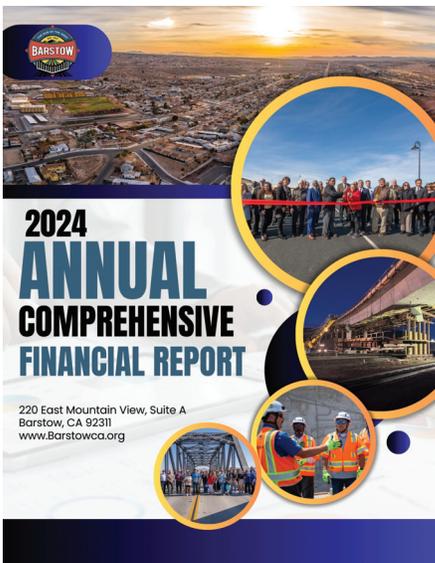


2024 ANNUAL COMPREHENSIVE FINANCIAL REPORT

220 East Mountain View, Suite A
Barstow, CA 92311
www.Barstowca.org



About the Cover

Barstow is a city in San Bernardino County, California, with a population of 25,415 as of 2020. It serves as a crossroads in the Inland Empire and is home to the Marine Corps Logistics Base. The city has historical roots dating back to Native American tribes and the 1700s missionary excursions. Barstow played a significant role in the mining history of the Mojave Desert and was a crucial stop on Routes 66 and 91.

This year the city has completed the construction of the North First Avenue Bridge which was originally around 1930. The new bridge enhances traffic safety, improves Americans with Disabilities Act (ADA) access, enhances pedestrian walkways, and re-establishes a safe connection between the residential north portion and the downtown business district of the City of Barstow.

CITY OF BARSTOW, CALIFORNIA
Annual Comprehensive Financial Report
For the Year Ended June 30, 2024

Prepared By:
Finance Department

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CITY OF BARSTOW, CALIFORNIA
 Annual Comprehensive Financial Report
 For the Year Ended June 30, 2024

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March 31, 2025

For the Citizens of the City of Barstow,
Honorable Mayor and City Council
City of Barstow, California

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, 2024.

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 LSL, 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, 2024, 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 0.42% from January 1, 2023 to January 1, 2024. The population for the City of Barstow had a slight decrease of 0.34% according to the California Department of Finance. The unemployment rate as of June, 2024, for the City is 5.2% which is an increase from 4.6% in June, 2023. The prior fiscal year still reflected some impacts on the City from the COVID-19 pandemic. Staff continues to pursue economic development in areas of the local economy that will provide job creation and increased opportunities for City residents.

Sales tax revenue, excluding Measure Q, a major contributor to the City’s revenues, decreased from \$8.59 million in fiscal year 2023 to \$8.35 million in fiscal year 2024. The City’s transient occupancy tax, also a major contributor, experienced a decrease this fiscal as well. TOT revenues for fiscal year 2024 were \$4.0 million, down from \$4.6 million in fiscal year 2023. City management and staff continue to monitor the City’s revenues will keep Council informed of any changes as they occur throughout the next fiscal year.

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 Marriott hotel project in the Lenwood area of Barstow along the freeway finally complete and opened for business in the fall of 2023. The project includes 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 located close to the Outlets at Barstow and conservatively will add over \$500 thousand annually in new revenues to the City's General Fund.
- The City has entered into four Inter Governmental Service Agreements (IGSCs) with Fort Irwin (Army) that are expected to add over \$800,000 annually in new revenues to the City's General Fund. The IGSCs cover base operations, refuse collections, and animal services among other services.
- The City created a "green zone" and have approved six applications for commercial retail operations, with two in operation. In addition, twenty-three applications for manufacturing and distribution have been approved by the City Council. To date, 7 manufacturing operators have opened in the City. The City will receive regulatory fees plus 3% of gross sales (above the City's existing 2%) for commercial retail operations and \$5 per square foot for manufacturing operations annually per approved development agreements. Annual revenues received pursuant to approved development agreements are expected to be in excess of \$1 million annually once all approved businesses are operating.
- The City continued its efforts to improve infrastructure in fiscal year 2024. The major infrastructure projects are pavement preservation, 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 (Measure Q) on November 6, 2018. Income from the new general sales tax measure began to be collected on April 1, 2019. The City collected over \$9.9 million from the sales tax measure in fiscal year 2024.

LONG-TERM FINANCIAL PLANNING

The City continues to maintain a Council mandated reserve of 20% Working Capital and 5% for emergencies. The Fiscal Year 2024-25 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 successfully manage economic downturns, thus reducing the impact on City services. Current economic factors and potential future economic impacts 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, 2024, 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, 2024, 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 LSL, LLP, were also invaluable in completion of this report.

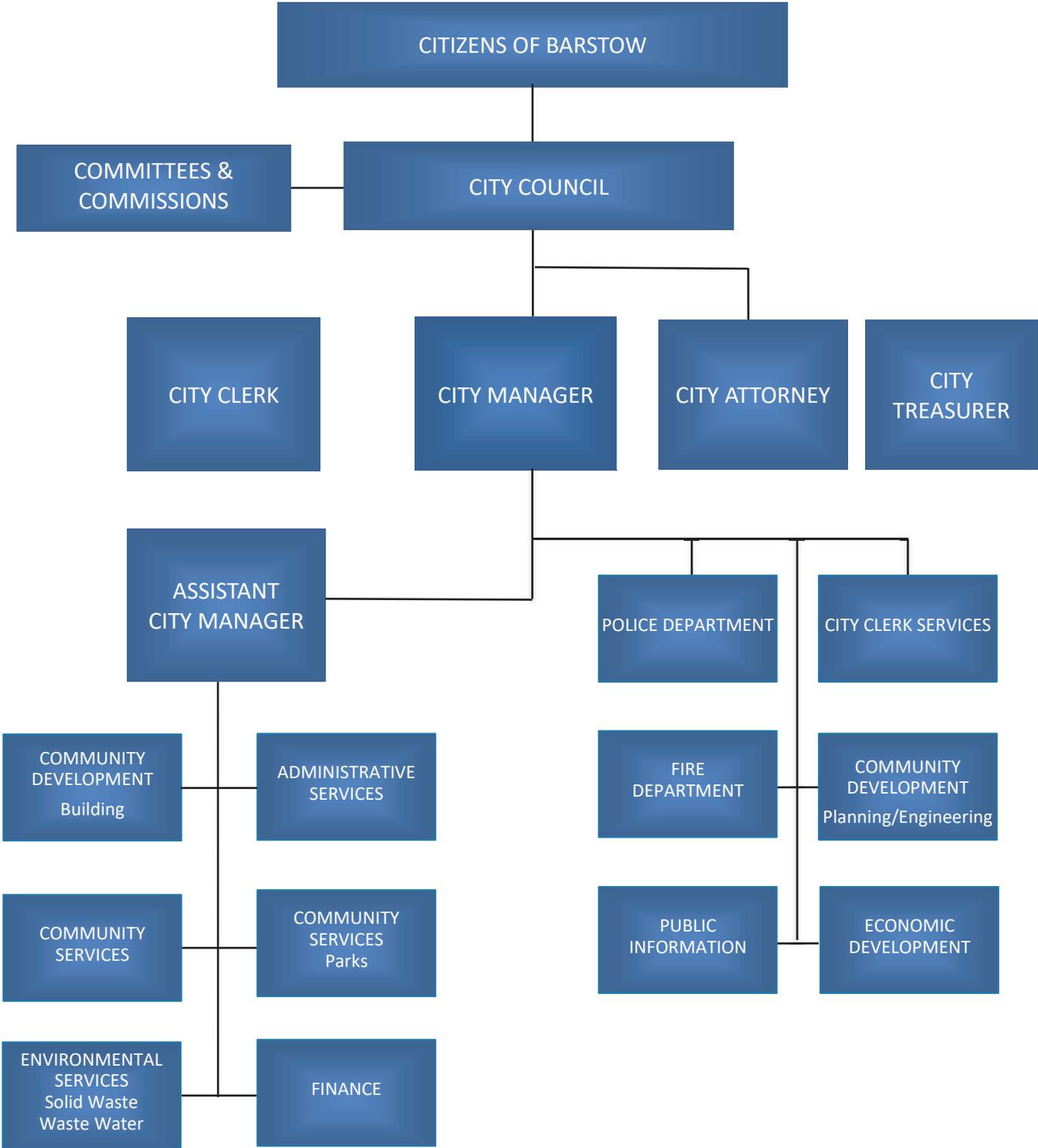
Sincerely,

A handwritten signature in black ink, appearing to read "Sydnie Harris", is positioned above the typed name and title.

Sydnie Harris
Finance Director

City of Barstow ORGANIZATIONAL CHART

Fiscal Year 2023-2024





**City of Barstow
List of Elected and Appointed Officials
June 30, 2024**

Elected Officials

Mayor
Mayor Pro Tem
Council Member
Council Member
Council Member
City Treasurer
City Clerk

Dr. Paul Anthony Courtney
James M. Noble
Barbara Mae Rose
Marilyn Dyer Kruse
Carmen Hernandez
Michael J. Lewis
Andrea Flores

Appointed Officials

Interim City Manager/Public Safety Dir./
Chief of Police
Finance Director
City Attorney
Fire Chief

Andrew Espinoza, Jr.
Sydnie Harris
Matthew Summers
Vacant



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Barstow
California**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2023

Christopher P. Morill

Executive Director/CEO

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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 Audit of 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 the City of Barstow, California (the "City"), as of and for the year ended June 30, 2024, 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, as of June 30, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof, as listed in the table of contents, 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 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 Auditors' 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 audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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 financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.



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

Auditors' 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 auditors' report that includes our opinions. 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 generally accepted auditing standards 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 generally accepted auditing standards 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.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison schedules for the General Fund and major special revenue funds, and the required pension and other postemployment benefits schedules, as listed on the table of contents, 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 accompanying combining and individual fund financial statements and schedules (supplementary information) 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 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is 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 and statistical sections but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do 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 basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic 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 March 31, 2025, 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 City's internal control over financial reporting and compliance.

LSL, LLP

Irvine, California
March 31, 2025

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MANAGEMENT'S DISCUSSION AND ANALYSIS

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CITY OF BARSTOW
Management's Discussion and Analysis
June 30, 2024

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, 2024. 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 - iv of this report.

FINANCIAL HIGHLIGHTS

- The governmental program and general revenues were \$50.5 million.
- The cost of governmental activities was \$48.3 million.
- The business-type activities program and general revenues were \$13.2 million.
- The cost of business-type activities was \$10.2 million.
- The General Fund ended the fiscal year with a fund balance of \$29.6 million, with a reported net increase in fund balance of \$779,445.
- For the General Fund, actual revenues exceeded the budgeted revenue estimates by \$1.6 million and actual expenditures exceeded the final amended budget by \$260 thousand.
- The Measure I Special Revenue Fund, a major governmental fund, ended the fiscal year with a fund balance of \$500,493, an increase of \$146,684 from the prior fiscal year.
- The Barstow Fire Protection District ended the fiscal year with a fund deficit of \$2.5 million, a deficit reduction of \$1,156,707 from the prior fiscal year.
- Total Other Governmental Funds had a combined fund increase of \$1.4 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.

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).

CITY OF BARSTOW
Management's Discussion and Analysis
June 30, 2024

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 and the Capital Projects Fund.

The City adopted a single year appropriations budget for its governmental and proprietary funds in fiscal year 2025. A budgetary comparison has been provided for the general fund on page 95.

The basic governmental fund financial statements can be found on pages 23-36 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 37-39 of this report.

CITY OF BARSTOW
Management's Discussion and Analysis
June 30, 2024

Fiduciary funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources for those funds are not available to support the City's own programs. The accounting used for fiduciary funds is like that used for proprietary funds. The City maintains seven fiduciary funds to account for the receipts and disbursements of special assessments. The City also has one private purpose trust fund to account for redevelopment successor agency activity. Fiduciary fund statements are located on page 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 49-91 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the City's budgetary information and compliance for the General Fund, Measure I special revenue fund, 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 page 95-109 of this report.

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 and Flood Control special revenue funds, as well as the Capital Projects fund are located on page 114-127 of this report.

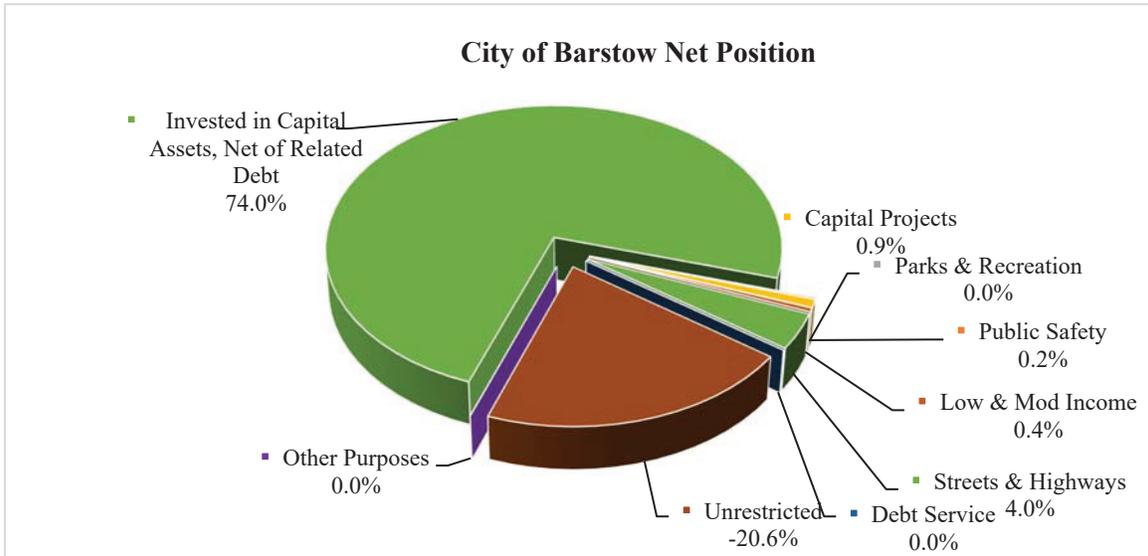
GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net Position

Net position over time may serve as a useful indicator of a government's financial position. In the case of the City, assets exceeded liabilities by \$65.9 million at the close of the fiscal year, an increase of 3.1% from the previous year.

Capital assets (e.g., land, buildings, machinery, and equipment) less any related debt used to acquire those assets comprises \$83.0 million of the City's Net Position. Total Assets and Deferred Outflows equaled \$177.7 million. Total Liabilities and Deferred Inflows equaled \$111.8 million. Total net position from Governmental Activities equaled \$44.3 million or 67.2% and Business-Type Activities equaled 21.6 million or 32.7% of the \$65.9 million total.

CITY OF BARSTOW
Management's Discussion and Analysis
June 30, 2024



Net Position (Summarized)
As of June 30, 2024 and 2023

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
Current and other assets	\$ 43,103,205	\$ 37,908,438	\$ 4,994,758	\$ 3,405,047	\$ 48,097,963	\$ 41,313,485
Capital & intangible assets	86,411,299	85,981,664	23,869,138	24,064,693	110,280,437	110,046,357
Total Assets	\$ 129,514,504	\$ 123,890,102	\$ 28,863,896	\$ 27,469,740	\$ 158,378,400	\$ 151,359,842
Def. outflows of resources - pens.	\$ 16,510,515	\$ 25,518,141	\$ 364,452	\$ 1,454,507	\$ 16,874,967	\$ 26,972,648
Def. outflows of resources - OPEB	2,460,726	3,077,783	-	-	2,460,726	3,077,783
Total deferred outflows	\$ 18,971,241	\$ 28,595,924	\$ 364,452	\$ 1,454,507	\$ 19,335,693	\$ 30,050,431
Current liabilities	\$ 8,673,406	\$ 7,068,709	\$ 1,065,352	\$ 817,497	\$ 9,738,758	\$ 7,886,206
Long-term liabilities	73,265,184	77,697,696	6,321,184	7,197,219	79,586,368	84,894,915
Total Liabilities	\$ 81,938,590	\$ 84,766,405	\$ 7,386,536	\$ 8,014,716	\$ 89,325,126	\$ 92,781,121
Deferred inflows - pension	\$ 10,921,023	\$ 16,306,278	\$ 260,658	\$ 980,615	\$ 11,181,681	\$ 17,286,893
Deferred inflows - OPEB	10,965,248	7,005,259	-	-	10,965,248	7,005,259
Deferred inflows - leases	311,915	425,595	-	-	311,915	425,595
Total deferred inflows	\$ 22,198,186	\$ 23,737,132	\$ 260,658	\$ 980,615	\$ 22,458,844	\$ 24,717,747
Net Position:						
Net investment in capital assets	\$ 59,172,179	\$ 84,150,615	\$ 23,820,713	\$ 23,997,654	\$ 82,992,892	\$ 108,148,269
Restricted	6,077,215	4,485,011	-	-	6,077,215	4,485,011
Unrestricted	(20,900,425)	(44,653,137)	(2,239,559)	(4,068,738)	(23,139,984)	(48,721,875)
Total net position	\$ 44,348,969	\$ 43,982,489	\$ 21,581,154	\$ 19,928,916	\$ 65,930,123	\$ 63,911,405

CITY OF BARSTOW
Management's Discussion and Analysis
June 30, 2024

As shown in the total column for 2024 in the chart above (City of Barstow Net Position), a portion of the City's net position, \$6.1 million, represents resources that are subject to restrictions on how they may be used. This restricted amount is primarily comprised of \$4.4 million restricted for Streets and Highways, \$966 thousand restricted for capital projects, and \$463 thousand restricted for low and moderate income projects.

Changes in Net Position
As of June 30, 2024 and 2023

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
Revenues:						
Program Revenues:						
Charges for services	\$ 3,837,370	\$ 2,556,970	\$ 13,132,465	\$ 11,801,262	\$ 16,969,835	\$ 14,358,232
Operating contributions and grants	634,025	1,152,051	-	-	634,025	1,152,051
Capital contributions and grants	5,288,068	9,095,030	-	-	5,288,068	9,095,030
General Revenues:						
Property taxes	12,613,212	11,492,487	-	-	12,613,212	11,492,487
Transient occupancy taxes	3,962,337	4,591,458	-	-	3,962,337	4,591,458
Sales taxes	18,219,191	18,807,640	-	-	18,219,191	18,807,640
Franchise taxes	1,421,689	1,329,910	-	-	1,421,689	1,329,910
Business license taxes	266,660	228,630	-	-	266,660	228,630
Other taxes	68,629	87,730	-	-	68,629	87,730
Use of money and property	1,050,239	375,413	86,329	28,614	1,136,568	404,027
Other revenues	467,422	677,529	38,407	63,818	505,829	741,347
Transfers between funds	1,440,393	3,609,129	(1,440,393)	(3,609,129)	-	-
Total Revenues	49,269,235	54,003,977	11,816,808	8,284,565	61,086,043	62,288,542
Expenses:						
General government	8,022,866	11,864,158	-	-	8,022,866	11,864,158
Public safety	25,168,097	19,309,981	-	-	25,168,097	19,309,981
Community development	3,704,614	3,692,053	-	-	3,704,614	3,692,053
Recreation	1,948,867	1,767,910	-	-	1,948,867	1,767,910
Public works	7,651,476	10,395,467	-	-	7,651,476	10,395,467
Interest on long-term debt	2,406,835	2,002,105	-	-	2,406,835	2,002,105
Wastewater Reclamation	-	-	3,687,095	2,529,653	3,687,095	2,529,653
Solid Waste Disposal	-	-	6,477,475	5,562,295	6,477,475	5,562,295
Total Expenses	48,902,755	49,031,674	10,164,570	8,091,948	59,067,325	57,123,622
Change in Net Position	366,480	4,972,303	1,652,238	192,617	2,018,718	5,164,920
Net position, beginning of year	43,982,489	39,010,186	19,928,916	19,736,299	63,911,405	58,746,485
Net position, end of year	<u>\$44,348,969</u>	<u>\$ 43,982,489</u>	<u>\$ 21,581,154</u>	<u>\$ 19,928,916</u>	<u>\$65,930,123</u>	<u>\$ 63,911,405</u>

The City of Barstow's overall net position increased by \$2.0 million from the prior year. The reasons for this overall increase are discussed in the following sections for governmental activities (an increase of \$366 thousand) and business-type activities (an increase of \$1.7 million).

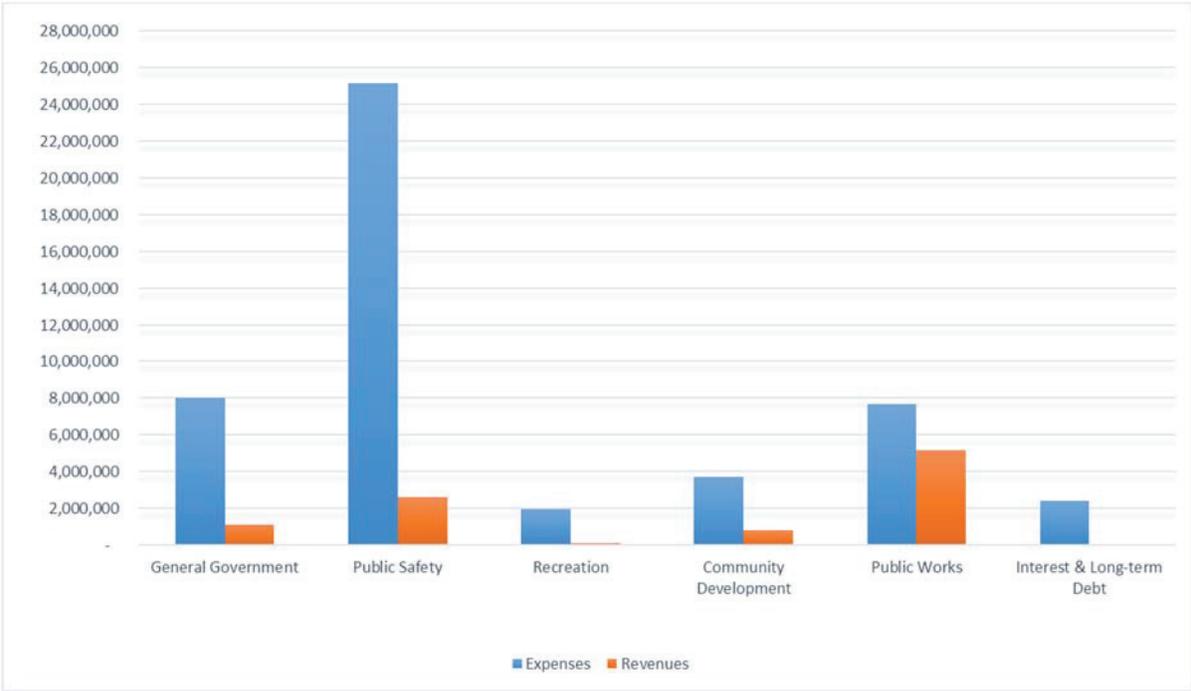
Governmental Activities

Governmental activities net position increased by \$366 thousand for fiscal year 2024 as shown in the chart above and the chart on page 10. This net increase primarily resulted from increases in the City's total assets of \$5.2 million plus \$9.6 million in decreases in deferred outflows plus \$2.8 million for decreases in total liabilities and \$1.5 million for deferred outflows. More information about governmental activities are reflected in the charts and graphs on the following pages.

