ANNUAL COMPREHENSIVE FINANCIAL REPORT

Fiscal Year Ended June 30, 2025

City of Fort Bragg, California

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City of Fort Bragg, California

Annual Comprehensive Financial Report
Fiscal Year Ended June 30, 2025

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, 2025

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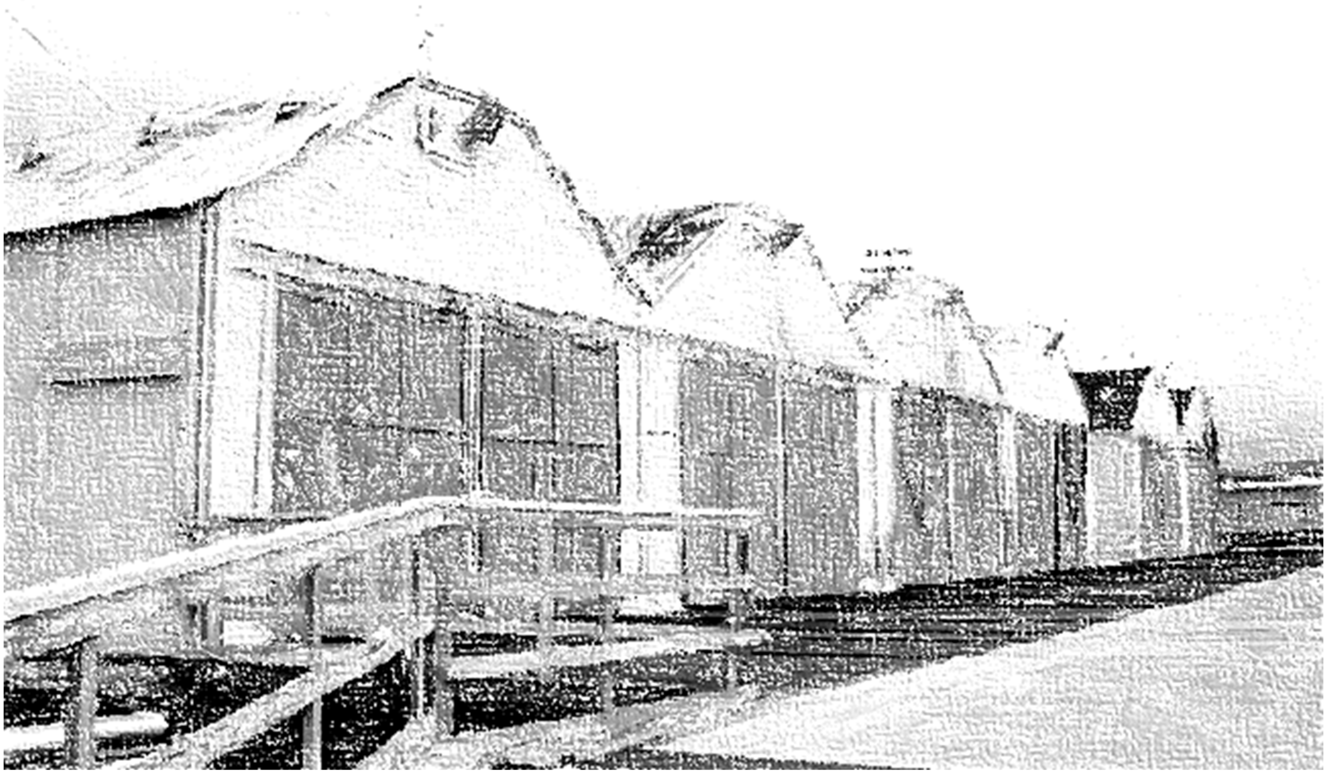

INTRODUCTORY SECTION

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

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March 18, 2026

The Honorable City Council
City of Fort Bragg

Transmittal of the Annual Comprehensive Financial Report for the Fiscal Year Ended June 30, 2025

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 City of Fort Bragg for the fiscal year ended June 30, 2025. This report has been prepared in accordance with generally accepted accounting principles (GAAP) and standards established by the Governmental Accounting Standards Board (GASB) and is intended to provide a complete and transparent presentation of the City's financial position and results of operations.

Management is responsible for the accuracy, completeness, and fairness of the information contained in this report, as well as for establishing and maintaining a system of internal controls designed to provide reasonable assurance that assets are safeguarded and that financial records are reliable for preparing financial statements in conformity with GAAP. These internal controls are designed to protect public resources while ensuring accountability and sound financial management.

The City's financial statements have been audited by JJACPA, Inc., an independent firm of certified public accountants 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 all material respects, 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 fiscal year. It is intended to complement this letter of transmittal and should be read in conjunction with the basic financial statements and notes for a fuller 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 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 because of the City Council's governing responsibility and the close financial relationship they share with the City. Additional detail regarding these component units is provided in the MD&A and the Notes to the Basic Financial Statements.

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 approximately 6,983, Fort Bragg is the largest city on the Northern California coast between San Francisco and Eureka. The City spans 2.7 square miles and is known for its coastal setting, historic character, and role as a regional center for tourism, recreation, services, and commerce.

Fort Bragg operates under the Council-Manager form of government. The five-member City Council is elected at large to staggered four-year terms, and the Mayor is selected by the Council. The Council appoints the City Manager, who is responsible for carrying out Council policy, overseeing municipal operations, and managing City departments and personnel.

The City provides a broad range of services, including police protection, water and wastewater utility operations, public works, community development, administrative services, and recreation and wellness programming through the C.V. Starr Community Center. The City also works collaboratively with other public agencies, special districts, and joint powers authorities that support fire protection, wastewater treatment, education, healthcare, and harbor services throughout the region.

The City's annual budget serves as an important financial and policy document, aligning available resources with City Council priorities, strategic initiatives, and service needs. The City Manager is responsible for preparing and administering the budget, including capital planning and ongoing fiscal monitoring throughout the year. The City maintains internal controls, budgetary oversight, and an encumbrance accounting system to strengthen fiscal discipline and ensure appropriations are not exceeded.

Spending Limitation

Article XIIIB of the California Constitution, commonly known as the Gann Spending Limitation, restricts the amount of proceeds of taxes that California governments may appropriate each year. The City continues to remain below its appropriations limit and was not constrained by the Gann limitation during fiscal year 2024/25.

Economic Conditions and Fiscal Outlook

Fort Bragg's local economy continues to be shaped by its role as a coastal destination community, with tourism, retail activity, healthcare, education, and public services serving as important economic drivers. The City's General Fund remains significantly supported by transient occupancy tax (TOT), sales and use tax, and property tax revenues. These revenues continued to perform steadily during fiscal year 2024/25, reflecting a stable local economy and prudent fiscal management.

During fiscal year 2024/25, the City saw growth in several key revenue categories. Property tax revenues increased by approximately 6%, sales and use tax increased by approximately 14%, and transient occupancy tax increased modestly following the partial-year implementation of Measure U. Measure T and Measure U, both effective April 1, 2025, began contributing additional local revenue in support of municipal services and long-term financial sustainability.

While the broader economy continues to face uncertainty related to inflationary pressures, interest rates, housing affordability, and potential trade disruptions, the City remains focused on long-term fiscal resilience. Local unemployment has continued to improve from pandemic-era highs, and Fort Bragg's economy remains supported by visitor spending, local business activity, and ongoing public investment.

At the same time, the City continues to navigate longer-term fiscal challenges common to many local governments, including rising personnel costs, pension obligations, infrastructure replacement needs, and uncertainty in state and federal funding. These conditions reinforce the importance of maintaining strong reserves, pursuing outside funding opportunities, and making strategic investments that support the City's long-term operational and financial health.

Major Initiatives and Financial Highlights

Fiscal year 2024/25 was marked by significant progress in infrastructure investment, utility modernization, and implementation of strategic priorities that position the City for long-term resilience.

Fiscal Year 2024/25 was marked by significant progress across multiple strategic priorities, reflecting the City's continued commitment to economic vitality, infrastructure investment, organizational excellence, and community engagement. Key accomplishments include:

- **Voter Approval of Measures T and U**, generating over **$1.4 million in new ongoing General Fund revenue to** support essential City services and long-term fiscal sustainability.
- **Attainment of a 30% General Fund Reserve Level**, exceeding best practice recommendations and strengthening the City's financial resilience and ability to respond to economic uncertainty.
- **Investment of $3.5 Million into the City's Section 115 Trust**, proactively addressing long-term pension obligations and reinforcing the City's commitment to responsible financial planning.
- **Advancement of the Municipal Broadband Initiative**, including approximately **$17.4 million in infrastructure investment,** positioning Fort Bragg for long-term economic development, digital equity, and modernized connectivity.
- **Adoption of the City's Strategic Plan (2024–2028+)**, establishing a clear roadmap to guide policy decisions, capital investments, and organizational priorities over the coming years.
- **Advancement of Housing Initiatives**, including applying for the State's **Pro-Housing Designation**, reinforcing the City's commitment to reducing barriers and accelerating housing production.
- **Approval of the Largest Housing Project in Decades**, including an **83-unit development on South Main Street**, with approvals secured from both the City Council and the California Coastal Commission. This project represents the first new

market-rate housing on the coast in decades and is a significant step toward expanding housing options and increasing overall supply.

