



City of Ridgecrest



*Comprehensive Annual
Financial Report
For the Fiscal Year Ended
June 30, 2009*



City of Ridgecrest, California

Comprehensive Annual Financial Report For the Fiscal Year Ended June 30, 2009

Prepared by:
Finance Department
100 W. California
Ridgecrest, CA 93555
W. Tyrell Staheli, Finance Director/
City- Agency Treasurer
June 30, 2009

*City of Ridgecrest
Comprehensive Annual Financial Report
For the year ended June 30, 2009*

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Introductory Section





December 21, 2009

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

Attached herein we hereby submit the Comprehensive Annual Financial Report (CAFR) of the City of Ridgecrest, California (City) for the Fiscal Year ended June 30, 2009. These financial statements are presented in conformance with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by an independent firm of licensed certified public accountants.

The primary purpose in providing this report is to inform the Mayor and City Council of all financial and administrative activities of the previous fiscal year. 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 financial practices of the City, 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, 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 absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

GAAP requires that management provide a narrative introduction, i.e., overview and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the report of the independent auditors in the financial section of the CAFR.

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 quarter from the Lancaster/Palmdale area and approximately two hours from both Bakersfield and San Bernardino. A favorable characteristic of the City is its proximity to two major highways, the 395 and the 14. Air travel in and out of the City is provided through the Inyokern Airport. 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 incorporated in 1963 and now provides shopping for over 40,000 people throughout the Indian Well Valley.

China Lake Naval Weapons Center (NWC) and now the China Lake Naval Air Weapons Station (NAWS) is home to the Naval Air Warfare Center Weapons Division, which continues to be the major source of employment for Ridgecrest residents. The economic stability of Ridgecrest as a service community for the NAWS has been essential to its successful emergence as a community in its own right, as well as, the same location characteristics that initially attracted the NAWS; growing space, clean air, good water, 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 about 28,353 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 the Naval Base.

The annual budget serves as the foundation for the City's financial planning and control. The City Council is required to adopt an annual budget on or before June 30 of each year for the General Fund, Special Revenue Funds, Enterprise Funds, Capital Projects Fund and Internal Service Funds. The City also adopts a multi-year capital improvement program and a redevelopment agency budget.

The level of appropriated budgetary control is the total adopted budget, which is defined as the total budget for all funds and divisions, and includes all revisions and amendments approved by the City Council subsequent to the initial budget adoption. The City Manager may authorize transfers within each fund and between line items or programs within each department; however, supplemental appropriations and transfers between funds during the budget year must be approved by City Council by a majority vote. Unexpended or unencumbered appropriations expire at the end of the fiscal year. Encumbered appropriations and appropriations related to grants and donations are re-appropriated in the ensuing year's budget by action of the City Council. The City utilizes an encumbrance system, whereby commitments such as purchase orders and unperformed contracts are recorded as reserved fund balances at year end.

FACTORS AFFECTING FINANCIAL CONDITION

Economic Outlook

Globally, we are experiencing the worst economic decline in recent history and is significantly affecting our state and local economy. Transient Occupancy Tax (TOT) and sales tax revenues are more sensitive to the economic swings. These two sources represent 39% of the total General Fund revenue.

Fortunately for the City, it is looking forward to the implementation of the position transfers to the NAWS in China Lake due to the base realignment and closure (BRAC) program. Over 1,000 civilian jobs will be transferred to the naval station with an additional 600 jobs coming from non-BRAC programs. In addition, we are anticipating 500 jobs will be coming from federal contractors and another 300 service jobs to support this expansion. These new jobs are expected to generate at least 3,000 new residents moving to the community. These new residents will require new home construction with an estimated of 1,200 new housing units over the next 3 years.

Retail sales will continue to decline as the country continues to suffer economic downturn. It is projected that sales tax revenue will be lower than originally anticipated due to slow car sales, the closing of Diamond Motors and with the closing of the local branch of Mervyns store. However, we are anticipating a slight increase in TOT revenues once the new Hampton Inn opens.

We are not expecting to be affected severely by the mortgage crisis as compared to other metropolitan areas. Real estate values will continue to go upwards as those jobs are transferred and people who fill them move in to the City. The City is anticipating that permits and inspections will start picking up during the construction of the 1,200 new housing.

The following table summarizes the historical data on the local construction activity:

Year	Permits	Inspections	Valuation
1999	282	1,177	1.9 M
2000	400	1,241	2.6 M
2001	464	1,605	3.95 M
2002	509	2,014	9.9 M
2003	496	2,671	11.3 M
2004	473	2,039	16.3 M
2005	465	2,557	23.0 M
2006	768	5,850	35.0 M
2007	585	5,455	20.0 M
2008	212	3,861	22.0 M
2009	141	2,543	12.1 M

Economic Development

Positive developments for the year:

- ❖ The Naval Station China Lake has completed its BRAC Business Plan and begun over 250 million dollar construction improvements along with over ten new projects currently in construction. The Business Plan also included the movement of 1,000 billets (jobs) to the Ridgecrest Area.
- ❖ The Ridgecrest Business Park has seen the completion of the Spring Hill Suites and Office Building, and the start of construction of the Hampton Inn and Office Development. Two office developments, Doctor Tareli Medical Building and Packwrap, are currently in the planning, construction and building approval process.
- ❖ New developments within the business park are being planned for 2010-2011. A lighting and landscape district will be founded in 2010.
- ❖ Super Wal-Mart is due to begin construction sometime in 2010-2011 of a 225,000 square foot store.

- ❖ The City and Redevelopment Agency are providing both financial assistance and technical support to the City's Ridgecrest Downtown Association in its efforts to market and redevelop the Ridgecrest Downtown area.
- ❖ The Redevelopment Agency is working towards bringing new solar power generation plants and their related jobs to the project area.
- ❖ Ridgecrest Regional Hospital is undergoing \$70M renovation and expansion of their hospital facility. The expansion includes a new outpatient pavilion and a new inpatient tower. The tower will include an eight-bed ICU, a new surgery and recovery area, seven pediatric beds, and 28 general medical/surgical beds.

Final BRAC implementation should be completed in 2012 with the beginning of implementation to start in 2010 and should provide additional growth to the economy in 2010 thru 2012.

A main concern that could severely impact the City's revenue and possibly cash flow is the State of California's expanding budget crisis. Historically, the State has shifted local revenues to help finance their deficits and is currently in the brink of running out of cash to pay their bills.

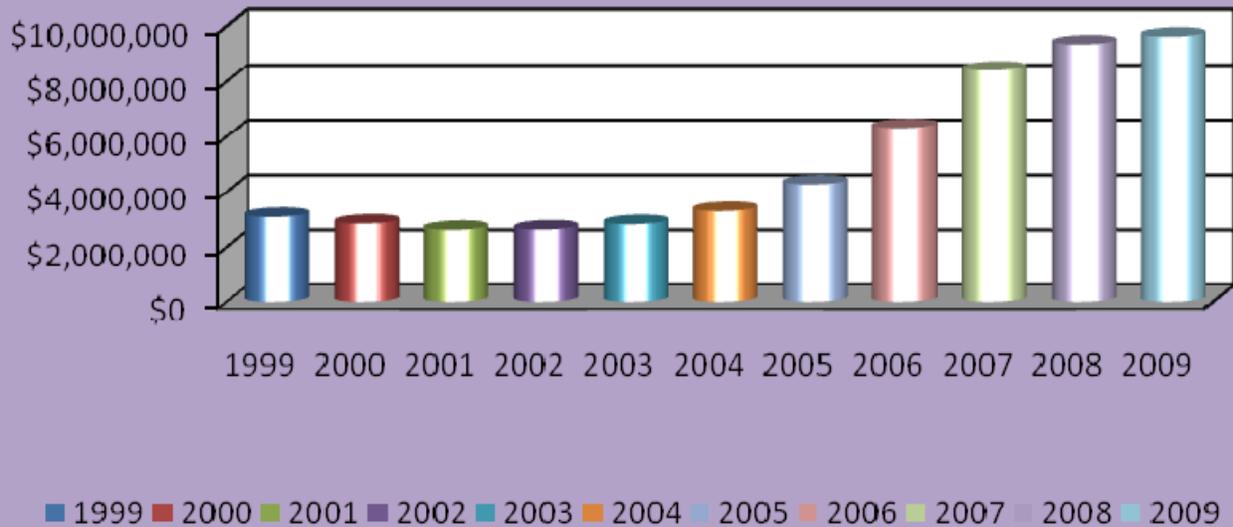
Like other cities in the nation, we are facing financial challenges we have not seen before. As with all economic problems, this will be resolved and the local and state economy will bounce back eventually. Meanwhile, the City is projecting significant deficits in the next fiscal year caused by the decline in major source of revenues and increasing expenditures. Even with the positive outlook coming from BRAC, the City is cautiously optimistic and is budgeting for a reduction in costs for the next year. A reduction of any size could mean reductions in services to the community, and the City is prepared to do it without compromising the basic and critical services to its residents.

Property Tax

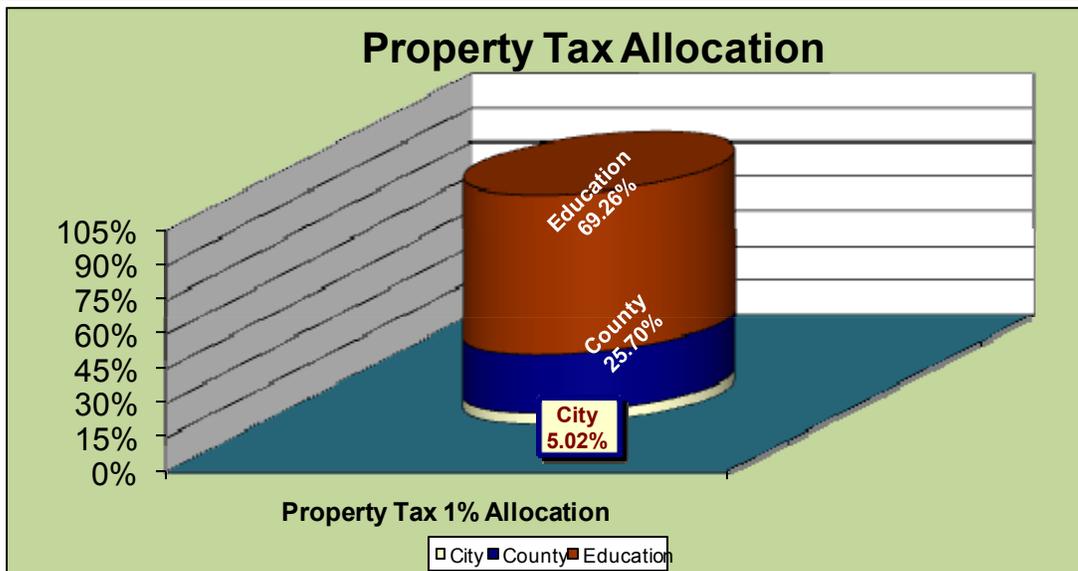
Property tax is imposed on real property (land and permanently attached improvements such as buildings) and tangible personal property (moveable property) located within the City. Property is assessed by the County Assessor at a tax rate of 1.0% of the assessed value. The City receives 5.02% of the tax rate from the County of Kern - Auditor/Controller's Office.

At fiscal years 2000 to 2001, the property tax revenue had negative growth due to dwindling home valuations. On FY 2002, property tax revenue started to move in upward direction, where it peaked up by 16.6% in FY 2004 and another 30% increase in FY 2005 over the previous year's receipts. This was a well received indication of rising local property values as well as new development activity. In FY 2006 the State's started to split the payment of motor vehicle license fees (MVLFF) into two components. These components are the statutory rate and the "property tax in lieu of MVLFF" to Property Tax. The shifting of MVLFF to property tax has added an average of \$1.4M annually to the City's property tax revenue. So in FY 2006, property tax revenue went up by 48% over previous year due to the MVLFF shift and a robust real estate market. This continued to FY 2007 at 33% increase, FY 2008 at 11% increase and FY 2009 at 3% increase. Even though the amount of increase each year seems to be tapering off and with the mortgage crisis in the loom, the City is not anticipating a drastic effect in the local real estate market value due to BRAC.

Property Taxes



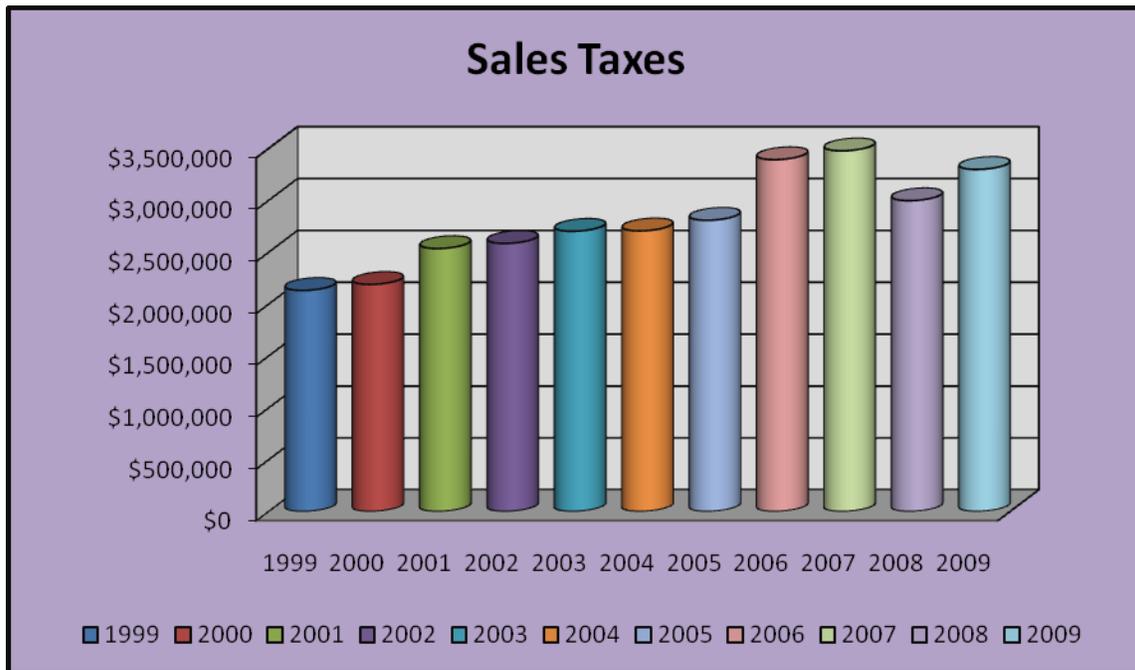
Property Tax Allocation



Sales Tax

The City's single largest revenue source is sales tax. The total sales tax in Kern County is 8.25% of the sale price of taxable goods and services sold at retail. Ridgecrest receives 1% of taxable sales from the State Board of Equalization. For FY 2009, sales tax increased by 10% over prior year. In the last ten years, the City's sales tax revenue is continuously climbing an average of 4.85% annually.

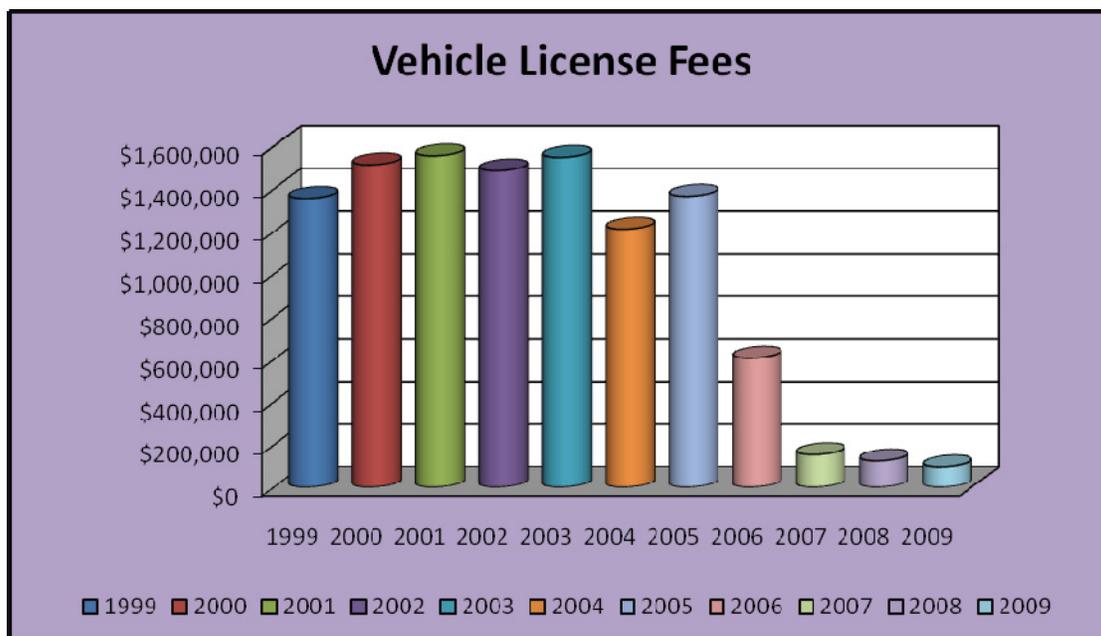
Sales tax leakage to the metropolitan areas of Bakersfield and Lancaster-Palmdale continues to be a big concern for the City especially with the closing of Mervyns, being a major shopping outlet for the City, and Diamond Motors, car dealership. Even with higher tax rates, a significant amount of local retail sales is spent outside of Ridgecrest.



Vehicle License Fees

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

It should be noted that VLF funds now, like sales tax, have been split by the State into two pieces. These two pieces are the statutory rate and the “Property Tax In Lieu of VLF”. In FY 2009 the statutory component (the rate by State law was reduced from 2.0% to 0.65%) brought to the Ridgecrest Treasury \$95,517, a 23% decrease over last year. The chart below indicates the trend of VLF revenue. It was in FY 2006 when the State started the split. The Property Tax In Lieu of VLF component had receipts of \$1,519,487 in FY 2008-09. This amount is included in the property tax revenue category instead of the VLF revenue category; thereby, the reason for the tremendous decrease in the chart. Also, in FY 2006, the City received a one-time payment of \$466,886 from the State per AB 1457 for the MVLF Backfill Gap Loan. In the last three fiscal years, the City has been receiving an average of \$124,269 per year on VLF revenue not counting the one time payments.

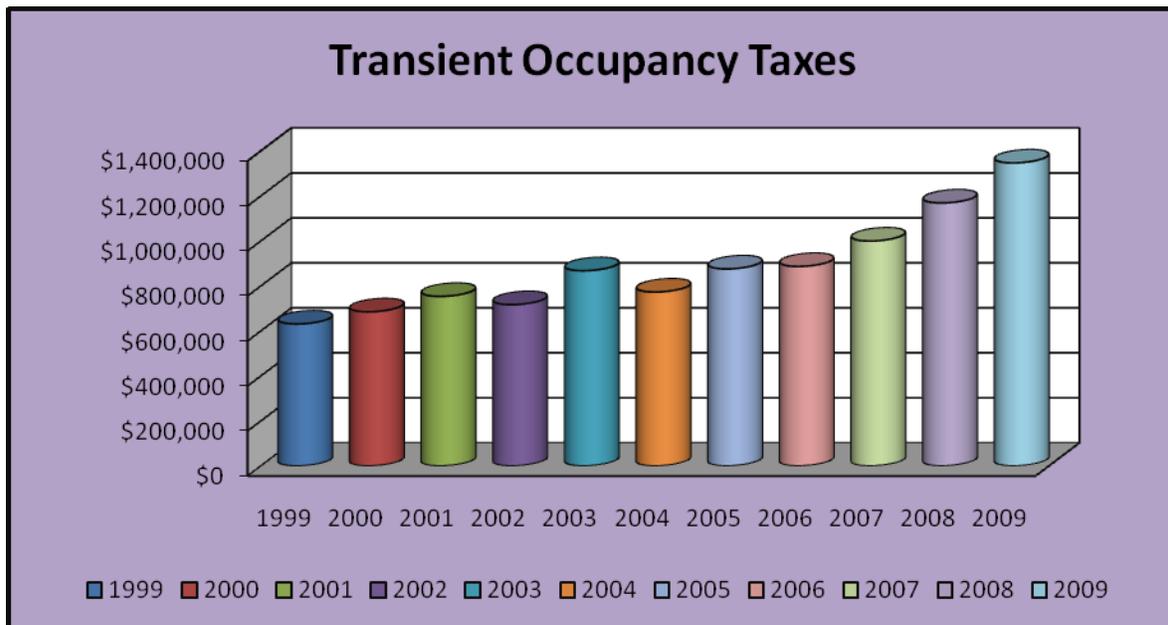


Transient Occupancy Tax

The City's fourth largest revenue source, transient occupancy tax (TOT) is imposed on occupants of hotel, motel, inn, tourist home or other lodging facilities unless such occupancy is for 30 continuous days or longer. The tax is applied to the customer's lodging bill. The total tax rate is 10%.

TOT collections provide funding for such economic development initiatives as the Ridgcrest Area Convention and Visitors Bureau (RACVB), the Chamber of Commerce, the City's Community and Economic Development program, as well as other city services. A significant amount of TOT growth over the past few years can be linked to the Military base and contractor activity.

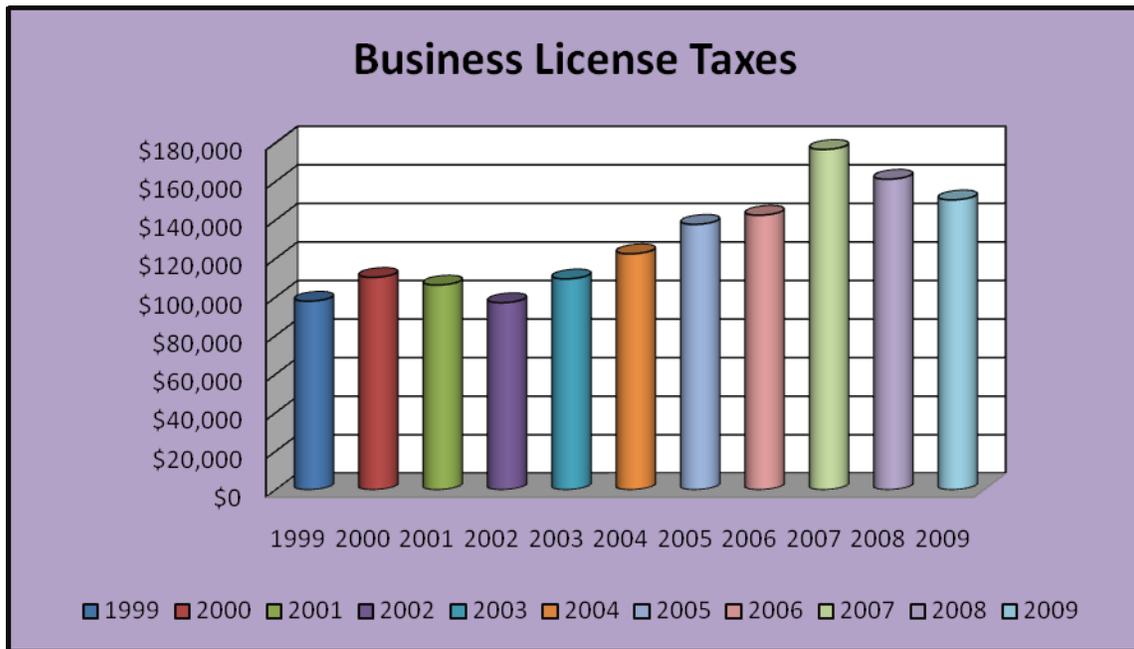
TOT has averaged 8% growth rate for the last ten fiscal years. The largest single growth during that period was in the 2002-2003 FY which saw a growth of 21%. However, this last fiscal year TOT revenue increase is equally noteworthy at 15% at \$1.35M. The increase is attributable to the opening of the Marriott's Spring Hill Suites. Hilton Hotels is completing construction of their hotel located at the business park area as well. The Ridgcrest Redevelopment Agency is under negotiation with a developer of a hotel and convention center. All of these will definitely have a positive impact on the TOT revenue in the years to come.



Business License Taxes

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

In FY 2007 the City conducted a business license audit targeting certain business groups that the City had overlooked in enforcement of this ordinance. This brought in extra revenue of \$37,328 causing spike in revenue in that fiscal year at 24% increase compared to FY 2006. For FY 2009, business license revenue declined by 6.7% over prior year; however, in the last ten years, the City's business license tax revenue is continuously climbing an average of 4.95% annually.



CASH MANAGEMENT POLICIES AND PRACTICES

Under the direction of the City Treasurer, as directed by the City of Ridgecrest Municipal Code, cash temporarily idle during the year is invested as outlined in the City’s investment policy. The investment policy is presented to the City Council on an annual basis for renewed approval.

With the exception of the funds that are required to be held in trust by bond indenture agreements, 100% of the City’s idle cash is invested into one of three State of California Local Agency Investment Fund (LAIF) accounts.

All investments comply with State law and the City’s Statement of Investment Policy, which is annually reviewed and approved by the City Council. The City Treasurer is required to submit a quarterly investment report to the City Council that provides a summary of the status of the current portfolio and material transactions entered into during the quarter.

The City’s investments of \$33,843,499 with LAIF at June 30, 2009, included a portion of the pool funds invested in structured notes and asset-backed securities and similar transactions. This compares to \$31,698,476 at June 30, 2008 an approximate increase of 6.7%. These investments may include the following:

Structured Notes are debt securities (other than asset-backed securities) whose cash-flow characteristics (coupon rate, redemption amount, or state maturity) depend upon one or more indices and/or that have embedded forwards or options.

Asset-Backed Securities, the bulk of which are mortgage-backed securities, entitle their purchasers to receive a share of the cash flows from pool of assets such as principal and interest repayments from a pool of mortgages (such as CMOs) or credit card receivables.

