

City of Ridgecrest, CA

# Annual Comprehensive Financial Report



For the Fiscal Year Ended June 30, 2024



# City of Ridgecrest, California



## ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the fiscal year ended June 30, 2024

Prepared by the Finance Department

Cheri Freese, Finance Director  
Kelly Brewton, Assistant Finance Director  
Kristin Fields, Payroll Technician II  
Andrea Hockett, Jr. Accountant  
Alexis Wombold, Accounts Payable Technician  
Kerisa Isaac, Account Clerk



City of Ridgecrest  
Annual Comprehensive Financial Report  
For the Year Ended June 30, 2024

**Table of Contents**



City of Ridgecrest  
Annual Comprehensive Financial Report  
For the Year Ended June 30, 2024

**This Page Intentionally Left Blank.**



**City of Ridgecrest**  
**Annual Comprehensive Financial Report**  
**For the Year Ended June 30, 2024**

**Table of Contents**

---

|   | <u>Page</u> |
|---|-------------|
| <b><u>INTRODUCTORY SECTION (UNAUDITED)</u></b>  |             |
| Letter of Transmittal.....  | i           |
| Certificate of Achievement for Excellence in Financial Reporting - GFOA .....   | vi          |
| Organization Chart .....  | vii         |
| Principal Officials.....  | viii        |
| <b><u>FINANCIAL SECTION</u></b>   |             |
| <b>Independent Auditors' Report on Financial Statements .....</b>   | <b>1</b>    |
| <b>Management's Discussion and Analysis (Required Supplementary Information) (Unaudited).....</b>   | <b>5</b>    |
| <b>Basic Financial Statements:</b>  |             |
| <b>Government-Wide Financial Statements:</b>  |             |
| Statement of Net Position.....  | 18          |
| Statement of Activities .....   | 20          |
| <b>Fund Financial Statements:</b>   |             |
| <i>Governmental Fund Financial Statements:</i>  |             |
| Balance Sheet.....  | 28          |
| Reconciliation of the Governmental Funds Balance Sheet<br>to the Government-Wide Statement of Net Position .....  | 31          |
| Statement of Revenues, Expenditures, and Changes in Fund Balances .....   | 32          |
| Reconciliation of the Governmental Funds Statement of Revenues, Expenditures,<br>and Changes in Fund Balance to the Government-Wide Statement of Activities ..... | 34          |
| <i>Proprietary Fund Financial Statements:</i>   |             |
| Statement of Net Position .....   | 38          |
| Statement of Revenues, Expenses, and Changes in Net Position .....  | 39          |
| Statement of Cash Flows .....   | 40          |
| <i>Fiduciary Fund Financial Statements:</i>   |             |
| Statement of Fiduciary Net Position .....   | 47          |
| Statement of Change in Fiduciary Net Position.....  | 48          |
| <b>Notes to the Basic Financial Statements .....</b>  | <b>53</b>   |

**City of Ridgecrest**  
**Annual Comprehensive Financial Report**  
**For the Year Ended June 30, 2024**

**Table of Contents (Continued)**

---

|   | <u>Page</u> |
|---|-------------|
| <b><u>FINANCIAL SECTION, Continued</u></b>  |             |
| <b>Required Supplementary Information (Unaudited):</b>                                      |             |
| Budgetary Information.....  | 91          |
| Budgetary Comparison Schedule – General Fund.....   | 93          |
| Budgetary Comparison Schedule – American Rescue Plan Act Special Revenue Fund.....          | 94          |
| Budgetary Comparison Schedule – State Gas Tax Special Revenue Fund .....                    | 95          |
| Schedule of the City’s Proportionate Share of the Net Pension Liability and Related Ratios: |             |
| CalPERS Miscellaneous Plan.....   | 96          |
| CalPERS Safety Plan .....   | 97          |
| Schedule of Contributions:  |             |
| CalPERS Miscellaneous Plan.....   | 98          |
| CalPERS Safety Plan .....   | 99          |
| Schedule of Changes in Net OPEB Liabilities and Related Ratios .....                        | 100         |
| Schedule of OPEB Contributions .....  | 101         |
| <b>Supplementary Information:</b>   |             |
| Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual:        |             |
| Capital Improvements – Capital Projects Fund .....  | 105         |
| City Debt Service Fund – Debt Service Fund.....   | 106         |
| <i>Non-Major Governmental Funds:</i>  |             |
| Combining Balance Sheet .....   | 109         |
| Combining Statement of Revenues, Expenditures, and Changes in Fund Balances .....           | 112         |
| Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual:        |             |
| Road Maintenance and Rehabilitation Act – Special Revenue Fund .....                        | 115         |
| TDA Street – Special Revenue Fund.....  | 116         |
| Supplemental Law Enforcement – Special Revenue Fund.....                                    | 117         |
| Landscaping and Lighting – Special Revenue Fund.....  | 118         |
| Drainage Benefit Assessment District – Special Revenue Fund .....                           | 119         |
| Fire Facilities Improvements – Special Revenue Fund .....                                   | 120         |
| Traffic Impact Fee – Special Revenue Fund.....  | 121         |
| Park Development Impact Fee – Special Revenue Fund.....                                     | 122         |
| Law Enforcement Improvement Fee – Special Revenue Fund.....                                 | 123         |
| Storm Drainage Facilities – Special Revenue Fund .....                                      | 124         |
| Housing Authority – Special Revenue Fund .....  | 125         |
| Sub-Standard Streets Improvements – Capital Projects Fund .....                             | 126         |

**City of Ridgecrest**  
**Annual Comprehensive Financial Report**  
**For the Year Ended June 30, 2024**

**Table of Contents (Continued)**

---

|   | <u>Page</u> |
|---|-------------|
| <b><u>FINANCIAL SECTION, Continued</u></b>                                  |             |
| <b>Supplementary Information (Continued):</b>                               |             |
| <i>Internal Service Funds:</i>  |             |
| Combining Statement of Net Position.....                                    | 130         |
| Combining Statement of Revenues, Expenses, and Changes in Net Position..... | 131         |
| Combining Statement of Cash Flows.....                                      | 132         |
| <i>Fiduciary Funds:</i>   |             |
| Statement of Fiduciary Net Position – Fiduciary Funds .....                 | 134         |
| Statement of Changes in Fiduciary Net Position – Fiduciary Funds.....       | 135         |
| <b><u>STATISTICAL SECTION (Unaudited)</u></b>                               |             |
| Index to Statistical Section .....  | 139         |
| <b>Financial Trends:</b>  |             |
| Net Position by Component .....   | 140         |
| Changes in Net Position .....   | 142         |
| Fund Balances of Governmental Funds .....                                   | 146         |
| Changes in Fund Balances of Governmental Funds.....                         | 148         |
| <b>Revenue Capacity:</b>  |             |
| Governmental Activities Tax Revenues by Source.....                         | 151         |
| Assessed Value of Taxable Property.....                                     | 152         |
| Direct and Overlapping Property Tax Rates .....                             | 154         |
| Top Ten Principal Property Taxpayers.....                                   | 155         |
| Property Tax Levies and Collections .....                                   | 156         |
| <b>Debt Capacity:</b>   |             |
| Ratios of Outstanding Debt by Type.....                                     | 157         |
| Ratios of General Bonded Debt Outstanding .....                             | 158         |
| Direct and Overlapping Governmental Activities Debt .....                   | 159         |
| Legal Debt Margin Information .....   | 160         |
| Pledged Revenue Coverage.....   | 162         |
| <b>Demographic and Economic Information:</b>                                |             |
| Demographic and Economic Statistics.....                                    | 163         |
| Principal Employers .....   | 164         |
| <b>Operating Information:</b>   |             |
| Full Time Equivalent City Government Employees by Function/Program .....    | 165         |
| Operating Indicators by Function/Program .....                              | 166         |
| Capital Asset Statistics by Function/Program .....                          | 168         |

City of Ridgecrest  
Annual Comprehensive Financial Report  
For the Year Ended June 30, 2024

**This Page Intentionally Left Blank.**





# **CITY OF RIDGECREST**

Phone 760-499-5000  
100 West California Avenue, Ridgecrest, CA 93555-4054  
[www.ridgecrest-ca.gov](http://www.ridgecrest-ca.gov)

---

February 13, 2025

## **Honorable Mayor, City Council and Citizens of the City of Ridgecrest**

We are pleased to present the Annual Comprehensive Financial Report (ACFR) of the City of Ridgecrest, California (City) for the Fiscal Year ended June 30, 2024. 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. Taken together, the ACFR and the budget provide the best overview of the City's fiscal opportunities for future financial stability.

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.

The City's financial statements have been audited by The Pun Group, a firm of certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City for the fiscal year ended June 30, 2024 are free of material misstatement. The independent audit involved examining evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used; and evaluating the overall financial statement presentation.

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



# **CITY OF RIDGECREST**

Phone 760-499-5000  
100 West California Avenue, Ridgecrest, CA 93555-4054  
[www.ridgecrest-ca.gov](http://www.ridgecrest-ca.gov)

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 now provides shopping for over 40,000 people throughout the Indian Wells Valley.

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 NAWS China Lake, has been essential to its successful emergence as a community in its own right, as well as, the same location characteristics that initially attracted NAWS China Lake; 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 China Lake.

## **ECONOMIC DEVELOPMENT AND OUTLOOK**

Over the past year the City of Ridgecrest experienced slow but consistent growth with the completion and approval of several ongoing and planned projects. To date, the major economic development accomplishments for FY 2024 include the following:

- Local start-up businesses opened in the community during FY24 include: Stella's Play Place (an indoor playground for younger children), The Found Look, (a vintage-inspired home décor store), Ridgecrest Athletic Club (a new locally-owned gym occupying the former In Shape space), and Sierra Lanes (our local bowling alley, back under new ownership after many years of closure.) Plans are pending for a brick-and-mortar bakery establishment on downtown Balsam St., and a handful more.
- Retail opportunities are projected to increase during the fiscal year with recent tenant improvement plan approvals for Ross Dress for Less and Five Below chains. City staff have continued to coordinate with HdL consultants regarding potential retail recruitment opportunities for continued infill development.
- The Oasis at China Lake project has continued to progress with the near completion of both The Habit Burger Grill & Jersey Mike's Subs. Phase II is projected to begin construction by Q3/Q4 of 2025 and is set to include the following entertainment components: arcade; bowling alley; VR sports, restaurant/bar, party rooms, and a proposed eighteen-hole miniature golf course.
- The 76-unit affordable housing development, Mojave View Apartments, opened and public improvements to the area per the Affordable Housing Sustainable Communities Grant will be completed by 2025.
- The hospitality industry continues to expand lodging options with the recently opened Holiday Inn Express (103 rooms) and ongoing construction of the Towne Place Suites (96 room) hotels.
- Local electric vehicle infrastructure will be increased as a result of the ongoing development of an EV Charge Park & Coffee facility which will include twenty (20) Level 2 and Level 3 charging stations. This project is well underway and near completion.



# CITY OF RIDGECREST

Phone 760-499-5000  
100 West California Avenue, Ridgecrest, CA 93555-4054  
[www.ridgecrest-ca.gov](http://www.ridgecrest-ca.gov)

- With final Council approval in October, RTID rates to increase from 3.0% to 5.75% allowing the Ridgecrest Area Convention and Visitor's Bureau an increased revenue stream to support local tourism and hospitality industries.

As the City of Ridgecrest is near capacity for fast-casual dining establishments, economic development efforts for the remainder of the current fiscal year will be focused on improving the local business environment through revitalization of the historic downtown area. Recent & continued efforts to revitalize the Balsam Street retail corridor will help to increase visibility and support for local businesses and create a space to facilitate community events and shared place-making experiences.

- Beginning in February 2023, the City kicked off a new community event series, "Night on Balsam", aimed at creating a community sense of place with the intention to help drive pedestrian traffic to the local Balsam Street business corridor. The success of "Night on Balsam" was instantly apparent through public sentiment – with estimates of approximately four thousand (4000) residents in attendance. Since the initial event, the City has hosted additional "Night on Balsam" events in May and August '23 with a goal to host at least four (4) annual "Night on Balsam" events in subsequent years.
- In May of 2024, the City launched the City of Ridgecrest Farmers Market, a California certified farmers market accommodating makers and producers of a variety of products. This weekly event has injected new energy to and has increased visibility and foot traffic for the area businesses.
- New lighting features were installed along Balsam Street to improve ambiance and enhance public safety for night-time events and activities as well as a cooling mister system for a more comfortable experience on our hotter summer evenings.
- The City is currently in the early stages of exploring options for downtown redevelopment concepts. In Q3 2023 Urban Field Studios provided City staff with overall master and key block renderings of conceptual Balsam corridor redesigns. These renderings are intended to be used as a resource for potential future development, pending available funding opportunities. Components to be explored include place-making ideas i.e. shaded outdoor gathering spaces, improved streetscapes, parking/pedestrian strategies, and shade & wind protection.
- City Community Development staff are starting to work on a proposal for a Downtown Façade Renovation grant program. This grant will aim to be an avenue for Balsam Street businesses to update their curb appeal with a fresh new look, updated signage, etc while having a little help with that from the City.

## **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 (GAAP), rather than expenditures and encumbrances (non-GAAP). Because appropriations lapse on June 30, encumbrances outstanding as of June 30, 2024 are disclosed in the notes to the financial statements. Appropriations for FY 2024 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."

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**

*Phone 760-499-5000  
100 West California Avenue, Ridgecrest, CA 93555-4054  
[www.ridgecrest-ca.gov](http://www.ridgecrest-ca.gov)*

---

## **LOOKING TO THE FUTURE**

Many factors from previous years continue to impact the next fiscal year, both positively and negatively. Measure V, which was re-approved by the voters in November 2024, will continue at a rate of 1%, until citizens chose to put it on the ballot. Measure P, which was approved by the voters in November 2022, will continue at a rate of 1% for 9 years. FY 2024 sales tax is trending lower than previous years due to ramping down of base reconstruction. Transient Occupancy Tax (TOT) is expected to make marginal gains.

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.

Even though the economy is uncertain at this time, the city of Ridgecrest has and will continue to grow. The fiscal year 2024 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 continue to be implemented to improve fund balance in order to bolster reserves in the general fund.

## **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, 2023. This was the 20<sup>th</sup> 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.



# **CITY OF RIDGECREST**

Phone 760-499-5000  
100 West California Avenue, Ridgecrest, CA 93555-4054  
[www.ridgecrest-ca.gov](http://www.ridgecrest-ca.gov)

---

## **ACKNOWLEDGMENTS**

While the 2024 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. This being said, 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

---

Kelly Brewton  
Finance Director



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**City of Ridgecrest  
California**

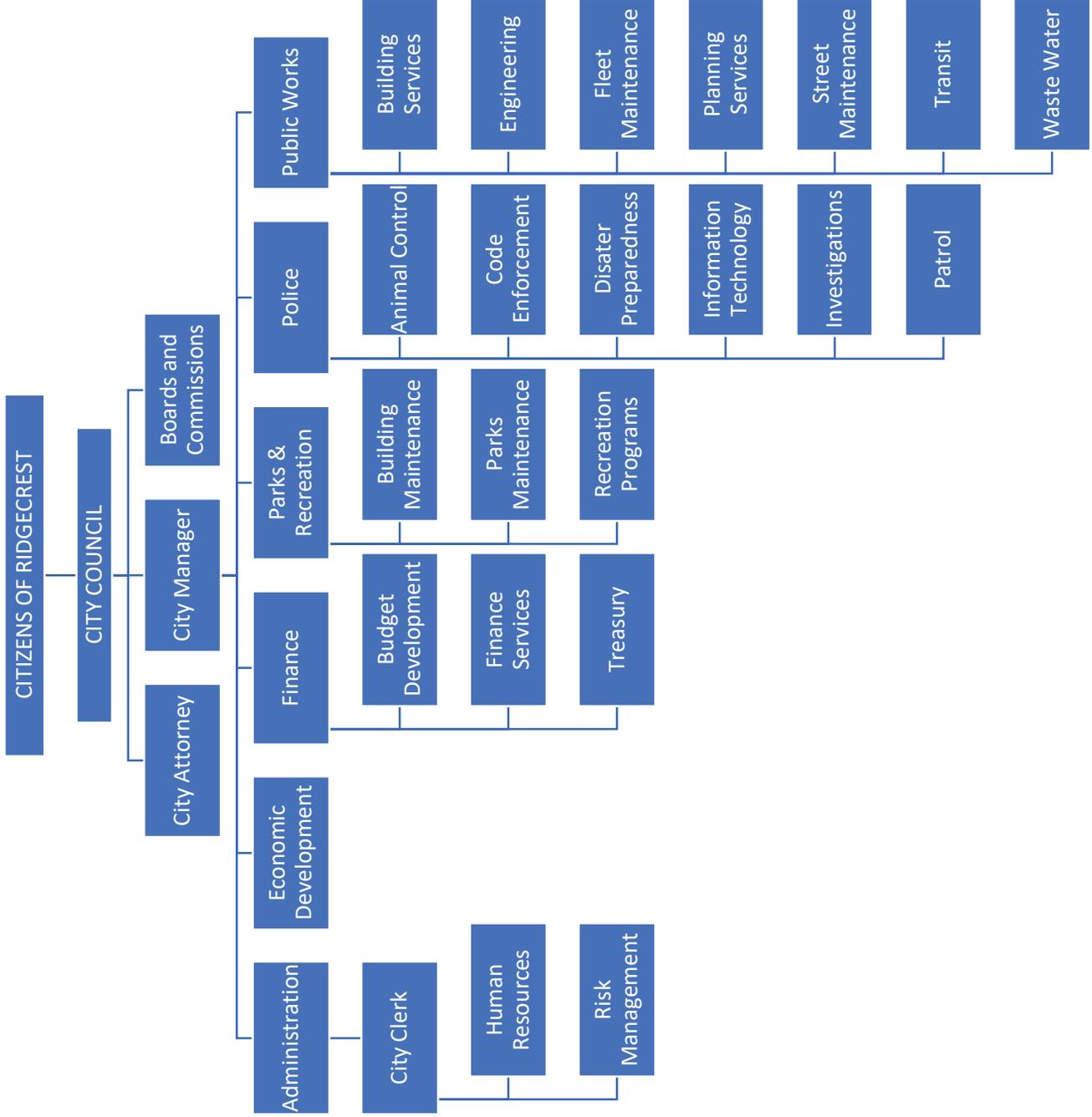
For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

June 30, 2023

*Christopher P. Morill*

Executive Director/CEO

# City of Ridgecrest Organization Chart





## City of Ridgecrest

### Annual Comprehensive Financial Report

#### Principal Officials

Eric A. Bruen – Mayor  
Solomon P. Rajaratnam – Mayor Pro-Tempore  
Kyle Blades – Vice Mayor  
Scott Hayman – Council Member  
John ‘Skip’ Gorman – Council Member

#### City Staff

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



## INDEPENDENT AUDITORS' REPORT

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

### Report on the Audit of the Financial Statements

#### *Opinions*

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Ridgecrest, California (the "City"), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of June 30, 2024, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### *Basis for Opinions*

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

#### *Responsibilities of Management for the Financial Statements*

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

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

***Auditors' Responsibilities for the Audit of the Financial Statements***

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

In performing an audit in accordance with auditing standards generally accepted in the United States of America and the *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

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

***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, 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.

***Supplementary Information***

Our audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*. In our opinion, the combining and individual nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

***Other Information***

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audits of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated February 13, 2025, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "The Per Group, LLP". The signature is written in a cursive, flowing style.

Santa Ana, California  
February 13, 2025

City of Ridgecrest  
Annual Comprehensive Financial Report  
For the Year Ended June 30, 2024

**This Page Intentionally Left Blank.**



**City of Ridgecrest**  
**Management's Discussion and Analysis (Unaudited)**  
**June 30, 2024**

---

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, 2024, as well as the budget for FY24. 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 \$144 million, which is 16% more than 2023. Of this amount, \$46 million is in unrestricted net position, which is available to meet the City's ongoing commitments to citizens and creditors.

The City's government-wide net position increased by \$21.5 million, and business type decreased by \$1.5 million, for a total increase of \$19.9 million. This growth is primarily attributed to the Measure V sales tax, Measure P 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)**  
**June 30, 2024**

---

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, expenditures, and changes in fund balance with the government-wide financial statements can be found on pages 32 and 33. 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, expenditures, 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 28-34. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements on pages 109-114.

*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 wastewater 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 38-41.

*Fiduciary Funds* - Fiduciary (custodial) funds are used to account for resources held for the benefit of parties outside the government. Custodial 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 53-87.

**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 93-101.

**City of Ridgecrest**  
**Management's Discussion and Analysis (Unaudited) (Continued)**  
**June 30, 2024**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

Below is a table showing the City's net position for the fiscal year ended June 30, 2024, with comparative data for the fiscal year ended June 30, 2023.

**City of Ridgecrest's Statement of Net Position**

|                        | Governmental  |               | Business-Type |               | Total          |                |
|------------------------|---------------|---------------|---------------|---------------|----------------|----------------|
|                        | Activities    |               | Activities    |               |                |                |
|                        | 2024          | 2023          | 2024          | 2023          | 2024           | 2023           |
| Current assets         | \$ 45,562,253 | \$ 41,596,454 | \$ 41,041,539 | \$ 44,011,886 | \$ 86,603,792  | \$ 85,608,340  |
| Noncurrent assets      | 162,562       | 509,530       | 1,483,603     | 1,483,603     | 1,646,165      | 1,993,133      |
| Internal balance       | (2,484,726)   | (2,625,203)   | 2,484,726     | 2,625,203     | -              | -              |
| Capital assets         | 72,346,766    | 58,475,170    | 15,417,437    | 15,131,537    | 87,764,203     | 73,606,707     |
| Total assets           | 115,586,855   | 97,955,951    | 60,427,305    | 63,252,229    | 176,014,160    | 161,208,180    |
| Deferred outflows      | 6,668,526     | 1,967,776     | 2,506,606     | 758,076       | 9,175,132      | 2,725,852      |
| Current liabilities    | 7,547,987     | 9,645,120     | 2,843,983     | 2,097,198     | 10,391,970     | 11,742,318     |
| Long-term liabilities  | 24,237,599    | 24,160,812    | 2,014,018     | 1,575,491     | 26,251,617     | 25,736,303     |
| Total liabilities      | 31,785,586    | 33,805,932    | 4,858,001     | 3,672,689     | 36,643,587     | 37,478,621     |
| Deferred inflows       | 3,174,696     | 2,422,277     | 1,106,754     | 1,678,532     | 4,281,450      | 4,100,809      |
| Net investment in      |               |               |               |               |                |                |
| capital assets         | 72,346,766    | 58,475,170    | 15,417,437    | 15,131,537    | 87,764,203     | 73,606,707     |
| Restricted             | 9,700,672     | 7,991,076     | -             | -             | 9,700,672      | 7,991,076      |
| Unrestricted (deficit) | 5,247,661     | (2,770,728)   | 41,551,719    | 43,527,547    | 46,799,380     | 40,756,819     |
| Total net position     | \$ 87,295,099 | \$ 63,695,518 | \$ 56,969,156 | \$ 58,659,084 | \$ 144,264,255 | \$ 122,354,602 |

The chart above reflects the City's combined net position (governmental and business-type activities), which totals \$144 million on June 30, 2024 and \$122 million on June 30, 2023.

60.84% 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.

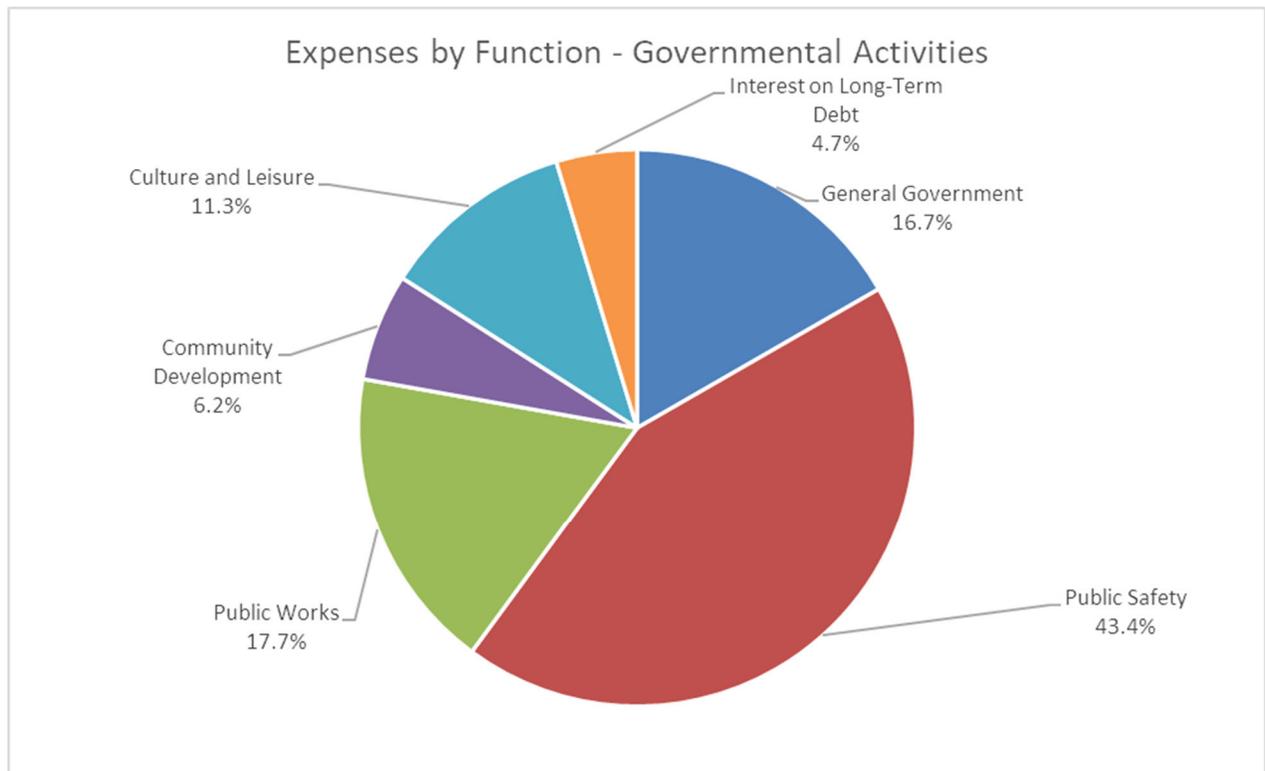
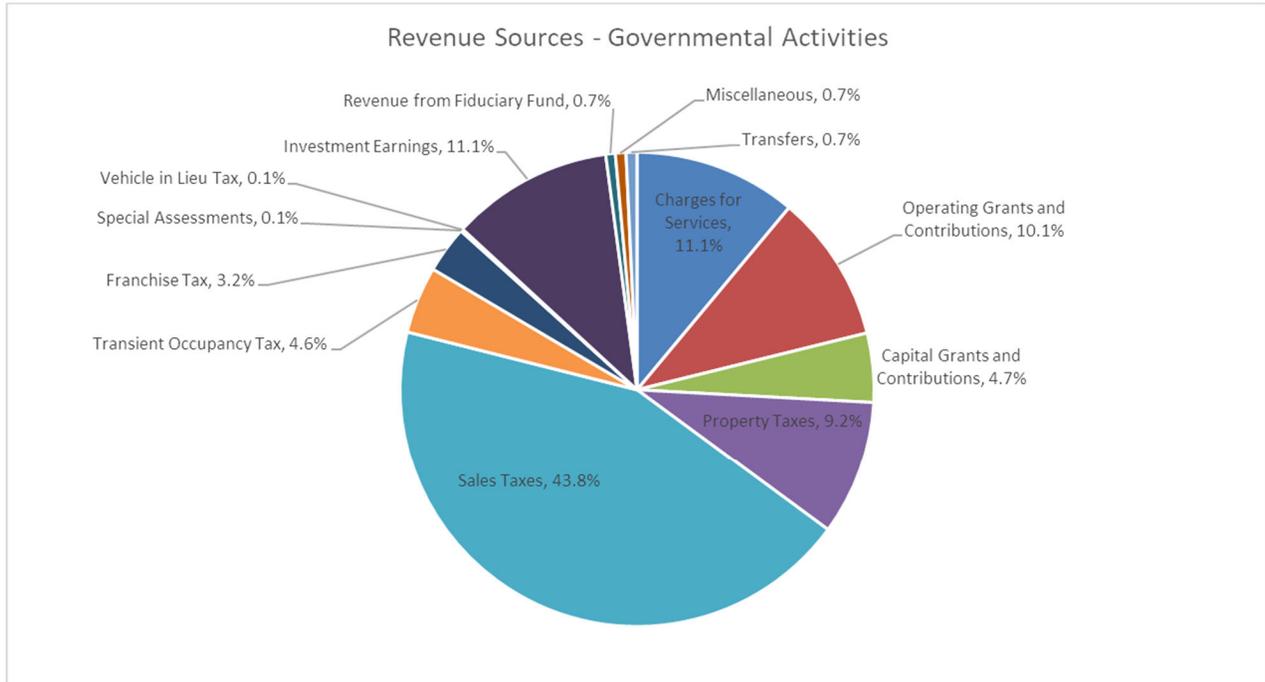
The remaining amount of the City's net position (39.16%) represents resources that are subject to external restrictions (e.g., capital projects, community development, debt services, and special projects) and resources that are unrestricted to meet the City's ongoing obligations to citizens and creditors.

At the end of the FY 2024, 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 \$22 million, a 18% increase. The growth is primarily attributed to the Measure V sales tax, Measure P sales tax, and the planning and preparation for the new wastewater treatment plant and for the new pool.

**City of Ridgecrest**  
**Management's Discussion and Analysis (Unaudited) (Continued)**  
**June 30, 2024**

**Governmental Activities**

Governmental activities increased the City's net position by \$21.5 million. This growth is primarily attributed to the Measure V sales tax, Measure P sales tax, budgeting conservative revenue estimates, along with controlled appropriations to ensure increased fund balance. 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)**  
**June 30, 2024**

**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, franchise fees, and other special assessments. General government expenses include those expenses necessary for 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, and 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. A majority of the revenue increase can be attributed to tax revenues for the year increasing due to rising costs due to inflation. The decrease in expenses was largely due to the planning and preparation costs for the new wastewater treatment plant, and the planning and preparation costs for the new pool.

**Statement of Activities**

|  | Governmental Activities |                      | Business Type Activities |                      | Total                |                      |
|--|-------------------------|----------------------|--------------------------|----------------------|----------------------|----------------------|
|  | 2024                    | 2023                 | 2024                     | 2023                 | 2024                 | 2023                 |
| <b>Revenues:</b>                           |                         |                      |                          |                      |                      |                      |
| <b>Program revenues:</b>                   |                         |                      |                          |                      |                      |                      |
| Charges for services                       | \$ 4,244,739            | \$ 3,363,975         | \$ 6,643,205             | \$ 6,516,741         | \$ 10,887,944        | \$ 9,880,716         |
| Operating grants and contributions         | 3,857,195               | 4,736,089            | 1,156,301                | 137,212              | 5,013,496            | 4,873,301            |
| Capital grants and contributions           | 1,801,039               | 760,130              | -                        | -                    | 1,801,039            | 760,130              |
| <b>Total program revenues</b>              | <b>9,902,973</b>        | <b>8,860,194</b>     | <b>7,799,506</b>         | <b>6,653,953</b>     | <b>17,702,479</b>    | <b>15,514,147</b>    |
| <b>General revenues:</b>                   |                         |                      |                          |                      |                      |                      |
| Taxes:                                     |                         |                      |                          |                      |                      |                      |
| Property taxes                             | 3,536,810               | 3,221,039            | -                        | -                    | 3,536,810            | 3,221,039            |
| Sales taxes                                | 16,787,300              | 13,030,058           | -                        | -                    | 16,787,300           | 13,030,058           |
| Transient occupancy tax                    | 1,748,645               | 1,879,068            | -                        | -                    | 1,748,645            | 1,879,068            |
| Franchise tax                              | 1,217,236               | 1,153,716            | -                        | -                    | 1,217,236            | 1,153,716            |
| Special Assessments                        | 29,938                  | 29,080               | -                        | -                    | 29,938               | 29,080               |
| Vehicle in lieu tax                        | 34,444                  | 28,763               | 1,850,321                | 1,457,998            | 1,884,765            | 1,486,761            |
| <b>Total taxes</b>                         | <b>23,354,373</b>       | <b>19,341,724</b>    | <b>1,850,321</b>         | <b>1,457,998</b>     | <b>25,204,694</b>    | <b>20,799,722</b>    |
| Investment earnings                        | 4,234,197               | 458,850              | 305,508                  | 520,425              | 4,539,705            | 979,275              |
| Revenues from Fiduciary Fund               | 250,000                 | 3,540,403            | -                        | -                    | 250,000              | 3,540,403            |
| Miscellaneous                              | 277,712                 | 185,261              | 2,719,505                | 1,080,990            | 2,997,217            | 1,266,251            |
| <b>Total general revenues</b>              | <b>28,116,282</b>       | <b>23,526,238</b>    | <b>4,875,334</b>         | <b>3,059,413</b>     | <b>32,991,616</b>    | <b>26,585,651</b>    |
| <b>Total revenues</b>                      | <b>38,019,255</b>       | <b>32,386,432</b>    | <b>12,674,840</b>        | <b>9,713,366</b>     | <b>50,694,095</b>    | <b>42,099,798</b>    |
| <b>Expenses:</b>                           |                         |                      |                          |                      |                      |                      |
| General government                         | 2,809,014               | 9,320,389            | -                        | -                    | 2,809,014            | 9,320,389            |
| Public safety                              | 7,306,939               | 14,727,340           | -                        | -                    | 7,306,939            | 14,727,340           |
| Public works                               | 2,980,746               | 9,316,241            | -                        | -                    | 2,980,746            | 9,316,241            |
| Community development                      | 1,049,626               | 2,420,937            | -                        | -                    | 1,049,626            | 2,420,937            |
| Culture & Leisure                          | 1,895,060               | 2,116,363            | -                        | -                    | 1,895,060            | 2,116,363            |
| Interest on long-term debt                 | 788,325                 | 822,640              | -                        | -                    | 788,325              | 822,640              |
| Transit                                    | -                       | -                    | 1,215,648                | 4,389,919            | 1,215,648            | 4,389,919            |
| Wastewater                                 | -                       | -                    | 12,702,387               | 10,781,324           | 12,702,387           | 10,781,324           |
| <b>Total expenses</b>                      | <b>16,829,710</b>       | <b>38,723,910</b>    | <b>13,918,035</b>        | <b>15,171,243</b>    | <b>30,747,745</b>    | <b>53,895,153</b>    |
| <b>Change in net position</b>              | <b>21,189,545</b>       | <b>(6,337,478)</b>   | <b>(1,243,195)</b>       | <b>(5,457,877)</b>   | <b>19,946,350</b>    | <b>(11,795,355)</b>  |
| Transfers                                  | 283,800                 | 2,027,114            | (283,800)                | (2,027,114)          | -                    | -                    |
| <b>Increase (decrease) in net position</b> | <b>21,473,345</b>       | <b>(4,310,364)</b>   | <b>(1,526,995)</b>       | <b>(7,484,991)</b>   | <b>19,946,350</b>    | <b>(11,795,355)</b>  |
| Net position, beginning of year            | 63,695,518              | 68,005,882           | 58,659,084               | 66,144,075           | 122,354,602          | 134,149,957          |
| Restatement                                | 2,126,236               | -                    | (162,933)                | -                    | 1,963,303            | -                    |
| <b>Net position, end of year</b>           | <b>\$ 87,295,099</b>    | <b>\$ 63,695,518</b> | <b>\$ 56,969,156</b>     | <b>\$ 58,659,084</b> | <b>\$144,264,255</b> | <b>\$122,354,602</b> |

**City of Ridgecrest**  
**Management's Discussion and Analysis (Unaudited) (Continued)**  
**June 30, 2024**

**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 decreased the City's net position by \$1.5 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. The decrease in the net position is due to the planning and preparation costs for the new Wastewater Treatment Facility.

**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.

The following schedule is a summary of governmental fund revenues for fiscal year ended June 30, 2024, 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             | General Fund         | American Rescue Plan Act Special Revenue Fund | State Gas Tax Special Revenue Fund | Capital Improvements Capital Projects Fund | City Debt Service Fund | Other Governmental Funds | Total Governmental Funds | Percent of Total |
|-------------------------------|----------------------|---|------------------------------------|--|------------------------|--------------------------|--------------------------|------------------|
| Taxes                         | \$ 23,574,160        | \$ -  | \$ -                               | \$ -                                       | \$ -                   | \$ -                     | \$ 23,574,160            | 61.8%            |
| Intergovernmental             | 1,248,675            | 1,577,736                                     | 732,449                            | 1,781,272                                  | -                      | 891,930                  | \$ 6,232,062             | 16.3%            |
| Licenses, Permits & Fees      | 428,088              | -   | -                                  | -  | -                      | 915,885                  | \$ 1,343,973             | 3.5%             |
| Fines and Forfeitures         | 201,554              | -   | -                                  | -  | -                      | -                        | \$ 201,554               | 0.5%             |
| Assessment levied             | -                    | -   | -                                  | -  | -                      | 29,938                   | \$ 29,938                | 0.1%             |
| Use of Money & Property       | 294,073              | 23,392  | 173                                | 2,244                                      | 3,938                  | 78,591                   | \$ 402,411               | 1.1%             |
| Charges for Services          | 1,306,933            | -   | -                                  | -  | -                      | -                        | \$ 1,306,933             | 3.4%             |
| Transfers from Fiduciary Fund | 250,000              | -   | -                                  | -  | -                      | -                        | \$ 250,000               | 0.7%             |
| Other Revenues                | 4,615,106            | -   | 5,778                              | 24,009                                     | -                      | 165,123                  | \$ 4,810,016             | 12.6%            |
| <b>Total</b>                  | <b>\$ 31,918,589</b> | <b>\$ 1,601,128</b>                           | <b>\$ 738,400</b>                  | <b>\$ 1,807,525</b>                        | <b>\$ 3,938</b>        | <b>\$ 2,081,467</b>      | <b>\$ 38,151,047</b>     | <b>100.0%</b>    |

**City of Ridgecrest**  
**Management's Discussion and Analysis (Unaudited) (Continued)**  
**June 30, 2024**

---

**General Fund.** The General Fund is the primary operating fund of the City, accounting for 83.7% of total revenue at \$31.92 million. The largest source of revenue in this fund is taxes, which contributed \$23.57 million, or 61.8% of the total revenue for all governmental funds.

**American Rescue Plan Act Special Revenue Fund.** The American Rescue Plan Act (ARPA) Special Revenue Fund received \$1.60 million in revenue, contributing 4.2% to the overall revenue of the governmental funds. The ARPA fund's revenue is largely restricted to specific uses as outlined in the program guidelines.

