



ANNUAL COMPREHENSIVE FINANCIAL REPORT

Fiscal Year Ended
June 30, 2024



Prepared By:
Isaac Whippy

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Fort Bragg, CA 95437

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City of Fort Bragg, California

Annual Comprehensive Financial Report Fiscal Year Ended June 30, 2024



Prepared by City of Fort Bragg City Manager
Isaac Whippy

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City of Fort Bragg, California
Annual Comprehensive Financial Report
For the year ended June 30, 2024

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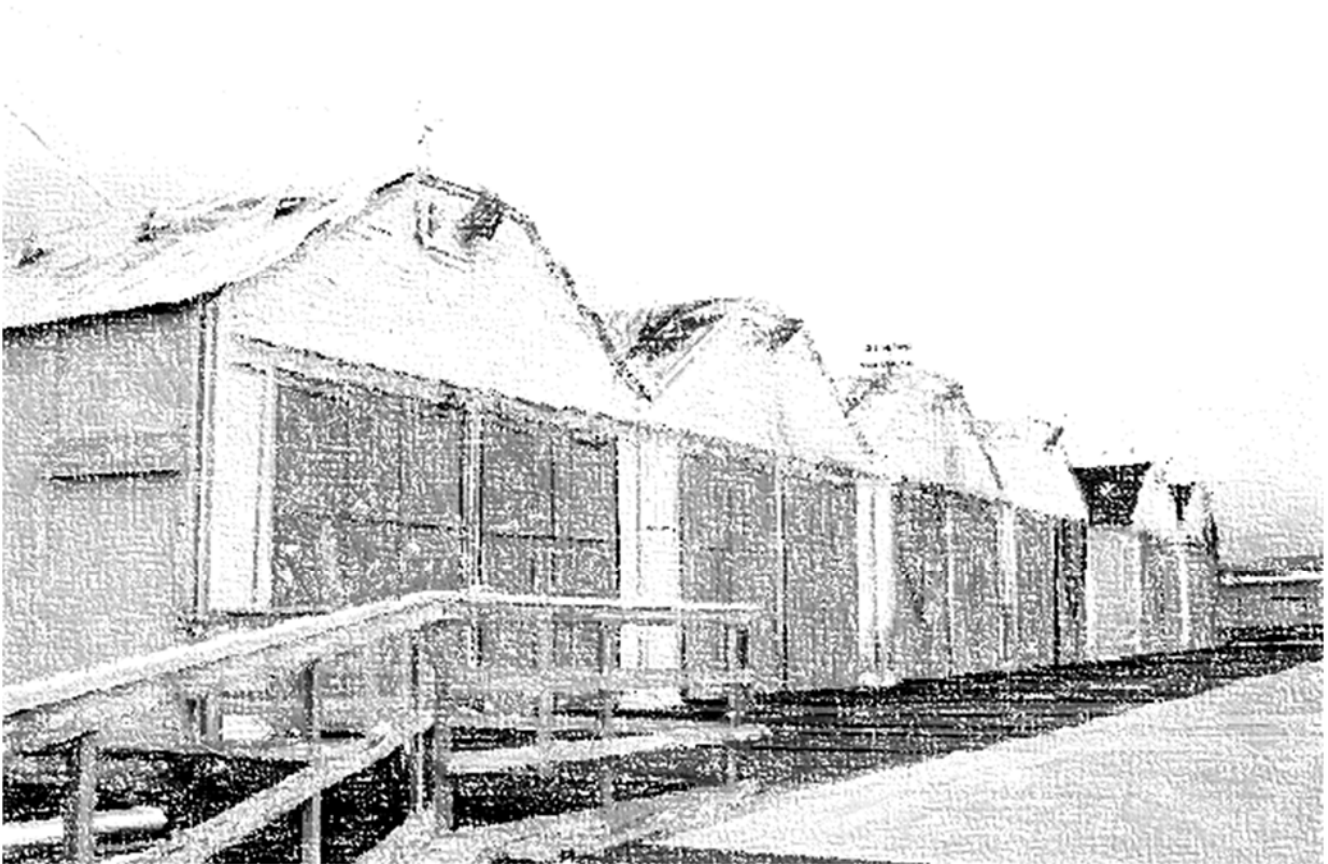
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INTRODUCTORY SECTION

- Letter of Transmittal
- Organizational Chart, Elected and Appointed Officials

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April 25, 2025

The Honorable City Council
City of Fort Bragg

Transmittal of the Annual Comprehensive Financial Report for the Fiscal Year Ended June 30, 2024

To the Citizens of the City of Fort Bragg, Honorable Mayor, and Members of the City Council:

We are pleased to present the Annual Comprehensive Financial Report (ACFR) for the fiscal year ended June 30, 2024. This report has been prepared in accordance with generally accepted accounting principles (GAAP) and the standards established by the Governmental Accounting Standards Board (GASB) to provide a complete and transparent view of the City's financial position and operations.

Management is responsible for the accuracy, completeness, and fairness of the data presented in this report, as well as for establishing and maintaining a system of internal control designed to provide reasonable assurance regarding the integrity of the financial statements. These internal controls are structured to ensure that the City's financial reporting is accurate and that assets are safeguarded from loss or misuse.

The City's financial statements have been audited by JJACPA, Inc., an independent firm of certified public accountants fully licensed and qualified to perform audits of California local governments. The audit was conducted in accordance with generally accepted auditing standards and Government Auditing Standards. The auditors have issued an unmodified ("clean") opinion, stating that the City's financial statements are fairly presented in conformity with U.S. GAAP. Their independent auditor's report is included at the beginning of the Financial Section of this report.

Following the auditor's report, the Management's Discussion and Analysis (MD&A) provides a narrative overview and analysis of the City's financial activities for the year. It is intended to complement this letter of transmittal and should be read in conjunction with the financial statements for a complete understanding of the City's fiscal condition.

This report includes the financial activities of the City of Fort Bragg, the Fort Bragg Redevelopment Successor Agency, and the Fort Bragg Municipal Improvement District No. 1 (MID). Although the Successor Agency and MID are legally separate entities, they are included as blended component units due to the City Council's role as their governing board and the close financial relationship they share with the City. A more detailed description of the City's component units is provided in the MD&A and the Notes to the Financial Statements

Discussion and Analysis (MD&A) and the Notes to the Basic Financial Statements on pages 4-17 and 49-90, respectively.

Profile of the Government

Incorporated in 1889, the City of Fort Bragg is located on the scenic Mendocino Coast, approximately 165 miles north of San Francisco. With a population of 6,983 (Census 2023), it is the largest city along the Northern California coast between San Francisco and Eureka. The City spans 2.7 square miles and is known for its mild climate, historic charm, and oceanfront attractions, making it a popular destination for tourism and recreation.

Fort Bragg is a general law city governed under the Council-Manager system. The five-member City Council is elected at-large to four-year staggered terms, with the Mayor selected by the Council every two years. The City Council appoints the City Manager, who oversees daily operations, enforces City policy, and manages all municipal departments and personnel.

The City provides a broad range of services including police protection, water and wastewater services, street and infrastructure maintenance, community development, and administrative operations. It also operates the C.V. Starr Community Center, supporting recreation and wellness programs. The City participates in various special districts and Joint Powers Authorities (JPAs) that offer services such as wastewater treatment and fire protection. Other regional partners—such as the school district, hospital district, and harbor district—complement the City's service network.

Fort Bragg's annual budget is a key policy and financial tool, aligning City resources with Council priorities. It guides the delivery of services and infrastructure investments, while maintaining compliance with state law and local fiscal policies. The City Manager is responsible for preparing and administering the budget, including capital improvement planning and year-round budget monitoring. Internal controls and regular budget reviews ensure transparency and fiscal responsibility.

Key employment sectors include healthcare, public education, local government, retail, and tourism. The City is actively engaged in strategic initiatives focused on housing, broadband infrastructure, sustainability, and long-term economic resilience.

The City maintains an encumbrance accounting system as one technique of accomplishing budgetary control. Purchase orders, contracts, and other commitments for expenditure of money are secured in order to reserve that portion of the applicable appropriation. Total expenditures of each fund may not exceed fund appropriations and total expenditures for each department may not exceed departmental appropriations. Encumbrances outstanding at year-end are reported as committed fund balances. Unencumbered amounts lapse at year-end and may be appropriated as part of the following year's budget.

Spending Limitation

Article XIII B of the California Constitution, also known as the Gann spending limit, restricts the amount of "proceeds of taxes" California governments may spend. As of June 30, 2024, the City was \$4.9 million or 43% under the total Article XIII B (Gann) spending limitation. The City was not impacted by the spending limitation in FY 2023/24.

Economic Conditions and Fiscal Outlook

Tourism plays a pivotal role in fueling Fort Bragg's economy. Much like the broader city economy, Fort Bragg heavily relies on tourism to generate revenues. The City's General Fund, crucial for various initiatives, is predominantly funded by the Transient Occupancy Tax (TOT), commonly referred to as the bed tax and sales tax. In the fiscal year 2024, these two revenue streams collectively constitute 55% of the City's General Fund revenue.

In FY 22, General Fund Tax Revenues continued the strong trends from the prior year beating pre-pandemic numbers. Transient Occupancy Tax recorded a 3.5% increase, and the City's General Fund Bradley Burns sales tax for the fiscal year was up 9% over the prior year. In the first quarter of FY 2024, TOT revenue receipts declined by 10% compared to the prior quarter. Sales tax revenues for the first quarter of FY 2024/23 were also down by 2%.

U.S. Economy Overview

As of early 2025, the U.S. economy continues to demonstrate modest but stable growth. Real GDP grew at an annualized rate of 2.1% in Q4 2024, reflecting continued consumer spending, a gradual recovery in manufacturing, and moderate gains in business investment. Inflation, which had been a key economic pressure in recent years, has cooled, with the Consumer Price Index (CPI) hovering around 2.6% year-over-year—a level more aligned with the Federal Reserve's long-term targets.

Labor markets remain strong, though job growth is beginning to normalize. The national unemployment rate stands at approximately 3.9%, up slightly from earlier lows but still indicative of a healthy employment environment. The Federal Reserve has taken a cautious approach to interest rates, holding the federal funds rate steady at 4.75% as it monitors inflation trends and seeks to avoid triggering a recession.

However, growing uncertainty around international trade policy—particularly the threat of new tariffs on key imported goods—has introduced potential downside risk to the economic outlook. Heightened tensions with major trading partners have raised concerns about supply chain disruptions, cost pressures for businesses, and reduced consumer purchasing power. If implemented, these tariff measures could contribute to a slowdown in economic growth and increase the risk of recession in the latter half of 2025.

Consumer confidence has improved marginally, though household budgets remain tight due to persistent housing and energy costs. Housing affordability remains a top concern nationwide, with impacts felt across both urban and rural communities.

California Economy

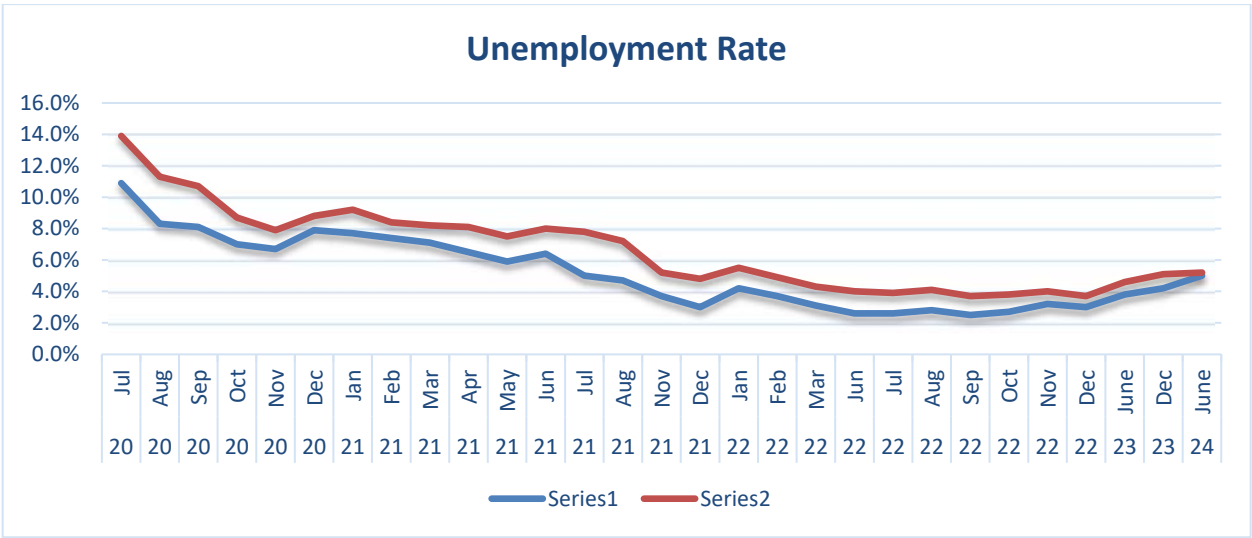
California's economy continues to outperform the national average in key sectors such as technology, entertainment, and clean energy. However, the state also faces several challenges, including high housing costs, a cooling real estate market, and ongoing outmigration from major metro areas. As of Q1 2025, California's unemployment rate stands at approximately 4.6%, slightly above the national average, reflecting a diverse and evolving labor market.

Wage growth remains solid, particularly in the healthcare, logistics, and professional services sectors. However, the state’s fiscal outlook faces moderate pressure due to reduced capital gains tax revenues and the lingering financial impacts of pandemic-era expenditures. Despite these headwinds, state and local investments in climate resilience, infrastructure, and affordable housing are expected to drive regional economic activity and strengthen long-term competitiveness. Retail sales have modestly rebounded following a subdued holiday season, and tourism continues its steady recovery, with domestic travel playing a key role in supporting coastal and rural economies.

A growing area of concern is the impact of potential new federal tariffs, which pose risks to California’s trade-dependent sectors—especially agriculture, technology manufacturing, and port logistics. Escalating trade tensions could disrupt exports, increase input costs, and slow business investment. Given California's status as a global trade hub, these developments could have disproportionate economic effects across the state if such policies are implemented.

While drought conditions have eased compared to recent years, water infrastructure and long-term supply planning remain critical challenges for both urban and agricultural regions.

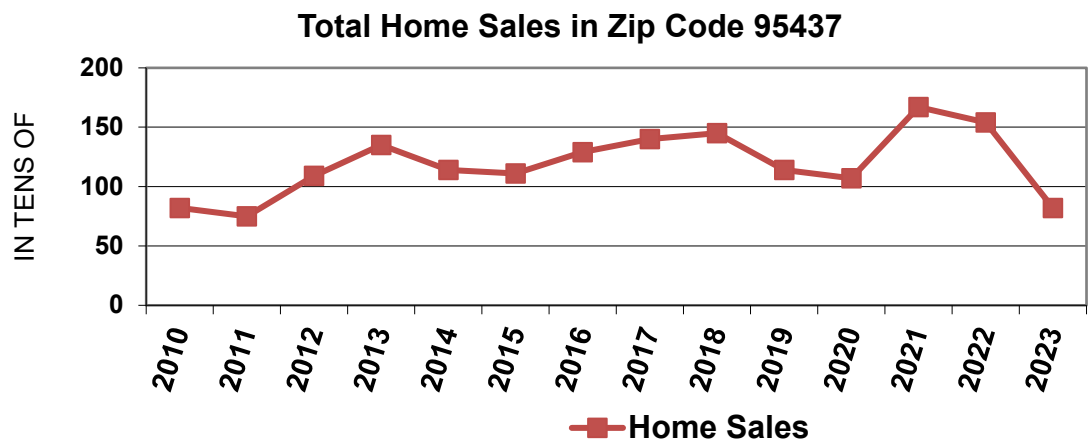
Local Unemployment Rate



Until March 2020, the City experienced five consecutive years of strong employment growth and historically low unemployment rates. However, like much of the nation, Fort Bragg was significantly impacted by the COVID-19 pandemic, with unemployment peaking at 14% in April 2020. Conditions gradually improved through FY 2021 as local businesses and services reopened.

As of January 2025, Fort Bragg's unemployment rate had declined to approximately 4.2%, signaling continued recovery. However, like many communities, Fort Bragg faces ongoing workforce challenges, particularly in maintaining adequate staffing levels across sectors such as hospitality, healthcare, and retail. The statewide unemployment rate for California stood at 5.2%, reflecting broader labor market shifts and regional disparities in job availability and cost of living.

Real- Estate Market



Following a period of post-pandemic highs marked by record median home prices and brisk sales activity, Fort Bragg's real estate market began a noticeable correction in late 2023. That downward trend continued through 2024, with year-over-year transaction volumes declining across most months.

The Federal Reserve’s ongoing efforts to curb inflation resulted in sustained higher interest rates throughout 2024, pushing mortgage rates to levels not seen in over a decade. This had a direct impact on buyer affordability and overall market activity.

According to data from the Coastal Mendocino Association of Realtors, as of June 2024, the median single-family home price had declined by 47% compared to June 2023. This sharp drop followed seven consecutive months of year-over-year price decreases, signaling a broader market reset. Additionally, properties are now remaining on the market longer. Whereas homes typically sold within 14 days during the 2021–2023 peak, the average time on market increased to approximately 30 days throughout 2023–2024. Inventory levels have also grown slightly, reflecting more cautious buyer behavior and affordability concerns. As of January 2025, the market remains cool but stable, with some signs of price stabilization emerging. Demand is expected to remain soft until interest rates moderate or broader economic conditions improve.

Economy

The City of Fort Bragg continues to pursue opportunities to diversify and strengthen its local economy through strategic initiatives that support business growth, resilience, and innovation. In July 2024, the City established a dedicated Economic Development Department, a significant step in institutionalizing long-term strategies to attract investment, support local entrepreneurs, and revitalize key commercial corridors. This department now serves as a central hub for business support, coordination of grant and loan programs, and policy development to improve the City’s overall economic vitality.

Building on efforts launched in FY 2021 and continuing into FY 2025, the City has expanded economic development incentives for small businesses, particularly in the Central Business District (CBD)—an area heavily impacted by pandemic-related closures. These incentives include waivers for water and sewer capacity fees for food service establishments, façade improvement grants, downtown beautification programs, targeted code enforcement outreach, and curated events and promotions to draw both residents and visitors to the area.

The City has also strengthened its water resiliency through a series of forward-thinking infrastructure investments. These include the innovative Oneka desalination buoy system, construction of three new water reservoirs, and major upgrades to the City’s water treatment plant. These projects help ensure a reliable, drought-resistant water supply for residents, businesses, meet future expansion demands and emergency needs—positioning Fort Bragg as a leader in climate adaptation and resource management on the North Coast.

In addition to physical infrastructure, the City reached a major organizational milestone with the completion of its 2024–2029 Strategic Plan. Developed through extensive community engagement and interdepartmental collaboration, the Strategic Plan outlines clear goals and priorities that will guide City operations, capital investments, and policy decisions over the next five years. This plan reinforces the City’s commitment to transparency, sustainability, fiscal responsibility, and community well-being.

Fort Bragg has also made significant strides in addressing homelessness and mental health challenges through the expansion of its CARE (Community Assistance, Recovery, and Engagement) response unit. This program emphasizes compassionate, trauma-informed care and provides coordinated outreach and support services for individuals experiencing homelessness, behavioral health crises, or substance use issues. The CARE unit works closely with law enforcement, health providers, and local nonprofits to connect individuals to housing, treatment, and long-term support—offering an alternative to traditional emergency response models and helping reduce pressure on police and emergency medical services.

In parallel, the City has made transformative progress in addressing the digital divide through the development of a City-run municipal broadband utility. The COVID-19 pandemic underscored the urgent need for affordable, reliable internet access, particularly in rural communities. Residents, students, and businesses in Fort Bragg faced significant challenges in remote work, distance learning, and business operations due to outdated and underperforming private broadband infrastructure.

In response, the City completed a Broadband Utility Feasibility Study, which confirmed the viability of establishing a publicly owned broadband utility to ensure equitable access to high-speed internet. In FY 2024, the City allocated \$10.3 million in Build Back America Funds through the CPUC toward the development of this critical infrastructure. As of FY 2025, the City has begun implementing the municipal broadband project, including network design, initial construction, purchasing MCN and customer onboarding strategies. Additional funding is being pursued through debt financing, state and federal infrastructure programs that prioritize broadband expansion in underserved areas.

Together, these initiatives reflect Fort Bragg’s commitment to building a resilient, inclusive, and forward-looking economy—one that honors its coastal heritage while embracing sustainability, innovation, and connectivity for the future.

Long-term Financial Planning

A review of the City's Fiscal Policies, including Fund Balance & Reserve Policies, was conducted as part of the FY 2024 budget process. The City Council continued the commitment to the reserve levels established in prior annual budget reviews. The following General Fund reserves comprise committed fund balance; at the Fiscal year-end 2024, these reserves total \$7,381,363.

- **General Fund Operating Reserve:** The City will maintain an unrestricted fund balance of at least 15% to 20% of the annual operating expenditures in the General Fund as an "Operating Reserve" to ensure the General Fund's liquidity and adequate cash flow throughout the year. This reserve is necessary to accommodate fluctuations in the timing of expenditures and the receipt of revenues. With Council authorization, the reserve is a committed fund balance and may be used for unforeseen operating or capital needs. At Fiscal Year-end 2024, the reserve remains funded at \$1,989,419.
- **Litigation Reserve:** The City will maintain a \$200,000 Litigation Reserve to cover unforeseen legal expenses, including unbudgeted settlement costs that are not covered by the City's insurance pool. At Fiscal Year-end 2024, the reserve balance is \$200,000.
- **Recession Reserve:** The General Fund will maintain a Recession Reserve to stabilize the delivery of City services during periods of severe operational budget deficits and mitigate the effects of major unforeseen changes in revenues and/or expenditures as typically experienced during times of recession. The fund is established at an amount equivalent to 5% of the City's annual operating budget. City Council approval is required before expending any portion of this committed fund balance. The reserve was established on July 1, 2019, at \$489,929, and at Fiscal Year-end 2024, the reserve balance remains at \$489,929. In the Fiscal Year 2024 Budget Development, the reserve policy was increased to 10%.

Like many municipalities nationwide, the City of Fort Bragg continues to navigate fiscal challenges while striving to maintain essential services for its residents. Traditional funding sources for parks, public safety, and community development have diminished or disappeared, notably due to the dissolution of the Redevelopment Agency by the State and significant reductions in federal and state grant programs. Pension costs remain a substantial concern for the City's financial planning. In response, the City has implemented several measures to address these fiscal challenges. Notably, in FY 2014/15, the City was able to offer modest salary increases to all employee groups for the first time since the 2008 financial downturn. Labor agreements from FY 2019/20 through FY 2024 have continued these moderate cost-of-living adjustments. The City Council has also established two key financial policies: the "Recession Reserve" and the "Pension Funding Policy," aimed at enhancing the City's fiscal resilience.

Through diligent efforts and fiscal discipline, the City Manager and City Council successfully passed balanced budgets for FY 2018/19 and FY 2019/20, marking the first such achievements in many years. These balanced budgets were attained despite trade-offs, including reductions in services and the elimination or downgrading of certain positions. Meanwhile, the Other Postemployment Benefits (OPEB) trust fund has been consistently pre-funded, positioning the City to begin drawing from it to offset increasing costs in the coming years.

Since the FY 2017/18 budget, the City's Finance Department has prepared a five-year budget forecast for the General Fund, updated annually prior to the mid-year budget review. Beginning with the FY 2019/20 budget, this forecast has been incorporated into the main budget document. The forecast indicates that recent improvements in tax revenues will support balanced budgets in the midterm; however, the General Fund is projected to operate at a deficit starting in FY 2026/27.

The City's General Fund experienced a record surplus in FY 2021, with the fund balance improving by nearly \$1.5 million. This surplus resulted from early pandemic-related budget cuts, which reduced staff and services, and increased transient occupancy tax (TOT) and sales tax revenues as tourism rebounded. In May 2023, the City laid off four full-time employees, froze two positions in the Police Department, and furloughed another twelve employees to 50–75% of their regular hours. Furloughed staff returned to full-time status in August 2023, but several laid-off positions remain vacant. Additionally, the City did not replace two positions (Finance Director and Assistant City Engineer) that became open in late June. As the demand for City services continues to grow, Fort Bragg faces challenges similar to many other employers in recruiting and retaining qualified staff.

In FY 2022, General Fund tax revenues continued their strong performance from the prior year, surpassing previous figures. The accumulated fund balance for the General Fund reached \$5,091,306. The City adopted a balanced General Fund budget for FY 2024, projecting a modest surplus of \$198,000. While the surplus was small, the budget included \$150,000 to pay down pension obligations and was based on relatively conservative revenue projections. Both TOT and sales tax revenues are outpacing FY 2023, which set records for both revenue sources.

A significant initiative in FY 2023 was the development and adoption of a Pension Funding Policy. Like many California cities, Fort Bragg continues to experience substantial increases in its unfunded liability payments with minimal reduction in the overall unfunded liability. As of June 30, 2024, the City's net pension liability stands at \$5.6 million, reduced from \$10.7 million. In 2023, the City issued \$11.4 million in taxable Lease Revenue Bonds, allocating \$7.5 million to reduce the City's unfunded pension liability. The California Public Employees' Retirement System (CalPERS) reported a preliminary net return of 9.3% on its investments for the 12-month period ending June 30, 2024, surpassing the discount rate of 6.8% and improving the overall funded status to an estimated 75%.

To further mitigate pension-related risks, the City Council approved the establishment of a Section 115 Trust in FY 2023, investing over \$2 million to buffer against potential future losses by CalPERS. These proactive measures place the City in a stronger position to manage pension obligations and enhance long-term fiscal stability.

Impact of Fiscal Policies on Financial Statements

The City of Fort Bragg's fiscal policies are established to ensure that the finances of the City and the Municipal Improvement District No. 1 (collectively referred to as "the City") are managed in a manner that will:

- Maintain a financially viable local government that provides adequate levels of municipal services to its citizens.
- Provide financial flexibility in order to adapt to local and regional economic changes.
- Preserve and enhance the sound fiscal condition of the City.

The City's policies are maintained in the annual budget document and are reviewed and approved each year by the City Council. The policies cover: budgeting, budgetary controls, revenues, expenditures, utility rates, capital budgeting, debt management, inter-fund loans, fund balance and reserves, investments, accounting auditing and financial reporting, asset forfeiture expenditures, employment compensation, cost allocations, and debt service. The City's fiscal policies are extensive and followed diligently so that it can be safely said that all of the policies have significantly impacted the current period's financial statements. In some years certain fiscal policies may stand out as having a more significant impact on the financial statements; in other years (such as the current reporting period) they may have a relatively equal impact.

Certificate of Achievement

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 for its Annual Comprehensive Financial Report for the fiscal year ended June 30, 2024. This was the eleventh year in a row that the City of Fort Bragg has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized Annual Comprehensive Financial Report. This report must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only.

Acknowledgments

The timely preparation of this Annual Comprehensive Financial Report would not have been possible without the support and collaboration of many dedicated City of Fort Bragg staff members. Special recognition is extended to the Finance Department staff, whose hard work and commitment have ensured the continued delivery of high-quality financial information to our residents, the City Council, and other stakeholders.

I would also like to express my appreciation to the Mayor and City Council for their leadership, engagement, and consistent support in guiding the City's financial operations with both responsibility and responsiveness.

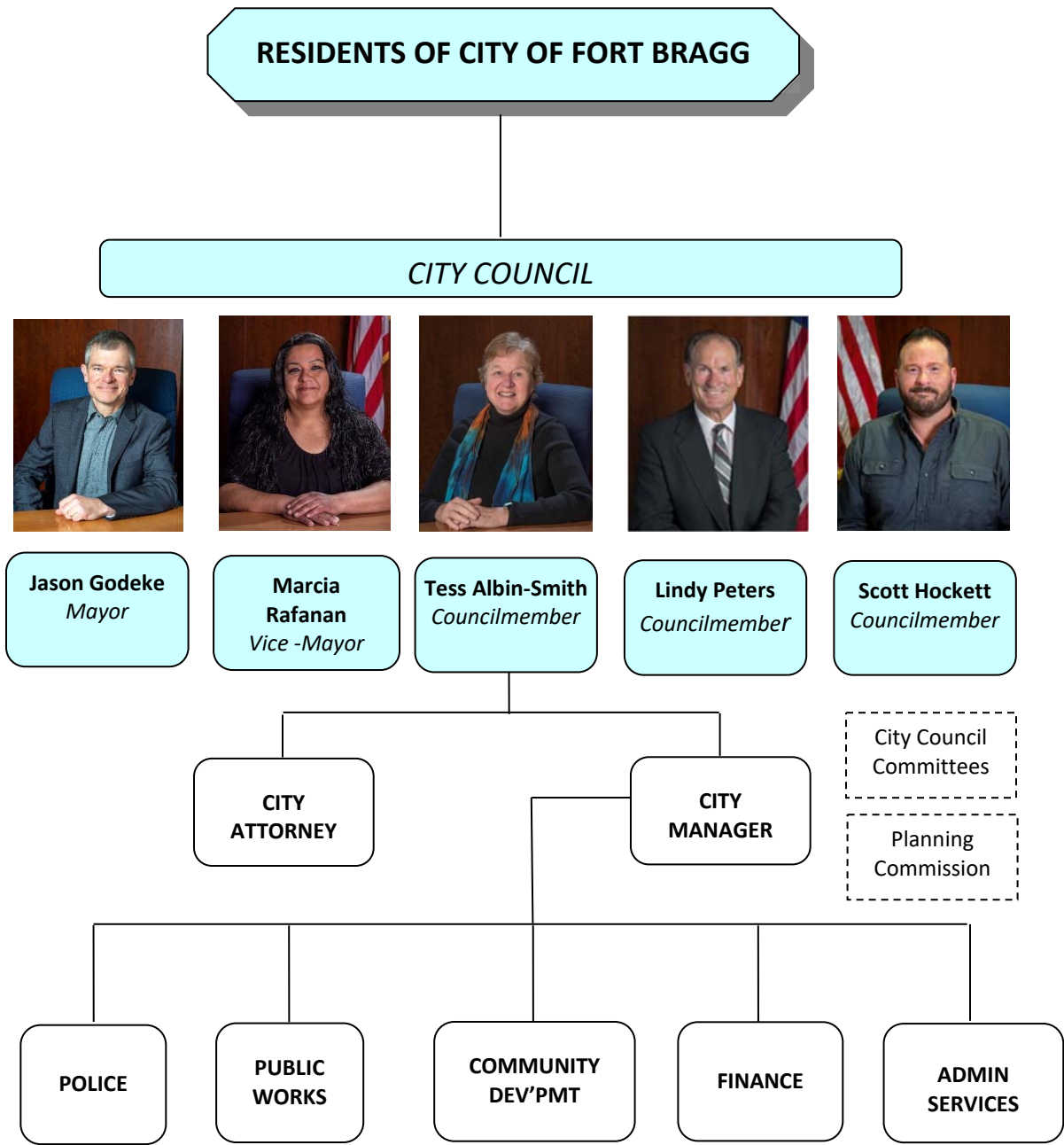
Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Isaac Whippy', with a stylized flourish at the end.

Isaac Whippy
City Manager

City of Fort Bragg, California
 Annual Comprehensive Financial Report
 For the year ended June 30, 2024

Organization Chart



Current City Council members and the dates upon which their respective terms expire are as follows:

Mayor Jason Godeke	December 2026
Vice Mayor Marcia Rafanan	December 2026
Councilmember Tess Albin-Smith	December 2026
Councilmember Lindy Peters	December 2028
Councilmember Scott Hockett	December 2028



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Fort Bragg
California**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

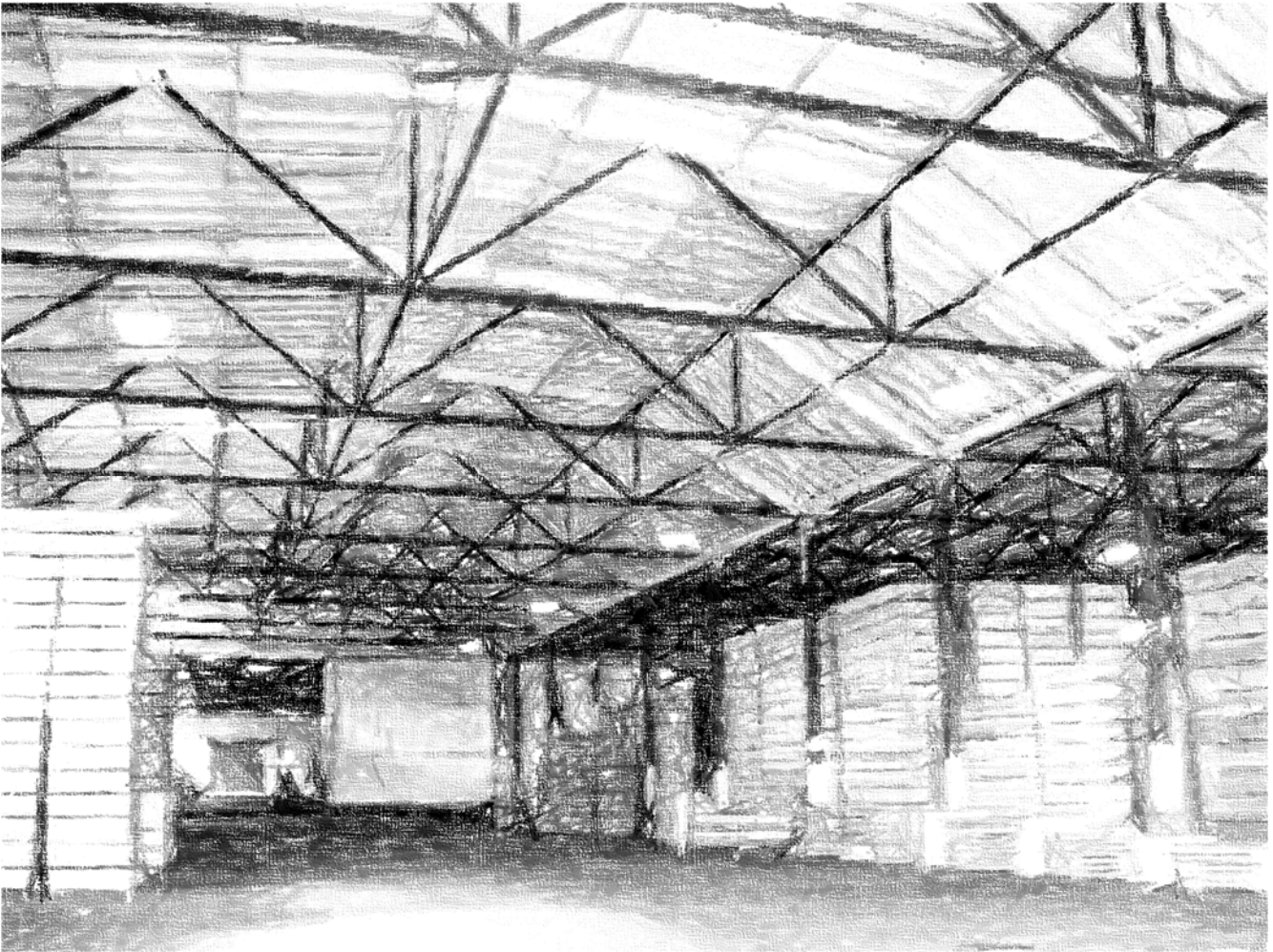
June 30, 2023

Christopher P. Morill

Executive Director/CEO

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FINANCIAL SECTION

- Independent Auditor's Report
- Management's Discussion and Analysis
- Basic Financial Statements
- Notes to the Basic Financial Statements
- Required Supplementary Information
- Combining and Individual Fund Statements and Schedules

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INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and City
Council City of Fort Bragg
Fort Bragg, California

Report on the Audit of the Financial Statements

Opinions

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

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

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4–17, the Schedule of Changes in the Net OPEB Liability and Related Ratios on page 92, the Net OPEB Liability Schedule of Contributions on page 93, the City's Schedules of Contributions, Pensions on pages 94–95, and the Schedules of the City's Proportionate Share of the Net Pension Liability on pages 96–97, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the Introductory and Statistical Sections but does not include the financial statements and our auditor's report thereon. Our opinions on the financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 25, 2025, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

April 25, 2025

JJACPA, Inc.
JJACPA, Inc.
Dublin, CA

City of Fort Bragg, California
Annual Comprehensive Financial Report
For the year ended June 30, 2024

Management's Discussion and Analysis

This section provides a narrative overview and analysis of the financial activities of the City of Fort Bragg (City) for the fiscal year ended June 30, 2024. It should be read in conjunction with the accompanying transmittal letter and basic financial statements.

FINANCIAL HIGHLIGHTS

- The City's net position increased by \$4.7 million (assets exceeded liabilities) to \$110 million as of June 30, 2024.
- The net position for governmental activities ended the year at \$50.3 million, while the net position for business activities was \$59.6 million. Of the \$44.8 million in total governmental net position, a negative \$424,308 was characterized as an unrestricted net position.
- The City's governmental funds reported a combined fund balance of \$15.5 million. Committed balances include an operating reserve of \$1.9 million, a recession reserve of \$489,929, and a litigation reserve of \$200,000. The unassigned fund balance increased to \$4.6 million.
- General fund revenues grew by \$2.7 million, reflecting positive trends in several key categories including intergovernmental revenue, reimbursements, and use of money and property.
- General fund expenditures decreased by \$2.5 million from 2023 to 2024. This reduction is largely driven by significant decreases in debt principal payments, offset by significant increases in general government and public safety expenditures.

