

ANNUAL COMPREHENSIVE FINANCIAL REPORT

CITY OF RIDGECREST
Fiscal Year Ended June 30, 2021



City of Ridgecrest, California



ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the fiscal year ended June 30, 2021

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December 27, 2021

Honorable Mayor, City Council and Citizens of the City of Ridgecrest:

Attached herein we hereby submit the Annual Comprehensive Financial Report (ACFR) of the City of Ridgecrest, California (City) for the Fiscal Year ended June 30, 2021. These financial statements are presented in conformance with Generally Accepted Accounting Principles (GAAP) and audited in accordance with generally accepted auditing standards by an independent firm of licensed, certified public accountants.

The primary purpose of providing this report is to inform the Mayor and City Council of the previous fiscal year's financial and administrative activities. In addition, this report is directed to two other groups: the citizens of Ridgecrest and the financial community. For the citizens, the report provides an opportunity to correlate City services and accomplishments with the expenditure of financial resources. For the financial community, this report provides information necessary to evaluate the City's financial practices, assure their soundness in accordance with GAAP, and determine the financial capacity of the City to incur and service debt for long-range capital planning.

Responsibility for the accuracy of the data presented and completeness and fairness of the presentation, including disclosures, rests with the City. Consequently, management assumes full responsibility for the completeness and reliability of all information presented in this report. To provide a reasonable basis for making these representations, the management of the City has established a comprehensive internal control framework that is designed to protect the City's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City's financial statements in conformance with GAAP. Because the cost of internal controls should not outweigh their benefits, the City's comprehensive framework of internal controls has been designed to provide reasonable, rather than an absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

GAAP requires that management provide a narrative introduction, i.e., 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's MD&A can be found immediately following the report of the independent auditors in the financial section of the ACFR.

PROFILE OF THE CITY OF RIDGECREST

The City of Ridgecrest, incorporated in 1963, is located in the southern portion of the Indian Wells Valley and in the northeast corner of Kern County, surrounded by four mountain ranges; the Sierra Nevada on the west, the Coso on the north, the Argus Range on the east, and the El Paso Mountains on the south. It is approximately an hour and a quarter from the Lancaster/Palmdale area and approximately two hours from both Bakersfield and San Bernardino. A favorable characteristic of the City is its proximity to two major highways, the 395 and the 14. These attributes make Ridgecrest a central location for shopping and business for the Eastern Kern County area. Ridgecrest is also easily accessible to the rest of southern California, making it an ideal location for industry.

Ridgecrest evolved into a growing and dynamic city during the 1950's and 1960's as a support community, vital to the mission of the Navy, by providing housing and services for Federal employees and contractors. Ridgecrest was incorporated in 1963 and now provides shopping for over 40,000 people throughout the Indian Wells Valley.



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Naval Air Weapons Station (NAWS) China Lake is home to the Naval Air Warfare Center Weapons Division, which continues to be the primary source of employment for Ridgecrest residents. The economic stability of Ridgecrest, as a service community for the NAWS, has been essential to its successful emergence as a community in its own right, as well as, the same location characteristics that initially attracted the NAWS; growing space, clean air, highway accessibility, easy access to multiple recreational opportunities, and proximity to Los Angeles and Bakersfield. Ridgecrest's friendly business attitude continues to serve as an attraction for businesses to relocate to Ridgecrest and the Indian Wells Valley.

As the only incorporated community in the Indian Wells Valley, Ridgecrest boasts a thriving economy and a robust population of over 29,000 people. Ridgecrest acts as the shopping and business center for northeastern Kern County.

The City provides a full range of municipal services. These include public safety, recreation and community services, parks, maintenance and improvement of streets and infrastructure, planning and zoning, housing, economic development, transit, and general government. The City also operates and maintains a waste-water plant that serves not only the City residents but also provides service to NAWS.

FACTORS AFFECTING FINANCIAL CONDITION

Economic Outlook

The full effects of the COVID-19 pandemic have yet to be seen, but the City has begun to see some of the effects within Transient Occupancy Tax (TOT) and sales tax revenues. These revenues are more sensitive to the economic swings; and represent 61% of the total General Fund revenue. Fortunately for the City, the employment outlook is stable. Based on the Employment Development Department (EDD) Labor Force data, the City's unemployment has decreased from last year and is now at 5.3%. California's unemployment rate is 7.3%, while Kern County's rate is 8.3%.

As a result of the June 5, 2012 election, the City successfully passed a local option sales tax called Measure L. This measure added .75% to the sales tax making it a total of 8%. It became effective on October 1, 2012 and ended on March 31, 2017, when Measure V, a 1% local option sales tax, began. The City received \$5.4 million in Measure L and V funds for fiscal year 2021.

The City saw an increase in community development and new construction for 2021. There was an increase in building permits issued and a corresponding increase in valuation. As the City leaders continue to concentrate on economic development, these numbers are expected to rise. The following table summarizes the historical data for the local construction activity:

Year	Permits	Inspections	Valuation
2012	302	4,299	19 M
2013	705	1,603	5 M
2014	1,020	1,925	9 M
2015	604	2,684	6 M
2016	1,305	2,718	21 M
2017	1,655	3,523	17 M
2018	759	1,924	20 M
2019	2,395	1,533	12 M
2020	929	1,687	21 M
2021	1,334	2,928	25 M



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Economic Development

Over the past year, the City of Ridgecrest has focused on recovering from the effects of the 2019 earthquakes and the ongoing COVID-19 pandemic. Despite these ongoing challenges, the City has experienced steady economic growth with the development of several new businesses in the community over the year.

The economic development accomplishments for 2021 include the following:

- In partnership with the City's major employer, NAWS China Lake, earthquake recovery/rebuild projects are well underway on the military installation. All major MILCONs have been awarded and progress is steady, with an estimated timeline of 3-5 years to completion.
- As a result of the earthquake recovery efforts, the City has seen an influx of skilled workers to assist with the rebuilding projects. A Temporary Employee Housing tract was erected outside of City limits to help accommodate the additional influx of workers.
- Race Communications is preparing to install fiber-optic technology within City limits to offer high-speed internet services to the community. Fiber-optic internet services will encourage/benefit future economic development within City limits. The buildout has an expected timeline of 18 months to completion- services will be offered as the buildout progresses. Race Communications will have an office located in town at the former Matrix building.
- Chamber of Commerce Electronic Community Message Board at the intersection of Bowman & S. China Lake Blvd. is operational. The Message Board features ads for local businesses as well as promoting local news & events.
- Flight Line Tap Room, Grocery Outlet, & the Ridgecrest Community Garden all celebrated one-year anniversaries from their opening dates in 2020. These businesses have proven successful examples of economic development despite the challenges of the 2020 pandemic conditions.
- Ridgecrest Spa & Massage, which offers various massage services, opened to the public in April 2021.
- 760 Fitness, a full-service gym located in the former Staples building, opened to the public on August 28, 2021, with a Grand Opening event scheduled for October 28, 2021.
- Freddy's Smoke Shop, a tobacco and pipe shop, opened to the public in August 2021.
- Cube Smart Self Storage, an indoor storage facility located at the former Walmart building, is now accepting reservations online with a projected opening in September/October 2021.
- Arby's, a fast-casual sandwich restaurant, is nearing completion and projected to open to the public by the end of the year.
- Panda Express, a fast-casual Asian restaurant, is nearing completion and projected to be open to the public by the end of October 2021.
- The Oasis Complex, a shopping center which will consist of a ten-screen cinema, retail, restaurants, offices, and other establishments, is currently in Phase 1 of development. Phase 1 includes two fast-casual dining establishments, Starbucks and Chipotle, which are currently under construction and are projected to be completed by the end of 2021 or early 2022.
- Dutch Brothers, a coffee chain offering drive-thru and walk-up services, is currently under construction and projected to open by the end of 2021.
- KFC, a fast-casual fried chicken restaurant, is currently in the process of site plan review to open a franchise at the existing BevRidge drive- thru location.
- Holiday Inn Express & Suites, a 103-room hotel w/ meeting & conference rooms, is under construction & nearing completion by the end of 2021.
- Town Place Suites, a 96-room hotel, is preparing to break ground within the year.



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- Mojave View Apartments, a new 76-unit residential affordable housing project, is preparing to break ground in fall 2021 and includes public improvements to the area per the Affordable Housing Sustainable Communities Grant.
- The CA Welcome Center, a visitor's center featuring regional information & exhibits, is nearing completion on construction at the former Goodwill building and is projected to be open to the public by November 2021.
- The City is working with HdL Consultants to prepare for the annual ICSC conference, a networking and deal-making event focused on recruiting potential economic investments/opportunities for Ridgecrest. City representatives will attend the conference scheduled to take place in December 2021 as an opportunity to explore potential future economic development.

The City continues to expect mild growth in the next few years. Meanwhile, the City will continue to project revenues conservatively while reducing expenditures to maintain core services. The City is cautiously optimistic and is budgeting conservatively for the next year. A reduction of any size could mean reductions in services to the community, and the City is prepared to do it without compromising the basic and critical services to its residents.

Property Tax

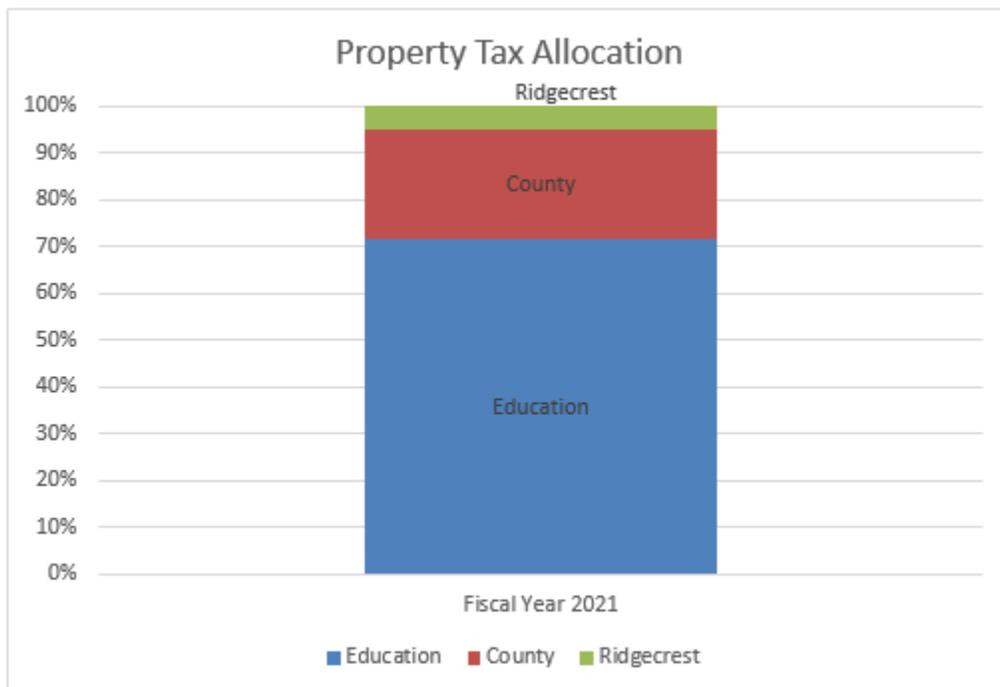
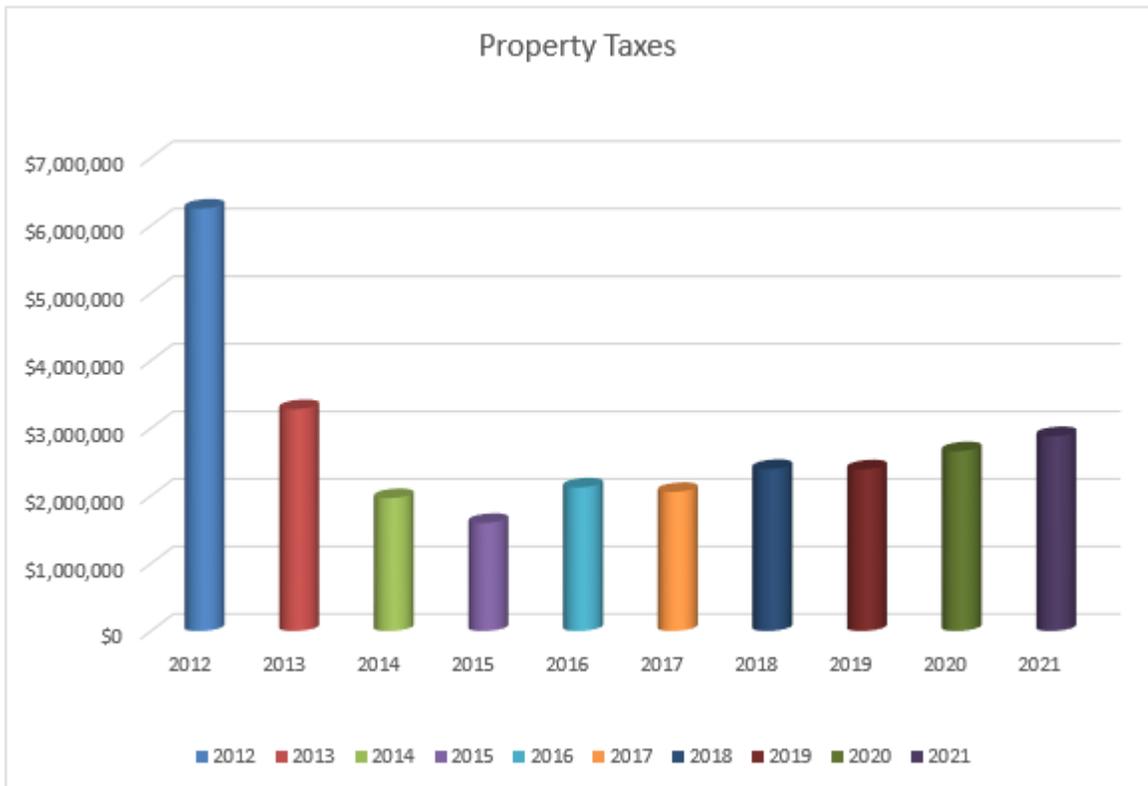
Property tax is imposed on real property (land and permanently attached improvements such as buildings) and tangible personal property (moveable property) located within the City. Property is assessed by the County Assessor at a tax rate of 1.0% of the assessed value. The City receives about 5% of the tax rate from the County of Kern – Auditor/Controller's Office.

In fiscal years 2000 to 2001, the property tax revenue had negative growth due to dwindling home valuations. In FY 2002, property tax revenue started to move in an upward direction, where it peaked up by 16.6% in FY 2004 and another 30% increase in FY 2005 over the previous year's receipts. This was a well-received indication of rising local property values, as well as new development activity. In FY 2006, the State started to split the payment of motor vehicle license fees (MVLFF) into two components. These components are the statutory rate and the "*property tax in lieu of MVLFF*" to Property Tax. The shifting of MVLFF to property tax has added an average of \$2M annually to the City's property tax revenue, resulting in an increase of 46% in FY 2006. With the dissolution of the RDA, property tax has been drastically reduced, with a 35% reduction in 2012 from 2011 and in 2013 a further decrease of 47% from 2012. FY 2013 property tax revenue suffered a 66% loss from 2012. The 2014 Property Tax is 40% lower due to a one-time payment in 2013, along with a repayment of \$290,000 for the previous year's RDA pass-thru. Additionally, FY 2015 property tax was reduced by 18.6% due to the continued \$290,000 repayment. 2016 saw the first property tax increase since 2010. This increase, due to the end of overage repayment, represents 33%. The City anticipates property taxes will level out and will continue to conservatively budget future year's proceeds.



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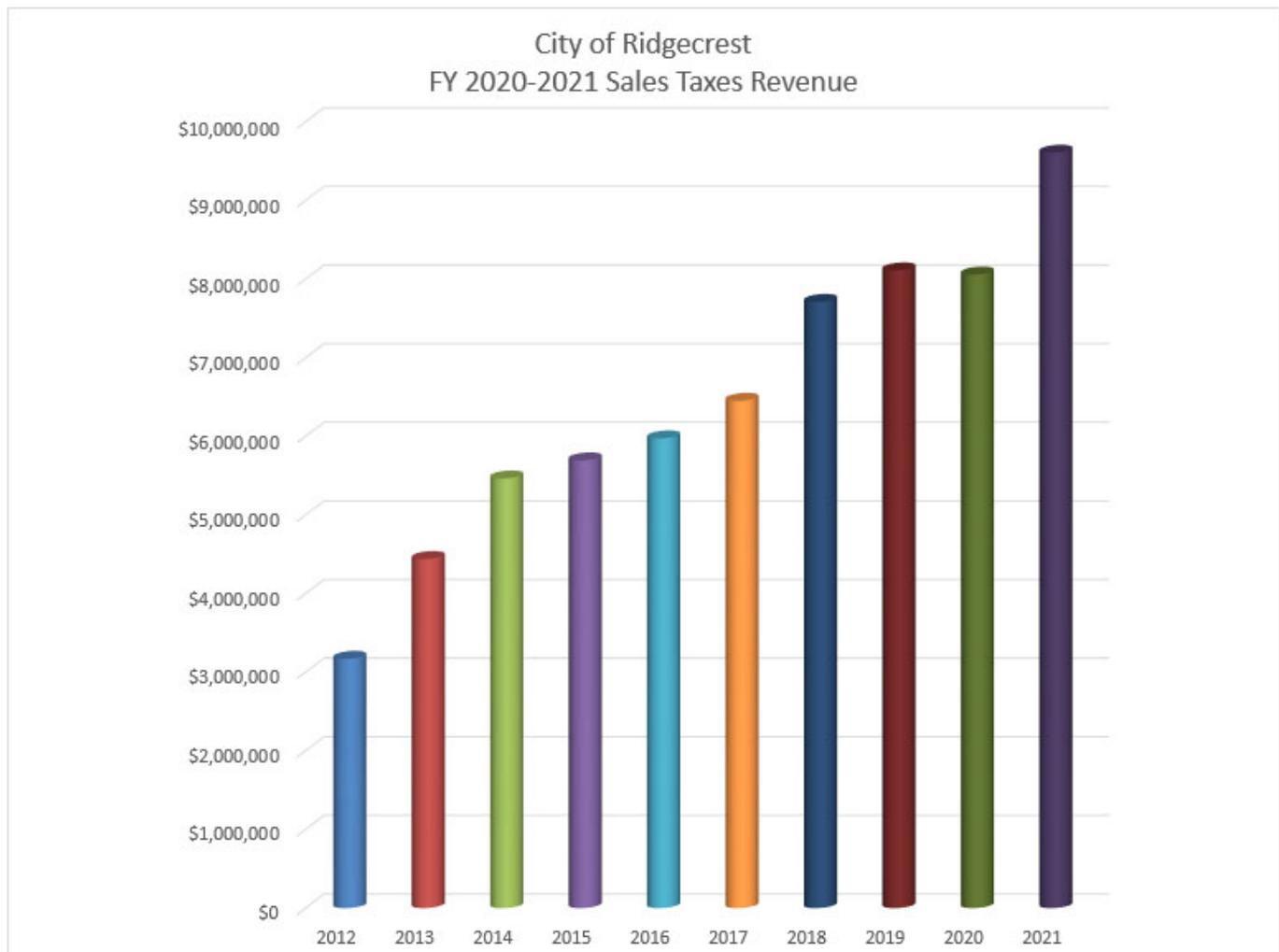
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Sales Tax

The City's single largest revenue source is sales tax. The total sales tax in Kern County is 7.25% of the sale price of taxable goods and services sold at retail. Ridgecrest receives 1% of taxable sales from the State Board of Equalization. Effective October 1, 2012, sales tax in the City was raised by .75% due to the passage of Measure L. Measure L has been crucial in maintaining Public Safety and Road Maintenance; however, this local sales tax option ended on March 31, 2017 when Measure V became effective on April 1, 2017. Measure V is a local sales tax measure that was approved by the voters in November of 2016, allowing the city to increase the sales tax by 1% for a term of 8 years. Sales tax increased by 19.24% in FY 2021 from the prior year due to combination of moderate growth in overall sales tax receipts and the continuation of Measure V. In the last ten years, the City's sales tax revenue has continuously climbed at an average rate of 12.85%, with 2013, by far, the largest increase due to Measure L.

Sales tax leakage to the metropolitan areas of Victorville, Bakersfield, and Lancaster-Palmdale continues to be a big concern for the City, especially with limited shopping choices for clothing stores, restaurants and car dealerships. Even with the City's lower sales tax rates, a significant amount of local retail sales is spent outside of Ridgecrest. With the opening of the Super Wal-Mart, Harbor Freight Tools, and Tractor Supply, as well as future plans for additional fast-casual restaurants, the City hopes to retain local spending along with drawing retail sales from outlying areas.





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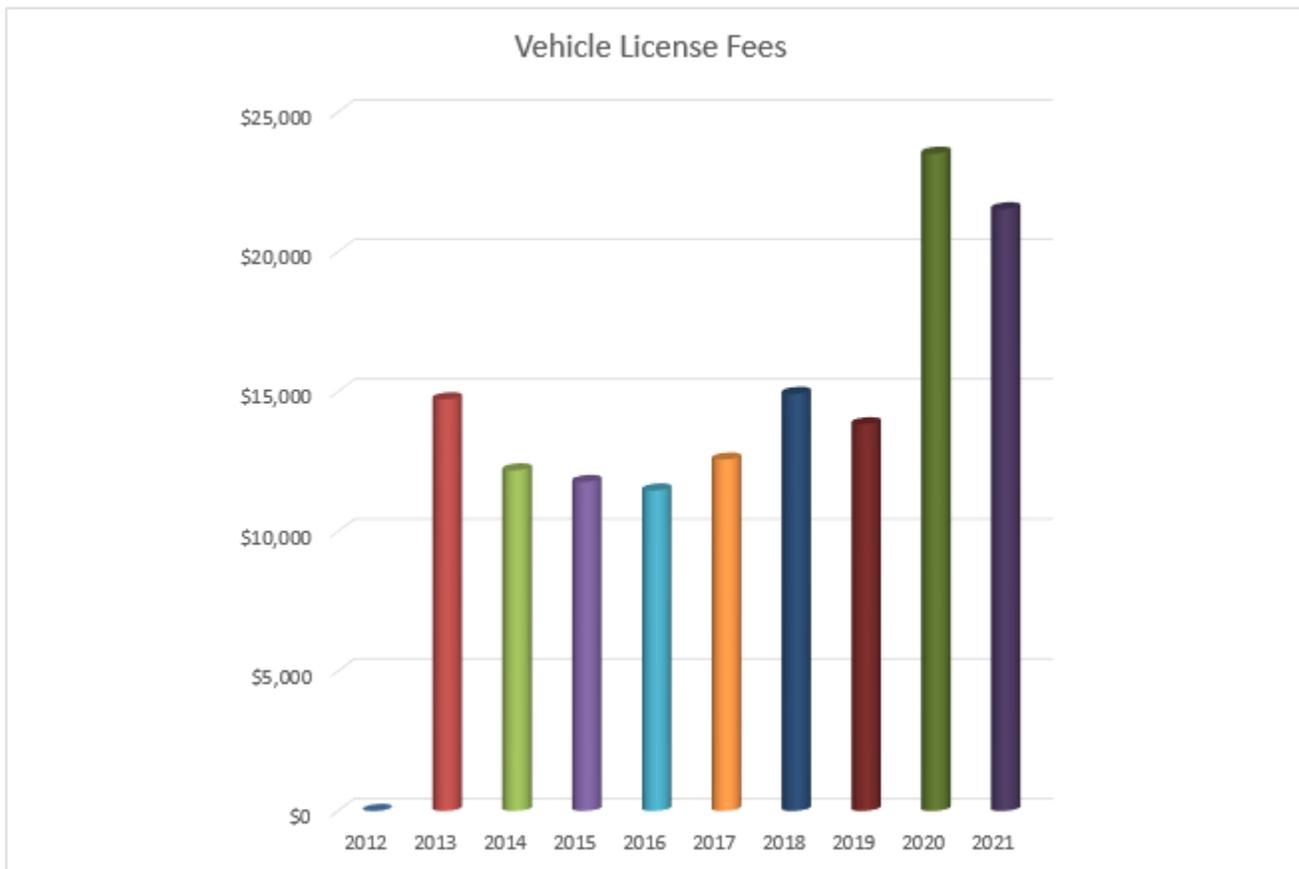
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Vehicle License Fees

The Motor Vehicle License Fees was once the third-largest source of revenue for the City of Ridgecrest. Vehicle License Fees (VLF), formerly local revenue, is collected by the State of California and apportioned based upon State Department of Finance “certified population.”

It should be noted that VLF funds now, like sales tax, have been split by the State into two pieces. These two pieces are the statutory rate and the “property tax in lieu of VLF.” In FY 2011, the statutory component (the rate by State law was reduced from 2.0% to 0.65%) brought to the Ridgecrest Treasury \$144,761, a 74% increase over the prior fiscal year. However, for FY 2012, the City did not receive any VLF monies. The chart below indicates the trend of VLF revenue. The City received \$21,526 in FY 2021, \$1,989 less than the City received in FY 2020.

The State started the split in FY 2006. The property tax in lieu of VLF component remained stable in FY 2021 in the amount of \$1,921,962, an increase of \$131,876 from FY 2020. This amount is included in the property tax revenue category instead of the VLF revenue category.



Transient Occupancy Tax

The City’s third-largest revenue source, transient occupancy tax (TOT), is imposed on occupants of hotels, motels, inns, tourist homes or other lodging facilities unless such occupancy is for 30 continuous days or longer. The tax is applied to the customer’s lodging bill. The total tax rate is 13% including the additional assessment of 3% that is a pass-through to the Ridgecrest Area Convention and Visitors Bureau (RACVB).



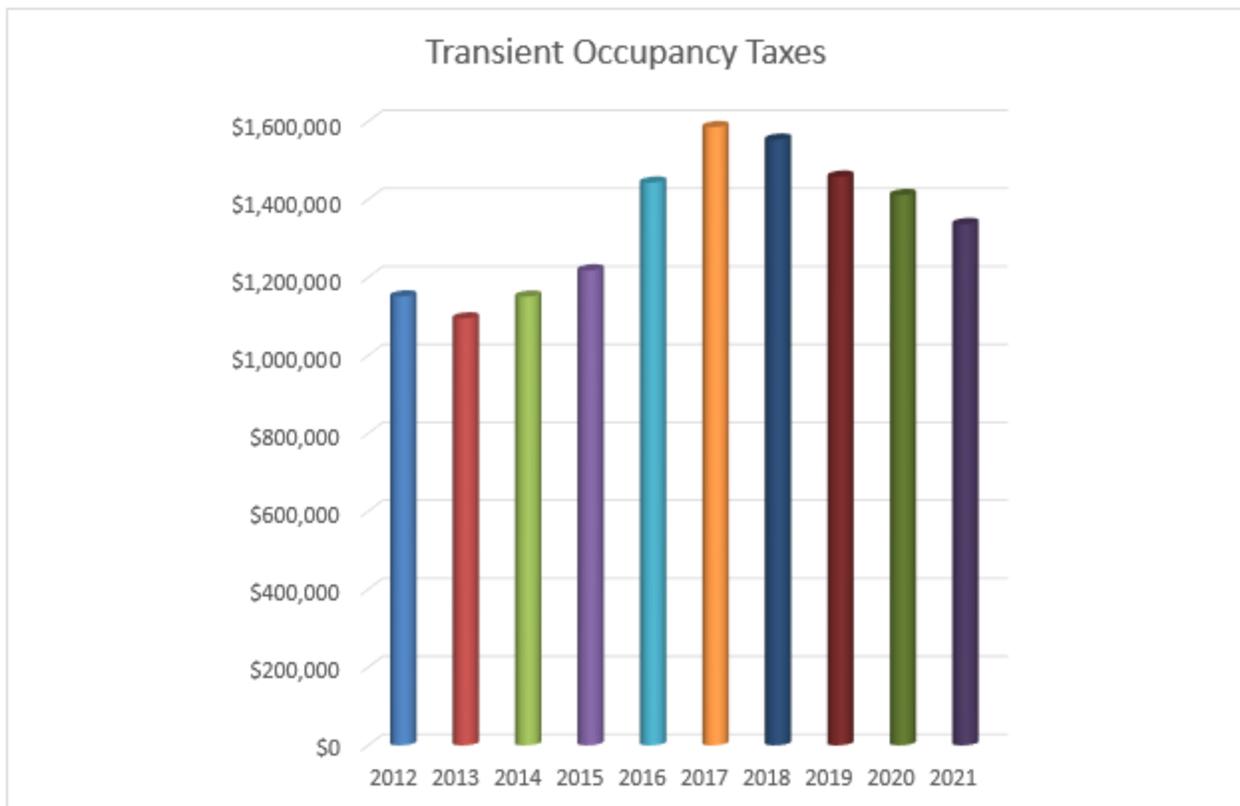
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In the past years, TOT collections provide funding for such economic development initiatives as the RACVB, the Chamber of Commerce, the City's Community and Economic Development program; as well as other city services. However, funding of these programs has either been eliminated or scaled-down.

TOT has averaged a 1.83% growth rate for the last ten fiscal years. In FY 2013, TOT receipts went down almost 5% due to sequestration. FY 2014 TOT increased 5.1% due to the end of sequestration along with increased employment on the Navy Base. FY 2020 saw a decline in TOT of 3.25%, and FY 2021, a decline of 5.25%. The City suspects that the declines for these years are primarily due to the COVID-19 pandemic, and the accompanying travel restrictions.

Effective October 1, 2017, lodging operators were required to assess their guests an additional 3%, making the total hotel tax 13%. The additional assessment is a pass through to the RACVB minus collections costs. This will expire ten years from its effective date.



Business License Taxes

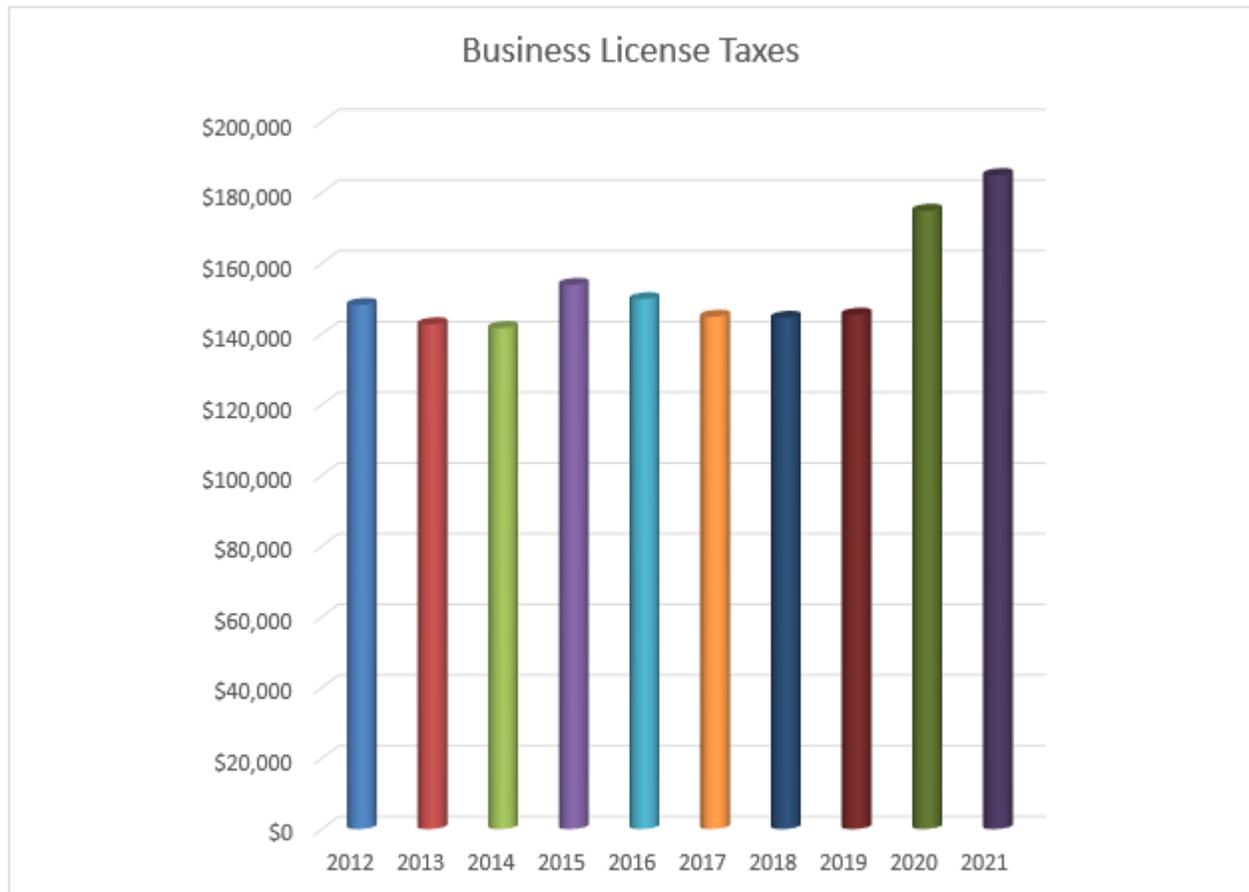
Another significant source of City revenue is the Business License Tax. This Tax is not regulatory in nature. It is based on unit count as opposed to the more common gross receipt ordinances by other cities throughout the state.

FY 2013 saw business license revenue decrease by 3.7% from FY 2012, likely due to business closures, with the NAWS sequestration markedly reduced spending within the community. FY 2020 saw an increase of 20.21% in business licenses from FY 2019. This is largely due to a 15% increase of the business license tax, the first increase since 1988. FY 2021 saw an increase of 5.75%. The City plans to continue increasing the tax based on CPI. With the mild improvement in the economy, the City expects to see a minimal increase over the next few years. Over the last ten years, the City's business license tax revenue has increased an average of 3.07% annually.



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INTERNAL CONTROL STRUCTURE:

City management establishes and maintains an internal control structure designed to ensure that the assets of the City are protected from loss, theft, or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived, and the valuation of costs and benefits requires estimates and judgments by management.

BUDGETARY CONTROLS:

The City maintains budgetary controls in order to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the City Council. The City maintains an encumbrance accounting system to provide management with information regarding obligations against appropriations. Budgetary compliance is based on expenditures during the period (GAAP), rather than expenditures and encumbrances (non-GAAP). Because appropriations lapse on June 30, encumbrances outstanding as of June 30, 2021 are disclosed in the notes to the financial statements. Appropriations for FY 2021 will provide the authority to complete those transactions.