- **Completion of a Nexus Study for Capacity Fees**, ensuring that development impact fees are **legally defensible, aligned with growth, and supportive of infrastructure funding needs.**
- **Investment in the City's Workforce**, including the implementation of **cost-of-living adjustments (COLAs)—among the most significant in recent years—** to support employee retention, recruitment, and organizational stability.
- **Enhanced Employee Development and Organizational Culture**, including expanded **team building initiatives, staff training programs, and professional development opportunities,** reinforcing the City's commitment to investing in its people.
- **Launch of the Volunteer Central Program**, expanding opportunities for community members to engage in civic activities and strengthening partnerships between the City and residents.
- **Investment in Accela Permitting Software**, improving efficiency, transparency, and customer service through streamlined permitting and development processes.
- **Outsourcing of Building Inspections and Plan Check Services to 4Leaf**, significantly **improving permit processing timelines, increasing responsiveness, and enhancing service delivery** for development projects.
- **Expanded Communication and Public Engagement Efforts**, including the launch of the **City Manager's "CM Roundup" e-newsletter**, enhancing transparency and keeping the community informed.
- **Downtown Revitalization Initiatives**, including beautification efforts, business support programs, and targeted economic development strategies to strengthen the Central Business District.
- **Introduction and Growth of Community Events**, including the **Blues Festival**, helping activate public spaces, support local businesses, and enhance Fort Bragg's identity as a destination community.

Long-Term Financial Planning

The City continues to emphasize long-term financial planning through reserve policies, pension management strategies, capital planning, and multi-year forecasting. The City Council has maintained its commitment to key General Fund reserves and fiscal policies intended to support service continuity, respond to economic uncertainty, and preserve organizational flexibility.

The City's financial policies are designed to maintain a financially viable local government, provide flexibility to adapt to economic changes, and preserve the City's fiscal integrity. These policies guide budgeting, reserves, debt management, capital financing, investments, cost allocation, accounting and financial reporting, and related fiscal practices. These policies continue to play a significant role in shaping the City's financial condition and decision-making.

The City remains proactive in managing pension and other post-employment benefit obligations through long-term planning tools, including $3.5 million invested in the Section 115 trust and continued review of funding strategies. The Finance Department also continues to prepare and update a five-year General Fund forecast to support mid-year and annual budget planning, helping identify opportunities and challenges before they materially affect service delivery.

Acknowledgments

The timely preparation of this report would not have been possible without the professionalism, diligence, and commitment of the City's Finance Department and staff across the organization. I want to especially recognize our Assistant Finance Director Merilyn Tiriboyi and finance team for their work in preparing this report and maintaining strong financial reporting practices throughout the year.

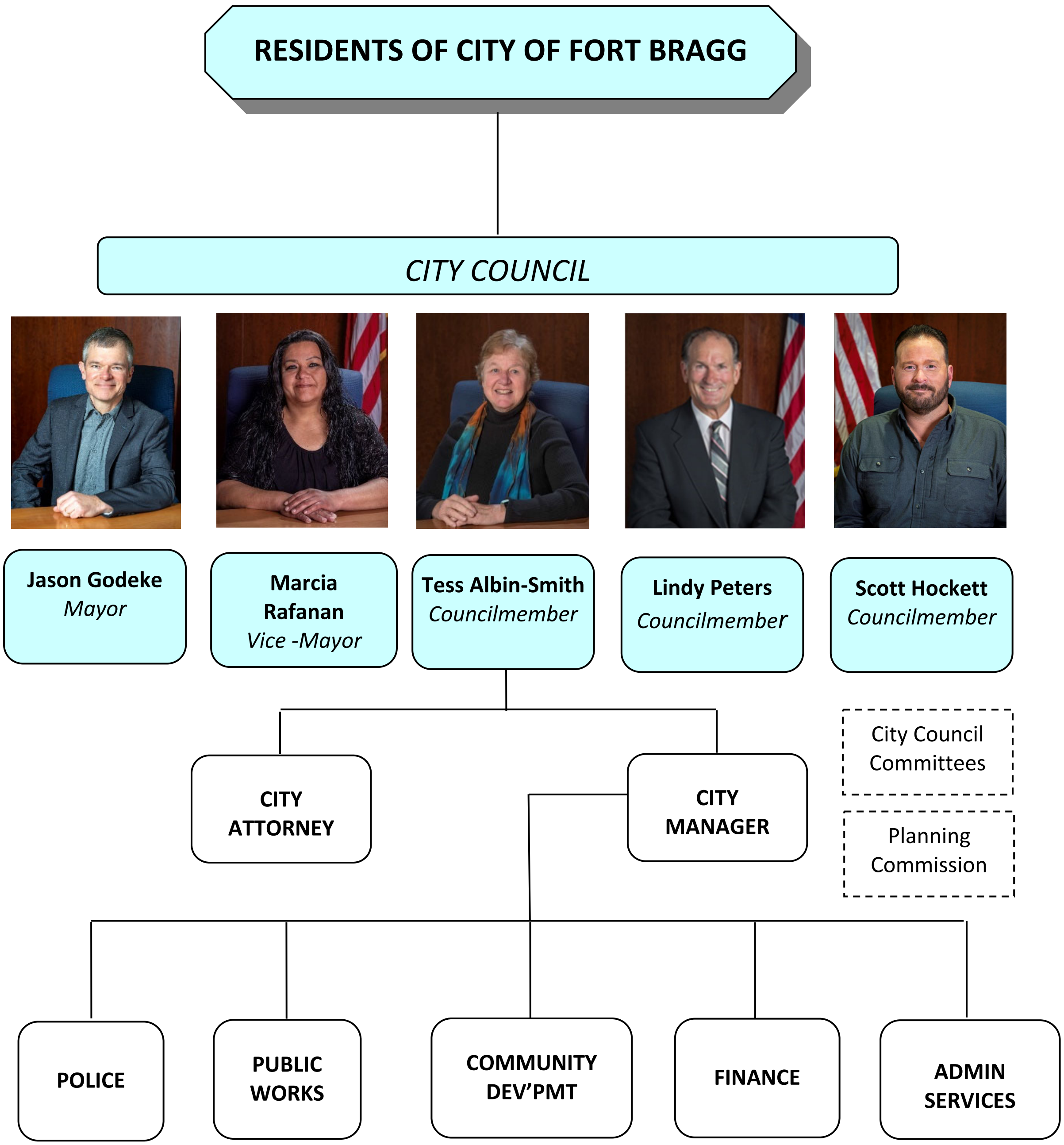
I would also like to thank the Mayor and City Council for their continued leadership, support, and commitment to sound fiscal stewardship. Their policy direction and support have helped position the City to make meaningful investments while maintaining a strong financial foundation.

Fort Bragg continues to make progress in strengthening its financial position, investing in infrastructure, and preparing for the future. This report reflects that commitment and the work being done across the organization to responsibly serve our community.