**State Gas Tax Special Revenue Fund.** The State Gas Tax Special Revenue Fund received \$738,400, accounting for 1.9% of total governmental fund revenue. This fund plays a key role in supporting transportation-related projects and services.

**Capital Improvements Capital Projects Fund.** This fund is responsible for financing capital improvements and projects within the City, contributing \$1.81 million, or 4.7% of total governmental fund revenue. This fund is used for major capital projects such as infrastructure enhancements and facility upgrades.

**City Debt Service Fund.** The City Debt Service Fund, which received \$3,938, is relatively small in terms of overall revenue, contributing less than 0.1% to the total governmental funds. This fund is responsible for managing the City's debt obligations and ensuring timely repayment of principal and interest.

**Other Governmental Funds.** The "Other Governmental Funds" includes several miscellaneous and smaller funds that contribute to the overall functioning of the City. It received \$2.08 million, or 5.5% of total revenue. This includes a variety of sources, such as intergovernmental revenue of \$891,930, charges for services of \$915,885, and other revenues of \$165,123. The diversity of revenue sources in this fund reflects the multiple programs and services it supports.

As of the end of the current year, the City of Ridgecrest's governmental funds reported combined ending fund balances of \$33.44 million, an increase of \$3.3 million in comparison to the FY 2023 ending fund balance. Of this ending balance, the unassigned fund balance is \$21.68 million, the assigned fund balance is \$2 million, the restricted fund balance is \$9.5 million, and the nonspendable and committed fund balance is \$.2 million.

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 \$189,083, which 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 \$2,003,826, \$1,998,770 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.

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 \$9,506,533, \$5,780,996 is set aside for capital projects.

**City of Ridgecrest**  
**Management's Discussion and Analysis (Unaudited) (Continued)**  
**June 30, 2024**

**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 and Measure P local option sales taxes. 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 \$6.79 million in resources over charges to appropriations. This increased the General Fund balance to \$27.24 million. The City has made substantial strides to increase its fund balance with continued budget reduction, capital outlay deferrals, closely monitoring fiscal position, and conservative revenue estimates. The City has met its goal to build its fund balance to equal at least six months' worth of its annual expenditures, and is now planning to develop a policy for spending the excess funds on capital improvement projects.

|  | For the Fiscal Year Ended June 30, 2024 |               |                |  | For the Fiscal Year Ended June 30, 2023 |                |                |  |
|--|---|---------------|----------------|--|---|----------------|----------------|--|
|  | Budgeted Amounts                        |               | Actual Amounts | Positive (Negative) Variance with Final Budget | Budgeted Amounts                        |                | Actual Amounts | Positive (Negative) Variance with Final Budget |
|  | Original                                | Final         |                |  | Original                                | Final          |                |  |
| <b>Fund balance, July 1</b>                                |   |               | \$ 20,475,952  |  |   |                | \$ 17,452,014  |  |
| <b>REVENUES:</b>   |   |               |                |  |   |                |                |  |
| Taxes  | \$ 23,803,560                           | \$ 23,803,560 | 23,574,160     | \$ (229,400)                                   | \$ 16,516,757                           | \$ 17,991,757  | 19,599,223     | \$ 1,607,466                                   |
| Intergovernmental revenue                                  | 266,000                                 | 1,006,719     | 1,248,675      | 241,956  | 970,839                                 | 1,133,261      | 658,454        | (474,807)                                      |
| Licenses, fees, and permits                                | 585,500                                 | 585,500       | 428,088        | (157,412)                                      | 537,500                                 | 537,500        | 612,814        | 75,314   |
| Fines and forfeitures                                      | 48,700                                  | 48,700        | 201,554        | 152,854  | 53,250                                  | 53,250         | 57,537         | 4,287  |
| Use of money and property                                  | 515,250                                 | 515,250       | 294,073        | (221,177)                                      | 380,715                                 | 380,715        | 577,516        | 196,801  |
| Charges for services                                       | 1,401,900                               | 1,401,900     | 1,306,933      | (94,967)                                       | 602,965                                 | 1,319,681      | 1,278,259      | (41,422)                                       |
| Transfers from fiduciary funds                             | 250,000                                 | 250,000       | 250,000        | -  | 250,000                                 | 250,000        | 3,540,403      | 3,290,403                                      |
| Other revenues   | 225,000                                 | 225,000       | 4,615,106      | 4,390,106                                      | 227,400                                 | 227,400        | 239,410        | 12,010   |
| Total revenues   | 27,095,910                              | 27,836,629    | 31,918,589     | 4,081,960                                      | 19,539,426                              | 21,893,564     | 26,563,616     | 4,670,052                                      |
| <b>EXPENDITURES:</b>                                       |   |               |                |  |   |                |                |  |
| Current:   |   |               |                |  |   |                |                |  |
| General government   | 3,781,772                               | 4,028,480     | 3,793,386      | 235,094  | 2,608,946                               | 3,273,055      | 3,122,147      | 150,908  |
| Public safety  | 8,430,799                               | 8,817,977     | 8,451,014      | 366,963  | 7,266,659                               | 7,446,346      | 7,078,009      | 368,337  |
| Public works   | 509,632                                 | 827,887       | 658,577        | 169,310  | 669,907                                 | 574,540        | 394,433        | 180,107  |
| Community development                                      | 1,611,301                               | 2,039,590     | 1,196,736      | 842,854  | 1,649,699                               | 1,735,273      | 1,389,004      | 346,269  |
| Culture and leisure  | 2,915,690                               | 5,589,840     | 3,702,230      | 1,887,610                                      | 2,171,491                               | 2,241,578      | 2,011,619      | 229,959  |
| Capital Outlay   | 1,007,000                               | 1,674,642     | 1,381,167      | 293,475  | 713,000                                 | 313,592        | 429,679        | (116,087)                                      |
| Debt Service:  |   |               |                |  |   |                |                |  |
| Principal  | 139,086                                 | 139,086       | -              | -  | 138,394                                 | 138,394        | -              | 138,394  |
| Interest and fiscal charges                                | -                                       | -             | -              | -  | -                                       | -              | -              | -  |
| Total expenditures   | 18,395,280                              | 23,117,502    | 19,183,110     | (3,934,392)                                    | 15,218,096                              | 15,722,778     | 14,424,891     | 1,297,887                                      |
| <b>OTHER FINANCING SOURCES (USES):</b>                     |   |               |                |  |   |                |                |  |
| Transfers in   | 510,000                                 | 510,000       | 187,354        | (322,646)                                      | 876,716                                 | 265,000        | 165,962        | (99,038)                                       |
| Transfers out  | (4,589,393)                             | (4,589,393)   | (6,153,159)    | (1,563,766)                                    | (9,384,911)                             | (8,870,153)    | (9,280,749)    | 410,596  |
| Total other financing sources (uses)                       | (4,079,393)                             | (4,079,393)   | (5,965,805)    | (1,886,412)                                    | (8,508,195)                             | (8,605,153)    | (9,114,787)    | 311,558  |
| Excess of resources over (under) charges to appropriations | \$ 4,621,237                            | \$ 639,734    | 6,769,674      | \$ 6,129,940                                   | \$ (4,186,865)                          | \$ (2,434,367) | 3,023,938      | \$ 3,683,723                                   |
| <b>Fund balance, June 30</b>                               |   |               | \$ 27,245,626  |  |   |                | \$ 20,475,952  |  |

**City of Ridgecrest**  
**Management's Discussion and Analysis (Unaudited) (Continued)**  
**June 30, 2024**

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

The City's investment in capital assets for its Governmental and Business-Type activities as of June 30, 2024, amounts to \$87.7 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 \$13,939,749 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.

|                                   | Government<br>Activities | Business-Type<br>Activities | Total                | Fiduciary<br>Activities |
|-----------------------------------|--------------------------|-----------------------------|----------------------|-------------------------|
| <i>Non-Depreciable Assets:</i>    |                          |                             |                      |                         |
| Land                              | \$ 2,434,499             | \$ 1,614,217                | \$ 4,048,716         | \$ 2,202,440            |
| Construction in process           | 27,359,953               | 836,936                     | 28,196,889           | -                       |
| Total non-depreciable assets, net | <u>29,794,452</u>        | <u>2,451,153</u>            | <u>32,245,605</u>    | <u>2,202,440</u>        |
| <i>Depreciable Assets:</i>        |                          |                             |                      |                         |
| Buildings and improvements        | 10,873,302               | 3,375,450                   | 14,248,752           | 12,092,609              |
| Machinery and equipment           | 13,308,493               | 6,402,971                   | 19,711,464           | -                       |
| Infrastructure                    | 130,017,437              | 21,182,072                  | 151,199,509          | -                       |
|                                   | <u>154,199,232</u>       | <u>30,960,493</u>           | <u>185,159,725</u>   | <u>12,092,609</u>       |
| Less accumulated depreciation     | (111,646,918)            | (17,994,209)                | (129,641,127)        | (10,979,274)            |
| Total depreciable assets, net     | <u>42,552,314</u>        | <u>12,966,284</u>           | <u>55,518,598</u>    | <u>1,113,335</u>        |
| <b>Total capital assets</b>       | <u>\$ 72,346,766</u>     | <u>\$ 15,417,437</u>        | <u>\$ 87,764,203</u> | <u>\$ 3,315,775</u>     |

Additional information about the capital assets can be found in Note 8 on pages 70 and 71 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 \$17.3 million. Long Term Debt for Business-type activities has a balance of \$151,671, and Long-Term Debt for Fiduciary Funds has a balance of \$17.7 million from the 2018 Tax Allocation Refunding Bond to provide funds to refund the 2010 Tax Allocation Bonds.

|                                   | Balance              |                     |                       | Balance              |                     |                      | Due within | Due in more |
|-----------------------------------|----------------------|---------------------|-----------------------|----------------------|---------------------|----------------------|------------|-------------|
|                                   | June 30, 2023        | Additions           | Deletions             | June 30, 2024        | one year            | than one year        |            |             |
| <b>Governmental Activities:</b>   |                      |                     |                       |                      |                     |                      |            |             |
| 2018 PERS COP                     | \$ 17,090,000        | \$ -                | \$ (755,000)          | \$ 16,335,000        | \$ 840,000          | \$ 15,495,000        |            |             |
| Plus: bond premium                | 341,699              | -                   | (14,857)              | 326,842              | -                   | 326,842              |            |             |
| Compensated absences              | 2,144,342            | 1,076,087           | (1,126,345)           | 2,094,084            | 628,225             | 1,465,859            |            |             |
| Total Governmental Activities     | <u>19,576,041</u>    | <u>1,076,087</u>    | <u>(1,896,202)</u>    | <u>18,755,926</u>    | <u>1,468,225</u>    | <u>17,287,701</u>    |            |             |
| <b>Business-type Activities:</b>  |                      |                     |                       |                      |                     |                      |            |             |
| Compensated absences              | 244,423              | 150,510             | (126,631)             | 268,302              | 116,631             | 151,671              |            |             |
| Total Business-type Activities    | <u>244,423</u>       | <u>150,510</u>      | <u>(126,631)</u>      | <u>268,302</u>       | <u>116,631</u>      | <u>151,671</u>       |            |             |
| <b>Fiduciary Funds:</b>           |                      |                     |                       |                      |                     |                      |            |             |
| Tax Allocation Bonds, Series 2018 | 21,123,000           | -                   | (1,691,000)           | 19,432,000           | 1,685,000           | 17,747,000           |            |             |
| Total Fiduciary Funds             | <u>21,123,000</u>    | <u>-</u>            | <u>(1,691,000)</u>    | <u>19,432,000</u>    | <u>1,685,000</u>    | <u>17,747,000</u>    |            |             |
| <b>Total</b>                      | <u>\$ 40,943,464</u> | <u>\$ 1,226,597</u> | <u>\$ (3,713,833)</u> | <u>\$ 38,456,228</u> | <u>\$ 3,269,856</u> | <u>\$ 35,186,372</u> |            |             |

State statutes limit the amount of general obligation debt a governmental entity may issue to 15 percent of its assessed valuation. Additional information on the City's long-term debt can be found in Note 9 on page 72 of this report.

**City of Ridgecrest**  
**Management's Discussion and Analysis (Unaudited) (Continued)**  
**June 30, 2024**

---

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGET**

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 2.8%. California's unemployment rate is 5.3%, while Kern County's rate is 9%.

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 \$6.1 million in Measure L and V funds for fiscal year 2024.

As a result of the November 8, 2022 election, the City successfully passed a local option sales tax called Measure P. This measure added 1% to the sales tax making it a total of 9.25%. It became effective on April 1, 2023.

Property tax is imposed on real property and tangible personal property located within the City. Property is assessed by the County Assessor at a tax rate of 1% of the assessed value. The City receives about 5% of the tax rate from the County of Kern- Auditor/ Controller's Office. 2016 saw the first property tax increase since 2010 and this increase represents 33%. The City anticipates property taxes will level out and continue to conservatively budget future year's proceeds.

Sales tax is the City's single largest revenue source. The total sales tax in Kern County incorporated area 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. In the past 10 years, the City's sales tax revenue has continuously climbed at an average rate of 13%.

Transient Occupancy Tax is the City's third largest revenue source and 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 and the total rate is 15.75%, including 5.75% that is a pass-through to the Ridgecrest Area Convention and Visitor's Bureau (RACVB). In past years, TOT collections have provided 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.

Business License Tax is another significant source of City revenue. It is not regulatory in nature, but rather, is based on unit count as opposed to the more common gross receipt ordinances by other cities throughout the state. FY24 saw a decrease of 3.65% and the City plans to continue increasing the tax based on CPI.

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.

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 China Lake, 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 NAWS China Lake converge to create an Eastern Sierra High Desert regional center. Tourism and hospitality services are expanding to meet the potential growth.

**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, 2024

**Basic Financial Statements**



City of Ridgecrest  
Annual Comprehensive Financial Report  
For the Year Ended June 30, 2024

**This Page Intentionally Left Blank.**



City of Ridgecrest  
Annual Comprehensive Financial Report  
For the Year Ended June 30, 2024

**Government-Wide Financial Statements**



**City of Ridgecrest**  
**Statement of Net Position**  
**June 30, 2024**

|   | Primary Government         |                             |                    |
|---|----------------------------|-----------------------------|--------------------|
|   | Governmental<br>Activities | Business-Type<br>Activities | Total              |
| <b>ASSETS</b>                               |                            |                             |                    |
| Current assets:                             |                            |                             |                    |
| Cash and investments                        | \$ 38,764,911              | \$ 40,710,592               | \$ 79,475,503      |
| Cash and investments with fiscal agents     | 1,391,413                  | -                           | 1,391,413          |
| Receivables:                                |                            |                             |                    |
| Accounts                                    | 2,199,146                  | 123,857                     | 2,323,003          |
| Taxes                                       | 3,042,057                  | -                           | 3,042,057          |
| Leases                                      | 207,750                    | -                           | 207,750            |
| Interest                                    | 80,827                     | 67,309                      | 148,136            |
| Deposits                                    | 10,241                     | -                           | 10,241             |
| Internal balances, current                  | (139,781)                  | 139,781                     | -                  |
| Inventories                                 | 5,689                      | -                           | 5,689              |
| Total current assets                        | <u>45,562,253</u>          | <u>41,041,539</u>           | <u>86,603,792</u>  |
| Noncurrent assets:                          |                            |                             |                    |
| Due from fiduciary funds                    | 56,345                     | 1,483,603                   | 1,539,948          |
| Internal balances, noncurrent               | (2,484,726)                | 2,484,726                   | -                  |
| Leases receivable                           | 106,217                    | -                           | 106,217            |
| Capital assets:                             |                            |                             |                    |
| Nondepreciable                              | 29,794,452                 | 2,451,153                   | 32,245,605         |
| Depreciable, net                            | 42,552,314                 | 12,966,284                  | 55,518,598         |
| Total capital assets, net                   | <u>72,346,766</u>          | <u>15,417,437</u>           | <u>87,764,203</u>  |
| Total noncurrent assets                     | <u>70,024,602</u>          | <u>19,385,766</u>           | <u>89,410,368</u>  |
| <b>Total assets</b>                         | <u>115,586,855</u>         | <u>60,427,305</u>           | <u>176,014,160</u> |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b>       |                            |                             |                    |
| Pension-related deferred outflows           | 6,307,029                  | 2,433,087                   | 8,740,116          |
| OPEB-related deferred outflows              | 361,497                    | 73,519                      | 435,016            |
| <b>Total deferred outflows of resources</b> | <u>6,668,526</u>           | <u>2,506,606</u>            | <u>9,175,132</u>   |

**City of Ridgecrest**  
**Statement of Net Position (Continued)**  
**June 30, 2024**

|  | Primary Government         |                             |                       |
|--|----------------------------|-----------------------------|-----------------------|
|  | Governmental<br>Activities | Business-Type<br>Activities | Total                 |
| <b>LIABILITIES</b>                               |                            |                             |                       |
| Current liabilities:                             |                            |                             |                       |
| Accounts payable                                 | 1,751,774                  | 1,966,826                   | 3,718,600             |
| Interest payable                                 | 63,847                     | -                           | 63,847                |
| Salaries payable                                 | 772,214                    | 82,000                      | 854,214               |
| Other payroll deductions payable                 | 9,659                      | -                           | 9,659                 |
| Deposits payable                                 | 376,359                    | -                           | 376,359               |
| Unearned revenue                                 | 2,759,517                  | 678,526                     | 3,438,043             |
| Claims payable - due within one year             | 346,392                    | -                           | 346,392               |
| Compensated absences - due within one year       | 628,225                    | 116,631                     | 744,856               |
| Long-term debt - due within one year             | 840,000                    | -                           | 840,000               |
| Total current liabilities                        | <u>7,547,987</u>           | <u>2,843,983</u>            | <u>10,391,970</u>     |
| Long-term liabilities:                           |                            |                             |                       |
| Claims payable - due in more than one year       | 2,000,294                  | -                           | 2,000,294             |
| Aggregate net pension liability                  | 4,437,438                  | 1,758,187                   | 6,195,625             |
| Net OPEB liability                               | 512,166                    | 104,160                     | 616,326               |
| Compensated absences - due in more than one year | 1,465,859                  | 151,671                     | 1,617,530             |
| Long-term debt - due in more than one year       | 15,821,842                 | -                           | 15,821,842            |
| Total long-term liabilities                      | <u>24,237,599</u>          | <u>2,014,018</u>            | <u>26,251,617</u>     |
| <b>Total liabilities</b>                         | <u>31,785,586</u>          | <u>4,858,001</u>            | <u>36,643,587</u>     |
| <b>DEFERRED INFLOWS OF RESOURCES</b>             |                            |                             |                       |
| Pension-related deferred inflows                 | 2,792,970                  | 1,090,378                   | 3,883,348             |
| OPEB-related deferred inflows                    | 80,523                     | 16,376                      | 96,899                |
| Lease-related deferred inflows                   | 301,203                    | -                           | 301,203               |
| <b>Total deferred inflows of resources</b>       | <u>3,174,696</u>           | <u>1,106,754</u>            | <u>4,281,450</u>      |
| <b>NET POSITION</b>                              |                            |                             |                       |
| Investment in capital assets                     | <u>72,346,766</u>          | <u>15,417,437</u>           | <u>87,764,203</u>     |
| Restricted for:                                  |                            |                             |                       |
| Special projects                                 | 526,718                    | -                           | 526,718               |
| Debt service                                     | 2,172,289                  | -                           | 2,172,289             |
| Capital projects                                 | 6,790,039                  | -                           | 6,790,039             |
| Other purpose                                    | 211,626                    | -                           | 211,626               |
| Total restricted                                 | <u>9,700,672</u>           | <u>-</u>                    | <u>9,700,672</u>      |
| Unrestricted                                     | <u>5,247,661</u>           | <u>41,551,719</u>           | <u>46,799,380</u>     |
| <b>Total net position</b>                        | <u>\$ 87,295,099</u>       | <u>\$ 56,969,156</u>        | <u>\$ 144,264,255</u> |

**City of Ridgecrest**  
**Statement of Activities**  
**For the Year Ended June 30, 2024**

| <b>Functions/Programs</b>             | Program Revenues     |                         |  |  | Total                |
|---------------------------------------|----------------------|-------------------------|--|--|----------------------|
|                                       | Expenses             | Charges for<br>Services | Operating<br>Grants and<br>Contributions | Capital<br>Grants and<br>Contributions |                      |
| <b>Primary government:</b>            |                      |                         |  |  |                      |
| <b>Governmental activities:</b>       |                      |                         |  |  |                      |
| General government                    | \$ 2,809,014         | \$ 4,196,944            | \$ 139,267                               | \$ -                                   | \$ 4,336,211         |
| Public safety                         | 7,306,939            | -                       | 2,298,993                                | -                                      | 2,298,993            |
| Public works                          | 2,980,746            | 33,045                  | 1,418,935                                | 1,801,039                              | 3,253,019            |
| Community development                 | 1,049,626            | 14,750                  | -  | -                                      | 14,750               |
| Culture and leisure                   | 1,895,060            | -                       | -  | -                                      | -                    |
| Interest on long-term debt            | 788,325              | -                       | -  | -                                      | -                    |
| <b>Total governmental activities</b>  | <b>16,829,710</b>    | <b>4,244,739</b>        | <b>3,857,195</b>                         | <b>1,801,039</b>                       | <b>9,902,973</b>     |
| <b>Business-Type activities:</b>      |                      |                         |  |  |                      |
| TDA transit                           | 1,215,648            | 354,368                 | 1,156,301                                | -                                      | 1,510,669            |
| Wastewater improvement                | 12,702,387           | 6,288,837               | -  | -                                      | 6,288,837            |
| <b>Total business-type activities</b> | <b>13,918,035</b>    | <b>6,643,205</b>        | <b>1,156,301</b>                         | <b>-</b>                               | <b>7,799,506</b>     |
| <b>Total primary government</b>       | <b>\$ 30,747,745</b> | <b>\$ 10,887,944</b>    | <b>\$ 5,013,496</b>                      | <b>\$ 1,801,039</b>                    | <b>\$ 17,702,479</b> |

**City of Ridgecrest**  
**Statement of Activities (Continued)**  
**For the Year Ended June 30, 2024**

| <b>Functions/Programs</b>                                      | Net (Expense) Revenue<br>and Changes in Net Position |                             |                       |
|--|--|-----------------------------|-----------------------|
|  | Governmental<br>Activities                           | Business-Type<br>Activities | Total                 |
| <b>Primary government:</b>                                     |  |                             |                       |
| <b>Governmental activities:</b>                                |  |                             |                       |
| General government   | \$ 1,527,197   | \$ -                        | \$ 1,527,197          |
| Public safety  | (5,007,946)  | -                           | (5,007,946)           |
| Public works   | 272,273  | -                           | 272,273               |
| Community development  | (1,034,876)  | -                           | (1,034,876)           |
| Culture and leisure  | (1,895,060)  | -                           | (1,895,060)           |
| Interest on long-term debt                                     | (788,325)  | -                           | (788,325)             |
| <b>Total governmental activities</b>                           | <b>(6,926,737)</b>                                   | <b>-</b>                    | <b>(6,926,737)</b>    |
| <b>Business-Type activities:</b>                               |  |                             |                       |
| TDA transit  | -  | 295,021                     | 295,021               |
| Wastewater improvement   | -  | (6,413,550)                 | (6,413,550)           |
| <b>Total business-type activities</b>                          | <b>-</b>   | <b>(6,118,529)</b>          | <b>(6,118,529)</b>    |
| <b>Total primary government</b>                                | <b>(6,926,737)</b>                                   | <b>(6,118,529)</b>          | <b>(13,045,266)</b>   |
| <b>General revenues:</b>                                       |  |                             |                       |
| Taxes:   |  |                             |                       |
| Property taxes   | 3,536,810  | -                           | 3,536,810             |
| Sales taxes  | 16,787,300   | -                           | 16,787,300            |
| Transient occupancy tax  | 1,748,645  | -                           | 1,748,645             |
| Franchise tax  | 1,217,236  | -                           | 1,217,236             |
| Special assessments  | 29,938   | -                           | 29,938                |
| Vehicle in lieu tax  | 34,444   | 1,850,321                   | 1,884,765             |
| <b>Total taxes</b>   | <b>23,354,373</b>                                    | <b>1,850,321</b>            | <b>25,204,694</b>     |
| Investment earnings  | 4,234,197  | 305,508                     | 4,539,705             |
| Revenue from Fiduciary Fund                                    | 250,000  | -                           | 250,000               |
| Miscellaneous  | 277,712  | 2,719,505                   | 2,997,217             |
| <b>Transfers</b>   | <b>283,800</b>                                       | <b>(283,800)</b>            | <b>-</b>              |
| <b>Total general revenues and transfers</b>                    | <b>28,400,082</b>                                    | <b>4,591,534</b>            | <b>32,991,616</b>     |
| <b>Change in net position</b>                                  | <b>21,473,345</b>                                    | <b>(1,526,995)</b>          | <b>19,946,350</b>     |
| <b>Net position - beginning of year, as restated (Note 16)</b> | <b>65,821,754</b>                                    | <b>58,496,151</b>           | <b>124,317,905</b>    |
| <b>Net position - end of year</b>                              | <b>\$ 87,295,099</b>                                 | <b>\$ 56,969,156</b>        | <b>\$ 144,264,255</b> |

City of Ridgecrest  
Annual Comprehensive Financial Report  
For the Year Ended June 30, 2024

**This Page Intentionally Left Blank.**



City of Ridgecrest  
Annual Comprehensive Financial Report  
For the Year Ended June 30, 2024

**Fund Financial Statements**

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



City of Ridgecrest  
Annual Comprehensive Financial Report  
For the Year Ended June 30, 2024

**This Page Intentionally Left Blank.**



City of Ridgecrest  
Annual Comprehensive Financial Report  
For the Year Ended June 30, 2024

**Governmental Fund Financial Statements**



City of Ridgecrest  
Annual Comprehensive Financial Report  
For the Year Ended June 30, 2024

**This Page Intentionally Left Blank.**



## GOVERNMENTAL FUND FINANCIAL STATEMENTS

Governmental Funds of the City are outlined below:

***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. These services include general government, safety, community development, culture and recreation and public works.

***American Rescue Plan Act Special Revenue Fund*** - This fund accounts for all revenues and expenditures of the American Rescue Plan Act funding received by the City.

***State Gas Tax Special Revenue Fund*** - This fund accounts for all revenues and expenditures of State Gas Tax funding received by the City.

***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, 2024**

|   | Major Funds          |  |   |   |                              |
|---|----------------------|--|---|---|------------------------------|
|   | General<br>Fund      | American<br>Rescue Plan<br>Act Special<br>Revenue Fund | State<br>Gas Tax<br>Special Revenue<br>Fund | Capital<br>Improvements<br>Capital Projects<br>Fund | City<br>Debt Service<br>Fund |
| <b>ASSETS</b>   |                      |  |   |   |                              |
| Cash and investments  | \$ 24,718,296        | \$ 1,921,055   | \$ -  | \$ -  | \$ 779,191                   |
| Cash and investments with fiscal agent  | -                    | -  | -   | -   | 1,391,413                    |
| Receivables:  |                      |  |   |   |                              |
| Accounts  | 539,175              | -  | 70,998                                      | 1,489,396   | -                            |
| Taxes   | 3,042,057            | -  | -   | -   | -                            |
| Interest  | 44,592               | 5,371  | -   | -   | 1,685                        |
| Leases  | 313,967              | -  | -   | -   | -                            |
| Due from other funds  | 3,663,436            | -  | -   | -   | -                            |
| Deposits  | -                    | -  | -   | -   | -                            |
| Due from fiduciary funds  | 56,345               | -  | -   | -   | -                            |
| <b>Total assets</b>   | <b>\$ 32,377,868</b> | <b>\$ 1,926,426</b>                                    | <b>\$ 70,998</b>                            | <b>\$ 1,489,396</b>                                 | <b>\$ 2,172,289</b>          |
| <b>LIABILITIES, DEFERRED INFLOWS<br/>OF RESOURCES AND<br/>FUND BALANCES</b>   |                      |  |   |   |                              |
| <b>Liabilities:</b>   |                      |  |   |   |                              |
| Accounts payable  | \$ 524,088           | \$ 30,694  | \$ 151,766                                  | \$ 1,008,463  | \$ -                         |
| Salaries payable  | 656,522              | -  | 30,317                                      | -   | -                            |
| Other payroll deductions payable  | 9,659                | -  | -   | -   | -                            |
| Due to other funds  | -                    | -  | 684,329                                     | 2,978,792   | -                            |
| Deposits payable  | 376,359              | -  | -   | -   | -                            |
| Unearned revenue  | 639,904              | 1,841,572  | -   | -   | -                            |
| Advances from other funds   | 2,624,507            | -  | -   | -   | -                            |
| <b>Total liabilities</b>  | <b>4,831,039</b>     | <b>1,872,266</b>                                       | <b>866,412</b>                              | <b>3,987,255</b>                                    | <b>-</b>                     |
| <b>Deferred Inflows of Resources:</b>   |                      |  |   |   |                              |
| Lease-related   | 301,203              | -  | -   | -   | -                            |
| <b>Total deferred inflows of resources</b>                                    | <b>301,203</b>       | <b>-</b>   | <b>-</b>                                    | <b>-</b>  | <b>-</b>                     |
| <b>Fund Balances:</b>   |                      |  |   |   |                              |
| Nonspendable  | 56,345               | -  | -   | -   | -                            |
| Restricted  | 211,626              | 54,160   | -   | -   | 2,172,289                    |
| Committed   | -                    | -  | -   | -   | -                            |
| Assigned  | 1,998,770            | -  | -   | -   | -                            |
| Unassigned (deficit)  | 24,978,885           | -  | (795,414)                                   | (2,497,859)   | -                            |
| <b>Total fund balances (deficit)</b>  | <b>27,245,626</b>    | <b>54,160</b>  | <b>(795,414)</b>                            | <b>(2,497,859)</b>                                  | <b>2,172,289</b>             |
| <b>Total liabilities, deferred inflows<br/>of resources and fund balances</b> | <b>\$ 32,377,868</b> | <b>\$ 1,926,426</b>                                    | <b>\$ 70,998</b>                            | <b>\$ 1,489,396</b>                                 | <b>\$ 2,172,289</b>          |

(Continued)

**City of Ridgecrest  
Balance Sheet (Continued)  
Governmental Funds  
June 30, 2024**

|   | Other<br>Governmental<br>Funds | Total<br>Governmental<br>Funds |
|---|--------------------------------|--------------------------------|
| <b>ASSETS</b>   |                                |                                |
| Cash and investments  | \$ 7,421,761                   | \$ 34,840,303                  |
| Cash and investments with fiscal agent  | -                              | 1,391,413                      |
| Receivables:  |                                |                                |
| Accounts  | 99,577                         | 2,199,146                      |
| Taxes   | -                              | 3,042,057                      |
| Interest  | 22,974                         | 74,622                         |
| Leases  | -                              | 313,967                        |
| Due from other funds  | -                              | 3,663,436                      |
| Deposits  | 10,241                         | 10,241                         |
| Due from fiduciary funds  | -                              | 56,345                         |
| <b>Total assets</b>   | <b>\$ 7,554,553</b>            | <b>\$ 45,591,530</b>           |
| <b>LIABILITIES, DEFERRED INFLOWS<br/>OF RESOURCES AND<br/>FUND BALANCES</b>   |                                |                                |
| <b>Liabilities:</b>   |                                |                                |
| Accounts payable  | \$ 8,639                       | \$ 1,723,650                   |
| Salaries payable  | 4,961                          | 691,800                        |
| Other payroll deductions payable  | -                              | 9,659                          |
| Due to other funds  | 315                            | 3,663,436                      |
| Deposits payable  | -                              | 376,359                        |
| Unearned revenue  | 278,041                        | 2,759,517                      |
| Advances from other funds   | -                              | 2,624,507                      |
| <b>Total liabilities</b>  | <b>291,956</b>                 | <b>11,848,928</b>              |
| <b>Deferred Inflows of Resources:</b>   |                                |                                |
| Lease-related   | -                              | 301,203                        |
| <b>Total deferred inflows of resources</b>                                    | <b>-</b>                       | <b>301,203</b>                 |
| <b>Fund Balances:</b>   |                                |                                |
| Nonspendable  | -                              | 56,345                         |
| Restricted  | 7,068,458                      | 9,506,533                      |
| Committed   | 189,083                        | 189,083                        |
| Assigned  | 5,056                          | 2,003,826                      |
| Unassigned (deficit)  | -                              | 21,685,612                     |
| <b>Total fund balances (deficit)</b>  | <b>7,262,597</b>               | <b>33,441,399</b>              |
| <b>Total liabilities, deferred inflows<br/>of resources and fund balances</b> | <b>\$ 7,554,553</b>            | <b>\$ 45,591,530</b>           |

(Concluded)

City of Ridgecrest  
Annual Comprehensive Financial Report  
For the Year Ended June 30, 2024

**This Page Intentionally Left Blank.**



**City of Ridgecrest**  
**Reconciliation of the Governmental Funds Balance Sheet**  
**to the Government-Wide Statement of Net Position**  
**June 30, 2024**

|  |                             |
|--|-----------------------------|
| <b>Total Fund Balances - Total Governmental Funds</b>  | <u>\$ 33,441,399</u>        |
| Capital assets used in governmental activities were not financial resources and therefore were not reported in governmental funds.   |                             |
| Capital assets, nondepreciable   | 29,785,757                  |
| Capital assets, depreciable (net of \$8,695 added in internal service funds)   | <u>42,552,314</u>           |
|  | <u>72,338,071</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   | (840,000)                   |
| Long-term debt - due in more than one year   | (15,821,842)                |
| Compensated absences - due within one year   | (628,225)                   |
| Compensated absences - due in more than one year   | (1,465,859)                 |
| Claims payable - due within one year   | (346,392)                   |
| Claims payable - due in more than one year   | (2,000,294)                 |
| Less claims payable included in the internal service funds   | <u>1,154,641</u>            |
|  | <u>(19,947,971)</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>(4,437,438)</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>(512,166)</u>            |
| Actuarially determined deferred outflows of resources are reported in the government-wide statements:  |                             |
| Pension-related deferred outflows  | 6,307,029                   |
| OPEB-related deferred outflows   | <u>361,497</u>              |
|  | <u>6,668,526</u>            |
| Actuarially determined deferred inflows of resources are reported in the government-wide statements:   |                             |
| Pension-related deferred inflows   | (2,792,970)                 |
| OPEB-related deferred inflows  | <u>(80,523)</u>             |
|  | <u>(2,873,493)</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>(63,847)</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>2,682,018</u>            |
| <b>Net Position of Governmental Activities</b>   | <u><u>\$ 87,295,099</u></u> |

**City of Ridgecrest**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Funds**  
**For the Year Ended June 30, 2024**

|   | Major Funds          |   |                                    |  |                        |
|---|----------------------|---|------------------------------------|--|------------------------|
|   | General Fund         | American Rescue Plan Act Special Revenue Fund | State Gas Tax Special Revenue Fund | Capital Improvements Capital Projects Fund | City Debt Service Fund |
| <b>REVENUES:</b>                            |                      |   |                                    |  |                        |
| Taxes                                       | \$ 23,574,160        | \$ -  | \$ -                               | \$ -                                       | \$ -                   |
| Intergovernmental                           | 1,248,675            | 1,577,736                                     | 732,449                            | 1,781,272                                  | -                      |
| License and permits                         | 428,088              | -   | -                                  | -  | -                      |
| Fines and forfeitures                       | 201,554              | -   | -                                  | -  | -                      |
| Assessments levied                          | -                    | -   | -                                  | -  | -                      |
| Use of money and property                   | 294,073              | 23,392  | 173                                | 2,244                                      | 3,938                  |
| Charges for services                        | 1,306,933            | -   | -                                  | -  | -                      |
| Transfer from Fiduciary Fund                | 250,000              | -   | -                                  | -  | -                      |
| Other revenues                              | 4,615,106            | -   | 5,778                              | 24,009                                     | -                      |
| <b>Total revenues</b>                       | <b>31,918,589</b>    | <b>1,601,128</b>                              | <b>738,400</b>                     | <b>1,807,525</b>                           | <b>3,938</b>           |
| <b>EXPENDITURES:</b>                        |                      |   |                                    |  |                        |
| Current:                                    |                      |   |                                    |  |                        |
| General government                          | 3,793,386            | 507,136                                       | 136,053                            | -  | -                      |
| Public safety                               | 8,451,014            | 30,460  | -                                  | -  | -                      |
| Public works                                | 658,577              | 84,449  | 1,717,532                          | -  | -                      |
| Community development                       | 1,196,736            | -   | -                                  | -  | -                      |
| Culture and leisure                         | 3,702,230            | -   | -                                  | -  | -                      |
| Capital outlay                              | 1,381,167            | -   | 1,243,843                          | 10,511,401                                 | -                      |
| Debt service:                               |                      |   |                                    |  |                        |
| Principal                                   | -                    | -   | -                                  | -  | 755,000                |
| Interest and fiscal charges                 | -                    | -   | -                                  | -  | 806,328                |
| <b>Total expenditures</b>                   | <b>19,183,110</b>    | <b>622,045</b>                                | <b>3,097,428</b>                   | <b>10,511,401</b>                          | <b>1,561,328</b>       |
| <b>REVENUES OVER (UNDER) EXPENDITURES</b>   | <b>12,735,479</b>    | <b>979,083</b>                                | <b>(2,359,028)</b>                 | <b>(8,703,876)</b>                         | <b>(1,557,390)</b>     |
| <b>OTHER FINANCING SOURCES (USES):</b>      |                      |   |                                    |  |                        |
| Transfers in                                | 187,354              | -   | 1,699,986                          | 4,314,691                                  | 1,561,939              |
| Transfers out                               | (6,153,159)          | (955,694)                                     | (99,635)                           | -  | -                      |
| <b>Total other financing sources (uses)</b> | <b>(5,965,805)</b>   | <b>(955,694)</b>                              | <b>1,600,351</b>                   | <b>4,314,691</b>                           | <b>1,561,939</b>       |
| <b>Net changes in fund balances</b>         | <b>6,769,674</b>     | <b>23,389</b>                                 | <b>(758,677)</b>                   | <b>(4,389,185)</b>                         | <b>4,549</b>           |
| <b>FUND BALANCES (DEFICIT):</b>             |                      |   |                                    |  |                        |
| Beginning of year, as restated (Note 16)    | 20,475,952           | 30,771  | (36,737)                           | 1,891,326                                  | 2,167,740              |
| End of year                                 | <u>\$ 27,245,626</u> | <u>\$ 54,160</u>                              | <u>\$ (795,414)</u>                | <u>\$ (2,497,859)</u>                      | <u>\$ 2,172,289</u>    |