The City is required by its municipal code to adopt an annual budget on or before June 30 for the ensuing fiscal year. From the effective date of the budget, the amounts become the "annual appropriated budget."



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The City Council may amend the budget by motion during the fiscal year. The City Manager is authorized to transfer budget amounts within any fund during the budget year as long as it does not increase the total budget within the fund; however, any revisions that alter total expenditures of any fund without coinciding revenue increases must be approved by the City Council. Expenditures may not legally exceed appropriations at the fund level. Appropriations lapse at the end of the fiscal year. Supplemental appropriations, which increase appropriations, may be made during the fiscal year.

AWARDS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Ridgecrest for its annual comprehensive financial report (ACFR) for the fiscal year ended June 30, 2020. This was the 17th consecutive year (since 2004) that the City has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized ACFR. 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 ACFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

LOOKING TO THE FUTURE

Many factors from previous years continue to impact the next fiscal year, both positively and negatively. Measure V, which was approved by the voters in November 2016, will continue at a rate of 1% for 8 years. FY 2021-22 sales tax is trending higher than previous years due to increasing retail options and a positive economic outlook. Transient Occupancy Tax (TOT) is expected to make marginal gains. The building of two new hotel chains and the Oasis Complex is expected to provide jobs in 2021-2022.

On the negative side, before AB1X 26, Ridgecrest Redevelopment Agency funded the construction of the City's solar plant and the construction of the senior housing project by borrowing from the City's enterprise fund. After dissolution, the Department of Finance disallowed those obligations until recently, thru legal settlement, the State finally recognized the \$3 million loan to construct the solar plant. However, because our residual tax increment base amount in fiscal year 2013 was enormous, we are not expecting to see the repayment of this loan until all our bond obligations are paid 20 years from now. We are still pursuing the other \$3 million that funded the senior housing project.

The full effects of the COVID-19 pandemic remain to be seen; however, the community of Ridgecrest has shown its resilience many times over the last three years. The July 2019 earthquakes caused significant damage to homes, businesses, and NAWS China Lake. The City of Ridgecrest, along with its citizens and representatives, were steadfast in obtaining funding and beginning the recovery process. The City plans to continue to partner with NAWS China Lake in their recovery and rebuilding process. Now, during the COVID-19 pandemic, there have been many state and federal lock-downs put into place. This has caused our local businesses to change their business models to accommodate these restrictions. The citizens of Ridgecrest have continued to support these businesses throughout the many changes they have had to make. Because of this, the City did not see the expected decline in Sales Tax and continues to remain optimistic for the next year.

Even though the economy is uncertain at this time, the city of Ridgecrest has and will continue to grow. The fiscal year 2022 budget assumed conservative revenue estimates along with controlled appropriations to ensure increased fund balance annually. The City is continually reviewing increased revenue opportunities in new grants and fees, along with reviewing efficiencies in order to cut costs. The City Council receives periodic reports on projected year-end balance



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to ensure the City's financial position continues to strengthen. Strategies are being implemented in fiscal year 2022 to improve fund balance in order to bolster reserves in the general fund.

Economic Development/Redevelopment

The City is dedicated to expanding community growth and resources and improving community service. Ridgecrest has undertaken a variety of marketing projects in the specific areas of business retention, growth, relocation, recreation, and retirement to achieve a highly developed and integrated regional functionality and community partnership with NAWS, Cerro Coso Community College, Sierra Sands Unified School District, and the Indian Wells Valley.

Despite its challenges, Ridgecrest is a city filled with opportunities, where people, commodities, retail, manufacturing, medical resources, innovation, research and development, and the China Lake NAWS converge to create an Eastern Sierra High Desert regional center. Tourism and hospitality services are expanding to meet the potential growth.

ACKNOWLEDGMENTS

While the 2021 ACFR reflects the improvement that Ridgecrest has made to its finances, it also reflects the depth of the impacts that recession and accompanying budget cuts have made on the organization. But, numbers cannot portray the level of commitment that has been and continues to be displayed by City employees. Simply put, the organization would not have survived its budgetary challenges and display the progress shown in this ACFR without the creativity and perseverance of its staff. The citizens of Ridgecrest should be proud to have such dedicated public servants protecting their homes, maintaining their streets, and providing many other services that make life manageable.

The preparation and publication of this report would not have been possible without the dedication, professionalism and teamwork of the entire staff of the Finance Department. We also thank the City's independent auditors, The Pun Group, for their assistance and expertise; and all City departments for their cooperation during the audit engagement and their participation in preparing this report. We would like to express our appreciation to the Mayor and City Council for their interest and support in planning and conducting the City's financial affairs in a responsible and progressive manner.

Respectfully submitted,

Ronald Strand
City Manager

Cheri Freese
Finance Director



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Ridgecrest
California**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

June 30, 2020

Christopher P. Morrill

Executive Director/CEO

City of Ridgecrest Organization Chart





City of Ridgecrest

Annual Comprehensive Financial Report

Principal Officials

Eric A. Bruen – Mayor
Scott Hayman – Mayor Pro-Tempore
Solomon P. Rajaratnam – Vice Mayor
Kyle Blades – Council Member
Peggy Breeden – Council Member

City Staff

Ronald Strand – City Manager/RRSA Executive Director
Jed McLaughlin – Chief of Police
Cheri Freese – Finance Director/City-Agency Treasurer
Travis Reed – Public Works Director
Ricca Charlon – City Clerk
Nerissa Wegener – Parks & Recreation Director



INDEPENDENT AUDITORS' REPORT

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

Report on Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Ridgecrest, California (the "City"), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to previously 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, 2021, and the respective changes in financial position, and where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

To the Honorable Mayor and Members
of the City Council of the City of Ridgecrest
Ridgecrest, California
Page 2

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Budgetary Comparison Schedule – General Fund, the Schedule of Proportionate Share of the Net Pension Liability and Related Ratios, the Schedule of Contributions – Pension, the Schedule of Changes in Net OPEB Liability and Related Ratios, and the Schedule of Contributions – OPEB, as identified in the accompanying table of contents be presented to supplement the financial statements. Such information, although not a part of the financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the 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 financial statements, and other knowledge we obtained during our audit of the financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, supplementary schedules, and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplementary 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. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated in all material respects in relation to the basic financial statements as a whole.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 27, 2021, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



Santa Ana, California
December 27, 2021

City of Ridgecrest
Management's Discussion and Analysis (Unaudited)
For the Year Ended June 30, 2021

This portion of the City's Annual Comprehensive Financial Report (ACFR) presents Management's discussion and analysis of the City of Ridgecrest's (hereinafter "City") financial activities for the fiscal year ended June 30, 2021, as well as the budget for FY21. We encourage readers to consider this information in conjunction with the other portions of the City's ACFR, including the financial statements which immediately follow.

FINANCIAL HIGHLIGHTS

The City's government-wide total assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources (net position) at the close of the fiscal year by \$109 million, which is 6% more than 2020. Of this amount, \$31 million is in unrestricted net position, which is available to meet the City's ongoing commitments to citizens and creditors.

The City's governmental activities net position increased by \$3.72 million, and business type activities increased by \$2.58 million, for a total increase of \$6.3 million. This growth is primarily attributed to the Measure V sales tax, budgeting conservative revenue estimates, along with controlled appropriations to ensure increased fund balance.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the City's financial statements, which follow, consisting of: 1) government-wide financial statements, 2) fund financial statements, 3) notes to the financial statements, and 4) required supplementary information.

The notes provide additional information that is essential to a full understanding of the data provided in the financial statements. Accordingly, readers of the City's financial statements should consider the accompanying notes as an integral part of the financial statements.

Government-wide financial statements. The *government-wide financial statements* are designed to provide the reader with a broad overview of the City's finances in a manner similar to private-sector businesses.

The *Statement of Net Position* presents information on all of the City's assets and deferred outflows of resources, and liabilities and deferred inflows of resources, with the difference between assets/deferred outflows and liabilities/deferred inflows representing *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the City's financial position is improving or deteriorating. The *Statement of Activities* presents information showing how the City'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 and expenses are reported in these statements for some items that will result in cash flows in future periods (e.g. compensated absence expense and certain pension-related liabilities).

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, cultural and leisure services, and community development. Business-type activities include operations of the waste-water plant and the City's transit system.

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 fund financial statements provide more detailed information about the City's specific sources of funding and spending for particular purposes. Like other governmental agencies, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: Governmental funds, proprietary funds, and fiduciary funds. The fund financial statements provide detailed information about each of the City's most significant funds, called Major Funds.

City of Ridgecrest
Management's Discussion and Analysis (Unaudited) (Continued)
For the Year Ended June 30, 2021

The concept of Major Funds, and the determination of which are major funds, was established by GASB Statement No. 34 and replaced the concept of combining like funds and presenting them in total. Instead, each Major Fund is presented individually, while all Non-Major Funds are summarized and presented in a single column.

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 financial requirements. Since the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. A reconciliation of both the governmental funds balance sheet and the governmental funds statement of revenues, expenses, and changes in fund balance with the government-wide financial statements can be found on pages 30 and 31. The City has 19 governmental funds, of which three are considered major funds for presentation purposes. Each major fund is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenses, and changes in fund balances. The City's three major funds are: General Fund, City Debt Service Fund, and Capital Improvements Capital Projects Fund. Data from the non-major governmental funds (e.g., Park Development Impact Fund, TDA Street Fund, etc.) are combined into a single, aggregated presentation. The governmental fund financial statements can be found on pages 26-31. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements on pages 106-113.

Proprietary Funds - The City maintains two types of proprietary funds: enterprise funds and internal service 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 waste-water and transit activities. Internal service funds are used to report any activity that provides goods or services to other funds, departments, or agencies of the primary government and its component units on a cost-reimbursement basis. The goal of the internal service funds is to measure the full cost of providing goods or services for the purpose of fully recovering that cost through fees or charges. Because internal services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements. Proprietary funds financial statements provide the same type of information as the government-wide financial statements, only in more detail. Like the government-wide financial statements, proprietary funds financial statements use the accrual basis of accounting. The basic proprietary funds financial statements can be found on pages 37-41.

Fiduciary Funds - Fiduciary (Agency) funds are used to account for resources held for the benefit of parties outside the government. Agency funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support City programs.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 53-88.

Required Supplementary Information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information. The required supplementary information includes budgetary comparison schedules for the major funds, schedules and disclosure of the modified approach for the City pavement infrastructure and information regarding the obligation to provide pension benefits to employees. This information can be found on pages 91-99.

City of Ridgecrest
Management's Discussion and Analysis (Unaudited) (Continued)
For the Year Ended June 30, 2021

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Below is a table showing the City's net position for the fiscal year ended June 30, 2021, with comparative data for the fiscal year ended June 30, 2020.

Statement of Net Position (condensed)

	Governmental		Business-Type		Total	
	Activities		Activities			
	2021	2020	2021	2020	2021	2020
Current Assets	\$ 23,242,921	\$ 17,657,071	\$ 41,473,441	\$ 37,724,332	\$ 64,716,362	\$ 55,381,403
Noncurrent Assets	215,080	252,293	2,366,910	2,504,615	2,581,990	2,756,908
Capital Assets	56,589,811	55,669,889	15,088,300	15,372,381	71,678,111	71,042,270
Total Assets	80,047,812	73,579,253	58,928,651	55,601,328	138,976,463	129,180,581
Deferred Outflows of Resources	6,815,833	12,037,903	3,017,201	1,711,088	9,833,034	13,748,991
Current Liabilities	5,701,456	3,865,854	883,190	763,980	6,584,646	4,629,834
Long-term Liabilities	22,146,148	22,813,361	375,772	99,222	22,521,920	22,912,583
Total Liabilities	27,847,604	26,679,215	1,258,962	863,202	29,106,566	27,542,417
Deferred Inflows of Resources	7,352,490	10,998,052	3,248,121	1,587,684	10,600,611	12,585,736
Net Investment in Capital Assets	56,589,811	55,669,889	15,088,300	15,372,381	71,678,111	71,042,270
Restricted	5,761,956	6,980,817	-	-	5,761,956	6,980,817
Unrestricted	(10,688,216)	(14,710,817)	42,350,469	39,489,149	31,662,253	24,778,332
Total Net Position	\$ 51,663,551	\$ 47,939,889	\$ 57,438,769	\$ 54,861,530	\$ 109,102,320	\$ 102,801,419

The chart above reflects the City's combined net position (governmental and business-type activities), which totals \$109.1 million on June 30, 2021 and \$102.8 million on June 30, 2020.

65.7% of the City's total net position reflects its investment in capital assets (e.g., land, streets, sewers, buildings, machinery, and equipment), less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

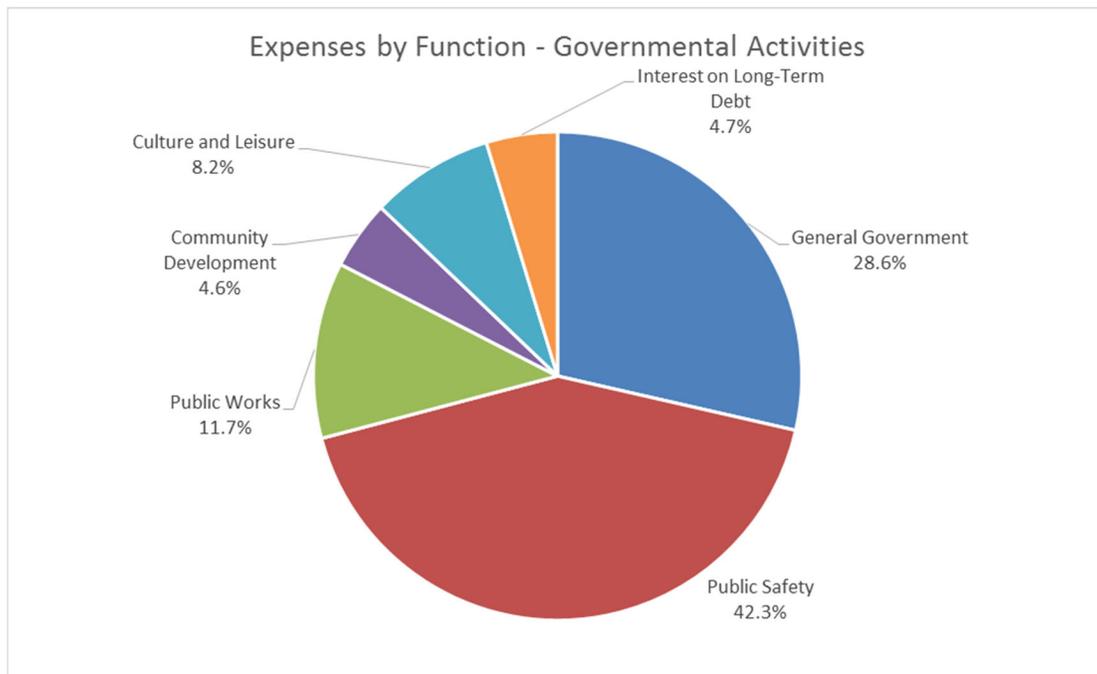
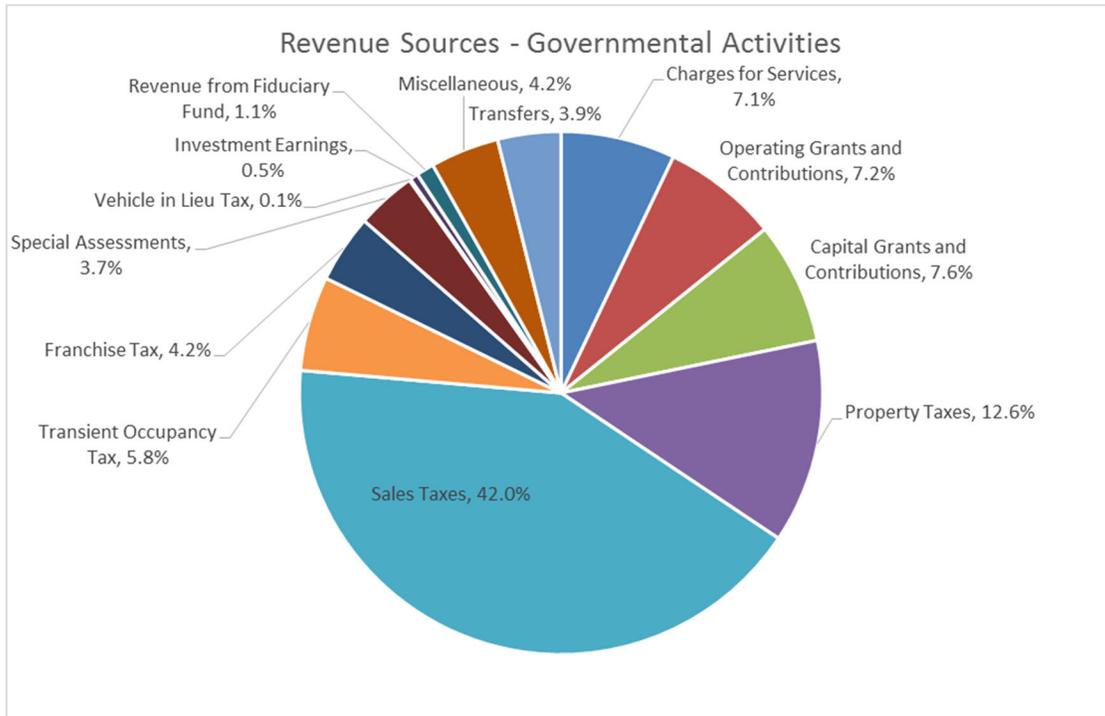
The remaining amount of the City's net position (34.3%) represents resources that are subject to external restrictions (e.g., capital projects, community development, debt services, and special projects) and resources that are unrestricted to meet the City's ongoing obligations to citizens and creditors.

At the end of the FY 2020-21, the City is able to report positive balances in all three categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities. The City's net position was increased by \$6.3 million during the fiscal year, a 6% increase. This was due to increased revenue derived from the local add-on sales tax, and capital grants while keeping our expenditures low.

City of Ridgecrest
Management's Discussion and Analysis (Unaudited) (Continued)
For the Year Ended June 30, 2021

Governmental Activities

Governmental activities increased the City's net position by \$3.72 million. The increase in the net position for governmental activities is attributed to increased revenue derived from the local add-on sales tax and capital grants while keeping our expenditures low. The charts that follow show the program revenues, general revenues, and expenses by function for all Governmental activities.



City of Ridgecrest
Management's Discussion and Analysis (Unaudited) (Continued)
For the Year Ended June 30, 2021

	Statement of Activities					
	Governmental Activities		Business Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Revenues:						
Program revenues:						
Charges for services	\$ 1,617,722	\$ 1,274,498	\$ 6,779,507	\$ 6,219,799	\$ 8,397,229	\$ 7,494,297
Operating grants and contributions	1,636,261	1,499,442	149,111	89,269	1,785,372	1,588,711
Capital grants and contributions	1,727,612	1,237,922	-	-	1,727,612	1,237,922
Total program revenues	4,981,595	4,011,862	6,928,618	6,309,068	11,910,213	10,320,930
General revenues:						
Taxes:						
Property taxes	2,884,710	2,661,305	-	-	2,884,710	2,661,305
Sales taxes	9,608,803	8,058,076	-	-	9,608,803	8,058,076
Transient Occupancy Tax	1,336,952	1,411,102	-	-	1,336,952	1,411,102
Franchise Tax	963,826	674,181	-	-	963,826	674,181
Special Assessments	847,761	520,280	-	-	847,761	520,280
Vehicle in lieu tax	21,526	23,516	116,741	432,866	138,267	456,382
Total Taxes	15,663,578	13,348,460	116,741	432,866	15,780,319	13,781,326
Investment earnings	115,320	344,353	199,998	609,813	315,318	954,166
Transfers from Fiduciary Fund	251,486	577,193	-	-	251,486	577,193
Miscellaneous	968,333	138,941	240,303	2,227	1,208,636	141,168
Transfers	894,313	858,729	(894,313)	(858,729)	-	-
Total general revenues and transfers	17,893,030	15,267,676	(337,271)	186,177	17,555,759	15,453,853
Total revenues	22,874,625	19,279,538	6,591,347	6,495,245	29,465,972	25,774,783
Expenses:						
General government	2,940,494	3,544,612	-	-	2,940,494	3,544,612
Public safety	8,275,604	7,694,408	-	-	8,275,604	7,694,408
Public works	4,415,605	3,932,154	-	-	4,415,605	3,932,154
Community Development	991,673	816,593	-	-	991,673	816,593
Culture & Leisure	1,624,180	1,621,784	-	-	1,624,180	1,621,784
Interest on long-term debt	903,407	916,918	-	-	903,407	916,918
Transit	-	-	1,057,420	834,485	1,057,420	834,485
Waste Water	-	-	2,956,688	2,502,465	2,956,688	2,502,465
Total expenses	19,150,963	18,526,469	4,014,108	3,336,950	23,165,071	21,863,419
Change in net position	3,723,662	753,069	2,577,239	3,158,295	6,300,901	3,911,364
Net position, beginning of year	47,939,889	47,186,820	54,861,530	51,703,235	102,801,419	98,890,055
Net position, end of year	<u>\$51,663,551</u>	<u>\$47,939,889</u>	<u>\$57,438,769</u>	<u>\$54,861,530</u>	<u>\$109,102,320</u>	<u>\$102,801,419</u>

Governmental Activities. Charges for services are primarily for recreation, building, planning, engineering, and waste water services. Operating and capital grants and contributions include Federal and State grants and other governments and impact fees. Property taxes include the general, transfer tax, voter-approved debt service, and the redevelopment property taxes. Other taxes include mainly hotel, business, and franchise fees and other special assessments. General government expenses include those expenses necessary for the operation of the general operation of the City. These include but are not limited to City Council, City Manager, City Clerk, Legal Expenses, Human Resources, Financial Administration (Treasury), Information Technology, and Administration which includes non-departmental City Hall expense, Advertising & Promotion. Public Safety expenses include both Police and Fire Protection Services. Community Development expenses include planning, building, housing, code enforcement, and economic development expenses. Culture & Leisure expenses cover Parks and Recreation services, including the operation of the Senior Center building, Recreation Services and the Community Center. Public Works include engineering and its administration.

City of Ridgecrest
Management's Discussion and Analysis (Unaudited) (Continued)
For the Year Ended June 30, 2021

Business-Type Activities. The City operates two business-type activities. These are the City's Transit System and its Wastewater System. These business-type activities increased the City's net position by \$2.58 million over the prior year.

As in prior years, the City's Transit System was supported primarily through a combination of State and Federal assistance. The largest of these was the State Transportation Development Act (TDA). Since the decline of federal funds beginning in fiscal year 2002, the City has been using TDA, 5311 grants, PTMISEA funds, and other operational funds to purchase buses. The Wastewater fund is 100% supported by user fees collected for the City via property tax billing by Kern County.

INTERNAL SERVICE FUNDS

The City has three (3) internal service funds: Human Resources/Risk Management, Self-Insurance Workers' Compensation, and Fleet Maintenance. These funds are used to account for interdepartmental operations where the costs of services provided to the departments are financed or recovered by charging the user department.

Human Resources/Risk Management. In addition to providing for Liability, Workers' Compensation and Property Insurance funding, the Self Insurance and Risk Management Internal Service Fund also provides funding for the liquidation of vacation, sick leave, and other compensated absences.

Self-Insurance Workers' Compensation. The Workers' Compensation Fund accounts for resources that are received and expended on the City's self-insurance plan. This plan has been in effect since July 1, 2007.

Fleet Maintenance. The Fleet Maintenance internal service fund provides for the maintenance, repair, and replacement of the City's fleet.

FINANCIAL ANALYSIS OF INDIVIDUAL FUNDS

As previously noted, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. Please note that unlike the Government-wide financial statements displayed previously, the fund financial statements that follow are not reflected on a full accrual basis.

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 financial requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

City of Ridgecrest
Management's Discussion and Analysis (Unaudited) (Continued)
For the Year Ended June 30, 2021

The following schedule is a summary of governmental fund revenues for fiscal year ended June 30, 2021, and includes Major and Non-Major Funds. It reflects the amount for each source of revenue and what percentage of the total revenue that source of revenue represents.

Source of Revenue	FY 18-19 Amount	Percent of Total	FY 19-20 Amount	Percent of Total	FY 20-21 Amount	Percent of Total
Taxes	\$ 13,200,593	69.8%	\$ 12,976,980	70.5%	\$ 14,977,624	65.5%
Intergovernmental	1,874,641	9.9%	2,763,444	15.0%	3,945,653	17.2%
Licenses, Permits & Fees	782,372	4.1%	1,011,225	5.5%	1,493,009	6.5%
Fines and Forfeitures	56,368	0.3%	42,455	0.2%	72,893	0.3%
Assessment levied	86,386	0.5%	26,882	0.1%	27,122	0.1%
Use of Money & Property	441,312	2.3%	388,068	2.1%	231,702	1.0%
Charges for Services	513,062	2.7%	442,465	2.4%	528,631	2.3%
Transfers form Fiduciary Fund	1,719,172	9.1%	577,193	3.1%	251,486	1.1%
Other Revenues	247,768	1.3%	168,807	0.9%	1,349,740	5.9%
Total	\$ 18,921,674	100.0%	\$ 18,397,519	100.0%	\$ 22,877,860	100.0%

As of the end of the current year, the City of Ridgecrest's governmental funds reported combined ending fund balances of \$17.65 million, an increase of \$3.61 million in comparison to the FY 2019-2020 ending fund balance. Of this ending balance, the unassigned fund balance is \$5.28 million. The majority of the fund balance, \$7.04 million, is assigned, following closely by \$4.45 million of restricted funds.

Committed Fund Balance includes amounts that are committed for specific purposes by formal action of the City Council. Amounts classified as "committed" are not subject to legal enforceability like restricted fund balance; however, those amounts cannot be used for any other purpose unless the City Council removes or changes the limitation by taking the same form of action it employed to previously impose the limitation. The total committed fund balance within the governmental funds is \$813,742; \$17,712 is committed for Park Development, and \$813,742 is committed for Sub-Standard Street projects.

Assigned Fund Balance includes amounts that are intended by the City to be used for specific purposes but are neither restricted nor limited. Of the assigned fund balance of \$7,043,24, \$6,716,321 is set aside for Capital Improvements and Measure L/V funded street maintenance. The remaining funds are set aside for the Landscape and Lighting district and business park capital projects and debt service.

Restricted Fund Balance includes amounts that are restricted to a specific purpose either by formal action of City Council, or externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation. Of the restricted fund balance of \$4,453,443, \$3,697,584 is set aside for capital projects.

GENERAL FUND BUDGETARY HIGHLIGHTS

The General Fund is the main operating fund of the City. The primary source of its revenues are taxes, primarily sales taxes, including a collection of Measure L/V local option sales tax. The final budgeted revenues received were within acceptable budget variance. The increase in revenue in the final budget is due to better than expected Measure V sales tax receipts and property tax revenue, a definite indication that the city's economy is improving. Increases in the final budget expenditures are a result of carry-over obligations and commitments from the previous fiscal year. The General fund received an excess of \$4.59 million in resources over charges to appropriations. This increased the General Fund balance to \$12.29 million. The City has made substantial strides to wipe out its negative fund balance with continued budget reduction, capital outlay deferrals, closely monitoring fiscal position, and conservative revenue estimates.

City of Ridgecrest
Management's Discussion and Analysis (Unaudited) (Continued)
For the Year Ended June 30, 2021

The City plans to build its fund balance to equal at least six months' worth of its annual expenditures within the next three years.

	For the Fiscal Year Ended June 30, 2021				For the Fiscal Year Ended June 30, 2020			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final			Original	Final		
REVENUES:								
Taxes	\$ 13,138,314	\$13,138,314	\$14,977,624	\$ 1,839,310	\$ 12,935,475	\$12,935,475	\$12,976,980	\$ 41,505
Intergovernmental	445,135	527,941	963,045	435,104	96,025	251,698	159,584	(92,114)
Licenses and permits	512,500	512,500	738,970	226,470	367,500	290,764	546,627	255,863
Fines and forfeitures	45,500	45,493	72,893	27,400	45,500	45,500	42,455	(3,045)
Use of money and property	257,100	257,100	188,313	(68,787)	247,350	247,350	251,184	3,834
Charges for services	580,928	580,928	528,631	(52,297)	612,564	612,564	442,465	(170,099)
Transfers from Fiduciary Fund	286,000	286,000	250,000	(36,000)	286,000	286,000	250,000	(36,000)
Other revenues	353,300	353,300	314,753	(38,547)	374,023	373,622	124,618	(249,004)
Total revenues	15,618,777	15,701,576	18,034,229	2,332,653	14,964,437	15,042,973	14,793,913	(249,060)
EXPENDITURES:								
Current:								
General government	2,526,559	2,408,448	2,144,669	263,779	2,477,504	2,579,344	2,130,399	448,945
Public safety	8,012,189	7,471,081	6,603,020	868,061	7,577,586	7,709,935	5,729,303	1,980,632
Public works	820,621	798,383	454,476	343,907	473,759	498,659	411,841	86,818
Community development	968,065	1,042,604	797,980	244,624	860,085	1,030,534	748,482	282,052
Culture and leisure	2,133,100	2,041,104	1,555,030	486,074	2,008,195	2,024,138	1,515,169	508,969
Capital Outlay	315,500	612,621	138,387	474,234	339,460	355,443	226,116	129,327
Debt Service:								
Principal	137,020	137,020	-	137,020	136,339	136,339	-	136,339
Total expenditures	14,913,054	14,511,261	11,693,562	2,817,699	13,872,928	14,334,392	10,761,310	3,573,082
REVENUES OVER (UNDER) EXPENDITURES	705,723	1,190,315	6,340,667	5,150,352	1,091,509	708,581	4,032,603	3,324,022
OTHER FINANCING SOURCES (USES):								
Transfers In	1,055,490	1,125,813	1,052,972	(72,841)	1,210,944	1,210,944	1,158,591	(52,353)
Transfers Out	(3,804,936)	(6,281,218)	(2,805,003)	3,476,215	(3,455,025)	(3,521,019)	(2,876,830)	644,189
Total other financing sources (uses)	(2,749,446)	(5,155,405)	(1,752,031)	3,403,374	(2,244,081)	(2,310,075)	(1,718,239)	591,836
Net change in fund balances	\$ (2,043,723)	\$ (3,965,090)	4,588,636	\$ 8,553,726	\$ (1,152,572)	\$ (1,601,494)	2,314,364	\$ 3,915,858
FUND BALANCES:								
Beginning of year, as restated (Note 15)			7,700,267				5,327,903	
End of year			<u>\$12,288,903</u>				<u>\$ 7,642,267</u>	

CAPITAL ASSETS AND DEBT ADMINISTRATION

The City's investment in capital assets for its Governmental and Business-Type activities as of June 30, 2021, amounts to \$71.68 million (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, machinery and equipment, park facilities, roads and highways, sewers, storm drains, and related infrastructure. Total capital assets increased by about \$636,000 from the prior year. The schedule below shows the summary of the City's capital assets by class and by type of activity. The assets are reported at historical cost, net of accumulated depreciation when applicable. These amounts do not represent the market value or replacement cost of the City's assets, which would be substantially more.

City of Ridgecrest
Management's Discussion and Analysis (Unaudited) (Continued)
For the Year Ended June 30, 2021

	Government Activities	Business-Type Activities	Total
<i>Non-Depreciable Assets:</i>			
Land	\$ 2,434,499	\$ 1,614,217	\$ 4,048,716
Construction in process	7,537,732	522,719	8,060,451
Total non-depreciable assets, net	<u>9,972,231</u>	<u>2,136,936</u>	<u>12,109,167</u>
<i>Depreciable Assets:</i>			
Buildings and improvements	10,873,302	3,375,450	14,248,752
Machinery and equipment	9,310,633	4,248,097	13,558,730
Infrastructure	130,017,437	21,182,072	151,199,509
	<u>150,201,372</u>	<u>28,805,619</u>	<u>179,006,991</u>
Less accumulated depreciation	<u>(103,583,792)</u>	<u>(15,854,255)</u>	<u>(119,438,047)</u>
Total depreciable assets, net	<u>46,617,580</u>	<u>12,951,364</u>	<u>59,568,944</u>
Total capital assets	<u>\$ 56,589,811</u>	<u>\$ 15,088,300</u>	<u>\$ 71,678,111</u>

Additional information about the capital assets can be found in Note 7 on pages 71-72 of this report.

LONG-TERM DEBT

At the end of the current fiscal year, the City had a total of Governmental Activities long-term debt outstanding of \$19.5 million. Long Term Debt from Fiduciary Funds has a balance of \$22.8 million from the 2018 Tax Allocation Refunding Bond to provide funds to refund the 2010 Tax Allocation Bonds.

	Balance June 30, 2020	Additions	Deletions	Balance June 30, 2021	Due within one year	Due in more than one year
<i>Governmental Activities</i>						
2018 PERS COP	\$ 19,390,000	\$ -	\$ (735,000)	\$ 18,655,000	\$ 885,000	\$ 17,770,000
Plus: Bond Premium	386,270	-	(14,857)	371,413	-	371,413
Compensated Absences	2,240,468	872,699	(877,618)	2,235,549	880,000	1,355,549
Total Government Activities	<u>22,016,738</u>	<u>872,699</u>	<u>(1,627,475)</u>	<u>21,261,962</u>	<u>1,765,000</u>	<u>19,496,962</u>
<i>Fiduciary Funds</i>						
Tax Allocation Bonds, Series 2018	26,190,000	-	(1,673,000)	24,517,000	1,698,000	22,819,000
	<u>27,565,000</u>	<u>1,375,000</u>	<u>26,190,000</u>	<u>24,517,000</u>	<u>1,698,000</u>	<u>22,819,000</u>
Total	<u>\$ 49,581,738</u>	<u>\$ 2,247,699</u>	<u>\$ 24,562,525</u>	<u>\$ 45,778,962</u>	<u>\$ 3,463,000</u>	<u>\$ 42,315,962</u>

State statutes limit the amount of general obligation debt a governmental entity may issue up to 15 percent of its assessed valuation. Additional information on the City's long-term debt can be found in Note 8 on pages 73-74 of this report.