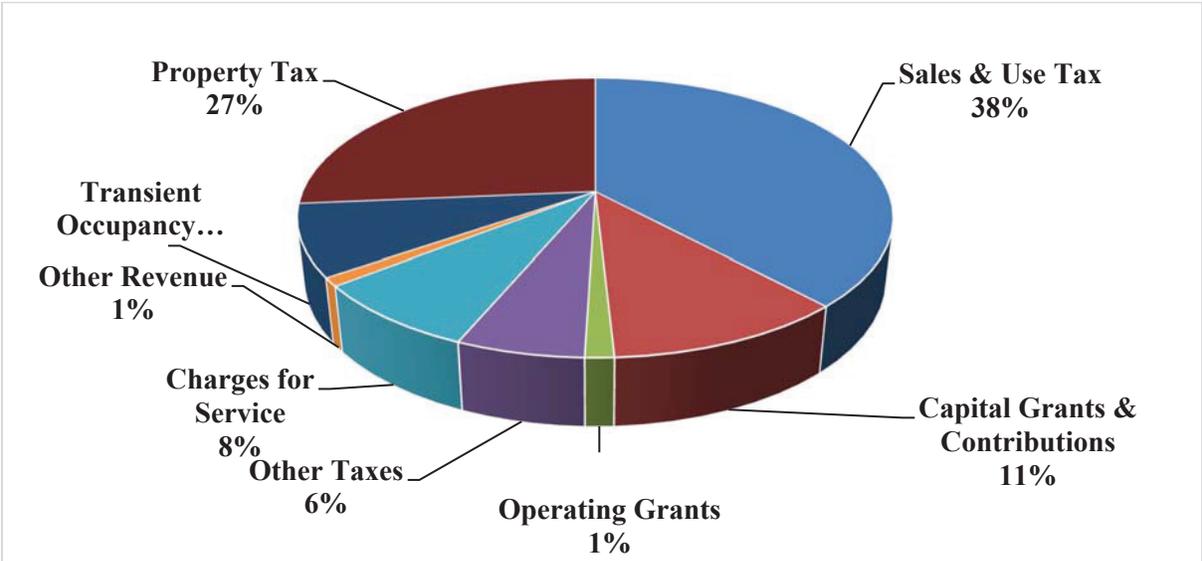
**CITY OF BARSTOW
Management's Discussion and Analysis
June 30, 2024**

Governmental Activities

Governmental Activities - Expenses and Program Revenues for FY 2023/24



Governmental Activities - Revenues by Source



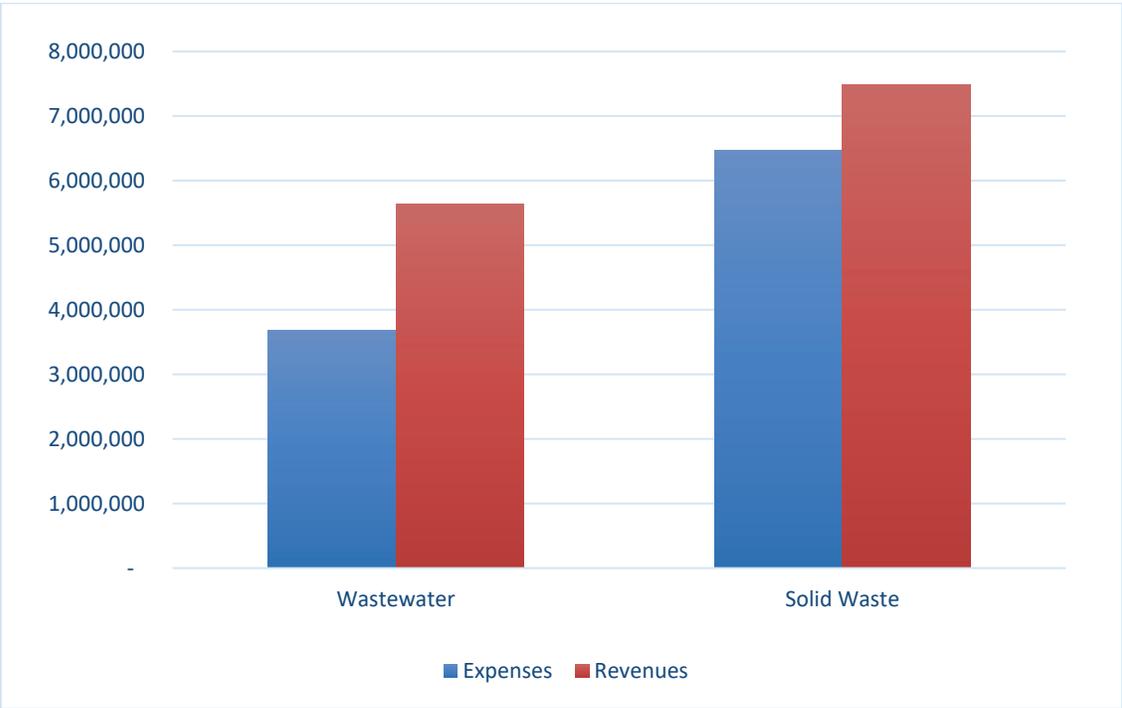
CITY OF BARSTOW
Management's Discussion and Analysis
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Business-type Activities

Business-type activities increased net position by \$1.7 million as shown in the chart on page 10. 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 ended during FY2022. Also, the State of California, as outlined in Senate Bill 1383, mandated changes to organics recycling programs. The City implemented a rate increase for waste services to account for costs of the expanded organics recycling services mandated by the State.

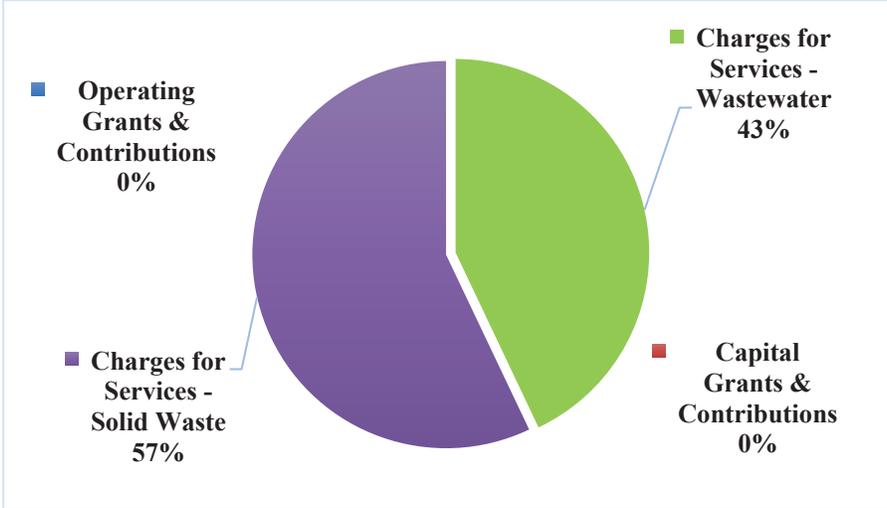
The chart below illustrates business-type expenses and revenues. The second chart on the following page shows Business-type revenues by source.

Business-Type Activities - Expenses and Program Revenues



CITY OF BARSTOW
Management's Discussion and Analysis
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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 \$30.9 million, an increase of \$6.3 million or 25.7% when compared to the fund balances of the prior year. In fiscal year 2024, total governmental funds revenues exceeded expenditures by \$4.1 million. Further analysis discusses the underlying changes in the major government funds with major changes:

General Fund- During fiscal year 2024, there was an increase in fund balance of \$779 thousand from the previous year. These increases were primarily from a slight increase in charges for services. Expenditures were slightly increase from prior year primarily due to inflationary measures impacting cost for goods.

Measure I- The net change in fund balance was an increase of \$146.6 thousand.

Barstow Fire Protection District- The net change in fund balance was an increase of \$1.2 million. This increase in fund balance reduced the accumulated fund deficit to \$2.5 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 \$195 thousand while total expenditures increased by \$86.5 thousand. Expenditures included additional retirement contributions to pre-fund unfunded actuarially-accrued liabilities.

CITY OF BARSTOW
Management's Discussion and Analysis
June 30, 2024

The *non-spendable* portion of total governmental funds fund balances is \$5.8 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, 2024, the major amounts designated as non-spendable were loans from the following funds:

- \$1.7 million due from the Measure I Special Revenue Fund
- \$3.8 million Barstow Fire Protection District loan

Other non-spendable items included deposits and prepaids.

Restricted funds constitute \$6.0 million of the total government funds fund balance.

- More than one half (\$3.8 million) of the restricted funds are restricted for Streets & Highway uses.
- \$1.2 million of the restricted funds are restricted for various Capital Projects.
- Low and Moderate Income Housing funds constitute \$464 thousand of the restricted fund balance.

Assigned fund balance accounts for \$6.1 million of fund balance and is comprised of working capital (\$4.9 million) and emergency reserves (\$1.2 million).

Unassigned fund balance in the General Fund constitutes approximately \$22.6 million as of the end of the fiscal year which is available for spending at the government's discretion. Of this amount, \$4.75 million offsets accumulated deficits for all other governmental funds leaving \$17.9 million remaining as *unassigned fund balance* as of the fiscal year end.

More details about the fund balance for governmental funds can be found on page 30.

Proprietary Funds

At year-end, the total net position of all proprietary funds was \$21.6 million, which was an increase of \$1.7 million or 8.5% over the previous fiscal year. Details for the change are discussed below.

- The *Wastewater Fund* net position increased by \$894 thousand (4.8%) during the fiscal year. The increase is primarily due to the increased monitoring of industrial discharge flow and rate increases due to inflationary cost pressures.
- The *Solid Waste Fund* had a change in net position of \$758 thousand (53.8%) This change was primarily due to a decrease in the hauler subsidy and rate increases due to inflationary cost pressures.

Additional information can be found on pages 37-39 of this report.

GENERAL FUND BUDGETARY HIGHLIGHTS

The fiscal 2024 year-end actual revenues of \$35.5 million exceeded budgeted estimated revenues by approximately \$4.2 million after adjusting for one-time expenditures. That is an increase of in revenues of \$1.2 million from prior fiscal year. Primarily, the City's charges for services slightly increased from prior year.

Actual total General Fund revenues had a positive or favorable variance in the amount of \$1.6 million or 4.6% when in comparison to the fiscal year budget. The total General Fund expenditures did not have a favorable variance and ended in a negative position of \$260 thousand, however, this can be attributed to the decrease of the expenditure budget of \$29 million at mid-year but inflating costs occurring towards the end of the fiscal year. Budget cuts at mid-year were due to the large number of vacancies within the General Fund positions, specifically Public Safety, which went unfilled through a majority of the fiscal year.

CITY OF BARSTOW
Management's Discussion and Analysis
June 30, 2024

CAPITAL ASSET AND DEBT ADMINISTRATION

The City's investment in capital assets for its governmental and business-type activities as of June 30, 2024, amounts to \$110.3 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 an increase of 2.1% or \$236 thousand. 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 increase in capital assets of \$432 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 \$2.6 million in Infrastructure, a decrease of \$207 thousand for Buildings & Improvements, and a net decrease in Machinery & Equipment of \$236 thousand.

Business-type Activities had an overall decrease of \$196 thousand from fiscal year 2023. This decrease was primarily due to a \$3.6 million decrease in Work in Progress and a \$3.1 million increase in Infrastructure from the prior fiscal year.

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

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
Land & Intangible Assets	\$ 9,784,135	\$ 9,784,135	\$ 1,657,637	\$ 1,657,637	\$ 11,441,772	\$ 11,441,772
Work in progress	20,821,690	17,659,882	-	3,607,950	\$ 20,821,690	\$ 21,267,832
Buildings & Improvements	9,109,526	9,316,468	74,824	77,722	\$ 9,184,350	\$ 9,394,190
Machinery and equipment	2,634,987	2,870,754	1,781,859	1,399,014	\$ 4,416,846	\$ 4,269,768
Right to Use - Leased Equipment	1,029,730	694,371	47,762	67,151	\$ 1,077,492	\$ 761,522
Infrastructure	43,031,231	45,654,054	20,307,056	17,255,219	\$ 63,338,287	\$ 62,909,273
Total	\$ 86,411,299	\$ 85,979,664	\$ 23,869,138	\$ 24,064,693	\$ 110,280,437	\$ 110,044,357

Additional information on the City's capital assets can be found in Note 5 of the "Notes to Basic Financial Statements" on page 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 \$39.3 million. Of this debt amount, governmental activities accounts for \$33.7 million, and \$5.5 million is related to business-type activities. The City has no general obligation bonded debt or tax allocation bonded debt outstanding.

CITY OF BARSTOW
Management's Discussion and Analysis
June 30, 2024

City of Barstow's Outstanding Debt

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	Total 2024	Total 2023
Lease Revenue Bonds	\$ 7,207,778	\$ 7,656,492	\$ -	\$ -	\$ 7,207,778	\$ 7,656,492
Pension Obligation Bonds	17,995,000	19,150,000	-	-	17,995,000	19,150,000
Loans Payable	999,064	1,139,210	-	47,057	999,064	\$ 1,186,267
Pollution Remediation Liability	-	-	5,407,013	5,425,233	5,407,013	\$ 5,425,233
Claims & Judgments Payable	5,811,711	4,759,275	-	-	5,811,711	\$ 4,759,275
Compensated Absences	1,726,852	1,596,868	132,102	137,449	1,858,954	\$ 1,734,317
Total	\$ 33,740,405	\$ 34,301,845	\$ 5,539,115	\$ 5,609,739	\$ 39,279,520	\$ 39,911,584

In total, debt decreased by \$632 thousand. This decrease was due to the timely payment of the Pension Obligation Bonds (\$18 million) and Lease Revenue Bonds (\$7.2 million) during the fiscal year. These bonds were issued to pre-fund the Unfunded Actuarially-accrued Liabilities (UAL) within the pension funds for the City and Fire District. With respect to other outstanding debts, although the City actively works to reduce claims and judgements with professional risk managers, Claims & Judgments increased by \$1.1 million during the fiscal year. Also, debt for compensated absences increased by \$130 thousand and pollution remediation expenses in the Soapmine Road area reduced the related liability by \$18 thousand.

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

The construction of a Marriott hotel project in the Lenwood area of Barstow along the freeway was opened for business in the 2024 fiscal year. The project includes 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) and are located close to the Outlet mall. They are estimated to bring an additional \$500 thousand annually in new revenues to the City's General Fund.

The City has approved creation of a "green zone" within a commercial and industrial area of the City. Based upon a Cannabis fee study completed for the City, expected new revenues during the next fiscal year may amount to approximately \$1 to \$2 million in new revenue. After approval, the City will receive over \$70,000 annually in regulatory fees plus 3% of gross sales (above the City's existing 2% sales tax) for each approved development agreement. To date, four Cannabis retailers have been fully approved. Two of those retailers are now in operation.

Burlington Northern Sante Fe railroad (BNSF) has recently announced investment of \$2 billion in the City and immediately surrounding area to construct an in-land port. This new intermodal hub is anticipated to create 20,000 direct and indirect jobs in the City. This project will create significant future positive impacts both in quality of life and new revenue as well as additional service demands and significant growth. Currently, it is anticipated that this project will be completed in the spring of 2027. 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.

CITY OF BARSTOW
Management's Discussion and Analysis
June 30, 2024

The unemployment rate for the City of Barstow as of June, 2024 was 5.2%. This represents an increase of 8.0% from the June, 2023 rate of 4.6%. The City's Economic Development team is actively working to assist local businesses to identify and development new business opportunities in the community. 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.

GENERAL PURPOSE FINANCIAL STATEMENTS

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GOVERNMENT-WIDE FINANCIAL STATEMENTS

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CITY OF BARSTOW, CALIFORNIA
Statement of Net Position
June 30, 2024

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and investments	\$ 29,004,869	\$ 3,722,015	\$ 32,726,884
Receivables (net of uncollectibles):			
Accounts	12,723,568	1,251,441	13,975,009
Taxes	60,574	-	60,574
Accrued interest	182,433	20,131	202,564
Leases	325,527	-	325,527
Deposits	123,593	-	123,593
Inventories	47,592	-	47,592
Prepaid costs	635,049	1,171	636,220
Capital assets (not being depreciated)	30,605,825	1,657,637	32,263,462
Capital assets (net of accumulated depreciation/amortization)	55,805,474	22,211,501	78,016,975
Total assets	129,514,504	28,863,896	158,378,400
DEFERRED OUTFLOWS OF RESOURCES			
Pension-related	16,510,515	364,452	16,874,967
OPEB-related	2,460,726	-	2,460,726
Total deferred outflows of resources	18,971,241	364,452	19,335,693
LIABILITIES			
Accounts payable	6,521,249	849,418	7,370,667
Due to other governments	110,209	-	110,209
Accrued liabilities	1,247,522	61,720	1,309,242
Accrued interest	107,396	-	107,396
Deposits payable	309,082	74,952	384,034
Unearned revenue	317,416	-	317,416
Retentions payable	60,532	-	60,532
Noncurrent liabilities:			
Due within one year: bonds, leases, subscriptions, claims, and compensated absences	4,115,994	69,067	4,185,061
Pollution remediation liability	-	51,000	51,000
Due in more than one year:			
Net pension liability	25,187,199	812,906	26,000,105
Net OPEB liability	13,300,302	-	13,300,302
Bonds, leases, subscriptions, claims, and compensated absences	30,661,689	111,460	30,773,149
Pollution remediation liability	-	5,356,013	5,356,013
Total liabilities	81,938,590	7,386,536	89,325,126
DEFERRED INFLOWS OF RESOURCES			
Pension-related	10,921,023	260,658	11,181,681
OPEB-related	10,965,248	-	10,965,248
Lease-related	311,915	-	311,915
Total deferred inflows of resources	22,198,186	260,658	22,458,844
NET POSITION			
Net investment in capital assets	59,172,179	23,820,713	82,992,892
Restricted:			
Public safety	196,498	-	196,498
Parks and recreation	1,787	-	1,787
Capital projects	966,601	-	966,601
Debt service	2,380	-	2,380
Low and Moderate Income	463,665	-	463,665
Streets and highways	4,435,316	-	4,435,316
Other purposes	10,968	-	10,968
Unrestricted	(20,900,425)	(2,239,559)	(23,139,984)
Total net position	\$ 44,348,969	\$ 21,581,154	\$ 65,930,123

CITY OF BARSTOW, CALIFORNIA
Statement of Activities
For the Year Ended June 30, 2024

	<u>Program Revenues</u>			
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Contributions and Grants</u>	<u>Capital Contributions and Grants</u>
Functions/Programs:				
Primary government:				
Governmental activities:				
General government	\$ 8,022,866	\$ 1,090,678	\$ 31,238	\$ -
Public safety	25,168,097	2,173,997	433,732	656
Community development	3,704,614	466,677	164,515	149,725
Parks and recreation	1,948,867	102,290	-	7,062
Public works	7,651,476	3,728	4,540	5,130,625
Interest on long-term debt	2,406,835	-	-	-
Total governmental activities	48,902,755	3,837,370	634,025	5,288,068
Business-type activities:				
Wastewater Reclamation	3,687,095	5,640,331	-	-
Solid Waste Disposal	6,477,475	7,492,134	-	-
Total business-type activities	10,164,570	13,132,465	-	-
Total primary government	\$ 59,067,325	\$ 16,969,835	\$ 634,025	\$ 5,288,068

General revenues and transfers:

- General revenues:
 - Property taxes
 - Sales taxes
 - Transient occupancy taxes
 - Franchise taxes
 - Business licenses taxes
 - Other taxes
 - Use of money and property
 - Other
- Transfers

Total general revenues and transfers

Change in net position

Net position-beginning

Net position-ending

**Net (Expenses) Revenues and
Changes in Net Position**

Primary Government

Governmental Activities	Business-Type Activities	Total
\$ (6,900,950)	\$ -	\$ (6,900,950)
(22,559,712)	-	(22,559,712)
(2,923,697)	-	(2,923,697)
(1,839,515)	-	(1,839,515)
(2,512,583)	-	(2,512,583)
(2,406,835)	-	(2,406,835)
(39,143,292)	-	(39,143,292)
-	1,953,236	1,953,236
-	1,014,659	1,014,659
-	2,967,895	2,967,895
(39,143,292)	2,967,895	(36,175,397)
12,613,212	-	12,613,212
18,219,191	-	18,219,191
3,962,337	-	3,962,337
1,421,689	-	1,421,689
266,660	-	266,660
68,629	-	68,629
1,050,239	86,329	1,136,568
467,422	38,407	505,829
1,440,393	(1,440,393)	-
39,509,772	(1,315,657)	38,194,115
366,480	1,652,238	2,018,718
43,982,489	19,928,916	63,911,405
\$ 44,348,969	\$ 21,581,154	\$ 65,930,123

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FUND FINANCIAL STATEMENTS

Governmental Funds Financial Statements

Enterprise Funds Financial Statements

Fiduciary Funds Financial Statements

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GOVERNMENTAL FUND FINANCIAL STATEMENTS

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

The Measure I Special Revenue Fund is used to account for money generated by a one-half percent sales tax approved by the voters in 1989, through 2010. In 2004, San Bernardino County voters approved the extension of Measure I sales tax through 2040.