**City of Ridgecrest**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)**  
**Governmental Funds**  
**For the Year Ended June 30, 2024**

|   | Other<br>Governmental<br>Funds | Total<br>Governmental<br>Funds |
|---|--------------------------------|--------------------------------|
| <b>REVENUES:</b>                              |                                |                                |
| Taxes   | \$ -                           | \$ 23,574,160                  |
| Intergovernmental                             | 891,930                        | 6,232,062                      |
| License and permits                           | 915,885                        | 1,343,973                      |
| Fines and forfeitures                         | -                              | 201,554                        |
| Assessments levied                            | 29,938                         | 29,938                         |
| Use of money and property                     | 78,591                         | 402,411                        |
| Charges for services                          | -                              | 1,306,933                      |
| Transfer from Fiduciary Fund                  | -                              | 250,000                        |
| Other revenues                                | 165,123                        | 4,810,016                      |
| <b>Total revenues</b>                         | <b>2,081,467</b>               | <b>38,151,047</b>              |
| <b>EXPENDITURES:</b>                          |                                |                                |
| Current:                                      |                                |                                |
| General government                            | 31,694                         | 4,468,269                      |
| Public safety                                 | -                              | 8,481,474                      |
| Public works                                  | 151,889                        | 2,612,447                      |
| Community development                         | 2,420                          | 1,199,156                      |
| Culture and leisure                           | -                              | 3,702,230                      |
| Capital outlay                                | -                              | 13,136,411                     |
| Debt service:                                 |                                |                                |
| Principal                                     | -                              | 755,000                        |
| Interest and fiscal charges                   | -                              | 806,328                        |
| <b>Total expenditures</b>                     | <b>186,003</b>                 | <b>35,161,315</b>              |
| <b>REVENUES OVER<br/>(UNDER) EXPENDITURES</b> | <b>1,895,464</b>               | <b>2,989,732</b>               |
| <b>OTHER FINANCING SOURCES (USES):</b>        |                                |                                |
| Transfers in                                  | -                              | 7,763,970                      |
| Transfers out                                 | (243,589)                      | (7,452,077)                    |
| <b>Total other financing sources (uses)</b>   | <b>(243,589)</b>               | <b>311,893</b>                 |
| <b>Net changes in fund balances</b>           | <b>1,651,875</b>               | <b>3,301,625</b>               |
| <b>FUND BALANCES (DEFICIT):</b>               |                                |                                |
| Beginning of year, as restated (Note 16)      | 5,610,722                      | 30,139,774                     |
| End of year                                   | <b>\$ 7,262,597</b>            | <b>\$ 33,441,399</b>           |

**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, 2024**

---

|  |           |                          |
|--|-----------|--------------------------|
| <b>Net Change in Fund Balances - Total Governmental Funds</b>  | \$        | 3,301,625                |
| <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 (net of \$8,695 added in internal service funds).</p> |           |                          |
|  |           | 16,642,773               |
| <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>  |           |                          |
|  |           | (2,779,872)              |
| <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  |           | 755,000                  |
| 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>   |           |                          |
|  |           | 2,453,465                |
| <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>  |           |                          |
|  |           | 46,245                   |
| <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  |           | 50,258                   |
| <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>  |           |                          |
|  |           | 3,146                    |
| <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>  |           |                          |
|  |           | (154,322)                |
| <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>  |           |                          |
|  |           | 1,140,170                |
| <b>Change in Net Position of Governmental Activities</b>   | <b>\$</b> | <b><u>21,473,345</u></b> |

City of Ridgecrest  
Annual Comprehensive Financial Report  
For the Year Ended June 30, 2024

**Proprietary Fund Financial Statements**



City of Ridgecrest  
Annual Comprehensive Financial Report  
For the Year Ended June 30, 2024

**This Page Intentionally Left Blank.**



## 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.

***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**  
**Statement of Net Position**  
**Proprietary Funds**  
**June 30, 2024**

|   | Business-Type Activities -<br>Enterprise Funds |                           |                      | Governmental<br>Activities -<br>Internal Service<br>Funds |
|---|--|---------------------------|----------------------|---|
|   | T.D.A.<br>Transit                              | Wastewater<br>Improvement | Total                |   |
|   |  |                           |                      |   |
| <b>ASSETS</b>   |  |                           |                      |   |
| <b>Current assets:</b>                                      |  |                           |                      |   |
| Cash and investments  | \$ 1,991,417                                   | \$ 38,719,175             | \$ 40,710,592        | \$ 3,924,608  |
| Receivables:  |  |                           |                      |   |
| Accounts  | 59,998   | 63,859                    | 123,857              | -   |
| Taxes   | -  | -                         | -                    | 6,205   |
| Interest  | 3,667  | 63,642                    | 67,309               | -   |
| Advances to other funds                                     | -  | 139,781                   | 139,781              | -   |
| Inventories   | -  | -                         | -                    | 5,689   |
| <b>Total current assets</b>                                 | <b>2,055,082</b>                               | <b>38,986,457</b>         | <b>41,041,539</b>    | <b>3,936,502</b>  |
| <b>Noncurrent assets:</b>                                   |  |                           |                      |   |
| Advances to other funds                                     | -  | 2,484,726                 | 2,484,726            | -   |
| Due from fiduciary funds                                    | -  | 1,483,603                 | 1,483,603            | -   |
| Capital assets:   |  |                           |                      |   |
| Non-depreciable   | -  | 2,451,153                 | 2,451,153            | -   |
| Depreciable   | 1,594,073                                      | 29,366,420                | 30,960,493           | 421,588   |
| Less: accumulated depreciation                              | (1,375,734)                                    | (16,618,475)              | (17,994,209)         | (412,893)   |
| Total capital assets  | 218,339  | 15,199,098                | 15,417,437           | 8,695   |
| <b>Total noncurrent assets</b>                              | <b>218,339</b>                                 | <b>19,167,427</b>         | <b>19,385,766</b>    | <b>8,695</b>  |
| <b>Total assets</b>   | <b>2,273,421</b>                               | <b>58,153,884</b>         | <b>60,427,305</b>    | <b>3,945,197</b>  |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b>                       |  |                           |                      |   |
| Pension-related deferred outflows                           | 1,105,948                                      | 1,327,139                 | 2,433,087            | -   |
| OPEB-related deferred outflows                              | 28,711   | 44,808                    | 73,519               | -   |
| <b>Total deferred outflows of resources</b>                 | <b>1,134,659</b>                               | <b>1,371,947</b>          | <b>2,506,606</b>     | <b>-</b>  |
| <b>LIABILITIES</b>  |  |                           |                      |   |
| <b>Current liabilities:</b>                                 |  |                           |                      |   |
| Accounts payable  | 238,565  | 1,728,261                 | 1,966,826            | 28,124  |
| Accrued expenses  | 30,073   | 51,927                    | 82,000               | 80,414  |
| Other payroll deductions payable                            | -  | -                         | -                    | -   |
| Due to other funds  | -  | -                         | -                    | -   |
| Unearned revenue  | 678,526  | -                         | 678,526              | -   |
| Compensated absences - due within one year                  | 55,478   | 61,153                    | 116,631              | -   |
| Claims payable - due within one year                        | -  | -                         | -                    | 346,392   |
| <b>Total current liabilities</b>                            | <b>1,002,642</b>                               | <b>1,841,341</b>          | <b>2,843,983</b>     | <b>454,930</b>  |
| <b>Noncurrent liabilities:</b>                              |  |                           |                      |   |
| Aggregate net pension liability - due in more than one year | 799,176  | 959,011                   | 1,758,187            | -   |
| Net OPEB liability - due in more than one year              | 40,678   | 63,482                    | 104,160              | -   |
| Compensated absences - due in more than one year            | -  | 151,671                   | 151,671              | -   |
| Claims payable - due in more than one year                  | -  | -                         | -                    | 808,249   |
| <b>Total noncurrent liabilities</b>                         | <b>839,854</b>                                 | <b>1,174,164</b>          | <b>2,014,018</b>     | <b>808,249</b>  |
| <b>Total liabilities</b>                                    | <b>1,842,496</b>                               | <b>3,015,505</b>          | <b>4,858,001</b>     | <b>1,263,179</b>  |
| <b>DEFERRED INFLOWS OF RESOURCES</b>                        |  |                           |                      |   |
| Pension-related deferred inflows                            | 495,627  | 594,751                   | 1,090,378            | -   |
| OPEB-related deferred inflows                               | 6,395  | 9,981                     | 16,376               | -   |
| <b>Total deferred inflows of resources</b>                  | <b>502,022</b>                                 | <b>604,732</b>            | <b>1,106,754</b>     | <b>-</b>  |
| <b>NET POSITION</b>   |  |                           |                      |   |
| Investment in capital assets                                | 218,339  | 15,199,098                | 15,417,437           | 8,695   |
| Unrestricted  | 845,223  | 40,706,496                | 41,551,719           | 2,673,323   |
| <b>Total net position</b>                                   | <b>\$ 1,063,562</b>                            | <b>\$ 55,905,594</b>      | <b>\$ 56,969,156</b> | <b>\$ 2,682,018</b>                                       |

See accompanying Notes to the Basic Financial Statements.

**City of Ridgecrest**  
**Statement of Revenues, Expenses, and Changes in Net Position**  
**Proprietary Funds**  
**For the Year Ended June 30, 2024**

|  | Business-Type Activities -<br>Enterprise Funds |                           | Total                | Governmental<br>Activities -<br>Internal Service<br>Funds |
|--|--|---------------------------|----------------------|---|
|  | T.D.A.<br>Transit                              | Wastewater<br>Improvement |                      |   |
| <b>OPERATING REVENUES:</b>               |  |                           |                      |   |
| Charges for services                     | \$ 354,368                                     | \$ 6,288,837              | \$ 6,643,205         | \$ 1,801,229  |
| Other revenue                            | -  | 2,719,505                 | 2,719,505            | 1,110,693   |
| <b>Total operating revenues</b>          | <b>354,368</b>                                 | <b>9,008,342</b>          | <b>9,362,710</b>     | <b>2,911,922</b>  |
| <b>OPERATING EXPENSES:</b>               |  |                           |                      |   |
| Transportation                           | 1,782,711                                      | -                         | 1,782,711            | -   |
| Health                                   | -  | 11,345,107                | 11,345,107           | -   |
| Administration                           | (613,543)                                      | 587,674                   | (25,869)             | 1,766,189   |
| Depreciation                             | 46,480   | 769,606                   | 816,086              | -   |
| <b>Total operating expenses</b>          | <b>1,215,648</b>                               | <b>12,702,387</b>         | <b>13,918,035</b>    | <b>1,766,189</b>  |
| <b>OPERATING INCOME (LOSS)</b>           | <b>(861,280)</b>                               | <b>(3,694,045)</b>        | <b>(4,555,325)</b>   | <b>1,145,733</b>  |
| <b>NONOPERATING REVENUES:</b>            |  |                           |                      |   |
| Taxes                                    | 1,850,321                                      | -                         | 1,850,321            | -   |
| Intergovernmental                        | 1,156,301                                      | -                         | 1,156,301            | -   |
| Use of money and property                | 8,464  | 297,044                   | 305,508              | 22,530  |
| <b>Total nonoperating revenues</b>       | <b>3,015,086</b>                               | <b>297,044</b>            | <b>3,312,130</b>     | <b>22,530</b>   |
| <b>INCOME (LOSS) BEFORE TRANSFERS</b>    | <b>2,153,806</b>                               | <b>(3,397,001)</b>        | <b>(1,243,195)</b>   | <b>1,168,263</b>  |
| <b>TRANSFERS:</b>                        |  |                           |                      |   |
| Transfers out                            | (100,383)                                      | (183,417)                 | (283,800)            | (28,093)  |
| <b>Total transfers</b>                   | <b>(100,383)</b>                               | <b>(183,417)</b>          | <b>(283,800)</b>     | <b>(28,093)</b>   |
| <b>Changes in net position</b>           | <b>2,053,423</b>                               | <b>(3,580,418)</b>        | <b>(1,526,995)</b>   | <b>1,140,170</b>  |
| <b>NET POSITION (DEFICIT):</b>           |  |                           |                      |   |
| Beginning of year, as restated (Note 16) | (989,861)                                      | 59,486,012                | 58,496,151           | 1,541,848   |
| End of year                              | <u>\$ 1,063,562</u>                            | <u>\$ 55,905,594</u>      | <u>\$ 56,969,156</u> | <u>\$ 2,682,018</u>                                       |

**City of Ridgecrest**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Year Ended June 30, 2024**

|   | Business-Type Activities -<br>Enterprise Funds |                           |                      | Governmental<br>Activities -<br>Internal Service<br>Funds |
|---|--|---------------------------|----------------------|---|
|   | T.D.A.<br>Transit                              | Wastewater<br>Improvement | Total                |   |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>                              |  |                           |                      |   |
| Cash received from customers and users                                    | \$ 508,675                                     | \$ 6,367,040              | \$ 6,875,715         | \$ 1,801,229  |
| Payments to suppliers or employees for goods and services                 | (1,772,210)                                    | (12,462,980)              | (14,235,190)         | (1,751,415)   |
| Insurance premiums and settlements and insurance recoveries, net          | -  | -                         | -                    | (401,416)   |
| Other operating revenue   | -  | 2,719,505                 | 2,719,505            | 1,110,693   |
| <b>Net cash provided by (used in) operating activities</b>                | <b>(1,263,535)</b>                             | <b>(3,376,435)</b>        | <b>(4,639,970)</b>   | <b>759,091</b>  |
| <b>CASH FLOWS FROM NONCAPITAL<br/>FINANCING ACTIVITIES:</b>               |  |                           |                      |   |
| Taxes   | 1,850,321                                      | -                         | 1,850,321            | -   |
| Intergovernmental   | 993,368  | -                         | 993,368              | -   |
| Transfers out   | (100,383)                                      | (183,417)                 | (283,800)            | (28,093)  |
| <b>Net cash provided by (used in)<br/>noncapital financing activities</b> | <b>2,743,306</b>                               | <b>(183,417)</b>          | <b>2,559,889</b>     | <b>(28,093)</b>   |
| <b>CASH FLOWS FROM CAPITAL AND<br/>RELATED FINANCING ACTIVITIES:</b>      |  |                           |                      |   |
| Acquisition of capital assets   | (174,395)                                      | (927,591)                 | (1,101,986)          | (8,695)   |
| Cash received from repayment of advances                                  | -  | 139,781                   | 139,781              | -   |
| <b>Net cash (used in) capital and related<br/>financing activities</b>    | <b>(174,395)</b>                               | <b>(787,810)</b>          | <b>(962,205)</b>     | <b>(8,695)</b>  |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>                              |  |                           |                      |   |
| Investment income   | 8,289  | 386,314                   | 394,603              | 31,185  |
| <b>Net cash provided by investing activities</b>                          | <b>8,289</b>                                   | <b>386,314</b>            | <b>394,603</b>       | <b>31,185</b>   |
| <b>Net change in cash and cash equivalents</b>                            | <b>1,313,665</b>                               | <b>(3,961,348)</b>        | <b>(2,647,683)</b>   | <b>753,488</b>  |
| <b>CASH AND CASH EQUIVALENTS:</b>   |  |                           |                      |   |
| Beginning of year   | 677,752  | 42,680,523                | 43,358,275           | 3,171,120   |
| End of year   | <u>\$ 1,991,417</u>                            | <u>\$ 38,719,175</u>      | <u>\$ 40,710,592</u> | <u>\$ 3,924,608</u>                                       |

**City of Ridgecrest**  
**Statement of Cash Flows (Continued)**  
**Proprietary Funds**  
**For the Year Ended June 30, 2024**

|  | Business-type Activities -<br>Enterprise Funds |                           |                       | Governmental<br>Activities -<br>Internal Service<br>Funds |
|--|--|---------------------------|-----------------------|---|
|  | T.D.A.<br>Transit                              | Wastewater<br>Improvement | Total                 |   |
| <b>RECONCILIATION OF OPERATING INCOME (LOSS)<br/>TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:</b> |  |                           |                       |   |
| Operating income (loss)  | \$ (861,280)                                   | \$ (3,694,045)            | \$ (4,555,325)        | \$ 1,145,733  |
| Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:     |  |                           |                       |   |
| Depreciation   | 46,480   | 769,606                   | 816,086               | -   |
| Changes in current assets, deferred outflows of resources, liabilities, and deferred inflows of resources:   |  |                           |                       |   |
| Accounts receivable  | 156,062  | 78,203                    | 234,265               | -   |
| Inventories  | -  | -                         | -                     | 10,447  |
| Pension-related deferred outflows  | (786,983)                                      | (944,380)                 | (1,731,363)           | -   |
| OPEB-related deferred outflows   | (8,017)  | (9,150)                   | (17,167)              | -   |
| Accounts payable   | 232,537  | 474,507                   | 707,044               | (68,111)  |
| Accrued expenses   | 11,562   | 18,338                    | 29,900                | 72,438  |
| Claims payable   | -  | -                         | -                     | (401,416)   |
| Unearned revenue   | (1,755)  | -                         | (1,755)               | -   |
| Compensated absences   | 11,596   | 12,283                    | 23,879                | -   |
| Aggregate net pension liability  | 194,270  | 233,124                   | 427,394               | -   |
| Net OPEB liability   | 2,005  | (3,155)                   | (1,150)               | -   |
| Pension-related deferred inflows   | (262,473)                                      | (314,969)                 | (577,442)             | -   |
| OPEB-related deferred inflows  | 2,461  | 3,203                     | 5,664                 | -   |
| <b>Total adjustments</b>   | <b>(402,255)</b>                               | <b>317,610</b>            | <b>(84,645)</b>       | <b>(386,642)</b>  |
| <b>Net cash provided by (used in) operating activities</b>   | <b>\$ (1,263,535)</b>                          | <b>\$ (3,376,435)</b>     | <b>\$ (4,639,970)</b> | <b>\$ 759,091</b>   |

City of Ridgecrest  
Annual Comprehensive Financial Report  
For the Year Ended June 30, 2024

**This Page Intentionally Left Blank.**



City of Ridgecrest  
Annual Comprehensive Financial Report  
For the Year Ended June 30, 2024

**Fiduciary Fund Financial Statements**



City of Ridgecrest  
Annual Comprehensive Financial Report  
For the Year Ended June 30, 2024

**This Page Intentionally Left Blank.**



## 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, 2024

**This Page Intentionally Left Blank.**



**City of Ridgecrest**  
**Statement of Fiduciary Net Position**  
**Fiduciary Funds**  
**June 30, 2024**

|  | Private<br>Purpose<br>Trust Fund | Custodial<br>Funds |
|--|----------------------------------|--------------------|
| <b>ASSETS</b>  |                                  |                    |
| Cash and investments   | \$ 3,205,551                     | \$ 511,870         |
| Interest receivable  | 14,336                           | 5,810              |
| Capital assets:  |                                  |                    |
| Non-depreciable  | 2,202,440                        | -                  |
| Depreciable, net   | 1,113,335                        | -                  |
| <b>Total assets</b>  | <u>6,535,662</u>                 | <u>517,680</u>     |
| <b>LIABILITIES</b>   |                                  |                    |
| Due to bondholders   | -                                | 13,310             |
| Accounts payable   | 338                              | -                  |
| Deposits payable   | 2,000                            | -                  |
| Interest payable   | 327,173                          | -                  |
| Due to City  | 1,483,603                        | 56,345             |
| Bonds payable, due in one year                                     | 1,685,000                        | -                  |
| Bonds payable, due in more than one year                           | 17,747,000                       | -                  |
| <b>Total liabilities</b>   | <u>21,245,114</u>                | <u>69,655</u>      |
| <b>NET POSITION</b>  |                                  |                    |
| <b>Net Position (Deficit):</b>                                     |                                  |                    |
| Restricted for individuals, organizations and/or other governments | (14,709,452)                     | 448,025            |
| <b>Total net position (deficit)</b>                                | <u>\$ (14,709,452)</u>           | <u>\$ 448,025</u>  |

**City of Ridgecrest**  
**Statement of Change in Fiduciary Net Position**  
**Fiduciary Funds**  
**For the Year Ended June 30, 2024**

|   | Private<br>Purpose<br>Trust Fund | Custodial<br>Funds |
|---|----------------------------------|--------------------|
| <b>ADDITIONS:</b>                       |                                  |                    |
| Taxes                                   | \$ 3,676,718                     | \$ -               |
| Revenue from use of money and property  | 56,718                           | 20,828             |
| <b>Total additions</b>                  | 3,733,436                        | 20,828             |
| <b>DEDUCTIONS:</b>                      |                                  |                    |
| Community development                   | 11,661                           | -                  |
| Depreciation expense                    | 75,501                           | -                  |
| Interest expense                        | 713,846                          | -                  |
| Payments to City of Ridgecrest          | 250,000                          | -                  |
| <b>Total deductions</b>                 | 1,051,008                        | -                  |
| <b>Change in fiduciary net position</b> | 2,682,428                        | 20,828             |
| <b>NET POSITION (DEFICIT):</b>          |                                  |                    |
| Beginning of year                       | (17,391,880)                     | 427,197            |
| End of year                             | \$ (14,709,452)                  | \$ 448,025         |

City of Ridgecrest  
Annual Comprehensive Financial Report  
For the Year Ended June 30, 2024

**Notes to the Basic Financial Statements**



City of Ridgecrest  
Annual Comprehensive Financial Report  
For the Year Ended June 30, 2024

**This Page Intentionally Left Blank.**



**City of Ridgecrest**  
**Index to the Notes to the Basic Financial Statements**  
**For the Year Ended June 30, 2024**

---

|   |           |
|---|-----------|
| <b>Note 1 – Summary of Significant Accounting Policies .....</b>                            | <b>53</b> |
| A. Financial Reporting Entity .....   | 53        |
| B. Basis of Accounting and Measurement Focus .....  | 53        |
| C. Cash, Cash Equivalents and Investments .....   | 57        |
| D. Restricted Cash and Investments .....  | 57        |
| E. Leases .....   | 57        |
| F. Capital Assets .....   | 58        |
| G. Long-Term Debt .....   | 58        |
| H. Compensated Absences .....   | 58        |
| I. Unearned Revenue .....   | 59        |
| J. Pensions .....   | 59        |
| K. Other Postemployment Benefits (“OPEB”) .....   | 60        |
| L. Deferred Outflows and Inflows of Resources .....   | 60        |
| M. Property Taxes .....   | 60        |
| N. Net Position .....   | 61        |
| O. Fund Balances .....  | 61        |
| P. Use of Estimates .....   | 62        |
| Q. Fair Value Measurement .....   | 62        |
| R. New Governmental Accounting Standards Implemented for the Year Ended June 30, 2024 ..... | 62        |
| S. Upcoming Governmental Accounting Standards Implementation .....                          | 63        |
| <b>Note 2 – Cash and Investments .....</b>  | <b>64</b> |
| A. Cash Deposits .....  | 64        |
| B. Investments .....  | 65        |
| C. External Investment Pool .....   | 65        |
| D. Risk Disclosures .....   | 65        |
| <b>Note 3 – Loan Program .....</b>  | <b>67</b> |
| A. Governmental Activities .....  | 67        |
| <b>Note 4 – Leases Receivable and Related Deferred Inflows of Resources .....</b>           | <b>67</b> |
| <b>Note 5 – Interfund Receivable, Payable, and Transfers .....</b>                          | <b>68</b> |
| A. Due To/From Other Funds .....  | 68        |
| B. Transfers .....  | 68        |
| C. Long-Term Advances .....   | 68        |
| <b>Note 6 – Due From Private Purpose Trust Fund .....</b>                                   | <b>69</b> |
| <b>Note 7 – Revenue from Private Purpose Trust Fund .....</b>                               | <b>69</b> |
| <b>Note 8 – Capital Assets .....</b>  | <b>70</b> |
| A. Governmental Activities .....  | 70        |
| B. Business-Type Activities .....   | 71        |
| C. Fiduciary Funds .....  | 71        |

**City of Ridgecrest**  
**Index to the Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2024**

---

|   |           |
|---|-----------|
| <b>Note 9 – Long-Term Obligations.....</b>  | <b>72</b> |
| A. Primary Government.....  | 72        |
| B. Fiduciary Funds .....  | 73        |
| <b>Note 10 – Risk Management .....</b>  | <b>73</b> |
| <b>Note 11 – Pension Plans.....</b>   | <b>75</b> |
| A. Summary .....  | 75        |
| B. General Information about Pension Plans.....   | 76        |
| C. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows<br>of Resources Related to Pensions..... | 77        |
| D. Payable to the Pension Plan .....  | 81        |
| <b>Note 12 – Postemployment Healthcare Benefits (OPEB).....</b>   | <b>82</b> |
| <b>Note 13 – Other Required Disclosures.....</b>  | <b>85</b> |
| A. Deficit Net Position/Fund Balances.....  | 85        |
| <b>Note 14 – Classification of Fund Balances.....</b>   | <b>86</b> |
| <b>Note 15 – Commitments and Contingencies.....</b>   | <b>87</b> |
| A. Litigation.....  | 87        |
| B. Grants.....  | 87        |
| <b>Note 16 – Prior Period Adjustments .....</b>   | <b>87</b> |
| <b>Note 17 – Subsequent Events .....</b>  | <b>87</b> |

**City of Ridgecrest**  
**Notes to the Basic Financial Statements**  
**For the Year Ended June 30, 2024**

---

**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.

**City of Ridgecrest**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2024**

---

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

**B. Basis of Accounting and Measurement Focus (Continued)**

**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, 2024**

---

**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.

**American Rescue Plan Act Special Revenue Fund** – This fund accounts for all revenues and expenditures of the American Rescue Plan Act funding received for COVID-19 recovery assistance by the City.

**State Gas Tax Special Revenue Fund** – This fund accounts for all revenues and expenditures of State gas tax and per gallon excise taxes on gasoline and diesel fuel and registration taxes on motor vehicles due to the passing of SB1 or the Road Repair and Accountability Act of 2017 funding received by the City to be used for street-related projects.

**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.

**City of Ridgecrest**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2024**

---

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

**B. Basis of Accounting and Measurement Focus (Continued)**

**Proprietary Fund Financial Statements (Continued)**

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.

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 uses the economic resources measurement focus. Spending of custodial 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 economic resources measurement focus.

**City of Ridgecrest**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2024**

---

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

**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.

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. Leases**

The City is a lessor for leases of land and recognizes leases receivable and deferred inflows of resources in the financial statements. Variable payments based on future performance or usage of the underlying asset are not included in the measurement of the lease receivable.

At the commencement of a lease, the lease receivable is measured at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflows of resources are initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflows of resources are recognized as revenue over the life of the lease term in a systematic and rational method.

Key estimates and judgments include how the City determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts.

- The City uses the average of the LAIF rate and the incremental borrowing rate (IBR) provided by its financial institution at July 1, 2021 for existing leases or the current rate at the time a new lease is executed.
- The lease term includes the noncancelable period of the lease plus any option periods that are likely to be exercised.
- Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

**City of Ridgecrest**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2024**

---

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

**E. Leases (Continued)**

The City monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

**F. 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.

**G. 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.

**H. 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.

**City of Ridgecrest**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2024**

---

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

**H. Compensated Absences (Continued)**

**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.

**I. Unearned Revenue**

Unearned revenue is recognized for transactions for which revenue has not yet been earned. Typical transactions recorded as unearned revenues are prepaid charges for services and grants received but not yet earned.

**J. 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 11). 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:

| <u>CalPERS</u>     |                               |
|--------------------|-------------------------------|
| Valuation Date     | June 30, 2022                 |
| Measurement Date   | June 30, 2023                 |
| Measurement Period | July 1, 2022 to June 30, 2023 |

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.

**City of Ridgecrest**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2024**

---

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

**K. 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:

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

Gains and losses related to changes in net 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.

**L. Deferred Outflows and Inflows of Resources**

The Statement of Net Position and Balance Sheet – Governmental Funds report separate sections for deferred outflows of resources and deferred inflows of resources, when applicable.

**Deferred Outflows of Resources** represent a consumption of net assets that applies to future periods and that, therefore, will not be recognized as an expense until that time.

**Deferred Inflows of Resources** represent an acquisition of net assets that applies to future periods and that, therefore, are not recognized as revenue until that time.

**M. 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.

**City of Ridgecrest**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2024**

---

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

**N. 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.

**O. 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.

*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.

**City of Ridgecrest**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2024**

---

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

**O. Fund Balances (Continued)**

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.

**P. 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.

**Q. 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.

**R. New Governmental Accounting Standards Implemented for the Year Ended June 30, 2024**

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, 2024. The financial statements included herein apply the requirements and provisions of these statements, including necessary retroactive adjustments to financial statement classifications and presentations.

During fiscal year ended June 30, 2024, the City implemented the following new GASB Pronouncements:

***GASB Statement No. 100*** – In June 2022, GASB issued Statement No. 100, *Accounting Changes and Error Corrections – an Amendment of GASB Statement No. 62*. The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. Application of this statement did not have a significant effect on the City's financial reporting for the fiscal year ending June 30, 2024.

**City of Ridgecrest**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2024**

---

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

**S. 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. 101*** – In June 2022, GASB issued Statement No. 101, *Compensated Absences*. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. Application of this statement is effective for the City’s fiscal year ending June 30, 2025.

***GASB Statement No. 102*** – In December 2023, GASB issued Statement No. 102, *Certain Risk Disclosures*. The objective of this Statement is to provide users of government financial statements with essential information about risks related to a government’s vulnerabilities due to certain concentrations or constraints. That objective is achieved by requiring governments to assess whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact. The statement also requires a government to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued. Application of this statement is effective for the City’s fiscal year ending June 30, 2025.

***GASB Statement No. 103*** – In December 2023, GASB issued Statement No. *Financial Reporting Model Improvements*. The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government’s accountability. Application of this statement is effective for the City’s fiscal year ending June 30, 2026.

***GASB Statement No. 104*** – In September 2024, GASB issued Statement No. 104, *Disclosure of Certain Capital Assets*. This Statement requires certain types of capital assets to be disclosed separately in the capital assets note disclosures required by Statement 34. Lease assets recognized in accordance with Statement No. 87, *Leases*, and intangible right-to-use assets recognized in accordance with Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, should be disclosed separately by major class of underlying asset in the capital assets note disclosures. Subscription assets recognized in accordance with Statement No. 96, *Subscription-Based Information Technology Arrangements*, also should be separately disclosed. In addition, this Statement requires intangible assets other than those three types to be disclosed separately by major class. Application of this statement is effective for the City’s fiscal year ending June 30, 2026.

**City of Ridgecrest**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2024**

**Note 2 – Cash and Investments**

The following is a summary of pooled cash and investments and restricted cash and investments at June 30, 2024:

|  | <b>Primary Government</b>          |                                     |                      | <b>Fiduciary<br/>Funds</b> | <b>Total</b>         |
|--|------------------------------------|-------------------------------------|----------------------|----------------------------|----------------------|
|  | <b>Governmental<br/>Activities</b> | <b>Business-type<br/>Activities</b> | <b>Total</b>         |                            |                      |
| Cash and investments                   | \$ 38,764,911                      | \$ 40,710,592                       | \$ 79,475,503        | \$ 3,717,421               | \$ 83,192,924        |
| Cash and investments with fiscal agent | 1,391,413                          | -                                   | 1,391,413            | -                          | 1,391,413            |
| <b>Total</b>                           | <b>\$ 40,156,324</b>               | <b>\$ 40,710,592</b>                | <b>\$ 80,866,916</b> | <b>\$ 3,717,421</b>        | <b>\$ 84,584,337</b> |

Cash, cash equivalents, and investments, consisted of the following at June 30, 2024:

|                                   |                      |
|-----------------------------------|----------------------|
| <b>Cash and cash equivalents:</b> |                      |
| Petty cash                        | \$ 1,120             |
| Demand deposits                   | 3,686,219            |
| <b>Investments:</b>               |                      |
| Local Agency Investment Fund      | 15,589,458           |
| Money market funds                | 1,394,301            |
| U.S. Treasuries                   | 63,913,239           |
| <b>Total</b>                      | <b>\$ 84,584,337</b> |

Fair value of assets measured on a recurring basis at June 30, 2024, are as follows:

|  | <b>June 30, 2024</b> | <b>Level 1</b> | <b>Level 2</b>       | <b>Level 3</b> |
|--|----------------------|----------------|----------------------|----------------|
| <b>Investments measured by fair value level:</b>                 |                      |                |                      |                |
| U.S. Treasuries  | \$ 63,913,239        | \$ -           | \$ 63,913,239        | \$ -           |
| <b>Total investments measured by fair value level</b>            | <b>63,913,239</b>    | <b>\$ -</b>    | <b>\$ 63,913,239</b> | <b>\$ -</b>    |
| <b>Investments not subject to the fair value hierarchy:</b>      |                      |                |                      |                |
| Local Agency Investment Fund - State of CA                       | 15,589,458           |                |                      |                |
| Money market mutual funds  | 1,394,301            |                |                      |                |
| <b>Total investments not subject to the fair value hierarchy</b> | <b>16,983,759</b>    |                |                      |                |
| <b>Total investments</b>   | <b>\$ 80,896,998</b> |                |                      |                |

Investments classified as 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 \$3,686,219 at June 30, 2024. Bank balances were \$6,494,009 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.

**City of Ridgecrest**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2024**

---

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

**A. Cash Deposits (Continued)**

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.

**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**

*California Local Agency Investment Fund (LAIF)* – 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. As of June 30, 2024, the City had \$15,589,458 invested in LAIF. 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. LAIF is reported at amortized cost, which approximates fair value.

**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, 2024**

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

**D. Risk Disclosures (Continued)**

**Interest Rate Risk (Continued)**

As of June 30, 2024, the City had the following investments and maturities:

|                              | Amount               | Maturities           |                      |
|------------------------------|----------------------|----------------------|----------------------|
|                              |                      | 1 year or less       | 1 - 5 years          |
| <b>Investments:</b>          |                      |                      |                      |
| Local Agency Investment Fund | \$ 15,589,458        | \$ 15,589,458        | \$ -                 |
| Money market funds           | 1,394,301            | 1,394,301            | -                    |
| U.S. Treasuries              | 63,913,239           | 47,364,609           | 16,548,630           |
| <b>Total</b>                 | <b>\$ 80,896,998</b> | <b>\$ 64,348,368</b> | <b>\$ 16,548,630</b> |

**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 |
| <b>Investments:</b>          |                      |                        |                   |
| Local Agency Investment Fund | \$ 15,589,458        | Not Rated              | Not Rated         |
| Money market funds           | 1,394,301            | Not Rated              | Not Rated         |
| U.S. Treasuries              | 63,913,239           | AA - AAA               | AA - AAA          |
| <b>Total</b>                 | <b>\$ 80,896,998</b> |                        |                   |

**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 |
|------------------------------|----------------------|---------------------------|
| <b>Investments:</b>          |                      |                           |
| Local Agency Investment Fund | \$ 15,589,458        | 19.27%                    |
| Money market funds           | 1,394,301            | 1.72%                     |
| U.S. Treasuries              | 63,913,239           | 79.02%                    |
| <b>Total</b>                 | <b>\$ 80,896,998</b> |                           |

**City of Ridgecrest**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2024**

**Note 3 – Loan Program**

**A. Governmental Activities**

For the year ended June 30, 2024, changes in loans receivable of the City’s loan program were as follows:

|                   | Balance<br>July 1, 2023 | Additions | Deletions    | Balance<br>June 30, 2024 |
|-------------------|-------------------------|-----------|--------------|--------------------------|
| Loan receivable:  |                         |           |              |                          |
| High Desert loans | \$ 154,322              | \$ -      | \$ (154,322) | \$ -                     |
| Total             | \$ 154,322              | \$ -      | \$ (154,322) | \$ -                     |

**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. As of June 30, 2024, the loan receivable had been received in full.

**Note 4 – Leases Receivable and Related Deferred Inflows of Resources**

The City leases easements to third parties. Leases receivable consist of agreements with third parties for the “right-to-use” the underlying asset at various locations owned by the City. The remaining terms of the agreements are 5 years. The calculated interest rates used match the City’s incremental borrowing rate at July 1, 2021.

For the fiscal year ended June 30, 2024, the City has an outstanding receivable amount of \$313,967. During the year, the City recognized \$200,803 in lease revenue and \$12,626 in related interest revenue.

A summary of changes in leases receivable for the fiscal year ended June 30, 2024 is as follows:

| Balance<br>July 1, 2023 | Additions | Reductions   | Balance<br>June 30, 2024 | Amounts<br>due within<br>one year | Amounts<br>due in more<br>than one year |
|-------------------------|-----------|--------------|--------------------------|-----------------------------------|---|
| \$ 515,625              | \$ -      | \$ (201,658) | \$ 313,967               | \$ 207,750                        | \$ 106,217                              |

As of June 30, 2024, the required payments for these leases, including interest, are:

| Year Ending<br>June 30 | Lease<br>Receivable | Interest | Total      |
|------------------------|---------------------|----------|------------|
| 2025                   | \$ 207,750          | \$ 6,534 | \$ 214,284 |
| 2026                   | 106,217             | 925      | 107,142    |
| Total                  | \$ 313,967          | \$ 7,459 | \$ 321,426 |

As of June 30, 2024, the amounts reported as deferred inflows of resources will be recognized as lease revenue as follows:

| Year Ending<br>June 30 | Total      |
|------------------------|------------|
| 2025                   | \$ 200,803 |
| 2026                   | 100,400    |
| Total                  | \$ 301,203 |

**City of Ridgecrest**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2024**

**Note 5 – Interfund Receivables, Payables, and Transfers**

**A. Due To/From Other Funds**

Amounts due to and from other funds at June 30, 2024, consisted of the following:

| Receivable Fund | Payable Fund                 | Amount              | Purpose        |
|-----------------|------------------------------|---------------------|----------------|
| General Fund    | Capital Improvements Fund    | \$ 2,978,792        | Overdrawn cash |
| General Fund    | State Gas Tax Fund           | 684,329             | Overdrawn cash |
| General Fund    | Supplemental Law Enforcement | 315                 | Overdrawn cash |
|                 | <b>Total</b>                 | <b>\$ 3,663,436</b> |                |

**B. Transfers**

Interfund transfers during the year ended June 30, 2024, consisted of the following:

| Transfers In                               | Transfers Out                                | Amount              | Purpose            |
|--|--|---------------------|--------------------|
| General Fund                               | Supplemental Law Enforcement Fund            | \$ 187,354          | Public safety      |
|  | <b>Subtotal</b>                              | <b>187,354</b>      |                    |
| State Gas Tax Fund                         | General Fund                                 | 1,699,986           | Street maintenance |
|  | <b>Subtotal</b>                              | <b>1,699,986</b>    |                    |
| Capital Improvements Capital Projects Fund | General Fund                                 | 3,318,843           | Capital projects   |
| Capital Improvements Capital Projects Fund | American Rescue Plan Act                     | 955,694             | Capital projects   |
| Capital Improvements Capital Projects Fund | Storm Drainage Facilities Fund               | 36,960              | Capital projects   |
| Capital Improvements Capital Projects Fund | Wastewater Improvement Fund                  | 3,194               | Capital projects   |
|  | <b>Subtotal</b>                              | <b>4,314,691</b>    |                    |
| City Debt Service Fund                     | General Fund                                 | 1,134,330           | Debt service       |
| City Debt Service Fund                     | State Gas Tax Fund                           | 99,635              | Debt service       |
| City Debt Service Fund                     | Road Maintenance and Rehabilitation Act Fund | 19,275              | Debt service       |
| City Debt Service Fund                     | T.D.A. Transit Fund                          | 100,383             | Debt service       |
| City Debt Service Fund                     | Wastewater Improvement Fund                  | 180,223             | Debt service       |
| City Debt Service Fund                     | Human Resources and Risk Management Fund     | 12,574              | Debt service       |
| City Debt Service Fund                     | Fleet Maintenance Fund                       | 15,519              | Debt service       |
|  | <b>Subtotal</b>                              | <b>1,561,939</b>    |                    |
|  | <b>Total</b>                                 | <b>\$ 7,763,970</b> |                    |

**C. Long-Term Advances**

At June 30, 2024, the balance of long-term advances were as follows:

| Receivable Fund             | Payable Fund | Amount              |
|-----------------------------|--------------|---------------------|
| Wastewater Improvement Fund | General Fund | \$ 2,624,507        |
|                             | <b>Total</b> | <b>\$ 2,624,507</b> |

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, 2024, the outstanding balance of the agreement was \$2,624,507.

