working Capital and 5% for emergencies. The Fiscal Year 2020-22 Budget falls within the policy guidelines set by the City Council for budgetary and planning purposes. The City's financial condition is continuously being monitored and has improved due to the passage of the Measure Q Local Sales Tax, a 1% general tax available to fund senior and youth recreation programs; assist with maintaining roads and parks; and improve police and fire services. Periodically, interim financial reports are presented to City Council regarding the budgetary performance of all major funds. By closely monitoring revenues, expenditures, and financial trends, the City has been able to manage the current economic downturn, thus reducing the impact on City services due to the pandemic. Current economic factors and potential future impacts of the COVID-19 pandemic continue to be carefully monitored and tracked by staff.

## **AWARDS AND ACKNOWLEDGEMENTS**

### ***Awards***

The City's Annual Comprehensive Financial Report for the year ended, June 30, 2021, was prepared utilizing best practices and in conformity with the awards program criteria for the Certificate of Achievement for Excellence in Financial Reporting as promulgated by the Government Finance Officer's Association of the United States and Canada (GFOA). The Certificate of Achievement is the highest form of recognition for excellence in state and local government financial reporting. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current annual comprehensive financial report for the year ended, June 30, 2021, conforms to the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for the certificate.

### ***Acknowledgements***

In closing, this report was made possible by the leadership and support of the governing body of the City of Barstow.

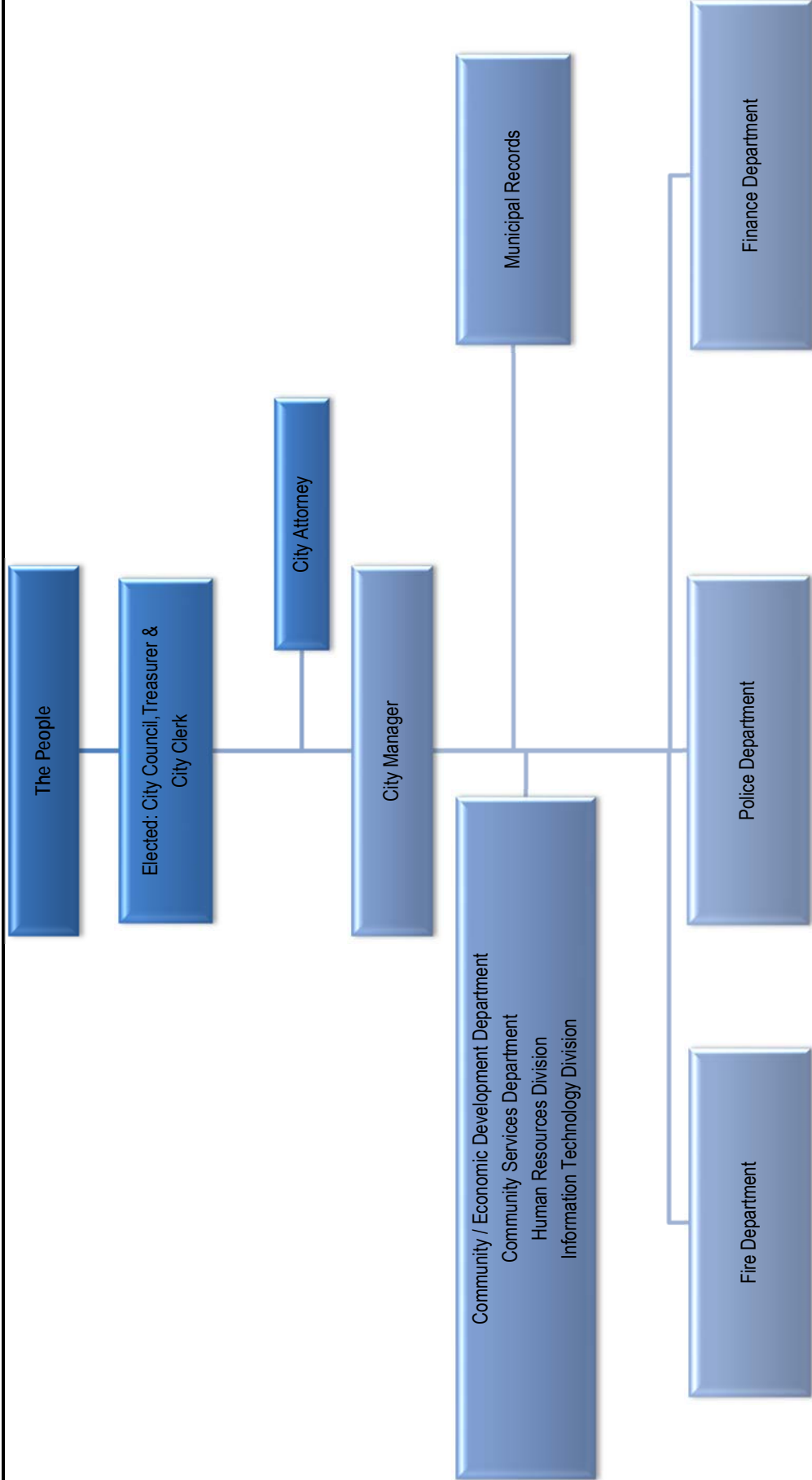
The preparation of this report on a timely basis is a team effort, requiring the dedication and cooperation of the entire Finance Department staff and continued support of the City Manager's Office and City Council. The guidance and suggestions from the accounting firm of Lance, Soll and Lunghard, LLP, were also invaluable in completion of this report.

Sincerely,



Marc R. Puckett  
Interim Finance Director

# CITY OF BARSTOW ORGANIZATIONAL CHART



**City of Barstow**  
**List of Elected and Appointed Officials**  
**June 30, 2021**

***Elected Officials***

Mayor	Dr. Paul Anthony Courtney
Council Member, Mayor Pro Tem	James M. Noble
Council Member	Barbara Mae Rose
Council Member	Marilyn Dyer Kruse
Council Member	Timothy R. Silva
City Treasurer	Michael J. Lewis
City Clerk	Andrea Flores

***Appointed Officials***

Interim City Manager	Dr. James Hart
Interim Finance Director	Marc Puckett
City Attorney	Matthew Summers
Chief of Police	Albert Ramirez
Assistant Fire Chief	Sidney Hultquist

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# AUDITORS' OPINION LETTER

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## INDEPENDENT AUDITORS' REPORT

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

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

#### ***Opinions***

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 City of Barstow, California, (the City) as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

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 of Barstow, California, as of June 30, 2021, 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.

#### ***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### ***Responsibilities of Management 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; and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the date of the financial statements.



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

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with the GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if, there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### ***Other Reporting Responsibilities***

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the budgetary comparison schedules for the general fund, measure I special revenue fund, Barstow fire protection district special revenue fund, and grants special revenue fund, the schedule of plan contributions (CalPERS and SBCERA), the schedule of proportionate share of the net pension liability (CalPERS and SBCERA), the schedule of changes in net OPEB liability and related ratio (City of Barstow and Barstow fire protection district plans), and the schedule of contributions – OPEB (City of Barstow and Barstow fire protection district plans), be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.



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

*Supplementary 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 combining and individual nonmajor fund financial statements and budgetary schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedules are fairly stated, in all material respects in relation to the basic financial statements as a whole.

*Other Information*

Management is responsible for the other information included in the annual report. The other information comprises the introductory section and statistical section but does not include the basic financial statements and our auditor's report thereon. Our opinions on the financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 17, 2021 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "Lance, Soll &amp; Lughard, LLP".

Brea, California  
December 17, 2021

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# MANAGEMENT'S DISCUSSION AND ANALYSIS

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**CITY OF BARSTOW**  
**Management's Discussion and Analysis**  
**June 30, 2021**

As management of the City of Barstow (the "City"), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2021. 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 additional information that we have furnished in our letter of transmittal, which can be found on pages i-vi of this report.

**FINANCIAL HIGHLIGHTS**

- The governmental program and general revenues were \$39.7 million.
- The cost of governmental activities was \$41.9 million.
- The business-type activities program and general revenues were \$9.9 million.
- The cost of business-type activities was \$8.5 million.
- The General Fund ended the fiscal year with a fund balance of \$17.7 million, with the reported net increase in fund balance of \$3.78 million.
- For the General Fund, actual revenues exceeded the budgeted revenue estimates by \$5.0 million and actual expenditures were less than final amended budget by \$0.5 million (both favorable variances). Effects of the COVID-19 pandemic were less than anticipated.
- The Measure I Special Revenue Fund, a major governmental fund, ended the fiscal year with a deficit \$1.2 million in fund balance, a deficit reduction of \$400,000 from the prior fiscal year.
- The Barstow Fire Protection District ended the fiscal year with a deficit fund balance of \$5.0 million, a deficit reduction of \$1.3 million from the prior fiscal year.
- Total Other Governmental Funds had a combined fund balance of \$1.2 million.

**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, 2021**

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 and solid waste disposal.

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 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 fourteen 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 Grants special revenue funds, which are considered to be major funds. Data from the other nine 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, Asset Seizure, Barstow Harvey House Foundation, Redevelopment Housing Successor Fund, Barstow Community Services Foundation, the Local Transportation Fund, the Flood Control Fund ,



**CITY OF BARSTOW**  
**Management's Discussion and Analysis**  
**June 30, 2021**

COVID 19 Grants fund, and the Capital Projects Fund. The Measure I TRIP debt service fund is also combined with the non-major governmental funds.

The City adopted a two-year appropriations budget for its governmental and proprietary funds in fiscal year 2020. A budgetary comparison has been provided for the general fund on page 96.

The basic governmental fund financial statements can be found on pages 23-43 of this report.

### **Proprietary funds**

The City maintains two 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 and solid waste disposal.

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 38-40 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 two 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 pages 42-43 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. Included in this section is Note 15, which summarizes the activity related to Measure Q, the 1% general transaction tax approved by voters on November 6, 2018. The notes to the financial statements are located on pages 47-92 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 Grants special revenue fund. This section also includes information regarding the Defined Benefit Pension Plan, which includes the *California Public Employees' Retirement System* (CALPERS) 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 information. Required supplementary information can be found on pages 95-107 of this report.

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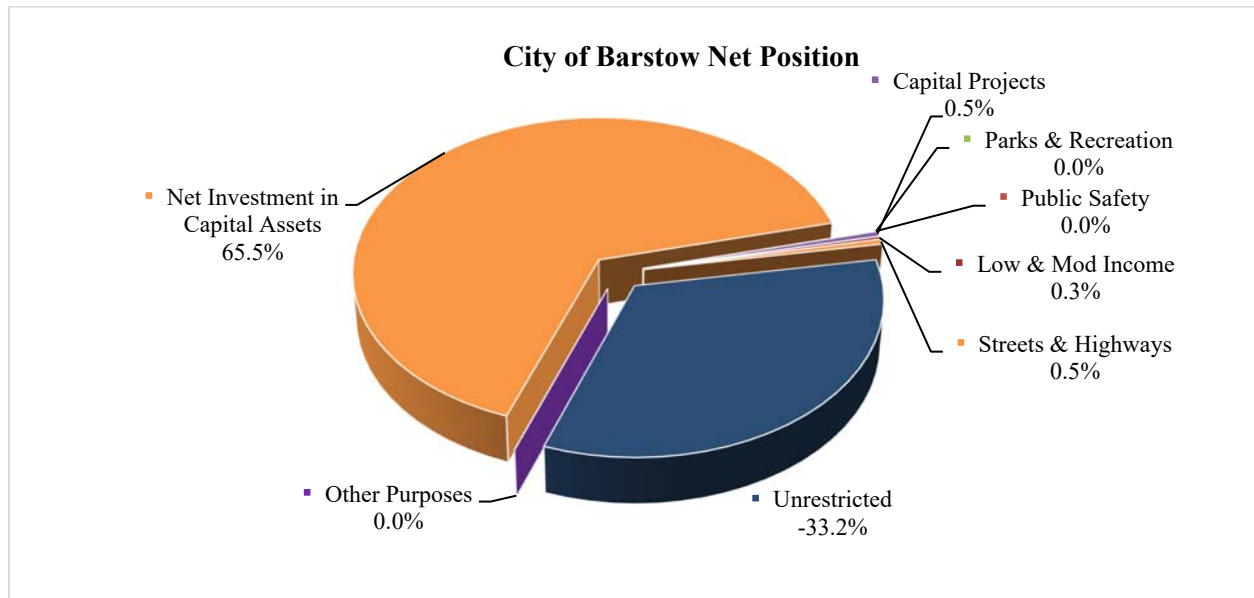
Supplementary information for the non-major governmental funds, such as Gas Tax special revenue fund, Grants, Asset Seizure, Barstow Harvey House Foundation, Redevelopment Housing Successor, Barstow Community Services Foundation, Local Transportation Fund, Flood Control, and COVID-19 Grants special revenue funds, as well as the Measure I TRIP debt service fund and Capital Projects fund, are located on pages 111-128 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 and deferred outflows exceeded liabilities and deferred inflows by \$53.9 million at the close of the fiscal year, a decrease of 1.5% from the previous year.

Capital assets (e.g., land, buildings, machinery, and equipment) less any related debt used to acquire those assets comprises \$105.1 million of the City's Net Position. Total Assets and Deferred Outflows equaled \$147.7 million. Total Liabilities and Deferred Inflows equaled \$93.8 million. Total net position from Governmental Activities equaled \$37.6 million or 70% and Business-Type Activities equaled 16.2 million or 30% of the \$53.9 million total.



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**CITY OF BARSTOW NET POSITION**

**Net Position (Summarized)**  
**As of June 30, 2021 and 2020**

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Current and other assets	\$ 17,631,885	\$ 13,684,950	\$ 3,000,435	\$ (44,195)	\$ 20,632,320	\$ 13,640,755
Capital & intangible assets	84,787,829	85,712,706	21,969,483	22,793,423	106,757,312	108,506,129
<b>Total Assets</b>	<b>\$ 102,419,714</b>	<b>\$ 99,397,656</b>	<b>\$ 24,969,918</b>	<b>\$ 22,749,228</b>	<b>\$ 127,389,632</b>	<b>\$ 122,146,884</b>
Def. employer pens. contributions	\$ 5,136,925	\$ 4,675,093	\$ 297,811	\$ 210,188	\$ 5,434,736	\$ 4,885,281
Def. outflows of resources - pens.	11,431,982	9,258,535	468,793	417,622	11,900,775	9,676,157
Deferred contributions - OPEB	885,238	778,880	-	-	885,238	778,880
Def. outflows of resources - OPEB	2,053,819	2,057,961	-	-	2,053,819	2,057,961
<b>Total deferred outflows</b>	<b>\$ 19,507,964</b>	<b>\$ 16,770,469</b>	<b>\$ 766,604 #</b>	<b>\$ 627,810 #</b>	<b>\$ 20,274,568 #</b>	<b>\$ 17,398,279</b>
Current liabilities	\$ 3,449,058	\$ 2,333,733	\$ 877,905	\$ 441,561	\$ 4,326,963	\$ 2,775,294
Long-term liabilities	74,946,226	66,843,400	8,288,963	7,796,639	83,235,189	74,640,039
<b>Total Liabilities</b>	<b>\$ 78,395,284</b>	<b>\$ 69,177,133</b>	<b>\$ 9,166,868</b>	<b>\$ 8,238,200</b>	<b>\$ 87,562,152</b>	<b>\$ 77,415,333</b>
Deferred pension related items	\$ 5,532,544	\$ 6,608,210	\$ 349,715	\$ 293,666	\$ 5,882,259	\$ 6,901,876
Deferred OPEB related items	358,602	575,263	-	-	358,602	575,263
<b>Total deferred inflows</b>	<b>\$ 5,891,146</b>	<b>\$ 7,183,473</b>	<b>\$ 349,715</b>	<b>\$ 293,666</b>	<b>\$ 6,240,861</b>	<b>\$ 7,477,139</b>
Net Position:						
Net investment in capital assets	\$ 83,193,605	\$ 83,177,722	\$ 21,922,426	\$ 22,443,932	\$ 105,116,031	\$ 105,621,654
Restricted	2,060,032	4,856,154	-	-	2,060,032	4,856,154
Unrestricted	(47,612,389)	(48,226,357)	(5,702,487)	(7,598,760)	(53,314,876)	(55,825,117)
<b>Total net position</b>	<b>\$ 37,641,248</b>	<b>\$ 39,807,519</b>	<b>\$ 16,219,939</b>	<b>\$ 14,845,172</b>	<b>\$ 53,861,187</b>	<b>\$ 54,652,691</b>

As shown in the total column for 2021 in the chart above (City of Barstow Net Position), a portion of the City's net position, \$2.1 million, represents resources that are subject to restrictions on how they may be used. Of this restricted amount, it is primarily comprised of \$0.8 million restricted for capital projects, \$0.4 million for low and moderate income projects, and \$0.8 million for Streets and Highways.

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**City of Barstow Changes in Net position**

**Changes in Net Position**  
**As of June 30, 2021 and 2020**

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Revenues:						
Program Revenues:						
Charges for services	\$ 1,236,136	\$ 1,327,757	\$ 9,772,548	\$ 7,530,388	\$11,008,684	\$ 8,858,145
Operating contributions and grants	757,387	859,437	-	-	757,387	859,437
Capital contributions and grants	4,994,774	3,526,055	-	-	4,994,774	3,526,055
General Revenues:						
Property taxes	9,796,572	9,252,006	-	-	9,796,572	9,252,006
Transient occupancy taxes	3,436,464	2,855,796	-	-	3,436,464	2,855,796
Sales taxes	16,387,048	13,527,079	-	-	16,387,048	13,527,079
Franchise taxes	1,175,996	1,077,373	-	-	1,175,996	1,077,373
Business license taxes	222,605	220,930	-	-	222,605	220,930
Other taxes	55,188	64,808	-	-	55,188	64,808
Use of money and property	1,048,338	318,439	-	-	1,048,338	318,439
Other revenues	591,410	352,124	129,965	27,744	721,375	379,868
<b>Total Revenues</b>	<b>39,701,918</b>	<b>33,381,804</b>	<b>9,902,513</b>	<b>7,558,132</b>	<b>49,604,431</b>	<b>40,939,936</b>
Expenses:						
General government	7,178,050	4,539,158	-	-	7,178,050	4,539,158
Public safety	22,274,486	23,887,685	-	-	22,274,486	23,887,685
Community development	1,835,249	2,959,442	-	-	1,835,249	2,959,442
Recreation	1,413,896	2,548,681	-	-	1,413,896	2,548,681
Public works	9,115,346	7,842,090	-	-	9,115,346	7,842,090
Interest on long-term debt	51,162	625	-	-	51,162	625
Wastewater Reclamation	-	-	4,626,634	5,093,118	4,626,634	5,093,118
Solid Waste Disposal	-	-	3,901,112	1,575,575	3,901,112	1,575,575
<b>Total Expenses</b>	<b>41,868,189</b>	<b>41,777,681</b>	<b>8,527,746</b>	<b>6,668,693</b>	<b>50,395,935</b>	<b>48,446,374</b>
Change in Net Position	(2,166,271)	(8,395,877)	1,374,767	889,439	(791,504)	(7,506,438)
Net position, beginning of year	39,807,519	48,203,396	14,845,172	13,955,733	54,652,691	62,159,129
Net position, end of year	<u>\$37,641,248</u>	<u>\$ 39,807,519</u>	<u>\$ 16,219,939</u>	<u>\$14,845,172</u>	<u>\$53,861,187</u>	<u>\$ 54,652,691</u>

The City of Barstow's overall net position decreased by \$0.8 million from the prior year. The reasons for this overall decrease are discussed in the following sections for governmental activities (a decrease of \$2.2 million) and business-type activities (an increase of \$1.4 million).

**Governmental Activities**

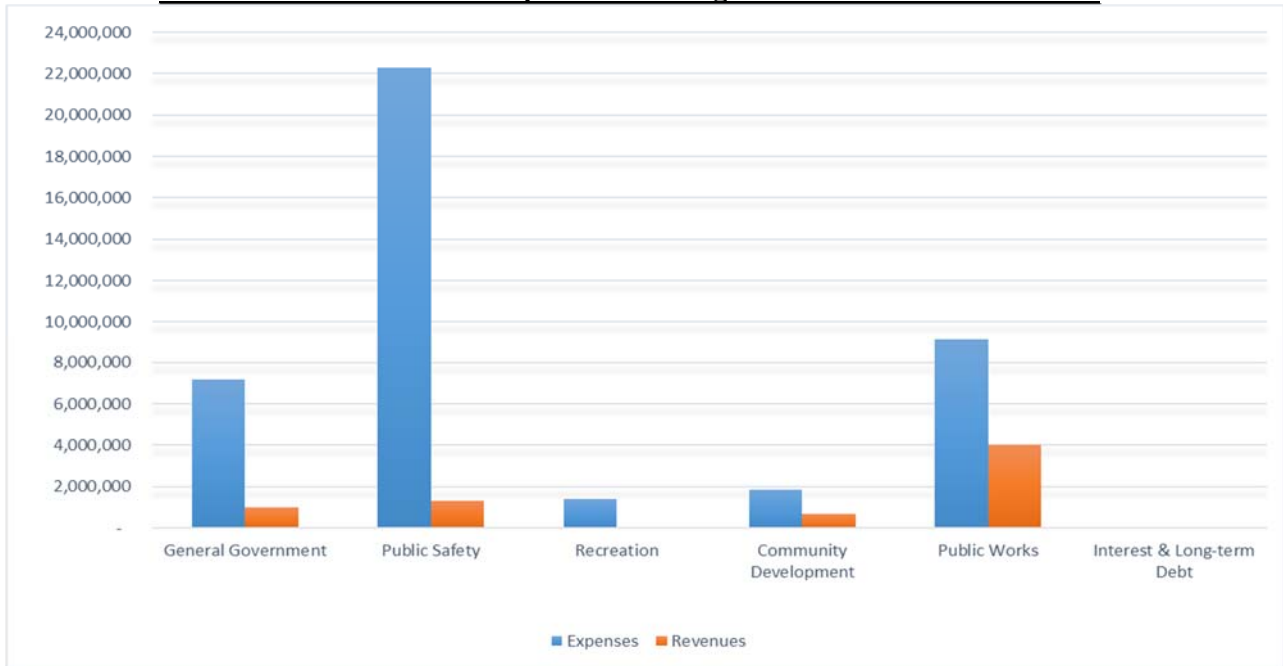
Governmental activities net position decreased by \$2.2 million for fiscal year 2021 as shown in the chart above and the chart on page 11. This net decrease primarily resulted from increases in the City's total assets of \$3 million and increases in deferred outflows of \$2.7 million for pension and OPEB contributions less an increase in the Net Pension Liability of \$6.6 million and Net OPEB Liability of \$1.3 million. As discussed in the notes, the City participates in a multi-employer cost sharing defined benefit pension plan.

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

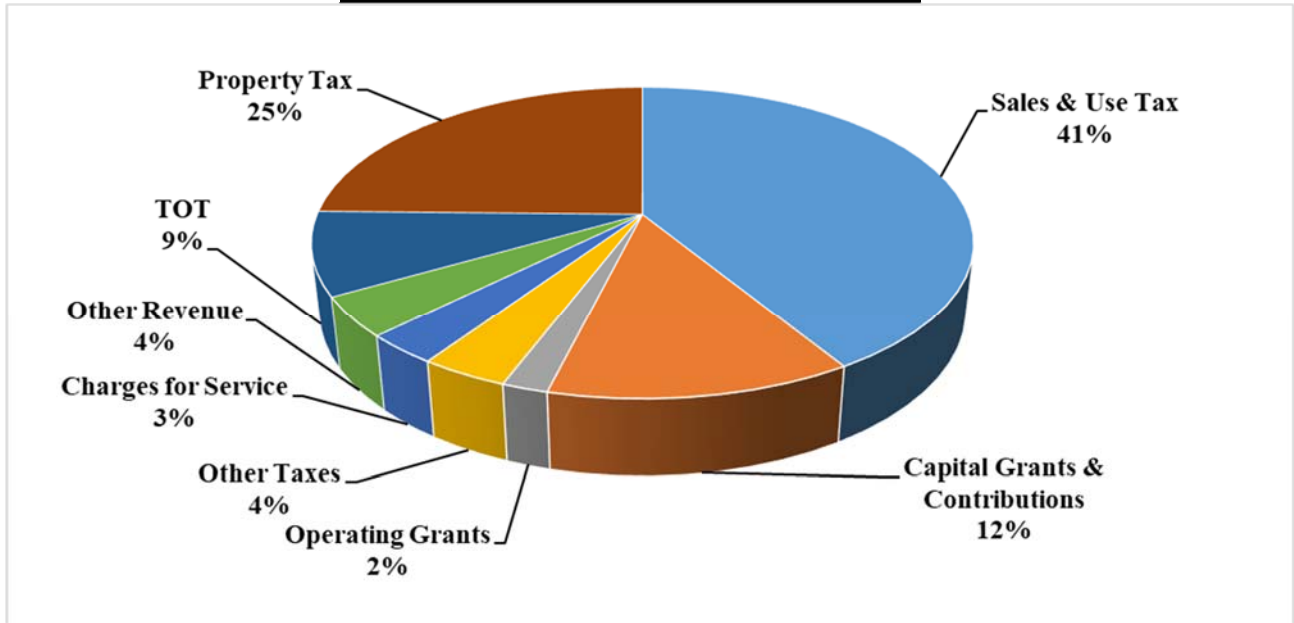
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**Governmental Activities**

**Governmental Activities - Expenses and Program Revenues for FY 2020/21**



**Governmental Activities - Revenues by Source**



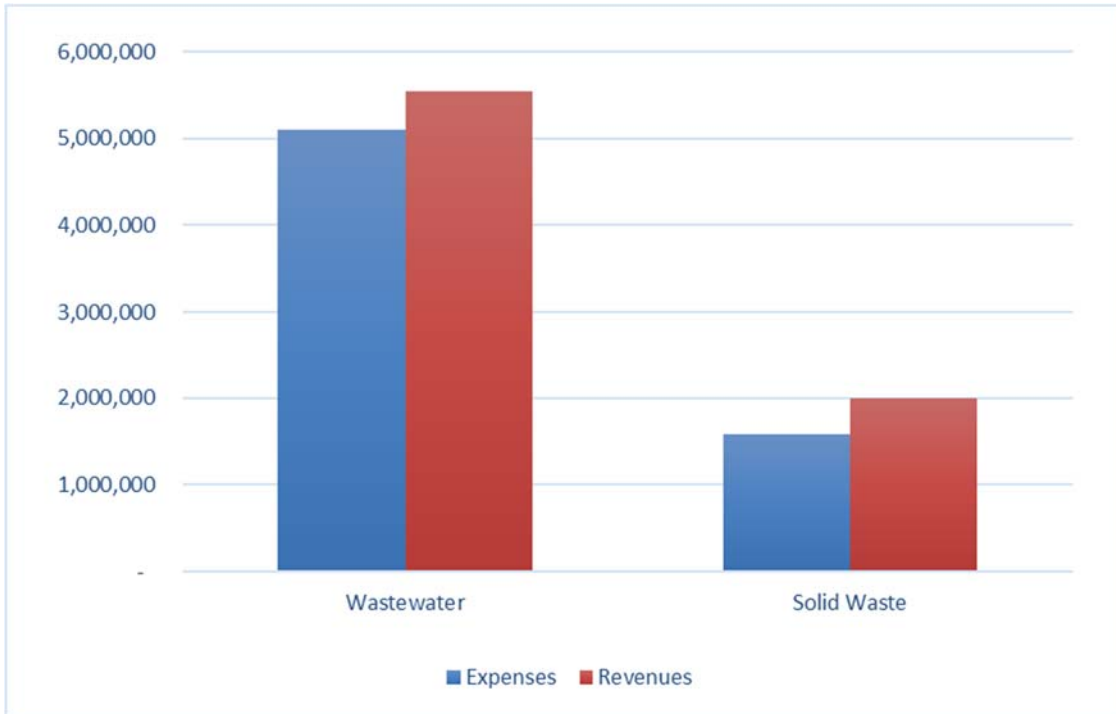
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**Business-type Activities**

Business-type activities increased net position by \$1.4 million as shown in the chart on page 13. The increase is directly a result of the reduction of the solid waste hauler rate subsidy. To stabilize Solid Waste's financial condition, the City Council approved the elimination of the subsidy over a 3 year period; which will end in 2022 and in November 2020, the City brought the utility billing process in-house.