Additional information and analysis on the financial highlights follow in the sections and tables below.

OVERVIEW OF THE ANNUAL FINANCIAL REPORT

This Annual Comprehensive Financial Report is in three major parts:

- 1) **Introductory section**, which includes the Transmittal Letter and general information; and,
- 2) **Financial section**, which includes the Management's Discussion and Analysis (this part), the Basic Financial Statements, which include the Government-wide and the Fund Financial Statements along with the notes to these financial statements, and Combining and Individual Fund Financial Statements and Schedules.
- 3) **Statistical section**, which includes detailed information as a context for understanding what the information in the financial statements, and footnotes says about the City's overall financial health.

City of Fort Bragg, California
Annual Comprehensive Financial Report
For the year ended June 30, 2024

Management's Discussion and Analysis

OVERVIEW OF THE ANNUAL FINANCIAL REPORT, Continued

The Basic Financial Statements

The Basic Financial Statements are comprised of the Government-wide Financial Statements and the Fund Financial Statements; these two sets of financial statements provide two different views of the City's financial activities and financial position.

Government-wide Financial Statements

The Government-wide Financial Statements provide a broad overview of the City's activities as a whole and comprise the Statement of Net Position and the Statement of Activities. The Statement of Net Position provides information about the financial position of the City as a whole, including all of its capital assets and long-term liabilities on the full accrual basis, similar to that used by corporations. The Statement of Activities provides information about all the City's revenues and all its expenses, also on the full accrual basis, with the emphasis on measuring net revenues or expenses of each the City's programs. The Statement of Activities explains in detail the change in Net Position for the year.

All of the City's activities are grouped into Governmental Activities and Business-type activities, as explained below. All the amounts in the Statement of Net position and the Statement of Activities are separated into Governmental Activities and Business-type Activities in order to provide a summary of these two activities of the City as a whole.

- ◆ **Governmental activities** – All of the City's basic services are considered to be governmental activities, including general government, community development, public safety, public works and administration. These services are supported by general City revenues such as taxes and by specific program revenues such as developer fees.
- ◆ **Business-type activities** – All the City's enterprise activities are reported here, including Water, Wastewater (Sewer), and the C.V. Starr Community Center. Unlike governmental services, these services are supported by charges paid by users based on the amount of the service they use.

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 may be divided into two categories: governmental funds and proprietary funds.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the Government-wide Financial Statements. However, unlike the Government-wide Financial Statements, Governmental Fund Financial Statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

City of Fort Bragg, California
Annual Comprehensive Financial Report
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Management's Discussion and Analysis

OVERVIEW OF THE ANNUAL FINANCIAL REPORT, Continued

Because the focus of the Governmental Fund Financial Statements 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 Statement. By doing so, readers may better understand the long-term impact of the government's near-term financial decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities. The Governmental Fund Financial Statements provide detailed 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 and replaces the concept of combining like funds and presenting them as one total. Instead, each major fund is presented individually, with all non-major funds summarized and presented only in a single column. Subordinate schedules present the detail of these non-major funds. Major funds present the major activities of the City for the year, and may change from year to year as a result of changes in the pattern of the City's activities.

For the fiscal year ended June 30, 2024, the City's major funds are as follows:

GOVERNMENTAL FUNDS:

- ◆ General Fund
- ◆ CDBG Program Income Special Revenue
- ◆ Special Sales Tax Special Revenue
- ◆ Permanent Local Housing Special Revenue
- ◆ CDBG Super NOFA Special Revenue
- ◆ Street Resurfacing Capital Projects

For the fiscal year ended June 30, 2024, the City adopted annual appropriated budgets for all funds. Budgetary comparison schedules have been provided for the general fund and major governmental funds to demonstrate compliance with this budget and may be found on beginning on page 34.

Proprietary funds. The City maintains enterprise-type and Internal Service proprietary funds. enterprise funds are used to report the same functions presented as business-type activities in the Government-wide Financial Statements. The City uses enterprise funds to account for Water, Wastewater, and C.V. Starr Center activities. Internal service funds are an accounting methodology used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for its building maintenance, information technology assets, and its fleet of vehicles. Proprietary funds provide the same type of information as the Government-wide Financial Statements, only in more detail. The proprietary fund financial statements provide separate information for all of these operations.

City of Fort Bragg, California
Annual Comprehensive Financial Report
For the year ended June 30, 2024

Management's Discussion and Analysis

OVERVIEW OF THE ANNUAL FINANCIAL REPORT, Continued

Fund Financial Statements, Continued

ENTERPRISE-TYPE FUNDS:

- ◆ Water enterprise Fund
- ◆ Wastewater enterprise Fund
- ◆ CV Starr Center enterprise Fund

Notes to the Basic 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 basic financial statements may be found on pages 49-90 of this report. Required Supplementary Information follows the notes on page 92.

Combining and Individual Fund Financial Statements and Schedules

The combining statements referred to earlier in connection with non-major governmental funds are presented on pages 101-119 of this report. Combining statements for internal services funds are presented on pages 121-123.

City of Fort Bragg, California
Annual Comprehensive Financial Report
For the year ended June 30, 2024

Management's Discussion and Analysis

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of a government's financial position. The following table represents a comparative analysis of governmental and business-type activities' net assets as of June 30, 2024, and June 30, 2023.

	Summary of Net Position					
	2024			2023		
	Govern- mental Activities	Business- type Activities	Total	Govern- mental Activities	Business- type Activities	Total
Current and other assets	\$ 22,128,295	\$ 10,165,062	\$ 32,293,357	\$ 19,117,548	\$ 12,134,791	\$ 31,252,339
Noncurrent assets	44,879,778	56,606,370	101,486,148	42,156,106	55,382,819	97,538,925
Total assets	67,008,073	66,771,432	133,779,505	61,273,654	67,517,610	128,791,264
Deferred outflows of resources	5,684,493	467,809	6,152,302	7,773,576	145,891	7,919,467
Total assets and deferred outflows of resources	72,692,566	67,239,241	139,931,807	69,047,230	67,663,501	136,710,731
Current and other liabilities	1,386,262	2,130,873	3,517,135	1,796,839	1,422,873	3,219,712
Long-term liabilities	16,395,469	5,075,628	21,471,097	16,412,188	4,844,021	21,256,209
Total liabilities	17,781,731	7,206,501	24,988,232	18,209,027	6,266,894	24,475,921
Deferred inflows of resources	4,615,634	466,995	5,082,629	5,984,579	1,131,938	7,116,517
Total liabilities and deferred inflows of resources	22,397,365	7,673,496	30,070,861	24,193,606	7,398,832	31,592,438
Net position:						
Net investment in						
Capital Assets	44,879,778	52,050,370	96,930,148	42,156,106	50,401,819	92,557,925
Restricted	5,839,731	108,064	5,947,795	6,754,806	108,064	6,862,870
Unrestricted (deficit)	(424,308)	7,407,311	6,983,003	(4,057,288)	9,754,786	5,697,498
Total net position	\$ 50,295,201	\$ 59,565,745	\$ 109,860,946	\$ 44,853,624	\$ 60,264,669	\$ 105,118,293

Analysis of Net Position

As of June 30, 2024, the City's net position was \$110 million, an increase of \$4.7 million. The overall change in net position is largely due to the increase in investment in capital assets for both Governmental and business-type activities, which increased by \$4.4 million. The revenue and expense factors contributing to the year-over-year performance increase are discussed in further detail in this report's ensuing sections.

Net investment in capital assets: The largest portion (88%) of the City of Fort Bragg's net position is invested in capital assets (e.g., land, easements, buildings, machinery, and infrastructure), less related outstanding debt used to acquire those assets. The City uses these capital assets to provide various services to its citizens; consequently, these assets are not available for future spending. The balance in net investment in capital assets increased in FY 2024 by \$4.4 million to a total of \$97 million. The increase reflects capital outlay in multiple projects, including the infrastructure improvements for the Streets Project (\$3.2 million), the Water Treatment Plant Upgrade project (\$1.5 million), the Distribution System Rehabilitation (\$366k).

City of Fort Bragg, California
Annual Comprehensive Financial Report
For the year ended June 30, 2024

Management's Discussion and Analysis

GOVERNMENT-WIDE FINANCIAL ANALYSIS, continued

The restricted net position of \$4.1 million primarily comprises revenues held for expenditure for specified purposes (special revenue) and amounts held for debt service. Examples of special revenues are street sales tax and Community Development Block Grants (CDBG) program income.

Unrestricted net position: The Unrestricted net position increased by \$1.3 million over the previous year and now stands at \$7 million, a 23% increase primary due to an increase in Governmental activities total assets.

Analysis of Assets and Liabilities

Total assets & liabilities: Year over year, assets increased by \$5 million, and liabilities increased by \$512,311. The increase in total liabilities \$25 million is mostly due to increases in net OPEB and pension obligations.

Deferred outflows: Deferred outflows are defined as a government's net position consumption that applies to a future reporting period. Although not entirely the same, deferred outflows are similar in nature to assets. The City currently has two deferred outflows: a deferred outflow related to reporting the City's OPEB liability, and a deferred outflow on reporting the City's pension plan liability. The City's deferred outflows decreased by \$1.8.

Deferred inflows: Deferred inflows are defined as an acquisition of a net position by a government applicable to a future reporting period. Although not entirely the same, deferred inflows are similar in nature to liabilities. The City currently has two deferred inflows: a deferred inflow related to reporting the City's OPEB liability and a deferred inflow pertaining to reporting the City's pension plan liability. The City's deferred inflows decreased by \$2 million.

City of Fort Bragg, California
Annual Comprehensive Financial Report
For the year ended June 30, 2024

Management's Discussion and Analysis

GOVERNMENT-WIDE FINANCIAL ANALYSIS, Continued

Analysis of Statement of Activities

Change in net position (net revenue) of the Primary Government (governmental and business-type activities) increased 5% to \$110 million from \$105 million in prior year. The increase is largely driven by lower expenses for community development and waste water. The following table shows the revenue, expenses, and changes in net position for governmental and business-type activities:

	Changes in Net Position					
	2024			2023		
	Govern- mental Activities	Business- type Activities	Total	Govern- mental Activities	Business- type Activities	Total
Revenues:						
Program revenues:						
Charges for services	\$ 5,737,381	\$ 7,402,248	\$ 13,139,629	\$ 4,170,768	\$ 7,204,653	\$ 11,375,421
Grants and contributions:						
Operating	2,799,940	-	2,799,940	6,286,672	-	6,286,672
Capital	1,674,319	350	1,674,669	2,400,000	-	2,400,000
General revenues:						
Property taxes and assessments	1,272,386	309,827	1,582,213	1,208,010	305,258	1,513,268
Sales and use tax	3,260,936	1,169,582	4,430,518	3,322,453	1,175,441	4,497,894
Transient occupancy taxes	3,092,214	-	3,092,214	3,192,486	-	3,192,486
Other taxes	974,149	-	974,149	953,025	-	953,025
Unrestricted investment earnings	659,402	495,098	1,154,500	(277,728)	312,426	34,698
Other general	1,172,214	-	1,172,214	831,900	-	831,900
Total revenues	20,642,941	9,377,105	30,020,046	22,087,586	8,997,778	31,085,364
Expenses:						
Governmental activities:						
General government	3,795,646	-	3,795,646	2,999,433	-	2,999,433
Public safety	5,981,475	-	5,981,475	5,646,925	-	5,646,925
Public works	3,927,091	-	3,927,091	3,578,966	-	3,578,966
Community development	1,219,080	-	1,219,080	5,889,971	-	5,889,971
Marketing and promotion	237,178	-	237,178	210,230	-	210,230
Interest and fiscal charges	244,957	-	244,957	532,466	-	532,466
Business-type activities:						
Water	-	3,357,505	3,357,505	-	3,034,244	3,034,244
Wastewater	-	3,639,203	3,639,203	-	4,727,326	4,727,326
C.V. Starr Center	-	2,875,258	2,875,258	-	2,592,705	2,592,705
Total expenses	15,405,427	9,871,966	25,277,393	18,857,991	10,354,275	29,212,266
Excess (Deficiency) of revenues over expenditures before transfers	5,237,514	(494,861)	4,742,653	3,229,595	(1,356,497)	1,873,098
Transfers	204,063	(204,063)	-	150,000	(150,000)	-
Change in net position	5,441,577	(698,924)	4,742,653	3,379,595	(1,506,497)	1,873,098
Net position:						
Beginning of year	44,853,624	60,264,669	105,118,293	41,474,029	61,771,166	103,245,195
End of year	\$ 50,295,201	\$ 59,565,745	\$ 109,860,946	\$ 44,853,624	\$ 60,264,669	\$ 105,118,293

Revenues

The City's total revenues for governmental and business-type activities were \$30 million for the fiscal year that ended June 30, 2024, representing a -3% decrease over the previous fiscal year. Revenues are divided into two categories: program revenues and general.

City of Fort Bragg, California
Annual Comprehensive Financial Report
For the year ended June 30, 2024

Management's Discussion and Analysis

GOVERNMENT-WIDE FINANCIAL ANALYSIS, Continued

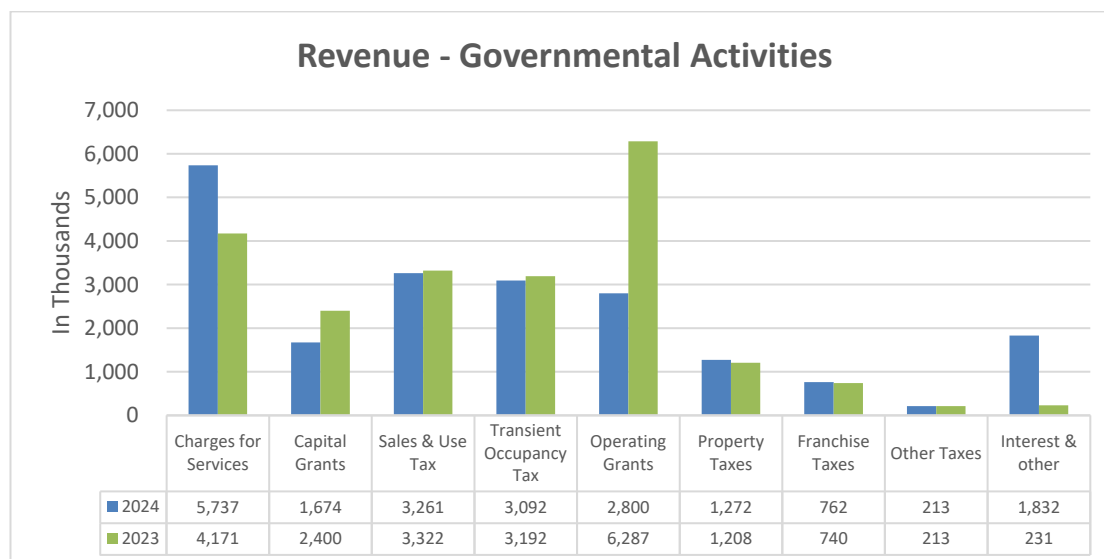
Program revenues had an overall decrease of \$2.5 million or -12%, from the prior year.

- **Charges for services** increased by \$1.8 million or 16% compared to the previous fiscal year, primarily due to governmental activities. Governmental activities charges for services include mostly salary, benefit, and overhead charges to the business-type activities, inter-fund reimbursements, and charges to various grants for staff time and administrative costs reimbursements.
- **Operating grants and contributions** decreased by \$3.5 million, or - 55% largely due to the Community Development Block Grant (CDBG) close out that funded the Parents & Friends Facility project.
- **Capital contributions and grants** decreased by \$725,331 or -30% due to close out of a Permanent Local Housing Allocation (PLHA) grant, offset by new funding for public work from the State Department of Water Resources.

General revenues had an overall increase of \$1.4 million or 13%, from the prior year. This was largely driven by an increase in investment earnings.

- **Unrestricted investment earnings** increased by \$1,1 million showing a massive 3227% growth. This stemmed from improved investment strategies, and better market performance.
- **Property taxes** increased by \$68,945, which is a 5% growth, which indicate stable and predictable revenue from property taxes.
- **Sales & use tax** decreased by \$67,376, reflecting a -1% decline, suggesting a slight dip in consumer spending or sales activities.
- **Transient occupancy tax (TOT)** decreased by \$100,272, marking a -3% decrease, pointing to a reduction in tourism.
- **Other taxes** increased by \$21,124, or 2%.
- **Other general revenue** increased by \$340,314, or 41%.

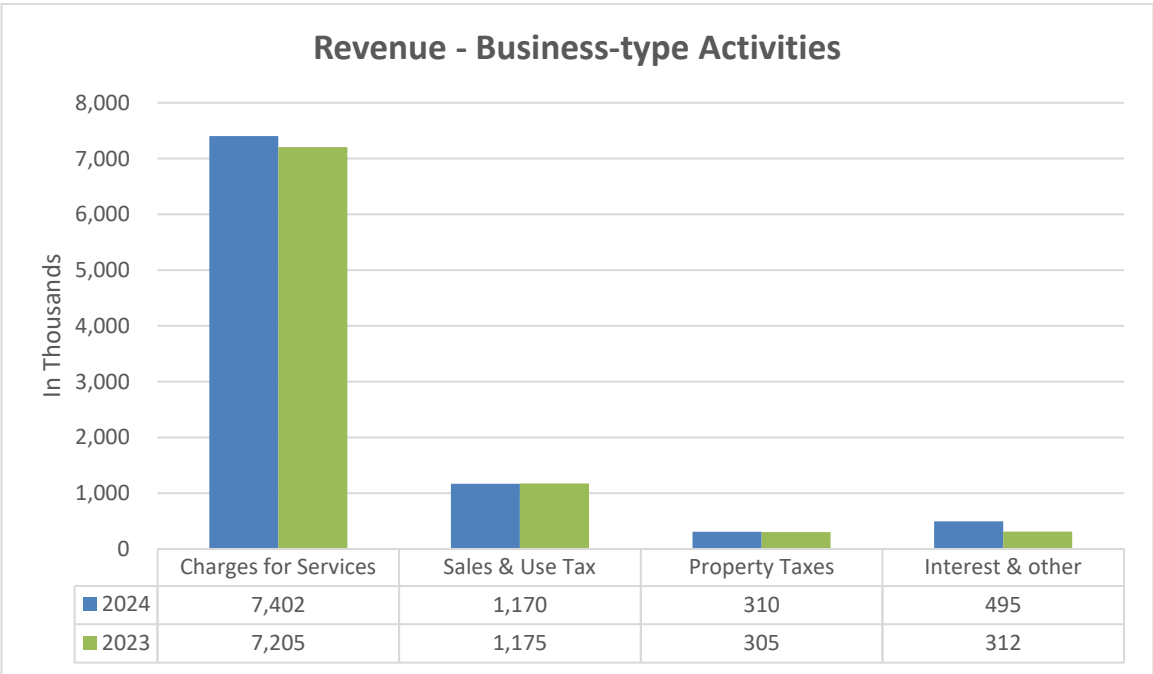
Revenues by source for the fiscal years ended June 30, 2024, and 2023, are as follows:



City of Fort Bragg, California
Annual Comprehensive Financial Report
For the year ended June 30, 2024

Management’s Discussion and Analysis

GOVERNMENT-WIDE FINANCIAL ANALYSIS, Continued



Expenses

In fiscal year 2024, the City's governmental and business-type activity expenses amounted to \$25.3 million, a 13% or \$3.9 million decrease from the previous fiscal year. The most notable reduction is in Community Development (\$4.7 million) due to the conclusion of Parents & Friends Facility project that was funded by a Community Development Block Grant (CDBG). This decrease, outweighs the increases in general government, public safety, public works, water enterprise and CV Starr enterprise totaling \$2.1 million.

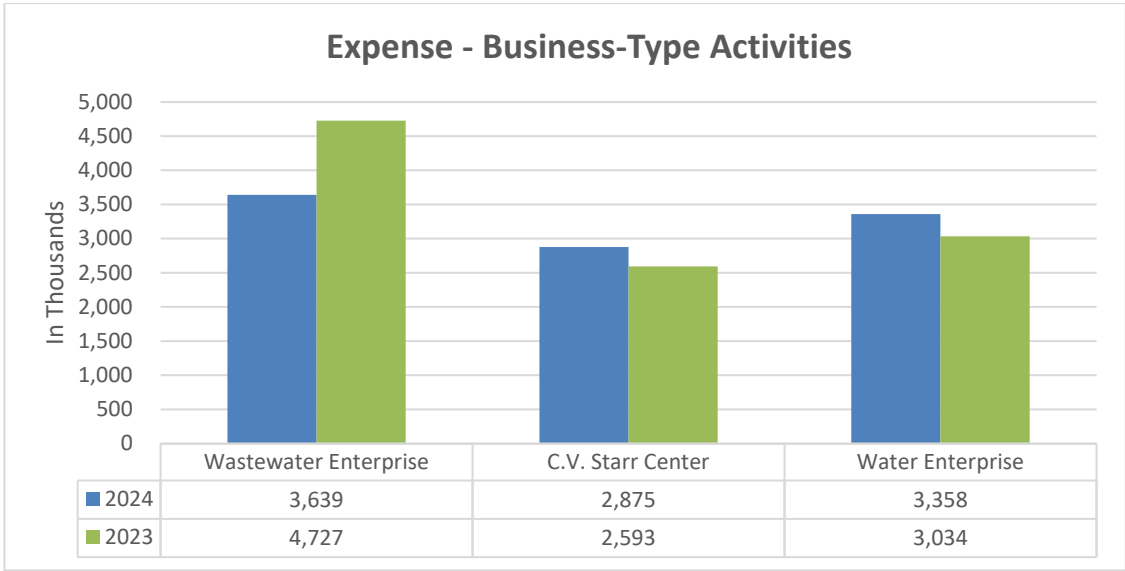
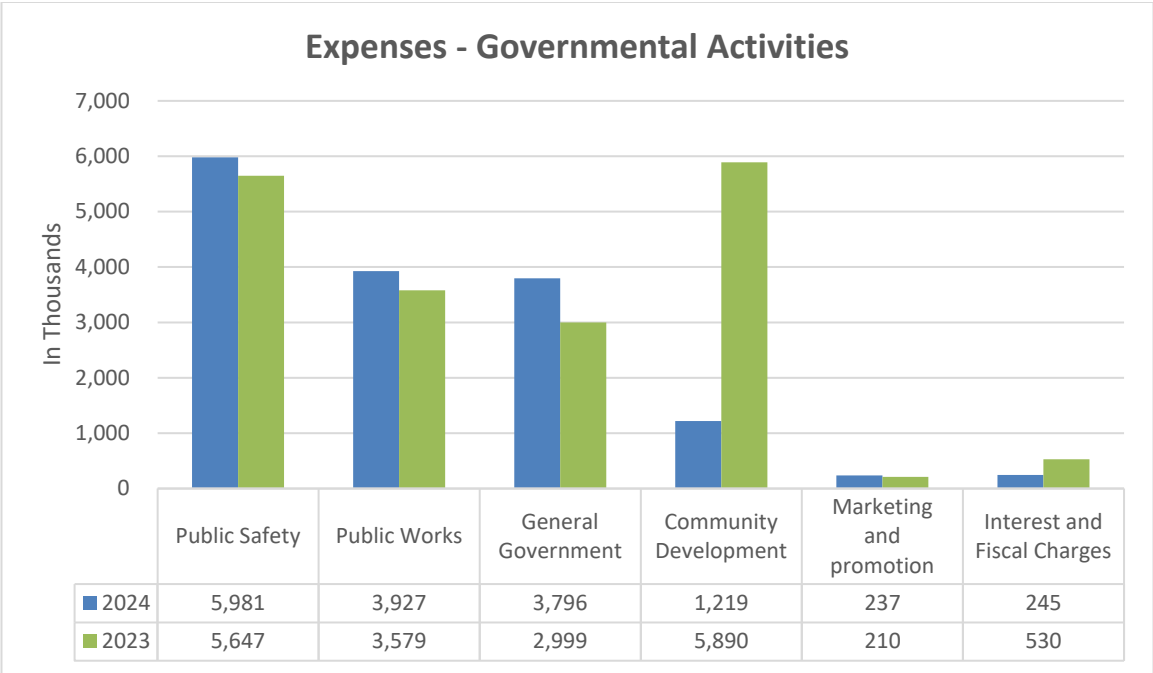
- Governmental expenses made up 61% of the total costs, amounting to \$15.4 million, with public safety and public works being the largest components, followed by general government and community development.
- Business-type activities accounted for \$9.9 million, or 39% of the City's total expenses for the fiscal year.

City of Fort Bragg, California
Annual Comprehensive Financial Report
For the year ended June 30, 2024

Management’s Discussion and Analysis

GOVERNMENT-WIDE FINANCIAL ANALYSIS, Continued

Expense by activity for the fiscal years ended June 30, 2024, and 2023, are as follows:



City of Fort Bragg, California
Annual Comprehensive Financial Report
For the year ended June 30, 2024

Management's Discussion and Analysis

GOVERNMENT-WIDE FINANCIAL ANALYSIS, Continued

Net Program Costs

The following table shows each of the City's major programs and the programs' net cost. Net cost is the total cost less fees and other direct revenue generated by the activities. The net cost reflects the financial burden placed on the City's taxpayers by each of the programs. The total cost of services and the net cost of services for the fiscal years ended June 30, 2024, and 2023 are as follows:

	2024		2023	
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
General government	\$ 3,795,646	\$ 1,477,375	\$ 2,999,433	\$ 229,199
Public safety	5,981,475	5,080,108	5,646,925	5,093,551
Public works	3,927,091	(1,025,345)	3,578,966	904,924
Community development	1,219,080	(820,486)	5,889,971	(969,819)
Marketing and promotions	237,178	237,178	210,230	210,230
Interest and fiscal charges	244,957	244,957	532,466	532,466
Total	<u>\$ 15,405,427</u>	<u>\$ 5,193,787</u>	<u>\$ 18,857,991</u>	<u>\$ 6,000,551</u>

FUND FINANCIAL ANALYSIS

The City of Fort Bragg uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The fund financial statements focus on individual parts of the City government, reporting the City's operations in more detail than the government-wide financial statements.

Governmental funds

The City's governmental funds provide information on near-term inflows, outflows, and balances of spending resources. At the fiscal year ending June 30, 2024, the City's governmental funds reported combined fund balances of \$15.5 million, an increase of \$781,860 over the previous year due to increases in general fund reimbursement revenues, use of money and property and intergovernmental revenues, offset by the close out of the Permanent Local Housing (PLHA).

General Fund

The general fund is the chief operating fund of the City. Overall, the general fund balance increased by \$3.2 million to \$9.2 million at the end of FY 2024. The general fund unassigned balance totaled \$4.7 million— an increase of \$3.1 million from the previous year. This resulted from revenue growth of \$2.7 million, reflected in several key categories including intergovernmental revenue, reimbursements, and use of money and property. Additionally, expenditures decreased by \$2.5 million from 2023 to 2024. This reduction is largely driven by significant decreases in debt principal payments, offset by significant increases in general government and public safety expenditures.

City of Fort Bragg, California
Annual Comprehensive Financial Report
For the year ended June 30, 2024

Management's Discussion and Analysis

FUND FINANCIAL ANALYSIS, Continued

Special Sales Tax – Streets

In Fiscal Year 2024, the Special Sales Tax allocated for street repairs in the City decreased by \$453k, resulting in a total of \$2.4 million. This decrease follows the funding of the 2022 Street Rehabilitation (\$3.1 million).

Street Resurfacing Capital Projects

The Street Resurfacing Capital Projects fund is at zero. Funding is transferred from the Special Sales Tax for street repairs fund to the Street Resurfacing Capital Projects as projects are undertaken.

Enterprise Funds

The City has three business-type activities: Water, Wastewater, and the C.V. Starr Center. Enterprise funds increased the City's net position by \$698,924.

The Water Enterprise Fund's net position decreased by \$82,000 to \$16.6 million. In contrast, the Wastewater Enterprise Fund saw a decrease of \$36,000, bringing its net position to \$22.8 million. The C.V. Starr Center Enterprise Fund also recorded a decrease of \$581,000, ending the year at \$20 million.

The Water Enterprise capitalized \$1.98 million in construction-in-progress costs, primarily related to the Water Treatment Plant project (\$1.5 million), which is expected to be completed in FY 2024–25. Additional investments included \$283,000 for the Raw Water Line Replacement and \$365,000 for the Distribution System. These costs will be fully capitalized upon project completion. Long-term liabilities declined by \$332,000 due to debt payments, though this was partially offset by increased year-end accounts payable related to contractor invoices. Operating expenditures exceeded revenues by \$65,591, resulting in a modest decrease in net position. Nonetheless, the utility continues to generate sufficient revenue to cover operating expenses, maintain reserves, and fund future capital needs.

The Wastewater Enterprise Fund experienced a net operating loss of \$581,150, with total expenditures, including depreciation, exceeding operating income. The fund's long-term liabilities were reduced due to the payoff of pension obligations. Despite the operating loss, current user fees remain sufficient to cover expenses, support reserves, and fund capital improvements. As with the Water Enterprise, the rate structure is designed to sustain long-term capital funding and is functioning as intended.

The City of Fort Bragg assumed operational responsibility for the C.V. Starr Community Center in 2023, taking over from the Mendocino Coast Recreation and Park District. The Center is funded through a combination of property tax, sales tax, and user fees. During the fiscal year, operating expenses exceeded operating revenues (primarily membership fees) by \$2,155,755. This shortfall was subsidized by non-operating revenues, including the aforementioned tax support, resulting in a net position decrease to \$20 million.

Despite this, operating revenues increased by 23% compared to the prior year, reflecting the highest membership activity to date—a strong indicator of the Center's growing community engagement and recovery.

City of Fort Bragg, California
Annual Comprehensive Financial Report
For the year ended June 30, 2024

Management's Discussion and Analysis

FUND FINANCIAL ANALYSIS, Continued

General Fund Budgetary Highlights

The fund financial statements detail a budget-to-actual comparison for the City's major governmental funds, illustrating compliance with City Council-authorized appropriations. Initially, the budget projected revenues of \$11.6 million. The fiscal year concluded with actual revenues of \$11.7 million, surpassing the budget by \$2.7 million. The General Fund, heavily reliant on Transient Occupancy Tax (TOT) and Sales Tax (48% of total revenue), was significantly affected by the 2019/20 pandemic and economic shutdown. However, TOT and Sales Tax revenues rebounded in FY 21-24, with the latter year marking record performance despite a 7.5% decrease in TOT and a 3.2% decrease in Sales Tax from the previous year. Property tax saw a modest 1.2% increase.

Reimbursements from Enterprise Funds to the General Fund increased by \$1.02 million, attributed mainly to the end-of-year Cost Allocation adjustment, which was based on actual staff hours. A significant portion of these hours was allocated to Water Enterprise projects. Additionally, the departments being fully staffed throughout the fiscal year influenced the increase. Reimbursements also included Grant Staff Time reimbursements which included CDBG Grants, CRU reimbursements.

Miscellaneous revenues exceeded the budget by \$982k, largely due to a one-time adjusting journal entry. This entry was made to correct the City's book balance as part of the transition from Excel-based bank reconciliations to the City's integrated ERP system. The correction, identified during the year-end process, ensured accurate reporting of the City's financial position.

Expenditures and Fund Balance

General Fund expenditures came in below the final amended budget of \$11.9 million by \$450,374. Most departments recorded savings, with the exception of the Fire Department, which exceeded its budget by \$106,706 due to the first-quarter annual payment being processed in June 2024. Notable expenditure savings included \$614,000 in Public Safety, \$274,250 in Administrative and Engineering, and \$65,986 in Administrative Services.

The Non-Departmental category accounts for expenses not tied to a specific City department, such as retiree medical costs, insurance premiums, utilities, and OPEB funding. This category ended the fiscal year under budget by \$12,722, primarily due to lower-than-expected CIRA liability and property insurance premiums, as well as reduced retiree medical expenses. Additionally, \$150,000 was budgeted for a contribution to the Section 115 Trust to offset future pension cost increases. As previously noted, the City established this trust during FY 2023–24 with an initial investment of \$1.6 million.

The City of Fort Bragg's Fund Balance and Reserve Policies, adopted by the City Council, require an Operating Reserve of \$1.98 million—representing 15% to 25% of the General Fund's annual operating expenditures. This reserve provides financial stability, ensures adequate liquidity, and helps mitigate economic uncertainties. The City also maintains a Recession Reserve of \$489,000 (5% of the annual operating budget) and a Litigation Reserve of \$200,000.

At the close of the fiscal year, the General Fund's balance stood at \$9.5 million, with \$1.98 million designated in the Section 115 Trust. This reflects a net increase in fund balance of \$3.1 million over the prior year.

City of Fort Bragg, California
Annual Comprehensive Financial Report
For the year ended June 30, 2024

Management's Discussion and Analysis

Capital Assets

The City's investment in capital assets for its Governmental and Business-type Activities as of June 30, 2024, amounts to \$101.5 million. This investment in capital assets includes land, construction in progress costs, buildings, machinery and equipment, infrastructure, and land improvements, as shown in the chart below:

	Governmental Activities		Business-type Activities		Totals	
	2024	2023	2024	2023	2024	2022
Land	\$ 12,952,262	\$ 12,952,262	\$ 3,210,698	\$ 3,210,698	\$ 16,162,960	\$ 16,162,960
Construction in progress	4,671,669	1,639,441	6,577,339	4,228,017	11,249,008	5,867,458
Buildings	1,370,743	1,061,019	18,716,865	19,165,605	20,087,608	20,226,624
Machinery, equipment and vehicle	2,149,906	1,536,778	1,778,684	1,791,818	3,928,590	3,328,596
Infrastructure	23,735,198	24,966,606	26,322,784	26,986,681	50,057,982	51,953,287
Land improvements	-	-	-	-	-	-
Total	\$ 44,879,778	\$ 42,156,106	\$ 56,606,370	\$ 55,382,819	\$ 101,486,148	\$ 97,538,925

The City's capital assets experienced a net increase of \$3.9 million after accounting for annual depreciation. This includes a decrease in Infrastructure Improvements by \$1.6 million, attributable to depreciation and asset retirements. The total value of assets disposed of from the wastewater fund was \$53,489. The total value of Citywide assets placed in service was \$3.03 million, which is offset by \$931k in depreciation expenses. Additionally, the Water Enterprise's acquisition of Highway 20 land amounted to \$2.5 million, along with ongoing Streets Rehab construction. For more comprehensive details on capital assets and related activities, refer to the Summary of Significant Accounting Policies on page 55 and Note 5 on page 69 in the Capital Assets section of the financial statements.

Debt Administration

As of June 30, 2024, the City's total outstanding debt was \$12.9 million, a decrease from \$13.2 million in the previous year. This reduction includes a \$374,812 decrease in governmental debt. In October 2023, the City issued Lease Revenue Bonds, utilizing \$3.5 million for rehabilitating certain city properties, with this amount returned in the fiscal year 2024. The remaining \$7.5 million from these bonds was allocated to reduce the Unfunded Liability as projected by CALPERS. Business-type debt also decreased by \$425k to \$4.5 million, mainly due to the Water Enterprise paying off the 2014 Water Revenue Refunding Bonds. Detailed information on the City's outstanding debt and long-term liabilities can be found in Note 7, pages 70-72, of the financial statements.

Requests for Information

This financial report is designed to provide our citizens, taxpayers, creditors, and government regulators with a general overview of the City's finances and to demonstrate the City's accountability for the money it receives. Additional information may be found on our website at www.fortbragg.com. Below is the contact address for questions about the report or requests for additional financial information.

City of Fort Bragg
Finance Department
416 No. Franklin St.
Fort Bragg, CA 95437
707-961-2825

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BASIC FINANCIAL STATEMENTS



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City of Fort Bragg, California
Statement of Net Position
June 30, 2024

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and investments	\$ 11,277,745	\$ 9,101,517	\$ 20,379,262
Restricted cash and investments	1,787,887	108,064	1,895,951
Receivables:			
Accounts	3,870,411	836,918	4,707,329
Loans/Notes receivable	5,185,455	-	5,185,455
Inventory	-	118,563	118,563
Prepaid items	6,797	-	6,797
Total current assets	22,128,295	10,165,062	32,293,357
Capital assets:			
Nondepreciable	14,591,703	7,438,715	22,030,418
Depreciable	30,288,075	49,167,655	79,455,730
Total noncurrent assets	44,879,778	56,606,370	101,486,148
Total assets	67,008,073	66,771,432	133,779,505
DEFERRED OUTFLOWS OF RESOURCES			
Pension plan	4,623,681	467,809	5,091,490
OPEB, deferred outflow	1,060,812	-	1,060,812
Total deferred outflows of resources	5,684,493	467,809	6,152,302
Total assets and deferred outflows	\$ 72,692,566	\$ 67,239,241	\$ 139,931,807
LIABILITIES			
Accounts payable and accrued liabilities	802,856	1,851,499	2,654,355
Interest payable	171,568	-	171,568
Unearned revenue	-	13,844	13,844
Deposits payable	163,369	159,627	322,996
Compensated absences - current portion	58,469	10,903	69,372
Due within one year	190,000	95,000	285,000
Total current liabilities	1,386,262	2,130,873	3,517,135
Long-term liabilities:			
Compensated absences	526,221	97,987	624,208
Due after one year	7,592,501	4,461,000	12,053,501
Net OPEB obligation	3,170,429	-	3,170,429
Net pension liability	5,106,318	516,641	5,622,959
Total noncurrent liabilities	16,395,469	5,075,628	21,471,097
Total liabilities	17,781,731	7,206,501	24,988,232
DEFERRED INFLOWS OF RESOURCES			
Pension plan	4,615,634	466,995	5,082,629
Total deferred inflows of resources	4,615,634	466,995	5,082,629
Total liabilities and deferred inflows	22,397,365	7,673,496	30,070,861
NET POSITION			
Net investment in capital assets	44,879,778	52,050,370	96,930,148
Restricted for:			
State and Federal Grants	3,163,592	-	3,163,592
Special Sales Tax	406,770	-	406,770
Asset Forfeiture	481,482	-	481,482
Debt Service	1,787,887	108,064	1,895,951
Unrestricted	(424,308)	7,407,311	6,983,003
Total net position	50,295,201	59,565,745	109,860,946
Total liabilities, deferred inflows and net position	\$ 72,692,566	\$ 67,239,241	\$ 139,931,807

The accompanying notes are an integral part of these basic financial statements.