The City’s LAIF investment was recorded at cost. The difference between fair value and cost is immaterial. The fair value is determined by multiplying the account balance with LAIF by a fair value factor determined by LAIF. This fair value factor was determined by dividing all LAIF participants total aggregate amortized cost by total aggregate fair value.

As of June 30, 2009, The City had \$33,843,499 invested in LAIF which had invested 14.71% of the pool investment funds in Medium-Term and Short-Term Structured Notes and Asset-Backed Securities.

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 167 public agencies, which includes municipalities, school districts, special districts and other Joint Powers Authorities (JPA). CSAC-EIA was formed as a Joint Powers Authority in 1979, pursuant to the California Government Code. The purpose of the Authority is to arrange, provide and administer programs of insurance for the pooling of self-insured losses and to purchase excess insurance coverage.

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

General Liability Insurance

Annual deposits are paid by members and are adjusted retroactively to cover costs. Each member 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 members under \$100,000. Losses of \$100,000 to \$5,000,000 are prorated among all participating members on a payroll basis. Losses in excess of \$5,000,000 are covered by excess insurance purchased by the participating members, as part of the pool, to a limit of \$15,000,000. Additionally the City has purchased optional excess coverage for losses above \$15,000,000 to a limit of \$35,000,000 and catastrophic coverage for losses above \$35,000,000 to a limit of \$50,000,000.

Workers' Compensation

Beginning July 1, 2006, the City of Ridgecrest 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 CSAC Excess Insurance Authority (EIA) is a risk sharing pool of California public agencies, dedicated to controlling losses and providing effective risk management solutions.

In 1979, 29 California counties came together to form a Joint Powers Authority (JPA) called the CSAC Excess Insurance Authority to pool their risk and provide a viable and cost effective solution for the counties' insurance and risk management needs.

Since then, the EIA's membership has expanded to include 93% of the counties in California, over 80% of the cities, as well as numerous school districts, special districts, housing authorities, fire districts, and other Joint Powers Authorities.

The Liability claims programs are managed by a third-party claims administrator under the direction of the Risk Management Division of the Administration Department.

The amounts included in the Self-Insurance Program internal service fund are significant partly due to requirements of Government Accounting Standards Board (GASB) Statement No.10. In complying with GASB 10, the City must record as a liability and expenditure not only actual risk/loss experienced in the areas of workers' compensation and liability, but also claims incurred but not reported (IBNR). IBNR claims include exposure for losses that a city is not yet aware of, as well as any statistically probable increase in costs for accidents that are already known to the City. The appropriate amount to include on the financial statements for IBNR claims is typically developed by an actuary.

Workers' Compensation & Liability Claims

The following table reflects the IBNR Claims payable for the last five fiscal years:

Year	IBNR
2005	431,816
2006	532,041
2007	482,238
2008	349,969
2009	495,619

Unemployment Insurance

The City participates in a direct-cost reimbursement method for unemployment insurance. This program is administered by the State Employment Development Department to provide salary continuance for employees who were terminated involuntarily. For FY 2008-2009 the total cost reimbursed was \$18,070; this was up from the 2007-2008 reimbursed cost of \$15,162.

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 comprehensive annual financial report for the fiscal year ended June 30, 2008. This was the fifth consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report 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.

ACKNOWLEDGMENTS

The preparation and publication of this report would have not been possible without the dedication, professionalism and teamwork of the entire staff of the Finance Department. We would like to express our heartfelt appreciation to all members of the department who assisted in its preparation. We also thank the City's independent auditors, Caporicci & Larson, 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 and the City Organization Committee for their interest and support in planning and conducting the City's financial affairs in a responsible and progressive manner.

Respectfully submitted,



Harvey Rose
Interim City Manager/
Agency Executive Director



W. Tyrell Staheli
Finance Director/City Treasurer/
Agency Treasurer

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Ridgecrest
California

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2008

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



A stylized, handwritten signature in black ink, appearing to read "JEFFREY R. EMER".

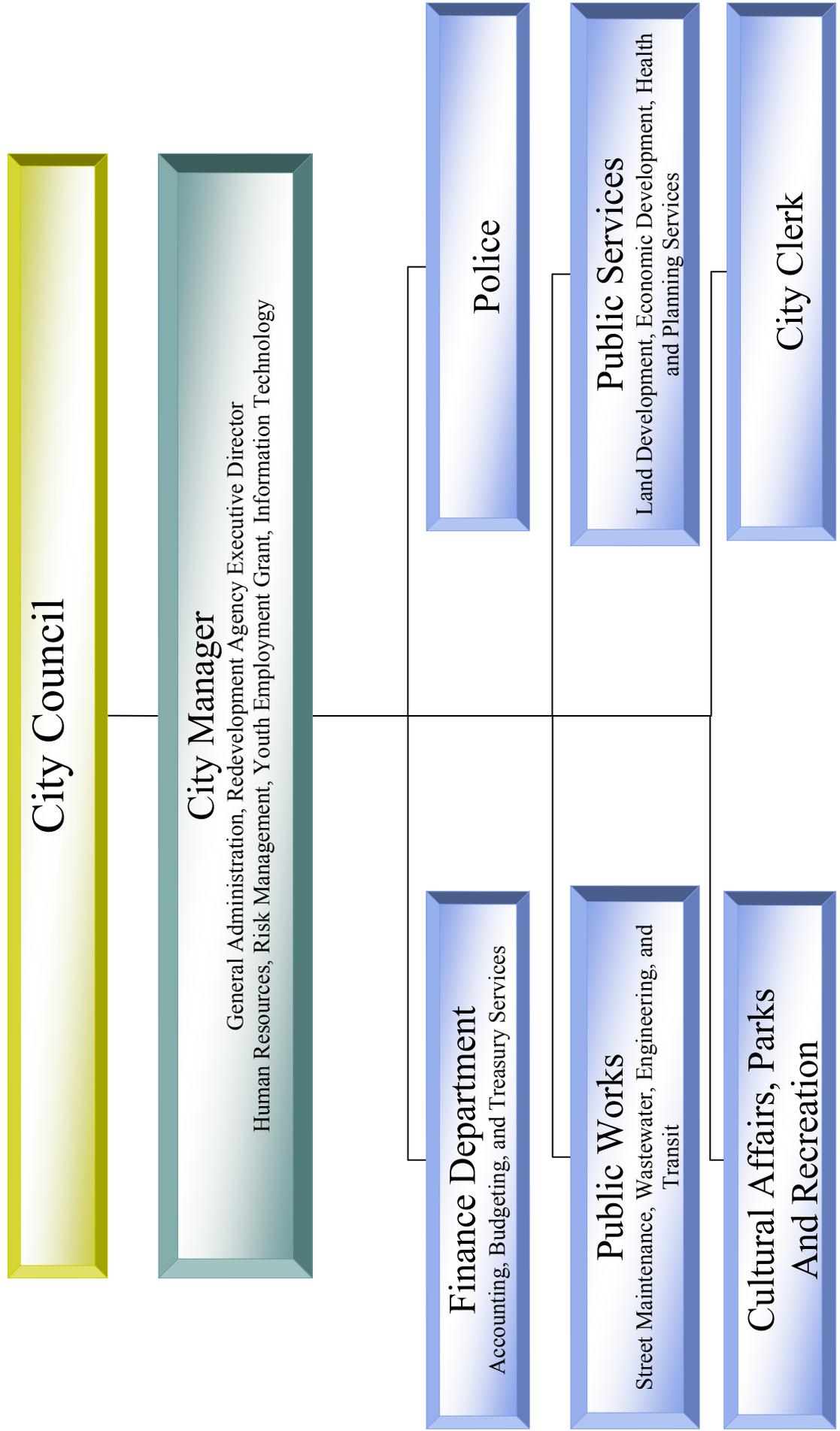
President

A handwritten signature in black ink, appearing to read "Jeffrey R. Emer".

Executive Director

CITY OF RIDGECREST

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For Fiscal Year Ended June 30, 2009





City of Ridgecrest

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Steven P. Morgan, Mayor
Ronald Carter, Mayor Pro-Tempore
Thomas Wiknich, Vice Mayor
Marshall “Chip” Holloway, Council Member
Jerry Taylor, Council Member

City Staff

Michael Avery, City Manager/RDA Executive Director
Ronald Strand, Chief of Police
W. Tyrell Staheli, Finance Director/City-Agency Treasurer
Dennis Speer, Public Works Director
James McRea, Public Services Director
James B. Ponek, Cultural Recreation Arts and Parks Director
Rita L. Gable, City Clerk

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Financial Section



INDEPENDENT AUDITORS' REPORT

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

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 (City), as of and for the year ended June 30, 2009, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards in the United States and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall basic financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Subsequent to the financial statements date of June 30, 2009 and the year then ended, the State of California (State) has borrowed, deferred paying certain revenues and proposed taking other funds from local governments including, cities, counties, districts, and agencies. These actions by the State include:

- 8% of Property Taxes borrowed - to be repaid in three years
- Gas Tax payments deferred - two deferral periods during fiscal year 2009-2010
- Redevelopment Agency funds - to be taken for fiscal year 2009-2010 and 2010-2011

These above amounts are very significant to the local governments and may affect their ongoing operations. Certain lawsuits are in process to stop such State actions. The State Legislature has passed a bill which allows local governments to securitize the 8% of property taxes borrowed by the State. For more detailed information, see Note 11 of the Notes to Basic Financial Statements.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the 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, 2009, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with generally accepted accounting principles in the United States.

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4858 Mercury, Suite 106
San Diego, California 92111

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 21, 2009, 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 grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

As described in Note 1 to the basic financial statements, the City implemented Governmental Accounting Standards Board Statements No. 49, *Accounting and Financial Reporting for Pollution Remediation Obligations*, No. 52, *Land and Other Real Estate Held as Investments by Endowments*, No. 55, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*, and No. 56, *Codification of Accounting and Financial Reporting Guidance Contained in AICPA Statements on Auditing Standards*.

The accompanying Required Supplementary Information, such as Management's Discussion and Analysis, budgetary comparison information and other information as listed in the table of contents, is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the Required Supplementary Information. However, we did not audit the information and express no opinion on the Required Supplementary Information.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the City's basic financial statements. The accompanying Supplementary Information is presented for purpose of additional analysis and is not a required part of the basic financial statements. The Supplementary Information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole. The Introductory and Statistical Sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on the Introductory and Statistical Sections.



San Diego, California
December 21, 2009

MANAGEMENT DISCUSSION AND ANALYSIS

Management of the City of Ridgcrest (the “City”) provides the Management Discussion and Analysis of the City’s Comprehensive Annual Financial Report (CAFR) for readers of the City’s financial statements. This narrative overview and analysis of the financial activities of the City is for the fiscal year ended June 30, 2009. We encourage readers to consider this information in conjunction with the additional information that is furnished in the letter of transmittal, which can be found preceding this narrative, and with the City’s financial statements, which follow. Keep in mind that the Financial Highlights, immediately following, are strictly snapshots of information. Net assets, changes in net assets, and fund disclosures are discussed in more detail later in the report.

Financial Highlights - Primary Government

- ♦ *Government-Wide Highlights*

Net Assets - Assets of the City exceeded its liabilities at fiscal year ending June 30, 2009 by \$85.9 million this compared to \$84.4 million at fiscal year end June 30, 2008. This is an overall increase of \$1.44 million or 1.7% of prior year net assets. Net assets for governmental activities exceeded liabilities by \$57.1 million and this compares to \$55.7 million at June 30, 2008 an increase of 2.6%. Assets for business-type activities exceeded liabilities by \$28.8 million and this compares to \$28.8 million at June 30, 2008, a less than 1% increase.

Changes in Net Assets - The City’s net assets increased \$1.44 million in fiscal year 2008-2009; this compared to a \$2.17 million increase in fiscal year 2007-2008. Net assets of governmental activities increased by \$1.43 million compared to a 2007-2008 increase of \$3.84 million. Net assets of business-type activities increased by \$15,789 compared to a decrease in 2007-2008 of \$1.67 million.

- ♦ *Fund Highlights*

Governmental Funds - At the close of fiscal year 2008-2009 the City’s total governmental funds reported a fund balance of \$25.24 million as compared to \$20.15 million in 2007-2008, an increase of \$5.1 million from the prior year. The increase in fund balance is largely due to un-appropriated revenue in the Redevelopment Agency.

General Fund - The fund balance of the general fund on June 30, 2009 was \$1.6 million, a decrease of \$20,436 from the prior year due to the decline in tax revenue.

Redevelopment Agency - The fund balance of the redevelopment fund on June 30, 2009 was \$11.55 million which compares to \$6.38 million, an increase of \$5.17 million from the prior year. The increase in fund balance is due to increasing tax increment revenue while expenditures remain flat.

Capital Improvement Projects Fund - The fund balance of the capital improvement projects fund on June 30, 2009 was \$51,533 as compared to \$75,199, a decrease of \$23,666 from the prior year. The City stepped up its collection of reimbursements from granting agencies for those projects that were completed in FY 2008 and 2009.

OVERVIEW OF FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the City’s basic financial statements. The City’s basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to private-sector business. They are comprised of the following:

- ♦ *Statement of Net Assets*
The Statement of Net Assets presents summarized information of all the City's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the City is improving or deteriorating. This financial statement combines and consolidates governmental funds' current financial resources with capital assets and long-term obligations.
- ♦ *Statement of Activities and Changes in Net Assets*
The Statement of Activities and Changes in Net Assets presents information showing how the government's net assets changed during the fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned, but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government, public safety, public works, transportation, cultural and leisure services and housing and community development. Business type activities include operations of the waste water plant and the City's Transit system.

The government-wide financial statements include not only the City itself (known as the primary government), but also the activities of legally separate component units: the Redevelopment Agency of the City of Ridgecrest (RDA). Because the City Council acts as the governing board for each of these component units and because they function as part of the City government, their activities are blended with those of the primary government.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: Governmental funds, proprietary funds, and fiduciary funds.

The fund financial statements provide detail information about each of the City's most significant funds, called Major Funds. The concept of Major Funds, and the determination of which are major funds, was established by GASB Statement No. 34 (GASB 34) and replaces 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.

Because 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 29 and 31.

The City has twenty two governmental funds, of which four 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 four major funds are: General Fund, Redevelopment Agency Fund, Capital Improvement Projects Fund and Debt Service Fund. Data from the non-major governmental funds (e.g., State Gas Tax Fund, TDA Street Fund, and etc.) are combined into a single, aggregated presentation. The governmental fund financial statements can be found on pages 28-31. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements on pages 82-88.

- ♦ *Proprietary Funds*

The City maintains two types of proprietary funds: enterprise funds and internal service funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for waste water and transit activities. Internal service funds are used to report any activity that provides goods or services to other funds, departments, or agencies of the primary government and its component units on a cost reimbursement basis. The goal of the internal service funds is to measure the full cost of providing goods or services for the purpose of fully recovering that cost through fees or charges. Because internal services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Proprietary funds financial statements provide the same type of information as the government-wide financial statements, only in more detail. Like the government-wide financial statements, proprietary funds financial statements use the accrual basis of accounting.

The basic proprietary funds financial statements can be found on pages 36-38.

- ♦ *Fiduciary Funds*

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

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 47-72.

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 74-77.

City of Ridgecrest's Net Assets

	Governmental		Business-Type		Total	
	Activities		Activities			
	2009	2008	2009	2008	2009	2008
Current Assets	\$ 28,064,117	\$ 24,772,173	\$ 12,463,365	\$ 12,131,929	\$ 40,527,482	\$ 36,904,102
Capital Assets	50,151,861	52,862,493	16,979,238	17,259,625	67,131,099	70,122,118
Total Assets	78,215,978	77,634,666	29,442,603	29,391,554	107,658,581	107,026,220
Current Liabilities	2,858,010	2,850,670	655,886	620,626	\$ 3,513,896	\$ 3,471,296
Long-term Liabilities	18,267,256	19,120,702	-	-	18,267,256	19,120,702
Total Liabilities	21,125,266	21,971,372	655,886	620,626	21,781,152	22,591,998
Investments in Capital						
Net of Related Debt	32,676,918	34,321,803	16,979,238	17,259,625	49,656,156	51,581,428
Restricted	23,615,054	18,483,103	-	-	23,615,054	18,483,103
Unrestricted	798,741	2,858,389	11,807,479	11,511,303	12,606,220	14,369,692
Total Net Assets	\$ 57,090,713	\$ 55,663,295	\$ 28,786,717	\$ 28,770,928	\$ 85,877,430	\$ 84,434,223

Net Assets

The chart above reflects the City's combined net assets (governmental and business-type activities) which total \$85.9 million at the close of fiscal year ending June 30, 2009.

By far, the largest portion of the City's total net assets (57%) 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.

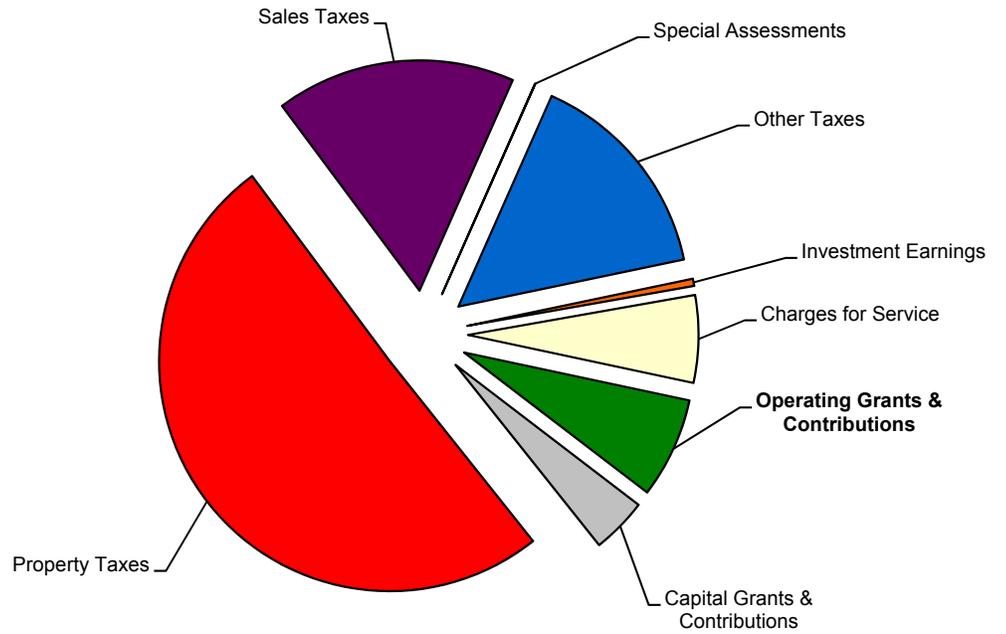
The remaining City net assets (43%) represent resources that are subject to external restrictions (e.g., capital projects, community development, debt services, and special projects) and resources that are unrestricted to meet the City's ongoing obligations to citizens and creditors.

At the end of the fiscal year 2008-09, the City is able to report positive balances in all three categories of net assets, both for the government as a whole, as well as for its separate governmental and business-type activities. The City's net assets were increased by \$1.4 million during the fiscal year. This increase is the net result of all the revenues and expenses and cannot be attributed to any specific items.

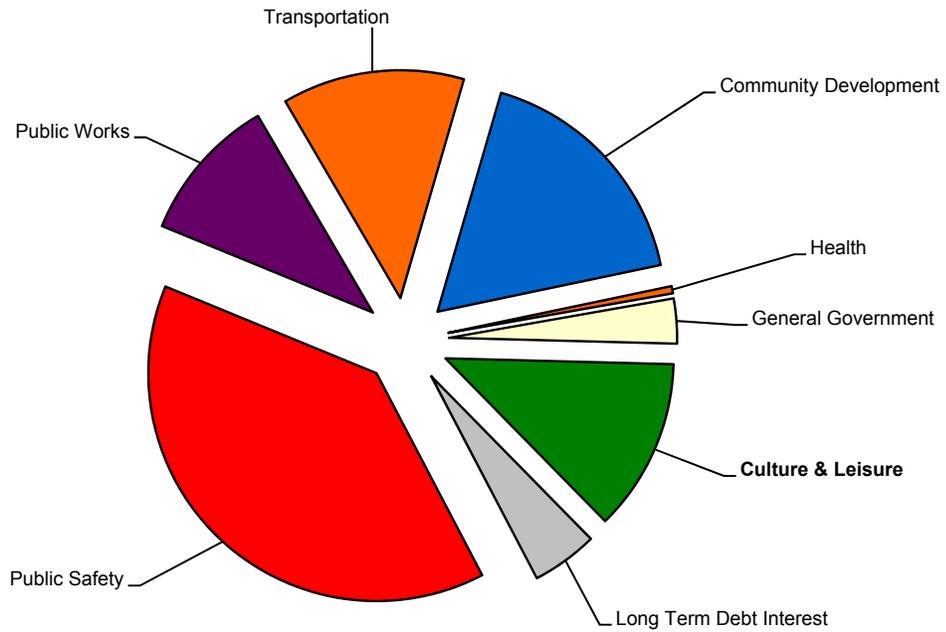
Governmental Activities

Governmental activities increased the City's net assets by \$1.44 million, and the business type activities showed an increase in net assets of \$15,789. This compares to a prior year increase in governmental activities of \$3.84 million and a decrease in business type activities of \$1.67 million. The charts that follow show the program revenues, general revenues, and expenses by function for all City activities, including the Redevelopment Agency.

Revenues by Source Governmental Activities



Expenses by Function Governmental Activities



**Statement of Changes in Net Assets
For the Year Ended June 30, 2009**

	Governmental Activities		Business-Type Activities		Total	
	2009	2008	2009	2008	2009	2008
Revenues:						
Program revenues:						
Charges for services	\$ 1,201,653	\$ 1,690,660	\$ 2,229,425	\$ 2,019,683	\$ 3,431,078	\$ 3,710,343
Operating grants and contributions	1,384,420	1,112,823	-	94,663	1,384,420	\$ 1,207,486
Capital grants and contributions	766,742	1,474,279	-	-	766,742	1,474,279
Total program revenues	3,352,815	4,277,762	2,229,425	2,114,346	5,582,240	6,392,108
General revenues:						
Property taxes	9,915,676	9,573,705	-	-	9,915,676	9,573,705
Sales taxes	3,297,900	2,996,734	-	-	3,297,900	2,996,734
Other taxes	2,960,971	3,689,557	776,431	563,141	3,737,402	4,252,698
Investment earnings	99,550	743,954	349,595	596,679	449,145	1,340,633
Gain (loss) on sale of assets	-	-	-	-	-	-
Other revenues	1,180,496	868,501	12,227	10,737	1,192,723	879,238
Total general revenues	17,454,593	17,872,451	1,138,253	1,170,557	18,592,846	19,043,008
Total revenues	20,807,408	22,150,213	3,367,678	3,284,903	24,175,086	25,435,116
Expenses:						
General government	639,444	1,968,944	-	-	639,444	1,968,944
Public safety	7,706,699	7,390,384	-	-	7,706,699	7,390,384
Public works	2,056,584	1,858,022	-	-	2,056,584	1,858,022
Transportation	2,559,837	2,460,727	-	-	2,559,837	2,460,727
Community Development	3,412,566	2,379,597	-	-	3,412,566	2,379,597
Health	92,882	174,055	-	-	92,882	174,055
Culture & Leisure	2,428,923	2,425,245	-	-	2,428,923	2,425,245
Interest on long-term debt	927,854	973,731	-	-	927,854	973,731
Transit	-	-	789,718	714,560	789,718	714,560
Waste Water	-	-	2,117,372	2,922,903	2,117,372	2,922,903
Total expenses	19,824,789	19,630,705	2,907,090	3,637,463	22,731,879	23,268,168
Increase (decrease) in net assets before	982,619	2,519,508	460,588	(352,560)	1,443,208	2,166,948
Transfers	444,799	1,318,981	(444,799)	(1,318,981)	-	-
Change in net assets	1,427,419	3,838,490	15,789	(1,671,541)	1,443,208	2,166,948
Net assets, beginning of year (as restated)	55,663,293	51,824,805	28,770,928	30,442,469	84,434,221	82,267,274
Net assets, end of year	\$ 57,090,712	\$ 55,663,295	\$ 28,786,717	\$ 28,770,928	\$ 85,877,429	\$ 84,434,221

- 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, voter-approved debt service, and the redevelopment property taxes.
- Other taxes include mainly hotel, business, property transfer, and gas taxes.
- General government expenses include those expenses necessary for the operation of the general operation of the City. These include but are not limited to:
 - City Council
 - City Manager
 - City Clerk
 - Legal Expenses
 - Human Resources
 - Financial Administration (Treasury)
 - Administration which includes non-department City Hall expense, Advertising & Promotion
- Public Safety Expenses include both Police and Fire Protection Services.

- Community Development expenses includes planning, building, housing, code enforcement, and economic development expenditures.
- Culture & Leisure expenditures cover Parks and Recreation services including the operation of the Senior Center, Recreation Services, and the Community Center.
- Public Works include engineering and its administration

Business Type Activities

The City operates two business-type activities. These are the City's Transit System and its Wastewater System. These business-type activities increased the City's net assets by \$15,789 over the prior year. This compares to a decrease of \$1,671,541 from Fiscal Year 2007-2008.

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 and other operational funds to purchase buses. The Wastewater fund is 100% supported by user fees collected for the City via property tax billing by Kern County.

INTERNAL SERVICE FUNDS

The City has seven internal service funds: Self-Insurance/Risk Management, Administration, Technology, Finance, Printing and Reproduction, 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.

Self-Insurance/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.

Admin/Finance Overhead

The Admin/Finance Overhead internal service fund provides funding for administration projects and activities provided to city departments, including the support staff, accounts payable, budget, accounting, payroll as well as other expenses associated with the City's finance, administration, and human resources functions.