Respectfully submitted,

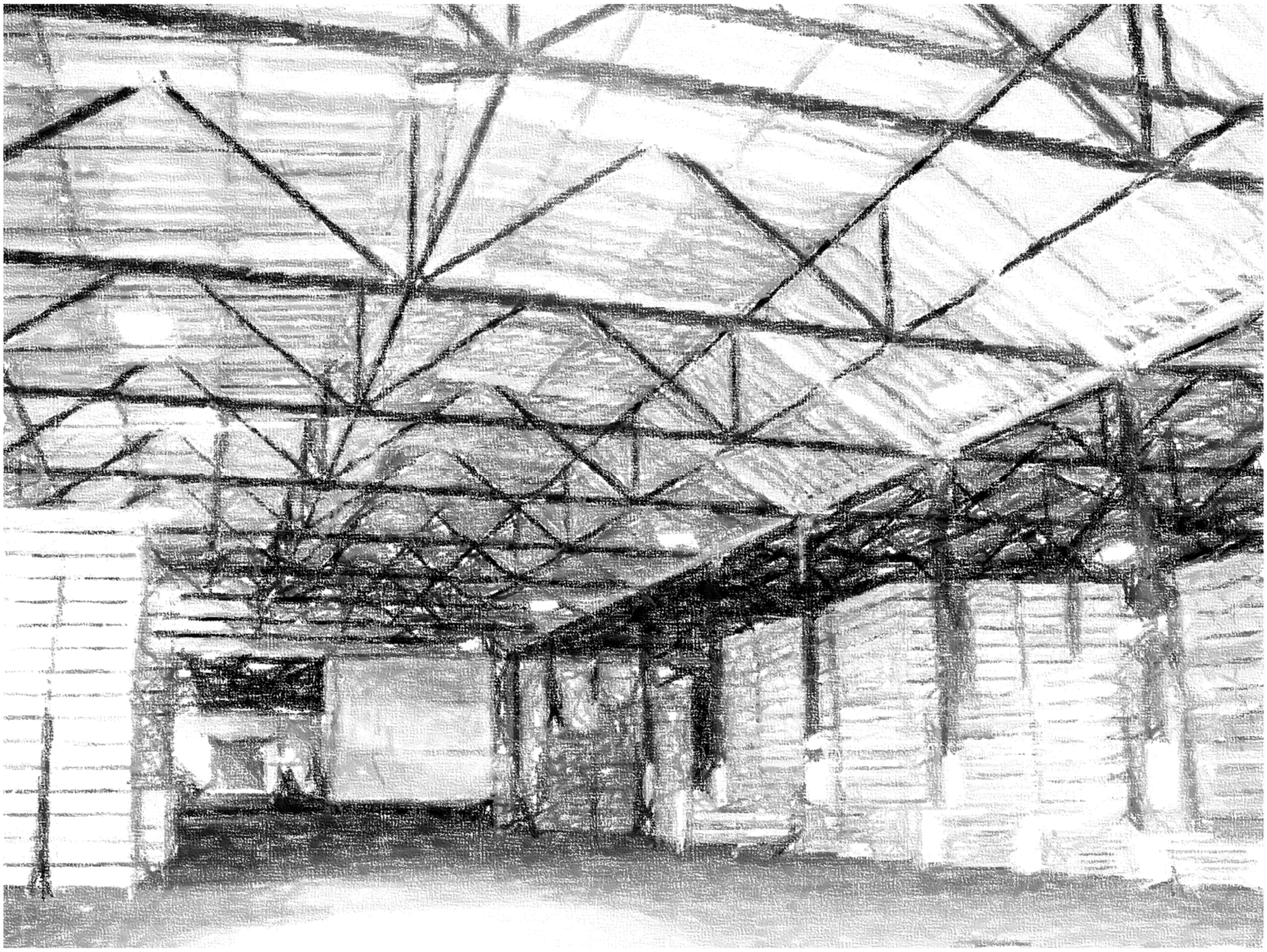
Isaac Whippy
City Manager

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



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, 2025, 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, 2025, 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.

7080 Donlon Way, Suite 204, Dublin, CA 94568 ● phone (925) 556-6200 ● fax: (707) 232-6226
1102 South Main Street, #1, Fort Bragg, CA 95437 ● phone (707) 964-6325
www.jjacpa.com

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 94, the Net OPEB Liability Schedule of Contributions on page 96, the City's Schedules of Contributions, Pensions on pages 97-98, and the Schedules of the City's Proportionate Share of the Net Pension Liability on pages 99-100, 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 March 18, 2026, 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.

JJACPA, Inc.

March 18, 2026

JJACPA, Inc.
Dublin, CA

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, 2025. It should be read in conjunction with the accompanying transmittal letter and basic financial statements.

FINANCIAL HIGHLIGHTS

- Total net position increased by $14.33 million, rising from $109.86 million to $124.19 million, reflecting continued strengthening of the government's financial position.
- Governmental activities net position increased by $949,884.
- Business type activities net position increased by $13.38 million.
- Total governmental fund balances increased by $669,615, ending the year at $16.19 million.
- The General Fund ended the year with a fund balance of $8.83 million, maintaining strong reserves.
- Total proprietary fund net position increased from $59.57 million to $72.94 million.
- The Broadband Fund was established in fiscal year 2025, ending the year with $535,445 in net position.

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.

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.

OVERVIEW OF THE ANNUAL FINANCIAL REPORT, Continued

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), C.V. Starr Community Center and the newly established Broadband Fund. 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.

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.

OVERVIEW OF THE ANNUAL FINANCIAL REPORT, Continued

For the fiscal year ended June 30, 2025, the City's major funds are as follows:

GOVERNMENTAL FUNDS:

- General Fund
- CDBG Program Income Special Revenue
- Housing Successor Agency Special Revenue
- Prop 84 Special Revenue
- Other State Grants Special Revenue
- Other Capital Projects

For the fiscal year ended June 30, 2025, 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, C.V. Starr Center, and Broadband 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.

ENTERPRISE-TYPE FUNDS:

- Water enterprise Fund
- Wastewater enterprise Fund
- CV Starr Center enterprise Fund
- Broadband 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 49-91 of this report. Required Supplementary Information follows the notes on page 94.

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 103-121 of this report. Combining statements for internal services funds are presented on pages 123-125.

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, 2025, and June 30, 2024.

Summary of Net Position

	2025			2024		
	Govern-mental Activities	Business-type Activities	Total	Govern-mental Activities	Business-type Activities	Total
Current and other assets	$ 22,193,945	$ 19,977,478	$ 42,171,423	$ 22,128,295	$ 10,165,062	$ 32,293,357
Noncurrent assets	52,945,171	68,299,886	121,245,057	44,879,778	56,606,370	101,486,148
Total assets	75,139,116	88,277,364	163,416,480	67,008,073	66,771,432	133,779,505
Deferred outflows of resources	3,034,619	814,071	3,848,690	5,684,493	467,809	6,152,302
Total assets and deferred outflows of resources	78,173,735	89,091,435	167,265,170	72,692,566	67,239,241	139,931,807
Current and other liabilities	1,804,918	1,705,817	3,510,735	1,386,262	2,130,873	3,517,135
Long-term liabilities	22,882,771	13,711,242	36,594,013	16,395,469	5,075,628	21,471,097
Total liabilities	24,687,689	15,417,059	40,104,748	17,781,731	7,206,501	24,988,232
Deferred inflows of resources	2,240,961	729,691	2,970,652	4,615,634	466,995	5,082,629
Total liabilities and deferred inflows of resources	26,928,650	16,146,750	43,075,400	22,397,365	7,673,496	30,070,861
Net position:						
Net investment in Capital Assets	52,945,171	63,838,886	116,784,057	44,879,778	52,050,370	96,930,148
Restricted	7,474,724	643,509	8,118,233	5,839,731	108,064	5,947,795
Unrestricted (deficit)	(9,174,810)	8,462,290	(712,520)	(424,308)	7,407,311	6,983,003
Total net position	$ 51,245,085	$ 72,944,685	$ 124,189,770	$ 50,295,201	$ 59,565,745	$ 109,860,946

Analysis of Net Position

As of June 30, 2025, the City's total net position increased to $124.19 million, an increase of $14.33 million (13.0%) from the prior year. Both governmental and business-type activities contributed to this growth, driven largely by strong capital-related revenues and continued growth in enterprise operations. The specific revenue and expense factors underlying this year-over-year change are discussed in detail in the following sections of this report.

- Net investment in capital assets increased by $19.85 million, reflecting significant infrastructure investment. Major capital outlays included:
    - Water Treatment Plant Upgrade: $8.37 million
    - Streets Project infrastructure improvements: $4.70 million
    - Municipal Broadband Project: $3.02 million
    - Solar Project: $3.79 million

- Restricted net position increased by $2.17 million, including $1.77 million contributed to the City's Section 115 trust.

GOVERNMENT-WIDE FINANCIAL ANALYSIS, continued

- Unrestricted net position decreased from $6.98 million to $712,520, primarily due to higher long-term liabilities associated with new debt issuances (the 2025 Solar Equipment Lease Payable and the 2025 Broadband IPA Loan) and the reclassification of resources into restricted categories.

Despite these shifts, the City's overall financial position strengthened significantly.

Analysis of Assets and Liabilities

Government-wide assets and deferred outflows increased from $139.93 million to $167.27 million, reflecting substantial growth in both restricted resources and capital investment. The primary drivers of this increase were:

- Restricted cash and investments increased by $14.51 million, largely due to newly received, externally restricted proceeds from the Broadband IPA Loan and the Solar Equipment Capital Lease. Because these proceeds are legally restricted for specific capital purposes, they expand the City's restricted asset base rather than its discretionary resources.
- Capital assets increased by $19.76 million, with growth occurring across both activity types:
    - Governmental activities: $8.07 million
    - Business-type activities: $11.69 million

This growth reflects the major capital projects outlined in the Net investment in capital assets section, including the Water Treatment Plant Upgrade, Streets Project improvements, Municipal Broadband Project, and Solar Project.

Total liabilities and deferred inflows increased from **$30.07 million** to **$43.08 million**, primarily due to:

- New long-term debt in both governmental and business-type activities associated with new debt issuances (the 2025 Solar Equipment Lease Payable and the 2025 Broadband IPA Loan).