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

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

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

CITY OF BARSTOW, CALIFORNIA
Balance Sheet
Governmental Funds
June 30, 2024

Special Revenue Funds

	Special Revenue Funds			
	General	Measure I	Barstow Fire Protection District	Grants
ASSETS				
Cash and cash equivalents	\$ 19,357,697	\$ 2,300,315	\$ 1,579,151	\$ 227,989
Receivables (net of allowance for uncollectible):				
Accounts	8,961,979	1,194,411	58,755	2,393,590
Taxes	-	-	-	-
Accrued interest	119,943	22,648	-	1,593
Leases	86,467	-	239,060	-
Due from other funds	2,786,838	-	-	-
Inventories	47,592	-	-	-
Prepaid items	65,569	-	-	-
Deposits	123,593	-	-	-
Advances to other funds	5,517,392	-	-	-
Total assets	\$ 37,067,070	\$ 3,517,374	\$ 1,876,966	\$ 2,623,172
LIABILITIES				
Accounts payable	\$ 5,626,467	\$ 454,719	\$ 183,624	\$ 167,297
Accrued payroll	914,680	-	155,830	-
Unearned revenue	-	-	-	251,860
Retentions payable	-	-	-	-
Deposits received	486,094	-	-	-
Due to other governments	110,209	-	-	-
Due to other funds	-	-	-	2,204,480
Advances from other funds	-	1,700,000	3,817,392	-
Total liabilities	7,137,450	2,154,719	4,156,846	2,623,637
DEFERRED INFLOWS OF RESOURCES				
Lease-related	80,459	-	231,456	-
Unavailable revenues	230,011	862,162	-	2,243,076
Total deferred inflows of resources	310,470	862,162	231,456	2,243,076
FUND BALANCES (DEFICITS)				
Nonspendable	5,754,146	-	-	-
Restricted	-	500,493	-	-
Committed	655,796	-	-	-
Assigned	6,122,285	-	-	-
Unassigned	17,086,923	-	(2,511,336)	(2,243,541)
Total fund balances (deficits)	29,619,150	500,493	(2,511,336)	(2,243,541)
Total liabilities, deferred inflows of resources, and fund balances (deficits)	\$ 37,067,070	\$ 3,517,374	\$ 1,876,966	\$ 2,623,172

CITY OF BARSTOW, CALIFORNIA
Balance Sheet
Governmental Funds
June 30, 2024

	Total Nonmajor Funds	Total Governmental Funds
ASSETS		
Cash and cash equivalents	\$ 5,539,717	\$ 29,004,869
Receivables (net of allowance for uncollectible):		
Accounts	114,833	12,723,568
Taxes	60,574	60,574
Accrued interest	38,249	182,433
Leases	-	325,527
Due from other funds	-	2,786,838
Inventories	-	47,592
Prepaid items	569,480	635,049
Deposits	-	123,593
Advances to other funds	-	5,517,392
Total assets	\$ 6,322,853	\$ 51,407,435
LIABILITIES		
Accounts payable	\$ 89,142	\$ 6,521,249
Accrued payroll	-	1,070,510
Unearned revenue	65,556	317,416
Retentions payable	60,532	60,532
Deposits received	-	486,094
Due to other governments	-	110,209
Due to other funds	582,358	2,786,838
Advances from other funds	-	5,517,392
Total liabilities	797,588	16,870,240
DEFERRED INFLOWS OF RESOURCES		
Lease-related	-	311,915
Unavailable revenues	-	3,335,249
Total deferred inflows of resources	-	3,647,164
FUND BALANCES (DEFICITS)		
Nonspendable	569,480	6,323,626
Restricted	5,545,246	6,045,739
Committed	-	655,796
Assigned	-	6,122,285
Unassigned	(589,461)	11,742,585
Total fund balances (deficits)	5,525,265	30,890,031
Total liabilities, deferred inflows of resources, and fund balances (deficits)	\$ 6,322,853	\$ 51,407,435

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CITY OF BARSTOW, CALIFORNIA
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position
June 30, 2024

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

Total fund balances - governmental funds		\$ 30,890,031
Capital assets, net of accumulated depreciation/amortization, used in governmental activities are not financial resources and, therefore, are not reported in the funds.		86,411,299
Differences between expected and actual experiences, assumption changes and net differences between projected and actual earnings, and contributions subsequent to the measurement date for the postretirement benefits (pension and OPEB) are recognized as deferred outflows of resources and deferred inflows of resources on the Statement of Net Position.		
Deferred outflows-pension related	\$ 16,510,515	
Deferred outflows-OPEB related	2,460,726	
Deferred inflows-pension related	(10,921,023)	
Deferred inflows-OPEB related	<u>(10,965,248)</u>	
Total deferred outflows and inflows related to postemployment benefits		(2,915,030)
Other long-term assets that are not available to pay for current period expenditures and, therefore, are either labeled unavailable or not reported in the funds.		
Miscellaneous revenues	<u>3,335,249</u>	
Total other long-term assets		3,335,249
Long-term liabilities that are not due and payable in the current period, and therefore, are not reported in the funds.		
Bonds payable	(26,201,842)	
Claims and judgements payable	(5,811,711)	
Leases and subscriptions payable	(1,037,278)	
Compensated absences	(1,726,852)	
Accrued interest payable on long-term debt	(107,396)	
Net pension liability	(25,187,199)	
Net OPEB liability	<u>(13,300,302)</u>	
Total long-term liabilities		<u>(73,372,580)</u>
Net position of governmental activities		<u>\$ 44,348,969</u>

CITY OF BARSTOW, CALIFORNIA
Statement of Revenues, Expenditures,
and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2024

	Special Revenue Funds			
	General	Measure I	Barstow Fire Protection District	Grants
REVENUES				
Taxes	\$ 30,222,438	\$ -	\$ 6,344,672	\$ -
Licenses and permits	403,098	-	2,418	-
Intergovernmental	482,228	1,956,807	1,628	4,756,117
Charges for services	3,030,882	-	-	-
Use of money and property	800,870	101,353	19,093	2,483
Fines and forfeitures	119,996	-	-	-
Miscellaneous	466,834	-	588	-
Total revenues	35,526,346	2,058,160	6,368,399	4,758,600
EXPENDITURES				
Current:				
General government	7,044,333	-	-	-
Public safety	13,205,626	-	7,930,850	131,410
Community development	3,166,121	-	-	97,630
Parks and recreation	1,545,351	-	-	-
Public works	4,619,862	-	-	-
Capital outlay	331,112	-	-	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	1,429,203	-	-	-
Total expenditures	31,341,608	-	7,930,850	229,040
Excess (deficiency) of revenues over (under) expenditures	4,184,738	2,058,160	(1,562,451)	4,529,560
OTHER FINANCING SOURCES (USES)				
Transfers in	2,077,200	-	4,275,571	-
Transfers out	(6,149,887)	(1,911,476)	(1,556,413)	(1,776,507)
Leases issued	667,355	-	-	-
Total other financing sources (uses)	(3,405,332)	(1,911,476)	2,719,158	(1,776,507)
Net change in fund balances	779,406	146,684	1,156,707	2,753,053
Fund balances (deficit)-beginning	28,839,744	353,809	(3,668,043)	(4,996,594)
Fund balances (deficit)-ending	\$ 29,619,150	\$ 500,493	\$ (2,511,336)	\$ (2,243,541)

CITY OF BARSTOW, CALIFORNIA
Statement of Revenues, Expenditures,
and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2024

	Total Nonmajor Funds	Total Governmental Funds
REVENUES		
Taxes	\$ -	\$ 36,567,110
Licenses and permits	-	405,516
Intergovernmental	1,574,227	8,771,007
Charges for services	-	3,030,882
Use of money and property	165,205	1,089,004
Fines and forfeitures	-	119,996
Miscellaneous	-	467,422
Total revenues	1,739,432	50,450,937
EXPENDITURES		
Current:		
General government	6,802	7,051,135
Public safety	67,365	21,335,251
Community development	315	3,264,066
Parks and recreation	250	1,545,601
Public works	331,959	4,951,821
Capital outlay	3,743,304	4,074,416
Debt service:		
Principal	1,603,714	1,603,714
Interest and fiscal charges	1,058,256	2,487,459
Total expenditures	6,811,965	46,313,463
Excess (deficiency) of revenues over (under) expenditures	(5,072,533)	4,137,474
OTHER FINANCING SOURCES (USES)		
Transfers in	6,568,805	12,921,576
Transfers out	(86,900)	(11,481,183)
Leases issued	-	667,355
Total other financing sources (uses)	6,481,905	2,107,748
Net change in fund balances	1,409,372	6,245,222
Fund balances (deficit)-beginning	4,115,893	24,644,809
Fund balances (deficit)-ending	\$ 5,525,265	\$ 30,890,031

CITY OF BARSTOW, CALIFORNIA
Reconciliation of the Statement of Revenues, Expenses and Changes in
Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2024

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

Net change in fund balances - total governmental funds: \$ 6,245,222

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation/amortization expense. This is the amount by which capital outlays exceeded depreciation/amortization expense in the current period.

Capital outlay	\$ 4,267,028	
Depreciation/amortization expense	<u>(3,786,773)</u>	
Total adjustment		480,255

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.

Earned but unavailable other revenues	<u>(3,773,772)</u>	
Total adjustment		(3,773,772)

The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to increase/(decrease) net position.

Loss/(gain) on disposal of capital assets	<u>48,620</u>	
Total adjustment		48,620

Bond and other debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of bond and other debt principal is an expenditure in the governmental funds, but repayment reduces long-term liabilities in the Statement of Net Position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities.

Leases issued	(667,355)	
Principal payments	<u>2,065,776</u>	
Total adjustment		1,398,421

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.

Changes in accrued interest on long-term debt	80,624	
Changes in compensated absences	(129,984)	
Changes in pension liabilities and related deferred outflows and inflows of resources	(4,499,385)	
Changes in OPEB liabilities and related deferred outflows and inflows of resources	<u>516,479</u>	
Total adjustment		<u>(4,032,266)</u>

Change in net position of governmental activities	<u>\$ 366,480</u>
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CITY OF BARSTOW, CALIFORNIA
Statement of Net Position
Proprietary Funds
June 30, 2024

Business-Type Activities

	Wastewater Reclamation	Solid Waste Disposal	Total Enterprise Funds
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 1,697,114	\$ 2,024,901	\$ 3,722,015
Receivables:			
Accounts	684,915	566,526	1,251,441
Accrued interest	7,764	12,367	20,131
Prepaid items	695	476	1,171
Total current assets	<u>2,390,488</u>	<u>2,604,270</u>	<u>4,994,758</u>
Noncurrent:			
Capital assets, not being depreciated/amortized	1,657,637	-	1,657,637
Capital assets, net of accumulated depreciation/amortization	21,949,740	261,761	22,211,501
Total noncurrent assets	<u>23,607,377</u>	<u>261,761</u>	<u>23,869,138</u>
Total assets	<u>25,997,865</u>	<u>2,866,031</u>	<u>28,863,896</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension-related	271,080	93,372	364,452
Total deferred outflows of resources	<u>271,080</u>	<u>93,372</u>	<u>364,452</u>
LIABILITIES			
Current liabilities:			
Accounts payable	302,859	546,559	849,418
Accrued liabilities	45,844	15,876	61,720
Deposits payable	-	74,952	74,952
Accrued compensated absences - due within one year	43,810	9,030	52,840
Pollution remediation liability - due within one year	51,000	-	51,000
Lease liabilities - due within one year	14,062	2,165	16,227
Total current liabilities	<u>457,575</u>	<u>648,582</u>	<u>1,106,157</u>
Noncurrent liabilities:			
Accrued compensated absences - due in more than one year	65,716	13,546	79,262
Pollution remediation liability - due in more than one year	5,356,013	-	5,356,013
Lease liabilities - due in more than one year	26,868	5,330	32,198
Net pension liability	604,641	208,265	812,906
Total noncurrent liabilities	<u>6,053,238</u>	<u>227,141</u>	<u>6,280,379</u>
Total liabilities	<u>6,510,813</u>	<u>875,723</u>	<u>7,386,536</u>
DEFERRED INFLOWS OF RESOURCES			
Pension-related	193,878	66,780	260,658
Total deferred inflows of resources	<u>193,878</u>	<u>66,780</u>	<u>260,658</u>
NET POSITION			
Net investment in capital assets	23,566,447	254,266	23,820,713
Unrestricted	(4,002,193)	1,762,634	(2,239,559)
Total net position	<u>\$ 19,564,254</u>	<u>\$ 2,016,900</u>	<u>\$ 21,581,154</u>

CITY OF BARSTOW, CALIFORNIA
Statement of Revenues, Expenses and Changes in Net Position
Proprietary Funds
For the Year Ended June 30, 2024

	Business-Type Activities		
	Wastewater Reclamation	Solid Waste Disposal	Total Enterprise Funds
OPERATING REVENUES			
Charges for Services	\$ 5,640,331	\$ 7,492,134	\$ 13,132,465
Other Revenue	6,379	32,028	38,407
Total operating revenues	5,646,710	7,524,162	13,170,872
OPERATING EXPENSES			
Administrative fees and other	1,077,327	338,297	1,415,624
Operations and maintenance of plant	1,432,780	6,097,235	7,530,015
Claims expense	136,444	15,352	151,796
Depreciation/amortization expense	1,039,322	24,266	1,063,588
Total operating expenses	3,685,873	6,475,150	10,161,023
Operating income (loss)	1,960,837	1,049,012	3,009,849
NONOPERATING REVENUES (EXPENSES)			
Interest revenue	33,489	52,840	86,329
Interest expense and fiscal charges	(1,222)	(2,325)	(3,547)
Total nonoperating revenues (expenses)	32,267	50,515	82,782
Income (loss) before transfers	1,993,104	1,099,527	3,092,631
Transfers out	(1,098,499)	(341,894)	(1,440,393)
Change in net position	894,605	757,633	1,652,238
Net position-beginning	18,669,649	1,259,267	19,928,916
Net position-ending	\$ 19,564,254	\$ 2,016,900	\$ 21,581,154

CITY OF BARSTOW, CALIFORNIA
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2024

Business-Type Activities

	Wastewater Reclamation	Solid Waste Disposal	Totals
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	\$ 5,538,342	\$ 7,438,450	\$ 12,976,792
Payments to suppliers and service providers	(2,320,249)	(6,477,560)	(8,797,809)
Payments to employees for salaries and benefits	(336,455)	(49,097)	(385,552)
Other receipts (payments)	(136,444)	-	(136,444)
Net cash provided by (used for) operating activities	2,745,194	911,793	3,656,987
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers to other funds	(1,098,499)	(341,894)	(1,440,393)
Principal paid on non-capital debt	(18,220)	-	(18,220)
Net cash provided by (used for) noncapital financing activities	(1,116,719)	(341,894)	(1,458,613)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition and construction of capital assets	(867,691)	-	(867,691)
Principal paid on capital debt	-	(3,463)	(3,463)
Interest paid on capital debt	(1,222)	(2,365)	(3,587)
Net cash provided by (used for) capital and related financing activities	(868,913)	(5,828)	(874,741)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest on investments	16,992	47,852	64,844
Net cash provided by (used for) investing activities	16,992	47,852	64,844
Net increase (decrease) in cash and cash equivalents	776,554	611,923	1,388,477
Cash and cash equivalents-beginning	920,560	1,412,978	2,333,538
Cash and cash equivalents-ending	\$ 1,697,114	\$ 2,024,901	\$ 3,722,015

CITY OF BARSTOW, CALIFORNIA
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2024

Business-Type Activities

	Wastewater Reclamation	Solid Waste Disposal	Totals
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES			
Operating income (loss)	\$ 1,960,837	\$ 1,049,012	\$ 3,009,849
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:			
Depreciation/amortization expense	1,039,322	24,266	1,063,588
(Increase) decrease in accounts receivable	(108,368)	(86,787)	(195,155)
(Increase) decrease in prepaid items	12	(58)	(46)
Increase (decrease) in accounts payable	189,846	(26,617)	163,229
Increase (decrease) in accrued liabilities	1,530	2,759	4,289
Increase (decrease) in deposits payable	-	1,074	1,074
Increase (decrease) in compensated absences	(211)	(5,136)	(5,347)
Total adjustments	784,357	(137,219)	647,138
Net cash provided by (used for) operating activities	\$ 2,745,194	\$ 911,793	\$ 3,656,987

FIDUCIARY FUND FINANCIAL STATEMENTS

CITY OF BARSTOW, CALIFORNIA
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2024

	Successor Agency Private Purpose Trust Fund	Custodial Funds
	<u> </u>	<u> </u>
ASSETS		
Cash and investments	\$ 44,345	\$ 217,287
Receivables:		
Accounts	45,461	30
Accrued interest	328	1,631
Property held for resale	2,224,905	-
Total assets	<u>2,315,039</u>	<u>218,948</u>
LIABILITIES		
Accounts payable	-	460
Total liabilities	<u>-</u>	<u>460</u>
NET POSITION		
Restricted for:		
Individuals, organizations, and other governments	2,315,039	218,488
Total net position	<u>\$ 2,315,039</u>	<u>\$ 218,488</u>

CITY OF BARSTOW, CALIFORNIA
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended June 30, 2024

	Successor Agency Private Purpose Trust Fund	Custodial Funds
	<u> </u>	<u> </u>
ADDITIONS		
Interest and change in fair value of investments	\$ 1,425	\$ 7,377
Collections for assessment districts	-	22,092
Intergovernmental	3,057	-
Total additions	<u>4,482</u>	<u>29,469</u>
DEDUCTIONS		
Contractual services	-	5,477
Total deductions	<u>-</u>	<u>5,477</u>
Net increase (decrease) in fiduciary net position	4,482	23,992
Net position-beginning	<u>2,310,557</u>	<u>194,496</u>
Net position-ending	<u>\$ 2,315,039</u>	<u>\$ 218,488</u>

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FOOTNOTE DISCLOSURES

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NOTES TO BASIC FINANCIAL STATEMENTS

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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.

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.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 are recognized in the period in which the liability is incurred. Grant revenues are recognized when all eligibility requirements imposed by the provider have been met. The types of transactions reported as program revenues for the City are reported in three categories: 1) charges for services, 2) operating grants and contributions, and 3) capital grants and contributions.

Certain eliminations have been made as prescribed by Governmental Accounting Standards Board (GASB) Statement No. 34 in 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 2022. 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.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

All governmental funds are accounted for on a spending or current financial resources measurement focus and the modified accrual basis of accounting. Accordingly, only current assets and current liabilities are included on the balance sheets. The statement of revenues, expenditures and changes in fund balances presents increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in fund balance. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. Accordingly, revenues are recorded when received in cash, except that revenues subject to accrual (generally received within 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.

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 types are accounted for using the economic resources measurement and 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. Custodial 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.

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, 2024.

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

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, lease and subscription assets, 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
Lease and subscription assets	Costs of \$20,000 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 leases and subscription-based information technology arrangements is based on the shorter of the contract 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
Lease and subscription assets	Shorter of the leased asset's useful life or the lease term

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.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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, 2024, 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, 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 (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.

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

at year-end must first be used to replenish the reserve amount at the 20% level. Accordingly, at June 30, 2024, the City has assigned fund balance of \$1,224,457 for emergency contingency, and \$4,897,828 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 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 assets 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 assets 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:

Valuation Date June 30, 2023
Measurement Date June 30, 2023
Measurement Period July 1, 2022 to June 30, 2023

CITY OF BARSTOW, CALIFORNIA
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

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-Type Activities	Fiduciary Funds	Total
Cash and Investments	\$ 29,004,869	\$ 3,722,015	\$ 261,632	\$ 32,988,516
Total Cash and Investments	<u>\$ 29,004,869</u>	<u>\$ 3,722,015</u>	<u>\$ 261,632</u>	<u>\$ 32,988,516</u>

Cash and investments as of June 30, 2024, consist of the following:

Deposits:

Cash on Hand	\$ 4,080
Deposits with Financial Institution	14,924,121

Investments

Local Agency Investment Fund	<u>18,060,315</u>
Total Cash and Investments	<u>\$ 32,988,516</u>

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 \$14,924,121 at June 30, 2024. Bank balances before reconciling items were \$14,837,694 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 2E.

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.

CITY OF BARSTOW, CALIFORNIA
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

NOTE 2: CASH AND INVESTMENTS (CONTINUED)

<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	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.

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 Maturities (in years)</u>
		<u>1 Year or Less</u>
Local Agency Investment Fund	\$ 18,060,315	\$ 18,060,315
Total	<u>\$ 18,060,315</u>	<u>\$ 18,060,315</u>

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.

CITY OF BARSTOW, CALIFORNIA
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

NOTE 2: CASH AND INVESTMENTS (CONTINUED)

Investment Type	Fair Value	Legal Minimum Rating	Rating as of Year End Not Rated
Local Agency Investment Fund	\$ 18,060,315	N/A	\$ 18,060,315
Total	\$ 18,060,315		\$ 18,060,315

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.

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, 2024, \$14,674,121 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, 2024, 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, 2024, the City had \$18,060,315 invested in LAIF, which had invested 1.46% 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 to the total investments held by LAIF.

CITY OF BARSTOW, CALIFORNIA
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

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, 2024 are described on the following page.

Investments included in restricted cash and investments included in 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	\$ 18,060,315	\$ 18,060,315
Total Investment Subject to Fair Value	<u>\$ 18,060,315</u>	<u>\$ 18,060,315</u>

NOTE 3: ACCOUNTS RECEIVABLE

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

	Accounts Receivable	Allowances for Uncollectibles	Total
Governmental Funds:			
General	\$ 9,123,552	\$ (161,573)	\$ 8,961,979
Measure I	1,194,411	-	1,194,411
Barstow Fire District	58,755	-	58,755
Grants	2,393,590	-	2,393,590
Non-Major Governmental Funds	114,833	-	114,833
Proprietary Funds:			
Wastewater Reclamation	684,915	-	684,915
Solid Waste Disposal	566,526	-	566,526
Fiduciary Funds:			
Successor Agency	45,461	-	45,461
Custodial Funds	30	-	30
	<u>\$ 14,182,073</u>	<u>\$ (161,573)</u>	<u>\$ 14,020,500</u>

NOTE 4: INTERFUND BALANCES

The following table presents the interfund balances as of June 30, 2024:

Due to General Fund	Due from Other Funds
Grants Fund	\$ 2,204,480
Non-Major Governmental Funds	582,358
Total	<u>\$ 2,786,838</u>

CITY OF BARSTOW, CALIFORNIA
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

NOTE 4: INTERFUND BALANCES (CONTINUED)

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, 2024.

The following table presents advances as of June 30, 2024:

	<u>Advances from Other Funds</u>		
	Measure I Special Revenue Fund	Barstow Fire Protection District Special Revenue Fund	Total
Advances to Other Funds			
General Fund	<u>\$ 1,700,000</u>	<u>\$ 3,817,392</u>	<u>\$ 5,517,392</u>

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, 2024, 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, 2024, the total amount owed to the General Fund from the Barstow Fire Protection District Special Revenue Fund is \$3,817,392.