**City of Ridgecrest**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2024**

---

**Note 5 – Interfund Receivables, Payables, and Transfers (Continued)**

**C. Long-Term Advances (Continued)**

The annual requirements to amortize the loan are as follows:

| Year Ending<br>June 30, | Principal           | Interest          | Total               |
|-------------------------|---------------------|-------------------|---------------------|
| 2025                    | \$ 139,781          | \$ 13,129         | \$ 152,910          |
| 2026                    | 140,480             | 12,430            | 152,910             |
| 2027                    | 141,182             | 11,728            | 152,910             |
| 2028                    | 141,888             | 11,022            | 152,910             |
| 2029                    | 142,598             | 10,313            | 152,911             |
| 2030-2034               | 723,754             | 40,798            | 764,552             |
| 2035-2039               | 742,030             | 22,522            | 764,552             |
| 2040-2042               | 452,794             | 4,549             | 457,343             |
| <b>Total</b>            | <b>\$ 2,624,507</b> | <b>\$ 126,491</b> | <b>\$ 2,750,998</b> |

**Note 6 – 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, 2024, the outstanding balance of the agreement was \$1,539,948.

**Note 7 – Revenue from Private Purpose Trust Fund**

For the year ended June 30, 2024, the City had the following revenue from Fiduciary Funds:

| Receiving Fund | Paying Fund                    | Amount            | Purpose         |
|----------------|--------------------------------|-------------------|-----------------|
| General Fund   | RDA Obligation Retirement Fund | \$ 250,000        | Admin allowance |
|                | <b>Total</b>                   | <b>\$ 250,000</b> |                 |

**City of Ridgecrest**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2024**

**Note 8 – Capital Assets**

**A. Governmental Activities**

Summary of changes in capital assets for governmental activities for the year ended June 30, 2024 is as follows:

|                                      | <b>Balance<br/>July 1, 2023</b> | <b>Additions</b>     | <b>Deletions</b> | <b>Transfers</b> | <b>Balance<br/>June 30, 2024</b> |
|--------------------------------------|---------------------------------|----------------------|------------------|------------------|----------------------------------|
| <b>Nondepreciable assets:</b>        |                                 |                      |                  |                  |                                  |
| Land                                 | \$ 2,434,499                    | \$ -                 | \$ -             | \$ -             | \$ 2,434,499                     |
| Construction in progress             | 12,691,378                      | 14,668,575           | -                | -                | 27,359,953                       |
| <b>Total nondepreciable assets</b>   | <b>15,125,877</b>               | <b>14,668,575</b>    | <b>-</b>         | <b>-</b>         | <b>29,794,452</b>                |
| <b>Depreciable assets</b>            |                                 |                      |                  |                  |                                  |
| Building and improvements            | 10,873,302                      | -                    | -                | -                | 10,873,302                       |
| Machinery and equipment              | 11,325,600                      | 1,982,893            | -                | -                | 13,308,493                       |
| Infrastructure                       | 130,017,437                     | -                    | -                | -                | 130,017,437                      |
| <b>Subtotal</b>                      | <b>152,216,339</b>              | <b>1,982,893</b>     | <b>-</b>         | <b>-</b>         | <b>154,199,232</b>               |
| <b>Less accumulated depreciation</b> |                                 |                      |                  |                  |                                  |
| Building and improvements            | (4,315,691)                     | (264,085)            | -                | -                | (4,579,776)                      |
| Machinery and equipment              | (9,103,529)                     | (909,610)            | -                | -                | (10,013,139)                     |
| Infrastructure                       | (95,447,826)                    | (1,606,177)          | -                | -                | (97,054,003)                     |
| <b>Subtotal</b>                      | <b>(108,867,046)</b>            | <b>(2,779,872)</b>   | <b>-</b>         | <b>-</b>         | <b>(111,646,918)</b>             |
| <b>Total depreciable assets, net</b> | <b>43,349,293</b>               | <b>(796,979)</b>     | <b>-</b>         | <b>-</b>         | <b>42,552,314</b>                |
| <b>Total</b>                         | <b>\$ 58,475,170</b>            | <b>\$ 13,871,596</b> | <b>\$ -</b>      | <b>\$ -</b>      | <b>\$ 72,346,766</b>             |

Governmental activities depreciation expense for capital assets for the year ended June 30, 2024 are as follows:

|                                   |                     |
|-----------------------------------|---------------------|
| General government                | \$ 272,503          |
| Public safety                     | 338,788             |
| Public works                      | 1,988,873           |
| Community development             | 143,252             |
| Culture and leisure               | 36,456              |
| <b>Total depreciation expense</b> | <b>\$ 2,779,872</b> |

**City of Ridgecrest**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2024**

**Note 8 – Capital Assets (Continued)**

**B. Business-Type Activities**

Summary of changes in capital assets for business-type activities for the year ended June 30, 2024 is as follows:

|                                      | <b>Balance<br/>July 1, 2023</b> | <b>Additions</b>  | <b>Deletions</b> | <b>Balance<br/>June 30, 2024</b> |
|--------------------------------------|---------------------------------|-------------------|------------------|----------------------------------|
| <b>Nondepreciable assets:</b>        |                                 |                   |                  |                                  |
| Land                                 | \$1,614,217                     | \$ -              | \$ -             | \$ 1,614,217                     |
| Construction in progress             | 836,936                         | -                 | -                | 836,936                          |
| <b>Total nondepreciable assets</b>   | <b>2,451,153</b>                | <b>-</b>          | <b>-</b>         | <b>2,451,153</b>                 |
| <b>Depreciable assets</b>            |                                 |                   |                  |                                  |
| Building and improvements            | 3,375,450                       | -                 | -                | 3,375,450                        |
| Machinery and equipment              | 5,300,985                       | 1,101,986         | -                | 6,402,971                        |
| Infrastructure                       | 21,182,072                      | -                 | -                | 21,182,072                       |
| <b>Subtotal</b>                      | <b>29,858,507</b>               | <b>1,101,986</b>  | <b>-</b>         | <b>30,960,493</b>                |
| <b>Less accumulated depreciation</b> |                                 |                   |                  |                                  |
| Building and improvements            | (2,726,062)                     | (279,506)         | -                | (3,005,568)                      |
| Machinery and equipment              | (4,266,018)                     | (317,170)         | -                | (4,583,188)                      |
| Infrastructure                       | (10,186,043)                    | (219,410)         | -                | (10,405,453)                     |
| <b>Subtotal</b>                      | <b>(17,178,123)</b>             | <b>(816,086)</b>  | <b>-</b>         | <b>(17,994,209)</b>              |
| <b>Total depreciable assets, net</b> | <b>12,680,384</b>               | <b>285,900</b>    | <b>-</b>         | <b>12,966,284</b>                |
| <b>Total</b>                         | <b>\$ 15,131,537</b>            | <b>\$ 285,900</b> | <b>\$ -</b>      | <b>\$ 15,417,437</b>             |

Business-type activities depreciation expense for capital assets for the year ended June 30, 2024 are as follows:

|                                   |                   |
|-----------------------------------|-------------------|
| T.D.A. Transit                    | \$ 46,480         |
| Wastewater Improvement            | 769,606           |
| <b>Total depreciation expense</b> | <b>\$ 816,086</b> |

**C. Fiduciary Funds**

Summary of changes in capital assets for fiduciary activities for the year ended June 30, 2024 is as follows:

|                                      | <b>Balance<br/>July 1, 2023</b> | <b>Additions</b>   | <b>Deletions</b> | <b>Balance<br/>June 30, 2024</b> |
|--------------------------------------|---------------------------------|--------------------|------------------|----------------------------------|
| <b>Nondepreciable assets:</b>        |                                 |                    |                  |                                  |
| Land                                 | \$ 2,202,440                    | \$ -               | \$ -             | \$ 2,202,440                     |
| <b>Total nondepreciable assets</b>   | <b>2,202,440</b>                | <b>-</b>           | <b>-</b>         | <b>2,202,440</b>                 |
| <b>Depreciable assets</b>            |                                 |                    |                  |                                  |
| Building and improvements            | 12,092,609                      | -                  | -                | 12,092,609                       |
| <b>Subtotal</b>                      | <b>12,092,609</b>               | <b>-</b>           | <b>-</b>         | <b>12,092,609</b>                |
| <b>Less accumulated depreciation</b> |                                 |                    |                  |                                  |
| Building and improvements            | (10,903,773)                    | (75,501)           | -                | (10,979,274)                     |
| <b>Subtotal</b>                      | <b>(10,903,773)</b>             | <b>(75,501)</b>    | <b>-</b>         | <b>(10,979,274)</b>              |
| <b>Total depreciable assets, net</b> | <b>1,188,836</b>                | <b>(75,501)</b>    | <b>-</b>         | <b>1,113,335</b>                 |
| <b>Total</b>                         | <b>\$ 3,391,276</b>             | <b>\$ (75,501)</b> | <b>\$ -</b>      | <b>\$ 3,315,775</b>              |

**City of Ridgecrest**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2024**

**Note 9 – Long-Term Obligations**

**A. Primary Government**

The summary of changes in long-term liabilities for the primary government for the year ended June 30, 2024 is as follows:

|   | Balance              |                     |                       | Balance              | Classification      |                      |
|---|----------------------|---------------------|-----------------------|----------------------|---------------------|----------------------|
|   |                      |                     |                       |                      | July 1, 2023        | Additions            |
| <b>Governmental Activities:</b>         |                      |                     |                       |                      |                     |                      |
| Direct borrowings:                      |                      |                     |                       |                      |                     |                      |
| 2018 PERS Certificates of Participation | \$ 17,090,000        | \$ -                | \$ (755,000)          | \$ 16,335,000        | \$ 840,000          | \$ 15,495,000        |
| Plus: bond premium                      | 341,699              | -                   | (14,857)              | 326,842              | -                   | 326,842              |
| Compensated absences                    | 2,144,342            | 1,076,087           | (1,126,345)           | 2,094,084            | 628,225             | 1,465,859            |
| Total governmental activities           | 19,576,041           | 1,076,087           | (1,896,202)           | 18,755,926           | 1,468,225           | 17,287,701           |
| <b>Business-type Activities:</b>        |                      |                     |                       |                      |                     |                      |
| Compensated absences                    | 244,423              | 150,510             | (126,631)             | 268,302              | 116,631             | 151,671              |
| Total business-type activities          | 244,423              | 150,510             | (126,631)             | 268,302              | 116,631             | 151,671              |
| <b>Total long-term debt</b>             | <b>\$ 19,820,464</b> | <b>\$ 1,226,597</b> | <b>\$ (2,022,833)</b> | <b>\$ 19,024,228</b> | <b>\$ 1,584,856</b> | <b>\$ 17,439,372</b> |

**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, 2024, was \$16,335,000.

The future annual payments are as follows:

| Year Ending  | Principal            | Interest            | Total                |
|--------------|----------------------|---------------------|----------------------|
| June 30,     |                      |                     |                      |
| 2025         | \$ 840,000           | \$ 766,162          | \$ 1,606,162         |
| 2026         | 925,000              | 724,162             | 1,649,162            |
| 2027         | 1,020,000            | 677,912             | 1,697,912            |
| 2028         | 975,000              | 626,912             | 1,601,912            |
| 2029         | 1,070,000            | 578,162             | 1,648,162            |
| 2030-2034    | 6,305,000            | 2,126,039           | 8,431,039            |
| 2035-2039    | 3,335,000            | 844,442             | 4,179,442            |
| 2040-2044    | 1,770,000            | 249,702             | 2,019,702            |
| 2045-2046    | 95,000               | 6,096               | 101,096              |
| <b>TOTAL</b> | <b>\$ 16,335,000</b> | <b>\$ 6,599,589</b> | <b>\$ 22,934,589</b> |

**Compensated Absences**

Compensated absences at June 30, 2024, amounted to \$2,362,386. Typically, the Human Resources and Risk Management Internal Service Fund has been used to liquidate the liability for governmental-activities compensated absences while the T.D.A. Transit Fund and Wastewater Fund liquidate the liabilities in the business-type activities. 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, 2024**

**Note 9 – Long-Term Obligations (Continued)**

**B. Fiduciary Funds**

Summary of changes in long-term liabilities for the fiduciary funds for the year ended June 30, 2024 is as follows:

|                                   | Balance              |             |                       | Balance<br>June 30, 2024 | Classification         |                              |
|-----------------------------------|----------------------|-------------|-----------------------|--------------------------|------------------------|------------------------------|
|                                   | July 1, 2023         | Additions   | Deletions             |                          | Due within<br>One Year | Due in more<br>than One Year |
| <b>Fiduciary Funds:</b>           |                      |             |                       |                          |                        |                              |
| Tax Allocation Bonds, Series 2018 | \$ 21,123,000        | \$ -        | \$ (1,691,000)        | \$ 19,432,000            | \$ 1,685,000           | \$ 17,747,000                |
| <b>Total fiduciary activities</b> | <b>\$ 21,123,000</b> | <b>\$ -</b> | <b>\$ (1,691,000)</b> | <b>\$ 19,432,000</b>     | <b>\$ 1,685,000</b>    | <b>\$ 17,747,000</b>         |

**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, 2024, total principal and interest remaining on the 2018 Tax Allocation Refunding Bonds is \$25,963,987.

The annual requirements to amortize the bonds outstanding at June 30, 2024, are as follows:

| Year Ending<br>June 30, | Principal            | Interest            | Total                |
|-------------------------|----------------------|---------------------|----------------------|
| 2025                    | \$ 1,685,000         | \$ 962,791          | \$ 2,647,791         |
| 2026                    | 1,679,000            | 889,010             | 2,568,010            |
| 2027                    | 1,547,000            | 813,844             | 2,360,844            |
| 2028                    | 1,533,000            | 733,736             | 2,266,736            |
| 2029                    | 1,522,000            | 654,329             | 2,176,329            |
| 2030-2034               | 7,345,000            | 2,107,114           | 9,452,114            |
| 2035-2037               | 4,121,000            | 371,163             | 4,492,163            |
| <b>TOTAL</b>            | <b>\$ 19,432,000</b> | <b>\$ 6,531,987</b> | <b>\$ 25,963,987</b> |

**Note 10 – 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.

**City of Ridgecrest**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2024**

**Note 10 – Risk Management (Continued)**

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 \$2,346,686 reported at June 30, 2024. Of the total claims payable, \$466,817 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:

|           | <b>Beginning of<br/>Fiscal Year<br/>Liability</b> | <b>Current Year<br/>Claims and<br/>Changes in<br/>Estimates</b> | <b>Claim<br/>Payments</b> | <b>Balance at<br/>Fiscal Year<br/>End</b> | <b>Due in One<br/>Year</b> |
|-----------|---|---|---------------------------|---|----------------------------|
| 2021-2022 | \$ 1,572,656                                      | \$ 1,353,861  | \$ (380,611)              | \$ 2,545,906                              | \$ 355,725                 |
| 2022-2023 | 2,545,906   | 1,556,058   | (1,353,862)               | 2,748,102                                 | 466,817                    |
| 2023-2024 | 2,748,102   | 1,838,682   | (2,240,098)               | 2,346,686                                 | 346,392                    |

The latest financial information of the CSAC Excess Insurance Authority for fiscal year ended June 30, 2023, is as follows:

|  |                 |
|--|-----------------|
| Total assets and deferred outflows     | \$1,447,905,143 |
| Total deferred outflows of resources   | \$ 4,372,357    |
| Total liabilities and deferred inflows | \$1,226,661,370 |
| Total deferred inflows of resources    | \$ 4,005,637    |
| Total net position                     | \$ 221,610,493  |
| Total revenues                         | \$2,003,100,970 |
| Total expenses                         | \$2,075,317,896 |
| Revenues over (under) expenses         | \$ (72,216,926) |

**City of Ridgecrest**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2024**

**Note 11 – Pension Plans**

**A. Summary**

|   | <b>Governmental<br/>Activities</b> | <b>Business-Type<br/>Activities</b> | <b>Total</b>          |
|---|------------------------------------|-------------------------------------|-----------------------|
| <b>Deferred outflows of resources:</b>  |                                    |                                     |                       |
| Pension contributions made after measurement date:                                |                                    |                                     |                       |
| CalPERS Miscellaneous   | \$ 139,942                         | \$ 171,040                          | \$ 310,982            |
| CalPERS Safety  | 276,430                            | -                                   | 276,430               |
| Total pension contributions made after measurement date                           | <u>416,372</u>                     | <u>171,040</u>                      | <u>587,412</u>        |
| Changes in assumptions  |                                    |                                     |                       |
| CalPERS Miscellaneous   | 111,573                            | 136,368                             | 247,941               |
| CalPERS Safety  | 175,021                            | -                                   | 175,021               |
| Total change in assumption  | <u>286,594</u>                     | <u>136,368</u>                      | <u>422,962</u>        |
| Projected earnings on pension plan investments in excess of actual earnings:      |                                    |                                     |                       |
| CalPERS Miscellaneous   | 232,909                            | 284,666                             | 517,575               |
| CalPERS Safety  | 517,575                            | -                                   | 517,575               |
| Total projected earnings on pension plan investments in excess of actual earnings | <u>750,484</u>                     | <u>284,666</u>                      | <u>1,035,150</u>      |
| Adjustment due to difference in proportions                                       |                                    |                                     |                       |
| CalPERS Miscellaneous   | 1,499,062                          | 1,832,187                           | 3,331,249             |
| CalPERS Safety  | 3,331,249                          | -                                   | 3,331,249             |
| Total adjustment due to difference in proportions                                 | <u>4,830,311</u>                   | <u>1,832,187</u>                    | <u>6,662,498</u>      |
| Difference between expected and actual experience                                 |                                    |                                     |                       |
| CalPERS Miscellaneous   | 7,221                              | 8,826                               | 16,047                |
| CalPERS Safety  | 16,047                             | -                                   | 16,047                |
| Total difference between expected and actual experience                           | <u>23,268</u>                      | <u>8,826</u>                        | <u>32,094</u>         |
| Total deferred outflows of resources  |                                    |                                     |                       |
| CalPERS Miscellaneous   | 1,990,707                          | 2,433,087                           | 4,423,794             |
| CalPERS Safety  | 4,316,322                          | -                                   | 4,316,322             |
| Total deferred outflows of resources  | <u>\$ 6,307,029</u>                | <u>\$ 2,433,087</u>                 | <u>\$ 8,740,116</u>   |
| <b>Net pension liability:</b>   |                                    |                                     |                       |
| CalPERS Miscellaneous   | \$ 1,438,517                       | \$ 1,758,187                        | \$ 3,196,704          |
| CalPERS Safety  | 2,998,921                          | -                                   | 2,998,921             |
| Total net pension liability   | <u>\$ 4,437,438</u>                | <u>\$ 1,758,187</u>                 | <u>\$ 6,195,625</u>   |
| <b>Deferred inflows of resources:</b>   |                                    |                                     |                       |
| Employer contributions in excess of proportionate share of contribution           |                                    |                                     |                       |
| CalPERS Miscellaneous   | \$ 892,127                         | \$ 1,090,378                        | \$ 1,982,505          |
| CalPERS Safety  | 1,900,843                          | -                                   | 1,900,843             |
| Total employer contributions in excess of proportionate share of contribution     | <u>2,792,970</u>                   | <u>1,090,378</u>                    | <u>3,883,348</u>      |
| Total deferred inflows of resources   |                                    |                                     |                       |
| CalPERS Miscellaneous   | 892,127                            | 1,090,378                           | 1,982,505             |
| CalPERS Safety  | 1,900,843                          | -                                   | 1,900,843             |
| Total deferred inflows of resources   | <u>\$ 2,792,970</u>                | <u>\$ 1,090,378</u>                 | <u>\$ 3,883,348</u>   |
| <b>Pension expense (credit):</b>  |                                    |                                     |                       |
| CalPERS Miscellaneous   | \$ (1,399,396)                     | \$ (1,710,373)                      | \$ (3,109,769)        |
| CalPERS Safety  | (826,089)                          | -                                   | (826,089)             |
| Total net pension expense (credit)  | <u>\$ (2,225,485)</u>              | <u>\$ (1,710,373)</u>               | <u>\$ (3,935,858)</u> |

**City of Ridgecrest**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2024**

**Note 11 – Pension Plans (Continued)**

**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, 2023, measurement date, the following employees were covered by the benefit terms:

|                                      | <u>Miscellaneous</u> | <u>Miscellaneous<br/>PEPRA</u> | <u>Safety</u> | <u>Safety<br/>PEPRA</u> |
|--------------------------------------|----------------------|--------------------------------|---------------|-------------------------|
| Active employees                     | 25                   | 54                             | 12            | 12                      |
| Transferred and terminated employees | 74                   | 62                             | 29            | 15                      |
| Retired employees and beneficiaries  | 128                  | 3                              | 51            | -                       |
| Total                                | <u>227</u>           | <u>119</u>                     | <u>92</u>     | <u>27</u>               |

Benefit Provided

CalPERS provide retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Classic and PEPRA Safety CalPERS member becomes eligible for service retirement upon attainment of age 55 with at least 5 years of credited service. PEPRA 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<br/>PEPRA</u> | <u>Safety</u>    | <u>Safety<br/>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<br>eligible compensation | 2.7%                 | 2.0%                           | 3.0%             | 2.0% to 2.7%            |
| Required employee contribution rate                  | 8.00%                | 7.75%                          | 9.00%            | 13.75%                  |
| Required employer contribution rate                  | 15.95%               | 7.68%                          | 24.15%           | 13.54%                  |

**City of Ridgecrest**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2024**

**Note 11 – Pension Plans (Continued)**

**B. General Information about Pension Plans (Continued)**

Contributions

For the year ended June 30, 2024, the contributions recognized as part of pension expense for each Plan were as follows:

|                     |    |                   |
|---------------------|----|-------------------|
| Miscellaneous Plans | \$ | 310,982           |
| Safety Plans        |    | 276,430           |
| <b>Total</b>        |    | <b>\$ 587,412</b> |

**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:

|  | <b>Plan Total Pension Liability</b> | <b>Plan Fiduciary Net Position</b> | <b>Net Pension Liability</b> |
|--|-------------------------------------|------------------------------------|------------------------------|
| <b>Miscellaneous</b>                   |                                     |                                    |                              |
| Balance at: 6/30/22 (Measurement date) | \$ 42,550,163                       | \$ 40,130,539                      | \$ 2,419,624                 |
| Balance at: 6/30/23 (Measurement date) | 43,582,506                          | 40,385,802                         | 3,196,704                    |
| Net changes during 2022-2023           | \$ 1,032,343                        | \$ 255,263                         | \$ 777,080                   |
| <b>Safety</b>                          |                                     |                                    |                              |
| Balance at: 6/30/22 (Measurement date) | \$ 35,429,201                       | \$ 33,305,906                      | \$ 2,123,295                 |
| Balance at: 6/30/23 (Measurement date) | 36,924,052                          | 33,925,131                         | 2,998,921                    |
| Net changes during 2022-2023           | \$ 1,494,851                        | \$ 619,225                         | \$ 875,626                   |

The City’s net pension liability for each Plan is measured as the proportionate share of the net pension liability. The net pension liability of each of the Plans is measured as of June 30, 2023, and the total pension liability for each Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2022 rolled forward to June 30, 2023 using standard update procedures. The City’s proportion of the net pension liability 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 for each Plan as of June 30, 2022 and 2023 was as follows:

|                              | <b>Miscellaneous</b> | <b>Safety</b> | <b>Total</b> |
|------------------------------|----------------------|---------------|--------------|
| Proportion - June 30, 2022   | 0.05171%             | 0.03090%      | 0.03933%     |
| Proportion - June 30, 2023   | 0.06393%             | 0.04012%      | 0.04966%     |
| Change - Increase/(Decrease) | 0.01222%             | 0.00922%      | 0.01033%     |

**City of Ridgecrest**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2024**

**Note 11 – 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 year ended June 30, 2024, the City recognized pension expense/(credit) of \$(3,109,769) and \$(826,089), for the Miscellaneous and Safety plans, respectively. At June 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| <b>Miscellaneous Plans</b>  |   |  |
|---|---|--|
|   | <b>Deferred Outflows<br/>of Resources</b> | <b>Deferred Inflows<br/>of Resources</b> |
| Pension contributions made subsequent to measurement date                                   | \$ 310,982                                | \$ -                                     |
| Difference between projected and actual earning on pension plan investments                 | 517,575                                   | -  |
| Adjustment due to differences in proportions  | 3,331,249                                 | -  |
| Changes in assumptions  | 247,941                                   | -  |
| Difference between actual and expected experience   | 16,047                                    | -  |
| Difference between employer's actual contributions and proportionate share of contributions | -   | (1,982,505)                              |
| Total   | \$ 4,423,794                              | \$ (1,982,505)                           |

| <b>Safety Plans</b>   |   |  |
|---|---|--|
|   | <b>Deferred Outflows<br/>of Resources</b> | <b>Deferred Inflows<br/>of Resources</b> |
| Pension contributions made subsequent to measurement date                                   | \$ 276,430                                | \$ -                                     |
| Difference between projected and actual earning on pension plan investments                 | 517,575                                   | -  |
| Adjustment due to differences in proportions  | 3,331,249                                 | -  |
| Changes in assumptions  | 175,021                                   | -  |
| Difference between actual and expected experience   | 16,047                                    | -  |
| Difference between employer's actual contributions and proportionate share of contributions | -   | (1,900,843)                              |
| Total   | \$ 4,316,322                              | \$ (1,900,843)                           |

**City of Ridgecrest**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2024**

---

**Note 11 – 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, \$310,982 and \$276,430, 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, 2025. 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<br>Plans | Safety<br>Plans |
|---------------------|------------------------|-----------------|
| 2025                | \$ 1,198,577           | \$ 455,465      |
| 2026                | 757,937                | 351,222         |
| 2027                | 225,926                | 517,616         |
| 2028                | 14,851                 | 413,099         |
| 2029                | (66,984)               | 401,647         |
| Thereafter          | -                      | -               |
|                     | \$ 2,130,307           | \$ 2,139,049    |

Actuarial Assumptions

The total pension liabilities in the June 30, 2022 actuarial valuations were determined using the following actuarial assumptions:

|                                  |  |
|----------------------------------|--|
| Actuarial Cost Method            | Entry Age Normal   |
| Actuarial Assumptions:           |  |
| Discount Rate                    | 6.90%  |
| Inflation                        | 2.50%  |
| Salary Increases                 | Varies by Entry Age and Service  |
| Investment Rate of Return        | 6.90%  |
| 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, 2022 valuation were based on the results of a January 2021 Experience Study. 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, 2024**

**Note 11 – 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.

| Asset Class                      | Strategic Allocation | Real Return (a) |
|----------------------------------|----------------------|-----------------|
| Global equity - cap-weighted     | 30.00%               | 4.45%           |
| Global equity - non-cap-weighted | 12.00%               | 3.84%           |
| Private equity                   | 13.00%               | 7.28%           |
| Treasury                         | 5.00%                | 0.27%           |
| Mortgage-backed securities       | 5.00%                | 0.50%           |
| Investment-grade corporates      | 10.00%               | 1.56%           |
| High yield                       | 5.00%                | 2.27%           |
| Emerging market debt             | 5.00%                | 2.48%           |
| Private debt                     | 5.00%                | 3.57%           |
| Real assets                      | 15.00%               | 3.21%           |
| Leverage                         | -5.00%               | -0.59%          |

(a) an expected inflation of 2.30% was assumed for this period

The discount rate used to measure the total pension liability was 6.90% for the plan. To determine whether the municipal bond rate should be used in the calculation of a discount rate for 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 6.90% discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate of 6.90% 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.

**City of Ridgecrest**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2024**

---

**Note 11 – Pension Plans (Continued)**

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

Change of Assumptions

Effective with the June 30, 2022 valuation date (2023 measurement date), the accounting discount rate was reduced from 7.15% to 6.90%. In determining the long-term expected rate of return, CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. Projected returns for all asset classes are estimated, combined with risk estimates, and are used to project compound (geometric) returns over the long term. The discount rate used to discount liabilities was informed by the long-term projected portfolio return. In addition, demographic assumptions and the inflation rate assumption were changed in accordance with the 2021 CalPERS Experience Study and Review of Actuarial Assumptions.

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:

|               | <b>Plan's Net Pension Liability</b>   |  |                                       |
|---------------|---------------------------------------|--|---------------------------------------|
|               | <b>Discount Rate - 1%<br/>(5.90%)</b> | <b>Current Discount<br/>Rate (6.90%)</b> | <b>Discount Rate + 1%<br/>(7.90%)</b> |
| Miscellaneous | \$ 9,091,052                          | \$ 3,196,704                             | \$ (1,654,851)                        |
| Safety        | 8,064,243                             | 2,998,921                                | (1,142,341)                           |
| <b>Total</b>  | <b>\$ 17,155,295</b>                  | <b>\$ 6,195,625</b>                      | <b>\$ (2,797,192)</b>                 |

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, 2024, the City had no outstanding amounts owed to the pension plan for contributions for the year ended June 30, 2024.

**City of Ridgecrest**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2024**

**Note 12 – Postemployment Healthcare Benefits (OPEB)**

**Summary**

|   | <u>Governmental<br/>Activities</u> | <u>Business-Type<br/>Activities</u> | <u>Total</u>      |
|---|------------------------------------|-------------------------------------|-------------------|
| <b>Deferred outflows of resources:</b>  |                                    |                                     |                   |
| OPEB contribution made after measurement date                                 | \$ 155,225                         | \$ 31,568                           | \$ 186,793        |
| Change in assumptions   | 102,604                            | 20,867                              | 123,471           |
| Net difference between projected and actual earnings of OPEB Plan investments | 96,482                             | 19,622                              | 116,104           |
| Difference between expected and actual experience                             | 7,186                              | 1,462                               | 8,648             |
| Total deferred outflows of resources  | <u>\$ 361,497</u>                  | <u>\$ 73,519</u>                    | <u>\$ 435,016</u> |
| <b>Net OPEB Liability</b>   | <u>\$ 512,166</u>                  | <u>\$ 104,160</u>                   | <u>\$ 616,326</u> |
| <b>Deferred inflows of resources:</b>   |                                    |                                     |                   |
| Change in assumptions   | \$ 8,599                           | \$ 1,749                            | \$ 10,348         |
| Difference between expected and actual experience                             | 71,924                             | 14,627                              | 86,551            |
| Total deferred outflows of resources  | <u>\$ 80,523</u>                   | <u>\$ 16,376</u>                    | <u>\$ 96,899</u>  |
| <b>OPEB expense</b>   | <u>\$ 137,156</u>                  | <u>\$ 10,893</u>                    | <u>\$ 148,049</u> |

**General Information about the OPEB Plan**

*Plan Description*

The City provides \$133 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 2023, 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 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. 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](http://www.calpers.ca.gov).

**City of Ridgecrest**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2024**

**Note 12 – Postemployment Healthcare Benefits (OPEB) (Continued)**

**General Information about the OPEB Plan (Continued)**

*Employees Covered*

As of the July 1, 2023 actuarial valuation, the following current and former employees were covered by the benefit terms:

|   |     |
|---|-----|
| Active employees eligible for future benefits | 114 |
| Retirees currently receiving benefits         | 34  |
| Total   | 148 |

*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 2024, contributions were made totaling \$186,793.

**Net OPEB Liability**

The City’s net OPEB liability was measured as of June 30, 2023, and the net OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of July 1, 2023.

*Actuarial Assumptions*

The net OPEB liability, measured as of June 30, 2023, was determined using the following actuarial assumptions:

|                          |   |
|--------------------------|---|
| Actuarial Valuation Date | July 1, 2023                              |
| Actuarial Cost Method    | Entry 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            | 6.75%                                     |

The actuarial assumptions used in the July 1, 2023 valuation were based on the results of an actuarial experience study for the period July 1, 2022 through June 30, 2023.

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> |
|--|--------------------------|--|
| All equities                                   | 49.00%                   | 7.55%                                    |
| All fixed income                               | 23.00%                   | 4.25%                                    |
| REITs  | 20.00%                   | 7.25%                                    |
| Commodities                                    | 3.00%                    | 7.55%                                    |
| Treasury Inflation Protected Securities (TIPS) | 5.00%                    | 3.00%                                    |
|  | 100.00%                  |  |
| <b>Long-term expected rate of return</b>       |                          | <b>6.75%</b>                             |

**City of Ridgecrest**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2024**

**Note 12 – Postemployment Healthcare Benefits (OPEB) (Continued)**

**General Information about the OPEB Plan (Continued)**

**Discount Rate**

The discount rate used to measure the net OPEB liability was 6.75 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 net OPEB liability.

**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, 2023:

| Plan's Net OPEB Liability    |                                  |                              |
|------------------------------|----------------------------------|------------------------------|
| Discount Rate -1%<br>(5.75%) | Current Discount Rate<br>(6.75%) | Discount Rate +1%<br>(7.75%) |
| \$ 890,685                   | \$ 616,326                       | \$ 386,668                   |

**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, 2023:

| Plan's Net OPEB Liability |            |            |
|---------------------------|------------|------------|
| Healthcare Cost           |            |            |
| -1%                       | Tread Rate | +1%        |
| \$ 390,069                | \$ 616,326 | \$ 896,918 |

**Change in Net OPEB Liability**

|   | Total<br>OPEB<br>Liability | Plan<br>Fiduciary<br>Net Position | Net<br>OPEB<br>Liability |
|---|----------------------------|-----------------------------------|--------------------------|
| Balance at June 30, 2022                          | \$ 2,134,582               | \$ 1,539,612                      | \$ 594,970               |
| Changes Recognized for the Measurement Period:    |                            |                                   |                          |
| Service Cost                                      | 95,885                     | -                                 | 95,885                   |
| Interest on the total OPEB liability              | 143,448                    | 99,580                            | 43,868                   |
| Changes in benefit terms                          | -                          | -                                 | -                        |
| Difference between expected and actual experience | (48,502)                   | -                                 | (48,502)                 |
| Changes in assumptions                            | 130,382                    | -                                 | 130,382                  |
| Contribution from the employer                    | -                          | 200,724                           | (200,724)                |
| Net investment income                             | -                          | -                                 | -                        |
| Administrative expenses                           | -                          | (447)                             | 447                      |
| Benefit payments                                  | (114,742)                  | (114,742)                         | -                        |
| Net changes during July 1, 2022 to June 30, 2023  | 206,471                    | 185,115                           | 21,356                   |
| Balance at June 30, 2023                          | \$ 2,341,053               | \$ 1,724,727                      | \$ 616,326               |

**City of Ridgecrest**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2024**

**Note 12 – Postemployment Healthcare Benefits (OPEB) (Continued)**

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

For the year ended June 30, 2024, OPEB expense in the amount of \$148,049 is included in the accompanying statement of activities.