City of Fort Bragg, California
Statement of Activities
For the year ended June 30, 2024

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government	\$ 3,795,646	\$ 2,023,972	\$ 153,416	\$ 140,883
Public safety	5,981,475	287,699	613,668	-
Public works	3,927,091	2,857,183	668,673	1,426,580
Community development	1,219,080	568,527	1,364,183	106,856
Marketing and promotions	237,178	-	-	-
Interest and fiscal charges	244,957	-	-	-
Total governmental activities	15,405,427	5,737,381	2,799,940	1,674,319
Business-type activities:				
Water	3,357,505	3,056,505	-	350
Wastewater	3,639,203	3,626,640	-	-
CV Starr Center	2,875,258	719,103	-	-
Total business-type activities	9,871,966	7,402,248	-	350
Total primary government	\$ 25,277,393	\$ 13,139,629	\$ 2,799,940	\$ 1,674,669

General revenues:

Taxes:

Property taxes, levied for general purposes

Sales and use taxes

Transient occupancy tax, levied for general purposes

Franchise taxes

Other taxes

Unrestricted investment earnings

Other general revenues

Total general revenues

Transfers

Total general revenues and transfers

Change in net position

Net position:

Beginning of year

End of year

The accompanying notes are an integral part of these basic financial statements.

Net (Expense) Revenue and Changes in Net Position		
Governmental Activities	Business-Type Activities	Totals
\$ (1,477,375)	\$ -	\$ (1,477,375)
(5,080,108)	-	(5,080,108)
1,025,345	-	1,025,345
820,486	-	820,486
(237,178)	-	(237,178)
(244,957)	-	(244,957)
(5,193,787)	-	(5,193,787)
-	(300,650)	(300,650)
-	(12,563)	(12,563)
-	(2,156,155)	(2,156,155)
-	(2,469,368)	(2,469,368)
(5,193,787)	(2,469,368)	(7,663,155)
1,272,386	309,827	1,582,213
3,260,936	1,169,582	4,430,518
3,092,214	-	3,092,214
761,576	-	761,576
212,573	-	212,573
659,402	495,098	1,154,500
1,172,214	-	1,172,214
10,431,301	1,974,507	12,405,808
204,063	(204,063)	-
10,635,364	1,770,444	12,405,808
5,441,577	(698,924)	4,742,653
44,853,624	60,264,669	105,118,293
\$ 50,295,201	\$ 59,565,745	\$ 109,860,946

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FUND FINANCIAL STATEMENTS
MAJOR FUNDS

Fund	Description
Governmental Funds:	Governmental funds are used for taxes and grants.
General	Primary operating fund of the City; accounts for all activities except those legally or administratively required to be accounted for in other funds.
CDBG Program Income Special Revenue	Accounts for activities related to housing rehabilitation and business assistance loans provided with CDBG funding.
Special Sales Tax - Street Repair Special Revenue	Accounts for the City's Special Sales Tax for Street and Alley Repairs.
Permanent Local Housing Special Revenue	Provides funding to local governments in California for housing-related projects and programs that assist in addressing the unmet housing needs of their local communities. The City Council of Fort Bragg approved a resolution in 2021 to authorize the application for PLHA program to support the DANCO project. The City received \$2.4 million for this purpose, of which \$2.28 million is allocated as a loan for the project, while the remaining funds cover the city's administrative expenses.
CDBG Super NOFA Special Revenue	To account for CDBG grants awarded under the 2009 Recovery Act allocation for a housing project rehabilitation and under the 2010 General Allocation for two housing programs, public facility improvements, and a public service program.
Street Resurfacing Capital Projects	Accounts for Street Resurfacing Capital Projects Performed on a Regular Basis with Special Sales Tax for Street and Alley Repairs.

City of Fort Bragg, California
Balance Sheet
Governmental Funds
June 30, 2024

	Major Funds		
	General Fund	CDBG Program Income Special Revenue	Special Sales Tax Special Revenue
ASSETS			
Cash and investments	\$ 5,331,521	\$ 161,944	\$ 201,242
Restricted cash and investments	1,787,887	-	-
Receivables:			
Taxes	1,852	-	-
Interest	-	795	-
Intergovernmental	-	3,892	205,528
Loans/Notes receivable	2,311	2,153,204	-
Other receivable	1,705,048	-	-
Due from other funds	667,821	-	-
Prepaid items	6,797	-	-
Total assets	\$ 9,503,237	\$ 2,319,835	\$ 406,770
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES			
Liabilities:			
Accounts payable and accrued liabilities	\$ 278,963	\$ -	\$ -
Due to other funds	-	-	-
Deposits payable	45,916	-	-
Total liabilities	324,879	-	-
Deferred inflows of resources:			
Unavailable revenue	-	2,089,363	-
Total deferred inflows of resources:	-	2,089,363	-
Total Liabilities and deferred inflows	324,879	2,089,363	-
Fund balances:			
Nonspendable			
Prepays	6,797	-	-
Loans/Notes receivable	2,311	-	-
Restricted	1,787,887	-	406,770
Committed:			
Operating reserve	1,989,419	-	-
Recession reserve	489,929	-	-
Litigation reserve	200,000	-	-
Assigned	-	230,472	-
Unassigned (deficit)	4,702,015	-	-
Total fund balances	9,178,358	230,472	406,770
Total liabilities, deferred inflows and fund balances	\$ 9,503,237	\$ 2,319,835	\$ 406,770

The accompanying notes are an integral part of these basic financial statements.

Major Funds					
Permanent Local Housing Special Revenue	CDBG Super NOFA Special Revenue	Street Resurfacing Capital Projects	Nonmajor Governmental Funds		Totals
\$ 224,131	\$ 34,496	\$ 41,996	\$ 4,349,812	\$	10,345,142
-	-	-	-		1,787,887
-	-	-	-		1,852
-	-	-	-		795
-	-	-	1,943,235		2,152,655
-	-	-	3,029,940		5,185,455
-	-	-	10,061		1,715,109
-	-	-	-		667,821
-	-	-	-		6,797
<u>\$ 224,131</u>	<u>\$ 34,496</u>	<u>\$ 41,996</u>	<u>\$ 9,333,048</u>	<u>\$</u>	<u>21,863,513</u>
\$ -	\$ -	\$ 47,506	\$ 291,048	\$	617,517
-	23,212	26,132	618,477		667,821
-	-	-	117,453		163,369
<u>-</u>	<u>23,212</u>	<u>73,638</u>	<u>1,026,978</u>		<u>1,448,707</u>
-	-		2,808,532		4,897,895
-	-	-	2,808,532		4,897,895
-	23,212	73,638	3,835,510		6,346,602
-	-	-	-		6,797
-	-	-	-		2,311
-	11,284	-	3,633,790		5,839,731
-	-	-	-		1,989,419
-	-	-	-		489,929
-	-	-	-		200,000
224,131	-	-	1,907,417		2,362,020
-	-	(31,642)	(43,669)		4,626,704
<u>224,131</u>	<u>11,284</u>	<u>(31,642)</u>	<u>5,497,538</u>		<u>15,516,911</u>
<u>\$ 224,131</u>	<u>\$ 34,496</u>	<u>\$ 41,996</u>	<u>\$ 9,333,048</u>	<u>\$</u>	<u>21,863,513</u>

City of Fort Bragg, California
Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position
June 30, 2024

Total fund balances - total governmental funds	\$ 15,516,911
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Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds balance sheet.	42,599,501
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Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds balance sheet.

Compensated absences	\$ (584,690)	
Lease payable	(7,782,501)	
Net OPEB obligation	(3,170,429)	
Net pension liability	<u>(5,106,318)</u>	(16,643,938)

Governmental funds notes receivable from various loan programs are deferred under the current financial resources measurement focus. The notes receivable are recognized in the government-wide Statement of Net Position under the accrual basis of accounting.	4,897,895
--	-----------

Interest payable on long-term debt does not require the use of current financial resources and, therefore, is not reported in the governmental funds.	(171,568)
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Pension obligations result in deferred outflows and inflows of resources associated with the actuarial value of contributions, assets, and liabilities

Deferred outflows, Pension	4,623,681	
Deferred inflows, Pension	(4,615,634)	
Deferred outflows, OPEB	1,060,812	
Deferred inflows, OPEB	<u>-</u>	1,068,859

Internal services funds are used by management to charge the costs of certain activities, such as fleet services, to individual funds. The assets and liabilities of the internal service funds are:

Current assets	932,603	
Noncurrent assets	2,280,277	
Accounts payable and accrued liabilities	<u>(185,339)</u>	3,027,541

Net Position of governmental activities	<u>\$ 50,295,201</u>
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The accompanying notes are an integral part of these basic financial statements.

City of Fort Bragg, California

Reconciliation of Fund Basis Balance Sheet to Government-wide Statement of Net Position

Governmental Activities

June 30, 2024

	Governmental Funds Balance Sheet	Reclassifications	Changes in GAAP	Internal Services Balances	Statement of Net Position
ASSETS					
Current assets:					
Cash and investments	\$ 10,345,142	\$ -	\$ -	\$ 932,603	\$ 11,277,745
Restricted cash and investments	1,787,887	-	-	-	1,787,887
Receivables:					
Taxes	1,852	-	-	-	1,852
Interest	795	-	-	-	795
Intergovernmental	2,152,655	-	-	-	2,152,655
Other receivable	1,715,109	-	-	-	1,715,109
Loans/Notes receivable	5,185,455	-	-	-	5,185,455
Due from other funds	667,821	(667,821)	-	-	-
Internal balances	-	-	-	-	-
Prepaid items	6,797	-	-	-	6,797
Total current assets	21,863,513	(667,821)	-	932,603	22,128,295
Noncurrent assets:					
Capital assets, net	-	-	42,599,501	2,280,277	44,879,778
Total noncurrent assets	-	-	42,599,501	2,280,277	44,879,778
DEFERRED OUTFLOWS OF RESOURCES					
Pension plan	-	-	4,623,681	-	4,623,681
OPEB	-	-	1,060,812	-	1,060,812
Total assets and deferred outflows of resources	\$ 21,863,513	\$ (667,821)	\$ 48,283,994	\$ 3,212,880	\$ 72,692,566
LIABILITIES					
Current liabilities:					
Accounts payable and accrued liabilities	\$ 617,517	\$ -	\$ -	\$ 185,339	\$ 802,856
Interest payable	-	-	171,568	-	171,568
Due to other funds	667,821	(667,821)	-	-	-
Deposits payable	163,369	-	-	-	163,369
Compensated absences - current portion	-	-	58,469	-	58,469
Due within one year	-	-	190,000	-	190,000
Total current liabilities	1,448,707	(667,821)	420,037	185,339	1,386,262
Noncurrent liabilities:					
Long-term liabilities:					
Compensated absences	-	-	526,221	-	526,221
Due after one year	-	-	7,592,501	-	7,592,501
Landfill post-closure	-	-	-	-	-
Net OPEB obligation	-	-	3,170,429	-	3,170,429
Net pension liability	-	-	5,106,318	-	5,106,318
Total noncurrent liabilities	-	-	16,395,469	-	16,395,469
Total liabilities	1,448,707	(667,821)	16,815,506	185,339	17,781,731
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue	4,897,895	-	(4,897,895)	-	-
Pension Plan	-	-	4,615,634	-	4,615,634
OPEB, deferred inflow	-	-	-	-	-
Total liabilities and deferred inflows:	6,346,602	(667,821)	16,533,245	185,339	22,397,365
FUND BALANCES/NET POSITION					
Fund balances:					
Nonspendable	9,108	(9,108)	-	-	-
Restricted	5,839,731	(5,839,731)	-	-	-
Committed	2,679,348	(2,679,348)	-	-	-
Assigned	2,362,020	(2,362,020)	-	-	-
Unassigned (deficit)	4,626,704	(4,626,704)	-	-	-
Net position:					
Net investment in capital assets	-	-	42,599,501	2,280,277	44,879,778
Restricted	-	-	5,839,731	-	5,839,731
Unrestricted	-	15,516,911	(16,688,483)	747,264	(424,308)
Total fund balances/net position	15,516,911	-	31,750,749	3,027,541	50,295,201
Total liabilities, deferred inflows and net position	\$ 21,863,513	\$ (667,821)	\$ 48,283,994	\$ 3,212,880	\$ 72,692,566

The accompanying notes are an integral part of these basic financial statements.

City of Fort Bragg, California

Statement of Revenues, Expenditures, and Changes in Fund Balances

Governmental Funds

For the year ended June 30, 2024

	Major Funds		
	General Fund	CDBG Program Income Special Revenue	Special Sales Tax Special Revenue
REVENUES:			
Taxes and assessments	\$ 7,436,640	\$ -	\$ 1,108,102
Licenses and permits	85,223	-	-
Fines and forfeitures	33,690	-	-
Intergovernmental	871,995	-	-
Use of money and property	574,291	304,698	-
Charges for services	87,920	-	-
Reimbursements	4,383,346	-	-
Other revenues	1,002,689	-	-
Total revenues	14,475,794	304,698	1,108,102
EXPENDITURES:			
Current:			
General government	3,234,288	-	-
Public safety	4,510,841	-	-
Public works	1,503,103	-	654,030
Community development	430,664	19,026	-
Marketing and promotions	237,178	-	-
Cost allocations	1,130,070	-	-
Capital outlay	-	-	-
Debt service:			
Principal	195,000	-	-
Interest and fiscal charges	244,957	-	-
Total expenditures	11,486,101	19,026	654,030
REVENUES OVER (UNDER) EXPENDITURES	2,989,693	285,672	454,072
OTHER FINANCING SOURCES (USES):			
Proceeds from sales of assets	25,377	-	-
Transfers in	852,101	-	-
Transfers out	(664,150)	(173,896)	(2,526,604)
Total other financing sources (uses)	213,328	(173,896)	(2,526,604)
Net change in fund balances	3,203,021	111,776	(2,072,532)
FUND BALANCES (DEFICITS):			
Beginning of year	5,975,337	118,696	2,479,302
End of year	\$ 9,178,358	\$ 230,472	\$ 406,770

The accompanying notes are an integral part of these basic financial statements.

Major Funds				
Permanent Local Housing Special Revenue	CDBG Super NOFA Special Revenue	Street Resurfacing Capital Projects	Other Governmental Funds	Totals
\$ -	\$ -	\$ -	\$ 54,943	\$ 8,599,685
-	-	-	-	85,223
-	-	-	38,418	72,108
106,856	-	-	4,261,638	5,240,489
-	-	-	64,474	943,463
-	-	-	75,815	163,735
-	-	-	-	4,383,346
-	152,202	-	-	1,154,891
106,856	152,202	-	4,495,288	20,642,940
-	-	-	10,667	3,244,955
-	-	-	619,809	5,130,650
-	-	-	396,056	2,553,189
-	-	-	2,891,619	3,341,309
-	-	-	-	237,178
-	-	-	-	1,130,070
-	-	244,195	3,770,211	4,014,406
-	-	-	-	195,000
-	-	-	-	244,957
-	-	244,195	7,688,362	20,091,714
106,856	152,202	(244,195)	(3,193,074)	551,226
-	-	-	-	25,377
-	-	293,169	6,419,986	7,565,256
(2,280,000)	-	-	(1,715,349)	(7,359,999)
(2,280,000)	-	293,169	4,704,637	230,634
(2,173,144)	152,202	48,974	1,511,563	781,860
2,397,275	(140,918)	(80,616)	3,985,975	14,735,051
\$ 224,131	\$ 11,284	\$ (31,642)	\$ 5,497,538	\$ 15,516,911

City of Fort Bragg, California

Reconciliation of Fund Basis Statements to Government-wide Statement of Activities

For the year ended June 30, 2024

Functions/Programs	Fund Based Totals	Compensated	Internal Service	Depreciation	Capital	Cost Allocation	OPEB Obligation	Pension plan	Unavailable Revenue	Government-
		Absences/			Asset					wide
		Debt Service			(Additions)/ Retirements					Totals
Governmental activities:										
General government	\$ 3,244,955	\$ 20,097	\$ (179,544)	\$ 177,128	\$ -	\$ 256,973	\$ 63,774	\$ 212,263	\$ -	\$ 3,795,646
Public safety	5,130,650	-	-	108,908	-	406,304	-	335,613	-	5,981,475
Public works	2,553,189	-	-	1,270,381	(265,683)	202,191	-	167,013	-	3,927,091
Community development	3,341,309	(124,500)	-	-	-	264,603	-	218,566	(2,480,898)	1,219,080
Marketing and promotions	237,178	-	-	-	-	-	-	-	-	237,178
Cost allocations	1,130,070	-	-	-	-	(1,130,070)	-	-	-	-
Capital outlay	4,014,406	-	-	-	(4,014,406)	-	-	-	-	-
Debt service/Interest	439,957	(195,000)	-	-	-	-	-	-	-	244,957
Total governmental activities	\$ 20,091,714	\$ (299,403)	\$ (179,544)	\$ 1,556,417	\$ (4,280,089)	\$ 1	\$ 63,774	\$ 933,455	\$ (2,480,898)	\$ 15,405,427

The accompanying notes are an integral part of these basic financial statements.

City of Fort Bragg, California

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities For the year ended June 30, 2024

Net change in fund balances - total governmental funds	\$	781,860
--	----	---------

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

Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets:

Capital asset purchases capitalized	\$	4,280,089	
Proceeds from sale of capital assets		(25,377)	
Depreciation expense		<u>(1,556,417)</u>	2,698,295

Certain notes receivable are reported in the governmental funds as expenditures and then offset by a deferred revenue as they are not available to pay current expenditures. Likewise, when the note is collected it is reflected in revenue. This is the net change between notes receivable collected and issued.

	2,480,898
--	-----------

Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position:

Bonds payable	195,000
---------------	---------

Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds:

Landfill closure liability	124,500	
Change in compensated absences	<u>(20,097)</u>	104,403

Certain employee benefit obligations are recorded on a pay-as-you-go basis in the governmental funds, but are accrued as liabilities in the Statement of Net Position:

Net OPEB obligation	(63,774)	
Net Pension obligation	<u>(933,455)</u>	(997,229)

Internal services funds are used by management to charge the costs of certain activities, such as fleet services, to individual funds. The change in Net Position of the Internal Service Funds net of capital assets are included in the governmental activities in the government-wide Statement of Net Position.

	<u>178,350</u>
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Change in Net Position of governmental activities	\$	<u><u>5,441,577</u></u>
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The accompanying notes are an integral part of these basic financial statements.

City of Fort Bragg, California

Statement of Revenues, Expenditures, and Changes in Fund Balances -

Budget to Actual - General and Major Special Revenue Funds

For the year ended June 30, 2024

	General Fund			Variance w/Final
	Budgeted Amounts			Positive
	Original	Final	Actual	(Negative)
REVENUES:				
Taxes and assessments	\$ 7,255,860	\$ 7,255,860	\$ 7,436,640	\$ 180,780
Licenses and permits	94,293	94,293	85,223	(9,070)
Fines and forfeitures	50,100	50,100	33,690	(16,410)
Intergovernmental	742,362	824,262	871,995	47,733
Use of money and property	85,000	85,000	574,291	489,291
Charges for services	85,343	85,343	87,920	2,577
Reimbursements	3,290,622	3,290,622	4,383,346	1,092,724
Other revenues	20,200	20,200	1,002,689	982,489
Total revenues	<u>11,623,780</u>	<u>11,705,680</u>	<u>14,475,794</u>	<u>2,770,114</u>
EXPENDITURES:				
Current:				
General government:				
City Council	185,315	217,203	198,857	18,346
Administrative services	1,037,505	1,127,160	1,061,174	65,986
Finance	635,769	597,769	558,258	39,511
Other - unclassified	1,397,574	1,428,280	1,415,558	12,722
Public safety:				
Police Department	4,483,370	4,564,747	3,950,427	614,320
Fire Department	453,708	453,708	560,414	(106,706)
Public works:				
Administration and engineering	934,011	1,070,406	796,156	274,250
Parks and facilities	40,000	40,000	51,945	(11,945)
Street maintenance	142,000	165,878	172,808	(6,930)
Storm drains	25,500	25,500	14,063	11,437
Corporation yard	380,482	400,482	434,327	(33,845)
Traffic and safety	41,500	42,578	33,804	8,774
Community development	445,897	452,794	430,664	22,130
Marketing and promotions	240,650	252,458	237,178	15,280
Cost allocations	656,999	656,999	1,130,070	(473,071)
Debt service:				
Principal	195,000	195,000	195,000	-
Interest and fiscal charges	245,513	245,513	244,957	556
Total expenditures	<u>11,540,793</u>	<u>11,936,475</u>	<u>11,486,101</u>	<u>450,374</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>82,987</u>	<u>(230,795)</u>	<u>2,989,693</u>	<u>3,220,488</u>
OTHER FINANCING SOURCES (USES):				
Proceeds from sales of assets	1,000	1,000	25,377	24,377
Transfers in	664,150	664,150	852,101	187,951
Transfers out	(664,150)	(664,150)	(664,150)	-
Total other financing sources (uses)	<u>1,000</u>	<u>1,000</u>	<u>213,328</u>	<u>212,328</u>
Net change in fund balances	<u>83,987</u>	<u>(229,795)</u>	<u>3,203,021</u>	<u>3,432,816</u>
FUND BALANCES (DEFICITS):				
Beginning of year	5,975,337	5,975,337	5,975,337	-
End of year	<u>\$ 6,059,324</u>	<u>\$ 5,745,542</u>	<u>\$ 9,178,358</u>	<u>\$ 3,432,816</u>

The accompanying notes are an integral part of these basic financial statements.

[illegible]

City of Fort Bragg, California

Statement of Revenues, Expenditures, and Changes in Fund Balances -

Budget to Actual - General and Major Special Revenue Funds

For the year ended June 30, 2024

	Permanent Local Housing Special Revenue			
	Budgeted Amounts		Actual	Variance w/Final Positive (Negative)
	Original	Final		
REVENUES:				
Taxes and assessments	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Fines and forfeitures	-	-	-	-
Intergovernmental	106,856	106,856	106,856	-
Use of money and property	-	-	-	-
Charges for services	-	-	-	-
Reimbursements	-	-	-	-
Other revenues	-	-	-	-
Total revenues	<u>106,856</u>	<u>106,856</u>	<u>106,856</u>	<u>-</u>
EXPENDITURES:				
Current:				
General government:				
City Council	-	-	-	-
Administrative services	-	-	-	-
Finance	-	-	-	-
Other - unclassified	-	-	-	-
Public safety:				
Police Department	-	-	-	-
Fire Department	-	-	-	-
Public works:				
Administration and engineering	-	-	-	-
Parks and facilities	-	-	-	-
Street maintenance	-	-	-	-
Storm drains	-	-	-	-
Corporation yard	-	-	-	-
Traffic and safety	-	-	-	-
Community development	106,856	106,856	-	106,856
Marketing and promotions	-	-	-	-
Cost allocations	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	<u>106,856</u>	<u>106,856</u>	<u>-</u>	<u>106,856</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>-</u>	<u>-</u>	<u>106,856</u>	<u>106,856</u>
OTHER FINANCING SOURCES (USES):				
Proceeds from sales of assets	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	(2,280,000)	(2,280,000)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(2,280,000)</u>	<u>(2,280,000)</u>
Net change in fund balances	<u>-</u>	<u>-</u>	<u>(2,173,144)</u>	<u>(2,173,144)</u>
FUND BALANCES:				
Beginning of year	2,397,275	2,397,275	2,397,275	-
End of year	<u>\$ 2,397,275</u>	<u>\$ 2,397,275</u>	<u>\$ 224,131</u>	<u>\$ (2,173,144)</u>

ENTERPRISE FUNDS

Fund	Description
Major Funds:	
Water Fund	Accounts for the operation and maintenance of the City's water treatment and distribution system.
Sewer Fund	Accounts for the operation and maintenance of the City's wastewater treatment plant and collection facilities.
CV Starr Center	Accounts for activities related to the CV Starr Community Center.

City of Fort Bragg, California
Statement of Net Position
Proprietary Funds
June 30, 2024

	Water Fund	Sewer Fund	CV Starr Center Fund	Totals	Governmental Activities Internal Service Funds
ASSETS					
Current assets:					
Cash and investments	\$ 3,566,705	\$ 2,892,740	\$ 2,642,072	\$ 9,101,517	\$ 932,603
Restricted cash and investments	108,064	-	-	108,064	
Receivables:					
Accounts	327,594	439,612	69,712	836,918	-
Inventory and prepaids	104,750	12,314	1,499	118,563	-
Total current assets	4,107,113	3,344,666	2,713,283	10,165,062	932,603
Noncurrent assets:					
Capital assets, net	14,028,565	24,644,030	17,933,775	56,606,370	2,280,277
Total noncurrent assets	14,028,565	24,644,030	17,933,775	56,606,370	2,280,277
Total Assets	18,135,678	27,988,696	20,647,058	66,771,432	3,212,880
DEFERRED OUTFLOWS OF RESOURCES					
Pension plan	-	414,562	53,247	467,809	-
Total assets and deferred outflows of resources	\$ 18,135,678	\$ 28,403,258	\$ 20,700,305	\$ 67,239,241	\$ 3,212,880
LIABILITIES					
Current liabilities:					
Accounts payable	\$ 1,273,388	\$ 77,823	\$ 497,140	\$ 1,848,351	\$ 184,797
Accrued payroll	-	3,148	-	3,148	542
Unearned revenue	-	6,466	7,378	13,844	-
Deposits payable	153,991	250	5,386	159,627	-
Compensated absences - current portion	4,048	4,659	2,196	10,903	-
Due within one year	-	95,000	-	95,000	-
Total current liabilities	1,431,427	187,346	512,100	2,130,873	185,339
Noncurrent liabilities:					
Compensated absences	36,334	42,030	19,623	97,987	-
Due after one year	-	4,461,000	-	4,461,000	-
Net pension liability	-	457,836	58,805	516,641	-
Total noncurrent liabilities	36,334	4,960,866	78,428	5,075,628	-
Total liabilities	1,467,761	5,148,212	590,528	7,206,501	185,339
DEFERRED INFLOWS OF RESOURCES					
Pension Plan	-	413,841	53,154	466,995	-
Total deferred inflows of resources	-	413,841	53,154	466,995	-
NET POSITION					
Net Position:					
Net investment in capital assets	14,028,565	20,088,030	17,933,775	52,050,370	2,280,277
Restricted for debt service	108,064	-	-	108,064	-
Unrestricted	2,531,288	2,753,175	2,122,848	7,407,311	747,264
Total net position	16,667,917	22,841,205	20,056,623	59,565,745	3,027,541
Total liabilities, deferred inflows and net position	\$ 18,135,678	\$ 28,403,258	\$ 20,700,305	\$ 67,239,241	\$ 3,212,880

The accompanying notes are an integral part of these basic financial statements.

City of Fort Bragg, California

Statement of Revenues, Expenses, and Changes in Fund Net Position

Proprietary Funds

For the year ended June 30, 2024

	Water Fund	Sewer Fund	CV Starr Center Fund	Totals	Governmental Activities Internal Service Funds
OPERATING REVENUES:					
Charges for service	\$ 2,971,409	\$ 3,435,858	\$ 677,012	\$ 7,084,279	\$ -
Other operating revenue	85,096	190,782	42,091	317,969	361
Interdepartmental charges	-	-	-	-	1,569,968
Total operating revenues	<u>3,056,505</u>	<u>3,626,640</u>	<u>719,103</u>	<u>7,402,248</u>	<u>1,570,329</u>
OPERATING EXPENSES:					
Personnel services	1,304,608	563,174	1,297,937	3,165,719	551,206
Administration	825,579	728,141	257,261	1,810,981	
Repairs and maintenance	224,291	89,433	-	313,724	108,893
Materials and supplies	276,551	419,401	58,471	754,423	484,473
Utilities	192,471	351,532	354,859	898,862	-
Contractual services	95,547	427,623	2,227	525,397	63,004
Insurance	53,392	113,349	218,135	384,876	-
Other operating	5,289	38,034	10,049	53,372	-
Depreciation	353,968	816,971	675,919	1,846,858	207,185
Total operating expenses	<u>3,331,696</u>	<u>3,547,658</u>	<u>2,874,858</u>	<u>9,754,212</u>	<u>1,414,761</u>
OPERATING INCOME	<u>(275,191)</u>	<u>78,982</u>	<u>(2,155,755)</u>	<u>(2,351,964)</u>	<u>155,568</u>
NONOPERATING REVENUES (EXPENSES):					
Property taxes	-	-	309,827	309,827	-
Sales taxes	-	-	1,169,582	1,169,582	-
Intergovernmental revenue	-	-	350	350	
Interest revenue	235,409	164,443	95,246	495,098	26,364
Refunds and rebates	-	-	(400)	(400)	-
Interest expense	(25,809)	(91,545)	-	(117,354)	-
Total non-operating revenues, net	<u>209,600</u>	<u>72,898</u>	<u>1,574,605</u>	<u>1,857,103</u>	<u>26,364</u>
NET INCOME BEFORE TRANSFERS	<u>(65,591)</u>	<u>151,880</u>	<u>(581,150)</u>	<u>(494,861)</u>	<u>181,932</u>
Transfers in	-	-	-	-	245,901
Transfers out	(16,112)	(187,951)	-	(204,063)	(247,095)
Total transfers	<u>(16,112)</u>	<u>(187,951)</u>	<u>-</u>	<u>(204,063)</u>	<u>(1,194)</u>
CHANGE IN NET POSITION	<u>(81,703)</u>	<u>(36,071)</u>	<u>(581,150)</u>	<u>(698,924)</u>	<u>180,738</u>
NET POSITION:					
Beginning of year	16,749,620	22,877,276	20,637,773	60,264,669	2,846,803
End of year	<u>\$ 16,667,917</u>	<u>\$ 22,841,205</u>	<u>\$ 20,056,623</u>	<u>\$ 59,565,745</u>	<u>\$ 3,027,541</u>

The accompanying notes are an integral part of these basic financial statements.

City of Fort Bragg, California

Statement of Cash Flows

Proprietary Funds

For the year ended June 30, 2024

	Water Fund	Sewer Fund	CV Starr Center Fund	Totals	Governmental Activities Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES:					
Cash received from customers/users for services provided	\$ 3,047,102	\$ 3,570,412	\$ 719,103	\$ 7,336,617	\$ -
Cash received from interfund services provided	-	-	-	-	1,570,329
Cash payments to suppliers for goods and services	(542,154)	(2,213,453)	(783,215)	(3,538,822)	(920,615)
Cash payments to employees for services	(1,283,062)	(1,335,799)	(1,314,061)	(3,932,922)	(558,192)
Net cash provided by operating activities	<u>1,221,886</u>	<u>21,160</u>	<u>(1,378,173)</u>	<u>(135,127)</u>	<u>91,522</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:					
Transfers received	-	-	-	-	245,901
Transfers paid	(16,112)	(187,951)	-	(204,063)	(247,095)
Taxes received	-	-	1,479,409	1,479,409	-
Refunds paid	-	-	(400)	(400)	-
Grants received	-	-	350	350	-
Net cash used by noncapital financing activities	<u>(16,112)</u>	<u>(187,951)</u>	<u>1,479,359</u>	<u>1,275,296</u>	<u>(1,194)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:					
Acquisition and construction of capital assets	(2,179,510)	(468,422)	(422,477)	(3,070,409)	(310,126)
Principal paid on long term debt	(301,965)	(93,000)	-	(394,965)	-
Interest paid on long term debt	(36,203)	(91,545)	-	(127,748)	-
Net cash (used) by capital and related financing activities	<u>(2,517,678)</u>	<u>(652,967)</u>	<u>(422,477)</u>	<u>(3,593,122)</u>	<u>(310,126)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:					
Investment income received	235,409	164,443	95,246	495,098	26,364
Net cash provided by investing activities	<u>235,409</u>	<u>164,443</u>	<u>95,246</u>	<u>495,098</u>	<u>26,364</u>
Net increase (decrease) in cash and cash equivalents	<u>(1,076,495)</u>	<u>(655,315)</u>	<u>(226,045)</u>	<u>(1,957,855)</u>	<u>(193,434)</u>
CASH AND CASH EQUIVALENTS:					
Beginning of year	4,751,264	3,548,055	2,868,117	11,167,436	1,126,037
End of year	<u>\$ 3,674,769</u>	<u>\$ 2,892,740</u>	<u>\$ 2,642,072</u>	<u>\$ 9,209,581</u>	<u>\$ 932,603</u>
Presentation in Statement of Financial Position:					
Cash and investments	\$ 3,566,705	\$ 2,892,740	\$ 2,642,072	\$ 9,101,517	\$ 932,603
Restricted cash and investments	108,064	-	-	108,064	-
Total Cash and investments	<u>\$ 3,674,769</u>	<u>\$ 2,892,740</u>	<u>\$ 2,642,072</u>	<u>\$ 9,209,581</u>	<u>\$ 932,603</u>
Reconciliation of income from operations to net cash provided by operating activities:					
Operating income	\$ (275,191)	\$ 78,982	\$ (2,155,755)	\$ (2,351,964)	\$ 155,568
Adjustments to reconcile operating income to net cash provided by operating activities:					
Depreciation	353,968	816,971	675,919	1,846,858	207,185
Pension	-	(737,405)	58,712	(678,693)	-
(Increase) decrease in current assets:					
Accounts receivable	(15,374)	(56,228)	108,137	36,535	-
Inventory and prepaids	(19,951)	(4,207)	(503)	(24,661)	-
Increase (decrease) in liabilities:					
Accounts payable	1,150,917	(41,733)	(48,559)	1,060,625	(264,245)
Accrued liabilities	-	(20,264)	-	(20,264)	(6,986)
Deposits payable	5,971	-	-	5,971	-
Compensated absences	21,546	(14,956)	(16,124)	(9,534)	-
Net cash provided by operating activities	<u>\$ 1,221,886</u>	<u>\$ 21,160</u>	<u>\$ (1,378,173)</u>	<u>\$ (135,127)</u>	<u>\$ 91,522</u>

There were no noncash investing, capital, or financing activities affecting recognized assets and liabilities for the year ended June 30, 2024.

The accompanying notes are an integral part of these basic financial statements.

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FIDUCIARY ACTIVITIES

Fund	Description
Private Purpose Trust Funds are used for resources held for other individuals and entities in a manner similar to private enterprise.	
Private Purpose Trust Fund	
Successor Agency - Fort Bragg Redevelopment Agency	Accounts for funds collected and disbursed for the dissolution of the former Fort Bragg Redevelopment Agency related to Administration and Retirement of enforceable obligations

City of Fort Bragg, California
Statement of Fiduciary Net Position
Fiduciary Activities
June 30, 2024

	<u>Successor Agency</u> <u>Former Fort Bragg</u> <u>Redevelopment</u> <u>Agency</u>
ASSETS AND DEFERRED OUTFLOWS	
Current assets:	
Cash and investments	\$ 269,115
Other receivable	14,978
Total assets	<u>284,093</u>
Deferred outflows of resources	
Deferred loss on debt refunding	59,608
Total deferred outflows of resources	<u>59,608</u>
Total assets and deferred outflows of resources	<u><u>\$ 343,701</u></u>
LIABILITIES, DEFERRED INFLOWS AND NET POSITION	
Current liabilities:	
Accounts payable and accrued liabilities	\$ -
Interest payable	28,283
Due within one year	175,000
Total current liabilities	<u>203,283</u>
Long-term liabilities:	
Due after one year	2,484,502
Total long-term liabilities	<u>2,484,502</u>
Deferred inflows of resources	
Unavailable revenue	278,263
Total liabilities and deferred inflows of resources	<u>2,966,048</u>
Net Position (Deficit)	<u>(2,622,347)</u>
Total liabilities and net position	<u><u>\$ 343,701</u></u>

The accompanying notes are an integral part of these basic financial statements.