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

In the fund financial statements, transfers were as follows:

Transfers In	<u>Transfers Out</u>							Total
	General Fund	Measure I	Barstow Fire Protection District	Grants	Wastewater Reclamation	Solid Waste Disposal	Non-Major Governmental Funds	
Governmental Funds:								
General	\$ -	\$ 16,300	\$ 884,000	\$ -	\$ 770,000	\$ 320,000	\$ 86,900	\$ 2,077,200
Barstow Fire Protection District	4,275,571	-	-	-	-	-	-	4,275,571
Non-Major Governmental Funds	1,874,316	1,895,176	672,413	1,776,507	328,499	21,894	-	6,568,805
Total	<u>\$ 6,149,887</u>	<u>\$ 1,911,476</u>	<u>\$ 1,556,413</u>	<u>\$ 1,776,507</u>	<u>\$ 1,098,499</u>	<u>\$ 341,894</u>	<u>\$ 86,900</u>	<u>\$ 12,921,576</u>

CITY OF BARSTOW, CALIFORNIA
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

NOTE 5: CAPITAL ASSETS

A summary of changes in the governmental activities capital assets at June 30, 2024, is as follows:

	Balance June 30, 2023	Additions	Deletions	Transfers	Balance June 30, 2024
Governmental activities:					
Capital assets, not being depreciated/amortized					
Land	\$ 9,699,135	\$ -	\$ -	\$ -	\$ 9,699,135
Intangible Asset-Water Rights	17,659,882	3,271,525	(34,033)	(75,684)	20,821,690
Construction-in-progress	85,000	-	-	-	85,000
Total capital assets, not being depreciated/amortized	<u>27,444,017</u>	<u>3,271,525</u>	<u>(34,033)</u>	<u>(75,684)</u>	<u>30,605,825</u>
Capital assets, being depreciated/amortized					
Buildings	25,850,237	177,123	-	75,684	26,103,044
Machinery, equipment, and vehicles	6,412,188	151,025	(370,809)	-	6,192,404
Lease assets	768,817	667,355	(66,782)	-	1,369,390
Subscription assets	137,518	-	(8,927)	-	128,591
Infrastructure	115,367,815	-	-	-	115,367,815
Total capital assets, being depreciated/amortized	<u>148,536,575</u>	<u>995,503</u>	<u>(446,518)</u>	<u>75,684</u>	<u>149,161,244</u>
Less accumulated depreciation/amortization					
Buildings	(16,533,769)	(459,749)	-	-	(16,993,518)
Machinery, equipment, and vehicles	(3,541,434)	(372,048)	356,065	-	(3,557,417)
Lease assets	(170,881)	(289,105)	66,952	-	(393,034)
Subscription assets	(41,083)	(43,048)	8,914	-	(75,217)
Infrastructure	(69,713,761)	(2,622,823)	-	-	(72,336,584)
Total accumulated depreciation/amortization	<u>(90,000,928)</u>	<u>(3,786,773)</u>	<u>431,931</u>	<u>-</u>	<u>(93,355,770)</u>
Total capital assets, being depreciated/amortized, net	<u>58,535,647</u>	<u>(2,791,270)</u>	<u>(14,587)</u>	<u>75,684</u>	<u>55,805,474</u>
Total governmental activities capital assets	<u>\$ 85,979,664</u>	<u>\$ 480,255</u>	<u>\$ (48,620)</u>	<u>\$ -</u>	<u>\$ 86,411,299</u>

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

General government	\$ 699,799
Public safety	262,414
Parks and recreation	162,624
Public works	2,661,936
Total depreciation/amortization expense	<u>\$ 3,786,773</u>

CITY OF BARSTOW, CALIFORNIA
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

NOTE 5: CAPITAL ASSETS (CONTINUED)

A summary of changes in the business-type activities capital assets at June 30, 2024, is as follows:

	Balance June 30, 2023	Additions	Deletions	Transfers	Balance June 30, 2024
Business-type activities:					
Capital assets, not being depreciated/amortized					
Land	\$ 1,657,637	\$ -	\$ -	\$ -	\$ 1,657,637
Construction-in-progress	3,607,950	-	-	(3,607,950)	-
Total capital assets, not being depreciated/amortized	<u>5,265,587</u>	<u>-</u>	<u>-</u>	<u>(3,607,950)</u>	<u>1,657,637</u>
Capital assets, being depreciated/amortized					
Buildings	306,094	-	-	-	306,094
Machinery, equipment, and vehicles	2,842,900	566,322	-	-	3,409,222
Lease assets	85,544	342	-	-	85,886
Infrastructure	31,793,353	301,369	(378,760)	3,607,950	35,323,912
Total capital assets, being depreciated/amortized	<u>35,027,891</u>	<u>868,033</u>	<u>(378,760)</u>	<u>3,607,950</u>	<u>39,125,114</u>
Less accumulated depreciation/amortization					
Buildings	(228,372)	(2,898)	-	-	(231,270)
Machinery, equipment, and vehicles	(1,443,886)	(183,477)	-	-	(1,627,363)
Lease assets	(18,393)	(19,731)	-	-	(38,124)
Infrastructure	(14,538,134)	(857,482)	378,760	-	(15,016,856)
Total accumulated depreciation/amortization	<u>(16,228,785)</u>	<u>(1,063,588)</u>	<u>378,760</u>	<u>-</u>	<u>(16,913,613)</u>
Total capital assets, being depreciated/amortized, net	<u>18,799,106</u>	<u>(195,555)</u>	<u>-</u>	<u>3,607,950</u>	<u>22,211,501</u>
Total business-type activities capital assets	<u>\$ 24,064,693</u>	<u>\$ (195,555)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 23,869,138</u>

Depreciation/amortization expense was charged to functions/programs of business-type funds as follows:

Wastewater reclamation	\$ 1,039,322
Solid waste	<u>24,266</u>
Total depreciation/amortization expense	<u>\$ 1,063,588</u>

CITY OF BARSTOW, CALIFORNIA
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

NOTE 6: LONG-TERM DEBT

During the year ended June 30, 2024, the following changes occurred in liabilities reported in long-term debt:

	Balance June 30, 2023	Additions	Deletions	Balance June 30, 2024	Amount Due Within One Year
Governmental Activities:					
Lease Revenue Bonds	\$ 7,656,492	\$ -	\$ 448,714	\$ 7,207,778	\$ 462,086
Pension Obligation Bonds	19,150,000	-	1,155,000	\$17,995,000	1,195,000
Loans Payable	1,139,210	-	140,146	\$999,064	143,600
Total Governmental Activities	<u>\$ 27,945,702</u>	<u>\$ -</u>	<u>\$ 1,743,860</u>	<u>\$ 26,201,842</u>	<u>\$ 1,800,686</u>

A. Lease Revenue Bonds

In November 2021, the City of Barstow issued \$8,245,878 of 2021 Lease Revenue Bonds at a fixed interest rate of 2.98%. The bonds were issued to provide funds for the Barstow Fire Protection District to refinance its payment obligation to the San Bernardino County Employees' Retirement Association. The payments under the agreement are due on July 1 and January 1 of each year and mature through July 2036.

Annual debt service requirements to maturity for the 2021 Lease Revenue Bonds are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2025	\$ 462,086	\$ 207,907	\$ 669,993
2026	475,856	193,931	669,787
2027	490,036	179,540	669,576
2028	504,639	164,719	669,358
2029	519,672	150,343	670,015
2030-2034	2,757,937	435,015	3,192,952
2035-2038	1,997,552	152,779	2,150,331
Totals	<u>\$ 7,207,778</u>	<u>\$ 1,484,234</u>	<u>\$ 8,692,012</u>

B. Pension Obligation Bonds

In April 2022, the City of Barstow issued \$20,170,000 of the 2022 Taxable Pension Obligation Bonds (POBs). The bonds were issued to refund a portion of the City's obligations to the California Public Employee's Retirement System ("CalPERS") under the CalPERS contracts, evidencing all of the City's obligation to pay the City's unfunded actuarial liability to CalPERS. The payments under the agreement are due June and December of each year with interest rates ranging from 3.109% to 4.560% and mature through June 2033.

CITY OF BARSTOW, CALIFORNIA
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

NOTE 6: LONG-TERM DEBT (CONTINUED)

Annual debt service requirements to maturity for the 2022 Taxable Pension Obligation Bonds are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2025	\$ 1,195,000	\$ 792,632	\$ 1,987,632
2026	1,240,000	750,149	1,990,149
2027	1,285,000	703,699	1,988,699
2028	1,335,000	653,635	1,988,635
2029	1,285,000	650,374	1,935,374
2030-2034	8,835,000	1,737,823	10,572,823
2035-2038	2,820,000	554,323	3,374,323
Totals	<u>\$ 17,995,000</u>	<u>\$ 5,842,635</u>	<u>\$ 23,837,635</u>

C. Loans Payable

In fiscal year 2021, the City entered into an equipment purchase 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 \$ 1,242,878. During fiscal year 2021-22 the remaining balance of the available funding was utilized. The City is required to make semi-annual payments of \$83,601, including principal and interest at a rate of 2.45% until the year 2030.

Fiscal Year Ending June 30,	Principal	Interest	Total
2025	\$ 143,600	\$ 23,603	\$ 167,203
2026	147,140	20,063	167,203
2027	150,767	16,436	167,203
2028	154,483	12,720	167,203
2029	158,290	8,913	167,203
2030-2033	244,784	6,021	250,805
Totals	<u>\$ 999,064</u>	<u>\$ 87,756</u>	<u>\$ 1,086,820</u>

NOTE 7: 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, 2024, was \$1,726,852 for governmental activities and \$132,102 for business-type activities.

	Balance June 30, 2023	Incurred	Satisfied	Balance June 30, 2024	Due Within One Year
Governmental Activities	<u>\$ 1,596,868</u>	<u>\$ 2,434,647</u>	<u>\$ 2,304,663</u>	<u>\$ 1,726,852</u>	<u>\$ 690,741</u>
Business Type Activities	<u>\$ 137,449</u>	<u>\$ 197,194</u>	<u>\$ 202,541</u>	<u>\$ 132,102</u>	<u>\$ 52,840</u>

CITY OF BARSTOW, CALIFORNIA
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

NOTE 8: LEASES

Leases are financings of the right to use an underlying asset. A lessee is required to recognize a lease liability and a lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources.

A. Leases Receivable and Deferred Inflows of Resources

The City leases land and buildings to various companies. The terms by lease type are listed in the table below. Some leases have extension options of ranging from 1.83 to 44.58 years. As of June 30, 2024, the value of the lease receivable is \$325,527. The value of the deferred inflow of resources as of June 30, 2024, was \$311,915 and the amortization of the deferred inflow during the year totaled \$113,519.

The principal and interest payments that are expected to maturity are as follows:

Fiscal Year Ending June 30,	Governmental Activities		
	Principal Payments	Interest Payments	Total Payments
2025	\$ 70,047	\$ 7,018	\$ 77,065
2026	22,787	6,460	29,247
2027	3,317	6,335	9,652
2028	3,392	6,260	9,652
2029	3,503	6,149	9,652
2030-2034	19,011	29,247	48,258
2035-2039	21,802	26,454	48,256
2040-2044	24,990	23,264	48,254
2045-2049	28,673	19,578	48,251
2050-2054	32,882	15,366	48,248
2055-2059	37,709	10,535	48,244
2060-2064	43,243	4,997	48,240
2065-2066	14,173	299	14,471
Total	<u>\$ 325,527</u>	<u>\$ 161,963</u>	<u>\$ 607,734</u>

B. Lease Payable and Lease Assets

The City entered into a master lease agreement with Enterprise FM Trust for the lease of vehicles. The terms range from 36 to 60 months from the date the lease is entered into. The City is required to make monthly payments ranging from \$266 to \$1,461. The leases have an interest rate of ranging from 0.5925% to 2.4806%. The City also leases printers, postage machines and copiers with terms ranging from 36 to 60 months. The City is required to make monthly payments ranging from \$178 to \$815. The leases have an interest rate of 0.8453%.

CITY OF BARSTOW, CALIFORNIA
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

NOTE 8: LEASES (CONTINUED)

Lease assets are split between governmental and business-type activities, as shown in note 5, and consist of the following asset classes at June 30, 2024:

Asset Class	As of June 30, 2024	
	Lease Asset Value	Accumulated Amortization
Equipment	\$ 76,138	\$ 33,251
Vehicles	1,379,138	397,907
Total Leases	<u>\$ 1,455,276</u>	<u>\$ 431,158</u>

As of June 30, 2024, the total value of the lease liability is \$1,037,039. Future principal and interest requirements to maturity for the lease liability are as follows:

Fiscal Year Ending June 30,	Governmental Activities		
	Principal Payments	Interest Payments	Total Payments
2025	\$ 344,187	\$ 25,730	\$ 369,917
2026	323,675	14,818	308,857
2027	213,489	5,439	208,050
2028	89,459	1,419	88,040
2029	17,804	111	17,693
Total	<u>\$ 988,614</u>	<u>\$ 47,517</u>	<u>\$ 992,557</u>

Fiscal Year Ending June 30,	Business-Type Activities		
	Principal Payments	Interest Payments	Total Payments
2025	\$ 15,184	\$ 1,433	\$ 16,226
2026	12,537	1,063	13,247
2027	12,060	730	12,439
2028	8,644	401	8,723
Total	<u>\$ 48,425</u>	<u>\$ 3,626</u>	<u>\$ 50,635</u>

Lease liability for governmental and business-type funds is as follows:

Asset Class	Governmental Activities			Balance June 30, 2024	Due Within One Year
	Balance June 30, 2023	Additions	Deletions		
Vehicles	\$ 543,719	\$ 667,355	\$ 261,547	\$ 949,527	\$ 330,579
Equipment	55,421	-	16,334	39,087	13,608
Total Lease Liability	<u>\$ 599,140</u>	<u>\$ 667,355</u>	<u>\$ 277,881</u>	<u>\$ 988,614</u>	<u>\$ 344,187</u>

Asset Class	Business-Type Activities			Balance June 30, 2024	Due Within One Year
	Balance June 30, 2023	Additions	Deletions		
Vehicles	\$ 61,975	\$ -	\$ 17,478	\$ 44,497	\$ 14,995
Equipment	5,064	-	1,136	3,928	1,232
Total Lease Liability	<u>\$ 67,039</u>	<u>\$ -</u>	<u>\$ 18,614</u>	<u>\$ 48,425</u>	<u>\$ 16,227</u>

CITY OF BARSTOW, CALIFORNIA
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

NOTE 9: SUBSCRIPTION-BASED TECHNOLOGY ARRANGEMENTS

The City implemented GASB Statement No. 96, Subscription-Based Information Technology Arrangements. The primary objective of this statement is to enhance the relevance and consistency of information about governments' subscription activities. This statement establishes a single model for subscription accounting based on the principle that subscriptions are financings of the right to use an underlying asset. Under this Statement, an organization is required to recognize a subscription liability and a subscription asset.

Subscription Liability	Balance as of June 30, 2023	Additions	Reductions	Balance as of June 30, 2024	Due Within One Year
Governmental Activities					
Office Pro Plus Platform	\$ 64,528	\$ -	\$ 31,898	\$ 32,630	\$ 29,519
Central Intercept X	23,763	-	7,729	16,034	14,506
Zoho	4,408	-	4,408	-	-
Total Subscription Liability	<u>\$ 92,699</u>	<u>\$ -</u>	<u>\$ 44,035</u>	<u>\$ 48,664</u>	<u>\$ 44,025</u>

On September 1, 2022, the City entered into a 36-month subscription for the use of Office Pro Plus Platform. An initial subscription liability was recorded in the amount of \$97,935. As of June 30, 2024, the value of the subscription liability is \$32,630. The City is required to make annual fixed payments of \$33,407. The subscription has an interest rate of 2.354%. The value of the subscription asset as of June 30, 2024 is \$97,913 with accumulated amortization of \$59,835.

On September 9, 2023, the City entered into a 14-month subscription for the use of Zoho. An initial subscription liability was recorded in the amount of \$8,898. As of June 30, 2024, the value of the subscription liability is \$0. The City is required to make annual fixed payments of \$4,408. The subscription has an interest rate of 1.85%.

On July 1, 2022, the City entered into a 47-month subscription for the use of Central Intercept X. An initial subscription liability was recorded in the amount of \$30,684. As of June 30, 2024, the value of the subscription liability is \$16,034. The City is required to make monthly fixed payments of \$745. The subscription has an interest rate of 2.445%. The value of the subscription asset as of June 30, 2024 is \$30,678 with accumulated amortization of \$15,382.

Subscription assets, as shown in note 5, consist of the following asset classes at June 30, 2024:

Asset Class	Subscription Asset Value	Accumulated Amortization
Subscription Assets	<u>\$ 128,591</u>	<u>\$ 75,217</u>
Total	<u>\$ 128,591</u>	<u>\$ 75,217</u>

Future principal and interest requirements to maturity for the subscription liability are as follows:

Fiscal Year	Principal Payments	Interest Payments	Total Payments
2025	\$ 44,025	\$ 424	\$ 44,449
2026	4,639	92	4,731
Totals	<u>\$ 48,664</u>	<u>\$ 516</u>	<u>\$ 49,180</u>

CITY OF BARSTOW, CALIFORNIA
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

NOTE 10: POLLUTION REMEDIATION LIABILITY

During the year ended June 30, 2024, the following changes occurred in the City’s Pollution Remediation Liability:

	Balance June 30, 2023	Additions	Deletions	Balance June 30, 2024	Amount Due Within One Year
Business Type Activities:					
Pollution Remediation Liability	\$ 5,425,233	\$ -	\$ 18,220	\$ 5,407,013	\$ 51,000

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 \$3,404,362 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 \$51,000 for the operating and testing costs in fiscal year 2024 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, 2024, is as follows:

Obligating Event	Liability
Quarterly Maintenance of Groundwater	\$ 8,800
Replacement Drinking Water	9420
Total by Obligating Event	<u>\$ 18,220</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.

NOTE 11: 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.

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.

CITY OF BARSTOW, CALIFORNIA
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

NOTE 11: RISK MANAGEMENT (CONTINUED)

	Workers' Compensation	General Liability	Total Claims
Liability - June 30, 2022	\$ 3,094,653	\$ 1,221,605	\$ 4,316,258
Claims incurred and Changes in Estimates	2,417,566	485,007	2,902,573
Claims payments	(2,117,302)	(342,254)	(2,459,556)
Liability - June 30, 2023	3,394,917	1,364,358	4,759,275
Claims incurred and Changes in Estimates	2,010,677	394,125	2,404,802
Claims payments	(1,074,148)	(278,218)	(1,352,366)
Liability - June 30, 2024	\$ 4,331,446	\$ 1,480,265	\$ 5,811,711

At June 30, 2024, claims liabilities of \$866,289 and \$370,066 were due within one year for Workers' Compensation and General Liability, respectively.

NOTE 12: RETIREMENT PLANS

A. Summary of Pension Plan Balances

Pension related balances presented on the Statement of Net Position as of the June 30, 2024, by individual plan are described in the following table:

	Deferred Outflows- Pension	Net Pension Liability	Deferred Inflows- Pension	Pension Expense
CalPERS Cost Sharing Plan	\$ 11,102,143	\$ (18,721,763)	\$ (9,460,654)	\$ 3,436,224
SBCERA- Barstow Fire Protection District	5,772,824	(7,278,342)	(1,721,027)	2,468,473
Total	\$ 16,874,967	\$ (26,000,105)	\$ (11,181,681)	\$ 5,904,697

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, CALIFORNIA
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

NOTE 12: 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	8.990%	7.960%
Required Employer Contribution Rates	23.750%	14.030%
Required UAL Payment	\$1,262,233	\$1,470,741
	<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	13.000%	6.750%
Required Employer Contribution Rates	12.780%	7.470%
Required UAL Payment	\$8,650	\$19,715

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, 2023, recognized as a reduction to the net pension liability were \$2,349,577.

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

As of June 30, 2024, the City reported a net pension liability for its proportionate share of the net pension liability of the Plan of \$18,721,763.

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, 2022, and the total pension liability for the Plan used to calculate the net pension liability was determined by actuarial valuations as of June 30, 2023. 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.

CITY OF BARSTOW, CALIFORNIA
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

NOTE 12: RETIREMENT PLANS (CONTINUED)

The City's proportionate share of the net pension liability for the Plan as of the measurement dates June 30, 2023 and 2024 were as follows:

Proportion - June 30, 2023	0.08838%
Proportion - June 30, 2024	<u>0.66598%</u>
Change - Increase (Decrease)	<u>0.57760%</u>

For the year ended June 30, 2024, the City recognized pension expense of \$3,436,224. At June 30, 2024, 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	\$ 1,618,835	\$ -
Changes of Assumptions	1,115,169	-
Differences Between Expected and Actual Experience	988,430	-
Changes in Employer's Proportion	4,537,051	(9,460,654)
Net Differences Between Projected and Actual Earnings on Plan Investments	<u>2,842,658</u>	-
Total	<u>\$ 11,102,143</u>	<u>\$ (9,460,654)</u>

The \$1,618,835 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, 2025.

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,	Deferred Outflows/(Inflows)
2024	\$ (657,215)
2025	(747,257)
2026	1,346,365
2027	80,761
Total	<u>\$ 22,654</u>

NOTE 12: RETIREMENT PLANS (CONTINUED)

Actuarial Assumptions – The total pension liabilities in the June 30, 2023, 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	6.90%
Inflation	2.30%
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 2.30% until Purchasing Power Protection Allowance floor on purchasing power applies, 2.30% thereafter

The underlying mortality assumptions and all other actuarial assumptions used in the June 30, 2023, 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.

Discount Rate – The discount rate used to measure the total pension liability was 6.90% 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 6.90 percent discount rate is adequate, and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate of 6.90 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.

Long-term Expected Rate of Return – 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, CALIFORNIA
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

NOTE 12: 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 ¹	New Strategic Allocation	Real Return ^{1, 2}
Global Equity - Cap-weighted	30.00%	4.54%
Global Equity Non-Cap-weighted	12.00%	3.84%
Private Equity	13.00%	7.28%
Treasury	5.00%	0.27%
Mortgage-Backed Securities	5.00%	0.50%
Investment Grade Corporates	10.00%	1.56%
High Yield	5.00%	2.27%
Emerging Market Debt	5.00%	2.48%
Private Debt	5.00%	3.57%
Real Assets	15.00%	3.21%
Leverage	-5.00%	-0.59%
Total	100.00%	

¹ An expected price inflation of 2.30% used for this period.

² Figures are based on the 2021 Asset Liability Management study.

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	5.90%
Net Pension Liability	\$ 39,774,496
Current Discount Rate	6.90%
Net Pension Liability	\$ 18,721,763
1% Increase	7.90%
Net Pension Liability	\$ 1,442,620

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

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.

NOTE 12: RETIREMENT PLANS (CONTINUED)

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.

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).

NOTE 12: RETIREMENT PLANS (CONTINUED)

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.

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, 2023, were \$1,321,109.

CITY OF BARSTOW, CALIFORNIA
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

NOTE 12: RETIREMENT PLANS (CONTINUED)

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

As of June 30, 2024, the City reported a net pension liability for its proportionate share of the net pension liability of the Plan of \$7,278,342. During the 2021-2022 fiscal year, the City of Barstow issued the 2021 Lease Revenue Bonds at a fixed interest rate of 2.98% to provide funds for the Barstow Fire Protection District to refinance its payment obligation to the San Bernardino County Employees' Retirement Association. Under the bonds, the City will make lease payments from any available source of funds, and BFPD will reimburse the City. The payments under the agreement are due on July 1 and January 1 of each year and mature through July 2036.

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, 2023, and the total pension liability for the Plan used to calculate the net pension liability was determined by actuarial valuations as of June 30, 2022. 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, 2022 and 2023 were as follows:

Proportion - June 30, 2022	0.338%
Proportion - June 30, 2023	<u>0.307%</u>
Change - Increase (Decrease)	<u>-0.031%</u>

For the year ended June 30, 2024, the City recognized pension expense of \$2,468,473 at June 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Pension Contributions Subsequent to Measurement Date	\$ 1,363,210	\$ -
Changes of Assumptions or Other Inputs	282,372	(302,396)
Changes in Employer's Proportion and Differences Between the Employer's Contribution and the Employer's Proportionate Share of Contributions	3,265,125	(1,296,181)
Net Differences Between Projected and Actual Earnings on Plan Investments	263,382	-
Difference Between Expected and Actual Experience in the Total Pension Liability	<u>598,735</u>	<u>(122,450)</u>
Total	<u>\$ 5,772,824</u>	<u>\$ (1,721,027)</u>

The \$1,363,210 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, 2025.

CITY OF BARSTOW, CALIFORNIA
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

NOTE 12: RETIREMENT PLANS (CONTINUED)

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

Fiscal Year Ending June 30:	Deferred Outflows/(Inflows)
2025	\$ 943,120
2026	332,368
2027	1,324,279
2028	81,101
2029	7,719
Total	<u>\$ 2,688,587</u>

Actuarial Assumptions – The total pension liabilities in the June 30, 2023, actuarial valuations were determined using the following actuarial assumptions:

Valuation Date	June 30, 2022
Measurement Date	June 30, 2023
Actuarial Cost Method	Entry - Age Actuarial Cost Method

Actuarial Assumptions:

Discount Rate	7.25%
Inflation	2.50%
Projected Salary Increase ²	General: 4.30% to 9.5% and Safety: 4.75% to 10.00%
Cost of Living Adjustments	CPI increase of 2.00% per year; retiree COLA increases due to CPI subject to a 2.00% maximum change per year.
Investment Rate of Return ¹	7.25%
Mortality	Mortality rates are based on the Pub-2010 Amount Weighted Above-Median Mortality Table projected generationally using the two-dimensional MP-2019 projection scale. For healthy General members, the General Healthy retiree rates increased by 10% were used. For healthy Safety members, the Safety Healthy Retiree rates are used. For disabled General members, the Non-Safety Disabled Retiree rates were used. For disabled Safety members, the Safety Disabled Retiree rates were used. For beneficiaries, the General Contingent Survivor rates increased by 10% were used.