At June 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

|   | Deferred<br>Outflows of<br>Resources | Deferred<br>Inflows of<br>Resources |
|---|--------------------------------------|-------------------------------------|
| Contributions made after measurement date                                     | \$ 186,793                           | \$ -                                |
| Changes in assumptions  | 123,471                              | (10,348)                            |
| Differences between expected and actual experience                            | 8,648                                | (86,551)                            |
| Net difference between projected and actual earnings of OPEB Plan investments | 116,104                              | -                                   |
|   | \$ 435,016                           | \$ (96,899)                         |

Deferred outflows of resources of \$186,793 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, 2025. Other amounts reported as deferred inflows of resources related to OPEB will be recognized as OPEB expense as follows:

| Year Ending<br>June 30 | Amount     |
|------------------------|------------|
| 2025                   | \$ 29,936  |
| 2026                   | 22,052     |
| 2027                   | 73,317     |
| 2028                   | 4,991      |
| 2029                   | 77         |
| Thereafter             | 20,951     |
| Total                  | \$ 151,324 |

**Note 13 – Other Required Disclosures**

**A. Deficit Net Position/Fund Balances**

At June 30, 2024, the following funds had a fund balances (deficit) or unrestricted net position (deficit), which will be eliminated through the reduction in future expenditures, transfers from the General Fund, or future ROPS receipts:

| Fund                      | Fund Type             | Deficit      |
|---------------------------|-----------------------|--------------|
| State Gas Tax             | Special Revenue Fund  | \$ (795,414) |
| Capital Improvements      | Capital Projects Fund | (2,497,859)  |
| RDA Retirement Obligation | Fiduciary Fund        | (14,709,501) |

**City of Ridgecrest**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2024**

**Note 14 – Classification of Fund Balances**

|                                 | Major Funds          |   |                                    |  |                        |                          | Total                |
|---------------------------------|----------------------|---|------------------------------------|--|------------------------|--------------------------|----------------------|
|                                 | General Fund         | American Rescue Plan Act Special Revenue Fund | State Gas Tax Special Revenue Fund | Capital Improvements Capital Projects Fund | City Debt Service Fund | Other Governmental Funds |                      |
| <b>Nonspendable:</b>            |                      |   |                                    |  |                        |                          |                      |
| Due from fiduciary funds        | \$ 56,345            | \$ -  | \$ -                               | \$ -                                       | \$ -                   | \$ -                     | \$ 56,345            |
| <b>Total nonspendable</b>       | <b>56,345</b>        | <b>-</b>                                      | <b>-</b>                           | <b>-</b>                                   | <b>-</b>               | <b>-</b>                 | <b>56,345</b>        |
| <b>Restricted:</b>              |                      |   |                                    |  |                        |                          |                      |
| ARPA                            | -                    | 54,160  | -                                  | -  | -                      | -                        | 54,160               |
| Asset seizure                   | 57,488               | -   | -                                  | -  | -                      | -                        | 57,488               |
| Asset seizure - drug/gang       | 20,633               | -   | -                                  | -  | -                      | -                        | 20,633               |
| DARE/CHAMPS car donations       | 2,951                | -   | -                                  | -  | -                      | -                        | 2,951                |
| Proposition 172                 | -                    | -   | -                                  | -  | -                      | -                        | -                    |
| Spay & neuter donations         | 107,380              | -   | -                                  | -  | -                      | -                        | 107,380              |
| Freedom park donation           | 1,430                | -   | -                                  | -  | -                      | -                        | 1,430                |
| Housing                         | -                    | -   | -                                  | -  | -                      | 472,409                  | 472,409              |
| Debt service                    | -                    | -   | -                                  | -  | 2,172,289              | -                        | 2,172,289            |
| AB 3229                         | -                    | -   | -                                  | -  | -                      | -                        | -                    |
| Proposition 30                  | 21,744               | -   | -                                  | -  | -                      | -                        | 21,744               |
| Grant operations                | -                    | -   | -                                  | -  | -                      | 49,152                   | 49,152               |
| Street construction/maintenance | -                    | -   | -                                  | -  | -                      | 765,752                  | 765,752              |
| Capital projects                | -                    | -   | -                                  | -  | -                      | 5,780,996                | 5,780,996            |
| Community partnership           | -                    | -   | -                                  | -  | -                      | 149                      | 149                  |
| <b>Total restricted</b>         | <b>211,626</b>       | <b>54,160</b>                                 | <b>-</b>                           | <b>-</b>                                   | <b>2,172,289</b>       | <b>7,068,458</b>         | <b>9,506,533</b>     |
| <b>Committed:</b>               |                      |   |                                    |  |                        |                          |                      |
| Substandard street improvement  | -                    | -   | -                                  | -  | -                      | 189,083                  | 189,083              |
| <b>Total committed</b>          | <b>-</b>             | <b>-</b>                                      | <b>-</b>                           | <b>-</b>                                   | <b>-</b>               | <b>189,083</b>           | <b>189,083</b>       |
| <b>Assigned:</b>                |                      |   |                                    |  |                        |                          |                      |
| Capital improvements            | -                    | -   | -                                  | -  | -                      | -                        | -                    |
| Debt service                    | -                    | -   | -                                  | -  | -                      | -                        | -                    |
| Measure L                       | 1,998,770            | -   | -                                  | -  | -                      | -                        | 1,998,770            |
| Landscaping & lighting district | -                    | -   | -                                  | -  | -                      | 5,056                    | 5,056                |
| <b>Total assigned</b>           | <b>1,998,770</b>     | <b>-</b>                                      | <b>-</b>                           | <b>-</b>                                   | <b>-</b>               | <b>5,056</b>             | <b>2,003,826</b>     |
| <b>Unassigned (deficit)</b>     | <b>24,978,885</b>    | <b>-</b>                                      | <b>(795,414)</b>                   | <b>(2,497,859)</b>                         | <b>-</b>               | <b>-</b>                 | <b>21,685,612</b>    |
| <b>Total Fund Balances</b>      | <b>\$ 27,245,626</b> | <b>\$ 54,160</b>                              | <b>\$ (795,414)</b>                | <b>\$ (2,497,859)</b>                      | <b>\$ 2,172,289</b>    | <b>\$ 7,262,597</b>      | <b>\$ 33,441,399</b> |

**City of Ridgecrest**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2024**

---

**Note 15 – 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 16 – Prior Period Adjustments**

Certain adjustments to beginning net position and fund balance for the governmental activities and the City Debt Service Fund, respectively, have been made in order to record restricted cash with fiscal agents and adjust accounts payable. Other adjustments to beginning net position in the business-type activities and TDA Transit Enterprise fund have been made to remove a duplicate receivable. The effect of the adjustments is as follows:

|  | Governmental<br>Activities | Business-type<br>Activities | City Debt<br>Service Fund | TDA Transit<br>Enterprise Fund |
|--|----------------------------|-----------------------------|---------------------------|--------------------------------|
| Net position/fund balance July 1, 2023, as previously reported | \$ 63,695,518              | \$ 58,659,084               | \$ 41,504                 | \$ (826,928)                   |
| Adjustment   | 2,126,236                  | (162,933)                   | 2,126,236                 | (162,933)                      |
| Restated net position/fund balance July 1, 2023                | <u>\$ 65,821,754</u>       | <u>\$ 58,496,151</u>        | <u>\$ 2,167,740</u>       | <u>\$ (989,861)</u>            |

**Note 17 – Subsequent Events**

Subsequent to the preparation of the Annual Comprehensive Financial Report (“ACFR”) for the fiscal year ending June 30, 2024, the City has started the process to secure a Certificate of Participation (“COP”) to finance the reconstruction of a community pool. This COP, supported by Measure P sales tax revenue, signifies a strategic initiative by the City to enhance recreational infrastructure for its residents. The issuance of the COP underscores the City's commitment to utilizing available resources to address community needs and improve public amenities. Further details regarding the terms and financial implications of the COP issuance will be disclosed in subsequent financial statements and reports.

City of Ridgecrest  
Annual Comprehensive Financial Report  
For the Year Ended June 30, 2024

**This Page Intentionally Left Blank**



City of Ridgecrest  
Annual Comprehensive Financial Report  
For the Year Ended June 30, 2024

**Required Supplementary Information (Unaudited)**



City of Ridgecrest  
Annual Comprehensive Financial Report  
For the Year Ended June 30, 2024

**This Page Intentionally Left Blank**



**City of Ridgecrest**  
**Required Supplementary Information (Unaudited)**  
**Budgetary Information**  
**For the Year Ended June 30, 2024**

---

**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, 2024 are disclosed in the notes to the financial statements. Appropriations for fiscal year 2024 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 Grant Operations Special Revenue Fund or the Community Partnership Special Revenue Fund for fiscal year 2024.

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, 2024

**This Page Intentionally Left Blank**



**City of Ridgecrest**  
**Required Supplementary Information (Unaudited) (Continued)**  
**Budgetary Comparison Schedule – General Fund**  
**For the Year Ended June 30, 2024**

|   | <u>Budgeted Amounts</u> |                    | <u>Actual<br/>Amounts</u> | <u>Variance with<br/>Final Budget</u> |
|---|-------------------------|--------------------|---------------------------|---------------------------------------|
|   | <u>Original</u>         | <u>Final</u>       |                           |                                       |
| <b>REVENUES:</b>                              |                         |                    |                           |                                       |
| Taxes   | \$ 23,803,560           | \$ 23,803,560      | \$ 23,574,160             | \$ (229,400)                          |
| Intergovernmental                             | 266,000                 | 1,006,719          | 1,248,675                 | 241,956                               |
| License and permits                           | 585,500                 | 585,500            | 428,088                   | (157,412)                             |
| Fines and forfeitures                         | 48,700                  | 48,700             | 201,554                   | 152,854                               |
| Use of money and property                     | 515,250                 | 515,250            | 294,073                   | (221,177)                             |
| Charges for services                          | 1,401,900               | 1,401,900          | 1,306,933                 | (94,967)                              |
| Transfers from Fiduciary Fund                 | 250,000                 | 250,000            | 250,000                   | -                                     |
| Other revenues                                | 225,000                 | 225,000            | 4,615,106                 | 4,390,106                             |
| <b>Total revenues</b>                         | <u>27,095,910</u>       | <u>27,836,629</u>  | <u>31,918,589</u>         | <u>4,081,960</u>                      |
| <b>EXPENDITURES:</b>                          |                         |                    |                           |                                       |
| Current:                                      |                         |                    |                           |                                       |
| General government                            | 3,781,772               | 4,028,480          | 3,793,386                 | 235,094                               |
| Public safety                                 | 8,430,799               | 8,817,977          | 8,451,014                 | 366,963                               |
| Public works                                  | 509,632                 | 827,887            | 658,577                   | 169,310                               |
| Community development                         | 1,611,301               | 2,039,590          | 1,196,736                 | 842,854                               |
| Culture and leisure                           | 2,915,690               | 5,589,840          | 3,702,230                 | 1,887,610                             |
| Capital outlay                                | 1,007,000               | 1,674,642          | 1,381,167                 | 293,475                               |
| Debt service:                                 |                         |                    |                           |                                       |
| Principal                                     | 139,086                 | 139,086            | -                         | 139,086                               |
| <b>Total expenditures</b>                     | <u>18,395,280</u>       | <u>23,117,502</u>  | <u>19,183,110</u>         | <u>3,934,392</u>                      |
| <b>REVENUES OVER<br/>(UNDER) EXPENDITURES</b> | <u>8,700,630</u>        | <u>4,719,127</u>   | <u>12,735,479</u>         | <u>8,016,352</u>                      |
| <b>OTHER FINANCING SOURCES (USES):</b>        |                         |                    |                           |                                       |
| Transfers in                                  | 510,000                 | 510,000            | 187,354                   | (322,646)                             |
| Transfers out                                 | (4,589,393)             | (4,589,393)        | (6,153,159)               | (1,563,766)                           |
| <b>Total other financing sources (uses)</b>   | <u>(4,079,393)</u>      | <u>(4,079,393)</u> | <u>(5,965,805)</u>        | <u>(1,886,412)</u>                    |
| <b>Net change in fund balance</b>             | <u>\$ 4,621,237</u>     | <u>\$ 639,734</u>  | <u>6,769,674</u>          | <u>\$ 6,129,940</u>                   |
| <b>FUND BALANCE:</b>                          |                         |                    |                           |                                       |
| Beginning of year                             |                         |                    | <u>20,475,952</u>         |                                       |
| End of year                                   |                         |                    | <u>\$ 27,245,626</u>      |                                       |

**City of Ridgecrest**  
**Required Supplementary Information (Unaudited) (Continued)**  
**Budgetary Comparison Schedule – American Rescue Plan Act Special Revenue Fund**  
**For the Year Ended June 30, 2024**

|   | <u>Budgeted Amounts</u> |                     | <u>Actual<br/>Amounts</u> | <u>Variance with<br/>Final Budget</u> |
|---|-------------------------|---------------------|---------------------------|---------------------------------------|
|   | <u>Original</u>         | <u>Final</u>        |                           |                                       |
| <b>REVENUES:</b>                              |                         |                     |                           |                                       |
| Intergovernmental                             | \$ 378,724              | \$ 1,900,284        | \$ 1,577,736              | \$ (322,548)                          |
| Use of money and property                     | 27,000                  | 27,000              | 23,392                    | (3,608)                               |
| <b>Total revenues</b>                         | <u>405,724</u>          | <u>1,927,284</u>    | <u>1,601,128</u>          | <u>(326,156)</u>                      |
| <b>EXPENDITURES:</b>                          |                         |                     |                           |                                       |
| Current:                                      |                         |                     |                           |                                       |
| General government                            | -                       | -                   | 507,136                   | (507,136)                             |
| Public safety                                 | -                       | 60,918              | 30,460                    | 30,458                                |
| Public works                                  | 360,014                 | 591,586             | 84,449                    | 507,137                               |
| Culture and leisure                           | 18,710                  | -                   | -                         | -                                     |
| <b>Total expenditures</b>                     | <u>378,724</u>          | <u>652,504</u>      | <u>622,045</u>            | <u>30,459</u>                         |
| <b>REVENUES OVER<br/>(UNDER) EXPENDITURES</b> | <u>27,000</u>           | <u>1,274,780</u>    | <u>979,083</u>            | <u>(295,697)</u>                      |
| <b>OTHER FINANCING SOURCES (USES):</b>        |                         |                     |                           |                                       |
| Transfers out                                 | -                       | -                   | (955,694)                 | (955,694)                             |
| <b>Total other financing sources (uses)</b>   | <u>-</u>                | <u>-</u>            | <u>(955,694)</u>          | <u>(955,694)</u>                      |
| <b>Net change in fund balance</b>             | <u>\$ 27,000</u>        | <u>\$ 1,274,780</u> | <u>23,389</u>             | <u>\$ (1,251,391)</u>                 |
| <b>FUND BALANCE:</b>                          |                         |                     |                           |                                       |
| Beginning of year                             |                         |                     | <u>30,771</u>             |                                       |
| End of year                                   |                         |                     | <u>\$ 54,160</u>          |                                       |

**City of Ridgecrest**  
**Required Supplementary Information (Unaudited) (Continued)**  
**Budgetary Comparison Schedule – State Gas Tax Special Revenue Fund**  
**For the Year Ended June 30, 2024**

|   | <u>Budgeted Amounts</u> |                     | <u>Actual<br/>Amounts</u> | <u>Variance with<br/>Final Budget</u> |
|---|-------------------------|---------------------|---------------------------|---------------------------------------|
|   | <u>Original</u>         | <u>Final</u>        |                           |                                       |
| <b>REVENUES:</b>                              |                         |                     |                           |                                       |
| Intergovernmental                             | \$ 768,684              | \$ 768,684          | \$ 732,449                | \$ (36,235)                           |
| Use of money and property                     | 150                     | 150                 | 173                       | 23                                    |
| Other revenues                                | -                       | -                   | 5,778                     | 5,778                                 |
| <b>Total revenues</b>                         | <u>768,834</u>          | <u>768,834</u>      | <u>738,400</u>            | <u>(30,434)</u>                       |
| <b>EXPENDITURES:</b>                          |                         |                     |                           |                                       |
| Current:                                      |                         |                     |                           |                                       |
| General government                            | -                       | -                   | 136,053                   | (136,053)                             |
| Public works                                  | 2,162,394               | 2,297,142           | 1,717,532                 | 579,610                               |
| Capital outlay                                | 690,250                 | 1,384,175           | 1,243,843                 | 140,332                               |
| <b>Total expenditures</b>                     | <u>2,852,644</u>        | <u>3,681,317</u>    | <u>3,097,428</u>          | <u>583,889</u>                        |
| <b>REVENUES OVER<br/>(UNDER) EXPENDITURES</b> | <u>(2,083,810)</u>      | <u>(2,912,483)</u>  | <u>(2,359,028)</u>        | <u>553,455</u>                        |
| <b>OTHER FINANCING SOURCES (USES):</b>        |                         |                     |                           |                                       |
| Transfers in                                  | 2,183,445               | 2,183,445           | 1,699,986                 | (483,459)                             |
| Transfers out                                 | (99,635)                | (99,635)            | (99,635)                  | -                                     |
| <b>Total other financing sources (uses)</b>   | <u>2,083,810</u>        | <u>2,083,810</u>    | <u>1,600,351</u>          | <u>(483,459)</u>                      |
| <b>Net change in fund balance</b>             | <u>\$ -</u>             | <u>\$ (828,673)</u> | <u>(758,677)</u>          | <u>\$ 69,996</u>                      |
| <b>FUND BALANCE (DEFICIT):</b>                |                         |                     |                           |                                       |
| Beginning of year                             |                         |                     | <u>(36,737)</u>           |                                       |
| End of year                                   |                         |                     | <u>\$ (795,414)</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, 2024**

**Miscellaneous Plan**

| Measurement period, year ended   | <u>6/30/2023</u> | <u>6/30/2022</u> | <u>6/30/2021</u> | <u>6/30/2020</u> | <u>6/30/2019</u> |
|--|------------------|------------------|------------------|------------------|------------------|
| Plan's proportion of the net pension liability   | 0.063930%        | 0.051710%        | -0.265930%       | 0.011480%        | 0.000090%        |
| Plan's proportionate share of the net pension liability                                    | \$ 3,196,704     | \$ 2,419,624     | \$ (5,049,431)   | \$ 484,424       | \$ 3,419         |
| Plan's covered payroll   | \$ 4,331,816     | \$ 4,226,162     | \$ 4,113,053     | \$ 4,002,971     | \$ 3,886,380     |
| Plan's proportionate share of the net pension liability as a percentage of covered payroll | 73.80%           | 57.25%           | -122.77%         | 12.10%           | 0.09%            |
| Plan's fiduciary net position  | \$ 40,385,802    | \$ 40,130,539    | \$ 45,831,107    | \$ 39,344,989    | \$ 38,378,436    |
| Plan's fiduciary net position as a percentage of the total pension liability               | 92.67%           | 94.31%           | 112.38%          | 98.78%           | 99.99%           |
| Plan's proportionate share of aggregate employer contributions                             | \$ 568,661       | \$ 228,296       | \$ 148,662       | \$ 33,931        | \$ 12,043,206    |
|  |                  |                  |                  |                  |                  |
| Measurement period, year ended   | <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> |
| Plan's proportion of the net pension liability   | 0.287338%        | 0.279350%        | 0.27877%         | 0.28936%         | 0.10180%         |
| Plan's proportionate share of the net pension liability                                    | \$ 10,828,936    | \$ 11,012,111    | \$ 9,684,180     | \$ 7,938,471     | \$ 6,467,833     |
| Plan's covered payroll   | \$ 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 payroll | 287.00%          | 300.61%          | 272.29%          | 229.90%          | 185.93%          |
| Plan's fiduciary net position  | \$ 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               | 70.52%           | 69.56%           | 70.53%           | 75.30%           | 79.46%           |
| Plan's proportionate share of aggregate employer contributions                             | \$ 917,505       | \$ 876,322       | \$ 815,999       | \$ 271,845       | \$ 623,008       |

**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, 2024**

**Safety Plan**

| Measurement period, year ended   | <u>6/30/2023</u> | <u>6/30/2022</u> | <u>6/30/2021</u> | <u>6/30/2020</u> | <u>6/30/2019</u> |
|--|------------------|------------------|------------------|------------------|------------------|
| Plan's proportion of the net pension liability   | 0.040120%        | 0.030900%        | -0.118880%       | 0.008970%        | 0.001360%        |
| Plan's proportionate share of the net pension liability                                    | \$ 2,998,921     | \$ 2,123,295     | \$ (4,172,227)   | \$ 597,806       | \$ 84,835        |
| Plan's covered payroll   | \$ 1,481,517     | \$ 1,488,743     | \$ 1,448,899     | \$ 1,410,120     | \$ 1,369,049     |
| Plan's proportionate share of the net pension liability as a percentage of covered payroll | 202.42%          | 142.62%          | -287.96%         | 42.39%           | 6.20%            |
| Plan's fiduciary net position  | \$ 33,925,131    | \$ 33,305,906    | \$ 38,030,755    | \$ 32,637,996    | \$ 32,373,325    |
| Plan's fiduciary net position as a percentage of the total pension liability               | 91.88%           | 94.01%           | 112.32%          | 98.20%           | 99.74%           |
| Plan's proportionate share of aggregate employer contributions                             | \$ 517,407       | \$ 203,760       | \$ 203,760       | \$ 35,865        | \$ 35,865        |
| Measurement period, year ended   | <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> |
| Plan's proportion of the net pension liability   | 0.141559%        | 0.140367%        | 0.14474%         | 0.14702%         | 0.14700%         |
| Plan's proportionate share of the net pension liability                                    | \$ 8,306,025     | \$ 8,387,220     | \$ 7,496,576     | \$ 6,058,020     | \$ 6,215,700     |
| Plan's covered payroll   | \$ 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 payroll | 315.75%          | 328.40%          | 302.33%          | 251.64%          | 253.20%          |
| Plan's fiduciary net position  | \$ 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               | 73.02%           | 71.51%           | 72.39%           | 76.43%           | 74.31%           |
| Plan's proportionate share of aggregate employer contributions                             | \$ 912,811       | \$ 854,722       | \$ 801,776       | \$ 747,875       | \$ 768,496       |

**City of Ridgecrest**  
**Required Supplementary Information (Unaudited) (Continued)**  
**Schedule of Contributions**  
**Last Ten Fiscal Years**  
**For the Year Ended June 30, 2024**

| <b>Miscellaneous Plan</b>   |                |                |                |                |                |                        |                |                |                |                |
|---|----------------|----------------|----------------|----------------|----------------|------------------------|----------------|----------------|----------------|----------------|
| Fiscal Year:  | <u>2023-24</u> | <u>2022-23</u> | <u>2021-22</u> | <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> |
| Contractually determined contribution (actuarially determined)        | \$ 310,982     | \$ 568,661     | \$ 228,296     | \$ 148,662     | \$ 33,931      | \$ 1,041,407           | \$ 917,505     | \$ 876,322     | \$ 815,999     | \$ 271,845     |
| Contributions in relation to the actuarially determined contributions | (310,982)      | (568,661)      | (228,296)      | (148,662)      | (33,931)       | (12,043,206)           | (917,505)      | (876,322)      | (815,999)      | (271,845)      |
| <b>Contribution deficiency (excess)</b>                               | <u>\$ -</u>    | <u>\$ (11,001,799)</u> | <u>\$ -</u>    | <u>\$ -</u>    | <u>\$ -</u>    | <u>\$ -</u>    |
| Covered payroll   | \$ 5,158,928   | \$ 5,014,754   | \$ 4,874,609   | \$ 4,744,145   | \$ 4,605,966   | \$ 4,471,812           | \$ 4,341,565   | \$ 4,215,111   | \$ 4,092,341   | \$ 3,973,147   |
| Contributions as a percentage of covered payroll                      | 6.03%          | 6.20%          | 4.68%          | 3.13%          | 0.74%          | 269.31%                | 21.13%         | 20.79%         | 7.53%          | 7.46%          |

**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 2022 were derived from the June 30, 2020 funding valuation report.

|                            |  |
|----------------------------|--|
| Actuarial cost method      | Entry Age Normal   |
| Amortization method/period | For details, see June 30, 2021 Funding Valuation Report  |
| Asset valuation method     | Actuarial Value of Assets. For details, see June 30, 2021 Funding Valuation Report.  |
| Inflation                  | 2.300%   |
| Salary increases           | Varies by entry age and service  |
| Payroll growth             | 2.875%   |
| Investment rate of return  | 6.90% net of pension plan investment and administrative expenses.  |
| Retirement age             | The probabilities of retirement are based on the 2021 CalPERS Experience Study and Review of Actuarial Assumptions   |
| Mortality                  | The probabilities of mortality are based on the 2021 CalPERS Experience Study and Review of Actuarial Assumptions. Pre-retirement and Post-retirement mortality rates include 5 years of projected mortality improvement using Scale AA published by the Society of Actuaries. |

**City of Ridgecrest**  
**Required Supplementary Information (Unaudited) (Continued)**  
**Schedule of Contributions (Continued)**  
**Last Ten Fiscal Years**  
**For the Year Ended June 30, 2024**

|   |           | <b>Safety Plan</b> |                |                |                |                  |                      |                |                |                |                |
|---|-----------|--------------------|----------------|----------------|----------------|------------------|----------------------|----------------|----------------|----------------|----------------|
| Fiscal Year:  |           | <u>2023-24</u>     | <u>2022-23</u> | <u>2021-22</u> | <u>2020-21</u> | <u>2019-2020</u> | <u>2018-19</u>       | <u>2017-18</u> | <u>2016-17</u> | <u>2015-16</u> | <u>2014-15</u> |
| Contractually determined contribution (actuarially determined)        | \$        | 276,430            | 517,407        | 203,760        | 136,176        | 35,865           | 1,019,977            | 912,811        | 854,722        | 801,776        | 747,875        |
| Contributions in relation to the actuarially determined contributions |           | (276,430)          | (517,407)      | (203,760)      | (136,176)      | (35,865)         | (9,358,380)          | (912,811)      | (854,722)      | (801,776)      | (747,875)      |
| <b>Contribution deficiency (excess)</b>                               | <b>\$</b> | <b>-</b>           | <b>-</b>       | <b>-</b>       | <b>-</b>       | <b>-</b>         | <b>\$(8,338,403)</b> | <b>-</b>       | <b>-</b>       | <b>-</b>       | <b>-</b>       |
| Covered payroll   | \$        | 1,537,139          | 1,494,181      | 1,452,424      | 1,410,120      | 1,369,049        | 1,329,174            | 1,290,460      | 1,252,874      | 1,216,383      | 1,177,974      |
| Contributions as a percentage of covered payroll                      |           | 17.98%             | 34.63%         | 14.03%         | 9.66%          | 2.62%            | 704.07%              | 70.74%         | 68.22%         | 7.53%          | 7.46%          |

**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 2022 were derived from the June 30, 2020 funding valuation report.

|                            |  |
|----------------------------|--|
| Actuarial cost method      | Entry Age Normal   |
| Amortization method/period | For details, see June 30, 2021 Funding Valuation Report  |
| Asset valuation method     | Actuarial Value of Assets. For details, see June 30, 2021 Funding Valuation Report.  |
| Inflation                  | 2.300%   |
| Salary increases           | Varies by entry age and service  |
| Payroll growth             | 2.875%   |
| Investment rate of return  | 6.90% net of pension plan investment and administrative expenses.  |
| Retirement age             | The probabilities of retirement are based on the 2021 CalPERS Experience Study and Review of Actuarial Assumptions   |
| Mortality                  | The probabilities of mortality are based on the 2021 CalPERS Experience Study and Review of Actuarial Assumptions. Pre-retirement and Post-retirement mortality rates include 5 years of projected mortality improvement using Scale AA published by the Society of Actuaries. |

**City of Ridgecrest**  
**Required Supplementary Information (Unaudited) (Continued)**  
**Schedule of Changes in Net OPEB Liabilities and Related Ratios**  
**Last Ten Fiscal Years <sup>1</sup>**  
**For the Year Ended June 30, 2024**

| Fiscal Year  | 2024                | 2023                | 2022                | 2021                | 2020                | 2019                | 2018                |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| For the Measurement Period:                                  | 2022-2023           | 2021-2022           | 2020-2021           | 2019-2020           | 2018-2019           | 2017-2018           | 2016-17             |
| <b>Total OPEB Liability:</b>                                 |                     |                     |                     |                     |                     |                     |                     |
| Service Cost   | \$ 95,885           | \$ 93,319           | \$ 67,767           | \$ 65,953           | \$ 60,362           | \$ 58,604           | \$ 54,770           |
| Interest on the total OPEB liability                         | 143,448             | 135,191             | 136,708             | 134,647             | 127,307             | 121,944             | 116,263             |
| Changes in benefit terms                                     | -                   | -                   | -                   | -                   | -                   | -                   | -                   |
| Difference between expected and actual experience            | (48,502)            | -                   | (52,665)            | (9,467)             | 19,458              | -                   | -                   |
| Changes in assumptions                                       | 130,382             | -                   | (14,602)            | 59                  | 11,794              | -                   | -                   |
| Contribution from the employer                               | -                   | -                   | -                   | -                   | -                   | -                   | -                   |
| Benefit payments   | (114,742)           | (100,202)           | (113,726)           | (129,754)           | (111,766)           | (99,616)            | (87,805)            |
| <b>Net changes in Total OPEB Liability</b>                   | <b>206,471</b>      | <b>128,308</b>      | <b>23,482</b>       | <b>61,438</b>       | <b>107,155</b>      | <b>80,932</b>       | <b>83,228</b>       |
| <b>Beginning of Year</b>                                     | <b>2,134,582</b>    | <b>2,006,274</b>    | <b>1,982,792</b>    | <b>1,921,354</b>    | <b>1,814,199</b>    | <b>1,733,267</b>    | <b>1,650,039</b>    |
| <b>End of Year</b>   | <b>\$ 2,341,053</b> | <b>\$ 2,134,582</b> | <b>\$ 2,006,274</b> | <b>\$ 1,982,792</b> | <b>\$ 1,921,354</b> | <b>\$ 1,814,199</b> | <b>\$ 1,733,267</b> |
| <b>Plan Fiduciary Net Position:</b>                          |                     |                     |                     |                     |                     |                     |                     |
| Employer contribution  | \$ 200,724          | \$ 270,155          | \$ 192,826          | \$ 129,754          | \$ 193,998          | \$ 188,388          | \$ 143,667          |
| Employee contributions                                       | -                   | -                   | -                   | -                   | -                   | -                   | -                   |
| Net investment income  | 99,580              | (228,017)           | 341,548             | 40,215              | 61,769              | 67,059              | 74,643              |
| Administrative expenses                                      | (447)               | (422)               | (473)               | (556)               | (213)               | (1,560)             | (381)               |
| Benefit payments   | (114,742)           | (100,202)           | (113,726)           | (129,754)           | (111,766)           | (99,616)            | (87,805)            |
| <b>Net changes in Fiduciary Net Position</b>                 | <b>185,115</b>      | <b>(58,486)</b>     | <b>420,175</b>      | <b>39,659</b>       | <b>143,788</b>      | <b>154,271</b>      | <b>130,124</b>      |
| <b>Beginning of Year</b>                                     | <b>1,539,612</b>    | <b>1,598,098</b>    | <b>1,177,923</b>    | <b>1,138,264</b>    | <b>994,476</b>      | <b>840,205</b>      | <b>710,081</b>      |
| <b>End of Year</b>   | <b>\$ 1,724,727</b> | <b>\$ 1,539,612</b> | <b>\$ 1,598,098</b> | <b>\$ 1,177,923</b> | <b>\$ 1,138,264</b> | <b>\$ 994,476</b>   | <b>\$ 840,205</b>   |
| <b>Net OPEB Liability</b>                                    | <b>\$ 616,326</b>   | <b>\$ 594,970</b>   | <b>\$ 408,176</b>   | <b>\$ 804,869</b>   | <b>\$ 783,090</b>   | <b>\$ 819,723</b>   | <b>\$ 893,062</b>   |
| <b>Fiduciary Net Position as a % of Total OPEB Liability</b> | <b>73.67%</b>       | <b>72.13%</b>       | <b>79.66%</b>       | <b>59.41%</b>       | <b>59.24%</b>       | <b>54.82%</b>       | <b>48.48%</b>       |
| <b>Covered Payroll</b>                                       | <b>\$ 6,133,711</b> | <b>\$ 5,969,549</b> | <b>\$ 5,626,872</b> | <b>\$ 5,626,872</b> | <b>\$ 5,476,274</b> | <b>\$ 5,499,000</b> | <b>\$ 5,499,000</b> |
| <b>Net OPEB Liability as a % of Payroll</b>                  | <b>10.05%</b>       | <b>9.97%</b>        | <b>7.25%</b>        | <b>14.30%</b>       | <b>14.30%</b>       | <b>14.91%</b>       | <b>16.24%</b>       |

<sup>1</sup> Information only presented from the implementation year

**City of Ridgecrest**  
**Required Supplementary Information (Unaudited) (Continued)**  
**Schedule of OPEB Contributions**  
**Last Ten Fiscal Years <sup>1</sup>**  
**For the Year Ended June 30, 2024**

| <b>For the Measurement Period:</b>                                      | <u>2023-24</u>      | <u>2022-23</u>      | <u>2021-22</u>      | <u>2020-21</u>      | <u>2019-20</u>      | <u>2018-19</u>      | <u>2017-18</u>      | <u>2016-17</u>      |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Actuarially Determined Contributions                                    | \$ 186,793          | \$ 163,570          | \$ 144,179          | \$ 133,676          | \$ 129,754          | \$ 148,942          | \$ 147,061          | \$ 143,667          |
| Contributions in relation to the<br>actuarially determined contribution | <u>186,793</u>      | <u>163,570</u>      | <u>144,179</u>      | <u>127,441</u>      | <u>129,754</u>      | <u>193,998</u>      | <u>188,388</u>      | <u>143,667</u>      |
| Contribution deficiency (excess)  | <u>\$ -</u>         | <u>\$ -</u>         | <u>\$ -</u>         | <u>\$ 6,235</u>     | <u>\$ -</u>         | <u>\$ (45,056)</u>  | <u>\$ (41,327)</u>  | <u>\$ -</u>         |
| Covered payroll   | <u>\$ 6,133,711</u> | <u>\$ 5,969,549</u> | <u>\$ 5,795,678</u> | <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                        | 3.05%               | 2.74%               | 2.49%               | 2.26%               | 2.30%               | 3.54%               | 3.43%               | 2.61%               |

<sup>1</sup> Information only presented from the implementation year

City of Ridgecrest  
Annual Comprehensive Financial Report  
For the Year Ended June 30, 2024

**This Page Intentionally Left Blank**



City of Ridgecrest  
Annual Comprehensive Financial Report  
For the Year Ended June 30, 2024

**Supplementary Information**



City of Ridgecrest  
Annual Comprehensive Financial Report  
For the Year Ended June 30, 2024

**This Page Intentionally Left Blank.**



**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, 2024**

|   | Budgeted Amounts   |                     | Actual<br>Amounts     | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---|--------------------|---------------------|-----------------------|---|
|   | Original           | Final               |                       |   |
| <b>REVENUES:</b>                              |                    |                     |                       |   |
| Intergovernmental                             | \$ 8,079,687       | \$ 9,900,492        | \$ 1,781,272          | \$ (8,119,220)  |
| Use of money and property                     | 3,500              | 3,500               | 2,244                 | (1,256)   |
| Other revenues                                | -                  | -                   | 24,009                | 24,009  |
| <b>Total revenues</b>                         | <u>8,083,187</u>   | <u>9,903,992</u>    | <u>1,807,525</u>      | <u>(8,096,467)</u>                                      |
| <b>EXPENDITURES:</b>                          |                    |                     |                       |   |
| Current:                                      |                    |                     |                       |   |
| Capital outlay                                | 13,746,558         | 21,447,487          | 10,511,401            | 10,936,086  |
| <b>Total expenditures</b>                     | <u>13,746,558</u>  | <u>21,447,487</u>   | <u>10,511,401</u>     | <u>10,936,086</u>                                       |
| <b>REVENUES OVER<br/>(UNDER) EXPENDITURES</b> | <u>(5,663,371)</u> | <u>(11,543,495)</u> | <u>(8,703,876)</u>    | <u>2,839,619</u>  |
| <b>OTHER FINANCING SOURCES:</b>               |                    |                     |                       |   |
| Transfers in                                  | 5,663,371          | 16,668,252          | 4,314,691             | (12,353,561)  |
| <b>Total other financing sources</b>          | <u>5,663,371</u>   | <u>16,668,252</u>   | <u>4,314,691</u>      | <u>(12,353,561)</u>                                     |
| <b>Net change in fund balance</b>             | <u>\$ -</u>        | <u>\$ 5,124,757</u> | <u>(4,389,185)</u>    | <u>\$ (9,513,942)</u>                                   |
| <b>FUND BALANCE (DEFICIT):</b>                |                    |                     |                       |   |
| Beginning of year                             |                    |                     | <u>1,891,326</u>      |   |
| End of year                                   |                    |                     | <u>\$ (2,497,859)</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, 2024**

|   | Budgeted Amounts   |                    | Actual<br>Amounts   | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---|--------------------|--------------------|---------------------|---|
|   | Original           | Final              |                     |   |
| <b>REVENUES:</b>                              |                    |                    |                     |   |
| Use of money and property                     | \$ 11,900          | \$ 11,900          | \$ 3,938            | \$ (7,962)  |
| <b>Total revenues</b>                         | <u>11,900</u>      | <u>11,900</u>      | <u>3,938</u>        | <u>(7,962)</u>  |
| <b>EXPENDITURES:</b>                          |                    |                    |                     |   |
| Debt service:                                 |                    |                    |                     |   |
| Principal                                     | 755,000            | 755,000            | 755,000             | -   |
| Interest                                      | 806,332            | 806,332            | 806,328             | 4   |
| <b>Total expenditures</b>                     | <u>1,561,332</u>   | <u>1,561,332</u>   | <u>1,561,328</u>    | <u>4</u>  |
| <b>REVENUES OVER<br/>(UNDER) EXPENDITURES</b> | <u>(1,549,432)</u> | <u>(1,549,432)</u> | <u>(1,557,390)</u>  | <u>(7,958)</u>  |
| <b>OTHER FINANCING SOURCES:</b>               |                    |                    |                     |   |
| Transfers in                                  | 1,561,939          | 1,561,939          | 1,561,939           | -   |
| <b>Total other financing sources</b>          | <u>1,561,939</u>   | <u>1,561,939</u>   | <u>1,561,939</u>    | <u>-</u>  |
| <b>Net change in fund balance</b>             | <u>\$ 607</u>      | <u>\$ 607</u>      | 4,549               | <u>\$ (7,958)</u>                                       |
| <b>FUND BALANCE:</b>                          |                    |                    |                     |   |
| Beginning of year, as restated (Note 16)      |                    |                    | <u>2,167,740</u>    |   |
| End of year                                   |                    |                    | <u>\$ 2,172,289</u> |   |

City of Ridgecrest  
Annual Comprehensive Financial Report  
For the Year Ended June 30, 2024

**Non-Major Governmental Funds**



City of Ridgecrest  
Annual Comprehensive Financial Report  
For the Year Ended June 30, 2024

**This Page Intentionally Left Blank.**



**City of Ridgecrest  
Combining Balance Sheet  
Nonmajor Governmental Funds  
June 30, 2024**

|                                       | Special Revenue Funds                               |  |                    |                                    |                             |
|---------------------------------------|---|--|--------------------|------------------------------------|-----------------------------|
|                                       | Road<br>Maintenance<br>& Rehabilitation<br>Act Fund | Grant<br>Operations<br>Special Revenue<br>Fund | TDA Street<br>Fund | Supplemental<br>Law<br>Enforcement | Landscaping<br>and Lighting |
| <b>ASSETS</b>                         |   |  |                    |                                    |                             |
| Cash and investments                  | \$ 667,861  | \$ 331,613                                     | \$ 2,292           | \$ -                               | \$ 8,693                    |
| Receivables:                          |   |  |                    |                                    |                             |
| Accounts                              | 99,577  | -  | -                  | -                                  | -                           |
| Interest                              | 979   | 558  | 4                  | 315                                | 24                          |
| Deposits                              | -   | -  | -                  | -                                  | -                           |
| <b>Total assets</b>                   | <b>\$ 768,417</b>                                   | <b>\$ 332,171</b>                              | <b>\$ 2,296</b>    | <b>\$ 315</b>                      | <b>\$ 8,717</b>             |
| <b>LIABILITIES AND FUND BALANCES</b>  |   |  |                    |                                    |                             |
| <b>Liabilities:</b>                   |   |  |                    |                                    |                             |
| Accounts payable                      | \$ -  | \$ 4,978                                       | \$ -               | \$ -                               | \$ 3,661                    |
| Salaries payable                      | 4,961   | -  | -                  | -                                  | -                           |
| Due to other funds                    | -   | -  | -                  | 315                                | -                           |
| Unearned revenue                      | -   | 278,041  | -                  | -                                  | -                           |
| <b>Total liabilities</b>              | <b>4,961</b>  | <b>283,019</b>                                 | <b>-</b>           | <b>315</b>                         | <b>3,661</b>                |
| <b>Fund Balances:</b>                 |   |  |                    |                                    |                             |
| Restricted                            | 763,456   | 49,152   | 2,296              | -                                  | -                           |
| Committed                             | -   | -  | -                  | -                                  | -                           |
| Assigned                              | -   | -  | -                  | -                                  | 5,056                       |
| <b>Total fund balances</b>            | <b>763,456</b>                                      | <b>49,152</b>                                  | <b>2,296</b>       | <b>-</b>                           | <b>5,056</b>                |
| <b>Total liabilities and balances</b> | <b>\$ 768,417</b>                                   | <b>\$ 332,171</b>                              | <b>\$ 2,296</b>    | <b>\$ 315</b>                      | <b>\$ 8,717</b>             |