City of Fort Bragg, California
Statement of Changes in Fiduciary Net Assets
Private Purpose Trust Funds
For the year ended June 30, 2024

	<u>Successor Agency</u> <u>Former Fort Bragg</u> <u>Redevelopment</u> <u>Agency</u>
ADDITIONS:	
Property taxes	\$ 452,782
Total operating revenues	<u>452,782</u>
DEDUCTIONS:	
Community development	125,915
Interest and trustee fees	92,124
Total operating expenses	<u>218,039</u>
CHANGE IN FIDUCIARY NET ASSETS	<u>234,743</u>
NET ASSETS (DEFICIT):	
Beginning of year	(2,857,090)
End of year	<u>\$ (2,622,347)</u>

The accompanying notes are an integral part of these basic financial statements.

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NOTES TO BASIC FINANCIAL STATEMENTS



City of Fort Bragg, California
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For the year ended June 30, 2024

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City of Fort Bragg, California
Notes to the Basic Financial Statements
For the year ended June 30, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of the City of Fort Bragg (City) have been prepared in conformity with accounting principles (USGAAP) generally accepted in the United States of America as applied to governmental agencies. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant principles are described below.

A. Description of Government-wide Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government and its component units. All fiduciary activities are reported only in the fiduciary fund financial statements. Governmental activities, which normally are supported by taxes, intergovernmental revenues, and other non-exchange transactions, are reported separately from business-type activities, which rely to a significant extent on fees and charges to external customers for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

B. Reporting Entity

The City of Fort Bragg was incorporated August 5, 1889, under the applicable laws and regulations of the State of California. The City operates under a Council-City Manager form of government and provides a variety of services including public safety (police and fire); streets and highways; wastewater collection, treatment, and disposal; water treatment; planning and zoning; public improvement and redevelopment; and general administrative services. The accompanying financial statements present the City and its component units, entities for which the City is considered to be financially accountable.

Blended Component Units

Because of their relationship with the City and the nature of their operations, component units are, in substance, part of the City's operations and, accordingly, the activities of these component units are combined, or blended with the activities of the City for purposes of reporting in the accompanying basic financial statements. The basis for blending the component units is that their governing bodies are substantially the same as the City's Council.

Fort Bragg Municipal Improvement District No. 1 (District) includes all of the funds and operations for the City's wastewater collection and treatment processes. The District is governed by a Board of Directors comprised of the members of the Fort Bragg City Council. The City of Fort Bragg exercises significant financial and management control over the District. The activities of the District are reported as a major enterprise fund within the City's financial statements.

Complete financial statements of the District can be obtained directly from the City of Fort Bragg, 416 N. Franklin St., Fort Bragg, CA 95437.

City of Fort Bragg, California
Notes to the Basic Financial Statements
For the year ended June 30, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

C. Basis of Presentation

The accounts of the City are organized and operated on the basis of funds, each of which is defined as a separate fiscal and accounting entity with a self-balancing set of accounts. These funds are established for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations.

In accordance with Governmental Accounting Standards Board Statement No. 34 (GASB 34), "Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments," the financial statements consist of the following:

- Government-wide financial statements,
- Fund financial statements, and
- Notes to the financial statements

Government-wide Financial Statements

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds and internal service funds, while business-type activities incorporate data from the government's enterprise funds. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements.

The Statement of Net Position and the Statement of Activities report information on all of the non-fiduciary activities of the primary government (the City) and its component units. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments in lieu of taxes where the amounts are reasonably equivalent in value to the interfund services provided and other charges between the City's water and wastewater functions and various other functions of the City. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions.

The Statement of Activities presents a comparison between direct expenses and program revenues for each segment of the City's governmental activities. Direct expenses are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) charges paid by the recipients of goods or services offered by the programs, (b) grants and contributions that are restricted to meeting the operational need of a particular program, and (c) fees, grants, and contributions that are restricted to financing the acquisition or construction of capital assets. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

City of Fort Bragg, California
Notes to the Basic Financial Statements
For the year ended June 30, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

C. Basis of Presentation, Continued

Fund Financial Statements

The fund financial statements provide information about the City's funds, including its fiduciary fund and blended component units. Separate statements for each fund category – governmental, proprietary, and fiduciary – are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as non-major funds.

The City reports the following major governmental funds:

The **General Fund** is the City's primary operating fund. It accounts for all financial resources of the general government except those required to be accounted for in specialized funds.

The **Community Development Block Grant (CDBG) Program Income Fund** special revenue fund was established to account for program income generated by CDBG funded projects. The funds are used for activities that benefit low- and moderate-income persons to ensure decent affordable housing and to create jobs through the expansion and retention of businesses.

The **Special Sales Tax Street Repair Fund** special revenue fund is used to account for revenue received from local sales taxes restricted to street repairs.

The **Permanent Local Housing Special Revenue Fund** provides funding to local governments in California for housing-related projects and programs that assist in addressing the unmet housing needs of their local communities. The City Council of Fort Bragg approved a resolution in 2021 to authorize the application for PLHA program to support the DANCO project. The City received \$2.4 million for this purpose, of which \$2.28 million is allocated as a loan for the project, while the remaining funds cover the city's administrative expenses.

The **CDBG Super NOFA Special Revenue Fund** is used to account for CDBG grants awarded under the 2009 Recovery Act allocation for a housing project rehabilitation and under the 2010 General Allocation for two housing programs, public facility improvements, and a public service program.

The **Street Resurfacing Project Fund** is a capital project fund used to account for costs associated with the Street Resurfacing project and Street Structural Repair project. This project is funded with local sales taxes collected specifically for street maintenance and repair.

The City reports the following major proprietary funds:

The **Water** enterprise fund accounts for the activities of the City's water treatment and distribution operations.

The **Wastewater** enterprise fund accounts for the activities of the Fort Bragg Municipal Improvement District No. 1 which provides the City's wastewater collection, treatment, and disposal operations.

The **C.V. Starr Center** enterprise fund accounts for all operations of the C.V. Starr Center, including the local sales tax restricted to funding the operations of the C.V. Starr Center and the property taxes collected by the City as part of a Property Tax Exchange agreement.

City of Fort Bragg, California
Notes to the Basic Financial Statements
For the year ended June 30, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

C. Basis of Presentation, Continued

Additionally, the City reports the following fund types:

Internal Service Funds account for maintenance and repair of City facilities, information technology, and vehicle operations that provide services to other departments of the City on a cost reimbursement basis.

The **Private-Purpose Trust Fund** is a fiduciary fund type used by the City to report trust arrangements under which principal and income benefit other governments. This fund reports the assets, liabilities, and activities of the Fort Bragg Redevelopment Successor Agency (Successor Agency). The Successor Agency operates under the auspices of a legislatively formed Oversight Board comprised of representatives of the local agencies that serve the redevelopment project area. The Oversight Board, in its fiduciary capacity, has authority over the operations and the timely dissolution of the former RDA. It is tasked with fulfilling the obligations of the former RDA, and is also responsible for revenue collection, maintaining necessary bond reserves, and disposing of excess property.

During the course of operations the City has activity between funds for various purposes. Any residual balances outstanding at fiscal year-end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental and internal service funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities (i.e., the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column.

Further, certain activity occurs during the fiscal year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as transfers in the business-type activities column.

D. Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

City of Fort Bragg, California
Notes to the Basic Financial Statements
For the year ended June 30, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

D. Measurement Focus and Basis of Accounting, continued

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes, sales taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of a fiscal year-end). Expenditure-driven grants are recognized as revenue when eligible expenditures have been incurred against a fully executed grant agreement. Such accrued revenue is considered available even if it is not received within 60 days of year-end. This method provides improved reporting and control at the program level because it appropriately matches funding sources and uses. All other revenue items are considered to be measurable and available only when cash is received by the City.

Proprietary and private-purpose trust funds are reported using the economic resources measurement focus and the accrual basis of accounting. Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Water and Wastewater enterprise funds and of the City's internal service funds are charges to customers for sales and services. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation/amortization on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

E. Budgetary Information

1) Budgetary basis of accounting

Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for the general fund and enterprise funds. The capital projects funds are appropriated on a project-length basis. Other special revenue funds do not have appropriated budgets since other means control the use of these resources (e.g., grant awards and endowment requirements) and sometimes span a period of more than one fiscal year.

City of Fort Bragg, California
Notes to the Basic Financial Statements
For the year ended June 30, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

E. Budgetary Information, Continued

The City Council follows the following procedures in establishing the budgetary data reflected in the required supplementary information:

- Before the end of each fiscal year, the City Manager and Finance Director prepare and submit to the City Council a proposed budget for the subsequent fiscal year. The budget includes proposed expenditures and the means for financing them.
- The City Council reviews the proposed budget in public hearings which provides interested citizens opportunity to comment. The Council may add to, subtract from, or change appropriations, but may not change the form of the budget.
- Prior to July 1, or soon after, the budget is legally adopted by the City Council through resolution.

The appropriated budget is prepared by fund, function, and department. The City's department heads may make transfers of appropriations within a department with City Manager approval. Transfers of appropriations between departments require the approval of the Council. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the fund level.

Appropriations in all budgeted funds lapse at the end of the fiscal year unless they have related encumbrances. Encumbrances are commitments related to unperformed (executory) contracts for goods or services (i.e., purchase orders, contracts, and commitments). Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. Valid outstanding encumbrances (those for which performance under the executory contract is expected in the next year) are brought forward and become part of the subsequent year's budget pursuant to City policy.

F. Unearned Revenue

Under both the accrual and modified accrual basis of accounting, revenue may be recognized only when earned. Therefore, the government-wide statement of net position as well as governmental and enterprise funds defer revenue recognition in connection with resources that have been received as of fiscal year-end, but not yet earned. Assets recognized in connection with a transaction before the earnings process is complete are offset by a corresponding liability for unearned revenue.

Under the modified accrual basis of accounting, it is not enough that revenue had been earned if it is to be recognized in the current period. Revenue must also be susceptible to accrual (i.e., measurable and available to finance expenditures of the current period). Governmental funds report unearned revenues, in connection with receivables for revenue not considered available to liquidate, as deferred inflows of resources.

City of Fort Bragg, California
Notes to the Basic Financial Statements
For the year ended June 30, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

G. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance

1) Cash and cash equivalents

The City's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

2) Investments

Investments for the City and its component units are reported at fair value (generally based on quoted market prices).

3) Inventories and prepaid items

Inventories for both governmental and proprietary funds consist principally of materials and supplies held for consumption and are valued at cost, approximating fair value, using the first-in, first-out (FIFO) method. The cost of such inventories is recorded as expenditures/expenses when consumed rather than when purchased. Inventories recorded in the governmental funds do not reflect current appropriable resources and thus, an equivalent portion of fund balance is shown as non-spendable.

Certain payments to vendors represent costs applicable to future accounting periods and would be recorded as prepaid items in both the government-wide and fund financial statements. The City had \$960 in prepaid expenses in governmental activities as of June 30, 2024.

4) Capital Assets

Capital assets, which include land, buildings, infrastructure (roads, sidewalks and similar items), and machinery and equipment, are reported in the applicable governmental or business-type activities column in the governmental-wide financial statements. Capital assets, except for infrastructure assets, are defined by the City as assets with an initial individual cost of more than \$5,000 and an estimated useful life in excess of two years. For infrastructure assets the same estimated minimum useful life is used (in excess of two years), but only those infrastructure projects that cost more than \$50,000 are reported as capital assets.

In the case of the initial capitalization of general infrastructure assets (i.e., those reported by governmental activities), the City chose to include all such items regardless of their acquisition date or amount. The City was able to estimate the historical cost for the initial reporting of these assets through back trending (i.e., estimating the current replacement cost of the infrastructure to be capitalized and using an appropriate price-level index to deflate the cost to the acquisition year or estimated acquisition year). As the City constructs or acquires additional capital assets each period, including infrastructure assets, they are capitalized and reported at historical cost.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

G. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance, Continued

The reported value excludes normal maintenance and repairs which are essentially amounts spent in relation to capital assets that do not increase the capacity or efficiency of the item or increase its estimated useful life. Donated capital assets, donated works of art and similar items as well as capital assets received in a service concession arrangement are reported at acquisition value. During the current fiscal period, infrastructure projects that were incomplete are reported as “construction in progress.”

Interest is capitalized on the construction of major assets acquired with debt. The amount of interest to be capitalized is calculated by offsetting interest expense incurred from the date of the borrowing until completion of the project with interest earned on invested proceeds over the same period. For the fiscal year ended June 30, 2024, there were no projects meeting the criteria for interest capitalization.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related capital assets, as applicable. Capitalization thresholds are \$5,000 for any single item.

Land and construction in progress are not depreciated. Property, plant, equipment, and infrastructure of the City are depreciated using the straight-line method using the following estimated useful lives:

Capital Asset Class	Estimated Useful Life
Buildings	40 - 75 years
Infrastructure	10 - 50 years
Utility Plant	10 - 50 years
Machinery & Equipment	3 - 40 years
Vehicles	5 - 10 years
Improvements	5 - 30 years

5) Net position flow assumption

Sometimes the City will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net assets and unrestricted – net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the City’s policy to consider restricted – net position to have been depleted before unrestricted – net position is applied, due to the nature of the restrictions.

City of Fort Bragg, California
Notes to the Basic Financial Statements
For the year ended June 30, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

G. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance, Continued

6) Deferred outflows/inflows of resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has two items reported as a deferred outflow of resources. The first item is a deferred charge on the City's port-employment benefits reported in the government-wide statement of net position. The second item is a deferred charge on the City's pension plan reported in the government-wide statement of net position.

In addition to liabilities, the statement of position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has two items reported as a deferred inflow of resources. The first item arises only under the modified accrual basis of accounting. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from two sources: sales taxes and grants. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The second deferred inflow on the City's pension plan and is reported in the government-wide statement of net position.

7) Fund Balance flow assumptions

Sometimes the City will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

City of Fort Bragg, California
Notes to the Basic Financial Statements
For the year ended June 30, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

G. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance, Continued

8) Net Position/Fund Balance

GASB Statement No. 63 adds the concept of Net Position, which is measured on the full accrual basis, to the concept of Fund Balance, which is measured on the modified accrual basis. Net Position represents the difference between assets and liabilities and are divided into three captions under GASB Statement No. 34. These captions apply only to Net Position as determined at the government-wide level, and are described below:

Net Investment in Capital Assets describes the portion of Net Position which is represented by the current net book value of the City's capital assets, less the outstanding balance of any debt issued to finance these assets.

Restricted describes the portion of Net Position which is restricted as to use by the terms and conditions of agreements with outside parties, governmental regulations, laws, or other restrictions which the City cannot unilaterally alter. These principally include debt service requirements and funds restricted for various purposes, such as low and moderate income housing, community development, streets and roads, and public safety.

Unrestricted describes the portion of Net Position which is not restricted as to use.

GASB Statement No. 54 establishes fund balance classifications for the Fund Financial Statements that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds.

Non-spendable Fund Balance – This amount is comprised of net position that cannot be spent because of their form or must remain intact pursuant to legal or contractual requirements.

Restricted Fund Balance – This balance is comprised of net position that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation.

Committed Fund Balance – This balance includes amounts that can be used only for the specific purposes determined by a formal action of the City's highest level of decision-making authority. The City Council (Council) is the highest level of decision-making authority for the City that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

Assigned Fund Balance – This balance is intended to be used by the City for specific purposes but do not meet the criteria to be classified as committed. The Council has

City of Fort Bragg, California
Notes to the Basic Financial Statements
For the year ended June 30, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

G. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance, Continued

by resolution authorized the Finance Director to assign fund balance. The Council may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

Unassigned Fund Balance – This balance represents residual net resources or total fund balance in the General Fund in excess of non-spendable, restricted, committed and assigned fund balance (surplus). In other governmental funds the balance represents the excess of non-spendable, restricted, and committed fund balance over total fund balance (deficit).

The City applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

9) Restricted Assets

Certain cash and investments in the Water Fund are held by the City's fiscal agents and classified as restricted assets on the statement of net position because their use is limited by applicable bond or other covenants.

10) Lease Obligations

Lease Liabilities represent the City's obligation to make lease payments arising from the lease. Lease liabilities are recognized at the lease commencement date based on the present value of future lease payments expected to be made during the lease term. The present value of lease payments is discounted based on a borrowing rate determined by the City.

City of Fort Bragg, California
Notes to the Basic Financial Statements
For the year ended June 30, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

G. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance, Continued

11) Encumbrances

Encumbrances resulting from issuing purchase orders as a result of normal purchasing activities approved by appropriate authorities as of June 30, 2024, are summarized below.

<u>Fund</u>	<u>Amount</u>
General Fund	\$ 475,619
Asset Forfeiture	109,760
Main Street Fire Station	135,600
Fire Equipment	235,567
Facilities	13,294
IT	228,437
Fleet & Equipment Services	311,543
Other State Grants	358,490
Noyo Harbor Blue Economy	63,569
MCOG	49,510
Water Enterprise	107,291
Street Resurfacing Capital Project	110,697
Wastewater Enterprise	71,765
CV Starr	176,282
	<u>\$ 2,447,424</u>

12) Long-Term Obligations

In the government-wide financial statements, the proprietary fund financial statements, and the private-purpose trust fund, long-term debt and other long-term obligations are reported as liabilities. Initial-issue bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Amortization of bond premiums or discounts is included as a component of interest expense.

H. Revenues and expenditures/expenses

1) Program revenues

Amounts reported as program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions (including special assessments) that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes (excluding those dedicated for specific purposes) and other internally dedicated resources are reported as general revenues rather than as program revenues.

The City only accrues revenues at fiscal year-end and accrues only those revenues it deems collectible; as such the City has no allowance for uncollectible accounts. Management has determined that uncollectible receivables, if any, would be immaterial based on an analysis of historical trends.

City of Fort Bragg, California
Notes to the Basic Financial Statements
For the year ended June 30, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

H. Revenues and expenditures/expenses, Continued

2) Property taxes

Property taxes attach as an enforceable lien on real property and are levied as of July 1st. The City relies on the competency of the County of Mendocino Assessor's and Auditor-Controller's (County) offices to properly assess, collect, and distribute property taxes.

The method of allocation used by the County is subject to review by the State of California. The City and the County have adopted the Alternative Method of Tax Apportionment – Teeter Plan. First enacted in 1949, the Teeter Plan provides California counties with an optional alternative method for allocating delinquent property tax revenues. Using the accrual method of accounting under the Teeter Plan, counties allocate property tax revenues based on the total amount of property taxes billed, but not yet collected. In exchange, the counties receive the penalties and interest on delinquent taxes when collected. Mendocino County assesses properties, bills for, and collects secured and unsecured property taxes as follows:

	<u>Secured</u>	<u>Unsecured</u>
Lien dates	January 1	January 1
Levy dates	July 1	July 1
Due dates	50% on November 1 50% on February 1	July 1
Delinquent as of	December 10 (for November due date) April 10 (for February due date)	August 31

3) Compensated absences

Vacation

Earned vacation and a portion of accumulated sick-leave payable upon termination or retirement are accrued as compensated absences. The accrual includes the City's share of payroll taxes. Regular employees earn vacation hours based on the number of years of continuous service. No more than 240 hours (340 hours after 10 years of continuous service) may be accumulated.

Sick Leave

Regular employees are given credit for eight (8) hours sick-leave for each month of employment with unlimited accumulation. Each employee who has two or more years of service with the City and who separates from City service for any reason, except discharge for cause, is entitled to payment of the monetary equivalent of 30% of unused sick-leave accrued to a maximum of 1,000 hours. This 30% is included in the compensated absences accrual.

4) Proprietary funds operating and non-operating revenues and expenses

Proprietary funds distinguish *operating* revenues and expenses from *non-operating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the water and wastewater funds are charges to customers for sales and services. The C.V. Starr Center fund has three sources of revenue: property taxes, district sales tax, and user fees. The water and wastewater funds also recognize as

City of Fort Bragg, California
Notes to the Basic Financial Statements
For the year ended June 30, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

H. Revenues and expenditures/expenses, Continued

operating revenue the portion intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues not meeting this definition are reported as non-operating revenues and expenses. Although Internal Service Funds are proprietary in nature, they are funded entirely by internal customers and reported as governmental activities.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

I. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses. Actual results could differ from those estimates.

J. New and Closed Funds

During the course of each fiscal year funds may be closed and new funds opened. In FY 2023/24 no funds were opened or closed.

K. Reclassifications

Certain amounts have been reclassified to provide for comparable results on a year to year basis.

L. Other Postemployment Benefits (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Authority's plan (OPEB Plan) and additions to/deductions from the OPEB Plan's fiduciary net position have been determined on the same basis. For this purpose, benefit payments are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value. Generally accepted accounting principles require that the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used:

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

City of Fort Bragg, California
Notes to the Basic Financial Statements
For the year ended June 30, 2024

2. CASH AND INVESTMENTS

At June 30, 2024, the City's pooled cash and investments, classified by maturity, consisted of the following stated at fair value:

			Maturities (in years)			Deposits	Fair Market Value
			<1	1 to 3	3 to 5		
<u>Cash equivalents and investments pooled</u>							
Pooled cash, at fair value							
Cash in bank			\$ -	\$ -	\$ -	\$ 2,503,254	2,503,254
Petty cash			-	-	-	1,290	1,290
Total pooled items			-	-	-	2,504,544	2,504,544
<u>Pooled investments, at fair value</u>							
Interest obligations							
Par	Rate						
\$ 1,000,000	0.57% - 1.00%	Federal Agency Securities	-	-	931,405	-	931,405
\$ 13,876,000	0.7% - 5.15%	Certificates of Deposits	4,425,831	7,037,049	2,178,374	-	13,641,254
		Money Market Funds	-	-	-	(220,348)	(220,348)
State of California Local Agency Investment Fund			-	-	-	4,036,035	4,036,035
PARS Section 115 Pension Trust Fund - Mutual Fund			1,651,438	-	-	-	1,651,438
Total pooled investments - interest obligations			6,077,269	7,037,049	3,109,779	3,815,687	20,039,784
Total cash equivalents and investments pooled			\$ 6,077,269	\$ 7,037,049	\$ 3,109,779	\$ 6,320,231	\$ 22,544,328
Amounts reported in:							
Governmental activities (unrestricted)							\$ 11,277,745
Governmental activities (restricted)							1,787,887
Business-type activities (unrestricted)							9,101,517
Business-type activities (restricted)							108,064
Fiduciary activities							269,115
Total							\$ 22,544,328

California statutes authorize cities to invest idle or surplus funds in a variety of credit instruments as provided for in the California Government Code, Section 53600, Chapter 4 – Financial Affairs. The table below identifies the investment types that are authorized for the City by the California Government Code (or the City's investment policy, where more restrictive) that address interest rate risk, credit risk, and concentration of credit risk. The table does not address investments of debt proceeds held by bond trustees that are governed by the provisions of debt agreements of the City, rather than the general provisions of the California Government Code of the City's investment policy. During the year ended June 30, 2024, the City's permissible investments included the following instruments:

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
Local Agency Investment Fund (State Pool)	N/A	Unlimited	\$50 Million
U.S. Treasury Obligations	5 years	Unlimited	None
U.S. Government Agency Issues	5 years	Unlimited	None
Repurchase Agreements	90 days	10%	None
Bankers' Acceptances (must be dollar denominated)	270 days	40%	None
Commercial Paper - A rated minimum	180 days	15%	None
Certificates of Deposits - FDIC insured	5 years	50%	None
General obligations of any State or Political subdivision - AA rated minimum	5 years	30%	None
Money market mutual funds holding - Cash and U.S. Government Obligations	N/A	None	None

Per the City's investment policy, if special circumstances arise that necessitate the purchase of securities beyond the five year limitation, the requests must be approved by the Council prior to purchase.

City of Fort Bragg, California
Notes to the Basic Financial Statements
For the year ended June 30, 2024

2. CASH AND INVESTMENTS, Continued

Investments Authorized by Debt Agreements

Investment of debt proceeds held by bond trustees is governed by provisions of the debt agreements. The table below identifies the investment types that are authorized for investments held by bond trustees. The table also identifies certain provisions of these debt agreements that address interest rate risk, credit risk, and concentration of credit risk.

Investments Authorized by Debt Agreements	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
U.S. Treasury Obligations	5 years	None	None
U.S. Government Agency Securities	5 years	None	None
Bankers Acceptance	270 days	40%	15%
Commercial paper	180 days	15%	15%
Money market mutual funds	None	None	None

Interest rate risk –Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the City manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations.

Credit risk – As of June 30, 2024, the City’s investments in money market funds were rated AAA by Standard & Poor’s and Fitch Ratings, and Aaa by Moody’s Investors Service. The State of California Local Agency Investment Fund is not rated.

Concentration of credit risk – The concentration of credit risk is the risk of loss that may be caused by the City’s investment in a single issuer. The investment policy of the City contains no limitations on the amount that can be invested in any single issuer beyond that stipulated by the California government code. Investments in the securities of any individual issuers, other than U.S. Treasury Securities, mutual funds and the California Local Agency Investment Fund, that represent 5 percent or more of the City’s total investments are as follows as of June 30, 2024:

Investment Type	Fair Value	Concentration
Certificate of Deposits	\$ 13,641,254	54.14%

The City participates in an investment pool managed by the State of California titled Local Agency Investment Fund (LAIF). LAIF's investments are subject to credit risk with the full faith and credit of the State of California collateralizing these investments.

City of Fort Bragg, California
Notes to the Basic Financial Statements
For the year ended June 30, 2024

2. CASH AND INVESTMENTS, Continued

Custodial credit risk – deposits. Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the City will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The California Government Code and the City's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits. At June 30, 2024, the carrying amount of the City's cash deposits (including fiduciary funds) was \$2,283,030 of which \$250,000 was covered by federal depository insurance and \$2,033,030 was collateralized as required by State law (Government Code Section 53630), by the pledging financial institution with assets held in a common pool for the City and other governmental agencies, but not in the name of the City.

The California Government Code (Government Code Section 53630) requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The fair value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

As of June 30, 2024, the City's investments were held by the City's custodial agent, but not in the City's name, and were insured up to specified limits by the Securities Investor Protection Corporation (SIPC) and supplemental private insurance up to a limit of \$150 million.

Custodial credit risk – investments. Custodial credit risk – investment generally applied only to direct investments in marketable securities. Custodial credit risk – investment does not apply to a local government's indirect investment in securities through the use of mutual funds or government investment pools (such as Local Agency Investment Fund).

Fair Value of Investments

The City measures and records its investments using fair value measurement guidelines established by generally accepted accounting principles (GAAP). These guidelines recognize a three-tiered fair value hierarchy as follows:

- Level 1: Quoted prices for identical investments in active markets;
- Level 2: Observable inputs other than those in Level 1; and
- Level 3: Unobservable inputs.

Debt and equity securities classified as Level 1 are valued using prices quoted in active markets for those securities. Debt and equity securities classified in Level 2 are valued using the following approaches: debt securities are normally valued based on price data obtained from observed transactions and market price quotations from broker dealers and/or pricing vendors; equity securities are valued using fair value per share for each fund. Certificates of deposit classified in level 2 are valued using broker quotes that utilize observable market inputs. Securities classified as Level 3 have limited trade information, these securities are priced or using the last trade price or estimated using recent trade prices.

City of Fort Bragg, California
Notes to the Basic Financial Statements
For the year ended June 30, 2024

2. CASH AND INVESTMENTS, Continued

<u>Investments by Fair Value Level</u>	<u>June 30, 2024</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Federal Agency Securities	\$ 931,405	\$ 931,405	\$ -	\$ -
Certificates of Deposits	13,641,254	13,641,254	-	-
Money market	(220,348)	-	(220,348)	-
Total fair value	14,352,311	14,572,659	(220,348)	-
 <u>Investments Exempt from Fair Value Hierarchy</u>				
Local Agency Investment Fund (LAIF)	4,036,035			
PARS Section 115 Pension Trust Fund - Mutual Funds	1,651,438			
	<u>\$ 20,039,784</u>			

Investment in LAIF

The City is a voluntary participant in California Local Agency Investment Fund (LAIF), which is regulated by California Government Code Section under the oversight of the Local Investment Advisory Board (Board). The Board consists of five members as designated by state statute, and is chaired by the State Treasurer who is responsible for day to day administration of LAIF. The total amount invested by all public agencies as of June 30, 2024 was \$21,974,159,650 of which the City had a balance of \$4,036,035. LAIF is part of the California Pooled Money Investment Account (PMIA), which at June 30, 2024 has a portfolio with market valuation including accrued interest of \$179,046,993,600. The fair value of the City's investment in this pool is reported in the accompanying financial statements at amounts based upon the City's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis.

3. ACCOUNTS RECEIVABLE

Accounts receivable consisted of the following at June 30, 2024:

	Receivables
Governmental Activities	
Taxes	1,852
Interest	795
Intergovernmental	2,152,655
Other	1,715,109
	<u>\$ 3,870,411</u>
Business-type Activities	
Accounts receivable	<u>\$ 836,918</u>
	<u>\$ 836,918</u>

These amounts resulted in the following concentrations in receivables:

Other Governments	44%	Individuals/Business	56%
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Amounts do not indicate a significant concentration (greater than 25%) with any single individual, business or agency.

City of Fort Bragg, California
Notes to the Basic Financial Statements
For the year ended June 30, 2024

4. LOANS AND NOTES RECEIVABLE

The City periodically receives Community Development Block Grant (CDBG) funding through the State Housing and Community Development Department to provide housing and economic development loans to individuals and businesses. Repayment terms and interest rates vary depending on the borrower's funding needs and ability to repay the loan. Interest is accrued on the loans that bear interest.

Loans and notes receivable for the year ended June 30, 2024, consisted of the following:

	Beginning				Ending
	June 30, 2023	Additions	Deletions	Adjustments	June 30, 2024
CDBG Revolving Loans	\$ 1,153,572	\$ 553,000	\$ (276,549)	\$ (8,297)	\$ 1,421,726
Mendocino Coast Hospitality Center Loan	904,293	-	-	-	904,293
Rural Community Housing Development Corporation Loans	570,375	6,750	-	-	577,125
Employee Loans	-	2,311	-	-	2,311
PLHA Loan - Permanent Local Housing Allocation	-	2,280,000	-	-	2,280,000
Total loans/notes receivable	\$ 2,513,350	\$ 2,842,061	\$ (276,549)		\$ 5,185,455

The following are descriptions of the loans and notes receivable outstanding as of June 30, 2024:

CDBG Revolving Loans – These are loans issued from CDBG grant funds received by the City or issued from unrestricted CDBG Program Income on hand. Loans are provided from CDBG Economic Development funding to assist local business that will provide or retain jobs. Business loans require repayment of interest and principal. Loans are also provided from CDBG Community Development funds to income-qualified home owners in order to rehabilitate their homes. Terms of housing loans vary depending upon the homeowners' income and may require payments of interest and principal; or interest only; or loans may be fully deferred for up to 30 years.

Mendocino Coast Hospitality Center Loan – On January 12, 2016, the Fort Bragg City Council adopted a Resolution approving the use of 2015 Community Development Block Grant (CDBG) funds for acquisition and rehabilitation of the vacant Old Coast Hotel for the benefit of Mendocino Coast Hospitality Center, Inc. (MCHC). The facility accommodates a variety of homeless and mental health services including transitional housing. The facility is owned and operated by MCHC. This loan is deferred for a term of 20 years. If various conditions are met during the term of the loan, the loan will be forgiven at the end of the 20 year term.

Rural Community Housing Development Corporation Loans – These loans are to the Rural Community Housing Development Corporation (RCHDC), a non-profit organization for housing rehabilitation projects within the City.

Employee Loans – Employees have the option of entering into equipment purchasing loan plans with the City, which may be utilized to assist the employee to purchase equipment that may be used both on and off duty to improve the employee's job performance.

Permanent Local Housing Allocation Loan – This loan is a Promissory Note related to a Permanent Local Housing Allocation (PLHA) Loan issued by City of Fort Bragg to Fort Bragg South Street LP, a California limited partnership. The loan accrues interest at an annual rate of 3%, with a default rate of 6%, and matures 55 years from the issuance of a Certificate of Occupancy for the project.

City of Fort Bragg, California
Notes to the Basic Financial Statements
For the year ended June 30, 2024

5. CAPITAL ASSETS

Governmental capital asset activity for the year ended June 30, 2024, was as follows:

	Balance June 30, 2023	Additions	Deletions	Transfers/ Adjustments	Balance June 30, 2024
<u>Governmental activities:</u>					
Nondepreciable assets:					
Land	\$ 12,952,262	\$ -	\$ -	\$ -	\$12,952,262
Construction in progress	1,639,441	3,883,564	(832,765)	(18,571)	4,671,669
Total nondepreciable assets	14,591,703	3,883,564	(832,765)	(18,571)	17,623,931
Depreciable assets:					
Buildings	4,675,798	422,863	-	-	5,098,661
Machinery, equipment and vehicles	3,240,782	886,554	(136,043)	(24,117)	3,967,176
Infrastructure	38,238,681	-	-	-	38,238,681
Total depreciable assets	46,155,261	1,309,417	(136,043)	(24,117)	47,304,518
Total	59,078,998	5,192,981	(968,808)	(42,688)	64,928,449
Accumulated depreciation:					
Buildings	(3,614,779)	(113,139)	-	-	(3,727,918)
Machinery, equipment and vehicles	(1,704,004)	(211,870)	98,604	-	(1,817,270)
Infrastructure	(13,272,075)	(1,231,408)	-	-	(14,503,483)
Total accumulated depreciation	(18,590,858)	(1,556,417)	98,604	-	(20,048,671)
Net depreciable assets	27,564,403	(247,000)	(37,439)	(24,117)	27,255,847
Total net capital assets	\$ 42,156,106	\$ 3,636,564	\$ (870,204)	\$ (42,688)	\$44,879,778

Depreciation expense for capital assets was charged to functions as follows:

General government	\$ 177,128
Public safety	108,908
Public works	1,270,381
	<u>\$ 1,556,417</u>

City of Fort Bragg, California
Notes to the Basic Financial Statements
For the year ended June 30, 2024

5. CAPITAL ASSETS, Continued

Business-type capital asset activity for the year ended June 30, 2024, was as follows:

	Balance			Balance	
	June 30, 2023	Additions	Deletions	June 30, 2024	
<u>Business-type activities:</u>					
Nondepreciable assets:					
Land	\$ 3,210,698	\$ -	\$ -	\$ 3,210,698	
Construction in progress	4,228,017	2,546,250	(196,928)	6,577,339	
Total nondepreciable assets	7,438,715	2,546,250	(196,928)	9,788,037	
Depreciable assets:					
Buildings	29,467,204	267,492	-	29,734,696	
Machinery, equipment and vehicles	6,680,466	189,644	(254,625)	6,615,485	
Infrastructure	39,475,891	266,665	-	39,742,556	
Land improvements	542,303	-	-	542,303	
Total depreciable assets	76,165,864	723,801	(254,625)	76,635,040	
Total	83,604,579	3,270,051	(451,553)	86,423,077	
Accumulated depreciation:					
Buildings	(10,301,599)	(716,232)	-	(11,017,831)	
Machinery, equipment and vehicles	(4,888,648)	(200,063)	251,910	(4,836,801)	
Infrastructure	(12,489,210)	(930,562)	-	(13,419,772)	
Land improvements	(542,303)	-	-	(542,303)	
Total accumulated depreciation	(28,221,760)	(1,846,857)	251,910	(29,816,707)	
Net depreciable assets	47,944,104	(1,123,056)	(2,715)	46,818,333	
Total net capital assets	\$ 55,382,819	\$ 1,423,194	\$ (199,643)	\$ 56,606,370	

Depreciation expense for capital assets was charged to functions as follows:

Water	\$ 353,968
Sewer	816,971
CV Starr Center	675,918
	<u>\$ 1,846,857</u>

City of Fort Bragg, California
Notes to the Basic Financial Statements
For the year ended June 30, 2024

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued payroll and related liabilities consisted of the following at June 30, 2024:

	Governmental Activities	Business-type Activities	Total
Accounts payable	\$ 760,216	\$ 1,848,008	\$ 2,608,224
Accrued payroll and related liabilities	42,640	3,491	46,131
Total	<u>\$ 802,856</u>	<u>\$ 1,851,499</u>	<u>\$ 2,654,355</u>

These amounts resulted in the following concentrations in payables:

Vendors	98.4%
Employees	1.6%

There were no further significant concentrations (greater than 25%) with any single vendor or employee.