Change of Assumptions - There were no changes in assumptions.

NOTE 12: RETIREMENT PLANS (CONTINUED)

Discount Rate – The discount rates used to measure the Total Pension Liability was 7.25% as of June 30, 2022. 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, 2022.

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

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

The June 30, 2022, 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 Expected Real Rate of Return (Arithmetic)
Large Cap U.S. Equity	14.50%	6.00%
Small Cap U.S. Equity	2.50%	6.65%
Developed International Equity	7.00%	7.01%
Emerging Market Equity	6.00%	8.80%
U.S. Core Fixed Income	2.00%	1.97%
High Yield/ Credit Strategies	13.00%	6.43%
Emerging Market Debt	6.00%	4.76%
Real Estate	5.00%	9.26%
Cash & Equivalents	2.00%	0.63%
International Credit	11.00%	7.10%
Absolute Return	7.00%	7.10%
Real Assets	6.00%	10.10%
Private Equity	18.00%	9.84%
Total	100.00%	

CITY OF BARSTOW, CALIFORNIA
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

NOTE 12: RETIREMENT PLANS (CONTINUED)

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	\$	11,827,890
Current Discount Rate		7.25%
Net Pension Liability	\$	7,278,342
1% Increase		8.25%
Net Pension Liability	\$	3,557,673

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

NOTE 13: POST-EMPLOYMENT HEALTHCARE BENEFITS

A. City of Barstow OPEB Plan

OPEB related balances presented on the Statement of Net Position as of June 30, 2024, by individual plan are described in the following table:

	Deferred Outflows- OPEB	Net OPEB Liability	Deferred Inflows- OPEB	OPEB Expense
City of Barstow OPEB Plan	\$ 2,049,733	\$ (11,952,396)	\$ (6,983,986)	\$ 14,484,325
Barstow Fire Protection District OPEB Plan	410,993	(1,347,906)	(3,981,262)	240,778
Total	<u>\$ 2,460,726</u>	<u>\$ (13,300,302)</u>	<u>\$ (10,965,248)</u>	<u>\$ 14,725,103</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 plan members currently receiving benefits	117
Inactive plan members entitled to but not receiving benefits	-
Active plan members	148
Total	<u>265</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 2022-2023, the City contributed \$983,863 which were in the form of benefit payments during the period. The City did not make additional contributions to the CERBT trust (CERBT).

CITY OF BARSTOW, CALIFORNIA
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

NOTE 13: POST-EMPLOYMENT HEALTHCARE BENEFITS (CONTINUED)

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.

Net OPEB Liability

The City’s net OPEB liability was measured as of June 30, 2024, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation dated June 30, 2023, based on the following actuarial methods and assumptions

Valuation Date	June 30, 2023
Measurement Date	June 30, 2024
Actuarial Cost Method	Entry - Age Normal Cost, level percent of pay
Actuarial Assumptions:	
Inflation	2.5% per year
Salary Increases	3.0% per year
Assumed Wage Inflation	3.00%
Investment Rate of Return	6.05% ¹
Mortality	2017 CalPERS Experience Study
Post Retirement Benefit Increase	MacLeod Watts Scale 2022
Healthcare Trend	5.8% in 2023, fluctuates down to 3.9% by 2076

In March 2022, CalPERS updated the project future investment returns for CERBT Strategy 1. CalPERS determined its returns using a building block method and best-estimate ranges of expected future real rates of return for each major classes (expected returns, net of OPEB plan investment expense and inflation). The target allocation and best estimates of geometric real rates of return published by CalPERS for each major class are split for years 1-5 and years 6-20:

Asset Class	Target Allocation*	Expected Real Return Year 1-5	Expected Real Return Years 6-20
Global Equity	49.00%	4.40%	4.50%
Fixed Income	23.00%	-1.00%	2.20%
Global Real Estate (REITs)	20.00%	3.00%	3.90%
Treasury Inflation Protected Securities	5.00%	-1.80%	1.30%
Commodities	3.00%	0.80%	1.20%
Assumed Long-Term Rate of Inflation			2.40%
Assumed Long-Term Investment Expenses			N/A
Expected Long-Term Net Rate of Return, Rounded			6.05%
Discount Rate			4.09%

*Real rates of return come from a geometric representation of returns that assume a general inflation rate of 2.5%.

CITY OF BARSTOW, CALIFORNIA
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

NOTE 13: POST-EMPLOYMENT HEALTHCARE BENEFITS (CONTINUED)

Discount Rate

The discount rate used to measure the total OPEB liability was 4.09 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
Balance at June 30, 2023	\$ 16,582,629	\$ 1,477,082	\$ 15,105,547
Change in the Year:			
Service Cost	435,006	-	435,006
Interest	677,345	-	677,345
Changes in Assumptions	(3,257,886)	-	(3,257,886)
Benefit Payments	(913,325)	(913,325)	-
Contribution - Employer	-	913,325	(913,325)
Net Investment Income	-	95,052	(95,052)
Administrative Expenses	-	(761)	761
Net Changes	(3,058,860)	94,291	(3,153,151)
Balance at June 30, 2024	\$ 13,523,769	\$ 1,571,373	\$ 11,952,396

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, 2023:

	1% Decrease	Current Discount	1% Increase
	3.09%	4.09%	5.09%
Net OPEB Liability	\$ 13,395,429	\$ 11,952,396	\$ 10,727,372

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, 2023:

	1% Decrease	Current Healthcare Trend Rate	1% Increase
	6.40%	7.40%	8.40%
Net OPEB Liability	\$ 11,524,256	\$ 11,952,396	\$ 12,383,891

NOTE 13: 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) (7.6 years at June 30, 2023, measurement date)

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

For the fiscal year ended June 30, 2024, the City recognized OPEB expense of \$14,484,325. For the fiscal year ended June 30, 2024, 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	\$ 893,664	\$ -
Differences between expected and actual experience	21,909	(2,244,162)
Changes of Assumptions	1,042,839	(4,739,824)
Net Difference Between Projected and Actual	91,321	-
Total	<u>\$ 2,049,733</u>	<u>\$ (6,983,986)</u>

The \$893,664 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability during the fiscal year ending June 30, 2025. Other amounts reported as deferred outflows of resources related to OPEB will be recognized as expense as follows:

Fiscal Year Ending June 30,	Recognized Net Deferred Outflows (Inflows) of Resources
2025	\$ (842,077)
2026	(1,090,056)
2027	(1,153,269)
2028	(1,183,742)
2029	(872,907)
Thereafter	(685,866)
Total	<u>\$ (5,827,917)</u>

NOTE 13: POST-EMPLOYMENT HEALTHCARE BENEFITS (CONTINUED)

D. 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	117
Inactive Employees Entitled to but not yet Receiving Benefits	0
Active Employees	<u>148</u>
Total	<u><u>265</u></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 2022-23, the District contributed \$893,664, 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.

NOTE 13: POST-EMPLOYMENT HEALTHCARE BENEFITS (CONTINUED)

Net OPEB Liability

The District’s net OPEB liability was measured as of June 30, 2023, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation dated June 30, 2023 based on the following actuarial methods and assumptions:

Valuation Date	June 30, 2023
Measurement Date	June 30, 2023
Actuarial Cost Method	Entry - Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	4.57%
Inflation	2.30%
Contribution Policy	Contributes full ADC
Salary Increases	Varies by Entry Age and Service
Projected Salary Increases	3.00%
Mortality	MacLeod Watts Scale 2022 applied generationally
Healthcare Trend	5.8% decreasing to 3.9% 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 1-5	Expected Real Return Years 6-20
Global Equity	49.00%	4.40%	4.50%
Fixed Income	23.00%	-1.00%	2.20%
Global Real Estate (REITs)	20.00%	3.00%	3.90%
Treasury Inflation Protected Securities	5.00%	-1.80%	1.30%
Commodities	3.00%	0.80%	1.20%

*Real rates of return come from a geometric representation of returns that assume a general inflation rate of 2.5%.

Discount Rate

The discount rate used to measure the total OPEB liability was 4.10 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, CALIFORNIA
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

NOTE 13: 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
Balance at June 30, 2023	\$ 3,612,838	\$ 324,558	\$ 3,288,280
Change in the Year:			
Service Cost	525,547	-	525,547
Interest on the Total OPEB Liability	168,356	-	168,356
Differences Between Actual and Expected Experience	20,115	-	20,115
Charges in Assumptions	(2,569,363)	-	(2,569,363)
Changes in Benefit Terms			-
Contribution - Employer	-	64,217	(64,217)
Benefit Payments	(38,524)	(38,524)	-
Net Investment Income		20,854	(20,854)
Administrative Expenses	-	(162)	162
Implicit Subsidy Credit	(25,693)	(25,693)	-
Other Miscellaneous Income/(Expense)	-	120	(120)
Net Changes	(1,919,562)	20,812	(1,940,374)
Balance at June 30, 2024	\$ 1,693,276	\$ 345,370	\$ 1,347,906

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, 2023:

	1% Decrease	Current Discount	1% Increase
	3.10%	4.10%	5.10%
Net OPEB Liability	\$ 1,550,978	\$ 1,347,906	\$ 1,178,679

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.

CITY OF BARSTOW, CALIFORNIA
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

NOTE 13: 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
All Other Amounts	Expected average remaining service lifetime (EARSL) (7.6 years at June 30, 2023)

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

For the fiscal year ended June 30, 2024, the District recognized OPEB expense of \$240,777. For the fiscal year ended June 30, 2024, the District reported deferred outflows of resources related to OPEB from the following sources:

	Deferred Outflow of Resources	Deferred Inflow of Resources
OPEB Contributions Subsequent to Measurement	\$ 90,199	\$ -
Changes of Assumptions	222,281	(3,472,920)
Differences between expected and actual experience	77,201	(508,342)
Net Difference Between Projected and Actual Earnings on Plan Investments	21,312	
Total	<u>\$ 410,993</u>	<u>\$ (3,981,262)</u>

The \$90,199 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability during the fiscal year ending June 30, 2025. Other amounts reported as deferred outflows of resources related to OPEB will be recognized as expense as follows:

Fiscal Year Ending June 30,	Recognized Net Deferred Outflows (Inflows) of Resources
2025	\$ (433,547)
2026	(435,545)
2027	(423,515)
2028	(435,671)
2029	(442,751)
Thereafter	(1,489,439)
Total	<u>\$ (3,660,468)</u>

CITY OF BARSTOW, CALIFORNIA
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

NOTE 14: COMMITMENTS AND CONTINGENCIES

A. Pending Litigation

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

B. Construction Commitments

Project Title	Contract Amount	Expenditures to date as of June 30, 2024	Remaining Commitments
First Avenue Bridge Over BNSF Railroad Track PS&E	\$ 4,610,000	\$ 4,505,888	\$ 104,112
First Avenue Bridge Over BNSF Railroad Track ROW	15,000,000	7,633,470	7,366,530
First Avenue Bridge Over BNSF Railroad Track CPUC	5,000,000	367,820	4,632,180
First Avenue Bridge Over Mojave River	4,242,837	4,202,462	40,375

NOTE 15: FUND BALANCE FOR GOVERNMENTAL FUNDS

The schedule on the following page illustrates the City's fund balances as of June 30, 2024 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	Non Major Government Funds	
Nonspendable Fund Balance:						
Prepays & Inventory	\$ 113,161	\$ -	\$ -	\$ -	\$ 569,480	\$ 682,641
Deposits	123,593	-	-	-	-	123,593
Advance to Other Funds	5,517,392	-	-	-	-	5,517,392
	<u>5,754,146</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>569,480</u>	<u>6,323,626</u>
Restricted Fund Balance for:						
Public Safety/Fire Protection	-	-	-	-	71,578	71,578
Streets & Highway	-	-	-	-	3,829,419	3,829,419
Low & Moderate Income Housing	-	-	-	-	463,665	463,665
Capital Projects	-	500,493	-	-	1,180,584	1,681,077
	<u>-</u>	<u>500,493</u>	<u>-</u>	<u>-</u>	<u>5,545,246</u>	<u>6,045,739</u>
Committed Fund Balance						
Other Purposes	655,796	-	-	-	-	655,796
	<u>655,796</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>655,796</u>
Assigned Fund Balance						
Emergency Contingency Policy	1,224,457	-	-	-	-	1,224,457
Working Capital Reserve	4,897,828	-	-	-	-	4,897,828
	<u>6,122,285</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,122,285</u>
Unassigned Fund Balance						
Other	17,086,923	-	(2,511,336)	(2,243,541)	(589,461)	11,742,585
Total Fund Balances	<u>\$ 29,619,150</u>	<u>\$ 500,493</u>	<u>\$ (2,511,336)</u>	<u>\$ (2,243,541)</u>	<u>\$ 5,525,265</u>	<u>\$ 30,890,031</u>

CITY OF BARSTOW, CALIFORNIA
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

NOTE 16: 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

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

	Fiscal Year	
	2023-2024	2022-2023
Revenues:		
Measure "Q" sales tax	\$ 9,862,721	\$ 10,212,109
Use of money and property	54,524	(36,805)
Miscellaneous income	100,030	36,583
Total Revenues	10,017,275	10,211,887
Expenditures:		
General Government	823,935	777,405
Police	2,881,510	2,610,364
Fire	3,103,158	3,236,021
Community Development	158,432	220,401
Public Works	992,824	872,605
Total expenditures	7,959,859	7,716,796
Current year excess (deficiency) of revenues over expenditures	2,058,416	2,495,091
Fund Balance, Beginning of the year	10,897,658	8,402,567
Fund Balance, End of Year	\$ 12,956,074	\$ 10,897,658

Measure Q is reported under the General Fund, and therefore, is not a separate standalone fund. For more information, please refer to the Measure Q section under Note 19.

NOTE 17: 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.

NOTE 17: 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 18: NEGATIVE FUND BALANCE/NET POSITION

The following funds have negative fund balance as of June 30, 2024:

Barstow Fire Protection District Fund (\$2,511,336) - As projected by staff and discussed with the Board, the District's expenditures exceeded revenues for the fiscal year. The District has 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 is also aware of the increasing fund balance deficit.

Grants Fund (\$2,243,541) – The City made major progress payments for reimbursable grant projects for which it has not been reimbursed.

Harvey House Foundation (\$15,558) – 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 Fund (\$6,803) – The City will make payments for reimbursable grant projects for which it has not been reimbursed.

NOTE 19: BARSTOW FIRE PROTECTION DISTRICT

The Barstow Fire Protection District (District) continues to have a deficit fund balance in fiscal year 2024. 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.

CITY OF BARSTOW, CALIFORNIA
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

NOTE 19: BARSTOW FIRE PROTECTION DISTRICT (CONTINUED)

- 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 2024, bringing the amount due at June 30, 2024 to \$3,817,392.
- 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.

NOTE 20: NET INVESTMENT IN CAPITAL ASSETS

The breakdown for net investment in capital assets for the year ended June 30, 2024, is as follows:

	Governmental Activities	Business-Type Activities		Total Business-Type Activities
		Wastewater Reclamation Fund	Solid Waste Disposal Fund	
Capital assets, net of accumulated depreciation/amortization	\$ 86,411,299	\$ 23,607,377	\$ 261,761	\$ 23,869,138
Less:				
Bonds, notes and finance purchase agreements	(26,201,842)	-	-	-
Less: Lease liability	(988,614)	(40,930)	(7,495)	(48,425)
Less: Subscription liability	(48,664)	-	-	-
Net investment in capital assets	<u>\$ 59,172,179</u>	<u>\$ 23,566,447</u>	<u>\$ 254,266</u>	<u>\$ 23,820,713</u>

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REQUIRED SUPPLEMENTARY INFORMATION

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NOTE 1: BUDGET CONTROL AND BUDGETARY ACCOUNTING

A. Budget 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.

The Redevelopment Housing Successor, Barstow Community Services, Local Transportation, Flood Control, and COVID-19 Grants special revenue funds did not adopt a budget for the fiscal year ended June 30, 2024.

CITY OF BARSTOW, CALIFORNIA
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual
General Fund
For the Year Ended June 30, 2024

	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES				
Taxes	\$ 29,551,800	\$ 29,551,800	\$ 30,222,438	\$ 670,638
Licenses and permits	411,455	411,455	403,098	(8,357)
Intergovernmental	463,930	463,930	482,228	18,298
Charges for services	2,603,370	2,603,370	3,030,882	427,512
Use of money and property	419,740	419,740	800,870	381,130
Fines and forfeitures	89,950	89,950	119,996	30,046
Miscellaneous	395,250	395,250	466,834	71,584
Total revenues	33,935,495	33,935,495	35,526,346	1,590,851
EXPENDITURES				
Current:				
General government	14,297,346	7,081,077	7,044,333	36,744
Public safety	24,277,204	12,529,979	13,205,626	(675,647)
Community development	6,714,826	3,140,985	3,166,121	(25,136)
Parks and recreation	3,046,980	1,545,209	1,545,351	(142)
Public works	9,157,347	4,517,745	4,619,862	(102,117)
Capital outlay	2,036,803	1,501,803	331,112	1,170,691
Debt service:				
Interest and fiscal charges	1,455,806	764,103	1,429,203	(665,100)
Total expenditures	60,986,312	31,080,901	31,341,608	(260,707)
Excess (deficiency) of revenues over (under) expenditures	(27,050,817)	2,854,594	4,184,738	1,330,144
OTHER FINANCING SOURCES (USES)				
Transfers in	5,194,200	2,597,100	2,077,200	(519,900)
Transfers out	(13,350,581)	(7,170,346)	(6,149,887)	1,020,459
Leases issued	-	-	667,355	667,355
Total other financing sources (uses)	(8,156,381)	(4,573,246)	(3,405,332)	1,167,914
Net change in fund balances	\$ (35,207,198)	\$ (1,718,652)	779,406	\$ 2,498,058
Fund balances (deficit)-beginning			28,839,744	
Fund balances (deficit)-ending			\$ 29,619,150	

CITY OF BARSTOW, CALIFORNIA
 Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual
 Measure I
 For the Year Ended June 30, 2024

	Original	Final	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES				
Intergovernmental	\$ 1,900,000	\$ 1,900,000	\$ 1,956,807	\$ 56,807
Use of money and property	24,365	24,365	101,353	76,988
Total revenues	1,924,365	1,924,365	2,058,160	133,795
EXPENDITURES				
Current:				
Public safety	33,963	33,963	-	33,963
Total expenditures	33,963	33,963	-	33,963
Excess (deficiency) of revenues over (under) expenditures	1,890,402	1,890,402	2,058,160	167,758
OTHER FINANCING SOURCES (USES)				
Transfers out	(4,480,832)	(3,120,732)	(1,911,476)	1,209,256
Total other financing sources (uses)	(4,480,832)	(3,120,732)	(1,911,476)	1,209,256
Net change in fund balances	\$ (2,590,430)	\$ (1,230,330)	146,684	\$ 1,377,014
Fund balances (deficit)-beginning			353,809	
Fund balances (deficit)-ending			\$ 500,493	

CITY OF BARSTOW, CALIFORNIA
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual
Barstow Fire Protection District
For the Year Ended June 30, 2024

	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES				
Taxes	\$ 6,294,950	\$ 6,294,950	\$ 6,344,672	\$ 49,722
Licenses and permits	2,355	2,355	2,418	63
Intergovernmental	1,620	1,620	1,628	8
Use of money and property	19,100	19,100	19,093	(7)
Miscellaneous	590	590	588	(2)
Total revenues	<u>6,318,615</u>	<u>6,318,615</u>	<u>6,368,399</u>	<u>49,784</u>
EXPENDITURES				
Current:				
Public safety	16,062,548	8,153,413	7,930,850	222,563
Debt service:				
Principal	1,000,000	500,000	-	500,000
Total expenditures	<u>17,062,548</u>	<u>8,653,413</u>	<u>7,930,850</u>	<u>722,563</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(10,743,933)</u>	<u>(2,334,798)</u>	<u>(1,562,451)</u>	<u>772,347</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	1,561,344	4,351,059	4,275,571	(75,488)
Transfers out	(3,109,974)	(1,554,987)	(1,556,413)	(1,426)
Total other financing sources (uses)	<u>(1,548,630)</u>	<u>2,796,072</u>	<u>2,719,158</u>	<u>(76,914)</u>
Net change in fund balances	<u>\$ (12,292,563)</u>	<u>\$ 461,274</u>	<u>1,156,707</u>	<u>\$ 695,433</u>
Fund balances (deficit)-beginning			(3,668,043)	
Fund balances (deficit)-ending			<u>\$ (2,511,336)</u>	

CITY OF BARSTOW, CALIFORNIA
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual
Grants
For the Year Ended June 30, 2024

	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES				
Intergovernmental	\$ 4,798,770	\$ 5,099,968	\$ 4,756,117	\$ (343,851)
Use of money and property	3,500	3,500	2,483	(1,017)
Total revenues	<u>4,802,270</u>	<u>5,103,468</u>	<u>4,758,600</u>	<u>(344,868)</u>
EXPENDITURES				
Current:				
Public safety	233,536	157,394	131,410	25,984
Community development	78,615	39,306	97,630	(58,324)
Total expenditures	<u>312,151</u>	<u>196,700</u>	<u>229,040</u>	<u>(32,340)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>4,490,119</u>	<u>4,906,768</u>	<u>4,529,560</u>	<u>(377,208)</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	<u>(11,922,323)</u>	<u>(11,699,584)</u>	<u>(1,776,507)</u>	<u>9,923,077</u>
Total other financing sources (uses)	<u>(11,922,323)</u>	<u>(11,699,584)</u>	<u>(1,776,507)</u>	<u>9,923,077</u>
Net change in fund balances	<u>\$ (7,432,204)</u>	<u>\$ (6,792,816)</u>	<u>2,753,053</u>	<u>\$ 9,545,869</u>
Fund balances (deficit)-beginning			<u>(4,996,594)</u>	
Fund balances (deficit)-ending			<u>\$ (2,243,541)</u>	

CITY OF BARSTOW, CALIFORNIA
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>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Measurement Date	6/30/2023	6/30/2022	6/30/2021	6/30/2020	6/30/2019
Proportion of the Net Pension Liability	0.66598%	0.08838%	0.39191%	0.26490%	0.24588%
Proportionate Share of the Net Pension Liability	\$ 18,721,763	\$ 18,023,479	\$ 14,864,924	\$ 29,751,671	\$ 26,777,913
Covered Payroll	\$ 11,745,774	\$ 14,750,205	\$ 9,880,472	\$ 10,266,253	\$ 9,842,257
Proportionate Share of the Net Pension Liability as Percentage of Covered Payroll	159.39%	122.19%	150.45%	289.80%	272.07%
Plan Fiduciary Net Position	\$ 130,014,867	\$ 129,524,741	\$ 123,982,203	\$ 104,679,650	\$ 102,046,037
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	87.78%	87.78%	89.29%	77.87%	75.26%

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 2016 was the first year of implementation, therefore only nine years are shown.