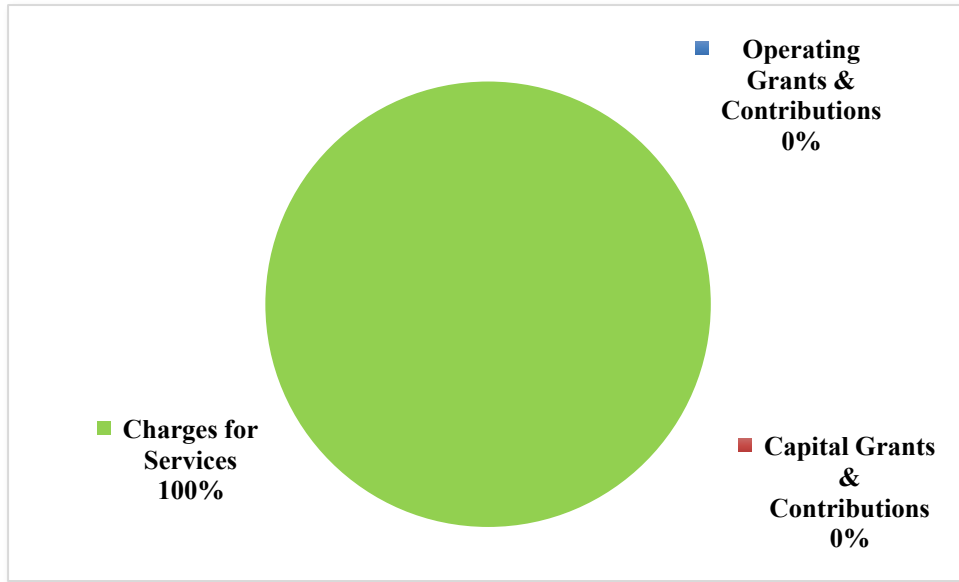
The chart below illustrates business-type expenses and revenues. The second chart on the following page shows Business-type revenues by source.

**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.

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$12.9 million, an increase of \$2.4 million or 22.1% when compared to the fund balances of the prior year. In fiscal year 2021, total governmental funds revenues exceeded expenditures by \$2.2 million. Further analysis discusses the underlying changes in the major government funds with major changes:

*General Fund*- During fiscal year 2021, there was an increase in fund balance of \$3.8 million from the previous year. General Fund revenues were higher than anticipated due primarily to a strong rebound in total taxes collected as lockdowns related to the COVID-19 pandemic eased. Tax revenues increased by \$3.7 million in total from the prior fiscal year. Other general fund revenues increased by \$0.5 million in total. Expenditures were \$1.0 million less than the prior fiscal year due primarily to budget austerity measures put in place during fiscal year 2020, including adoption of a two-year budget. These measures were put in place to proactively address potential impacts from the pandemic and remain in effect.

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*Measure I-* The net change in fund balance was an increase of \$399 thousand. This increase in fund balance reduced the accumulated fund deficit to \$1.2 million. Based on the adopted deficit elimination plan, it is anticipated that the deficit will be eliminated during the next two fiscal years.

*Barstow Fire Protection District-* The net change in fund balance was an increase of \$1.3 million. This increase in fund balance reduced the accumulated fund deficit to \$5.0 million. The deficit relates to an interfund operating loan from the General Fund to the BFPD. A plan of repayment has been adopted including annual payments of \$500 thousand which may be amended from time to time as warranted. Total revenues for the District, excluding transfers, increased by \$700 thousand while total expenditures increased by \$800 thousand.

The *non-spendable* portion of total governmental funds' fund balances is \$8.0 million. 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, 2021, the major amounts designated as non-spendable were loans from the following funds:

- \$1.7 million due from the Measure I Special Revenue Fund
- \$0.3 million Wastewater Reclamation Fund loans
- \$5.3 million Barstow Fire Protection District loan

Other non-spendable items included deposits and prepaids.

*Restricted funds* constitute \$2.1 million of the total governmental funds 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 \$1.1 million for debt service as part of the Total Road Improvement Program (TRIP) financing. The TRIP debt was paid off in fiscal year 2021 using the restricted debt reserve and \$383 thousand in cash, freeing up over \$1.0 million in funding in future years.
- The Housing Successor Agency Trust Fund constitutes \$440 thousand of the restricted fund balance.
- The remaining of \$0.8 million is related to various Capital Projects.

*Assigned fund balance* accounts for \$4.4 million of fund balance and is comprised of working capital (\$3.6 million) and emergency reserves (\$0.9 million).

*Unassigned fund balance* in the General Fund constitutes approximately \$5.2 million as of the end of the fiscal year which is available for spending at the government's discretion. For all governmental funds, the *unassigned fund balance* as of the fiscal year end is a \$1.6 million deficit. This is primarily due to the advance between the BFPD and the General Fund.

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



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**Proprietary Funds**

At year-end, the total net position of all proprietary funds was \$16.2 million, which was an increase of \$1.4 million or 9.3% over the previous fiscal year. Details for the change are discussed below.

- The *Wastewater Fund* had an increase in net position of \$949 thousand. The increase is primarily due to the increased monitoring of industrial discharge flow and rate increases for inflation.
- *Solid Waste* had a change in net position of \$426 thousand due to a decrease in the hauler subsidy. This change in net position reduced the fund deficit to \$236 thousand.

Additional information can be found on pages 38-40 of this report.

**GENERAL FUND BUDGETARY HIGHLIGHTS**

The fiscal 2021 year-end actual revenues of \$29.9 million exceeded budgeted estimated revenues of \$24.9 million by \$5.0 million. The City implemented austerity measures in response to the COVID-19 pandemic and subsequent lockdown for an unknown duration. As the lockdowns imposed due to the pandemic have been lifted and travel restrictions have eased, the City has benefited from increases in revenues sensitive to transient travel. Primarily, the City's sales taxes and transient occupancy taxes have increased significantly as pandemic restrictions were lifted. Sales tax collections have increased by \$1.4 million from the prior fiscal year to \$7.55 million. Measure Q sales tax collections have also increased by \$1.4 million to \$8.85 million. Transient occupancy tax collections increased by \$635 thousand from the prior fiscal year. Property Taxes also increased by \$218 thousand. Collections from various franchise taxes also increased by \$100 thousand during the fiscal year.

Actual total General Fund revenues had a positive or favorable variance in the amount of \$4.99 million or 12.9%. The total General Fund expenditures also ended the fiscal year with a positive or favorable variance coming in under budget by \$542 thousand or 2.0%. Attrition savings due to vacancies and retirements accounted for the majority of the savings in the General Fund.

**CAPITAL ASSET AND DEBT ADMINISTRATION**

The City's investment in capital assets for its governmental and business-type activities as of June 30, 2021, amounts to \$106.8 million (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 a decrease of 1.6% or \$1.75 million. Changes from the prior year are discussed below and the City of Barstow's Capital Assets chart on the next page. The analysis is detailed below:

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

**Governmental Activities** had a net decrease in capital assets of \$925 thousand from the previous fiscal year due mainly to the following: a net increase in Work in Progress of \$3.2 million; a net decrease of \$3.1 million in Infrastructure, a decrease of \$862 thousand for Buildings & Improvements, a decrease of \$98 thousand in land and a net decrease in Machinery & Equipment of \$112 thousand.

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**Business-type Activities** had an overall decrease of \$823 thousand from fiscal year 2020. This decrease was primarily due to a \$698 thousand decrease in Infrastructure and a \$135 thousand decrease in Machinery & Equipment from the prior fiscal year.

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

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Land & Intangible Assets	\$ 9,787,484	\$ 9,885,485	\$ 1,657,637	\$ 1,657,637	\$ 11,445,121	\$ 11,543,122
Work in progress	13,361,468	10,154,019	237,741	206,403	13,599,209	10,360,422
Buildings & Improvements	9,665,376	10,527,143	88,796	95,215	9,754,172	10,622,358
Machinery and equipment	1,398,390	1,510,231	1,476,503	1,611,301	2,874,893	3,121,532
Property Under Capital Lease	1,019,184	982,744	88,323	104,763	1,107,507	1,087,507
Infrastructure	49,555,927	52,653,084	18,420,483	19,118,104	67,976,410	71,771,188
<b>Total</b>	<b>\$ 84,787,829</b>	<b>\$ 85,712,706</b>	<b>\$ 21,969,483</b>	<b>\$ 22,793,423</b>	<b>\$ 106,757,312</b>	<b>\$ 108,506,129</b>

Additional information on the City's capital assets can be found in Note 5 of the "Notes to Basic Financial Statements" on pages 61-62 of this report.

**Long-term Debt**

At the end of the current fiscal year, the City of Barstow had total debt outstanding of \$12.5 million. Of this debt amount, governmental activities accounts for \$6.8 million, and \$5.7 million is related to business-type activities. The City has no general obligation bonded debt or tax allocation bonded debt outstanding.

**City of Barstow's Outstanding Debt**

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	Total 2021	Total 2020
Measure I-TRIP COP	\$ -	\$ 1,507,750	\$ -	\$ -	\$ -	\$ 1,507,750
Capital Lease Agreement	1,594,224	1,027,234	47,057	349,491	1,641,281	1,376,725
Pollution Remediation Liability	-	-	5,468,992	5,486,099	5,468,992	5,486,099
Claims & Judgments Payable	3,363,065	2,610,138	-	-	3,363,065	2,610,138
Compensated Absences	1,856,949	1,567,956	136,907	174,733	1,993,856	1,742,689
<b>Total</b>	<b>\$ 6,814,238</b>	<b>\$ 6,713,078</b>	<b>\$ 5,652,956</b>	<b>\$ 6,010,323</b>	<b>\$ 12,467,194</b>	<b>\$ 12,723,401</b>

In total, debt decreased, by \$256 thousand. However, although the City actively works to reduce claims and judgements with professional risk managers, Claims & Judgments increased by \$753 thousand during the fiscal year. Capital lease agreement obligations increased by \$265 thousand and debt for compensated absences increased by \$251 thousand. Pollution remediation expenses in the Soapmine Road area reduced the related liability by \$17 thousand. Also, the City of Barstow had 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

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additional capital was used as part of the road and street reconstruction projects. These projects are now complete. The City pledged Measure I funding to serve as the source for the related debt services payments. The final payment for the TRIP financing agreement was made in FY 2020-21.

Additional information on the City's long-term debt can be found in Note 6 on pages 63- 64 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 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.

When the coronavirus epidemic began, no one knew what the impacts would be or how long it would last. The City was proactive in its attempts to manage the impacts on the City organization and provision of services. The City adopted a two-year budget for FY21 and 22. This budget included reductions in revenue projections of \$2.8m and reductions in appropriations of \$2.3m. Budgetary actions included a freeze in wages and certain benefits for two years, a reduction in force of 7.5 FTEs, elimination of 4 vacant funded positions, temporary elimination of recreation programs, and closure of recreation facilities. Further, all financial activity is continually monitored to ensure resources and expenses are in-line with budgeted projections. The budget amendments and continual budget monitoring are necessary and vital to the City's efforts to manage pandemic impacts.

As the imposed lockdown and other travel restrictions due to the epidemic eased, increased transient travel had an unanticipated positive impact on the City's key revenue sources. Sales tax revenues received were \$2.8 million higher than projected and Transient Occupancy Taxes were \$635,000 higher than projected. All told, the City received over \$5.0 million in revenues more than what was projected in the amended budget. Expenditures for the year were \$542,000 below the amended budget.

These revenue increases have been assisted by the diversity of the City's tax base. In particular, between the Outlets at Barstow, the number of hotels in the Lenwood area, surrounding restaurants and four truck stops representing all four major chains, 38% of the City's revenues are generated from transient travelers through the community. Barstow is located at the juncture of the I-40 and I-15 freeways. As such, freeway traffic through the community has been a tremendous source of revenue.

The City has also received federal stimulus funding through the CDBG program, JAG grant, CARES grant, and ARPA federal stimulus programs which has greatly assisted with the economic recovery from impacts due to the pandemic. These funds are recorded in Special Revenue funds outside of the City's General Fund.

Through the Community Development Block Grant (CDBG) program, the City received \$15,800 for a testing event project.

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Through the Justice Assistance Grant (JAG) program, the City received a reimbursement grant award in the amount of \$71,392. To date, the City has received \$34,261 of the total grant award. The remaining amount of the grant will be received during the next fiscal year.

Through the Coronavirus Aid, Relief, and Economic Security (CARES) program, the City was awarded \$898,920. To date, the City has received \$881,800 of the total grant award in FY21. The remaining \$17,000 will be received in the next fiscal year.

Through the American Rescue Plan Act (ARPA), the City was awarded \$5,720,976. The first tranche of \$2,860,488, representing 50% of the funding, was received in July, 2021. The second half of the funding will be received by the City in July 2022.

The City has also approved construction of a Marriott hotel project in the Lenwood area of Barstow along Interstate I5 freeway. The project includes constructing two hotels totaling 181 rooms using an innovative shared footprint design. The two hotels are a Fairfield Inn (short term stay) and a Towne Place Suites (long term stay). The hotels are currently under construction and expected to open in Fall 2022. The hotels are located close to the Outlet mall and conservatively will add over \$1 million annually in new revenues.

The City recently approved creation of a "green zone" and are beginning to take applications as of December 1, 2021 with the anticipated issuance of permits in January 2022. Based upon a Cannabis fee study completed for the City, expected new revenues during the next fiscal year will exceed \$250,000. Thereafter, the City will receive over \$70,000 annually in regulatory fees plus 3% of gross sales (above the City's existing 2%) per approved development agreements. The new revenues from the Cannabis manufacturing and retails sales are expected to be significantly more than \$500 thousand annually.

The City's executive management team continues its commitment to improving the infrastructure for its residents. This is evidenced by the continued projects such as: First Avenue Bridge over Burlington Northern Santa Fe (BNSF), the North First Avenue Bridge over the Mojave River, and West Section 7.

The unemployment rate for the City of Barstow as of June, 2021 was 8.0%. This represents a decrease of 4.1% from the June 2020 rate of 12.1%. An improved local economy is reflected in the increases in transient occupancy tax and sales tax collections. The City's Economic Development team is actively working to assist local businesses to withstand the economic impacts of the COVID-19 pandemic. The City also demonstrates its "pro-business" outlook by its willingness to work with prospective employers and new businesses interested in locating in Barstow.

## **REQUESTS FOR INFORMATION**

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

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# **GENERAL PURPOSE FINANCIAL STATEMENTS**

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## CITY OF BARSTOW

STATEMENT OF NET POSITION  
JUNE 30, 2021

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<b>Assets:</b>			
Cash and investments	\$ 9,723,367	\$ 2,162,566	\$ 11,885,933
Receivables:			
Accounts	1,929,769	1,119,405	3,049,174
Taxes	63,662	-	63,662
Accrued interest	3,715	622	4,337
Internal balances	283,671	(283,671)	-
Prepaid costs	43,840	1,513	45,353
Deposits	591,564	-	591,564
Due from other governments	4,925,605	-	4,925,605
Inventories	66,692	-	66,692
Capital assets not being depreciated	23,148,952	1,895,378	25,044,330
Capital assets, net of depreciation	61,638,877	20,074,105	81,712,982
<b>Total Assets</b>	<b>102,419,714</b>	<b>24,969,918</b>	<b>127,389,632</b>
<b>Deferred Outflows of Resources:</b>			
Deferred employer pension contributions	5,136,925	297,811	5,434,736
Deferred outflows of resources-pension	11,431,982	468,793	11,900,775
Deferred contributions-OPEB	885,238	-	885,238
Deferred outflows of resources-OPEB	2,053,819	-	2,053,819
<b>Total Deferred Outflows of Resources</b>	<b>19,507,964</b>	<b>766,604</b>	<b>20,274,568</b>
<b>Liabilities:</b>			
Accounts payable	1,220,773	728,984	1,949,757
Accrued liabilities	1,708,794	109,405	1,818,199
Unearned revenue	329,281	-	329,281
Deposits payable	42,625	39,516	82,141
Due to other governments	50,575	-	50,575
Retentions payable	97,010	-	97,010
Noncurrent liabilities:			
Due within one year			
Long-term debt	378,488	30,086	408,574
Compensated absences	742,780	54,763	797,543
Claims and judgements	696,842	-	696,842
Pollution remediation liability	-	51,500	51,500
Due in more than one year			
Long-term debt	1,215,736	16,971	1,232,707
Compensated absences	1,114,169	82,144	1,196,313
Claims and judgements	2,666,223	-	2,666,223
Pollution remediation liability	-	5,417,492	5,417,492
Net Pension Liability	44,006,891	2,636,007	46,642,898
Net OPEB Liability	24,125,097	-	24,125,097
<b>Total Liabilities</b>	<b>78,395,284</b>	<b>9,166,868</b>	<b>87,562,152</b>
<b>Deferred Inflows of Resources:</b>			
Deferred inflows of resources-pension	5,532,544	349,715	5,882,259
Deferred inflows of resources-OPEB	358,602	-	358,602
<b>Total Deferred Inflows of Resources</b>	<b>5,891,146</b>	<b>349,715</b>	<b>6,240,861</b>
<b>Net Position:</b>			
Net investment in capital assets	83,193,605	21,922,426	105,116,031
Restricted for:			
Public safety	22,286	-	22,286
Parks and recreation	730	-	730
Capital projects	807,489	-	807,489
Low and Moderate Income	442,902	-	442,902
Streets and Highways	776,153	-	776,153
Other purposes	10,472	-	10,472
Unrestricted	(47,612,389)	(5,702,487)	(53,314,876)
<b>Total Net Position</b>	<b>\$ 37,641,248</b>	<b>\$ 16,219,939</b>	<b>\$ 53,861,187</b>

CITY OF BARSTOW

STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2021

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Contributions and Grants	Capital Contributions and Grants
<b>Primary Government:</b>				
Governmental Activities:				
General government	\$ 7,178,050	\$ 91,550	\$ 18,961	\$ 875,019
Public safety	22,274,486	498,522	734,619	71,467
Community development	1,835,249	600,696	375	54,302
Recreation	1,413,896	42,506	-	2,354
Public works	9,115,346	2,862	3,432	3,991,632
Interest on long-term debt	51,162	-	-	-
<b>Total Governmental Activities</b>	<b>41,868,189</b>	<b>1,236,136</b>	<b>757,387</b>	<b>4,994,774</b>
Business-Type Activities:				
Wastewater Reclamation	4,626,634	5,564,001	-	-
Solid Waste Disposal	3,901,112	4,208,547	-	-
<b>Total Business-Type Activities</b>	<b>8,527,746</b>	<b>9,772,548</b>	<b>-</b>	<b>-</b>
<b>Total Primary Government</b>	<b>\$ 50,395,935</b>	<b>\$ 11,008,684</b>	<b>\$ 757,387</b>	<b>\$ 4,994,774</b>

**General Revenues:**

Taxes:  
 Property taxes, levied for general purpose  
 Transient occupancy taxes  
 Sales taxes  
 Franchise taxes  
 Business licenses taxes  
 Other taxes  
 Use of money and property  
 Other

**Total General Revenues**

Change in Net Position

Net Position at Beginning of Year

**Net Position at End of Year**



Net (Expenses) Revenues and Changes in Net Position Primary Government		
Governmental Activities	Business-Type Activities	Total

Governmental Activities	Business-Type Activities	Total
\$ (6,192,520)	\$ -	\$ (6,192,520)
(20,969,878)	-	(20,969,878)
(1,179,876)	-	(1,179,876)
(1,369,036)	-	(1,369,036)
(5,117,420)	-	(5,117,420)
(51,162)	-	(51,162)
<b>(34,879,892)</b>	<b>-</b>	<b>(34,879,892)</b>
-	937,367	937,367
-	307,435	307,435
-	<b>1,244,802</b>	<b>1,244,802</b>
<b>(34,879,892)</b>	<b>1,244,802</b>	<b>(33,635,090)</b>
9,796,572	-	9,796,572
3,436,464	-	3,436,464
16,387,048	-	16,387,048
1,175,996	-	1,175,996
222,605	-	222,605
55,188	-	55,188
1,048,338	-	1,048,338
591,410	129,965	721,375
<b>32,713,621</b>	<b>129,965</b>	<b>32,843,586</b>
(2,166,271)	1,374,767	(791,504)
39,807,519	14,845,172	54,652,691
<b>\$ 37,641,248</b>	<b>\$ 16,219,939</b>	<b>\$ 53,861,187</b>

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# FUND FINANCIAL STATEMENTS

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*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.

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

**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, 2021

	Special Revenue Funds			
	General	Measure I	Barstow Fire Protection District	Grants
<b>Assets:</b>				
Pooled cash and investments	\$ 5,978,552	\$ 191,363	\$ 738,511	\$ 554,931
Receivables:				
Accounts	251,786	506,917	26,549	984,864
Taxes	-	-	-	-
Accrued interest	1,557	65	427	230
Prepaid costs	43,240	-	600	-
Deposits	591,564	-	-	-
Due from other governments	4,925,605	-	-	-
Due from other funds	924,442	-	-	-
Advances to other funds	7,301,063	-	-	-
Inventories	66,692	-	-	-
<b>Total Assets</b>	<b>\$ 20,084,501</b>	<b>\$ 698,345</b>	<b>\$ 766,087</b>	<b>\$ 1,540,025</b>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances:</b>				
<b>Liabilities:</b>				
Accounts payable	\$ 645,905	\$ 54,937	\$ 199,286	\$ 93,462
Accrued liabilities	1,410,055	-	298,739	-
Unearned revenues	-	-	-	299,625
Deposits payable	42,625	-	-	-
Due to other governments	50,575	-	-	-
Due to other funds	-	-	-	838,951
Advances from other funds	-	1,700,000	5,317,392	-
Retentions payable	-	-	-	-
<b>Total Liabilities</b>	<b>2,149,160</b>	<b>1,754,937</b>	<b>5,815,417</b>	<b>1,232,038</b>
<b>Deferred Inflows of resources:</b>				
Unavailable revenues	276,187	162,318	-	799,356
<b>Total Deferred Inflows of Resources</b>	<b>276,187</b>	<b>162,318</b>	<b>-</b>	<b>799,356</b>
<b>Fund Balances:</b>				
<b>Nonspendable:</b>				
Nonspendable	8,002,559	-	-	-
Restricted	-	-	-	-
Assigned	4,438,404	-	-	-
Unassigned	5,218,191	(1,218,910)	(5,049,330)	(491,369)
<b>Total Fund Balances</b>	<b>17,659,154</b>	<b>(1,218,910)</b>	<b>(5,049,330)</b>	<b>(491,369)</b>
<b>Total Liabilities, Deferred inflows of Resources, and Fund Balances</b>	<b>\$ 20,084,501</b>	<b>\$ 698,345</b>	<b>\$ 766,087</b>	<b>\$ 1,540,025</b>

CITY OF BARSTOW

**BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2021**

	<u>Capital Projects Funds</u>		<u>Other Governmental Funds</u>		<u>Total Governmental Funds</u>
	<u>City Capital Projects</u>		<u>Other Governmental Funds</u>		<u>Total Governmental Funds</u>
<b>Assets:</b>					
Pooled cash and investments	\$ 907,568		\$ 1,352,442		\$ 9,723,367
Receivables:					
Accounts	-		159,653		1,929,769
Taxes	-		63,662		63,662
Accrued interest	430		1,006		3,715
Prepaid costs	-		-		43,840
Deposits	-		-		591,564
Due from other governments	-		-		4,925,605
Due from other funds	-		-		924,442
Advances to other funds	-		-		7,301,063
Inventories	-		-		66,692
<b>Total Assets</b>	<b>\$ 907,998</b>		<b>\$ 1,576,763</b>		<b>\$ 25,573,719</b>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances:</b>					
<b>Liabilities:</b>					
Accounts payable	\$ 3,499		\$ 223,684		\$ 1,220,773
Accrued liabilities	-		-		1,708,794
Unearned revenues	-		29,656		329,281
Deposits payable	-		-		42,625
Due to other governments	-		-		50,575
Due to other funds	-		85,491		924,442
Advances from other funds	-		-		7,017,392
Retentions payable	97,010		-		97,010
<b>Total Liabilities</b>	<b>100,509</b>		<b>338,831</b>		<b>11,390,892</b>
<b>Deferred Inflows of resources:</b>					
Unavailable revenues	-		10,321		1,248,182
<b>Total Deferred Inflows of Resources</b>	<b>-</b>		<b>10,321</b>		<b>1,248,182</b>
<b>Fund Balances:</b>					
<b>Nonspendable:</b>					
Nonspendable	-		-		8,002,559
Restricted	807,489		1,252,543		2,060,032
Assigned	-		-		4,438,404
Unassigned	-		(24,932)		(1,566,350)
<b>Total Fund Balances</b>	<b>807,489</b>		<b>1,227,611</b>		<b>12,934,645</b>
<b>Total Liabilities, Deferred inflows of Resources, and Fund Balances</b>	<b>\$ 907,998</b>		<b>\$ 1,576,763</b>		<b>\$ 25,573,719</b>

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CITY OF BARSTOW

**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF NET POSITION  
JUNE 30, 2021**

Fund balances of governmental funds		\$ 12,934,645
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets net of depreciation have not been included as financial resources in governmental fund activity.		84,787,829
Long-term debt, claims liabilities and compensated absences that have not been included in the governmental fund activity:		
Capital leases	\$ (1,594,224)	
Claims and judgements payable	(3,363,065)	
Compensated Absences	<u>(1,856,949)</u>	(6,814,238)
Pension liabilities are not included in the governmental fund statements, however they are reported in the governmental activities in the Statement of Net Position:		
Miscellaneous net pension liability	(12,254,319)	
Safety net pension liability	(14,861,345)	
Safety net pension liability - Fire	<u>(16,891,227)</u>	(44,006,891)
OPEB liabilities are not included in the governmental fund statements, however they are reported in the governmental activities in the Statement of Net Position.		(24,125,097)
Employer contributions for pension were recorded as expenditures in the governmental funds. However, in the Government-Wide Financial Statements these contributions are deferred.		5,136,925
Employer contributions for OPEB were recorded as expenditures in the governmental funds. However, in the Government-Wide Financial Statements these contributions are deferred.		885,238
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	11,431,982	
Deferred outflows of resources - OPEB	2,053,819	
Deferred inflows of resources - pension	(5,532,544)	
Deferred inflows of resources - OPEB	<u>(358,602)</u>	7,594,655
Revenues reported as unavailable revenue in the governmental funds and recognized in the statement of activities. These are included in the intergovernmental revenues in the governmental fund activity.		<u>1,248,182</u>
<b>Net Position of Governmental Activities</b>		<b><u>\$ 37,641,248</u></b>