City of Ridgecrest
Management's Discussion and Analysis (Unaudited) (Continued)
For the Year Ended June 30, 2021

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

Many factors from previous years continue to impact the next fiscal year, both positively and negatively. Measure V, which was approved by the voters in November 2016, will continue at a rate of 1% for 8 years. FY 2021-22 sales tax is trending higher than previous years due to increasing retail options and a positive economic outlook. Transient Occupancy Tax (TOT) is expected to make marginal gains. The building of two new hotel chains and the Oasis Complex is expected to provide jobs in 2021-2022.

On the negative side, before ABIX 26, Ridgecrest Redevelopment Agency funded the construction of the City's solar plant and the construction of the senior housing project by borrowing from the City's enterprise fund. After dissolution, the Department of Finance disallowed those obligations until recently, thru legal settlement, the State finally recognized the \$3 million loan to construct the solar plant. However, because our residual tax increment base amount in fiscal year 2013 was enormous, we are not expecting to see the repayment of this loan until all our bond obligations are paid 20 years from now. We are still pursuing the other \$3 million that funded the senior housing project.

The full effects of the COVID-19 pandemic remain to be seen; however, the community of Ridgecrest has shown its resilience many times over the last three years. The July 2019 earthquakes caused significant damage to homes, businesses, and NAWS China Lake. The City of Ridgecrest, along with its citizens and representatives, were steadfast in obtaining funding and beginning the recovery process. The City plans to continue to partner with NAWS China Lake in their recovery and rebuilding process. Now, during the COVID-19 pandemic, there have been many state and federal lock-downs put into place. This has caused our local businesses to change their business models to accommodate these restrictions. The citizens of Ridgecrest have continued to support these businesses throughout the many changes they have had to make. Because of this, the City did not see the expected decline in Sales Tax and continues to remain optimistic for the next year.

Even though the economy is uncertain at this time, the city of Ridgecrest has and will continue to grow. The fiscal year 2022 budget assumed conservative revenue estimates along with controlled appropriations to ensure increased fund balance annually. The City is continually reviewing increased revenue opportunities in new grants and fees, along with reviewing efficiencies in order to cut costs. The City Council receives periodic reports on projected year-end balance to ensure the City's financial position continues to strengthen. Strategies are being implemented in fiscal year 2022 to improve fund balance in order to bolster reserves in the general fund.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the City of Ridgecrest's finances for all those with an interest in the government finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Director of Finance, 100 W. California Avenue, Ridgecrest, California, 93555.

City of Ridgecrest
Annual Comprehensive Financial Report
For the Year Ended June 30, 2021

Basic Financial Statements



City of Ridgecrest
Annual Comprehensive Financial Report
For the Year Ended June 30, 2021

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City of Ridgecrest
Annual Comprehensive Financial Report
For the Year Ended June 30, 2021

Government-Wide Financial Statements



City of Ridgecrest
Statement of Net Position
June 30, 2021

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current assets:			
Cash and investments	\$ 23,376,255	\$ 37,607,020	\$ 60,983,275
Cash and investments with fiscal agents	2,476	-	2,476
Receivables:			
Accounts	874,076	659,693	1,533,769
Taxes	1,950,557	-	1,950,557
Loans	12,405	-	12,405
Interest	29,434	27,944	57,378
Due from Fiduciary	12,405	137,705	150,110
Deposits	10,241	-	10,241
Internal balances	(3,041,079)	3,041,079	-
Inventories	16,151	-	16,151
Total current assets	<u>23,242,921</u>	<u>41,473,441</u>	<u>64,716,362</u>
Noncurrent assets:			
Due from Fiduciary Fund	43,940	2,366,910	2,410,850
Loans receivable	171,140	-	171,140
Capital assets:			
Nondepreciable	9,972,231	2,136,936	12,109,167
Depreciable, net	46,617,580	12,951,364	59,568,944
Total capital assets, net	<u>56,589,811</u>	<u>15,088,300</u>	<u>71,678,111</u>
Total noncurrent assets	<u>56,804,891</u>	<u>17,455,210</u>	<u>74,260,101</u>
Total assets	<u>80,047,812</u>	<u>58,928,651</u>	<u>138,976,463</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension-related deferred outflows	6,657,600	2,992,326	9,649,926
OPEB-related deferred outflows	158,233	24,875	183,108
Total deferred outflows of resources	<u>6,815,833</u>	<u>3,017,201</u>	<u>9,833,034</u>

City of Ridgecrest
Statement of Net Position (Continued)
June 30, 2021

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
LIABILITIES			
Current liabilities:			
Accounts payable	2,618,709	186,211	2,804,920
Interest payable	73,514	-	73,514
Salaries payable	187,961	13,710	201,671
Other payroll deductions payable	139,584	-	139,584
Deposits payable	293,007	-	293,007
Unearned revenue	188,884	683,269	872,153
Claims payable - due within one year	434,797	-	434,797
Compensated absences - due within one year	880,000	-	880,000
Long-term debt - due within one year	885,000	-	885,000
Total current liabilities	5,701,456	883,190	6,584,646
Long-term liabilities:			
Claims payable - due in more than one year	1,137,859	-	1,137,859
Aggregate net pension liability - due in more than one year	815,797	266,433	1,082,230
Net OPEB liability - due in more than one year	695,530	109,339	804,869
Compensated absences - due in more than one year	1,355,549	-	1,355,549
Long-term debt - due in more than one year	18,141,413	-	18,141,413
Total long-term liabilities	22,146,148	375,772	22,521,920
Total liabilities	27,847,604	1,258,962	29,106,566
DEFERRED INFLOWS OF RESOURCES			
Pension-related deferred inflows	7,345,218	3,246,978	10,592,196
OPEB-related deferred inflows	7,272	1,143	8,415
Total deferred inflows of resources	7,352,490	3,248,121	10,600,611
NET POSITION			
Net investment in capital assets	56,589,811	15,088,300	71,678,111
Restricted for:			
Special projects	799,622	-	799,622
Capital projects	4,484,450	-	4,484,450
Other purpose	477,884	-	477,884
Total restricted	5,761,956	-	5,761,956
Unrestricted (deficit)	(10,688,216)	42,350,469	31,662,253
Total net position	\$ 51,663,551	\$ 57,438,769	\$ 109,102,320

City of Ridgecrest
Statement of Activities
For the Year Ended June 30, 2021

Functions/Programs	Expenses	Program Revenues			Total
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Primary government:					
Governmental activities:					
General government	\$ 2,940,494	\$ 260,147	\$ (3,800)	\$ -	\$ 256,347
Public safety	8,275,604	405,193	482,758	-	887,951
Public works	4,415,605	-	1,157,303	1,727,612	2,884,915
Community development	991,673	749,373	-	-	749,373
Culture and leisure	1,624,180	203,009	-	-	203,009
Interest on long-term debt	903,407	-	-	-	-
Total governmental activities	19,150,963	1,617,722	1,636,261	1,727,612	4,981,595
Business-Type activities:					
TDA transit	1,057,420	184,940	149,111	-	334,051
Wastewater improvement	2,956,688	6,594,567	-	-	6,594,567
Total business-type activities	4,014,108	6,779,507	149,111	-	6,928,618
Total primary government	\$ 23,165,071	\$ 8,397,229	\$ 1,785,372	\$ 1,727,612	\$ 11,910,213

City of Ridgecrest
Statement of Activities (Continued)
For the Year Ended June 30, 2021

Functions/Programs	Net (Expense) Revenue and Changes in Net Position		
	Governmental Activities	Business-Type Activities	Total
Primary government:			
Governmental activities:			
General government	\$ (2,684,147)	\$ -	\$ (2,684,147)
Public safety	(7,387,653)	-	(7,387,653)
Public works	(1,530,690)	-	(1,530,690)
Community development	(242,300)	-	(242,300)
Culture and leisure	(1,421,171)	-	(1,421,171)
Interest on long-term debt	(903,407)	-	(903,407)
Total governmental activities	(14,169,368)	-	(14,169,368)
Business-Type activities:			
TDA transit	-	(723,369)	(723,369)
Wastewater improvement	-	3,637,879	3,637,879
Total business-type activities	-	2,914,510	2,914,510
Total primary government	(14,169,368)	2,914,510	(11,254,858)
General revenues:			
Taxes:			
Property taxes	2,884,710	-	2,884,710
Sales taxes	9,608,803	-	9,608,803
Transient occupancy tax	1,336,952	-	1,336,952
Franchise tax	963,826	-	963,826
Special assessments	847,761	-	847,761
Vehicle in lieu tax	21,526	116,741	138,267
Total taxes	15,663,578	116,741	15,780,319
Investment earnings	115,320	199,998	315,318
Revenue from Fiduciary Fund (Note 6)	251,486	-	251,486
Miscellaneous	971,568	240,303	1,211,871
Gain (loss) on disposal of assets	(3,235)	-	(3,235)
Transfers	894,313	(894,313)	-
Total general revenues and transfers	17,893,030	(337,271)	17,555,759
Change in net position	3,723,662	2,577,239	6,300,901
Net position - beginning of year	47,939,889	54,861,530	102,801,419
Net position - end of year	\$ 51,663,551	\$ 57,438,769	\$ 109,102,320

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Annual Comprehensive Financial Report
For the Year Ended June 30, 2021

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City of Ridgecrest
Annual Comprehensive Financial Report
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Fund Financial Statements

Governmental Fund Financial Statements
Proprietary Fund Financial Statements
Fiduciary Fund Financial Statements



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City of Ridgecrest
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Governmental Fund Financial Statements



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Annual Comprehensive Financial Report
For the Year Ended June 30, 2021

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GOVERNMENTAL FUND FINANCIAL STATEMENTS

Governmental Funds of the City are outlined below:

The General Fund - This fund accounts for all revenues and expenditures used to finance the traditional services associated with a municipal government which are not accounted for in the other funds. In Ridgecrest, these services include general government, safety, community development, culture and recreation and public works.

Capital Improvements Capital Projects Fund - This fund is used to account for financial resources to be used for acquisition, construction and improvement of the city's major capital facilities.

City Debt Service Fund - This fund is used to account for the accumulation of resources for, and the payment of principal, interest, and related costs of the debt.

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

**City of Ridgecrest
Balance Sheet
Governmental Funds
June 30, 2021**

	Major Funds		
	General Fund	Capital Improvements Capital Projects Fund	City Debt Service Fund
ASSETS			
Cash and investments	\$ 12,372,250	\$ 510,966	\$ 2,881,647
Cash and investments with fiscal agent	-	-	2,476
Receivables:			
Accounts	492,877	-	-
Taxes	1,950,557	-	-
Interest	20,687	-	1,278
Loans	-	-	-
Due from other funds	1,536,253	-	-
Deposits	-	-	-
Due from Fiduciary	56,345	-	-
Total assets	\$ 16,428,969	\$ 510,966	\$ 2,885,401
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 557,175	\$ 76,956	\$ 1,843,812
Salaries payable	86,293	-	-
Other payroll deductions payable	139,584	-	-
Due to other funds	-	-	783,781
Deposits payable	253,140	39,867	-
Unearned revenue	62,795	-	-
Advances from other funds	3,041,079	-	-
Total liabilities	4,140,066	116,823	2,627,593
Deferred Inflows of Resources:			
Unavailable revenue	-	-	-
Total deferred inflows of resources	-	-	-
Fund Balances:			
Nonspendable	56,345	-	-
Restricted	477,884	-	-
Committed	-	-	-
Assigned	6,322,178	394,143	257,808
Unassigned	5,432,496	-	-
Total fund balances	12,288,903	394,143	257,808
Total liabilities, deferred inflows of resources and fund balances	\$ 16,428,969	\$ 510,966	\$ 2,885,401

**City of Ridgecrest
Balance Sheet (Continued)
Governmental Funds
June 30, 2021**

	Other Governmental Funds	Total Governmental Funds
ASSETS		
Cash and investments	\$ 4,954,616	\$ 20,719,479
Cash and investments with fiscal agent	-	2,476
Receivables:		
Accounts	95,070	587,947
Taxes	-	1,950,557
Interest	5,693	27,658
Loans	183,545	183,545
Due from other funds	-	1,536,253
Deposits	10,241	10,241
Due from Fiduciary	-	56,345
Total assets	\$ 5,249,165	\$ 25,074,501
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES		
Liabilities:		
Accounts payable	\$ 126,090	\$ 2,604,033
Salaries payable	7,255	93,548
Other payroll deductions payable	-	139,584
Due to other funds	99,802	883,583
Deposits payable	-	293,007
Unearned revenue	126,089	188,884
Advances from other funds	-	3,041,079
Total liabilities	359,236	7,243,718
Deferred Inflows of Resources:		
Unavailable revenue	182,401	182,401
Total deferred inflows of resources	182,401	182,401
Fund Balances:		
Nonspendable	-	56,345
Restricted	3,975,559	4,453,443
Committed	813,742	813,742
Assigned	69,115	7,043,244
Unassigned	(150,888)	5,281,608
Total fund balances	4,707,528	17,648,382
Total liabilities, deferred inflows of resources and fund balances	\$ 5,249,165	\$ 25,074,501

City of Ridgecrest
Annual Comprehensive Financial Report
For the Year Ended June 30, 2021

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City of Ridgecrest
Reconciliation of the Governmental Funds Balance Sheet
to the Government-Wide Statement of Net Position
June 30, 2021

Total Fund Balances - Total Governmental Funds	<u>\$ 17,648,382</u>
Capital assets used in governmental activities were not financial resources and therefore were not reported in governmental funds.	
Capital assets, nondepreciable	9,972,231
Capital assets, depreciable	<u>46,617,580</u>
	<u>56,589,811</u>
Long-term liabilities were not due and payable in the current period and therefore were not reported in the governmental funds.	
Long-term debt - due within one year	(885,000)
Long-term debt - due in more than one year	(18,141,413)
Compensated absences - due within one year	(880,000)
Compensated absences - due in more than one year	(1,355,549)
Claims payable - due within one year (net of \$114,183 in internal service funds)	(434,797)
Claims payable - due in more than one year (net of \$266,428 in internal service funds)	(1,137,859)
Less claims payable included in the internal service funds	380,611
	<u>(22,454,007)</u>
Aggregate net pension liability is not due and payable in the current period and therefore is not required to be reported in the governmental funds.	
	<u>(815,797)</u>
Net OPEB liability is not due and payable in the current period and therefore is not required to be reported in the governmental funds.	
	<u>(695,530)</u>
Actuarially determined deferred outflows of resources are reported in the government-wide statements:	
Pension-related deferred outflows	6,657,600
OPEB-related deferred outflows	<u>158,233</u>
	<u>6,815,833</u>
Actuarially determined deferred inflows of resources are reported in the government-wide statements:	
Pension-related deferred inflows	(7,345,218)
OPEB-related deferred inflows	<u>(7,272)</u>
	<u>(7,352,490)</u>
Interest payable on long-term debt did not require current financial resources. Therefore, interest payable was not reported as a liability in the Governmental Funds Balance Sheet.	
	<u>(73,514)</u>
Unavailable revenues recorded in governmental fund financial statements resulting from activities in which revenues were earned but funds were not available were recognized as revenues in the Government-Wide Financial Statements.	
	<u>182,401</u>
Internal service funds were used by management to charge the costs of certain activities to individual funds. The assets and liabilities of the internal service funds were reported with governmental activities.	
	<u>1,818,462</u>
Net Position of Governmental Activities	<u><u>\$ 51,663,551</u></u>

City of Ridgecrest
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2021

	Major Funds		
	General Fund	Capital Improvements Capital Projects Fund	City Debt Service Fund
REVENUES:			
Taxes	\$ 14,977,624	\$ -	\$ -
Intergovernmental	963,045	1,668,578	-
License and permits	738,970	-	-
Fines and forfeitures	72,893	-	-
Assessment levied	-	-	-
Use of money and property	188,313	562	1,679
Charges for services	528,631	-	-
Revenue from Fiduciary Fund	250,000	1,486	-
Other revenues	314,753	-	-
Total revenues	18,034,229	1,670,626	1,679
EXPENDITURES:			
Current:			
General government	2,144,669	-	-
Public safety	6,603,020	-	-
Public works	454,476	-	-
Community development	797,980	-	-
Culture and leisure	1,555,030	-	-
Capital outlay	138,387	3,454,104	-
Debt service:			
Principal	-	-	735,000
Interest and fiscal charges	-	-	921,326
Total expenditures	11,693,562	3,454,104	1,656,326
REVENUES OVER (UNDER) EXPENDITURES	6,340,667	(1,783,478)	(1,654,647)
OTHER FINANCING SOURCES (USES):			
Transfers in	1,052,972	1,947,161	1,910,980
Transfers out	(2,805,003)	-	-
Total other financing sources (uses)	(1,752,031)	1,947,161	1,910,980
Net changes in fund balances	4,588,636	163,683	256,333
FUND BALANCES (DEFICIT):			
Beginning of year, as restated (Note 15)	7,700,267	230,460	1,475
End of year	<u>\$ 12,288,903</u>	<u>\$ 394,143</u>	<u>\$ 257,808</u>

City of Ridgecrest
Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)
Governmental Funds
For the Year Ended June 30, 2021

	Other Governmental Funds	Total Governmental Funds
REVENUES:		
Taxes	\$ -	\$ 14,977,624
Intergovernmental	1,314,030	3,945,653
License and permits	754,039	1,493,009
Fines and forfeitures	-	72,893
Assessment levied	27,122	27,122
Use of money and property	41,148	231,702
Charges for services	-	528,631
Revenue from Fiduciary Fund	-	251,486
Other revenues	81,098	395,851
Total revenues	2,217,437	21,923,971
EXPENDITURES:		
Current:		
General government	2,623	2,147,292
Public safety	-	6,603,020
Public works	1,511,382	1,965,858
Community development	1,596	799,576
Culture and leisure	-	1,555,030
Capital outlay	427,594	4,020,085
Debt service:	-	-
Principal	-	735,000
Interest and fiscal charges	-	921,326
Total expenditures	1,943,195	18,747,187
REVENUES OVER (UNDER) EXPENDITURES	274,242	3,176,784
OTHER FINANCING SOURCES (USES):		
Transfers in	1,451,837	6,362,950
Transfers out	(3,123,072)	(5,928,075)
Total other financing sources (uses)	(1,671,235)	434,875
Net changes in fund balances	(1,396,993)	3,611,659
FUND BALANCES (DEFICIT):		
Beginning of year, as restated (Note 15)	6,104,521	14,036,723
End of year	\$ 4,707,528	\$ 17,648,382

City of Ridgecrest
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures,
and Changes in Fund Balance to the Government-Wide Statement of Activities
For the Year Ended June 30, 2021

Net Change in Fund Balances - Total Governmental Funds	\$	3,611,659
<p>Governmental funds report capital outlay as expenditures. Capital outlay expenditures were included in the Statement of Revenue, Expenditures, and Changes in Fund Balances through out various departments. However, in the Government-Wide Statement of Activities, the cost of those assets was allocated over their estimated useful lives as depreciation expense. This is the amount of capital assets recorded in the current period.</p>		
		3,731,520
<p>Depreciation expense on capital assets was reported in the Government-Wide Statement of Activities, but it did not require the use of current financial resources. Therefore, depreciation expense was not reported as expenditures in governmental funds</p>		
		(2,808,363)
<p>Repayment of long-term liabilities was an expenditures in governmental funds, but the repayment reduced long-term liabilities in the Government-Wide Statement of Net Position</p>		
Principal payment of long-term debt		735,000
Amortization of bond premium		14,857
<p>The net effect of various miscellaneous transactions involving pension plans (i.e. changes in the net pension liability, deferred inflow/outflow amortization, contributions after measurement date) does not require the use of current financial resources and, therefore, is not reported as an expenditure in the governmental funds.</p>		
		(2,321,311)
<p>The net effect of various miscellaneous transactions involving the OPEB plan (i.e. changes in the net OPEB liability, deferred inflow/outflow amortization, contributions after measurement date) does not require the use of current financial resources and, therefore, is not reported as an expenditure in the governmental funds.</p>		
		5,598
<p>The net effect of various miscellaneous transactions involving capital assets does not require the use of current financial resources and, therefore, is not reported as an expenditure in the governmental funds.</p>		
		(3,235)
<p>Certain long-term assets and liabilities were reported in the Government-Wide Statement of Activities, but they did not require the use of current financial resources. Therefore, long-term assets and liabilities were not reported as expenditures in governmental funds. These amounts represented the changes in long-term liabilities from prior year.</p>		
Changes in compensated absences		4,919
<p>Interest expense on long-term debt was reported in the Government-Wide Statement of Activities, but it did not require the use of current financial resources. Therefore, interest expense was not reported as expenditures in Governmental Funds. The following amount represents the change in accrued interest from the prior year.</p>		
		3,062
<p>Unavailable revenues were reported as deferred inflows of resources in the Governmental Funds but were reported as revenues in the Government-Wide Statement of Statement of Activities.</p>		
		(13,547)
<p>Internal service funds were used by management to charge the costs of certain activities to individual funds. The net expense of the internal service funds was reported with governmental activities.</p>		
		763,503
Change in Net Position of Governmental Activities	\$	<u>3,723,662</u>

City of Ridgecrest
Annual Comprehensive Financial Report
For the Year Ended June 30, 2021

Proprietary Fund Financial Statements



City of Ridgecrest
Annual Comprehensive Financial Report
For the Year Ended June 30, 2021

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PROPRIETARY FUND FINANCIAL STATEMENTS

T.D.A. Transit Fund - The T.D.A. Transit Fund is intended to show the financial position and results of operations of only those transactions attributable to the Ridgecrest Transit System (RTS), operated by the City of Ridgecrest, California.

Wastewater Improvement Fund - This fund was established to receive and disburse funds collected through sewer services charge fees and sewer facilities charges. These funds are used for the operation and maintenance of sewer disposal facilities and the financing of construction outlet sewers.

Internal Service Funds - These funds are used to account for the financing of goods and services provided by one or more departments or agencies to other departments or agencies of the City and to other government units, on a cost reimbursement basis.

City of Ridgecrest
Annual Comprehensive Financial Report
For the Year Ended June 30, 2021

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City of Ridgecrest
Statement of Net Position
Proprietary Funds
June 30, 2021

	Business-Type Activities - Enterprise Funds		Total	Governmental Activities - Internal Service Funds
	T.D.A. Transit	Wastewater Improvement		
ASSETS				
Current assets:				
Cash and investments	\$ 256,016	\$ 37,351,004	\$ 37,607,020	\$ 2,656,776
Receivables:				
Accounts	279,674	380,019	659,693	286,129
Taxes	-	-	-	1,776
Interest	309	27,635	27,944	-
Due from Fiduciary	-	137,705	137,705	-
Due from other funds	-	-	-	-
Inventories	-	-	-	16,151
Total current assets	<u>535,999</u>	<u>37,896,363</u>	<u>38,432,362</u>	<u>2,960,832</u>
Noncurrent assets:				
Advances to other funds	-	3,041,079	3,041,079	-
Due from Fiduciary	-	2,366,910	2,366,910	-
Capital assets:				
Non-depreciable	-	2,136,936	2,136,936	-
Depreciable	1,316,718	27,488,901	28,805,619	412,893
Less: accumulated depreciation	<u>(1,252,365)</u>	<u>(14,601,890)</u>	<u>(15,854,255)</u>	<u>(412,893)</u>
Total capital assets	<u>64,353</u>	<u>15,023,947</u>	<u>15,088,300</u>	<u>-</u>
Total noncurrent assets	<u>64,353</u>	<u>20,431,936</u>	<u>20,496,289</u>	<u>-</u>
Total assets	<u>600,352</u>	<u>58,328,299</u>	<u>58,928,651</u>	<u>2,960,832</u>
DEFERRED OUTFLOWS OF RESOURCES				
Pension-related deferred outflows	1,360,148	1,632,178	2,992,326	-
OPEB-related deferred outflows	<u>9,682</u>	<u>15,193</u>	<u>24,875</u>	<u>-</u>
Total deferred outflows of resources	<u>1,369,830</u>	<u>1,647,371</u>	<u>3,017,201</u>	<u>-</u>
LIABILITIES				
Current liabilities:				
Accounts payable	16,084	170,127	186,211	14,676
Accrued expenses	5,187	8,523	13,710	94,413
Due to other funds	-	-	-	652,670
Unearned revenue	683,269	-	683,269	-
Claims payable - due within one year	-	-	-	114,183
Total current liabilities	<u>704,540</u>	<u>178,650</u>	<u>883,190</u>	<u>875,942</u>
Noncurrent liabilities:				
Aggregate net pension liability - due in more than one year	121,106	145,327	266,433	-
Net OPEB liability - due in more than one year	42,558	66,781	109,339	-
Claims payable - due in more than one year	-	-	-	266,428
Total noncurrent liabilities	<u>163,664</u>	<u>212,108</u>	<u>375,772</u>	<u>266,428</u>
Total liabilities	<u>868,204</u>	<u>390,758</u>	<u>1,258,962</u>	<u>1,142,370</u>
DEFERRED INFLOWS OF RESOURCES				
Pension-related deferred inflows	1,475,899	1,771,079	3,246,978	-
OPEB-related deferred inflows	<u>445</u>	<u>698</u>	<u>1,143</u>	<u>-</u>
Total deferred inflows of resources	<u>1,476,344</u>	<u>1,771,777</u>	<u>3,248,121</u>	<u>-</u>
NET POSITION				
Investment in capital assets	64,353	15,023,947	15,088,300	-
Unrestricted (deficit)	<u>(438,719)</u>	<u>42,789,188</u>	<u>42,350,469</u>	<u>1,818,462</u>
Total net position	<u>\$ (374,366)</u>	<u>\$ 57,813,135</u>	<u>\$ 57,438,769</u>	<u>\$ 1,818,462</u>

See accompanying Notes to the Basic Financial Statements.

City of Ridgecrest
Annual Comprehensive Financial Report
For the Year Ended June 30, 2021

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City of Ridgecrest
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
For the Year Ended June 30, 2021

	Business-Type Activities - Enterprise Funds		Total	Governmental Activities - Internal Service Funds
	T.D.A. Transit	Wastewater Improvement		
OPERATING REVENUES:				
Charges for services	\$ 184,940	\$ 6,594,567	\$ 6,779,507	\$ 743,179
Other revenue	-	240,303	240,303	1,237,186
Total operating revenues	<u>184,940</u>	<u>6,834,870</u>	<u>7,019,810</u>	<u>1,980,365</u>
OPERATING EXPENSES:				
Transportation	1,013,867	-	1,013,867	-
Health	-	2,390,005	2,390,005	-
Administration	-	-	-	1,749,423
Depreciation	43,553	566,683	610,236	-
Total operating expenses	<u>1,057,420</u>	<u>2,956,688</u>	<u>4,014,108</u>	<u>1,749,423</u>
OPERATING INCOME (LOSS)	<u>(872,480)</u>	<u>3,878,182</u>	<u>3,005,702</u>	<u>230,942</u>
NONOPERATING REVENUES:				
Intergovernmental	149,111	-	149,111	61,835
Use of money and property	4,409	195,589	199,998	11,289
Total nonoperating revenues	<u>270,261</u>	<u>195,589</u>	<u>465,850</u>	<u>73,124</u>
INCOME (LOSS) BEFORE TRANSFERS	<u>(602,219)</u>	<u>4,073,771</u>	<u>3,471,552</u>	<u>304,066</u>
TRANSFERS:				
Transfers in	-	-	-	624,027
Transfers out	(377,484)	(516,829)	(894,313)	(164,590)
Total transfers	<u>(377,484)</u>	<u>(516,829)</u>	<u>(894,313)</u>	<u>459,437</u>
Changes in net position	<u>(979,703)</u>	<u>3,556,942</u>	<u>2,577,239</u>	<u>763,503</u>
NET POSITION:				
Beginning of year	605,337	54,256,193	54,861,530	1,054,959
End of year	<u>\$ (374,366)</u>	<u>\$ 57,813,135</u>	<u>\$ 57,438,769</u>	<u>\$ 1,818,462</u>

City of Ridgecrest
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2021

	Business-Type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	T.D.A. Transit	Wastewater Improvement	Total	
CASH FLOWS FROM OPERATING ACTIVITIES:				
Cash received from customers and users	\$ 985,388	\$ 6,385,273	\$ 7,370,661	\$ 457,050
Payments to suppliers or employees for goods and services	(735,666)	(1,918,747)	(2,654,413)	(1,752,926)
Insurance premiums and settlements and insurance recoveries, net	-	-	-	(630,344)
Other operating revenue	-	240,303	240,303	1,237,186
Net cash provided by (used in) operating activities	249,722	4,706,829	4,956,551	(689,034)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Intergovernmental	149,111	-	149,111	-
Transfers in	-	-	-	624,027
Transfers out	(377,484)	(516,829)	(894,313)	(164,590)
Net cash provided by (used in) noncapital financing activities	(111,632)	(516,829)	(628,461)	1,027,457
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Acquisition of capital assets	-	(326,155)	(326,155)	-
Intergovernmental	-	-	-	61,835
Cash received from repayment of advances	-	137,020	137,020	-
Net cash provided by (used in) capital and related financing activities	-	(189,135)	(189,135)	61,835
CASH FLOWS FROM INVESTING ACTIVITIES:				
Investment income	4,630	278,841	283,471	17,729
Net cash provided by investing activities	4,630	278,841	283,471	17,729
Net change in cash and cash equivalents	142,720	4,279,706	4,422,426	417,987
CASH AND CASH EQUIVALENTS:				
Beginning of year	113,296	33,071,298	33,184,594	2,238,789
End of year	<u>\$ 256,016</u>	<u>\$ 37,351,004</u>	<u>\$ 37,607,020</u>	<u>\$ 2,656,776</u>

City of Ridgecrest
Statement of Cash Flows (Continued)
Proprietary Funds
For the Year Ended June 30, 2021

	Business-type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	T.D.A. Transit	Wastewater Improvement	Total	
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:				
Operating income (loss)	\$ (872,480)	\$ 3,878,182	\$ 3,005,702	\$ 230,942
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation	43,553	566,683	610,236	-
Changes in current assets, deferred outflows of resources, liabilities, and deferred inflows of resources:				
Accounts receivable	799,823	(209,294)	590,529	(286,129)
Prepaid items	-	-	-	4,116
Inventories	-	-	-	(1,481)
Pension-related deferred outflows	(898,890)	(402,158)	(1,301,048)	-
OPEB-related deferred outflows	(718)	(4,347)	(5,065)	-
Accounts payable	12,581	96,781	109,362	(81,178)
Accrued expenses	3,070	6,153	9,223	75,040
Claims payable	-	-	-	(630,344)
Unearned revenue	625	-	625	-
Aggregate net pension liability	120,901	144,780	265,681	-
Net OPEB liability	(1,998)	12,867	10,869	-
Pension-related deferred inflows	1,043,023	616,742	1,659,765	-
OPEB-related deferred inflows	232	440	672	-
Total adjustments	<u>1,122,202</u>	<u>828,647</u>	<u>1,950,849</u>	<u>(919,976)</u>
Net cash provided by (used in) operating activities	<u>\$ 249,722</u>	<u>\$ 4,706,829</u>	<u>\$ 4,956,551</u>	<u>\$ (689,034)</u>

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Annual Comprehensive Financial Report
For the Year Ended June 30, 2021

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City of Ridgecrest
Annual Comprehensive Financial Report
For the Year Ended June 30, 2021

Fiduciary Fund Financial Statements



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Annual Comprehensive Financial Report
For the Year Ended June 30, 2021

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FIDUCIARY FUND FINANCIAL STATEMENTS

Private Purpose Trust Funds - To account for donations received and held by the City of Ridgecrest as an agent for individuals, developers, private organizations and other governmental agencies and to account for activities of the Successor Agency to the dissolved Ridgecrest Redevelopment Agency.

Custodial Funds - To account for collections received from special assessment districts and their disbursement to bondholders.

City of Ridgecrest
Annual Comprehensive Financial Report
For the Year Ended June 30, 2021

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City of Ridgecrest
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2021

	Private Purpose Trust Fund	Custodial Funds
ASSETS		
Cash and investments	\$ 3,989,215	\$ 483,145
Interest receivable	1,221	397
Loans receivable	3,000,000	-
Capital assets:		
Non-depreciable	2,202,440	-
Depreciable, net	1,339,838	-
Total assets	<u>10,532,714</u>	<u>483,542</u>
LIABILITIES		
Deposits payable	2,713	-
Unearned revenue	2,308	-
Interest payable	402,527	-
Due to City	2,504,615	56,345
Bonds payable, due in one year	1,698,000	-
Bonds payable, due in more than one year	22,819,000	-
Total liabilities	<u>27,429,163</u>	<u>56,345</u>
NET POSITION		
Net Position (Deficit):		
Restricted for individuals, organizations and/or other governments	(16,896,449)	427,197
Total net position (deficit)	<u>\$ (16,896,449)</u>	<u>\$ 427,197</u>

City of Ridgecrest
Statement of Change in Fiduciary Net Position
Fiduciary Funds
For the Year Ended June 30, 2021

	Private Purpose Trust Fund	Custodial Funds
ADDITIONS:		
Taxes	\$ 2,669,706	\$ -
Revenue from use of money and property	8,666	5,441
Other revenue	56,000	-
Total additions	<u>2,734,372</u>	<u>5,441</u>
DEDUCTIONS:		
Community development	21,331	-
Depreciation expense	75,501	-
Interest expense	940,993	-
Payments to City of Ridgecrest (Note 6)	251,486	-
Total deductions	<u>1,289,311</u>	<u>-</u>
Change in fiduciary net position	1,445,061	5,441
NET POSITION (DEFICIT):		
Beginning of year, as restated (Note 15)	(18,341,510)	421,756
End of year	<u>\$ (16,896,449)</u>	<u>\$ 427,197</u>

City of Ridgecrest
Annual Comprehensive Financial Report
For the Year Ended June 30, 2021

Notes to the Basic Financial Statements



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Annual Comprehensive Financial Report
For the Year Ended June 30, 2021

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City of Ridgecrest
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City of Ridgecrest
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City of Ridgecrest
Notes to the Basic Financial Statements
For the Year Ended June 30, 2021

Note 1 – Summary of Significant Accounting Policies

The basic financial statements of the City of Ridgecrest, California (the “City”), have been prepared in conformity with accounting principles generally accepted in the United States of America (“U.S. 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

In evaluating how to define the City for financial reporting purposes, management has considered all potential component units. The primary criteria for including a potential component unit within the reporting entity are the governing body’s financial accountability and a financial benefit or burden relationship and whether it is misleading to exclude. A primary government is financially accountable and shares a financial benefit or burden relationship, if it appoints a voting majority of an organization’s governing body and it is able to impose its will on the organization, or if there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on the primary government. A primary government may also be financially accountable if an organization is fiscally dependent on the primary government regardless of whether the organization has a separately elected governing board, a governing board appointed by a higher level of government, or a jointly appointed board, and there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on the primary government.