GOVERNMENT-WIDE FINANCIAL ANALYSIS, Continued

Analysis of Statement of Activities

The Primary Government's net position increased 13%, rising from $109.86 million to $124.19 million, primarily due to a substantial increase in capital grant revenue. The following table shows the revenue, expenses, and changes in net position for governmental and business-type activities:

Changes in Net Position

	2025			2024		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
Revenues:						
Program revenues:						
Charges for services	$ 5,344,055	$ 7,518,352	$ 12,862,407	$ 5,737,381	$ 7,402,248	$ 13,139,629
Grants and contributions:						
Operating	4,523,442	-	4,523,442	2,799,940	-	2,799,940
Capital	11,052,154	100,000	11,152,154	1,674,319	350	1,674,669
General revenues:						
Property taxes and assessments	1,343,515	326,804	1,670,319	1,272,386	309,827	1,582,213
Sales and use tax	3,712,189	1,350,872	5,063,061	3,260,936	1,169,582	4,430,518
Transient occupancy taxes	3,158,742	-	3,158,742	3,092,214	-	3,092,214
Other taxes	846,840	-	846,840	974,149	-	974,149
Unrestricted investment earnings	896,678	392,028	1,288,706	659,402	495,098	1,154,500
Other general	99,810	2,084,023	2,183,833	1,172,214	-	1,172,214
Total revenues	30,977,425	11,772,079	42,749,504	20,642,941	9,377,105	30,020,046
Expenses:						
Governmental activities:						
General government	4,137,959	-	4,137,959	3,795,646	-	3,795,646
Public safety	5,867,730	-	5,867,730	5,981,475	-	5,981,475
Public works	4,417,489	-	4,417,489	3,927,091	-	3,927,091
Community development	1,586,244	-	1,586,244	1,219,080	-	1,219,080
Marketing and promotion	236,514		236,514	237,178		237,178
Interest and fiscal charges	533,329	-	533,329	244,957	-	244,957
Business-type activities:						
Water	-	2,885,947	2,885,947	-	3,357,505	3,357,505
Wastewater	-	4,960,709	4,960,709	-	3,639,203	3,639,203
C.V. Starr Center	-	3,613,759	3,613,759	-	2,875,258	2,875,258
Broadband	-	181,000	181,000	-	-	-
Total expenses	16,779,265	11,641,415	28,420,680	15,405,427	9,871,966	25,277,393
Excess (Deficiency) of revenues over expenditures before transfers	14,198,160	130,664	14,328,824	5,237,514	(494,861)	4,742,653
Transfers	(13,248,276)	13,248,276	-	204,063	(204,063)	-
Change in net position	949,884	13,378,940	14,328,824	5,441,577	(698,924)	4,742,653
Net position:						
Beginning of year	50,295,201	59,565,745	109,860,946	44,853,624	60,264,669	105,118,293
End of year	$ 51,245,085	$ 72,944,685	$ 124,189,770	$ 50,295,201	$ 59,565,745	$ 109,860,946

Revenues

The City's total government-wide revenues increased from $30.02 million in fiscal year 2024 to $42.75 million in fiscal year 2025, a substantial increase of $12.73 million (42.4%). Revenues are divided into two categories: program revenues and general.

Program revenues increased by $10.92 million (62%) compared to the prior year. The primary drivers of this growth were:

GOVERNMENT-WIDE FINANCIAL ANALYSIS, Continued

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

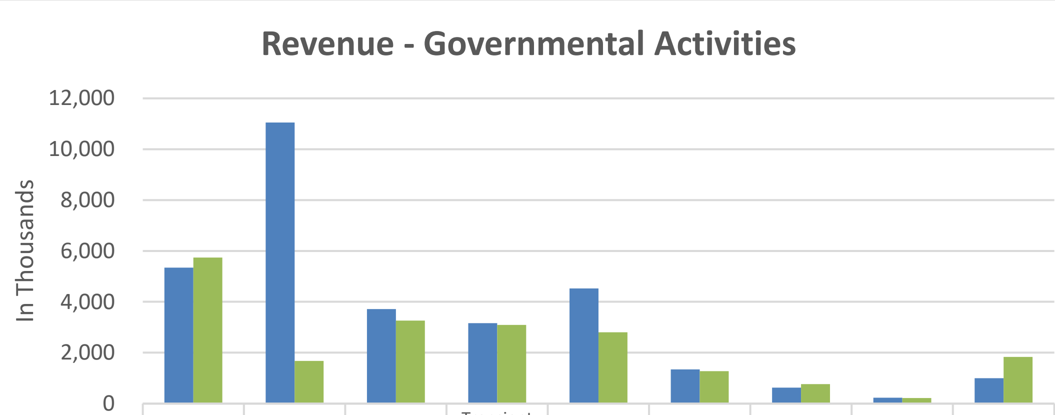
1. **Capital contributions and grants,** which rose by $9.48 million, reflecting significant capital funding activity for the Water Treatment Plant Overhaul Project and the Raw Water Line Replacement Project.

2. **Operating grants and contributions,** which increased by $1.72 million. This was largely due to:
   - $1.29 million in reimbursement revenue for the Broadband Project through the Federal Funding Account grant, and
   - $524,229 in reimbursement revenue for the Water Meter Replacement Project, funded by the Community Development Block Grant (CDBG) program.

General revenues had an overall increase of $1.81 million or 15%, ending the year at $14,211,501. The City's 3 most significant general revenue sources - property taxes, sales & use tax, and transient occupancy tax - accounted for some of this change.

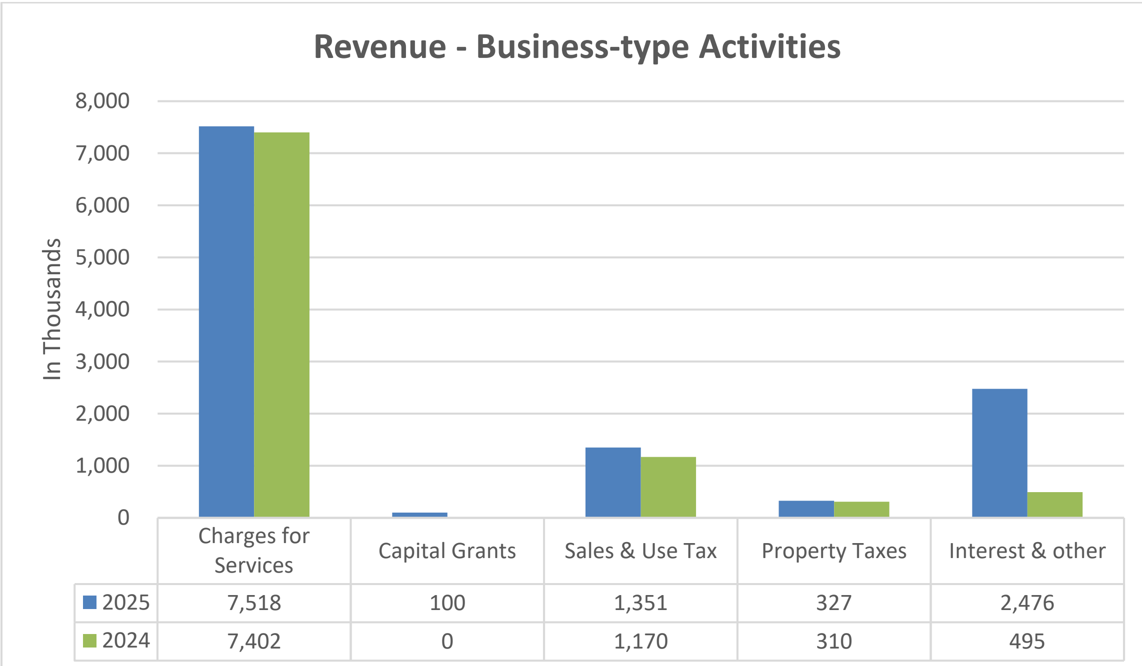
- Property taxes increased by $88,106 (6%) reflecting continued stability and predictable growth in the City's assessed valuation.
- Sales & use tax increased by $633,000 (14%), compared to fiscal year 2024. Of this amount, $226,000 resulted from the voter-approved Measure T rate increase effective April 1, 2025. The remaining $407,000 reflects ongoing growth in taxable sales and inflationary price impacts.
- Transient occupancy tax (TOT) increased by $66,528, primarily due to the partial-year implementation of Measure U, which raised the TOT rate from 12% to 14% effective April 1, 2025. Because the rate change applied to only one quarter of the fiscal year and lodging activity remained stable, the overall revenue impact was modest.

Revenues by source for the fiscal years ended June 30, 2025, and 2024, are as follows:



	Charges for Services	Capital Grants	Sales & Use Tax	Transient Occupancy Tax	Operating Grants	Property Taxes	Franchise Taxes	Other Taxes	Interest & other
2025	5,344	11,052	3,712	3,159	4,523	1,343	621	226	997
2024	5,737	1,674	3,261	3,092	2,800	1,272	762	213	1,832

GOVERNMENT-WIDE FINANCIAL ANALYSIS, Continued



Expenses

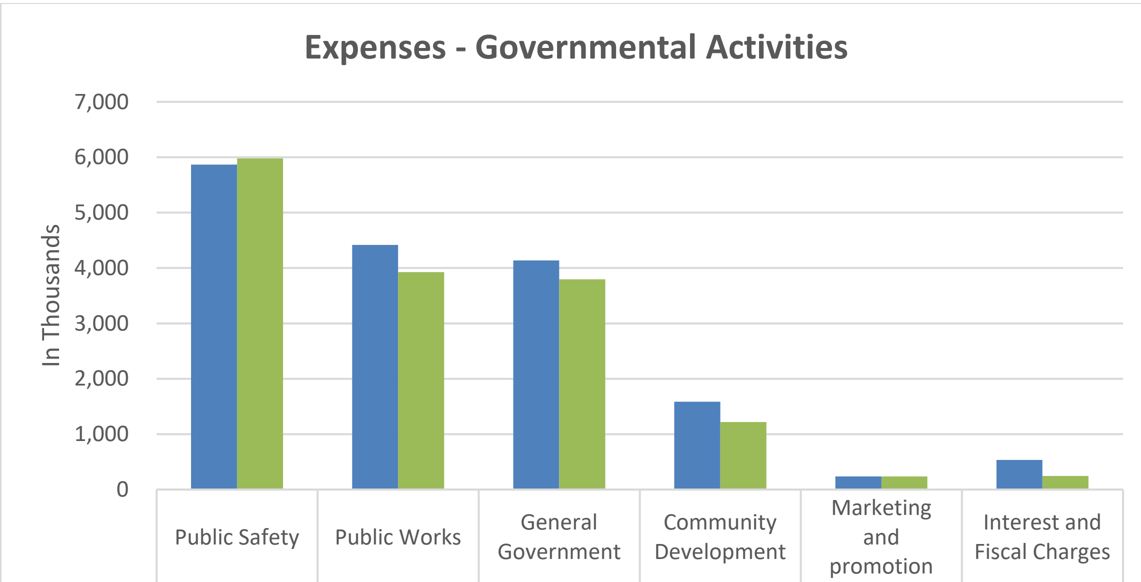
In fiscal year 2025, the City's governmental and business-type activity expenses totaled $28.42 million, an increase of $3.14 million, or 12%, compared to the prior fiscal year. The most significant increases occurred within business-type activities, primarily in the Wastewater Fund and the C.V. Starr Community Center, driven largely by higher pension expense. Pension expense rose due to the required GASB 68 actuarial adjustment, as updated CalPERS valuations reflected higher net pension liabilities and changes in deferred inflows and outflows of resources resulting from investment performance and revised actuarial assumptions. These factors increased the amount of pension expense recognized under GASB 68 for the fiscal year.