CITY OF BARSTOW

STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2021

	Special Revenue Funds			
	General	Measure I	Barstow Fire Protection District	Grants
<b>Revenues:</b>				
Taxes	\$ 26,139,094	\$ -	\$ 4,932,372	\$ -
Licenses and permits	455,886	-	80,912	-
Intergovernmental	487,333	1,701,195	217,370	742,866
Charges for services	328,465	-	-	-
Use of money and property	604,102	229	470,849	813
Fines and forfeitures	89,923	-	-	-
Miscellaneous	589,610	-	1,800	-
<b>Total Revenues</b>	<b>28,694,413</b>	<b>1,701,424</b>	<b>5,703,303</b>	<b>743,679</b>
<b>Expenditures:</b>				
Current:				
General government	5,164,979	-	-	-
Public safety	10,535,542	11,637	7,878,272	344,003
Community development	1,497,209	-	-	76,244
Parks and recreation	1,006,800	-	-	-
Public works	3,353,690	-	-	-
Capital outlay	207,816	-	-	489
Debt service:				
Principal retirement	719,295	-	-	-
Interest and fiscal charges	101,118	-	-	-
<b>Total Expenditures</b>	<b>22,586,449</b>	<b>11,637</b>	<b>7,878,272</b>	<b>420,736</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	6,107,964	1,689,787	(2,174,969)	322,943
<b>Other Financing Sources (Uses):</b>				
Transfers in	1,039,760	-	3,497,562	-
Transfers out	(3,497,562)	(1,290,762)	-	(782,657)
Proceeds from sale of capital asset	126,938	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>(2,330,864)</b>	<b>(1,290,762)</b>	<b>3,497,562</b>	<b>(782,657)</b>
Net Change in Fund Balances	3,777,100	399,025	1,322,593	(459,714)
Fund Balances, Beginning of Year	13,882,054	(1,617,935)	(6,371,923)	(31,655)
<b>Fund Balances, End of Year</b>	<b>\$ 17,659,154</b>	<b>\$ (1,218,910)</b>	<b>\$ (5,049,330)</b>	<b>\$ (491,369)</b>

CITY OF BARSTOW

STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCE:  
GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2021

	<u>Capital Projects Funds</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
	<u>City Capital Projects</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Revenues:</b>			
Taxes	\$ -	\$ -	\$ 31,071,466
Licenses and permits	-	-	536,798
Intergovernmental	443,759	1,943,043	5,535,566
Charges for services	-	-	328,465
Use of money and property	381	8,274	1,084,648
Fines and forfeitures	-	-	89,923
Miscellaneous	-	1,273	592,683
<b>Total Revenues</b>	<b><u>444,140</u></b>	<b><u>1,952,590</u></b>	<b><u>39,239,549</u></b>
<b>Expenditures:</b>			
Current:			
General government	224,957	360,743	5,750,679
Public safety	-	14,595	18,784,049
Community development	16,261	16,146	1,605,860
Parks and recreation	-	300	1,007,100
Public works	1,150,787	538,313	5,042,790
Capital outlay	2,324,678	-	2,532,983
Debt service:			
Principal retirement	-	1,395,000	2,114,295
Interest and fiscal charges	-	62,794	163,912
<b>Total Expenditures</b>	<b><u>3,716,683</u></b>	<b><u>2,387,891</u></b>	<b><u>37,001,668</u></b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(3,272,543)</u>	<u>(435,301)</u>	<u>2,237,881</u>
<b>Other Financing Sources (Uses):</b>			
Transfers in	3,284,661	367,808	8,189,791
Transfers out	-	(2,618,810)	(8,189,791)
Proceeds from sale of capital asset	-	-	126,938
<b>Total Other Financing Sources (Uses)</b>	<b><u>3,284,661</u></b>	<b><u>(2,251,002)</u></b>	<b><u>126,938</u></b>
Net Change in Fund Balances	<u>12,118</u>	<u>(2,686,303)</u>	<u>2,364,819</u>
Fund Balances, Beginning of Year	<u>795,371</u>	<u>3,913,914</u>	<u>10,569,826</u>
<b>Fund Balances, End of Year</b>	<b><u>\$ 807,489</u></b>	<b><u>\$ 1,227,611</u></b>	<b><u>\$ 12,934,645</u></b>

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CITY OF BARSTOW

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2021**

Net change in fund balances - total governmental funds		\$ 2,364,819
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the costs of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.		
Capital outlay	\$ 2,445,155	
Depreciation	(4,031,131)	
Capital assets acquired through capital lease	1,286,285	
Proceeds from sale of capital assets	(126,938)	
Gain/(loss) on sale of capital assets	<u>(498,248)</u>	(924,877)
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		
Principal repayments	1,395,000	
Amortization of bond premiums/discounts	112,750	
Lease payments	<u>719,295</u>	2,227,045
Proceeds from leases are reported as a revenue in the governmental funds, but the issuance increases long-term liabilities in the statement of net position.		
		(1,286,285)
Accrued interest for long-term liabilities. This is the net change in accrued interest for the current period.		
		4,422
Compensated absences 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.		
		(288,993)
Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore, are not reported as expenditures in the governmental funds. The details of this \$4,724,771 difference are as follows:		
Claims and judgements	(752,927)	
Pension-related items	(2,924,309)	
Other post-employment benefit-related items	<u>(1,047,535)</u>	(4,724,771)
Revenues reported as unavailable revenue in the governmental funds and recognized in the statement of activities. These are included in the intergovernmental revenues in the governmental fund activity.		
		<u>462,369</u>
<b>Change in Net Position of Governmental Activities</b>		<b><u>\$ (2,166,271)</u></b>

CITY OF BARSTOW

STATEMENT OF NET POSITION  
 PROPRIETARY FUNDS  
 JUNE 30, 2021

	<u>Business-Type Activities - Enterprise Funds</u>		
	<u>Wastewater Reclamation</u>	<u>Solid Waste Disposal</u>	<u>Totals</u>
<b>Assets:</b>			
Current:			
Cash and investments	\$ 2,063,276	\$ 99,290	\$ 2,162,566
Receivables:			
Accounts	755,534	363,871	1,119,405
Accrued interest	622	-	622
Prepaid costs	849	664	1,513
<b>Total Current Assets</b>	<b>2,820,281</b>	<b>463,825</b>	<b>3,284,106</b>
Noncurrent:			
Capital assets:			
Not being depreciated	1,895,378	-	1,895,378
Net of accumulated depreciation	19,753,180	320,925	20,074,105
<b>Total Noncurrent Assets</b>	<b>21,648,558</b>	<b>320,925</b>	<b>21,969,483</b>
<b>Total Assets</b>	<b>24,468,839</b>	<b>784,750</b>	<b>25,253,589</b>
<b>Deferred Outflows of Resources:</b>			
Deferred employer pension contributions	239,707	58,104	297,811
Deferred outflows of resources - pension related items	377,329	91,464	468,793
<b>Total Deferred Outflows of Resources</b>	<b>617,036</b>	<b>149,568</b>	<b>766,604</b>
<b>Liabilities:</b>			
Current:			
Accounts payable	215,500	513,484	728,984
Accrued liabilities	87,564	21,841	109,405
Deposits payable	-	39,516	39,516
Accrued compensated absences - due within one year	49,416	5,347	54,763
Pollution remediation liability - due within one year	51,500	-	51,500
Capital leases - due within one year	30,086	-	30,086
<b>Total Current Liabilities</b>	<b>434,066</b>	<b>580,188</b>	<b>1,014,254</b>
Noncurrent:			
Advances from other funds	283,671	-	283,671
Accrued compensated absences - due in more than one year	74,125	8,019	82,144
Pollution remediation liability - due in more than one year	5,417,492	-	5,417,492
Capital leases - due in more than one year	16,971	-	16,971
Net pension liability	2,121,709	514,298	2,636,007
<b>Total Noncurrent Liabilities</b>	<b>7,913,968</b>	<b>522,317</b>	<b>8,436,285</b>
<b>Total Liabilities</b>	<b>8,348,034</b>	<b>1,102,505</b>	<b>9,450,539</b>
<b>Deferred Inflows of Resources:</b>			
Deferred inflows of resources - pension related items	281,484	68,231	349,715
<b>Total Deferred Inflows of Resources</b>	<b>281,484</b>	<b>68,231</b>	<b>349,715</b>
<b>Net Position:</b>			
Net investment in capital assets	21,601,501	320,925	21,922,426
Unrestricted (deficit)	(5,145,144)	(557,343)	(5,702,487)
<b>Total Net Position</b>	<b>\$ 16,456,357</b>	<b>\$ (236,418)</b>	<b>\$ 16,219,939</b>

CITY OF BARSTOW

STATEMENT OF REVENUES, EXPENSES  
 PROPRIETARY FUNDS  
 YEAR ENDED JUNE 30, 2021

**Business-Type Activities - Enterprise Funds**

	<b>Wastewater Reclamation</b>	<b>Solid Waste Disposal</b>	<b>Totals</b>
<b>Operating Revenues:</b>			
Sales and service charges	\$ 5,564,001	\$ 4,208,547	\$ 9,772,548
Miscellaneous	11,199	118,766	129,965
<b>Total Operating Revenues</b>	<b>5,575,200</b>	<b>4,327,313</b>	<b>9,902,513</b>
<b>Operating Expenses:</b>			
Administration and general	2,022,097	304,737	2,326,834
Cost of services	1,487,175	3,559,560	5,046,735
Claims expense	147,910	13,459	161,369
Depreciation expense	951,307	22,190	973,497
<b>Total Operating Expenses</b>	<b>4,608,489</b>	<b>3,899,946</b>	<b>8,508,435</b>
Operating Income (Loss)	966,711	427,367	1,394,078
<b>Nonoperating Revenues (Expenses):</b>			
Interest expense	(17,562)	(1,166)	(18,728)
Gain (loss) on disposal of capital assets	(583)	-	(583)
<b>Total Nonoperating Revenues (Expenses)</b>	<b>(18,145)</b>	<b>(1,166)</b>	<b>(19,311)</b>
Changes in Net Position	948,566	426,201	1,374,767
<b>Net Position:</b>			
Beginning of Year	15,507,791	(662,619)	14,845,172
<b>End of Fiscal Year</b>	<b>\$ 16,456,357</b>	<b>\$ (236,418)</b>	<b>\$ 16,219,939</b>

## CITY OF BARSTOW

STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
YEAR ENDED JUNE 30, 2021

	<u>Business-Type Activities - Enterprise Funds</u>		
	<u>Wastewater Reclamation</u>	<u>Solid Waste Disposal</u>	<u>Totals</u>
<b>Cash Flows from Operating Activities:</b>			
Cash received from customers and users	\$ 5,671,298	\$ 3,826,837	\$ 9,498,135
Cash paid to suppliers for goods and services	(1,586,671)	(3,139,408)	(4,726,079)
Cash paid to employees for services	(1,425,489)	(175,397)	(1,600,886)
Cash received from others	11,199	118,766	129,965
<b>Net Cash Provided (Used) by Operating Activities</b>	<b><u>2,670,337</u></b>	<b><u>630,798</u></b>	<b><u>3,301,135</u></b>
<b>Cash Flows from Non-Capital Financing Activities:</b>			
Repayments made to other funds	(190,516)	(530,342)	(720,858)
<b>Net Cash Provided (Used) by Non-Capital Financing Activities</b>	<b><u>(190,516)</u></b>	<b><u>(530,342)</u></b>	<b><u>(720,858)</u></b>
<b>Cash Flows from Capital and Related Financing Activities:</b>			
Acquisition and construction of capital assets	(150,140)	-	(150,140)
Principal paid on capital debt	(319,541)	-	(319,541)
Interest paid on capital debt	(17,562)	-	(17,562)
<b>Net Cash Provided (Used) by Capital and Related Financing Activities</b>	<b><u>(487,243)</u></b>	<b><u>-</u></b>	<b><u>(487,243)</u></b>
<b>Cash Flows from Investing Activities:</b>			
Loss on investment	-	(1,166)	(1,166)
<b>Net Cash Provided (Used) by Investing Activities</b>	<b><u>-</u></b>	<b><u>(1,166)</u></b>	<b><u>(1,166)</u></b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b><u>1,992,578</u></b>	<b><u>99,290</u></b>	<b><u>2,091,868</u></b>
Cash and Cash Equivalents at Beginning of Year	70,698	-	70,698
<b>Cash and Cash Equivalents at End of Year</b>	<b><u>\$ 2,063,276</u></b>	<b><u>\$ 99,290</u></b>	<b><u>\$ 2,162,566</u></b>
<b>Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:</b>			
Operating income (loss)	\$ 966,711	\$ 427,367	\$ 1,394,078
<b>Adjustments to Reconcile Operating Income (Loss) Net Cash Provided (Used) by Operating Activities:</b>			
Depreciation	951,307	22,190	973,497
(Increase) decrease in accounts receivable	107,297	(337,688)	(230,391)
(Increase) decrease in prepaid expense	(849)	(664)	(1,513)
(Increase) decrease in deferred employer contributions	(66,657)	(20,966)	(87,623)
(Increase) decrease in deferred outflows of resources - pension	(33,496)	(17,675)	(51,171)
Increase (decrease) in accounts payable and accrued liabilities	84,017	398,349	482,366
Increase (decrease) in deposits payable	-	(44,022)	(44,022)
Increase (decrease) in net pension liability	649,369	198,322	847,691
Increase (decrease) in deferred inflows of resources - pension	39,705	16,344	56,049
Increase (decrease) in compensated absences	(27,067)	(10,759)	(37,826)
<b>Total Adjustments</b>	<b><u>1,703,626</u></b>	<b><u>203,431</u></b>	<b><u>1,907,057</u></b>
<b>Net Cash Provided (Used) by Operating Activities</b>	<b><u>\$ 2,670,337</u></b>	<b><u>\$ 630,798</u></b>	<b><u>\$ 3,301,135</u></b>
<b>Non-Cash Investing, Capital, and Financing Activities:</b>			
Gain/(Loss) on disposal of capital assets	(583)	-	(583)



## FIDUCIARY FUND FINANCIAL STATEMENTS

CITY OF BARSTOW, CALIFORNIA

STATEMENT OF FIDUCIARY NET POSITION  
 FIDUCIARY FUNDS  
 JUNE 30, 2021

	<u>Custodial Funds</u>	<u>Private-Purpose Trust Fund</u>
<b>Assets:</b>		
Cash and investments (Note 3)	\$ 226,503	\$ 834,185
Receivables:		
Accounts	17	-
Taxes	-	26,000
Accrued interest receivable	129	153
Due from other governments	-	45,461
Land held for resale	-	2,224,905
<b>Total Assets</b>	<b><u>226,649</u></b>	<b><u>3,130,704</u></b>
<b>Liabilities:</b>		
Accounts payable	58,128	-
Accrued interest	-	24,728
Bonds payable (Note 8)		
Due in one year	-	780,000
Due in more than one year	-	815,000
<b>Total Liabilities</b>	<b><u>58,128</u></b>	<b><u>1,619,728</u></b>
<b>Net Position:</b>		
Held in trust for other purposes	<u>168,521</u>	<u>1,510,976</u>
<b>Total Net Position</b>	<b><u>\$ 168,521</u></b>	<b><u>\$ 1,510,976</u></b>

CITY OF BARSTOW, CALIFORNIA

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
 FIDUCIARY FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2021

	<u>Custodial Funds</u>	<u>Private- Purpose Trust Fund</u>
<b>Additions:</b>		
Collections for assessment districts	\$ 22,129	\$ -
Intergovernmental	-	891,548
Interest and change in fair value of investments	456	(627)
<b>Total Additions</b>	<b>22,585</b>	<b>890,921</b>
<b>Deductions:</b>		
Administrative expenses	59,031	55,029
Contractual services	6,050	-
Interest expense	-	86,691
<b>Total Deductions</b>	<b>65,081</b>	<b>141,720</b>
Net Increase in Fiduciary Net Position	(42,496)	749,201
Net Position - Beginning	-	761,775
Restatement of Net Position (Note 16)	211,017	-
Net Position - Beginning, as Restated	211,017	761,775
<b>Net Position - Ending</b>	<b>\$ 168,521</b>	<b>\$ 1,510,976</b>

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# FOOTNOTE DISCLOSURES

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NOTES TO BASIC FINANCIAL STATEMENTS  
FOR YEAR ENDED JUNE 30, 2021

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**Note 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 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.

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.

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
FOR YEAR ENDED JUNE 30, 2021

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**Note 1: Summary of Significant Accounting Policies (Continued)**

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 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.

These statements are presented on an economic resource's 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.



NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
FOR YEAR ENDED JUNE 30, 2021

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**Note 1: Summary of Significant Accounting Policies (Continued)**

Certain eliminations have been made as prescribed by Governmental Accounting Standards Board (GASB) Statement No. 34 in regard 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 91% of its revenue source for fiscal year 2020. Minor sources of revenue are fees for permits, plan and specification review, and grants.
- The Grants fund accounts for transactions related to proceeds from grants restricted for various purposes specified in the respective grant agreements.
- 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 90 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.

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
FOR YEAR ENDED JUNE 30, 2021

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**Note 1: Summary of Significant Accounting Policies (Continued)**

**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 one major enterprise fund:

- The Wastewater Reclamation Fund accounts for the operation of the wastewater system. The City and its employees operate the wastewater system and plant.

In addition, the City reports one non- major enterprise fund:

- 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.

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

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

**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). Private-purpose trust funds are accounted for on the accrual basis of accounting.

The City reports the following fiduciary funds:

- Custodial 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 developer deposits and other small funds for the benefit of other agencies.
- Successor Agency Private Purpose Trust Fund – accounts for assets and liabilities of the Successor Agency Trust Fund.

**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
FOR YEAR ENDED JUNE 30, 2021**

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**Note 1: Summary of Significant Accounting Policies (Continued)**

**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. Fair 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, 2021.

**d. Cash and Cash Equivalents**

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

**e. Use of Estimates**

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

**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 non-spendable fund balance.

Governmental fund and enterprise fund receivables are shown net of an allowance for uncollectible amounts. Residential utility customers are billed bi-monthly on an alternating basis. Commercial and multi-family customers are billed monthly.

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

**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
FOR YEAR ENDED JUNE 30, 2021**

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**Note 1: Summary of Significant Accounting Policies (Continued)**

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.

**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 capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are reported at acquisition value. 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 \$10,000 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

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
FOR YEAR ENDED JUNE 30, 2021

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**Note 1: Summary of Significant Accounting Policies (Continued)**

**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.

**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:

*Non-spendable 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* – is the portion of fund balance that can only be used for specific purpose due to formal action of the City Council through adoption of a resolution prior to the end of the fiscal year. Once adopted, the limitation imposed by resolution remains in place until a similar action is taken (the adoption of another resolution) to remove or revise the limitation. No amounts have been reported within this category of fund balance.

*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

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
FOR YEAR ENDED JUNE 30, 2021

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**Note 1: Summary of Significant Accounting Policies (Continued)**

(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 non-spendable, restricted, or committed.

*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.

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

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/ expenditure) until then.

In addition to liabilities, the statement of 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.

**n. 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) plan and San Bernardino County Employees' Retirement Association (SBCERA) plan (Plans) and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by CalPERS and SBCERA. 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.

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

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the City's plan (OPEB Plan) and additions to/deductions from the OPEB Plan's fiduciary net position have been determined on the same basis. For this purpose, benefit payments are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value. Generally accepted accounting principles require that the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used:

CITY OF BARSTOW

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
FOR YEAR ENDED JUNE 30, 2021

**Note 1: Summary of Significant Accounting Policies (Continued)**

Valuation Date July 1, 2019  
Measurement Date June 30, 2020  
Measurement Period July 1, 2019 to June 30, 2020

**p. New Pronouncements**

During the fiscal year ended June 30, 2021, the City implemented the following GASB standards:

GASB Statement No. 84 – Fiduciary Activities The requirements of this Statement will enhance consistency and comparability by (1) establishing specific criteria for identifying activities that should be reported as fiduciary activities and (2) clarifying whether and how business-type activities should report their fiduciary activities. Greater consistency and comparability enhances the value provided by the information reported in financial statements for assessing government accountability and stewardship. The result of implementing this standard resulted in the inclusion of financial information formerly reported as “agency funds” in prior years within the General Fund. Additionally, Funds previously reported as agency funds are now reported as custodial funds. The implementation of this financial information resulted in prior period adjustments of \$211,017, refer to note 14 for additional information.

**Note 2: Cash and Investments**

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

Government-Wide Statement of Net Position

	Governmental Activities	Business Activities	Fiduciary Funds	Total
Cash and Investments	\$ 9,723,367	\$ 2,162,566	\$ 1,060,688	\$12,946,621
<b>Total Cash and Investments</b>	<b>\$ 9,723,367</b>	<b>\$ 2,162,566</b>	<b>\$ 1,060,688</b>	<b>\$12,946,621</b>

Cash and investments as of June 30, 2021 consist of the following:

Deposits:	
Cash on Hand	\$ 1,940
Deposits with Financial Institution	4,778,695
<b>Total Deposits</b>	<b>4,780,635</b>
Investments	
Local Agency Investment Fund	8,165,986
<b>Total Investments</b>	<b>8,165,986</b>
Total City Treasury	12,946,621
<b>Total Cash and Investments</b>	<b>\$ 12,946,621</b>

CITY OF BARSTOW

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
FOR YEAR ENDED JUNE 30, 2021

**Note 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 \$4,778,695 at June 30, 2021. Bank balances before reconciling items were \$5,172,085, the total amount of which was insured and/or collateralized with securities held by pledging financial institutions in the City's name as discussed in note 2.f.

**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.

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Maximum Percentage of Portfolio</u>	<u>Maximum Investment in One Issuer</u>
U.S. Treasury Bills, Notes, or Bonds	None	None	None
U.S. Agencies	None	None	None
CA Warrants, Treasury Notes and Bonds	None	None	None
Local Agency Bonds	5 Years	N/A	N/A
Negotiable Certificates of Deposit	N/A	30%	50%
Bankers' Acceptance	180 Days	40%	30%
Prime Commercial Paper	270 Days	25%	None
Repurchase Agreements	1 Year	None	None
Reverse Repurchase Agreements	92 Days	20%	None
Mutual Funds Investing in Eligible	N/A	20%	10%
Medium Term Notes	5 Years	30%	None
Mortgage Backed Securities	5 Years	20%	None
Local Agency Investment Fund (LAIF) *	N/A	None	\$75 million
Federal Agency	None	None	None

\*Limit set by LAIF Governing Board, not Government Code

**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.



**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
FOR YEAR ENDED JUNE 30, 2021**

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

**c. Disclosures Related to Interest Rate Risk**

Interest rate risk is the risk that changes in market interest rates that 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:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Investment</u> <u>Maturities</u> <u>(in years)</u>
		<u>1 Year or Less</u>
Local Agent Investment Fund	\$ 8,165,986	\$ 8,165,986
<b>Total</b>	<b>\$ 8,165,986</b>	<b>\$ 8,165,986</b>

**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.

<u>Investment Type</u>	<u>Fair Value</u>	<u>Legal Minimum</u>	<u>Rating as of Year End</u>
		<u>Rating</u>	<u>Not Rated</u>
Local Agency Investment Funds	\$ 8,165,986	N/A	\$ 8,165,986
<b>Total</b>	<b>\$ 8,165,986</b>		<b>\$ 8,165,986</b>

**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 City has not invested more than 5% of its total investment value with any one issuer.

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
FOR YEAR ENDED JUNE 30, 2021

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

**e. 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 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, 2021, \$4,922,085 of the City's deposits with financial institutions in excess of federal depository insurance limits were held in collateralized accounts.

**f. 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, 2021, 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, 2021, the City had \$8,165,986 invested in LAIF, which had invested 1.1% 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 1.00008297 to the total investments held by LAIF.

CITY OF BARSTOW

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
FOR YEAR ENDED JUNE 30, 2021

Note 2: Cash and Investments (Continued)

g. Investment Valuation

Investments (except for money market accounts included in investments classified as restricted cash and investments) are measured at fair value on a recurring basis. *Recurring* fair value measurements, are those that Governmental Accounting Standards Board (GASB) Statements require or permit in the statement of net position at the end of each reporting period. Fair value measurements are categorized based on the valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. Investment fair value measurements at June 30, 2021 are described on the following page.

Investments included in restricted cash and investments included money market accounts and guaranteed investment contracts are not subject to fair value measurement.

Investment Type	Fair Value	Not Subjected to Disclosure
Local Agency Investment Fund	\$ 8,165,968	\$ 8,165,968
Total Investment Subject to Fair Value	<u>\$ 8,165,968</u>	<u>\$ 8,165,968</u>

Note 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>
<b>Funds</b>			
General Fund	\$ 320,723	\$ (68,937)	\$ 251,786
Measure I Special Revenue Fund	506,917	-	506,917
Barstow Fire Protection District			
Special Revenue Fund	26,549	-	26,549
Grants Fund	984,864	-	984,864
Non Major Funds	159,653	-	159,653
<b>Enterprise Funds</b>			
Wastewater Reclamation	828,721	(73,187)	755,534
Solid Waste Disposal	419,082	(55,211)	363,871
	<u>\$ 3,246,509</u>	<u>\$ (197,335)</u>	<u>\$ 3,049,174</u>

**CITY OF BARSTOW**

**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
FOR YEAR ENDED JUNE 30, 2021**

**Note 4: Interfund Balances**

The following table presents the interfund balances as of June 30, 2021:

<u>Due to General Fund</u>	<u>Due From Other Funds</u>
Grants Fund	\$ 838,951
Non-Major Governmental Funds	85,491
<b>Total</b>	<b>\$ 924,442</b>

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. The Grants Special Revenue Fund and Non-Major Governmental Funds have expenses for which the expected reimbursement has not yet been received as of June 30, 2021.

The following table presents advances as of June 30, 2021:

	<u>Advances From Other Funds</u>			<u>Total</u>
	<u>Measure I Special Revenue Fund</u>	<u>Barstow Fire Protection District Special Revenue Fund</u>		
		<u>Special Revenue Fund</u>	<u>Wastewater Reclamation Enterprise Fund</u>	
Advances to Other Funds				
General Fund	\$ 1,700,000	\$ 5,317,392	\$ 283,671	\$ 7,301,063
<b>Total</b>	<b>\$ 1,700,000</b>	<b>\$ 5,317,392</b>	<b>\$ 283,671</b>	<b>\$ 7,301,063</b>

In fiscal year 2016, the General Fund advanced \$2,000,000 to the Measure I Special Revenue Fund to complete the Henderson/Cameron Area Road Project. Per San Bernardino County Transportation Authority (SBCTA), interest may not be charged on Measure I funds. As of June 30, 2021, the total amount owed to the General Fund is \$1,700,000.

Beginning in fiscal year 2015, the General Fund began advancing funds to the Barstow Fire Protection District Special Revenue Fund to cover operational expenditures for each fiscal year. Funds advanced accumulated to \$4,153,696 as of July 1, 2018. On October 1, 2018, the City and the Barstow Fire Protection District entered into a formal loan agreement with the balance due to be paid over a period of 5 years at a zero percent interest rate. The City has the option to declare at any point in time that the entire principal amount outstanding will be due and payable upon request. In fiscal year 2021, the General Fund advanced the Barstow Fire Protection District an additional \$1,243,696. As of June 30, 2021, the total amount owed to the General Fund from the Barstow Fire Protection District Special Revenue Fund is \$5,317,392.

In fiscal year 2015, the General Fund advanced \$5 million to the Wastewater fund to cover major capital facility improvements. The funds were advanced at a 2% interest rate. As of June 30, 2021, the total amount owed to the General Fund from the Wastewater Fund is \$283,671.