Technology

The Technology internal service fund provides funding for the service, repair, and replacement of technology equipment, i.e. desktops, servers, network components, technical support and maintenance.

Printing and Reproduction

The Printing and Reproduction internal service fund is set up to provide, maintain, and replace the equipment and supplies used for printing and reproduction of documents.

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.

Building Maintenance

The Building Maintenance internal service fund provides for the maintenance, repair, and replacement of City Hall.

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.

Governmental Funds – The following schedule is a summary of governmental fund revenues for fiscal year ended June 30, 2009, 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.

<u>Source of Revenue</u>	<u>FY 06-07</u> <u>Amount</u>	<u>Percent of</u> <u>Total</u>	<u>FY 07-08</u> <u>Amount</u>	<u>Percent of</u> <u>Total</u>	<u>FY 08-09</u> <u>Amount</u>	<u>Percent of</u> <u>Total</u>
Taxes	\$ 14,137,641	70.8%	\$ 16,313,383	74.7%	\$ 16,223,465	77.8%
Intergovernmental	1,783,935	8.9%	2,309,609	10.6%	2,111,122	10.1%
Licenses, Permits & Fees	1,361,033	6.8%	587,531	2.7%	490,564	2.4%
Charges for Services	93,950	0.5%	816,897	3.7%	656,543	3.1%
Fines and Forfeitures	640,658	3.2%	99,751	0.5%	110,785	0.5%
Use of Money & Property	786,753	3.9%	673,407	3.1%	422,410	2.0%
Assessment Revenue	4,520	0.0%	-	0.0%	-	0.0%
Other Revenues	1,148,125	5.8%	1,033,309	4.7%	850,061	4.1%
Total	\$ 19,956,615	100.0%	\$ 21,833,887	100.0%	\$ 20,864,950	100.0%

As of the end of the current year, the City of Ridgecrest's governmental funds reported combined ending fund balances of \$25.24M - an increase of \$5.09M in comparison with \$20.14M for the prior year's ending fund balance. Approximately 53 % (compared to the prior year's 42%) of this total amount, or \$13.4M (compared to the prior year's \$8.56M), is available for spending at the government's discretion (unreserved fund balance) on operating activities. The majority of the increase in the net change in fund balance was due to an increase in incremental tax revenue in the Redevelopment Agency.

Of the \$13.4M of unreserved fund balance, \$903,897 of this belongs to the General Fund compared to \$1.12M in the prior year. There is also that portion \$9.66M of the unreserved fund balance that was brought by both the sale of land surplus and unreserved tax increment by the Redevelopment agency. Lastly, the remaining unreserved fund balance of \$2.85M came from all other governmental funds, with the majority of it coming from the following funds: State Gas Tax fund at \$332,392, TDA Streets fund at \$154,732, Traffic Congestion Relief fund at \$515,694, Substandard Streets Improvement Fee at \$520,851, all the funds for impact fees at \$1.57M. All these unreserved and undesignated fund balance can only be used for special purpose for which the revenue was originally collected for.

The remainder of fund balance is reserved to indicate that it is not available for new spending because it has already been committed 1) to pay for existing contracts and purchase orders (\$2,473,982), 2) to pay debt service (\$1,330,753), 3), inventory held for resale, or 4) for a variety of other restricted purposes (\$8,019,159).

The general fund is the chief operating fund of the City. As mentioned earlier, at the end of the current fiscal year unreserved fund balance of the general fund was only \$903,897 as compared to \$1.12M in fiscal year 2008. The total fund balance of general fund at the close of the fiscal year was \$1.57M as compared to \$1.59M from prior year, a decrease in fund balance by \$20,436. Key factors include declining revenues from

major sources and increased operational costs including workers' compensation expenditures, public safety costs, PERS retirement. In addition, the General Fund continuously covering a major portion of the operational deficit of the Gas Tax Fund as Gas Tax revenues can only afford to cover a small portion of the streets maintenance costs.

Proprietary Funds - The City of Ridgecrest proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net assets of the Transit System fund and Wastewater fund at the end of the fiscal year amounted to \$11.8M, of that amount \$8,530 came from the Transit System fund. The enterprise's net asset is up by \$15,789. This was due to a decrease in operational expenditures resulting in an increase in cash and investments of \$629,283.

GENERAL FUND BUDGETARY HIGHLIGHTS

The General Fund is the main operating fund of the City. The primary source of its revenues are taxes such as sales tax, property tax, franchise fees and transient occupancy tax, and business licenses; intergovernmental sources; charges for services; fine and forfeiture; license and permits. These revenues are used to pay for the traditional services provided by the local government such as public safety, parks and recreation, community development and public works. The originally adopted expenditure budget of the General Fund totaled to \$14.5M with the inclusion of the \$1.75M interfund transfers to other funds. Revenues were budgeted originally at \$14.9M including interfund transfers from other funds of \$5.16M, resulting to projected net increase of the net reserves by \$434,256. The amended budget, which includes unspent, but encumbered appropriations carried forward from fiscal year 2008, as well as Council approved adjustments during the year, totaled \$14.65M. The amended revenue budget was \$15.06M resulting in projected increase of net reserves by \$415,732. Even though the general fund expenditures came under budget by \$1.58M, the actual use of net reserves came to \$20,436. The expenditure savings were the result of a citywide effort to cut costs in order to cope with increased expenses, in particular salary and retirement costs, while facing declining ongoing revenues. The total general fund's unrealized revenue for the year is \$365,846. Specific revenues that contributed to the decline are: franchise tax with \$105k in unrealized revenue, license and permits with \$110k in unrealized revenue. Declining sales tax revenue is being felt not only within the City, but all across the State and the country due to the historic economic problems the country is facing. Although the City has not been drastically affected by the housing market meltdown, it has also slowed down new permit applications for building new houses and doing home improvements. It is also important to note that starting in fiscal year 2008 the City must pay the County a portion of the cost of providing fire protection services inside its city limits. The amount for fiscal year 2009 is \$528,840, which will increase each year by 5.5% in the next three years hereafter. This added cost although was included in the budget did not help in alleviating the use of the general fund's net reserves.

As shown in the table below, Police contributed a savings of \$676,197 to the overall savings; Community Development contributed \$101,228 of the overall savings; Parks and Recreation contributed \$285,878 and Public Works Engineering contributed \$584,345. Portion of the savings in salary was due to positions intentionally not being filled. The savings in materials, supplies and services is due to conservative budgeting. These expenditures are budgeted many months before the start of the fiscal year based on historical data and estimates of future operations.

	For the Fiscal Year Ended June 30, 2009					For the Fiscal Year Ended June 30, 2008				
	Budgeted Amounts		Actual Amounts	Positive (Negative) Variance with Final Budget		Budgeted Amounts		Actual Amounts	Positive (Negative) Variance with Final Budget	
	Original	Final		Final	Final	Original	Final		Final	Final
Fund balance, July 1	\$ 1,630,332	\$ 1,630,322	\$ 1,589,655	\$ (40,667)	\$ (40,667)	\$ (669,308)	\$ (475,210)	\$ 2,206,928	\$ 2,682,138	
Resources (inflows):										
Taxes	8,120,201	8,120,201	8,086,571	(33,630)	(33,630)	8,670,911	9,395,911	8,471,161	(924,750)	
Intergovernmental revenue	250,600	372,110	221,452	(150,658)	(150,658)	758,783	770,783	198,971	(571,812)	
Licenses, fees, and permits	414,600	414,600	304,993	(109,607)	(109,607)	22,600	654,850	349,119	(305,731)	
Current service charges	754,400	772,900	655,586	(117,314)	(117,314)	943,300	943,300	816,380	(126,920)	
Fines and forfeitures	85,800	85,800	110,785	24,985	24,985	93,317	93,317	99,751	6,434	
Use of money and property	114,900	117,045	122,316	5,271	5,271	151,250	151,250	133,165	(18,085)	
Other revenues	16,750	23,500	38,607	15,107	15,107	22,218	22,218	27,467	5,249	
Transfers from other funds	5,157,176	5,157,176	3,037,159	(2,120,017)	(2,120,017)	1,981,422	2,745,919	2,236,207	(509,712)	
Amount available for appropriation	14,914,427	15,063,332	12,577,469	(2,485,863)	(2,485,863)	12,643,801	14,777,548	12,332,220	(2,445,328)	
Charges to appropriations (outflows):										
General government	965,944	904,244	980,782	(76,538)	(76,538)	1,955,278	2,011,238	1,005,828	1,005,410	
Public safety	7,569,618	7,704,927	7,028,730	676,197	676,197	7,685,641	7,929,006	6,882,382	1,046,624	
Public works	678,367	584,345	-	584,345	584,345	581,637	581,637	408,392	173,245	
Community development	1,137,831	1,188,958	1,087,730	101,228	101,228	1,680,418	1,680,418	805,058	875,360	
Health	-	-	-	-	-	-	-	-	-	
Culture and leisure	2,374,929	2,470,875	2,184,997	285,878	285,878	2,263,837	2,257,837	2,195,245	62,592	
Non-departmental:										
Transfers to other funds	1,753,482	1,794,251	1,315,666	478,585	478,585	1,354,911	1,371,611	1,652,588	(280,977)	
Total charges to appropriations	14,480,171	14,647,600	12,597,905	2,049,695	2,049,695	15,521,722	15,831,747	12,949,493	2,882,254	
Excess of resources over (under) charges to appropriations	434,256	415,732	(20,436)	(436,168)	(436,168)	(752,995)	(539,319)	(617,273)	436,926	
Fund balance, June 30	\$ 2,064,588	\$ 2,046,054	\$ 1,569,219	\$ (476,835)	\$ (476,835)	\$ (1,422,303)	\$ (1,014,529)	\$ 1,589,655	\$ 3,119,064	

Capital Asset and Debt Administration

The City's investment in capital assets for its Governmental and Business Type activities as of June 30, 2009, amounts to \$67.1M (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. This amount was down by \$3M as compared to prior year due to properties disposed and current year's depreciation of \$4.2M. The City sold 1 of its vehicles. The Redevelopment agency also sold three of its real properties all of which are located in the business park. The total amount of new assets added this year is \$1.17M for government activities and \$187,866 for business activities. 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 Activities	Business-Type Activities	Total
<i>Non-Depreciable Assets:</i>			
Land	\$ 3,555,311	\$ 1,614,217	\$ 5,169,528
Construction in process	808,609	-	808,609
Total non-depreciable assets, net	<u>4,363,920</u>	<u>1,614,217</u>	<u>5,978,137</u>
<i>Depreciable Assets:</i>			
Buildings and improvements	25,742,550	2,747,841	28,490,391
Machinery and equipment	5,198,235	1,144,884	6,343,119
Infrastructure	89,020,256	20,741,307	109,761,563
	119,961,041	24,634,032	144,595,073
Less accumulated depreciation	<u>(74,173,100)</u>	<u>(9,269,011)</u>	<u>(83,442,111)</u>
Total depreciable assets, net	<u>45,787,941</u>	<u>15,365,021</u>	<u>61,152,962</u>
Total capital assets	<u><u>\$ 50,151,861</u></u>	<u><u>\$ 16,979,238</u></u>	<u><u>\$ 67,131,099</u></u>

Additional information on the capital assets can be found in Note 4 on pages 63-64 of this report.

Long-term Debt. At the end of the current fiscal year, the City had total long term debt outstanding of \$19.5M, a net decrease of \$1M compared from prior year. Two of the bond obligations particularly the tax allocation bonds represent obligations secured solely by specified revenue sources; i.e., the Redevelopment Agency tax increment. The outstanding debt of \$8.83M in certificates of participation (2005 Refunding COP) were issued in fiscal year 2006 to advance refund the 1999 COP in order to capture favorable interest rates to lower the City's borrowing costs. The original amount issued was \$10,275,000 and currently the balance of the defeased bond is \$8.66M.

	Balance July 1, 2007	Additions	Deletions	Balance June 30, 2008	Due within one year	Due in more than one year
1999 Refunding Tax Allocation Bonds	\$ 6,385,000	\$ -	\$ (205,000)	\$ 6,180,000	\$ 215,000	\$ 5,965,000
2002 Tax Allocation Refunding Bonds	2,105,000	-	(380,000)	1,725,000	400,000	1,325,000
2005 Refunding Certificates of Participation	9,190,000	-	(360,000)	8,830,000	370,000	8,460,000
Capital Lease Obligations	860,690	-	(120,747)	739,943	124,695	615,248
Compensated Absences	1,918,571	954,962	(844,391)	2,029,142	622,753	1,406,389
	<u>\$ 20,459,261</u>	<u>\$ 954,962</u>	<u>\$ (1,910,138)</u>	<u>\$ 19,504,085</u>	<u>\$ 1,732,448</u>	<u>\$ 17,771,637</u>

There were no major additions to the total debt for the current fiscal year. The net decrease was primarily due to debt service required for the year.

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 of Ridgecrest long-term debt can be found in Note 5 on pages 65-67 of this report.

Economic Factors and Next Year's Budget

When the City formulated its budget for fiscal year 2009, it anticipated a zero growth in revenues overall. However when the domino effect of housing/mortgage bubble and the spike in fuel prices started to rattle the national economy within the first half of the fiscal year, the city started to see the effects on our major revenue sources such as sales tax, franchise fees, and property taxes. By the end of the fiscal year, general fund had \$365,846 in unrealized revenues. Even with the cost cutting efforts by the city to offset the effect of lower revenue, the city had to dip into its net reserves a total of \$20,436, as opposed to, increasing that reserve by \$430,000.

Fiscal year 2010 revenue budget was developed with the assumption of zero growth based on the actual data of fiscal year 2009 with the exception of some revenue sources such as TOTs due to the construction of Hampton Inn and building permits in anticipation of new home constructions because of BRAC. With this assumptions and increasing cost of the salaries and benefits, general fund is projecting \$1.5M more in expenditures than in revenues. One time transfers from other funds' reserves are anticipated to make up the difference. We have implemented employee furloughs of 208 hours and have frozen hiring of all unfilled positions in fiscal year 2010 and at mid-year possibly do more painful cost cutting strategies to mitigate now a high possibility of bigger budget problems the City could be facing in fiscal year 2011.

Given the budget and cash flow problems the State of California is experiencing in addition to the economic problems the country is facing such as: failure of those large and long standing financial institutions, the nation's largest automakers in the brink of bankruptcy, high unemployment and anticipation of more massive layoffs as big corporations restructure to cut costs, housing foreclosure in historic levels, and stricter rules in obtaining credit for small businesses. However, there is a silver lining in all of these at least in the City's local economy. It is called BRAC. It is anticipated that the transfers of those job positions being realigned by the BRAC program will be completed by 2012. The China Lake Naval Weapons Facility, the largest non-nuclear military research and testing center in the United States occupies just over one third of the city's acreage. This facility is the recipient of about 1,000 billets (job positions) being realigned by the Department of Defense. The naval base had broken ground for the construction of over ten new projects at an estimated cost of \$250M. It is also anticipated that another 600 unrelated jobs will be created as an offshoot of the whole undertaking. The City is estimating that about 1200 new homes are needed to meet the demands of this growth. Fortunately our city is not experiencing the foreclosure levels we have seen in big metropolitan areas and the local housing market is stable with only 17 houses in foreclosure as of this writing.

Having said all of this, the next years' budgets - fiscal years 2011 and beyond will surely be the most challenging budgets to develop amid all the economic woes and its uncertainty. To address these budget challenges, the City will have to make significant changes to services provided to its residents while at the same time recognizing the priorities of the community and making sure that basic and vital services are maintained.

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's 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
Comprehensive Annual Financial Report
For the year ended June 30, 2009

Basic Financial Statements



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Government-Wide Financial Statements



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City of Ridgecrest
Statement of Net Assets
June 30, 2009

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current assets:			
Cash and investments	\$ 24,830,777	\$ 11,723,960	\$ 36,554,737
Cash and investments with fiscal agent	1,808,336	-	1,808,336
Accounts receivable	1,776,758	76,505	1,853,263
Interest receivable	64,540	62,900	127,440
Deposits	10,241	-	10,241
Due from Fiduciary Fund	157,386	-	157,386
Internal balances	(600,000)	600,000	-
Inventories	16,079	-	16,079
Total current assets	<u>28,064,117</u>	<u>12,463,365</u>	<u>40,527,482</u>
Noncurrent assets:			
Capital assets:			
Nondepreciable	4,363,920	1,614,217	5,978,137
Depreciable, net	<u>45,787,941</u>	<u>15,365,021</u>	<u>61,152,962</u>
Total capital assets, net	<u>50,151,861</u>	<u>16,979,238</u>	<u>67,131,099</u>
Total noncurrent assets	<u>50,151,861</u>	<u>16,979,238</u>	<u>67,131,099</u>
Total assets	<u>78,215,978</u>	<u>29,442,603</u>	<u>107,658,581</u>

City of Ridgecrest
Statement of Net Assets, Continued
June 30, 2009

	Primary Government		Total
	Governmental Activities	Business-Type Activities	
LIABILITIES			
Current liabilities:			
Accounts payable	454,973	51,454	506,427
Interest payable	140,769	-	140,769
Salaries payable	203,610	20,581	224,191
Other payroll deductions payable	171,824	-	171,824
Deposits payable	154,386	-	154,386
Unearned revenue	-	583,851	583,851
Compensated absences - due within one year	622,753	-	622,753
Long-term debt - due within one year	1,109,695	-	1,109,695
Total current liabilities	2,858,010	655,886	3,513,896
Long-term liabilities:			
Claims payable	495,619	-	495,619
Compensated absences - due in more than one year	1,406,389	-	1,406,389
Long-term debt - due in more than one year	16,365,248	-	16,365,248
Total long-term liabilities	18,267,256	-	18,267,256
Total liabilities	21,125,266	655,886	21,781,152
NET ASSETS			
Invested in capital assets, net of related debt	32,676,918	16,979,238	49,656,156
Restricted for:			
Special projects	14,318,322	-	14,318,322
Debt service	8,771,017	-	8,771,017
Capital projects	525,715	-	525,715
Total restricted	23,615,054	-	23,615,054
Unrestricted	798,741	11,807,479	12,606,220
Total net assets	\$ 57,090,713	\$ 28,786,717	\$ 85,877,430

See accompanying Notes to Basic Financial Statements.

City of Ridgecrest
Statement of Activities and Changes in Net Assets
For the fiscal year ended June 30, 2009

Functions/Programs	Expenses	Program Revenues			Total
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Primary government:					
Governmental activities:					
General government	\$ 639,444	\$ 196,411	\$ 103,691	\$ -	\$ 300,102
Public safety	7,706,699	371,973	173,626	-	545,599
Public works	2,056,584	-	-	-	-
Community development	3,412,566	147,325	-	-	147,325
Transportation	2,559,837	1,034	1,107,103	766,742	1,874,879
Health	92,882	-	-	-	-
Culture and leisure	2,428,923	484,910	-	-	484,910
Interest on long-term debt	927,854	-	-	-	-
Total governmental activities	19,824,789	1,201,653	1,384,420	766,742	3,352,815
Business-Type activities:					
TDA transit	789,718	247,294	-	-	247,294
Wastewater improvement	2,117,372	1,982,131	-	-	1,982,131
Total business-type activities	2,907,090	2,229,425	-	-	2,229,425
Total primary government	\$ 22,731,879	\$ 3,431,078	\$ 1,384,420	\$ 766,742	\$ 5,582,240

General revenues:

Taxes:

Property taxes

Sales taxes

Other taxes

Total taxes

Investment earnings

Miscellaneous

Transfers

Total general revenues and transfers

Change in net assets

Net assets - beginning of year

Net assets - end of year

Net (Expense) Revenue
and Changes in Net Assets

Governmental Activities	Business-Type Activities	Total
\$ (339,342)	\$ -	\$ (339,342)
(7,161,100)	-	(7,161,100)
(2,056,584)	-	(2,056,584)
(3,265,241)	-	(3,265,241)
(684,958)	-	(684,958)
(92,882)	-	(92,882)
(1,944,013)	-	(1,944,013)
(927,854)	-	(927,854)
(16,471,974)	-	(16,471,974)
-	(542,424)	(542,424)
-	(135,241)	(135,241)
-	(677,665)	(677,665)
(16,471,974)	(677,665)	(17,149,639)
9,915,676	-	9,915,676
3,297,900	-	3,297,900
2,960,971	776,431	3,737,402
16,174,547	776,431	16,950,978
99,550	349,595	449,145
1,180,496	12,227	1,192,723
444,799	(444,799)	-
17,899,392	693,454	18,592,846
1,427,419	15,789	1,443,208
55,663,293	28,770,928	84,434,221
\$ 57,090,712	\$ 28,786,717	\$ 85,877,429

*City of Ridgecrest
Comprehensive Annual Financial Report
For the year ended June 30, 2009*

Fund Financial Statements

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



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Governmental Fund Financial Statements



City of Ridgecrest
Comprehensive Annual Financial Report
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GOVERNMENTAL FUND FINANCIAL STATEMENTS

Governmental Funds of the City are outlined below:

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

Ridgecrest Redevelopment Agency Fund - The Ridgecrest Redevelopment Agency (RRA) was established in 1986 and its purpose is to prepare and carry out plans for improvement, rehabilitation and redevelopment of the blighted areas within the City of Ridgecrest.

Capital Improvement Capital Projects Fund - Funds set aside for Capital Improvement Projects.

City Debt Service Fund - Funds set aside for City debt service requirements.

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, 2009**

	Major Funds					Total Governmental Funds
	General Fund	Ridgecrest Redevelopment Agency	Capital Improvements Capital Projects Fund	City Debt Service Fund	Other Governmental Funds	
ASSETS						
Cash and investments	\$ 1,372,233	\$ 18,597,988	\$ 129,766	\$ -	\$ 3,136,754	\$ 23,236,741
Cash and investments with fiscal agent	-	1,056,478	-	751,858	-	1,808,336
Accounts receivable	622,446	843,488	-	-	310,473	1,776,407
Interest receivable	5,247	30,565	599	-	16,594	53,005
Due from Fiduciary Fund	157,386	-	-	-	-	157,386
Due from other funds	52,823	-	-	-	-	52,823
Deposits	-	-	-	-	10,241	10,241
Advances to other funds	-	-	-	8,019,159	-	8,019,159
Total assets	\$ 2,210,135	\$ 20,528,519	\$ 130,365	\$ 8,771,017	\$ 3,474,062	\$ 35,114,098
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable	\$ 146,501	\$ 27,093	\$ 15,765	\$ -	\$ 109,862	\$ 299,221
Salaries payable	141,612	6,083	-	-	18,622	166,317
Other payroll deductions payable	171,824	-	-	-	-	171,824
Due to other funds	-	-	-	-	52,823	52,823
Deposits payable	88,819	2,500	63,067	-	-	154,386
Deferred revenue	92,160	322,401	-	-	-	414,561
Advances from other funds	-	8,619,159	-	-	-	8,619,159
Total liabilities	640,916	8,977,236	78,832	-	181,307	9,878,291
Fund Balances:						
Reserved for:						
Encumbrances	665,322	19,002	-	-	441,428	1,125,752
Capital projects	-	1,296,697	51,533	-	-	1,348,230
Debt service	-	578,895	-	751,858	-	1,330,753
Advances to other funds	-	-	-	8,019,159	-	8,019,159
Total reserved	665,322	1,894,594	51,533	8,771,017	441,428	11,823,894
Unreserved, designated for:						
General fund	903,897	-	-	-	-	903,897
Special revenue	-	-	-	-	-	-
RRA land sale proceeds	-	1,516,953	-	-	-	1,516,953
Kern County projects	-	818,247	-	-	-	818,247
Total unreserved, designated	903,897	2,335,200	-	-	-	3,239,097
Unreserved, undesignated:						
General fund	-	-	-	-	-	-
Special revenue	-	4,323,014	-	-	2,851,327	7,174,341
Debt service	-	2,478,251	-	-	-	2,478,251
Capital projects	-	520,223	-	-	-	520,223
Total unreserved, undesignated	-	7,321,488	-	-	2,851,327	10,172,815
Total fund balances	1,569,219	11,551,282	51,533	8,771,017	3,292,755	25,235,806
Total liabilities and fund balances	\$ 2,210,135	\$ 20,528,518	\$ 130,365	\$ 8,771,017	\$ 3,474,062	\$ 35,114,097

See accompanying Notes to Basic Financial Statements.

City of Ridgecrest
Reconciliation of the Governmental Funds Balance Sheet
to the Government-Wide Statement of Net Assets
June 30, 2009

Total Fund Balances - Total Governmental Funds \$ 25,235,806

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

Capital assets used in governmental activities were not financial resources and therefore were not reported in governmental funds.

Amount reported in Government-Wide Statement of Net Assets	50,151,861
Less: amount reported in Internal Service Funds	(417,686)
	49,734,175

Long-term liabilities were not due and payable in the current period and therefore were not reported in the governmental funds.

Compensated absences - due within one year	(622,753)
Compensated absences - due in more than one year	(1,406,389)
Long-term debt - due within one year	(1,109,695)
Long-term debt - due in more than one year	(16,365,248)
	(19,504,085)

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.

(140,769)

Deferred revenues recorded in governmental fund financial statements resulting from activities in which revenues were earned but funds were not available were recognized as revenues in the Government-Wide Financial Statements.

414,561

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.