- Governmental expenses made up 59% of the total costs, amounting to $16.78 million, with public safety and public works being the largest components, followed by general government and community development.

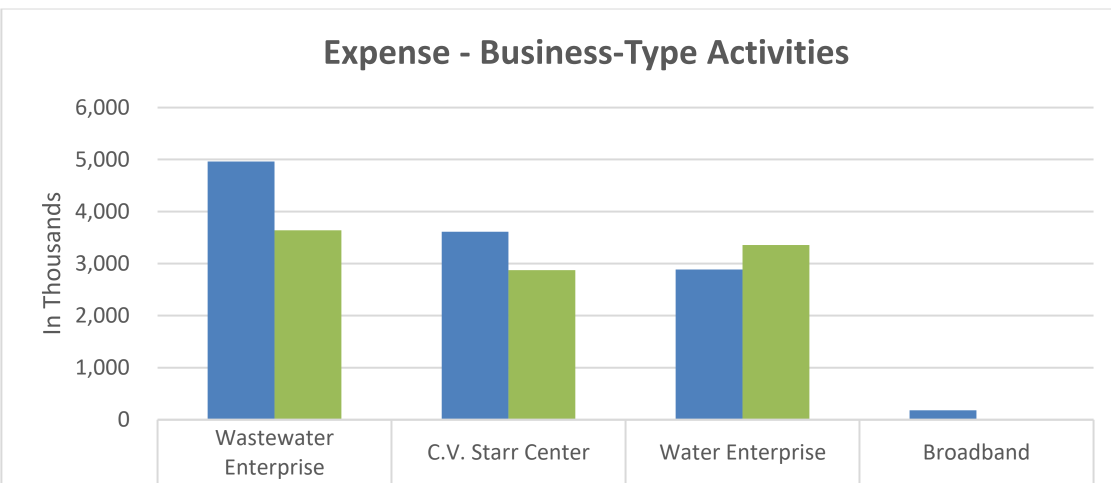
- Business-type activities accounted for $11.64 million, or 41% of the City's total expenses for the fiscal year.

GOVERNMENT-WIDE FINANCIAL ANALYSIS, Continued

Expense by activity for the fiscal years ended June 30, 2025, and 2024, are as follows:



	Public Safety	Public Works	General Government	Community Development	Marketing and promotion	Interest and Fiscal Charges
2025	5,868	4,417	4,138	1,586	237	533
2024	5,981	3,927	3,796	1,219	237	245



	Wastewater Enterprise	C.V. Starr Center	Water Enterprise	Broadband
2025	4,961	3,613	2,886	181
2024	3,639	2,875	3,358	0

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, 2025, and 2024 are as follows:

	2025		2024	
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
General government	$ 4,137,959	$ 1,058,714	$ 3,795,646	$ 1,477,375
Public safety	5,867,730	4,938,352	5,981,475	5,080,108
Public works	4,417,489	(8,903,789)	3,927,091	(1,025,345)
Community development	1,586,244	(2,003,506)	1,219,080	(820,486)
Marketing and promotions	236,514	236,514	237,178	237,178
Interest and fiscal charges	533,329	533,329	244,957	244,957
Total	$ 16,779,265	$ (4,140,386)	$ 15,405,427	$ 5,193,787

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.

<u>Governmental funds</u>

The City's governmental funds provide information on near-term inflows, outflows, and balances of spending resources. As of June 30, 2025, the City's governmental funds reported combined fund balances of $16.19 million, an increase of $669,615 from the previous year's total of $15.52 million

Governmental fund assets totaled $30.47 million, driven by cash and investments ($5.86 million), restricted cash and investments ($7.78 million), loans and notes receivable ($5.09 million), interest receivable ($4.38 million), due from other funds ($3.79 million), and other receivables ($3.18 million). The increase in restricted cash and investments reflects newly received, externally restricted proceeds from the Solar Equipment Capital Lease.

Governmental fund liabilities were $9.47 million, consisting mainly of due to other funds ($8.04 million), accounts payable and accrued liabilities ($1.07 million) and deposits payable ($155,065). The elevated due-to-other-funds balance reflects temporary financing for capital projects and timing differences in grant reimbursements.

Deferred inflows totaled $4.81 million, consisting of unavailable revenue from loans and notes receivable ($4.61 million) and other unavailable revenues ($201,407). These amounts represent resources not yet available for current spending, largely tied to long-term housing and community development loans.

FUND FINANCIAL ANALYSIS, Continued

Governmental fund Revenues & Expenditures

Governmental fund revenues totaled $30.98 million, while expenditures were $25.68 million, resulting in a $5.3 million excess of revenues over expenditures. Intergovernmental revenues were the largest source at $15.79 million, driven primarily by $10.41 million in grant-funded capital support for the Water Treatment Plant Overhaul and Raw Water Line Replacement projects. Taxes and assessments provided $9.06 million, reflecting continued strength in property, sales and use, and transient occupancy taxes.

On the expenditure side, capital outlay was the largest category at $10.08 million, followed by public safety ($5.24 million) and general government ($3.73 million). These expenditures reflect ongoing investment in infrastructure and continued support for core municipal services.

General Fund

The General Fund, the City's primary operating fund, ended fiscal year 2025 with a balance of $8.83 million, a slight decrease of $347,581. This modest decline reflects normal operating activity and the timing of revenues. The General Fund also provided temporary financing for capital projects experiencing short-term cash deficits due to the lag between expenditures and grant reimbursements.

Despite the small decrease, the General Fund remains financially strong, supported by stable tax revenues and prudent expenditure management.

Enterprise Funds

The City operates four business-type activities: Water, Wastewater, the C.V. Starr Community Center, and the newly established Broadband Fund. As of June 30, 2025, total enterprise fund net position increased from $59.57 million to $72.94 million, an increase of $13.38 million. This increase is driven primarily by major capital investment in the Water Fund, including the Water Treatment Plant Overhaul ($8.37 million), Raw Water Line Replacement ($2.87 million), and Water Meter Replacement ($2.56 million). These projects represent significant reinvestment in the City's core utility infrastructure and are expected to enhance long-term system reliability.

Water Fund

The Water Fund's net position increased significantly to $30.02 million, up from $16.67 million. The increase is primarily attributable to the major capital projects noted above. Current assets decreased due to the use of cash for capital construction, while long-term liabilities decreased. A $13.04 million transfer in supported capital activity, resulting in a total increase in net position of $13.35 million.

Sewer Fund

The Sewer Fund's net position decreased from $22.84 million to $21.47 million. Current assets declined slightly, and long-term liabilities decreased due to scheduled debt payments. The fund reported an operating loss of $1.31 million, primarily driven by changes in cost allocation methodology following an outsourced true-up process that applied a more streamlined approach.

FUND FINANCIAL ANALYSIS, Continued

C.V. Starr Community Center Fund

The C.V. Starr Center Fund’s net position increased to $20.93 million, up from $20.06 million. Current assets increased, while capital assets remained stable. The fund reported an operating loss of $2.73 million, driven by higher personnel, administrative, and utility costs. Strong non-operating revenues including $1.35 million in sales tax, $326,804 in property tax, and $2.08 million in other non-operating revenues, offset the operating deficit. After a $393,794 transfer out, net position increased by $869,480.

Broadband Fund

The Broadband Fund was newly established in fiscal year 2025 and ended the year with a net position of $535,445, all restricted for debt service. The fund reflects initial capitalization of the broadband infrastructure program, including $8.42 million in restricted cash. No operating activity occurred, and capital assets have not yet been placed into service.

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.

Fund Balance

The General Fund ended the fiscal year in a stronger position than anticipated in the final budget. While the budget projected a decrease in fund balance of approximately $2.0 million, the actual decrease was $347,581, resulting in an ending fund balance of $8.83 million, about $1.62 million higher than expected. This favorable outcome reflects both higher-than-budgeted revenues and lower-than-anticipated expenditures across several functional areas.

Revenues

Revenues exceeded the final budget by $1.08 million. The most significant positive variances occurred in reimbursements, and investment earnings, each outperforming expectations due to higher recoverable costs, and stronger investment returns. These gains offset shortfalls in intergovernmental revenues, which came in below budget primarily due to timing and availability of grant funding.