**CITY OF BARSTOW**

**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
FOR YEAR ENDED JUNE 30, 2021**

**Note 4: Interfund Transfers (Continued)**

With Council approval, resources are transferred from one City fund to another. The transfers reflected are to record capital outlay and debt service for the year.

In the fund financial statements, total transfers were \$8,189,791 as follows:

Transfers Out	Transfers In				Total
	General Fund	Barstow Fire Protection District	City Capital Projects	Non-Major Governmental Funds	
Major					
General	\$ -	\$ 3,497,562	\$ -	\$ -	\$ 3,497,562
Grants Fund	-	-	782,657	-	782,657
Measure I Special Revenue Fund	840,000	-	82,954	367,808	1,290,762
Non-Major Governmental Funds	199,760	-	2,419,050	-	2,618,810
<b>Total</b>	<b>\$ 1,039,760</b>	<b>\$ 3,497,562</b>	<b>\$ 3,284,661</b>	<b>\$ 367,808</b>	<b>\$ 8,189,791</b>

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

The transfers of \$3,497,562 from the general fund, \$782,657 from the Grants Fund, \$1,290,762 from the Measure I Fund, and \$2,618,810 from Non-major governmental funds to Non-major governmental funds were for capital improvements and debt services.

**Note 5: Capital Assets**

A summary of changes in the governmental activities capital assets at June 30, 2021 are as follows:

	Balance July 1, 2020	Transfers of CIP	Increases	Decreases	Balance June 30, 2021
<b>Non-Depreciable Assets:</b>					
Work in Progress	\$ 10,154,019	\$ (100,661)	\$ 3,409,333	\$ 101,223	\$ 13,361,468
Land	9,800,485	-	-	98,001	9,702,484
Intangible Asset-Water Rights	85,000	-	-	-	85,000
<b>Total Non-Depreciable Assets</b>	<b>20,039,504</b>	<b>(100,661)</b>	<b>3,409,333</b>	<b>199,224</b>	<b>23,148,952</b>
<b>Depreciable Assets:</b>					
Buildings and Improvements	28,829,129	35,784	-	3,528,585	25,336,328
Machinery and Equipment	5,496,564	64,877	113,675	376,606	5,298,510
Property Under Capital Lease	1,205,253	-	208,432	-	1,413,685
Infrastructure	113,337,068	-	-	5,000	113,332,068
<b>Total Depreciable Assets</b>	<b>148,868,014</b>	<b>100,661</b>	<b>322,107</b>	<b>3,910,191</b>	<b>145,380,591</b>
<b>Less Accumulated Depreciation:</b>					
Buildings and Improvements	(18,301,986)	-	(504,705)	(3,135,739)	(15,670,952)
Machinery and Equipment	(3,986,333)	-	(257,277)	(343,490)	(3,900,120)
Property Under Capital lease	(222,509)	-	(171,992)	-	(394,501)
Infrastructure	(60,683,984)	-	(3,097,157)	(5,000)	(63,776,141)
<b>Total Accumulated Depreciation</b>	<b>(83,194,812)</b>	<b>-</b>	<b>(4,031,131)</b>	<b>(3,484,229)</b>	<b>(83,741,714)</b>
<b>Total Depreciable Assets, Net</b>	<b>65,673,202</b>	<b>100,661</b>	<b>(3,709,024)</b>	<b>425,962</b>	<b>61,638,877</b>
<b>Total Capital Assets</b>	<b>\$ 85,712,706</b>	<b>\$ -</b>	<b>\$ (299,691)</b>	<b>\$ 625,186</b>	<b>\$ 84,787,829</b>

CITY OF BARSTOW

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
FOR YEAR ENDED JUNE 30, 2021

Note 5: Capital Assets (Continued)

A summary of changes in the business-type activities capital assets at June 30, 2021 are as follows:

	Balance July 1, 2020	Transfers of CIP	Increases	Decreases	Balance June 30, 2021
Non-Depreciable Assets:					
Work in Progress	\$ 206,403	\$ (118,802)	\$ 150,140	\$ -	\$ 237,741
Land	1,657,637	-	-	-	1,657,637
Total Non-Depreciable Assets	<u>1,864,040</u>	<u>(118,802)</u>	<u>150,140</u>	<u>-</u>	<u>1,895,378</u>
Depreciable Assets:					
Buildings and Improvements	306,094	-	-	-	306,094
Machinery and Equipment	3,445,538	-	-	833,411	2,612,127
Property Under Capital Lease	169,364	-	-	-	169,364
Infrastructure	31,252,541	118,802	-	1,581	31,369,762
Total Depreciable Assets	<u>35,173,537</u>	<u>118,802</u>	<u>-</u>	<u>834,992</u>	<u>34,457,347</u>
Less Accumulated Depreciation:					
Buildings and Improvements	(210,879)	-	(6,419)	-	(217,298)
Machinery and Equipment	(1,834,237)	-	(134,798)	(833,411)	(1,135,624)
Property Under Capital lease	(64,601)	-	(16,440)	-	(81,041)
Infrastructure	(12,134,437)	-	(815,840)	(998)	(12,949,279)
Total Accumulated Depreciation	<u>(14,244,154)</u>	<u>-</u>	<u>(973,497)</u>	<u>(834,409)</u>	<u>(14,383,242)</u>
Total Depreciable Assets, Net	<u>20,929,383</u>	<u>118,802</u>	<u>(973,497)</u>	<u>583</u>	<u>20,074,105</u>
<b>Total Capital Assets</b>	<b><u>\$ 22,793,423</u></b>	<b><u>\$ -</u></b>	<b><u>\$ (823,357)</u></b>	<b><u>\$ 583</u></b>	<b><u>\$ 21,969,483</u></b>

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

	Governmental Activities	Business-Type Activities
General Government	\$ 371,746	\$ -
Public Safety	296,319	-
Recreation	231,556	-
Community Development	4,129	-
Public Works	3,127,381	-
Wastewater Reclamation	-	951,307
Solid Waste Disposal	-	22,190
<b>Total Depreciation Expense</b>	<b><u>\$ 4,031,131</u></b>	<b><u>\$ 973,497</u></b>

CITY OF BARSTOW

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
FOR YEAR ENDED JUNE 30, 2021

**Note 6: Long-Term Debt**

During the year ended June 30, 2021, the following changes occurred in liabilities reported in long-term debt:

	Balance June 30, 2020	Additions	Deletions/ Adjustments	Balance June 30, 2021	Due Within One Year
<b>Governmental Activities:</b>					
Measure I TRIP COP, Series 2012	\$ 1,395,000	\$ -	\$ (1,395,000)	\$ -	\$ -
Bond Premium - Measure I TRIP	112,750	-	(112,750)	-	-
Capital Lease Agreements	1,027,234	1,286,285	(719,295)	1,594,224	378,488
Total Governmental Activities	<u>\$ 2,534,984</u>	<u>\$ 1,286,285</u>	<u>\$ (2,227,045)</u>	<u>\$ 1,594,224</u>	<u>\$ 378,488</u>
<b>Business Type Activities:</b>					
Capital lease Agreement	\$ 349,491	\$ -	\$ (302,434)	\$ 47,057	\$ 30,086
Total Business Type Activities	<u>\$ 349,491</u>	<u>\$ -</u>	<u>\$ (302,434)</u>	<u>\$ 47,057</u>	<u>\$ 30,086</u>

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

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

The City is required under the 2012 installment sale agreement to make installment sale payments to the Authority. 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, 2021 were \$375,549. The Measure I TRIP COPs were paid in full in fiscal year 2020-2021.

**b. Capital Lease Agreements**

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 at 4.795%. The lease is for 126 months and expires in July 2021.

Year Ending June 30,	Governmental Activities	Business Type Activities
2022	<u>Lease Payment</u>	<u>Lease Payment</u>
	\$ 21,971	\$ 16,575
Total Minimum Lease Payments	21,971	16,575
Less: Amount representing interest	(87)	(66)
Present Value of Future Minimum Lease Payments	<u>\$ 21,884</u>	<u>\$ 16,509</u>

CITY OF BARSTOW

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
FOR YEAR ENDED JUNE 30, 2021

**Note 6: Long-Term Debt (Continued)**

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 2021, the City leased 1 new vehicle for governmental activities at a cost of \$43,408 and made an annual lease payment of \$284,602. The City made an annual lease payment of \$23,945 related to the business type activity leases. Future minimum lease payments under all of the leases are as follows:

Year Ending June 30,	Governmental	Business Type
	Activities	Activities
	Lease Payment	Lease Payment
2022	\$ 244,147	\$ 20,821
2023	201,173	13,579
2024	24,171	7,778
2025	8,116	3,241
Total Minimum Lease Payments	477,607	45,419
Less: Amount representing interest	(82,612)	(14,871)
Present Value of Future Minimum Lease Payments	\$ 394,995	\$ 30,548

In fiscal year 2020-2021, the City entered into a lease agreement to finance the cost to refurbish a fire engine, and purchase a new fire apparatus, and hydraulic lift to service the fire apparatus. The total available financing is \$1,451,751. At June 30, 2021, costs of \$1,242,878 were incurred relating to the purchase of the fire equipment. The City is required to make semi-annual lease payments of 83,601, including principal and interest at a rate of 2.45% until the year 2030.

Year Ending June 30,	Governmental
	Activities
	Lease Payment
2022	\$ 167,202
2023	167,202
2024	167,202
2025	167,202
2026	167,202
2027-2030	520,290
Total Minimum Lease Payments	1,356,300
Less: Amount representing interest	(178,955)
Present Value of Future Minimum Lease Payments	\$ 1,177,345

**Note 7: Pollution Remediation Liability**

During the year ended June 30, 2021, the following changes occurred in the City's Pollution Remediation Liability

	Balance June 30, 2020	Additions	Deletions/ Adjustments	Balance June 30, 2021	Due Within One Year
<b>Business Type Activities:</b>					
Pollution Remediation Liability	\$ 5,486,099	\$ -	\$ (17,107)	\$ 5,468,992	\$ 51,500



**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
FOR YEAR ENDED JUNE 30, 2021**

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**Note 7: Pollution Remediation Liability (Continued)**

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. In 2015, the City completed the Phase I Improvement Project, which resulted in an improved effluent water quality from the Barstow Wastewater Treatment Plant. In 2019, the California Regional Water Quality Control Board issued a new discharge permit that encompassed new and revised sampling requirements for the treatment plant and the surrounding monitoring wells. During this time the Regional Water Quality Control Board removed the Cease and Desist Order against the City of Barstow. To date approximately \$3,386,008 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. The City anticipates spending \$51,500 for the operating and testing costs in fiscal year 2022 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, 2021 is as follows:

<u>Obligating Event</u>	<u>Liability</u>
Quarterly and Maintenance of Groundwater	\$ 10,257
Operation and Maintenance of Ground Water	1,401
Replacement Drinking Water	5,450
Total by Obligating Event	<u>\$ 17,108</u>

**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.

**CITY OF BARSTOW**

**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
FOR YEAR ENDED JUNE 30, 2021**

**Note 8: 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, 2021, was \$1,567,956 for governmental activities and \$174,733 for business-type activities.

	Balance June 30, 2020	Incurred	Satisfied	Balance June 30, 2021	Due Within One Year
Governmental Activities	\$ 1,567,956	\$ 1,073,665	\$ (784,672)	\$ 1,856,949	\$ 742,780
Business Type Activities	\$ 174,733	\$ 85,505	\$ (123,331)	\$ 136,907	\$ 54,763

**Note 9: Risk Management**

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

The Employment Practices Liability program provides up to \$1 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 PRISM 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.

CITY OF BARSTOW

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
FOR YEAR ENDED JUNE 30, 2021

**Note 9: Risk Management (Continued)**

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.

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.

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.

	2021	2020	2019
<u>Workers' Compensation</u>			
Liability, July 1	\$2,370,315	\$1,683,201	\$1,838,232
Incurred Claims and Changes in Estimates	677,615	1,407,654	385,735
Claim Payments	(169,455)	(720,540)	(540,766)
Liability, June 30	<u>\$2,878,475</u>	<u>\$2,370,315</u>	<u>\$1,683,201</u>
Due Within One Year	\$ 575,695	\$ 474,063	\$ 336,641
Due in More Than One Year	2,302,780	1,896,252	1,346,560
	<u>\$2,878,475</u>	<u>\$2,370,315</u>	<u>\$1,683,201</u>
<u>General Liability</u>			
Liability, July 1	\$ 239,823	\$ 426,977	\$ 278,058
Incurred Claims and Changes in Estimates	1,635,798	(158)	429,835
Claim Payments	(1,391,031)	(186,996)	(280,916)
Liability, June 30	<u>\$ 484,590</u>	<u>\$ 239,823</u>	<u>\$ 426,977</u>
Due Within One Year	\$ 121,147	\$ 59,956	\$ 106,743
Due in More Than One Year	363,443	179,867	320,234
	<u>\$ 484,590</u>	<u>\$ 239,823</u>	<u>\$ 426,977</u>

**CITY OF BARSTOW**

**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
FOR YEAR ENDED JUNE 30, 2021**

**Note 10: Retirement Plans**

**a. Summary of Pension Plan Balances**

Pension related balances presented on the Statement of Net Position as of June 30, 2021, by individual plan are described in the following table:

	Deferred Employer Contributions	Deferred Outflows- Pension	Net Pension Liability	Deferred Inflows- Pension	Pension Expense
CalPERS Cost Sharing Plan	\$ 3,405,375	\$ 4,669,311	\$ (29,751,671)	\$ (2,567,246)	\$ 6,086,358
SBCERA- Barstow Fire Protection District	2,029,361	7,231,464	(16,891,227)	(3,315,013)	3,201,401
Total	<u>\$ 5,434,736</u>	<u>\$ 11,900,775</u>	<u>\$ (46,642,898)</u>	<u>\$ (5,882,259)</u>	<u>\$ 9,287,759</u>

**b. CALPERS Safety and Miscellaneous Employees Plans**

Plan Description

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

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 10 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.

CITY OF BARSTOW

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
FOR YEAR ENDED JUNE 30, 2021

**Note 10: Retirement Plans (Continued)**

The rate plan provisions and benefits in effect at the measurement date 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	9.000%	8.000%
Required Employer Contribution Rates	21.927%	13.182%
Required UAL Payment	\$ 813,069	\$ 827,964

	<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 Payment	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	11.500%	6.250%
Required Employer Contribution Rates	13.034%	6.985%
Required UAL Payment	\$ 1,674	\$ 13,931

**Contributions** – Section 20814(c) of the California Public Employees’ Retirement Law requires that the employer contribution rates for all public employers are to 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.

The City’s contributions to the Plan for the measurement period ended June 30, 2020, recognized as a reduction to the net pension liability were \$3,124,739.

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

As of June 30, 2021, the City reported a net pension liability for its proportionate share of the net pension liability of the Plan of \$29,751,671.

**CITY OF BARSTOW**

**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
FOR YEAR ENDED JUNE 30, 2021**

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**Note 10: Retirement Plans (Continued)**

The City's net pension liability for the Plan is measured as the proportionate share of the total net pension liability of the Plan. The net pension liability of the Plan is measured as of June 30, 2020, and the total pension liability for the Plan used to calculate the net pension liability was determined by actuarial valuations as of June 30, 2019 rolled forward to June 30, 2020 using standard update procedures. The City's proportionate 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.

The City's proportionate share of the net pension liability for the Plan as of the measurement dates June 30, 2019 and 2020 were as follows:

Proportion - June 30, 2019	0.24588%
Proportion - June 30, 2020	<u>0.26490%</u>
Change - Increase (Decrease)	0.01902%

For the year ended June 30, 2021, the City recognized pension expense of \$6,086,358. At June 30, 2021, 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	\$ 3,405,375	\$ -
Changes of Assumptions	-	(155,706)
Differences Between Expected and Actual	1,919,765	-
Changes in Employer's Proportion	1,984,206	-
Differences Between the Employer's Contribution and the Employer's Proportionate Share of Contributions	-	(2,411,540)
Net Differences Between Projected and Actual Earnings on Plan Investments	<u>765,340</u>	-
Total	<u>\$ 8,074,686</u>	<u>\$ (2,567,246)</u>

\$3,405,375 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, 2021.

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:	
2021	\$ 426,680
2022	740,920
2023	560,465
2024	<u>374,000</u>
Total	<u>\$ 2,102,065</u>

**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**  
**FOR YEAR ENDED JUNE 30, 2021**

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**Note 10: Retirement Plans (Continued)**

**Actuarial Assumptions** – The total pension liabilities in the June 30, 2020, actuarial valuations were determined using the following actuarial assumptions:

Actuarial Cost Method	Entry - Age Normal in Accordance with the Requirements of GASB 68
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.50%
Projected Salary Increase	Varies by Entry Age and Service
Mortality Rate Table	Derived by CalPERS Membership Data for All Funds
Post Retirement Benefit Increase	The lesser of contract COLA or 2.50% until Purchasing Power Protection Allowance floor on purchasing power applies, 2.50% thereafter

The underlying mortality assumptions and all other actuarial assumptions used in the June 30, 2019, valuation were based on the results of a January 2017 actuarial experience study for the period 1997 to 2015. Further details of the Experience Study can be found on the CalPERS website.

**Change of Assumptions** - There were no changes in assumptions.

**Subsequent Events** - There were no subsequent events to the plan that would materially affect the results presented.

**Discount Rate** – The discount rate used to measure the total pension liability was 7.15% 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 7.15 percent discount rate is adequate, and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate of 7.15 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. 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 (CONTINUED)  
FOR YEAR ENDED JUNE 30, 2021

**Note 10: Retirement 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 <sup>1</sup>	New Strategic Allocation	Real Return Years 1 - 10(a) <sup>2</sup>	Real Return Years 11+(b) <sup>3</sup>
Global Equity	50.00%	4.80%	5.98%
Fixed Income	28.00%	1.00%	2.62%
Inflation Assets	-	0.77%	1.81%
Private Equity	8.00%	6.30%	7.23%
Real Assets	13.00%	3.75%	4.93%
Liquidity	1.00%	-	-0.92%
Total	100.00%		

<sup>1</sup> In the System's ACFR, Fixed Income is included in Global Debt Securities; Liquidity is included in Short-Term Investments; Inflation Assets are included in both Global Equity Securities and Global Debt Securities.

<sup>2</sup> An Expected Inflation of 2.00% Used for this Period.

<sup>3</sup> An Expected Inflation of 2.92% 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:

1% Decrease	6.15%
Net Pension Liability	\$ 47,786,201
Current Discount Rate	7.15%
Net Pension Liability	\$ 29,751,671
1% Increase	8.15%
Net Pension Liability	\$ 14,891,260

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



NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
FOR YEAR ENDED JUNE 30, 2021

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Note 10: Retirement Plans (Continued)

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 were 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), 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.

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.

**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
FOR YEAR ENDED JUNE 30, 2021**

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**Note 10: Retirement Plans (Continued)**

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 benefits 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).

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 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 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.

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
FOR YEAR ENDED JUNE 30, 2021

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**Note 10: Retirement Plans (Continued)**

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.

All members are required to make contributions to SBCERA regardless of the retirement plan or tier in which they are included.

Fire safety members contribute the required employee share of their pension. The percentage of pay varies between 12.30% – 17.74%.

The District pays a capped percentage of the employer's pension cost per the Barstow Professional Fire Fighters Association Memorandum of Understanding. The employer's costs are capped at 46% 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.

The City's contributions to the Plan for the measurement period ended June 30, 2020 were \$2,029,361.

During the fiscal year, the City transferred from the "Other Safety" cost group within SBCERA to the "County Safety" cost group to achieve future savings in the cost of the City's contributions to SBCERA. Such transfer must be made in a manner that does not shift the present unfunded liability burden associated with the City, or a portion thereof, to the County. The Parties have agreed that the amount that must be contributed to SBCERA to effectuate the inclusion of the City into the present County Safety cost group, and avoid negatively impacting the County as a result thereof, is \$8,485,000 calculated as of June 30, 2018. The Parties have further agreed that this amount may be amortized over twenty years at SBCERA's assumed rate of return for investments, which is 7.5%, resulting in twenty annual payments of \$832,312 beginning on or before July 1, 2017, and continuing on or before each successive July 1 thereafter, through and including July 1, 2036. The payments are considered supplemental contributions in addition to the regular employer contribution rates annually set by the SBSERA Board of Retirement and approved by the County Board of Supervisors.

CITY OF BARSTOW

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
FOR YEAR ENDED JUNE 30, 2021

**Note 10: Retirement Plans (Continued)**

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

As of June 30, 2021, the City reported a net pension liability for its proportionate share of the net pension liability of the Plan of \$16,891,227

The City's net pension liability for the Plan is measured as the proportionate share of the total net pension liability of the Plan. The net pension liability of the Plan is measured as of June 30, 2020, and the total pension liability for the Plan used to calculate the net pension liability was determined by actuarial valuations as of June 30, 2020. 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 the Plan as of the measurement dates June 30, 2019 and 2020 were as follows:

Proportion - June 30, 2019	0.457%
Proportion - June 30, 2020	0.421%
Change - Increase (Decrease)	<u>-0.036%</u>

For the year ended June 30, 2021, the City recognized pension expense of \$3,038,423. At June 30, 2021, 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	\$ 2,029,361	\$ -
Changes of Assumptions or Other Inputs	1,978,725	-
Changes in Employer's Proportion and Differences Between the Employer's Contribution and the Employer's Proportionate Share of Contributions	1,481,273	(3,154,750)
Net Differences Between Projected and Actual Earnings on Plan Investments	3,564,321	-
Difference Between Expected and Actual Experience in the Total Pension Liability	207,145	(160,263)
Total	<u>\$ 9,260,825</u>	<u>\$ (3,315,013)</u>

\$2,029,361 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, 2021.

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:	
2022	\$ 495,737
2023	1,107,874
2024	1,396,388
2025	856,246
2026	60,206
Total	<u>\$ 3,916,451</u>

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
 FOR YEAR ENDED JUNE 30, 2021

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**Note 10: Retirement Plans (Continued)**

**Actuarial Assumptions** – The total pension liabilities in the June 30, 2020, actuarial valuations were determined using the following actuarial assumptions:

Valuation Date June 30, 2020

Measurement Date June 30, 2020

Actuarial Cost Method Entry - Age Actuarial Cost Method

Actuarial Assumptions:

Discount Rate	7.25%
Inflation	3.00%
Projected Salary Increase <sup>2</sup>	General: 4.50% to 14.5% and Safety: 4.7% to 14.5%
Cost of Living Adjustments	Contingent upon CPI increases with a 2% maximum
Investment Rate of Return <sup>1</sup>	7.25%
Mortality	Mortality rates are based on the Headcount-Weighted RP 2014 Healthy Annuitant Mortality Table projected generationally using the two-dimensional mortality improvement scale MP-2016. For healthy General males members, the ages are set forward one year. No adjustment for healthy General female members. For Safety members, ages are set back one year. For disabled General members, ages are set forward seven years.

<sup>1</sup> Net of pension plan investment expenses, including inflation.

<sup>2</sup> Varying by service, including inflation 3% plus real across-the-board salary increase of 0.5% plus merit and promotional increases for both June 30, 2020, and 2019.

**Change of Assumptions** - There were no changes in assumptions.

**Subsequent Events** - There were no subsequent events to the plan that would materially affect the results presented.

**Discount Rate** – The discount rates used to measure the Total Pension Liability was 7.25% as of June 30, 2020. 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 7.25% was applied to all periods of projected benefit payments to determine the Total Pension Liability as of June 30, 2020.

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.

**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**  
**FOR YEAR ENDED JUNE 30, 2021**
**Note 10: Retirement Plans (Continued)**

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, 2020, 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.

Asset Class	Total Allocation	Long-Term ExpectedReal Rate of Return (Arithmetic)
Large Cap U.S. Equity	11.00%	5.42%
Small Cap U.S. Equity	2.00%	6.21%
Developed International Equity	9.00%	6.50%
Emerging Market Equity	6.00%	8.80%
U.S. Core Fixed Income	2.00%	1.13%
High Yield/ Credit Strategies	13.00%	3.40%
International Core Fixed Income	1.00%	-0.04%
Emerging Market Debt	8.00%	3.44%
Real Estate	3.00%	4.57%
Value added real estate	3.00%	6.53%
Cash & Equivalents	3.00%	-0.03%
International Credit	11.00%	5.89%
Absolute Return	7.00%	3.69%
Real Assets	5.00%	10.64%
Private Equity	16.00%	10.70%
Total	100.00%	

***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	6.25%
Net Pension Liability	\$ 23,703,774
Current Discount Rate	7.25%
Net Pension Liability	\$ 16,891,227
1% Increase	8.25%
Net Pension Liability	\$ 11,312,878

**CITY OF BARSTOW**

**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
FOR YEAR ENDED JUNE 30, 2021**

**Note 10: Retirement Plans (Continued)**

***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, 2021, the City reported a payable of \$20,004 for outstanding amount of contributions to the pension plan required for the year ended June 30, 2021.

**Note 11: Post-Employment Healthcare Benefits**

**a. City of Barstow OPEB Plan**

Pension related balances presented on the Statement of Net Position as of June 30, 2021, by individual plan are described in the following table:

	Deferred Employer Contributions - OPEB	Deferred Outflows- OPEB	Net OPEB Liability	Deferred Inflows- OPEB	OPEB Expense
City of Barstow OPEB Plan	\$ 851,272	\$ 1,833,336	\$ 20,236,016	\$ (327,108)	\$ 1,273,542
Barstow Fire Protection District OPEB Plan	33,966	220,483	3,889,081	(31,494)	659,231
Total	<u>\$ 885,238</u>	<u>\$ 2,053,819</u>	<u>\$ 24,125,097</u>	<u>\$ (358,602)</u>	<u>\$ 1,932,773</u>

**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, California 95811. The CalPERS health plan is an agent multiple employer defined benefit plan.

**Employee Covered**

Inactive Employees of Beneficiaries Currently Receiving Benefits	114
Inactive Employees Entitled to but not yet Receiving Benefits	32
Active Employees	135
Total	<u>281</u>

**Contributions**

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 measurement period 2019-2020, the City contributed \$851,272 which were in the form of benefit payments during the period. The City did not make additional contributions to the CERBT trust (CERBT).

CERBT is a tax qualified irrevocable trust, organized under Internal Revenue Code (IRC) Section 115, established to prefund OPEB as described in GASB Statement No. 45. The CERBT issues a publicly available financial report that included financial statements and required supplementary information for the City, not individualizing, but in aggregate with the other CERBT participants. That report may be obtained by contacting CalPERS.

**CITY OF BARSTOW**

**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
FOR YEAR ENDED JUNE 30, 2021**

**Note 11: Post-Employment Healthcare Benefits (Continued)**

**Net OPEB Liability**

The City's net OPEB liability was measured as of June 30, 2020, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation dated June 30, 2019, based on the following actuarial methods and assumptions

Valuation Date	June 30, 2019
Measurement Date	June 30, 2020
Actuarial Cost Method	Entry - Age Normal Cost, level percent of pay
Actuarial Assumptions:	
Discount Rate	2.66%
Inflation	2.5% per year
Salary Increases	2.5% per year
Assumed Wage Inflation	3.00%
Investment Rate of Return	6.75% <sup>1</sup>
Mortality	MacLeod Watts Scale 2018 applied generationally
Post Retirement Benefit Increase	Post-retirement mortality projected fully generational with Scale MP-2017
Healthcare Trend	6.5% as of Jan 1, 2011; and grade down to 4.0% for years 2076 and thereafter

<sup>1</sup> Net of pension plan investment expenses and including inflation.

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges 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 and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the table on the following page.