1,351,023

Net Assets of Governmental Activities **\$ 57,090,712**

City of Ridgecrest
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the year ended June 30, 2009

	Major Funds					
	General Fund	Ridgecrest Redevelopment Agency	Capital		Other Governmental Funds	Total Governmental Funds
			Improvements Capital Projects Fund	City Debt Service Fund		
REVENUES:						
Taxes	\$ 8,086,571	\$ 7,697,181	\$ -	\$ -	\$ 439,713	\$ 16,223,465
Intergovernmental	221,452	244,516	766,742	-	878,412	2,111,122
License and permits	304,993	-	-	-	185,571	490,564
Fines and forfeitures	110,785	-	-	-	-	110,785
Use of property and money	122,316	204,937	9,087	3,502	82,568	422,410
Charges for services	655,586	-	957	-	-	656,543
Other revenues	38,607	797,820	-	-	13,634	850,061
Total revenues	9,540,310	8,944,454	776,786	3,502	1,599,898	20,864,950
EXPENDITURES:						
Current:						
General government	980,782	-	-	-	111,733	1,092,515
Public safety	7,028,730	-	-	-	219,640	7,248,370
Public works	-	-	841,897	-	1,214,687	2,056,584
Community development	1,087,730	1,334,575	-	-	120,906	2,543,211
Health	-	-	-	-	52,386	52,386
Culture and leisure	2,184,997	-	-	-	-	2,184,997
Debt service:						
Principal	-	585,000	-	480,747	-	1,065,747
Interest	-	495,113	-	437,655	-	932,768
Total expenditures	11,282,239	2,414,688	841,897	918,402	1,719,352	17,176,578
REVENUES OVER (UNDER) EXPENDITURES	(1,741,929)	6,529,766	(65,111)	(914,900)	(119,454)	3,688,372
OTHER FINANCING SOURCES (USES):						
Transfers in	3,037,159	4,782,369	41,445	550,523	1,694,239	10,105,735
Transfers out	(1,315,666)	(6,145,373)	-	-	(1,245,219)	(8,706,258)
Total other financing sources (uses)	1,721,493	(1,363,004)	41,445	550,523	449,020	1,399,477
Net change in fund balances	(20,436)	5,166,762	(23,666)	(364,377)	329,566	5,087,849
FUND BALANCES:						
Beginning of year	1,589,655	6,384,520	75,199	9,135,394	2,963,189	20,147,957
End of year	\$ 1,569,219	\$ 11,551,282	\$ 51,533	\$ 8,771,017	\$ 3,292,755	\$ 25,235,806

See accompanying Notes to Basic Financial Statements.

City of Ridgecrest

Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balance to the Government-Wide Statement of Activities and Changes in Net Assets For the year ended June 30, 2009

Net Change in Fund Balances - Total Governmental Funds	\$ 5,087,849
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Amounts reported for governmental activities in the Statement of Activities are different because:

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 and Changes in Net Assets, 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.	1,013,549
Depreciation expense on capital assets was reported in the Government-Wide Statement of Activities and Changes in Net Assets, but it did not require the use of current financial resources. Therefore, depreciation expense was not reported as expenditures in governmental funds (Net of \$95,725 reported in Internal Service Funds).	(3,639,015)
The net effect of various miscellaneous transactions involving capital assets (i.e. sales, trade-ins, and donations) was to decrease net assets.	(143,374)
Long-term compensated absences were reported in the Government-Wide Statement of Activities and Changes in Net Assets, but they did not require the use of current financial resources. Therefore, long-term compensated absences were not reported as expenditures in governmental funds.	(110,571)
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Government-Wide Statement of Net Assets.	
Principal payment on debt service	1,065,747
Interest expense on long-term debt was reported in the Government-Wide Statement of Activities and Changes in Net Assets, but they 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 prior year.	4,915
Revenues in the statement of activities that did not provide current financial resources were not reported as revenues in the funds.	(156,788)
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.	(1,694,893)
Change in Net Assets of Governmental Activities	<u><u>\$ 1,427,419</u></u>

See accompanying Notes to Basic Financial Statements.

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Comprehensive Annual Financial Report
For the year ended June 30, 2009

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City of Ridgecrest
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Proprietary Fund Financial Statements



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PROPRIETARY FUND FINANCIAL STATEMENTS

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

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

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

City of Ridgecrest
Statement of Net Assets
Proprietary Funds
June 30, 2009

	Major Funds			Governmental
	T.D.A.	Wastewater	Total	Activities -
	Transit	Improvement		Internal Service
				Funds
ASSETS				
Current assets:				
Cash and investments	\$ 576,849	\$ 11,147,111	\$ 11,723,960	\$ 1,594,036
Accounts receivable	39,952	36,553	76,505	351
Interest receivable	3,109	59,791	62,900	11,535
Due from other funds	-	-	-	119,124
Total current assets	619,910	11,243,455	11,863,365	1,725,046
Noncurrent assets:				
Inventories	-	-	-	16,079
Advances to other funds	-	600,000	600,000	-
Capital assets:				
Non-depreciable:				
Land	-	1,614,217	1,614,217	-
Depreciable:				
Buildings and improvements	-	2,747,841	2,747,841	-
Machinery and equipment	451,700	2,556,890	3,008,590	578,215
Infrastructure	-	18,877,601	18,877,601	-
Less accumulated depreciation	(259,392)	(9,009,619)	(9,269,011)	(160,529)
Total capital assets:	192,308	16,786,930	16,979,238	417,686
Total noncurrent assets	192,308	17,386,930	17,579,238	433,765
Total assets	812,218	28,630,385	29,442,603	2,158,811
LIABILITIES				
Current liabilities:				
Accounts payable	18,306	33,148	51,454	155,752
Salaries payable	9,223	11,358	20,581	37,293
Due to other funds	-	-	-	119,124
Unearned revenue	583,851	-	583,851	-
Total current liabilities	611,380	44,506	655,886	312,169
Noncurrent liabilities:				
Claims payable	-	-	-	495,619
Total noncurrent liabilities	-	-	-	495,619
Total liabilities	611,380	44,506	655,886	807,788
NET ASSETS				
Invested in capital assets	192,308	16,786,930	16,979,238	417,686
Unrestricted	8,530	11,798,949	11,807,479	933,337
Total net assets	\$ 200,838	\$ 28,585,879	\$ 28,786,717	\$ 1,351,023

See accompanying Notes to Basic Financial Statements.

City of Ridgecrest
Statement of Revenues, Expenses and Changes in Net Assets
Proprietary Funds
For the year ended June 30, 2009

	Major Funds			Governmental
	T.D.A.	Wastewater	Total	Activities -
	Transit	Improvement		Internal Service
			Funds	
OPERATING REVENUES:				
Charges for services	\$ 247,294	\$ 1,982,131	\$ 2,229,425	\$ 2,966,026
Other revenue	-	12,227	12,227	247,837
Total operating revenues	247,294	1,994,358	2,241,652	3,213,863
OPERATING EXPENSES:				
Public works	753,702	-	753,702	-
Health	-	1,685,135	1,685,135	-
Administration	-	-	-	3,921,375
Public safety	-	-	-	36,224
Depreciation	36,016	432,237	468,253	95,725
Total operating expenses	789,718	2,117,372	2,907,090	4,053,324
OPERATING INCOME (LOSS)	(542,424)	(123,014)	(665,438)	(839,461)
NONOPERATING REVENUES (EXPENSES):				
Taxes	776,431	-	776,431	-
Intergovernmental	-	-	-	20,502
Use of money and property	16,107	333,488	349,595	78,744
Total nonoperating revenues	792,538	333,488	1,126,026	99,246
INCOME (LOSS) BEFORE TRANSFERS	250,114	210,474	460,588	(740,215)
TRANSFERS:				
Transfers in	-	-	-	804,134
Transfers out	(171,763)	(273,036)	(444,799)	(1,758,812)
Total transfers	(171,763)	(273,036)	(444,799)	(954,678)
Change in net assets	78,351	(62,562)	15,789	(1,694,893)
NET ASSETS:				
Beginning of year	122,487	28,648,441	28,770,928	3,045,916
End of year	\$ 200,838	\$ 28,585,879	\$ 28,786,717	\$ 1,351,023

See accompanying Notes to Basic Financial Statements.

City of Ridgecrest
Statement of Cash Flows
Proprietary Funds
For the year ended June 30, 2009

	Major Funds			Governmental Activities - Internal Service Funds
	T.D.A. Transit	Wastewater Improvement	Total	
CASH FLOWS FROM OPERATING ACTIVITIES:				
Cash received from customers and users	\$ 265,759	\$ 2,042,832	\$ 2,308,591	\$ 2,965,675
Payments to suppliers or employees for goods and services	(738,939)	(1,684,677)	(2,423,616)	(3,696,559)
Insurance premiums and settlements	-	-	-	(95,092)
Others	-	12,227	12,227	247,837
Net cash provided (used) by operating activities	(473,180)	370,382	(102,798)	(578,139)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Advances to other funds	-	200,000	200,000	-
Taxes	776,431	-	776,431	-
Intergovernmental	-	-	-	20,502
Transfers in	-	-	-	804,134
Transfers out	(171,763)	(273,036)	(444,799)	(1,758,812)
Net cash provided (used) by noncapital financing activities	604,668	(73,036)	531,632	(934,176)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Acquisition of capital assets	(103,924)	(83,942)	(187,866)	(153,934)
Net cash provided (used) by capital and related financing activities	(103,924)	(83,942)	(187,866)	(153,934)
CASH FLOWS FROM INVESTING ACTIVITIES:				
Investment income	17,801	370,514	388,315	101,221
Net cash provided (used) by investing activities	17,801	370,514	388,315	101,221
Net increase (decrease) in cash and cash equivalents	45,365	583,918	629,283	(1,565,028)
CASH AND INVESTMENTS:				
Beginning of year	531,484	10,563,193	11,094,677	3,159,064
End of year	\$ 576,849	\$ 11,147,111	\$ 11,723,960	\$ 1,594,036

See accompanying Notes to Basic Financial Statements.

City of Ridgecrest
Statement of Cash Flows, Continued
Proprietary Funds
For the year ended June 30, 2009

	Major Funds		Total	Governmental
	T.D.A. Transit	Wastewater Improvement		Activities - Internal Service Funds
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES:				
Operating income (loss)	\$ (542,424)	\$ (123,014)	\$ (665,438)	\$ (839,461)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation	36,016	432,237	468,253	95,725
Changes in current assets and liabilities:				
Accounts receivable	(1,574)	60,701	59,127	(351)
Due from other funds	-	-	-	(119,124)
Inventories	-	-	-	1,459
Accounts payable	15,459	(280)	15,179	10,117
Salaries payable	(696)	738	42	8,722
Due to other funds	-	-	-	119,124
Claims payable	-	-	-	145,650
Unearned revenue	20,039	-	20,039	-
Total adjustments	69,244	493,396	562,640	261,322
Net cash provided (used) by operating activities	\$ (473,180)	\$ 370,382	\$ (102,798)	\$ (578,139)

City of Ridgecrest
Comprehensive Annual Financial Report
For the year ended June 30, 2009

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*City of Ridgecrest
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Fiduciary Fund Financial Statements



City of Ridgecrest
Comprehensive Annual Financial Report
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FIDUCIARY FUND FINANCIAL STATEMENTS

Private Purpose Trust Funds

To account for donations received and held by the City of Ridgecrest as an agent for individuals, developers, private organizations and other governmental agencies.

Agency Funds

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

City of Ridgecrest
Statement of Fiduciary Net Assets
Fiduciary Funds
June 30, 2009

	Private Purpose Trust Funds	Agency Fund
ASSETS		
Cash and investments	\$ 1,887	\$ 808,458
Interest receivable	1	2,186
Total assets	1,888	\$ 810,644
LIABILITIES AND NET ASSETS		
Liabilities:		
Accounts payable	1,791	\$ 67,345
Advance payable	-	157,386
Due to bondholders	-	585,913
Total liabilities	1,791	\$ 810,644
Net Assets:		
Held in trust for Parks & Recreation and Senior Center	97	
Total net assets	\$ 97	

See accompanying Notes to Basic Financial Statements.

City of Ridgecrest
Statement of Changes in Fiduciary Net Assets
Fiduciary Funds
For the year ended June 30, 2009

	<u>Private Purpose Trust Funds</u>
ADDITIONS:	
Use of property and money	\$ 62
Other revenues	<u>9,967</u>
Total additions	<u>10,029</u>
DEDUCTIONS:	
General government	<u>13,966</u>
Total deductions	<u>13,966</u>
Change in net assets	(3,937)
NET ASSETS:	
Beginning of year	<u>4,034</u>
End of year	<u>\$ 97</u>

See accompanying Notes to Basic Financial Statements.

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Comprehensive Annual Financial Report
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*City of Ridgecrest
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For the year ended June 30, 2009*

Notes to Basic Financial Statements



City of Ridgecrest
Notes to Basic Financial Statements
For the year ended June 30, 2009

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of the City of Ridgecrest, California (City), have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental agencies. The Governmental Accounting Standards Boards (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the City's accounting policies are described below.

A. Financial Reporting Entity

The financial reporting entity consists of (a) the primary government, the City of Ridgecrest (City), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the primary government is not accountable, but for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. In addition, component units can be other organizations for which the primary government's exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

B. Basis of Accounting and Measurement Focus

Using the blended method, the following component unit is included in the accompanying basic financial statements of the City:

Redevelopment Agency of the City of Ridgecrest (Agency) - The Agency's purpose is to prepare and carry out plans for the improvement, rehabilitation and redevelopment of blighted areas within the territorial limits of the City.

The above component unit is included in the City's basic financial statements using the blended method since the governing body of the component unit is substantially the same as the governing body of the City and the component unit provided services entirely to the City. The activities of the Agency are included in the special revenue, debt service, and capital project funds.

Detailed financial statements are available for the above component unit from the City's Finance Department.

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 Basic Financial Statements, Continued
For the year ended June 30, 2009

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 Assets and a Statement of Activities and Changes in Net Assets. These statements present summaries of Governmental and Business-Type Activities for the City, the primary government, accompanied by a total column. Fiduciary activities of the City are not included in these statements.

The Government-Wide 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 and related infrastructure assets and long-term liabilities, are included in the accompanying Statement of Net Assets. The Statement of Activities presents changes in net assets. 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 as prescribed by GASB Statement No. 34 in regards to interfund activities, payables and receivables. All internal balances in the Statement of Net Assets 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

The City applies all applicable GASB pronouncements (including all NCGA Statements and Interpretations currently in effect) as well as the following pronouncements issued on or before November 30, 1989, to the business-type activities, unless those pronouncements conflict with or contradict GASB pronouncements: Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board (APB) Opinions, and Accounting Research Bulletins (ARB) of the committee on Accounting Procedure. The City applies all applicable FASB Statements and Interpretations issued after November 30, 1989, except those that conflict with or contradict GASB pronouncements.

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 assets as presented in these statements to the net assets presented in the government-wide financial statements. The City has presented all major funds that met the applicable criteria.

City of Ridgecrest
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2009

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

B. Basis of Accounting and Measurement Focus, Continued

Governmental Fund Financial Statements, Continued

All governmental funds are accounted for on a spending or “*current financial resources*” measurement focus and the modified accrual basis of accounting. Accordingly, only current assets and current liabilities are included on the Balance 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 net current assets. 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.

Revenues are recorded when received in cash, except those revenues subject to accrual (generally 60 days after year-end) are recognized when due. 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.

Deferred revenues arise when potential revenues do not meet both the “measurable” and “available” criteria for recognition in the current period. Deferred revenues also arise when the government receives resources before it has a legal claim to them, as when grant monies are received prior to incurring qualifying expenditures. In subsequent periods when both revenue recognition criteria are met or when the government has a legal claim to the resources, the deferred revenue is removed from the balance sheet and revenue is recognized.

The Reconciliation of the Fund Financial Statements to the Government-Wide Financial Statements is provided to explain the differences created by the integrated approach of GASB Statement No. 34.

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. In Ridgecrest, these services include general government, safety, community development, culture and recreation and public works.

Ridgecrest Redevelopment Agency Fund - The Ridgecrest Redevelopment Agency (RRA) was established in 1986 and its purpose is to prepare and carry out plans for improvement, rehabilitation and redevelopment of the blighted areas within the City of Ridgecrest.

Capital Improvement Capital Projects Fund - Funds set aside for Capital Improvement Projects.

City Debt Service Fund - Funds set aside for City debt service requirements.

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

City of Ridgecrest
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2009

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

B. Basis of Accounting and Measurement Focus, Continued

Proprietary Fund Financial Statements

Proprietary fund financial statements include a Statement of Net Assets, a Statement of Revenues, Expenses and Change in Net Assets, and a Statement of Cash Flows for all proprietary funds.

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

Proprietary funds are accounted for using the “*economic resources*” measurement focus and the accrual basis of accounting. Accordingly, all assets and liabilities (whether current or noncurrent) are included on the Statement of Net Assets. The Statement of Revenues, Expenses and Changes in Net Assets presents increases (revenues) and decreases (expenses) in total net assets. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred.

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

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 seven internal service funds. Administration/Finance Overhead Fund is used to account for the cost of the citywide central service function and the cost related to financial services provided to other departments. 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. Information System Fund is used to account for the cost associated with electronic data processing operations. This includes computer and network equipment maintenance and replacement as well as technical support services. Printing and Reproduction Fund is used to account for the cost related to the centralized copying, printing and reproduction of electronic data in paper form. 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. Building Maintenance Fund accounts for the cost of maintenance of the City’s Civic Center Buildings. Lastly, the Fleet Maintenance Fund is used to account for the cost of maintenance of the motor vehicles, heavy and light equipments and equipment replacements.

City of Ridgecrest
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2009

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

B. Basis of Accounting and Measurement Focus, Continued

Fiduciary Fund Financial Statements

Fiduciary fund financial statements include a Statement of Net Assets and a Statement of Changes in Fiduciary Net Assets. The City has two types of fiduciary funds. They are the private purpose trust funds and agency funds. The private purpose trust funds account for donations received and held by the City as an agent for individuals, developers, private organizations and other governmental agencies. The specific purposes for these donations are for parks and recreation and senior citizens related programs. The agency funds account for collections received from special assessment districts and their disbursement to bondholders. The agency fund is custodial in nature and does not involve measurement of results of operations. Spending of agency fund resources is controlled primarily through legal agreements and applicable State and Federal laws. Agency funds are reported using the accrual basis of accounting.

C. Use of Restricted and Unrestricted Net Assets

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

D. Encumbrances

Under encumbrance accounting, purchase orders, contracts and other commitments for expenditures are recorded to reserve that portion of the applicable appropriation. Encumbrance accounting is employed as an extension of formal budgetary accounting. Since encumbrances do not yet constitute expenditures or liabilities, encumbrances outstanding at year end are reported as reservations of fund balances. Unexpended appropriations lapse at year end.

E. Cash, Cash Equivalents and Investment

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.

In accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, 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 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.

City of Ridgecrest
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2009

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

E. Cash, Cash Equivalents and Investment, Continued

In accordance with GASB Statement No. 40, *Deposit and Investment Disclosures (Amendment of GASB No. 3)*, certain disclosure requirements, if applicable, for Deposits and Investment Risks are specified for the following areas:

- Interest Rate Risk
- Credit Risk
 - Overall
 - Custodial Credit Risk
 - Concentrations of Credit Risk
- Foreign Currency Risk

In addition, other disclosures are specified, including use of certain methods to present deposits and investments, highly sensitive investments, credit quality at year-end and other disclosures.

F. 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.

G. 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 fair market 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

In June 1999, the Governmental Accounting Standards Board (GASB) issued Statement No. 34 which requires the inclusion of infrastructure capital assets in local governments' basic financial statements. In accordance with GASB Statement No. 34, the City has included all infrastructures into the basic financial statements.

The City defines infrastructure as the basic physical assets that allow the City to function. The assets include streets, sewer, park lands, and buildings. 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.

City of Ridgecrest
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2009

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

G. Capital Assets, Continued

Interest accrued during capital assets construction, if any, is capitalized for the business-type and proprietary funds as part of the asset cost.

For all infrastructure systems, the City elected to use the Basic Approach as defined by GASB Statement No. 34 for infrastructure reporting. The City commissioned an appraisal of City owned infrastructure and property as of June 30, 2002. This appraisal determined the original cost, which is defined as the actual cost to acquire new property in accordance with market prices at the time of first construction/acquisition. Original costs were developed in one of three ways: (1) historical records; (2) standard unit costs appropriate for the construction/acquisition date; or (3) present cost indexed by a reciprocal factor of the price increase from the construction/acquisition date to the current date. The accumulated depreciation, defined as the total depreciation from the date of construction/acquisition to the current date on a straight line, unrecovered cost method was computed using industry accepted life expectancies for each infrastructure subsystem. The book value was then computed by deducting the accumulated depreciation from the original cost.

H. Long-Term Liabilities

Government-Wide Financial Statements

Long-term debt and other financed 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 reported as deferred charges.

Fund Financial Statements

The fund financial statements do not present long-term debt but are shown in the Reconciliation of the Governmental Funds Balance Sheet to the Government-Wide Statement of Net Assets.

I. Net Assets

Government-Wide Financial Statements

Invested in Capital Assets, Net of Related Debt - This amount consists of capital assets net of accumulated depreciation and reduced by outstanding debt that attributed to the acquisition, construction, or improvement of the assets.

Restricted Net Assets - This amount is restricted by external creditors, grantors, contributors, or laws or regulations of other governments.

Unrestricted Net Assets - This amount is all net assets that do not meet the definition of "invested in capital assets, net of related debt" or "restricted net assets."

City of Ridgecrest
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2009

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

I. Net Assets, Continued

Fund Financial Statements

Fund Equity - Reservations of fund balances of governmental funds are created to either satisfy legal covenants, including State laws, that require a portion of the fund equity be segregated or identify the portion of the fund equity not available for future expenditures.

J. Compensated Absences

Government-Wide Financial Statements

For governmental activities, compensated absences are recorded as incurred and the related expenses and liabilities are reported.

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. 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.

K. 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 60 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.

L. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

City of Ridgecrest
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2009

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

M. Implementation of New GASB Pronouncements

In fiscal year 2009, the City adopted the following Governmental Accounting Standards Board Statements:

- GASB Statement No. 49, *Accounting and Financial Reporting for Pollution Remediation Obligations*
- GASB Statement No. 52, *Land and Other Real Estate Held as Investments by Endowment*
- GASB Statement No. 55, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*
- GASB Statement No. 56, *Codification of Accounting and Financial Reporting Guidance Contained in AICPA Statements on Auditing Standards*

GASB Statement No. 49 addresses accounting and financial reporting standards for pollution (including contamination) remediation obligations, which are obligations to address the current or potential detrimental effects of existing pollution by participating in pollution remediation activities such as site assessments and cleanups.

GASB Statement No. 52 improves the quality of financial reporting by requiring endowments to report their land and other real estate investments at fair value, creating consistency in reporting among similar entities that exist to invest resources for the purpose of generating income.

GASB Statement No. 55 incorporates the hierarchy of generally accepted accounting principles (GAAP) for state and local governments into the GASB's authoritative literature. It is intended to make it easier for preparers of state and local government financial statements to identify and apply the "GAAP hierarchy," which consists of sources of accounting principles used in the preparation of financial statements so that they are presented in conformity with GAAP and the framework for selecting those principles.

GASB Statement No. 56 incorporates accounting and financial reporting guidance previously only contained in the American Institute of Certified Public Accountants (AICPA) auditing literature into the GASB's accounting and financial reporting literature for state and local governments. The Statement No. 56 guidance addresses three issues from the AICPA's literature—related party transactions, going concern considerations, and subsequent events.

City of Ridgecrest
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2009

2. CASH AND INVESTMENTS

The following is a summary of pooled cash and investments and restricted cash and investments at June 30, 2009:

	Government-Wide Statement of Net Assets		Fiduciary Funds	Total
	Governmental Activities	Business-Type Activities	Statement of Net Assets	
Cash and investments	\$ 24,830,774	\$ 11,723,960	\$ 810,345	\$ 37,365,079
Cash and investments with fiscal agent	1,808,336	-	-	1,808,336
Total	\$ 26,639,110	\$ 11,723,960	\$ 810,345	\$ 39,173,415

The City maintains a cash and investment pool, which includes cash balances and authorized investments of all funds, which the City Treasurer invests to enhance interest earnings. The pooled interest earned is allocated to the funds based on average month-end cash and investment balances in these funds.

A. Cash Deposits

The carrying amounts of the City's cash deposits were \$3,519,680 at June 30, 2009. Bank balances before reconciling items were \$3,539,314 at that date. The total amount of which was collateralized or insured with securities held by the pledging financial institutions in the City's name is discussed below.

The California Government Code requires California banks and savings and loan associations to secure the City's cash deposits by pledging securities as collateral. The City's financial institution pledges identifiable U. S. Government securities to fully collateralize the City's deposits. These securities are owned by the Bank, and held in safekeeping by the bank's Trust Department. The bank's Trust Department submits a report to the State of California Local Agency Administrator on a weekly basis to comply in all respects, with all provisions of the Local Agency Deposit Security Law and Local Agency Deposit Security Regulations of the Government Code of the State of California. This report reflects the details of the Bank's total secured active & inactive local agency deposits and the total market value of the pooled bond collateral. Government Code requires approved depository banks to maintain the market value of the collateral pool in excess of 110% of the local agency balances. The Local Agency Administrator also monitors the eligibility of securities in the banks' collateral pools to ensure compliance to the California Government Code. California law also allows institutions to secure City deposits by pledging first trust deed mortgage notes that have a value of 150% of the City's total cash deposits. However, the City's bank excludes these types of instruments in their collateral pool. The City may waive collateral requirements for cash deposits which are fully insured up to \$250,000 by the Federal Deposit Insurance Corporation. The City, however, has not waived the collateralization requirements.

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.

City of Ridgecrest
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2009

2. CASH AND INVESTMENTS, Continued

B. Investments

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

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

The City has complied with the provisions of GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investments Pools*. 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.

C. External Investment Pool

The City's investments with Local Agency Investment Fund (LAIF) at June 30, 2009, include a portion of the pool funds invested in Structured Notes and Asset-Backed Securities. These investments include the following:

- ♦ Structured Notes - debt securities (other than asset-backed securities) whose cash flow characteristics (coupon rate, redemption amount, or stated maturity) depend upon one or more indices and/or that have embedded forwards or options.
- ♦ Asset-Backed Securities - the bulk of which are mortgage-backed securities, entitle their purchasers to receive a share of the cash flows from a pool of assets such as principal and interest repayments from a pool of mortgages (such as CMOs) or credit card receivables.