7. LONG-TERM LIABILITIES

The following is a summary of changes in long-term liabilities for the year ended June 30, 2024:

	Balance July 1, 2023	Additions	Retirements	Balance June 30, 2024	Due Within One Year
Governmental Activities:					
Compensated absences	\$ 564,593	\$ 77,284	\$ (57,187)	\$ 584,690	\$ 58,469
Landfill post-closure	124,500	-	(124,500)	-	-
2021 Lease revenue bonds	8,015,000	-	(195,000)	7,820,000	190,000
2021 Lease revenue bonds discount	(39,374)	-	1,875	(37,499)	-
Total governmental activities	<u>\$ 8,664,719</u>	<u>\$ 77,284</u>	<u>\$ (374,812)</u>	<u>\$ 8,367,191</u>	<u>\$ 248,469</u>
Business-type activities					
Bonds payable:					
2014 Water Revenue Refunding Bond	\$ 332,000	-	(332,000)	-	-
2018 WW Plant Certificates of Participation	4,649,000	-	(93,000)	4,556,000	95,000
Total business-type activity debt	<u>4,981,000</u>	<u>-</u>	<u>(425,000)</u>	<u>4,556,000</u>	<u>95,000</u>
Compensated absences	118,424	8,890	(18,424)	108,890	10,903
Total business-type activities	<u>\$ 5,099,424</u>	<u>\$ 8,890</u>	<u>\$ (443,424)</u>	<u>\$ 4,664,890</u>	<u>\$ 105,903</u>

City of Fort Bragg, California
Notes to the Basic Financial Statements
For the year ended June 30, 2024

7. LONG-TERM LIABILITIES, Continued

Governmental Activities

2021 Lease Revenue Bonds

On October 28, 2021 the City issued \$11,440,000 in Lease Revenue Bonds. Of the proceeds, \$7,540,414 were used to pay down a portion of the outstanding UAL projected by CalPERS. On August 5, 2023 the City declared a portion of the bond proceeds to be surplus and redeemed \$3,425,000 of bond principal. Interest is payable semi-annually on May 1 and November 1 of each year, commencing November 1, 2024. The bonds mature in 2044 and principal is payable on May 1 each year, commencing May 1, 2024. The interest rate for the bonds varies from 1.110% to 3.5%.

Caspar Landfill Closure and Post-Closure Cost

The Caspar Landfill site was closed in 1995. State and federal laws and regulations require that the City place a final cover on its landfill when closed, and perform certain maintenance and monitoring functions at the landfill site for thirty years after closure. These costs are shared equally by the City and County of Mendocino. At June 30, 2024, the City's estimated liability for its share of landfill closure and post-closure care costs was \$1,069,730. This estimated total cost of the landfill closure and post-closure care is based on the amount that would be paid if all equipment, facilities, and services required to close, monitor, and maintain the landfill were acquired as of June 30, 2024, as determined by the last engineering study performed. However, the actual cost of closure and post-closure care may change due to inflation, changes in technology, or changes in landfill laws and regulations.

The City has made a pledge of future user surcharge revenues for anticipated remaining expected costs, future inflation costs, and any additional costs (including debt service) that might arise from changes in post-closure requirements (due to changes in technology or more rigorous environmental regulations, for example).

Business-type Activities

2014 Water Revenue Refunding Bonds

On June 5, 2014, the City issued \$2,962,000 of Water Revenue Refunding Bonds bearing interest of 3.06% and payable semi-annually on October 1 and April 1, maturing on October 1, 2024. These bonds were used to advance refund the 2004 California Statewide Communities Development Authority Bonds, which were issued originally to advance refund the 1993 COP's, which had been used for various capital improvements to the City's water system. The outstanding principal balance as of June 30, 2024 was \$0.

\$2,891,751 from the 2014 Water Revenue Refunding Bonds was placed in an irrevocable trust that was used to pay off the 2004 California Statewide Communities Development Authority Bonds on July 7, 2014. The funding resulted in an economic gain (difference between the present value of the debt service payments on the old and new debts) of \$201,814. The aggregate difference in debt service between the 2004 California Statewide Communities Development Authority Bonds and the 2014 Water Revenue Refunding Bonds was \$234,793. The outstanding amount of the defeased debt was \$2,855,000 as of June 30, 2014.

City of Fort Bragg, California
Notes to the Basic Financial Statements
For the year ended June 30, 2024

7. LONG-TERM LIABILITIES, Continued

The City defeased the 2004 California Statewide Communities Development Authority Bonds by placing the proceeds of the 2014 Water Revenue Refunding Bonds in an irrevocable trust to provide for all future debt service payments on the 2004 California Statewide Communities Development Authority Bonds. Accordingly, the trust account assets and the liability of the defeased 2004 California Statewide Communities Development Authority Bonds are not included in the City's financial statements.

2018 Wastewater Revenue Refunding Bonds

In 2018, the City issued \$5,000,000 in Certificates of Participation as partial funding to acquire and construct the District's Wastewater Treatment Facility. The Certificates of Participation are secured by an Installment Sale agreement between the City and City of Fort Bragg Joint Powers Financing Authority (JPFA) with the JPFA acting as seller and the City as purchaser. The obligation is secured and payable from net revenues of the Wastewater Enterprise. The outstanding principal balance as of June 30, 2024 was \$4,556,000.

Compensated Absences

The City records employee absences, such as vacation, illness, and holidays, for which it is expected that employees will be paid as compensated absences. The governmental activities compensated absences balance at June 30, 2024 was \$584,690 with \$58,469 expected to be paid within a year; The business-type activities compensated absences balance at June 30, 2024 was \$108,890 with \$10,903 expected to be paid within a year.

Future debt service for Governmental and Business-Type Activities at June 30, 2024, is as follows:

Year Ending June 30,	Governmental Activities		Business-Type Activities	
	2021 Lease Revenue Bonds		2018 WW Plant Certificates Of Participation	
	Principal	Interest	Principal	Interest
2025	\$ 190,000	\$ 243,348	\$ 95,000	\$ 90,130
2026	225,000	240,555	97,000	88,210
2027	285,000	236,910	99,000	86,250
2028	330,000	231,410	101,000	84,250
2029	340,000	224,381	103,000	82,210
2030-2034	1,805,000	385,107	545,000	379,050
2035-2039	2,125,000	667,265	601,000	321,850
2040-2044	2,520,000	271,775	664,000	258,600
2045-2049	-	-	732,000	188,840
2050-2054	-	-	809,000	111,890
2055-2059	-	-	710,000	28,660
Total	<u>\$ 7,820,000</u>	<u>\$ 2,500,751</u>	<u>\$ 4,556,000</u>	<u>\$ 1,719,940</u>
Due within one year	\$ 190,000	\$ 243,348	\$ 95,000	\$ 90,130
Due after one year	7,630,000	2,257,403	4,461,000	1,629,810
Total	<u>\$ 7,820,000</u>	<u>\$ 2,500,751</u>	<u>\$ 4,556,000</u>	<u>\$ 1,719,940</u>

City of Fort Bragg, California
Notes to the Basic Financial Statements
For the year ended June 30, 2024

8. NET POSITION/ FUND BALANCES

Net position (deficit)

	Governmental Activities	Business-type Activities	Total
Net investment in capital assets	\$ 44,879,778	\$ 52,050,370	\$ 96,930,148
Restricted	5,839,731	108,064	5,947,795
Unrestricted (deficit)	(424,308)	7,407,311	6,983,003
Total	<u>\$ 50,295,201</u>	<u>\$ 59,565,745</u>	<u>\$ 109,860,946</u>

Restricted balances are for the same purposes as fund balance restrictions because external restriction requirements are the same. See descriptions of the restrictions below.

Fund Balance

Non-spendable, Restricted and Committed fund balance consisted of the following at June 30, 2024:

Nonspendable:

Prepaid	\$ 6,797
Loans/ Notes Receivable	2,311
Total Nonspendable	<u><u>\$ 9,108</u></u>

Restricted:

Governmental Funds:

Restricted cash and investments	\$ 1,787,887
Special Sales Tax	406,770
CDBG Super NOFA	11,284
Asset Forfeiture	481,482
Federal & State Grant Funds	3,152,308
Total Restricted	<u><u>\$ 5,839,731</u></u>

Committed:

Governmental Funds:

Operating reserve	\$ 1,989,419
Recession reserve	489,929
Litigation reserve	200,000
Total Committed	<u><u>\$ 2,679,348</u></u>

The following describe the purpose of each non-spendable, restricted, and committed category used by the City:

Non-spendable

- **Prepays** – represents non-spendable amounts classified as prepaid expense.
- **Loans/notes receivable** – represents non-spendable amounts classified as loans/notes receivable.

City of Fort Bragg, California
Notes to the Basic Financial Statements
For the year ended June 30, 2024

8. NET POSITION/ FUND BALANCES, Continued

Restricted

- **Restricted cash and investments** – represents amounts restricted for pension costs.
- **Special Sales Tax** – represents amounts restricted by voter approved ordinance for street repairs.
- **CDBG Super NOFA** – represents amounts restricted by Federal guidelines to support housing rehabilitation projects.
- **Asset Forfeiture** – represents amounts restricted by State and Federal guidelines to support law enforcement.
- **Federal and State Grants** – represents restricted amounts received from State and Federal Grants for various city programs.

Committed

- **Reserves** – represents amounts designated by the City Council for future contingencies, which include a \$1,989,419 operating reserve, a \$489,929 recession reserve and a \$200,000 litigation reserve.

Fund Balance Deficits

Deficit fund balances consisted of the following:

Funds	June 30, 2024
Major Funds:	
Street Resurfacing Capital Projects Fund	\$ (31,642)
Non-Major Funds:	
<i>Special Revenue Funds</i>	
Parking In-lieu Fees	(5,137)
Gas Tax	(31,525)
Traffic and Safety	(682)
Developer Deposit Accounts	(6,325)
Total	<u>\$ (75,311)</u>

The above deficit fund balances have occurred due to the spending of funds prior to the receipt of revenues (cost reimbursements). The Fund balances will be restored in the near future as revenues are received.

City of Fort Bragg, California
Notes to the Basic Financial Statements
For the year ended June 30, 2024

9. INTERFUND TRANSACTIONS

Due to and from balances result 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.

Due to and due from other funds consisted of the following as of June 30, 2024:

	Due from Other Funds	Due to Other Funds
<u>Governmental Funds</u>		
Major Funds:		
General Fund	\$ 667,821	\$ -
CDBG Super NOFA Special Revenue	-	23,212
Street Resurfacing Capital Projects	-	26,132
Total Major Funds	<u>667,821</u>	<u>49,344</u>
Nonmajor Funds:		
<i>Special Revenue Funds</i>		
Parking In-lieu Fees	-	5,137
Gas tax	-	91,274
Traffic & Safety	-	1,282
MCOG Overall Work Plan	-	35,592
Noyo Harbor Blue Economy	-	72,444
HCD HOME Grant	-	9,116
Other State Grants	-	120,989
CDBG Grant COVID	-	249,624
<i>Capital Project Funds:</i>		
Coastal Trail	-	33,019
Total Nonmajor Funds	<u>-</u>	<u>618,477</u>
Total Governmental Funds	<u>667,821</u>	<u>667,821</u>
Total	<u><u>\$ 667,821</u></u>	<u><u>\$ 667,821</u></u>

City of Fort Bragg, California
Notes to the Basic Financial Statements
For the year ended June 30, 2024

9. INTERFUND TRANSACTIONS, Continued

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, and (2) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. Transfers consisted of the following at June 30, 2024:

	Transfers In	Transfers Out
<u>Governmental Funds</u>		
Major Funds:		
General Fund	\$ 852,101	\$ 664,150
CDBG Program Income Special Revenue Fund	-	173,896
Speical Sales Tax Special Revenue Fund	-	2,526,604
Permanent Local Housing Special Revenue	-	2,280,000
Street Resurfacing Capital Projects	293,169	-
Total Major Funds	<u>1,145,270</u>	<u>5,644,650</u>
Non-major Funds:		
<i>Special Revenue Funds</i>		
Parking In-lieu Fees	61,570	-
Asset Forfeiture	-	55,234
RMRA	-	696,907
MCOG Overall Work Plan	-	61,570
Housing Successor Agency	2,280,000	
Other State Grants	-	434,052
CDBG Grant	190,009	193,468
CDBG Grant Covid	-	274,118
<i>Capital Projects Fund</i>		
Coastal Trail	3,888,407	-
Total Non-major Funds	<u>6,419,986</u>	<u>1,715,349</u>
Internal Service Funds		
Building Maintenance	-	247,095
Fleet Services	245,901	-
Total Internal Service Funds	<u>245,901</u>	<u>247,095</u>
Total Governmental Funds	<u>7,811,157</u>	<u>7,607,094</u>
<u>Proprietary Funds</u>		
Major Enterprise Funds		
Water	-	16,112
Sewer	-	187,951
Total Proprietary Funds	<u>-</u>	<u>204,063</u>
Total Transfers	<u><u>\$ 7,811,157</u></u>	<u><u>\$ 7,811,157</u></u>

10. RISK MANAGEMENT

The City of Fort Bragg is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the Member entity obtains insurance coverage.

The City of Fort Bragg is a member of the California Intergovernmental Risk Authority (CIRA), a joint powers authority, which provides joint protection programs for public entities covering automobile, general liability, errors and omission losses, workers' compensation, and property claims.

10. RISK MANAGEMENT, Continued

Under the General Liability program, the City of Fort Bragg has a \$5,000 deductible, with CIRA responsible for losses above that amount up to \$1 million. CIRA has additional coverage of \$39 million in excess of its \$1 million retention limit through affiliated risk management authorities. CIRA also provides \$600 million aggregate property coverage to its members with such coverage provided by purchased insurance. Liabilities of the member entity are reported when it is probable that a loss has occurred, and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported (IBNRs). The result of the process to estimate the claims liability is not an exact amount as it depends on many complex factors, such as inflation, changes in legal doctrines, and damage awards. Accordingly, claims are reevaluated periodically to consider the effects of economic and social factors. The estimate of the claims liability also includes amounts for incremental claim adjustment expenses related to specific claims and other claim adjustment expenses regardless of whether allocated to specific claims. Estimated recoveries, for example, from salvage or subrogation, are another component of the claims liability estimate.

CIRA covers workers' compensation claims for participating members up to its self-insurance limit of \$500,000. Safety National and Gray Insurance Company provide excess coverage to statutory limits. Financial Statements of CIRA may be obtained from its administrative office located at 2330 E. Bidwell Street, Suite 150, Folsom, CA 95630; www.cira-jpa.org or by calling (916) 927-7727.

11. PUBLIC EMPLOYEES' RETIREMENT SYSTEM

General Information about the Pension Plans

Plan Descriptions - All qualified permanent and probationary employees are eligible to participate in the City's separate Safety (police and fire) and Miscellaneous (all other) Employee Pension Plans, cost-sharing multiple employer defined benefit pension plans administered by the California Public Employees' Retirement System (CalPERS). Benefit provisions under the Plans are established by State statute and City resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

Benefits Provided - CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

City of Fort Bragg, California
Notes to the Basic Financial Statements
For the year ended June 30, 2024

11. PUBLIC EMPLOYEES' RETIREMENT SYSTEM, Continued

The Plans' provisions and benefits in effect at June 30, 2024, are summarized as follows:

	Miscellaneous	PEPRA Miscellaneous
	Prior to	On or after
Hire date	January 1, 2013	January 1, 2013
Benefit formula	2% @ 55	2% @ 62
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	55	52 - 67
Monthly benefits, as a % of eligible compensation	1.4% - 2.0%	1.0% to 2.5%
Required employee contribution rates	6.90%	6.50%
Required employer contribution rates	11.06%	7.76%
	Safety - Police	PEPRA Safety - Police
	Prior to	On or after
Hire date	January 1, 2013	January 1, 2013
Benefit formula	2% @ 50	2.7% @ 57
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	50	50 - 57
Monthly benefits, as a % of eligible compensation	2%	2.0% to 2.7%
Required employee contribution rates	8.94%	12.00%
Required employer contribution rates	18.17%	12.78%
	Fire Safety	
	Prior to	
Hire date	January 1, 2013	
Benefit formula	3% @ 50	
Benefit vesting schedule	5 years service	
Benefit payments	monthly for life	
Retirement age	50	
Monthly benefits, as a % of eligible compensation	2.00%	
Required employee contribution rates	0%	
Required employer contribution rates	0%	

Contributions - Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for both Plans are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The City is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

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

	Miscellaneous Plans	Safety Plans
Contributions - employer	\$ 339,772	\$ 245,110

City of Fort Bragg, California
Notes to the Basic Financial Statements
For the year ended June 30, 2024

11. PUBLIC EMPLOYEES' RETIREMENT SYSTEM, Continued

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

As of June 30, 2024, the City reported net pension liabilities for its proportionate shares of the net pension liability of each Plan as follows

	Proportionate Share of Net Pension Liability
Miscellaneous Plans	\$ 3,184,191
Safety Plans	2,438,768
Total Net Pension Liability	<u>\$ 5,622,959</u>

The City's net pension liability for each Plan is measured as the proportionate share of the net pension liability. The net pension liability of each of the Plans is measured as of June 30, 2023, and the total pension liability for each Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2022 rolled forward to June 30, 2023 using standard update procedures. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2016 CalPERS combined the Miscellaneous Plan and PEPRAs Miscellaneous Plan for purposes of calculating net pension liability. Likewise the Safety-Police Plan, PEPRAs Safety-Police Plan and Safety-Fire Plans were combined for purposes of calculating net pension liability. The City's proportionate share of the net pension liability for each Plan as of June 30, 2024 and 2023 was as follows:

	Miscellaneous	Safety	Total
Proportion - June 30, 2023	0.06550%	0.03491%	0.04730%
Proportion - June 30, 2024	0.06368%	0.03263%	0.04507%
Change - Increase/(Decrease)	-0.00182%	-0.00228%	-0.00223%

City of Fort Bragg, California
Notes to the Basic Financial Statements
For the year ended June 30, 2024

11. PUBLIC EMPLOYEES' RETIREMENT SYSTEM, Continued

For the year ended June 30, 2024, the City recognized pension expense of \$839,643. At June 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Miscellaneous Plan		Safety Plan		Total	
	Deferred Outflows of Resources	Deferred Inflow of Resources	Deferred Outflows of Resources	Deferred Inflow of Resources	Deferred Outflows of Resources	Deferred Inflow of Resources
Changes in assumptions	\$ 192,244	\$ -	\$ 142,330	\$ -	\$ 334,574	\$ -
Differences between expected and actual experiences	137,432	-	163,722	-	301,154	-
Differences between projected and actual investment earnings	515,549	-	333,745	-	849,294	-
Differences between the employer's contributions and proportionate share of the	1,527,841	400,104	1,482,971	343,888	3,010,812	743,992
Change in employer's proportion	6,505	2,288,336	4,269	2,050,301	10,774	4,338,637
Pension contributions subsequent to measurement date	339,772	-	245,110	-	584,882	-
Total	<u>\$ 2,719,343</u>	<u>\$ 2,688,440</u>	<u>\$ 2,372,147</u>	<u>\$ 2,394,189</u>	<u>\$ 5,091,490</u>	<u>\$ 5,082,629</u>

\$584,882 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2025. Contributions made after the measurement date of the net pension/OPEB liability or collective net pension/OPEB liability but before the end of the City's fiscal year will be recognized as a reduction of the net pension/OPEB liability/ or collective net pension/OPEB liability in the subsequent fiscal year rather than in the current fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Fiscal Year Ending June 30:	Miscellaneous	Safety	Total
2025	\$ (332,836)	\$ (232,882)	\$ (565,718)
2026	(259,938)	(186,150)	(446,088)
2027	269,114	142,564	411,678
2028	14,793	9,315	24,108
2029	-	-	-
Thereafter	-	-	-
	<u>\$ (308,867)</u>	<u>\$ (267,153)</u>	<u>\$ (576,020)</u>

City of Fort Bragg, California
Notes to the Basic Financial Statements
For the year ended June 30, 2024

11. PUBLIC EMPLOYEES' RETIREMENT SYSTEM, Continued

Actuarial Assumptions -The total pension liabilities in the June 30, 2024 actuarial valuations were determined using the following actuarial assumptions:

	Miscellaneous	Safety - Police	PEPRA - Miscellaneous	PEPRA Safety - Police	Fire Safety
Valuation Date	30-Jun-22	30-Jun-22	30-Jun-22	30-Jun-22	30-Jun-22
Measurement	30-Jun-23	30-Jun-23	30-Jun-23	30-Jun-23	30-Jun-23
Actuarial Cost Method	Entry-Age Normal Cost Method				
Actuarial Assumptions:					
Discount Rate	6.90%	6.90%	6.90%	6.90%	6.90%
Inflation	2.30%	2.30%	2.30%	2.30%	2.30%
Projected Salary Increase	Varies by entry age and service				
Mortality	Derived using CalPERS' Membership Data for all Funds				

The underlying mortality table used was developed based on CalPERS' specific data. The table includes 20 years of mortality improvements using Society of Actuaries Scale BB. For more details, please refer to the 2014 experience study report.

All other actuarial assumptions used in the June 30, 2024 valuation were based on the results of an actuarial experience study for the fiscal years 1997 to 2011, including updates to salary increase, mortality and retirement rates. The Experience Study can be obtained at CalPERS' website under Forms and Publications.

Discount Rate - The discount rate used to measure the total pension liability was 6.90 percent. To determine whether the municipal bond rate should be used in the calculation of the discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. The tests revealed the assets would not run out. Therefore, the current 6.90 percent discount rate is appropriate and the use of the municipal bond rate calculation is not deemed necessary. The long-term expected discount rate of 6.90 percent is applied to all plans in the Public Employees' Retirement Fund (PERF). The cash flows used in the testing were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years. The stress test results are presented in a detailed report called "GASB Crossover Testing Report" that can be obtained at CalPERS website under the GASB 68 section.

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

In determining the long-term expected rate of return, staff took into account both short-term and long-term market return expectations as well as the expected pension fund (PERF) cash flows. Taking into account historical returns of all the Public Employees Retirement Funds' asset classes (which includes the agent plan and two cost-sharing plans or PERF A, B, and C funds), expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each PERF fund.

City of Fort Bragg, California
Notes to the Basic Financial Statements
For the year ended June 30, 2024

11. PUBLIC EMPLOYEES' RETIREMENT SYSTEM, Continued

The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equal to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

The table below reflects the long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation.

Asset Class	Current Target Allocation	Real Return Years 1 - 10 ^{1,2}
Global equity - cap-weighted	30.0%	4.45%
Global equity non-cap-weighted	12.0%	3.84%
Private Equity	13.0%	7.28%
Treasury	5.0%	0.27%
Mortgage-backed Securities	5.0%	0.50%
Investment Grade Corporates	10.0%	1.56%
High Yield	5.0%	2.27%
Emerging Market Debt	5.0%	2.48%
Private Debt	5.0%	3.57%
Real Assets	15.0%	3.21%
Leverage	-5.0%	-0.59%

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate The following presents the City's proportionate share of the net pension liability for each Plan, calculated using the discount rate for each Plan, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	Discount Rate -1% 5.90%	Current Discount Rate 6.90%	Discount Rate +1% 7.90%
Employer's Net Pension Liability/(Asset) - Miscellaneous	6,575,321	3,184,191	392,999
Employer's Net Pension Liability/(Asset) - Safety	5,250,161	2,438,768	140,254
Employer's Net Pension Liability/(Asset) - Total	\$ 11,825,482	\$ 5,622,959	\$ 533,253

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

Note: At June 30, 2016 CalPERS combined the Miscellaneous Plan and PEPRM Miscellaneous Plan for purposes of calculating net pension liability. Likewise the Safety-Police Plan, PEPRM Safety-Police Plan and Safety-Fire Plans were combined for purposes of calculating net pension liability.

City of Fort Bragg, California
Notes to the Basic Financial Statements
For the year ended June 30, 2024

12. OTHER POST EMPLOYMENT BENEFITS (OPEB)

Plan Description

The City offers its employees a post-retirement health program, a Single Employer plan, which includes medical and dental coverage. Upon retirement for service or disability, employees hired prior to July 1, 2011 (January 1, 2012 for Fort Bragg Police Officer Association members) retiring directly from service at age 50 or over with 10 years of service may continue coverage for themselves and their spouse's (to whom they are married at retirement) as detailed below. Currently 19 employees meet those eligibility requirements. Expenditures for these post-retirement benefits are recognized as monthly premiums are paid. During the fiscal year ended June 30, 2024, expenditures of \$139,771 were recognized for the cost of these post-retirement benefits. The OPEB plan does not issue a separate financial report.

The City pays portions of the premiums dependent on bargaining group and employee hire date as follows:

Tier 1: For retirees hired before January 1, 1992, the City pays the full cost of medical and dental premium for the former employee. In addition, the City pays a percentage of the spouse's medical plan premium starting at the retiree's age 60. The percentage is 10% for each year of service after 10 years, reaching 100% for those retiring with 19 or more years of service. In addition, the spouse may participate in the dental program-but at their own cost.

Tier 2: For retirees hired after January 1, 1992 and before July 1, 2003 (July 1, 2004 for Fort Bragg Police Officer Association members), the City pays the full cost of medical and dental premiums for the former employee only.

Tier 3: For retirees hired after July 1, 2003 (July 1, 2004 for Fort Bragg Police Officer Association members) and before July 1, 2007, the City pays the full cost of medical and dental premiums for the former employee until age 65 when Medicare becomes payable. Thereafter, coverage is limited to a supplemental prescription drug plan, which is paid for by the City.

Tier 4: For retirees hired after July 1, 2007 and before July 1, 2011 (January 1, 2012 for Fort Bragg Police Officer Association members), the retiree only may remain in the City's health and dental plan until age 65, but at their own cost.

Tier 5: For retirees hired on or after July 1, 2011 (January 1, 2012 for Fort Bragg Police Officer Association members), the retiree and spouse may not participate in the City's health plans.

City of Fort Bragg, California
Notes to the Basic Financial Statements
For the year ended June 30, 2024

12. OTHER POST EMPLOYMENT BENEFITS (OPEB), Continued

Employees Covered by benefit terms

At June 30, 2024, the following employees were covered by the benefit terms:

Active employees	10
Inactive employees or beneficiaries currently receiving benefits	39
Inactive employees entitled to, but not yet receiving benefits	-
Total Number of participants	47

City Contribution to the Plan

The Plan and its contribution requirements are established by Memoranda of Understanding with the applicable employee bargaining units and may be amended by agreements between the City and the bargaining units. The annual contribution is based on the actuarially determined contribution. For the fiscal year ended June 30, 2024, the City's cash contributions were \$5,000 in payments to the trust, \$420,544 cash benefit payments, and the estimated implied subsidy was \$37,000 resulting in total payments of \$462,544.

Net OPEB Liability

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

Actuarial Assumptions:	
Actuarial Valuation Date	June 30, 2023
Contribution Policy	Pay benefits and pre-fund annual \$5,000 minimum contribution and additional amounts subject to budgetary surplus from prior fiscal year through CERBT asset Allocation Strategy 1, subject to maximum ADC
Discount Rate	6.25% at June 30, 2023 6.25% at June 30, 2022
Expected Long-Term Rate of Return on Investments	Same as discount rate. Plan assets projected to be sufficient to pay all benefits from trust
General Inflation	2.50% per annum
Mortality, Retirement, Disability, Termination	CalPERS 1997-2015 experience study
Mortality Improvement	Mortality projected fully generational with Scale MP-2021
Medical Trend	Non-Medicare - 8.50% for 2025, decreasing to an ultimate rate of 3.45% in 2076 and later years Medicare - 7.50% for 2025, decreasing to an ultimate rate of 3.45% in 2076 and later years
Municipal Bond Rate	N/A
Healthcare Participation at Retirement	Tier 1-3: 100% participate at retirement Tier 4: No active participants remaining

City of Fort Bragg, California
Notes to the Basic Financial Statements
For the year ended June 30, 2024

12. OTHER POST EMPLOYMENT BENEFITS (OPEB), Continued

The long-term expected rate of return on OPEB plan investments was determined using a building- block method in which expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class Component	Target Allocation CERBT Strategy 1	Expected Real Rate of Return
Global Equity	49%	4.56%
Fixed Income	23%	1.56%
TIPS	5%	-0.08%
Commodities	3%	1.22%
REITs	20%	4.06%
	<u>100%</u>	

Discount Rate

The discount rate used to measure the total OPEB liability was 6.25 percent. The projection of cash flows used to determine the discount rate assumed that Authority contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees and beneficiaries. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

Changes in the OPEB Liability

The changes in the net OPEB liability for the Plan are as follows:

	Total OPEB Liability	Fiduciary Net Position	Net OPEB Liability
Balance at 6/30/2023*	\$ 5,683,156	\$ 2,969,068	\$ 2,714,088
Changes for the year			
Service Cost	43,707	-	43,707
Interest	343,631	-	343,631
Changes of benefit terms	-	-	-
Actual vs. expected experience	496,317	-	496,317
Assumption changes	225,039	-	225,039
Contributions - employer	-	462,544	(462,544)
Contributions - employee	-	-	-
Net investment income	-	190,672	(190,672)
Benefit payments	(457,544)	(457,544)	-
Administrative expenses	-	(863)	863
Net Changes	651,150	194,809	456,341
Balance at 6/30/2024**	\$ 6,334,306	\$ 3,163,877	\$ 3,170,429

*Measurement date 6/30/2022

City of Fort Bragg, California
Notes to the Basic Financial Statements
For the year ended June 30, 2024

12. OTHER POST EMPLOYMENT BENEFITS (OPEB), Continued

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

The discount rate used for the fiscal year end 2024 is 6.25%. The following presents the net OPEB liability of the City if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate, for measurement period ended June 30, 2024:

	1% Decrease	Current Rate	1% Increase
Change in Discount Rate	5.25%	6.25%	7.25%
Net OPEB Liability	\$ 3,832,456	\$ 3,170,429	\$ 2,606,749

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

The following presents the net OPEB liability of the City if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current rate, for measurement period ended June 30, 2024 (Healthcare Cost Trend Rate was assumed to start at 6.5% and grade down to 3.75% for years 2076 and thereafter):

Change in Healthcare Cost Trend Rate	1% Decrease	Current Trend	1% Increase
Net OPEB Liability	\$ 2,586,860	\$ 3,170,429	\$ 3,854,804

Recognition of Deferred Outflows and Deferred Inflows of Resources

Gains and losses related to changes in total OPEB liability and fiduciary net position are recognized in OPEB expense systematically over time. Amounts are first recognized in OPEB expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to OPEB and are to be recognized in future OPEB expense. The recognition period differs depending on the source of the gain or loss:

Net difference between projected and actual earnings on OPEB plan investments	5 years
All other amounts	Expected average remaining service lifetime (EARSL) (6.0 Years at June 30, 2024)

City of Fort Bragg, California
Notes to the Basic Financial Statements
For the year ended June 30, 2024

12. OTHER POST EMPLOYMENT BENEFITS (OPEB), Continued

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

For the fiscal year ended June 30, 2024, the City recognized OPEB expense of \$139,771. As of fiscal year ended June 30, 2024, the City reported deferred outflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 259,976	\$ -
Changes in assumptions	117,878	-
Net difference between projected and actual earnings on plan investments	193,665	-
Employer contributions made subsequent to the measurement date	489,293	-
Total	<u>\$ 1,060,812</u>	<u>\$ -</u>

The \$489,293 reported as deferred outflows of resources related to contributions subsequent to the June 30, 2024 measurement date will be recognized as a reduction of the net OPEB liability during the fiscal year ending June 30, 2025. Other amounts reported as deferred outflows of resources related to OPEB will be recognized as expense as follows:

Fiscal Year Ended June 30,	Deferred Outflow/(Inflows) of Resources
2025	\$ 382,358
2026	56,531
2027	133,653
2028	(1,023)
2029	-
Thereafter	-

13. SUCCESSOR AGENCY TRUST FOR ASSETS OF FORMER REDEVELOPMENT AGENCY

On December 29, 2011, the California Supreme Court upheld Assembly Bill 1X 26 ("the Bill") that provides for the dissolution of all redevelopment agencies in the State of California. This action impacted the reporting entity of the City of Fort Bragg that previously had reported a redevelopment agency within the reporting entity of the City as a blended component unit.

City of Fort Bragg, California
Notes to the Basic Financial Statements
For the year ended June 30, 2024

13. SUCCESSOR AGENCY TRUST FOR ASSETS OF FORMER REDEVELOPMENT AGENCY, Continued

The Bill provides that upon dissolution of a redevelopment agency, either the city or another unit of local government will agree to serve as the “successor agency” to hold the assets until they are distributed to other units of state and local government. On January 9, 2012 the City Council elected to become the Successor Agency for the former Redevelopment Agency (RDA) in accordance with the Bill as part of City resolution number 3504-2012.

After enactment of the law, which occurred on June 28, 2011, redevelopment agencies in the State of California cannot enter into new projects, obligations or commitments. Subject to the control of a newly established oversight board, remaining assets can only be used to pay enforceable obligations in existence at the date of dissolution (including the completion of any unfinished projects that were subject to legally enforceable contractual commitments). In future fiscal years, successor agencies will only be allocated revenue in the amount that is necessary to pay the estimated annual installment payments on enforceable obligations of the former redevelopment agency until all enforceable obligations of the prior redevelopment agency have been paid in full and all assets have been liquidated.

In accordance with the timeline set forth in the Bill (as modified by the California Supreme Court on December 29, 2011), all redevelopment agencies in the State of California were dissolved and ceased to operate as legal entities as of February 1, 2012. As allowed under Section 34176(a) of the Bill, the City elected to retain the housing functions previously performed by the former RDA. The assets and activities for the Successor Agency Housing fund continue to be reported in the City’s governmental fund financial statements. The remaining assets, liabilities, and activities of the dissolved RDA, are reported in the Successor Agency fiduciary fund (private purpose trust fund) in the financial statements of the City.

The transfer of the assets and liabilities of the former RDA as of February 1, 2012 (effectively the same date as January 31, 2012) from governmental funds of the City to fiduciary funds was reported as an extraordinary item in the governmental fund financial statements in FY 2011/12.

Long-term Liabilities

The following is a summary of changes in long-term liabilities for the year ended June 30, 2024:

	Balance June 30, 2023	Additions	Retirements	Balance June 30, 2024	Due Within One Year
Trust Activities:					
2015 Refunding Tax Allocation Bonds	\$ 2,845,000	\$ -	\$ (165,000)	\$ 2,680,000	\$ 175,000
2015 Refunding Tax Allocation Bonds Discount	(22,280)	-	1,782	(20,498)	
Total trust fund debt	\$ 2,822,720	\$ -	\$ (163,218)	\$ 2,659,502	\$ 175,000
Deferred outflows:					
2015 Refunding Tax Allocation Bonds Deferred Loss	64,790		(5,182)	59,608	5,182

City of Fort Bragg, California
Notes to the Basic Financial Statements
For the year ended June 30, 2024

13. SUCCESSOR AGENCY TRUST FOR ASSETS OF FORMER REDEVELOPMENT AGENCY, Continued

2015 Refunding Tax Allocation Bonds

In 2015 the former Fort Bragg Redevelopment Agency issued \$4,040,000 of Tax Allocation Bonds for the purpose of refunding \$4,005,000 of outstanding 2004 Tax Allocation Bonds and making funds available for future capital projects. The refunding took advantage of lower interest rates which were available. The refunding resulted in a difference between the reacquisition price and the carrying amount of the old debt, which has been deferred in accordance with GASB Statement No. 23. Deferred amounts for the loss on refunding and the original discount associated with the issuance of the 2015 Bonds are being amortized over the life of the 2015 issue using the straight line method.

The Bonds bear annual interest at rates varying between 2.00% and 3.25%. The Bonds were issued as a fully registered note in denominations of \$5,000. Interest on the bonds are payable semi-annually each September 1 and March 1. Principal is paid in annual installments each September 1, 2016, through the fiscal year 2037 in amounts ranging from \$90,000 through \$250,000. The outstanding principal balance as of June 30, 2024 was \$3,015,000.

Year Ending June 30,	Fiduciary Activities		
	2015 Refunding		
	Bonds	Discount	
	Principal	Interest	Principal
2025	175,000	79,800	(1,620)
2026	175,000	75,425	(1,620)
2027	180,000	70,100	(1,620)
2028	190,000	64,550	(1,620)
2029	190,000	58,850	(1,620)
2030-2034	1,050,000	202,263	(8,100)
2035-2039	720,000	35,750	(4,298)
2040-2044	-	-	-
Total	<u>\$ 2,680,000</u>	<u>\$ 586,738</u>	<u>\$ (20,498)</u>
Due within one year	\$ 175,000	\$ 79,800	\$ (1,620)
Due after one year	2,505,000	506,938	(18,878)
Total	<u>\$ 2,680,000</u>	<u>\$ 586,738</u>	<u>\$ (20,498)</u>

14. COMMITMENTS AND CONTINGENCIES

Litigation

The City is not involved in any active litigation at present.

Grants and Allocations

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally the federal and state government. During the course of FY 2023/23 no claims were disallowed.

Commitments

The City's unexpended contractual commitments as of June 30, 2024 are listed in note 1 on page 60.

15. NEW ACCOUNTING PRONOUNCEMENTS

The GASB has issued Statement No. 99, "*Omnibus 2022*." The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The requirements related to leases, PPPs, and SBITAs will take effect for financial statements starting with the fiscal year that ends⁴. The requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 will take effect for financial statements starting with the fiscal year that ends June 30, 2024. The implementation of this statement did not have an effect on the financial statements.

The GASB has issued Statement No. 100, "*Accounting Changes and Error Corrections—an amendment of GASB Statement No. 62*." The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The requirements of this Statement will take effect for financial statements starting with the fiscal year that ends June 30, 2024. The implementation of this statement did not have an effect on the financial statements.

The GASB has issued Statement No. 101, "*Compensated Absences*." The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The requirements of this Statement will take effect for financial statements starting with the fiscal year that ends December 31, 2024.