2019	2018	2017	2016
<u>6/30/2018</u>	<u>6/30/2017</u>	<u>6/30/2016</u>	<u>6/30/2015</u>
0.25121%	0.24901%	0.24341%	0.20999%
\$ 24,207,207	\$ 24,695,340	\$ 21,062,463	\$ 14,413,454
\$ 10,816,083	\$ 11,891,452	\$ 10,244,777	\$ 10,085,135
223.81%	207.67%	205.59%	142.92%
\$ -	\$ -	\$ -	\$ -
75.26%	73.31%	74.06%	79.82%

CITY OF BARSTOW, CALIFORNIA
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)

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Measurement Date	6/30/2023	6/30/2022	6/30/2021	6/30/2020	6/30/2019
Proportion of the Net Pension Liability	0.307%	0.338%	0.435%	0.421%	0.457%
Proportionate Share of the Net Pension Liability	\$ 7,278,342	\$ 7,854,204	\$ 8,433,660	\$ 16,891,227	\$ 12,382,040
Covered Payroll	\$ 2,759,103	\$ 2,550,102	\$ 2,430,284	\$ 2,045,831	\$ 1,890,826
Proportionate Share of the Net Pension Liability as Percentage of Covered Payroll	263.79%	308.00%	347.02%	825.64%	654.85%
Plan Fiduciary Net Position	\$ 26,805,659	\$ 29,379,425	\$ 45,633,022	\$ 33,270,269	\$ 33,532,575
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	71.99%	78.91%	84.40%	66.33%	73.03%

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 2016 was the first year of implementation, therefore only nine years are shown.

2019	2018	2017	2016
6/30/2018	6/30/2017	6/30/2016	6/30/2015
0.498%	0.378%	0.518%	0.638%
\$ 12,626,176	\$ 9,958,070	\$ 12,781,554	\$ 12,395,608
\$ 1,816,148	\$ 1,776,774	\$ 2,518,304	\$ 2,036,785
695.22%	560.46%	507.55%	608.59%
\$ 34,034,011	\$ 24,486,977	\$ 18,856,232	\$ 20,207,792
72.94%	71.09%	76.86%	80.98%

CITY OF BARSTOW, CALIFORNIA
Schedule of Changes in the Net OPEB Liability and Related Ratios
As of June 30, for the Last Ten Fiscal Years(1)

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Measurement Date	6/30/2023	6/30/2022	6/30/2021	6/30/2020
Changes in Total OPEB Liability				
Service cost	\$ 435,006	\$ 535,801	\$ 565,909	\$ 532,051
Interest	677,345	455,294	577,610	586,298
Differences between actual and expected experience	(1,276,926)	-	(2,058,221)	-
Changes in assumptions	(1,980,960)	(4,307,157)	991,369	353,512
Benefit payments	(913,325)	(901,111)	(851,272)	(759,312)
Net change in total OPEB liability	(3,058,860)	(4,217,173)	(774,605)	712,549
Total OPEB liability - beginning	16,582,629	20,799,802	21,574,407	20,861,858
Total OPEB liability - ending (a)	13,523,769	16,582,629	20,799,802	21,574,407
Plan Fiduciary Net Position				
Contribution - employer	913,325	901,111	851,272	759,312
Net investment income	94,886	(228,363)	367,993	45,704
Benefit payments	(913,325)	(901,111)	(851,272)	(759,312)
Administrative expense	(761)	(432)	(507)	(632)
Other expense	166	-	-	-
Net change in plan fiduciary net position	94,291	(228,795)	367,486	45,072
Plan fiduciary net position - beginning	1,477,082	1,705,877	1,338,391	1,293,319
Plan fiduciary net position - ending (b)	1,571,373	1,477,082	1,705,877	1,338,391
Net OPEB Liability/(Assets) - ending (a) - (b)	\$ 11,952,396	\$ 15,105,547	\$ 19,093,925	\$ 20,236,016
Plan fiduciary net position as a percentage of the total OPEB liability	11.6%	8.9%	8.2%	6.2%
Covered payroll	\$ 10,917,528	\$ 13,424,691	\$ 12,765,028	\$ 13,389,701
Net OPEB liability as a percentage of covered payroll	109.48%	112.52%	149.58%	151.13%

(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 increased from 4.09% to 4.57% in measurement period 6/30/2023.

2020	2019	2018
6/30/2019	6/30/2018	6/30/2017
\$ 628,854	\$ 586,241	\$ 637,325
557,475	559,512	497,633
110,249	-	-
1,857,556	365,110	(1,110,604)
<u>(741,262)</u>	<u>(702,823)</u>	<u>(628,957)</u>
2,412,872	808,040	(604,603)
18,448,986	17,640,946	18,245,549
<u>20,861,858</u>	<u>18,448,986</u>	<u>17,640,946</u>
741,262	702,823	628,957
75,207	89,989	108,069
(741,262)	(702,823)	(628,957)
(261)	(603)	(548)
-	(1,496)	-
<u>74,946</u>	<u>87,890</u>	<u>107,521</u>
1,218,373	1,130,483	1,022,962
<u>1,293,319</u>	<u>1,218,373</u>	<u>1,130,483</u>
<u>\$ 19,568,539</u>	<u>\$ 17,230,613</u>	<u>\$ 16,510,463</u>

6.2% 6.6% 6.4%

\$ 12,153,938 \$ 10,550,746 \$ 10,550,746

161.01% 163.31% 156.49%

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)

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Measurement Date	6/30/2023	6/30/2022	6/30/2021	6/30/2020
Changes in Total OPEB Liability				
Service cost	\$ 525,547	\$ 633,234	\$ 573,551	\$ 544,393
Interest on the total OPEB liability	168,356	109,198	127,973	111,849
Plan experience	20,115	-	(705,883)	-
Changes in assumptions	(2,569,363)	(1,437,109)	208,292	72,167
Changes in benefit terms	-	-	-	-
Benefit payments	(64,217)	(45,608)	(33,966)	(19,568)
Net change in total OPEB liability	(1,919,562)	(740,285)	169,967	708,841
Total OPEB liability - beginning	3,612,838	4,353,123	4,183,156	3,474,315
Total OPEB liability - ending (a)	1,693,276	3,612,838	4,353,123	4,183,156
Plan Fiduciary Net Position				
Contribution - employer	64,217	45,608	33,966	19,568
Net investment income	20,854	(50,191)	80,880	10,045
Benefit payments	(64,217)	(45,608)	(33,966)	(19,568)
Administrative expense	(162)	(95)	(111)	(139)
Other expense	120	-	-	-
Net change in plan fiduciary net position	20,812	(50,286)	80,769	9,906
Plan fiduciary net position - beginning	324,558	374,844	294,075	284,169
Plan fiduciary net position - ending (b)	345,370	324,558	374,844	294,075
Net OPEB Liability/(Assets) - ending (a) - (b)	\$ 1,347,906	\$ 3,288,280	\$ 3,978,279	\$ 3,889,081
Plan fiduciary net position as a percentage of the total OPEB liability	20.4%	9.0%	8.6%	7.0%
Covered payroll	\$ 4,272,131	\$ 4,005,521	\$ 3,624,974	\$ 2,045,831
Net OPEB liability as a percentage of covered payroll	31.55%	82.09%	109.75%	190.10%

(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 increased from 4.10% to 4.12% in measurement period 6/30/2023.

2020	2019	2018
6/30/2019	6/30/2018	6/30/2017
\$ 90,956	\$ 86,320	\$ 90,934
29,157	26,317	21,440
124,887	-	-
52,128	13,302	(50,934)
2,355,457	-	-
(14,200)	(12,072)	(12,099)
2,638,385	113,867	49,341
835,930	722,063	672,722
3,474,315	835,930	722,063
14,200	12,072	12,099
16,415	19,778	23,752
(14,200)	(12,072)	(12,099)
57	(461)	(121)
-	-	-
16,472	19,317	23,631
267,697	248,380	224,749
284,169	267,697	248,380
\$ 3,190,146	\$ 568,233	\$ 473,683

8.2% 32.0% 34.4%

\$ 2,758,300 \$ 2,611,101 \$ 2,537,528

115.66% 21.76% 18.67%

CITY OF BARSTOW, CALIFORNIA
Schedules of Plan Contributions
As of June 30, for the Last Ten Fiscal Years ¹

Fiscal Year Ending June 30,	Actuarially Determined Contribution	Actual Employer Contributions	Contribution Deficiency (Excess)	Covered/ Covered- Employee Payroll	Contribution as a % of Covered/ Covered Employee Payroll
<u>CalPERS Cost Sharing Plan</u>					
2024	\$ 1,618,835	\$ 1,618,835	\$ -	\$ 11,745,774	13.78%
2023	2,349,577	2,349,577	-	14,750,205	15.93%
2022	3,643,916	23,404,058	(19,760,142)	9,880,472	236.87%
2021	3,405,375	3,405,375	-	10,266,253	33.17%
2020	3,124,739	3,124,739	-	9,842,257	31.75%
2019	2,677,140	2,677,140	-	10,816,083	24.75%
2018	2,533,851	2,533,851	-	11,891,452	21.31%
2017	2,388,566	2,388,566	-	10,244,777	23.31%
2016	2,051,026	2,051,026	-	10,085,135	20.34%
<u>San Bernardino County Employees' Retirement Association (SBCERA)</u>					
2024	\$ 1,363,210	\$ 1,363,210	\$ -	\$ 2,759,103	49.41%
2023	1,321,109	1,321,109	-	2,550,102	51.81%
2022	2,141,231	10,276,108	(8,134,877)	2,430,284	422.84%
2021	2,029,361	2,029,361	-	2,045,831	99.19%
2020	1,760,542	1,760,542	-	1,890,826	93.11%
2019	1,625,725	1,625,725	-	1,816,148	89.52%
2018	1,704,307	1,704,307	-	1,776,774	95.92%
2017	1,258,947	1,258,947	-	2,518,304	49.99%
2016	1,407,336	1,407,336	-	2,036,785	69.10%
<u>Agent Multiple Employer OPEB Plan</u>					
2024	\$ 1,065,332	\$ 893,664	\$ 171,668	\$ 11,223,219	7.96%
2023	1,003,698	913,325	90,373	14,750,205	6.19%
2022	995,997	901,111	94,886	13,424,691	6.71%
2021	1,213,266	851,272	361,994	12,765,028	6.67%
2020	1,085,891	759,312	326,579	13,389,701	5.67%
2019	1,032,102	741,262	290,840	12,153,938	6.10%
2018	982,138	702,823	279,315	10,550,746	6.66%
<u>Barstow Fire Protection District Agent Multiple Employer OPEB Plan</u>					
2024	\$ 208,181	\$ 90,199	\$ 117,982	\$ 4,400,295	2.05%
2023	408,795	64,217	344,578	4,272,131	1.50%
2022	376,137	45,608	330,529	4,005,521	1.14%
2021	366,074	33,966	332,108	3,624,974	0.94%
2020	335,358	19,568	315,790	2,045,831	0.96%
2019	64,738	14,200	50,538	2,758,300	0.51%
2018	62,732	12,072	50,660	2,611,101	0.46%

(1) Historical information is required only for the measurement periods for which GASB 68 and 75 are applicable. Fiscal Year 2016 was the first year of implementation of GASB 68, and 2018 was the first year of implementation of GASB 75. Future years' information will be displayed up to 10 years as information becomes available.

SUPPLEMENTARY INFORMATION

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NON-MAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE 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.

Public Safety COPS Program Fund is used to account for the Supplemental Law Enforcement funds used for front line law enforcement services, and for the purchase of equipment to assist law enforcement to prevent and reduce crime.

CAPITAL PROJECTS FUND

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.

DEBT SERVICE FUND

Debt Service Fund is used for the payment of principal and interest on the 2021 Lease Revenue Bonds and the 2022 Taxable Pension Obligation Bonds.

CITY OF BARSTOW, CALIFORNIA
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2024

Special Revenue Funds

	Gas Tax	Asset Seizure	Barstow Harvey House Foundation
ASSETS			
Cash and cash equivalents	\$ 3,630,192	\$ 86,753	\$ -
Receivables (net of allowance for uncollectible):			
Accounts	114,833	-	-
Taxes	60,574	-	-
Accrued interest	23,820	-	-
Prepaid items	-	-	-
Total assets	\$ 3,829,419	\$ 86,753	\$ -
LIABILITIES			
Accounts payable	\$ -	\$ 4,874	\$ 300
Unearned revenue	-	65,556	-
Due to other funds	-	-	15,258
Retentions payable	-	-	-
Total liabilities	-	70,430	15,558
DEFERRED INFLOWS OF RESOURCES			
Nonspendable	-	-	-
Restricted	3,829,419	16,323	-
Unassigned	-	-	(15,558)
Total fund balances (deficits)	3,829,419	16,323	(15,558)
Total liabilities, deferred inflows of resources, and fund balances (deficits)	\$ 3,829,419	\$ 86,753	\$ -

CITY OF BARSTOW, CALIFORNIA
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2024

(Continued)

	Special Revenue Funds		
	Redevelopment Housing Successor	Barstow Community Services	Local Transportation
ASSETS			
Cash and cash equivalents	\$ 460,070	\$ 2,071	\$ 199,659
Receivables (net of allowance for uncollectible):			
Accounts	-	-	-
Taxes	-	-	-
Accrued interest	3,615	16	1,569
Prepaid items	-	-	-
Total assets	\$ 463,685	\$ 2,087	\$ 201,228
LIABILITIES			
Accounts payable	\$ 20	\$ 300	\$ -
Unearned revenue	-	-	-
Due to other funds	-	-	-
Retentions payable	-	-	-
Total liabilities	20	300	-
DEFERRED INFLOWS OF RESOURCES			
Nonspendable	-	-	-
Restricted	463,665	1,787	201,228
Unassigned	-	-	-
Total fund balances (deficits)	463,665	1,787	201,228
Total liabilities, deferred inflows of resources, and fund balances (deficits)	\$ 463,685	\$ 2,087	\$ 201,228

CITY OF BARSTOW, CALIFORNIA
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2024

Special Revenue Funds

	<u>Flood Control</u>	<u>COVID-19 Grants</u>	<u>Public Safety COPS Program</u>
ASSETS			
Cash and cash equivalents	\$ 10,882	\$ 531	\$ 130,418
Receivables (net of allowance for uncollectible):			
Accounts	-	-	-
Taxes	-	-	-
Accrued interest	86	-	1,683
Prepaid items	-	-	-
Total assets	<u>\$ 10,968</u>	<u>\$ 531</u>	<u>\$ 132,101</u>
LIABILITIES			
Accounts payable	\$ -	\$ 6,802	\$ 76,846
Unearned revenue	-	-	-
Due to other funds	-	-	-
Retentions payable	-	532	-
Total liabilities	<u>-</u>	<u>7,334</u>	<u>76,846</u>
DEFERRED INFLOWS OF RESOURCES			
Nonspendable	-	-	-
Restricted	10,968	-	55,255
Unassigned	-	(6,803)	-
Total fund balances (deficits)	<u>10,968</u>	<u>(6,803)</u>	<u>55,255</u>
Total liabilities, deferred inflows of resources, and fund balances (deficits)	<u>\$ 10,968</u>	<u>\$ 531</u>	<u>\$ 132,101</u>

CITY OF BARSTOW, CALIFORNIA
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2024

	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	
	<u>City Capital Projects</u>	<u>Debt Service</u>	<u>Total Nonmajor Funds</u>
ASSETS			
Cash and cash equivalents	\$ 1,019,141	\$ -	\$ 5,539,717
Receivables (net of allowance for uncollectible):			
Accounts	-	-	114,833
Taxes	-	-	60,574
Accrued interest	7,460	-	38,249
Prepaid items	-	569,480	569,480
Total assets	<u>\$ 1,026,601</u>	<u>\$ 569,480</u>	<u>\$ 6,322,853</u>
LIABILITIES			
Accounts payable	\$ -	\$ -	\$ 89,142
Unearned revenue	-	-	65,556
Due to other funds	-	567,100	582,358
Retentions payable	60,000	-	60,532
Total liabilities	<u>60,000</u>	<u>567,100</u>	<u>797,588</u>
DEFERRED INFLOWS OF RESOURCES			
Nonspendable	-	569,480	569,480
Restricted	966,601	-	5,545,246
Unassigned	-	(567,100)	(589,461)
Total fund balances (deficits)	<u>966,601</u>	<u>2,380</u>	<u>5,525,265</u>
Total liabilities, deferred inflows of resources, and fund balances (deficits)	<u>\$ 1,026,601</u>	<u>\$ 569,480</u>	<u>\$ 6,322,853</u>

CITY OF BARSTOW, CALIFORNIA
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2024

Special Revenue Funds

	Gas Tax	Asset Seizure	Barstow Harvey House Foundation
REVENUES			
Intergovernmental	\$ 1,363,062	\$ -	\$ -
Use of money and property	99,304	1,247	-
Total revenues	1,462,366	1,247	-
EXPENDITURES			
Current:			
General government	-	-	-
Public safety	-	6,948	-
Community development	-	-	-
Parks and recreation	-	-	250
Public works	-	-	-
Capital outlay	-	-	-
Debt service:			
Principal	-	-	-
Interest and fiscal charges	-	-	-
Total expenditures	-	6,948	250
Excess (deficiency) of revenues over (under) expenditures	1,462,366	(5,701)	(250)
OTHER FINANCING SOURCES (USES)			
Transfers in	-	-	-
Transfers out	(6,900)	-	-
Total other financing sources (uses)	(6,900)	-	-
Net change in fund balances	1,455,466	(5,701)	(250)
Fund balances (deficit)-beginning	2,373,953	22,024	(15,308)
Fund balances (deficit)-ending	\$ 3,829,419	\$ 16,323	\$ (15,558)

CITY OF BARSTOW, CALIFORNIA
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2024

(Continued)

	Special Revenue Funds		
	Redevelopment Housing Successor	Barstow Community Services	Local Transportation
REVENUES			
Intergovernmental	\$ -	\$ -	\$ -
Use of money and property	16,292	73	7,072
Total revenues	16,292	73	7,072
EXPENDITURES			
Current:			
General government	-	-	-
Public safety	-	-	-
Community development	40	275	-
Parks and recreation	-	-	-
Public works	-	-	-
Capital outlay	-	-	-
Debt service:			
Principal	-	-	-
Interest and fiscal charges	-	-	-
Total expenditures	40	275	-
Excess (deficiency) of revenues over (under) expenditures	16,252	(202)	7,072
OTHER FINANCING SOURCES (USES)			
Transfers in	-	-	-
Transfers out	-	-	-
Total other financing sources (uses)	-	-	-
Net change in fund balances	16,252	(202)	7,072
Fund balances (deficit)-beginning	447,413	1,989	194,156
Fund balances (deficit)-ending	\$ 463,665	\$ 1,787	\$ 201,228

CITY OF BARSTOW, CALIFORNIA
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2024

	Special Revenue Funds		
	Flood Control	COVID-19 Grants	Public Safety COPS Program
REVENUES			
Intergovernmental	\$ -	\$ -	\$ 186,306
Use of money and property	386	(1)	7,375
Total revenues	386	(1)	193,681
EXPENDITURES			
Current:			
General government	-	6,802	-
Public safety	-	-	60,417
Community development	-	-	-
Parks and recreation	-	-	-
Public works	-	-	-
Capital outlay	-	-	168,428
Debt service:			
Principal	-	-	-
Interest and fiscal charges	-	-	-
Total expenditures	-	6,802	228,845
Excess (deficiency) of revenues over (under) expenditures	386	(6,803)	(35,164)
OTHER FINANCING SOURCES (USES)			
Transfers in	-	-	-
Transfers out	-	-	(80,000)
Total other financing sources (uses)	-	-	(80,000)
Net change in fund balances	386	(6,803)	(115,164)
Fund balances (deficit)-beginning	10,582	-	170,419
Fund balances (deficit)-ending	\$ 10,968	\$ (6,803)	\$ 55,255

CITY OF BARSTOW, CALIFORNIA
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2024

	<u>Capital Project Fund</u>	<u>Debt Service Fund</u>	
	<u>City Capital Projects</u>	<u>Debt Service</u>	<u>Total Nonmajor Funds</u>
REVENUES			
Intergovernmental	\$ 24,859	\$ -	\$ 1,574,227
Use of money and property	33,457	-	165,205
Total revenues	58,316	-	1,739,432
EXPENDITURES			
Current:			
General government	-	-	6,802
Public safety	-	-	67,365
Community development	-	-	315
Parks and recreation	-	-	250
Public works	331,959	-	331,959
Capital outlay	3,574,876	-	3,743,304
Debt service:			
Principal	-	1,603,714	1,603,714
Interest and fiscal charges	-	1,058,256	1,058,256
Total expenditures	3,906,835	2,661,970	6,811,965
Excess (deficiency) of revenues over (under) expenditures	(3,848,519)	(2,661,970)	(5,072,533)
OTHER FINANCING SOURCES (USES)			
Transfers in	3,906,835	2,661,970	6,568,805
Transfers out	-	-	(86,900)
Total other financing sources (uses)	3,906,835	2,661,970	6,481,905
Net change in fund balances	58,316	-	1,409,372
Fund balances (deficit)-beginning	908,285	2,380	4,115,893
Fund balances (deficit)-ending	\$ 966,601	\$ 2,380	\$ 5,525,265

CITY OF BARSTOW, CALIFORNIA
 Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual
 Gas Tax
 For the Year Ended June 30, 2024

	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES				
Intergovernmental	\$ 1,365,245	\$ 1,365,245	\$ 1,363,062	\$ (2,183)
Use of money and property	20,840	20,840	99,304	78,464
Total revenues	<u>1,386,085</u>	<u>1,386,085</u>	<u>1,462,366</u>	<u>76,281</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	(2,157,432)	(1,248,900)	(6,900)	1,242,000
Total other financing sources (uses)	<u>(2,157,432)</u>	<u>(1,248,900)</u>	<u>(6,900)</u>	<u>1,242,000</u>
Net change in fund balances	<u>\$ (771,347)</u>	<u>\$ 137,185</u>	<u>1,455,466</u>	<u>\$ 1,318,281</u>
Fund balances (deficit)-beginning			<u>2,373,953</u>	
Fund balances (deficit)-ending			<u>\$ 3,829,419</u>	

CITY OF BARSTOW, CALIFORNIA
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual
Asset Seizure
For the Year Ended June 30, 2024

	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES				
Use of money and property	\$ -	\$ -	\$ 1,247	\$ 1,247
Total revenues	<u>-</u>	<u>-</u>	<u>1,247</u>	<u>1,247</u>
EXPENDITURES				
Current:				
Public safety	23,000	11,500	6,948	4,552
Total expenditures	<u>23,000</u>	<u>11,500</u>	<u>6,948</u>	<u>4,552</u>
Net change in fund balances	<u>\$ (23,000)</u>	<u>\$ (11,500)</u>	<u>(5,701)</u>	<u>\$ 5,799</u>
Fund balances (deficit)-beginning			<u>22,024</u>	
Fund balances (deficit)-ending			<u>\$ 16,323</u>	

CITY OF BARSTOW, CALIFORNIA
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual
Barstow Harvey House Foundation
For the Year Ended June 30, 2024