Blended Component Units

Although the following are legally separate from the City, they have been “blended” as though they are part of the City because the component unit’s governing body is substantially the same as the City’s and there is a financial benefit or burden relationship between the City and the component unit; management of the City has operational responsibilities for the component unit; and/or the component units provide services entirely, or almost entirely, to the City or otherwise exclusively, or almost exclusively, benefits the City, even though it does not provide services directly to it.

Ridgecrest Housing Authority (the “Housing Authority”) – The Housing Authority was formed on January 11, 2012 to develop or acquire and subsequently operate rental housing projects within the City. The members of the City Council act as the governing board of the Housing Authority and the City has operational responsibility for the Housing Authority. The activities of the Housing Authority are blended into the Housing Authority special revenue fund. The Housing Authority does not issue separate financial statements.

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 accounting 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. Government resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled.

The Statement of Net Position reports separate sections for Deferred Outflows of Resources, and Deferred Inflows of Resources, when applicable.

Deferred Outflows of Resources represent outflows of resources (consumption of net position) that apply to future periods and that, therefore, will not be recognized as an expense until that time.

City of Ridgecrest
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

Note 1 – Summary of Significant Accounting Policies (Continued)

B. Basis of Accounting and Measurement Focus (Continued)

Deferred Inflows of Resources represent inflows of resources (acquisition of net position) that apply to future periods and that, therefore, are not recognized as revenue until that time.

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 financial statements are presented on an “*economic resources*” measurement focus and the accrual basis of accounting. Accordingly, all of the City’s assets and liabilities, including capital assets, as well as infrastructure assets, and long-term liabilities, are included in the accompanying statement of net position. The statement of activities presents changes in net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred.

Certain types of transactions are reported as program revenues for the City in three categories:

- Charges for services
- Operating grants and contributions
- Capital grants and contributions

Certain eliminations have been made in regards to interfund activities, payables and receivables. All internal balances in the statement of net position have been eliminated except those representing balances between the governmental activities and the business-type activities, which are presented as internal balances and eliminated in the total primary government column. (In the statement of activities, internal service fund transactions have been eliminated.) However, those transactions between governmental and business-type activities have not been eliminated. The following interfund activities have been eliminated:

- Due to/from other funds
- Advances to/from other funds
- Transfers in/out

Governmental Fund Financial Statements

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

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 sheet. The statement of revenues, expenditures and changes in fund balances present increases (revenue and other financing sources) and decreases (expenditures and other financing uses) in fund balances. 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.

City of Ridgecrest
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

Note 1 – Summary of Significant Accounting Policies (Continued)

B. Basis of Accounting and Measurement Focus (Continued)

Governmental Fund Financial Statements (Continued)

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.

Revenues are recognized as soon as they are both “measurable” and “available”. Revenues are considered to be available when they are collectible within the current period as soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period.

The reconciliation of the fund financial statements to the government-wide financial statements is provided to explain the differences.

Governmental funds of the City are outlined below:

General Fund – This fund accounts for all revenues and expenditures to finance the traditional services associated with a municipal government which are not accounted for in the other funds. In the City, these services include general government, safety, community development, culture and recreation and public works.

Capital Improvement Capital Projects Fund – This fund is used to account for financial resources to be used for acquisition, construction and improvement of the city's major capital facilities.

City Debt Service Fund – This fund is used to account for the accumulation of resources for, and the payment of principal, interest, and related costs of the debt.

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

Proprietary Fund Financial Statements

Proprietary fund financial statements include a statement of net position, a statement of revenues, expenses and changes in net position, and a statement of cash flows for each major proprietary fund.

A separate column representing internal service funds is also presented in these statements. However, internal service balances and activities have been combined with the governmental activities in the government-wide financial statements.

Proprietary funds are accounted for using the “*economic resources*” measurement focus and the accrual basis of accounting. Accordingly, all assets and liabilities (whether current or noncurrent) are included on the statement of net position. The statement of revenues, expenses and changes in net position presents 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. In these funds, receivables have been recorded as revenue and provisions have been made for uncollectible amounts.

City of Ridgecrest
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

Note 1 – Summary of Significant Accounting Policies (Continued)

B. Basis of Accounting and Measurement Focus (Continued)

Proprietary Fund Financial Statements (Continued)

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

Proprietary funds of the City are outlined below:

T.D.A. Transit Fund – The T.D.A. Transit Fund is intended to show the financial position and results of operations of only those transactions attributable to the Ridgecrest Transit System (RTS), operated by the City.

Wastewater Improvement Fund – This fund was established to receive and disburse funds collected through sewer services charge fees and sewer facilities charges. These funds are used for the operation and maintenance of sewer disposal facilities and the financing of construction outlet sewers.

Internal Service Funds – The City has three internal service funds. Human Resources and Risk Management Fund is used to account for the costs of the City’s risk management and self-insurance programs and its personnel management costs. The Self Insurance Workers Comp Fund is used to account for the actual payments made to the third-party administrator for all workers comp claims filed against the City. Lastly, the Fleet Maintenance Fund is used to account for the cost of maintenance of the motor vehicles, heavy and light equipment and equipment replacements.

Fiduciary Fund Financial Statements

Fiduciary fund financial statements include a statement of fiduciary net position and a statement of changes in fiduciary net position. The City has two types of fiduciary funds. They are the private purpose trust funds and custodial funds.

The private purpose trust funds account for 1) donations received and held by the City as an agent for individuals, developers, private organizations and other governmental agencies and 2) activities of the Successor Agency to the Ridgecrest Redevelopment Agency (the “Successor Agency”). The specific purposes for these donations are for parks and recreation and senior citizens related programs.

The custodial funds account for collections received from special assessment districts and their disbursement to bondholders. The custodial fund is custodial in nature and does not involve measurement of results of operations. Spending of agency fund resources is controlled primarily through legal agreements and applicable State and Federal laws. Both private purpose trust funds and agency funds are reported using the accrual basis of accounting.

C. Cash, Cash Equivalents and Investments

The City pools its available cash for investment purposes. The City’s cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturity of three months or less from the date of acquisition. Cash and cash equivalents are combined with investments and displayed as Cash and Investments.

City of Ridgecrest
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

Note 1 – Summary of Significant Accounting Policies (Continued)

C. Cash, Cash Equivalents and Investments (Continued)

Highly liquid market investments with maturities of one year or less at time of purchase are stated at amortized cost. All other investments are stated at fair value. Market value is used as fair value for those securities for which market quotations are readily available.

The City follows the practice of pooling cash and investments of all funds, except for funds required to be held by fiscal agents under the provisions of bond indentures. Interest income earned on pooled cash and investments is allocated on an accounting period basis 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 City participates in an investment pool managed by the State of California titled *Local Agency Investment Fund* (LAIF) which has invested a portion of the pool funds in structured notes and asset-backed securities. LAIF's investments are subject to credit risk with the full faith and credit of the State of California collateralizing these investments. In addition, these structured notes and asset-backed securities are subject to market risk as to change in interest rates.

D. Restricted Cash and Investments

Certain restricted cash and investments are held by a fiscal agent for the redemption of bonded debt and for acquisition and construction of capital projects.

E. Capital Assets

Capital assets are valued at historical cost or estimated historical cost if actual historical cost was not available. Donated capital assets are valued at their estimated acquisition value on the date donated. City policy has set the capitalization threshold for reporting infrastructure at \$100,000; all other capital assets are set at \$5,000. Depreciation is recorded on a straight-line basis over estimated useful lives of the assets as follows:

Buildings and improvements	15-50 years
Machinery and Equipment	5-20 years
Infrastructure	15-50 years

The City defines infrastructure as the basic physical assets that allow the City to function. The assets include streets, sewer, and park lands. Each major infrastructure system can be divided into subsystems. For example, the street system can be subdivided into pavement, curb and gutters, sidewalks, medians, streetlights, landscaping and land. These subsystems were not delineated in the basic financial statements. The appropriate operating department maintains information regarding the subsystems.

For all infrastructure systems, the City elected to use the Basic Approach for infrastructure reporting.

City of Ridgecrest
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

Note 1 – Summary of Significant Accounting Policies (Continued)

F. Long-Term Debt

Government-Wide Financial Statements

Long-term debt and other financial obligations are reported as liabilities in the appropriate funds.

Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable premium or discount. Issuance costs are expensed in the period when incurred.

Fund Financial Statements

The fund financial statements do not present long-term debt but rather show it in the reconciliation of the governmental funds balance sheet to the government-wide statement of net position.

G. Compensated Absences

Government-Wide Financial Statements

City employees have vested interest in varying levels of vacation and sick leave based on their length of employment and bargaining unit they belong. Vacation leave is payable to employees at the time a vacation is taken or upon termination of employment. Vacation leave cannot be accrued for more than twice the employee's annual accrual rate. Sick leave is payable only when an employee is unable to work due to personal or family illness or at separation from employment at different levels depending on the length of employment and the bargaining group. There is no cap on the amount of sick leave that can be accrued but there is a cap on the amount that can be cashed out at termination. Employees with less than five years of employment do not have vested privilege on sick leave and their sick leave is forfeited upon termination. The amount of compensated absences is accrued when incurred in the government-wide financial statements.

Fund Financial Statements

In governmental funds, compensated absences are recorded as expenditures in the years paid, as it is the City's policy to liquidate any unpaid compensated absences at June 30 from future resources, rather than currently available financial resources. When an employee is terminated at fiscal year end, the amount of his or her reimbursable unused vacation and/or sick leave is recorded as a liability in the governmental funds. In proprietary funds, compensated absences are expensed to the various funds in the period they are earned, and such fund's share of the unpaid liability is recorded as a long-term liability of the fund.

H. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the plans and additions to/deductions from the plans' fiduciary net position have been determined on the same basis as they are reported by the plans (Note 10). For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms. Investments are reported at fair value. The following timeframes are used for pension reporting:

City of Ridgecrest
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

Note 1 – Summary of Significant Accounting Policies (Continued)

H. Pensions (Continued)

The following timeframes are used for pension reporting:

<u>CalPERS</u>	
Valuation Date	June 30, 2019
Measurement Date	June 30, 2020
Measurement Period	July 1, 2019 to June 30, 2020

Gains and losses related to changes in total pension liability and fiduciary net position are recognized in pension expense systematically over time. The first amortized amounts are recognized in pension expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to pensions and are to be recognized in future pension expense. The amortization period differs depending on the source of the gain or loss. The difference between projected and actual earnings is amortized straight-line over five years. All other amounts are amortized straight-line over the average expected remaining service lives of all members that are provided with benefits (active, inactive, and retired) as of the beginning of the measurement period. For governmental activities, the General Fund has been used to liquidate the liability for pension.

I. Other Postemployment 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 Retiree Benefits Plan (“OPEB Plan”) and additions to/deductions from OPEB Plan’s fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, the OPEB Plan recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments, which are reported at amortized cost.

The following timeframes are used for OPEB reporting:

<u>OPEB</u>	
Valuation Date	June 30, 2020
Measurement Date	June 30, 2020
Measurement Period	July 1, 2019 to June 30, 2020

Gains and losses related to changes in total OPEB liability and fiduciary net position are recognized in OPEB expense systematically over time. The first amortized amounts are 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 amortization period differs depending on the source of gain or loss. The difference between projected and actual earnings is amortized on a straight-line basis over five years. All other amounts are amortized on a straight-line basis over the average expected remaining service lives of all members that are provided with benefits (active, inactive, and retired) at the beginning of the measurement period. For governmental activities, the General Fund has been used to liquidate the liability for OPEB.

City of Ridgecrest
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

Note 1 – Summary of Significant Accounting Policies (Continued)

J. Property Taxes

Property taxes are levied on January 1 and are payable in two installments: November 1 and February 1 of each year. Property taxes become delinquent on December 10 and April 10, for the first and second installments, respectively. The lien date is March 1. The County of Kern, California (County) bills and collects the property taxes and remits them to the City according to a payment schedule established by the County. City property tax revenues are recognized when received in cash except at year end when they are accrued pursuant to the modified accrual basis of accounting. The City recognizes as revenues at June 30 available taxes or those collected within 90 days.

The County is permitted by State law to levy taxes at 1% of full market value (at time of purchase) and can increase the property tax rate no more than 2% per year. The City receives a share of this basic levy proportionate to what it received during the years 1976 to 1978.

K. Net Position

For government-wide and proprietary fund financial statements, net position is categorized as follows:

Investment in Capital Assets – This component of net position consists of capital assets, net of accumulated depreciation.

Restricted – This component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets.

Unrestricted – This component of net position is the amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

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

L. Fund Balances

For governmental fund financial statements, fund balances are categorized as follows:

Nonspendable – Items that cannot be spent because they are not in spendable form, such as prepaid items and inventories and long term receivables, or items that are legally or contractually required to be maintained intact, such as principal of an endowment or revolving loan funds

Restricted – Restricted fund balances encompass the portion of net fund resources subject to externally enforceable legal restrictions. This includes externally imposed restrictions by creditors, such as through debt covenants, grantors, contributors, laws or regulations of other governments, as well as restrictions imposed by law through constitutional provisions or enabling legislation.

Committed – Committed fund balances encompass the portion of net fund resources, the use of which is constrained by limitations imposed by the formal action of the government's highest level of decision making authority normally through resolutions, etc., and that remain binding unless rescinded or modified in the same manner. The City Council is considered the highest authority for the City.

City of Ridgecrest
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

Note 1 – Summary of Significant Accounting Policies (Continued)

L. Fund Balances (Continued)

Assigned – Assigned fund balances encompass the portion of net fund resources reflecting the government’s intended use of resources. Assignment of resources can be done by the highest level of decision making or by a committee or official designated for that purpose. On June 1, 2011, the City Council adopted Resolution 11-36 adopting the fund balance policy authorizing the Finance Director to make the determination.

Unassigned – This amount is for any portion of the fund balances that do not fall into one of the above categories. The General Fund is the only fund that reports a positive unassigned fund balance amount. In other governmental funds, it is not appropriate to report a positive unassigned fund balance amount. However, in governmental funds other than the General Fund, if expenditures incurred for specific purposes exceed the amounts that are restricted, committed or assigned for those purposes, it may be necessary to report negative unassigned fund balance in that particular fund.

When expenditures are incurred for purposes for which both restricted and unrestricted fund balances are available, the City’s policy is to apply restricted fund balances first, then unrestricted fund balances as they are needed.

When expenditures are incurred for purposes where only unrestricted fund balances are available, the City uses the unrestricted resources in the following order: committed, assigned, and unassigned.

M. Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosure. Accordingly, actual results could differ from those estimates.

N. Fair Value Measurement

U.S. GAAP defines fair value, establishes a framework for measuring fair value and establishes disclosures about fair value measurement. Investments, unless otherwise specified, recorded at fair value in the Statements of Net Position, are categorized based upon the level of judgment associated with the inputs used to measure their fair value. Levels of inputs are as follows:

Level 1 – Inputs are unadjusted, quoted prices for identical assets and liabilities in active markets at the measurement date.

Level 2 – Inputs, other than quoted prices included in Level 1, that are observable for the assets or liabilities through corroboration with market data at the measurement date.

Level 3 – Unobservable inputs that reflect management’s best estimate of what market participants would use in pricing the assets or liabilities at the measurement date.

O. New Governmental Accounting Standards Implemented for the Year Ended June 30, 2021

The requirements of the following accounting standards are effective for the purpose of implementation, if applicable to the City, for the year ended June 30, 2021. The financial statements included herein apply the requirements and provisions of these statements, including necessary retroactive adjustments to financial statement classifications and presentations.

City of Ridgecrest
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

Note 1 – Summary of Significant Accounting Policies (Continued)

O. New Governmental Accounting Standards Implemented for the Year Ended June 30, 2021 (Continued)

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

- In January 2017, GASB issued Statement No. 84, *Fiduciary Activities* (GASB Statement No. 84), to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. The statement establishes criteria for identifying fiduciary activities of all state and local governments. It also provides for recognition of a liability to the beneficiaries in a fiduciary fund when an event has occurred that compels the government to disburse fiduciary resources. The implementation resulted a restatement of the fiduciary net position. See Note 15.
- In June 2018, GASB issued Statement No. 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period* (GASB Statement No. 89) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and to simplify accounting for interest cost incurred before the end of a construction period. Implementation of this statement did not have a material effect on the financial statements.
- In August 2018, GASB issued Statement No. 90, *Majority Equity Interests – an Amendment of GASB Statements No. 14 and No. 61* (GASB Statement No. 90), to improve the consistency and comparability of reporting a government’s majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. This statement requires that a component unit in which a government has a 100 percent equity interest account for its assets, deferred outflows of resources, liabilities, and deferred inflows of resources at acquisition value at the date the government acquired a 100 percent equity interest in the component unit. Implementation of this statement was not applicable because the City did not have any majority equity interests.
- In October 2021, GASB issued Statement No. 98, *The Annual Comprehensive Financial Report*, to establish the term annual comprehensive financial report and its acronym ACFR. That new term and acronym replace instances of comprehensive annual financial report and its acronym in generally accepted accounting principles for state and local governments. Implementation of this statement did not have a material effect on the financial statements.

P. Upcoming Governmental Accounting Standards Implementation

The City is currently analyzing its accounting practices to determine the potential impact on the financial statements for the following GASB statements:

GASB Statement No. 87

In June 2017, GASB issued Statement No. 87, *Leases*. This Statement increases the usefulness of governments’ financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments’ leasing activities. Application of this statement is effective for the City’s fiscal year ending June 30, 2022.

City of Ridgecrest
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

Note 1 – Summary of Significant Accounting Policies (Continued)

P. Upcoming Governmental Accounting Standards Implementation (Continued)

GASB Statement No. 89

In June 2018, GASB issued Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*. This Statement establishes accounting requirements for interest cost incurred before the end of a construction period. Such interest cost includes all interest that previously was accounted for in accordance with the requirements of paragraphs 5–22 of Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, which are superseded by this Statement. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. Application of this statement is effective for the City’s fiscal year ending June 30, 2022.

GASB Statement No. 91

In May 2019, GASB issued Statement No. 91, *Conduit Debt Obligations*. The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. Application of this statement is effective for the City’s fiscal year ending June 30, 2023.

GASB Statement No. 92

In January 2020, GASB issued Statement No. 92, *Omnibus 2020*. The primary objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. Application of this statement is effective for the City’s fiscal year ending June 30, 2022.

GASB Statement No. 93

In March 2020, GASB issued Statement No. 93, *Replacement of Interbank Offered Rates*. Some governments have entered into agreements in which variable payments made or received depend on an interbank offered rate (IBOR)—most notably, the London Interbank Offered Rate (LIBOR). As a result of global reference rate reform, LIBOR is expected to cease to exist in its current form at the end of 2021, prompting governments to amend or replace financial instruments for the purpose of replacing LIBOR with other reference rates, by either changing the reference rate or adding or changing fallback provisions related to the reference rate. The objective of this Statement is to address those and other accounting and financial reporting implications that result from the replacement of an IBOR. Application of this statement is effective for the City’s fiscal year ending June 30, 2022.

City of Ridgecrest
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

Note 1 – Summary of Significant Accounting Policies (Continued)

P. Upcoming Governmental Accounting Standards Implementation (Continued)

GASB Statement No. 94

In March 2020, GASB issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). As used in this Statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. Application of this statement is effective for the City’s fiscal year ending June 30, 2023.

GASB Statement No. 96

In May 2020, GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements*. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. Application of this statement is effective for the City’s fiscal year ending June 30, 2023.

GASB Statement No. 97

In June 2020, GASB issued Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – An Amendment of GASB Statements No. 14 and No. 84, and a Supersession of GASB Statement No. 32*. The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. Application of this statement is effective for the City’s fiscal year ending June 30, 2022.

Note 2 – Cash and Investments

The following is a summary of pooled cash and investments and restricted cash and investments at June 30, 2021:

	Primary Government			Fiduciary Funds	Total
	Governmental Activities	Business-type Activities	Total		
Cash and investments	\$ 23,376,255	\$ 37,607,020	\$ 60,983,275	\$ 4,472,360	\$ 65,455,635
Cash and investments with fiscal agent	2,476	-	2,476	-	2,476
Total	\$ 23,378,731	\$ 37,607,020	\$ 60,985,751	\$ 4,472,360	\$ 65,458,111

City of Ridgecrest
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

Note 2 – Cash and Investments (Continued)

Cash, cash equivalents, and investments, consisted of the following at June 30, 2021:

Cash and cash equivalents:	
Petty cash	\$ 1,120
Demand deposits	4,588,392
Investments:	
Local Agency Investment Fund	60,866,123
Money market funds	2,476
Total	\$ 65,458,111

Fair value of assets measured on a recurring basis at June 30, 2021, are as follows:

Investments measured by fair value level:	<u>June 30, 2021</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Held by bond trustee:				
Money market mutual funds	\$ 2,476	\$ -	\$ 2,476	\$ -
Total investments by fair value level	\$ 2,476	\$ -	\$ 2,476	\$ -
Investments not subject to the fair value hierarchy:				
Local Agency Investment Fund - State of CA	\$ 60,866,123			
Total investments not subject to the fair value hierarchy	\$ 60,866,123			
Total investments	\$ 60,868,599			

Debt and equity securities classified in Level 2 are valued using the following approaches:

- U.S. Treasuries, U.S. Agencies, and Commercial Paper: quoted prices for identical securities in markets that are not active;

A. Cash Deposits

The carrying amounts of the City's demand deposits were \$4,588,392 at June 30, 2021. Bank balances were \$4,077,880 at that date. The total amount of which was collateralized or insured with securities held by the pledging financial institutions in the City's name is discussed below.

The California Government Code requires California banks and savings and loan associations to secure the City's cash deposits by pledging securities as collateral. This Code states that collateral pledged in this manner shall have the effect of perfecting a security interest in such collateral superior to those of a general creditor. Thus, collateral for cash deposits is considered to be held in the City's name.

The market value of pledged securities must equal at least 110% of the City's cash deposits. California law also allows institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150% of the City's total cash deposits. The City may waive collateral requirements for cash deposits; however, the City has not waived the collateralization requirements.

City of Ridgecrest
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

Note 2 – Cash and Investments (Continued)

B. Investments

Under the provisions of the City's investment policy, and in accordance with California Government Code, the following investments are authorized:

- Securities of the U.S. Government or its agencies.
- Certificates of Deposit (or Time Deposits) placed with commercial banks and/or savings and loan companies.
- Negotiable Certificates of Deposit.
- California Local Agency Investment Fund.
- Investment-grade obligations of state, local governments or public authorities.
- Money market mutual funds.
- Passbook savings account and demand deposits.

No current adjustments have been made to the accompanying basic financial statements because the City's investments were primarily in the State of California Local Agency Investment Fund and the fair value adjustment was immaterial. The fair value of the City's position in LAIF approximates the value of the pool shares.

C. External Investment Pool

The City is a participant in LAIF, which is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The City's investments in LAIF at June 30, 2021 included a portion of pool funds invested in Structure Notes and Asset-Backed Securities:

Structured 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 pool of assets such as principal and interest repayments from a pool of mortgages (such as Collateralized Mortgage Obligations) or credit card receivables.

As of June 30, 2021, the City had \$60,866,123 invested in LAIF, which had invested 1.10% of the pool investment funds in Structured Notes and Asset-Back Securities. LAIF determines fair value on its investment portfolio based on market quotations for those securities where market quotations are readily available and based on amortized cost or best estimate for those securities where market value is not readily available. The City valued its investments in LAIF as of June 30, 2021, by multiplying its account balance with LAIF times a fair value factor determined by LAIF. This fair value factor was determined by dividing all LAIF participants' total aggregate amortized cost by total aggregate fair value. The credit quality rating of LAIF is unrated as of June 30, 2021.

D. Risk Disclosures

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity, the greater the sensitivity its fair value is to changes in market interest rates. As a means of limiting its exposure to fair value losses arising from rising interest rates, the City's investment policy provides that final maturities of securities cannot exceed five years. Specific maturities of investments depend on liquidity needs.

City of Ridgecrest
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

Note 2 – Cash and Investments (Continued)

D. Risk Disclosures (Continued)

As of June 30, 2021, the City had the following investments and maturities:

	Amount	Maturities
		1 year or less
Investments:		
Local Agency Investment Fund	\$ 60,866,123	\$ 60,866,123
Money market funds	2,476	2,476
Total	\$ 60,868,599	\$ 60,868,599

Credit Risk

Credit Risk is the risk of loss due to failure of the security issuer. The risk can be identified thru the rating assigned by a nationally recognized statistical rating organization to the issuers of securities. The City minimizes this risk by investing only on type of investments allowed for municipalities by the Government Code as listed on the City's investment policy and investing only on instruments that are most credit worthy.

	Amount	Credit Quality Ratings	
		Moody's	Standard & Poor's
Investments:			
Local Agency Investment Fund	\$ 60,866,123	Not Rated	Not Rated
Money market funds	2,476	Not Rated	Not Rated
Total	\$ 60,868,599		

Custodial Credit Risk

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. None of the City's investments were subject to custodial credit risk.

Concentration of Credit Risk

The investment policy of the City contains no limitations on the amount that can be invested in any one issuer beyond the amount stipulated by the California Government Code. City investments that are greater than 5 percent of the total investments are in either an external investment pool or mutual funds and are therefore exempt.

Investment Type	Amount	Percentage of Investments
Investments:		
Local Agency Investment Fund	\$ 60,866,123	100.00%
Money market funds	2,476	0.00%
Total	\$ 60,868,599	

City of Ridgecrest
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

Note 3 – Loan Program

A. Governmental Activities

For the year ended June 30, 2021, changes in loans receivable of the City’s loan program is as follows:

	Balance July 1, 2020	Additions	Deletions	Balance June 30, 2021
Loan receivable:				
High Desert loans	\$ 195,948	\$ -	\$ (12,403)	\$ 183,545
Total	<u>\$ 195,948</u>	<u>\$ -</u>	<u>\$ (12,403)</u>	<u>\$ 183,545</u>

High Desert Loan

The City entered into a loan agreement with High Desert Haven in the amount of \$375,000 on October 5, 2001. The purpose of the loan was for the construction and operation of twenty-six-unit senior assisted housing. The loan is to be paid over thirty years through 2033 and bears interest of the 3% compounded annually. As of June 30, 2021, the loan balance is \$195,948.

B. Fiduciary Activities Financial Statements

For the year ended June 30, 2021, changes in loans receivable of the Private Purpose Trust Fund’s loan program is as follows:

	Balance July 1, 2020	Additions	Deletions	Balance June 30, 2021
Loans receivables:				
AMG Ridgecrest Pacific Associates	\$ 3,000,000	\$ -	\$ -	\$ 3,000,000
Total	<u>\$ 3,000,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,000,000</u>

AMG Ridgecrest Pacific Associates

The Ridgecrest Redevelopment Agency (RRA) prior to its dissolution gave Ridgecrest Pacific Associates a development loan in the amount of \$3 million to build the Ridgecrest Senior Apartments, a 32-unit apartment complex on 4.6 acres of land located at southwest corner of Downs Street and Church Avenue. The payment term for this loan is fifty-five (55) years from the date of the promissory note and shall bear simple interest at the rate of four percent (4%) per annum. The payment due and payable is equal to sixty percent (60%) of the Residual Receipts until all principal and interest owing under the Promissory Note has been paid in full. In addition, and as further consideration for the loan, Ridgecrest Pacific shall pay to the agency after repayment of the principal and interest, 20% of Cash Flow from operation of the Project. Payments towards the loan shall be applied first to costs and fees owing under the promissory note, then to accrued interest, and finally to any principal owing under the promissory note.

City of Ridgecrest
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

Note 4 – Interfund Receivables, Payables, and Transfers

A. Due to/from Other Funds

At June 30, 2021, the balances of short-term interfund borrowings were as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>	<u>Purpose</u>
General Fund	City Debt Service Fund	\$ 783,781	Debt service
General Fund	Road Maintenance and Rehabilitation Act Fund	72,759	Overdrawn cash
General Fund	State Gas Tax Fund	27,043	Overdrawn cash
General Fund	Self Insurance Workers Compensation Internal Service Fund	652,670	Overdrawn cash
	Total	\$ 1,536,253	

B. Transfers

Interfund transfers during the year ended June 30, 2021, consisted of the following:

<u>Transfers In</u>	<u>Transfers Out</u>	<u>Amount</u>	<u>Purpose</u>
General Fund	Supplemental Law Enforcement Fund	\$ 157,483	Overhead allocation
General Fund	State Gas Tax Fund	284,782	Overhead allocation
General Fund	Road Maintenance and Rehabilitation Act Fund	37,083	Overhead allocation
General Fund	T.D.A. Transit Fund	216,542	Overhead allocation
General Fund	Wastewater Improvement Fund	278,131	Overhead allocation
General Fund	Human Resources and Risk Management Fund	8,113	Overhead allocation
General Fund	Fleet Maintenance Fund	70,838	Overhead allocation
	Subtotal	1,052,972	
City Debt Service Fund	General Fund	1,365,338	Debt service
City Debt Service Fund	State Gas Tax Fund	144,213	Debt service
City Debt Service Fund	Road Maintenance and Rehabilitation Act Fund	56,000	Debt service
City Debt Service Fund	T.D.A. Transit Fund	121,130	Debt service
City Debt Service Fund	Wastewater Improvement Fund	155,789	Debt service
City Debt Service Fund	Human Resources and Risk Management Fund	35,869	Debt service
City Debt Service Fund	Fleet Maintenance Fund	32,641	Debt service
	Subtotal	1,910,980	
State Gas Tax Fund	General Fund	912,312	Street maintenance
State Gas Tax Fund	Road Maintenance and Rehabilitation Act Fund	539,525	Street maintenance
	Subtotal	1,451,837	
Capital Improvements Capital Projects Fund	General Fund	139,759	Capital projects
Capital Improvements Capital Projects Fund	Traffic Impact Fee Fund	1,687,444	Capital projects
Capital Improvements Capital Projects Fund	Park Development Impact Fee Fund	71,763	Capital projects
Capital Improvements Capital Projects Fund	Storm Drainage Facilities Fund	48,195	Capital projects
	Subtotal	1,947,161	
Human Resources and Risk Management Fund	General Fund	387,593	Insurance allocation
Human Resources and Risk Management Fund	State Gas Tax Fund	87,033	Insurance allocation
Human Resources and Risk Management Fund	Road Maintenance and Rehabilitation Act Fund	9,551	Insurance allocation
Human Resources and Risk Management Fund	T.D.A. Transit Fund	39,812	Insurance allocation
Human Resources and Risk Management Fund	Wastewater Improvement Fund	82,908	Insurance allocation
Human Resources and Risk Management Fund	Fleet Maintenance Fund	17,130	Insurance allocation
	Subtotal	624,027	
	Total	\$ 6,986,977	

City of Ridgecrest
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

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

C. Long-Term Advances

At June 30, 2021, the balances of long-term advances were as follows:

Receivable Fund	Payable Fund	Amount
Wastewater Improvement Fund	General Fund	\$ 3,041,079
	Total	\$ 3,041,079

In 2013, the General Fund entered into loan agreement with Wastewater Improvement Enterprise Fund in the amount of \$4,250,000. The loan is to be repaid over 30 years at 0.5% interest rate per year. This loan is for paying back the franchise fees the Wastewater Fund had paid General Fund from fiscal years ended June 30, 2006 through 2012. At June 30, 2021, the outstanding balance of the agreement was \$3,041,079.

The annual requirements to amortize the loan are as follows:

Year Ending June 30,	Principal	Interest	Total
2022	\$ 137,705	\$ 15,205	\$ 152,910
2023	138,394	14,516	152,910
2024	139,085	13,825	152,910
2025	139,781	13,129	152,910
2026	140,480	12,430	152,910
2027-2031	713,006	51,546	764,552
2032-2036	731,010	33,542	764,552
2037-2041	749,469	15,083	764,552
2042	152,149	761	152,910
Total	\$ 3,041,079	\$ 170,037	\$ 3,211,116

Note 5 – Due from Private Purpose Trust Fund

On June 16, 2010, per resolution 10-49, the City Council and Agency Board approved the funding of the construction of the Ridgecrest Photovoltaic Solar Energy Production Field. The field is located at 125 South Warner St., also known as the Helmer's Park. This 495.9 kW DC Solar Photovoltaic System is designed to produce 90% of the Civic Center's current annual electrical power consumption and decrease the Center's energy bill by more than \$136,000 annually. The resolution also authorized the Agency to borrow money from the Wastewater Improvement Fund to finance the construction cost of the solar field which amounted to \$3,123,000, to be paid in five years at the interest rate of 1/2% per annum. On February 1, 2012, the outstanding balance was transferred to the Successor Agency due to the dissolution of the Agency. The California Department of Finance approved this loan as an enforceable obligation of the Agency. However, there is not enough annual residual tax increment to pay the loan currently. Based on Health and Safety Code section 34191.4 (b) (2) that mandates on how this type of loan is paid, the City is not expecting repayment to happen until after all Private Purpose Trust Fund bond obligations are paid off in 2037. At June 30, 2021, the outstanding balance of the agreement was \$2,560,960.