The GASB has issued Statement No. 102, "*Certain Risk Disclosures*." The requirements of this Statement will improve financial reporting by providing users of financial statements with essential information that currently is not often provided. The disclosures will provide users with timely information regarding certain concentrations or constraints and related events that have occurred or have begun to occur that make a government vulnerable to a substantial impact. As a result, users will have better information with which to understand and anticipate certain risks to a government's financial condition. The requirements of this Statement will take effect for financial statements starting with the fiscal year that ends June 30, 2025.

The GASB has issued Statement No. 103, "*Financial Reporting Model Improvements*." The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This Statement also addresses certain application issues. The requirements of this Statement will take effect for financial statements starting with the fiscal year that ends June 30, 2026.

REQUIRED SUPPLEMENTARY INFORMATION



City of Fort Bragg, California
Required Supplementary Information - Schedule of Changes in the Net OPEB Liability and Related Ratios

for the Measurement Periods Ended June 30,

	2024	2023	2021	2020	2019	2018	2017
Total OPEB Liability							
Service Cost	\$ 43,707	\$ 46,774	\$ 74,649	\$ 81,253	\$ 104,512	\$ 111,530	\$ 119,019
Interest on the total OPEB liability	343,631	347,518	381,864	383,562	378,816	366,137	353,775
Experience (Gains)/Losses	-	-	-	-	(287,306)	-	-
Actual vs. expected experience	496,317	-	(63,893)	-	-	-	-
Changes of assumptions	225,039	-	(26,853)	(96,029)	218,506	-	-
Benefit payments	(457,544)	(449,289)	(420,407)	(354,262)	(287,648)	(277,993)	(286,331)
Net change in total OPEB liability	<u>651,150</u>	<u>(54,997)</u>	<u>(54,640)</u>	<u>14,524</u>	<u>126,880</u>	<u>199,674</u>	<u>186,463</u>
Total OPEB liability - beginning	<u>5,683,156</u>	<u>5,738,153</u>	<u>5,792,793</u>	<u>5,778,269</u>	<u>5,651,389</u>	<u>5,451,715</u>	<u>5,265,252</u>
Total OPEB liability - ending (a)	<u><u>\$6,334,306</u></u>	<u><u>\$ 5,683,156</u></u>	<u><u>\$ 5,738,153</u></u>	<u><u>\$ 5,792,793</u></u>	<u><u>\$ 5,778,269</u></u>	<u><u>\$ 5,651,389</u></u>	<u><u>\$ 5,451,715</u></u>
Plan fiduciary net position							
Contributions - employer	\$ 462,544	\$ 454,289	\$ 420,407	\$ 359,262	\$ 292,648	\$ 492,993	\$ 534,256
Contributions - employee	-	-	-	-	-	-	-
Actual investment income	190,672	(459,120)	738,656	91,502	150,805	164,052	172,839
Administrative expense	(863)	(869)	(1,017)	(1,266)	(522)	(3,826)	(883)
Benefit payments	(457,544)	(449,289)	(420,407)	(354,262)	(287,648)	(277,993)	(286,331)
Net change in plan fiduciary net position	<u>194,809</u>	<u>(454,989)</u>	<u>737,639</u>	<u>95,236</u>	<u>155,283</u>	<u>375,226</u>	<u>419,881</u>
Plan fiduciary net position - beginning	<u>2,969,068</u>	<u>3,424,057</u>	<u>2,686,418</u>	<u>2,591,182</u>	<u>2,435,899</u>	<u>2,060,673</u>	<u>1,640,792</u>
Plan fiduciary net position - ending (b)	<u><u>\$3,163,877</u></u>	<u><u>\$ 2,969,068</u></u>	<u><u>\$ 3,424,057</u></u>	<u><u>\$ 2,686,418</u></u>	<u><u>\$ 2,591,182</u></u>	<u><u>\$ 2,435,899</u></u>	<u><u>\$ 2,060,673</u></u>
Net OPEB liability - ending (a) - (b)	<u><u>\$ 3,170,429</u></u>	<u><u>\$ 2,714,088</u></u>	<u><u>\$ 2,314,096</u></u>	<u><u>\$ 3,106,375</u></u>	<u><u>\$ 3,187,087</u></u>	<u><u>\$ 3,215,490</u></u>	<u><u>\$ 3,391,042</u></u>
Covered payroll	\$ 773,383	\$ 1,040,847	\$ 1,132,693	\$ 1,893,338	\$ 1,834,372	\$ 2,730,484	\$ 2,197,777
Net OPEB liability as a percentage of covered payroll	409.94%	260.76%	204.30%	164.07%	173.74%	117.76%	154.29%

Notes to Schedule

1) GASB 75 requires presentation of the 10-year history of changes in the Net OPEB Liability. Additional years will be added as they become available.

City of Fort Bragg, California

Required Supplementary Information - Net OPEB Liability Schedule of Contributions

June 30, 2024

Fiscal Year Ended June 30,	2024	2023	2022	2021	2020	2019	2018
Actuarially Determined Contribution (ADC)	\$ 228,498	\$ 230,888	\$ 343,213	\$ 348,790	\$ 374,658	\$ 375,390	\$ 559,726
Contributions in relation to the ADC	489,293	462,544	454,289	425,407	359,262	292,648	492,993
Contribution deficiency (excess)	<u>\$(260,795)</u>	<u>\$(231,656)</u>	<u>\$(111,076)</u>	<u>\$ (76,617)</u>	<u>\$ 15,396</u>	<u>\$ 82,742</u>	<u>\$ 66,733</u>
Covered payroll	847,173	773,383	1,040,847	1,132,693	1,893,338	1,834,372	2,730,484
Contributions as a percentage of covered payroll	57.76%	59.81%	43.65%	37.56%	18.98%	15.95%	18.06%

Notes to Schedule

1) GASB 75 requires presentation of the 10-year history of changes in the Net OPEB Liability. Additional years will be added as they become available.

City of Fort Bragg, California

Required Supplementary Information - Schedule of Contributions

Miscellaneous Plan

Last 10 Fiscal Years*

	2024	2023	2022	2021	2020	2019	2018	2017
Contractually required contribution (actuarially determined)	\$ 339,772	\$ 321,465	\$ 628,487	\$ 540,516	\$ 514,099	\$ 455,093	\$ 430,051	\$ 392,300
Contributions in relation to the actuarially determined contributions	(339,772)	(321,465)	(628,487)	(540,516)	(514,099)	(394,321)	(430,051)	392,300
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 60,772</u>	<u>\$ -</u>	<u>\$ 784,600</u>
Covered payroll	\$ 2,711,702	\$ 3,129,486	\$ 2,614,508	\$ 2,327,258	\$ 2,661,903	\$ 2,833,921	\$ 2,641,425	\$ 2,598,675
Contribution as a percentage of covered payroll	12.53%	10.27%	24.04%	23.23%	19.31%	16.06%	16.28%	15.10%

Notes to Schedule

1) Covered payroll represents compensation earnable and pensionable compensation. Only compensation earnable and pensionable compensation that would possibly go into the determination of retirement benefits are included.

* Additional years will be presented as they become available.

City of Fort Bragg, California**Required Supplementary Information - Schedule of Contributions**

Safety Plan

Last 10 Fiscal Years*

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Contractually required contribution (actuarially determined)	\$ 245,110	\$ 427,837	\$ 620,401	\$ 558,561	\$ 637,647	\$ 471,193	\$ 298,630	\$ 387,206
Contributions in relation to the actuarially determined contributions	<u>(245,110)</u>	<u>(427,837)</u>	<u>(620,401)</u>	<u>(558,561)</u>	<u>(637,647)</u>	<u>(471,193)</u>	<u>(298,630)</u>	<u>(387,206)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 1,853,718	\$ 1,384,365	\$ 1,119,662	\$ 1,071,290	\$ 1,145,799	\$ 1,048,497	\$ 1,268,709	\$ 1,245,549
Contribution as a percentage of covered payroll	13.22%	30.90%	55.41%	52.14%	55.65%	44.94%	23.54%	31.09%

Notes to Schedule

1) Covered payroll represents compensation earnable and pensionable compensation. Only compensation earnable and pensionable compensation that would possibly go into the determination of retirement benefits are included.

* Additional years will be presented as they become available.

City of Fort Bragg, California

Required Supplementary Information - Schedule of the City's Proportionate

Share of the Net Pension Liability

Miscellaneous Plan

Last 10 Fiscal Years*

	2023	2022	2021	2020	2019	2018	2017	2016
Plan's Proportion of the Net Pension Liability/(Asset)	0.06368%	0.06550%	0.16609%	0.13012%	0.12508%	0.12037%	0.11653%	0.11210%
Plan's Proportionate Share of the Net Pension Liability/(Asset)	\$ 3,184,191	\$ 3,064,833	\$ 3,153,761	\$ 5,488,390	\$ 5,008,648	\$ 4,593,661	\$ 4,593,661	\$ 3,894,091
Plan's Covered Payroll	\$ 3,129,486	\$ 2,614,508	\$ 2,327,258	\$ 2,661,903	\$ 2,833,921	\$ 2,788,318	\$ 2,641,425	\$ 2,551,931
Plan's Proportionate Share of the Net Pension Liability/(Asset) as a Percentage of its Covered Payroll	101.75%	117.22%	135.51%	206.18%	176.74%	164.75%	173.91%	152.59%
Plan's Proportionate Share of the Fiduciary Net Position as a Percentage of the Plan's Total Pension Liability	87.30%	87.29%	86.24%	74.96%	76.25%	76.38%	76.38%	82.66%
Plan's Proportionate Share of Aggregate Employer Contribution	\$ 909,991	\$ 1,092,169	\$ 777,490	\$ 734,213	\$ 455,093	\$ 394,321	\$ 430,051	\$ 392,300

Notes to Schedule

1) Covered employee payroll represents compensation earnable and pensionable compensation. Only compensation earnable and pensionable compensation that would possibly go into the determination of retirement benefits are included.

* Additional years will be presented as they become available.

City of Fort Bragg, California

Required Supplementary Information - Schedule of the City's Proportionate

Share of the Net Pension Liability

Safety Plan

Last 10 Fiscal Years*

	2023	2022	2021	2020	2019	2018	2017	2016
Plan's Proportion of the Net Pension Liability/(Asset)	0.03263%	0.03491%	0.09104%	0.07793%	0.07899%	0.07811%	0.08042%	0.08218%
Plan's Proportionate Share of the Net Pension Liability/(Asset)	\$2,438,768	\$2,399,174	\$3,194,968	\$5,192,221	\$4,931,069	\$4,667,131	\$4,165,367	\$3,320,431
Plan's Covered Payroll	\$ 1,384,365	\$ 1,119,662	\$ 1,071,290	\$ 1,145,799	\$ 1,048,497	\$ 1,268,709	\$ 1,245,549	\$ 1,188,962
Plan's Proportionate Share of the Net Pension Liability/(Asset) as a Percentage of its Covered Payrol	176.17%	214.28%	298.24%	453.15%	470.30%	367.86%	334.42%	353.81%
Plan's Proportionate Share of the Fiduciary Net Position as a Percentage of the Plan's Total Pension Liability	88.10%	87.73%	82.87%	69.95%	70.68%	69.76%	70.60%	75.04%
Plan's Proportionate Share of Aggregate Employer Contribution	\$ 719,493	\$ 1,144,186	\$ 826,040	\$ 625,589	\$ 637,647	\$ 578,574	\$ 387,206	\$ 315,525

Notes to Schedule

1) Covered employee payroll represents compensation earnable and pensionable compensation. Only compensation earnable and pensionable compensation that would possibly go into the determination of retirement benefits are included.

* Additional years will be presented as they become available.

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COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES



NON-MAJOR GOVERNMENTAL FUNDS

Fund Type	Description
Special Revenue	These funds account for restricted revenues (for specified purposes).
Capital Projects Funds	These funds account for construction or acquisition of governmental capital assets (capital outlay).

City of Fort Bragg, California
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2024

	Governmental Funds		
	Special	Capital	Non-Major
	Revenue Funds	Projects Funds	Funds Totals
ASSETS			
Cash and investments	\$ 4,017,012	\$ 332,800	\$ 4,349,812
Receivables:			
Intergovernmental	1,943,235	-	1,943,235
Loans/Notes receivable	3,029,940	-	3,029,940
Other receivable	10,061	-	10,061
Total assets	<u><u>\$ 9,000,248</u></u>	<u><u>\$ 332,800</u></u>	<u><u>\$ 9,333,048</u></u>
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES			
Liabilities:			
Accounts payable and accrued liabilities	\$ 48,918	\$ 242,130	\$ 291,048
Due to other funds	585,458	33,019	618,477
Total liabilities:	<u>751,829</u>	<u>275,149</u>	<u>1,026,978</u>
Deferred inflows of resources:			
Unavailable revenue	2,808,532	-	2,808,532
Total deferred inflows of resources	<u>2,808,532</u>	<u>-</u>	<u>2,808,532</u>
Total liabilities and deferred inflows	<u>3,560,361</u>	<u>275,149</u>	<u>3,835,510</u>
Fund Balances:			
Restricted	3,633,790	-	3,633,790
Assigned	1,849,766	57,651	1,907,417
Unassigned (deficit)	(43,669)	-	(43,669)
Total fund balances	<u>5,439,887</u>	<u>57,651</u>	<u>5,497,538</u>
Total liabilities, deferred inflows and fund balances	<u><u>\$ 9,000,248</u></u>	<u><u>\$ 332,800</u></u>	<u><u>\$ 9,333,048</u></u>

City of Fort Bragg, California

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Governmental Funds

For the year ended June 30, 2024

	Governmental Funds		
	Special Revenue Funds	Capital Projects Funds	Non-Major Funds Totals
REVENUES:			
Taxes and assessments	\$ 54,943	\$ -	\$ 54,943
Fines and forfeitures	38,418	-	38,418
Intergovernmental	4,261,638	-	4,261,638
Use of money and property	64,474	-	64,474
Charges for services	75,815	-	75,815
Total revenues	4,495,288	-	4,495,288
EXPENDITURES:			
Current:			
General government	10,667	-	10,667
Public safety	619,809	-	619,809
Public works	396,056	-	396,056
Community development	2,891,619	-	2,891,619
Capital outlay	-	3,770,211	3,770,211
Total expenditures	3,918,151	3,770,211	7,688,362
REVENUES OVER (UNDER) EXPENDITURES	577,137	(3,770,211)	(3,193,074)
OTHER FINANCING SOURCES (USES):			
Transfers in	2,531,579	3,888,407	6,419,986
Transfers out	(1,715,349)	-	(1,715,349)
Total other financing sources (uses)	816,230	3,888,407	4,704,637
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING (USES)	1,393,367	118,196	1,511,563
FUND BALANCES:			
Beginning of year	4,046,520	(60,545)	3,985,975
End of year	\$ 5,439,887	\$ 57,651	\$ 5,497,538

NON-MAJOR SPECIAL REVENUE FUNDS

Fund	Description
Special Revenue Funds account for the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital project and exclusive of resources held in trust for individual, private organizations, or other governments. The City has a number of different special revenue funds which are part of the non-operating budget. The City's non-major special revenue funds include the following:	
General Plan Maintenance Fee	To account for General Plan Maintenance fee revenue which is required to be used for costs related to the update of the City's General Plan and zoning code.
Housing	To account for Inclusionary Housing In-Lieu fee revenue which is required to be used for affordable housing activities.
Parking	To account for parking permit revenues and the cost of maintaining City owned public parking lots.
Parking In-Lieu Fees	To account for payments made by downtown property owners in lieu of providing on-site parking. Accumulated funds must be used for activities related to providing off-street parking facilities in the central business district.
Parkland Monitoring and Reporting	To account for payments made by Georgia Pacific for monitoring and maintenance of the Coastal Trail remediation area.
State Tobacco License Fee	To account for funds received for the annual Tobacco Retail License to cover costs associated with administration of the licensing program and compliance checks.
State Disability Access Fee	To account for funds received under California SB-1186 which mandates a state fee of \$4 on any applicant for or renewal of a local business license. The purpose is to increase disability access and compliance with construction-related accessibility requirements and to develop educational resources for businesses in order to facilitate compliance with federal and state disability laws.
Asset Forfeiture	To account for monies obtained from seized assets of criminal activities. The funds are used solely to support law enforcement purposes.

(continued)

NON-MAJOR SPECIAL REVENUE FUNDS, Continued

Fund	Description
Construction/Demolition Ordinance Revenue	To account for deposits that are made in accordance with the City's Construction & Demolition Ordinance. Deposit are refunded if recycling goals are met. Otherwise, the deposits are forfeited and retained in the special revenue fund. The funds will be used to improve construction and demolition waste recycling facilities, education, and programs within the City.
Waste Management Community Benefit Payment	To account for contract extension fee received from Waste Management. The City Council has designated these funds for the community benefit purposes.
Gas Tax	To account for the City's share of State of California's Highway User Tax collected by the State that are legally restricted to the maintenance and improvement of City roads and streets.
RMRA	To account for the City's share of the State of California's Road Maintenance and Rehabilitation Account which is legally restricted to the maintenance and improvement of City roads and streets.
Traffic & Safety	To account for the revenue received from traffic fines which is restricted to City street repairs and traffic safety.
Fire Equipment	To account for property tax revenues designated for the purchase of equipment for the Fort Bragg Fire Department.
Mendocino Council of Governments (MCOG) Overall Work Program (OWP) Grants	To account for local transportation funds awarded for transportation planning and technical assistance.
OJ Park Maintenance Fund	To account for monies received from the Johnson Family Trust for the maintenance of OJ Park.
Developer Deposits Accounts	To account for monies received from developers to cover City costs associated with development projects.
Casper JPA Transfer Station	The Caspar transfer site is a joint city/county operation and is currently contracted to SWOW (solid waste of Willits) and overseen by the Caspar Coordinating Committee. This fund is the result of a \$3 gate fee and has historically been dedicated to efforts around relocating and building a more permanent, regional transfer station.

(continued)

NON-MAJOR SPECIAL REVENUE FUNDS, Continued

Fund	Description
SB 1383	Accounts for the SB 1383 regulatory reimbursements to the City of Fort Bragg from the Solid waste provider. The City shall use the reimbursements to offset expenses, including but not limited to, staffing costs related to City programs. Pilot studies, education and outreach and other activities involved in compliance with SB 1383 regulatory reimbursements.
Noyo Harbor Blue Economy	Visioning, Resiliency and Implementation Plan (Noyo Harbor Plan) that will support a strategic climate resilience planning effort, and the findings will be integrated into an LCP update for both the City of Fort Bragg and County of Mendocino.
Housign Successor Agency	Accounts for activities related to housing activities of the former Fort Bragg Redevelopment Agency.
Federal and State Grant Special Revenue Funds:	
Community Development Block Grant Funds Unclassified Program Income	The Community Development Block Grant program provides competitive grants to enables local government to undertake a wide range of activities intended to create suitable living environments, provide decent affordable house, and create economic opportunities, primarily for persons of low and moderate income.
COPS AB1913	To account for monies received from the State or law enforcement services under the Citizens Option for Public Safety (COPS) Program. [the CSO funding was expended long ago; future funding may be acquired]
Bulletproof Vest Partnership Grant	To account for monies received under the Bulletproof Vest Partnership Grant Act. This program is designed to pay up to 50% of the cost of National Institute of Justice (NIJ) compliant armored vests purchases for local law enforcement.
STP D1 Streets & Highways Allocation	To account for the City's share of highways users' tax revenues that are legally restricted to the planning, construction, improvement, maintenance and operation of City roads and streets.
State Parks Prop 84 Grant	To account for monies received from the State of California for construction of the Fort Bragg Coastal Restoration and Trail project.
HCD HOME Grant	To account for Federal Funding to be used to re-establish a Housing Rehabilitation Loan program for qualified low- and moderate-income homeowners.
Other State Grants	To account for all other State Grants. Includes grant monies received from the State of California for purchase of off highway vehicles for use by the City Police Department.

(concluded)

City of Fort Bragg, California
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2024

	General Plan Maintenance Fee	Housing	Parking	Parking In-lieu Fees
ASSETS				
Cash and investments	\$ 175,227	\$ 80,181	\$ 37,618	\$ -
Receivables:				
Intergovernmental	-	-	-	-
Loans/Notes receivable	-	-	-	-
Other receivable	-	-	-	-
Total assets	<u>\$ 175,227</u>	<u>\$ 80,181</u>	<u>\$ 37,618</u>	<u>\$ -</u>
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	5,137
Deposits payable	-	-	-	-
Total liabilities:	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,137</u>
Deferred inflows of resources:				
Unavailable revenue	-	-	-	-
Total deferred inflows of resources:	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and deferred inflows	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,137</u>
Fund Balances:				
Restricted	-	-	-	-
Assigned	175,227	80,181	37,618	-
Unassigned (deficit)	-	-	-	(5,137)
Total fund balances	<u>175,227</u>	<u>80,181</u>	<u>37,618</u>	<u>(5,137)</u>
Total liabilities deferred inflows and fund balances	<u>\$ 175,227</u>	<u>\$ 80,181</u>	<u>\$ 37,618</u>	<u>\$ -</u>

Parkland Monitoring/ Reporting	State Tobacco License Fee	State Disability Access Fee	Asset Forfeiture	Construction/ Demolition Ordinance	Waste Management Community Benefit Pymt	Gas Tax
\$ 138,163	\$ 26,972	\$ 23,980	\$ 482,676	\$ 113,967	\$ 269	\$ -
-	-	19	-	-	-	59,749
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ 138,163</u>	<u>\$ 26,972</u>	<u>\$ 23,999</u>	<u>\$ 482,676</u>	<u>\$ 113,967</u>	<u>\$ 269</u>	<u>\$ 59,749</u>

\$ -	\$ -	\$ 2	\$ 1,194	\$ -	\$ -	\$ -
-	-	-	-	-	-	91,274
-	-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>2</u>	<u>1,194</u>	<u>-</u>	<u>-</u>	<u>91,274</u>
-	-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	2	1,194	-	-	91,274

-	-	-	481,482	-	-	-
138,163	26,972	23,997	-	113,967	269	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(31,525)</u>
<u>138,163</u>	<u>26,972</u>	<u>23,997</u>	<u>481,482</u>	<u>113,967</u>	<u>269</u>	<u>(31,525)</u>
<u>\$ 138,163</u>	<u>\$ 26,972</u>	<u>\$ 23,999</u>	<u>\$ 482,676</u>	<u>\$ 113,967</u>	<u>\$ 269</u>	<u>\$ 59,749</u>

(continued)

City of Fort Bragg, California
Combining Balance Sheet
Nonmajor Special Revenue Funds, continued
June 30, 2024

	RMRA	Traffic & Safety	Fire Equipment	MCOG Overall Work Plan
ASSETS				
Cash and investments	\$ 27,086	\$ -	\$ 95,172	\$ -
Receivables:				
Intergovernmental	33,324	600	-	36,687
Loans/Notes receivable	-	-	-	-
Other receivable	-	-	3,729	-
Total assets	<u>\$ 60,410</u>	<u>\$ 600</u>	<u>\$ 98,901</u>	<u>\$ 36,687</u>
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	1,282	-	35,592
Deposits payable	-	-	-	-
Total liabilities:	<u>-</u>	<u>1,282</u>	<u>-</u>	<u>35,592</u>
Deferred inflows of resources:				
Unavailable revenue	-	-	-	-
Total deferred inflows of resources:	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and deferred inflows	<u>-</u>	<u>1,282</u>	<u>-</u>	<u>35,592</u>
Fund Balances:				
Restricted	-	-	-	-
Assigned	60,410	-	98,901	1,095
Unassigned (deficit)	-	(682)	-	-
Total fund balances	<u>60,410</u>	<u>(682)</u>	<u>98,901</u>	<u>1,095</u>
Total liabilities deferred inflows and fund balance	<u>\$ 60,410</u>	<u>\$ 600</u>	<u>\$ 98,901</u>	<u>\$ 36,687</u>

OJ Park Maintenance Fund	Developer Deposit Accounts	Casper JPA Transfer Station	SB 1383	Noyo Habor Blue Economy	Housing Successor Agency	Federal and State Grant Funds	Total
\$ 2,110	\$ 111,128	\$ 388,834	\$ 135,006	\$ -	\$ 199,047	\$ 1,979,576	\$ 4,017,012
-	-	-	-	81,990	-	1,730,866	1,943,235
-	-	-	-	-	2,857,125	172,815	3,029,940
-	-	6,332	-	-	-	-	10,061
<u>\$ 2,110</u>	<u>\$ 111,128</u>	<u>\$ 395,166</u>	<u>\$ 135,006</u>	<u>\$ 81,990</u>	<u>\$ 3,056,172</u>	<u>\$ 3,883,257</u>	<u>\$ 9,000,248</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 47,722	\$ 48,918
-	-	-	-	72,444	-	379,729	585,458
-	117,453	-	-	-	-	-	117,453
-	117,453	-	-	72,444	-	427,451	751,829
-	-	-	-	-	2,607,125	201,407	2,808,532
-	-	-	-	-	2,607,125	201,407	2,808,532
-	117,453	-	-	72,444	2,607,125	628,858	3,560,361
-	-	-	-	-	-	3,152,308	3,633,790
2,110	-	395,166	135,006	9,546	449,047	102,091	1,849,766
-	(6,325)	-	-	-	-	-	(43,669)
<u>2,110</u>	<u>(6,325)</u>	<u>395,166</u>	<u>135,006</u>	<u>9,546</u>	<u>449,047</u>	<u>3,254,399</u>	<u>5,439,887</u>
<u>\$ 2,110</u>	<u>\$ 111,128</u>	<u>\$ 395,166</u>	<u>\$ 135,006</u>	<u>\$ 81,990</u>	<u>\$ 3,056,172</u>	<u>\$ 3,883,257</u>	<u>\$ 9,000,248</u>

(concluded)

City of Fort Bragg, California

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Special Revenue Funds

For the year ended June 30, 2024

	General Plan Maintenance Fee	Housing	Parking	Parking In-lieu Fees
REVENUES:				
Taxes and assessments	\$ -	\$ -	\$ -	\$ -
Fines and forfeitures	-	-	-	-
Intergovernmental	-	-	-	-
Use of money and property	8,325	3,948	1,852	-
Charges for services	30,974	-	-	-
Total revenues	39,299	3,948	1,852	-
EXPENDITURES:				
Current:				
General government	10,517	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Community development	-	-	-	64,639
Total expenditures	10,517	-	-	64,639
REVENUES OVER (UNDER) EXPENDITURES	28,782	3,948	1,852	(64,639)
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	61,570
Transfers out	-	-	-	-
Total other financing sources and uses	-	-	-	61,570
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING (USES)	28,782	3,948	1,852	(3,069)
FUND BALANCES (DEFICITS):				
Beginning of year	146,445	76,233	35,766	(2,068)
End of year	\$ 175,227	\$ 80,181	\$ 37,618	\$ (5,137)

Parkland Monitoring/ Reporting	State Tobacco License Fee	State Disability Access Fee	Asset Forfeiture	Construction/ Demolition Ordinance	Waste Management Community Benefit Pymt	Gas Tax
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,668
-	-	-	17,657	18,876	-	-
-	2,704	3,861	-	-	-	173,217
6,816	1,324	1,189	26,794	-	-	-
-	-	-	-	-	-	-
6,816	4,028	5,050	44,451	18,876	-	174,885
-	-	150	-	-	-	-
-	-	-	211,445	-	-	-
729	-	-	-	-	-	206,950
-	-	-	-	-	-	-
729	-	150	211,445	-	-	206,950
6,087	4,028	4,900	(166,994)	18,876	-	(32,065)
-	-	-	-	-	-	-
-	-	-	(55,234)	-	-	-
-	-	-	(55,234)	-	-	-
6,087	4,028	4,900	(222,228)	18,876	-	(32,065)
132,076	22,944	19,097	703,710	95,091	269	540
\$ 138,163	\$ 26,972	\$ 23,997	\$ 481,482	\$ 113,967	\$ 269	\$ (31,525)

(continued)

City of Fort Bragg, California

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Special Revenue Funds, continued

For the year ended June 30, 2024

	RMRA	Traffic & Safety	Fire Equipment	MCOG Overall Work Plan
REVENUES:				
Taxes and assessments	\$ -	\$ -	\$ 53,275	\$ -
Fines and forfeitures	-	1,885	-	-
Intergovernmental	1,005,734	-	-	71,753
Use of money and property	-	-	4,188	-
Charges for services	-	-	-	-
Total revenues	<u>1,005,734</u>	<u>1,885</u>	<u>57,463</u>	<u>71,753</u>
EXPENDITURES:				
Current:				
General government	-	-	-	-
Public safety	-	2,567	235,568	-
Public works	182,929	-	-	5,448
Community development	-	-	-	-
Total expenditures	<u>182,929</u>	<u>2,567</u>	<u>235,568</u>	<u>5,448</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>822,805</u>	<u>(682)</u>	<u>(178,105)</u>	<u>66,305</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	-
Transfers out	(696,907)	-	-	(61,570)
Total other financing sources and uses	<u>(696,907)</u>	<u>-</u>	<u>-</u>	<u>(61,570)</u>
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING (USES)	<u>125,898</u>	<u>(682)</u>	<u>(178,105)</u>	<u>4,735</u>
FUND BALANCES (DEFICITS):				
Beginning of year	(65,488)	-	277,006	(3,640)
End of year	<u>\$ 60,410</u>	<u>\$ (682)</u>	<u>\$ 98,901</u>	<u>\$ 1,095</u>

OJ Park Maintenance Fund	Developer Deposit Account	Casper JPA Transfer Station	SB 1383	Noyo Habor Blue Economy	Housing Successor Agency	Federal and State Grant Funds	Totals
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 54,943
-	-	-	-	-	-	-	38,418
-	-	-	95,551	98,179	-	2,810,639	4,261,638
-	-	543	-	-	9,495	-	64,474
-	-	44,841	-	-	-	-	75,815
-	-	45,384	95,551	98,179	9,495	2,810,639	4,495,288
-	-	-	-	-	-	-	10,667
-	-	-	-	-	-	170,229	619,809
-	-	-	-	-	-	-	396,056
-	-	849	250	95,699	2,280,000	450,182	2,891,619
-	-	849	250	95,699	2,280,000	620,411	3,918,151
-	-	44,535	95,301	2,480	(2,270,505)	2,190,228	577,137
-	-	-	-	-	2,280,000	190,009	2,531,579
-	-	-	-	-	-	(901,638)	(1,715,349)
-	-	-	-	-	2,280,000	(711,629)	816,230
-	-	44,535	95,301	2,480	9,495	1,478,599	1,393,367
2,110	(6,325)	350,631	39,705	7,066	439,552	1,775,800	4,046,520
\$ 2,110	\$ (6,325)	\$ 395,166	\$ 135,006	\$ 9,546	\$ 449,047	\$ 3,254,399	\$ 5,439,887

(concluded)

City of Fort Bragg, California
Combining Balance Sheet
Federal and State Grant Special Revenue Funds
June 30, 2024

	CDBG Unclassified Program Income	COPS	STP D1 Streets and Highway Allocation	State Parks Prop 84 Grant
ASSETS				
Cash and investments	\$ 7,025	\$ 37,062	\$ 1,266	\$ -
Restricted cash and investments		-	-	
Receivables:				
Intergovernmental	-	-	5,460	1,348,925
Loans/Notes receivable	-	-	-	-
Total assets	<u>\$ 7,025</u>	<u>\$ 37,062</u>	<u>\$ 6,726</u>	<u>\$ 1,348,925</u>
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Deferred inflows of resources:				
Unavailable revenue			-	-
Total deferred inflows of resources:	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and deferred inflows	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances:				
Restricted	7,025	37,062	6,726	1,348,925
Unassigned (deficit)	-	-	-	-
Total fund balances	<u>7,025</u>	<u>37,062</u>	<u>6,726</u>	<u>1,348,925</u>
Total liabilities deferred inflows and fund balances	<u>\$ 7,025</u>	<u>\$ 37,062</u>	<u>\$ 6,726</u>	<u>\$ 1,348,925</u>

HCD HOME Grant	Other State Grants	CDBG Grant	CDBG Grant Covid	Totals
\$ 43,592	\$ 29,659	\$ 390,396	\$ 1,470,576	\$ 1,979,576
-	240,145	136,336	-	1,730,866
172,815	-	-	-	172,815
<u>\$ 216,407</u>	<u>\$ 269,804</u>	<u>\$ 526,732</u>	<u>\$ 1,470,576</u>	<u>\$ 3,883,257</u>
\$ -	\$ 46,724	\$ 467	531	\$ 47,722
9,116	120,989	-	249,624	379,729
9,116	167,713	467	250,155	427,451
201,407	-	-	-	201,407
201,407	-	-	-	201,407
210,523	167,713	467	250,155	628,858
5,884		526,265	1,220,421	3,152,308
-	102,091	-	-	102,091
5,884	102,091	526,265	1,220,421	3,254,399
<u>\$ 216,407</u>	<u>\$ 269,804</u>	<u>\$ 526,732</u>	<u>\$ 1,470,576</u>	<u>\$ 3,883,257</u>

City of Fort Bragg, California
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Federal and State Grant Special Revenue Funds
For the year ended June 30, 2024

	CDBG Unclassified Program Income	COPS	STP D1 Streets and Highway Allocation	State Parks Prop 84 Grant
REVENUES:				
Intergovernmental	\$ -	\$ 123,498	\$ -	\$ 1,348,334
Total revenues	-	123,498	-	1,348,334
EXPENDITURES:				
Current:				
Public safety	-	170,229	-	-
Community development	-	-	-	-
Total expenditures	-	170,229	-	-
REVENUES OVER (UNDER) EXPENDITURES	-	(46,731)	-	1,348,334
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources and uses	-	-	-	-
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING (USES)	-	(46,731)	-	1,348,334
FUND BALANCES (DEFICIT):				
Beginning of year	7,025	83,793	6,726	591
End of year	\$ 7,025	\$ 37,062	\$ 6,726	\$ 1,348,925

HCD HOME Grant	Other State Grants	CDBG Grant	CDBG Grant COVID	Totals
\$ 1,963	\$ 738,139	\$ 589,917	\$ 8,788	\$ 2,810,639
1,963	738,139	589,917	8,788	2,810,639
-	-	-	-	170,229
-	57,980	382,804	9,398	450,182
-	57,980	382,804	9,398	620,411
1,963	680,159	207,113	(610)	2,190,228
-	-	190,009	-	190,009
-	(434,052)	(193,468)	(274,118)	(901,638)
-	(434,052)	(3,459)	(274,118)	(711,629)
1,963	246,107	203,654	(274,728)	1,478,599
3,921	(144,016)	322,611	1,495,149	1,775,800
\$ 5,884	\$ 102,091	\$ 526,265	\$ 1,220,421	\$ 3,254,399

City of Fort Bragg, California
Combining Balance Sheet
Nonmajor Capital Projects Funds
June 30, 2024

	Coastal Trail
ASSETS	
Cash and investments	\$ 332,800
Total assets	<u>\$ 332,800</u>
LIABILITIES AND FUND BALANCES	
Liabilities:	
Accounts payable	\$ 242,130
Due to other funds	33,019
Total liabilities:	<u>275,149</u>
Deferred inflows of resources:	
Unavailable revenue	-
Total deferred inflows of resources:	<u>-</u>
Total liabilities and deferred inflows	<u>275,149</u>
Fund Balances:	
Assigned	57,651
Total fund balances	<u>57,651</u>
Total liabilities and fund balances	<u>\$ 332,800</u>

City of Fort Bragg, California
Combining Statement of Revenues, Expenditures and Changes in
Fund Balances
Nonmajor Capital Projects Fund
For the year ended June 30, 2024

	Coastal Trail
REVENUES:	
Intergovernmental	\$ -
Total revenues	-
EXPENDITURES:	
Current:	
Community development	-
Parks and recreation	
Capital outlay	3,770,211
Total expenditures	3,770,211
REVENUES OVER (UNDER)	
EXPENDITURES	(3,770,211)
OTHER FINANCING SOURCES (USES):	
Transfers in	3,888,407
Transfers out	-
Total other financing	
sources and uses	3,888,407
REVENUES AND OTHER FINANCING	
SOURCES OVER (UNDER)	
EXPENDITURES AND OTHER	
FINANCING (USES)	118,196
FUND BALANCES (DEFICITS):	
Beginning of year	(60,545)
End of year	\$ 57,651

INTERNAL SERVICE FUNDS

Fund Type	Description
Building Maintenance	Accounts for the maintenance of all City owned buildings
Information Technology Fund	Accounts for all activities of the City's computer networks, the costs of which are distributed among user departments using equitable formulas.
Fleet Services	Accounts for all activities of the City's central garage operations, the costs of which are distributed among designated user departments.