Expenditures

Expenditures were $1.48 million below the final budget. The variance was driven largely by the deferral of planned capital outlay, lower internal service cost allocations, and savings within public safety and public works operations. Most departments remained within their appropriations, and several achieved meaningful operational efficiencies during the year.

Other financing uses exceeded the budget due to higher transfers out to support other City funds; however, this impact was partially offset by higher-than-expected transfers in. Overall, the City’s conservative spending and stronger-than-anticipated revenue performance contributed to a year-end fund balance that positions the General Fund favorably for the upcoming fiscal year.

FUND FINANCIAL ANALYSIS, Continued

Capital Assets

At the end of fiscal year 2025, the City's investment in capital assets for its governmental and business-type activities totaled $121.25 million, an increase of $19.76 million from the prior year. 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. Capital assets are reported net of accumulated depreciation.

	Governmental Activities		Business-type Activities		Totals	
	2025	2024	2025	2024	2025	2024
Land	$ 12,952,262	$ 12,952,262	$ 3,210,698	$ 3,210,698	$ 16,162,960	$ 16,162,960
Construction in progress	8,594,444	4,671,669	17,478,518	6,577,339	26,072,962	11,249,008
Buildings	1,807,097	1,370,743	17,986,322	18,716,865	19,793,419	20,087,608
Machinery, equipment and vehicl	2,512,076	2,149,906	4,233,180	1,778,684	6,745,256	3,928,590
Infrastructure	27,079,292	23,735,198	25,391,168	26,322,784	52,470,460	50,057,982
Land improvements	-	-	-	-	-	-
Total	$ 52,945,171	$ 44,879,778	$ 68,299,886	$ 56,606,370	$ 121,245,057	$ 101,486,148

For governmental activities, capital assets increased by $8.07 million. The most significant changes occurred within construction in progress (CIP), which rose from $4.67 million to $8.59 million. This increase was driven primarily by two major projects: the Municipal Broadband Project, with current-year activity totaling $3.02 million, and the Citywide Solar Project, which added $3.79 million during the year. The increase in CIP was partially offset by the capitalization of the 2022 Streets Rehabilitation Project, which transferred $3.78 million out of CIP and into infrastructure upon completion.

For business-type activities, capital assets increased by $11.69 million, driven primarily by major capital investment in the Water Fund. Significant projects underway during the fiscal year included the Water Treatment Plant Overhaul ($8.37 million), the Raw Water Line Replacement ($2.87 million), and the Water Meter Replacement Program ($2.56 million).

Additional details on capital assets and related activities are presented in the notes to the financial statements.

Debt Administration

As of June 30, 2025, the City's total outstanding long-term debt was $27.89 million, an increase of $15.55 million from the prior year. The increase reflects the City's continued investment in major capital initiatives across both governmental and business-type activities.

During the year, the City issued two significant new debt instruments to support priority capital projects. For governmental activities, the City entered into the 2025 Solar Equipment Lease Payable, providing financing for the Citywide Solar Project. In addition, the 2025 Broadband IPA Loan was issued to advance the Municipal Broadband Project. These new obligations account for the majority of the year-over-year increase in outstanding debt.

Debt Administration, Continued

The City continues to manage its debt portfolio prudently, ensuring that new issuances align with long-term capital planning and maintain the City's overall financial flexibility. Additional details on long-term liabilities are presented in the notes to 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, 2025

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and investments	$ 6,351,644	$ 6,973,476	$ 13,325,120
Restricted cash and investments	7,780,623	8,623,319	16,403,942
Receivables:			
Accounts	6,031,700	1,155,148	7,186,848
Loans/Notes receivable	5,131,647	-	5,131,647
Internal balances	(3,104,478)	3,104,478	-
Inventory	-	121,057	121,057
Prepaid items	2,809	-	2,809
Total current assets	22,193,945	19,977,478	42,171,423
Capital assets:			
Nondepreciable	21,546,706	20,689,216	42,235,922
Depreciable	31,398,465	47,610,670	79,009,135
Total noncurrent assets	52,945,171	68,299,886	121,245,057
Total assets	75,139,116	88,277,364	163,416,480
DEFERRED OUTFLOWS OF RESOURCES			
Pension plan	2,500,101	814,071	3,314,172
OPEB, deferred outflow	534,518	-	534,518
Total deferred outflows of resources	3,034,619	814,071	3,848,690
Total assets and deferred outflows	$ 78,173,735	$ 89,091,435	$ 167,265,170
LIABILITIES			
Accounts payable and accrued liabilities	1,163,615	1,424,179	2,587,794
Interest payable	187,923	-	187,923
Deposits payable	155,065	171,420	326,485
Compensated absences - current portion	73,315	13,218	86,533
Due within one year	225,000	97,000	322,000
Total current liabilities	1,804,918	1,705,817	3,510,735
Long-term liabilities:			
Compensated absences	659,829	119,786	779,615
Due after one year	15,324,376	12,243,810	27,568,186
Net OPEB liability	2,759,794	-	2,759,794
Net pension liability	4,138,772	1,347,646	5,486,418
Total noncurrent liabilities	22,882,771	13,711,242	36,594,013
Total liabilities	24,687,689	15,417,059	40,104,748
DEFERRED INFLOWS OF RESOURCES			
Pension plan	2,240,961	729,691	2,970,652
Total deferred inflows of resources	2,240,961	729,691	2,970,652
Total liabilities and deferred inflows	26,928,650	16,146,750	43,075,400
NET POSITION			
Net investment in capital assets	52,945,171	63,838,886	116,784,057
Restricted for:			
Retirement	3,560,798		3,560,798
CDBG Program Income	565,691	-	565,691
Housing	455,454		455,454
Gas Tax	34,197	-	34,197
State and Federal Grants	1,861,929	-	1,861,929
Special Sales Tax	699,382	-	699,382
Asset Forfeiture	297,273	-	297,273
Debt Service	-	643,509	643,509
Unrestricted	(9,174,810)	8,462,290	(712,520)
Total net position	51,245,085	72,944,685	124,189,770
Total liabilities, deferred inflows and net position	$ 78,173,735	$ 89,091,435	$ 167,265,170

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, 2025

		Program Revenues		
Functions/Programs	**Expenses**	**Charges for Services**	**Operating Grants and Contributions**	**Capital Grants and Contributions**
Primary government:				
Governmental activities:				
General government	$ 4,137,959	$ 2,611,098	$ 425,206	$ 42,941
Public safety	5,867,730	317,155	612,223	-
Public works	4,417,489	2,018,934	456,638	10,845,706
Community development	1,586,244	396,868	3,029,375	163,507
Marketing and promotions	236,514	-	-	-
Interest and fiscal charges	533,329	-	-	-
Total governmental activities	16,779,265	5,344,055	4,523,442	11,052,154
Business-type activities:				
Water	2,885,947	3,050,432	-	100,000
Wastewater	4,960,709	3,565,617	-	-
CV Starr Center	3,613,759	902,303	-	-
Broadband	181,000	-	-	-
Total business-type activities	11,641,415	7,518,352	-	100,000
Total primary government	$ 28,420,680	$ 12,862,407	$ 4,523,442	$ 11,152,154

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
$ (1,058,714)	$ -	$ (1,058,714)
(4,938,352)	-	(4,938,352)
8,903,789	-	8,903,789
2,003,506	-	2,003,506
(236,514)	-	(236,514)
(533,329)	-	(533,329)
4,140,386	-	4,140,386
-	264,485	264,485
-	(1,395,092)	(1,395,092)
-	(2,711,456)	(2,711,456)
-	(181,000)	(181,000)
-	(4,023,063)	(4,023,063)
4,140,386	(4,023,063)	117,323
1,343,515	326,804	1,670,319
3,712,189	1,350,872	5,063,061
3,158,742	-	3,158,742
620,770	-	620,770
226,070	-	226,070
896,678	392,028	1,288,706
99,810	2,084,023	2,183,833
10,057,774	4,153,727	14,211,501
(13,248,276)	13,248,276	-
(3,190,502)	17,402,003	14,211,501
949,884	13,378,940	14,328,824
50,295,201	59,565,745	109,860,946
$ 51,245,085	$ 72,944,685	$ 124,189,770

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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.
Housing Successor Agency	Accounts for activities related to housing activities of the former Fort Bragg Redevelopment Agency.
Prop 84 Grant	To account for monies received from the State of California for construction projects.
Other State Grants	To account for all other State Grants. Includes grant monies recevied from the State of California for purchase of off highway vehicles for use by the City Police Department.
Other Capital Projects	These funds account for construction or acquisition of governmental capital assets (capital outlay).