	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
EXPENDITURES				
Current:				
Parks and recreation	\$ 650	\$ 325	\$ 250	\$ 75
Total expenditures	<u>650</u>	<u>325</u>	<u>250</u>	<u>75</u>
Net change in fund balances	<u>\$ (650)</u>	<u>\$ (325)</u>	<u>(250)</u>	<u>\$ 75</u>
Fund balances (deficit)-beginning			(15,308)	
Fund balances (deficit)-ending			<u>\$ (15,558)</u>	

CITY OF BARSTOW, CALIFORNIA
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual
Public Safety COPS Program
For the Year Ended June 30, 2024

	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES				
Intergovernmental	\$ 86,250	\$ 186,250	\$ 186,306	\$ 56
Use of money and property	-	-	7,375	7,375
Total revenues	86,250	186,250	193,681	7,431
EXPENDITURES				
Current:				
Public safety	116,150	50,150	60,417	(10,267)
Capital outlay	345,800	180,800	168,428	12,372
Total expenditures	461,950	230,950	228,845	2,105
Excess (deficiency) of revenues over (under) expenditures	(375,700)	(44,700)	(35,164)	9,536
OTHER FINANCING SOURCES (USES)				
Transfers out	(160,000)	(80,000)	(80,000)	-
Total other financing sources (uses)	(160,000)	(80,000)	(80,000)	-
Net change in fund balances	\$ (535,700)	\$ (124,700)	(115,164)	\$ 9,536
Fund balances (deficit)-beginning			170,419	
Fund balances (deficit)-ending			\$ 55,255	

CITY OF BARSTOW, CALIFORNIA
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual
City Capital Projects
For the Year Ended June 30, 2024

	Original	Final	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES				
Intergovernmental	\$ -	\$ 13,720	\$ 24,859	\$ 11,139
Use of money and property	-	8,500	33,457	24,957
Total revenues	-	22,220	58,316	36,096
EXPENDITURES				
Current:				
Public works	415,464	(415,464)	331,959	(747,423)
Capital outlay	19,055,479	(16,587,308)	3,574,876	(20,162,184)
Total expenditures	19,470,943	(17,002,772)	3,906,835	(20,909,607)
Excess (deficiency) of revenues over (under) expenditures	(19,470,943)	17,024,992	(3,848,519)	(20,873,511)
OTHER FINANCING SOURCES (USES)				
Transfers in	14,593,745	17,061,916	3,906,835	(13,155,081)
Transfers out	(716,946)	(358,473)	-	358,473
Total other financing sources (uses)	13,876,799	16,703,443	3,906,835	(12,796,608)
Net change in fund balances	\$ (5,594,144)	\$ 33,728,435	58,316	\$ (33,670,119)
Fund balances (deficit)-beginning			908,285	
Fund balances (deficit)-ending			\$ 966,601	

CITY OF BARSTOW, CALIFORNIA
 Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual
 Debt Service
 For the Year Ended June 30, 2024

	Original	Final	Actual Amounts	Variance with Final Budget Positive (Negative)
EXPENDITURES				
Debt service:				
Principal	\$ 3,207,428	\$ 1,603,714	\$ 1,603,714	\$ -
Interest and fiscal charges	2,111,162	1,058,256	1,058,256	-
Total expenditures	5,318,590	2,661,970	2,661,970	-
Excess (deficiency) of revenues over (under) expenditures	(5,318,590)	(2,661,970)	(2,661,970)	-
OTHER FINANCING SOURCES (USES)				
Transfers in	-	2,656,622	2,661,970	5,348
Total other financing sources (uses)	-	2,656,622	2,661,970	5,348
Net change in fund balances	\$ (5,318,590)	\$ (5,348)	-	\$ 5,348
Fund balances (deficit)-beginning			2,380	
Fund balances (deficit)-ending			\$ 2,380	

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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, 2024

	Public Improvement District 91-1	Landscape Assessment District	Total Custodial Funds
ASSETS			
Cash and investments	\$ 100,377	\$ 116,910	\$ 217,287
Receivables:			
Accounts	-	30	30
Accrued interest	789	842	1,631
Total assets	101,166	117,782	218,948
LIABILITIES			
Accounts payable	-	460	460
Total liabilities	-	460	460
NET POSITION			
Restricted for:			
Individuals, organizations, and other governments	101,166	117,322	218,488
Total net position	\$ 101,166	\$ 117,322	\$ 218,488

CITY OF BARSTOW, CALIFORNIA
Combining Statement of Changes in Fiduciary Net Position
All Custodial Funds
For the Year Ended June 30, 2024

	Public Improvement District 91-1	Landscape Assessment District	Total Custodial Funds
ADDITIONS			
Investment earnings:			
Interest	\$ 3,555	\$ 3,822	\$ 7,377
Total investment earnings	3,555	3,822	7,377
Collections for assessment districts	-	22,092	22,092
Total additions	3,555	25,914	29,469
DEDUCTIONS			
Contractual services	-	5,477	5,477
Total deductions	-	5,477	5,477
Net increase (decrease) in fiduciary net position	3,555	20,437	23,992
Net position-beginning	97,611	96,885	194,496
Net position-ending	\$ 101,166	\$ 117,322	\$ 218,488

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

Index	Page
Financial Trends These schedules contain trend information to help the reader understand how the City’s financial performance and well-being have changed over time.	133
Revenue Capacity These schedules contain information to help the reader assess the City’s most significant local revenues sources, property tax and sales tax.	138
Debt Capacity 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.	147
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the City’s financial activities take place.	152
Operating Information 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.	155

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

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Governmental Activities:										
Net investment in capital assets	\$ 76,362,833	\$ 80,392,246	\$ 81,895,762	\$ 82,945,793	\$ 83,892,867	\$ 83,177,722	\$ 83,193,605	\$ 85,392,038	\$ 84,182,513	\$ 59,172,179
Restricted	2,245,332	1,912,180	2,122,953	2,815,993	4,321,280	4,856,154	2,060,032	2,652,011	4,485,010	6,077,215
Unrestricted	777,665	(4,892,883)	(15,011,733)	(36,244,461)	(40,010,751)	(48,226,357)	(47,612,389)	(49,033,863)	(44,227,542)	(20,900,425)
Total Governmental Activities Net Position	\$ 79,385,830	\$ 77,411,543	\$ 69,006,982	\$ 49,517,325	\$ 48,203,396	\$ 39,807,519	\$ 37,641,248	\$ 39,010,186	\$ 44,439,981	\$ 44,348,969
Business-type Activities:										
Net investment in capital assets	\$ 28,045,832	\$ 22,332,269	\$ 22,376,249	\$ 22,036,073	\$ 22,493,982	\$ 22,443,932	\$ 21,922,426	\$ 22,527,948	\$ 23,997,654	\$ 23,820,713
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	(14,863,742)	(12,179,023)	(10,757,834)	(9,598,849)	(8,538,249)	(7,598,760)	(5,702,487)	(2,791,649)	(4,068,738)	(2,239,559)
Total Business-type Activities Net Position	\$ 13,182,090	\$ 10,153,246	\$ 11,618,415	\$ 12,437,224	\$ 13,955,733	\$ 14,845,172	\$ 16,219,939	\$ 19,736,299	\$ 19,928,916	\$ 21,581,154
Primary Government:										
Net investment in capital assets	\$ 104,408,665	\$ 102,724,515	\$ 104,272,011	\$ 104,981,866	\$ 106,386,849	\$ 105,621,664	\$ 105,116,031	\$ 107,919,986	\$ 108,180,167	\$ 82,992,892
Restricted	2,245,332	1,912,180	2,122,953	2,815,993	4,321,280	4,856,154	2,060,032	2,652,011	4,485,010	6,077,215
Unrestricted	(14,086,077)	(17,071,906)	(25,769,567)	(45,843,310)	(48,549,000)	(55,825,117)	(53,314,876)	(51,825,512)	(48,296,280)	(23,139,984)
Total Primary Government Net Position	\$ 92,567,920	\$ 87,564,789	\$ 80,625,397	\$ 61,954,549	\$ 62,159,129	\$ 54,652,691	\$ 53,861,187	\$ 58,746,485	\$ 64,368,897	\$ 65,930,123

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

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Expenses:										
Governmental activities:										
General government	\$ 2,340,584	\$ 3,453,207	\$ 4,243,537	\$ 3,407,933	\$ 3,195,349	\$ 4,539,158	\$ 7,178,050	\$ 11,261,122	\$ 9,714,186	\$ 8,022,866
Public safety	13,655,432	14,618,441	16,507,044	16,367,119	18,968,397	23,887,685	22,274,486	20,727,916	20,200,731	25,168,097
Community development	2,458,665	2,567,843	3,328,046	2,868,473	2,522,157	2,959,442	1,835,249	2,114,693	3,692,053	3,704,614
Recreation	2,777,589	2,840,457	3,221,250	3,097,501	2,573,335	2,548,681	1,413,896	1,892,705	1,767,910	1,948,867
Public works	6,882,670	7,863,741	7,603,005	6,911,603	6,937,058	7,842,090	9,115,346	8,246,181	10,133,006	7,651,476
Interest on long-term debt	239,143	188,887	143,333	100,036	55,104	85	51,162	1,178,331	2,002,106	2,406,835
Unallocated depreciation	-	-	-	-	-	-	-	-	-	-
Total Governmental Activities Expenses	28,354,083	31,532,576	35,046,215	32,752,665	34,251,400	41,777,141	41,868,189	45,420,948	47,509,992	48,902,755
Business-type Activities:										
Wastewater	5,217,340	5,183,363	3,991,004	4,077,582	3,928,331	5,093,118	4,626,634	2,572,697	3,299,653	3,687,095
Solid Waste	4,350,342	4,588,155	2,376,686	2,526,901	2,216,662	1,575,575	3,901,112	5,088,339	5,882,295	6,477,475
Transit Services	2,685,773	127,671	-	-	-	-	-	-	-	-
Other Enterprise Funds	473,911	391,844	-	-	-	-	-	-	-	-
Total Business-type Activities Expenses	12,727,366	10,291,033	6,367,690	6,604,483	6,144,993	6,668,693	8,527,746	7,661,036	9,181,948	10,164,570
Total Primary Government Expenses	41,081,449	41,823,609	41,413,905	39,357,148	40,396,393	48,445,834	50,395,935	53,081,984	56,691,940	59,067,325
Program revenues:										
Governmental activities:										
Charges for services:										
General government	1,490,257	1,569,444	1,702,142	1,488,493	2,318,518	1,327,757	1,236,136	1,830,004	2,593,480	3,837,370
Operating grants and contributions	1,702,084	1,045,110	638,283	847,091	1,002,010	859,437	757,387	305,735	1,152,051	634,025
Capital grants and contributions	3,978,333	5,488,502	4,365,660	6,145,461	5,670,702	3,526,055	4,994,774	9,450,259	9,095,030	5,288,068
Total governmental activities program revenues	7,170,674	8,103,056	6,706,085	8,481,045	8,991,230	5,713,249	6,988,297	11,585,998	12,840,561	9,759,463
Business-type activities:										
Charges for services:										
Wastewater	5,530,122	5,514,969	5,382,396	5,395,851	5,691,682	5,541,935	5,564,001	5,204,267	5,500,174	5,640,331
Solid Waste	4,023,189	4,121,294	1,926,405	2,027,441	1,971,820	1,988,453	4,208,547	5,733,905	6,301,088	7,492,134
Transit Services	169,247	129,803	-	-	-	-	-	-	-	-
Other business-type activities	69,973	58,451	-	-	-	-	-	-	-	-
Operating grants and contributions	2,275,972	219,038	524,058	-	-	-	-	-	-	-
Capital grants and contributions	405,234	-	-	-	-	-	-	-	-	-
Total business-type activities program revenues	12,473,737	10,043,555	7,832,859	7,423,292	7,663,502	7,530,388	9,772,548	10,938,172	11,801,262	13,132,465
Total primary government program revenues	19,644,411	18,146,611	14,538,944	15,904,337	16,654,732	13,243,637	16,760,845	22,524,170	24,641,823	22,891,928

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

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Net revenues (expenses):										
Governmental activities	\$ (21,183,409)	\$ (23,429,520)	\$ (28,340,130)	\$ (25,103,932)	\$ (25,260,170)	\$ (36,063,892)	\$ (34,879,892)	\$ (33,834,950)	\$ (34,669,431)	\$ (39,143,292)
Business-type activities	(253,629)	(247,478)	1,465,169	818,809	1,518,509	861,695	1,244,802	3,277,136	2,619,314	2,967,895
Total net revenues (expenses)	<u>(21,437,038)</u>	<u>(23,676,998)</u>	<u>(26,874,961)</u>	<u>(24,285,123)</u>	<u>(23,741,661)</u>	<u>(35,202,197)</u>	<u>(33,635,090)</u>	<u>(30,557,814)</u>	<u>(32,050,117)</u>	<u>(36,175,397)</u>
General Revenues and Other Changes in Net Position:										
Governmental activities:										
Taxes:										
Property taxes	7,398,978	7,441,119	7,970,015	9,108,160	8,774,293	9,252,006	9,796,572	10,448,051	11,492,487	12,613,212
Transient occupancy taxes	2,892,232	2,857,509	3,056,078	3,147,207	3,320,952	2,855,796	3,436,464	4,318,551	4,591,458	3,962,337
Sales taxes	7,259,449	7,670,993	7,166,274	7,239,830	9,690,333	13,527,079	16,387,048	18,622,825	18,807,640	18,219,191
Franchise taxes	N/A	N/A	N/A	N/A	1,023,994	1,077,373	1,175,996	1,212,053	1,329,910	1,421,689
Business License taxes	N/A	N/A	N/A	N/A	233,526	220,930	222,605	228,316	228,630	266,660
Other taxes	1,211,911	1,265,262	1,264,374	1,308,951	59,958	64,808	55,188	144,161	87,730	68,629
Motor vehicle in lieu, unrestricted	-	-	-	-	-	-	-	-	-	-
Use of money and property	471,980	482,812	278,153	202,328	242,147	318,440	1,048,338	117,614	374,912	1,050,239
Other general revenues	328,363	199,570	200,675	269,350	601,038	352,124	721,375	370,710	641,520	467,422
Gain (loss) on sale of assets	-	-	-	-	-	-	-	-	-	-
Transfers	-	1,537,968	-	-	-	-	-	(258,393)	2,544,939	1,440,393
Special item - merger of fire district	-	-	-	-	-	-	-	-	-	-
Extraordinary item - gain due to dissolution of RDA	-	-	-	-	-	-	-	-	-	-
Inventory Adjustment for Capital Assets	-	-	-	-	-	-	-	-	-	-
Total Governmental Activities	19,562,913	21,455,233	19,935,569	21,275,826	23,946,241	27,688,555	32,843,585	35,203,887	40,099,226	39,509,772
Business-type activities:										
Use of money and property	-	-	-	-	-	-	-	(3,498)	28,614	86,329
Other revenue	-	-	-	-	-	27,744	129,965	39,202	63,818	38,407
Gain on sale of capital assets	-	-	-	-	-	-	-	(54,873)	-	-
Transfers	-	(2,781,366)	-	-	-	-	-	258,393	(2,519,129)	(1,440,393)
Total Business-type Activities	-	<u>(2,781,366)</u>	-	-	-	27,744	129,965	239,224	<u>(2,426,697)</u>	<u>(1,315,657)</u>
Total Primary Government	19,562,913	18,673,867	19,935,569	21,275,826	23,946,241	27,686,299	32,973,551	35,443,112	37,672,529	38,194,115
Changes in Net Position:										
Governmental activities	(1,620,496)	(1,974,287)	(8,404,561)	(3,828,106)	(1,313,929)	(8,395,337)	(2,166,271)	1,368,937	5,429,795	366,480
Business-type activities	(253,629)	(3,028,844)	1,465,169	818,809	1,518,509	889,439	1,374,767	3,516,360	192,617	1,652,238
Total Primary Government	<u>\$ (1,874,125)</u>	<u>\$ (5,003,131)</u>	<u>\$ (6,939,392)</u>	<u>\$ (3,009,297)</u>	<u>\$ 204,580</u>	<u>\$ (7,505,898)</u>	<u>\$ (791,504)</u>	<u>\$ 4,885,297</u>	<u>\$ 5,622,412</u>	<u>\$ 2,018,718</u>

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

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General Fund:										
Nonspendable	\$ 10,843,398	\$ 8,680,778	\$ 7,619,282	\$ 5,183,492	\$ 8,111,586	\$ 9,955,211	\$ 8,002,559	\$ 6,651,670	\$ 6,224,280	\$ 5,754,146
Restricted	-	-	-	-	-	-	-	-	-	-
Committed	-	-	-	-	-	4,406,560	4,438,404	4,438,404	5,467,623	655,796
Assigned	-	-	-	-	-	(479,717)	5,218,191	12,237,711	17,285,358	6,122,285
Unassigned	14,466,701	12,063,100	9,222,550	9,163,739	5,843,014	(479,717)	5,218,191	12,237,711	17,285,358	17,086,923
Total General Fund	\$ 25,310,099	\$ 20,743,878	\$ 16,841,832	\$ 14,347,231	\$ 13,954,600	\$ 13,882,054	\$ 17,659,154	\$ 23,327,785	\$ 28,977,261	\$ 29,619,150
All Other Governmental Funds:										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 569,480
Restricted	2,269,521	1,941,169	2,122,945	2,232,689	4,376,375	4,856,154	2,060,032	2,652,011	4,485,010	6,045,739
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned, reported in:										
Special revenue funds	(1,203,369)	(3,645,638)	(4,363,879)	(5,509,987)	(8,192,534)	(8,168,382)	(6,784,541)	(10,311,199)	(8,679,945)	(4,777,238)
Debt Service	-	-	-	-	-	-	-	-	-	(567,100)
Capital projects funds	-	-	-	-	-	-	-	-	-	-
Total all other governmental funds	\$ 1,066,152	\$ (1,704,469)	\$ (2,240,934)	\$ (3,277,298)	\$ (3,816,159)	\$ (3,312,228)	\$ (4,724,509)	\$ (7,659,188)	\$ (4,194,935)	\$ 1,270,881

Source: Barstow Finance Department

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

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Revenues:										
Taxes	\$ 18,540,422	\$ 19,035,503	\$ 19,265,710	\$ 20,748,728	\$ 22,592,237	\$ 26,994,270	\$ 31,071,466	\$ 34,961,386	\$ 36,527,075	\$ 36,567,110
Licenses and permits	429,256	509,323	574,297	561,068	490,306	442,883	536,798	430,332	524,674	405,516
Fines and forfeitures	125,915	140,892	216,117	78,862	114,564	132,885	89,923	163,033	145,651	119,996
From other agencies	9,278,029	6,713,437	5,161,172	7,365,874	6,051,941	5,818,278	5,535,566	5,625,545	10,174,029	8,771,007
Charges for services	1,281,351	808,528	712,690	655,742	1,053,338	444,041	328,465	1,003,759	1,599,549	3,030,882
Use of Money and Property	586,238	579,736	430,896	300,328	924,400	354,430	1,084,648	154,154	412,548	1,089,004
Other	115,621	80,491	68,327	136,635	472,340	352,124	592,683	370,710	641,520	467,422
Total Revenues	30,356,832	27,867,710	26,429,209	29,897,237	31,699,126	34,538,920	39,239,549	42,708,919	50,025,046	50,450,937
Expenditures										
Current:										
General government	2,934,731	3,350,641	3,633,918	3,197,895	3,964,134	3,271,395	5,750,679	16,070,310	5,448,047	7,051,135
Public safety	14,493,181	14,032,923	14,419,752	15,862,429	17,253,463	18,655,220	18,784,049	35,711,833	20,875,565	21,335,251
Public works	3,050,005	3,274,837	3,418,593	3,321,773	3,162,077	3,854,666	5,042,790	5,467,331	6,972,863	4,951,821
Recreation	2,380,982	2,541,381	2,575,293	2,628,551	2,429,324	2,188,673	1,007,100	1,487,939	1,513,155	1,545,601
Community development	2,427,110	2,573,815	2,839,218	2,609,936	2,555,676	2,626,193	1,605,860	1,981,876	2,974,300	3,264,066
Debt service:										
Principal retirement	1,100,000	1,145,000	1,190,000	1,249,026	1,290,000	1,826,578	2,114,295	155,368	1,746,160	1,603,714
Interest and fiscal charges	356,970	311,543	262,775	212,818	167,854	112,835	163,912	877,959	2,114,458	2,487,459
Capital Outlay	6,162,422	6,929,898	2,652,301	4,176,662	3,372,692	1,890,389	2,532,983	6,843,748	2,581,897	4,074,416
Total Expenditures	32,905,401	34,160,038	30,991,850	33,259,090	34,195,220	34,425,949	37,001,668	68,596,364	44,226,445	46,313,463
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,548,569)	(6,292,328)	(4,562,641)	(3,361,853)	(2,496,094)	112,971	2,237,881	(25,887,445)	5,798,601	4,137,474
Other financing sources (uses):										
Transfers in	5,401,533	7,939,085	3,486,269	4,950,785	4,645,038	4,667,368	8,189,791	38,734,738	16,388,185	12,921,576
Transfers out	(5,401,533)	(9,288,600)	(3,486,269)	(4,950,785)	(4,645,038)	(4,667,368)	(8,189,791)	(38,993,131)	(13,843,246)	(11,481,183)
Proceeds from sale of assets	382	24,332	-	32,306	720,188	318,414	126,938	-	5,000	-
Capital leases	-	-	124,130	642,996	-	-	-	-	-	-
Issuance of bonds	-	-	-	-	-	-	-	28,415,878	-	-
Proceeds from leases	-	-	-	-	-	-	-	463,912	627,672	667,355
Proceeds from subscription based IT agmts	-	-	-	-	-	-	-	-	137,517	-
Transfer of residual equity due to termination	-	-	-	-	-	-	-	-	-	-
Total Other Financing	-	280,669	-	675,302	720,188	318,414	126,938	28,621,397	3,315,128	2,107,748
Sources (Uses)	382	(1,044,514)	124,130	675,302	720,188	318,414	126,938	28,621,397	3,315,128	2,107,748
Net Change in Fund Balances	\$ (2,548,187)	\$ (7,336,842)	\$ (4,438,511)	\$ (2,686,551)	\$ (1,775,906)	\$ 431,385	\$ 2,364,819	\$ 2,733,952	\$ 9,113,729	\$ 6,245,222
Debt service as a percentage of noncapital expenditures	5.4%	5.3%	5.1%	5.0%	4.7%	6.0%	6.6%	1.7%	9.3%	9.7%

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
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%
2022	1,519,793,070	97,859,589	891,005	1,618,543,664	7.39%
2023	1,621,768,649	102,344,988	625,283	1,724,738,920	6.56%
2024	1,764,443,000	118,744,392	561,317	1,883,748,709	9.22%

Source: HdL Coren & Cone/San Bernardino Co Assessor 2014/15-2023/24 Combined Tax Rolls

*Exempt values are not included in Total Assessed Value.