City of Fort Bragg, California
Combining Statement of Net Position
Internal Service Funds
June 30, 2024

	Building Maintenance	Information Technology Fund	Fleet Services	Totals
ASSETS				
Current assets:				
Cash and investments	\$ 407,891	\$ 74,574	\$ 450,138	\$ 932,603
Total current assets	<u>407,891</u>	<u>74,574</u>	<u>450,138</u>	<u>932,603</u>
Noncurrent assets:				
Capital assets, net	53,752	246,172	1,980,353	2,280,277
Total noncurrent assets	<u>53,752</u>	<u>246,172</u>	<u>1,980,353</u>	<u>2,280,277</u>
Total assets	<u>\$ 461,643</u>	<u>\$ 320,746</u>	<u>\$ 2,430,491</u>	<u>\$ 3,212,880</u>
LIABILITIES AND NET POSITION				
Current liabilities:				
Accounts payable	\$ 6,838	\$ 169,026	8,933	\$ 184,797
Accrued liabilities	-	542	-	542
Total current liabilities	<u>6,838</u>	<u>169,568</u>	<u>8,933</u>	<u>185,339</u>
Noncurrent liabilities:				
Compensated absences	-	-	-	-
Total liabilities	<u>6,838</u>	<u>169,568</u>	<u>8,933</u>	<u>185,339</u>
Net Position:				
Net investment in capital assets	53,752	246,172	1,980,353	2,280,277
Unrestricted	401,053	(94,994)	441,205	747,264
Total net position	<u>454,805</u>	<u>151,178</u>	<u>2,421,558</u>	<u>3,027,541</u>
Total liabilities and net position	<u>\$ 461,643</u>	<u>\$ 320,746</u>	<u>\$ 2,430,491</u>	<u>\$ 3,212,880</u>

City of Fort Bragg, California

Combining Statement of Revenues, Expenses, and Changes in Net Position

Internal Service Funds

For the year ended June 30, 2024

	Building Maintenance	Information Technology Fund	Fleet Services	Totals
OPERATING REVENUES:				
Interdepartmental charges	\$ 281,958	\$ 645,745	\$ 642,265	\$ 1,569,968
Other	135	226	-	361
Total operating revenues	<u>282,093</u>	<u>645,971</u>	<u>642,265</u>	<u>1,570,329</u>
OPERATING EXPENSES:				
Personnel services	199,590	225,064	126,552	551,206
Repairs and maintenance	20,342	1,834	86,717	108,893
Materials and supplies	-	340,667	143,806	484,473
Contractual services	8,050	54,526	428	63,004
Depreciation	7,084	36,015	164,086	207,185
Total operating expenses	<u>235,066</u>	<u>658,106</u>	<u>521,589</u>	<u>1,414,761</u>
OPERATING INCOME (LOSS)	<u>47,027</u>	<u>(12,135)</u>	<u>120,676</u>	<u>155,568</u>
NONOPERATING REVENUES (EXPENSES):				
Interest revenue	26,364	-	-	26,364
Total non-operating revenues (expenses)	<u>26,364</u>	<u>-</u>	<u>-</u>	<u>26,364</u>
NET INCOME (LOSS) BEFORE TRANSFERS	73,391	(12,135)	120,676	181,932
Transfers in	-	-	245,901	245,901
Transfers out	(247,095)	-	-	(247,095)
Total transfers	<u>(247,095)</u>	<u>-</u>	<u>245,901</u>	<u>(1,194)</u>
Change in net position	<u>(173,704)</u>	<u>(12,135)</u>	<u>366,577</u>	<u>180,738</u>
NET POSITION (DEFICIT):				
Beginning of year	628,509	163,313	2,054,981	2,846,803
End of year	<u>\$ 454,805</u>	<u>\$ 151,178</u>	<u>\$ 2,421,558</u>	<u>\$ 3,027,541</u>

City of Fort Bragg, California
Combining Statement of Cash Flows
Internal Service Funds
For the year ended June 30, 2024

	Building Maintenance	Information Technology Fund	Fleet Services	Totals
CASH FLOWS FROM OPERATING ACTIVITIES:				
Cash received from interfund services provided	\$ 282,093	\$ 645,971	\$ 642,265	\$ 1,570,329
Cash paid to suppliers for goods and services	(22,806)	(382,672)	(515,137)	(920,615)
Cash paid to employees for services	(199,590)	(232,050)	(126,552)	(558,192)
Net cash provided (used) by operating activities	59,697	31,249	576	91,522
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Transfers received	-	-	245,901	245,901
Transfers paid	(247,095)	-	-	(247,095)
Net cash provided (used) by noncapital financing activities	(247,095)	-	245,901	(1,194)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Acquisition and construction of capital assets	(1)	(43,716)	(266,409)	(310,126)
Net cash (used) by capital and related financing activities	(1)	(43,716)	(266,409)	(310,126)
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest on investments	26,364	-	-	26,364
Net cash provided by investing activities	26,364	-	-	26,364
Net increase (decrease) in cash and cash equivalents	(161,035)	(12,467)	(19,932)	(193,434)
CASH AND CASH EQUIVALENTS:				
Beginning of year	568,926	87,041	470,070	1,126,037
End of year	<u>\$ 407,891</u>	<u>\$ 74,574</u>	<u>\$ 450,138</u>	<u>\$ 932,603</u>
Reconciliation of income from operations to net cash provided (used) by operating activities:				
Operating income (loss)	\$ 47,027	\$ (12,135)	\$ 120,676	\$ 155,568
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation	7,084	36,015	164,086	207,185
(Increase) decrease in current assets:				
Accounts receivable	-	-	-	-
Increase (decrease) in liabilities:				
Accounts payable	5,586	14,355	(284,186)	(264,245)
Accrued liabilities	-	(6,986)	-	(6,986)
Net cash provided by operating activities	\$ 59,697	\$ 31,249	\$ 576	\$ 91,522

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STATISTICAL SECTION

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

Contents	Page(s)
Financial Trends	
These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	126-136
Revenue Capacity	
generate revenues. Property taxes, sales and use taxes, charges for services, licenses, permits and fees and intergovernmental revenue are the City's most significant revenue sources.	137-145
Debt Capacity	
These schedules contain information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt	146-153
Demographic and Economic Information	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	154-155
Operating Information	
These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	156-158

City of Fort Bragg, California

Net Position by Component

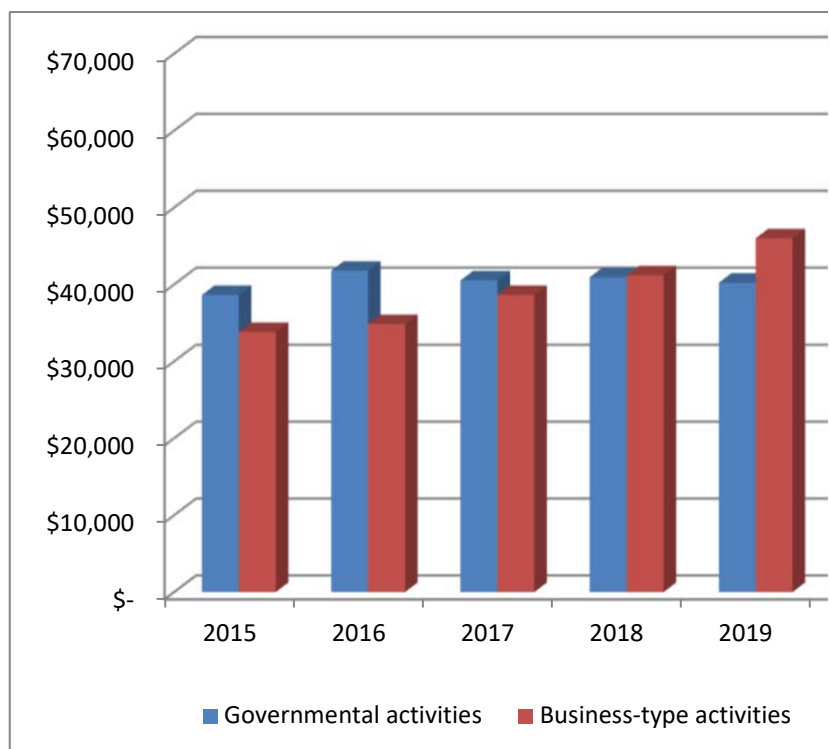
Last Ten Fiscal Years

(Fiscal year ended June 30)

(Accrual basis of accounting)

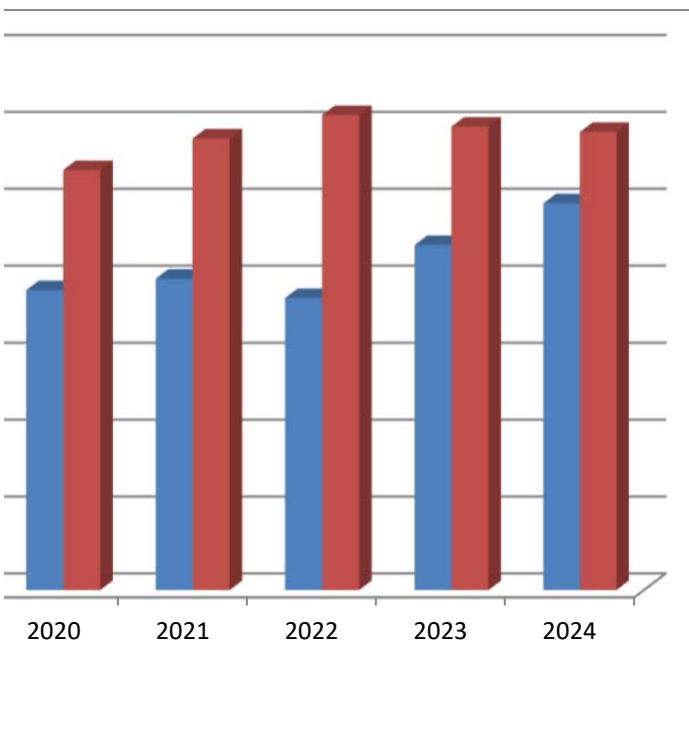
(In Thousands)

	2015	2016	2017	2018
Governmental activities				
Net investment in capital assets	\$ 35,914	\$ 38,647	\$ 39,523	\$ 42,293
Restricted	2,289	3,536	2,513	3,758
Unrestricted (deficit)	(203)	(399)	(1,518)	(5,115)
Total governmental activities net position	\$ 38,625	\$ 41,784	\$ 40,518	\$ 40,935
Business-type activities				
Net investment in capital assets	\$ 30,047	\$ 30,503	\$ 31,597	\$ 33,572
Restricted	108	108	108	108
Unrestricted (deficit)	3,649	4,232	6,912	7,515
Total business-type activities net position	\$ 33,804	\$ 34,843	\$ 38,617	\$ 41,195
Primary government				
Net investment in capital assets	\$ 65,961	\$ 69,150	\$ 71,119	\$ 75,865
Restricted	3,022	3,644	2,621	3,866
Unrestricted (deficit)	3,466	3,833	5,395	2,400
Total primary government net position	\$ 72,429	\$ 76,627	\$ 79,135	\$ 82,131



Source: City Finance Department

2019	2020	2021	2022	2023	2024
\$ 41,400	\$ 42,102	\$ 41,686	\$ 30,092	\$ 42,156	\$ 44,880
1,279	1,922	2,947	2,578	6,755	5,840
(2,456)	(5,026)	(4,140)	5,304	(4,057)	(424)
<u>\$ 40,223</u>	<u>\$ 38,998</u>	<u>\$ 40,493</u>	<u>\$ 37,974</u>	<u>\$ 44,854</u>	<u>\$ 50,296</u>
\$ 37,806	\$ 45,807	\$ 46,331	\$ 48,678	\$ 50,402	\$ 52,050
108	108	108	108	108	108
8,094	8,704	12,277	12,985	9,755	7,407
<u>\$ 46,008</u>	<u>\$ 54,619</u>	<u>\$ 58,716</u>	<u>\$ 61,771</u>	<u>\$ 60,265</u>	<u>\$ 59,565</u>
\$ 79,206	\$ 87,909	\$ 88,017	\$ 78,770	\$ 92,558	\$ 96,930
1,387	2,030	3,055	2,686	6,863	5,948
5,638	3,678	8,137	18,289	5,698	6,983
<u>\$ 86,231</u>	<u>\$ 93,617</u>	<u>\$ 99,209</u>	<u>\$ 99,745</u>	<u>\$ 105,119</u>	<u>\$ 109,861</u>



City of Fort Bragg, California

Changes in Net Position

Last Ten Fiscal Years

(Fiscal year ended June 30)

(Accrual basis of accounting)

(In Thousands)

	2015	2016	2017	2018	2019
Expenses					
Governmental activities:					
General government	\$ 2,593	\$ 2,877	\$ 2,221	\$ 2,804	\$ 2,384
Public safety	3,663	4,187	4,388	4,461	4,338
Public works	2,435	2,108	2,750	2,873	2,979
Community development	840	1,700	1,018	1,208	1,056
Parks and recreation	-	-	38	-	-
Marketing and promotions	-	-	-	-	-
Interest and fiscal charges	30	26	21	53	47
Total governmental activities expenses	9,561	10,898	10,434	11,399	10,804
Business-type activities:					
Water	2,286	2,264	2,158	2,034	1,920
Sewer	2,801	2,897	2,847	2,569	2,674
C.V. Starr Center	2,382	2,292	2,320	2,386	2,722
Total business-type activities expenses	7,469	7,453	7,325	6,989	7,316
Total primary government expenses	17,030	18,351	17,760	18,388	18,120
Program revenues					
Governmental activities:					
Charges for services:					
General government	2,809	2,818	1,967	1,324	1,108
Public safety	50	289	299	365	371
Public works	102	344	558	1,049	1,155
Community development	-	30	232	520	293
Operating grants and contributions	4,702	725	1,251	2,259	765
Capital grants and contributions	2,383	3,762	922	3,324	3,296
Total governmental activities program revenues	10,046	7,968	5,227	8,840	6,988
Business-type activities:					
Charges for services:					
Water	2,496	2,624	2,683	2,909	3,077
Wastewater	3,194	3,332	3,305	3,495	3,599
C.V. Starr Center	706	722	696	743	711
Operating grants and contributions	-	-	-	-	-
Capital grants and contributions	-	-	-	-	-
Total business-type activities program revenues	6,396	6,678	6,683	7,147	7,387
Total primary government program revenues	16,442	14,646	11,911	15,987	14,375
Net (Expense)/Revenue					
Governmental activities	485	(2,930)	(5,207)	(2,558)	(3,817)
Business-type activities	(1,073)	(775)	(642)	158	70
Total primary government net expense	(588)	(3,705)	(5,849)	(2,400)	(3,747)

2020	2021	2022	2023	2024
\$ 2,623	\$ 3,581	\$ 4,515	\$ 2,999	\$ 3,796
5,374	4,386	4,903	5,647	5,981
3,122	2,438	3,551	3,579	3,927
876	4,105	825	5,890	1,219
-	-	-	-	-
186	93	227	210	237
5	38	438	532	245
12,186	14,641	14,459	18,857	15,405
1,676	1,688	2,677	3,034	3,358
2,302	3,043	3,942	4,727	3,639
2,081	1,229	2,145	2,593	2,875
6,059	5,960	8,764	10,354	9,872
18,245	20,601	23,223	29,211	25,277
880	978	1,584	1,874	2,024
290	252	319	309	288
1,980	1,583	2,006	1,801	2,857
-	-	-	188	569
800	3,974	3,968	6,287	2,800
1,345	1,584	187	2,400	1,674
5,295	8,371	8,064	12,857	10,212
3,181	3,660	3,033	3,043	3,057
3,484	4,017	3,584	3,522	3,627
466	-	983	639	719
-	-	-	-	-
4,512	-	646	-	0
11,643	7,677	8,246	7,205	7,403
16,938	16,048	16,310	20,062	17,614
(6,891)	(6,270)	(6,397)	(6,000)	(5,193)
5,584	1,718	(519)	(3,149)	(2,469)
(1,307)	(4,552)	(6,916)	(9,149)	(7,663)

(continued)

City of Fort Bragg, California

Changes in Net Position

Last Ten Fiscal Years

(Fiscal year ended June 30)

(Accrual basis of accounting)

(In Thousands)

	2015	2016	2017	2018	2019
Governmental activities:					
Taxes:					
Property taxes	909	1,007	1,084	1,035	1,075
Sales and use tax	2,523	2,458	2,414	1,785	1,728
Transient lodging tax	1,858	1,948	2,149	2,619	2,640
Franchise taxes	493	491	-	-	-
Other taxes	435	403	674	719	762
Use of money and property	87	113	(23)	(110)	66
Unrealized gains and losses	-	-	-	-	195
Other general revenues	67	120	151	61	8
Special Items			(507)	-	-
Transfer in (out)	(89)	(451)	(2,003)	(898)	(1,029)
Extraordinary item: Redevelopment dissolution	-	-	-	-	-
Total governmental activities	6,283	6,089	3,940	5,210	5,445
Business-type activities:					
Property taxes	234	220	234	236	249
Sales and use tax	807	846	881	915	879
Use of money and property	42	27	56	98	168
Other revenues	161	271	1,242	272	77
Transfer in (out)	89	451	2,003	898	1,029
Total business-type activities	1,333	1,815	4,416	2,420	2,402
Total primary government	7,616	7,904	8,356	7,630	7,847
Changes in Net Position					
Governmental activities	6,768	3,159	(1,267)	2,652	1,628
Business-type activities	260	1,040	3,774	2,578	2,472
Total primary government	\$ 7,028	\$ 4,199	\$ 2,507	\$ 5,230	\$ 4,100

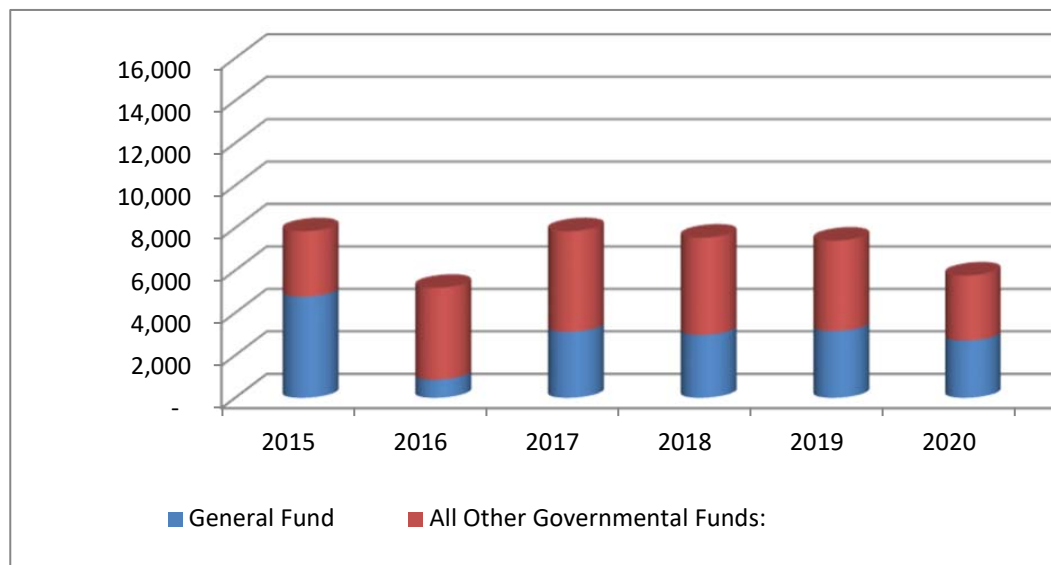
Source: City Finance Department

2020	2021	2022	2023	2024
1,157	1,152	1,214	1,208	1,272
2,743	3,127	3,427	3,322	3,261
2,204	3,322	3,445	3,192	3,092
590	626	654	740	762
185	185	198	213	213
107	112	-	-	-
228	(124)	(8)	(278)	659
24	266	28	832	1,172
-	-	-	-	-
(1,573)	(901)	(1,939)	150	204
-	-	-	-	-
5,665	7,765	7,019	9,380	10,635
236	263	269	305	310
945	1,100	1,211	1,175	1,170
178	115	104	312	495
95	-	50	-	-
1,573	901	1,939	(150)	(204)
3,027	2,379	3,573	1,643	1,770
8,692	10,144	10,592	11,023	12,406
(1,226)	1,495	622	3,381	5,442
8,611	4,097	3,054	(1,506)	(699)
\$ 7,385	\$ 5,592	\$ 3,676	\$ 1,874	\$ 4,743

(concluded)

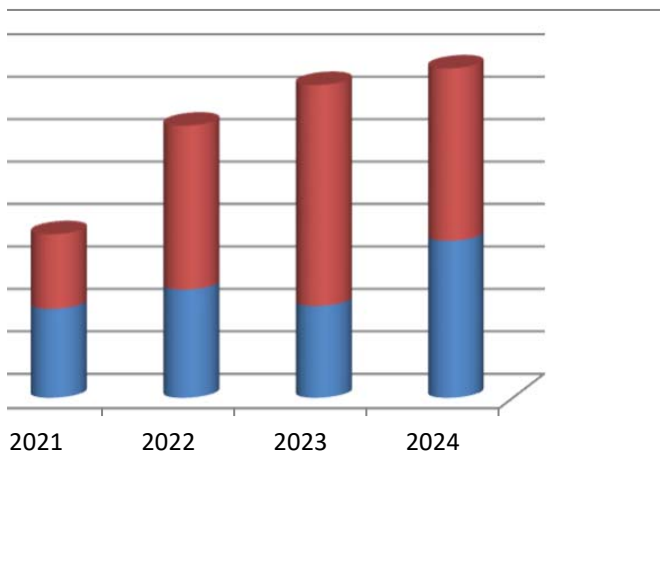
City of Fort Bragg, California
Fund Balances of Governmental
Last Ten Fiscal Years
(Fiscal year ended June 30)
(Modified accrual basis of accounting)
(In Thousands)

	2015	2016	2017	2018	2019
General Fund:					
Nonspendable	\$ 205	\$ 66	\$ 4	\$ 94	\$ 9
Committed		-	2,135	1,694	1,682
Unassigned	4,553	790	968	1,172	1,451
Total general fund	4,758	856	3,107	2,959	3,142
All Other Governmental Funds:					
Restricted	2,914	3,536	2,530	3,758	1,267
Assigned	1,322	1,116	1,472	1,292	3,005
Unassigned (deficit)	(1,157)	(331)	731	(470)	(16)
Total all other governmental funds	3,079	4,321	4,733	4,580	4,256
Total all governmental funds	\$ 7,837	\$ 5,177	\$ 7,839	\$ 7,539	\$ 7,398



Source: City Finance Department

2020	2021	2022	2023	2024
\$ 3	\$ 7	\$ 12	\$ 16	\$ 9
2,160	2,679	2,679	2,679	2,679
529	1,498	2,401	1,628	4,702
2,692	4,184	5,092	4,324	7,390
1,922	2,947	6,078	6,755	5,840
1,426	814	1,790	3,948	2,362
(284)	(248)	(144)	(292)	(75)
3,064	3,513	7,724	10,411	8,126
\$ 5,756	\$ 7,697	\$ 12,816	\$ 14,735	\$ 15,517



City of Fort Bragg, California
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(Fiscal year ended June 30)
(Modified accrual basis of accounting)
(In Thousands)

Revenues:	2015	2016	2017	2018	2019
Taxes and assessments	\$ 4,949	\$ 5,067	\$ 6,486	\$ 7,131	\$ 7,138
Intergovernmental	7,463	5,219	1,847	4,592	772
Charges for services	457	242	203	139	128
Fines, forfeitures and penalties	178	162	211	84	118
Licenses and permits	254	273	97	132	128
Use of money and property	120	174	55	126	213
Unrealized gains and losses	-	-	-	-	195
Reimbursements	2,930	3,413	2,345	2,691	2,453
Other	59	127	210	82	37
Total revenues	16,410	14,677	11,454	14,976	11,182

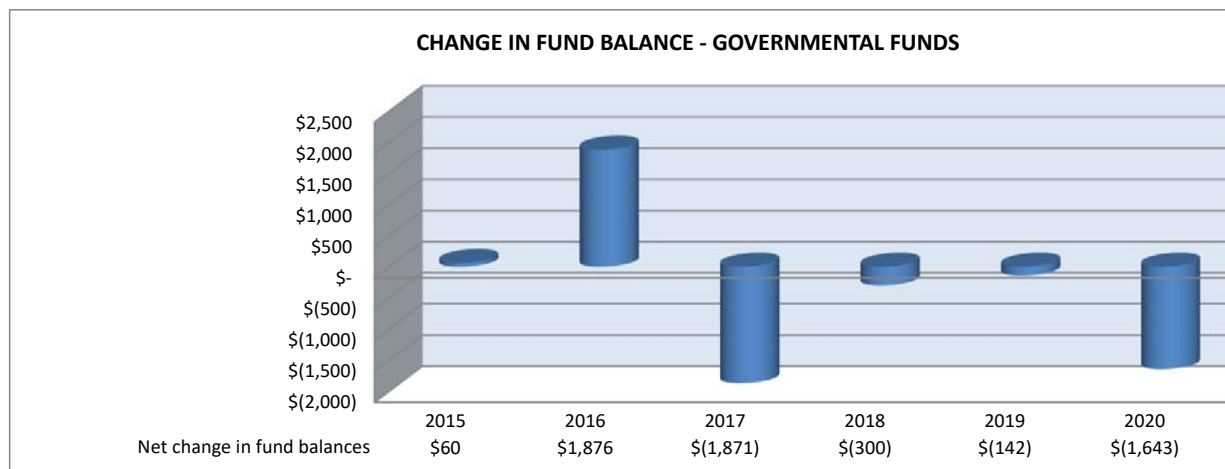
Expenditures:

Current:

General government	2,875	2,685	2,548	2,881	2,522
Public safety	3,581	4,100	4,233	4,383	4,189
Public works	3,469	1,874	1,902	1,947	1,968
Community development	834	1,693	1,011	1,201	1,050
Marketing and promotions	-	-	-	-	-
Cost allocations	-	-	-	-	-
Capital outlay	5,058	1,725	1,992	3,780	282
Debt Service:					
Principal Retirement	116	120	127	169	169
Interest and fiscal charges	31	26	21	17	17
Total expenditures	15,964	12,223	11,834	14,378	10,197

Reconciliation of Governmental Revenues

Less Expenditures to Fund Equity:					
Revenues over (under) expenditures	\$ 446	\$ 2,454	\$ (380)	\$ 598	\$ 985
Other financing sources (uses):					
Proceeds from sales of assets	-	-	-	-	-
Extraordinary loss on dissolution of redevelopment	-	-	-	-	-
Transfers in	5,683	2,714	3,775	2,944	2,830
Transfers out	(6,069)	(3,292)	(5,266)	(3,843)	(3,957)
Total other financing sources (uses)	(386)	(578)	(1,491)	(898)	(1,127)
Net change in fund balances	\$ 60	\$ 1,876	\$ (1,871)	\$ (300)	\$ (142)
Debt service as a percentage of noncapital expenditures	1.35%	1.39%	1.50%	1.75%	1.88%

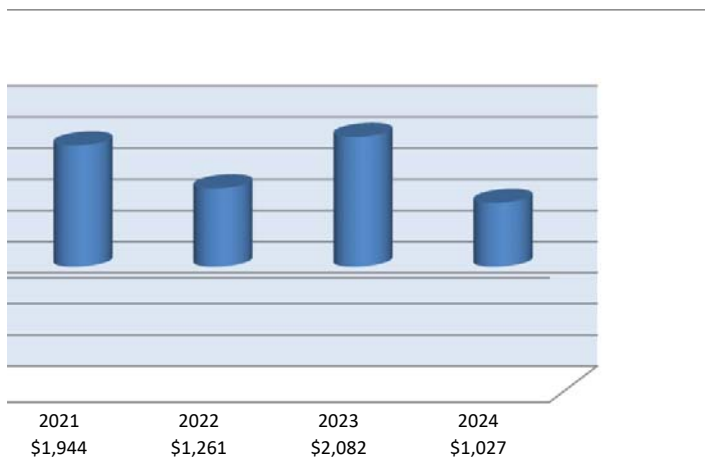


Source: City Finance Department

2020	2021	2022	2023	2024
\$ 6,878	\$ 8,412	\$ 8,937	\$ 8,676	\$ 8,600
2,702	5,883	4,487	8,695	5,240
61	47	65	202	164
112	103	146	158	72
97	92	86	95	85
409	13	(34)	(111)	943
-	-	-	-	-
2,335	2,247	3,278	3,765	4,383
22	264	23	143	1,155
12,616	17,061	16,988	21,622	20,643

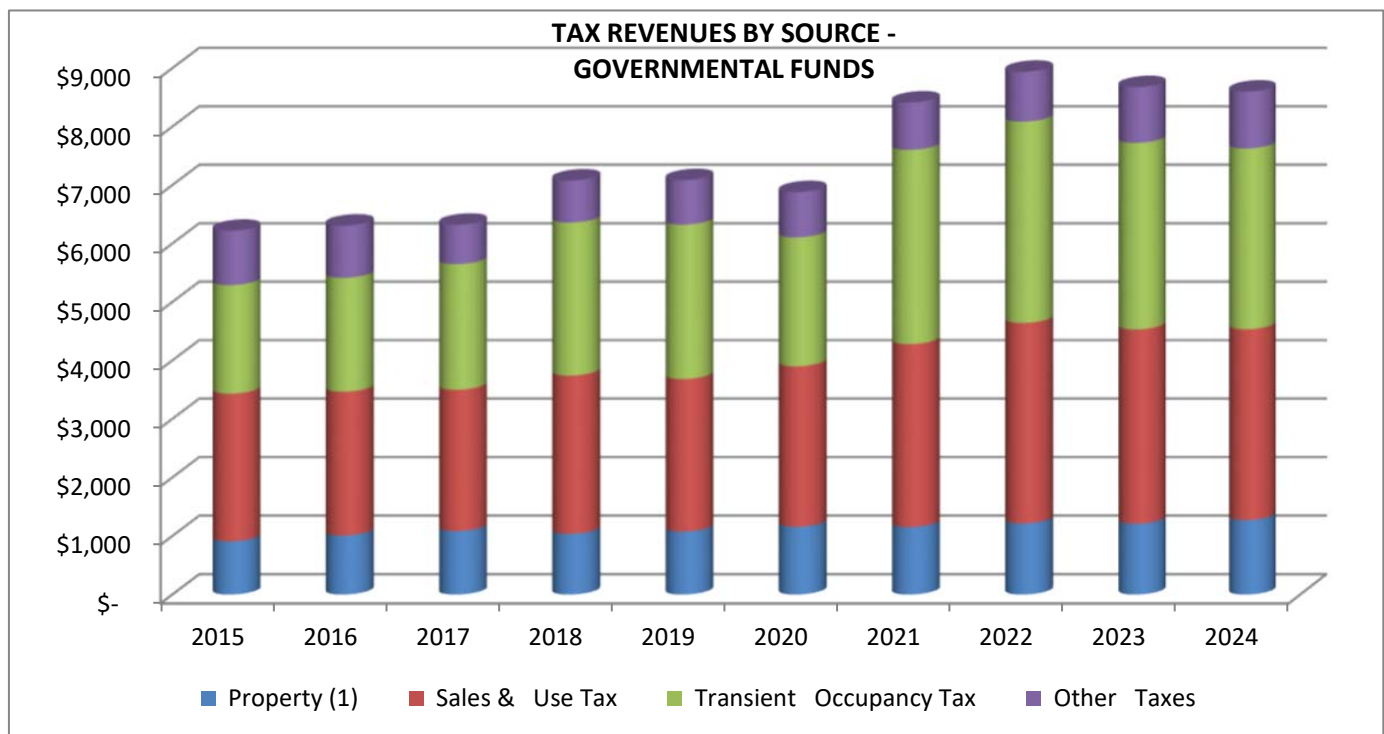
2,094	2,256	3,319	2,810	3,245
5,029	4,094	4,507	4,389	5,131
1,901	1,847	1,966	2,224	2,553
846	4,368	1,134	4,680	3,341
186	93	227	210	237
475	478	789	1,223	1,130
1,975	415	1,504	745	4,014
180	38	-	3,425	195
5	-	358	-	-
12,691	13,589	13,804	19,707	19,847

\$ (75)	\$ 3,472	\$ 3,184	\$ 1,916	\$ 796
6	9	16	-	25
-	-	-	-	-
616	866	1,788	1,465	7,565
(2,190)	(2,403)	(3,727)	(1,299)	(7,360)
(1,568)	(1,528)	(1,923)	166	231
\$ (1,643)	\$ 1,944	\$ 1,261	\$ 2,082	\$ 1,027
1.73%	0.29%	2.91%	18.06%	1.23%



City of Fort Bragg, California
Governmental Fund Tax Revenue By Source
Last Ten Fiscal Years
 (Modified accrual basis of accounting)
 (In Thousands)

Fiscal Year Ended June 30,	Property (1)	Sales & Use Tax	Transient Occupancy Tax	Other Taxes	Total
2015	\$ 909	\$ 2,523	\$ 1,858	\$ 928	\$ 6,218
2016	1,007	2,458	1,948	894	6,307
2017	1,084	2,414	2,149	674	6,321
2018	1,035	2,705	2,619	719	7,078
2019	1,075	2,607	2,640	762	7,084
2020	1,157	2,743	2,204	775	6,879
2021	1,152	3,127	3,322	811	8,412
2022	1,214	3,427	3,445	852	8,938
2023	1,208	3,322	3,192	953	8,675
2024	1,272	3,261	3,092	974	8,599



(1) Decrease in property taxes beginning in fiscal year 2012 relates to the dissolution of the Redevelopment Agency. Upon the dissolution of the Redevelopment Agency on February 1, 2012, property taxes received by the Redevelopment Successor Agency are reported in a private-purpose trust fund and therefore are excluded from the activities of the primary government.