(Continued)

**City of Ridgecrest**  
**Combining Balance Sheet (Continued)**  
**Nonmajor Governmental Funds**  
**June 30, 2024**

|                                       | Special Revenue Funds                         |                                 |                       |                                   |                                       |
|---------------------------------------|---|---------------------------------|-----------------------|-----------------------------------|---------------------------------------|
|                                       | Drainage<br>Benefit<br>Assessment<br>District | Fire Facilities<br>Improvements | Traffic<br>Impact Fee | Park<br>Development<br>Impact Fee | Law Enforcement<br>Improvement<br>Fee |
|                                       |   |                                 |                       |                                   |                                       |
| <b>ASSETS</b>                         |   |                                 |                       |                                   |                                       |
| Cash and investments                  | \$ 34,814                                     | \$ 356,502                      | \$ 1,565,839          | \$ 156,286                        | \$ 509,575                            |
| Receivables:                          |   |                                 |                       |                                   |                                       |
| Accounts                              | -   | -                               | -                     | -                                 | -                                     |
| Interest                              | 58  | 595                             | 2,592                 | 263                               | 850                                   |
| Deposits                              | -   | -                               | -                     | -                                 | -                                     |
| <b>Total assets</b>                   | <b>\$ 34,872</b>                              | <b>\$ 357,097</b>               | <b>\$ 1,568,431</b>   | <b>\$ 156,549</b>                 | <b>\$ 510,425</b>                     |
| <b>LIABILITIES AND FUND BALANCES</b>  |   |                                 |                       |                                   |                                       |
| <b>Liabilities:</b>                   |   |                                 |                       |                                   |                                       |
| Accounts payable                      | \$ -  | \$ -                            | \$ -                  | \$ -                              | \$ -                                  |
| Salaries payable                      | -   | -                               | -                     | -                                 | -                                     |
| Due to other funds                    | -   | -                               | -                     | -                                 | -                                     |
| Unearned revenue                      | -   | -                               | -                     | -                                 | -                                     |
| <b>Total liabilities</b>              | <b>-</b>                                      | <b>-</b>                        | <b>-</b>              | <b>-</b>                          | <b>-</b>                              |
| <b>Fund Balances:</b>                 |   |                                 |                       |                                   |                                       |
| Restricted                            | 34,872  | 357,097                         | 1,568,431             | 156,549                           | 510,425                               |
| Committed                             | -   | -                               | -                     | -                                 | -                                     |
| Assigned                              | -   | -                               | -                     | -                                 | -                                     |
| <b>Total fund balances</b>            | <b>34,872</b>                                 | <b>357,097</b>                  | <b>1,568,431</b>      | <b>156,549</b>                    | <b>510,425</b>                        |
| <b>Total liabilities and balances</b> | <b>\$ 34,872</b>                              | <b>\$ 357,097</b>               | <b>\$ 1,568,431</b>   | <b>\$ 156,549</b>                 | <b>\$ 510,425</b>                     |

(Continued)

**City of Ridgecrest**  
**Combining Balance Sheet (Continued)**  
**Nonmajor Governmental Funds**  
**June 30, 2024**

|                                       | Special Revenue Funds        |                                   |                      | Capital<br>Projects Funds               |                                      |
|---------------------------------------|------------------------------|-----------------------------------|----------------------|---|--------------------------------------|
|                                       | Storm Drainage<br>Facilities | Community<br>Partnership<br>Grant | Housing<br>Authority | Sub-Standard<br>Streets<br>Improvements | Total Other<br>Governmental<br>Funds |
| <b>ASSETS</b>                         |                              |                                   |                      |   |                                      |
| Cash and investments                  | \$ 3,148,293                 | \$ 149                            | \$ 461,294           | \$ 178,550                              | \$ 7,421,761                         |
| Receivables:                          |                              |                                   |                      |   |                                      |
| Accounts                              | -                            | -                                 | -                    | -                                       | 99,577                               |
| Interest                              | 5,329                        | -                                 | 11,115               | 292                                     | 22,974                               |
| Deposits                              | -                            | -                                 | -                    | 10,241                                  | 10,241                               |
| <b>Total assets</b>                   | <b>\$ 3,153,622</b>          | <b>\$ 149</b>                     | <b>\$ 472,409</b>    | <b>\$ 189,083</b>                       | <b>\$ 7,554,553</b>                  |
| <b>LIABILITIES AND FUND BALANCES</b>  |                              |                                   |                      |   |                                      |
| <b>Liabilities:</b>                   |                              |                                   |                      |   |                                      |
| Accounts payable                      | \$ -                         | \$ -                              | \$ -                 | \$ -                                    | \$ 8,639                             |
| Salaries payable                      | -                            | -                                 | -                    | -                                       | 4,961                                |
| Due to other funds                    | -                            | -                                 | -                    | -                                       | 315                                  |
| Unearned revenue                      | -                            | -                                 | -                    | -                                       | 278,041                              |
| <b>Total liabilities</b>              | <b>-</b>                     | <b>-</b>                          | <b>-</b>             | <b>-</b>                                | <b>291,956</b>                       |
| <b>Fund Balances:</b>                 |                              |                                   |                      |   |                                      |
| Restricted                            | 3,153,622                    | 149                               | 472,409              | -                                       | 7,068,458                            |
| Committed                             | -                            | -                                 | -                    | 189,083                                 | 189,083                              |
| Assigned                              | -                            | -                                 | -                    | -                                       | 5,056                                |
| <b>Total fund balances</b>            | <b>3,153,622</b>             | <b>149</b>                        | <b>472,409</b>       | <b>189,083</b>                          | <b>7,262,597</b>                     |
| <b>Total liabilities and balances</b> | <b>\$ 3,153,622</b>          | <b>\$ 149</b>                     | <b>\$ 472,409</b>    | <b>\$ 189,083</b>                       | <b>\$ 7,554,553</b>                  |

(Concluded)

**City of Ridgecrest**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**For the Year Ended June 30, 2024**

|   | Special Revenue Funds                               |  |                    |                                    |                             |
|---|---|--|--------------------|------------------------------------|-----------------------------|
|   | Road<br>Maintenance<br>& Rehabilitation<br>Act Fund | Grant<br>Operations<br>Special Revenue<br>Fund | TDA Street<br>Fund | Supplemental<br>Law<br>Enforcement | Landscaping<br>and Lighting |
| <b>REVENUES:</b>                              |   |  |                    |                                    |                             |
| Intergovernmental                             | \$ 705,771  | \$ -   | \$ -               | \$ 186,159                         | \$ -                        |
| License and permits                           | -   | -  | -                  | -                                  | -                           |
| Assessments levied                            | -   | -  | -                  | -                                  | 25,907                      |
| Use of money and property                     | 2,473   | -  | 16                 | 625                                | 198                         |
| Other revenues                                | -   | -  | -                  | -                                  | -                           |
| <b>Total revenues</b>                         | <b>708,244</b>                                      | <b>-</b>                                       | <b>16</b>          | <b>186,784</b>                     | <b>26,105</b>               |
| <b>EXPENDITURES:</b>                          |   |  |                    |                                    |                             |
| Current:                                      |   |  |                    |                                    |                             |
| General government                            | 21,093  | 10,601   | -                  | -                                  | -                           |
| Public works                                  | 96,829  | -  | -                  | -                                  | 55,060                      |
| Community development                         | -   | -  | -                  | -                                  | 2,420                       |
| <b>Total expenditures</b>                     | <b>117,922</b>                                      | <b>10,601</b>                                  | <b>-</b>           | <b>-</b>                           | <b>57,480</b>               |
| <b>REVENUES OVER<br/>(UNDER) EXPENDITURES</b> | <b>590,322</b>                                      | <b>(10,601)</b>                                | <b>16</b>          | <b>186,784</b>                     | <b>(31,375)</b>             |
| <b>OTHER FINANCING SOURCES (USES):</b>        |   |  |                    |                                    |                             |
| Transfers out                                 | (19,275)  | -  | -                  | (187,354)                          | -                           |
| <b>Total other financing sources (uses)</b>   | <b>(19,275)</b>                                     | <b>-</b>                                       | <b>-</b>           | <b>(187,354)</b>                   | <b>-</b>                    |
| <b>Net changes in fund balances</b>           | <b>571,047</b>                                      | <b>(10,601)</b>                                | <b>16</b>          | <b>(570)</b>                       | <b>(31,375)</b>             |
| <b>FUND BALANCES:</b>                         |   |  |                    |                                    |                             |
| Beginning of year                             | 192,409   | 59,753   | 2,280              | 570                                | 36,431                      |
| End of year                                   | <b>\$ 763,456</b>                                   | <b>\$ 49,152</b>                               | <b>\$ 2,296</b>    | <b>\$ -</b>                        | <b>\$ 5,056</b>             |

(Continued)

**City of Ridgecrest**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)**  
**Nonmajor Governmental Funds**  
**For the Year Ended June 30, 2024**

Special Revenue Funds

|   | Drainage<br>Benefit<br>Assessment<br>District | Fire Facilities<br>Improvements | Traffic<br>Impact Fee | Park<br>Development<br>Impact Fee | Law Enforcement<br>Improvement<br>Fee |
|---|---|---------------------------------|-----------------------|-----------------------------------|---------------------------------------|
| <b>REVENUES:</b>                              |   |                                 |                       |                                   |                                       |
| Intergovernmental                             | \$ -  | \$ -                            | \$ -                  | \$ -                              | \$ -                                  |
| License and permits                           | -   | 24,530                          | 344,423               | -                                 | 40,626                                |
| Assessments levied                            | 4,031   | -                               | -                     | -                                 | -                                     |
| Use of money and property                     | 227   | 2,391                           | 9,834                 | 1,083                             | 3,401                                 |
| Other revenues                                | -   | -                               | -                     | -                                 | -                                     |
| <b>Total revenues</b>                         | <b>4,258</b>                                  | <b>26,921</b>                   | <b>354,257</b>        | <b>1,083</b>                      | <b>44,027</b>                         |
| <b>EXPENDITURES:</b>                          |   |                                 |                       |                                   |                                       |
| Current:                                      |   |                                 |                       |                                   |                                       |
| General government                            | -   | -                               | -                     | -                                 | -                                     |
| Public works                                  | -   | -                               | -                     | -                                 | -                                     |
| Community development                         | -   | -                               | -                     | -                                 | -                                     |
| <b>Total expenditures</b>                     | <b>-</b>                                      | <b>-</b>                        | <b>-</b>              | <b>-</b>                          | <b>-</b>                              |
| <b>REVENUES OVER<br/>(UNDER) EXPENDITURES</b> | <b>4,258</b>                                  | <b>26,921</b>                   | <b>354,257</b>        | <b>1,083</b>                      | <b>44,027</b>                         |
| <b>OTHER FINANCING SOURCES (USES):</b>        |   |                                 |                       |                                   |                                       |
| Transfers out                                 | -   | -                               | -                     | -                                 | -                                     |
| <b>Total other financing sources (uses)</b>   | <b>-</b>                                      | <b>-</b>                        | <b>-</b>              | <b>-</b>                          | <b>-</b>                              |
| <b>Net changes in fund balances</b>           | <b>4,258</b>                                  | <b>26,921</b>                   | <b>354,257</b>        | <b>1,083</b>                      | <b>44,027</b>                         |
| <b>FUND BALANCES:</b>                         |   |                                 |                       |                                   |                                       |
| Beginning of year                             | 30,614  | 330,176                         | 1,214,174             | 155,466                           | 466,398                               |
| End of year                                   | <b>\$ 34,872</b>                              | <b>\$ 357,097</b>               | <b>\$ 1,568,431</b>   | <b>\$ 156,549</b>                 | <b>\$ 510,425</b>                     |

(Continued)

**City of Ridgecrest**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)**  
**Nonmajor Governmental Funds**  
**For the Year Ended June 30, 2024**

|   | Special Revenue Funds        |                                   |                      | Capital<br>Projects Funds               | Total Other<br>Governmental<br>Funds |
|---|------------------------------|-----------------------------------|----------------------|---|--------------------------------------|
|   | Storm Drainage<br>Facilities | Community<br>Partnership<br>Grant | Housing<br>Authority | Sub-Standard<br>Streets<br>Improvements |                                      |
| <b>REVENUES:</b>                              |                              |                                   |                      |   |                                      |
| Intergovernmental                             | \$ -                         | \$ -                              | \$ -                 | \$ -                                    | \$ 891,930                           |
| License and permits                           | 506,306                      | -                                 | -                    | -                                       | 915,885                              |
| Assessments levied                            | -                            | -                                 | -                    | -                                       | 29,938                               |
| Use of money and property                     | 20,039                       | -                                 | 37,131               | 1,173                                   | 78,591                               |
| Other revenues                                | -                            | -                                 | 154,323              | 10,800                                  | 165,123                              |
| <b>Total revenues</b>                         | <b>526,345</b>               | <b>-</b>                          | <b>191,454</b>       | <b>11,973</b>                           | <b>2,081,467</b>                     |
| <b>EXPENDITURES:</b>                          |                              |                                   |                      |   |                                      |
| Current:                                      |                              |                                   |                      |   |                                      |
| General government                            | -                            | -                                 | -                    | -                                       | 31,694                               |
| Public works                                  | -                            | -                                 | -                    | -                                       | 151,889                              |
| Community development                         | -                            | -                                 | -                    | -                                       | 2,420                                |
| <b>Total expenditures</b>                     | <b>-</b>                     | <b>-</b>                          | <b>-</b>             | <b>-</b>                                | <b>186,003</b>                       |
| <b>REVENUES OVER<br/>(UNDER) EXPENDITURES</b> | <b>526,345</b>               | <b>-</b>                          | <b>191,454</b>       | <b>11,973</b>                           | <b>1,895,464</b>                     |
| <b>OTHER FINANCING SOURCES (USES):</b>        |                              |                                   |                      |   |                                      |
| Transfers out                                 | (36,960)                     | -                                 | -                    | -                                       | (243,589)                            |
| <b>Total other financing sources (uses)</b>   | <b>(36,960)</b>              | <b>-</b>                          | <b>-</b>             | <b>-</b>                                | <b>(243,589)</b>                     |
| <b>Net changes in fund balances</b>           | <b>489,385</b>               | <b>-</b>                          | <b>191,454</b>       | <b>11,973</b>                           | <b>1,651,875</b>                     |
| <b>FUND BALANCES:</b>                         |                              |                                   |                      |   |                                      |
| Beginning of year                             | 2,664,237                    | 149                               | 280,955              | 177,110                                 | 5,610,722                            |
| End of year                                   | <u>\$ 3,153,622</u>          | <u>\$ 149</u>                     | <u>\$ 472,409</u>    | <u>\$ 189,083</u>                       | <u>\$ 7,262,597</u>                  |

(Concluded)

**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, 2024**

|   | Budgeted Amounts |                  | Actual<br>Amounts | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---|------------------|------------------|-------------------|---|
|   | Original         | Final            |                   |   |
| <b>REVENUES:</b>                              |                  |                  |                   |   |
| Intergovernmental                             | \$ 693,675       | \$ 693,675       | \$ 705,771        | \$ 12,096   |
| Use of money and property                     | 3,200            | 3,200            | 2,473             | (727)   |
| <b>Total revenues</b>                         | <u>696,875</u>   | <u>696,875</u>   | <u>708,244</u>    | <u>11,369</u>   |
| <b>EXPENDITURES:</b>                          |                  |                  |                   |   |
| Current:                                      |                  |                  |                   |   |
| General government                            | -                | -                | 21,093            | (21,093)  |
| Public works                                  | 198,995          | 198,995          | 96,829            | 102,166   |
| <b>Total expenditures</b>                     | <u>198,995</u>   | <u>198,995</u>   | <u>117,922</u>    | <u>81,073</u>   |
| <b>REVENUES OVER<br/>(UNDER) EXPENDITURES</b> | <u>497,880</u>   | <u>497,880</u>   | <u>590,322</u>    | <u>92,442</u>   |
| <b>OTHER FINANCING SOURCES (USES):</b>        |                  |                  |                   |   |
| Transfers out                                 | (497,880)        | (497,880)        | (19,275)          | 478,605   |
| <b>Total other financing sources (uses)</b>   | <u>(497,880)</u> | <u>(497,880)</u> | <u>(19,275)</u>   | <u>478,605</u>  |
| <b>Net change in fund balance</b>             | <u>\$ -</u>      | <u>\$ -</u>      | 571,047           | <u>\$ 571,047</u>                                       |
| <b>FUND BALANCE:</b>                          |                  |                  |                   |   |
| Beginning of year                             |                  |                  | <u>192,409</u>    |   |
| End of year                                   |                  |                  | <u>\$ 763,456</u> |   |

**City of Ridgecrest**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual**  
**TDA Street - Special Revenue Fund**  
**For the Year Ended June 30, 2024**

---

|   | Budgeted Amounts |            | Actual   | Variance with |
|---|------------------|------------|----------|---------------|
|   | Original         | Final      | Amounts  | Final Budget  |
|   |                  |            |          | Positive      |
|   |                  |            |          | (Negative)    |
| <b>REVENUES:</b>                            |                  |            |          |               |
| Intergovernmental                           | \$ 300,000       | \$ 300,000 | \$ -     | \$ (300,000)  |
| Use of money and property                   | 150              | 150        | 16       | (134)         |
| <b>Total revenues</b>                       | 300,150          | 300,150    | 16       | (300,134)     |
| <b>REVENUES OVER</b>                        |                  |            |          |               |
| <b>(UNDER) EXPENDITURES</b>                 | 300,150          | 300,150    | 16       | (300,134)     |
| <b>OTHER FINANCING SOURCES (USES):</b>      |                  |            |          |               |
| Transfers out                               | (300,000)        | (300,000)  | -        | 300,000       |
| <b>Total other financing sources (uses)</b> | (300,000)        | (300,000)  | -        | 300,000       |
| <b>Net change in fund balances</b>          | \$ 150           | \$ 150     | 16       | \$ (134)      |
| <b>FUND BALANCE:</b>                        |                  |            |          |               |
| Beginning of year                           |                  |            | 2,280    |               |
| End of year                                 |                  |            | \$ 2,296 |               |

**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, 2024**

---

|   | Budgeted Amounts |                  | Actual<br>Amounts | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---|------------------|------------------|-------------------|---|
|   | Original         | Final            |                   |   |
| <b>REVENUES:</b>                              |                  |                  |                   |   |
| Intergovernmental                             | \$ 160,000       | \$ 160,000       | \$ 186,159        | \$ 26,159   |
| Use of money and property                     | 500              | 500              | 625               | 125   |
| <b>Total revenues</b>                         | <u>160,500</u>   | <u>160,500</u>   | <u>186,784</u>    | <u>26,284</u>   |
| <b>REVENUES OVER<br/>(UNDER) EXPENDITURES</b> | <u>160,500</u>   | <u>160,500</u>   | <u>186,784</u>    | <u>26,284</u>   |
| <b>OTHER FINANCING (USES):</b>                |                  |                  |                   |   |
| Transfers out                                 | (160,000)        | (160,000)        | (187,354)         | (27,354)  |
| <b>Total other financing (uses)</b>           | <u>(160,000)</u> | <u>(160,000)</u> | <u>(187,354)</u>  | <u>(27,354)</u>   |
| <b>Net change in fund balance</b>             | <u>\$ 500</u>    | <u>\$ 500</u>    | (570)             | <u>\$ (1,070)</u>                                       |
| <b>FUND BALANCE:</b>                          |                  |                  |                   |   |
| Beginning of year                             |                  |                  | <u>570</u>        |   |
| End of year                                   |                  |                  | <u>\$ -</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, 2024**

|   | Budgeted Amounts |                  | Actual<br>Amounts | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---|------------------|------------------|-------------------|---|
|   | Original         | Final            |                   |   |
| <b>REVENUES:</b>                              |                  |                  |                   |   |
| Assessment levied                             | \$ 83,436        | \$ 83,436        | \$ 25,907         | \$ (57,529)   |
| Use of money and property                     | 500              | 500              | 198               | (302)   |
| <b>Total revenues</b>                         | <u>83,936</u>    | <u>83,936</u>    | <u>26,105</u>     | <u>(57,831)</u>   |
| <b>EXPENDITURES:</b>                          |                  |                  |                   |   |
| Current:                                      |                  |                  |                   |   |
| Public works                                  | 79,752           | 79,182           | 55,060            | 24,122  |
| Community development                         | 1,875            | 2,445            | 2,420             | 25  |
| <b>Total expenditures</b>                     | <u>81,627</u>    | <u>81,627</u>    | <u>57,480</u>     | <u>24,147</u>   |
| <b>REVENUES OVER<br/>(UNDER) EXPENDITURES</b> | <u>2,309</u>     | <u>2,309</u>     | <u>(31,375)</u>   | <u>(33,684)</u>   |
| <b>OTHER FINANCING SOURCES (USES):</b>        |                  |                  |                   |   |
| Transfers In                                  | 8,562            | 8,562            | -                 | (8,562)   |
| <b>Total other financing sources (uses)</b>   | <u>8,562</u>     | <u>8,562</u>     | <u>-</u>          | <u>(8,562)</u>  |
| <b>Net change in fund balance</b>             | <u>\$ 10,871</u> | <u>\$ 10,871</u> | <u>(31,375)</u>   | <u>\$ (42,246)</u>                                      |
| <b>FUND BALANCE:</b>                          |                  |                  |                   |   |
| Beginning of year                             |                  |                  | <u>36,431</u>     |   |
| End of year                                   |                  |                  | <u>\$ 5,056</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, 2024**

---

|                                   | Budgeted Amounts |                 | Actual<br>Amounts | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|-----------------------------------|------------------|-----------------|-------------------|---|
|                                   | Original         | Final           |                   |   |
| <b>REVENUES:</b>                  |                  |                 |                   |   |
| Assessment levied                 | \$ 5,280         | \$ 5,280        | \$ 4,031          | \$ (1,249)  |
| Use of money and property         | 250              | 250             | 227               | (23)  |
| <b>Total revenues</b>             | <u>5,530</u>     | <u>5,530</u>    | <u>4,258</u>      | <u>(1,272)</u>  |
| <b>EXPENDITURES:</b>              |                  |                 |                   |   |
| Current:                          |                  |                 |                   |   |
| Public works                      | 4,000            | 4,000           | -                 | 4,000   |
| <b>Total expenditures</b>         | <u>4,000</u>     | <u>4,000</u>    | <u>-</u>          | <u>4,000</u>  |
| <b>Net change in fund balance</b> | <u>\$ 1,530</u>  | <u>\$ 1,530</u> | 4,258             | <u>\$ 2,728</u>   |
| <b>FUND BALANCE:</b>              |                  |                 |                   |   |
| Beginning of year                 |                  |                 | <u>30,614</u>     |   |
| End of year                       |                  |                 | <u>\$ 34,872</u>  |   |

**City of Ridgecrest**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual**  
**Fire Facilities Improvements - Special Revenue Fund**  
**For the Year Ended June 30, 2024**

---

|                                    | Budgeted Amounts |                  | Actual<br>Amounts | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|------------------------------------|------------------|------------------|-------------------|---|
|                                    | Original         | Final            |                   |   |
| <b>REVENUES:</b>                   |                  |                  |                   |   |
| License and permits                | \$ 30,000        | \$ 30,000        | \$ 24,530         | \$ (5,470)  |
| Use of property and money          | 2,500            | 2,500            | 2,391             | (109)   |
| <b>Total revenues</b>              | <u>32,500</u>    | <u>32,500</u>    | <u>26,921</u>     | <u>(5,579)</u>  |
| <b>Net change in fund balances</b> | <u>\$ 32,500</u> | <u>\$ 32,500</u> | 26,921            | <u>\$ (5,579)</u>                                       |
| <b>FUND BALANCE:</b>               |                  |                  |                   |   |
| Beginning of year                  |                  |                  | <u>330,176</u>    |   |
| End of year                        |                  |                  | <u>\$ 357,097</u> |   |

**City of Ridgecrest**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual**  
**Traffic Impact Fee - Special Revenue Fund**  
**For the Year Ended June 30, 2024**

---

|                                    | Budgeted Amounts  |                   | Actual<br>Amounts   | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|------------------------------------|-------------------|-------------------|---------------------|---|
|                                    | Original          | Final             |                     |   |
| <b>REVENUES:</b>                   |                   |                   |                     |   |
| License and permits                | \$ 200,000        | \$ 200,000        | \$ 344,423          | \$ 144,423  |
| Use of money and property          | 11,200            | 11,200            | 9,834               | (1,366)   |
| <b>Total revenues</b>              | <u>211,200</u>    | <u>211,200</u>    | <u>354,257</u>      | <u>143,057</u>  |
| <b>Net change in fund balances</b> | <u>\$ 211,200</u> | <u>\$ 211,200</u> | 354,257             | <u>\$ 143,057</u>                                       |
| <b>FUND BALANCE:</b>               |                   |                   |                     |   |
| Beginning of year                  |                   |                   | <u>1,214,174</u>    |   |
| End of year                        |                   |                   | <u>\$ 1,568,431</u> |   |

**City of Ridgecrest**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual**  
**Park Development Impact Fee - Special Revenue Fund**  
**For the Year Ended June 30, 2024**

---

|   | Budgeted Amounts   |                    | Actual            | Variance with          |
|---|--------------------|--------------------|-------------------|------------------------|
|   | Original           | Final              | Amounts           | Final Budget           |
|   |                    |                    |                   | Positive<br>(Negative) |
| <b>REVENUES:</b>                              |                    |                    |                   |                        |
| Use of property and money                     | \$ 1,500           | \$ 1,500           | \$ 1,083          | \$ (417)               |
| <b>Total revenues</b>                         | <u>1,500</u>       | <u>1,500</u>       | <u>1,083</u>      | <u>(417)</u>           |
| <b>REVENUES OVER<br/>(UNDER) EXPENDITURES</b> |                    |                    |                   |                        |
|   | <u>1,500</u>       | <u>1,500</u>       | <u>1,083</u>      | <u>(417)</u>           |
| <b>OTHER FINANCING (USES):</b>                |                    |                    |                   |                        |
| Transfers out                                 | (71,710)           | (71,710)           | -                 | 71,710                 |
| <b>Total other financing (uses)</b>           | <u>(71,710)</u>    | <u>(71,710)</u>    | <u>-</u>          | <u>71,710</u>          |
| <b>Net change in fund balances</b>            | <u>\$ (70,210)</u> | <u>\$ (70,210)</u> | <u>1,083</u>      | <u>\$ 71,293</u>       |
| <b>FUND BALANCE:</b>                          |                    |                    |                   |                        |
| Beginning of year                             |                    |                    | <u>155,466</u>    |                        |
| End of year                                   |                    |                    | <u>\$ 156,549</u> |                        |

**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, 2024**

---

|                                   | Budgeted Amounts |                  | Actual<br>Amounts | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|-----------------------------------|------------------|------------------|-------------------|---|
|                                   | Original         | Final            |                   |   |
| <b>REVENUES:</b>                  |                  |                  |                   |   |
| License and permits               | \$ 60,000        | \$ 60,000        | \$ 40,626         | \$ (19,374)   |
| Use of money and property         | 3,250            | 3,250            | 3,401             | 151   |
| <b>Total revenues</b>             | <u>63,250</u>    | <u>63,250</u>    | <u>44,027</u>     | <u>(19,223)</u>   |
| <b>Net change in fund balance</b> | <u>\$ 63,250</u> | <u>\$ 63,250</u> | 44,027            | <u>\$ (19,223)</u>                                      |
| <b>FUND BALANCE:</b>              |                  |                  |                   |   |
| Beginning of year                 |                  |                  | <u>466,398</u>    |   |
| End of year                       |                  |                  | <u>\$ 510,425</u> |   |

**City of Ridgecrest**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual**  
**Storm Drainage Facilities - Special Revenue Fund**  
**For the Year Ended June 30, 2024**

---

|                                     | Budgeted Amounts      |                       | Actual<br>Amounts   | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|-------------------------------------|-----------------------|-----------------------|---------------------|---|
|                                     | Original              | Final                 |                     |   |
| <b>REVENUES:</b>                    |                       |                       |                     |   |
| License and permits                 | \$ 150,000            | \$ 150,000            | \$ 506,306          | \$ 356,306  |
| Use of property and money           | 20,000                | 20,000                | 20,039              | 39  |
| <b>Total revenues</b>               | <u>170,000</u>        | <u>170,000</u>        | <u>526,345</u>      | <u>356,345</u>  |
| <b>OTHER FINANCING (USES):</b>      |                       |                       |                     |   |
| Transfers out                       | (3,900,000)           | (3,900,000)           | (36,960)            | 3,863,040   |
| <b>Total other financing (uses)</b> | <u>(3,900,000)</u>    | <u>(3,900,000)</u>    | <u>(36,960)</u>     | <u>3,863,040</u>  |
| <b>Net change in fund balances</b>  | <u>\$ (3,730,000)</u> | <u>\$ (3,730,000)</u> | 489,385             | <u>\$ 4,219,385</u>                                     |
| <b>FUND BALANCE:</b>                |                       |                       |                     |   |
| Beginning of year                   |                       |                       | <u>2,664,237</u>    |   |
| End of year                         |                       |                       | <u>\$ 3,153,622</u> |   |

**City of Ridgecrest**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual**  
**Housing Authority - Special Revenue Fund**  
**For the Year Ended June 30, 2024**

---

|                                    | Budgeted Amounts |                  | Actual<br>Amounts | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|------------------------------------|------------------|------------------|-------------------|---|
|                                    | Original         | Final            |                   |   |
| <b>REVENUES:</b>                   |                  |                  |                   |   |
| Use of property and money          | \$ 15,000        | \$ 15,000        | \$ 37,131         | \$ 22,131   |
| Other revenues                     | -                | -                | 154,323           | 154,323   |
| <b>Total revenues</b>              | <u>15,000</u>    | <u>15,000</u>    | <u>191,454</u>    | <u>176,454</u>  |
| <b>Net change in fund balances</b> | <u>\$ 15,000</u> | <u>\$ 15,000</u> | 191,454           | <u>\$ 176,454</u>                                       |
| <b>FUND BALANCE:</b>               |                  |                  |                   |   |
| Beginning of year                  |                  |                  | <u>280,955</u>    |   |
| End of year                        |                  |                  | <u>\$ 472,409</u> |   |

**City of Ridgecrest**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual**  
**Sub-Standard Streets Improvements - Capital Projects Fund**  
**For the Year Ended June 30, 2024**

---

|   | Budgeted Amounts |                     | Actual<br>Amounts | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---|------------------|---------------------|-------------------|---|
|   | Original         | Final               |                   |   |
| <b>REVENUES:</b>                            |                  |                     |                   |   |
| Use of property and money                   | \$ 6,700         | \$ 6,700            | \$ 1,173          | \$ (5,527)  |
| Other revenues                              | 10,000           | 10,000              | 10,800            | 800   |
| <b>Total revenues</b>                       | <u>16,700</u>    | <u>16,700</u>       | <u>11,973</u>     | <u>(4,727)</u>  |
| <b>OTHER FINANCING SOURCES (USES):</b>      |                  |                     |                   |   |
| Transfers out                               | -                | (838,580)           | -                 | 838,580   |
| <b>Total other financing sources (uses)</b> | <u>-</u>         | <u>(838,580)</u>    | <u>-</u>          | <u>838,580</u>  |
| <b>Net change in fund balances</b>          | <u>\$ 16,700</u> | <u>\$ (821,880)</u> | 11,973            | <u>\$ 833,853</u>                                       |
| <b>FUND BALANCE:</b>                        |                  |                     |                   |   |
| Beginning of year                           |                  |                     | <u>177,110</u>    |   |
| End of year                                 |                  |                     | <u>\$ 189,083</u> |   |

City of Ridgecrest  
Annual Comprehensive Financial Report  
For the Year Ended June 30, 2024

**Internal Service Funds**



City of Ridgecrest  
Annual Comprehensive Financial Report  
For the Year Ended June 30, 2024

**This Page Intentionally Left Blank.**



## 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, 2024**

|  | Human Resource<br>and Risk<br>Management | Self Insurance<br>Workers Comp | Fleet<br>Maintenance | Total               |
|--|--|--------------------------------|----------------------|---------------------|
| <b>ASSETS</b>                              |  |                                |                      |                     |
| Current assets:                            |  |                                |                      |                     |
| Cash and investments                       | \$ 3,578,959                             | \$ 48,922                      | \$ 296,727           | \$ 3,924,608        |
| Interest receivable                        | 5,684                                    | 95                             | 426                  | 6,205               |
| Inventories                                | -  | -                              | 5,689                | 5,689               |
| <b>Total current assets</b>                | <b>3,584,643</b>                         | <b>49,017</b>                  | <b>302,842</b>       | <b>3,936,502</b>    |
| Noncurrent assets:                         |  |                                |                      |                     |
| Capital assets:                            |  |                                |                      |                     |
| Depreciable                                | -  | -                              | 421,588              | 421,588             |
| Less: accumulated depreciation             | -  | -                              | (412,893)            | (412,893)           |
| <b>Total capital assets</b>                | <b>-</b>                                 | <b>-</b>                       | <b>8,695</b>         | <b>8,695</b>        |
| <b>Total noncurrent assets</b>             | <b>-</b>                                 | <b>-</b>                       | <b>8,695</b>         | <b>8,695</b>        |
| <b>Total assets</b>                        | <b>3,584,643</b>                         | <b>49,017</b>                  | <b>311,537</b>       | <b>3,945,197</b>    |
| <b>LIABILITIES</b>                         |  |                                |                      |                     |
| Current Liabilities:                       |  |                                |                      |                     |
| Accounts payable                           | 6,891                                    | -                              | 21,233               | 28,124              |
| Accrued expenses                           | 75,299                                   | -                              | 5,115                | 80,414              |
| Claims payable - due within one year       | 346,392                                  | -                              | -                    | 346,392             |
| <b>Total current liabilities</b>           | <b>428,582</b>                           | <b>-</b>                       | <b>26,348</b>        | <b>454,930</b>      |
| Noncurrent liabilities:                    |  |                                |                      |                     |
| Claims payable - due in more than one year | 808,249                                  | -                              | -                    | 808,249             |
| <b>Total noncurrent liabilities</b>        | <b>808,249</b>                           | <b>-</b>                       | <b>-</b>             | <b>808,249</b>      |
| <b>Total liabilities</b>                   | <b>1,236,831</b>                         | <b>-</b>                       | <b>26,348</b>        | <b>1,263,179</b>    |
| <b>NET POSITION</b>                        |  |                                |                      |                     |
| Unrestricted                               | 2,347,812                                | 49,017                         | 276,494              | 2,673,323           |
| <b>Total net position</b>                  | <b>\$ 2,347,812</b>                      | <b>\$ 49,017</b>               | <b>\$ 285,189</b>    | <b>\$ 2,682,018</b> |

**City of Ridgecrest**  
**Combining Statements of Revenues, Expenses, and Changes in Net Position**  
**All Internal Service Funds**  
**For the Year Ended June 30, 2024**

|                                    | Human Resource<br>and Risk<br>Management | Self Insurance<br>Workers Comp | Fleet<br>Maintenance | Total               |
|------------------------------------|--|--------------------------------|----------------------|---------------------|
| <b>OPERATING REVENUES:</b>         |  |                                |                      |                     |
| Charges for services               | \$ 1,317,621                             | \$ -                           | \$ 483,608           | \$ 1,801,229        |
| Other revenue                      | 1,110,693                                | -                              | -                    | 1,110,693           |
| <b>Total operating revenues</b>    | <u>2,428,314</u>                         | <u>-</u>                       | <u>483,608</u>       | <u>2,911,922</u>    |
| <b>OPERATING EXPENSES:</b>         |  |                                |                      |                     |
| Administration                     | 1,346,622                                | (48,880)                       | 468,447              | 1,766,189           |
| <b>Total operating expenses</b>    | <u>1,346,622</u>                         | <u>(48,880)</u>                | <u>468,447</u>       | <u>1,766,189</u>    |
| <b>OPERATING INCOME</b>            | <u>1,081,692</u>                         | <u>48,880</u>                  | <u>15,161</u>        | <u>1,145,733</u>    |
| <b>NONOPERATING REVENUES:</b>      |  |                                |                      |                     |
| Investment income                  | 20,560                                   | 137                            | 1,833                | 22,530              |
| <b>Total nonoperating revenues</b> | <u>20,560</u>                            | <u>137</u>                     | <u>1,833</u>         | <u>22,530</u>       |
| <b>INCOME BEFORE TRANSFERS</b>     | <u>1,102,252</u>                         | <u>49,017</u>                  | <u>16,994</u>        | <u>1,168,263</u>    |
| <b>TRANSFERS:</b>                  |  |                                |                      |                     |
| Transfers out                      | (12,574)                                 | -                              | (15,519)             | (28,093)            |
| <b>Total transfers</b>             | <u>(12,574)</u>                          | <u>-</u>                       | <u>(15,519)</u>      | <u>(28,093)</u>     |
| <b>Changes in net position</b>     | 1,089,678                                | 49,017                         | 1,475                | 1,140,170           |
| <b>NET POSITION:</b>               |  |                                |                      |                     |
| Beginning of year                  | 1,258,134                                | -                              | 283,714              | 1,541,848           |
| End of year                        | <u>\$ 2,347,812</u>                      | <u>\$ 49,017</u>               | <u>\$ 285,189</u>    | <u>\$ 2,682,018</u> |