City of Ridgecrest
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

Note 6 – Revenue from Private Purpose Trust Fund

At June 30, 2021, the City had the following revenue from Fiduciary Funds:

Receiving Fund	Paying Fund	Amount	Purpose
General Fund	RDA Obligation Retirement Fund	\$ 250,000	Administration allowance
Capital Improvements Capital Projects Fund	RDA Obligation Retirement Fund	1,486	Capital projects
	Total	\$ 251,486	

Note 7 – Capital Assets

A. Governmental Activities

Summary of changes in capital assets for governmental activities for the year ended June 30, 2021 is as follows:

	Balance July 1, 2020	Additions	Deletions	Transfers	Balance June 30, 2021
Nondepreciable assets:					
Land	\$ 2,434,499	\$ -	\$ -	\$ -	\$ 2,434,499
Construction in progress	5,205,831	3,504,511	(3,235)	(1,169,375)	7,537,732
Total nondepreciable assets	7,640,330	3,504,511	(3,235)	(1,169,375)	9,972,231
Depreciable assets					
Building and improvements	10,773,589	99,713	-	-	10,873,302
Machinery and equipment	9,183,337	127,296	-	-	9,310,633
Infrastructure	128,848,062	-	-	1,169,375	130,017,437
Subtotal	148,804,988	227,009	-	1,169,375	150,201,372
Less accumulated depreciation					
Building and improvements	(3,602,611)	(190,310)	-	-	(3,792,921)
Machinery and equipment	(7,456,675)	(503,486)	-	-	(7,960,161)
Infrastructure	(89,716,143)	(2,114,567)	-	-	(91,830,710)
Subtotal	(100,775,429)	(2,808,363)	-	-	(103,583,792)
Total depreciable assets, net	48,029,559	(2,581,354)	-	1,169,375	46,617,580
Total	\$ 55,669,889	\$ 923,157	\$ (3,235)	\$ -	\$ 56,589,811

Governmental activities depreciation expenses for capital assets for the year ended June 30, 2021 are as follows:

General government	\$ 276,143
Public safety	169,579
Public works	2,183,633
Community development	119,332
Culture and leisure	59,676
Total depreciation expense	\$ 2,808,363

City of Ridgecrest
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

Note 7 – Capital Assets (Continued)

B. Business-Type Activities

Summary of changes in capital assets for business-type activities for the year ended June 30, 2021 is as follows:

	Balance July 1, 2020	Additions	Deletions	Balance June 30, 2021
Nondepreciable assets:				
Land	\$ 1,614,217	\$ -	\$ -	\$ 1,614,217
Construction in progress	329,888	192,831	-	522,719
Total nondepreciable assets	1,944,105	192,831	-	2,136,936
Depreciable assets				
Building and improvements	3,375,450	-	-	3,375,450
Machinery and equipment	4,114,773	133,324	-	4,248,097
Infrastructure	21,182,072	-	-	21,182,072
Subtotal	28,672,295	133,324	-	28,805,619
Less accumulated depreciation				
Building and improvements	(2,061,701)	(282,639)	-	(2,344,340)
Machinery and equipment	(3,835,879)	(107,536)	-	(3,943,415)
Infrastructure	(9,346,439)	(220,061)	-	(9,566,500)
Subtotal	(15,244,019)	(610,236)	-	(15,854,255)
Total depreciable assets, net	13,428,276	(476,912)	-	12,951,364
Total	\$ 15,372,381	\$ (284,081)	\$ -	\$ 15,088,300

Business-type activities depreciation expenses for capital assets for the year ended June 30, 2021 are as follows:

T.D.A. Transit	\$ 43,553
Wastewater Improvement	566,683
Total depreciation expense	\$ 610,236

C. Fiduciary Funds

Summary of changes in capital assets for fiduciary activities for the year ended June 30, 2021 is as follows:

	Balance July 1, 2020	Additions	Deletions	Balance June 30, 2021
Nondepreciable assets:				
Land	\$ 2,202,440	\$ -	\$ -	\$ 2,202,440
Total nondepreciable assets	2,202,440	-	-	2,202,440
Depreciable assets				
Building and improvements	12,092,609	-	-	12,092,609
Subtotal	12,092,609	-	-	12,092,609
Less accumulated depreciation				
Building and improvements	(10,677,270)	(75,501)	-	(10,752,771)
Subtotal	(10,677,270)	(75,501)	-	(10,752,771)
Total depreciable assets, net	1,415,339	(75,501)	-	1,339,838
Total	\$ 3,617,779	\$ (75,501)	\$ -	\$ 3,542,278

City of Ridgecrest
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

Note 8 – Long-Term Obligations

A. Governmental Activities

Summary of changes in long-term liabilities for the governmental activities for the year ended June 30, 2021 is as follows:

	Balance			Balance June 30, 2021	Classification	
	July 1, 2020	Additions	Deletions		Due within One Year	Due in more than One Year
Governmental Activities:						
2018 PERS Certificates						
of Participation	\$ 19,390,000	\$ -	\$ (735,000)	\$ 18,655,000	\$ 885,000	\$ 17,770,000
Plus: bond premium	386,270	-	(14,857)	371,413	-	371,413
Compensated absences	<u>2,240,468</u>	<u>872,699</u>	<u>(877,618)</u>	<u>2,235,549</u>	<u>880,000</u>	<u>1,355,549</u>
Total governmental activities	<u>\$ 22,016,738</u>	<u>\$ 872,699</u>	<u>\$ (1,627,475)</u>	<u>\$ 21,261,962</u>	<u>\$ 1,765,000</u>	<u>\$ 19,496,962</u>

2018 PERS Certificates of Participation

On November 28, 2018, the City issued the PERS Certificates of Participation in the amount of \$19,955,000. The purpose of the bonds was to refinance a portion of the City's unfunded actuarial accrued liability with respect to its payment obligations to CalPERS. The bonds accrue interest rates between 4.263% and 5.000%. Interest on the bonds is payable semiannually on each June 1 and December 1, commencing June 1, 2019. Principal is payable in annual installments ranging from \$30,000 to \$1,305,000, commencing June 1, 2020 through June 1, 2046. The balance at June 30, 2021, was \$18,655,000.

The future annual payments are as follows:

Year Ending June 30,	Principal	Interest	Total
2022	\$ 885,000	\$ 882,162	\$ 1,767,162
2023	680,000	837,912	1,517,912
2024	755,000	803,912	1,558,912
2025	840,000	766,162	1,606,162
2026	925,000	724,162	1,649,162
2027-2031	5,485,000	2,898,051	8,383,051
2032-2036	5,845,000	1,552,581	7,397,581
2037-2041	2,245,000	561,094	2,806,094
2042-2046	995,000	97,540	1,092,540
TOTAL	<u>\$ 18,655,000</u>	<u>\$ 9,123,576</u>	<u>\$ 27,778,576</u>

Compensated Absences

Compensated absences at June 30, 2021, amounted to \$2,235,549. Typically, the Human Resources and Risk Management Internal Service Fund has been used to liquidate the liability for compensated absences. There is no fixed payment schedule for compensated absences.

City of Ridgecrest
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

Note 8 – Long-Term Obligations (Continued)

B. Fiduciary Funds

Summary of changes in long-term liabilities for the fiduciary funds for the year ended June 30, 2021 is as follows:

	Balance July 1, 2020	Additions	Deletions	Balance June 30, 2021	Classification	
					Due within One Year	Due in more than One Year
Fiduciary Funds:						
Tax Allocation Bonds, Series 2018	\$ 26,190,000	\$ -	\$ (1,673,000)	\$ 24,517,000	\$ 1,698,000	\$ 22,819,000
Total fiduciary activities	\$ 26,190,000	\$ -	\$ (1,673,000)	\$ 24,517,000	\$ 1,698,000	\$ 22,819,000

2018 Tax Allocation Refunding Bonds

On May 25, 2018 the Agency issued the 2018 Tax Allocation Refunding Bonds to provide funds to refund the 1999 Tax Allocation Bonds of the Agency, to fund a debt service reserve account to pay the costs of issuing the bond. The City placed \$30,726,419 in escrow to fully current refund the 1999 Tax Allocation Bonds. The 1999 Tax Allocation Bonds were removed from the Agency's long-term debt in 2018. Net present value savings on the prior debt service payments was approximately \$7,264,497.

The 2018 Tax Allocation Refunding Bonds are comprised of two serial bonds. Series 2018 A has a principal amount of \$4,314,000 with an interest rate of 2.8% and matures on March 1, 2026. Series 2018 B has a principal amount of \$24,966,000 with an interest rate of 5.19% (until April 1, 2020, at which time the rate falls to 3.76% until maturity) and matures on March 1, 2037. As of June 30, 2021, total principal and interest remaining on the 2018 Tax Allocation Refunding Bonds is \$34,386,790.

The annual requirements to amortize the bonds outstanding at June 30, 2021, are as follows:

Year Ending June 30,	Principal	Interest	Total
2022	\$ 1,698,000	\$ 1,188,047	\$ 2,886,047
2023	1,696,000	1,112,394	2,808,394
2024	1,691,000	1,037,362	2,728,362
2025	1,685,000	962,791	2,647,791
2026	1,679,000	889,010	2,568,010
2027-2031	7,600,000	3,274,890	10,874,890
2032-2036	7,124,000	1,352,981	8,476,981
2037	1,344,000	52,315	1,396,315
TOTAL	\$ 24,517,000	\$ 9,869,790	\$ 34,386,790

City of Ridgecrest
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

Note 9 – Risk Management

The City is a member of California State Association of Counties - Excess Insurance Authority (CSAC-EIA). The Authority is comprised of 55 California counties and currently consists of 295 public agencies, which includes municipalities, school districts, special districts and other Joint Powers Authorities (JPA). CSAC-EIA was formed as a Joint Powers Authority in 1979, pursuant to the California Government Code. The purpose of the Authority is to arrange, provide and administer programs of insurance for the pooling of self-insured losses and to purchase excess insurance coverage.

The Board of Directors is comprised of 62 members, one representative from each member county and seven members elected by the public entity membership.

General Liability Insurance

Annual deposits are paid by member cities and are adjusted retroactively to cover costs. Each member city has a specific retention level. The City has a retention level of \$100,000 and pays 100% of all losses incurred under \$100,000. The City does not share or pay for losses of other cities under \$100,000. Losses of \$100,000 to \$5,000,000 are prorated among all participating cities on a payroll basis. Losses in excess of \$5,000,000 are covered by excess insurance purchased by the participating cities, as a part of the pool, to a limit of \$10,000,000. This cost is also prorated on a payroll basis. The City purchased an optional excess coverage which covers up to \$20,000,000 and catastrophic coverage up to \$50,000,000.

Workers' Compensation

Beginning July 1, 2006, the City became fully self-insured with respect to Workers' Compensation. The City has a Self-Insured Retention (SIR) of \$150,000 per claim and additional coverage above its SIR with CSAC Excess Insurance Authority (EIA) to \$5 million per claim; there is an additional \$45 million of reinsurance above CSAC-EIA coverage bringing the total coverage to over \$50 million per claim. The CSAC-EIA is ranked as the second largest public entity risk pool and the largest property and casualty pool in the nation.

The workers' compensation and general liability claims payable of \$1,572,656 reported at June 30, 2021. Of the total claims payable, \$434,797 is due within the next fiscal year. During the past three fiscal (claims) years two claims had exceeded the SIR and the excess insurance coverage kicked in to cover the difference. There have been no significant reductions in pooled or insured liability coverage in the prior year.

Changes in the claims liability amounts were as follows:

	Beginning of Fiscal Year Liability	Current Year Claims and Changes in Estimates	Claim Payments	Balance at Fiscal Year End
2018-2019	\$ 2,572,000	\$ 349,384	\$ (491,384)	\$ 2,430,000
2019-2020	2,430,000	341,019	(568,019)	2,203,000
2020-2021	2,203,000	380,611	(1,010,955)	1,572,656

City of Ridgecrest
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

Note 9 – Risk Management (Continued)

The latest financial information of the CSAC Excess Insurance Authority for fiscal year ended June 30, 2020, is as follows:

Total assets	\$ 869,564,195
Total deferred outflows of resources	\$ 1,995,729
Total liabilities	\$ 696,590,968
Total deferred inflows of resources	\$ 705,974
Total net position	\$ 174,262,982
Total revenues	\$1,158,410,258
Total expenses	\$1,184,179,129
Revenues over (under) expenses	\$ (25,768,871)

Note 10 – Pension Plans

A. Summary

	Governmental Activities	Business-Type Activities	Total
Deferred outflows of resources:			
Pension contribution made after measurement date:			
CalPERS Miscellaneous	\$ 66,898	\$ 81,764	\$ 148,662
CalPERS Safety	136,176	-	136,176
Total pension contribution made after measurement date	203,074	81,764	284,838
Projected earnings on pension plan investments in excess of actual earnings:			
CalPERS Miscellaneous	6,476	7,915	14,391
CalPERS Safety	12,992	-	12,992
Total projected earnings on pension plan investments in excess of actual earnings	19,468	7,915	27,383
Adjustment due to difference in proportions			
CalPERS Miscellaneous	135,528	165,646	301,174
CalPERS Safety	253,400	-	253,400
Total adjustment due to difference in proportions	388,928	165,646	554,574
Difference between expected and actual experience			
CalPERS Miscellaneous	11,234	13,730	24,964
CalPERS Safety	46,357	-	46,357
Total difference between expected and actual experience	57,591	13,730	71,321
Employer contributions in excess of proportionate share of contribution			
CalPERS Miscellaneous	2,228,130	2,723,271	4,951,401
CalPERS Safety	3,760,409	-	3,760,409
Total employer contributions in excess of proportionate share of contribution	5,988,539	2,723,271	8,711,810
Total deferred outflows of resources			
CalPERS Miscellaneous	2,448,266	2,992,326	5,440,592
CalPERS Safety	4,209,334	-	4,209,334
Total deferred outflows of resources	\$ 6,657,600	\$ 2,992,326	\$ 9,649,926

City of Ridgecrest
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

Note 10 – Pension Plans (Continued)

A. Summary (Continued)

	Governmental Activities	Business-Type Activities	Total
Net pension liabilities:			
CalPERS Miscellaneous	\$ 217,991	\$ 266,433	\$ 484,424
CalPERS Safety	597,806	-	597,806
Total net pension liabilities	<u>\$ 815,797</u>	<u>\$ 266,433</u>	<u>\$ 1,082,230</u>
Deferred inflows of resources:			
Changes in assumptions			
CalPERS Miscellaneous	\$ 1,555	\$ 1,900	\$ 3,455
CalPERS Safety	1,991	-	1,991
Total change in assumption	<u>3,546</u>	<u>1,900</u>	<u>5,446</u>
Adjustment due to difference in proportions			
CalPERS Miscellaneous	2,076,856	2,538,379	4,615,235
CalPERS Safety	3,460,744	-	3,460,744
Total adjustment due to difference in proportions	<u>5,537,600</u>	<u>2,538,379</u>	<u>8,075,979</u>
Employer contributions in excess of proportionate share of contribution			
CalPERS Miscellaneous	578,208	706,699	1,284,907
CalPERS Safety	1,225,864	-	1,225,864
Total employer contributions in excess of proportionate share of contribution	<u>1,804,072</u>	<u>706,699</u>	<u>2,510,771</u>
Total deferred inflows of resources			
CalPERS Miscellaneous	2,656,619	3,246,978	5,903,597
CalPERS Safety	4,688,599	-	4,688,599
Total deferred inflows of resources	<u>\$ 7,345,218</u>	<u>\$ 3,246,978</u>	<u>\$ 10,592,196</u>
Pension expenses:			
CalPERS Miscellaneous	\$ 704,561	\$ 861,131	\$ 1,565,692
CalPERS Safety	1,664,856	-	1,664,856
Total net pension expenses	<u>\$ 2,369,417</u>	<u>\$ 861,131</u>	<u>\$ 3,230,548</u>

B. General Information about Pension Plans

Plan Description

The City contributes to the California Public Employees' Retirement System ("CalPERS"), a cost-sharing multiple-employer defined benefit pension plan. CalPERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. CalPERS acts as a common investment and administrative agent for participating public entities within the State of California. Benefit provisions and all other requirements are established by State statute and City ordinance. Copies of the CalPERS annual financial report may be obtained from their Executive Office located at 400 P Street, Sacramento, California 95814.

Employees Covered by Benefit Terms

At June 30, 2020, measurement date, the following employees were covered by the benefit terms:

	Miscellaneous	Miscellaneous PEPRA	Safety	Safety PEPRA
Active employees	34	38	16	14
Transferred and terminated employees	82	19	29	5
Retired employees and beneficiaries	127	-	50	-
Total	<u>243</u>	<u>57</u>	<u>95</u>	<u>19</u>

City of Ridgecrest
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

Note 10 – Pension Plans (Continued)

B. General Information about Pension Plans (Continued)

Benefit Provided

CalPERS provide retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Classic and PEPRSA Safety CalPERS member becomes eligible for service retirement upon attainment of age 55 with at least 5 years of credited service. PEPRSA miscellaneous members become eligible for service retirement upon attainment of age 62 with at least 5 years of service. The service retirement benefit is a monthly allowance equal to the product of the benefit factor, years of service, and final compensation. The final compensation is the monthly average of the member's highest 36 full-time equivalent monthly pay.

Following are the benefit provisions for each plan:

	<u>Miscellaneous</u>	<u>Miscellaneous PEPRA</u>	<u>Safety</u>	<u>Safety PEPRA</u>
Benefit formula	2.7% @ 55	2.0% @ 62	3.0% @ 50	2.7% @ 57
Benefit vesting schedule	5 years service	5 years service	5 years service	5 years service
Benefit payments	monthly for life	monthly for life	monthly for life	monthly for life
Retirement age	55	62	50	50-57
Monthly benefits, as a % of eligible compensation	2.7%	2.0%	3.0%	2.0% to 2.7%
Required employee contribution rate	8.000%	6.750%	9.000%	12.000%
Required employer contribution rate	14.194%	7.732%	21.746%	13.044%

Contributions

For the year ended June 30, 2021, the contributions recognized as part of pension expense for each Plan were as follows:

Miscellaneous Plans	\$ 148,662
Safety Plans	136,176
Total	\$ 284,838

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

Proportionate Share of Net Pension Liability and Pension Expense

The following table shows the plan's proportionate share of the risk pool collective net pension liability over the measurement period:

	<u>Plan Total Pension Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Net Pension Liability/(Asset)</u>
Miscellaneous			
Balance at: 6/30/19 (Valuation date)	\$ 38,381,855	\$ 38,378,436	\$ 3,419
Balance at: 6/30/20 (Measurement date)	39,829,413	39,344,989	484,424
Net changes during 2019-2020	<u>\$ 1,447,558</u>	<u>\$ 966,553</u>	<u>\$ 481,005</u>
Safety			
Balance at: 6/30/19 (Valuation date)	\$ 32,458,160	\$ 32,373,325	\$ 84,835
Balance at: 6/30/20 (Measurement date)	33,235,802	32,637,996	597,806
Net changes during 2019-2020	<u>\$ 777,642</u>	<u>\$ 264,671</u>	<u>\$ 512,971</u>

City of Ridgecrest
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

Note 10 – Pension Plans (Continued)

C. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions (Continued)

Proportionate Share of Net Pension Liability and Pension Expense (Continued)

The City's net pension liability/(asset) for each Plan is measured as the proportionate share of the net pension liability/(asset). The net pension liability/(asset) of each of the Plans is measured as of June 30, 2020, and the total pension liability/(asset) for each Plan used to calculate the net pension liability/(asset) was determined by an actuarial valuation as of June 30, 2019 rolled forward to June 30, 2020 using standard update procedures. The City's proportion of the net pension liability/(asset) was based on a projection of the City's long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined. The City's proportionate share of the net pension liability/(asset) for each Plan as of June 30, 2019 and 2020 was as follows:

	<u>Miscellaneous</u>	<u>Safety</u>	<u>Total</u>
Proportion - June 30, 2019	0.00009%	0.00136%	0.00086%
Proportion - June 30, 2020	0.01148%	0.00897%	0.00995%
Change - Increase/(Decrease)	0.01139%	0.00761%	0.00909%

For the year ended June 30, 2021, the City recognized pension expense of \$1,565,692 and \$1,664,856, for the Miscellaneous and Safety plans, respectively. At June 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<u>Miscellaneous Plans</u>		
	<u>Deferred outflows of Resources</u>	<u>Deferred inflows of Resources</u>
Pension contributions made subsequent to measurement date	\$ 148,662	\$ -
Difference between projected and actual earning on pension plan investments	14,391	-
Adjustment due to differences in proportions	301,174	(4,615,235)
Changes in assumptions	-	(3,455)
Difference between actual and expected experience	24,964	-
Difference between employer's actual contributions and proportionate share of contributions	4,951,401	(1,284,907)
Total	<u>\$ 5,440,592</u>	<u>\$ (5,903,597)</u>

<u>Safety Plans</u>		
	<u>Deferred outflows of Resources</u>	<u>Deferred inflows of Resources</u>
Pension contributions made subsequent to measurement date	\$ 136,176	\$ -
Difference between projected and actual earning on pension plan investments	12,992	-
Adjustment due to differences in proportions	253,400	(3,460,744)
Changes in assumptions	-	(1,991)
Difference between actual and expected experience	46,357	-
Difference between employer's actual contributions and proportionate share of contributions	3,760,409	(1,225,864)
Total	<u>\$ 4,209,334</u>	<u>\$ (4,688,599)</u>

City of Ridgecrest
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

Note 10 – Pension Plans (Continued)

C. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions (Continued)

Proportionate Share of Net Pension Liability and Pension Expense (Continued)

For the Miscellaneous Plan and Safety Plan, \$148,662 and \$136,176, respectively, was reported as deferred outflows of resources related to pensions resulting from City’s contributions subsequent to the measurement date and will be recognized as a reduction of the net pension liability in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30,	Miscellaneous Plans	Safety Plans
2022	\$ (210,016)	\$ (166,680)
2023	(142,056)	(192,436)
2024	(266,498)	(262,835)
2025	6,903	6,510
2026	-	-
Thereafter	-	-
	\$ (611,667)	\$ (615,441)

Actuarial Assumptions

The total pension liabilities in the June 30, 2019 actuarial valuations were determined using the following actuarial assumptions:

Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.50%
Salary Increases	Varies by Entry Age and Service
Investment Rate of Return	7.25%
Mortality Rate Table	Derived using CalPERS’ Membership Data for all Funds. The mortality table used was developed based on CalPERS’ specific data. The table includes 15 years of mortality improvements using Society of Actuaries Scale 90% of scale MP 2016.
Post Retirement Benefit Increase	Contract COLA up to 2.75% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.75% thereafter.

The underlying mortality assumptions and all other actuarial assumptions used in the June 30, 2019 valuation were based on the results of a January 2018 actuarial experience study for the period 1997 to 2015. Further details of the Experience Study can be found on the CalPERS website.

City of Ridgecrest
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

Note 10 – Pension Plans (Continued)

C. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions (Continued)

Discount Rate

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. Such cash flows were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years. Using historical returns of all the funds’ asset classes, expected compound (geometric) 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.

The table below reflects 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 geometric rates of return are net of administrative expenses.

<u>Asset Class</u>	<u>New Strategic Allocation</u>	<u>Real Return Years 1 - 10¹</u>	<u>Real Return Years 11 +²</u>
Global equity	50.00%	4.80%	5.98%
Global fixed income	28.00%	1.00%	2.62%
Inflation sensitive assets	0.00%	7.00%	1.81%
Private equity	8.00%	6.30%	7.23%
Real assets	13.00%	3.75%	4.93%
Liquidity	1.00%	0.00%	-0.92%

¹ An expected inflation of 2.00% was used for this period.

² An expected inflation of 2.92% was used for this period.

The discount rate used to measure the total pension liability was 7.15% for the plan. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 7.15% discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate of 7.15% is applied to all plans in the Public Employees Retirement Fund (PERF). The stress test results are presented in a detailed report called “GASB Crossover Testing Report” that can be obtained from the CalPERS website under the GASB 68 Section.

According to Paragraph 30 of Statement 68, the long-term discount rate should be determined without reduction for pension plan administrative expense. The 7.00% investment return assumption used in this accounting valuation is net of administrative expenses. Administrative expenses are assumed to be 15 basis points. An investment return excluding administrative expenses would have been 7.15%. Using this lower discount rate has resulted in a slightly higher Total Pension Liability and Net Pension Liability. The difference was deemed immaterial to the Public Agency Cost Sharing Multiple-Employer Defined Benefit Pension Plan.

City of Ridgecrest
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

Note 10 – Pension Plans (Continued)

C. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions (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 position liability for the Plan, calculated using the discount rate for each 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:

	Plan's Net Pension Liability/(Asset)		
	Discount Rate - 1%	Current Discount	Discount Rate + 1%
	(6.15%)	Rate (7.15%)	(8.15%)
Miscellaneous	\$ 5,784,747	\$ 484,424	\$ (3,895,066)
Safety	5,111,351	597,806	(3,105,985)
Total	\$ 10,896,098	\$ 1,082,230	\$ (7,001,051)

Pension Plan Fiduciary Net Position

Detailed information about the pension plan’s fiduciary net position is available in the separately issued CalPERS financial reports.

D. Payable to the Pension Plan

At June 30, 2021, the City had no outstanding amounts owed to the pension plan for contributions for the year ended June 30, 2021.

Note 11 – Postemployment Healthcare Benefits (OPEB)

Summary

	Governmental Activities	Business-Type Activities	Total
Deferred outflows of resources:			
OPEB contribution made after measurement date	\$ 110,128	\$ 17,313	\$ 127,441
Change in assumptions	7,973	1,253	9,226
Net difference between projected and actual earnings of OPEB Plan investments	27,054	4,253	31,307
Difference between expected and actual experience	13,078	2,056	15,134
Total deferred outflows of resources	\$ 158,233	\$ 24,875	\$ 183,108
Net OPEB Liability	\$ 695,530	\$ 109,339	\$ 804,869
Deferred inflows of resources:			
Difference between expected and actual experience	\$ 7,272	\$ 1,143	\$ 8,415
Total deferred outflows of resources	\$ 7,272	\$ 1,143	\$ 8,415
OPEB expense	\$ 110,887	\$ 17,432	\$ 128,319

City of Ridgecrest
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

Note 11 – Postemployment Healthcare Benefits (OPEB) (Continued)

General Information about the OPEB Plan

Plan Description

The City provides \$128 per month subject to the minimum required employer contribution (plus any administration fees) under the CalPERS Health Plan for eligible retirees and surviving spouses in receipt of a pension benefit from CalPERS. An employee is eligible for this employer contribution provided they are vested in their CalPERS pension benefit and commence payment of their pension benefit within 60 days of retirement with the City. The surviving spouse of an eligible retiree who elected spouse coverage under the CalPERS Health Plan is eligible for the employer contribution upon the death of the retiree. For calendar year 2018, the required employer contributions under the CalPERS Health plan will be \$133 per month. CalPERS adjusts this amount annually based on an inflation index.

Retired employees who have health coverage outside CALPERS do not get any premium reimbursement from the City with the exception of those who are members of the Police Employees Association of Ridgecrest ("PEAR"). For PEAR members who retired between the dates of March 17, 2005 and August 31, 2011, they are eligible for a reimbursement of up to \$100 per month for non-CalPERS health coverage. For those who retire starting September 1, 2011 and after, that monthly amount goes up to \$250.

On April 2, 2008, the City entered into an agreement with CalPERS to prefund its other post-employment benefits through California Employer’s Retiree Benefit Trust (CERBT) program. The plan is an agent multiple employer plan. It is the City’s funding policy to contribute at least 100% of the annual required contribution as calculated in the actuarial valuation prepared biannually. OPEB benefits are currently paid either directly to the eligible retirees who are not enrolled in the CalPERS Health Benefit program or to CalPERS for those eligible retirees who are enrolled in the CalPERS Health Benefit program. The total amount of these benefits paid may be deducted from the annual required contribution or be reimbursed directly from the trust. As of June 30, 2018, valuation date, there were 32 participants receiving these healthcare benefits. Separate financial statements for the CERBT may be obtained by writing to CalPERS at Lincoln Plaza North 400 Q Street, Sacramento, CA 95814, or by visiting the CalPERS website at www.calpers.ca.gov.

Employees Covered

As of the July 1, 2020 actuarial valuation, the following current and former employees were covered by the benefit terms:

Active employees	113
Inactive employees or beneficiaries currently receiving benefits	36
Inactive employees entitled to, but not yet receiving benefits	-
Total	149

Contributions

The obligation of the City to contribute to the plan is established and may be amended by the City Council. The contribution required to be made is based on an Actuarially Determined Contributions (i.e., as medical insurance premiums become due). For fiscal year 2021, contributions were made totaling \$127,441.

City of Ridgecrest
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

Note 11 – Postemployment Healthcare Benefits (OPEB) (Continued)

Net OPEB Liability

The City’s net OPEB liability was measured as of June 30, 2020, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of July 1, 2020.

Actuarial Assumptions

The total OPEB liability, measured as of June 30, 2020, was determined using the following actuarial assumptions:

Actuarial Valuation Date	July 1, 2020
Actuarial Cost Method	Early Age Normal, Level Percentage of Pay
Amortization Method	Level Percent
Asset Valuation Method	Market Value
Inflation	2.50%
Payroll Growth	2.75% Plus Merit Scale
Discount Rate	7.00%

Actuarial Assumptions

The actuarial assumptions used in the July 1, 2020 valuation were based on the results of an actuarial experience study for the period July 1, 2019 through June 30, 2020.

The long-term expected rate of return on OPEB 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 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 following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Rate of Return</u>
Global Equity	59.00%	5.50%
Global Debt Securities	25.00%	2.35%
Inflation Assets	5.00%	1.50%
Commodities	3.00%	1.75%
REITs	8.00%	3.65%
	100.00%	
Long-term expected rate of return		7.00%

Discount Rate

The discount rate used to measure the total OPEB liability was 7.00 percent. The projection of cash flows used to determine the discount rate assumed that City contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the City plan's fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

City of Ridgecrest
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

Note 11 – Postemployment Healthcare Benefits (OPEB) (Continued)

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

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

Plan's Total OPEB Liability		
Discount Rate -1%	Current Discount Rate	Discount Rate +1%
(6.0%)	(7.0%)	(8.0%)
\$ 1,040,264	\$ 804,869	\$ 608,341

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

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

Plan's Total OPEB Liability		
Healthcare Cost		
-1%	Tread Rate	+1%
\$ 600,755	\$ 804,869	\$ 1,060,569

Change in Net OPEB Liability

	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
Balance at June 30, 2019	\$ 1,921,354	\$ 1,138,264	\$ 783,090
Changes Recognized for the Measurement Period:			
Service Cost	65,953	-	65,953
Interest on the total OPEB liability	134,647	-	134,647
Changes in benefit terms	-	-	-
Difference between expected and actual experience	(9,467)	-	(9,467)
Changes in assumptions	59	-	59
Contribution from the employer	-	129,754	(129,754)
Net investment income	-	40,215	(40,215)
Administrative expenses	-	(556)	556
Benefit payments	(129,754)	(129,754)	-
Net changes during July 1, 2019 to June 30, 2020	61,438	39,659	21,779
Balance at June 30, 2020	\$ 1,982,792	\$ 1,177,923	\$ 804,869

City of Ridgecrest
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

Note 11 – Postemployment Healthcare Benefits (OPEB) (Continued)

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

For the year ended June 30, 2021, OPEB expense in the amount of \$128,319 is included in the accompanying statement of activities.

At June 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Contributions made after measurement date	\$ 127,441	\$ -
Changes in assumptions	9,226	-
Differences between expected and actual experience	15,134	(8,415)
Net difference between projected and actual earnings of OPEB Plan investments	31,307	-
	\$ 183,108	\$ (8,415)

Deferred outflows of resources of \$127,441 resulting from the City’s contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ending June 30, 2022. Other amounts reported as deferred inflows of resources related to OPEB will be recognized as OPEB expense as follows:

Year Ending June 30	Amount
2022	\$ 6,822
2023	11,419
2024	12,459
2025	10,315
2026	2,427
Thereafter	3,810
Total	\$ 47,252

Note 12 – Other Required Disclosures

A. Deficit Net Position/Fund Balances

At June 30, 2021, the Governmental Activities on the Statement of Net Position had an unrestricted net position deficit of (\$10,688,216).

At June 30, 2021, the following funds had a fund balances (deficit) or unrestricted net position (deficit), which will be eliminated through the reduction in future expenditures:

Fund	Fund Type	Deficit
T.D.A. Transit Fund	Enterprise Fund	\$ 374,366
State Gas Tax	Special Revenue Fund	149,776
Self Insurance Workers Compensation	Internal Service Fund	652,670
RDA Retirement Obligation	Fiduciary Fund	16,897,722

City of Ridgecrest
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

Note 12 – Other Required Disclosures (Continued)

B. Expenditures Exceeding Appropriations

For the year ended June 30, 2021, expenditures exceeded appropriations in the following function(s) of the Capital Improvements – Capital Projects Fund.

Fund	Function	Excess Expenditures
City Debt Service Fund	Debt service - interest and fiscal charges	\$ 2,414

Note 13 – Classification of Fund Balances

	Major Funds				Total
	General Fund	Capital Improvements Capital Projects Fund	City Debt Service Fund	Other Governmental Funds	
Nonspendable:					
Due from Fiduciary	\$ 56,345	\$ -	\$ -	\$ -	\$ 56,345
Total nonspendable	56,345	-	-	-	56,345
Restricted:					
Asset seizure	57,488	-	-	-	57,488
Asset Seizure - drug/gang	20,633	-	-	-	20,633
DARE/CHAMPS car donations	2,951	-	-	-	2,951
Proposition 172	233,170	-	-	-	233,170
Spay & neuter donations	140,468	-	-	-	140,468
Freedom park donation	1,430	-	-	-	1,430
Housing	-	-	-	222,930	222,930
Debt service	-	-	-	-	-
AB 3229	-	-	-	72	72
Proposition 30	21,744	-	-	-	21,744
Grant operations	-	-	-	33,897	33,897
Street construction/maintenance	-	-	-	20,928	20,928
Capital projects	-	-	-	3,697,584	3,697,584
Community partnership	-	-	-	148	148
Total restricted	477,884	-	-	3,975,559	4,453,443
Committed:					
Substandard street improvement	-	-	-	813,742	813,742
Total committed	-	-	-	813,742	813,742
Assigned:					
Capital improvements	-	394,143	-	-	394,143
Debt service	-	-	257,808	-	257,808
Measure L	6,322,178	-	-	-	6,322,178
Landscaping & lighting district	-	-	-	69,115	69,115
Total assigned	6,322,178	394,143	257,808	69,115	7,043,244
Unassigned	5,432,496	-	-	(150,888)	5,281,608
Total Fund Balances	\$ 12,288,903	\$ 394,143	\$ 257,808	\$ 4,707,528	\$ 17,648,382

City of Ridgecrest
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

Note 14 – Commitments and Contingencies

A. Litigation

The City is a defendant in certain legal actions arising in the normal course of operations. The accompanying basic financial statements reflect a liability for the probable amounts of loss associated with these claims.