LAIF is overseen by the Local Agency Investment Advisory Board, which consists of five members, in accordance with State statute.

As of June 30, 2009, the City had \$33,843,499 invested in LAIF which had invested 14.71% of the pool investment funds in Medium-Term and Short-Term Structured Notes and Asset-Backed Securities.

City of Ridgecrest
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2009

2. CASH AND INVESTMENTS, Continued

D. Risk Disclosures

At June 30, 2009, the City had the following deposits and investments:

Interest Rate Risk

	Fair Value	1 year or less
Cash:		
Demand accounts	\$ 3,519,680	\$ 3,519,680
Petty cash	1,900	1,900
Investments:		
California Local Agency Investment Fund	33,843,499	33,843,499
Investment held by Fiscal Agents	1,808,336	1,808,336
Total	\$ 39,173,415	\$ 39,173,415

Interest Rate Risk is the risk that the market value of investments in the portfolio will fall due to changes in market interest rates. The City manages this risk by investing its operating funds primarily in shorter-term securities, money market mutual funds, or similar investment pools to ensure liquidity.

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.

	Credit Quality Ratings		Fair Value
	Moody's	Standard & Poor's	
Cash and Investments:			
California Local Agency Investment Fund	Not Rated		\$ 33,843,499
Investments held by Fiscal Agents	Not Rated		1,808,336
Total Cash and Investments			\$ 35,651,835

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.

City of Ridgecrest
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2009

3. INTERFUND TRANSACTIONS

A. Government-Wide Financial Statements

Internal Balances

At June 30, 2009, the City had the following interfund receivables and payables:

Internal Balances		Internal Balances
		Business-Type Activities
	Governmental Activities	\$ 600,000

Transfers

At June 30, 2009, the City had the following transfers:

Transfers In		Transfers Out
		Business-Type Activities
	Governmental Activities	\$ 444,799

All balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

Transfers were used to (1) move revenues from the funds that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) move receipts restricted to debt services from funds collecting the receipts to the debt service fund as debt service payments become due, and (3) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorization.

City of Ridgecrest
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2009

3. INTERFUND TRANSACTIONS, Continued

B. Fund Financial Statements

Due from and to other funds

At June 30, 2009, the City had the following short-term interfund receivables and payables:

		Due from other funds		
		General	Internal Service Funds	Total
Due to Other funds	Nonmajor governmental funds	\$ 52,823	\$ -	\$ 52,823
	Internal Service Funds	-	119,124	119,124
	Total	\$ 52,823	\$ 119,124	\$ 171,947

Advances to and from other funds

At June 30, 2009, the City had the following long-term interfund receivables and payables:

		Advances to other funds		
		City Debt Service Fund	Enterprise Fund Wastewater Improvement	Total
Advances from other funds	Ridgecrest Redevelopment Agency	\$ 8,019,159	\$ 600,000	\$ 8,619,159
	Total	\$ 8,019,159	\$ 600,000	\$ 8,619,159

On November 1, 2005, the City and the Agency have entered into a reimbursement agreement, pursuant to which the Agency has agreed to reimburse the City for all Lease payments. The Agency's reimbursement obligation is secured by a pledge of certain tax increment revenues arising in the Agency's Ridgecrest Redevelopment Project. Certain outstanding and future bonds of the Agency have or may have a claim on tax increment revenues that is senior to the Agency's reimbursement obligation under the Reimbursement Agreement. At June 30, 2009, the outstanding balance of the agreement was \$8,019,159.

On June 19, 2002, the Wastewater Improvement Enterprise Fund loaned the Ridgecrest Redevelopment Agency Fund in the amount of \$2,000,000 for the purpose of paying costs and expenses in connection with implementing the redevelopment plan. The loan is to be repaid over 10 years.

City of Ridgecrest
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2009

3. INTERFUND TRANSACTIONS, Continued

B. Fund Financial Statements, Continued

Advances to and from other funds, Continued

The annual requirements to amortize the note are as follows:

Year Ending	Principal	Interest	Total
June 30,			
2010	\$ 200,000	\$ 30,000	\$ 230,000
2011	200,000	20,000	220,000
2012	200,000	10,000	210,000
Total	\$ 600,000	\$ 60,000	\$ 660,000

Transfers

At June 30, 2009, the City had the following transfers:

		Transfers Out						
		Ridgecrest	Non-major	Enterprise Funds		Internal		
		General	Governmental	T.D.A.	Wastewater	Service Funds	Total	
		Fund	Funds	Transit	Improvement			
		Agency						
Transfers In	General Fund	\$ -	\$ 783,094	\$ 291,484	\$ 133,794	\$ 165,067	\$ 1,663,720	\$ 3,037,159
	Ridgecrest Redevelopment Agency	-	4,782,369	-	-	-	-	4,782,369
	Capital Projects Fund:							
	Capital Improvements	957	-	40,263	-	225	-	41,445
	City Debt Service Fund	160,237	390,286	-	-	-	-	550,523
	Non-major							
	Governmental Funds	673,299	99,271	860,769	-	60,900	-	1,694,239
	Internal Service Funds	481,173	90,353	52,703	37,969	46,844	95,092	804,134
	Total	\$ 1,315,666	\$ 6,145,373	\$ 1,245,219	\$ 171,763	\$ 273,036	\$ 1,758,812	\$ 10,909,869

All balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

Transfers were used to (1) move revenues from the funds that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) move receipts restricted to debt services from funds collecting the receipts to the debt service fund as debt service payments become due, and (3) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorization.

City of Ridgecrest
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2009

4. CAPITAL ASSETS

A. Government-Wide Financial Statements

The following is a summary of capital assets for governmental activities:

	Balance June 30, 2008	Additions	Deletions	Reclassification	Balance June 30, 2009
<i>Non-Depreciable Assets:</i>					
Land	\$ 3,619,467	\$ -	\$ (64,156)	\$ -	\$ 3,555,311
Construction in progress	1,394,351	664,279	(60,163)	(1,189,858)	808,609
Total non-depreciable assets	<u>5,013,818</u>	<u>664,279</u>	<u>(124,319)</u>	<u>(1,189,858)</u>	<u>4,363,920</u>
<i>Depreciable Assets:</i>					
Buildings and improvements	25,691,572	50,978	-	-	25,742,550
Machinery and equipment	4,764,418	452,225	(18,408)	-	5,198,235
Infrastructure	87,848,493	-	(18,095)	1,189,858	89,020,256
Total depreciable assets	<u>118,304,483</u>	<u>503,203</u>	<u>(36,503)</u>	<u>1,189,858</u>	<u>119,961,041</u>
<i>Less accumulated depreciation:</i>					
Buildings and improvements	(16,515,196)	(237,370)	-	-	(16,752,566)
Machinery and equipment	(3,578,980)	(376,167)	17,448	-	(3,937,699)
Infrastructure	(50,361,632)	(3,121,203)	-	-	(53,482,835)
Total accumulated depreciation	<u>(70,455,808)</u>	<u>(3,734,740)</u>	<u>17,448</u>	<u>-</u>	<u>(74,173,100)</u>
Total depreciable assets, net	<u>47,848,675</u>	<u>(3,231,537)</u>	<u>(19,055)</u>	<u>1,189,858</u>	<u>45,787,941</u>
Total governmental activities	<u><u>\$ 52,862,493</u></u>	<u><u>\$ (2,567,258)</u></u>	<u><u>\$ (143,374)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 50,151,861</u></u>

Governmental activities depreciation expenses for capital assets for the year ended June 30, 2009 are as follows:

General Government	\$ 138,884
Public Safety	124,182
Transportation	2,437,897
Community Development	787,945
Culture and Leisure	150,107
Internal Service Fund	95,725
Total depreciation expense	<u><u>\$ 3,734,740</u></u>

City of Ridgecrest
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2009

4. CAPITAL ASSETS, Continued

A. Government-Wide Financial Statements, Continued

The following is a summary of capital assets for business-type activities:

	Balance June 30, 2008	Additions	Deletions	Balance June 30, 2008
<i>Non-Depreciable Assets:</i>				
Land	\$ 1,614,217	\$ -	\$ -	\$ 1,614,217
Total non-depreciable assets	<u>1,614,217</u>	<u>-</u>	<u>-</u>	<u>1,614,217</u>
<i>Depreciable Assets:</i>				
Buildings and improvements	2,747,841	-	-	2,747,841
Machinery and equipment	957,018	187,866	-	1,144,884
Infrastructure	20,741,307	-	-	20,741,307
Total depreciable assets	<u>24,446,166</u>	<u>187,866</u>	<u>-</u>	<u>24,634,032</u>
<i>Less accumulated depreciation:</i>				
Buildings and improvements	(4,112,311)	(248,326)	-	(4,360,637)
Machinery and equipment	(1,963,889)	(85,979)	-	(2,049,868)
Infrastructure	(2,724,558)	(133,948)	-	(2,858,506)
Total accumulated depreciation	<u>(8,800,758)</u>	<u>(468,253)</u>	<u>-</u>	<u>(9,269,011)</u>
Total depreciable assets, net	<u>15,645,408</u>	<u>(280,387)</u>	<u>-</u>	<u>15,365,021</u>
Total business-type activities	<u>\$ 17,259,625</u>	<u>\$ (280,387)</u>	<u>\$ -</u>	<u>\$ 16,979,238</u>

Business-type activities depreciation expense for capital assets for the year ended June 30, 2009 is as follows:

T.D.A. Transit	\$ 36,016
Wastewater Improvement	<u>432,237</u>
Total depreciation expense	<u>\$ 468,253</u>

B. Fund Financial Statements

The fund financial statements do not present general government capital assets but are shown in the Reconciliation of the Governmental Funds Balance Sheet to the Government-Wide Statement of Net Assets.

City of Ridgecrest
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2009

5. LONG-TERM OBLIGATIONS

The following is a summary of long-term debt for the year ended June 30, 2009:

	Balance			Balance		
	June 30, 2008	Additions	Deletions	June 30, 2009	Due within one year	Due in more than one year
Long-Term Debt:						
1999 Refunding Tax Allocation Bonds	\$ 6,385,000	\$ -	\$ (205,000)	\$ 6,180,000	\$ 215,000	\$ 5,965,000
2002 Tax Allocation Refunding Bonds	2,105,000	-	(380,000)	1,725,000	400,000	1,325,000
2005 Refunding Certificates of Participation	9,190,000	-	(360,000)	8,830,000	370,000	8,460,000
Capital Lease Obligations	860,690	-	(120,747)	739,943	124,695	615,248
Total long-term debt	18,540,690	-	(1,065,747)	17,474,943	1,109,695	16,365,248
Compensated Absences	1,918,571	954,962	(844,391)	2,029,142	622,753	1,406,389
Total	\$ 20,459,261	\$ 954,962	\$ (1,910,138)	\$ 19,504,085	\$ 1,732,448	\$ 17,771,637

1999 Refunding Tax Allocation Bonds

The Agency issued its Ridgecrest Redevelopment Project 1999 Refunding Tax Allocation Bonds to provide funds to refund the 1990 and 1991 Tax Allocation Bonds of the Agency, to fund a debt service reserve account and to pay the costs of issuing the bonds.

The Agency has pledged a portion of future property tax revenue to repay the 1999 Refunding Tax Allocation Bonds. Annual debt service payments of the bonds require approximately 12% of the Agency's property tax increments. Total principal and interest remaining on the bond is \$10,192,189 payable through 2026.

The annual debt service requirements are as follows:

Year Ending	Principal	Interest	Total
June 30,			
2010	\$ 215,000	\$ 382,435	\$ 597,435
2011	230,000	370,288	600,288
2012	245,000	356,488	601,488
2013	260,000	341,788	601,788
2014	275,000	326,188	601,188
2015-2019	1,640,000	1,355,626	2,995,626
2020-2024	2,220,000	775,626	2,995,626
2025-2026	1,095,000	103,750	1,198,750
Total	\$ 6,180,000	\$ 4,012,189	\$ 10,192,189

City of Ridgecrest
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2009

5. LONG-TERM OBLIGATIONS, Continued

2002 Tax Allocation Refunding Bonds

Proceeds from the \$4,475,000 Tax Allocation Refunding were issued to refund the 1993 Tax Allocation Refunding Bonds. The present value amount saved due to this refunding is \$153,489. The new bonds issued are due in annual installments ranging from \$310,000 to \$465,000 through June 30, 2013. Interest ranges from 2% to 5% and is paid semi-annually.

The Agency has pledged a portion of future property tax revenue to repay the 2002 Tax Allocation Refunding Bonds. Annual debt service payments of the bonds require approximately 10% of the Agency's property tax increments. Total principal and interest remaining on the bond is \$1,942,900, payable through 2013.

The annual debt service requirements are as follows:

Year Ending	Principal	Interest	Total
June 30,			
2010	\$ 400,000	\$ 84,200	\$ 484,200
2011	420,000	65,200	485,200
2012	440,000	45,250	485,250
2013	465,000	23,250	488,250
Total	\$ 1,725,000	\$ 217,900	\$ 1,942,900

2005 Refunding Certificates of Participation

On November 22, 2005, the City issued Refunding Certificates of Participation in the amount of \$10,275,000. The purpose of the bonds was to refund the City's 1999 Refunding Certificates of Participation. The bonds accrue interest rates between 3.00% and 4.50%. Interest on the bonds is payable semiannually on each September 1 and March 1, commencing March 1, 2006. Principal is payable in annual installments ranging from \$335,000 to \$710,000, commencing March 1, 2006 through March 1, 2026.

The City has covenanted in the Lease Agreement to include the Lease Payments required by the Lease Agreement in each of its budgets and to make the necessary annual appropriations for all such Lease Payments. The Lease Payments, however, are subject to abatement under certain circumstances. In addition, the City and the Agency have entered into a Reimbursement Agreement dated as of November 1, 2005, pursuant to which the Agency has agreed to reimburse the City for all Lease payments. The Agency's reimbursement obligation is secured by a pledge of certain tax increment revenues arising in the Agency's Ridgecrest Redevelopment Project. Certain outstanding and future bonds of the Agency have or may have a claim on tax increment revenues that is senior to the Agency's reimbursement obligation under the Reimbursement Agreement.

City of Ridgecrest
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2009

5. LONG-TERM OBLIGATIONS, Continued

2005 Refunding Certificates of Participation, Continued

The annual debt service requirements are as follows:

Year Ending June 30,	Principal	Interest	Total
2010	\$ 370,000	\$ 378,766	\$ 748,766
2011	380,000	366,556	746,556
2012	395,000	353,256	748,256
2013	410,000	339,036	749,036
2014	430,000	318,536	748,536
2015-2019	2,440,000	1,295,592	3,735,592
2020-2024	3,010,000	727,834	3,737,834
2025-2026	1,395,000	94,726	1,489,726
Total	\$ 8,830,000	\$ 3,874,302	\$ 12,704,302

At fiscal year end, \$8,664,592 was the balance of the escrow account where bonds proceeds from the sale was deposited. These will cover the debt service payments of the 1999 COP bonds as they mature.

Capital Lease Obligations

The City entered into various lease agreements for copiers and equipment during the fiscal years ended June 30, 1996, 2003, 2005 and 2006. The leases have been classified as capital lease obligations. The copiers are for the Finance Department and Police Department. The equipment was acquired for the City Hall and the Senior Center. The gross amount of assets acquired under capital leases is \$1,308,932. The debt requirements due under the terms of all the leases are as follows:

For Years Ending June 30,	
2010	\$ 162,829
2011	162,829
2012	162,829
2013	139,881
2014	117,060
2015	117,060
Total Minimum lease Payments	862,488
Less amount representing interest	(122,545)
Present value of lease payments	\$ 739,943

Compensated Absences

Compensated absences at June 30, 2009, amounted to \$2,092,142. Typically, the Self-Insurance Fund (Internal Service Fund) has been used to liquidate the liability for compensated absences. There is no fixed payment schedule for compensated absences.

City of Ridgecrest
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2009

6. RISK MANAGEMENT

Fiscal Year 2008 was the last year the City remained a member of the PARSAC (Public Agency Risk Sharing Authority of California). The PARSAC is comprised of 35 California member cities and is organized under a Joint Powers Agreement pursuant to the California Government Code. The purpose of the PARSAC is to arrange and administer programs of insurance for the pooling of self-insured losses and to purchase excess insurance coverage.

The City withdrew its membership from PARSAC starting July 1, 2009. Its general liability insurance and workers' compensation insurance are now both covered thru CSAC.

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 \$495,619 reported at June 30, 2009 were based on the requirements of Governmental Accounting Standards Board Statement No. 10, which required that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it was probable that a liability had been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. During the past three fiscal (claims) years none of the above programs of protection have had settlements or judgments that exceeded pooled or insured coverage. There have been no significant reductions in pooled or insured liability coverage in the prior year.

Changes in the claims liability amounts were as follows:

	Beginning of Fiscal Year Liability	Current Year Claims and Changes in Estimates	Claim Payments	Balance at Fiscal Year End
2006-2007	\$ 532,043	\$ 71,267	\$ (121,072)	\$ 482,238
2007-2008	482,238	(13,999)	(118,270)	349,969
2008-2009	349,969	240,742	(95,092)	495,619

City of Ridgecrest
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2009

6. RISK MANAGEMENT, Continued

Workers' Compensation, Continued

The latest financial information of the CSAC Excess Insurance Authority for fiscal year ended June 30, 2009, is as follows:

Total assets	\$ 589,482,912
Total liabilities	\$ 443,689,539
Total equities	\$ 145,793,373
Total revenues	\$ 403,523,680
Total expenses	\$ 395,441,125
Expenses over revenues	\$ (8,082,555)

7. PUBLIC EMPLOYEE RETIREMENT SYSTEM

Plan Description

The City contributes to the California Public Employees Retirement System (PERS), an agent multiple-employer public employee defined benefit pension plan. PERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. PERS 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 PERS' annual financial report may be obtained from their Executive Office located at 400 P Street, Sacramento, California 95814.

Funding Policy

City employees are required by State statute to contribute 8% for miscellaneous employees and 9% for safety employees of their annual covered salary. The City employer makes the contributions required of City employees on their behalf and for their account which amounted to \$556,248 for the year ended June 30, 2009. The City employer is required to contribute for fiscal year 2008-2009 at an actuarially determined rate; the current rate is 13.283% for miscellaneous employees and 19.691% for safety employees of annual covered payroll. The contribution requirements of City employees and the City employer are established and may be amended by PERS.

Annual Pension Cost

For fiscal year ended June 30, 2009, the City's annual pension cost of \$1,053,261 for PERS was equal to the City's required and actual contributions. The required contribution was determined as part of the June 30, 2007, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions included (a) 7.75% investment rate of return (net of administrative expenses), (b) projected annual salary increases range from 3.25% to 14.45% depending on age, service, and type of employment, and (c) 2% per year cost-of-living adjustments. Both (a) and (b) included an inflation component of 3.00%. The actuarial value of PERS assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a fifteen year period. PERS unfunded actuarial accrued liability (or surplus) is being amortized as a level percentage of projected payroll on a closed basis. The amortization period at June 30, 2007 was 16 years for prior and current service unfunded liability.

City of Ridgecrest
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2009

7. PUBLIC EMPLOYEE RETIREMENT SYSTEM, Continued

THREE-YEAR TREND INFORMATION FOR PERS

Fiscal Year	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/2007	\$ 724,412	100%	\$ -
6/30/2008	984,937	100%	-
6/30/2009	1,053,261	100%	-

Funded Status of Plan – Miscellaneous and Safety Employees –

As of the actuarial valuation date of June 30, 2008, the City’s miscellaneous and safety plans was part of a CalPERS Risk Pool for employers with less than 100 active plan members. As part of a cost-sharing multiple-employer defined benefit plan, disclosure of the schedule of funding progress is not required.

8. OTHER POST EMPLOYMENT BENEFITS

Plan Description

The City provides \$100 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. Employees retiring on or after March 17, 2005 who are members of the Police Employees Association of Ridgecrest ("PEAR") are also eligible for a reimbursement of up to \$100 per month for non-CalPERS health coverage. For calendar year 2009, the required employer contributions under the CalPERS Health plan is \$101. CalPERS adjusts this amount annually based on inflation index.

Funding Policy

The City has entered into an agreement with CalPERS to prefund its other post employment benefits thru California Employer’s Retiree Benefit Trust (CERBT) program. The City is funding at least 100% of the annual required contribution as calculated in the actuarial valuation prepared in accordance with GASB Statement No. 45.

City of Ridgecrest
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2009

8. OTHER POST EMPLOYMENT BENEFITS, Continued

Annual OPEB Cost

For fiscal year ended June 30, 2009, the City's annual OPEB cost was \$87,208. The City's annual required contribution (ARC) was \$77,000 and was deposited in to the trust account and the balance of the amount was used to pay for the actual retirees' benefit cost for the fiscal year. The ARC was determined as part of the July 1, 2008, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions included (a) 7.75% investment rate of return (net of administrative expenses), (b) projected annual salary increases range of 3.25%, (c) CalPERS Assumption Model was used in determining the factor for pre-retirement turnover, pre-retirement mortality, post-retirement mortality and retirement age. It is assumed that 50% of the active employees will elect to enroll in the City's health benefit program upon retirement and 20% of them will elect coverage for their spouse. However, it is not assumed that future PEAR retirees will elect \$100 reimbursement benefit over the CalPERS Health Benefit. The City's \$100 monthly benefit is not assumed to increase in future years. On the other hand, the CalPERS minimum required employer contribution is assumed to increase by 5% to 5.50% each year.

Below is the summary of the City's OPEB cost and net OPEB obligation:

	Annual OPEB Cost (ARC)	Actual Contributions	Percentage Contribution	Increase in Net OPEB Asset	Net OPEB Asset
2007-2008	\$ 77,000	\$ 88,916	115%	\$ 11,916	\$ 11,916
2008-2009	77,000	87,208	113%	10,208	22,124

Most Recent Actuarial Valuation

A schedule of funding progress for the year ended June 30, 2009 is presented below:

Actuarial Valuation Date	Actuarial Asset Value	Entry Age Actuarial Accrued Liability	Overfunded (Unfunded) Actuarial (Unfunded) Actuarial Liability as Percentage of Covered	Funded Ratio	Covered Payroll	Overfunded (Unfunded) Actuarial Liability as Percentage of Covered Payroll
7/1/2009	\$ 129,549	\$ 661,750	\$ (532,201)	19.6%	\$ 6,063,000	-8.8%

City of Ridgecrest
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2009

9. OTHER REQUIRED DISCLOSURES

At June 30, 2009, the following funds had deficit fund balances, which will be eliminated through the reduction in future expenditures and/or the use of new funding sources:

Fund	Fund Type	Deficit
Admin/Finance Overhead	Internal Service Fund	\$ (143,577)

10. 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.

11. SUBSEQUENT EVENTS

Subsequent to the financial statements date of June 30, 2009, the State of California enacted legislation to borrow property tax payments from local governments. Property taxes borrowed by the State for fiscal year 2009-2010 were nearly \$2 billion statewide to help the State's budget shortfall. The amount to be borrowed from the City is \$211,388. The deferral of these funds for 3 years would have a significant impact on the City's General Fund operations and the 2009-2011 Budget assumed that these monies would not be available. Legislators and the Governor promised to allow local agencies to sell their eventual repayment from the State to investors to cover the property tax and to pay the full cost of the sale, or securitization. The Governor signed Senate Bill 67 on October 19, 2009 allowing the securitization to move forward.

The State also enacted legislation authorizing a two-year takeaway of Redevelopment Agency funds. The estimated impact on the Redevelopment Agency is \$2,590,729 in 2009-2010 and \$533,385 in 2010-2011. These amounts were assumed in the 2009-2011 Budget. This takeaway action is being litigated by the California Redevelopment Association and other parties with hope that it will be considered unconstitutional as was last year's State proposed takeaway.

In addition to the property tax borrowing and Redevelopment Agency takeaway, the State is deferring gas tax monies during 2009-2010. Amounts owed for July through September were distributed in October and November through March payments are scheduled to be deferred until April. The City uses these restricted monies for street maintenance and the deferral will cause cash flow impacts for the General Fund.

*City of Ridgecrest
Comprehensive Annual Financial Report
For the year ended June 30, 2009*

Required Supplementary Information



City of Ridgecrest
Required Supplementary Information
For the year ended June 30, 2009

1. BUDGETARY INFORMATION

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 a division of any fund during the budget year as long as it does not increase the total budget within the division. However, any revisions that alter total expenditures of any fund 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.

Budget information is presented on a basis consistent with generally accepted accounting principles. Budgeted revenue and expenditure amounts represent the original budget modified for adjustments during the year.