Asset Class	Target Allocation*	Expected Real Return Year 1-10	Expected Real Return Years 11+
Global Equity	59.00%	4.80%	5.98%
Fixed Income	25.00%	1.10%	2.62%
Global Real Estate (REITs)	8.00%	3.20%	5.00%
Treasury Inflation Protected Securities	5.00%	0.25%	1.46%
Commodities	3.00%	1.50%	2.87%
Assumed Long-Term Rate of Inflation			2.00%
Assumed Long-Term Investment Expenses			N/A
Expected Long-Term Net Rate of Return, Rounded			6.75%
Discount Rate			2.79%

\*Real rates of return come from a geometric representation of returns that assume a general inflation rate of 2%.



CITY OF BARSTOW

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
FOR YEAR ENDED JUNE 30, 2021

Note 11: Post-Employment Healthcare Benefits (Continued)

**Discount Rate**

The discount rate used to measure the total OPEB liability was 2.66 percent. The discount rate used reflects the results of a crossover test. In years where the trust is expected to have sufficient assets to pay the current year's retiree benefits, the assumed trust rate of return is applied; once the trust is no longer expected to be able to pay plan benefits, a municipal bond rate is applied for the remainder of the projects. The S&P General Obligation Municipal Bond 20 Year High Grade Index was used for the purpose of the municipal bond rate.

**Changes in the net OPEB Liability**

The changes in the net OPEB liability for the OPEB Plan are as follows:

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability/Asset
<b>Balance at June 30, 2020</b>	<b>\$ 20,861,858</b>	<b>\$ 1,293,319</b>	<b>\$ 19,568,539</b>
<b>Change in the Year:</b>			
Service Cost	532,051	-	532,051
Interest	586,298	-	586,298
Differences between expected and actual experience	-	-	-
Changes in Assumptions	353,512		353,512
Benefit Payments	(759,312)	(759,312)	(1,518,624)
Contribution - Employer	-	759,312	759,312
Net Investment Income	-	45,704	45,704
Administrative Expenses	-	(632)	(632)
Net Changes	712,549	45,072	757,621
<b>Balance at June 30, 2021</b>	<b>\$ 21,574,407</b>	<b>\$ 1,338,391</b>	<b>\$ 20,236,016</b>

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

The following presents the net OPEB liability of the City if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate, for measurement period ended June 30, 2020:

	1% Decrease 1.66%	Current Discount 2.66%	1% Increase 3.66%
Net OPEB Liability	\$ 23,286,197	\$ 20,236,016	\$ 17,735,950

**Sensitivity of the Net OPEB Liability to Changes in the Health Care Cost Trend Rates**

The following presents the net OPEB liability of the City if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current rate, for measurement period ended June 30, 2020:

	1% Decrease 5.5% - 3%	Current Healthcare Trend Rate 6.5% - 4%	1% Increase 7.5% - 5%
Net OPEB Liability	\$ 19,031,854	\$ 20,236,016	\$ 22,034,268

**CITY OF BARSTOW**

**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
FOR YEAR ENDED JUNE 30, 2021**

**Note 11: Post-Employment Healthcare Benefits (Continued)**

**Recognition of Deferred Outflow and Deferred Inflows of Resources**

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

Net differences between projected and actual earnings on OPEB plan investments	5 years straight-line recognition
All Other Amounts	Expected average remaining service lifetime (EARSL) (6.24 years at June 30, 2020, measurement date)

**OPEB Expense and Deferred Outflows/(Inflows) of Resources Related to OPEB**

For the fiscal year ended June 30, 2021, the City recognized OPEB expense of \$1,273,542. For the fiscal year ended June 30, 2021, the City reported deferred outflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
OPEB Contributions Subsequent to Measurement	\$ 851,272	\$ -
Differences between expected and actual experience	74,913	-
Changes of Assumptions	1,730,976	(327,108)
Net Difference Between Projected and Actual	27,447	-
Total	<u>\$ 2,684,608</u>	<u>\$ (327,108)</u>

The \$851,272 reported as deferred outflows of resources related to contributions subsequent to the June 30, 2020, measurement date will be recognized as a reduction of the net OPEB liability during the fiscal year ending June 30, 2022. Other amounts reported as deferred outflows of resources related to OPEB will be recognized as expense as follows:

Measurement Period Ending June 30:	
2021	\$ 241,840
2022	313,264
2023	424,870
2024	380,320
2025	132,340
Thereafter	13,594
Total	<u>\$ 1,506,228</u>

**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
FOR YEAR ENDED JUNE 30, 2021**

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**Note 11: Post-Employment Healthcare Benefits (Continued)**

**b. Barstow Fire Protection District OPEB Plan**

**Plan Description**

The Barstow Fire Protection District (BFPD) became part of the City of Barstow in November 2010 as a special revenue fund. In previous years, the Barstow Fire Professional Fire Fighters Association (BFPA) had a separate health insurance plan, Riverstone Capital, apart from City Employees. Riverstone Capital notified the City that effective February 28, 2019, the BFPD employees would be losing their Stop Loss/Reinsurance coverage. The City's/BFPD's insurance broker, Alliant/Crystal and Company, reviewed several options and it was determined that moving the BFPD employees into CalPERS medical would offer the best long-term coverage options for the employees.

CalPERS would also extend the coverage to retirees. The previous method for providing retiree coverage under BFPA's Memorandum of Understanding (MOU) required the retiree carry their own insurance coverage and submit proof of payment of the premium and a request for reimbursement on a monthly basis. Including retired firefighters in CalPERS medical coverage streamlined the process for the city and the retiree.

A meeting with BFPD members was held to advise them of the situation and staff began the process to enroll them into CalPERS health coverage effective March 1, 2019. The inclusion of the BFPD firefighters in CalPERS medical coverage also simplified the process of providing medical insurance to all City employees.

The City provides retiree medical benefits to eligible retirees and their spouses in accordance with their labor agreements.

**Employee Covered**

Inactive Employees or Beneficiaries Currently Receiving Benefits	4
Inactive Employees Entitled to but not yet Receiving Benefits	0
Active Employees	19
Total	<u>23</u>

**Contributions**

The contribution requirements of plan members and the District are established and may be amended by the Board of Directors. The District 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 measurement period 2019-20, the District contributed \$19,568, which were in the form of benefit payments during the period. The City did not make additional contributions to the CERBT trust (CERBT).

CERBT is a tax qualified irrevocable trust, organized under Internal Revenue Code (IRC) Section 115, established to prefund OPEB as described in GASB Statement No. 45. The CERBT issues a publicly available financial report that included financial statements and required supplementary information for the City, not individualizing, but in aggregate with the other CERBT participants. That report may be obtained by contacting CalPERS.

**CITY OF BARSTOW**

**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
FOR YEAR ENDED JUNE 30, 2021**

**Note 11: Post-Employment Healthcare Benefits (Continued)**

**Net OPEB Liability**

The District's net OPEB liability was measured as of June 30, 2020, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation dated June 30, 2020, based on the following actuarial methods and assumptions:

Valuation Date	June 30, 2019
Measurement Date	June 30, 2020
Actuarial Cost Method	Entry - Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	2.70%
Inflation	2.50%
Contribution Policy	Contributes full ADC
Salary Increases	Varies by Entry Age and Service
Projected Salary Increases	3.00%
Investment Rate of Return	7.05%
Mortality	MacLeod Watts Scale 2020 applied generationally
Healthcare Trend	5.4% decreasing to 4.00% in 2076

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges 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 and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the table below.

Asset Class	Target Allocation*	Expected Real Return Year 1-10	Expected Real Return Years 11+
Global Equity	59.00%	4.80%	5.98%
Fixed Income	25.00%	1.10%	2.62%
Global Real Estate (REITs)	8.00%	3.20%	5.00%
Treasury Inflation Protected Securities	5.00%	0.25%	1.46%
Commodities	3.00%	1.50%	2.87%
Assumed Long-Term Rate of Inflation			2.00%
Assumed Long-Term Investment Expenses			N/A
Expected Long-Term Net Rate of Return, Rounded			7.05%
Discount Rate			2.70%

\*Real rates of return come from a geometric representation of returns that assume a general inflation rate of 2%.

**Discount Rate**

The discount rate used to measure the total OPEB liability was 2.70 percent. The discount rate used reflects the results of a crossover test. In years where the trust is expected to have sufficient assets to pay the current year's retiree benefits, the assumed trust rate of return is applied; once the trust is no longer expected to be able to pay plan benefits, a municipal bond rate is applied for the remainder of the projects. The S&P General Obligation Municipal Bond 20 Year High Grade Index was used for the purpose of the municipal bond rate.

CITY OF BARSTOW

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
FOR YEAR ENDED JUNE 30, 2021

Note 11: Post-Employment Healthcare Benefits (Continued)

Changes in the net OPEB Liability

The changes in the net OPEB liability for the OPEB Plan are as follows:

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability/Asset
<b>Balance at June 30, 2020</b>	<b>\$ 3,474,315</b>	<b>\$ 284,169</b>	<b>\$ 3,190,146</b>
<b>Change in the Year:</b>			
Service Cost	544,393	-	544,393
Interest on the Total OPEB Liability	111,849	-	111,849
Charges in Assumptions	72,167	-	72,167
Contribution - Employer	-	19,568	(19,568)
Benefit Payments	(19,568)	(19,568)	-
Net Investment Income	-	10,045	(10,045)
Administrative Expenses	-	(139)	139
Net Changes	<u>708,841</u>	<u>9,906</u>	<u>698,935</u>
<b>Balance at June 30, 2021</b>	<b>\$ 4,183,156</b>	<b>\$ 294,075</b>	<b>\$ 3,889,081</b>

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

The following presents the net OPEB liability of the District if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate, for measurement period ended June 30, 2020:

	1% Decrease	Current Discount	1% Increase
	1.70%	2.70%	3.70%
Net OPEB Liability	\$ 4,826,289	\$ 3,889,081	\$ 3,178,755

Sensitivity of the Net OPEB Liability to Changes in the Health Care Cost Trend Rates

Due to the nature of the benefit agreements of the plan, the health care cost trend rate was not considered to be a significant assumption in determining the net OPEB liability, hence the sensitivity disclosure with regard to the healthcare cost trend rate was not applicable.

Recognition of Deferred Outflow and Deferred Inflows of Resources

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

Net differences between projected and actual earnings on OPEB plan investments	5 years straight-line
All Other Amounts	Expected average remaining service lifetime (EARSL) (9.52 years at June 30, 2020)

**CITY OF BARSTOW**

**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
FOR YEAR ENDED JUNE 30, 2021**

**Note 11: Post-Employment Healthcare Benefits (Continued)**

**OPEB Expense and Deferred Outflows/(Inflows) of Resources Related to OPEB**

For the fiscal year ended June 30, 2021, the District recognized OPEB expense of \$659,231. For the fiscal year ended June 30, 2021, the District reported deferred outflows of resources related to OPEB from the following sources:

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
OPEB Contributions Subsequent to Measurement	\$ 33,966	\$ -
Changes of Assumptions	115,257	(31,494)
Differences between expected and actual experience	98,651	-
Net Difference Between Projected and Actual		
Earnings on Plan Investments	6,575	-
Total	<u>\$ 254,449</u>	<u>\$ (31,494)</u>

The \$33,966 reported as deferred outflows of resources related to contributions subsequent to the June 30, 2020 measurement date will be recognized as a reduction of the net OPEB liability during the fiscal year ending June 30, 2022. Other amounts reported as deferred outflows of resources related to OPEB will be recognized as expense as follows:

Measurement Period Ending June 30:	
2021	\$ 22,880
2022	24,486
2023	24,965
2024	24,580
2025	22,584
Thereafter	69,494
Total	<u>\$ 188,989</u>

**Note 12: Commitments and Contingencies**

**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.

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
FOR YEAR ENDED JUNE 30, 2021

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**Note 13: 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, 2020, for the governmental funds are non-spendable, restricted, assigned, and unassigned for the following purposes:

*Non-spendable 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, 2021, the City had non-spendable fund balance of inventories and prepaid amount of 109,932, deposits of \$591,564, and advances to other funds of \$7,301,063.

*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, 2021, the City had restricted fund balances of: \$807,489 for capital projects, \$442,902 for low & moderate income housing, \$730 for parks and recreation, \$776,153 for streets & highways, \$22,286 for public safety and fire protection, and \$10,472 for other purposes.

*Assigned 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 non-departmental 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, 2021, the City has assigned fund balance of \$887,681 for emergency contingency, and \$3,550,723 for working capital reserve. The Fund Balance Policy can be changed only by a resolution of the City Council.

*Unassigned Fund Balance* –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, 2021, the City General Fund had an unassigned fund balance of \$5,218,191.

**CITY OF BARSTOW**

**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
FOR YEAR ENDED JUNE 30, 2021**

**Note 13: Fund Balance for Governmental Funds (Continued)**

The schedule on the following page illustrates the City's fund balances as of June 30, 2021 for its governmental funds:

	Major Governmental Funds						Total Government
	General Fund	Measure I Special Revenue Fund	Barstow Fire Protection District Special Revenue Fund	Grants Special Revenue Fund	City Capital Projects	Non Major Government Funds	
<b>Fund Balances</b>							
<b>Nonspendable Fund Balance:</b>							
Prepays & Inventory	\$ 109,932	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 109,932
Deposits	591,564	-	-	-	-	-	591,564
Advance to Other Funds	7,301,063	-	-	-	-	-	7,301,063
	<u>8,002,559</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,002,559</u>
<b>Restricted Fund Balance for:</b>							
Public Safety/Fire Protection	-	-	-	-	-	22,286	22,286
Streets & Highway	-	-	-	-	-	776,153	776,153
Parks and Recreation	-	-	-	-	-	730	730
Low & Moderate Income Housing	-	-	-	-	-	442,902	442,902
Capital Projects	-	-	-	-	807,489	-	807,489
Other Purposes	-	-	-	-	-	10,472	10,472
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>807,489</u>	<u>1,252,543</u>	<u>2,060,032</u>
<b>Assigned Fund Balance</b>							
Emergency Contingency Policy	887,681	-	-	-	-	-	887,681
Working Capital Reserve	3,550,723	-	-	-	-	-	3,550,723
	<u>4,438,404</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,438,404</u>
<b>Unassigned Fund Balance</b>							
Other	5,218,191	(1,218,910)	(5,049,330)	(491,369)	-	(24,932)	(1,566,350)
	<u>5,218,191</u>	<u>(1,218,910)</u>	<u>(5,049,330)</u>	<u>(491,369)</u>	<u>-</u>	<u>(24,932)</u>	<u>(1,566,350)</u>
<b>Total Fund Balances</b>	<u>\$ 17,659,154</u>	<u>\$ (1,218,910)</u>	<u>\$ (5,049,330)</u>	<u>\$ (491,369)</u>	<u>\$ 807,489</u>	<u>\$ 1,227,611</u>	<u>\$ 12,934,645</u>

**Note 14: Restatement of Beginning Fund Balances**

Restatements to the beginning net position of the Public Improvement District 91-1 and Landscape Assessment District funds of \$96,393 and \$114,624, respectively, were made due to implementation of GASB 84 – Fiduciary Activities, in order to present the funds as Custodial funds, rather than Agency funds.

**Note 15: Measure Q**

In November 2018, the voters approved Measure Q which established a one-cent sales-tax, estimated to generate \$7 million in local funding for public safety and citywide services.

Funding generated from the tax is intended to:

- Maintain local fire protection and paramedic services
- Provide police services, including neighborhood police patrols, crime prevention and investigations
- Maintain streets and parks, and repair potholes
- Provide quick responses to 9-1-1 emergencies
- Help fund senior and youth programs
- Reduce gang activity and drug-related crimes



CITY OF BARSTOW

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
FOR YEAR ENDED JUNE 30, 2021

**Note 15: Measure Q (Continued)**

The revenues received and expenditures relating to Measure “Q” for the current year and previous year are as follows:

	Fiscal Year	
	2020-2021	2019-2020
<b>Revenues:</b>		
Measure "Q" sales tax	\$ 8,851,984	\$ 7,448,243
Use of money and property	3,119	20,993
Total Revenues	<u>8,855,103</u>	<u>7,469,236</u>
<b>Expenditures:</b>		
General Government	707,211	601,450
Police	1,739,572	1,633,409
Fire	3,903,826	2,510,558
Community Development	79,964	246,322
Parks	19,983	-
Public Works	240,749	383,822
Total expenditures	<u>6,691,305</u>	<u>5,375,561</u>
Current year excess (deficiency) of revenues over expenditures	<u>2,160,679</u>	<u>2,072,682</u>
Fund Balance, Beginning of the year	<u>4,130,794</u>	<u>2,058,112</u>
Fund Balance, End of Year	<u><u>\$ 6,291,473</u></u>	<u><u>\$ 4,130,794</u></u>

**Note 16: 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.

**Fiduciary Funds – Successor Agency Private Purpose Trust Fund**

During the year ended June 30, 2021, the following changes occurred in liabilities reported in long-term debt for Fiduciary Funds:

	Balance June 30, 2020	Additions	Deletions/ Adjustments	Balance June 30, 2021	Due Within One Year
<b>Fiduciary Funds Successor Agency Private Purpose Trust</b>					
<b>Public Offerings:</b>					
Redevelopment Tax Allocation Bonds:					
2004 Tax Allocation Bonds	\$ 2,340,000	\$ -	\$ (745,000)	\$ 1,595,000	\$ 780,000
Total Fiduciary Funds	<u>\$ 2,340,000</u>	<u>\$ -</u>	<u>\$ (745,000)</u>	<u>\$ 1,595,000</u>	<u>\$ 780,000</u>

**CITY OF BARSTOW**

**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
FOR YEAR ENDED JUNE 30, 2021**

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**Note 16: Successor Agency Trust for Assets of Former Redevelopment Agency (Continued)**

**2004 Tax Allocation Bonds**

The Successor Agency's outstanding bonds from public offerings of \$2,340,000, contain a provision that if any event of default should occur, the trustee shall at the written direction of the Bond Owners of a majority in aggregate principal amount outstanding, and upon receipt of the prior written consent of the Bond Insurer, declare the principal of all of the bonds then outstanding, and the interest accrued thereon, to be due and payable immediately.

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 \$835,948. The principal amount outstanding at June 30, 2021 is \$1,595,000.

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

Year Ending June 30,	Principal	Interest	Total
2022	\$ 780,000	\$ 56,245	\$ 836,245
2023	815,000	19,153	834,153
Total	<u>\$ 1,595,000</u>	<u>\$ 75,398</u>	<u>\$ 1,670,398</u>

Significant debt payments authorized in the Recognizable Obligations Payment Schedule (ROPS) by the State of California's Department of Finance and made in FY 2020-21 from the Redevelopment Property Tax Trust Fund (RPTTF) include the following:

2004 Bonds:	Principal	\$ 745,000
	Interest	90,948
Advance to Low Income Loan		312,931

In addition, a \$64,000 administration charge was paid to the City of Barstow and other authorized payments were made for other miscellaneous fees.

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
FOR YEAR ENDED JUNE 30, 2021

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**Note 16: Successor Agency Trust for Assets of Former Redevelopment Agency (Continued)**

**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. Three parcels were held in the Land Held for Resale asset account by the Agency totaling \$2,224,905.

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.

**Note 17: Negative Fund Balance/Net Position**

The following funds have negative fund balance as of June 30, 2021:

**Measure I - Special Revenue Fund (\$1,218,910)** - On September 8, 2015, the City Council approved an interfund loan agreement in the amount of \$2 million to cover the costs of completing the Henderson / Cameron Area Road Project. The funds are scheduled to be paid back periodically over the next fiscal years. The loan balance as of June 30, 2021, is \$1,700,000.

**Barstow Fire Protection District Fund (\$5,049,330)** - As projected by staff and discussed with the Board, the District's expenditures exceeded revenues for the fiscal year. The District had reduced its operating expenditures to its lowest, yet sustainable limit. Salaries and benefits continued to be monitored but pension costs remained high with the San Bernardino County Employees' Retirement Association. Management was aware of ongoing fiscal issues and the Board was also aware of the increasing fund balance deficit.

**Grants Fund (\$491,369)** – The City made major progress payments for reimbursable grant projects for which it had not been reimbursed.

**Harvey House Foundation (\$14,611)** – The Foundation is expected to become more active in the future. It is anticipated that the Foundation will receive revenue to offset the deficit fund balance in the coming years.

**COVID-19 Grants (\$10,321)** – The City's Covid-19 Grants fund had negative fund balance due to grant revenues that have not been reimbursed from granting agencies. The negative fund balance is expected to be reduced through future grant revenues.

CITY OF BARSTOW

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
FOR YEAR ENDED JUNE 30, 2021

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**Note 18: Barstow Fire Protection District**

The Barstow Fire Protection District (District) continues to have a deficit fund balance in fiscal year 2021. In fiscal year 2018, the Board and management studied and reviewed a variety of options to address these concerns.

- *Measure Q* - In March 2018, the City Council hired a research firm to perform a general sales tax measure feasibility study. As part of this study, a survey was sent to the City of Barstow voters requesting their feedback about establishing an increase in general transaction and use (sales) tax that will fund municipal services. The result of the survey, was presented at the May 15, 2018, Council's meeting, showing approximately 63-69% of the residents in support of the proposed transaction and use tax measure. On July 16, 2018, the City Council unanimously adopted the resolution and ordinance to put Measure Q on November 2018 ballot. The resolution called for a General Transaction and Use Tax of one percent. The measure passed with 59.28% of the vote. The City began receiving the Measure Q revenue immediately in July, for fiscal year 2020. So far, the receipts have exceeded the City's initial estimates. These funds will be used to pay-back the loan and sustain the Fire Department, in addition to supporting police officers, maintaining streets and help fund senior and youth programs.
- Beginning in fiscal year 2015, the City began advancing funds to the District to cover operational costs. On October 1, 2018, the City Council approved the amended and restated loan agreement between the City of Barstow and the Barstow Fire Protection for \$4,153,696, with a zero percent interest rate. The City advanced an additional \$1,243,696 for fiscal year 2020 bringing the amount due the City to \$5,817,392. This action formalized the outstanding debt due the City in the event the Measure Q ballot measure was not successful. The Fire Protection district repaid \$500,000 in 2021, bringing the amount due at June 20, 2021 to \$5,317,392.
- The Board and management will continue to monitor the Barstow Fire Protection District financial situation. Management will keep the Board informed of developing highlights, and concerns regarding the District.

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# REQUIRED SUPPLEMENTARY INFORMATION

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**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.
3. The City manager is authorized to transfer budgeted amounts between departments. Actual expenditures may not exceed budgeted appropriations at the fund level.
4. 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.
5. 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.

CITY OF BARSTOW

BUDGETARY COMPARISON SCHEDULE  
 GENERAL FUND  
 YEAR ENDED JUNE 30, 2021

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$13,882,054	\$13,882,054	\$13,882,054	\$ -
<b>Resources (Inflows):</b>				
Taxes	20,786,874	20,756,990	26,139,094	5,382,104
Licenses and permits	343,975	356,096	455,886	99,790
Intergovernmental	436,500	451,400	487,333	35,933
Charges for services	602,375	320,835	328,465	7,630
Use of money and property	312,200	593,200	604,102	10,902
Fines and forfeitures	130,000	81,500	89,923	8,423
Miscellaneous	170,200	942,364	589,610	(352,754)
Transfers in	1,540,000	1,238,040	1,039,760	(198,280)
Proceeds from sale of capital asset	-	127,000	126,938	(62)
<b>Amounts Available for Appropriations</b>	<b>38,204,178</b>	<b>38,749,479</b>	<b>43,743,165</b>	<b>4,993,686</b>
<b>Charges to Appropriation (Outflow):</b>				
General government	3,968,878	4,926,051	5,164,979	(238,928)
Public safety	13,586,750	10,947,891	10,535,542	412,349
Community development	1,378,834	1,626,751	1,497,209	129,542
Parks and recreation	969,546	1,006,805	1,006,800	5
Public works	3,514,341	3,423,503	3,353,690	69,813
Capital outlay	108,500	366,219	207,816	158,403
Debt service:				
Principal retirement	-	-	719,295	(719,295)
Interest and fiscal charges	777,868	831,470	101,118	730,352
Transfers out	500,000	3,497,562	3,497,562	-
<b>Total Charges to Appropriations</b>	<b>24,804,717</b>	<b>26,626,252</b>	<b>26,084,011</b>	<b>542,241</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$13,399,461</b>	<b>\$12,123,227</b>	<b>\$17,659,154</b>	<b>\$5,535,927</b>

See Notes to Required Supplementary Information.



CITY OF BARSTOW

BUDGETARY COMPARISON SCHEDULE  
 MEASURE I SPECIAL REVENUE FUND  
 YEAR ENDED JUNE 30, 2021

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ (1,617,935)	\$ (1,617,935)	\$ (1,617,935)	\$ -
<b>Resources (Inflows):</b>				
Intergovernmental	1,308,873	1,308,873	1,701,195	392,322
Use of money and property	-	-	229	229
<b>Amounts Available for Appropriations</b>	<b>(309,062)</b>	<b>(309,062)</b>	<b>83,489</b>	<b>392,551</b>
<b>Charges to Appropriation (Outflow):</b>				
Public safety	-	45,600	11,637	33,963
Transfers out	1,190,000	1,965,903	1,290,762	675,141
<b>Total Charges to Appropriations</b>	<b>1,190,000</b>	<b>2,011,503</b>	<b>1,302,399</b>	<b>709,104</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ (1,499,062)</b>	<b>\$ (2,320,565)</b>	<b>\$ (1,218,910)</b>	<b>\$ 1,101,655</b>

CITY OF BARSTOW

**BUDGETARY COMPARISON SCHEDULE  
 BARSTOW FIRE PROTECTION DISTRICT SPECIAL REVENUE FUND  
 YEAR ENDED JUNE 30, 2021**

	<b>Budget Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
Budgetary Fund Balance, July 1	\$ (6,371,923)	\$ (6,371,923)	\$ (6,371,923)	\$ -
<b>Resources (Inflows):</b>				
Taxes	4,790,000	4,790,000	4,932,372	142,372
Licenses and permits	-	79,865	80,912	1,047
Intergovernmental	100,000	202,207	217,370	15,163
Use of money and property	30,000	30,000	470,849	440,849
Miscellaneous	-	1,800	1,800	-
Transfers in	-	2,959,962	3,497,562	537,600
<b>Amounts Available for Appropriations</b>	<b>(1,451,923)</b>	<b>1,691,911</b>	<b>2,828,942</b>	<b>1,137,031</b>
<b>Charges to Appropriation (Outflow):</b>				
Public safety	4,858,301	8,331,863	7,878,272	453,591
<b>Total Charges to Appropriations</b>	<b>4,858,301</b>	<b>8,331,863</b>	<b>7,878,272</b>	<b>453,591</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ (6,310,224)</b>	<b>\$ (6,639,952)</b>	<b>\$ (5,049,330)</b>	<b>\$ 1,590,622</b>

CITY OF BARSTOW

**BUDGETARY COMPARISON SCHEDULE  
GRANTS SPECIAL REVENUE FUND  
YEAR ENDED JUNE 30, 2021**

	<b>Budget Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
Budgetary Fund Balance, July 1	\$ (31,655)	\$ (31,655)	\$ (31,655)	\$ -
<b>Resources (Inflows):</b>				
Intergovernmental	100,000	6,811,602	742,866	(6,068,736)
Use of money and property	-	-	813	813
<b>Amounts Available for Appropriations</b>	<b>68,345</b>	<b>6,779,947</b>	<b>712,024</b>	<b>(6,067,923)</b>
<b>Charges to Appropriation (Outflow):</b>				
Public safety	250,000	938,636	344,003	594,633
Community development	-	172,639	76,244	96,395
Capital outlay	20,000	20,000	489	19,511
Transfers out	-	5,380,925	782,657	4,598,268
<b>Total Charges to Appropriations</b>	<b>270,000</b>	<b>6,512,200</b>	<b>1,203,393</b>	<b>5,308,807</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ (201,655)</b>	<b>\$ 267,747</b>	<b>\$ (491,369)</b>	<b>\$ (759,116)</b>

CITY OF BARSTOW

**CALPERS COST SHARING PLAN  
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
AS OF JUNE 30, FOR THE LAST TEN FISCAL YEARS (1)**

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Measurement Date	6/30/2020	6/30/2019	6/30/2018	6/30/2017	6/30/2016	6/30/2015
Proportion of the Net Pension Liability	26.48990%	0.24588%	0.25121%	0.24901%	0.24341%	0.20999%
Proportionate Share of the Net Pension Liability	\$ 29,751,671	\$ 26,777,913	\$ 24,207,207	\$ 24,695,340	\$ 21,062,463	\$ 14,413,454
Covered-Employee Payroll	\$ 10,266,253	\$ 9,842,257	\$ 10,816,083	\$ 11,891,452	\$ 10,244,777	\$ 10,085,135
Proportionate Share of the Net Pension Liability as Percentage of Covered-Employee Payroll	289.80%	272.07%	223.81%	207.67%	205.59%	142.92%
Plan Fiduciary Net Position	\$ 104,679,650	\$ 102,046,037	\$ -	\$ -	\$ -	\$ -
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	77.87%	75.26%	75.26%	73.31%	74.06%	79.82%

**Notes to Schedule:**

Benefit Changes: There were no changes to benefit terms that applied to all members of the Public Agency Pool. However, individual employers in the Plan may have provided a benefit improvement to their employees by granting Two Years Additional Service Credit to members retiring during a specified time period (a.k.a. Golden Handshakes). Employers that have done so may need to report this information as a separate liability in their financial statement as CalPERS considers such amounts to be separately financed employer-specific liabilities. These employers should consult with their auditors.