B. Grants

Amounts received or receivable from granting agencies are subject to audit and adjustment by grantor agencies. While no matters of non-compliance were disclosed by the audit of the financial statements or single audit of the Federal grant programs, grantor agencies may subject grant programs to additional compliance tests, which may result in disallowed costs. In the opinion of management, future disallowances of current or prior grant expenditures, if any, would not have a material adverse effect on the financial position of the City.

Note 15 – Prior Period Adjustments

In order to implement GASB Statement No. 84 – *Fiduciary Activities*, the City made the following prior period adjustments to beginning net position in the Fiduciary Activities Custodial Fund:

	Deposits Custodial Fund
Net position July 1, 2020	\$ -
Restatement for GASB 84	421,756
To group special revenue funds with General Fund	-
Restated net position July 1, 2020	\$ 421,756

The City made the following prior period adjustment to group the Park Development and Business Park Special Revenue Funds with the General Fund at July 1, 2020:

	General Fund	Park Development Special Revenue Fund	Business Park Special Revenue Fund
Fund balance July 1, 2020	\$ 7,642,267	\$ 17,620	\$ 40,380
To group special revenue funds with General Fund	58,000	(17,620)	(40,380)
Restated fund balance July 1, 2020	\$ 7,700,267	\$ -	\$ -

Note 16 – Subsequent Events

A. American Rescue Plan Act Funding

As part of its budget process, the U.S. Department of the Treasury allocated \$6,930,958 of American Rescue Plan Act (ARPA) funds to the City. Allocations to the City started in July 2021 when the City received \$3,465,479 in the first tranche. The Department of Treasury is expected to allocate the second tranche of \$3,465,479 in ARPA funding to the City in July of 2022.

City of Ridgecrest
Annual Comprehensive Financial Report
For the Year Ended June 30, 2021

Required Supplementary Information (Unaudited)



City of Ridgecrest
Annual Comprehensive Financial Report
For the Year Ended June 30, 2021

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City of Ridgecrest
Required Supplementary Information (Unaudited)
Budgetary Information
For the Year Ended June 30, 2021

Note 1 – Budgetary Information

The City maintains budgetary controls in order to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the City Council. The City maintains an encumbrance accounting system to provide management with information regarding obligations against appropriations. Budgetary compliance is based on expenditures during the period (U.S.GAAP), rather than expenditures and encumbrances (non-GAAP). Because appropriations lapse at June 30, encumbrances outstanding at June 30, 2021 are disclosed in the notes to the financial statements. Appropriations for fiscal year 2021 will provide authority to complete those transactions.

The City is required by its municipal code to adopt an annual budget on or before June 30 for the ensuing fiscal year. From the effective date of the budget, the amounts become the "annual appropriated budget." The City did not adopt a budget for the following funds: Grant Operations Special Revenue Fund, TDA Streets Special Revenue Fund, Fire Facilities Improvements Special Revenue Fund, Traffic Impact Fee Special Revenue Fund, Park Development Impact Fee Special Revenue Fund, Storm Drainage Facilities Special Revenue Fund, Community Partnership Grant Special Revenue Fund, Housing Authority Special Revenue Fund, and Sub-Standard Streets Improvements Capital Projects Fund.

The City Council may amend the budget by motion during the fiscal year. The City Manager is authorized to transfer budget amounts within any fund during the budget year as long as it does not increase the total budget within the fund. However, any revisions that alter total expenditures of any fund without coinciding revenue increases must be approved by the City Council.

Expenditures may not legally exceed appropriations at the fund level. Appropriations lapse at the end-of the fiscal year. Supplemental appropriations, which increase appropriations, may be made during the fiscal year.

City of Ridgecrest
Annual Comprehensive Financial Report
For the Year Ended June 30, 2021

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City of Ridgecrest
Required Supplementary Information (Unaudited) (Continued)
Budgetary Comparison Schedule – General Fund
For the Year Ended June 30, 2021

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Taxes	\$ 13,138,314	\$ 13,138,314	\$ 14,977,624	\$ 1,839,310
Intergovernmental	445,135	527,941	963,045	435,104
License and permits	512,500	512,500	738,970	226,470
Fines and forfeitures	45,500	45,493	72,893	27,400
Use of money and property	257,100	257,100	188,313	(68,787)
Charges for services	580,928	580,928	528,631	(52,297)
Transfers from Fiduciary Fund	286,000	286,000	250,000	(36,000)
Other revenues	353,300	353,300	314,753	(38,547)
Total revenues	<u>15,618,777</u>	<u>15,701,576</u>	<u>18,034,229</u>	<u>2,332,653</u>
EXPENDITURES:				
Current:				
General government	2,526,559	2,408,448	2,144,669	263,779
Public safety	8,012,189	7,471,081	6,603,020	868,061
Public works	820,621	798,383	454,476	343,907
Community development	968,065	1,042,604	797,980	244,624
Culture and leisure	2,133,100	2,041,104	1,555,030	486,074
Capital outlay	315,500	612,621	138,387	474,234
Debt service:				
Principal	137,020	137,020	-	137,020
Total expenditures	<u>14,913,054</u>	<u>14,511,261</u>	<u>11,693,562</u>	<u>2,817,699</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>705,723</u>	<u>1,190,315</u>	<u>6,340,667</u>	<u>5,150,352</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	1,055,490	1,125,813	1,052,972	(72,841)
Transfers out	(3,804,936)	(6,281,218)	(2,805,003)	3,476,215
Total other financing sources (uses)	<u>(2,749,446)</u>	<u>(5,155,405)</u>	<u>(1,752,031)</u>	<u>3,403,374</u>
Net change in fund balances	<u>\$ (2,043,723)</u>	<u>\$ (3,965,090)</u>	4,588,636	<u>\$ 8,553,726</u>
FUND BALANCES:				
Beginning of year			<u>7,700,267</u>	
End of year			<u>\$ 12,288,903</u>	

City of Ridgecrest
Required Supplementary Information (Unaudited) (Continued)
Schedule of the City's Proportionate Share of the Net Pension Liability and Related Ratios
Last Ten Fiscal Years
For the Year Ended June 30, 2021

	Miscellaneous Plan						
Measurement period, year ended	<u>6/30/2020</u>	<u>6/30/2019</u>	<u>6/30/2018</u>	<u>6/30/2017</u>	<u>6/30/2016</u>	<u>6/30/2015</u>	<u>6/30/2014</u> ¹
Plan's proportion of the net pension liability	0.011480%	0.000090%	0.287338%	0.279350%	0.27877%	0.28936%	0.10180%
Plan's proportionate share of the net pension liability	\$ 484,424	\$ 3,419	\$ 10,828,936	\$ 11,012,111	\$ 9,684,180	\$ 7,938,471	\$ 6,467,833
Plan's covered-employee payroll	\$ 4,002,971	\$ 3,886,380	\$ 3,773,184	\$ 3,663,286	\$ 3,556,588	\$ 3,452,998	\$ 3,478,615
Plan's proportionate share of the net pension liability as a percentage of covered-employee payroll	12.10%	0.09%	287.00%	300.61%	272.29%	229.90%	185.93%
Plan's fiduciary net position	\$ 39,344,989	\$ 38,378,436	\$ 25,907,633	\$ 25,164,465	\$ 23,176,340	\$ 24,196,699	\$ 25,018,992
Plan's fiduciary net position as a percentage of the total pension liability	98.78%	99.99%	70.52%	69.56%	70.53%	75.30%	79.46%
Plan's proportionate share of aggregate employer contributions	\$ 33,931	\$ 12,043,206	\$ 917,505	\$ 876,322	\$ 815,999	\$ 271,845	\$ 623,008

¹ Information only presented from the implementation year

City of Ridgecrest
Required Supplementary Information (Unaudited) (Continued)
Schedule of the City's Proportionate Share of the Net Pension Liability and Related Ratios (Continued)
Last Ten Fiscal Years
For the Year Ended June 30, 2021

	Safety Plan						
Measurement period, year ended	<u>6/30/2020</u>	<u>6/30/2019</u>	<u>6/30/2018</u>	<u>6/30/2017</u>	<u>6/30/2016</u>	<u>6/30/2015</u>	<u>6/30/2014</u> ¹
Plan's proportion of the net pension liability	0.008970%	0.001360%	0.141559%	0.140367%	0.14474%	0.14702%	0.14700%
Plan's proportionate share of the net pension liability	\$ 597,806	\$ 84,835	\$ 8,306,025	\$ 8,387,220	\$ 7,496,576	\$ 6,058,020	\$ 6,215,700
Plan's covered-employee payroll	\$ 1,410,120	\$ 1,329,174	\$ 2,630,609	\$ 2,553,989	\$ 2,479,601	\$ 2,407,380	\$ 2,454,879
Plan's proportionate share of the net pension liability as a percentage of covered-employee payroll	42.39%	6.38%	315.75%	328.40%	302.33%	251.64%	253.20%
Plan's fiduciary net position	\$ 32,637,996	\$ 32,373,325	\$ 22,480,943	\$ 21,056,916	\$ 19,655,968	\$ 19,646,042	\$ 17,982,414
Plan's fiduciary net position as a percentage of the total pension liability	98.20%	99.74%	73.02%	71.51%	72.39%	76.43%	74.31%
Plan's proportionate share of aggregate employer contributions	\$ 35,865	\$ 9,358,380	\$ 912,811	\$ 854,722	\$ 801,776	\$ 747,875	\$ 768,496

¹ Information only presented from the implementation year

City of Ridgecrest
Required Supplementary Information (Unaudited) (Continued)
Schedule of Contributions
Last Ten Fiscal Years
For the Year Ended June 30, 2021

Miscellaneous Plan

Fiscal Year:	<u>2020-21</u>	<u>2019-20</u>	<u>2018-19</u>	<u>2017-18</u>	<u>2016-17</u>	<u>2015-16</u>	<u>2014-15</u>	<u>2013-14¹</u>
Contractually determined contribution (actuarially determined)	\$ 148,662	\$ 33,931	\$ 1,041,407	\$ 917,505	\$ 876,322	\$ 815,999	\$ 271,845	\$ 623,008
Contributions in relation to the actuarially determined contributions	(148,662)	(33,931)	(12,043,206)	(917,505)	(876,322)	(815,999)	(271,845)	(623,008)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$(11,001,799)</u>	<u>\$ -</u>				
Covered payroll	\$ 4,744,145	\$ 4,605,966	\$ 4,471,812	\$ 4,341,565	\$ 4,215,111	\$ 4,092,341	\$ 3,973,147	\$ 3,857,424
Contributions as a percentage of covered payroll	3.13%	0.74%	269.31%	21.13%	20.79%	7.53%	7.46%	32.34%

Notes to Schedule

Methods and assumptions used to determine contribution rates:

The actuarial methods and assumption used to set the actuarially determined contributions for Fiscal Year 2021 were derived from the June 30, 2019 funding valuation report.

Actuarial cost method	Entry Age Normal
Amortization method/period	For details, see June 30, 2018 Funding Valuation Report
Asset valuation method	Actuarial Value of Assets. For details, see June 30, 2018 Funding Valuation Report.
Inflation	2.625%
Salary increases	Varies by entry age and service
Payroll growth	2.875%
Investment rate of return	7.25% net of pension plan investment and administrative expenses.
Retirement age	The probabilities of retirement are based on the 2014 CalPERS Experience Study for the period from 1997 and 2011.
Mortality	The probabilities of mortality are based on the 2014 CalPERS Experience Study for the period from 1997 to 2011. Pre-retirement and Post-retirement mortality rates include 5 years of projected mortality improvement using Scale AA published by the Society of Actuaries.

¹ Information only presented from the implementation year

City of Ridgecrest
Required Supplementary Information (Unaudited) (Continued)
Schedule of Contributions (Continued)
Last Ten Fiscal Years
For the Year Ended June 30, 2021

Safety Plan

Fiscal Year:	2020-21	2019-2020	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14 ¹
Contractually determined contribution (actuarially determined)	\$ 136,176	\$ 35,865	\$ 1,019,977	\$ 912,811	\$ 854,722	\$ 801,776	\$ 747,875	\$ 768,496
Contributions in relation to the actuarially determined contributions	(136,176)	(35,865)	(9,358,380)	(912,811)	(854,722)	(801,776)	(747,875)	(768,496)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (8,338,403)</u>	<u>\$ -</u>				
Covered payroll	\$ 1,410,120	\$ 1,369,049	\$ 1,329,174	\$ 1,290,460	\$ 1,252,874	\$ 1,216,383	\$ 1,177,974	\$ 1,094,057
Contributions as a percentage of covered payroll	9.66%	2.62%	704.07%	70.74%	68.22%	7.53%	7.46%	32.34%

Notes to Schedule

Methods and assumptions used to determine contribution rates:

The actuarial methods and assumption used to set the actuarially determined contributions for Fiscal Year 2021 were derived from the June 30, 2019 funding valuation report.

Actuarial cost method	Entry Age Normal
Amortization method/period	For details, see June 30, 2018 Funding Valuation Report
Asset valuation method	Actuarial Value of Assets. For details, see June 30, 2016 Funding Valuation Report.
Inflation	2.625%
Salary increases	Varies by entry age and service
Payroll growth	2.875%
Investment rate of return	7.00% net of pension plan investment and administrative expenses.
Retirement age	The probabilities of retirement are based on the 2014 CalPERS Experience Study for the period from 1997 and 2011.
Mortality	The probabilities of mortality are based on the 2014 CalPERS Experience Study for the period from 1997 to 2011. Pre-retirement and Post-retirement mortality rates include 5 years of projected mortality improvement using Scale AA published by the Society of Actuaries.

¹ Information only presented from the implementation year

City of Ridgecrest
Required Supplementary Information (Unaudited) (Continued)
Schedule of Changes in Net OPEB Liabilities and Related Ratios
Last Ten Fiscal Years
For the Year Ended June 30, 2021

	2021	2020	2019	2018
For the Measurement Period:	2019-2020	2018-2019	2017-2018	2016-17 ¹
Total OPEB Liability:				
Service Cost	\$ 65,953	\$ 60,362	\$ 58,604	\$ 54,770
Interest on the total OPEB liability	134,647	127,307	121,944	116,263
Changes in benefit terms	-	-	-	-
Difference between expected and actual experience	(9,467)	19,458	-	-
Changes in assumptions	59	11,794	-	-
Contribution from the employer	-	-	-	-
Benefit payments	(129,754)	(111,766)	(99,616)	(87,805)
Net changes in Total OPEB Liability	<u>61,438</u>	<u>107,155</u>	<u>80,932</u>	<u>83,228</u>
Beginning of Year	<u>1,921,354</u>	<u>1,814,199</u>	<u>1,733,267</u>	<u>1,650,039</u>
End of Year	<u><u>\$ 1,982,792</u></u>	<u><u>\$ 1,921,354</u></u>	<u><u>\$ 1,814,199</u></u>	<u><u>\$ 1,733,267</u></u>
Plan Fiduciary Net Position:				
Employer contribution	\$ 129,754	\$ 193,998	\$ 188,388	\$ 143,667
Employee contributions	-	-	-	-
Net investment income	40,215	61,769	67,059	74,643
Administrative expenses	(556)	(213)	(1,560)	(381)
Benefit payments	(129,754)	(111,766)	(99,616)	(87,805)
Net changes in Fiduciary Net Position	<u>39,659</u>	<u>143,788</u>	<u>154,271</u>	<u>130,124</u>
Beginning of Year	<u>1,138,264</u>	<u>994,476</u>	<u>840,205</u>	<u>710,081</u>
End of Year	<u><u>\$ 1,177,923</u></u>	<u><u>\$ 1,138,264</u></u>	<u><u>\$ 994,476</u></u>	<u><u>\$ 840,205</u></u>
Net OPEB Liability	\$ 804,869	\$ 783,090	\$ 819,723	\$ 893,062
Fiduciary Net Position as a % of Total OPEB Liability	59.41%	59.24%	54.82%	48.48%
Covered Payroll	<u><u>\$ 5,626,872</u></u>	<u><u>\$ 5,476,274</u></u>	<u><u>\$ 5,499,000</u></u>	<u><u>\$ 5,499,000</u></u>
Net OPEB Liability as a % of Payroll	14.30%	14.30%	14.91%	16.24%

¹ Information only presented from the implementation year

City of Ridgecrest
Required Supplementary Information (Unaudited) (Continued)
Schedule of OPEB Contributions
Last Ten Fiscal Years
For the Year Ended June 30, 2021

For the Measurement Period:	<u>2020-21</u>	<u>2019-20</u>	<u>2018-19</u>	<u>2017-18</u>	<u>2016-17¹</u>
Actuarially Determined Contributions	\$ 133,676	\$ 129,754	\$ 148,942	\$ 147,061	\$ 143,667
Contributions in relation to the actuarially determined contribution	<u>127,441</u>	<u>129,754</u>	<u>193,998</u>	<u>188,388</u>	<u>143,667</u>
Contribution deficiency (excess)	<u>\$ 6,235</u>	<u>\$ -</u>	<u>\$ (45,056)</u>	<u>\$ (41,327)</u>	<u>\$ -</u>
Covered payroll	<u>\$ 5,626,872</u>	<u>\$ 5,640,562</u>	<u>\$ 5,476,274</u>	<u>\$ 5,499,000</u>	<u>\$ 5,499,000</u>
Contributions as a percentage of covered payroll	2.26%	2.30%	3.54%	3.43%	2.61%

¹ Information only presented from the implementation year

City of Ridgecrest
Annual Comprehensive Financial Report
For the Year Ended June 30, 2021

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City of Ridgecrest
Annual Comprehensive Financial Report
For the Year Ended June 30, 2021

Supplementary Information



City of Ridgecrest
Annual Comprehensive Financial Report
For the Year Ended June 30, 2021

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City of Ridgecrest
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Capital Improvements - Capital Projects Fund
For the Year Ended June 30, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ 1,356,912	\$ 2,924,458	\$ 1,668,578	\$ (1,255,880)
Use of money and property	6,000	6,000	562	(5,438)
Transfers from Fiduciary Fund	-	(98,022)	1,486	99,508
Total revenues	<u>1,362,912</u>	<u>2,832,436</u>	<u>1,670,626</u>	<u>(1,161,810)</u>
EXPENDITURES:				
Capital outlay	3,923,620	7,792,002	3,454,104	4,337,898
Total expenditures	<u>3,923,620</u>	<u>7,792,002</u>	<u>3,454,104</u>	<u>4,337,898</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(2,560,708)</u>	<u>(4,959,566)</u>	<u>(1,783,478)</u>	<u>3,176,088</u>
OTHER FINANCING SOURCES:				
Transfers in	2,566,708	5,617,714	1,947,161	(3,670,553)
Total other financing sources	<u>2,566,708</u>	<u>5,617,714</u>	<u>1,947,161</u>	<u>(3,670,553)</u>
Net change in fund balance	<u>\$ 6,000</u>	<u>\$ 658,148</u>	163,683	<u>\$ (494,465)</u>
FUND BALANCE:				
Beginning of year			<u>230,460</u>	
End of year			<u>\$ 394,143</u>	

City of Ridgecrest
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
City Debt Service Fund – Debt Service Fund
For the Year Ended June 30, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Use of money and property	\$ 1,000	\$ 1,000	\$ 1,679	\$ 679
Total revenues	<u>1,000</u>	<u>1,000</u>	<u>1,679</u>	<u>679</u>
EXPENDITURES:				
Debt service:				
Principal	735,000	735,000	735,000	-
Interest	918,912	918,912	921,326	(2,414)
Total expenditures	<u>1,653,912</u>	<u>1,653,912</u>	<u>1,656,326</u>	<u>(2,414)</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(1,652,912)</u>	<u>(1,652,912)</u>	<u>(1,654,647)</u>	<u>(1,735)</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	1,910,980	1,910,980
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>1,910,980</u>	<u>1,910,980</u>
Net change in fund balance	<u>\$ (1,653,912)</u>	<u>\$ (1,653,912)</u>	256,333	<u>\$ 1,908,566</u>
FUND BALANCE:				
Beginning of year			<u>1,475</u>	
End of year			<u>\$ 257,808</u>	

City of Ridgecrest
Annual Comprehensive Financial Report
For the Year Ended June 30, 2021

Non-Major Governmental Funds



**City of Ridgecrest
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2021**

	Special Revenue Funds					
	Road Maintenance and Rehabilitation Act Fund	Grant Operations Special Revenue Fund		TDA Street Fund	Supplemental Law Enforcement	Landscaping and Lighting
ASSETS						
Cash and investments	\$ -	\$ 159,870	\$ 67	\$ -	\$ -	\$ 76,792
Receivables:						
Accounts	94,570	-	-	-	-	-
Interest	312	116	-	72	-	61
Loans	-	-	-	-	-	-
Deposits	-	-	-	-	-	-
Total assets	\$ 94,882	\$ 159,986	\$ 67	\$ 72	\$ -	\$ 76,853
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES						
Liabilities:						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,738
Salaries payable	1,262	-	-	-	-	-
Due to other funds	72,759	-	-	-	-	-
Unearned revenue	-	126,089	-	-	-	-
Total liabilities	74,021	126,089	-	-	-	7,738
Deferred Inflows of Resources:						
Unavailable revenue	-	-	-	-	-	-
Total deferred inflows of resources	-	-	-	-	-	-
Fund Balances:						
Restricted	20,861	33,897	67	72	-	-
Committed	-	-	-	-	-	-
Assigned	-	-	-	-	-	69,115
Unassigned	-	-	-	-	-	-
Total fund balances	20,861	33,897	67	72	-	69,115
Total liabilities, deferred inflows of resources and fund balances	\$ 94,882	\$ 159,986	\$ 67	\$ 72	\$ -	\$ 76,853

(Continued)

City of Ridgecrest
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
June 30, 2021

Special Revenue Funds

	Drainage Benefit Assessment District	Fire Facilities Improvements	Traffic Impact Fee	Park Development Impact Fee	Law Enforcement Improvement Fee
ASSETS					
Cash and investments	\$ 22,235	\$ 243,915	\$ 718,653	\$ 152,974	\$ 330,921
Receivables:					
Accounts	-	-	-	-	-
Interest	16	176	1,752	168	236
Loans	-	-	-	-	-
Deposits	-	-	-	-	-
Total assets	\$ 22,251	\$ 244,091	\$ 720,405	\$ 153,142	\$ 331,157
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 1,112	\$ -	\$ -	\$ -	\$ -
Salaries payable	-	-	-	-	-
Due to other funds	-	-	-	-	-
Unearned revenue	-	-	-	-	-
Total liabilities	1,112	-	-	-	-
Deferred Inflows of Resources:					
Unavailable revenue	-	-	-	-	-
Total deferred inflows of resources	-	-	-	-	-
Fund Balances:					
Restricted	22,251	244,091	720,405	153,142	331,157
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	(1,112)	-	-	-	-
Total fund balances	21,139	244,091	720,405	153,142	331,157
Total liabilities, deferred inflows of resources and fund balances	\$ 22,251	\$ 244,091	\$ 720,405	\$ 153,142	\$ 331,157

(Continued)

City of Ridgecrest
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
June 30, 2021

	Special Revenue Funds				Capital Projects Funds
	Storm Drainage Facilities	Community Partnership Grant	Housing Authority	State Gas Tax Special Revenue Fund	Sub-Standard Streets Improvements
ASSETS					
Cash and investments	\$ 2,224,871	\$ 148	\$ 221,265	\$ -	\$ 802,905
Receivables:					
Accounts	-	-	-	500	-
Interest	1,667	-	521	-	596
Loans	-	-	183,545	-	-
Deposits	-	-	-	-	10,241
Total assets	\$ 2,226,538	\$ 148	\$ 405,331	\$ 500	\$ 813,742
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ -	\$ -	\$ -	\$ 117,240	\$ -
Salaries payable	-	-	-	5,993	-
Due to other funds	-	-	-	27,043	-
Unearned revenue	-	-	-	-	-
Total liabilities	-	-	-	150,276	-
Deferred Inflows of Resources:					
Unavailable revenue	-	-	182,401	-	-
Total deferred inflows of resources	-	-	182,401	-	-
Fund Balances:					
Restricted	2,226,538	148	222,930	-	-
Committed	-	-	-	-	813,742
Assigned	-	-	-	-	-
Unassigned	-	-	-	(149,776)	-
Total fund balances	2,226,538	148	222,930	(149,776)	813,742
Total liabilities, deferred inflows of resources and fund balances	\$ 2,226,538	\$ 148	\$ 405,331	\$ 500	\$ 813,742

(Continued)

City of Ridgecrest
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
June 30, 2021

	Total Other Governmental Funds
ASSETS	
Cash and investments	\$ 4,954,616
Receivables:	
Accounts	95,070
Interest	5,693
Loans	183,545
Deposits	10,241
Total assets	\$ 5,249,165
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	
Liabilities:	
Accounts payable	\$ 126,090
Salaries payable	7,255
Due to other funds	99,802
Unearned revenue	126,089
Total liabilities	359,236
Deferred Inflows of Resources:	
Unavailable revenue	182,401
Total deferred inflows of resources	182,401
Fund Balances:	
Restricted	3,975,559
Committed	813,742
Assigned	69,115
Unassigned	(150,888)
Total fund balances	4,707,528
Total liabilities, deferred inflows of resources and fund balances	\$ 5,249,165

(Concluded)

City of Ridgecrest
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2021

	Special Revenue Funds				
	Road Maintenance and Rehabilitation Act Fund	Grant Operations Special Revenue Fund	TDA Street Fund	Supplemental Law Enforcement	Landscaping and Lighting
REVENUES:					
Intergovernmental	\$ 539,525	\$ -	\$ -	\$ 156,727	\$ -
License and permits	-	-	-	-	-
Assessment levied	-	-	-	-	23,557
Use of money and property	1,544	-	-	288	475
Other revenues	-	-	-	-	-
Total revenues	541,069	-	-	157,015	24,032
EXPENDITURES:					
Current:					
General government	-	2,623	-	-	-
Public works	107,000	-	-	-	54,144
Community development	-	-	-	-	1,596
Capital outlay	-	-	-	-	-
Total expenditures	107,000	2,623	-	-	55,740
REVENUES OVER (UNDER) EXPENDITURES	434,069	(2,623)	-	157,015	(31,708)
OTHER FINANCING SOURCES (USES):					
Transfers in	-	-	-	-	-
Transfers out	(642,159)	-	-	(157,483)	-
Total other financing sources (uses)	(642,159)	-	-	(157,483)	-
Net changes in fund balances	(208,090)	(2,623)	-	(468)	(31,708)
FUND BALANCES:					
Beginning of year	228,951	36,520	67	540	100,823
End of year	\$ 20,861	\$ 33,897	\$ 67	\$ 72	\$ 69,115

(Continued)

City of Ridgecrest
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)
Nonmajor Governmental Funds
For the Year Ended June 30, 2021

	Special Revenue Funds				
	Drainage Benefit Assessment District	Fire Facilities Improvements	Traffic Impact Fee	Park Development Impact Fee	Law Enforcement Improvement Fee
REVENUES:					
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -
License and permits	-	56,239	332,682	-	94,539
Assessment levied	3,565	-	-	-	-
Use of money and property	107	1,077	11,289	1,157	1,401
Other revenues	-	-	-	-	-
Total revenues	3,672	57,316	343,971	1,157	95,940
EXPENDITURES:					
Current:					
General government	-	-	-	-	-
Public works	2,394	-	-	-	-
Community development	-	-	-	-	-
Capital outlay	-	-	-	-	-
Total expenditures	2,394	-	-	-	-
REVENUES OVER (UNDER) EXPENDITURES	1,278	57,316	343,971	1,157	95,940
OTHER FINANCING SOURCES (USES):					
Transfers in	-	-	-	-	-
Transfers out	-	-	(1,687,444)	(71,763)	-
Total other financing sources (uses)	-	-	(1,687,444)	(71,763)	-
Net changes in fund balances	1,278	57,316	(1,343,473)	(70,606)	95,940
FUND BALANCES:					
Beginning of year	19,861	186,775	2,063,878	223,748	235,217
End of year	<u>\$ 21,139</u>	<u>\$ 244,091</u>	<u>\$ 720,405</u>	<u>\$ 153,142</u>	<u>\$ 331,157</u>

(Continued)

City of Ridgecrest
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)
Nonmajor Governmental Funds
For the Year Ended June 30, 2021

	Special Revenue Funds				Capital Projects Funds
	Storm Drainage Facilities	Community Partnership Grant	Housing Authority	State Gas Tax Special Revenue Fund	Sub-Standard Streets Improvements
REVENUES:					
Intergovernmental	\$ -	\$ -	\$ -	\$ 617,778	\$ -
License and permits	270,579	-	-	-	-
Assessment levied	-	-	-	-	-
Use of money and property	10,842	-	8,702	324	3,942
Other revenues	-	-	13,548	950	66,600
Total revenues	281,421	-	22,250	619,052	70,542
EXPENDITURES:					
Current:					
General government	-	-	-	-	-
Public works	-	-	-	1,347,844	-
Community development	-	-	-	-	-
Capital outlay	-	-	-	427,594	-
Total expenditures	-	-	-	1,775,438	-
REVENUES OVER (UNDER) EXPENDITURES	281,421	-	22,250	(1,156,386)	70,542
OTHER FINANCING SOURCES (USES):					
Transfers in	-	-	-	1,451,837	-
Transfers out	(48,195)	-	-	(516,028)	-
Total other financing sources (uses)	(48,195)	-	-	935,809	-
Net changes in fund balances	233,226	-	22,250	(220,577)	70,542
FUND BALANCES:					
Beginning of year	1,993,312	148	200,680	70,801	743,200
End of year	<u>\$ 2,226,538</u>	<u>\$ 148</u>	<u>\$ 222,930</u>	<u>\$ (149,776)</u>	<u>\$ 813,742</u>

(Continued)

City of Ridgecrest
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)
Nonmajor Governmental Funds
For the Year Ended June 30, 2021

	Total Other Governmental Funds
REVENUES:	
Intergovernmental	\$ 1,314,030
License and permits	754,039
Assessment levied	27,122
Use of money and property	41,148
Other revenues	81,098
Total revenues	2,217,437
 EXPENDITURES:	
Current:	
General government	2,623
Public works	1,511,382
Community development	1,596
Capital outlay	427,594
Total expenditures	1,943,195
REVENUES OVER (UNDER) EXPENDITURES	274,242
 OTHER FINANCING SOURCES (USES):	
Transfers in	1,451,837
Transfers out	(3,123,072)
Total other financing sources (uses)	(1,671,235)
 Net changes in fund balances	 (1,396,993)
 FUND BALANCES:	
Beginning of year	6,104,521
End of year	\$ 4,707,528
	(Concluded)

City of Ridgecrest
Annual Comprehensive Financial Report
For the Year Ended June 30, 2021

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City of Ridgecrest
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Road Maintenance and Rehabilitation Act - Special Revenue Fund
For the Year Ended June 30, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ 510,650	\$ 510,650	\$ 539,525	\$ 28,875
Use of money and property	3,000	3,000	1,544	(1,456)
Total revenues	<u>513,650</u>	<u>513,650</u>	<u>541,069</u>	<u>27,419</u>
EXPENDITURES:				
Current:				
Public works	162,503	144,478	107,000	37,478
Community development	50,000	50,000	-	50,000
Total expenditures	<u>212,503</u>	<u>194,478</u>	<u>107,000</u>	<u>87,478</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>301,147</u>	<u>319,172</u>	<u>434,069</u>	<u>114,897</u>
OTHER FINANCING (USES):				
Transfers out	(296,634)	(316,339)	(642,159)	(325,820)
Total other financing (uses)	<u>(296,634)</u>	<u>(316,339)</u>	<u>(642,159)</u>	<u>(325,820)</u>
Net change in fund balances	<u>\$ 4,513</u>	<u>\$ 2,833</u>	<u>(208,090)</u>	<u>\$ (210,923)</u>
FUND BALANCE:				
Beginning of year			<u>228,951</u>	
End of year			<u>\$ 20,861</u>	

City of Ridgecrest
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Supplemental Law Enforcement - Special Revenue Fund
For the Year Ended June 30, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ 160,000	\$ 160,000	\$ 156,727	\$ (3,273)
Use of money and property	1,000	1,000	288	(712)
Total revenues	<u>161,000</u>	<u>161,000</u>	<u>157,015</u>	<u>(3,985)</u>
OTHER FINANCING (USES):				
Transfers out	(160,000)	(160,000)	(157,483)	2,517
Total other financing (uses)	<u>(160,000)</u>	<u>(160,000)</u>	<u>(157,483)</u>	<u>2,517</u>
Net change in fund balances	<u>\$ 1,000</u>	<u>\$ 1,000</u>	(468)	<u>\$ (1,468)</u>
FUND BALANCE:				
Beginning of year			<u>540</u>	
End of year			<u>\$ 72</u>	

City of Ridgecrest
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Landscaping and Lighting - Special Revenue Fund
For the Year Ended June 30, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Assessment levied	\$ 78,390	\$ 78,390	\$ 23,557	\$ (54,833)
Use of money and property	2,000	2,000	475	(1,525)
Total revenues	<u>80,390</u>	<u>80,390</u>	<u>24,032</u>	<u>(56,358)</u>
EXPENDITURES:				
Current:				
Public works	77,525	116,068	54,144	61,924
Community development	864	1,962	1,596	366
Total expenditures	<u>78,389</u>	<u>118,030</u>	<u>55,740</u>	<u>62,290</u>
Net change in fund balances	<u>\$ 2,001</u>	<u>\$ (37,640)</u>	(31,708)	<u>\$ 5,932</u>
FUND BALANCE:				
Beginning of year			<u>100,823</u>	
End of year			<u>\$ 69,115</u>	

City of Ridgecrest
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Drainage Benefit Assessment District – Special Revenue Fund
For the Year Ended June 30, 2021

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive (Negative)
REVENUES:				
Assessment levied	\$ 5,440	\$ 5,440	\$ 3,565	\$ (1,875)
Use of money and property	150	150	107	(43)
Total revenues	5,590	5,590	3,672	(1,918)
EXPENDITURES:				
Current:				
Public works	5,440	5,440	2,394	3,046
Total expenditures	5,440	5,440	2,394	3,046
Net change in fund balances	\$ 150	\$ 150	1,278	\$ 1,128
FUND BALANCE:				
Beginning of year			19,861	
End of year			\$ 21,139	

City of Ridgecrest
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Law Enforcement Improvement Fee - Special Revenue Fund
For the Year Ended June 30, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
License and permits	\$ 55,000	\$ 55,000	\$ 94,539	\$ 39,539
Use of money and property	4,500	4,500	1,401	(3,099)
Total revenues	<u>59,500</u>	<u>59,500</u>	<u>95,940</u>	<u>36,440</u>
OTHER FINANCING (USES):				
Transfers out	-	(70,323)	-	70,323
Total other financing (uses)	<u>-</u>	<u>(70,323)</u>	<u>-</u>	<u>70,323</u>
Net change in fund balances	<u>\$ 59,500</u>	<u>\$ (10,823)</u>	95,940	<u>\$ 106,763</u>
FUND BALANCE:				
Beginning of year			<u>235,217</u>	
End of year			<u>\$ 331,157</u>	

City of Ridgecrest
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
State Gas Tax - Special Revenue Fund
For the Year Ended June 30, 2021

	Budgeted Amounts		Actual Amounts	Variance With Final Budget
	Original	Final		
REVENUES:				
Intergovernmental	\$ 670,284	\$ 670,284	\$ 617,778	\$ (52,506)
Use of money and property	-	-	324	324
Other revenues	-	-	950	950
Total revenues	670,284	670,284	619,052	(51,232)
EXPENDITURES:				
Current:				
Public works	2,651,339	2,514,883	1,347,844	1,167,039
Capital outlay	845,000	933,050	427,594	505,456
Total expenditures	3,447,933	3,447,933	1,775,438	1,672,495
REVENUES OVER (UNDER) EXPENDITURES	(2,777,649)	(2,777,649)	(1,156,386)	1,621,263
OTHER FINANCING SOURCES (USES):				
Transfers in	3,232,149	3,239,988	1,451,837	(1,788,151)
Transfers out	(371,815)	(470,842)	(516,028)	(45,186)
Total other financing sources (uses)	2,769,146	2,769,146	935,809	(1,833,337)
Net change in fund balances	\$ (8,503)	\$ (8,503)	(220,577)	\$ (212,074)
FUND BALANCES:				
Beginning of year			70,801	
End of year			<u>\$ (149,776)</u>	

City of Ridgecrest
Annual Comprehensive Financial Report
For the Year Ended June 30, 2021

Internal Service Funds



City of Ridgecrest
Annual Comprehensive Financial Report
For the Year Ended June 30, 2021

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INTERNAL SERVICE FUND FINANCIAL STATEMENTS

Internal Service Funds of the City are outlined below:

Human Resources and Risk Management Fund - This fund is used to account for the costs of the City's risk management and self-insurance programs as well as its personnel management costs.