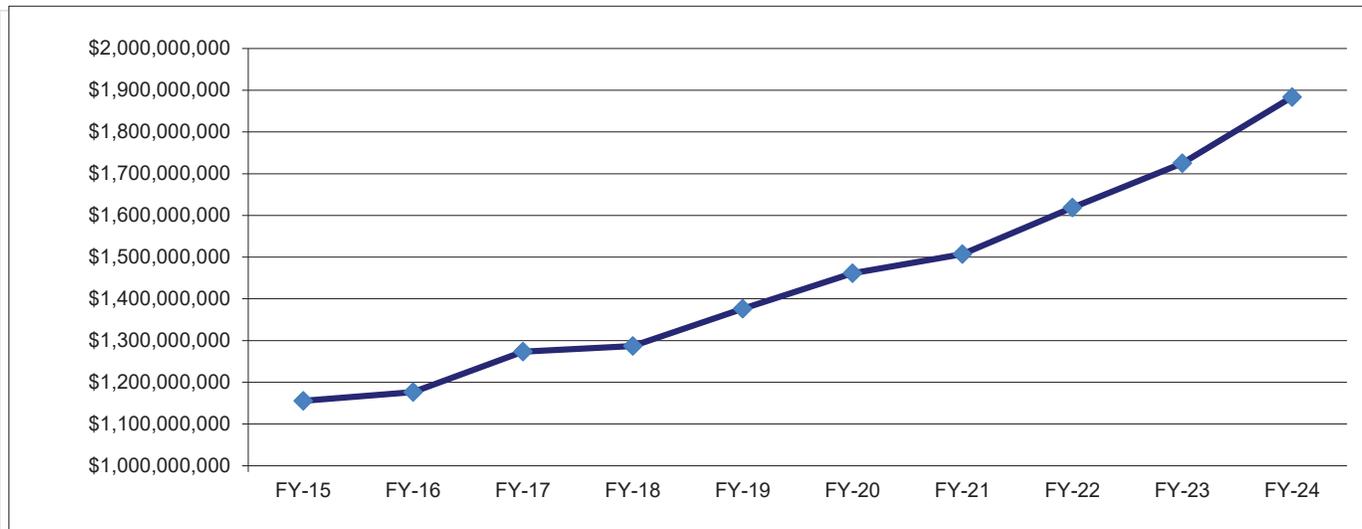
CITY OF BARSTOW
Assessed Value of Taxable Property by Class
Last Ten Fiscal Years

Fiscal Year	Residential Property	Commercial Property	Industrial Property	Vacant Land	SBE Non Unitary	Unsecured	Other	Total Taxable Assessed Value (a)	Total Direct Tax Rate
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	0.180%
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	0.179%
2021-22	708,405,523	562,837,351	34,196,759	101,079,158	891,005	97,859,589	113,274,279	1,618,543,664	0.179%
2022-23	777,247,468	594,512,150	31,769,133	104,409,274	625,283	102,344,988	113,830,624	1,724,738,920	0.178%
2023-24	850,354,151	643,533,560	33,065,143	114,400,312	561,317	118,744,392	123,089,834	1,883,748,709	0.176%

Source: HdL Coren & Cone/San Bernardino Co Assessor 2014/15-2023/24 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									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
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	0.0474	0.0329	0.0394	0.0308	0.1245	0.0451	0.0844	0.0705	0.0816	0.0634
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	\$ 1.21490	\$ 1.20040	\$ 1.20690	\$ 1.19830	\$ 1.29200	\$ 1.21260	\$ 1.25190	\$ 1.23800	\$ 1.24910	\$ 1.23090
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)	N/A									
Total Direct Rate (5)	0.14998	0.15012	0.15012	0.15015	0.15016	0.18054	0.17982	0.17928	0.17797	0.17572

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 the 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 proportions as general fund revenue.

CITY OF BARSTOW

Largest 2023-24 Local Taxpayers

	<u>Property Owner</u>	<u>Primary Land Use</u>	<u>2023-24 Assessed Valuation</u>	<u>% of Total (1)</u>
1	FRO2MO Barstow LLC	Shopping Center	\$126,208,545	6.70%
2	Golden State Water Company	Utility Company	61,302,528	3.25%
3	Hospital of Barstow Inc.	Hospital	51,658,732	2.74%
4	Walmart Inc.	Commercial Store	32,891,753	1.75%
5	Spruce Enterprises LLC	Hotelier	22,911,219	1.22%
6	Jagan Nath Investments Inc.	Hotelier	16,935,225	0.90%
7	Global Resorts Inc.	Hotelier	14,347,910	0.76%
8	TVL Properties LLC	Supermarket	14,141,535	0.75%
9	Desert Heights LLC	Apartments	14,038,760	0.75%
10	Pilot Travel Centers LLC	Travel Center	13,724,589	0.73%
			<u>\$368,160,796</u>	<u>19.54%</u>

(1) 2023-24 Local Secured Assessed Valuation: \$1,883,748,409

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

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

Owner**	2024		2015	
	Taxable Assessed Value	Percent of Total City Taxable Assessed Value	Taxable Assessed Value	Percent of Total City Taxable Assessed Value
Spruce Enterprises LLC	\$ 22,911,219	1.22%	\$ -	0.00%
Desert Heights LLC	14,038,760	0.75%	-	0.00%
Fred and Robin Rosenberg Family Limited	-	0.00%	12,096,582	1.05%
FRO2MO Barstow LLC	126,208,545	6.70%	-	0.00%
Global Resorts Inc.	14,347,910	0.76%	-	0.00%
Golden State Water Company	61,302,528	3.25%	-	0.00%
Jagan Nath Investment Inc.	16,935,225	0.90%	-	0.00%
Home Depot USA Inc.	-	0.00%	10,571,548	0.91%
Hospital of Barstow Inc	51,658,732	2.74%	47,873,355	4.14%
Hospitality Express II LLC	-	0.00%	9,644,512	0.83%
Lee Family Irrevocable Trust	-	0.00%	10,699,754	0.93%
Pilot Travel Center LLC	13,724,589	0.73%	12,896,410	1.12%
T T Group Inc	-	0.00%	8,670,173	0.75%
Tanger Properties LP	-	0.00%	25,566,045	2.21%
TVL Properties LLC	14,141,535	0.75%	12,002,034	1.04%
Walmart Real Estate Business Trust	32,891,753	1.75%	12,729,477	1.10%
TOTAL OF TOP TEN:	\$ 368,160,796	19.54%	\$ 162,749,890	14.08%
CITY TOTAL	\$ 1,883,748,709		\$ 1,155,685,689	

**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
2015	\$ 4,598,336	\$ 4,506,775	98%	\$ 105,292	\$ 4,612,067	100%
2016	4,730,324	4,634,977	98%	75,016	4,709,993	100%
2017	4,806,433	4,729,390	98%	77,662	4,807,052	100%
2018	4,812,206	4,753,763	99%	68,142	4,821,905	100%
2019	4,980,727	4,901,322	98%	64,702	4,966,024	100%
2020	5,241,332	5,145,125	98%	76,708	5,221,833	100%
2021	5,365,780	5,355,407	100%	59,417	5,414,824	101%
2022	5,528,046	5,491,897	99%	61,667	5,553,564	100%
2023	5,880,691	5,717,331	97%	50,923	5,768,254	98%
2024	6,234,286	6,143,405	99%	-	6,143,405	

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 Calendar Year 2023

<u>Business Name</u>	<u>Business Category</u>
7 Eleven	Service Stations
Arco AM PM	Service Stations
Chevron	Service Stations
Circle K	Service Stations
Coach	Women's Apparel
Del Taco	Quick-Service Restaurants
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
Mobil	Service Stations
Mojave Toyota Chrysler Dodge Jeep RAM	New Motor Vehicle Dealers
Nike	Shoe Stores
Pilot Travel Center	Service Stations
Shell	Service Stations
Stater Bros	Grocery Stores
Stiizy Barstow	Cannabis Related
Terrible Herbst	Service Stations
Travel Centers of America	Service Stations
Valmont Newmark	Heavy Industrial
Walmart	Discount Dept Stores

Percent of calendar Year Total Paid by Top 25 Accounts = 66.62%

Period: January 23 Through December 2023

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

CITY OF BARSTOW
Top 25 Sales Tax Producers (Alphabetically)
For the Calendar Year 2014

<u>Business Name</u>	<u>Business Category</u>
76	Service Stations
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
Food 4 Less	Grocery Stores
Home Depot	Building Materials
In N Out Burgers	Quick-Service Restaurants
Loves Travel Stop	Service Stations
McDonalds	Quick-Service Restaurants
Michael Kors	Family Apparel
Nike	Shoe Stores
Pilot Travel Center	Service Stations
Ralph Lauren	Family Apparel
Samsonite	Specialty Stores
Shell	Service Stations
Soutar's Chrysler Dodge Jeep Ram & Toyota	New Motor Vehicle Dealers
Travelcenters of America	Service Stations
USA Gasoline	Service Stations
Valero	Service Stations
Walmart	Discount Dept Stores

Percent of Fiscal Year Total Paid by Top 25 Accounts = 69.02%

Period: January 2014 thru December 2014

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

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

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Apparel Stores	\$ 132,208	\$ 130,388	\$ 131,088	\$ 126,811	\$ 121,533	\$ 107,788	\$ 57,151	\$ 69,416	\$ 71,103	\$ 77,122
Food Stores	27,229	25,860	25,047	25,129	27,425	26,153	23,429	24,092	26,312	23,248
Eating & Drinking Places	79,011	81,755	86,384	88,812	89,942	93,163	81,780	108,915	111,854	116,653
Auto Dealers & Supplies	27,153	36,442	41,110	38,604	35,897	35,918	36,605	44,810	44,563	37,059
Service Stations	301,169	262,870	251,792	251,362	262,665	260,683	203,068	285,447	347,054	317,509
Other Retail Stores	103,093	102,125	100,869	107,020	111,459	112,241	132,047	150,757	138,682	140,029
All Other Outlets	12,570	9,449	9,831	8,531	8,041	10,275	9,214	11,812	142,108	139,021
Total	\$ 682,433	\$ 648,889	\$ 646,121	\$ 646,269	\$ 656,962	\$ 646,221	\$ 543,294	\$ 695,249	\$ 881,676	\$ 850,641

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

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

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

Fiscal Year Ended June 30	Governmental Activities					Business-type					Debt Per Capita ¹			
	Pension Obligation Bonds	Lease Revenue Bonds	Leases/SBITAS	Measure I TRIP	Financing Agreements	Total Governmental Activities	Wastewater Certificates of Participation	Wastewater Financing Agreements	Leases	Business-type Activities		Total Primary Government	Percentage of Personal Income ¹	
2015	-	-	-	8,276,499	2,574,443	10,850,942	1,225,279	1,544,289	-	-	2,769,568	13,620,510	2.99%	585
2016	-	-	-	7,018,749	2,092,667	9,111,416	935,472	1,312,813	-	-	2,248,285	11,359,701	2.61%	466
2017	-	-	-	5,715,999	1,625,443	7,341,442	636,157	1,096,638	-	-	1,732,795	9,074,237	2.14%	374
2018	-	-	-	4,363,249	1,825,131	6,188,380	327,402	887,323	-	-	1,214,725	7,403,105	1.87%	303
2019	-	-	-	2,960,499	1,195,399	4,155,898	-	598,645	-	-	598,645	4,754,543	1.10%	197
2020	-	-	-	1,507,749	1,027,235	2,534,984	-	349,491	-	-	349,491	2,884,475	0.62%	119
2021	-	-	-	-	1,594,224	1,594,224	-	47,057	-	-	47,057	1,641,281	0.35%	68
2022	20,170,000	8,245,878	-	-	1,275,983	29,691,861	-	-	-	-	-	29,691,861	6.05%	1,178
2023	19,150,000	7,656,492	599,140	-	1,139,209	28,544,841	-	-	67,039	\$	67,039	28,611,880	5.31%	1,148
2024	17,995,000	7,207,778	1,037,279	-	999,064	27,239,121	-	-	48,425	\$	48,425	27,287,546	4.37%	1,106

¹ 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	General Obligation Bonds	Percent of Assessed Value ¹	Per Capita
2015	-	0.00%	-
2016	-	0.00%	-
2017	-	0.00%	-
2018	-	0.00%	-
2019	-	0.00%	-
2020	-	0.00%	-
2021	-	0.00%	-
2022	-	0.00%	-
2023	-	0.00%	-
2024	-	0.00%	-

Source: Barstow Finance Department

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

¹ Assessed value has been used because the actual value of taxable property is not readily available in the State of California. 2024 Net Assessed Value is \$1,883,748,709

² The 2023 population of the City of Barstow is 24,918

CITY OF BARSTOW
Direct & Overlapping Governmental Activities Debt
As of June 30, 2024

2023-24 Assessed Valuation: \$1,883,748,709

<u>DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:</u>	<u>Total Debt</u> <u>6/30/2024</u>	<u>% Applicable (1)</u>	<u>City's Share of</u> <u>Debt 6/30/24</u>
Barstow Unified School District	\$ 32,665,000	67.163%	\$ 21,938,794
City of Barstow	-	100	-
TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT			\$ 21,938,794
<u>DIRECT AND OVERLAPPING GENERAL FUND DEBT:</u>			
San Bernardino County General Fund Obligations	\$ 131,565,000	0.594%	781,496
San Bernardino County Flood Control District General Fund Obligations	37,295,000	0.594%	221,532
Barstow Unified School District Certificates of Participation	13,770,000	67.163%	9,248,345
City of Barstow Pension Obligation Bonds	25,202,778	100.00%	25,202,778
City of Barstow Loans Payable	999,064	100.00%	999,064
City of Barstow Lease Payable	1,037,040	100.00%	1,037,040
City of Barstow Subscription Based Payable	48,664	100.00%	48,664
TOTAL DIRECT AND OVERLAPPING GENERAL FUND DEBT			\$ 37,490,256
TOTAL DIRECT DEBT			\$ 27,287,546
TOTAL OVERLAPPING DEBT			\$ 32,190,167
COMBINED TOTAL DEBT			(2) \$ 59,477,713

(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 2023-24 Assessed Valuation:

Total Direct Debt (\$27,287,546)	1.45%
Total Direct and Overlapping Tax and Assessment Debt	1.50%
Combined Total Debt	3.16%

Source: Barstow Unified School District
San Bernardino County
California Municipal Statistics, Inc.

CITY OF BARSTOW
Legal Debt Margin Information
Last Ten Fiscal Years

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Assessed valuation	\$ 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	\$ 1,618,543,664	\$ 1,724,738,920	\$ 1,883,748,709
Conversion percentage	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%
Adjusted assessed valuation	288,921,422	294,210,523	318,291,579	321,808,973	344,013,479	365,355,407	376,807,265	404,635,916	431,184,730	470,937,177
Debt limit percentage	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%
Debt limit	43,338,213	44,131,578	47,743,737	48,271,346	51,602,022	54,803,311	56,521,090	60,695,387	64,677,710	70,640,577
Total net debt applicable to limit:										
Legal debt margin	\$ 43,338,213	\$ 44,131,578	\$ 47,743,737	\$ 48,271,346	\$ 51,602,022	\$ 54,803,311	\$ 56,521,090	\$ 60,695,387	\$ 64,677,710	\$ 70,640,577
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 June 30	Tax Allocation Bonds		
	Tax	Debt Service (1)	Coverage
	Increment (1)	Principal and Interest	
2015	-	-	-
2016	-	-	-
2017	-	-	-
2018	-	-	-
2019	-	-	-
2020	-	-	-
2021	-	-	-
2022	-	-	-
2023	-	-	-
2024	-	-	-

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

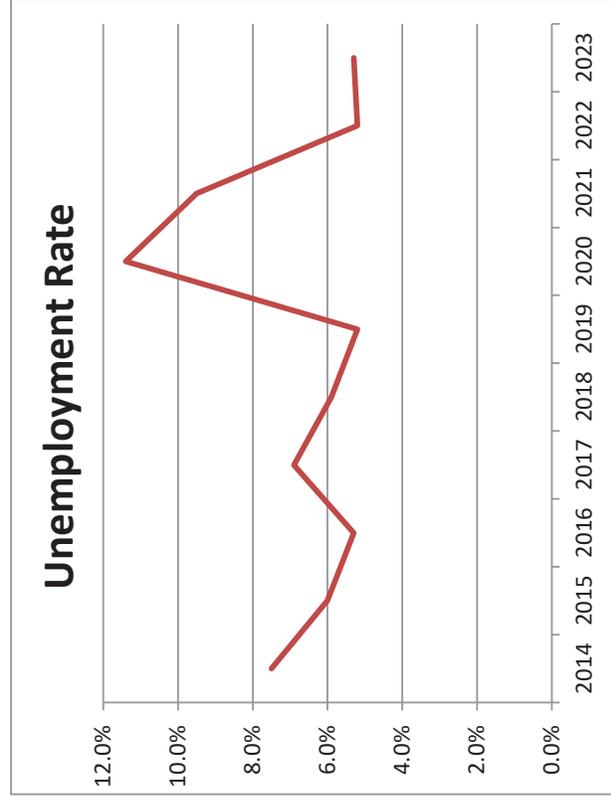
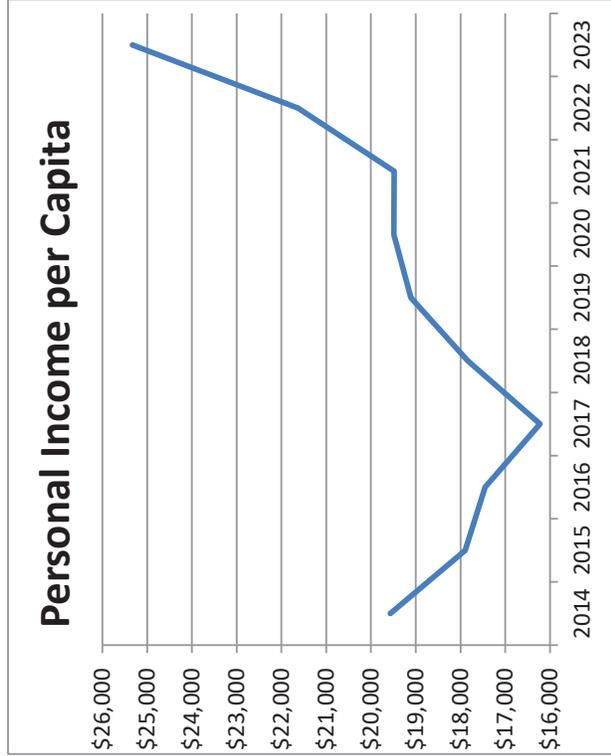
Calendar Year	Population (1)	Personal Income (3) (in thousands)	Per Capita Income (3)	Unemployment Rate (2)	Median Age	% of Pop 25+ with High School Degree	% of Pop 25+ with Bachelor's Degree
2014	23,265	\$ 455,250	\$ 19,568	7.5%	33.7	82.4%	10.6%
2015	24,360	435,931	17,895	6.0%	31.2	80.3%	11.8%
2016	24,248	423,134	17,450	5.3%	30.2	79.8%	11.5%
2017	24,411	396,041	16,223	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%
2021	25,202	490,979	19,481	9.5%	30.3	81.4%	10.5%
2022	24,918	538,926	21,627	5.2%	30.6	83.3%	11.1%
2023	24,669	624,850	25,329	5.3%	31.7	84.0%	10.4%

Sources: HdL, Coren & Cone

(1) Population: California State Department of Finance

(2) Unemployment Data: California Employment Development Department's Bureau of Labor Statistics

(3) Income Data is provided by the U.S. Census Bureau.



**City of Barstow
Principal Employers
Last Fiscal Year and Nine Years Ago**

Business Name	2024		2015	
	Employees	% of Total Employment	Employees	% of Total Employment
Ft. Irwin National Training Center*	8,451	81.26%	22,700	73.29%
Marine Corps Logistics Base**	1,935	18.61%	2,071	6.69%
BNSF Railroad	1,000	9.62%	1,000	3.23%
Barstow Unified School District	750	7.21%	643	2.08%
Outlets at Barstow	450	4.33%	-	-
Raytheon Technical Services	393	3.78%	501	1.62%
Barstow Community Hospital	360	3.46%	-	-
Barstow Community College	309	2.97%	396	1.28%
Walmart Supercenter**	305	2.93%	-	-
Silver Valley School District	301	2.89%	-	-
Northrup Grumman (Vernell till 2002)*			469	1.51%
High Desert Support Services			330	1.07%
Tanger Outlet Stores			600	1.94%
San Bernardino County			410	1.32%
Total Top Employers	14,254	137.06%	29,120	94.01%
Total City Labor Force (1)	10,400		30,974	-

Source: MuniServices, LLC, / Avenu Insights & Analytics

Source: 2015, previously published ACFR

Results based on direct correspondence with city's local businesses.

***Employers outside of City Limits**

** Business has not responded to Avenu's inquiries, prior year count applied.

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

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

Function	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General government*	15	17	16	16	16	26.5	24.5	24.5	21.3	25.5
Police Safety										
Sworn	37	38	38	37	38	46	46	46	47	47
Non-Sworn	16	19	19	18	18	20	20	20	20	20
Fire Safety**										
Sworn	23	28	20	20	20	27	28	28	28	28
Non-Sworn	1	1	1	1	1	1	2	2	2	2
Recreation	14	17	17	17	17	11	2.5	2.5	22	24.5
Community Service	33	26	21	21	24	23	29	29	30	28
Community Developme	12	10	16	15	10	11	7	7	12	16
Solid Waste	3	1	1	1	1	1	1	1	1	1
Wastewater	9	11	11	11	10	11	11	11	11	11
Transit	-	-	-	-	-	-	-	-	-	-
Total	163	167	160	157	155	177.5	171	171	194.3	203

* 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									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Police:										
Arrests	2,911	2,762	2,625	2,463	2,410	2,235	2,198	1,937	1,959	1,805
Parking citations issued	522	286	501	408	299	1,110	579	1,191	49	481
Fire Services:										
Fire Calls	222**	242	311	212	340	576	499	426	397	448
Medical Aid Calls	4,079**	4,597	5,380	4,031	5,165	5,351	5,118	5,112	4,867	5,285
Parks and recreation:										
Number of recreation classes	14	14	14	10	10	6	13	19	21	17
Number of facility rentals	99	85	64	52	50	6	27	60	106	72
Sewer:										
New connections	2	5	4	4	5	8	6	5	7	4
Average/Millions of Gallons Sewage Treatment	2.11	1.98	2.03	2.06	2.13	2.15	2.19	2.23	2.21	2.20
Building Department:										
Permits	879	720	1,106	905	710	657	686	780	861	707
Fire Permits										
Fire Permits	61	-	-	-	-	-	-	-	-	-
Construction Fire Permits#	-	88	99	94	93	97	78	73	77	91
Annual Permit to Operate#	-	323	347	335	323	287	313	323	330	321

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

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Police:										
Stations	2	2	2	2	2	2	2	2	2	2
Fire District										
Stations	3	3	3	3	3	3	3	3	3	3
Public Works:										
Streets (miles)	91	91	91	91	91	91	104	104	104	104
Streetlights	1,081	1,081	1,081	1,081	1,081	1,053	1,053	1,053	1,053	1,053
Traffic signals	22	22	22	22	22	22	22	22	22	22
Parks and Recreation:										
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
Wastewater:										
Sanitary sewers (miles)	113	113	113	113	113	123	123	123	123	123
Storm sewers (miles)	16	16	16	16	16	16	16	16	16	16
Maximum daily treatment capacity (millions of gallons per day)	5	5	5	5	5	5	5	5	5	5

Source: City of Barstow

* Data not available