Changes of Assumptions: None

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

**CITY OF BARSTOW**

**CALPERS COST SHARING PLAN  
SCHEDULE OF PLAN CONTRIBUTIONS  
AS OF JUNE 30, FOR THE LAST TEN FISCAL YEARS (1)**

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Actuarially Determined Contribution	\$ 3,405,375	\$ 3,124,739	\$ 2,677,140	\$ 2,533,851	\$ 2,388,566	\$ 2,051,026
Contribution in Relation to the Actuarially Determined Contribution	<u>(3,405,375)</u>	<u>(3,124,739)</u>	<u>(2,677,140)</u>	<u>(2,533,851)</u>	<u>(2,388,566)</u>	<u>(2,051,026)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered-Employee Payroll	9,880,472	10,266,253	9,842,257	10,816,083	11,891,452	10,244,777
Contributions as a Percentage of Covered-Employee Payroll	34.47%	30.44%	27.20%	23.43%	20.09%	20.02%

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

**Note to Schedule:**

Valuation Date: June 30, 2017

Methods and assumptions used to determine contribution rates:

Actuarial Cost Method	Entry age normal cost method
Amortization method	Level Percent of pay
Remaining amortization period	15 years
Assets valuation method	Direct rate smoothing
Inflation	2.625% per year
Payroll Growth	2.875%
Investment rate of return	7.25% net of pension plan investment expense, including inflation

All other actuarial assumptions used in the June 30, 2017 valuation were based on the results of an actuarial experience study for the period from 1997 to 2015, including updates to salary increase, mortality and retirement rates. The experience study report may be accessed on the CalPERS website at [www.calpers.ca.gov](http://www.calpers.ca.gov) under forms and publications.

Retirement age

Mortality

The mortality table used was developed based on CalPERS' specific data. The table includes 15 years of mortality improvements using 90 percent of society of actuaries' scale 2016. For more details on this table, please refer to the 2017 experience study report.

CITY OF BARSTOW

**SAN BERNARDINO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION (SBCERA)  
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
AS OF JUNE 30, FOR THE LAST TEN FISCAL YEARS (1)**

Measurement Date	<u>2021</u> 6/30/2020	<u>2020</u> 6/30/2019	<u>2019</u> 6/30/2018	<u>2018</u> 6/30/2017	<u>2017</u> 6/30/2016	<u>2016</u> 6/30/2015
Proportion of the Net Pension Liability	0.421%	0.457%	0.498%	0.378%	0.518%	0.638%
Proportionate Share of the Net Pension Liability	\$ 16,891,227	\$ 12,382,040	\$ 12,626,176	\$ 9,958,070	\$ 12,781,554	\$ 12,395,608
Covered-Employee Payroll	\$ 2,045,831	\$ 1,890,826	\$ 1,816,148	\$ 1,776,774	\$ 2,518,304	\$ 2,036,785
Proportionate Share of the Net Pension Liability as Percentage of Covered-Employee Payroll	825.64%	654.85%	695.22%	560.46%	507.55%	608.59%
Plan Fiduciary Net Position	\$ 33,270,269	\$ 33,532,575	\$ 34,034,011	\$ 24,486,977	\$ 18,856,232	\$ 20,207,792
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	66.33%	73.03%	72.94%	71.09%	76.86%	80.98%

**Notes to Schedule:**

Benefit Changes: None

Changes of Assumptions: None

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

CITY OF BARSTOW

**SAN BERNARDINO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION (SBCERA)  
SCHEDULE OF PLAN CONTRIBUTIONS  
AS OF JUNE 30, FOR THE LAST TEN FISCAL YEARS (1)**

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Actuarially Determined Contribution	\$ 2,029,361	\$ 1,760,542	\$ 1,625,725	\$ 1,704,307	\$ 1,258,947	\$ 1,407,336
Contribution in Relation to the Actuarially Determined Contribution	<u>(2,029,361)</u>	<u>(1,760,542)</u>	<u>(1,625,725)</u>	<u>(1,704,307)</u>	<u>(1,258,947)</u>	<u>(1,407,336)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered-Employee Payroll	2,430,284	2,045,831	1,890,826	1,816,148	1,776,774	2,518,304
Contributions as a Percentage of Covered-Employee Payroll	83.50%	86.06%	85.98%	93.84%	70.86%	55.88%

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

**Note to Schedule:**

Valuation Date:	June 30, 2018
Methods and assumptions used to determine contribution rates:	
Actuarial Cost Method	Entry age normal cost method
Amortization method	Level Percent of pay (3.5% payroll growth assumed)
Remaining amortization period	20 years
Assets valuation method	Market value of assets less unrecognized returns from each of the last five years.
Inflation	2.50% per year
Salary Increases	3.00% implation per year, plus real across-the-board salary increase of 0.50%, plus merit and promotion increases.
Investment rate of return	7.25% net of pension plan investment expense, including
Retirement age	53 years
Mortality	RP-2000 Heath Annuitant Martality Table

CITY OF BARSTOW

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

Measurement Date	2021 6/30/2020	2020 6/30/2019	2019 6/30/2018	2018 6/30/2017
<b>Changes in Total OPEB Liability</b>				
Service cost	\$ 532,051	\$ 628,854	\$ 586,241	\$ 637,325
Interest	586,298	557,475	559,512	497,633
Differences between actual and expected experience	-	110,249	-	-
Changes in assumptions	353,512	1,857,556	365,110	(1,110,604)
Changes in benefit terms	-	-	-	-
Benefit payments	(759,312)	(741,262)	(702,823)	(628,957)
<b>Net change in total OPEB liability</b>	<b>712,549</b>	<b>2,412,872</b>	<b>808,040</b>	<b>(604,603)</b>
<b>Total OPEB liability - beginning</b>	<b>20,861,858</b>	<b>18,448,986</b>	<b>17,640,946</b>	<b>18,245,549</b>
<b>Total OPEB liability - ending (a)</b>	<b>\$ 21,574,407</b>	<b>\$ 20,861,858</b>	<b>\$ 18,448,986</b>	<b>\$ 17,640,946</b>
<b>Plan Fiduciary Net Position</b>				
Contribution - employer	\$ 759,312	\$ 741,262	\$ 702,823	\$ 628,957
Net investment income	45,704	75,207	89,989	108,069
Benefit payments	(759,312)	(741,262)	(702,823)	(628,957)
Administrative expense	(632)	(261)	(603)	(548)
Other expense	-	-	(1,496)	-
<b>Net change in plan fiduciary net position</b>	<b>45,072</b>	<b>74,946</b>	<b>87,890</b>	<b>107,521</b>
<b>Plan fiduciary net position - beginning</b>	<b>1,293,319</b>	<b>1,218,373</b>	<b>1,130,483</b>	<b>1,022,962</b>
<b>Plan fiduciary net position - ending (b)</b>	<b>\$ 1,338,391</b>	<b>\$ 1,293,319</b>	<b>\$ 1,218,373</b>	<b>\$ 1,130,483</b>
<b>Net OPEB Liability/(Assets) - ending (a) - (b)</b>	<b>\$ 20,236,016</b>	<b>\$ 19,568,539</b>	<b>\$ 17,230,613</b>	<b>\$ 16,510,463</b>
<b>Plan fiduciary net position as a percentage of the total OPEB liability</b>	6%	6%	7%	6%
<b>Covered-employee payroll</b>	\$ 13,389,701	\$ 12,153,938	\$ 10,550,746	\$ 10,550,746
<b>Net OPEB liability as a percentage of covered-employee payroll</b>	151.13%	161.01%	163.31%	156.49%

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

**Notes to Schedule:**

Changes of Assumptions: The discount rate decreased from 2.79% to 2.66% in measurement period 6/30/2020



BARSTOW FIRE PROTECTION DISTRICT

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

Measurement Date	2021 6/30/2020	2020 6/30/2019	2019 6/30/2018	2018 6/30/2017
<b>Changes in Total OPEB Liability</b>				
Service cost	\$ 544,393	\$ 90,956	\$ 86,320	\$ 90,934
Interest on the total OPEB liability	111,849	29,157	26,317	21,440
Plan experience	-	124,887	-	-
Changes in assumptions	72,167	52,128	13,302	(50,934)
Changes in benefit terms	-	2,355,457	-	-
Benefit payments	(19,568)	(14,200)	(12,072)	(12,099)
<b>Net change in total OPEB liability</b>	<b>708,841</b>	<b>2,638,385</b>	<b>113,867</b>	<b>49,341</b>
<b>Total OPEB liability - beginning</b>	<b>3,474,315</b>	<b>835,930</b>	<b>722,063</b>	<b>672,722</b>
<b>Total OPEB liability - ending (a)</b>	<b>\$ 4,183,156</b>	<b>\$ 3,474,315</b>	<b>\$ 835,930</b>	<b>\$ 722,063</b>
<b>Plan Fiduciary Net Position</b>				
Contribution - employer	\$ 19,568	\$ 14,200	\$ 12,072	\$ 12,099
Net investment income	10,045	16,415	19,778	23,752
Benefit payments	(19,568)	(14,200)	(12,072)	(12,099)
Administrative expense	(139)	57	(461)	(121)
<b>Net change in plan fiduciary net position</b>	<b>9,906</b>	<b>16,472</b>	<b>19,317</b>	<b>23,631</b>
<b>Plan fiduciary net position - beginning</b>	<b>284,169</b>	<b>267,697</b>	<b>248,380</b>	<b>224,749</b>
<b>Plan fiduciary net position - ending (b)</b>	<b>\$ 294,075</b>	<b>\$ 284,169</b>	<b>\$ 267,697</b>	<b>\$ 248,380</b>
<b>Net OPEB Liability/(Assets) - ending (a) - (b)</b>	<b>\$ 3,889,081</b>	<b>\$ 3,190,146</b>	<b>\$ 568,233</b>	<b>\$ 473,683</b>
<b>Plan fiduciary net position as a percentage of the total OPEB liability</b>	7.03%	8.18%	32.02%	34.40%
<b>Covered-employee payroll</b>	\$ 2,045,831	\$ 2,758,300	\$ 2,611,101	\$ 2,537,528
<b>Net OPEB liability as a percentage of covered-employee payroll</b>	190.10%	115.66%	21.76%	18.67%

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

Notes to Schedule:

Changes of Assumptions: The discount rate decreased from 3.17% to 2.79% in measurement period 2018-19.

CITY OF BARSTOW

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

	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>
Actuarially Determined Contribution	\$ 1,213,266	\$ 1,085,891	\$ 1,032,102	\$ 982,138
Contribution in Relation to the Actuarially Determined Contributions	851,272	759,312	741,262	702,823
Contribution Deficiency (Excess)	<u>\$ 361,994</u>	<u>\$ 326,579</u>	<u>\$ 290,840</u>	<u>\$ 279,315</u>
Covered-employee payroll	\$ 12,765,028	\$ 13,389,701	\$ 12,153,938	\$ 10,550,746
Contributions as a percentage of covered-employee payroll	6.67%	5.67%	6.10%	6.66%

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

**Notes to Schedule:**

\*Actuarial methods and assumptions used to set the actuarially determined contribution for Fiscal Year 2018 were from the June 30, 2016 actuarial valuation.

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

Valuation Date	6/30/2017
Actuarial Cost Method	Entry Age Normal
Amortization Valuation Method/Period	Level percent of pay 30 year closed
Asset Valuation Method	Market value
Inflation	2.75%
Investment Rate of Return	7.25%
Healthcare cost-trend rates	7.5% as of Jan 1, 2019; step down 0.5% per year down to 5% by 2024
Retirement Age	50 to 75
Mortality	2014 CalPERS Experience study

**BARSTOW FIRE PROTECTION DISTRICT PLAN**

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

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Actuarially Determined Contribution	\$ 366,074	\$ 335,358	\$ 64,738	\$ 62,732
Contribution in Relation to the Actuarially Determined Contributions	33,966	19,568	14,200	12,072
Contribution Deficiency (Excess)	<u>\$ 332,108</u>	<u>\$ 315,790</u>	<u>\$ 50,538</u>	<u>\$ 50,660</u>
Covered-employee payroll	\$ 3,624,974	\$ 2,045,831	\$ 2,758,300	\$ 2,611,101
Contributions as a percentage of covered-employee payroll	0.94%	0.96%	0.51%	0.46%

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

**Notes to Schedule:**

\*Actuarial methods and assumptions used to set the actuarially determined contribution for Fiscal Year 2018 were from the June 30, 2016 actuarial valuation.

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

Valuation Date	6/30/2019
Actuarial Cost Method	Entry Age Normal
Amortization Valuation Method/Period	Level percent of pay
Asset Valuation Method	Market value
Inflation	2.50%
Payroll Growth	3% per annum, in aggregate
Investment Rate of Return	6.75%
Healthcare cost-trend rates	5.4% in 2021 fluctuating to 4% by 2076
Retirement Age	45 to 65 years
Mortality	MacLeod Watts Scale 2020 applied generationally

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# SUPPLEMENTARY INFORMATION

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## 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.

**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.

**Local Transportation Fund** is used to account for revenue received as allocated excess transit funds after transit needs are met.

**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).

**COVID-19 Grants Fund** is used to account for grant expenditures incurred due grants for the Covid-19 pandemic.

### DEBT SERVICE FUND

**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  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2021

	Special Revenue Funds			
	Gas Tax	Asset Seizure	Barstow Harvey House Foundation	Redevelopment Housing Successor
<b>Assets:</b>				
Pooled cash and investments	\$ 775,645	\$ 46,174	\$ -	\$ 442,411
Receivables:				
Accounts	81,983	-	-	-
Taxes	63,662	-	-	-
Accrued interest	508	-	-	491
<b>Total Assets</b>	<b>\$ 921,798</b>	<b>\$ 46,174</b>	<b>\$ -</b>	<b>\$ 442,902</b>
<b>Liabilities, Deferred inflows of Resources, and Fund Balances:</b>				
<b>Liabilities:</b>				
Accounts payable	\$ 216,777	\$ 1,022	\$ -	\$ -
Unearned revenues	-	22,866	-	-
Due to other funds	-	-	14,611	-
<b>Total Liabilities</b>	<b>216,777</b>	<b>23,888</b>	<b>14,611</b>	<b>-</b>
<b>Deferred inflows of resources:</b>				
Unavailable revenues	-	-	-	-
<b>Total Deferred inflows of Resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balances:</b>				
Restricted	705,021	22,286	-	442,902
Unassigned	-	-	(14,611)	-
<b>Total Fund Balances</b>	<b>705,021</b>	<b>22,286</b>	<b>(14,611)</b>	<b>442,902</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 921,798</b>	<b>\$ 46,174</b>	<b>\$ -</b>	<b>\$ 442,902</b>



CITY OF BARSTOW

COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2021

(CONTINUED)

	Special Revenue Funds			
	Barstow Community Services	Local Transportation	Flood Control	COVID-19 Grants
<b>Assets:</b>				
Pooled cash and investments	\$ 729	\$ 73,767	\$ 10,466	\$ -
Receivables:				
Accounts	-	-	-	77,670
Taxes	-	-	-	-
Accrued interest	1	-	6	-
<b>Total Assets</b>	<b>\$ 730</b>	<b>\$ 73,767</b>	<b>\$ 10,472</b>	<b>\$ 77,670</b>
<b>Liabilities, Deferred inflows of Resources, and Fund Balances:</b>				
<b>Liabilities:</b>				
Accounts payable	\$ -	\$ 2,635	\$ -	\$ -
Unearned revenues	-	-	-	6,790
Due to other funds	-	-	-	70,880
<b>Total Liabilities</b>	<b>-</b>	<b>2,635</b>	<b>-</b>	<b>77,670</b>
<b>Deferred inflows of resources:</b>				
Unavailable revenues	-	-	-	10,321
<b>Total Deferred inflows of Resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>10,321</b>
<b>Fund Balances:</b>				
Restricted	730	71,132	10,472	-
Unassigned	-	-	-	(10,321)
<b>Total Fund Balances</b>	<b>730</b>	<b>71,132</b>	<b>10,472</b>	<b>(10,321)</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 730</b>	<b>\$ 73,767</b>	<b>\$ 10,472</b>	<b>\$ 77,670</b>

CITY OF BARSTOW

COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 JUNE 30, 2021

	<u>Debt Service Fund</u>	
	<u>Measure I TRIP</u>	<u>Total Governmental Funds</u>
<b>Assets:</b>		
Pooled cash and investments	\$ 3,250	\$ 1,352,442
Receivables:		
Accounts	-	159,653
Taxes	-	63,662
Accrued interest	-	1,006
<b>Total Assets</b>	<b><u>\$ 3,250</u></b>	<b><u>\$ 1,576,763</u></b>
<b>Liabilities, Deferred inflows of Resources, and Fund Balances:</b>		
<b>Liabilities:</b>		
Accounts payable	\$ 3,250	\$ 223,684
Unearned revenues	-	29,656
Due to other funds	-	85,491
<b>Total Liabilities</b>	<b><u>3,250</u></b>	<b><u>338,831</u></b>
<b>Deferred inflows of resources:</b>		
Unavailable revenues	-	10,321
<b>Total Deferred inflows of Resources</b>	<b><u>-</u></b>	<b><u>10,321</u></b>
<b>Fund Balances:</b>		
Restricted	-	1,252,543
Unassigned	-	(24,932)
<b>Total Fund Balances</b>	<b><u>-</u></b>	<b><u>1,227,611</u></b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b><u>\$ 3,250</u></b>	<b><u>\$ 1,576,763</u></b>

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CITY OF BARSTOW

COMBINING STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2021

	Special Revenue Funds			
	Gas Tax	Asset Seizure	Barstow Harvey House Foundation	Redevelopment Housing Successor
<b>Revenues:</b>				
Intergovernmental	\$ 1,001,157	\$ 1,144	\$ -	\$ -
Use of money and property	473	110	-	(443)
Miscellaneous	-	-	-	1,273
<b>Total Revenues</b>	<b>1,001,630</b>	<b>1,254</b>	<b>-</b>	<b>830</b>
<b>Expenditures:</b>				
Current:				
General government	-	-	-	-
Public safety	-	13,012	-	-
Community development	-	-	-	60
Parks and recreation	-	-	300	-
Public works	538,313	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
<b>Total Expenditures</b>	<b>538,313</b>	<b>13,012</b>	<b>300</b>	<b>60</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	463,317	(11,758)	(300)	770
<b>Other Financing Sources (Uses):</b>				
Transfers in	-	-	-	-
Transfers out	(771,481)	-	-	(1,036,042)
<b>Total Other Financing Sources (Uses)</b>	<b>(771,481)</b>	<b>-</b>	<b>-</b>	<b>(1,036,042)</b>
Net Change in Fund Balances	(308,164)	(11,758)	(300)	(1,035,272)
Fund Balances, Beginning of Year	1,013,185	34,044	(14,311)	1,478,174
<b>Fund Balances, End of Year</b>	<b>\$ 705,021</b>	<b>\$ 22,286</b>	<b>\$ (14,611)</b>	<b>\$ 442,902</b>

CITY OF BARSTOW

COMBINING STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2021

(CONTINUED)

	Special Revenue Funds			
	Barstow Community Services	Local Transportation	Flood Control	COVID-19 Grants
<b>Revenues:</b>				
Intergovernmental	\$ -	\$ 15,676	\$ -	\$ 925,066
Use of money and property	3	368	22	-
Miscellaneous	-	-	-	-
<b>Total Revenues</b>	<b>3</b>	<b>16,044</b>	<b>22</b>	<b>925,066</b>
<b>Expenditures:</b>				
Current:				
General government	-	-	-	360,743
Public safety	-	-	-	1,583
Community development	300	-	-	15,786
Parks and recreation	-	-	-	-
Public works	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
<b>Total Expenditures</b>	<b>300</b>	<b>-</b>	<b>-</b>	<b>378,112</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(297)	16,044	22	546,954
<b>Other Financing Sources (Uses):</b>				
Transfers in	-	-	-	-
Transfers out	-	(386,570)	-	(424,717)
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>(386,570)</b>	<b>-</b>	<b>(424,717)</b>
Net Change in Fund Balances	(297)	(370,526)	22	122,237
Fund Balances, Beginning of Year	1,027	441,658	10,450	(132,558)
<b>Fund Balances, End of Year</b>	<b>\$ 730</b>	<b>\$ 71,132</b>	<b>\$ 10,472</b>	<b>\$ (10,321)</b>

CITY OF BARSTOW

COMBINING STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2021

	<b>Debt Service Funds</b>	<b>Total Governmental Funds</b>
	<b>Measure 1 TRIP</b>	
<b>Revenues:</b>		
Intergovernmental	\$ -	\$ 1,943,043
Use of money and property	7,741	8,274
Miscellaneous	-	1,273
<b>Total Revenues</b>	<b>7,741</b>	<b>1,952,590</b>
<b>Expenditures:</b>		
Current:		
General government	-	360,743
Public safety	-	14,595
Community development	-	16,146
Parks and recreation	-	300
Public works	-	538,313
Debt service:		
Principal retirement	1,395,000	1,395,000
Interest and fiscal charges	62,794	62,794
<b>Total Expenditures</b>	<b>1,457,794</b>	<b>2,387,891</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,450,053)	(435,301)
<b>Other Financing Sources (Uses):</b>		
Transfers in	367,808	367,808
Transfers out	-	(2,618,810)
<b>Total Other Financing Sources (Uses)</b>	<b>367,808</b>	<b>(2,251,002)</b>
Net Change in Fund Balances	(1,082,245)	(2,686,303)
Fund Balances, Beginning of Year	1,082,245	3,913,914
<b>Fund Balances, End of Year</b>	<b>\$ -</b>	<b>\$ 1,227,611</b>

CITY OF BARSTOW

BUDGETARY COMPARISON SCHEDULE  
 GAS TAX  
 YEAR ENDED JUNE 30, 2021

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 1,013,185	\$ 1,013,185	\$ 1,013,185	\$ -
<b>Resources (Inflows):</b>				
Intergovernmental	989,391	989,391	1,001,157	11,766
Use of money and property	-	-	473	473
<b>Amounts Available for Appropriations</b>	<b>2,002,576</b>	<b>2,002,576</b>	<b>2,014,815</b>	<b>12,239</b>
<b>Charges to Appropriation (Outflow):</b>				
Public works	570,000	570,000	538,313	31,687
Transfers out	1,308,142	1,375,443	771,481	603,962
<b>Total Charges to Appropriations</b>	<b>1,878,142</b>	<b>1,945,443</b>	<b>1,309,794</b>	<b>635,649</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 124,434</b>	<b>\$ 57,133</b>	<b>\$ 705,021</b>	<b>\$ 647,888</b>

CITY OF BARSTOW

BUDGETARY COMPARISON SCHEDULE  
 ASSET SEIZURE  
 YEAR ENDED JUNE 30, 2021

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 34,044	\$ 34,044	\$ 34,044	\$ -
<b>Resources (Inflows):</b>				
Intergovernmental	-	1,200	1,144	(56)
Use of money and property	-	-	110	110
<b>Amounts Available for Appropriations</b>	<b>34,044</b>	<b>35,244</b>	<b>35,298</b>	<b>54</b>
<b>Charges to Appropriation (Outflow):</b>				
Public safety	-	35,244	13,012	22,232
<b>Total Charges to Appropriations</b>	<b>-</b>	<b>35,244</b>	<b>13,012</b>	<b>22,232</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 34,044</b>	<b>\$ -</b>	<b>\$ 22,286</b>	<b>\$ 22,286</b>



CITY OF BARSTOW

**BUDGETARY COMPARISON SCHEDULE  
 BARSTOW HARVEY HOUSE FOUNDATION  
 YEAR ENDED JUNE 30, 2021**

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Budgetary Fund Balance, July 1	\$ (14,311)	\$ (14,311)	\$ (14,311)	\$ -
<b>Charges to Appropriation (Outflow):</b>				
Parks and recreation	600	600	300	300
<b>Total Charges to Appropriations</b>	<b>600</b>	<b>600</b>	<b>300</b>	<b>300</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ (14,911)</b>	<b>\$ (14,911)</b>	<b>\$ (14,611)</b>	<b>\$ 300</b>

CITY OF BARSTOW

BUDGETARY COMPARISON SCHEDULE  
 REDEVELOPMENT HOUSING SUCCESSOR  
 YEAR ENDED JUNE 30, 2021

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 1,478,174	\$ 1,478,174	\$ 1,478,174	\$ -
<b>Resources (Inflows):</b>				
Use of money and property	-	-	(443)	(443)
Miscellaneous	-	-	1,273	1,273
<b>Amounts Available for Appropriations</b>	<b>1,478,174</b>	<b>1,478,174</b>	<b>1,479,004</b>	<b>830</b>
<b>Charges to Appropriation (Outflow):</b>				
Community development	-	-	60	(60)
Transfers out	-	1,241,240	1,036,042	205,198
<b>Total Charges to Appropriations</b>	<b>-</b>	<b>1,241,240</b>	<b>1,036,102</b>	<b>205,138</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 1,478,174</b>	<b>\$ 236,934</b>	<b>\$ 442,902</b>	<b>\$ 205,968</b>

CITY OF BARSTOW

**BUDGETARY COMPARISON SCHEDULE  
 BARSTOW COMMUNITY SERVICE  
 YEAR ENDED JUNE 30, 2021**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 1,027	\$ 1,027	\$ 1,027	\$ -
<b>Resources (Inflows):</b>				
Use of money and property	-	-	3	3
<b>Amounts Available for Appropriations</b>	<b>1,027</b>	<b>1,027</b>	<b>1,030</b>	<b>3</b>
<b>Charges to Appropriation (Outflow):</b>				
Community development	300	300	300	-
<b>Total Charges to Appropriations</b>	<b>300</b>	<b>300</b>	<b>300</b>	<b>-</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 727</b>	<b>\$ 727</b>	<b>\$ 730</b>	<b>\$ 3</b>