City of Ridgecrest
Required Supplementary Information, Continued
For the year ended June 30, 2009

1. BUDGETARY INFORMATION, Continued

Budget Comparison Schedule - General Fund

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES:				
Taxes	\$ 8,120,201	\$ 8,120,201	\$ 8,086,571	\$ (33,630)
Intergovernmental	250,600	372,110	221,452	(150,658)
License and permits	414,600	414,600	304,993	(109,607)
Fines and forfeitures	85,800	85,800	110,785	24,985
Use of property and money	114,900	117,045	122,316	5,271
Charges for services	754,400	772,900	655,586	(117,314)
Other revenues	16,750	23,500	38,607	15,107
Total revenues	9,757,251	9,906,156	9,540,310	(365,846)
EXPENDITURES:				
Current:				
General government	965,944	904,244	971,751	(67,507)
Public safety	7,569,618	7,704,927	7,028,730	676,197
Public works	678,367	584,345	-	584,345
Community development	1,137,831	1,188,958	1,087,730	101,228
Culture and leisure	2,374,929	2,470,875	2,184,997	285,878
Total expenditures	12,726,689	12,853,349	11,273,208	1,580,141
REVENUE OVER (UNDER) EXPENDITURES	(2,969,438)	(2,947,193)	(1,732,898)	1,214,295
OTHER FINANCING SOURCES (USES):				
Transfers in	5,157,176	5,157,176	3,037,159	(2,120,017)
Transfers out	(1,753,482)	(1,794,251)	(1,324,697)	469,554
Total financing sources (uses)	3,403,694	3,362,925	1,712,462	(1,650,463)
Net change in fund balance	\$ 434,256	\$ 415,732	(20,436)	\$ (436,168)
FUND BALANCE:				
Beginning of year			1,589,655	
End of year			\$ 1,569,219	

City of Ridgecrest
Required Supplementary Information, Continued
For the year ended June 30, 2009

1. BUDGETARY INFORMATION, Continued

Budget Comparison Schedule - Ridgecrest Redevelopment Agency Fund

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES:				
Taxes	\$ 5,740,000	\$ 5,740,000	\$ 7,697,181	\$ 1,957,181
Intergovernmental	240,000	240,000	244,516	4,516
Use of property and money	250,000	250,000	204,937	(45,063)
Other revenues	478,740	478,740	797,820	319,080
Total revenues	6,708,740	6,708,740	8,944,454	2,235,714
EXPENDITURES:				
Current:				
Community development	3,197,913	3,777,100	1,334,574	2,442,526
Debt service:				
Principal	-	-	585,000	(585,000)
Interest	-	-	495,113	(495,113)
Total expenditures	3,197,913	3,777,100	2,414,687	1,362,413
REVENUE OVER (UNDER) EXPENDITURES	3,510,827	2,931,640	6,529,767	3,598,127
OTHER FINANCING SOURCES (USES):				
Transfers in	3,188,340	3,188,340	4,782,369	1,594,029
Transfers out	(6,974,455)	(6,073,726)	(6,145,373)	(71,647)
Total financing sources (uses)	(3,786,115)	(2,885,386)	(1,363,004)	1,522,382
Net change in fund balance	\$ (275,288)	\$ 46,254	5,166,763	\$ 5,120,509
FUND BALANCE:				
Beginning of year			6,384,520	
End of year			\$ 11,551,283	

City of Ridgecrest
Required Supplementary Information, Continued
For the year ended June 30, 2009

2. SCHEDULE OF FUNDING PROGRESS

A. Defined Benefits Pension Plan

As of the actuarial valuation date of June 30, 2008, the City's miscellaneous and safety plans became part of a CalPERS Risk Pool for employers with less than 100 active plan members. As part of a cost-sharing multiple-employer defined benefit plan, disclosure of the schedule of funding progress is not required.

B. Other Post-Employment Benefits Plan

A schedule of funding progress for the year ended June 30, 2009 is presented below:

Actuarial Valuation Date	Actuarial Asset Value	Entry Age Actuarial Accrued Liability	Overfunded (Unfunded) Actuarial Accrued Liability	Funded Ratio	Covered Payroll	Overfunded (Unfunded) Actuarial Liability as Percentage of Covered Payroll
6/30/2007	\$ -	\$ 597,958	\$ (597,958)	0.0%	\$ 5,967,000	-10.0%
6/30/2009	129,549	661,750	(532,201)	19.6%	6,063,000	-8.8%

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Comprehensive Annual Financial Report
For the year ended June 30, 2009*

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City of Ridgecrest
Comprehensive Annual Financial Report
For the year ended June 30, 2009

Supplemental Information



City of Ridgecrest
Comprehensive Annual Financial Report
For the year ended June 30, 2009

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City of Ridgecrest
Comprehensive Annual Financial Report
For the year ended June 30, 2009

Non-Major Governmental Funds



City of Ridgecrest
Combining Balance Sheet
Non-Major Governmental Funds
June 30, 2009

	Special Revenue Funds					
	State	Park	TDA Street	Business	Business	Supplemental
	Gas Tax	Development	Fund	Development	Park	Law
			Center		Enforcement	
ASSETS						
Cash and investments	\$ 371,274	\$ 16,054	\$ -	\$ -	\$ 36,788	\$ -
Accounts receivable	-	-	153,188	-	-	42,464
Interest receivable	358	86	1,544	-	197	504
Deposits	-	-	-	-	-	-
Total assets	\$ 371,632	\$ 16,140	\$ 154,732	\$ -	\$ 36,985	\$ 42,968
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable	\$ 29,077	\$ -	\$ -	\$ -	\$ -	\$ -
Salaries payable	10,163	-	-	-	-	-
Due to other funds	-	-	-	-	-	7,469
Total liabilities	39,240	-	-	-	-	7,469
Fund Balances:						
Reserved:						
Encumbrances	332,392	-	-	-	-	-
Utility/Street improvement	-	-	-	-	-	-
Total reserved	332,392	-	-	-	-	-
Unreserved, designated for:						
Traffic signals/loop	-	-	-	-	-	-
Total unreserved, designated	-	-	-	-	-	-
Unreserved, undesignated:						
Special revenue	-	16,140	154,732	-	36,985	35,499
Debt service	-	-	-	-	-	-
Capital projects	-	-	-	-	-	-
Total unreserved, undesignated	-	16,140	154,732	-	36,985	35,499
Total fund balances (deficit)	332,392	16,140	154,732	-	36,985	35,499
Total liabilities and fund balances	\$ 371,632	\$ 16,140	\$ 154,732	\$ -	\$ 36,985	\$ 42,968

Special Revenue Funds

Grant Operations	Nutrition Grant	Traffic Congestion Relief	Special Projects	Fire Facilities Improvements	Traffic Impact Fee	Park Development Impact Fee	Law Enforcement Improvement Fee
\$ -	\$ -	\$ 456,040	\$ 153,019	\$ 99,492	\$ 550,368	\$ 140,738	\$ 160,081
57,686	-	57,135	-	-	-	-	-
-	-	2,519	344	532	2,934	750	855
-	-	-	-	-	-	-	-
<u>\$ 57,686</u>	<u>\$ -</u>	<u>\$ 515,694</u>	<u>\$ 153,363</u>	<u>\$ 100,024</u>	<u>\$ 553,302</u>	<u>\$ 141,488</u>	<u>\$ 160,936</u>
\$ 3,545	\$ -	\$ -	\$ 49,191	\$ -	\$ -	\$ -	\$ -
8,459	-	-	-	-	-	-	-
45,354	-	-	-	-	-	-	-
<u>57,358</u>	<u>-</u>	<u>-</u>	<u>49,191</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	104,172	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	104,172	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
328	-	515,694	-	100,024	553,302	141,488	160,936
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>328</u>	<u>-</u>	<u>515,694</u>	<u>-</u>	<u>100,024</u>	<u>553,302</u>	<u>141,488</u>	<u>160,936</u>
<u>328</u>	<u>-</u>	<u>515,694</u>	<u>104,172</u>	<u>100,024</u>	<u>553,302</u>	<u>141,488</u>	<u>160,936</u>
<u>\$ 57,686</u>	<u>\$ -</u>	<u>\$ 515,694</u>	<u>\$ 153,363</u>	<u>\$ 100,024</u>	<u>\$ 553,302</u>	<u>\$ 141,488</u>	<u>\$ 160,936</u>

(Continued)

City of Ridgecrest
Combining Balance Sheet, Continued
Non-Major Governmental Funds
June 30, 2009

	Special Revenue Fund		Capital Projects Fund		Total Other Governmental Funds
	Storm Drainage Facilities	Community	Sub-Standard Streets Improvements	Solid Waste Collections	
		Partnership Grant			
		Fund			
ASSETS					
Cash and investments	\$ 611,950	\$ 135	\$ 507,902	\$ 32,913	\$ 3,136,754
Accounts receivable	-	-	-	-	310,473
Interest receivable	3,262	1	2,708	-	16,594
Deposits	-	-	10,241	-	10,241
Total assets	\$ 615,212	\$ 136	\$ 520,851	\$ 32,913	\$ 3,474,062
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ -	\$ -	\$ -	\$ 28,049	\$ 109,862
Salaries payable	-	-	-	-	18,622
Due to other funds	-	-	-	-	52,823
Total liabilities	-	-	-	28,049	181,307
Fund Balances:					
Reserved for:					
Encumbrances	-	-	-	4,864	441,428
Utility/Street improvement	-	-	-	-	-
Total reserved	-	-	-	4,864	441,428
Unreserved, designated for:					
Traffic signals/loop	-	-	-	-	-
Total unreserved, designated	-	-	-	-	-
Unreserved, undesignated					
Special revenue	615,212	136	520,851	-	2,851,327
Debt service	-	-	-	-	-
Capital projects	-	-	-	-	-
Total unreserved, undesignated	615,212	136	520,851	-	2,851,327
Total fund balances (deficit)	615,212	136	520,851	4,864	3,292,755
Total liabilities and fund balances	\$ 615,212	\$ 136	\$ 520,851	\$ 32,913	\$ 3,474,062

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City of Ridgecrest
Comprehensive Annual Financial Report
For the year ended June 30, 2009

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City of Ridgecrest
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-Major Governmental Funds
For the year ended June 30, 2009

	Special Revenue Funds					
	State	Park	TDA Street	Business	Business	Supplemental
	Gas Tax	Development	Fund	Development Center	Park	Law Enforcement
REVENUES:						
Taxes	\$ -	\$ -	\$ 439,713	\$ -	\$ -	\$ -
Intergovernmental	429,520	-	-	-	-	100,000
Licenses and permits	-	-	-	-	-	-
Use of property and money	523	467	3,054	118	1,070	2,138
Charges for services	-	-	-	-	-	-
Assessment revenues	-	-	-	-	-	-
Other revenues	1,034	-	-	-	-	-
Total revenues	431,077	467	442,767	118	1,070	102,138
EXPENDITURES:						
Current:						
General government	-	-	-	-	-	-
Public safety	219,640	-	-	-	-	-
Public works	1,041,662	-	171,567	1,458	-	-
Transportation	-	-	-	-	-	-
Community development	-	-	-	-	-	-
Health	-	-	-	-	-	-
Total expenditures	1,261,302	-	171,567	1,458	-	-
REVENUE OVER (UNDER) EXPENDITURES	(830,225)	467	271,200	(1,340)	1,070	102,138
OTHER FINANCING SOURCES (USES):						
Transfers in	1,483,440	-	-	-	-	-
Transfers out	(238,421)	-	(590,769)	-	-	(102,000)
Total other financing sources (uses)	1,245,019	-	(590,769)	-	-	(102,000)
Net change in fund balances	414,794	467	(319,569)	(1,340)	1,070	138
FUND BALANCES:						
Beginning of year	(82,402)	15,673	474,301	1,340	35,915	35,361
End of year	\$ 332,392	\$ 16,140	\$ 154,732	\$ -	\$ 36,985	\$ 35,499

Special Revenue Funds

Grant Operations	Nutrition Grant	Traffic Congestion Relief	Special Projects	Fire Facilities Improvements	Traffic Impact Fee	Park Development Impact Fee	Law Enforcement Improvement Fee
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
111,022	-	237,870	-	-	-	-	-
-	-	-	-	12,520	64,172	15,037	20,869
-	90	15,933	1,047	2,759	15,460	3,848	4,431
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
111,022	90	253,803	1,047	15,279	79,632	18,885	25,300
104,133	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	120,906	-	-	-	-
7,002	-	-	-	-	-	-	-
111,135	-	-	120,906	-	-	-	-
(113)	90	253,803	(119,859)	15,279	79,632	18,885	25,300
380	-	-	160,171	-	-	-	-
-	(3,766)	(310,263)	-	-	-	-	-
380	(3,766)	(310,263)	160,171	-	-	-	-
267	(3,676)	(56,460)	40,312	15,279	79,632	18,885	25,300
61	3,676	572,154	63,860	84,745	473,670	122,603	135,636
\$ 328	\$ -	\$ 515,694	\$ 104,172	\$ 100,024	\$ 553,302	\$ 141,488	\$ 160,936

(Continued)

City of Ridgecrest

Combining Statement of Revenues, Expenditures and Changes in Fund Balances, Continued Non-Major Governmental Funds For the year ended June 30, 2009

	Special Revenue Fund		Capital Projects Fund		Total Other Governmental Funds
	Storm Drainage Facilities	Community Partnership Grant Fund	Sub-Standard Streets Improvements	Solid Waste Collection	
REVENUES:					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 439,713
Intergovernmental	-	-	-	-	878,412
Licenses and permits	72,837	136	-	-	185,571
Use of property and money	17,091	-	14,539	-	82,568
Charges for services	-	-	-	-	-
Assessment revenues	-	-	-	-	-
Other revenues	-	-	12,600	-	13,634
Total revenues	89,928	136	27,139	-	1,599,898
EXPENDITURES:					
Current:					
General government	-	7,600	-	-	111,733
Public safety	-	-	-	-	219,640
Public works	-	-	-	-	1,214,687
Transportation	-	-	-	-	-
Community development	-	-	-	-	120,906
Health	-	-	-	45,384	52,386
Total expenditures	-	7,600	-	45,384	1,719,352
REVENUE OVER (UNDER) EXPENDITURES	89,928	(7,464)	27,139	(45,384)	(119,454)
OTHER FINANCING SOURCES (USES):					
Transfers in	-	-	-	50,248	1,694,239
Transfers out	-	-	-	-	(1,245,219)
Total other financing sources (uses)	-	-	-	50,248	449,020
Net change in fund balances	89,928	(7,464)	27,139	4,864	329,566
FUND BALANCES:					
Beginning of year	525,284	7,600	493,712	-	2,963,189
End of year	\$ 615,212	\$ 136	520,851	4,864	\$ 3,292,755

(Concluded)

City of Ridgecrest

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual Capital Improvement - Capital Project Fund For the year ended June 30, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES:				
Intergovernmental	\$ -	\$ 766,742	\$ 766,742	\$ -
Use of property and money	-	-	9,087	9,087
Charges for services	-	-	957	957
Total revenues	-	766,742	776,786	10,044
EXPENDITURES:				
Current:				
Public works	1,000,000	906,319	841,897	64,422
Total expenditures	1,000,000	906,319	841,897	64,422
REVENUE OVER (UNDER) EXPENDITURES				
	(1,000,000)	(139,577)	(65,111)	74,466
OTHER FINANCING SOURCES (USES):				
Transfers in	1,000,000	45,323	41,445	(3,878)
Transfers out	(416,355)	(416,355)	-	416,355
Total financing sources (uses)	583,645	(371,032)	41,445	412,477
Net change in fund balance	\$ (416,355)	\$ (510,609)	(23,666)	\$ 486,943
FUND BALANCE:				
Beginning of year			75,199	
End of year			\$ 51,533	

City of Ridgecrest

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

State Gas Tax - Special Revenue Fund

For the year ended June 30, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES:				
Intergovernmental	\$ 458,000	\$ 458,000	\$ 429,520	\$ (28,480)
Use of property and money	-	-	523	523
Other revenues	-	-	1,034	1,034
Total revenues	458,000	458,000	431,077	(26,923)
EXPENDITURES:				
Current:				
Public safety	195,244	195,244	219,640	(24,396)
Public works	1,516,555	1,281,621	1,041,662	239,959
Total expenditures	1,711,799	1,476,865	1,261,302	215,563
REVENUE OVER (UNDER) EXPENDITURES				
	(1,253,799)	(1,018,865)	(830,225)	188,640
OTHER FINANCING SOURCES (USES):				
Transfers in	1,580,074	1,580,074	1,483,440	(96,634)
Transfers out	(326,275)	(326,437)	(238,421)	88,016
Total financing sources (uses)	1,253,799	1,253,637	1,245,019	(8,618)
Net change in fund balance	\$ -	\$ 234,772	414,794	\$ 180,022
FUND BALANCE:				
Beginning of year			(82,402)	
End of year			\$ 332,392	

City of Ridgecrest

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

Park Development Fee - Special Revenue Fund

For the year ended June 30, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES:				
Use of property and money	\$ 850	\$ 850	\$ 467	\$ (383)
Total revenues	<u>850</u>	<u>850</u>	<u>467</u>	<u>(383)</u>
Net change in fund balance	<u>\$ 850</u>	<u>\$ 850</u>	467	<u>\$ (383)</u>
FUND BALANCE:				
Beginning of year			<u>15,673</u>	
End of year			<u>\$ 16,140</u>	

City of Ridgecrest

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

TDA Street Fund - Special Revenue Fund

For the year ended June 30, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES:				
Taxes	\$ 418,000	\$ 418,000	\$ 439,713	\$ 21,713
Use of property and money	15,000	15,000	3,054	(11,946)
Total revenues	433,000	433,000	442,767	9,767
EXPENDITURES:				
Current:				
Public works	-	174,367	171,567	2,800
Total expenditures	-	174,367	171,567	2,800
REVENUE OVER (UNDER) EXPENDITURES				
	433,000	258,633	271,200	12,567
OTHER FINANCING SOURCES (USES):				
Transfers out	(418,000)	(418,000)	(590,769)	(172,769)
Total financing sources (uses)	(418,000)	(418,000)	(590,769)	(172,769)
Net change in fund balance	\$ 15,000	\$ (159,367)	(319,569)	\$ (160,202)
FUND BALANCE:				
Beginning of year			474,301	
End of year			\$ 154,732	

City of Ridgecrest

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual Business Development Center - Special Revenue Fund For the year ended June 30, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES:				
Use of property and money	\$ -	\$ -	\$ 118	\$ 118
Total revenues	-	-	118	118
EXPENDITURES:				
Current:				
Public works	23,151	23,151	1,458	21,693
Total expenditures	23,151	23,151	1,458	21,693
Net change in fund balance	\$ (23,151)	\$ (23,151)	(1,340)	\$ 21,811
FUND BALANCE:				
Beginning of year			1,340	
End of year			\$ -	

City of Ridgecrest

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

Business Park - Special Revenue Fund

For the year ended June 30, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES:				
Use of property and money	\$ 1,800	\$ 1,800	\$ 1,070	\$ (730)
Total revenues	<u>1,800</u>	<u>1,800</u>	<u>1,070</u>	<u>(730)</u>
Net change in fund balance	<u>\$ 1,800</u>	<u>\$ 1,800</u>	1,070	<u>\$ (730)</u>
FUND BALANCE:				
Beginning of year			<u>35,915</u>	
End of year			<u>\$ 36,985</u>	

City of Ridgecrest

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual Supplemental Law Enforcement - Special Revenue Fund For the year ended June 30, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES:				
Intergovernmental	\$ 100,000	\$ 100,000	\$ 100,000	\$ -
Use of property and money	5,000	5,000	2,138	(2,862)
Total revenues	105,000	105,000	102,138	(2,862)
OTHER FINANCING SOURCES (USES):				
Transfers out	(144,000)	(144,000)	(102,000)	42,000
Total financing sources (uses)	(144,000)	(144,000)	(102,000)	42,000
Net change in fund balance	\$ (39,000)	\$ (39,000)	138	\$ 39,138
FUND BALANCE:				
Beginning of year			35,361	
End of year			\$ 35,499	

City of Ridgecrest

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual Grant Operations - Special Revenue Fund For the year ended June 30, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES:				
Intergovernmental	\$ 65,810	\$ 133,681	\$ 111,022	\$ (22,659)
Use of property and money	60	60	-	(60)
Total revenues	65,870	133,741	111,022	(22,719)
EXPENDITURES:				
Current:				
General government	66,101	126,641	104,133	22,508
Health	-	7,331	7,002	329
Total expenditures	66,101	133,972	111,135	22,837
REVENUE OVER (UNDER) EXPENDITURES				
	(231)	(231)	(113)	118
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	380	380
Total financing sources (uses)	-	-	380	380
Net change in fund balance	\$ (231)	\$ (231)	267	\$ 498
FUND BALANCE:				
Beginning of year			61	
End of year			\$ 328	

City of Ridgecrest

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

Nutrition Grant Fund - Special Revenue Fund

For the year ended June 30, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES:				
Use of property and money	\$ 200	\$ 200	\$ 90	\$ (110)
Total revenues	200	200	90	(110)
OTHER FINANCING SOURCES (USES):				
Transfers out	-	-	(3,766)	(3,766)
Total financing sources (uses)	-	-	(3,766)	(3,766)
Net change in fund balance	\$ 200	\$ 200	(3,676)	\$ (3,876)
FUND BALANCE:				
Beginning of year			3,676	
End of year			\$ -	

City of Ridgecrest

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual Traffic Congestion Relief - Special Revenue Fund For the year ended June 30, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES:				
Intergovernmental	\$ -	\$ -	\$ 237,870	\$ 237,870
Use of property and money	-	-	15,933	15,933
Total revenues	-	-	253,803	253,803
OTHER FINANCING SOURCES (USES):				
Transfers out	-	(38,753)	(310,263)	(271,510)
Total financing sources (uses)	-	(38,753)	(310,263)	(271,510)
Net change in fund balance	\$ -	\$ (38,753)	(56,460)	\$ (17,707)
FUND BALANCE:				
Beginning of year			572,154	
End of year			\$ 515,694	

City of Ridgecrest

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual Special Project - Special Revenue Fund For the year ended June 30, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES:				
Use of property and money	\$ 7,000	\$ 7,000	\$ 1,047	\$ (5,953)
Total revenues	7,000	7,000	1,047	(5,953)
EXPENDITURES:				
Current:				
General government	28,000	28,000	-	28,000
Community development	10,000	120,906	120,906	-
Total expenditures	38,000	148,906	120,906	28,000
REVENUE OVER (UNDER) EXPENDITURES	(31,000)	(141,906)	(119,859)	22,047
OTHER FINANCING SOURCES (USES):				
Transfers in	1,500	161,671	160,171	(1,500)
Total financing sources (uses)	1,500	161,671	160,171	(1,500)
Net change in fund balance	\$ (29,500)	\$ 19,765	40,312	\$ 20,547
FUND BALANCE:				
Beginning of year			63,860	
End of year			\$ 104,172	

City of Ridgecrest

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual Fire Facilities Improvement - Special Revenue Fund For the year ended June 30, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES:				
Licenses and permits	\$ -	\$ -	\$ 12,520	\$ 12,520
Use of property and money	-	-	2,759	2,759
Total revenues	-	-	15,279	15,279
Net change in fund balance	\$ -	\$ -	15,279	\$ 15,279
FUND BALANCE:				
Beginning of year			84,745	
End of year			\$ 100,024	

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, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES:				
Licenses and permits	\$ -	\$ -	\$ 64,172	\$ 64,172
Use of property and money	-	-	15,460	15,460
Total revenues	-	-	79,632	79,632
Net change in fund balance	\$ -	\$ -	79,632	\$ 79,632
FUND BALANCE:				
Beginning of year			473,670	
End of year			\$ 553,302	

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, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES:				
Licenses and permits	\$ -	\$ -	\$ 15,037	\$ 15,037
Use of property and money	-	-	3,848	3,848
Total revenues	-	-	18,885	18,885
Net change in fund balance	\$ -	\$ -	18,885	\$ 18,885
FUND BALANCE:				
Beginning of year			122,603	
End of year			\$ 141,488	

City of Ridgecrest

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

Law Enforcement - Special Revenue Fund

For the year ended June 30, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES:				
Licenses and permits	\$ -	\$ -	\$ 20,869	\$ 20,869
Use of property and money	-	-	4,431	4,431
Total revenues	<u>-</u>	<u>-</u>	<u>25,300</u>	<u>25,300</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>25,300</u>	<u>\$ 25,300</u>
FUND BALANCE:				
Beginning of year			<u>135,636</u>	
End of year			<u>\$ 160,936</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, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES:				
Licenses and permits	\$ -	\$ -	\$ 72,837	\$ 72,837
Use of property and money	-	-	17,091	17,091
Total revenues	-	-	89,928	89,928
Net change in fund balance	\$ -	\$ -	89,928	\$ 89,928
FUND BALANCE:				
Beginning of year			525,284	
End of year			\$ 615,212	

City of Ridgecrest

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual Community Partnership Grant - Special Revenue Fund For the year ended June 30, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES:				
Licenses and permits	\$ -	\$ -	\$ 136	\$ 136
Total revenues	-	-	136	136
EXPENDITURES:				
Current:				
General government	-	-	7,600	(7,600)
Total expenditures	-	-	7,600	(7,600)
Net change in fund balance	\$ -	\$ -	(7,464)	\$ (7,464)
FUND BALANCE:				
Beginning of year			7,600	
End of year			\$ 136	

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, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES:				
Use of property and money	\$ 23,000	\$ 23,000	\$ 14,539	\$ (8,461)
Other revenues	25,000	25,000	12,600	(12,400)
Total revenues	48,000	48,000	27,139	(20,861)
EXPENDITURES:				
Current:				
Transportation	25,000	25,000	-	25,000
Total expenditures	25,000	25,000	-	25,000
Net change in fund balance	\$ 23,000	\$ 23,000	27,139	\$ 4,139
FUND BALANCE:				
Beginning of year			493,712	
End of year			\$ 520,851	

City of Ridgecrest
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Solid Waste Collection - Capital Projects Fund
For the year ended June 30, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
EXPENDITURES:				
Current:				
Health	\$ -	\$ (4,864)	\$ 45,384	\$ (50,248)
Total expenditures	-	(4,864)	45,384	(50,248)
REVENUE OVER (UNDER) EXPENDITURES				
	-	4,864	(45,384)	(50,248)
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	50,248	50,248
Total financing sources (uses)	-	-	50,248	50,248
Net change in fund balance	\$ -	\$ 4,864	4,864	\$ -
FUND BALANCE:				
Beginning of year			-	
End of year			\$ 4,864	

City of Ridgecrest
Comprehensive Annual Financial Report
For the year ended June 30, 2009

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INTERNAL SERVICE FUND FINANCIAL STATEMENTS

Internal Service Funds of the City are outlined below:

Human Resources & Risk Management - 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.

