

August 7, 2015

2015-805

Peggy Breeden, Mayor
City of Ridgecrest
100 West California Avenue
Ridgecrest, California 93555

Dear Mayor Breeden:

The California Government Code, section 8546.10, authorizes the California State Auditor (state auditor) to establish a high risk local government agency audit program (local high risk program) to identify local government agencies, including but not limited to counties, cities, and special districts, that are at high risk for the potential of waste, fraud, abuse, and mismanagement, or that have major challenges associated with their economy, efficiency, or effectiveness.

On July 1, 2015, the state auditor informed your city that it exhibited certain risk factors—in particular the ongoing deficits in the city's general fund—that would warrant an initial assessment under our local high risk program. The purpose of the initial assessment was to better understand the cause behind these risk factors and determine the city's planned response. The state auditor has now completed the initial assessment after interviewing city officials and reviewing available documentation.

As a result of our initial assessment, the state auditor concludes that the city of Ridgecrest is taking reasonable steps to address the risk factors previously described, and as a result, will not be seeking approval from the Joint Legislative Audit Committee (audit committee) to perform an audit. The state auditor will continue to monitor the city's progress and may consider performing additional work, including conducting future assessments and seeking approval from the audit committee to perform an audit, if necessary. Should the state auditor plan to perform additional work, we will notify you at that time.

We greatly appreciate the cooperation provided by city officials during the initial assessment. If you have any questions, please do not hesitate to contact Grant Parks, Audit Principal.

Sincerely,



ELAINE M. HOWLE, CPA
State Auditor

cc: Tess Sloan, Assistant Finance Director
Dennis Speer, City Manager
Tyrel Staheli, Interim Finance Director