Self Insurance Workers Comp Fund - This fund is used to account for the cost of self-insurance workers' compensation program.

Fleet Maintenance Fund - The fund is used to account for the cost of maintenance of motor vehicles, heavy and light equipment and equipment replacements.

City of Ridgecrest
Combining Statement of Net Position
All Internal Service Funds
June 30, 2021

	Human Resource and Risk Management	Self Insurance Workers Comp	Fleet Maintenance	Total
ASSETS				
Current assets:				
Cash and investments	\$ 2,367,076	\$ -	\$ 289,700	\$ 2,656,776
Accounts receivable	286,129	-	-	286,129
Interest receivable	1,611	-	165	1,776
Inventories	-	-	16,151	16,151
Prepaid items	-	-	-	-
Total current assets	2,654,816	-	306,016	2,960,832
Noncurrent assets:				
Capital assets:				
Depreciable	-	-	412,893	412,893
Less: accumulated depreciation	-	-	(412,893)	(412,893)
Total capital assets	-	-	-	-
Total noncurrent assets	-	-	-	-
Total assets	2,654,816	-	306,016	2,960,832
LIABILITIES				
Current Liabilities:				
Accounts payable	1,226	-	13,450	14,676
Accrued expenses	93,386	-	1,027	94,413
Due to other funds	-	652,670	-	652,670
Claims payable - due within one year	114,183	-	-	114,183
Total current liabilities	208,795	652,670	14,477	875,942
Noncurrent liabilities:				
Claims payable - due in more than one year	266,428	-	-	266,428
Total noncurrent liabilities	266,428	-	-	266,428
Total liabilities	475,223	652,670	14,477	1,142,370
NET POSITION				
Unrestricted (deficit)	2,179,593	(652,670)	291,539	1,818,462
Total net position	\$ 2,179,593	\$ (652,670)	\$ 291,539	\$ 1,818,462

City of Ridgecrest
Combining Statements of Revenues, Expenses, and Changes in Net Position
All Internal Service Funds
For the Year Ended June 30, 2021

	Human Resource and Risk Management	Self Insurance Workers Comp	Fleet Maintenance	Total
OPERATING REVENUES:				
Charges for services	\$ 316,429	\$ -	\$ 426,750	\$ 743,179
Other revenue	1,237,186	-	-	1,237,186
Total operating revenues	<u>1,553,615</u>	<u>-</u>	<u>426,750</u>	<u>1,980,365</u>
OPERATING EXPENSES:				
Administration	845,688	568,020	335,715	1,749,423
Total operating expenses	<u>845,688</u>	<u>568,020</u>	<u>335,715</u>	<u>1,749,423</u>
OPERATING INCOME (LOSS)	<u>707,927</u>	<u>(568,020)</u>	<u>91,035</u>	<u>230,942</u>
NONOPERATING REVENUES:				
Intergovernmental	-	-	61,835	61,835
Investment income	10,102	-	1,187	11,289
Total nonoperating revenues	<u>10,102</u>	<u>-</u>	<u>63,022</u>	<u>73,124</u>
INCOME (LOSS) BEFORE TRANSFERS	<u>718,029</u>	<u>(568,020)</u>	<u>154,057</u>	<u>304,066</u>
TRANSFERS:				
Transfers in	624,027	-	-	624,027
Transfers out	(43,982)	-	(120,608)	(164,590)
Total transfers	<u>580,045</u>	<u>-</u>	<u>(120,608)</u>	<u>459,437</u>
Changes in net position	1,298,074	(568,020)	33,449	763,503
NET POSITION:				
Beginning of year	881,519	(84,650)	258,090	1,054,959
End of year	<u>\$ 2,179,593</u>	<u>\$ (652,670)</u>	<u>\$ 291,539</u>	<u>\$ 1,818,462</u>

City of Ridgecrest
Combining Statement of Cash Flows
All Internal Service Funds
For the Year Ended June 30, 2021

	Human Resource and Risk Management	Self Insurance Workers Comp	Fleet Maintenance	Total
CASH FLOWS FROM OPERATING ACTIVITIES:				
Receipts from user departments	\$ 30,300	\$ -	\$ 426,750	\$ 457,050
Payments to suppliers or employees for goods and services	(847,618)	(568,020)	(337,288)	(1,752,926)
Insurance premiums and settlements and insurance recoveries, net	(630,344)	-	-	(630,344)
Other operating revenue	1,237,186	-	-	1,237,186
Net cash provided by (used in) operating activities	(210,476)	(568,020)	89,462	(689,034)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Interfund borrowings	-	568,020	-	568,020
Transfers in	624,027	-	-	624,027
Transfers out	(43,982)	-	(120,608)	(164,590)
Net cash provided by (used in) noncapital financing activities	580,045	568,020	(120,608)	1,027,457
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Intergovernmental	-	-	61,835	61,835
Net cash provided by (used in) capital and related financing activities	-	-	61,835	61,835
CASH FLOWS FROM INVESTING ACTIVITIES:				
Investment income	15,946	-	1,783	17,729
Net cash provided by investing activities	15,946	-	1,783	17,729
Net change in cash and cash equivalents	385,515	-	32,472	417,987
CASH AND CASH EQUIVALENTS				
Beginning of year	1,981,561	-	257,228	2,238,789
End of year	<u>\$ 2,367,076</u>	<u>\$ -</u>	<u>\$ 289,700</u>	<u>\$ 2,656,776</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:				
Operating income (loss)	\$ 707,927	\$ (568,020)	\$ 91,035	\$ 230,942
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Changes in current assets and liabilities:				
Accounts receivable	(286,129)	-	-	(286,129)
Prepaid items	4,116	-	-	4,116
Inventories	-	-	(1,481)	(1,481)
Accounts payable	(80,470)	-	(708)	(81,178)
Accrued expenses	74,424	-	616	75,040
Claims payable	(630,344)	-	-	(630,344)
Total adjustments	<u>(918,403)</u>	<u>-</u>	<u>(1,573)</u>	<u>(919,976)</u>
Net cash provided by (used in) operating activities	\$ (210,476)	\$ (568,020)	\$ 89,462	\$ (689,034)

City of Ridgecrest
Annual Comprehensive Financial Report
For the Year Ended June 30, 2021

Fiduciary Funds



City of Ridgecrest
Statement of Fiduciary Net Position
Fiduciary Funds - Private Purpose Trust Funds
June 30, 2021

	Private Purpose Trust Funds		
	Donations	RDA Obligation Retirement	Total
ASSETS			
Cash and investments	\$ 4,290	\$ 3,984,925	\$ 3,989,215
Interest receivable	4	1,217	1,221
Loans receivable	-	3,000,000	3,000,000
Capital assets:			
Non-depreciable	-	2,202,440	2,202,440
Depreciable, net	-	1,339,838	1,339,838
Total assets	<u>4,294</u>	<u>10,528,420</u>	<u>10,532,714</u>
LIABILITIES			
Deposits payable	713	2,000	2,713
Unearned revenue	2,308	-	2,308
Interest payable	-	402,527	402,527
Due to City of Ridgecrest	-	2,504,615	2,504,615
Bonds payable, due in one year	-	1,698,000	1,698,000
Bonds payable, due in more than one year	-	22,819,000	22,819,000
Total liabilities	<u>3,021</u>	<u>27,426,142</u>	<u>27,429,163</u>
NET POSITION			
Restricted for individuals, organizations and/or other governments	<u>1,273</u>	<u>(16,897,722)</u>	<u>(16,896,449)</u>
Total net position	<u>\$ 1,273</u>	<u>\$ (16,897,722)</u>	<u>\$ (16,896,449)</u>

City of Ridgecrest
Statement of Changes in Fiduciary Net Position
Fiduciary Funds - Private Purpose Trust Funds
For the Year Ended June 30, 2021

	Private Purpose Trust Funds		
	Donations	RDA Obligation Retirement	Total
ADDITIONS:			
Taxes	\$ -	\$ 2,669,706	\$ 2,669,706
Revenue from use of money and property	23	8,643	8,666
Other revenue	-	56,000	56,000
Total additions	<u>23</u>	<u>2,734,349</u>	<u>2,734,372</u>
DEDUCTIONS:			
Community development	-	21,331	21,331
Depreciation expense	-	75,501	75,501
Interest expense	-	940,993	940,993
Transfers to City of Ridgecrest (Note 6)	-	251,486	251,486
Total deductions	<u>-</u>	<u>1,289,311</u>	<u>1,289,311</u>
Changes in net position	23	1,445,038	1,445,061
NET POSITION:			
Beginning of year	1,250	(18,342,760)	(18,341,510)
End of year	<u>\$ 1,273</u>	<u>\$ (16,897,722)</u>	<u>\$ (16,896,449)</u>

City of Ridgecrest
Annual Comprehensive Financial Report
For the Year Ended June 30, 2021

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City of Ridgecrest
Annual Comprehensive Financial Report
For the Year Ended June 30, 2021

Statistical Section



City of Ridgecrest
Annual Comprehensive Financial Report
For the Year Ended June 30, 2021

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CITY OF RIDGECREST - STATISTICAL SECTION

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

CONTENTS	PAGE
Financial Trends - These schedules contain trend information to help the reader understand how the City of Ridgecrest's financial performance and well being have changed over time	
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Sources: Unless otherwise noted, the information in these schedules is derived from the City's comprehensive annual financial reports for the relevant year

City of Ridgecrest
Schedule 1
Net Position by Component
Last Ten Fiscal Years (accrual basis of accounting)

	Fiscal Years				
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Governmental activities					
Net investment in capital assets,	\$ 56,589,811	\$ 55,669,889	\$ 55,436,365	\$ 55,677,430	\$ 48,401,633
Restricted	5,761,956	6,980,817	6,634,279	6,470,708	11,058,233
Unrestricted	<u>(10,688,216)</u>	<u>(14,710,817)</u>	<u>(14,904,898)</u>	<u>(14,913,324)</u>	<u>(12,569,000)</u>
Total governmental activities net position	<u>51,663,551</u>	<u>47,939,889</u>	<u>47,165,746</u>	<u>47,234,814</u>	<u>46,890,866</u>
Business type activities					
Net investment in capital assets,	15,088,300	15,372,381	15,477,073	16,263,175	16,710,100
Restricted	-	-	-	-	-
Unrestricted	<u>42,350,469</u>	<u>39,489,149</u>	<u>36,118,037</u>	<u>29,419,315</u>	<u>23,924,994</u>
Total business type activities net position	<u>57,438,769</u>	<u>54,861,530</u>	<u>51,595,110</u>	<u>45,682,490</u>	<u>40,635,094</u>
Primary government					
Net investment in capital assets	71,678,111	71,042,270	70,913,438	71,940,605	65,111,733
Restricted	5,761,956	6,980,817	6,634,279	6,470,708	11,058,233
Unrestricted	<u>31,662,253</u>	<u>24,778,332</u>	<u>21,213,139</u>	<u>14,505,991</u>	<u>11,355,994</u>
Total primary government net position	<u>\$ 109,102,320</u>	<u>\$ 102,801,419</u>	<u>\$ 98,760,856</u>	<u>\$ 92,917,304</u>	<u>\$ 87,525,960</u>

City of Ridgecrest
Schedule 1
Net Position by Component
Last Ten Fiscal Years (accrual basis of accounting) (Continued)

	Fiscal Years				
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Governmental activities					
Net investment in capital assets	\$ 43,739,184	\$ 42,325,287	\$ 34,386,270	\$ 35,668,108	\$ 35,805,602
Restricted	11,197,956	9,961,497	10,718,146	2,614,715	2,730,315
Unrestricted	<u>(13,765,063)</u>	<u>(16,350,067)</u>	<u>(4,801,114)</u>	<u>3,974,360</u>	<u>2,126,223</u>
Total governmental activities net position	<u>41,172,077</u>	<u>35,936,717</u>	<u>40,303,302</u>	<u>42,257,183</u>	<u>40,662,140</u>
Business type activities					
Net investment in capital assets	14,635,228	15,069,345	15,581,116	16,054,395	16,378,348
Restricted	-	-	-	-	-
Unrestricted	<u>21,515,449</u>	<u>18,473,732</u>	<u>18,060,765</u>	<u>16,389,245</u>	<u>15,849,625</u>
Total business type activities net position	<u>36,150,677</u>	<u>33,543,077</u>	<u>33,641,881</u>	<u>32,443,640</u>	<u>32,227,973</u>
Primary government					
Net investment in capital assets	58,374,412	57,394,632	49,967,386	51,722,503	52,183,950
Restricted	11,197,956	9,961,497	10,718,146	2,614,715	2,730,315
Unrestricted	<u>7,750,386</u>	<u>2,123,665</u>	<u>13,259,651</u>	<u>20,363,605</u>	<u>17,975,848</u>
Total primary government net position	<u>\$ 77,322,754</u>	<u>\$ 69,479,794</u>	<u>\$ 73,945,183</u>	<u>\$ 74,700,823</u>	<u>\$ 72,890,113</u>

City of Ridgecrest
Schedule 2
Changes in Net Position
Last Ten Fiscal Years (accrual basis of accounting)

	Fiscal Years				
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Expenses					
Governmental activities:					
General government	\$ 2,940,494	\$ 3,544,612	\$ 4,913,832	\$ 5,019,286	\$ 1,751,017
Public safety	8,275,604	7,694,408	7,393,899	7,079,047	7,311,427
Public works	4,415,605	3,932,154	3,854,999	5,049,067	4,109,004
Transportation	-	-	-	87,535	82,051
Community development	991,673	816,593	764,184	-	1,089,482
Health	-	-	-	1,011,653	-
Culture and leisure	1,624,180	1,621,784	1,692,123	1,776,087	1,892,820
Interest and fiscal agent fees	903,407	916,918	1,097,275	227,286	255,588
Total governmental activities expenses	<u>19,150,963</u>	<u>18,526,469</u>	<u>19,716,312</u>	<u>20,249,961</u>	<u>16,491,389</u>
Business type activities:					
TDA Transit	1,057,420	834,485	270,484	552,170	849,257
Wastewater	2,956,688	2,502,465	814,134	1,579,721	1,599,732
Solid Waste Collection	-	-	-	-	-
Total business type activities expenses	<u>4,014,108</u>	<u>3,336,950</u>	<u>1,084,618</u>	<u>2,131,891</u>	<u>2,448,989</u>
Total primary government expenses	<u>\$ 23,165,071</u>	<u>\$ 21,863,419</u>	<u>\$ 20,800,930</u>	<u>\$ 22,381,852</u>	<u>\$ 18,940,378</u>
Program Revenues					
Governmental activities:					
Charges for services:					
General government	260,147	238,529	230,989	236,180	291,687
Public safety	405,193	291,783	327,538	205,734	334,668
Public works	-	7,007	381,776	497,833	4,765
Transportation	-	-	-	-	-
Community development	749,373	550,707	5,336	-	468,418
Health	-	-	-	(9,478)	-
Culture and leisure	203,009	186,472	290,578	344,560	333,364
Operating grants and contributions	1,636,261	1,499,442	1,957,254	1,230,709	1,328,471
Capital grants and contributions	1,727,612	1,237,922	274,427	699,272	2,196,184
Total governmental activities program revenues	<u>4,981,595</u>	<u>4,011,862</u>	<u>3,467,898</u>	<u>3,204,810</u>	<u>4,957,557</u>
Business type activities:					
Charges for services:					
TDA Transit	184,940	392,427	302,057	208,178	309,271
Wastewater	6,594,567	5,827,372	6,025,138	6,259,227	6,084,876
Solid Waste Collection	-	-	-	-	-
Operating grants and contributions	149,111	89,269	149,429	87,869	451,898
Capital grants and contributions	-	-	-	-	-
Total business type activities program revenues	<u>6,928,618</u>	<u>6,309,068</u>	<u>6,476,624</u>	<u>6,555,274</u>	<u>6,846,045</u>
Total primary government program revenues	<u>\$ 11,910,213</u>	<u>\$ 10,320,930</u>	<u>\$ 9,944,522</u>	<u>\$ 9,760,084</u>	<u>\$ 11,803,602</u>
Net (Expense)/Revenue					
Governmental activities	(14,169,368)	(14,514,607)	(16,248,414)	(17,045,151)	(11,533,832)
Business type activities	2,914,510	2,972,118	5,392,006	4,423,383	4,397,056
Total primary government net expense	<u>\$ (11,254,858)</u>	<u>\$ (11,542,489)</u>	<u>\$ (10,856,408)</u>	<u>\$ (12,621,768)</u>	<u>\$ (7,136,776)</u>

City of Ridgecrest
Schedule 2
Changes in Net Position
Last Ten Fiscal Years (accrual basis of accounting) (Continued)

	Fiscal Years				
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Expenses					
Governmental activities:					
General government	\$ 1,754,299	\$ 2,298,464	\$ 2,393,838	\$ 1,818,304	\$ 1,876,073
Public safety	6,684,042	7,436,539	7,833,984	7,161,993	6,683,638
Public works	3,545,280	2,848,720	2,413,076	2,787,797	2,758,511
Transportation	2,213,317	3,284,356	2,097,999	753,762	1,005,682
Community development	1,018,186	817,626	703,912	1,178,359	4,963,100
Health	-	-	5,270	76,939	-
Culture and leisure	1,426,011	1,679,152	1,756,316	1,745,953	1,648,072
Interest and fiscal agent fees	275,499	292,989	319,028	345,295	1,530,204
Total governmental activities expenses	<u>16,916,634</u>	<u>18,657,846</u>	<u>17,523,423</u>	<u>15,868,402</u>	<u>20,465,280</u>
Business type activities:					
TDA Transit	832,756	757,646	868,224	887,416	619,971
Wastewater	2,496,953	2,082,287	1,519,731	1,558,143	1,485,273
Solid Waste Collection	-	-	-	38,905	161,257
Total business type activities expenses	<u>3,329,709</u>	<u>2,839,933</u>	<u>2,387,955</u>	<u>2,484,464</u>	<u>2,266,501</u>
Total primary government expenses	<u>\$ 20,246,343</u>	<u>\$ 21,497,779</u>	<u>\$ 19,911,378</u>	<u>\$ 18,352,866</u>	<u>\$ 22,731,781</u>
Program Revenues					
Governmental activities:					
Charges for services:					
General government	267,637	270,810	326,982	192,539	195,656
Public safety	292,613	392,093	186,170	304,361	298,244
Public works	-	-	223,811	25,000	-
Transportation	-	-	13,970	230	-
Community development	704,566	287,611	-	357,550	225,504
Health	-	-	-	-	41,754
Culture and leisure	368,473	345,877	292,439	326,930	425,213
Operating grants and contributions	1,647,328	2,315,476	1,982,127	1,979,447	1,622,484
Capital grants and contributions	1,042,058	7,728,784	384,661	2,332,772	1,057,999
Total governmental activities program revenues	<u>4,322,675</u>	<u>11,340,651</u>	<u>3,410,160</u>	<u>5,518,829</u>	<u>3,866,854</u>
Business type activities:					
Charges for services:					
TDA Transit	252,822	252,359	273,698	346,509	212,819
Wastewater	5,803,024	3,893,420	2,650,298	1,814,935	2,019,185
Solid Waste Collection	-	-	-	-	820
Operating grants and contributions	93,577	92,834	259,868	225,974	1,597,115
Capital grants and contributions	-	-	-	-	-
Total business type activities program revenues	<u>6,149,423</u>	<u>4,238,613</u>	<u>3,183,864</u>	<u>2,387,418</u>	<u>3,829,939</u>
Total primary government program revenues	<u>\$ 10,472,098</u>	<u>\$ 15,579,264</u>	<u>\$ 6,594,024</u>	<u>\$ 7,906,247</u>	<u>\$ 7,696,793</u>
Net (Expense)/Revenue					
Governmental activities	(12,593,959)	(7,317,195)	(14,113,263)	(10,349,573)	(16,598,426)
Business type activities	2,819,714	1,398,680	795,909	(97,046)	1,563,438
Total primary government net expense	<u>\$ (9,774,245)</u>	<u>\$ (5,918,515)</u>	<u>\$ (13,317,354)</u>	<u>\$ (10,446,619)</u>	<u>\$ (15,034,988)</u>

City of Ridgecrest
Schedule 2
Changes in Net Position
Last Ten Fiscal Years (accrual basis of accounting) (Continued)

	Fiscal Years				
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
General Revenues and					
Other Changes in Net Position					
Governmental activities:					
Taxes					
Property taxes	2,884,710	2,661,305	2,392,910	2,326,379	1,976,015
Sales taxes	9,608,803	8,058,076	8,111,952	7,783,312	6,535,498
Transient occupancy taxes	1,336,952	1,411,102	1,458,498	1,553,230	1,585,442
Special assessments	847,761	520,280	546,580	532,936	392,664
Other taxes	985,352	697,697	776,234	767,820	709,003
Investment earnings	115,320	344,353	338,153	156,521	86,111
Miscellaneous	971,568	138,941	175,031	371,280	192,484
Gain (loss) on disposal of capital assets	(3,235)	-	-	-	-
Loss from dissolution of former RDA	-	-	-	-	-
Revenues from Fiduciary Fund	251,486	577,193	1,719,172	4,562,229	5,085,152
Transfers	894,313	858,729	681,948	111,008	690,252
Total governmental activities	<u>17,893,030</u>	<u>15,267,676</u>	<u>16,200,478</u>	<u>18,164,715</u>	<u>17,252,621</u>
Business type activities:					
Other taxes	116,741	432,866	666,486	505,553	618,970
Investment earnings	199,998	609,813	633,302	306,226	147,005
Miscellaneous	240,303	2,227	10,907	12,553	11,638
Capital Contribution	-	-	-	-	-
Transfers	(894,313)	(858,729)	(681,948)	(111,008)	(690,252)
Total business type activities	<u>(337,271)</u>	<u>186,177</u>	<u>628,747</u>	<u>713,324</u>	<u>87,361</u>
Total primary government	<u>\$ 17,555,759</u>	<u>\$ 15,453,853</u>	<u>\$ 16,829,225</u>	<u>\$ 18,878,039</u>	<u>\$ 17,339,982</u>
Change in Net Position					
Governmental activities	3,723,662	753,069	(47,936)	1,119,564	5,718,789
Business type activities	2,577,239	3,158,295	6,020,753	5,136,707	4,484,417
Total primary government	<u>\$ 6,300,901</u>	<u>\$ 3,911,364</u>	<u>\$ 5,972,817</u>	<u>\$ 6,256,271</u>	<u>\$ 10,203,206</u>

City of Ridgecrest
Schedule 2
Changes in Net Position
Last Ten Fiscal Years (accrual basis of accounting) (Continued)

	Fiscal Years				
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
General Revenues and					
Other Changes in Net Position					
Governmental activities:					
Taxes					
Property taxes	2,125,926	1,600,406	1,967,098	3,284,155	6,252,553
Sales taxes	5,974,873	5,681,776	5,314,304	4,440,039	3,171,044
Transient occupancy taxes	1,443,149	1,218,081	1,150,741	1,094,855	1,151,215
Special assessments	1,639,143	282,488	74,113	170,658	292,654
Other taxes	714,218	703,389	694,879	720,671	573,695
Investment earnings	33,919	18,355	20,619	21,423	111,677
Miscellaneous	1,124,780	357,064	396,063	973,607	409,138
Gain (loss) on disposal of capital assets	-	-	-	-	-
Loss from dissolution of former RDA	-	-	-	-	(8,072,793)
Revenues from Fiduciary Fund	3,735,484	5,154,181	2,278,026	706,518	571,414
Transfers	1,037,827	615,822	263,539	532,690	(3,777,827)
Total governmental activities	17,829,319	15,631,562	12,159,382	11,944,616	682,770
Business type activities:					
Other taxes	721,500	577,392	614,050	768,613	890,633
Investment earnings	84,815	48,259	41,852	40,947	39,196
Miscellaneous	19,398	18,870	9,969	35,843	156,383
Capital Contribution	-	-	-	-	-
Transfers	(1,037,827)	(615,822)	(263,539)	(532,690)	3,777,827
Total business type activities	(212,114)	28,699	402,332	312,713	4,864,039
Total primary government	\$ 17,617,205	\$ 15,660,261	\$ 12,561,714	\$ 12,257,329	\$ 5,546,809
Change in Net Position					
Governmental activities	5,235,360	8,314,367	(1,953,881)	1,595,043	(15,915,656)
Business type activities	2,607,600	1,427,379	1,198,241	215,667	6,427,477
Total primary government	\$ 7,842,960	\$ 9,741,746	\$ (755,640)	\$ 1,810,710	\$ (9,488,179)

City of Ridgecrest
Schedule 3
Fund Balances of Governmental Funds
Last Ten Fiscal Years (modified accrual basis of accounting)

	Fiscal Years				
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
General Fund					
Nonspendable	\$ 56,345	\$ 56,345	\$ 56,345	\$ 56,345	\$ 56,345
Restricted	477,884	390,413	512,181	-	480,047
Committed	-	-	-	-	-
Assigned	6,322,178	3,992,710	2,445,622	-	957,258
Unassigned	5,432,496	3,202,799	2,313,755	2,629,252	(18,602)
Total general fund	<u>12,288,903</u>	<u>7,642,267</u>	<u>5,327,903</u>	<u>2,685,597</u>	<u>1,475,048</u>
All other governmental funds					
Nonspendable	-	-	-	-	4,629,159
Restricted	3,975,559	5,189,697	4,811,665	4,193,637	4,881,004
Committed	813,742	760,820	718,298	630,079	630,079
Assigned	721,066	141,203	771,031	704,038	437,944
Unassigned	(150,888)	-	(148,821)	334,739	(75,206)
Total all other governmental funds	<u>\$ 5,359,479</u>	<u>\$ 6,091,720</u>	<u>\$ 6,152,173</u>	<u>\$ 5,862,493</u>	<u>\$ 10,502,980</u>
TOTAL FUND BALANCES	\$ 17,648,382	\$ 13,733,987	\$ 11,480,076	\$ 8,548,090	\$ 11,978,028

City of Ridgecrest
Schedule 3
Fund Balances of Governmental Funds
Last Ten Fiscal Years (modified accrual basis of accounting) (Continued)

	Fiscal Years				
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
General Fund					
Nonspendable	\$ 232	\$ 525	\$ 996	\$ 1,935	\$ -
Restricted	341,946	247,365	213,216	300,242	69,667
Committed	-	-	-	-	-
Assigned	357,412	1,051,917	-	-	-
Unassigned	1,017	(2,300,838)	(2,533,123)	(2,491,783)	(4,300,138)
Total general fund	<u>700,607</u>	<u>(1,001,031)</u>	<u>(2,318,911)</u>	<u>(2,189,606)</u>	<u>(4,230,471)</u>
All other governmental funds					
Nonspendable	5,114,159	5,584,159	6,034,159	6,464,159	6,874,159
Restricted	4,488,041	2,978,577	3,341,192	3,065,829	3,412,004
Committed	577,399	555,508	923,079	544,340	527,029
Assigned	676,411	595,888	206,500	466,216	274,695
Unassigned	(36,194)	(19,831)	-	838,902	(339,858)
Total all other governmental funds	<u>\$ 10,819,816</u>	<u>\$ 9,694,301</u>	<u>\$ 10,504,930</u>	<u>\$ 11,379,446</u>	<u>\$ 10,748,029</u>
TOTAL FUND BALANCES	\$ 11,520,423	\$ 8,693,270	\$ 8,186,019	\$ 9,189,840	\$ 6,517,558

City of Ridgecrest
Schedule 4
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years (modified accrual basis of accounting)

	Fiscal Years				
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Revenues					
Taxes	\$ 14,977,624	\$ 12,976,980	\$ 13,200,593	\$ 13,152,082	\$ 11,510,228
Intergovernmental	3,945,653	2,763,444	1,874,641	1,353,224	2,965,293
Licenses and permits	1,493,009	1,011,225	782,372	913,327	796,224
Fines and forfeitures	72,893	42,455	56,368	45,540	70,153
Assessment levied	27,122	442,465	86,386	72,369	32,068
Use of money and property	231,702	26,882	441,312	284,202	271,516
Charges for services	528,631	388,068	513,062	491,351	548,420
Revenue from Fiduciary Fund	251,486	577,193	1,719,172	4,562,229	5,085,152
Other revenue	395,851	168,807	247,768	378,442	241,083
Total revenues	<u>21,923,971</u>	<u>18,397,519</u>	<u>18,921,674</u>	<u>21,252,766</u>	<u>21,520,137</u>
Expenditures					
General Government	2,147,292	2,136,371	12,897,324	2,097,342	1,859,295
Public safety	6,603,020	5,729,303	15,444,495	6,424,222	6,562,421
Public works	1,965,858	1,731,888	1,820,244	2,690,681	1,473,982
Transportation	-	-	-	-	-
Community development	799,576	749,677	701,492	906,075	922,933
Health	-	-	-	18,499	34,707
Culture and leisure	1,555,030	1,535,970	1,673,952	1,557,797	1,591,654
Capital outlay	4,020,085	2,945,162	2,855,637	4,814,881	7,488,021
Debt service:					
Principal	735,000	565,000	-	5,440,000	485,000
Interest	921,326	934,129	1,018,345	325,328	262,216
Total expenditures	<u>18,747,187</u>	<u>16,327,500</u>	<u>36,411,489</u>	<u>24,274,825</u>	<u>20,680,229</u>
Excess of revenues over (under) expenditures	<u>3,176,784</u>	<u>2,070,019</u>	<u>(17,489,815)</u>	<u>(3,022,059)</u>	<u>839,908</u>
Other financing sources (uses)					
Proceeds from capital lease	-	-	-	-	-
Bond discount	-	-	-	-	-
Issuance of long-term debt	-	-	19,955,000	-	-
Premium on issuance of long-term debt	-	-	401,127	-	-
Transfers in	6,362,950	4,576,524	2,926,834	2,981,036	3,329,759
Transfers out	(5,928,075)	(4,089,896)	(2,861,160)	(3,388,915)	(3,712,062)
Total other financing sources (uses)	<u>434,875</u>	<u>486,628</u>	<u>20,421,801</u>	<u>(407,879)</u>	<u>(382,303)</u>
Net change in fund balances	<u>\$ 3,611,659</u>	<u>\$ 2,556,647</u>	<u>\$ 2,931,986</u>	<u>\$ (3,429,938)</u>	<u>\$ 457,605</u>
Debt service as a percentage of non-capital expenditures	11.2%	11.2%	3.0%	29.6%	5.7%

City of Ridgecrest
Schedule 4
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years (modified accrual basis of accounting) (Continued)