CITY OF BARSTOW

BUDGETARY COMPARISON SCHEDULE  
 LOCAL TRANSPORTATION  
 YEAR ENDED JUNE 30, 2021

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 441,658	\$ 441,658	\$ 441,658	\$ -
<b>Resources (Inflows):</b>				
Intergovernmental	-	15,676	15,676	-
Use of money and property	-	-	368	368
<b>Amounts Available for Appropriations</b>	<b>441,658</b>	<b>457,334</b>	<b>457,702</b>	<b>368</b>
<b>Charges to Appropriation (Outflow):</b>				
Public safety	-	8,000	-	8,000
Transfers out	446,475	446,475	386,570	59,905
<b>Total Charges to Appropriations</b>	<b>446,475</b>	<b>454,475</b>	<b>386,570</b>	<b>67,905</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ (4,817)</b>	<b>\$ 2,859</b>	<b>\$ 71,132</b>	<b>\$ 68,273</b>

CITY OF BARSTOW

BUDGETARY COMPARISON SCHEDULE  
 FLOOD CONTROL  
 YEAR ENDED JUNE 30, 2021

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 10,450	\$ 10,450	\$ 10,450	\$ -
<b>Resources (Inflows):</b>				
Use of money and property	-	-	22	22
<b>Amounts Available for Appropriations</b>	<b>10,450</b>	<b>10,450</b>	<b>10,472</b>	<b>22</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 10,450</b>	<b>\$ 10,450</b>	<b>\$ 10,472</b>	<b>\$ 22</b>

CITY OF BARSTOW

BUDGETARY COMPARISON SCHEDULE  
 COVID-19 Grants  
 YEAR ENDED JUNE 30, 2021

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ (132,558)	\$ (132,558)	\$ (132,558)	\$ -
<b>Resources (Inflows):</b>				
Intergovernmental	-	988,312	925,066	(63,246)
<b>Amounts Available for Appropriation</b>	<b>(132,558)</b>	<b>855,754</b>	<b>792,508</b>	<b>(63,246)</b>
<b>Charges to Appropriation (Outflow):</b>				
General government	-	361,000	360,743	257
Public safety	-	71,392	1,583	69,809
Community development	-	15,786	15,786	-
Transfers out	-	555,920	424,717	131,203
<b>Total Charges to Appropriations</b>	<b>-</b>	<b>1,004,098</b>	<b>802,829</b>	<b>201,269</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ (132,558)</b>	<b>\$ (148,344)</b>	<b>\$ (10,321)</b>	<b>\$ 138,023</b>

CITY OF BARSTOW

**BUDGETARY COMPARISON SCHEDULE  
MEASURE I TRIP  
YEAR ENDED JUNE 30, 2021**

	<b>Budget Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
Budgetary Fund Balance, July 1	\$ 1,082,245	\$ 1,082,245	\$ 1,082,245	\$ -
<b>Resources (Inflows):</b>				
Use of money and property	7,421	7,421	7,741	320
Transfers in	350,000	395,000	367,808	(27,192)
<b>Amounts Available for Appropriations</b>	<b>1,439,666</b>	<b>1,484,666</b>	<b>1,457,794</b>	<b>(26,872)</b>
<b>Charges to Appropriation (Outflow):</b>				
Debt service:				
Principal retirement	1,395,000	1,395,000	1,395,000	-
Interest and fiscal charges	55,800	75,800	62,794	13,006
<b>Total Charges to Appropriations</b>	<b>1,450,800</b>	<b>1,470,800</b>	<b>1,457,794</b>	<b>13,006</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ (11,134)</b>	<b>\$ 13,866</b>	<b>\$ -</b>	<b>\$ (13,866)</b>

CITY OF BARSTOW

**BUDGETARY COMPARISON SCHEDULE  
CITY CAPITAL PROJECTS  
YEAR ENDED JUNE 30, 2021**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 795,371	\$ 795,371	\$ 795,371	\$ -
<b>Resources (Inflows):</b>				
Intergovernmental	-	426,169	443,759	17,590
Use of money and property	-	-	381	381
Transfers in	2,436,840	9,683,187	3,284,661	(6,398,526)
<b>Amounts Available for Appropriations</b>	<b>3,232,211</b>	<b>10,904,727</b>	<b>4,524,172</b>	<b>(6,380,555)</b>
<b>Charges to Appropriation (Outflow):</b>				
General government	-	240,000	224,957	15,043
Community development	-	150,000	16,261	133,739
Public works	825,000	1,886,367	1,150,787	735,580
Capital outlay	1,611,840	7,838,842	2,324,678	5,514,164
Transfers out	682,223	250,201	-	250,201
<b>Total Charges to Appropriations</b>	<b>3,119,063</b>	<b>10,365,410</b>	<b>3,716,683</b>	<b>6,648,727</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 113,148</b>	<b>\$ 539,317</b>	<b>\$ 807,489</b>	<b>\$ 268,172</b>



## **CUSTODIAL 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.

CITY OF BARSTOW, CALIFORNIA

COMBINING STATEMENT OF FIDUCIARY NET POSITION  
 ALL CUSTODIAL FUNDS  
 JUNE 30, 2021

	Public Improvement District 91-1	Landscape Assessment District	Totals
<b>Assets:</b>			
Cash and investments	\$ 96,538	\$ 129,965	\$ 226,503
Receivables:			
Accounts	-	17	17
Accrued interest receivable	57	72	129
<b>Total Assets</b>	<b>96,595</b>	<b>130,054</b>	<b>226,649</b>
<b>Liabilities:</b>			
Accounts payable	-	58,128	58,128
<b>Total Liabilities</b>	<b>-</b>	<b>58,128</b>	<b>58,128</b>
<b>Net Position:</b>			
Held trust for other purposes	96,595	71,926	168,521
<b>Total Net Position</b>	<b>\$ 96,595</b>	<b>\$ 71,926</b>	<b>\$ 168,521</b>

CITY OF BARSTOW, CALIFORNIA

COMBINING STATEMENT OF CHANGES IN NET POSITION  
 ALL CUSTODIAL FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2021

	Public Improvement District 91-1	Landscape Assessment District	Totals
<b>Additions:</b>			
Investment earnings:			
Interest	\$ 202	\$ 254	\$ 456
Net investment earnings	202	254	456
Collections for assessment districts	-	22,129	22,129
<b>Total Additions</b>	<b>202</b>	<b>22,383</b>	<b>22,585</b>
<b>Deductions:</b>			
Administrative expenses	-	59,031	59,031
Contractual services	-	6,050	6,050
<b>Total Deductions</b>	<b>-</b>	<b>65,081</b>	<b>65,081</b>
Net Increase (Decrease) in Fiduciary Net Position	202	(42,698)	(42,496)
Net Position - Beginning	-	-	-
Restatement of Net Position	96,393	114,624	211,017
Net Position - Beginning, as Restated	96,393	114,624	211,017
<b>Net Position - End of the Year</b>	<b>\$ 96,595</b>	<b>\$ 71,926</b>	<b>\$ 168,521</b>

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# STATISTICAL SECTION

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# STATISTICAL SECTION

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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.

<b>Index</b>	<b>Page</b>
<b>Financial Trends</b>	137
These schedules contain trend information to help the reader understand how the City’s financial performance and well-being have changed over time.	
<b>Revenue Capacity</b>	142
These schedules contain information to help the reader assess the City’s most significant local revenues sources, property tax and sales tax.	
<b>Debt Capacity</b>	150
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.	
<b>Demographic and Economic Information</b>	155
These schedules offer demographic and economic indicators to help the reader understand the environment within which the City’s financial activities take place.	
<b>Operating Information</b>	157
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.	

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

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Governmental Activities:</b>										
Net investment in capital assets	\$ 72,765,415	\$ 76,148,543	\$ 73,335,444	\$ 76,362,833	\$ 80,392,246	\$ 81,895,762	\$ 82,945,793	\$ 83,892,867	\$ 83,177,722	\$ 83,193,605
Restricted	6,609,675	4,937,538	6,079,590	2,245,332	1,912,180	2,122,953	2,815,993	4,321,280	4,856,154	2,060,032
Unrestricted	29,552,965	23,982,795	1,591,292	777,665	(4,892,883)	(15,011,733)	(36,244,461)	(40,010,751)	(48,226,357)	(47,612,389)
<b>Total Governmental Activities Net Position</b>	<b>\$ 108,928,055</b>	<b>\$ 105,068,876</b>	<b>\$ 81,006,326</b>	<b>\$ 79,385,830</b>	<b>\$ 77,411,543</b>	<b>\$ 69,006,982</b>	<b>\$ 49,517,325</b>	<b>\$ 48,203,396</b>	<b>\$ 39,807,519</b>	<b>\$ 37,641,248</b>
<b>Business-type Activities:</b>										
Net investment in capital assets	\$ 14,530,286	\$ 15,734,425	\$ 23,983,537	\$ 28,045,832	\$ 22,332,269	\$ 22,376,249	\$ 22,036,073	\$ 22,493,982	\$ 22,443,932	\$ 21,922,426
Unrestricted	(4,779,780)	(5,850,933)	(10,547,818)	(14,863,742)	(12,179,023)	(10,757,834)	(9,598,849)	(8,538,249)	(7,598,760)	(5,702,487)
<b>Total Business-type Activities Net Position</b>	<b>\$ 9,750,506</b>	<b>\$ 9,883,492</b>	<b>\$ 13,435,719</b>	<b>\$ 13,182,090</b>	<b>\$ 10,153,246</b>	<b>\$ 11,618,415</b>	<b>\$ 12,437,224</b>	<b>\$ 13,955,733</b>	<b>\$ 14,845,172</b>	<b>\$ 16,219,939</b>
<b>Primary Government:</b>										
Net investment in capital assets	\$ 87,295,701	\$ 91,882,968	\$ 97,318,981	\$ 104,408,665	\$ 102,724,515	\$ 104,272,011	\$ 104,981,866	\$ 106,386,849	\$ 105,621,654	\$ 105,116,031
Restricted	6,609,675	4,937,538	6,079,590	2,245,332	1,912,180	2,122,953	2,815,993	4,321,280	4,856,154	2,060,032
Unrestricted	24,773,185	18,131,862	(8,956,526)	(14,086,077)	(17,071,906)	(25,769,567)	(45,843,310)	(48,549,000)	(55,825,117)	(53,314,876)
<b>Total Primary Government Net Position</b>	<b>\$ 118,678,561</b>	<b>\$ 114,952,368</b>	<b>\$ 94,442,045</b>	<b>\$ 92,567,920</b>	<b>\$ 87,564,789</b>	<b>\$ 80,625,397</b>	<b>\$ 61,954,549</b>	<b>\$ 62,159,129</b>	<b>\$ 54,652,691</b>	<b>\$ 53,861,187</b>

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

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Expenses:</b>										
<b>Governmental activities:</b>										
General government	\$ 4,372,577	\$ 3,979,122	\$ 3,040,319	\$ 2,340,584	\$ 3,453,207	\$ 4,243,537	\$ 3,407,933	\$ 3,195,349	\$ 4,539,158	\$ 7,178,050
Public safety	13,910,834	14,781,347	13,263,509	13,655,432	14,618,441	16,507,044	16,367,119	18,968,397	23,887,683	22,274,486
Community development	3,233,598	2,646,525	2,068,450	2,458,665	2,567,843	3,328,046	2,868,473	2,522,157	2,959,442	1,835,249
Recreation	2,226,201	1,980,078	2,647,726	2,777,589	2,840,457	3,221,250	3,097,501	2,573,335	2,548,681	1,413,896
Public works	4,976,071	5,928,990	11,353,600	6,882,670	7,863,741	7,603,005	6,911,603	6,937,058	7,842,090	9,115,346
Interest on long-term debt	373,524	132,321	260,017	239,143	188,887	143,333	100,036	55,104	85	51,162
Total Governmental Activities Expenses	29,092,805	29,448,383	32,633,621	28,354,083	31,532,576	35,046,215	32,752,665	34,251,400	41,777,141	41,868,189
<b>Business-type Activities:</b>										
Wastewater	4,398,844	3,479,553	3,933,499	5,217,340	5,183,363	3,991,004	4,077,582	3,928,331	5,093,118	4,626,634
Solid Waste	3,989,240	4,095,682	4,605,465	4,350,342	4,588,155	2,376,686	2,526,901	2,216,662	1,575,575	3,901,112
Transit Services	2,943,943	2,714,135	2,916,096	2,685,773	127,671	-	-	-	-	-
Other Enterprise Funds	336,203	324,043	382,573	391,844	391,844	-	-	-	-	-
Total Business-type Activities Expenses	11,668,230	10,613,413	11,837,633	12,727,366	10,291,033	6,367,690	6,604,483	6,144,993	6,668,693	8,527,746
<b>Total Primary Government Expenses</b>	<b>40,761,035</b>	<b>40,061,796</b>	<b>44,471,254</b>	<b>41,081,449</b>	<b>41,823,609</b>	<b>41,413,905</b>	<b>39,357,148</b>	<b>40,396,393</b>	<b>48,445,834</b>	<b>50,395,935</b>
<b>Program revenues:</b>										
<b>Governmental activities:</b>										
Charges for services:										
General government	1,200,799	1,543,686	1,430,544	1,490,257	1,569,444	1,702,142	1,488,493	2,318,518	1,327,757	1,236,136
Operating grants and contributions	595,522	436,434	861,484	1,702,084	1,045,110	638,283	847,091	1,002,010	859,437	757,387
Capital grants and contributions	4,099,782	3,297,685	7,793,386	3,978,333	5,488,502	4,365,660	6,145,461	5,670,702	3,526,055	4,994,774
Total governmental activities program revenues	5,896,103	5,277,805	10,085,414	7,170,674	8,103,056	6,706,085	8,481,045	8,991,230	5,713,249	6,988,297
<b>Business-type activities:</b>										
Charges for services:										
Wastewater	4,025,728	4,297,624	4,930,118	5,530,122	5,514,969	5,382,396	5,395,851	5,691,682	5,541,935	5,564,001
Solid Waste	4,062,908	3,785,422	4,040,347	4,023,189	4,121,294	1,926,405	2,027,441	1,971,820	1,988,453	4,208,547
Transit Services	688,374	186,984	610,918	169,247	129,803	-	-	-	-	-
Other business-type activities	341,336	94,831	75,831	69,973	58,451	-	-	-	-	-
Operating grants and contributions	2,044,518	2,381,538	1,849,657	2,275,972	219,038	524,058	-	-	-	-
Capital grants and contributions	-	-	4,779,757	405,234	-	-	-	-	-	-
Total business-type activities program revenues	10,855,664	10,746,399	16,286,628	12,473,737	10,043,555	7,832,859	7,423,292	7,663,502	7,530,388	9,772,548
<b>Total primary government program revenues</b>	<b>16,751,767</b>	<b>16,024,204</b>	<b>26,372,042</b>	<b>19,644,411</b>	<b>18,146,611</b>	<b>14,538,944</b>	<b>15,904,337</b>	<b>16,654,732</b>	<b>13,243,637</b>	<b>16,760,845</b>

(Continued)

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

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Net revenues (expenses):										
Governmental activities	(23,196,702)	(24,170,578)	(22,548,207)	(21,183,409)	(23,429,520)	(28,340,130)	(25,103,932)	(25,260,170)	(36,063,892)	(34,879,892)
Business-type activities	(812,566)	132,986	4,448,995	(253,629)	(247,478)	1,465,169	818,809	1,318,509	861,695	1,244,802
Total net revenues (expenses)	(24,009,268)	(24,037,592)	(18,099,212)	(21,437,038)	(23,676,998)	(26,874,961)	(24,285,123)	(23,941,661)	(35,202,197)	(33,633,090)
General Revenues and Other Changes in Net Position:										
Governmental activities:										
Taxes:										
Property taxes	9,581,086	8,750,763	7,288,665	7,398,978	7,441,119	7,970,015	9,108,160	8,774,293	9,252,006	9,796,572
Transient occupancy taxes	2,626,389	2,649,694	2,748,763	2,892,232	2,857,509	3,056,078	3,147,207	3,320,932	2,855,796	3,436,464
Sales taxes	6,942,387	7,346,732	7,532,540	7,259,449	7,670,993	7,166,274	7,239,830	9,690,333	13,527,079	16,387,048
Franchise taxes	N/A	N/A	N/A	N/A	N/A	N/A	N/A	1,023,994	1,077,373	1,175,996
Business License taxes	N/A	N/A	N/A	N/A	N/A	N/A	N/A	233,526	220,930	222,605
Other taxes	1,213,263	1,126,099	1,178,629	1,211,911	1,265,262	1,264,374	1,308,951	59,958	64,808	55,188
Motor vehicle in lieu, unrestricted	24,459	-	-	-	-	-	-	-	-	-
Use of money and property	1,297,074	328,226	693,341	471,980	482,812	278,153	202,328	242,147	318,440	1,048,338
Other general revenues	91,654	109,885	141,895	328,363	199,570	200,675	269,350	601,038	352,124	591,410
Transfers	-	-	-	-	1,537,968	-	-	-	-	-
Extraordinary item - gain due to dissolution of RDA	311,238	-	-	-	-	-	-	-	-	-
Total Governmental Activities	22,087,550	20,311,399	19,583,833	19,562,913	21,455,233	19,935,569	21,275,826	23,946,241	27,668,555	32,713,621
Business-type activities:										
Investment income	-	-	-	-	-	-	-	-	-	-
Other revenue	-	-	-	-	-	-	-	-	27,744	129,965
Transfers	-	-	-	-	(2,781,366)	-	-	-	-	-
Total Business-type Activities	-	-	-	-	(2,781,366)	-	-	-	27,744	129,965
Total Primary Government	22,087,550	20,311,399	19,583,833	19,562,913	18,673,867	19,935,569	21,275,826	23,946,241	27,696,299	32,843,586
Changes in Net Position:										
Governmental activities	(1,109,152)	(3,859,179)	(2,964,374)	(1,620,496)	(1,974,287)	(8,404,561)	(3,828,106)	(1,313,929)	(8,395,337)	(2,166,271)
Business-type activities	(812,566)	132,986	4,448,995	(253,629)	(3,028,844)	1,465,169	818,809	1,318,509	889,439	1,374,767
Total Primary Government	(1,921,718)	(3,726,193)	1,484,621	(1,874,125)	(5,003,131)	(6,939,392)	(3,009,297)	204,580	(7,505,898)	(791,504)

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

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>General Fund:</b>										
Reserved										
Nonspendable*	\$ 6,025,426	\$ 5,819,857	\$ 5,391,889	\$ 10,843,398	\$ 8,680,778	\$ 7,619,282	\$ 5,183,492	\$ 8,111,586	\$ 9,955,211	\$ 8,002,559
Restricted*	-	-	-	-	-	-	-	-	-	-
Assigned*	-	-	-	-	-	-	-	-	-	-
Unreserved/Unassigned*	25,449,432	22,749,055	21,445,217	14,466,701	12,063,100	9,222,550	9,163,739	5,843,014	4,406,560	4,438,404
<b>Total General Fund</b>	<b>\$ 31,474,858</b>	<b>\$ 28,568,912</b>	<b>\$ 26,837,106</b>	<b>\$ 25,310,099</b>	<b>\$ 20,743,878</b>	<b>\$ 16,841,832</b>	<b>\$ 14,347,231</b>	<b>\$ 13,954,600</b>	<b>\$ 13,882,054</b>	<b>\$ 17,659,154</b>
<b>All Other Governmental Funds:</b>										
Reserved										
Nonspendable*	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted*	6,935,670	15,283,195	6,266,281	2,269,521	1,941,169	2,122,945	2,232,689	4,376,375	4,856,154	2,060,032
Assigned*	-	-	-	-	-	-	-	-	-	-
Unreserved/Unassigned*, reported in:										
Special revenue funds	-	(229,905)	(4,178,949)	(1,203,369)	(3,645,638)	(4,363,879)	(5,509,987)	(8,192,534)	(8,168,382)	(6,784,541)
<b>Total all other governmental funds</b>	<b>\$ 6,935,670</b>	<b>\$ 15,053,290</b>	<b>\$ 2,087,332</b>	<b>\$ 1,066,152</b>	<b>\$ (1,704,469)</b>	<b>\$ (2,240,934)</b>	<b>\$ (3,277,298)</b>	<b>\$ (3,816,159)</b>	<b>\$ (3,312,228)</b>	<b>\$ (4,724,509)</b>

Source: Barstow Finance Department

\* FY11 Implementation of GASB 54 Fund Balance Classifications.

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

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

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Revenues:</b>										
Taxes	\$ 20,387,584	\$ 19,873,288	\$ 18,558,246	\$ 18,540,422	\$ 19,035,503	\$ 19,265,710	\$ 20,748,728	\$ 22,592,237	\$ 26,994,270	\$ 31,071,466
Licenses and permits	196,868	204,981	472,222	429,256	509,323	574,297	561,068	490,306	442,883	536,798
Fines and forfeitures	106,341	104,690	142,409	125,915	140,692	216,117	78,862	114,564	132,885	89,923
From other agencies	4,915,206	3,907,154	5,075,232	9,278,029	6,713,437	5,161,172	7,365,874	6,051,941	5,818,278	5,535,566
Charges for services	677,688	1,099,480	750,382	1,281,351	808,528	712,690	655,742	1,053,338	444,041	328,465
Use of Money and Property	990,102	328,226	768,427	586,238	579,736	430,896	924,400	924,400	354,439	1,084,648
Other	91,654	71,385	82,362	115,621	80,491	68,327	136,635	472,340	352,124	592,683
<b>Total Revenues</b>	<b>27,363,443</b>	<b>25,589,204</b>	<b>25,849,280</b>	<b>30,356,832</b>	<b>27,867,710</b>	<b>26,429,209</b>	<b>29,897,237</b>	<b>31,699,126</b>	<b>34,538,920</b>	<b>39,239,549</b>
<b>Expenditures</b>										
<b>Current:</b>										
General government	3,076,341	3,061,475	2,882,514	2,934,731	3,350,641	3,633,918	3,197,895	3,964,134	3,271,395	5,750,679
Public safety	13,338,769	13,427,720	13,473,842	14,493,181	14,032,923	14,419,752	15,862,429	17,253,463	18,655,220	18,784,049
Public works	2,746,018	3,481,396	3,108,045	3,050,005	3,274,837	3,418,593	3,321,773	3,162,077	3,854,666	5,042,790
Recreation	1,547,172	1,520,643	2,333,991	2,380,982	2,541,381	2,575,293	2,628,551	2,429,324	2,188,673	1,007,100
Community development	3,035,640	2,552,355	2,147,003	2,427,110	2,573,815	2,839,218	2,609,936	2,555,676	2,626,193	1,605,860
<b>Debt service:</b>										
Principal retirement	510,000	-	1,070,000	1,100,000	1,145,000	1,190,000	1,249,026	1,290,000	1,826,578	2,114,295
Interest and fiscal charges	382,583	447,390	386,172	356,970	311,543	262,775	212,818	167,854	112,835	163,912
Capital Outlay	9,775,072	7,233,394	15,212,059	6,162,422	6,929,898	2,652,301	4,176,662	3,372,692	1,890,389	2,532,983
<b>Total Expenditures</b>	<b>34,411,595</b>	<b>31,724,373</b>	<b>40,613,626</b>	<b>32,905,401</b>	<b>34,160,038</b>	<b>30,991,850</b>	<b>33,259,090</b>	<b>34,195,220</b>	<b>34,425,949</b>	<b>37,001,668</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>(7,046,152)</b>	<b>(6,135,169)</b>	<b>(14,764,346)</b>	<b>(2,548,569)</b>	<b>(6,292,328)</b>	<b>(4,562,641)</b>	<b>(3,361,853)</b>	<b>(2,496,094)</b>	<b>112,971</b>	<b>2,237,881</b>
<b>Other financing sources (uses):</b>										
Transfers in	24,557,219	5,596,067	13,715,655	5,401,533	7,939,085	3,486,269	4,950,785	4,645,038	4,667,368	8,189,791
Transfers out	(24,557,219)	(5,596,067)	(13,715,655)	(5,401,533)	(9,288,600)	(3,486,269)	(4,950,785)	(4,645,038)	(4,667,368)	(8,189,791)
Proceeds from sale of assets	41,770	23,296	33,374	382	24,332	-	32,306	720,188	318,414	126,938
Capital leases	264,473	651,548	33,208	-	-	124,130	642,996	-	-	-
Issuance of bonds	-	9,770,000	-	-	-	-	-	-	-	-
Insurance premium	-	901,999	-	-	-	-	-	-	-	-
Extraordinary loss on dissolution of FRDA	(7,023,762)	-	-	-	-	-	-	-	-	-
Transfer of residual equity due to termination	(7,023,762)	-	-	-	280,669	-	-	-	-	-
<b>Total Other Financing</b>	<b>(13,741,281)</b>	<b>11,346,843</b>	<b>66,582</b>	<b>382</b>	<b>(1,044,514)</b>	<b>124,130</b>	<b>675,302</b>	<b>720,188</b>	<b>318,414</b>	<b>126,938</b>
<b>Sources (Uses)</b>	<b>\$ (20,787,433)</b>	<b>\$ 5,211,674</b>	<b>\$ (14,697,764)</b>	<b>\$ (2,548,187)</b>	<b>\$ (7,336,842)</b>	<b>\$ (4,438,511)</b>	<b>\$ (2,686,551)</b>	<b>\$ (1,775,906)</b>	<b>\$ 431,385</b>	<b>\$ 2,364,819</b>
<b>Net Change in Fund Balances</b>										
Debt service as a percentage of noncapital expenditures	3.6%	0.7%	5.7%	5.4%	5.3%	5.1%	5.0%	4.7%	6.0%	6.6%

**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
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%
2016	1,075,574,231	100,176,764	1,091,097	1,176,842,092	1.83%
2017	1,179,227,750	92,848,517	1,090,047	1,273,166,314	8.18%
2018	1,199,023,057	87,038,753	1,174,083	1,287,235,893	1.11%
2019	1,277,320,622	97,633,037	1,100,258	1,376,053,917	6.90%
2020	1,364,148,974	96,231,522	1,041,131	1,461,421,627	6.20%
2021	1,406,623,300	99,619,193	986,567	1,507,229,060	3.13%

Source: HdL Coren & Cone/San Bernardino Co Assessor 2011/12-2020/21 Combined Tax Rolls

\*Exempt values are not included in Total Assessed Value.