**City of Ridgecrest**  
**Combining Statement of Cash Flows**  
**All Internal Service Funds**  
**For the Year Ended June 30, 2024**

|  | Human Resource<br>and Risk<br>Management | Self Insurance<br>Workers Comp | Fleet<br>Maintenance | Total               |
|--|--|--------------------------------|----------------------|---------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>   |  |                                |                      |                     |
| Receipts from user departments   | \$ 1,317,621                             | \$ -                           | \$ 483,608           | \$ 1,801,229        |
| Payments to suppliers or employees for goods and services  | (1,347,113)                              | 48,880                         | (453,182)            | (1,751,415)         |
| Insurance premiums and settlements and insurance recoveries, net   | (401,416)                                | -                              | -                    | (401,416)           |
| Other operating revenue  | 1,110,693                                | -                              | -                    | 1,110,693           |
| <b>Net cash provided by operating activities</b>   | <b>679,785</b>                           | <b>48,880</b>                  | <b>30,426</b>        | <b>759,091</b>      |
| <b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>  |  |                                |                      |                     |
| Transfers out  | (12,574)                                 | -                              | (15,519)             | (28,093)            |
| <b>Net cash (used in) noncapital financing activities</b>  | <b>(12,574)</b>                          | <b>-</b>                       | <b>(15,519)</b>      | <b>(28,093)</b>     |
| <b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>   |  |                                |                      |                     |
| Acquisition of capital assets  | -  | -                              | (8,695)              | (8,695)             |
| <b>Net cash (used in) capital and related financing activities</b>                                       | <b>-</b>                                 | <b>-</b>                       | <b>(8,695)</b>       | <b>(8,695)</b>      |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>   |  |                                |                      |                     |
| Investment income  | 28,837                                   | 42                             | 2,306                | 31,185              |
| <b>Net cash provided by investing activities</b>   | <b>28,837</b>                            | <b>42</b>                      | <b>2,306</b>         | <b>31,185</b>       |
| <b>Net change in cash and cash equivalents</b>   | <b>696,048</b>                           | <b>48,922</b>                  | <b>8,518</b>         | <b>753,488</b>      |
| <b>CASH AND CASH EQUIVALENTS</b>   |  |                                |                      |                     |
| Beginning of year  | 2,882,911                                | -                              | 288,209              | 3,171,120           |
| End of year  | <u>\$ 3,578,959</u>                      | <u>\$ 48,922</u>               | <u>\$ 296,727</u>    | <u>\$ 3,924,608</u> |
| <b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:</b> |  |                                |                      |                     |
| Operating income:  | \$ 1,081,692                             | \$ 48,880                      | \$ 15,161            | \$ 1,145,733        |
| Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities: |  |                                |                      |                     |
| Changes in current assets and liabilities:   |  |                                |                      |                     |
| Inventories  | -  | -                              | 10,447               | 10,447              |
| Accounts payable   | (70,765)                                 | -                              | 2,654                | (68,111)            |
| Accrued expenses   | 70,274                                   | -                              | 2,164                | 72,438              |
| Claims payable   | (401,416)                                | -                              | -                    | (401,416)           |
| Total adjustments  | (401,907)                                | -                              | 15,265               | (386,642)           |
| <b>Net cash provided by operating activities</b>   | <b>\$ 679,785</b>                        | <b>\$ 48,880</b>               | <b>\$ 30,426</b>     | <b>\$ 759,091</b>   |

City of Ridgecrest  
Annual Comprehensive Financial Report  
For the Year Ended June 30, 2024

**Fiduciary Funds**



**City of Ridgecrest**  
**Statement of Fiduciary Net Position**  
**Fiduciary Funds - Private Purpose Trust Funds**  
**June 30, 2024**

|  | Private Purpose Trust Funds |                                 |                        |
|--|-----------------------------|---------------------------------|------------------------|
|  | Donations                   | RDA<br>Obligation<br>Retirement | Total                  |
| <b>ASSETS</b>  |                             |                                 |                        |
| Cash and investments   | \$ 38                       | \$ 3,205,513                    | \$ 3,205,551           |
| Interest receivable  | 11                          | 14,325                          | 14,336                 |
| Capital assets:  |                             |                                 |                        |
| Non-depreciable  | -                           | 2,202,440                       | 2,202,440              |
| Depreciable, net   | -                           | 1,113,335                       | 1,113,335              |
| <b>Total assets</b>  | <u>49</u>                   | <u>6,535,613</u>                | <u>6,535,662</u>       |
| <b>LIABILITIES</b>   |                             |                                 |                        |
| Accounts payable   | -                           | 338                             | 338                    |
| Deposits payable   | -                           | 2,000                           | 2,000                  |
| Interest payable   | -                           | 327,173                         | 327,173                |
| Due to City of Ridgecrest  | -                           | 1,483,603                       | 1,483,603              |
| Bonds payable, due in one year                                     | -                           | 1,685,000                       | 1,685,000              |
| Bonds payable, due in more than one year                           | -                           | 17,747,000                      | 17,747,000             |
| <b>Total liabilities</b>   | <u>-</u>                    | <u>21,245,114</u>               | <u>21,245,114</u>      |
| <b>NET POSITION (DEFICIT)</b>                                      |                             |                                 |                        |
| Restricted for individuals, organizations and/or other governments | 49                          | (14,709,501)                    | (14,709,452)           |
| <b>Total net position (deficit)</b>                                | <u>\$ 49</u>                | <u>\$ (14,709,501)</u>          | <u>\$ (14,709,452)</u> |

**City of Ridgecrest**  
**Statement of Changes in Fiduciary Net Position**  
**Fiduciary Funds - Private Purpose Trust Funds**  
**For the Year Ended June 30, 2024**

---

|  | Private Purpose Trust Funds |                                 |                        |
|--|-----------------------------|---------------------------------|------------------------|
|  | Donations                   | RDA<br>Obligation<br>Retirement | Total                  |
| <b>ADDITIONS:</b>                        |                             |                                 |                        |
| Taxes                                    | \$ -                        | \$ 3,676,718                    | \$ 3,676,718           |
| Revenue from use of money and property   | -                           | 56,718                          | 56,718                 |
| <b>Total additions</b>                   | <u>-</u>                    | <u>3,733,436</u>                | <u>3,733,436</u>       |
| <b>DEDUCTIONS:</b>                       |                             |                                 |                        |
| Community development                    | -                           | 11,661                          | 11,661                 |
| Depreciation expense                     | -                           | 75,501                          | 75,501                 |
| Interest expense                         | -                           | 713,846                         | 713,846                |
| Transfers to City of Ridgecrest (Note 7) | -                           | 250,000                         | 250,000                |
| <b>Total deductions</b>                  | <u>-</u>                    | <u>1,051,008</u>                | <u>1,051,008</u>       |
| <b>Changes in net position</b>           | -                           | 2,682,428                       | 2,682,428              |
| <b>NET POSITION:</b>                     |                             |                                 |                        |
| Beginning of year                        | 49                          | (17,391,929)                    | (17,391,880)           |
| End of year                              | <u>\$ 49</u>                | <u>\$ (14,709,501)</u>          | <u>\$ (14,709,452)</u> |

City of Ridgecrest  
Annual Comprehensive Financial Report  
For the Year Ended June 30, 2024

**This Page Intentionally Left Blank.**



City of Ridgecrest  
Annual Comprehensive Financial Report  
For the Year Ended June 30, 2024

**Statistical Section**



City of Ridgecrest  
Annual Comprehensive Financial Report  
For the Year Ended June 30, 2024

**This Page Intentionally Left Blank.**



## ***CITY OF RIDGECREST - STATISTICAL SECTION***

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

| CONTENTS  | PAGE |
|---|------|
| <b>Financial Trends</b> - 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  |      |
| 1 Net Position by Component   | 140  |
| 2 Changes in Net Position   | 142  |
| 3 Fund Balances of Governmental Funds   | 146  |
| 4 Changes in Fund Balances of Governmental Funds  | 148  |
| <b>Revenue Capacity</b> - These schedules contain information to help the reader assess the City of Ridgecrest's most significant local revenue source, the property tax.   |      |
| 5 Governmental Activities Tax Revenues by Source  | 151  |
| 6 Assessed Value of Taxable Property  | 152  |
| 7 Direct and Overlapping Property Tax Rates   | 154  |
| 8 Top Ten Principal Property Taxpayers  | 155  |
| 9 Property Tax Levies and Collections   | 156  |
| <b>Debt Capacity</b> - These schedules present information to help the reader assess the affordability of the City's current level of outstanding debt and the City's ability to issue additional debt in the future.                             |      |
| 10 Ratios of Outstanding Debt by Type   | 157  |
| 11 Ratios of General Bonded Debt Outstanding  | 158  |
| 12 Direct and Overlapping Governmental Activities Debt  | 159  |
| 13 Legal Debt Margin Information  | 160  |
| 14 Pledged Revenue Coverage   | 162  |
| <b>Demographic and Economic Information</b> - These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.                                    |      |
| 15 Demographic and Economic Statistics  | 163  |
| 16 Principal Employers  | 164  |
| <b>Operating Information</b> - These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs. |      |
| 17 Full Time Equivalent City Government Employees by Function/Program   | 165  |
| 18 Operating Indicators by Function/Program   | 166  |
| 19 Capital Asset Statistics by Function/Program   | 168  |
| <b>Sources:</b> Unless otherwise noted, the information in these schedules is derived from the City's annual comprehensive 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          |                       |                       |                       |                       |
|---|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
|   | 2024                  | 2023                  | 2022                  | 2021                  | 2020                  |
| Governmental activities                     |                       |                       |                       |                       |                       |
| Investment in capital assets                | \$ 72,346,766         | \$ 58,475,170         | \$ 55,142,182         | \$ 56,589,811         | \$ 55,669,889         |
| Restricted                                  | 9,700,672             | 7,949,572             | 7,795,261             | 6,078,065             | 6,980,817             |
| Unrestricted                                | 5,247,661             | (2,729,224)           | 5,068,439             | (11,004,325)          | (14,710,817)          |
| Total governmental activities net position  | <u>\$ 87,295,099</u>  | <u>\$ 63,695,518</u>  | <u>\$ 68,005,882</u>  | <u>\$ 51,663,551</u>  | <u>\$ 47,939,889</u>  |
| Business-type activities                    |                       |                       |                       |                       |                       |
| Investment in capital assets                | 15,417,437            | 15,131,537            | 15,215,765            | 15,088,300            | 15,372,381            |
| Restricted                                  | -                     | -                     | -                     | -                     | -                     |
| Unrestricted                                | 41,551,719            | 43,527,547            | 50,928,310            | 42,350,469            | 39,489,149            |
| Total business type activities net position | <u>\$ 56,969,156</u>  | <u>\$ 58,659,084</u>  | <u>\$ 66,144,075</u>  | <u>\$ 57,438,769</u>  | <u>\$ 54,861,530</u>  |
| Primary government                          |                       |                       |                       |                       |                       |
| Investment in capital assets                | 87,764,203            | 73,606,707            | 70,357,947            | 71,678,111            | 71,042,270            |
| Restricted                                  | 9,700,672             | 7,949,572             | 7,795,261             | 6,078,065             | 6,980,817             |
| Unrestricted                                | 46,799,380            | 40,798,323            | 55,996,749            | 31,346,144            | 24,778,332            |
| Total primary government net position       | <u>\$ 144,264,255</u> | <u>\$ 122,354,602</u> | <u>\$ 134,149,957</u> | <u>\$ 109,102,320</u> | <u>\$ 102,801,419</u> |

(Continued)

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

|   | Fiscal Years         |                      |                      |                      |                      |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|
|   | 2019                 | 2018                 | 2017                 | 2016                 | 2015                 |
| Governmental activities                     |                      |                      |                      |                      |                      |
| Investment in capital assets                | \$ 55,436,365        | \$ 55,677,430        | \$ 48,401,633        | \$ 43,739,184        | \$ 42,325,287        |
| Restricted                                  | 6,634,279            | 6,470,708            | 11,058,233           | 11,197,956           | 9,961,497            |
| Unrestricted                                | (14,904,898)         | (14,913,324)         | (12,569,000)         | (13,765,063)         | (16,350,067)         |
| Total governmental activities net position  | <u>\$ 47,165,746</u> | <u>\$ 47,234,814</u> | <u>\$ 46,890,866</u> | <u>\$ 41,172,077</u> | <u>\$ 35,936,717</u> |
| Business-type activities                    |                      |                      |                      |                      |                      |
| Investment in capital assets                | 15,477,073           | 16,263,175           | 16,710,100           | 14,635,228           | 15,069,345           |
| Restricted                                  | -                    | -                    | -                    | -                    | -                    |
| Unrestricted                                | 36,118,037           | 29,419,315           | 23,924,994           | 21,515,449           | 18,473,732           |
| Total business type activities net position | <u>\$ 51,595,110</u> | <u>\$ 45,682,490</u> | <u>\$ 40,635,094</u> | <u>\$ 36,150,677</u> | <u>\$ 33,543,077</u> |
| Primary government                          |                      |                      |                      |                      |                      |
| Investment in capital assets                | 70,913,438           | 71,940,605           | 65,111,733           | 58,374,412           | 57,394,632           |
| Restricted                                  | 6,634,279            | 6,470,708            | 11,058,233           | 11,197,956           | 9,961,497            |
| Unrestricted                                | 21,213,139           | 14,505,991           | 11,355,994           | 7,750,386            | 2,123,665            |
| Total primary government net position       | <u>\$ 98,760,856</u> | <u>\$ 92,917,304</u> | <u>\$ 87,525,960</u> | <u>\$ 77,322,754</u> | <u>\$ 69,479,794</u> |

(Concluded)

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

|   | Fiscal Years           |                        |                      |                        |                        |
|---|------------------------|------------------------|----------------------|------------------------|------------------------|
|   | 2024                   | 2023                   | 2022                 | 2021                   | 2020                   |
| <b>Expenses</b>                                 |                        |                        |                      |                        |                        |
| Governmental activities:                        |                        |                        |                      |                        |                        |
| General government                              | \$ 2,809,014           | \$ 11,676,045          | \$ (2,156,848)       | \$ 2,940,494           | \$ 3,544,612           |
| Public safety                                   | 7,306,939              | 14,541,781             | (682,802)            | 8,275,604              | 7,694,408              |
| Public works                                    | 2,980,746              | 7,313,358              | 7,129,835            | 4,415,605              | 3,932,154              |
| Transportation                                  | -                      | -                      | -                    | -                      | -                      |
| Community development                           | 1,049,626              | 2,300,807              | 1,264,593            | 991,673                | 816,593                |
| Health  | -                      | -                      | -                    | -                      | -                      |
| Culture and leisure                             | 1,895,060              | 2,067,676              | 1,990,216            | 1,624,180              | 1,621,784              |
| Interest and fiscal agent fees                  | 788,325                | 822,640                | 868,449              | 903,407                | 916,918                |
| Total governmental activities expenses          | <u>16,829,710</u>      | <u>38,722,307</u>      | <u>8,413,443</u>     | <u>19,150,963</u>      | <u>18,526,469</u>      |
| Business type activities:                       |                        |                        |                      |                        |                        |
| TDA Transit                                     | 1,215,648              | 4,389,919              | (1,461,529)          | 1,057,420              | 834,485                |
| Wastewater                                      | 12,702,387             | 10,781,324             | 405,421              | 2,956,688              | 2,502,465              |
| Total business type activities expenses         | <u>13,918,035</u>      | <u>15,171,243</u>      | <u>(1,056,108)</u>   | <u>4,014,108</u>       | <u>3,336,950</u>       |
| Total primary government expenses               | <u>\$ 30,747,745</u>   | <u>\$ 53,893,550</u>   | <u>\$ 7,357,335</u>  | <u>\$ 23,165,071</u>   | <u>\$ 21,863,419</u>   |
| <b>Program Revenues</b>                         |                        |                        |                      |                        |                        |
| Governmental activities:                        |                        |                        |                      |                        |                        |
| Charges for services:                           |                        |                        |                      |                        |                        |
| General government                              | 4,196,944              | 3,335,953              | 4,735,253            | 260,147                | 238,529                |
| Public safety                                   | -                      | -                      | -                    | 405,193                | 291,783                |
| Public works                                    | 33,045                 | 4,516                  | -                    | -                      | 7,007                  |
| Community development                           | 14,750                 | 23,306                 | (13,960)             | 749,373                | 550,707                |
| Health  | -                      | -                      | -                    | -                      | -                      |
| Culture and leisure                             | -                      | 200                    | -                    | 203,009                | 186,472                |
| Operating grants and contributions              | 3,857,195              | 4,736,089              | 2,544,996            | 1,636,261              | 1,499,442              |
| Capital grants and contributions                | 1,801,039              | 760,130                | -                    | 1,727,612              | 1,237,922              |
| Total governmental activities program revenues  | <u>9,902,973</u>       | <u>8,860,194</u>       | <u>7,266,289</u>     | <u>4,981,595</u>       | <u>4,011,862</u>       |
| Business type activities:                       |                        |                        |                      |                        |                        |
| Charges for services:                           |                        |                        |                      |                        |                        |
| TDA Transit                                     | 354,368                | 302,370                | 521,664              | 184,940                | 392,427                |
| Wastewater                                      | 6,288,837              | 6,214,371              | 6,702,509            | 6,594,567              | 5,827,372              |
| Operating grants and contributions              | 1,156,301              | 137,212                | 154,889              | 149,111                | 89,269                 |
| Total business type activities program revenues | <u>7,799,506</u>       | <u>6,653,953</u>       | <u>7,379,062</u>     | <u>6,928,618</u>       | <u>6,309,068</u>       |
| Total primary government program revenues       | <u>\$ 17,702,479</u>   | <u>\$ 15,514,147</u>   | <u>\$ 14,645,351</u> | <u>\$ 11,910,213</u>   | <u>\$ 10,320,930</u>   |
| <b>Net (Expense)/Revenue</b>                    |                        |                        |                      |                        |                        |
| Governmental activities                         | (6,926,737)            | (29,862,113)           | (1,147,154)          | (14,169,368)           | (14,514,607)           |
| Business type activities                        | (6,118,529)            | (8,517,290)            | 8,435,170            | 2,914,510              | 2,972,118              |
| Total primary government net expense            | <u>\$ (13,045,266)</u> | <u>\$ (38,379,403)</u> | <u>\$ 7,288,016</u>  | <u>\$ (11,254,858)</u> | <u>\$ (11,542,489)</u> |

(Continued)

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

|   | Fiscal Years           |                        |                       |                       |                       |
|---|------------------------|------------------------|-----------------------|-----------------------|-----------------------|
|   | 2019                   | 2018                   | 2017                  | 2016                  | 2015                  |
| <b>Expenses</b>                                 |                        |                        |                       |                       |                       |
| Governmental activities:                        |                        |                        |                       |                       |                       |
| General government                              | \$ 4,913,832           | \$ 5,019,286           | \$ 1,751,017          | \$ 1,754,299          | \$ 2,298,464          |
| Public safety                                   | 7,393,899              | 7,079,047              | 7,311,427             | 6,684,042             | 7,436,539             |
| Public works                                    | 3,854,999              | 5,049,067              | 4,109,004             | 3,545,280             | 2,848,720             |
| Transportation                                  | -                      | 87,535                 | 82,051                | 2,213,317             | 3,284,356             |
| Community development                           | 764,184                | -                      | 1,089,482             | 1,018,186             | 817,626               |
| Health  | -                      | 1,011,653              | -                     | -                     | -                     |
| Culture and leisure                             | 1,692,123              | 1,776,087              | 1,892,820             | 1,426,011             | 1,679,152             |
| Interest and fiscal agent fees                  | 1,097,275              | 227,286                | 255,588               | 275,499               | 292,989               |
| Total governmental activities expenses          | <u>19,716,312</u>      | <u>20,249,961</u>      | <u>16,491,389</u>     | <u>16,916,634</u>     | <u>18,657,846</u>     |
| Business type activities:                       |                        |                        |                       |                       |                       |
| TDA Transit                                     | 270,484                | 552,170                | 849,257               | 832,756               | 757,646               |
| Wastewater                                      | 814,134                | 1,579,721              | 1,599,732             | 2,496,953             | 2,082,287             |
| Total business type activities expenses         | <u>1,084,618</u>       | <u>2,131,891</u>       | <u>2,448,989</u>      | <u>3,329,709</u>      | <u>2,839,933</u>      |
| Total primary government expenses               | <u>\$ 20,800,930</u>   | <u>\$ 22,381,852</u>   | <u>\$ 18,940,378</u>  | <u>\$ 20,246,343</u>  | <u>\$ 21,497,779</u>  |
| <b>Program Revenues</b>                         |                        |                        |                       |                       |                       |
| Governmental activities:                        |                        |                        |                       |                       |                       |
| Charges for services:                           |                        |                        |                       |                       |                       |
| General government                              | 230,989                | 236,180                | 291,687               | 267,637               | 270,810               |
| Public safety                                   | 327,538                | 205,734                | 334,668               | 292,613               | 392,093               |
| Public works                                    | 381,776                | 497,833                | 4,765                 | -                     | -                     |
| Community development                           | 5,336                  | -                      | 468,418               | 704,566               | 287,611               |
| Health  | -                      | (9,478)                | -                     | -                     | -                     |
| Culture and leisure                             | 290,578                | 344,560                | 333,364               | 368,473               | 345,877               |
| Operating grants and contributions              | 1,957,254              | 1,230,709              | 1,328,471             | 1,647,328             | 2,315,476             |
| Capital grants and contributions                | 274,427                | 699,272                | 2,196,184             | 1,042,058             | 7,728,784             |
| Total governmental activities program revenues  | <u>3,467,898</u>       | <u>3,204,810</u>       | <u>4,957,557</u>      | <u>4,322,675</u>      | <u>11,340,651</u>     |
| Business type activities:                       |                        |                        |                       |                       |                       |
| Charges for services:                           |                        |                        |                       |                       |                       |
| TDA Transit                                     | 302,057                | 208,178                | 309,271               | 252,822               | 252,359               |
| Wastewater                                      | 6,025,138              | 6,259,227              | 6,084,876             | 5,803,024             | 3,893,420             |
| Operating grants and contributions              | 149,429                | 87,869                 | 451,898               | 93,577                | 92,834                |
| Total business type activities program revenues | <u>6,476,624</u>       | <u>6,555,274</u>       | <u>6,846,045</u>      | <u>6,149,423</u>      | <u>4,238,613</u>      |
| Total primary government program revenues       | <u>\$ 9,944,522</u>    | <u>\$ 9,760,084</u>    | <u>\$ 11,803,602</u>  | <u>\$ 10,472,098</u>  | <u>\$ 15,579,264</u>  |
| <b>Net (Expense)/Revenue</b>                    |                        |                        |                       |                       |                       |
| Governmental activities                         | (16,248,414)           | (17,045,151)           | (11,533,832)          | (12,593,959)          | (7,317,195)           |
| Business type activities                        | 5,392,006              | 4,423,383              | 4,397,056             | 2,819,714             | 1,398,680             |
| Total primary government net expense            | <u>\$ (10,856,408)</u> | <u>\$ (12,621,768)</u> | <u>\$ (7,136,776)</u> | <u>\$ (9,774,245)</u> | <u>\$ (5,918,515)</u> |

(Continued)

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

|   | Fiscal Years         |                        |                      |                      |                      |
|---|----------------------|------------------------|----------------------|----------------------|----------------------|
|   | 2024                 | 2023                   | 2022                 | 2021                 | 2020                 |
| <b>General Revenues and</b>               |                      |                        |                      |                      |                      |
| <b>Other Changes in Net Position</b>      |                      |                        |                      |                      |                      |
| Governmental activities:                  |                      |                        |                      |                      |                      |
| Taxes                                     |                      |                        |                      |                      |                      |
| Property taxes                            | \$ 3,536,810         | \$ 3,221,039           | \$ 3,008,839         | \$ 2,884,710         | \$ 2,661,305         |
| Sales taxes                               | 16,787,300           | 13,030,058             | 10,955,498           | 9,608,803            | 8,058,076            |
| Transient occupancy taxes                 | 1,748,645            | 1,879,068              | 1,751,721            | 1,336,952            | 1,411,102            |
| Special assessments                       | 29,938               | 29,080                 | 29,228               | 847,761              | 520,280              |
| Other taxes                               | 1,251,680            | 1,182,479              | 1,014,249            | 985,352              | 697,697              |
| Investment earnings                       | 4,234,197            | 458,850                | 142,019              | 115,320              | 344,353              |
| Miscellaneous                             | 277,712              | 183,658                | 196,279              | 971,568              | 138,941              |
| Gain (loss) on disposal of capital assets | -                    | -                      | -                    | (3,235)              | -                    |
| Revenues from Fiduciary Fund              | 250,000              | 3,540,403              | 250,000              | 251,486              | 577,193              |
| Transfers                                 | 283,800              | 2,027,114              | 141,652              | 894,313              | 858,729              |
| <b>Total governmental activities</b>      | <b>28,400,082</b>    | <b>25,551,749</b>      | <b>17,489,485</b>    | <b>17,893,030</b>    | <b>15,267,676</b>    |
| Business type activities:                 |                      |                        |                      |                      |                      |
| Other taxes                               | 1,850,321            | 1,457,998              | -                    | 116,741              | 432,866              |
| Investment earnings                       | 305,508              | 520,425                | 159,136              | 199,998              | 609,813              |
| Miscellaneous                             | 2,719,505            | 1,080,990              | 252,652              | 240,303              | 2,227                |
| Transfers                                 | (283,800)            | (2,027,114)            | (141,652)            | (894,313)            | (858,729)            |
| <b>Total business type activities</b>     | <b>4,591,534</b>     | <b>1,032,299</b>       | <b>270,136</b>       | <b>(337,271)</b>     | <b>186,177</b>       |
| <b>Total primary government</b>           | <b>\$ 32,991,616</b> | <b>\$ 26,584,048</b>   | <b>\$ 17,759,621</b> | <b>\$ 17,555,759</b> | <b>\$ 15,453,853</b> |
| <b>Change in Net Position</b>             |                      |                        |                      |                      |                      |
| Governmental activities                   | 21,473,345           | (4,310,364)            | 16,342,331           | 3,723,662            | 753,069              |
| Business type activities                  | (1,526,995)          | (7,484,991)            | 8,705,306            | 2,577,239            | 3,158,295            |
| <b>Total primary government</b>           | <b>\$ 19,946,350</b> | <b>\$ (11,795,355)</b> | <b>\$ 25,047,637</b> | <b>\$ 6,300,901</b>  | <b>\$ 3,911,364</b>  |

(Continued)

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

|   | Fiscal Years         |                      |                      |                      |                      |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|
|   | 2019                 | 2018                 | 2017                 | 2016                 | 2015                 |
| <b>General Revenues and</b>               |                      |                      |                      |                      |                      |
| <b>Other Changes in Net Position</b>      |                      |                      |                      |                      |                      |
| Governmental activities:                  |                      |                      |                      |                      |                      |
| Taxes                                     |                      |                      |                      |                      |                      |
| Property taxes                            | \$ 2,392,910         | \$ 2,326,379         | \$ 1,976,015         | \$ 2,125,926         | \$ 1,600,406         |
| Sales taxes                               | 8,111,952            | 7,783,312            | 6,535,498            | 5,974,873            | 5,681,776            |
| Transient occupancy taxes                 | 1,458,498            | 1,553,230            | 1,585,442            | 1,443,149            | 1,218,081            |
| Special assessments                       | 546,580              | 532,936              | 392,664              | 1,639,143            | 282,488              |
| Other taxes                               | 776,234              | 767,820              | 709,003              | 714,218              | 703,389              |
| Investment earnings                       | 338,153              | 156,521              | 86,111               | 33,919               | 18,355               |
| Miscellaneous                             | 175,031              | 371,280              | 192,484              | 1,124,780            | 357,064              |
| Gain (loss) on disposal of capital assets | -                    | -                    | -                    | -                    | -                    |
| Revenues from Fiduciary Fund              | 1,719,172            | 4,562,229            | 5,085,152            | 3,735,484            | 5,154,181            |
| Transfers                                 | 681,948              | 111,008              | 690,252              | 1,037,827            | 615,822              |
| <b>Total governmental activities</b>      | <b>16,200,478</b>    | <b>18,164,715</b>    | <b>17,252,621</b>    | <b>17,829,319</b>    | <b>15,631,562</b>    |
| Business type activities:                 |                      |                      |                      |                      |                      |
| Other taxes                               | 666,486              | 505,553              | 618,970              | 721,500              | 577,392              |
| Investment earnings                       | 633,302              | 306,226              | 147,005              | 84,815               | 48,259               |
| Miscellaneous                             | 10,907               | 12,553               | 11,638               | 19,398               | 18,870               |
| Transfers                                 | (681,948)            | (111,008)            | (690,252)            | (1,037,827)          | (615,822)            |
| <b>Total business type activities</b>     | <b>628,747</b>       | <b>713,324</b>       | <b>87,361</b>        | <b>(212,114)</b>     | <b>28,699</b>        |
| <b>Total primary government</b>           | <b>\$ 16,829,225</b> | <b>\$ 18,878,039</b> | <b>\$ 17,339,982</b> | <b>\$ 17,617,205</b> | <b>\$ 15,660,261</b> |
| <b>Change in Net Position</b>             |                      |                      |                      |                      |                      |
| Governmental activities                   | (47,936)             | 1,119,564            | 5,718,789            | 5,235,360            | 8,314,367            |
| Business type activities                  | 6,020,753            | 5,136,707            | 4,484,417            | 2,607,600            | 1,427,379            |
| <b>Total primary government</b>           | <b>\$ 5,972,817</b>  | <b>\$ 6,256,271</b>  | <b>\$ 10,203,206</b> | <b>\$ 7,842,960</b>  | <b>\$ 9,741,746</b>  |

(Concluded)

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

|   | Fiscal Years         |                      |                      |                      |                      |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|
|   | 2024                 | 2023                 | 2022                 | 2021                 | 2020                 |
| General Fund                              |                      |                      |                      |                      |                      |
| Nonspendable                              | \$ 56,345            | \$ 56,345            | \$ 56,345            | \$ 56,345            | \$ 56,345            |
| Restricted                                | 211,626              | 262,431              | 763,725              | 477,884              | 390,413              |
| Committed                                 | -                    | -                    | -                    | -                    | -                    |
| Assigned                                  | 1,998,770            | 7,199,527            | 7,199,527            | 6,322,178            | 3,992,710            |
| Unassigned                                | 24,978,885           | 12,957,649           | 9,432,417            | 5,374,195            | 3,202,799            |
| <b>Total General Fund</b>                 | <b>27,245,626</b>    | <b>20,475,952</b>    | <b>17,452,014</b>    | <b>12,230,602</b>    | <b>7,642,267</b>     |
| All other governmental funds              |                      |                      |                      |                      |                      |
| Nonspendable                              | -                    | -                    | -                    | -                    | -                    |
| Restricted                                | 9,294,907            | 5,469,456            | 5,311,636            | 3,975,559            | 5,189,697            |
| Committed                                 | 189,083              | 177,110              | 850,878              | 831,454              | 760,820              |
| Assigned                                  | 5,056                | 1,927,757            | 700,581              | 109,704              | 141,203              |
| Unassigned (deficit)                      | (3,293,273)          | (36,737)             | (747,170)            | (150,888)            | -                    |
| <b>Total all other governmental funds</b> | <b>\$ 6,195,773</b>  | <b>\$ 7,537,586</b>  | <b>\$ 6,115,925</b>  | <b>\$ 4,765,829</b>  | <b>\$ 6,091,720</b>  |
| <b>TOTAL FUND BALANCES</b>                | <b>\$ 33,441,399</b> | <b>\$ 28,013,538</b> | <b>\$ 23,567,939</b> | <b>\$ 16,996,431</b> | <b>\$ 13,733,987</b> |

(Continued)

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

|                                    | Fiscal Years                |                            |                             |                             |                            |
|------------------------------------|-----------------------------|----------------------------|-----------------------------|-----------------------------|----------------------------|
|                                    | 2019                        | 2018                       | 2017                        | 2016                        | 2015                       |
| General Fund                       |                             |                            |                             |                             |                            |
| Nonspendable                       | \$ 56,345                   | \$ 56,345                  | \$ 56,345                   | \$ 232                      | \$ 525                     |
| Restricted                         | 512,181                     | -                          | 480,047                     | 341,946                     | 247,365                    |
| Committed                          | -                           | -                          | -                           | -                           | -                          |
| Assigned                           | 2,445,622                   | -                          | 957,258                     | 357,412                     | 1,051,917                  |
| Unassigned                         | 2,313,755                   | 2,629,252                  | (18,602)                    | 1,017                       | (2,300,838)                |
| Total General Fund                 | <u>5,327,903</u>            | <u>2,685,597</u>           | <u>1,475,048</u>            | <u>700,607</u>              | <u>(1,001,031)</u>         |
| All other governmental funds       |                             |                            |                             |                             |                            |
| Nonspendable                       | -                           | -                          | 4,629,159                   | 5,114,159                   | 5,584,159                  |
| Restricted                         | 4,811,665                   | 4,193,637                  | 4,881,004                   | 4,488,041                   | 2,978,577                  |
| Committed                          | 718,298                     | 630,079                    | 630,079                     | 577,399                     | 555,508                    |
| Assigned                           | 771,031                     | 704,038                    | 437,944                     | 676,411                     | 595,888                    |
| Unassigned (deficit)               | (148,821)                   | 334,739                    | (75,206)                    | (36,194)                    | (19,831)                   |
| Total all other governmental funds | <u>\$ 6,152,173</u>         | <u>\$ 5,862,493</u>        | <u>\$ 10,502,980</u>        | <u>\$ 10,819,816</u>        | <u>\$ 9,694,301</u>        |
| <b>TOTAL FUND BALANCES</b>         | <u><u>\$ 11,480,076</u></u> | <u><u>\$ 8,548,090</u></u> | <u><u>\$ 11,978,028</u></u> | <u><u>\$ 11,520,423</u></u> | <u><u>\$ 8,693,270</u></u> |

(Concluded)

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

|  | Fiscal Years        |                     |                     |                     |                     |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|
|  | 2024                | 2023                | 2022                | 2021                | 2020                |
| <b>Revenues</b>  |                     |                     |                     |                     |                     |
| Taxes  | \$ 23,574,160       | \$ 19,599,223       | \$ 17,045,507       | \$ 14,977,624       | \$ 12,976,980       |
| Intergovernmental  | 6,232,062           | 5,904,738           | 3,254,124           | 3,945,653           | 2,763,444           |
| Licenses and permits                                     | 1,343,973           | 933,322             | 1,750,147           | 1,493,009           | 1,011,225           |
| Fines and forfeitures                                    | 201,554             | 57,537              | 81,580              | 72,893              | 42,455              |
| Assessment levied  | 29,938              | 29,080              | 29,228              | 27,122              | 442,465             |
| Use of money and property                                | 402,411             | 752,121             | 453,242             | 231,702             | 26,882              |
| Charges for services                                     | 1,306,933           | 1,278,259           | 1,351,176           | 528,631             | 388,068             |
| Revenue from Fiduciary Fund                              | 250,000             | 3,540,403           | 250,000             | 251,486             | 577,193             |
| Other revenue  | 4,810,016           | 261,619             | 402,547             | 395,851             | 168,807             |
| Total revenues   | <u>38,151,047</u>   | <u>32,356,302</u>   | <u>24,617,551</u>   | <u>21,923,971</u>   | <u>18,397,519</u>   |
| <b>Expenditures</b>                                      |                     |                     |                     |                     |                     |
| General government                                       | 4,468,269           | 3,522,918           | 2,807,058           | 2,147,292           | 2,136,371           |
| Public safety  | 8,481,474           | 7,515,129           | 5,587,410           | 6,603,020           | 5,729,303           |
| Public works   | 2,612,447           | 5,073,793           | 4,690,232           | 1,965,858           | 1,731,888           |
| Transportation   | -                   | -                   | -                   | -                   | -                   |
| Community development                                    | 1,199,156           | 1,390,543           | 1,033,645           | 799,576             | 749,677             |
| Health   | -                   | -                   | -                   | -                   | -                   |
| Culture and leisure                                      | 3,702,230           | 2,040,119           | 1,794,774           | 1,555,030           | 1,535,970           |
| Capital outlay   | 13,136,411          | 8,904,385           | 1,213,846           | 4,020,085           | 2,945,162           |
| Debt service:  |                     |                     |                     |                     |                     |
| Principal  | 755,000             | 680,000             | 885,000             | 735,000             | 565,000             |
| Interest   | 806,328             | 840,330             | 886,994             | 921,326             | 934,129             |
| Total expenditures                                       | <u>35,161,315</u>   | <u>29,967,217</u>   | <u>18,898,959</u>   | <u>18,747,187</u>   | <u>16,327,500</u>   |
| Excess of revenues over (under) expenditures             | <u>2,989,732</u>    | <u>2,389,085</u>    | <u>5,718,592</u>    | <u>3,176,784</u>    | <u>2,070,019</u>    |
| <b>Other financing sources (uses)</b>                    |                     |                     |                     |                     |                     |
| Issuance of long-term debt                               | -                   | -                   | -                   | -                   | -                   |
| Premium on issuance of long-term debt                    | -                   | -                   | -                   | -                   | -                   |
| Transfers in   | 7,763,970           | 13,749,110          | 5,182,204           | 6,362,950           | 4,576,524           |
| Transfers out  | (7,452,077)         | (11,692,596)        | (4,981,239)         | (5,928,075)         | (4,089,896)         |
| Total other financing sources (uses)                     | <u>311,893</u>      | <u>2,056,514</u>    | <u>200,965</u>      | <u>434,875</u>      | <u>486,628</u>      |
| Net change in fund balances                              | <u>\$ 3,301,625</u> | <u>\$ 4,445,599</u> | <u>\$ 5,919,557</u> | <u>\$ 3,611,659</u> | <u>\$ 2,556,647</u> |
| Debt service as a percentage of non-capital expenditures | 7.1%                | 7.2%                | 10.0%               | 11.2%               | 11.2%               |

(Continued)

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

|  | Fiscal Years        |                       |                   |                     |                   |
|--|---------------------|-----------------------|-------------------|---------------------|-------------------|
|  | 2019                | 2018                  | 2017              | 2016                | 2015              |
| <b>Revenues</b>  |                     |                       |                   |                     |                   |
| Taxes  | \$ 13,200,593       | \$ 13,152,082         | \$ 11,510,228     | \$ 10,968,507       | \$ 10,030,177     |
| Intergovernmental  | 1,874,641           | 1,353,224             | 2,965,293         | 2,128,892           | 9,384,909         |
| Licenses and permits                                     | 782,372             | 913,327               | 796,224           | 2,299,752           | 549,406           |
| Fines and forfeitures                                    | 56,368              | 45,540                | 70,153            | 57,869              | 72,806            |
| Assessment levied  | 86,386              | 72,369                | 32,068            | 19,676              | 10,526            |
| Use of money and property                                | 441,312             | 284,202               | 271,516           | 220,630             | 253,342           |
| Charges for services                                     | 513,062             | 491,351               | 548,420           | 552,666             | 553,864           |
| Revenue from Fiduciary Fund                              | 1,719,172           | 4,562,229             | 5,085,152         | 3,735,484           | 5,154,181         |
| Other revenue  | 247,768             | 378,442               | 241,083           | 1,141,106           | 358,840           |
| Total revenues   | <u>18,921,674</u>   | <u>21,252,766</u>     | <u>21,520,137</u> | <u>21,124,582</u>   | <u>26,368,051</u> |
| <b>Expenditures</b>                                      |                     |                       |                   |                     |                   |
| General government                                       | 12,897,324          | 2,097,342             | 1,859,295         | 1,840,348           | 2,540,062         |
| Public safety  | 15,444,495          | 6,424,222             | 6,562,421         | 7,000,933           | 7,315,370         |
| Public works   | 1,820,244           | 2,690,681             | 1,473,982         | 356,541             | 438,038           |
| Transportation   | -                   | -                     | -                 | 2,206,292           | 3,805,537         |
| Community development                                    | 701,492             | 906,075               | 922,933           | 1,109,245           | 725,192           |
| Health   | -                   | 18,499                | 34,707            | -                   | -                 |
| Culture and leisure                                      | 1,673,952           | 1,557,797             | 1,591,654         | 1,371,883           | 1,449,654         |
| Capital outlay   | 2,855,637           | 4,814,881             | 7,488,021         | 4,274,384           | 9,244,943         |
| Debt service:  |                     |                       |                   |                     |                   |
| Principal  | -                   | 5,440,000             | 485,000           | 470,000             | 562,689           |
| Interest   | 1,018,345           | 325,328               | 262,216           | 281,766             | 301,407           |
| Total expenditures                                       | <u>36,411,489</u>   | <u>24,274,825</u>     | <u>20,680,229</u> | <u>18,911,392</u>   | <u>26,382,892</u> |
| Excess of revenues over (under) expenditures             | <u>(17,489,815)</u> | <u>(3,022,059)</u>    | <u>839,908</u>    | <u>2,213,190</u>    | <u>(14,841)</u>   |
| <b>Other financing sources (uses)</b>                    |                     |                       |                   |                     |                   |
| Issuance of long-term debt                               | 19,955,000          | -                     | -                 | -                   | -                 |
| Premium on issuance of long-term debt                    | 401,127             | -                     | -                 | -                   | -                 |
| Transfers in   | 2,926,834           | 2,981,036             | 3,329,759         | 3,546,397           | 3,424,771         |
| Transfers out  | (2,861,160)         | (3,388,915)           | (3,712,062)       | (2,932,464)         | (2,902,679)       |
| Total other financing sources (uses)                     | <u>20,421,801</u>   | <u>(407,879)</u>      | <u>(382,303)</u>  | <u>613,933</u>      | <u>522,092</u>    |
| Net change in fund balances                              | <u>\$ 2,931,986</u> | <u>\$ (3,429,938)</u> | <u>\$ 457,605</u> | <u>\$ 2,827,123</u> | <u>\$ 507,251</u> |
| Debt service as a percentage of non-capital expenditures | 3.0%                | 29.6%                 | 5.7%              | 5.1%                | 5.0%              |

(Concluded)

City of Ridgecrest  
Annual Comprehensive Financial Report  
For the Year Ended June 30, 2024

**This Page Intentionally Left Blank.**



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

| <b>Sources of Tax Revenues</b> | <u>Business Licenses</u> | <u>Franchise Fees</u> | <u>Property Tax</u> | <u>Sales Tax <sup>1 2</sup></u> | <u>Transient Occupancy</u> | <u>Gas Tax</u> | <u>TOTAL</u>  |
|--------------------------------|--------------------------|-----------------------|---------------------|---------------------------------|----------------------------|----------------|---------------|
| 2023-2024                      | \$ 206,597               | \$ 1,217,236          | \$ 3,536,810        | \$ 16,132,423                   | \$ 1,748,645               | \$ 732,449     | \$ 23,574,160 |
| 2022-2023                      | 214,423                  | 1,153,716             | 3,221,039           | 13,030,058                      | 1,879,068                  | 683,542        | 20,181,847    |
| 2021-2022                      | 202,770                  | 965,077               | 2,955,090           | 10,955,496                      | 1,751,721                  | 1,257,986      | 18,088,139    |
| 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      | 13,975,758    |
| 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    |

NOTES:

- 1) The City passed "Measure L" allowing an additional increase of 0.75% in the local sales tax rate. This local measure became effective October 1, 2012 and ended in March 31, 2017 when it was replaced by "Measure V" allowing an increase of 1% in the local sales tax rate. Measure V became effective April 1, 2017 and will sunset on March 31, 2025.
- 2) The City passed "Measure P" allowing an additional increase of 1.00% in the local sales tax rate. This local measure became effective April 1, 2023 and will sunset on March 30, 2032.