Information Systems - This fund is used to account for the cost associated with electronic data processing operations. This includes computer and network equipment maintenance and replacement as well as technical support services.

Printing and Reproduction Fund - This fund is used to account for the cost related to the centralized of copying, printing and reproduction of electronic data in paper form.

Admin/Financial Overhead Fund - This fund is used to account for the cost of citywide central service function and the cost related to financial services provided to other departments as well as financial reserves.

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

Building Maintenance Fund - This fund is used to account for the cost of maintenance of City's building.

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

City of Ridgecrest
Statement of Net Assets
All Internal Service Funds
June 30, 2009

	Human Resource Risk Management	Information System	Printing and Reproduction	Admin/Finance Overhead
ASSETS				
Current assets:				
Cash and investments	\$ 1,297,561	\$ 137,622	\$ 98,097	\$ -
Accounts receivable	351	-	-	-
Interest receivable	9,404	1,370	522	-
Due from other funds	-	119,124	-	-
Inventories	-	-	2,405	-
Total current assets	<u>1,307,316</u>	<u>258,116</u>	<u>101,024</u>	<u>-</u>
Noncurrent assets:				
Capital assets:				
Depreciable:				
Machinery and equipment	-	108,628	83,986	10,415
Less accumulated depreciation	-	(49,645)	(34,674)	(6,249)
Total noncurrent assets	<u>-</u>	<u>58,983</u>	<u>49,312</u>	<u>4,166</u>
Total assets	<u>1,307,316</u>	<u>317,099</u>	<u>150,336</u>	<u>4,166</u>
LIABILITIES				
Liabilities:				
Accounts payable	2,150	29,461	33,951	24,526
Salaries payable	10,199	6,273	-	15,902
Due to other funds	-	-	-	107,315
Claims payable	495,619	-	-	-
Total liabilities	<u>507,968</u>	<u>35,734</u>	<u>33,951</u>	<u>147,743</u>
NET ASSETS				
Invested in capital assets	-	58,983	49,312	4,166
Unrestricted	799,348	222,382	67,073	(147,743)
Total net assets	<u>\$ 799,348</u>	<u>\$ 281,365</u>	<u>\$ 116,385</u>	<u>\$ (143,577)</u>

Self Insurance Workers Comp	Building Maintenance	Fleet Maintenance	Total
\$ 15,935	\$ 44,821	\$ -	\$ 1,594,036
-	-	-	351
-	239	-	11,535
-	-	-	119,124
-	-	13,674	16,079
<u>15,935</u>	<u>45,060</u>	<u>13,674</u>	<u>1,741,125</u>
-	-	375,186	578,215
-	-	(69,961)	(160,529)
-	-	305,225	417,686
<u>15,935</u>	<u>45,060</u>	<u>318,899</u>	<u>2,158,811</u>
15,935	26,293	23,436	155,752
-	1,480	3,439	37,293
-	-	11,809	119,124
-	-	-	495,619
<u>15,935</u>	<u>27,773</u>	<u>38,684</u>	<u>807,788</u>
-	-	305,225	417,686
-	17,287	(25,010)	933,337
<u>\$ -</u>	<u>\$ 17,287</u>	<u>\$ 280,215</u>	<u>\$ 1,351,023</u>

City of Ridgecrest
Statements of Revenues, Expenses and Changes in Net Assets
All Internal Service Funds
For the year ended June 30, 2009

	Human Resource Risk Management	Information System	Printing and Reproduction	Admin/Finance Overhead
OPERATING REVENUES:				
Charges for services	\$ 279,464	\$ 638,683	\$ 87,061	\$ 1,100,599
Other revenue	242,741	3,216	-	1,603
Total operating revenues	522,205	641,899	87,061	1,102,202
OPERATING EXPENSES:				
Administration	902,781	788,197	57,599	1,324,799
Public safety	-	-	-	-
Depreciation	-	26,378	13,028	2,084
Total operating expenses	902,781	814,575	70,627	1,326,883
OPERATING INCOME (LOSS)	(380,576)	(172,676)	16,434	(224,681)
NONOPERATING REVENUES (EXPENSES):				
Intergovernmental	-	-	-	-
Use of money and property	67,353	8,601	2,265	17
Total nonoperating revenues	67,353	8,601	2,265	17
INCOME (LOSS) BEFORE TRANSFERS	(313,223)	(164,075)	18,699	(224,664)
TRANSFERS:				
Transfers in	709,042	-	-	-
Transfers out	(1,758,812)	-	-	-
Total transfers in (out)	(1,049,770)	-	-	-
Change in net assets	(1,362,993)	(164,075)	18,699	(224,664)
NET ASSETS:				
Beginning of year	2,162,341	445,440	97,686	81,087
End of year	\$ 799,348	\$ 281,365	\$ 116,385	\$ (143,577)

Self Insurance Workers Comp	Building Maintenance	Fleet Maintenance	Totals
\$ -	\$ 310,224	\$ 549,995	\$ 2,966,026
-	-	277	247,837
-	310,224	550,272	3,213,863
58,868	293,442	495,689	3,921,375
36,224	-	-	36,224
-	-	54,235	95,725
95,092	293,442	549,924	4,053,324
(95,092)	16,782	348	(839,461)
-	-	20,502	20,502
-	505	3	78,744
-	505	20,505	99,246
(95,092)	17,287	20,853	(740,215)
95,092	-	-	804,134
-	-	-	(1,758,812)
95,092	-	-	(954,678)
-	17,287	20,853	(1,694,893)
-	-	259,362	3,045,916
\$ -	\$ 17,287	\$ 280,215	\$ 1,351,023

City of Ridgecrest
Statement of Cash Flows
All Internal Service Funds
For the year ended June 30, 2009

	Human Resource Risk Management	Information System	Printing and Reproduction	Admin/Finance Overhead
CASH FLOWS FROM OPERATING ACTIVITIES:				
Cash received from other funds	\$ 279,113	\$ 519,559	\$ 87,061	\$ 1,207,914
Payments to suppliers or employees for goods and services	(661,894)	(818,487)	(25,856)	(1,336,845)
Insurance premiums and settlements	(95,092)	-	-	-
Others	242,741	3,216	-	1,603
Net cash provided (used) by operating activities	(235,132)	(295,712)	61,205	(127,328)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Intergovernmental	-	-	-	-
Transfers in	709,042	-	-	-
Transfers out	(1,758,812)	-	-	-
Net cash provided (used) by noncapital financing activities	(1,049,770)	-	-	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Acquisition of capital assets	-	(12,814)	(20,557)	-
Net cash provided (used) by capital and related financing activities	-	(12,814)	(20,557)	-
CASH FLOWS FROM INVESTING ACTIVITIES:				
Investment income	87,115	11,161	2,242	17
Net cash provided (used) by investing activities	87,115	11,161	2,242	17
Net increase (decrease) in cash and investments	(1,197,787)	(297,365)	42,890	(127,311)
CASH AND INVESTMENTS:				
Beginning of year	2,495,348	434,987	55,207	127,311
End of year	\$ 1,297,561	\$ 137,622	\$ 98,097	\$ -
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES:				
Operating income (loss)	\$ (380,576)	\$ (172,676)	\$ 16,434	\$ (224,681)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation	-	26,378	13,028	2,084
Changes in current assets and liabilities:				
Accounts receivable	(351)	-	-	-
Due from other funds	-	(119,124)	-	-
Inventories	-	-	(815)	-
Accounts payable	(4,332)	(30,090)	32,558	(14,882)
Salaries payable	4,477	(200)	-	2,836
Due to other funds	-	-	-	107,315
Claims payable	145,650	-	-	-
Total adjustments	145,444	(123,036)	44,771	97,353
Net cash provided (used) by operating activities	\$ (235,132)	\$ (295,712)	\$ 61,205	\$ (127,328)

Self Insurance Workers Comp	Building Maintenance	Fleet Maintenance	Totals
\$ -	\$ 310,224	\$ 561,804	\$ 2,965,675
(79,157)	(265,669)	(508,651)	(3,696,559)
-	-	-	(95,092)
-	-	277	247,837
(79,157)	44,555	53,430	(578,139)
-	-	20,502	20,502
95,092	-	-	804,134
-	-	-	(1,758,812)
95,092	-	20,502	(934,176)
-	-	(120,563)	(153,934)
-	-	(120,563)	(153,934)
-	266	420	101,221
-	266	420	101,221
15,935	44,821	(46,211)	(1,565,028)
-	-	46,211	3,159,064
\$ 15,935	\$ 44,821	\$ -	\$ 1,594,036
\$ (95,092)	\$ 16,782	\$ 348	\$ (839,461)
-	-	54,235	95,725
-	-	-	(351)
-	-	-	(119,124)
-	-	2,274	1,459
15,935	26,293	(15,365)	10,117
-	1,480	129	8,722
-	-	11,809	119,124
-	-	-	145,650
15,935	27,773	53,082	261,322
\$ (79,157)	\$ 44,555	\$ 53,430	\$ (578,139)

City of Ridgecrest
Comprehensive Annual Financial Report
For the year ended June 30, 2009

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City of Ridgecrest
Comprehensive Annual Financial Report
For the year ended June 30, 2009

Fiduciary Funds



City of Ridgecrest
Statement of Fiduciary Net Assets
Fiduciary Funds
June 30, 2009

	Private Purpose Trust Funds		
	Parks and Recreation Donation	Senior Donation	Total
ASSETS			
Cash and investments	\$ 1,791	\$ 96	\$ 1,887
Interest receivable	-	1	1
Total assets	1,791	97	1,888
LIABILITIES			
Accounts payable	1,791	-	1,791
Total liabilities	1,791	-	1,791
NET ASSETS			
Reserved for:			
Unrestricted	-	97	97
Total net assets	\$ -	\$ 97	\$ 97

City of Ridgecrest
Statement of Changes in Fiduciary Net Assets
Fiduciary Funds - Trust Funds
For the year ended June 30, 2009

	Private Purpose Trust Funds		
	Park & Recreation Donation	Senior Donation	Total
ADDITIONS:			
Use of property and money	\$ 59	\$ 3	\$ 62
Other revenue	9,967	-	9,967
Total additions	10,026	3	10,029
DEDUCTIONS:			
General government	13,966	-	13,966
Total deductions	13,966	-	13,966
Change in net assets	(3,940)	3	(3,937)
NET ASSETS:			
Beginning of year	3,940	94	4,034
End of year	\$ -	\$ 97	\$ 97

City of Ridgecrest
Statement of Changes in Assets and Liabilities
All Agency Funds
For the Fiscal Year Ended June 30, 2009

	Balance June 30, 2008	Additions	Deletions	Balance June 30, 2009
<u>ALL AGENCY FUNDS</u>				
Assets:				
Cash and investments	\$ 1,071,962	\$ -	\$ (263,504)	\$ 808,458
Accounts receivable	429		(429)	-
Interest receivable	4,367	-	(2,181)	2,186
Total assets	\$ 1,076,758	\$ -	\$ (266,114)	\$ 810,644
Liabilities:				
Accounts payable	\$ 10,000	\$ 57,345	\$ -	\$ 67,345
Due to City of Ridgecrest	56,595	100,791	-	157,386
Due to bondholders - special assessment district	1,010,163	-	(424,250)	585,913
Total liabilities	\$ 1,076,758	\$ 158,136	\$ (424,250)	\$ 810,644

City of Ridgecrest
Comprehensive Annual Financial Report
For the year ended June 30, 2009

Statistical Section



CITY OF RIDGECREST - STATISTICAL SECTION

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

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

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

	FISCAL YEARS						
	2009	2008	2007	2006	2005	2004	2003
Governmental activities							
Invested in capital assets, net of related debt	\$ 32,676,918	\$ 34,321,803	\$ 36,151,924	\$ 36,723,055	\$ 38,924,688	\$ 41,091,665	\$ 39,690,604
Restricted	23,615,054	18,483,103	12,758,127	9,423,134	6,582,149	302,406	272,879
Unrestricted	798,741	2,858,389	2,914,754	3,210,134	1,657,163	5,095,753	4,902,632
Total governmental activities net assets	57,090,713	55,663,295	51,824,805	49,356,323	47,164,000	46,489,824	44,866,115
Business type activities							
Invested in capital assets, net of related debt	16,979,238	17,259,625	17,439,700	16,761,833	16,045,165	18,098,541	18,722,370
Restricted	-	-	-	-	-	-	-
Unrestricted	11,807,479	11,511,303	13,002,769	12,279,782	12,271,560	9,759,630	8,294,789
Total business type activities net assets	28,786,717	28,770,928	30,442,469	29,041,615	28,316,725	27,858,171	27,017,159
Primary government							
Wastewater	49,656,156	51,581,428	53,591,624	53,484,888	54,969,853	59,190,206	58,412,974
Restricted	23,615,054	18,483,103	12,758,127	9,423,134	6,582,149	302,406	272,879
Unrestricted	12,606,220	14,369,692	15,917,523	15,489,916	13,928,723	14,855,383	13,197,421
Total primary government net assets	\$ 85,877,430	\$ 84,434,223	\$ 82,267,274	\$ 78,397,938	\$ 75,480,725	\$ 74,347,995	\$ 71,883,274

Note: The City of Ridgecrest implemented GASB 34 for the fiscal year ended June 30, 2003. Information prior to the implementation of GASB 34 is not available.

City of Ridgcrest
Schedule 2
Changes in Net Assets
Last Seven Fiscal Years (accrual basis of accounting)

	FISCAL YEARS						
	2009	2008	2007	2006	2005	2004	2003
Expenses							
Governmental activities:							
General government	\$ 639,444	\$ 1,968,944	\$ 1,248,003	\$ 1,788,039	\$ 3,633,285	\$ 2,610,200	\$ 3,976,140
Public safety	7,706,699	7,390,384	6,272,651	5,977,850	4,600,609	4,247,413	4,063,910
Public works	2,056,584	1,858,022	2,755,773	1,144,047	5,102	503,305	3,194,051
Transportation	2,559,837	2,460,727	847,028	1,491,230	3,202,007	2,983,211	1,942,939
Community development	3,412,566	2,379,597	2,726,996	3,010,805	1,362,832	1,384,567	3,204,303
Health	92,882	174,055	1,135,383	897,909	45,893	36,697	349,276
Culture and leisure	2,428,923	2,425,245	2,062,233	1,661,169	1,473,004	2,109,798	1,831,619
Interest and fiscal agent fees	927,854	973,731	927,572	2,176,002	1,265,420	1,300,781	1,583,289
Total governmental activities expenses	<u>19,824,789</u>	<u>19,630,705</u>	<u>17,975,640</u>	<u>18,147,051</u>	<u>15,588,152</u>	<u>15,175,972</u>	<u>20,145,527</u>
Business type activities:							
TDA Transit	789,718	714,560	664,494	657,291	519,590	505,599	550,332
Wastewater	2,117,372	2,922,903	1,322,303	1,877,549	1,006,344	958,436	666,729
Total business type activities expenses	<u>2,907,090</u>	<u>3,637,463</u>	<u>1,986,797</u>	<u>2,534,840</u>	<u>1,525,934</u>	<u>1,464,035</u>	<u>1,217,061</u>
Total primary government expenses	<u>\$ 22,731,879</u>	<u>\$ 23,268,168</u>	<u>\$ 19,962,437</u>	<u>\$ 20,681,891</u>	<u>\$ 17,114,086</u>	<u>\$ 16,640,007</u>	<u>\$ 21,362,588</u>
Program Revenues							
Governmental activities:							
Charges for services:							
General government	196,411	189,506	216,526	53,026	176,129	129,467	19,405
Public safety	371,973	340,599	265,239	210,805	216,577	134,767	175,466
Public works	-	-	-	-	-	-	-
Transportation	1,034	850	-	-	-	-	-
Community development	147,325	696,801	636,286	1,013,269	530,726	410,822	295,445
Health	-	-	25	-	49	-	-
Culture and leisure	484,910	462,904	417,666	404,028	419,679	355,708	365,924
Operating grants and contributions	1,384,420	1,112,823	890,959	763,657	684,679	1,007,704	1,288,713
Capital grants and contributions	766,742	1,474,279	1,277,771	432,633	387,562	1,088,752	1,892,119
Total governmental activities program revenues	<u>3,352,815</u>	<u>4,277,762</u>	<u>3,704,472</u>	<u>2,877,418</u>	<u>2,415,414</u>	<u>3,127,220</u>	<u>4,037,072</u>
Business type activities:							
Charges for services:							
TDA Transit	247,294	251,131	159,721	93,024	133,380	110,120	97,929
Wastewater	1,982,131	1,768,552	2,147,081	2,105,194	1,978,225	1,833,614	1,879,401
Operating grants and contributions	-	94,663	54,811	-	34,763	27,289	-
Capital grants and contributions	-	-	-	-	-	-	-
Total business type activities program revenues	<u>2,229,425</u>	<u>2,114,346</u>	<u>2,361,613</u>	<u>2,198,218</u>	<u>2,146,368</u>	<u>1,971,023</u>	<u>1,977,330</u>
Total primary government program revenues	<u>\$ 5,582,240</u>	<u>\$ 6,392,108</u>	<u>\$ 6,066,085</u>	<u>\$ 5,075,636</u>	<u>\$ 4,561,782</u>	<u>\$ 5,098,243</u>	<u>\$ 6,014,402</u>
Net (Expense)/Revenue							
Governmental activities	(16,471,974)	(15,352,943)	(14,271,168)	(15,269,633)	(13,172,738)	(12,048,752)	(16,108,455)
Business type activities	(677,665)	(1,523,117)	374,816	(336,622)	620,434	506,988	760,269
Total primary government net expense	<u>\$ (17,149,639)</u>	<u>\$ (16,876,060)</u>	<u>\$ (13,896,352)</u>	<u>\$ (15,606,255)</u>	<u>\$ (12,552,304)</u>	<u>\$ (11,541,764)</u>	<u>\$ (15,348,186)</u>

City of Ridgecrest
Schedule 2
Changes in Net Assets, Continued
Last Seven Fiscal Years (accrual basis of accounting)

	FISCAL YEARS						
	2009	2008	2007	2006	2005	2004	2003
General Revenues and Other Changes in Net Assets							
Governmental activities:							
Taxes							
Property taxes	9,915,676	9,573,705	8,621,750	6,520,691	4,452,522	3,445,492	2,969,614
Sales taxes	3,297,900	2,996,734	3,477,010	3,392,280	2,807,751	2,705,467	2,592,363
Special assessments	-	-	-	-	1,738	349	5,400
Other taxes	2,960,971	3,689,557	2,797,223	3,007,834	3,019,446	2,709,319	3,101,059
Investment earnings	99,550	743,954	743,571	454,613	203,827	129,142	158,205
Miscellaneous	1,180,496	868,501	819,361	2,171,014	1,831,295	997,998	572,527
Gain (loss) on disposal of capital assets	-	-	-	809,326	-	-	-
Transfers	444,799	1,318,981	280,735	401,031	1,051,811	431,912	732,478
Total governmental activities	<u>17,899,392</u>	<u>19,191,432</u>	<u>16,739,650</u>	<u>16,756,789</u>	<u>13,368,390</u>	<u>10,419,679</u>	<u>10,131,646</u>
Business type activities:							
Other taxes	776,431	563,141	614,994	718,734	586,019	579,761	683,228
Investment earnings	349,595	596,679	683,951	502,255	255,984	186,175	274,756
Miscellaneous	12,227	10,737	7,828	13,388	-	-	-
Capital Contribution	-	-	-	257,375	-	-	-
Transfers	(444,799)	(1,318,981)	(280,735)	(401,031)	(1,051,811)	(431,912)	(732,478)
Total business type activities	<u>693,454</u>	<u>(148,424)</u>	<u>1,026,038</u>	<u>1,090,721</u>	<u>(209,808)</u>	<u>334,024</u>	<u>225,506</u>
Total primary government	<u>\$ 18,592,846</u>	<u>\$ 19,043,008</u>	<u>\$ 17,765,688</u>	<u>\$ 17,847,510</u>	<u>\$ 13,158,582</u>	<u>\$ 10,753,703</u>	<u>\$ 10,357,152</u>
Change in Net Assets							
Governmental activities	1,427,419	3,838,489	2,468,482	1,487,156	195,652	(1,629,073)	(5,976,809)
Business type activities	15,789	(1,671,541)	1,400,854	754,099	410,626	841,012	985,775
Total primary government	<u>\$ 1,443,208</u>	<u>\$ 2,166,948</u>	<u>\$ 3,869,336</u>	<u>\$ 2,241,255</u>	<u>\$ 606,278</u>	<u>\$ (788,061)</u>	<u>\$ (4,991,034)</u>

Note: The City of Ridgecrest implemented GASB 34 for the fiscal year ended June 30, 2003. Information prior to the implementation of GASB 34 is not available.

City of Ridgecrest

Schedule 3

Governmental Activities Tax Revenues by Source

Last Ten Fiscal Years (modified accrual basis of accounting)

Sources of Tax Revenues	Business Licenses	Franchise Fees	Property* Tax	Sales Tax	Transient Occupancy	Gas Tax	TOTAL
2008-2009	\$ 150,431	\$ 1,320,356	\$ 9,915,676	\$ 3,297,900	\$ 1,347,063	\$ 429,560	\$ 16,460,986
2007-2008	161,156	2,105,350	9,626,639	2,996,734	1,168,986	465,806	16,524,671
2006-2007	176,583	539,355	8,724,901	3,477,010	999,839	451,270	14,368,958
2005-2006	142,476	1,206,115	6,637,688	3,392,279	886,816	452,071	12,717,445
2004-2005	137,732	559,011	4,532,781	2,807,752	875,808	449,735	9,362,820
2003-2004	122,445	581,400	3,504,079	2,705,466	773,190	444,549	8,131,129
2002-2003	109,429	599,744	3,011,221	2,701,643	867,758	434,408	7,724,203
2001-2002	97,073	589,946	2,815,337	2,584,662	717,101	437,283	7,241,402
2000-2001	106,241	503,071	2,642,568	2,535,239	753,729	495,038	7,035,886
1999-2000	110,236	504,545	2,869,238	2,189,445	685,179	505,833	6,864,476

NOTES:

* Property tax amounts include state reimbursement of homeowners property tax relief and real property transfer tax

City of Ridgecrest

Schedule 4

Fund Balances of Governmental Funds

Last Ten Fiscal Years (modified accrual basis of accounting)

	FISCAL YEARS				
	2009	2008	2007	2006	2005
General fund					
Reserved	\$ 665,322	\$ 465,103	\$ 619,360	\$ 305,836	\$ -
Unreserved	903,897	1,124,552	1,587,568	2,359,373	2,344,973
Total general fund	<u>1,569,219</u>	<u>1,589,655</u>	<u>2,206,928</u>	<u>2,665,209</u>	<u>2,344,973</u>
All other governmental funds					
Reserved	11,158,572	11,121,284	11,361,910	13,184,361	-
Unreserved, reported in:					
Special revenue funds	7,174,341	5,784,155	1,298,263	1,298,702	122,365
Debt service fund	2,478,251	-	765,071	(7,412,765)	4,003,925
Capital projects funds	2,855,423	1,652,863	(1,358,472)	679,826	672,438
Total all other governmental fund	<u>\$ 23,666,587</u>	<u>\$ 18,558,302</u>	<u>\$ 12,066,772</u>	<u>\$ 7,750,124</u>	<u>\$ 4,798,728</u>

City of Ridgecrest

Schedule 4

Fund Balances of Governmental Funds, Continued

Last Ten Fiscal Years (modified accrual basis of accounting)

	FISCAL YEARS				
	2004	2003	2002	2001	2000
General fund					
Reserved	\$ 536,280	\$ 318,132	\$ 361,404	\$ 351,712	\$ 41,138
Unreserved	1,796,246	2,169,848	2,591,372	4,402,533	3,139,736
Total general fund	<u>2,332,526</u>	<u>2,487,980</u>	<u>2,952,776</u>	<u>4,754,245</u>	<u>3,180,874</u>
All other governmental funds					
Reserved	2,647,904	3,407,708	5,145,508	4,047,515	2,230,324
Unreserved, reported in:					
Special revenue funds	99,787	(276,527)	(544,120)	110,111	1,215,180
Debt service fund	648,107	301,748	-	(998)	-
Capital projects funds	(267,567)	(571,372)	(157,619)	439,935	1,493,609
Total all other governmental fund	<u>\$ 3,128,231</u>	<u>\$ 2,861,557</u>	<u>\$ 4,443,769</u>	<u>\$ 4,596,563</u>	<u>\$ 4,939,113</u>

City of Ridgecrest
Schedule 5
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years (modified accrual basis of accounting)