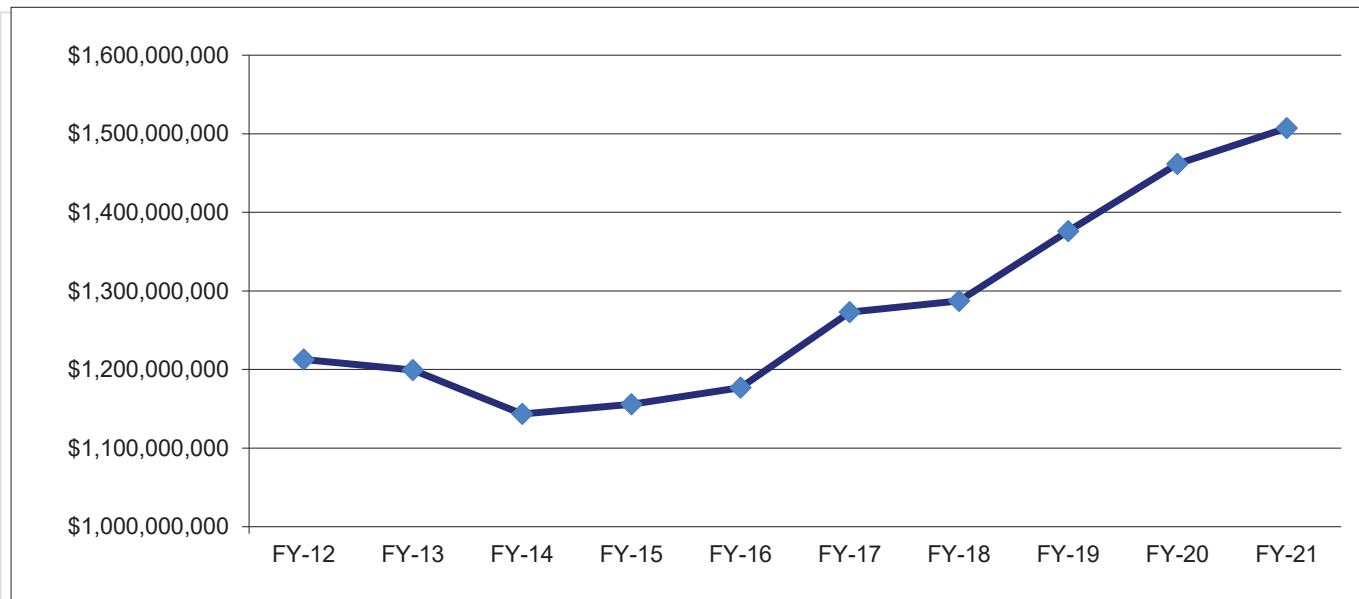
**CITY OF BARSTOW**  
**Assessed Value of Taxable Property by Class**  
**Last Ten Fiscal Years**

Fiscal Year	Residential Property	Commercial Property	Industrial Property	Vacant Land	SBE Non Unitary	Unsecured	Other	Total Taxable Assessed Value (a)	Total Direct Tax Rate
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%
2015-16	541,740,544	352,020,034	28,283,445	100,095,186	1,091,097	100,176,764	53,435,022	1,176,842,092	0.150%
2016-17	558,991,827	436,522,540	28,978,583	100,797,408	1,090,047	92,848,517	53,937,392	1,273,166,314	0.150%
2017-18	572,637,923	442,244,817	29,637,912	101,055,206	1,174,083	87,038,753	53,447,196	1,287,235,890	0.150%
2018-19	601,437,825	489,871,146	29,041,847	103,502,172	1,100,258	97,633,037	53,467,632	1,376,053,917	0.150%
2019-20	651,254,179	512,323,358	30,132,457	115,105,159	1,041,131	96,231,522	55,333,821	1,461,421,627	0.150%
2020-21	675,586,704	541,992,444	28,785,991	104,526,446	986,567	99,619,193	55,731,715	1,507,229,060	0.150%

Source: HdL Coren & Cone/San Bernardino Co Assessor 2011/12-2020/21 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									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Direct & Overlapping (2) Tax Rates										
Basic Levy (1)	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Barstow Unified School Bond	0.0401	0.0393	0.0370	0.0474	0.0329	0.0394	0.0308	0.1245	0.0451	0.0844
Mojave Water Agency	0.1675	0.1675	0.1675	0.1675	0.1675	0.1675	0.1675	0.1675	0.1675	0.1675
Total Direct & Overlapping Rates	\$ 1.2076	\$ 1.2068	\$ 1.2045	\$ 1.2149	\$ 1.2004	\$ 1.2069	\$ 1.1983	\$ 1.2920	\$ 1.2126	\$ 1.2519
City's Share of 1% Levy Per Prop 13 (3)	0.14974	0.14974	0.14974	0.14974	0.14974	0.14974	0.14974	0.14974	0.14974	0.14974
General Obligation Debt Rate										
Redevelopment Rate (4)	1.0000	1.0000	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total Direct Rate (5)	0.41035	0.40408	0.14996	0.14998	0.15012	0.15012	0.15015	0.15016	0.015001	0.015005

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. Beginning in 2013/2014 the Total Direct Rate no longer includes revenue generated from teh former redevelopment tax rate areas. Challenges to recognized enforceable obligations are assumed to have been resolved during 2012/13. for the purposes of this report, residual revenue is assumed to be distributed to the City in the same



CITY OF BARSTOW

Largest 2020-21 Local Secured Taxpayers

	<u>Property Owner</u>	<u>Primary Land Use</u>	<u>2020-21 Assessed Valuation</u>	<u>% of Total (1)</u>
1	FRO2MO Barstow LLC	Shopping Center	\$120,285,135	7.98%
2	Hospital of Barstow Inc.	Hospital	49,441,213	3.28%
3	Walmart Inc.	Commercial Store	32,260,371	2.14%
4	TVL Properties LLC	Supermarket	13,453,030	0.89%
5	Pilot Travel Centers LLC	Travel Center	12,986,311	0.86%
6	Lee Family Irrevocable Trust	Hotel	12,730,959	0.84%
7	Fred and Robin Rosenberg Family LP	Commercial Properties	12,262,648	0.81%
8	Desert Heights LP	Apartments	12,021,725	0.80%
9	Hospitality Express II LLC	Hotel	11,787,307	0.78%
10	Ayres Hotel Barstow LP	Hotel	11,220,000	0.74%
11	Montara 158 LP	Apartments	10,200,000	0.68%
12	Home Depot USA Inc.	Commercial Store	10,082,320	0.67%
13	T T Group Inc.	Shopping Center	9,718,362	0.64%
14	Elite Experience Inc.	Hotel	9,300,782	0.62%
15	Barstow Retail Partners LLC	Shopping Center	8,976,741	0.60%
16	HPT TA Properties Trust	Travel Center	7,759,000	0.51%
17	Loves Country Stores of California	Travel Center	7,478,353	0.50%
18	Villa Vista	Apartments	6,668,681	0.44%
19	Principal Holdings LLC	Motel	6,150,000	0.41%
20	Barstow Outlet	Shopping Center	5,973,300	0.40%
			<u>\$352,019,375</u>	<u>24.60%</u>

(1) 2020-21 Local Secured Assessed Valuation: \$1,507,229,060

Source: California Municipal Statistics, Inc.

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

Owner	2021		2012	
	Taxable Assessed Value	Percent of Total City Taxable Assessed Value	Taxable Assessed Value	Percent of Total City Taxable Assessed Value
Ayers Hotel Barstow LP	\$ 11,220,000	0.74%		
Barstow Outlet LLC	5,973,300	0.40%	\$ 10,422,003	0.86%
Compass Bank			13,649,500	1.13%
Desert Heights LLC	12,021,725	0.80%	11,380,220	0.94%
Fred and Robin Rosenberg Family Limited	12,262,648	0.81%		
FRO2MO Barstow LLC	120,285,135	7.98%		
Home Depot USA Inc	10,082,320	0.67%	10,496,528	0.87%
Hospital of Barstow Inc	49,441,213	3.28%	18,422,807	1.52%
Hospitality Express II LLC	11,787,307	0.78%	10,422,281	0.86%
Lee Family Irrevocable Trust	12,730,959	0.84%		
Pilot Travel Center LLC	12,986,311	0.86%		
Suk Hee Suh			10,823,512	0.89%
Tanger Properties LP			24,640,388	2.03%
TVL Properties	13,453,030	0.89%	9,419,191	0.78%
Walmart Real Estate Business Trust	32,260,371	2.14%		
Meruelo Maddux Properties			13,388,052	1.10%
<b>TOTAL OF TOP TEN:</b>	<b>\$ 304,504,319</b>	<b>20.20%</b>	<b>\$ 133,064,482</b>	<b>10.97%</b>
<b>CITY TOTAL</b>	<b>\$ 1,507,229,060</b>		<b>\$ 1,212,931,711</b>	

\*\*Listed alphabetically

Source: Hdl Coren & Cone-San Bernardino County Assessor

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

Fiscal Year Ended June 30	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of Levy		Collected in Subsequent Years	Total Collections to Date	
		Amount	Percent of Levy		Amount	Percentage of Levy
2012	\$ 4,609,714	\$ 4,446,347	96%	\$ 197,473	\$ 4,643,820	101%
2013	4,587,850	4,415,853	96%	182,397	4,598,250	100%
2014	4,511,674	4,410,513	98%	167,577	4,578,090	101%
2015	4,598,336	4,506,775	98%	103,403	4,610,178	100%
2016	4,730,324	4,634,977	98%	72,106	4,707,083	100%
2017	4,806,434	4,729,391	98%	72,314	4,801,705	100%
2018	4,812,206	4,753,763	99%	57,650	4,811,413	100%
2019	4,980,727	4,901,322	98%	50,063	4,951,385	99%
2020	5,241,332	5,145,125	98%	55,887	5,201,012	99%
2021	5,365,780	5,355,407	100%	-	5,355,407	100%

*Source: San Bernardino Auditor-Controller Recorder*

Includes Barstow Park & Recreation and Barstow Fire Protection District

**CITY OF BARSTOW**  
**Top 25 Sales Tax Producers (Alphabetically)**  
**For the Fiscal Year 2021**

<u>Business Name</u>	<u>Business Category</u>
Arco AM PM	Service Stations
Barstow Shell	Service Stations
Chevron	Service Stations
Circle K	Service Stations
Coach	Women's Apparel
Del Taco	Quick-Service Restaurants
Food 4 Less	Grocery Stores
Home Depot	Building Materials
In N Out Burger	Quick-Service Restaurants
Lenwood Arco	Service Stations
Loves Travel Stop 374	Service Stations
Marshalls	Family Apparel
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
MSC Industrial Supply	Building Materials
Nike	Shoe Stores
Old Navy	Family Apparel
Pilot Travel Center	Service Stations
Stater Bros	Grocery Stores
Terrible Herbst	Convenience Stores/Liquor
Travelcenters of America	Service Stations
Vans	Specialty Stores
Walmart	Discount Dept Stores

Percent of Fiscal Year Total Paid by Top 25 Accounts = 68.18%  
 Period: July 2020 Thru March 2021

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

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

<u>Business Name</u>	<u>Business Category</u>
Arco	Service Stations
Arco AM PM	Service Stations
Barstow Shell	Service Stations
Calvin Klein	Family Apparel
Chevron	Service Stations
Circle K	Service Stations
Coach	Women's Apparel
Del Taco	Quick-Service Restaurants
Home Depot	Building Materials
In N Out Burgers	Quick-Service Restaurants
Loves Travel Stop	Service Stations
McDonalds	Quick-Service Restaurants
Pilot Travel Center	Service Stations
Ralph Lauren	Family Apparel
Reebok	Shoe Stores
Shell	Service Stations
Soutar's Chrysler Dodge Jeep Ram & Toyota	New Motor Vehicle Dealers
Soutar's Ford/Nissan	New Motor Vehicle Dealers
Terrible Herbst	Convenience Stores/Liquor
Thrifty Oil	Service Stations
Travel Centers of America	Service Stations
Union 76	Service Stations
Valero	Service Stations
Valmont Newmark	Heavy Industrial
Walmart	Discount Dept Stores

Percent of Fiscal Year Total Paid by Top 25 Accounts = 68.80%  
 Period: July 2011 thru June 2012

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

**CITY OF BARSTOW**  
**Taxable Sales by Category**  
**Last Ten Calendar Years (in thousands of dollars)**  
**Adjusted for Economic Data**

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Apparel Stores	\$ 121,561	\$ 136,098	\$ 133,682	\$ 132,209	\$ 129,936	\$ 131,139	\$ 126,807	\$ 121,530	\$ 107,223	\$ 57,480
Food Stores	11,826	11,696	18,756	27,229	25,860	25,047	25,129	27,425	24,378	23,631
Eating & Drinking Places	72,014	74,629	73,539	78,836	81,830	86,487	88,908	89,891	93,254	81,362
Auto Dealers & Supplies	31,009	30,721	27,338	27,153	36,460	40,235	38,661	36,005	32,674	36,486
Service Stations	263,969	285,795	292,409	301,169	262,870	251,746	251,447	273,455	254,498	197,752
Other Retail Stores	94,021	101,423	101,714	103,093	102,123	100,869	106,946	110,707	111,949	131,226
All Other Outlets	79,690	95,115	86,207	86,831	80,706	82,819	89,560	93,786	103,625	120,620
<b>Total</b>	<b>\$ 674,090</b>	<b>\$ 735,477</b>	<b>\$ 733,645</b>	<b>\$ 756,520</b>	<b>\$ 719,785</b>	<b>\$ 718,342</b>	<b>\$ 727,458</b>	<b>\$ 752,799</b>	<b>\$ 727,601</b>	<b>\$ 648,557</b>

Source: State of California Board of Equalization, California Department of Taxes and Fees Administration, State Controller's Office and The Hill 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.

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

Fiscal Year Ended June 30	Governmental Activities					Business-type			Total Primary Government	Percentage of Personal Income <sup>1</sup>	Debt Per Capita <sup>1</sup>
	Tax Allocation Bonds	Loans	Measure I TRIP	Capital Lease Agreements	Total Governmental Activities	Wastewater Certificates of Participation	Wastewater Capital Lease Agreements	Total Business-type Activities			
2012	\$ -	-	\$ -	\$ 3,197,150	\$ 3,197,150	\$ 2,028,159	\$ 2,137,571	\$ 4,165,730	\$ 7,362,880	37.54%	\$ 320
2013	-	-	10,671,999	3,337,511	14,009,510	1,766,808	1,968,975	3,735,783	17,745,293	87.23%	765.94
2014	-	-	9,849,249	2,874,809	12,724,058	1,500,766	1,757,803	3,258,569	15,982,627	83.27%	686.19
2015	-	-	8,276,499	2,574,443	10,850,942	1,225,279	1,544,289	2,769,568	13,620,510	69.61%	585
2016	-	-	7,018,749	2,092,667	9,111,416	935,472	1,312,813	2,248,285	11,359,701	63.48%	466
2017	-	-	5,715,999	1,625,443	7,341,442	636,157	1,096,638	1,732,795	9,074,237	52.00%	374
2018	-	-	4,363,249	1,825,131	6,188,380	327,402	887,323	1,214,725	7,403,105	45.33%	305
2019	-	-	2,960,499	1,195,399	4,155,898	-	598,645	598,645	4,754,543	26.66%	197
2020	-	-	1,507,749	1,027,235	2,534,984	-	349,491	349,491	2,884,475	15.10%	119
2021	-	-	-	1,594,224	1,594,224	-	47,057	47,057	1,641,281	8.42%	68

<sup>1</sup> These ratios are calculated using personal income and population for the prior calendar year

**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 <sup>1</sup>	Per Capita
2012	-	0.00%	-
2013	-	0.00%	-
2014	-	0.00%	-
2015	-	0.00%	-
2016	-	0.00%	-
2017	-	0.00%	-
2018	-	0.00%	-
2019	-	0.00%	-
2020	-	0.00%	-
2021	-	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).

<sup>1</sup> 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, 2021**

2020-21 Assessed Valuation: \$1,507,229,060

	Total Debt	Percentage	City's share of
	<u>6/30/2021</u>	<u>Applicable (1)</u>	<u>Debt 6/30/21</u>
<b><u>OVERLAPPING TAX AND ASSESSMENT DEBT:</u></b>			
Barstow Unified School District	\$ 34,587,358	65.915%	\$ 22,798,257
Mojave Water Agency	3,290,000	3.769%	124,000
City of Barstow-No debt	-	100.000%	-
<b>TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT</b>			<b><u><u>\$ 22,922,257</u></u></b>

<b><u>OVERLAPPING GENERAL FUND OBLIGATION DEBT:</u></b>			
San Bernardino County General Fund Obligations	\$ 214,095,000	0.602%	\$ 1,288,852
San Bernardino County Pension Obligations Bonds	180,825,585	0.602%	1,088,570
San Bernardino County Flood Control District General Fund Obligations	51,360,000	0.602%	309,187
<b>TOTAL DIRECT AND OVERLAPPING GENERAL FUND DEBT</b>			<b><u><u>\$ 2,686,609</u></u></b>

<b><u>OVERLAPPING TAX INCREMENT DEBT (Successor Agency):</u></b>	<b>\$ 1,595,000</b>	<b>100.00%</b>	<b>\$ 1,595,000</b>
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<b>TOTAL DIRECT DEBT</b>			<b><u>\$ -</u></b>
<b>TOTAL OVERLAPPING DEBT</b>			<b><u>\$ 27,203,866</u></b>

<b><u>COMBINED TOTAL DEBT</u></b>			<b><u><u>\$ 27,203,866</u></u></b> (2)
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(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.

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

Ratios to 2020-21 Assessed Valuation:

Direct Debt	0.00%
Total Direct and Overlapping Tax and Assessment Debt	1.52%
<b>Combined Total Debt</b>	<b>1.80%</b>

Ratios to Redevelopment Successor Agency Incremental Valuation (\$614,523,247):

Total Overlapping Tax Increment Debt	0.26%
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Source: California Municipal Statistics, Inc.

**CITY OF BARSTOW**  
**Legal Debt Margin Information**  
**Last Ten Fiscal Years**

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Assessed valuation	\$ 1,212,931,711	\$ 1,199,487,738	\$ 1,143,477,603	\$ 1,155,685,689	\$ 1,176,842,092	\$ 1,273,166,314	\$ 1,287,235,890	\$ 1,376,053,917	\$ 1,461,421,627	\$ 1,507,229,060
Conversion percentage	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%
Adjusted assessed valuation	303,232,928	299,871,935	285,869,401	288,921,422	294,210,523	318,291,579	321,808,973	344,013,479	365,355,407	376,807,265
Debt limit percentage	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%
Debt limit	45,484,939	44,980,790	42,880,410	43,338,213	44,131,578	47,743,737	48,271,346	51,602,022	54,803,311	56,521,090
Legal debt margin	\$ 45,484,939	\$ 44,980,790	\$ 42,880,410	\$ 43,338,213	\$ 44,131,578	\$ 47,743,737	\$ 48,271,346	\$ 51,602,022	\$ 54,803,311	\$ 56,521,090
Total debt applicable to the limit as a percentage of debt limit	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	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

**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			
2012	-	-	-
2013	-	-	-
2014	-	-	-
2015	-	-	-
2016	-	-	-
2017	-	-	-
2018	-	-	-
2019	-	-	-
2020	-	-	-
2021	-	-	-

*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.

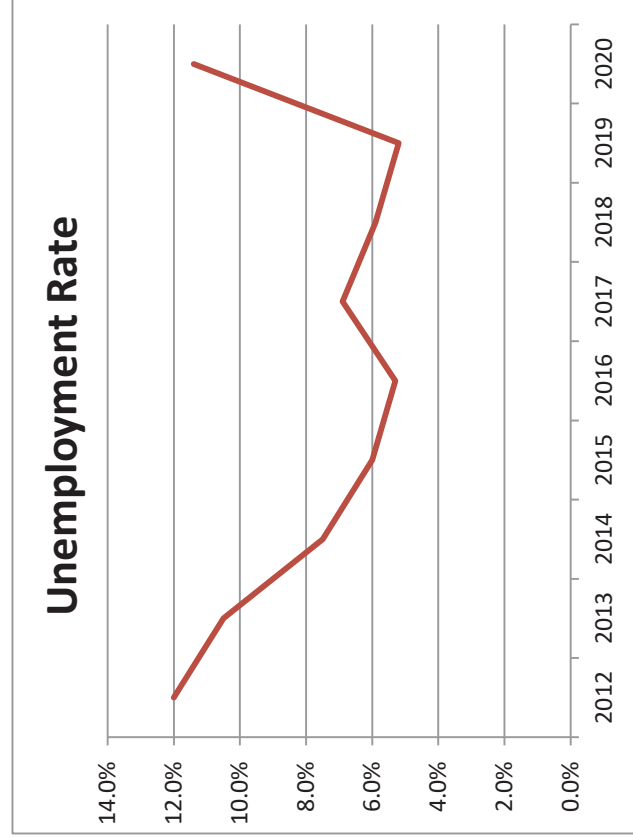
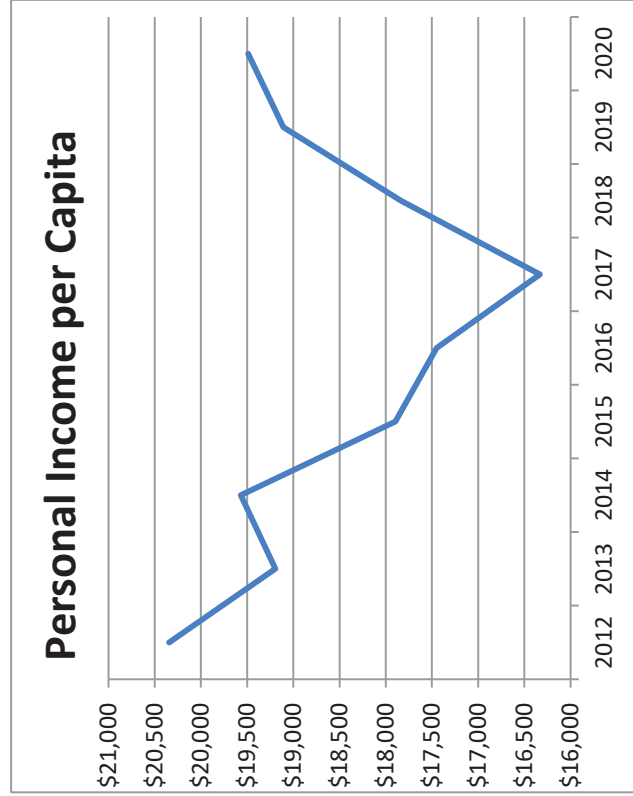
**CITY OF BARSTOW**  
**Demographic and Economic Statistics**  
**Last Ten Calendar Years**

Calendar Year	Population (1)	Personal Income (in thousands)	Per Capita Income	Unemployment Rate (2)	Median Age	% of Pop 25+ with High School Degree	% of Pop 25+ with Bachelor's Degree
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%
2015	24,360	435,931	17,895	6.0%	31.2	80.3%	11.8%
2016	24,248	423,134	17,450	5.3%	30.2	79.8%	11.5%
2017	24,248	396,041	16,332	6.9%	29.3	77.3%	11.7%
2018	24,150	430,713	17,834	5.9%	30.0	78.4%	11.7%
2019	24,268	463,700	19,107	5.2%	29.8	79.3%	11.3%
2020	24,205	471,728	19,488	11.4%	30.1	78.2%	9.2%

Sources: HdL Coren & Cone

(1) Population: California State Department of Finance

(2) Unemployment Data: California Employment Development Department



**CITY OF BARSTOW**  
**Principal Employers**  
**2020 and Ten Years Ago**  
**Last Ten Calendar Years**

Employer	2020		2011	
	Number of Employees	Percent of Total Employment	Number of Employees	Percent of Total Employment
Ft. Irwin National Training Center*	8,900	60.3%	5,665	46.5%
Marine Corps Logistics Base**	1,700	11.5%	1,845	15.1%
BNSF Railroad	1,000	6.8%	1,000	8.2%
Barstow Unified School District	958	6.5%	617	5.1%
Outlets at Barstow (Formerly Tanger Outlet Stores)	480	3.3%	400	3.3%
Raytheon Technical Services Co, LLC*	400	2.7%	498	4.1%
Barstow Community College	377	2.6%	-	0.0%
Barstow Community Hospital	348	2.4%	290	2.4%
Wal-Mart	305	2.1%	-	0.0%
Silver Valley School District*	300	2.0%	-	0.0%
Northrup Grunman (Vernell until 2002)*	-	0.0%	1,152	9.5%
San Bernardino County	-	0.0%	300	2.5%
IAP World Services*	-	0.0%	412	3.4%
Total Top Employers	14,768	100.0%	12,179	100.0%

Source: MuniServices, LLC / Avenu Insights & Analytics

Source: 2011, previously published CAFR

\*Employers outside of City Limits

\*\* Total civilian employee headcount includes Marine Corps Logistics Base, Barstow

(1) Total City Labor Force is provided by EDD Labor Force Data.

**Note: Fort Irwin National Training Center employee headcount includes current active employees.**

**Does not include soldiers on 10 rotations a year.**

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

Full-Time Employees as of June 30										
Function	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General government*	22	21	13	15	17	16	16	16	26.5	24.5
<b>Police Safety</b>										
Sworn	41	41	37	37	38	38	37	38	46	46
Non-Sworn	13	13	17	16	19	19	18	18	20	20
<b>Fire Safety**</b>										
Sworn	20	23	23	23	28	20	20	20	27	28
Non-Sworn	1	1	1	1	1	1	1	1	1	2
Recreation	19	18	16	14	17	17	17	17	11	2.5
Community Service	32	31	36	33	26	21	21	24	23	29
Community Development	10	10	10	12	10	16	15	10	11	7
Redevelopment	2	-	-	-	-	-	-	-	-	-
Solid Waste	1	2	2	3	1	1	1	1	1	1
Wastewater	8	9	8	9	11	11	11	10	11	11
Transit	1	1	1	-	-	-	-	-	-	-
<b>Total</b>	<b>170</b>	<b>170</b>	<b>164</b>	<b>163</b>	<b>167</b>	<b>160</b>	<b>157</b>	<b>155</b>	<b>177.5</b>	<b>171.0</b>

\* Includes 7 Elected Officials

\*\*Fire District added November 17, 2010

Source: City of Barstow Adopted Budget-Authorized Positions

**CITY OF BARSTOW**  
**Operating Indicators**  
**by Function**  
**Last Ten Fiscal Years**

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Police:										
Arrests	2,795	2,672	2,959	2,911	2,762	2,625	2463	2410	2235	2198
Parking citations issued	201	266	489	522	286	501	408	299	1110	579
Fire Services:										
Fire Calls	188	140	199	222**	242	311	212	340	576	499
Medical Aid Calls	4,050	3,636	3,452	4,079**	4,597	5,380	4031	5165	5351	5118
Parks and recreation:										
Number of recreation classes	16	14	14	14	14	14	10	10	6	13
Number of facility rentals	70	139	68	99	85	64	52	50	6	27
Sewer:										
New connections	17	30	4	2	5	4	4	5	8	6
Average/Millions of Gallons Sewage Treatment	2.13	2.11	2.11	2.11	1.98	2.03	2.06	2.13	2.15	2.19
Building Department:										
Permits	663	870	533	879	720	1,106	905	710	657	686
Fire Permits										
Fire Permits	*	*	*	61	-	-	-	-	-	-
Construction Fire Permits#					88	99	94	93	97	78
Annual Permit to Operate#					323	347	335	323	287	313

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.

# Permits now processed and tracked through the Building & Planning Department of the City of Barstow.

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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Police:</b>										
Stations	2	2	2	2	2	2	2	2	2	2
<b>Fire District **</b>										
Stations	3	3	3	3	3	3	3	3	3	3
<b>Public Works:</b>										
Streets (miles)	90	91	91	91	91	91	91	91	91	104.4
Streetlights	1,001	1,081	1,081	1,081	1,081	1,081	1081	1081	1053	1053
Traffic signals	21	21	22	22	22	22	22	22	22	22
<b>Parks and Recreation:</b>										
Parks	10	10	10	10	10	10	10	10	10	10
Community pools	1	1	1	1	1	1	1	1	1	1
Community centers	3	3	3	3	3	3	3	3	3	3
<b>Wastewater:</b>										
Sanitary sewers (miles)	117	117	117	113	113	113	113	113	123	123
Storm sewers (miles)	15	15	16	16	16	16	16	16	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