Source: City Finance Department

City of Fort Bragg, California
Principal Sales Tax Producers
Last Fiscal Year and Nine Years Ago

2023-24		2014-15	
Taxpayer	Business Type	Taxpayer	Business Type
Arco AM/PM Mini Marts	Service Stations	Arco AM/PM Mini Marts	Service Stations
Chevron Service Stations	Service Stations	Boatyard Tobacco	Miscellaneous Retail
CVS/Pharmacy	Drug Stores	Chevron Service Stations	Service Stations
David's Deli	Restaurants	Cliff House Restaurant	Restaurants
Denny's Restaurants	Restaurants	CVS/Pharmacy	Drug Stores
Dollar Tree Stores	Department Stores	Denny's Restaurants	Restaurants
Emerald Triangle Cannabis - MMD	Drug Stores	Eel River Fuels	Energy Sales
Geo Aggregates	Bldg.Matls-Whse	Fort Bragg Feed & Pet	Florist/Nursery
Harvest Market	Food Markets	Geo Aggregates	Bldg.Matls-Whse
Kemppe Liquid Gas	Energy Sales	Harvest Market	Food Markets
McDonald's Restaurants	Restaurants	Kemppe Liquid Gas	Energy Sales
Mendo Mill & Lumber Company	Bldg.Matls-Retail	Laurel Deli & Desserts	Restaurants
Noyo Harbor Inn	Restaurants	McDonald's Restaurants	Restaurants
Noyo River Grill	Restaurants	Mendo Mill & Lumber Company	Bldg.Matls-Retail
O'Reilly Auto Parts	Auto Parts/Repair	Mendocino County Horticulture Supply	Florist/Nursery
Redwood Coast Fuels	Energy Sales	O'Reilly Auto Parts	Auto Parts/Repair
Restaurante Los Gallitos	Restaurants	Rino Service Stations	Service Stations
Rino Service Stations	Service Stations	Rite Aid Drug Stores	Drug Stores
Rite Aid Drug Stores	Drug Stores	Rossi Building Materials	Bldg.Matls-Retail
Rossi Building Materials	Bldg.Matls-Retail	Safeway Stores	Food Markets
Safeway Stores	Food Markets	Sears Roebuck & Company	Department Stores
Sinclair Service Stations	Service Stations	Sinclair Service Stations	Service Stations
Sport Chrysler-Jeep-Dodge	Auto Sales - New	Sport Chrysler-Jeep-Dodge	Auto Sales - New
Taco Bell	Restaurants	The Brewery Shop	Restaurants
The Brewery Shop	Restaurants	True Value Hardware	Bldg.Matls-Retail

Source: MuniServices, LLC / Avenu Insights & Analytics

City of Fort Bragg, California
Historical Sales Tax Amounts by Benchmark Year
Last Ten Fiscal Years

CDTFA NAICS SECTOR	2024Q1	2023Q1	2022Q1	2021Q1
Accommodation and Food Services	335,257	299,719	311,726	219,712
Agriculture, Forestry, Fishing and Hunting	14,459	10,246	10,635	6,187
Arts, Entertainment, and Recreation	10,644	8,673	8,183	189
Construction	46,484	52,546	49,711	42,824
Educational Services	463	216	881	866
Information	15,151	11,995	12,478	7,167
Manufacturing	11,949	9,899	4,086	5,144
Mining, Quarrying, and Oil and Gas Extraction	64,581	86,125	93,131	68,023
Other Services (except Public Administration)	33,377	30,456	31,829	27,773
Professional, Scientific, and Technical Services	2,818	3,278	3,826	3,254
Real Estate and Rental and Leasing	2,588	2,703	3,276	4,114
Retail Trade	1,130,753	1,198,078	1,190,475	1,044,523
Utilities	4,592	5,016	5,000	3,129
All Other NAICS Sectors	35,653	27,690	24,709	23,374
Grand Total	1,708,767	1,746,640	1,749,947	1,456,280

Source: MuniServices, LLC / Avenu Insights & Analytics

2020Q1	2019Q1	2018Q1	2017Q1	2016Q1	2015Q1
261,645	270,483	282,222	261,139	233,034	218,376
11,023	9,955	3,547	7,404	11,516	6,866
5,903	5,394	3,516	3,469	3,454	4,002
47,581	50,973	35,283	34,009	35,318	33,583
1,331	2,082	7,876	7,499	8,318	6,932
7,675	9,327	5,569	4,825	4,031	6,163
8,727	8,337	7,222	6,312	4,704	4,951
90,412	86,275	73,796	56,363	62,526	80,000
31,619	31,125	30,343	31,197	31,897	31,049
4,980	5,892	7,944	7,989	8,627	8,693
2,239	2,712	2,455	2,525	2,525	2,944
1,050,886	1,045,425	1,056,982	987,423	990,177	983,868
4,514	5,124	4,588	5,430	4,696	3,743
21,707	21,418	21,025	18,791	18,414	8,834
1,550,243	1,554,521	1,542,367	1,434,374	1,419,237	1,400,004

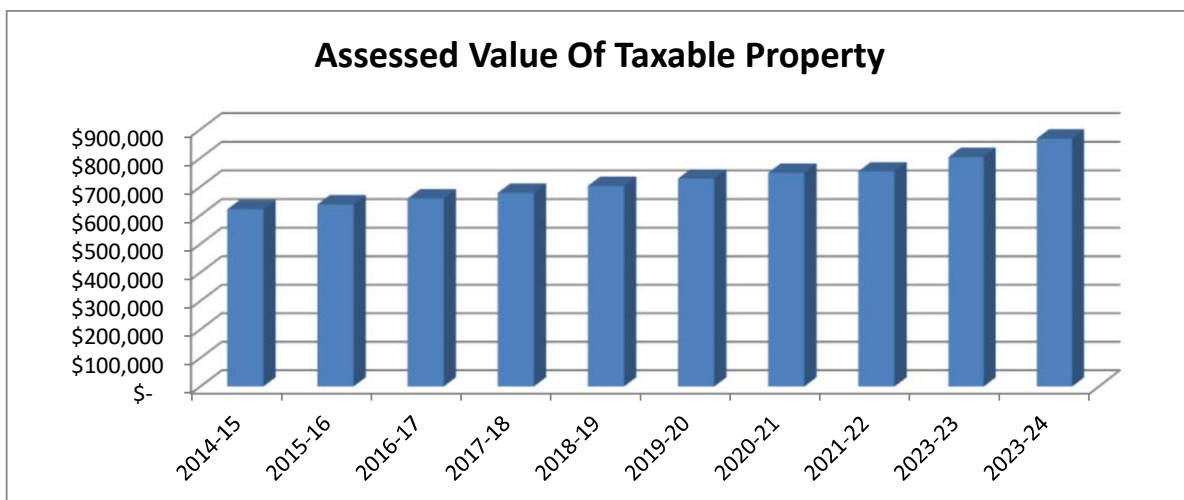
City of Fort Bragg, California

Assessed Value and Estimated Actual Value of Taxable Property, City Wide

Last Ten Fiscal Years

(In Thousands)

Fiscal Year End	Taxable				Total		Factor of Taxable	
	Secured Property*	Unsecured Property	Assessed Value	% Change	Direct Tax Rate (1)	Estimated Actual Taxable Value (2)	Assessed Value (2)	
2014-15	\$ 590,079	\$ 31,347	\$ 621,426	#REF!	1.127000	689,061	1.108838	
2015-16	\$ 607,137	\$ 31,275	\$ 638,412	2.7%	1.132000	702,975	1.101131	
2016-17	\$ 626,121	\$ 32,889	\$ 659,009	3.2%	1.133000	852,603	1.293765	
2017-18	\$ 646,586	\$ 32,288	\$ 678,874	6.3%	1.133000	902,380	1.329231	
2018-19	\$ 671,692	\$ 31,556	\$ 703,249	6.7%	1.138000	918,610	1.306238	
2019-20	\$ 695,389	\$ 33,240	\$ 728,629	7.3%	1.131000	1,021,566	1.402039	
2020-21	\$ 715,581	\$ 33,149	\$ 748,730	6.5%	1.124000	805,819	1.076248	
2021-22	\$ 720,807	\$ 32,899	\$ 753,706	3.4%	1.137000	886,049	1.175590	
2023-23	\$ 766,503	\$ 37,340	\$ 803,843	7.4%	1.185000	965,275	1.200826	
2023-24	\$ 833,186	\$ 35,150	\$ 868,336	8.0%	1.169000	1,060,711	1.221545	



Source: Mendocino County Assessor/Auditor data, MuniServices, LLC / Avenu Insights & Analytics

*Secured Property is net of all exemptions.

(1.) Total tax rate is represented by TRA 001-001.

(2.) Sales Price not available. Average Sales Factor applied.

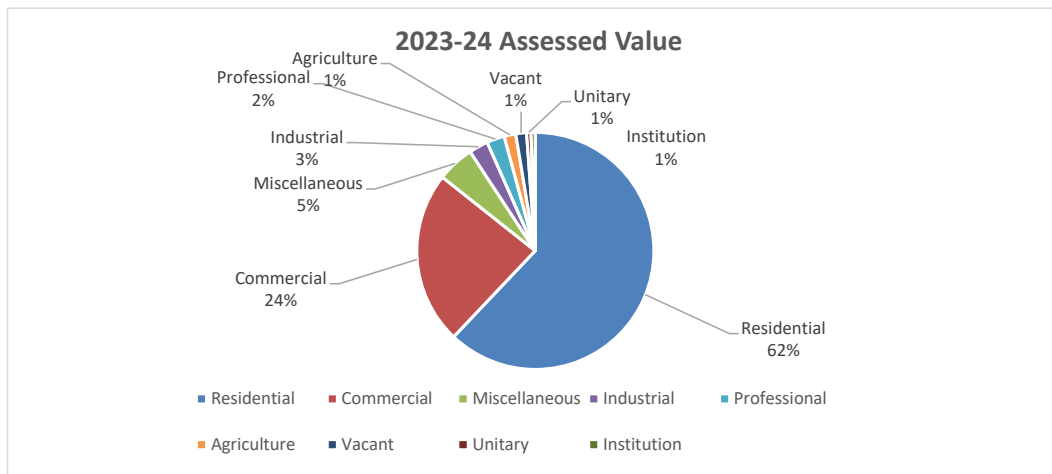
City of Fort Bragg, Calif

Assessed Value of Property by Use Code, City Wide

Last Nine Fiscal Years

(In Thousands)

Category	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
Residential	\$ 351,259	\$ 357,224	\$ 369,852	\$ 393,470	\$ 375,474	\$ 395,888	\$ 410,229	\$ 428,620	\$ 448,738	\$ 480,401
Commercial	165,103	163,032	167,141	150,666	153,767	156,832	160,042	163,238	164,973	168,401
Miscellaneous	698	701	735	1,120	31,285	31,187	33,043	33,941	35,200	37,333
Industrial	36,342	36,807	37,595	37,908	38,037	39,021	40,900	39,219	18,946	30,445
Professional	-	-	179	9,804	19,769	20,036	20,413	20,817	19,854	19,556
Agriculture	33	34	34	34	-	-	-	-	-	11,181
Vacant	18,931	18,682	18,963	21,162	21,817	23,423	24,116	22,554	22,866	12,354
Unitary	542	543	543	340	-	-	-	-	-	-
Institution	4,024	4,285	4,513	4,515	3,761	2,691	3,926	4,429	3,740	4,889
Recreation	7,905	7,593	6,391	7,101	2,676	2,613	2,719	2,762	2,460	1,942
Unknown	1,149	1,178	1,192	-	-	-	-	-	4,031	-
Net Secured Value	585,986	590,079	607,137	626,121	646,586	671,692	695,389	715,581	720,807	766,503
Unsecured	29,641	31,347	31,275	32,889	32,288	31,556	33,240	33,149	32,899	37,340
Net Taxable Value	\$ 615,627	\$ 621,426	\$ 638,412	\$ 659,009	\$ 678,874	\$ 703,249	\$ 728,629	\$ 748,730	\$ 753,706	\$ 803,843



Source: Mendocino County Assessor data, MuniServices, LLC / Avenu Insights & Analytics

Use code categories are based on Mendocino County Assessor's data

City of Fort Bragg
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years

	2014-15	2015-16	2016-17	2017-18	2018-19
COUNTY GENERAL FUND	0.745000	0.745000	0.745000	0.745000	0.745000
CITY OF FORT BRAGG	0.255000	0.255000	0.255000	0.255000	0.255000
TOTAL	1.000000	1.000000	1.000000	1.000000	1.000000
Override Assessments					
LOCAL SPECIAL DISTRICTS	0.026000	0.025000	0.018000	0.026000	0.024000
SCHOOLS	0.101000	0.107000	0.115000	0.107000	0.114000
TOTAL	0.127000	0.132000	0.133000	0.133000	0.138000
TOTAL TAX RATE	1.127000	1.132000	1.133000	1.133000	1.138000

Source: Mendocino County Auditor/Controller data, MuniServices, LLC / Avenu Insights & Analytics
 TRA 001-001 is represented for this report
 Rates are not adjusted for ERAF

2019-20	2020-21	2023-22	2023-23	2023-24
0.745000	0.745000	0.745000	0.745000	0.745000
0.255000	0.255000	0.255000	0.255000	0.255000
1.000000	1.000000	1.000000	1.000000	1.000000
0.024000	0.023000	0.023000	0.023000	0.022000
0.107000	0.101000	0.114000	0.162000	0.147000
0.131000	0.124000	0.137000	0.185000	0.169000
1.131000	1.124000	1.137000	1.185000	1.169000

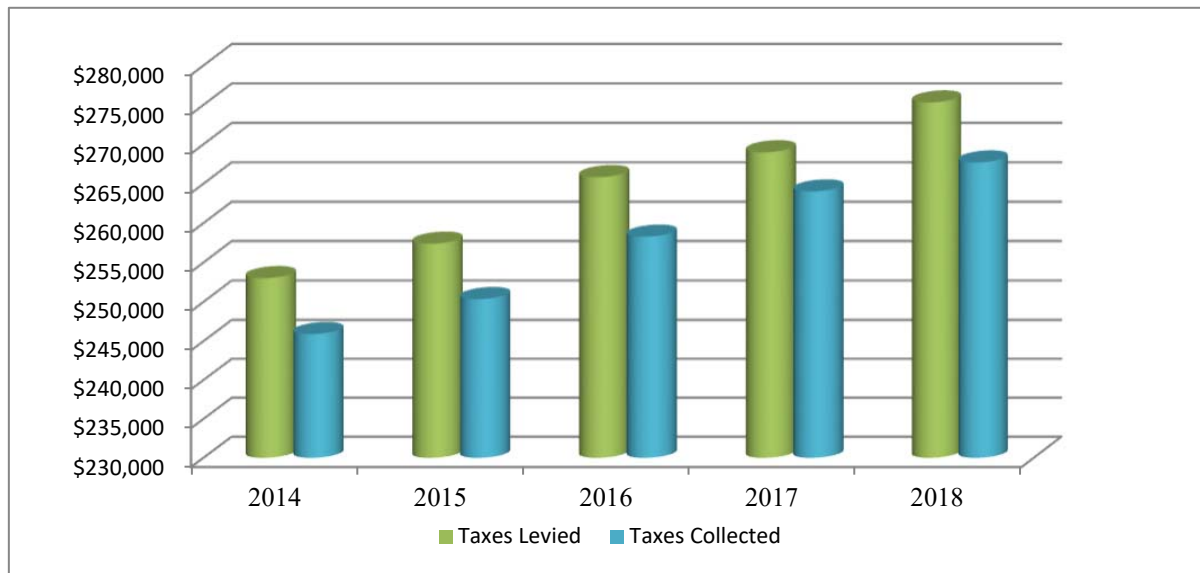
City of Fort Bragg, California
Principal Property Tax Payers
Last Fiscal Year and Nine Years Ago

Taxpayer	2023-24		2014-15	
	Taxable Value (\$)	Percent of Total City Taxable Value (%)	Taxable Value (\$)	Percent of Total City Taxable Value (%)
Georgia Pacific LLC	15,190,147	1.75%	31,215,167	5.02%
Rap Investors LP	12,335,745	1.42%	10,653,995	1.71%
Boatyard Associates Phase	11,210,452	1.29%	9,516,557	1.53%
Tenants Choice LLC	9,670,610	1.11%		
Safeway Inc	8,049,843	0.93%	7,020,082	1.13%
North Coast Brewery	7,035,860	0.81%	4,854,758	0.78%
GP Investors LLC	6,917,068	0.80%		
Sierra Northern Railway	6,742,743	0.78%		
Colombi Jeanette Succttee	6,075,811	0.70%	4,951,442	0.80%
Anderson Logging	5,588,756	0.64%	3,308,036	0.53%
Fort Bragg Hospitality LLC	5,477,200	0.63%		
Tanti Family II LLC	5,013,028	0.58%	4,368,451	0.70%
Kao Kuami	4,970,063	0.57%	4,226,779	0.68%
Kashi Keshav Investments	4,826,407	0.56%	4,104,730	0.66%
SNB Govind Corporation	4,749,269	0.55%		
Grosvenor Van Ness Associa	4,590,912	0.53%	3,899,088	0.63%
Longs Drug Stores California	4,234,502	0.49%	3,856,470	0.62%
Ray Ronald R Ttee	4,229,325	0.49%		
Comcast	3,721,093	0.43%	2,693,172	0.43%
DFA Walnut Associates LP	3,672,000	0.42%		
Fort Bragg Hotel LLC	3,566,631	0.41%	3,453,696	0.56%
Kemppe Liquid Gas Corporation	3,309,969	0.38%	2,611,640	0.42%
Glassbeach Estates LLC	3,167,127	0.36%		
Noyo Harbor Inn LLC	3,076,890	0.35%		
Fort Bragg Investments LLC	3,007,867	0.35%		
Hurst Jason S			4,518,331	0.73%
North Otown Industrial Center			3,589,852	0.58%
Keaton Richard J Julie			3,024,356	0.49%
Noyo Vista Inc.			2,966,777	0.48%
RBJ Assoc LLC			2,544,238	0.41%
Moura Senior Housing			2,521,775	0.41%
Miller Helen Centeno			2,430,465	0.39%
Taubold Timothy E Ttee			2,403,069	0.39%
Whitteaker Donald E Dorothy C			2,331,790	0.38%
Lee Michael V Dona H Ttees			2,300,132	0.37%
Total Top 25 Taxpayers	150,429,318	17.32%	129,364,848	20.82%
Total Taxable Value	868,335,808	100.00%	621,426,140	100.00%

Source: Mendocino County Assessor data, MuniServices, LLC / Avenu Insights & Analytics

City of Fort Bragg, California
Property Tax Levies and Collections
For the last ten fiscal years

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy	
		Amount	Percentage of Levy
2014	\$ 253,017	\$ 245,915	97.2%
2015	\$ 257,387	\$ 250,358	97.3%
2016	265,826	258,276	97.2%
2017	268,987	264,012	98.2%
2018	275,316	267,695	97.2%
2019	N/A	N/A	N/A
2020	N/A	N/A	N/A
2023	N/A	N/A	N/A
2024	N/A	N/A	N/A



Note: Mendocino County does not track collections of delinquent taxes by year in subsequent years.

Source: Mendocino County Auditor-Controller's Office

City of Fort Bragg, California
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years
(In Thousands, Except Per Capita Amount)

Fiscal Year Ended June 30,	Governmental Activities			Business-type Activities		
	Certificates of Participation	Lease Revenue Bond	Total Governmental Activities	Certificates of Participation	Notes Payable	Capital Leases
2015	\$ 660	\$ -	\$ 660	\$ 2,896	\$ 1,207	\$ 240
2016	539	-	539	2,578	1,102	123
2017	412	-	412	2,252	975	-
2018	280	-	280	1,913	846	-
2019	143	-	143	6,568	741	-
2020	-	-	-	6,182	633	-
2021	-	-	-	5,791	529	-
2022	-	11,399	11,399	5,392	423	-
2023	-	7,593	7,593	4,981	-	-
2024	-	7593	7,593	4,556	-	-

N/A indicates information is not available

(1) See Schedule of Demographic and Economic Statistics for personal and per capita data.

Source: City Finance Department

Total Business-type Activities		Total Primary Government		Percentage of Personal Income ⁽¹⁾	Per Capita ⁽¹⁾
\$	4,343	\$	5,003	3.2%	\$ 681
	3,803		4,342	2.7%	566
	3,227		3,639	2.1%	474
	2,759		3,039	1.7%	405
	7,309		7,452	4.2%	992
	6,815		6,815	3.3%	920
	6,320		6,320	2.8%	884
	4,981		12,574	4.8%	1,793
	4,556		12,149	4.0%	1,692

City of Fort Bragg, Calif
Legal Debt Margin Information
Last Ten Fiscal Years
(Fiscal year ended June 30)
(Dollars in thousands)

	2015	2016	2017	2018	2019
Assessed Value	\$ 590,079	\$ 607,137	\$ 626,121	\$ 646,586	\$ 671,692
Conversion Percentage	25%	25%	25%	25%	25%
Adjusted Assessed Value	147,520	151,784	156,530	161,647	167,923
Debt Limit Percentage	15%	15%	15%	15%	15%
Debt limit	22,128	22,768	23,480	24,247	25,188
Total net debt applicable to limit	-	-	-	-	-
Legal debt margin	\$ 22,128	\$ 22,768	\$ 23,480	\$ 24,247	\$ 25,188
Total net debt applicable to the limit as a percentage of debt limit	0%	0%	0%	0%	0%

Notes: The Government Code of the State of California provides for a legal debt limit of 15% of gross assessed secured tax valuation. However, this provision was enacted when assessed valuation was based upon 25% of market value. Effective with the 1981-82 fiscal year, each parcel is now assessed at 100% of market value (as of the most recent change in ownership for that parcel). The computations shown above reflect a conversion of the assessed value for each fiscal year from the current full valuation perspective to the 25% level that was in effect at the time that the legal debt margin was enacted by the State of California for local governments located within the state.

Source: City Finance Department

2020	2021	2022	2023	2024
\$ 695,389	\$ 715,581	\$ 720,807	\$ 766,503	\$ 833,186
25%	25%	25%	25%	25%
173,847	178,895	180,202	191,626	208,297
15%	15%	15%	15%	15%
26,077	26,834	27,030	28,744	31,244
-	-	-	-	-
\$ 26,077	\$ 26,834	\$ 27,030	\$ 28,744	\$ 31,244
0%	0%	0%	0%	0%

City of Fort Bragg, California

Direct and Overlapping Debt

Current Year

June 30, 2024

2023-24 Assessed Valuation:

\$ 874,214,142

	Total Debt		City's Share of
<u>OVERLAPPING TAX AND ASSESSMENT DEBT:</u>	<u>6/30/2024</u>	<u>% Applicable ⁽¹⁾</u>	<u>Debt 6/30/2024</u>
Redwoods Joint Community College District	\$ 18,005,000	3.731%	\$ 671,767
Fort Bragg Unified School District	46,453,919	38.051%	17,676,181
Mendocino Coast Hospital District	3,600,000	21.396%	770,256
TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT			\$ 19,118,204

DIRECT AND OVERLAPPING GENERAL FUND DEBT:

Mendocino County Certificates of Participation	19,205,000	6.171%	\$ 1,185,141
Mendocino County Pension Obligation Bonds	21,470,000	6.171%	1,324,914
Redwoods Joint Community College District General Fund Obligations	7,410,000	3.731%	276,467
City of Fort Bragg General Fund Obligations	7,820,000	100.000%	7,820,000
TOTAL DIRECT AND OVERLAPPING GENERAL FUND DEBT			\$ 10,606,522

<u>OVERLAPPING TAX INCREMENT DEBT (Successor Agency):</u>	2,680,000	100.000%	2,680,000
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DIRECT DEBT	\$ 7,820,000
TOTAL OVERLAPPING DEBT	\$ 24,584,726

COMBINED TOTAL DEBT	\$ 32,404,726 ⁽²⁾
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(1) The percentage of overlapping debt applicable to the city is estimated using taxable assessed property value. Applicable percentages were estimated by determining the portion of the overlapping district's assessed value that is within the boundaries of the city divided by the district's total taxable assessed value.

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

Ratios to 2023-24 Assessed Valuation:

Total Overlapping Tax and Assessment Debt	2.19%
Total Direct Debt (\$7,820,000)	0.89%
Combined Total Debt	3.71%

Ratios to Redevelopment Successor Agency Incremental Valuation (\$266,380,936)

Total Overlapping Tax Increment Debt	1.01%
--------------------------------------	-------

Source: Avenu Insights & Analytics

California Municipal Statistics, Inc

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City of Fort Bragg, California
Pledged Revenue Coverage
For the Last Ten Fiscal Years
(Dollars in Thousands)

Fiscal Year Ended June 30,	Business-type Activities						
	Water Fund Debt						
	Revenues & Transfers	Less:	Net	Debt Service		Total	Coverage
		Operating Expenses ¹	Available Revenue	Principal	Interest	Debt Service	
2015	\$ 2,595	\$ 1,806	\$ 789	\$ 493	\$ 147	\$ 640	1.2
2016	3,085	1,834	1,251	490	132	622	2.0
2017	3,534	1,378	2,156	505	75	580	3.7
2018	2,909	1,592	1,317	390	62	452	2.9
2019	3,077	1,480	1,597	396	53	449	3.6
2020	3,181	1,275	1,905	406	74	480	4.0
2021	3,660	1,303	2,357	410	65	475	5.0
2022	3,033	2,256	777	418	55	473	1.6
2023	3,043	2,577	467	743	93	836	0.6
2024	3,057	2,978	79	332	26	358	0.2

¹ Operating expenses exclude depreciation

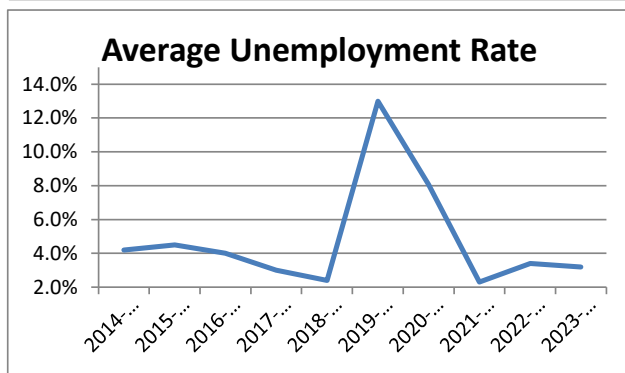
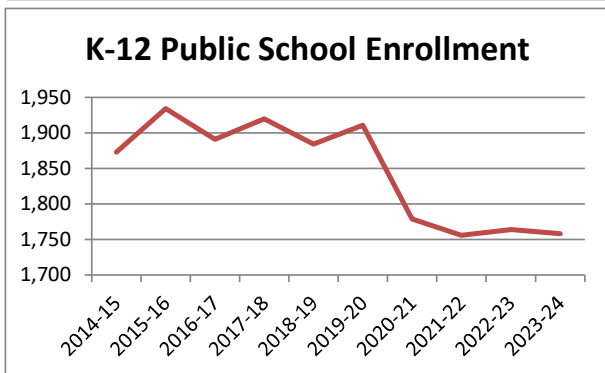
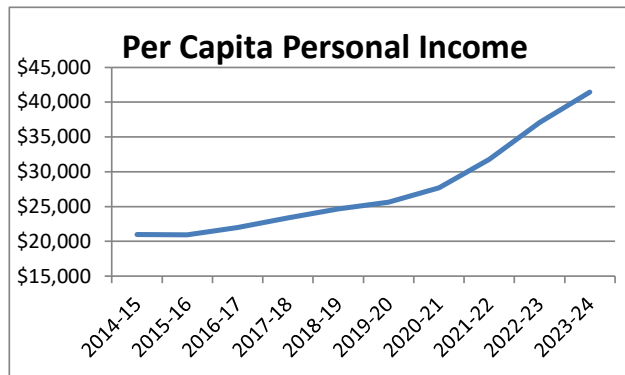
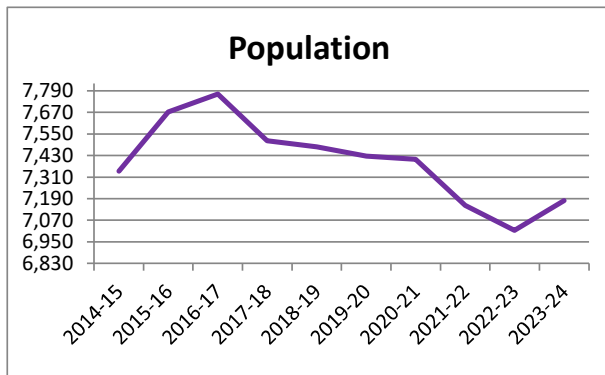
Source: City Finance Department

Business-type Activities
Sewer Fund Debt

Revenues & Transfers	Less: Operating Expenses ¹	Net Available Revenue	Debt Service		Total Debt Service	Coverage
			Principal	Interest		
\$ 3,184	\$ 2,470	\$ 714	\$ 45	\$ 16	\$ 61	11.7
3,322	2,568	754	50	12	62	12.2
4,457	2,189	2,268	50	9	59	38.4
3,495	2,270	1,225	55	6	61	20.1
5,938	2,321	3,617	55	13	68	53.2
8,128	1,913	6,215	86	85	181	36.3
4,017	2,129	1,888	87	98	185	10.2
3,584	3,015	569	87	98	185	3.1
3,522	3,817	(295)	91	94	185	(1.6)
3,627	2,731	896	93	92	185	4.8

City of Fort Bragg, California
Demographic and Economic Statistics
Last Ten Fiscal Years

Fiscal Year	Population (1)	Personal Income (in thousands)	Per Capita Personal Income (2)	Median Age (3)	Public School Enrollment	City Unemployment Rate (%) (4)
2014-15	7,343	154,002	20,973	38.2	1,873	4.2%
2015-16	7,672	160,798	20,959	38.5	1,934	4.5%
2016-17	7,772	170,733	21,968	36.6	1,891	4.0%
2017-18	7,512	175,523	23,366	40.0	1,920	3.0%
2018-19	7,478	184,300	24,646	39.2	1,884	2.4%
2019-20	7,427	190,379	25,633	39.8	1,911	13.0%
2020-21	7,409	204,996	27,668	39.0	1,779	8.1%
2021-22	7,153	227,323	31,780	43.0	1,756	2.3%
2022-23	7,014	259,996	37,068	41.3	1,764	3.4%
2023-24	7,179	297,373	41,423	50.4	1,758	3.2%



Source: MuniServices, LLC / Avenu Insights & Analytics

- 1.) Population Projections are provided by the California Department of Finance Projections.
- 2.) Income Data and Median Age is provided by the U.S. Census Bureau.
- 3.) Public School Enrollment is for the Fort Bragg Unified School District.
- 4.) Unemployment Data are provided by the EDD, Bureau of Labor Statistics Department.

City of Fort Bragg, California
Principal Employers
Last Fiscal Year and Seven Years Ago

Business Name	2024		2015	
	Number of Employees	Percent of Total Employment (%)	Number of Employees	Percent of Total Employment (%)
Adventist Health Mendocino Coast Medical Center	335	13.96%	320	8.82%
Fort Bragg Unified School District*	296	12.33%	250	6.89%
Parents & Friends Inc	186	7.75%	125	3.44%
Safeway	128	5.33%	126	3.47%
Mendocino Coast Clinics Inc	126	5.25%	125	3.44%
North Coast Brewing CO Inc	94	3.92%	104	2.87%
Mendocino County**	92	3.83%	79	2.18%
Anderson Logging Inc	86	3.58%		
City of Fort Bragg	67	2.79%		
The Wharf & Anchor Lodge	35	1.46%	65	1.79%
Sherwood Oaks Health Center			94	2.59%
CV Starr Community Center			89	2.45%
Total Top Employers	1,445	60.21%	1,377	37.93%
Total City Employment (1)	2,400		3,630	

Source: MuniServices, LLC / Avenu Insights & Analytics

Source: City of Fort Bragg - ACFR Fiscal Year Ended June 30, 2015 Publication

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

Notes:

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

*Excludes non-bargaining on call subs or sports coaches.

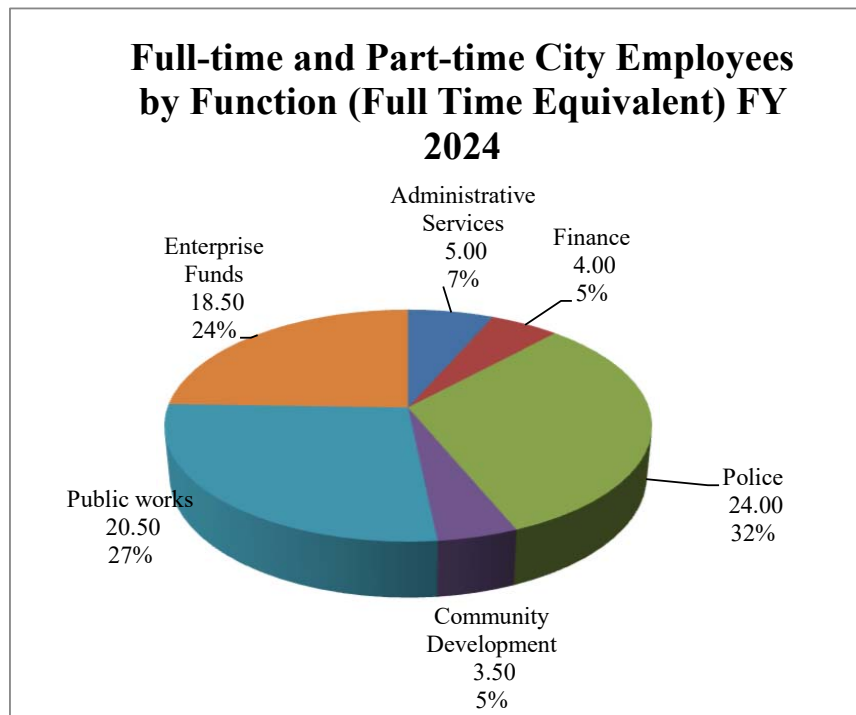
City of Fort Bragg, California

Full-time and Part-time City Employees by Function (Full-Time Equivalent)

Last Ten Fiscal Years

(Fiscal year ended June 30)

Function	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General Government										
Administrative Services	6.00	6.50	6.50	7.00	7.00	6.50	6.00	6.00	7.00	5.00
Finance	4.00	4.00	4.00	4.00	4.00	4.00	5.00	5.00	5.00	4.00
Public Safety										
Police	22.00	22.00	22.00	22.00	22.00	22.00	22.00	22.00	22.00	24.00
Community Services										
Community Development	4.00	4.30	4.50	4.80	4.80	4.30	4.00	4.00	4.00	3.50
Public works	12.60	12.80	12.80	14.00	14.00	12.80	13.00	13.00	13.00	20.50
Enterprise Funds	8.00	8.00	8.00	8.00	8.00	8.00	7.00	7.00	7.00	18.50
Total	56.60	57.60	57.80	59.80	59.80	57.60	57.00	57.00	58.00	75.50



Source: City Finance Department

City of Fort Bragg, California
Operating Indicators by Function
Last Ten Fiscal Years
(Fiscal year ended June 30)

Function/Program	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Building Permits Issued	192	141	122	162	194	141	99	146	146	146
New Construction	7	6	4	9	12	N/A	8	8	8	8
Single Family Residential	0	2	0	5	4	2	6	6	6	6
Second Unit	1	3	4	4	8	3	8	8	8	8
Mixed Use, Commercial & Residential	2	1	0	0	4	1	0	0	0	0
Multi-Family Residential	0	0	0	0	2	0	1	1	1	1
Low Income Residential	4	0	0	0	0	0	1	1	1	1
City Clerk										
Council/Agency Resolutions Passed	127	98	122	121	92	98	134	148	148	116
Number of Ordinances Passed	3	5	6	8	9	5	6	13	13	9
Number of Contracts Approved	30	69	74	105	71	69	45	97	97	117
Number of PRA Requests Processed	74	73	79	146	145	N/A	280	294	294	116
Public Safety										
Traffic Accidents	172	221	160	145	147	221	146	122	122	84
Traffic Violations - DUI	26	28	45	49	40	28	26	48	48	92
Bookings	737	668	619	795	625	668	523	162	162	568
Moving Cites	949	498	344	428	368	498	429	122	122	340
Parking Cites	484	835	842	941	869	835	416	416	416	141
Field Interviews and Information Cases	1,301	1,217	1,403	1,936	1,289	1,217	4,065	3,191	3,191	1,433
Crime Reports	1,317	1,501	1,496	1,554	1,262	1,501	1,193	1,098	1,098	921
Fire ¹										
Total Number of Calls	617	579	665	626	752	579	579	579	579	627
Structure Fires	21	29	38	10	37	29	29	29	29	34
Vehicle Fires	9	3	16	5	4	3	3	3	3	6
Vegetation Fires	40	31	33	23	40	31	31	31	31	27
Misc Fires (Chimney, Debris, Electronically, etc.)	17	36	18	81	80	36	36	36	36	29
Medical Aid	163	150	199	197	248	150	150	150	150	163
Rescue	10	22	16	11	7	22	22	22	22	9
Hazardous Condition/Materials Calls	41	70	75	58	73	70	70	70	70	139
Mutual Aid/Agency Assist	9	12	18	23	18	12	12	12	12	14
Traffic Accidents	98	133	98	115	100	133	133	133	133	98
Services Call	96	91	80	99	126	91	91	91	91	105
Other Calls & Incidents	113	2	74	4	19	2	2	2	2	3
Water										
Number of customer accounts billed	33,716	33,671	33,873	34,146	33,339	33,671	34,290	34,426	34,381	33,811
Water annual demand in thousand gallons	204,900	189,530	197,568	209,982	210,152	200,164	190,158	176,458	173,562	173,231
Available supply of water in thousand gallons	239,356	218,851	223,022	241,805	261,102	259,590	230,547	199,143	200,321	216,995
total Customer service calls	1,177	1,253	1,253	1,193	1,488	1,253	838	990	1,742	2,336
Meter installs/removals/change outs	14	16	14	24	13	16	88	34	732	1,468
Meter repairs	8	1	34	5	23	1	-	-	-	-
Leak investigations	6	11	34	29	61	11	43	51	73	85
Service profiles	57	65	31	63	61	65	47	45	23	24
Turn on/off	508	669	878	891	1,099	669	542	592	656	636
Manual Reads	453	416	444	126	111	416	543	806	1,795	3,810
Misc.	60	75	53	55	68	75	206	302	990	1,591
Wastewater										
Customer service calls, wastewater	41	52	43	33	36	52	44	44	44	33
New customer sewer lines installed	3	1	4	0	2	1	2	2	2	2
Sewer mains cleaned/flushed in miles	15.5	15	17.38	16	18	15	17	17	17	11
Sewer mains and laterals repaired in number of jobs	16	11	12	9	8	11	18	18	18	10
Sewer manholes inspected	363	363	374	374	374	363	370	370	370	186
Sewer manholes installed	0	0	0	0	0	0	0	0	0	0
Sewer spill responses	7	5	1	1	2	5	3	3	3	2

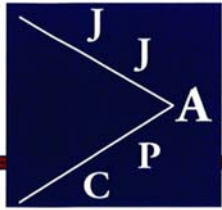
¹ The governing agency offer the Fort Bragg Volunteer Fire Department is the Fort Bragg Fire Protection Authority Joint Powers Agreement (JPA). The JPA is a board of directors formed in the 1989-90 fiscal year. It consists of two members from the Fort Bragg City Council appointed by the City's mayor, two members from the Fort Bragg Rural Fire District Board appointed by their chairman, and an "At Large" member appointed by the other four members. The City of Fort Bragg is responsible for 50% of the Fire Department budget.

Source: Operating indicators were provided by the various operating departments.

City of Fort Bragg, California
Capital Asset Statistics by Function
Last Ten Fiscal Years
(Fiscal year ended June 30)

Function	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Police :										
Stations	1	1	1	1	1	1	1	1	1	1
Public works										
Streets (miles)	26.4	26.4	26.4	26.4	26.4	26.4	26.4	26.4	26.4	27.5
Alleys (miles)	19	19	19	19	19	19	19	19	19	19
Storm drains (miles)	10	10	10	10	10	10	10	10	10	10
Streetlights	725	725	725	725	725	725	725	725	725	725
Sidewalks	40	40	40	40	40	40	40	40	40	40
Water										
Water treatment plant	1	1	1	1	1	1	1	1	1	1
Water mains (miles)	30	30	30	30	30	30	30	30	30	30
Raw water transmission line (miles)	5.75	5.75	5.75	5.75	5.75	5.75	5.75	5.75	5.75	5.75
Wastewater										
Wastewater treatment plant	1	1	1	1	1	1	1	1	1	1
Sanitary sewers (miles)	27	27	27	27	27	27	27	27	27	30
Parks and Facilities										
Parks	4	4	4	5	2	4	4	4	4	4
Recreational/Guest Facilities	3	3	3	3	3	3	3	3	3	3
Government Facilities	2	2	2	2	2	2	2	2	2	2

Source: City Finance, Public Works and Planning Departments



JJACPA, Inc.

A Professional Accounting Services Corp.

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING
STANDARDS**

Independent Auditor's Report

The Honorable City Council
City of Fort Bragg
Fort Bragg, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Fort Bragg, California (City), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated April 25, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

April 25, 2025

JJACPA, Inc.

JJACPA, Inc.

Dublin, CA