	FISCAL YEARS				
	2009	2008	2007	2006	2005
Revenues					
Taxes	\$ 16,223,465	\$ 16,313,383	\$ 14,137,641	\$ 12,247,901	\$ 8,725,616
Intergovernmental	2,111,122	2,309,609	1,783,935	1,917,323	2,626,347
Licenses, permits and fees	490,564	587,531	1,361,033	649,325	447,594
Fines and forfeitures	110,785	99,751	93,950	93,498	97,364
Use of money and property	422,410	673,407	640,658	464,460	274,229
Charges for services	656,543	816,897	786,753	923,449	773,345
Assessment revenues	-	-	4,520	26,427	1,738
Other revenue	850,061	1,033,309	1,148,125	12,874,961	901,769
Total revenues	20,864,950	21,833,887	19,956,615	29,197,344	13,848,002
Expenditures					
General Government	1,092,515	1,479,393	1,236,437	1,657,522	2,208,144
Public safety	7,248,370	6,972,804	5,921,981	5,752,857	4,287,023
Wastewater	2,056,584	897,772	1,217,673	594,434	286,716
Transportation	-	-	-	-	698,515
Community development	2,543,211	2,283,268	1,822,720	1,441,906	1,255,675
Health	52,386	156,948	1,105,735	873,806	27,683
Culture and leisure	2,184,997	2,095,579	1,899,677	1,815,338	1,311,110
Capital outlay	-	1,275,392	2,108,419	1,388,073	281,614
Debt service:					
Principal	1,065,747	1,075,690	1,069,235	10,361,445	844,167
Interest	932,768	978,031	1,053,156	2,108,534	1,270,947
Total expenditures	17,176,578	17,214,877	17,435,033	25,993,915	12,471,594
Excess of revenues over (under) expenditures	3,688,372	4,619,010	2,521,582	3,203,429	1,376,408
Other financing sources (uses)					
Proceeds from capital lease	-	-	527,626	-	-
Transfers in	10,105,735	8,591,148	4,969,572	6,728,624	5,914,392
Transfers out	(8,706,258)	(7,335,901)	(4,160,413)	(6,861,722)	(5,607,856)
Total other financing sources (uses)	1,399,477	1,255,247	1,336,785	(133,098)	306,536
Net change in fund balances	\$ 5,087,849	\$ 5,874,257	\$ 3,858,367	\$ 3,070,331	\$ 1,682,944
Debt service as a percentage of non-capital expenditures	11.6%	12.9%	13.8%	50.7%	17.4%

City of Ridgecrest

Schedule 5

Changes in Fund Balances of Governmental Funds, Continued

Last Ten Fiscal Years (modified accrual basis of accounting)

	FISCAL YEARS				
	2004	2003	2002	2001	2000
Revenues					
Taxes	\$ 7,657,442	\$ 7,300,623	\$ 7,135,067	\$ 7,383,128	\$ 7,093,627
Intergovernmental	3,253,013	4,477,119	4,187,715	3,863,857	2,955,037
Licenses, permits and fees	245,025	248,319	245,583	115,473	97,023
Fines and forfeitures	104,260	100,396	79,580	82,494	122,971
Use of money and property	202,816	263,345	382,629	630,207	526,666
Charges for services	623,191	497,612	465,605	451,993	433,436
Assessment revenues	349	1,573	2,736	1,321	1,474
Other revenue	318,051	531,145	584,799	1,203,099	598,699
Total revenues	12,404,147	13,420,132	13,083,714	13,731,572	11,828,933
Expenditures					
General Government	2,245,850	3,124,345	2,589,481	1,603,392	1,358,885
Public safety	3,862,446	3,933,757	4,046,744	3,875,717	3,514,006
Wastewater	549,946	777,075	-	-	-
Transportation	562,118	1,842,018	2,469,333	1,583,683	835,795
Community development	1,115,528	3,169,935	1,485,757	1,782,139	1,916,794
Health	8,669	336,488	473,511	406,118	124,330
Culture and leisure	1,263,589	1,742,237	1,518,235	1,497,989	957,661
Capital outlay	1,109,864	-	-	-	-
Debt service:					
Principal	792,923	671,202	4,855,800	622,523	18,874,430
Interest	1,312,023	1,358,421	1,486,697	1,367,140	1,681,814
Total expenditures	12,822,956	16,955,478	18,925,558	12,738,701	29,263,715
Excess of revenues over (under) expenditures	(418,809)	(3,535,346)	(5,841,844)	992,871	(17,434,782)
Other financing sources (uses)					
Proceeds from capital lease	170,735	1,038,183	4,389,981	-	17,939,675
Transfers in	4,367,282	5,421,253	5,810,163	3,803,827	3,240,437
Transfers out	(4,007,988)	(4,971,098)	(6,312,563)	(3,565,877)	(3,200,666)
Total other financing sources (uses)	530,029	1,488,338	3,887,581	237,950	17,979,446
Net change in fund balances	\$ 111,220	\$ (2,047,008)	\$ (1,954,263)	\$ 1,230,821	\$ 544,664
Debt service as a percentage of non-capital expenditures	18.0%	12.0%	33.5%	15.6%	70.2%

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

<u>CATEGORY</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Residential	\$ 1,084,808,408	\$ 1,058,498,321	\$ 911,494,904	\$ 788,678,966	\$ 713,926,081
Commercial	205,319,656	179,110,827	174,032,874	157,444,654	143,927,504
Industrial	18,105,232	17,971,395	11,837,503	10,882,183	10,860,581
Government	161,605	128,221	146,152	136,999	132,341
Institutional	14,877,479	15,142,018	14,742,327	12,205,814	12,553,443
Miscellaneous	238,916	234,383	157,037	154,247	151,512
Recreational	5,000,813	4,698,128	4,642,201	4,721,225	4,484,762
Vacant Land	71,345,463	65,109,045	49,323,706	36,481,201	34,935,069
SBE Non-Unitary	842,761	842,761	842,761	842,761	842,761
Unsecured	38,435,738	29,790,351	29,827,806	27,176,839	28,626,497
Exempt	(4,173,979)	(4,178,993)	(1,069,989)	(984,427)	(988,262)
Unknown	543,791	662,290	544,550	533,877	394,287
TOTALS	1,439,679,862	1,372,187,740	1,196,521,832	1,039,258,766	950,834,838
Total Direct Rate	0.68679%	0.67270%	0.62767%	0.57120%	0.51486%

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 assessed 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>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>
Residential	\$ 633,401,029	\$ 580,667,757	\$ 569,181,954	\$ 572,575,284	\$ 583,914,379
Commercial	129,256,590	123,503,418	123,985,900	127,824,529	128,198,124
Industrial	10,413,965	10,113,348	9,989,713	10,913,461	10,663,392
Government	156,446	152,488	149,549	146,666	828,749
Institutional	13,614,469	10,817,736	10,693,526	10,521,662	9,989,152
Miscellaneous	151,691	146,374	143,793	141,263	138,782
Recreational	3,619,797	3,507,733	3,490,803	3,438,048	3,392,651
Vacant Land	31,321,458	31,213,075	32,984,147	33,043,434	44,044,015
SBE Non-Unitary	800	800	800	300	300
Unsecured	27,232,504	28,203,161	30,858,937	26,111,600	26,344,769
Exempt	(1,108,762)	(2,289,514)	(2,530,752)	(2,135,314)	(745,195)
Unknown	394,763	380,610	370,097	383,603	474,281
TOTALS	849,563,512	788,870,650	781,849,219	785,099,850	807,988,594
Total Direct Rate	0.45724%	0.41538%	0.42577%	0.42901%	0.47986%

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 and Ridgecrest Redevelopment Agency					
City General Fund Direct Rates				RDA Incremental Rate	Total Direct Rate
Year	City Share of 1% Levy per Prop. 13	Debt Rate(s)	Total City Rates	1% + applicable voter approved debt	
2008-2009	0.05196%	0.00000%	0.05196%	1.00000%	0.68679%
2007-2008	0.05020%	0.00000%	0.05020%	1.00000%	0.67270%
2006-2007	0.05068%	0.00000%	0.05068%	1.00000%	0.62767%
2005-2006	0.05191%	0.00000%	0.05191%	1.00000%	0.57120%
2004-2005	0.05191%	0.00000%	0.05191%	1.00000%	0.51486%
2003-2004	0.05191%	0.00000%	0.05191%	1.00000%	0.45724%
2002-2003	0.05191%	0.00000%	0.05191%	1.00000%	0.41538%
2001-2002	0.05191%	0.00000%	0.05191%	1.00000%	0.42577%
2000-2001	0.05191%	0.00000%	0.05191%	1.00000%	0.42901%
1999-2000	0.05191%	0.00000%	0.05191%	1.00000%	0.47986%

Wastewater

10 Year Detail Breakdown of the Property Tax Dollar										
Agency	2008-2009	2007-2008	2006-2007	2005-2006	2004-2005	2003-2004	2002-2003	2001-2002	2000-2001	1999-2000
City of Ridgecrest	0.05196	0.05020	0.05068	0.05191	0.05191	0.05191	0.05191	0.05191	0.05191	0.05191
Child Development Fund	0.00000	0.00000	0.00000	0.00509	0.00509	0.00509	0.00509	0.00509	0.00509	0.00509
County Advertising	0.00070	0.00070	0.00070	0.00069	0.00069	0.00069	0.00069	0.00069	0.00069	0.00069
East Kern Res Con	0.00066	0.00070	0.00066	0.00066	0.00066	0.00066	0.00066	0.00066	0.00066	0.00066
Education	0.01917	0.01897	0.01917	0.01917	0.01917	0.01917	0.01917	0.01917	0.01917	0.01917
Education Revenue Augmentation Fund	0.12490	0.12984	0.12989	0.12504	0.12504	0.12504	0.12504	0.12504	0.12504	0.12504
Fire	0.10580	0.10583	0.10577	0.10577	0.10577	0.10577	0.10577	0.10577	0.10577	0.10577
Kern Community College	0.06789	0.06789	0.06770	0.06770	0.06770	0.06770	0.06770	0.06770	0.06770	0.06770
Kern County	0.14130	0.14277	0.14263	0.14117	0.14117	0.14117	0.14117	0.14117	0.14117	0.14117
Kern County Water Agency	0.00719	0.00719	0.00719	0.00719	0.00719	0.00719	0.00719	0.00719	0.00719	0.00719
Sierra Unified School	0.47560	0.47591	0.47560	0.47560	0.47560	0.47560	0.47560	0.47560	0.47560	0.47560
Sierra Sands Unified School Child Dev	0.00509	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
TOTAL PROP. 13 RATE	1.00000									
KCCD SRID #1	0.00014	0.00599	0.00000	0.00963	0.00918	0.01180	0.00000	0.00000	0.00000	0.00000
KCCD SRID 03A RFD	0.00703	0.00192	0.00368	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
KCCD SRID 2003B	0.00188	0.00013	0.00160	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
Sierra Sands 06A	0.04077	0.04231	0.04209	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
Total Voter Approved Rate	0.04982	0.05035	0.04737	0.00963	0.00918	0.01180	0.00000	0.00000	0.00000	0.00000
TOTAL TAX RATE	1.04982	1.05035	1.04737	1.00963	1.00918	1.01180	1.00000	1.00000	1.00000	1.00000

NOTES:

- General fund tax rates are representative and based upon the direct and overlapping rates for the largest General fund tax rate area (TRA) by net taxable value.
- Total Direct Rate is the weighted average of all individual direct rates applied by the City of Ridgecrest. The percentage presented in the columns above do not sum
- RDA 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.
- 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.

Source: HdL Coren & Cone

City of Ridgecrest
Schedule 8
Top Ten Principal Property Taxpayers
Fiscal Year 2009 and Ten Years Prior

Taxpayer	2008-2009			1999-2000		
	Rank	Taxable Assessed Value	Percentage of Total Taxable Assessed Value	Rank	Taxable Assessed Value	Percentage of Total Taxable Assessed Value
Walmart Stores, Inc.	1	\$ 9,451,834	0.66%	2	\$ 6,504,272	0.80%
New Albertsons	2	8,574,244	0.60%	7	4,633,099	0.57%
HD Development Maryland Inc.	3	8,456,733	0.59%			
Carriage Inns	4	8,062,875	0.56%	1	8,076,378	1.00%
Ridgecrest Medl First Mortgage	5	7,300,020	0.51%			
K Partners Ridgecrest I LP	6	7,094,760	0.49%			
Inland Westn MDS Portfolio LLC	7	6,758,438	0.47%			
Ridgecrest Heritage Inn	8	6,732,587	0.47%	10	3,984,708	0.49%
PAM Ridgecrest Venture	9	6,248,818	0.43%			
US Bank Trust NA	10	5,953,461	0.41%			
Drummond Medical Center				3	6,087,650	0.75%
Wastewater				4	5,575,987	0.69%
Ridgecrest Associates				5	5,282,568	0.65%
Mediacom California LLC				6	4,719,414	0.58%
Berkshire Business First Trust				8	4,350,000	0.54%
Mervyns				9	4,078,931	0.50%
Top Ten Totals		\$ 74,633,770	5.18%		\$ 53,293,007	6.60%
CITY TOTALS		1,439,742,482			807,988,594	

Source: HdL Coren & Cone

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

Fiscal Year Ended June 30	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Delinquent Tax Collections
		Amount	Percentage of Levy	
2009	\$ 9,684,531	\$ 9,669,503	99.84%	\$ 15,027
2008	9,082,220	9,069,060	99.86%	13,159
2007	7,413,971	7,406,500	99.90%	7,471
2006	5,822,621	5,817,552	99.91%	5,070
2005	4,958,439	4,953,104	99.89%	5,335
2004	3,915,945	3,908,652	99.81%	7,293
2003	3,446,694	3,441,268	99.84%	5,426
2002	3,311,476	3,307,514	99.88%	3,962
2001	3,325,516	3,318,986	99.80%	6,531
2000	3,481,425	3,476,202	99.85%	5,223

NOTES:

The amounts presented include City property taxes and Redevelopment Agency tax increment.

Source: Kern County Auditor-Controller
www.co.kern.ca.us/auditor/confirmations

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

Fiscal Year	GOVERNMENTAL ACTIVITIES					Total Primary Government	Percentage of Personal Income ^a	Per Capita ^a
	General Obligation Bonds	Redevelopment Bonds	Special Assessment Bonds	Loans Payable	Capital Lease			
2009	\$ 8,830,000	\$ 7,905,000	\$ -	\$ 600,000	\$ 739,943	\$ 18,074,943	2.45%	\$ 647
2008	9,190,000	8,490,000	115,000	800,000	860,688	19,455,688	2.62%	694
2007	9,535,000	9,050,000	220,000	1,000,000	1,031,380	20,836,380	2.89%	746
2006	9,870,000	9,590,000	315,000	1,200,000	1,225,614	22,200,614	4.49%	837
2005	-	19,355,000	405,000	1,400,000	1,167,060	22,327,060	4.74%	843
2004	-	20,070,000	485,000	1,600,000	1,135,552	23,290,552	5.35%	901

NOTES:

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

The City of Ridgecrest has elected to show only six years of data for this schedule.

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

Fiscal Year	GOVERNMENTAL ACTIVITIES			Total	Percentage of Taxable Assessed Property Values ^a	Per Capita ^b
	General Obligation Bonds	Redevelopment Bonds	Special Assessment Bonds			
2009	\$ 8,830,000	\$ 7,905,000	\$ -	\$ 16,735,000	1.16%	\$ 599
2008	9,190,000	8,490,000	115,000	17,795,000	1.30%	635
2007	9,535,000	9,050,000	220,000	18,805,000	1.57%	673
2006	9,870,000	9,590,000	315,000	19,775,000	1.90%	746
2005	-	19,355,000	405,000	19,760,000	2.08%	746
2004	-	20,070,000	485,000	20,555,000	2.42%	795

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

The City of Ridgecrest has elected to show only six years of data for this schedule.

City of Ridgecrest
Schedule 12
Direct and Overlapping Governmental Activities Debt
As of June 30, 2008

	Debt Outstanding 6/30/2009	% Applicable ¹	City's Share of Debt as of 6/30/09
<u>OVERLAPPING TAX AND ASSESSMENT DEBT:</u>			
Kern Community College District Safety, Repair & Improvement District	\$ 115,381,213	0.685%	\$ 790,361
Kern Community College District Assessment District	5,020,000	0.740%	37,148
Sierra Sands Joint Unified School District	<u>24,644,430</u>	53.339%	<u>13,145,093</u>
TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT			\$ 13,972,602
<u>DIRECT AND OVERLAPPING GENERAL FUND OBLIGATION DEBT:</u>			
Kern County Certificates of Participation	142,330,000	0.620%	882,446
Kern County Pension Obligations	477,656,067	0.620%	2,961,468
Kern County Board of Education Certificates of Participation	54,740,000	0.620%	339,388
Kern County Community College District Certificates of Participation	85,105,000	0.602%	512,332
Kern County Community College District Benefit Obligations	85,880,000	0.602%	516,998
Wastewater	4,300,000	53.339%	2,293,577
City of Ridgecrest Certificates of Participation	<u>8,830,000</u>	100.000%	<u>8,830,000</u>
TOTAL DIRECT AND OVERLAPPING GENERAL FUND OBLIGATION DEBT	858,841,067		\$ 16,336,208
COMBINED TOTAL DEBT			<u><u>30,308,810</u></u> ²

(1) Percentage of overlapping agency's assessed valuation located within boundaries of the city.

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

2008-09 Assessed Valuation	\$ 1,439,567,662
Redevelopment Incremental Valuation	951,657,681
Adjusted Assessed Valuation	487,909,981
Ratios to 2008-09 Assessed Valuation:	
Total Overlapping Tax and Assessment Debt	0.97%
Ratios to Adjusted Assessed Valuation:	
Combined Direct Debt (\$8,830,000)	1.81%
Combined Total Debt	6.21%

NOTES:

Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the city. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City of Ridgecrest. This process recognizes that, when considering the City's ability to issue and repay long term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying

Source: California Municipal Statistics, Inc.

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

Legal Debt Margin Calculation	FY 2009	FY 2008	FY 2007	FY 2006	FY 2005	FY 2004
Assessed value	\$ 1,439,679,862	\$ 1,372,187,740	\$ 1,196,521,832	\$ 1,039,258,766	\$ 950,834,838	\$ 849,563,512
Debt limit (15% of assessed value)	215,951,979	205,828,161	179,478,275	155,888,815	142,625,226	127,434,527
Debt applicable to limit:						
General obligation bonds	16,735,000	17,795,000	18,805,000	19,775,000	19,760,000	20,555,000
Less: Amount set aside for repayment of general obligation debt	<u>1,808,337</u>	<u>1,814,042</u>	<u>2,640,512</u>	<u>2,265,223</u>	<u>1,865,888</u>	<u>1,859,194</u>
Total net debt applicable to limit	<u>14,926,663</u>	<u>15,980,958</u>	<u>16,164,488</u>	<u>17,509,777</u>	<u>17,894,112</u>	<u>18,695,806</u>
Legal Debt Margin	201,025,316	189,847,203	163,313,787	138,379,038	124,731,113	108,738,721
Total debt applicable to the limit as a percentage of debt limit	<u>7.43%</u>	<u>8.42%</u>	<u>9.90%</u>	<u>12.65%</u>	<u>14.35%</u>	<u>17.19%</u>

Wastewater

NOTES:

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

The City of Ridgecrest has elected to show only six years of data for this schedule.

City of Ridgecrest
Schedule 14
Pledged Revenue Coverage
Last Six Fiscal Years

REDEVELOPMENT BONDS					
Fiscal Year	Net Property Tax Increment	Debt Service		Coverage	
		Principal	Interest		
2009	\$ 9,297,103	\$ 585,000	\$ 495,113	8.61	
2008	8,698,122	560,000	522,165	8.04	
2007	7,036,646	540,000	547,150	6.47	
2006	5,451,361	9,765,000	1,570,069	0.48	
2005	4,588,460	715,000	1,164,698	2.44	
2004	3,547,966	690,000	1,237,983	1.84	

SPECIAL ASSESSMENT BONDS					
Fiscal Year	Special Assessment Collections	Current Account Balance	Debt Service		Coverage
			Principal	Interest	
2009	\$ -	\$ 125,700	\$ 115,000	\$ 4,773	1.05
2008	116,927	125,700	105,000	13,903	2.04
2007	115,531	125,700	95,000	22,179	2.06
2006	113,633	125,700	90,000	29,810	2.00
2005	109,046	125,700	80,000	36,803	2.01
2004	105,976	125,700	75,000	43,158	1.96

NOTES:

The City of Ridgecrest has elected to show only six years of data for this schedule.

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

Year	Population	Personal Income	Personal Per Capita Income	Median Age	School Enrollment*	Unemployment Rate
2009	27,951	\$ 737,095,821	\$ 26,371	31.8	5,690	5.50%
2008	28,038	743,680,000	26,524	n/a	5,727	4.60%
2007	27,944	720,647,816	25,789	30.0	5,929	4.20%
2006	26,515	494,133,540	18,636	29.8	5,972	3.40%
2005	26,493	470,595,159	17,763	30.1	5,889	4.60%
2004	25,842	435,308,490	16,845	30.5	5,692	5.60%

NOTES:

The City of Ridgecrest has elected to show only six years of data for this schedule.

The Personal per Capita Income and Median age are reinstated to reflect the estimates for the Kern County by the U.S. Census Bureau.

The personal income is calculated by multiplying the personal per capita income estimates by the population estimates.

Population projections are provided by California Department of Finance projections

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

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

n/a = not available

Source: MuniServices, LLC

*School Enrollment - California Department of Education (*includes only the school district and charter school enrollment)
www.cde.ca.gov

City of Ridgecrest
Schedule 16
Principal Employers
Fiscal Year 2008 and Five Years Prior

<u>Employer</u>	<u>2009-2008</u>			<u>2004-2003</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>
Naval Air Weapons Station China Lake (3,984 civilians & 648 military, & 1,359 Contractors)	5991	1	37.92%	4093	1	31.24%
Sierra Sands Unified School District	650	2	4.11%	620	3	4.73%
Searles Valley Minerals	647	3	4.09%	625	2	4.77%
Ridgecrest Regional Hospital	400	4	2.53%	340	4	2.60%
Jacobs Technology	360	5	2.28%			
Wal-Mart	250	6	1.58%	184	6	1.40%
City of Ridgecrest	225	7	1.42%	134	10	1.02%
Cerro Coso Community College	220	8	1.39%	175	7	1.34%
Desert Area Resources and Training	183	9	1.16%			
SA-Tech (System Applic. & Tech)	162	10	1.03%			
Alta One Federal Credit Union				161	8	1.23%
Wastewater				280	5	2.14%
L-3 Communications, Government Services				150	9	1.15%
			57.52%			51.62%
	Total City Employment		15,800			13,100

NOTES:

Total City employment provided by EDD Labor Force Data

The earliest data available to the City of Ridgecrest was from five years prior.

Source: MuniServices, LLC

City of Ridgecrest

Schedule 17

Full Time Equivalent City Government Employees by Function/Program

Last Seven Fiscal Years (As of June 30)

FUNCTION/PROGRAM	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
General Government						
City Council	5	5	5	5	5	5
City Manager	4.5	4	4	3.75	2.5	2
City Clerk	1	1.5	2.75	1	1	1
Finance & Technology	9.5	12	9.75	9.75	8.5	11
Human Resources	1.5	1.5	2.5	1	1	1
Community Development	8	8	7	7	5	12
Public Safety						
Police Officers-Sworn	33	37	38	35	30	30.5
Other Full Time Employees	16	16.25	16	15.5	26	25.46
Public Works						
Engineering	3	4	5	3	4	2
Maintenance	9	8	9	9	7	8
Wastewater	7	7.5	8	8	8.5	8.5
Wastewater/Sewer	6	5	5	5	5	5
Culture & Recreation	29	31.97	23.44	22.4	23.86	23.54
Grant Funded Programs						
Work Investment Act	25	3.48	3.98	2.98	3.48	3.48

NOTES:

The City of Ridgecrest has elected to show only seven years of data for this schedule.

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

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

FUNCTION/PROGRAM	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Police						
Physical Arrests	2667	2213	2,448	2,519	2,078	1,935
Parking Violations	278	294	161	134	216	252
Traffic Violations	2034	1439	2,001	2,338	2,844	2,887
Community Development						
Building Permits Issued	144	212	585	768	465	473
Building Permits Valuation (in millions)	12	22	20	35	23	16
Building Inspections Performed	5086	3861	5,455	5,850	2,557	2,039
Planning Permits Issued	161	137	135	197	113	86
Public Services						
Street Resurfacing (miles)	3	0.5	1.75	1	2.0	0.5
Street Light Replacement ^a	n/a	n/a	n/a	n/a	n/a	n/a
Potholes Filled	600	3,500	1,500	2,011	2,000	1,500
Wastewater	2.57	2.65	2.6	2.6	2.5	2.4
Transit Route (Service) Miles	86,965	91,178	82,277	91,998	112,052	110,947
Transit Passenger Count	27,478	35,595	38,529	33,967	40,374	38,775
Parks & Recreation						
Sports Field Participation	91359	88078	88,140	87,536	87,564	87,518
Community Center/Gym/Pool Participation	73499	67421	101,242	99,638	94,933	74,996
Other Participation	35370	35730	35,730	35,730	36,738	37,170

NOTES:

The City of Ridgecrest has elected to show only six years of data for this schedule.

a) Street light replacement is done by Southern California Edison

Source: Various City Departments

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

FUNCTION/PROGRAM	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Police						
Stations	1	1	1	1	1	1
Patrol Units (marked)	18	16	12	10	13	11
Motorcycle unit	2	1	1	1	1	0
K-9 unit	1	1	2	1	1	0
Streets						
Streets (miles)	130	130	131.5	130.5	130	130
Streetlights	347	347	347	347	337	337
Traffic Signals *	7	7	7	7	7	7
Culture & Recreation						
Total Park Acreage	25.88	25.88	25.88	25.88	25.88	25.88
Parks	6	6	6	6	6	6
Baseball Fields	4	4	4	4	4	4
Wastewater	3	3	3	3	3	3
Soccer Fields	4	4	4	4	4	4
Football Fields	1	1	1	1	1	1
Tennis Courts	6	6	6	6	6	6
Swimming Pools	1	1	1	1	1	1
Community Centers	2	2	2	2	2	2
Waste Water						
Sanitary Sewers (miles)	265	265	224	223.5	220	220
Storm Sewers (miles)	5	2	2	2	2	2
Treatment Capacity (millions of gallons/day)	3.6	3.6	3.6	3.6	3.6	3.6
Transit Services						
Minibuses						
Fixed Route	0	0	0	0	0	0
Dial A Ride	7	7	5	5	5	5
Bus Shelters	5	5	5	5	5	5

NOTE:

* There are 13 traffic signals in total but only seven are maintained by the City.
The City of Ridgecrest has elected to show only six years of data for this schedule.
Source: Various City Departments