	Fiscal Years				
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Revenues					
Taxes	\$ 10,968,507	\$ 10,030,177	\$ 9,880,106	\$ 11,295,144	\$ 11,696,784
Intergovernmental	2,128,892	9,384,909	1,906,762	2,699,957	2,353,056
Licenses and permits	2,299,752	549,406	256,780	361,759	506,334
Fines and forfeitures	57,869	72,806	84,493	115,390	77,254
Assessment revenues	19,676	10,526	10,526	4,393	-
Use of money and property	220,630	253,342	245,182	135,907	240,867
Charges for services	552,666	553,864	389,830	492,815	569,653
Revenue from Fiduciary Fund	3,735,484	5,154,181	2,278,026	706,518	571,414
Other revenue	1,141,106	358,840	403,262	990,033	369,651
Total revenues	<u>21,124,582</u>	<u>26,368,051</u>	<u>15,454,967</u>	<u>16,801,916</u>	<u>16,385,013</u>
Expenditures					
General Government	1,840,348	2,540,062	2,170,611	1,544,277	1,916,341
Public safety	7,000,933	7,315,370	7,513,168	6,230,447	6,872,186
Public works	356,541	438,038	392,764	165,284	376,341
Transportation	2,206,292	3,805,537	2,109,108	659,715	1,087,475
Community development	1,109,245	725,192	619,829	756,476	4,450,458
Health	-	-	-	-	-
Culture and leisure	1,371,883	1,449,654	1,250,608	1,557,343	1,604,073
Capital outlay	4,274,384	9,244,943	1,963,373	2,867,058	1,319,036
Debt service:					
Principal	470,000	562,689	537,102	534,190	534,418
Interest	281,766	301,407	328,494	354,312	1,356,477
Total expenditures	<u>18,911,392</u>	<u>26,382,892</u>	<u>16,885,057</u>	<u>14,669,102</u>	<u>19,516,805</u>
Excess of revenues over (under) expenditures	<u>2,213,190</u>	<u>(14,841)</u>	<u>(1,430,090)</u>	<u>2,132,814</u>	<u>(3,131,792)</u>
Other financing sources (uses)					
Proceeds from capital lease	-	-	-	-	-
Bond discount	-	-	-	-	-
Issuance of long-term debt	-	-	-	-	-
Premium on issuance of long-term debt	-	-	-	-	-
Transfers in	3,546,397	3,424,771	2,771,099	3,211,991	5,288,101
Transfers out	(2,932,464)	(2,902,679)	(2,344,830)	(2,672,523)	(8,137,761)
Total other financing sources (uses)	<u>613,933</u>	<u>522,092</u>	<u>426,269</u>	<u>539,468</u>	<u>(2,849,660)</u>
Net change in fund balances	<u>\$ 2,827,123</u>	<u>\$ 507,251</u>	<u>\$ (1,003,821)</u>	<u>\$ 2,672,282</u>	<u>\$ (5,981,452)</u>
Debt service as a percentage of non-capital expenditures	5.1%	5.0%	5.8%	7.5%	10.4%

City of Ridgecrest
Schedule 5
Governmental Activities Tax Revenues by Source
Last Ten Fiscal Years (modified accrual basis of accounting)

Sources of Tax Revenues	Business <u>Licenses</u>	Franchise <u>Fees</u>	Property <u>Tax</u>¹	Sales <u>Tax</u>²	Transient <u>Occupancy</u>	Gas <u>Tax</u>	<u>TOTAL</u>
2020-2021	\$ 184,935	\$ 963,826	\$ 2,884,711	\$ 9,608,803	\$ 1,345,337	\$ 1,157,303	\$ 16,144,915
2019-2020	174,527	674,181	2,661,305	8,058,076	1,411,102	1,209,990	14,189,181
2018-2019	145,475	762,399	2,478,324	8,026,538	1,458,498	1,104,523	13,975,757
2017-2018	144,584	752,898	2,398,569	7,711,121	1,553,230	675,811	13,236,213
2016-2017	144,905	696,403	2,058,828	6,452,685	1,585,442	459,629	11,397,892
2015-2016	149,850	702,751	2,125,926	5,974,873	1,443,149	549,595	10,946,144
2014-2015	153,909	691,617	1,600,406	5,694,928	1,218,081	755,236	10,114,177
2013-2014	141,689	682,692	1,967,098	5,465,676	1,150,741	856,525	10,264,420
2012-2013	142,744	705,946	3,284,155	4,440,039	1,094,855	612,967	10,280,706
2011-2012	148,213	573,695	6,252,553	3,171,044	1,151,215	765,633	12,062,353

NOTES:

- 1) Property tax amounts include state reimbursement of homeowners property tax relief and real property transfer tax and property tax in lieu of MVLF. Property tax for fiscal years 2012 and earlier included redevelopment tax increment.
- 2) The City passed "Measure L" allowing an additional increase of 0.75% in the local sale tax rate. This local measure became effective on October 1, 2012 and ended on March 31, 2017 when it was replaced by "Measure V" allowing an increase 1% in the local sales tax rate. Measure V becomes effective April 1, 2017 and will sunset on March 31, 2025

City of Ridgecrest
Schedule 6
Assessed Value of Taxable Property
Last Ten Fiscal Years

<u>CATEGORY</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Residential	\$ 1,477,997,931	\$ 1,405,112,355	\$ 1,327,387,621	\$ 1,251,771,276	\$ 1,167,123,275
Commercial	263,222,709	257,498,876	252,686,511	252,639,635	240,625,807
Industrial	24,654,805	24,495,492	21,080,342	18,153,574	18,977,532
Government	5,096	5,001	4,906	5,113	5,017
Institutional	11,112,790	10,952,339	14,610,423	14,315,723	12,330,675
Miscellaneous	177,818	174,332	170,914	167,563	164,278
Recreational	12,248,722	11,950,739	8,541,854	8,765,625	10,172,213
Vacant Land	57,353,057	56,966,180	56,437,924	56,019,484	51,949,910
SBE Non-Unitary	1,307	1,089	1,089	1,089	1,089
Unsecured	33,624,049	34,674,769	34,404,914	35,138,901	33,221,298
Exempt	(5,052,752)	(5,049,156)	(5,049,156)	(5,138,156)	(5,632,678)
TOTALS	1,880,398,284	1,801,831,172	1,715,326,498	1,636,977,983	1,534,571,094
Total Direct Rate	0.07194%	0.06442%	0.06443%	0.06443%	0.06442%

NOTES:

Exempt values are not included in Total

In 1978 the voters of the State of California passed Proposition 13 which limited taxes to a total maximum rate of 1%, based upon the assessed value of the property being taxed. Each year, the assessed value of property may be increased by an "inflation factor" (limited to a maximum of 2%). With few exceptions, property is only reassessed as a result of new construction activity or at the time it is sold to a new owner. At that point, the property is reassessed based upon the added value of the construction or at the purchase price (market value) or economic value of the property sold. The assessed valuation data shown above represents the only data currently available with respect to the actual market value of taxable property and is subject to the limitations described above.

* Beginning in 2013/14 the Total Direct Rate no longer includes revenue generated from the former redevelopment tax rate areas. For the purposes of this report, residual revenue is assumed to be distributed to the City in the same proportions as general fund revenue.

Source: HdL Coren & Cone

City of Ridgecrest
Schedule 6
Assessed Value of Taxable Property
Last Ten Fiscal Years (Continued)

<u>CATEGORY</u>	<u>2016</u>	<u>2015</u>	<u>2014*</u>	<u>2013</u>	<u>2012</u>
Residential	\$ 1,068,010,028	\$ 1,092,525,005	\$ 1,069,793,922	\$ 1,073,678,607	\$ 1,107,100,892
Commercial	225,510,393	223,912,566	233,678,787	233,122,309	232,239,002
Industrial	18,074,075	17,932,576	18,100,825	18,635,376	18,661,585
Government	59,571	64,153	171,731	168,551	165,432
Institutional	11,065,209	9,867,943	11,683,412	19,549,674	8,442,440
Miscellaneous	161,811	158,642	157,926	154,830	237,022
Recreational	8,412,087	8,131,483	8,120,756	7,863,497	8,968,482
Vacant Land	55,352,678	57,178,455	59,944,917	63,789,381	73,750,197
SBE Non-Unitary	800	89,975	89,975	863,043	863,043
Unsecured	33,975,856	36,089,423	35,264,251	40,690,119	38,000,781
Exempt	(5,519,156)	(5,116,781)	(4,865,220)	(4,632,331)	(4,320,437)
TOTALS	1,420,622,508	1,445,950,221	1,437,006,502	1,458,515,387	1,488,428,876
Total Direct Rate	0.06443%	0.06443%	0.06459%	0.68945%	0.69386%

NOTES:

Exempt values are not included in Total

In 1978 the voters of the State of California passed Proposition 13 which limited taxes to a total maximum rate of 1%, based upon the assessed value of the property being taxed. Each year, the assessed value of property may be increased by an "inflation factor" (limited to a maximum of 2%). With few exceptions, property is only reassessed as a result of new construction activity or at the time it is sold to a new owner. At that point, the property is reassessed based upon the added value of the construction or at the purchase price (market value) or economic value of the property sold. The assessed valuation data shown above represents the only data currently available with respect to the actual market value of taxable property and is subject to the limitations described above.

* Beginning in 2013/14 the Total Direct Rate no longer includes revenue generated from the former redevelopment tax rate areas. For the purposes of this report, residual revenue is assumed to be distributed to the City in the same proportions as general fund revenue.

Source: HdL Coren & Cone

City of Ridgecrest
Schedule 7
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years (RATE PER \$100 OF TAXABLE VALUE)

10 Year Detail of Rates producing Revenue for City of Ridgecrest					
City General Fund Direct Rates				RDA Incremental Rate ²	Direct Rate ⁵
City Share of 1%					
Year	Levy per Prop. 13	Debt Rate(s)	Total City Rates	1% + applicable voter approved debt	
2020-2021	0.05190%	0.00000%	0.05190%	-	0.07194%
2019-2020	0.05190%	0.00000%	0.05190%	-	0.06442%
2018-2019	0.05190%	0.00000%	0.05190%	-	0.06443%
2017-2018	0.05190%	0.00000%	0.05190%	-	0.06443%
2016-2017	0.00066%	0.00000%	0.00066%	-	0.06442%
2015-2016	0.00066%	0.00000%	0.00066%	-	0.06443%
2014-2015	0.00066%	0.00000%	0.00066%	-	0.06443%
2013-2014	0.00066%	0.00000%	0.00066%	-	0.06459%
2012-2013	0.00066%	0.00000%	0.00066%	-	0.68945%
2011-2012	0.00066%	0.00000%	0.00066%	1.00000%	0.69386%

10 Year Detail Breakdown of the Property Tax Dollar										
Agency	2020-2021	2019-2020	2018-2019	2017-2018	2016-2017	2015-2016	2014-2015	2013-2014	2012-2013	2011-2012
City of Ridgecrest¹	0.05190	0.05190	0.05190	0.05190	0.05190	0.05190	0.05190	0.05190	0.05468	0.05469
Sierra Sands Child Dev	0.00000	0.00000	0.00509	0.00000	0.00000	0.00509	0.00509	0.00509	0.00000	0.00509
County Advertising	0.00075	0.00074	0.00074	0.00075	0.00075	0.00074	0.00072	0.00069	0.00069	0.00070
East Kern Reservation Conservation	0.00066	0.00066	0.00066	0.00066	0.00066	0.00066	0.00066	0.00066	0.00066	0.00066
Education	0.01917	0.01917	0.01917	0.01917	0.01917	0.01917	0.01917	0.01917	0.01917	0.01917
Education Revenue Augmentation Fund	0.13010	0.13010	0.12500	0.13010	0.15040	0.12500	0.12510	0.12510	0.12712	0.12210
Kern County Fire Fund	0.10580	0.10580	0.10580	0.10580	0.08550	0.10580	0.10580	0.10580	0.10580	0.10580
Kern Community College	0.06770	0.06770	0.06770	0.06770	0.06770	0.06770	0.06770	0.06770	0.06770	0.06770
Kern County General Fund	0.14110	0.14110	0.14110	0.14110	0.14110	0.14110	0.14110	0.14110	0.14140	0.14130
Kern County Water Agency	0.00718	0.00718	0.00718	0.00718	0.00718	0.00718	0.00718	0.00718	0.00718	0.00719
Sierra Unified School	0.47560	0.47560	0.47560	0.47560	0.47560	0.47560	0.47560	0.47561	0.47560	0.47560
TOTAL PROP. 13 RATE⁴	1.00000									
Kern Community College	0.03385	0.03303	0.03367	0.03625	0.01318	0.01357	0.01045	0.01264	0.00850	0.00906
Sierra Sand Unified School District	0.05468	0.05533	0.05158	0.06669	0.06412	0.06697	0.06163	0.06261	0.05698	0.05833
Total Voter Approved Rate³	0.08853	0.08836	0.08525	0.10294	0.07730	0.08055	0.07208	0.07525	0.06548	0.06739
TOTAL TAX RATE	1.08853	1.08836	1.08525	1.10294	1.07730	1.08055	1.07208	1.07525	1.06548	1.06739

NOTES:

City of Ridgecrest
Schedule 8
Top Ten Principal Property Taxpayers
Fiscal Year 2021 and Ten Years Prior

Taxpayer	2020-2021			2011-2012		
	Rank	Taxable Assessed Value	Percentage of Total Taxable Assessed Value	Rank	Taxable Assessed Value	Percentage of Total Taxable Assessed Value
K Partners Ridgecrest I LP	1	\$ 18,703,948	0.99%	1	\$ 15,832,033	1.06%
Walmart Stores Inc	2	18,262,110	0.97%	4	9,590,151	0.64%
Home Depot Dev Maryland Inc	3	8,334,734	0.44%	3	10,056,054	0.68%
La Mirage Condos LLC	4	7,691,056	0.41%			
Naval Weapons Federal Credit Union	5	7,553,120	0.40%			
Albertson's Inc	6	7,239,938	0.39%			
Peekay Investments Properties LLC	7	7,235,167	0.38%			
El Rey Properties LLC	8	6,417,801	0.34%			
Ridgecrest Capital LP	9	6,014,518	0.32%			
Benderson Randall 1993-1 Trust	10	6,000,000	0.32%			
Ridgecrest Regional Hospital				2	10,850,035	0.73%
Carriage Inn				5	8,361,739	0.56%
K Partners Ridgecrest III LP				6	7,294,517	0.49%
First Berkshire Properties				7	6,625,349	0.45%
Pam Ridgecrest Venture LLC				8	6,459,928	0.43%
China Lake and Ridgecrest LLC				9	6,186,970	0.42%
Mediacom California LLC				10	5,458,658	0.37%
Top Ten Totals		\$ 93,452,392	4.97%		\$ 86,715,434	5.83%
CITY TOTALS		\$ 1,880,398,284			\$ 1,488,428,876	

Source: HdL Coren & Cone

**City of Ridgecrest
Schedule 9
Property Tax Levies and Collections
Last Ten Fiscal Years**

Fiscal Year Ended <u>June 30</u>	Taxes Levied for the <u>Fiscal Year</u>	Collected within the <u>Fiscal Year of the Levy</u>		Collections in Subsequent <u>Years</u> ²	Total Collections to Date	
		<u>Amount</u>	<u>Percentage of Levy</u>		<u>Amount</u>	<u>Percentage of Levy</u>
2021	\$ 427,786	\$ 415,133	97.04%	\$ 920	\$ 416,053	97.26%
2020	409,041	401,150	98.07%	(1,000)	400,150	97.83%
2019	407,240	406,920	99.92%	(736)	406,184	99.74%
2018	408,548	410,279	100.42%	(1,562)	408,718	100.04%
2017	419,957	416,387	99.15%	(776)	415,611	98.97%
2016	415,173	321,769	77.50%	1,603	323,372	77.89%
2015	428,703	332,893	77.65%	1,778	334,670	78.07%
2014	436,307	347,104	79.56%	2,320	349,425	80.09%
2013	480,951 ¹	408,417	84.92%	31,039	439,455	91.37%
2012	10,336,490	10,192,452	98.61%	69,477	10,261,929	99.28%

NOTES:

1) The amounts presented include City property taxes and Redevelopment Agency tax increment for all fiscal years except in fiscal year 2012/2013 and forward

2) Delinquent tax collections are recorded in the current levy year and the County does not give the detail as to the levy year for delinquent tax collections. Delinquent tax collections do not include interest and penalties.

Source: Kern County Auditor-Controller

www.co.kern.ca.us/auditor/confirmations

Source: Kern County Auditor-Controller

www.co.kern.ca.us/auditor/confirmations

City of Ridgecrest
Annual Comprehensive Financial Report
For the Year Ended June 30, 2021

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City of Ridgecrest
Schedule 10
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year	GOVERNMENTAL ACTIVITIES						Total Primary Government	Percentage of Personal Income ^a	Per Capita ^a
	General Obligation Bonds	Redevelopment Bonds ^b	Special Assessment Bonds	Loans Payable	Capital Lease				
2021	\$ 18,655,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 18,655,000	1.72%	\$ 630
2020	\$ 19,390,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 19,390,000	1.94%	\$ 661
2019	\$ 19,955,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 19,955,000	2.06%	\$ 672
2018	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%	\$ -
2017	\$ 5,440,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,440,000	0.66%	\$ 192
2016	\$ 5,925,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,925,000	0.74%	\$ 211
2015	\$ 6,395,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,395,000	0.80%	\$ 225
2014	\$ 6,845,000	\$ -	\$ -	\$ -	\$ -	\$ 112,689	\$ 6,957,689	0.83%	\$ 243
2013	\$ 7,275,000	\$ -	\$ -	\$ -	\$ -	\$ 219,790	\$ 7,494,790	0.93%	\$ 264
2012	\$ 7,685,000	\$ -	\$ -	\$ -	\$ -	\$ 343,981	\$ 8,028,981	1.02%	\$ 286

NOTES:

- a) See Schedule 15 Demographic and Economic Statistics for personal income and population data
- b) As of February 1, 2012 all redevelopment agencies in California ceased to exist per AB X1 26. The Ridgecrest Redevelopment Agencies's obligations were transferred to the Successor Agency.

City of Ridgecrest
Schedule 11
Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years

Fiscal Year	GOVERNMENTAL ACTIVITIES				Total	Percentage of Taxable Assessed Property Values ^a	Per Capita ^b
	General Obligation Bonds	Redevelopment Bonds ^c	Special Assessment Bonds				
2021	\$ 18,655,000	\$ -	\$ -	\$ -	\$ 18,655,000	0.99%	\$ 630
2020	\$ 19,390,999	\$ -	\$ -	\$ -	\$ 19,390,999	1.08%	\$ 661
2019	\$ 19,955,000	\$ -	\$ -	\$ -	\$ 19,955,000	1.16%	\$ 672
2018	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%	\$ -
2017	\$ 5,440,000	\$ -	\$ -	\$ -	\$ 5,440,000	0.35%	\$ 192
2016	\$ 5,925,000	\$ -	\$ -	\$ -	\$ 5,925,000	0.42%	\$ 211
2015	\$ 6,395,000	\$ -	\$ -	\$ -	\$ 6,395,000	0.44%	\$ 225
2014	\$ 6,845,000	\$ -	\$ -	\$ -	\$ 6,845,000	0.48%	\$ 239
2013	\$ 7,275,000	\$ -	\$ -	\$ -	\$ 7,275,000	0.50%	\$ 257
2012	\$ 7,685,000	\$ -	\$ -	\$ -	\$ 7,685,000	0.52%	\$ 274

NOTES:

- a) See Schedule 6 - Assessed Value and Actual Value of Taxable Property
- b) See Schedule 15 - Demographic and Economic Statistics for personal income and population data
- c) As of February 1, 2012 all redevelopment agencies in California ceased to exist per AB X1 26. The Ridgecrest Redevelopment Agencies's obligations were transferred to the Successor Agency.

City of Ridgecrest
Schedule 12
Direct and Overlapping Governmental Activities Debt
As of June 30, 2021

<u>OVERLAPPING TAX AND ASSESSMENT DEBT:</u>	Debt Outstanding 6/30/2021	% Applicable ¹	City's Share of Debt as of 6/30/21
Kern Community College District Safety, Repair & Improvement District	\$ 106,761,081	1.965%	\$ 2,097,855
Kern Community College District School Facilities Improvement District No. 1	109,353,183	1.953%	2,135,668
Sierra Sands Joint Unified School District	15,611,101	76.918%	12,007,747
TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT			\$ 16,241,270
 <u>DIRECT AND OVERLAPPING GENERAL FUND OBLIGATION DEBT:</u>			
Kern County Certificates of Participation	90,388,021	1.911%	1,727,315
Kern County Pension Obligation Bonds	150,461,668	1.911%	2,875,322
Kern County Board of Education Certificates of Participation	33,835,000	1.911%	646,587
Kern County Community College District Certificates of Participation	26,208,000	1.762%	461,785
Kern County Community College District Benefit Obligations	75,640,000	1.762%	1,332,777
Sierra Sands Joint Unified School District General Fund Obligations	10,933,289	76.918%	8,409,667
City of Ridgecrest	19,026,413	100.000%	19,026,413
TOTAL DIRECT AND OVERLAPPING GENERAL FUND OBLIGATION DEBT			\$ 34,479,866
OVERLAPPING TAX INCREMENT DEBT	24,517,000	100.000%	\$ 24,517,000
TOTAL DIRECT DEBT			\$ 19,026,413
TOTAL OVERLAPPING DEBT			\$ 56,211,723
COMBINED TOTAL DEBT			\$ 75,238,136 ²

NOTES:

1) The percentage of overlapping debt applicable to the city is estimated using taxable assessed property tax 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 local taxable assessed value.

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

City of Ridgecrest
Schedule 13
Legal Debt Margin Information
Last Ten Fiscal Years

Legal Debt Margin Calculation	<u>FY 2021</u>	<u>FY 2020</u>	<u>FY 2019</u>	<u>FY 2018</u>	<u>FY 2017</u>
Assessed value	\$ 1,880,398,284	\$ 1,801,831,172	\$ 1,715,326,498	\$ 1,636,977,983	\$ 1,534,571,094
Debt limit (15% of assessed value)	282,059,743	270,274,676	257,298,975	245,546,697	230,185,664
Debt applicable to limit:					
General obligation bonds	18,655,000	19,390,000	19,955,000	-	5,440,000
Less: Amount set aside for repayment of general obligation debt	<u>1,428,970</u>	<u>1,430,338</u>	<u>1,444,523</u>	<u>4,201</u>	<u>752,188</u>
Total net debt applicable to limit	<u>17,226,030</u>	<u>17,959,662</u>	<u>18,510,477</u>	<u>(4,201)</u>	<u>4,687,812</u>
Legal Debt Margin	264,833,713	252,315,014	238,788,498	245,550,898	225,497,852
Total debt applicable to the limit as a percentage of debt limit	<u>6.11%</u>	<u>6.64%</u>	<u>7.19%</u>	<u>0.00%</u>	<u>2.04%</u>

NOTES:

Under State Finance Law, the City's outstanding general obligation debt should not exceed 15% of total assessed property value. By law, the general obligation debt subject to the limitation may be offset by amounts set aside for repaying general obligation bonds.

The percentage of total debt to debt limit has been re-calculated for all the fiscal years. The percentage in prior CAFR was erroneously calculated based on the legal debt margin

City of Ridgecrest
Schedule 13
Legal Debt Margin Information
Last Ten Fiscal Years (Continued)

Legal Debt Margin Calculation	<u>FY 2016</u>	<u>FY 2015</u>	<u>FY 2014</u>	<u>FY 2013</u>	<u>FY 2012</u>
Assessed value	\$ 1,420,622,508	\$ 1,445,950,221	\$ 1,437,006,502	\$ 1,458,515,387	\$ 1,488,428,876
Debt limit (15% of assessed value)	213,093,376	216,892,533	215,550,975	218,777,308	223,264,331
Debt applicable to limit:					
General obligation bonds	5,925,000	6,395,000	6,845,000	7,275,000	7,685,000
Less: Amount set aside for repayment of general obligation debt	<u>751,359</u>	<u>751,356</u>	<u>751,356</u>	<u>751,356</u>	<u>751,356</u>
Total net debt applicable to limit	<u>5,173,641</u>	<u>5,643,644</u>	<u>6,093,644</u>	<u>6,523,644</u>	<u>6,933,644</u>
Legal Debt Margin	207,919,735	211,248,889	209,457,331	212,253,664	216,330,687
Total debt applicable to the limit as a percentage of debt limit	<u>2.43%</u>	<u>2.60%</u>	<u>2.83%</u>	<u>2.98%</u>	<u>3.11%</u>

NOTES:

Under State Finance Law, the City's outstanding general obligation debt should not exceed 15% of total assessed property value. By law, the general obligation debt subject to the limitation may be offset by amounts set aside for repaying general obligation bonds.

The percentage of total debt to debt limit has been re-calculated for all the fiscal years. The percentage in prior CAFR was erroneously calculated based on the legal debt margin

**City of Ridgecrest
Schedule 14
Pledged Revenue Coverage
Last Ten Fiscal Years**

SPECIAL ASSESSMENT BONDS

Fiscal Year	Special Assessment Collections		Current Account Balance	Debt Service		Coverage
	\$	-		Principal	Interest	
2021	\$	-	\$ 24,659	\$ -	\$ -	-
2020		-	24,659	-	-	-
2019		-	24,659	-	-	-
2018		-	24,659	-	-	-
2017		-	24,659	-	-	-
2016		-	24,659	-	-	-
2015		-	24,659	-	-	-
2014		-	24,659	-	-	-
2013		-	24,659	-	-	-
2012		-	24,659	-	-	-

**City of Ridgecrest
Schedule 15
Demographic and Economic Statistics
Last Ten Fiscal Years**

<u>Year</u>	<u>Population</u>	<u>Personal Income</u>	<u>Personal Per Capita Income</u>	<u>Median Age</u>	<u>School Enrollment**</u>	<u>Unemployment Rate</u>
2021	29,591	\$ 1,085,203,467	\$ 36,673	36.0	4,950	5.30%
2020	29,350	997,195,013	33,976	35.9	5,185	6.70%
2019	29,712	970,609,926	32,667	35.5	5,118	2.30%
2018	28,822	892,632,904	30,971	35.1	5,085	2.70%
2017	28,349	825,463,347	29,118	35.4	5,020	7.00%
2016	28,064	796,099,346	28,367	35.6	4,963	6.90%
2015	28,419	802,997,317	28,256	35.0	4,944	6.90%
2014	28,638	835,599,564	29,178	35.8	4,933	6.70%
2013	28,348	808,463,982	28,519	33.8	5,008	7.60%
2012	28,089	789,556,510	28,109	36.1	5,055	7.90%

NOTES:

Population projections are provided by California Department of Finance

Income Data is provided by the United States Census Data and is adjusted for inflation

Unemployment rates are provided by the EDD, Bureau of Labor Statistics Department

** School Enrollment is for the Sierra Sands Unified School District Only

Source: MuniServices, LLC

Source: MuniServices, LLC
www.cde.ca.gov

City of Ridgecrest
Schedule 16
Principal Employers
Fiscal Year 2021 and Ten Years Prior

<u>Employer</u>	<u>2020-2021</u>			<u>2011-2012</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>
Naval Air Weapons Station China Lake*	6,632	1	50.63%	6,811	1	41.28%
Ridgecrest Regional Hospital (Includes Bella Sera)	872	2	6.66%	541	4	3.28%
Searles Valley Minerals	612	3	4.67%	650	2	3.94%
Sierra Sands Unified School District	600	4	4.58%	545	3	3.30%
Walmart Supercenter	336	5	2.56%	222	6	1.35%
Albertson's Inc (2 Locations)	168	6	1.28%	145	9	0.88%
Cerro Coso Community College	159	7	1.21%	154	8	0.93%
City of Ridgecrest**	125	8	0.95%			
Alta One Credit Union (2 Locations in Ridgecrest)***	123	9	0.94%	174	7	1.05%
Home Depot	120	10	0.92%			
Jacobs Technology				350	5	2.12%
Desert Area Resources and Training				131	10	0.79%
Total Top Employers						
Total Top Employers	9,747		74.40%	9,723		58.92%
Total Labor Force (1)			13,100			16,500

NOTES:

* Includes civilians, military, and contractors

** Includes full time and part time

*** No response from business, prior year count applied

(1) Total city employment provided by Edd Labor Force Data.

Source: MuniServices LLC

City of Ridgecrest
Schedule 17
Full Time Equivalent City Government Employees by Function/Program
Last Ten Fiscal Years (As of June 30)

FUNCTION/PROGRAM	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
General Government										
City Council	5	5	5	5	5	5	5	5	5	5
City Manager	1	1	1	1	1	1.4	1.5	1	1	1
City Clerk	1	1	1	1	1	1.05	1	1	1	1
Finance	6	5	5	5	6	6	5.5	5.5	5	6
Information Technology	2	2	2	2	2	2	2	2	2	3
Human Resources	1	1	1	1	1	1	1.5	1.5	1	0
Community Development	3	4	3	2	5.5	4.55	4.5	5	5	6
Planning Commissioners	5	5	5	5	5	5	5	5	5	5
Public Safety										
Police Officers-Sworn	32	32	32	32	32	32	32	32	31	31
Other Full Time Employees	19	19	19	19	19	17	17	17	14.5	16
PACT Volunteers	50	50	60	79	84	82	89	83	45	50
Public Works										
Engineering	5	5	4	4	5	4	4	3	3	4
Maintenance	9	9	7	7	7	7	7	7	6	7
Transit Services	9	8	8	8	8	8	8	8	8	7
Wastewater/Sewer	9	7	7	5	5	5	5	5	4	4
Culture & Recreation	19	19	19.5	20.2	19.2	30	27	24	23	39

NOTES:

Source: City's Budget Documents as approved by the City Council

City of Ridgecrest
Schedule 18
Operating Indicators by Function/Program
Last Ten Fiscal Years (As of June 30)

FUNCTION/PROGRAM	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Police					
Physical Arrests	2,980	2,273	2,539	2,609	2,972
Parking Violations	68	75	161	293	195
Traffic Violations	642	677	592	478	325
Community Development					
Building Permits Issued	1,334	929	2,395	759	1,655
Building Permits Valuation (in millions)	25	21	12	20	17
Building Inspections Performed	2,928	1,687	1,533	1,924	3,523
Planning Permits Issued	80	70	78	127	see note b
Public Services					
Street Resurfacing (miles)	10	8	5	7	9
Street Light Replacement ^a	n/a	n/a	n/a	n/a	n/a
Potholes Filled	1,150	1,200	1,250	1,540	1,650
Waste Water Average Daily					
Treatment (millions of gallons)	2	2	2	2	2
Transit Route (Service) Miles ^c	43,603	76,777	96,315	143,290	98,317
Transit Passenger Count	3,895	9,165	11,537	12,151	15,957
Parks & Recreation ^d					
Sports Field Participation	34,825	49,210	135,869	130,869	129,869
Community Center/Gym/Pool Participation	8,910	60,289	67,707	69,707	69,707
Other Participation	46,510	45,110	65,605	65,605	65,605

NOTES:

- a) Street light replacement is done by Southern California Edison
- b) Unable to get the data due to departure of the City Planner as part of cost cutting measure
- c) Transit Route Miles and Passenger Count lower in 2020 and 2021 due to the COVID-19 pandemic restrictions
- d) Parks and Recreation numbers were significantly lower in 2020 and 2021 due to the COVID-19 pandemic restrictions

City of Ridgecrest
Schedule 18
Operating Indicators by Function/Program
Last Ten Fiscal Years (As of June 30) (Continued)

FUNCTION/PROGRAM	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Police					
Physical Arrests	1,495	2,805	1,281	2,346	2,417
Parking Violations	126	148	114	293	188
Traffic Violations	408	458	792	1,540	937
Community Development					
Building Permits Issued	1,305	604	1,020	705	302
Building Permits Valuation (in millions)	21	6	9	5	19
Building Inspections Performed	2,718	2,684	1,925	1,603	4,299
Planning Permits Issued	see note b	173	163	137	113
Public Services					
Street Resurfacing (miles)	7	8	2	2	3
Street Light Replacement ^a	n/a	n/a	n/a	n/a	n/a
Potholes Filled	1,800	2,200	2,400	3,600	2,783
Waste Water Average Daily					
Treatment (millions of gallons)	2	2	2	2	3
Transit Route (Service) Miles ^c	97,006	96,112	95,869	76,849	64,438
Transit Passenger Count	13,629	17,101	17,724	13,516	17,131
Parks & Recreation ^d					
Sports Field Participation	103,449	81,259	75,113	70,917	85,409
Community Center/Gym/Pool Participation	76,259	105,984	103,218	95,785	90,655
Other Participation	36,094	65,713	72,615	45,312	45,816

NOTES:

- a) Street light replacement is done by Southern California Edison
- b) Unable to get the data due to departure of the City Planner as part of cost cutting measure
- c) Transit Route Miles and Passenger Count lower in 2020 and 2021 due to the COVID-19 pandemic restrictions
- d) Parks and Recreation numbers were significantly lower in 2020 and 2021 due to the COVID-19 pandemic restrictions

City of Ridgecrest
Schedule 19
Capital Asset Statistics by Function/Program
Last Ten Fiscal Years

FUNCTION/PROGRAM	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol Units (marked)	19	20	20	20	20	20	18	17	17	10
Motorcycle unit	4	4	4	4	4	4	5	8	7	3
K-9 unit	1	1	1	1	1	1	1	1	1	1
Streets										
Streets (centerline miles) ¹	126	126	216	216	216	216	216	216	132	131
Streetlights ²	1546	1546	1540	1540	1540	1540	1502	1469	1520	1523
Traffic Signals										
CalTrans maintained	7	7	7	7	7	7	7	7	7	7
City of Ridgecrest maintained	14	14	14	14	14	12	12	10	9	9
Culture & Recreation										
Total Park Acreage	46.88	46.88	46.88	46.88	46.88	46.88	46.88	46.88	46.88	46.88
Parks	3	3	5	5	5	5	5	5	5	5
Baseball Fields	5	5	4	4	4	4	4	4	4	4
Softball Fields	3	3	3	3	3	3	3	3	3	3
Soccer Fields	4	4	4	4	4	4	4	4	4	4
Football Fields	1	1	1	1	1	1	1	1	1	1
Tennis Courts	6	6	6	6	6	6	6	6	6	6
Swimming Pools	0	0	0	0	0	1	1	1	1	1
Community Centers	2	2	2	2	2	2	2	2	2	2
Waste Water										
Sanitary Sewers (miles)	142	142	142	142	142	142	142	142	142*	170
Storm Sewers (miles)	5	5	5	5	5	5	5	5	5	5
Treatment Capacity (millions of gallons/day)	3.7	3.7	3.6	3.6	3.6	3.6	3.6	3.6	3.6	3.6
Transit Services										
Minibuses										
Fixed Route	2	7	8	8	8	8	8	7	6	0
Dial A Ride	5	3	2	1	1	1	2	2	3	5
Bus Shelters	10	10	10	10	10	9	8	8	5	5

NOTE:

* FY 2013 sanitary sewer miles were measured using GIS system while the prior fiscal years were measured using curb miles.

1) FY 2020 streets miles were converted to Centerline Miles while the prior fiscal years were measured using lane miles

2) The numbers presented here are for streetlights located within the city limit. Numbers presented in previous ACFR were lights located on city properties