City of Fort Bragg, California
Balance Sheet
Governmental Funds
June 30, 2025

	Major Funds		
	General Fund	CDBG Program Income Special Revenue	Housing Successor Special Revenue
ASSETS			
Cash and investments	$ 66,614	$ 466,850	$ 205,454
Restricted cash and investments	3,560,798	-	-
Receivables:			
Taxes	2,976	-	-
Interest	2,092	-	-
Intergovernmental	-	-	-
Loans/Notes receivable	2,769	2,092,188	2,863,875
Other receivable	1,518,378	-	-
Due from other funds	3,794,158	-	-
Advances to other funds	209,110	-	-
Prepaid items	2,809	-	-
Total assets	$ 9,159,704	$ 2,559,038	$ 3,069,329
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES			
Liabilities:			
Accounts payable and accrued liabilities	$ 278,099	$ -	$ -
Due to other funds	-	-	-
Deposits payable	50,828	-	-
Advances from other funds	-	-	-
Total liabilities	328,927	-	-
Deferred inflows of resources:			
Unavailable revenue	-	1,993,347	2,613,875
Total deferred inflows of resources:	-	1,993,347	2,613,875
Total Liabilities and deferred inflows	328,927	1,993,347	2,613,875
Fund balances:			
Nonspendable			
Prepaids	2,809	-	-
Advances to other funds	209,110	-	
Loans/Notes receivable	2,769	-	-
Restricted	3,560,798	565,691	455,454
Committed:			
Operating reserve	1,989,419	-	-
Recession reserve	489,929	-	-
Litigation reserve	200,000	-	-
Assigned	-	-	-
Unassigned (deficit)	2,375,943	-	-
Total fund balances	8,830,777	565,691	455,454
balances	$ 9,159,704	$ 2,559,038	$ 3,069,329

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

Major Funds				
Prop 84 Grant Special Revenue	Other State Grants Special Revenue	Other Capital Projects	Nonmajor Governmental Funds	Totals
$ 122,266	$ 20,627	$ -	$ 4,978,808	$ 5,860,619
-	-	4,219,825	-	7,780,623
-	-	-	-	2,976
-	-	-	-	2,092
1,072,200	1,842,159	171,483	1,292,247	4,378,089
-	-	-	172,815	5,131,647
-	-	-	130,165	1,648,543
-	-	1,454,697	202,879	5,451,734
-	-	-	-	209,110
-	-	-	-	2,809
$ 1,194,466	$ 1,862,786	$ 5,846,005	$ 6,776,914	$ 30,468,242
$ -	$ 5,953	$ 733,791	$ 52,915	$ 1,070,758
2,028,374	1,497,704	3,281,993	1,230,083	8,038,154
-	-	-	104,237	155,065
-	-	209,110	-	209,110
2,028,374	1,503,657	4,224,894	1,387,235	9,473,087
-	-	-	201,407	4,808,629
-	-	-	201,407	4,808,629
2,028,374	1,503,657	4,224,894	1,588,642	14,281,716
-	-	-	-	2,809
-	-	-	-	209,110
-	-	-	-	2,769
-	359,129	-	2,533,652	7,474,724
-	-	-	-	1,989,419
-	-	-	-	489,929
-	-	-	-	200,000
-	-	1,621,111	2,790,810	4,411,921
(833,908)	-	-	(136,190)	1,405,845
(833,908)	359,129	1,621,111	5,188,272	16,186,526
$ 1,194,466	$ 1,862,786	$ 5,846,005	$ 6,776,914	$ 30,468,242

City of Fort Bragg, California
Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position
June 30, 2025

Total fund balances - total governmental funds		$ 16,186,526
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.		50,663,366
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	$ (733,144)	
Lease payable	(15,549,376)	
Net OPEB obligation	(2,759,794)	
Net pension liability	(4,138,772)	(23,181,086)
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.		4,808,629
Interest payable on long-term debt does not require the use of current financial resources and, therefore, is not reported in the governmental funds.		(187,923)
Pension obligations result in deferred outflows and inflows of resouces associated with the actuarial value of contributions, assets, and liaiblities		
Deferred outflows, Pension	2,500,101	
Deferred inflows, Pension	(2,240,961)	
Deferred outflows, OPEB	534,518	
Deferred inflows, OPEB	-	793,658
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	491,025	
Noncurrent assets	2,281,805	
Accounts payable and accrued liabilities	(610,915)	2,161,915
Net Position of governmental activities		$ 51,245,085

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, 2025

	Governmental Funds Balance Sheet	Reclassifications	Changes in GAAP	Internal Services Balances	Statement of Net Position
ASSETS					
Current assets:					
Cash and investments	$ 5,860,619	$ -	$ -	$ 491,025	$ 6,351,644
Restricted cash and investments	7,780,623	-	-	-	7,780,623
Receivables:					
Taxes	2,976	-	-	-	2,976
Interest	2,092	-	-	-	2,092
Intergovernmental	4,378,089	-	-	-	4,378,089
Other receivable	1,648,543	-	-	-	1,648,543
Loans/Notes receivable	5,131,647	-	-	-	5,131,647
Due from other funds	5,451,734	(5,451,734)	-	-	-
Advances to other funds	209,110	(209,110)	-	-	-
Internal balances	-	(3,104,478)	-	-	(3,104,478)
Inventory	-	-	-	-	-
Prepaid items	2,809	-	-	-	2,809
Total current assets	30,468,242	(8,765,322)	-	491,025	22,193,945
Noncurrent assets:					
Capital assets, net	-	-	50,663,366	2,281,805	52,945,171
Total noncurrent assets	-	-	50,663,366	2,281,805	52,945,171
DEFERRED OUTFLOWS OF RESOURCES					
Pension plan	-	-	2,500,101	-	2,500,101
OPEB	-	-	534,518	-	534,518
Total assets and deferred outflows of resources	$ 30,468,242	$ (8,765,322)	$ 53,697,985	$ 2,772,830	$ 78,173,735
LIABILITIES					
Current liabilities:					
Accounts payable and accrued liabilities	$ 1,070,758	$ -	$ -	$ 92,857	$ 1,163,615
Interest payable	-	-	187,923	-	187,923
Due to other funds	8,038,154	(8,556,212)	-	518,058	-
Deposits payable	155,065	-	-	-	155,065
Advances from other funds	209,110	(209,110)	-	-	-
Compensated absences - current portion	-	-	73,315	-	73,315
Due within one year	-	-	225,000	-	225,000
Total current liabilities	9,473,087	(8,765,322)	486,238	610,915	1,804,918
Noncurrent liabilities:					
Long-term liabilities:					
Compensated absences	-	-	659,829	-	659,829
Due after one year	-	-	15,324,376	-	15,324,376
Net OPEB obligation	-	-	2,759,794	-	2,759,794
Net pension liability	-	-	4,138,772	-	4,138,772
Total noncurrent liabilities	-	-	22,882,771	-	22,882,771
Total liabilities	9,473,087	(8,765,322)	23,369,009	610,915	24,687,689
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue	4,808,629	-	(4,808,629)	-	-
Pension Plan	-	-	2,240,961	-	2,240,961
OPEB, deferred inflow	-	-	-	-	-
Total liabities and deferred inflows:	14,281,716	(8,765,322)	20,801,341	610,915	26,928,650
FUND BALANCES/NET POSITION					
Fund balances:					
Nonspendable	214,688	(214,688)	-	-	-
Restricted	7,474,724	(7,474,724)	-	-	-
Committed	2,679,348	(2,679,348)	-	-	-
Assigned	4,411,921	(4,411,921)	-	-	-
Unassigned (deficit)	1,405,845	(1,405,845)	-	-	-
					-
Net position:					-
Net investment in capital assets	-	-	50,663,366	2,281,805	52,945,171
Restricted	-	-	7,474,724	-	7,474,724
Unrestricted	-	16,186,526	(25,241,446)	(119,890)	(9,174,810)
Total fund balances/net position	16,186,526	-	32,896,644	2,161,915	51,245,085
Total liabilities, deferred inflows and net position	$ 30,468,242	$ (8,765,322)	$ 53,697,985	$ 2,772,830	$ 78,173,735

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, 2025

	Major Funds			
	General Fund	CDBG Program Income Special Revenue	Housing Successor Agency Special Revenue	Prop 84 Special Revenue
REVENUES:				
Taxes and assessments	$ 7,753,433	$ -	$ -	$ -
Licenses and permits	84,412	-	-	-
Fines and forfeitures	57,175	-	-	-
Intergovernmental	630,749	-	-	10,411,810
Use of money and property	586,771	147,371	6,407	-
Charges for services	88,333	-	-	-
Reimbursements	4,406,430	-	-	-
Other revenues	94,680	-	-	-
Total revenues	13,701,983	147,371	6,407	10,411,810
EXPENDITURES:				
Current:				
General government	3,731,803	-	-	-
Public safety	4,804,301	-	-	-
Public works	1,704,133	-	-	-
Community development	342,253	159,947	-	-
Marketing and promotions	236,514	-	-	-
Cost allocations	1,871,041	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	190,000	-	-	-
Interest and fiscal charges	241,439	-	-	-
Total expenditures	13,121,484	159,947	-	-
REVENUES OVER (UNDER) EXPENDITURES	580,499	(12,576)	6,407	10,411,810
OTHER FINANCING SOURCES (USES):				
Proceeds from bonds issued	-	-	-	-
Proceeds from sales of assets	1,325	-	-	-
Transfers in	1,057,943	347,795	-	-
Transfers out	(1,987,348)	-	-	(12,594,643)
Total other financing sources (uses)	(928,080)	347,795	-	(12,594,643)
Net change in fund balances	(347,581)	335,219	6,407	(2,182,833)
FUND BALANCES (DEFICITS):				
Beginning of year	9,178,358	230,472	449,047	1,348,925
End of year	$ 8,830,777	$ 565,691	$ 455,454	$ (833,908)