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

| <u>CATEGORY</u>       | <u>2024</u>             | <u>2023</u>             | <u>2022</u>             | <u>2021</u>             | <u>2020</u>             |
|-----------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| Residential           | \$ 1,856,134,321        | \$ 1,693,303,435        | \$ 1,560,175,701        | \$ 1,477,997,931        | \$ 1,405,112,355        |
| Commercial            | 332,968,814             | 282,944,850             | 271,577,746             | 263,222,709             | 257,498,876             |
| Industrial            | 26,817,918              | 24,996,304              | 24,570,699              | 24,654,805              | 24,495,492              |
| Government            | 4,456                   | 4,372                   | 5,145                   | 5,096                   | 5,001                   |
| Institutional         | 159,397                 | 17,664,614              | 12,574,027              | 11,112,790              | 10,952,339              |
| Miscellaneous         | 186,918                 | 183,253                 | 179,660                 | 177,818                 | 174,332                 |
| Recreational          | 11,590,471              | 10,696,296              | 10,453,823              | 12,248,722              | 11,950,739              |
| Vacant Land           | 63,040,527              | 58,956,779              | 59,778,632              | 57,353,057              | 56,966,180              |
| SBE Non-Unitary       | 1,307                   | 1,307                   | 1,307                   | 1,307                   | 1,089                   |
| Unsecured             | 50,832,833              | 39,054,433              | 34,005,802              | 33,624,049              | 34,674,769              |
| Exempt                | -                       | -                       | -                       | (5,052,752)             | (5,049,156)             |
| <b>TOTALS</b>         | <b>\$ 2,341,736,962</b> | <b>\$ 2,127,805,643</b> | <b>\$ 1,973,322,542</b> | <b>\$ 1,875,345,532</b> | <b>\$ 1,796,782,016</b> |
| <br>Total Direct Rate | <br>0.07183%            | <br>0.07187%            | <br>0.07187%            | <br>0.07194%            | <br>0.06442%            |

(Continued)

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.

Source: HdL Coren & Cone

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

| <u>CATEGORY</u>       | <u>2019</u>             | <u>2018</u>             | <u>2017</u>             | <u>2016</u>             | <u>2015</u>             |
|-----------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| Residential           | \$ 1,327,387,621        | \$ 1,251,771,276        | \$ 1,167,123,275        | \$ 1,068,010,028        | \$ 1,092,525,005        |
| Commercial            | 252,686,511             | 252,639,635             | 240,625,807             | 225,510,393             | 223,912,566             |
| Industrial            | 21,080,342              | 18,153,574              | 18,977,532              | 18,074,075              | 17,932,576              |
| Government            | 4,906                   | 5,113                   | 5,017                   | 59,571                  | 64,153                  |
| Institutional         | 14,610,423              | 14,315,723              | 12,330,675              | 11,065,209              | 9,867,943               |
| Miscellaneous         | 170,914                 | 167,563                 | 164,278                 | 161,811                 | 158,642                 |
| Recreational          | 8,541,854               | 8,765,625               | 10,172,213              | 8,412,087               | 8,131,483               |
| Vacant Land           | 56,437,924              | 56,019,484              | 51,949,910              | 55,352,678              | 57,178,455              |
| SBE Non-Unitary       | 1,089                   | 1,089                   | 1,089                   | 800                     | 89,975                  |
| Unsecured             | 34,404,914              | 35,138,901              | 33,221,298              | 33,975,856              | 36,089,423              |
| Exempt                | (5,049,156)             | (5,138,156)             | (5,632,678)             | (5,519,156)             | (5,116,781)             |
| <b>TOTALS</b>         | <b>\$ 1,710,277,342</b> | <b>\$ 1,631,839,827</b> | <b>\$ 1,528,938,416</b> | <b>\$ 1,415,103,352</b> | <b>\$ 1,440,833,440</b> |
| <br>Total Direct Rate | <br>0.06443%            | <br>0.06443%            | <br>0.06442%            | <br>0.06443%            | <br>0.06443%            |

(Concluded)

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.

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 <sup>2</sup> | Total Direct Rate <sup>5</sup> |
| City Share of 1%   |                   |              |                  | 1% + applicable                   |                                |
| Year   | Levy per Prop. 13 | Debt Rate(s) | Total City Rates | voter approved debt               |                                |
| 2023-2024  | 0.05068%          | 0.00000%     | 0.05068%         | -                                 | 0.07183%                       |
| 2022-2023  | 0.05190%          | 0.00000%     | 0.05190%         | -                                 | 0.07186%                       |
| 2021-2022  | 0.05190%          | 0.00000%     | 0.05190%         | -                                 | 0.07187%                       |
| 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  | 0.05190%          | 0.00000%     | 0.05190%         | -                                 | 0.06442%                       |
| 2015-2016  | 0.05190%          | 0.00000%     | 0.05190%         | -                                 | 0.06443%                       |

| 10 Year Detail Breakdown of the Property Tax Dollar |                |                |                |                |                |                |                |                |                |                |
|---|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Agency  | 2023-2024      | 2022-2023      | 2021-2022      | 2020-2021      | 2019-2020      | 2018-2019      | 2017-2018      | 2016-2017      | 2015-2016      | 2014-2015      |
| <b>City of Ridgecrest<sup>1</sup></b>               | 0.05070        | 0.05190        | 0.05190        | 0.05190        | 0.05190        | 0.05190        | 0.05190        | 0.05190        | 0.05190        | 0.05190        |
| Sierra Sands Child Dev                              | 0.00000        | 0.00000        | 0.00000        | 0.00000        | 0.00000        | 0.00509        | 0.00000        | 0.00000        | 0.00509        | 0.00509        |
| County Advertising                                  | 0.00074        | 0.00075        | 0.00075        | 0.00075        | 0.00074        | 0.00074        | 0.00075        | 0.00075        | 0.00074        | 0.00072        |
| 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                 | 0.13000        | 0.13010        | 0.13010        | 0.13010        | 0.13010        | 0.12500        | 0.13010        | 0.15040        | 0.12500        | 0.12510        |
| Kern County Fire Fund                               | 0.10580        | 0.10580        | 0.10580        | 0.10580        | 0.10580        | 0.10580        | 0.10580        | 0.08550        | 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                            | 0.14250        | 0.14110        | 0.14110        | 0.14110        | 0.14110        | 0.14110        | 0.14110        | 0.14110        | 0.14110        | 0.14110        |
| Kern County Water Agency                            | 0.00718        | 0.00719        | 0.00719        | 0.00718        | 0.00718        | 0.00718        | 0.00718        | 0.00718        | 0.00718        | 0.00718        |
| Sierra Unified School                               | 0.47560        | 0.47560        | 0.47560        | 0.47560        | 0.47560        | 0.47560        | 0.47560        | 0.47560        | 0.47560        | 0.47560        |
| <b>TOTAL PROP. 13 RATE<sup>4</sup></b>              | <b>1.00000</b> |
| Kern Community College                              | 0.03426        | 0.03124        | 0.03861        | 0.03385        | 0.03303        | 0.03367        | 0.03625        | 0.01318        | 0.01357        | 0.01045        |
| Sierra Sand Unified School District                 | 0.05221        | 0.05460        | 0.05781        | 0.05468        | 0.05533        | 0.05158        | 0.06669        | 0.06412        | 0.06697        | 0.06163        |
| <b>Total Voter Approved Rate<sup>3</sup></b>        | <b>0.08647</b> | <b>0.08584</b> | <b>0.09642</b> | <b>0.08853</b> | <b>0.08836</b> | <b>0.08525</b> | <b>0.10294</b> | <b>0.07730</b> | <b>0.08055</b> | <b>0.07208</b> |
| <b>TOTAL TAX RATE</b>                               | <b>1.08647</b> | <b>1.08584</b> | <b>1.09642</b> | <b>1.08853</b> | <b>1.08836</b> | <b>1.08525</b> | <b>1.10294</b> | <b>1.07730</b> | <b>1.08055</b> | <b>1.07208</b> |

NOTES:

- 1) City share of 1% levy is based on the City's share of the general fund tax rate area with the largest net taxable value within the City. ERAF general fund tax shifts may not be included in tax ratio figures.
- 2) Redevelopment rate is based on the largest RDA tax rate area and includes only rate(s) from indebtedness adopted prior to 1989 per California State statute. RDA direct and overlapping rates are applied only to the incremental property values. The approval of ABX1 26 eliminated Redevelopment from the State of California for the fiscal year 2012/2013 and years thereafter.
- 3) Overlapping rates are those of local and county governments that apply to property owners within the City. Not all overlapping rates apply to all city property owners.
- 4) In 1978, California voters passed Proposition 13 which set the property tax rate at a 1% fixed amount. This 1% is shared by all taxing agencies for which the subject property resides within. In addition to the 1% fixed amount, property owners are charged taxes as a percentage of assessed property values for the payment of any voter approved bonds.
- 5) Total Direct Rate is the weighted average of all individual direct rates applied by the City of Ridgecrest and excludes revenues derived from aircraft. Beginning in FY 2013/2014 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 8**  
**Top Ten Principal Property Taxpayers**  
**Fiscal Year 2024 and Nine Years Prior**

| Taxpayer                            | 2023-2024 |   |   | 2014-2015 |                              |   |
|-------------------------------------|-----------|---|---|-----------|------------------------------|---|
|                                     | Rank      | Percentage of<br>Total Taxable<br>Assessed<br>Value | Percentage of<br>Total Taxable<br>Assessed<br>Value | Rank      | Taxable<br>Assessed<br>Value | Percentage of<br>Total Taxable<br>Assessed<br>Value |
| K Partners Ridgecrest III LP        | 1         | \$ 23,387,386                                       | 1.02%   | 1         | \$ 18,628,328                | 1.29%   |
| Walmart Inc                         | 2         | 22,990,680  | 1.00%   | 2         | 9,345,802                    | 0.65%   |
| Desert Oasis Apartments LLC         | 3         | 13,260,000  | 0.58%   |           |                              |   |
| Chauhan Jorawar                     | 4         | 11,802,436  | 0.51%   |           |                              |   |
| Home Depot Development Maryland Inc | 5         | 11,615,255  | 0.51%   | 4         | 8,470,719.00                 | 0.59%   |
| United Rentals LLC                  | 6         | 10,642,455  | 0.46%   |           |                              |   |
| Dosen Group                         | 7         | 8,601,277   | 0.38%   |           |                              |   |
| La Mirage Condos LLC                | 8         | 8,556,859   | 0.37%   |           |                              |   |
| Naval Weapons Federal Credit Union  | 9         | 8,174,639   | 0.36%   |           |                              |   |
| Aspire Hospitality LLC              | 10        | 8,053,387   | 0.35%   |           |                              |   |
| ABS California O LLC                |           |   |   | 6         | 6,062,709.00                 | 0.42%   |
| Alta One Federal Credit Union       |           |   |   | 5         | 7,994,272.00                 | 0.55%   |
| China Lake and Ridgecrest LLC       |           |   |   | 8         | 5,900,000.00                 | 0.41%   |
| Izak Kharrazi                       |           |   |   | 10        | 5,344,327.00                 | 0.37%   |
| Randall Benderson 1993 1 Trust      |           |   |   | 7         | 6,000,000.00                 | 0.41%   |
| Ridgecrest Capital LLC              |           |   |   | 9         | 5,365,828.00                 | 0.37%   |
| Ridgecrest Regional Hospital        |           |   |   | 3         | 8,711,581.00                 | 0.60%   |
| Top Ten Totals                      |           | <u>\$ 127,084,374</u>                               | <u>5.54%</u>  |           | <u>\$ 81,823,566</u>         | <u>5.65%</u>  |
| <b>CITY TOTALS</b>                  |           | \$ 2,293,141,305                                    |   |           | \$ 1,445,950,221             |   |

Source: HdL Coren & Cone

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

| Fiscal Year<br>Ended<br>June 30 | Taxes Levied<br>for the<br>Fiscal Year | Collected within the<br>Fiscal Year of the Levy |                       | Collections<br>in Subsequent<br>Years <sup>1</sup> | Total Collections to Date |                       |
|---------------------------------|--|---|-----------------------|--|---------------------------|-----------------------|
|                                 |  | Amount  | Percentage<br>of Levy |  | Amount                    | Percentage<br>of Levy |
| 2024                            | \$ 430,602                             | \$ 401,890                                      | 93.33%                | \$ 1,732   | \$ 403,623                | 93.73%                |
| 2023                            | 425,914                                | 421,300   | 98.92%                | 10,265   | 431,565                   | 101.33%               |
| 2022                            | 422,221                                | 419,408   | 99.33%                | 226  | 419,634                   | 99.39%                |
| 2021                            | 427,786                                | 415,133   | 97.04%                | 920  | 416,052                   | 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%                |

NOTES:

1) 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](http://www.co.kern.ca.us/auditor/confirmations)

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

---

**GOVERNMENTAL ACTIVITIES**

| Fiscal<br>Year | General<br>Obligation<br>Bonds | Total<br>Primary<br>Government | Percentage of<br>Personal<br>Income <sup>a</sup> | Per<br>Capita <sup>a</sup> |
|----------------|--------------------------------|--------------------------------|--|----------------------------|
| 2024           | \$ 16,335,000                  | \$ 16,335,000                  | 1.06%  | \$ 585                     |
| 2023           | 17,090,000                     | 17,090,000                     | 1.25%  | 613                        |
| 2022           | 17,770,000                     | 17,770,000                     | 1.50%  | 633                        |
| 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                        |

NOTES:

- a) See Schedule 15 Demographic and Economic Statistics for personal income and population data.

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

| Fiscal Year | GOVERNMENTAL ACTIVITIES  |               | Percentage of Taxable Assessed Property Values <sup>a</sup> | Per Capita <sup>b</sup> |
|-------------|--------------------------|---------------|---|-------------------------|
|             | General Obligation Bonds | Total         |   |                         |
| 2024        | \$ 16,335,000            | \$ 16,335,000 | 0.70%   | \$ 585                  |
| 2023        | 17,090,000               | 17,090,000    | 0.90%   | 613                     |
| 2022        | 17,770,000               | 17,770,000    | 0.94%   | 633                     |
| 2021        | 18,655,000               | 18,655,000    | 0.99%   | 630                     |
| 2020        | 19,390,999               | 19,390,999    | 1.07%   | 661                     |
| 2019        | 19,955,000               | 19,955,000    | 1.15%   | 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                     |

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

**City of Ridgecrest**  
**Schedule 12**  
**Direct and Overlapping Governmental Activities Debt**  
**As of June 30, 2024**

|  | Debt<br>Outstanding<br>6/30/2024 | %<br>Applicable <sup>1</sup> | City's Share of<br>Debt as of 6/30/24 |
|--|----------------------------------|------------------------------|---------------------------------------|
| <b><u>OVERLAPPING TAX AND ASSESSMENT DEBT:</u></b>                           |                                  |                              |                                       |
| Kern Community College District Safety, Repair & Improvement District        | \$ 82,855,810                    | 1.988%                       | \$ 1,647,174                          |
| Kern Community College District School Facilities Improvement District No. 1 | 377,870,000                      | 1.976%                       | 7,466,711                             |
| Sierra Sands Joint Unified School District                                   | 10,861,161                       | 77.742%                      | 8,443,684                             |
| <b>TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT</b>                             |                                  |                              | <b>\$ 17,557,568</b>                  |
| <b><u>DIRECT AND OVERLAPPING GENERAL FUND OBLIGATION DEBT:</u></b>           |                                  |                              |                                       |
| Kern County Certificates of Participation                                    | 97,928,487                       | 1.935%                       | 1,894,916                             |
| Kern County Pension Obligation Bonds   | 76,148,636                       | 1.935%                       | 1,473,476                             |
| Kern County Board of Education Certificates of Participation                 | 29,985,000                       | 1.935%                       | 580,210                               |
| Kern County Community College District Certificates of Participation         | 21,263,000                       | 1.781%                       | 378,694                               |
| Kern County Community College District Benefit Obligations                   | 71,870,000                       | 1.781%                       | 1,280,005                             |
| Sierra Sands Joint Unified School District General Fund Obligations          | 7,003,435                        | 77.742%                      | 5,444,610                             |
| <b>City of Ridgecrest</b>  | <b>16,335,000</b>                | <b>100.000%</b>              | <b>16,335,000</b>                     |
| <b>TOTAL DIRECT AND OVERLAPPING GENERAL FUND OBLIGATION DEBT</b>             |                                  |                              | <b>\$ 27,386,911</b>                  |
| OVERLAPPING TAX INCREMENT DEBT   | 19,432,000                       | 100.000%                     | \$ 19,432,000                         |
| <b>TOTAL DIRECT DEBT</b>   |                                  |                              | <b>\$ 16,335,000</b>                  |
| TOTAL OVERLAPPING DEBT   |                                  |                              | <b>\$ 48,041,480</b>                  |
| <b>COMBINED TOTAL DEBT</b>   |                                  |                              | <b>\$ 64,376,480 <sup>2</sup></b>     |

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 lease obligations.

Source: MuniServices, LLC

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

| Legal Debt Margin Calculation                                       | FY 2024           | FY 2023           | FY 2022           | FY 2021           | FY 2020           |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|
| Assessed value  | \$ 2,341,736,962  | \$ 2,127,805,643  | \$ 1,973,322,542  | \$ 1,880,398,284  | \$ 1,801,831,172  |
| Debt limit (15% of assessed value)                                  | 351,260,544       | 319,170,846       | 295,998,381       | 282,059,743       | 270,274,676       |
| Debt applicable to limit:   |                   |                   |                   |                   |                   |
| General obligation bonds  | 16,335,000        | 17,090,000        | 17,770,000        | 18,655,000        | 19,390,000        |
| Less: Amount set aside for repayment<br>of general obligation debt  | <u>1,389,380</u>  | <u>1,389,381</u>  | <u>1,389,380</u>  | <u>1,428,970</u>  | <u>1,430,338</u>  |
| Total net debt applicable to limit                                  | <u>14,945,620</u> | <u>15,700,619</u> | <u>16,380,620</u> | <u>17,226,030</u> | <u>17,959,662</u> |
| Legal Debt Margin   | \$ 336,314,924    | \$ 303,470,227    | \$ 279,617,761    | \$ 264,833,713    | \$ 252,315,014    |
| Total debt applicable to the limit as a<br>percentage of debt limit | <u>4.25%</u>      | <u>4.92%</u>      | <u>5.53%</u>      | <u>6.11%</u>      | <u>6.64%</u>      |

(Continued)

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.

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

| Legal Debt Margin Calculation                                       | FY 2019          | FY 2018          | FY 2017          | FY 2016          | FY 2015          |
|---|------------------|------------------|------------------|------------------|------------------|
| Assessed value  | \$ 1,715,326,498 | \$ 1,636,977,983 | \$ 1,534,571,094 | \$ 1,420,622,508 | \$ 1,445,950,221 |
| Debt limit (15% of assessed value)                                  | 257,298,975      | 245,546,697      | 230,185,664      | 213,093,376      | 216,892,533      |
| Debt applicable to limit:   |                  |                  |                  |                  |                  |
| General obligation bonds  | 19,955,000       | -                | 5,440,000        | 5,925,000        | 6,395,000        |
| Less: Amount set aside for repayment<br>of general obligation debt  | 1,444,523        | 4,201            | 752,188          | 751,359          | 751,356          |
| Total net debt applicable to limit                                  | 18,510,477       | (4,201)          | 4,687,812        | 5,173,641        | 5,643,644        |
| Legal Debt Margin   | \$ 238,788,498   | \$ 245,550,898   | \$ 225,497,852   | \$ 207,919,735   | \$ 211,248,889   |
| Total debt applicable to the limit as a<br>percentage of debt limit | 7.19%            | 0.00%            | 2.04%            | 2.43%            | 2.60%            |

(Concluded)

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.

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

**SPECIAL ASSESSMENT BONDS**

| Fiscal Year | Special Assessment Collections | Current Assessment Collections | Debt Service |          | Coverage |
|-------------|--------------------------------|--------------------------------|--------------|----------|----------|
|             |                                |                                | Principal    | Interest |          |
| 2024        | \$ -                           | \$ 25,931                      | \$ -         | \$ -     | -        |
| 2023        | -                              | 26,035                         | -            | -        | -        |
| 2022        | -                              | 26,562                         | -            | -        | -        |
| 2021        | -                              | 26,666                         | -            | -        | -        |
| 2020        | -                              | 26,344                         | -            | -        | -        |
| 2019        | -                              | 25,812                         | -            | -        | -        |
| 2018        | -                              | 25,198                         | -            | -        | -        |
| 2017        | -                              | 24,844                         | -            | -        | -        |
| 2016        | -                              | 24,659                         | -            | -        | -        |
| 2015        | -                              | 24,659                         | -            | -        | -        |

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

---

| Year | Population | Personal<br>Income | Personal<br>Per Capita<br>Income | Median<br>Age | School<br>Enrollment** | Unemployment<br>Rate |
|------|------------|--------------------|----------------------------------|---------------|------------------------|----------------------|
| 2024 | 27,940     | \$ 1,535,821,008   | \$ 54,969                        | 35.4          | 5,122                  | 2.80%                |
| 2023 | 27,885     | 1,370,080,676      | 49,133                           | 37.9          | 5,088                  | 2.80%                |
| 2022 | 28,061     | 1,182,038,197      | 42,124                           | 37.2          | 5,100                  | 1.60%                |
| 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%                |

NOTES:

Source: MuniServices/Avenu Insights & Analytics

(1) Population Projections are provided by California Department of Finance Projections.

(2) Income Data is provided by the United States Census Data.

(3) Public School Enrollment is for the Sierra Sands Unified School District Only.

(4) Unemployment rates are provided by the EDD, Bureau of Labor Statistics Department.

Source: MuniServices, LLC  
[www.cde.ca.gov](http://www.cde.ca.gov)

**City of Ridgecrest**  
**Schedule 16**  
**Principal Employers**  
**Fiscal Year 2024 and Ten Years Prior**

| Employer                              | 2023-2024    |                                     |                                     | 2014-2015    |      |                                     |
|---------------------------------------|--------------|-------------------------------------|-------------------------------------|--------------|------|-------------------------------------|
|                                       | Employees    | Percentage of Total City Employment | Percentage of Total City Employment | Employees    | Rank | Percentage of Total City Employment |
| Naval Air Weapons Station China Lake* | 5,922        | 43.23%                              | 43.23%                              | 7,013        | 1    | 49.39%                              |
| Ridgecrest Regional Hospital          | 929          | 6.78%                               | 6.78%                               | 700          | 2    | 4.93%                               |
| Sierra Sands Unified School District  | 688          | 5.02%                               | 5.02%                               | 600          | 4    | 4.23%                               |
| Searles Valley Minerals               | 575          | 4.20%                               | 4.20%                               | 650          | 3    | 4.58%                               |
| Walmart Supercenter**                 | 280          | 2.04%                               | 2.04%                               |              |      | 0.00%                               |
| Cerro Coso Community College          | 178          | 1.30%                               | 1.30%                               | 151          | 8    | 1.06%                               |
| Albertson's Inc (2 Locations)         | 161          | 1.18%                               | 1.18%                               | 175          | 6    | 1.23%                               |
| City of Ridgecrest**                  | 135          | 0.99%                               | 0.99%                               | 130          | 10   | 0.92%                               |
| Home Depot                            | 114          | 0.83%                               | 0.83%                               |              |      |                                     |
| Alta One Federal Credit Union         | 99           | 0.72%                               | 0.72%                               | 212          | 5    | 1.49%                               |
| Jacobs Technology                     |              | 0.00%                               |                                     | 150          | 9    | 1.06%                               |
| Englity Corp                          |              | 0.00%                               |                                     | 160          | 7    |                                     |
| <b>Total Top Employers</b>            | <b>9,081</b> |                                     | <b>66.28%</b>                       | <b>9,941</b> |      | <b>68.88%</b>                       |
| <b>Total Labor Force (1)</b>          |              |                                     | <b>13,700</b>                       |              |      | <b>14,200</b>                       |

NOTES:

Source: MuniServices/Avenu Insights & Analytics

Source: 2015, previously published ACFR

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

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

\*\* Includes FTE and PTE.

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

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

| FUNCTION/PROGRAM          | 2024          | 2023       | 2022       | 2021       | 2020       | 2019         | 2018         | 2017         | 2016       | 2015       |
|---------------------------|---------------|------------|------------|------------|------------|--------------|--------------|--------------|------------|------------|
| <b>General Government</b> |               |            |            |            |            |              |              |              |            |            |
| City Council              | 5             | 5          | 5          | 5          | 5          | 5            | 5            | 5            | 5          | 5          |
| City Manager              | 2             | 2          | 1          | 1          | 1          | 1            | 1            | 1            | 1.4        | 1.5        |
| City Clerk                | 1             | 1          | 1          | 1          | 1          | 1            | 1            | 1            | 1.05       | 1          |
| Finance                   | 6             | 6          | 6          | 6          | 5          | 5            | 5            | 6            | 6          | 5.5        |
| Information Technology    | 3             | 3          | 3          | 2          | 2          | 2            | 2            | 2            | 2          | 2          |
| Human Resources           | 2             | 2          | 1          | 1          | 1          | 1            | 1            | 1            | 1          | 1.5        |
| Community Development     | 6             | 6          | 5          | 3          | 4          | 3            | 2            | 5.5          | 4.55       | 4.5        |
| Planning Commissioners    | 5             | 5          | 5          | 5          | 5          | 5            | 5            | 5            | 5          | 5          |
| <b>Public Safety</b>      |               |            |            |            |            |              |              |              |            |            |
| Police Officers-Sworn     | 32            | 32         | 28         | 32         | 32         | 32           | 32           | 32           | 32         | 32         |
| Other Full Time Employees | 21.75         | 21         | 19         | 19         | 19         | 19           | 19           | 19           | 17         | 17         |
| PACT Volunteers           | 84            | 60         | 60         | 50         | 50         | 60           | 79           | 84           | 82         | 89         |
| <b>Public Works</b>       |               |            |            |            |            |              |              |              |            |            |
| Engineering               | 4             | 4          | 5          | 5          | 5          | 4            | 4            | 5            | 4          | 4          |
| Maintenance               | 14            | 15         | 15         | 11         | 9          | 7            | 7            | 7            | 7          | 7          |
| Transit Services          | 8             | 8          | 8          | 9          | 8          | 8            | 8            | 8            | 8          | 8          |
| Wastewater/Sewer          | 11            | 9          | 9          | 9          | 7          | 7            | 5            | 5            | 5          | 5          |
| Culture & Recreation      | 19.43         | 19         | 19         | 19         | 19         | 19.5         | 20.2         | 19.2         | 30         | 27         |
| <b>Total</b>              | <u>224.18</u> | <u>198</u> | <u>190</u> | <u>178</u> | <u>173</u> | <u>179.5</u> | <u>196.2</u> | <u>205.7</u> | <u>211</u> | <u>215</u> |

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   | 2024    | 2023    | 2022    | 2021   | 2020   |
|--|---------|---------|---------|--------|--------|
| <b>Police</b>  |         |         |         |        |        |
| Physical Arrests   | 2,443   | 2,198   | 2,147   | 2,980  | 2,273  |
| Parking Violations   | 114     | 342     | 54      | 68     | 75     |
| Traffic Violations   | 527     | 1,042   | 689     | 642    | 677    |
| <b>Community Development</b>                                 |         |         |         |        |        |
| Building Permits Issued                                      | 919     | 1,312   | 1,441   | 1,334  | 929    |
| Building Permits Valuation (in millions)                     | 10      | 6       | 17      | 25     | 21     |
| Building Inspections Performed                               | 1,224   | 1,893   | 2,962   | 2,928  | 1,687  |
| Planning Permits Issued                                      | 54      | 54      | 80      | 80     | 70     |
| <b>Public Services</b>                                       |         |         |         |        |        |
| Street Resurfacing (miles)                                   | 4       | 15      | 7       | 10     | 8      |
| Street Light Replacement <sup>a</sup>                        | -       | -       | -       | -      | -      |
| Potholes Filled  | 8,754   | 960     | 1,080   | 1,150  | 1,200  |
| Waste Water Average Daily<br>Treatment (millions of gallons) | 2       | 2       | 2       | 2      | 2      |
| Transit Route (Service) Miles <sup>b</sup>                   | 71,513  | 66,992  | 45,399  | 43,603 | 76,777 |
| Transit Passenger Count                                      | 10,510  | 10,326  | 4,980   | 3,895  | 9,165  |
| <b>Parks &amp; Recreation <sup>c</sup></b>                   |         |         |         |        |        |
| Sports Field Participation                                   | 177,996 | 175,935 | 159,713 | 34,825 | 49,210 |
| Community Center/Gym/Pool Participation                      | 79,481  | 69,787  | 58,800  | 8,910  | 60,289 |
| Other Participation  | 71,900  | 71,900  | 64,600  | 46,510 | 45,110 |

(Continued)

NOTES:

- a) Street light replacement is done by Southern California Edison
- b) Transit Route Miles and Passenger Count lower in 2020 and 2021 due to the COVID-19 pandemic restrictions
- c) Parks and Recreation numbers were significantly lower in 2020 and 2021 due to the COVID-19 pandemic restrictions

Source: Various City Departments

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

| FUNCTION/PROGRAM  | 2019    | 2018    | 2017    | 2016    | 2015    |
|---|---------|---------|---------|---------|---------|
| <b>Police</b>   |         |         |         |         |         |
| Physical Arrests  | 2,539   | 2,609   | 2,972   | 1,495   | 2,805   |
| Parking Violations  | 161     | 293     | 195     | 126     | 148     |
| Traffic Violations  | 592     | 478     | 325     | 408     | 458     |
| <b>Community Development</b>                              |         |         |         |         |         |
| Building Permits Issued                                   | 2,395   | 759     | 1,655   | 1,305   | 604     |
| Building Permits Valuation (in millions)                  | 12      | 20      | 17      | 21      | 6       |
| Building Inspections Performed                            | 1,533   | 1,924   | 3,523   | 2,718   | 2,684   |
| Planning Permits Issued                                   | 78      | 127     |         |         | 173     |
| <b>Public Services</b>                                    |         |         |         |         |         |
| Street Resurfacing (miles)                                | 5       | 7       | 9       | 7       | 8       |
| Street Light Replacement <sup>a</sup>                     | -       | -       | -       | -       | -       |
| Potholes Filled   | 1,250   | 1,540   | 1,650   | 1,800   | 2,200   |
| Waste Water Average Daily Treatment (millions of gallons) | 2       | 2       | 2       | 2       | 2       |
| Transit Route (Service) Miles <sup>b</sup>                | 96,315  | 143,290 | 98,317  | 97,006  | 96,112  |
| Transit Passenger Count                                   | 11,537  | 12,151  | 15,957  | 13,629  | 17,101  |
| <b>Parks &amp; Recreation <sup>c</sup></b>                |         |         |         |         |         |
| Sports Field Participation                                | 135,869 | 130,869 | 129,869 | 103,449 | 81,259  |
| Community Center/Gym/Pool Participation                   | 67,707  | 69,707  | 69,707  | 76,259  | 105,984 |
| Other Participation                                       | 65,605  | 65,605  | 65,605  | 36,094  | 65,713  |

(Concluded)

NOTES:

- a) Street light replacement is done by Southern California Edison
- b) Transit Route Miles and Passenger Count lower in 2020 and 2021 due to the COVID-19 pandemic restrictions
- c) 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                             | 2024  | 2023  | 2022  | 2021  | 2020  | 2019  | 2018  | 2017  | 2016  | 2015  |
|--|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| <b>Police</b>                                |       |       |       |       |       |       |       |       |       |       |
| Stations                                     | 1     | 1     | 1     | 1     | 1     | 1     | 1     | 1     | 1     | 1     |
| Patrol Units (marked)                        | 25    | 16    | 15    | 19    | 20    | 20    | 20    | 20    | 20    | 18    |
| Motorcycle unit                              | 2     | 4     | 4     | 4     | 4     | 4     | 4     | 4     | 4     | 5     |
| K-9 unit                                     | 1     | 1     | 1     | 1     | 1     | 1     | 1     | 1     | 1     | 1     |
| <b>Streets</b>                               |       |       |       |       |       |       |       |       |       |       |
| Streets (centerline miles) <sup>1</sup>      | 126   | 126   | 126   | 126   | 126   | 216   | 216   | 216   | 216   | 216   |
| Streetlights                                 | 1546  | 1546  | 1546  | 1546  | 1546  | 1540  | 1540  | 1540  | 1540  | 1502  |
| <b>Traffic Signals</b>                       |       |       |       |       |       |       |       |       |       |       |
| CalTrans maintained                          | 7     | 7     | 7     | 7     | 7     | 7     | 7     | 7     | 7     | 7     |
| City of Ridgecrest maintained                | 14    | 14    | 14    | 14    | 14    | 14    | 14    | 14    | 12    | 12    |
| <b>Culture &amp; Recreation</b>              |       |       |       |       |       |       |       |       |       |       |
| Total Park Acreage <sup>2</sup>              | 65.98 | 65.98 | 46.88 | 46.88 | 46.88 | 46.88 | 46.88 | 46.88 | 46.88 | 46.88 |
| Parks  | 3     | 3     | 3     | 3     | 3     | 5     | 5     | 5     | 5     | 5     |
| Baseball Fields                              | 5     | 5     | 5     | 5     | 5     | 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     | 0     | 0     | 0     | 1     | 1     |
| Community Centers                            | 2     | 2     | 2     | 2     | 2     | 2     | 2     | 2     | 2     | 2     |
| <b>Waste Water</b>                           |       |       |       |       |       |       |       |       |       |       |
| Sanitary Sewers (miles)                      | 123   | 142   | 142   | 142   | 142   | 142   | 142   | 142   | 142   | 142   |
| Storm Sewers (miles)                         | 5     | 5     | 5     | 5     | 5     | 5     | 5     | 5     | 5     | 5     |
| Treatment Capacity (millions of gallons/day) | 3.6   | 3.6   | 3.6   | 3.7   | 3.7   | 3.6   | 3.6   | 3.6   | 3.6   | 3.6   |
| <b>Transit Services</b>                      |       |       |       |       |       |       |       |       |       |       |
| <b>Minibuses</b>                             |       |       |       |       |       |       |       |       |       |       |
| Fixed Route                                  | 1     | 1     | 2     | 2     | 7     | 8     | 8     | 8     | 8     | 8     |
| Dial A Ride                                  | 4     | 4     | 5     | 5     | 3     | 2     | 1     | 1     | 1     | 2     |
| Bus Shelters                                 | 5     | 10    | 10    | 10    | 10    | 10    | 10    | 10    | 9     | 8     |

**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) Total Park Acreage was revised in 2023 to encompass all park land, not limited to actively utilized areas.

Source: Various City Departments