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

Major Funds			
Other State Grants Special Revenue	Other Capital Projects	Other Governmental Funds	Totals
$ -	$ -	$ 1,307,853	$ 9,061,286
-	-	-	84,412
-	-	100,806	157,981
2,240,659	-	2,507,547	15,790,765
-	232,837	224,665	1,198,051
-	-	95,487	183,820
-	-	-	4,406,430
-	-	-	94,680
2,240,659	232,837	4,236,358	30,977,425
-	-	550	3,732,353
-	-	435,493	5,239,794
-	25,000	588,645	2,317,778
339,884	-	652,238	1,494,322
-	-	-	236,514
-	-	-	1,871,041
-	9,705,621	377,540	10,083,161
-	-	-	190,000
-	275,535	-	516,974
339,884	10,006,156	2,054,466	25,681,937
1,900,775	(9,773,319)	2,181,892	5,295,488
-	7,980,000	-	7,980,000
-	-	-	1,325
	3,356,779	1,396,252	6,158,769
(1,643,737)	-	(2,540,239)	(18,765,967)
(1,643,737)	11,336,779	(1,143,987)	(4,625,873)
257,038	1,563,460	1,037,905	669,615
102,091	57,651	4,150,367	15,516,911
$ 359,129	$ 1,621,111	$ 5,188,272	$ 16,186,526

City of Fort Bragg, California
Reconciliation of Fund Basis Statements to Government-wide Statement of Activities
For the year ended June 30, 2025

Functions/Programs	Fund Based Totals	Compensated Absences/ Debt Service	Internal Service	Depreciation	Capital Asset (Additions)/ Retirements	Cost Allocation	OPEB Obligation	Pension plan	Unavailable Revenue	Government-wide Totals
Governmental activities:										
General government	$ 3,732,353	$ 148,454	$ 224,548	$ 89,417	$ -	$ 183,309	$ 115,659	$ (355,781)	$ -	$ 4,137,959
Public safety	5,239,794	-	-	40,587	-	1,086,824	-	(499,475)	-	5,867,730
Public works	2,317,778	-	-	1,362,231	542,332	416,087	-	(220,939)	-	4,417,489
Community development	1,494,322	-	-	-	-	184,821	-	(142,444)	49,545	1,586,244
Marketing and promotions	236,514	-	-	-	-	-	-	-	-	236,514
Cost allocations	1,871,041	-	-	-	-	(1,871,041)	-	-	-	-
Capital outlay	10,083,161	-	-	-	(10,083,161)	-	-	-	-	-
Debt service/Interest	706,974	(173,645)	-	-	-	-	-	-	-	533,329
Total governmental activities	$ 25,681,937	$ (25,191)	$ 224,548	$ 1,492,235	$ (9,540,829)	$ -	$ 115,659	$ (1,218,639)	$ 49,545	$ 16,779,265

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, 2025

Net change in fund balances - total governmental funds		$ 669,615
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	$ 9,540,829	
Proceeds from sale of capital assets	(1,325)	
Depreciation expense	(1,492,235)	8,047,269
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.		(49,545)
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		190,000
The issuance of long-term debt (e.g., bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. This amount is the net effect of these differences in the treatment of long-term debt and related items.		
Bond proceeds		(7,980,000)
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:		
Change in interst payable	(16,355)	
Change in compensated absences	(148,454)	(164,809)
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	(115,659)	
Net Pension obligation	1,218,639	1,102,980
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.		(865,626)
Change in Net Position of governmental activities		$ 949,884

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, 2025

	General Fund			
	Budgeted Amounts			Variance w/Final Positive
	Original	Final	Actual	(Negative)
REVENUES:				
Taxes and assessments	$ 7,372,684	$ 7,710,184	$ 7,753,433	$ 43,249
Licenses and permits	85,200	85,200	84,412	(788)
Fines and forfeitures	32,000	32,000	57,175	25,175
Intergovernmental	866,476	925,181	630,749	(294,432)
Use of money and property	110,000	110,000	586,771	476,771
Charges for services	94,250	94,250	88,333	(5,917)
Reimbursements	3,650,943	3,650,943	4,406,430	755,487
Other revenues	17,000	17,000	94,680	77,680
Total revenues	12,228,553	12,624,758	13,701,983	1,077,225
EXPENDITURES:				
Current:				
General government:				
City Council	199,579	207,550	210,021	(2,471)
Administrative services	1,324,179	1,519,652	1,562,066	(42,414)
Finance	606,598	636,156	577,670	58,486
Other - unclassified	1,596,798	1,650,345	1,382,046	268,299
Public safety:				
Police Department	4,585,687	4,644,966	4,321,491	323,475
Fire Department	448,569	448,569	482,810	(34,241)
Public works:				
Administration and engineering	881,065	881,065	868,993	12,072
Parks and facilities	42,200	46,788	48,185	(1,397)
Street maintenance	162,000	177,000	147,289	29,711
Storm drains	48,000	74,120	52,129	21,991
Corporation yard	812,898	812,898	536,996	275,902
Traffic and safety	35,500	35,926	50,541	(14,615)
Community development	353,756	443,662	342,253	101,409
Marketing and promotions	260,150	270,150	236,514	33,636
Cost allocations	401,893	401,893	1,871,041	(1,469,148)
Capital outlay	1,975,000	1,915,000	-	1,915,000
Debt service:				
Principal	190,000	190,000	190,000	-
Interest and fiscal charges	243,348	243,348	241,439	1,909
Total expenditures	14,167,220	14,599,088	13,121,484	1,477,604
REVENUES OVER (UNDER) EXPENDITURES	(1,938,667)	(1,974,330)	580,499	2,554,829
OTHER FINANCING SOURCES (USES):				
Proceeds from sales of assets	10,000	10,000	1,325	(8,675)
Transfers in	-	800,000	1,057,943	257,943
Transfers out	-	(800,000)	(1,987,348)	(1,187,348)
Total other financing sources (uses)	10,000	10,000	(928,080)	(938,080)
Net change in fund balances	(1,928,667)	(1,964,330)	(347,581)	1,616,749
FUND BALANCES (DEFICITS):				
Beginning of year	9,178,358	9,178,358	9,178,358	-
End of year	$ 7,249,691	$ 7,214,028	$ 8,830,777	$ 1,616,749

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

CDBG Program Income Special Revenue				Housing Successor Agency Special Revenue			
Budgeted Amounts			Variance w/Final	Budgeted Amounts			Variance w/Final
Original	Final	Actual	Positive (Negative)	Original	Final	Actual	Positive (Negative)
$ -	$ -	$ -	$ -	$ -	$ -		$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
110,000	110,000	147,371	37,371	4,000	4,000	6,407	2,407
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
110,000	110,000	147,371	37,371	4,000	4,000	6,407	2,407
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
		159,947	(159,947)			-	-
-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	159,947	(159,947)	-	-	-	-
110,000	110,000	(12,576)	(122,576)	4,000	4,000	6,407	2,407
-	-	-	-	-	-	-	-
-	-	347,795	347,795	-	-	-	-
-	-	-	-	-	-		-
-	-	347,795	347,795	-	-	-	-
110,000	110,000	335,219	225,219	4,000	4,000	6,407	2,407
230,472	230,472	230,472	-	449,047	449,047	449,047	-
$ 340,472	$ 340,472	$ 565,691	$ 225,219	$ 453,047	$ 453,047	$ 455,454	$ 2,407

(continued)

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, 2025

	Prop 84 Special Revenue			
	Budgeted Amounts			Variance w/Final Positive
	Original	Final	Actual	(Negative)
REVENUES:				
Taxes and assessments	$ -	$ -	$ -	$ -
Licenses and permits	-	-	-	-
Fines and forfeitures	-	-	-	-
Intergovernmental	11,272,000	11,272,000	10,411,810	(860,190)
Use of money and property	-	-	-	-
Charges for services	-	-	-	-
Reimbursements	-	-	-	-
Other revenues	-	-	-	-
Total revenues	11,272,000	11,272,000	10,411,810	(860,190)
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	-	-	-	-
Marketing and promotions	-	-	-	-
Cost allocations	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	-	-	-	-
REVENUES OVER (UNDER) EXPENDITURES	11,272,000	11,272,000	10,411,810	(860,190)
OTHER FINANCING SOURCES (USES):				
Proceeds from sales of assets	-	-	-	-
Transfers in			-	-
Transfers out	-	-	(12,594,643)	(12,594,643)
Total other financing sources (uses)	-	-	(12,594,643)	(12,594,643)
Net change in fund balances	11,272,000	11,272,000	(2,182,833)	(13,454,833)
FUND BALANCES:				
Beginning of year	1,348,925	1,348,925	1,348,925	-
End of year	$ 12,620,925	$ 12,620,925	$ (833,908)	$ (13,454,833)

Other State Grants Special Revenue			
Budgeted Amounts			Variance w/Final Positive
Original	Final	Actual	(Negative)
$ -	$ -	$ -	$ -
-	-	-	-
-	-	-	-
2,788,581	2,738,581	2,240,659	(497,922)
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
2,788,581	2,738,581	2,240,659	(497,922)
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	37,673	339,884	(302,211)
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	37,673	339,884	(302,211)
2,788,581	2,700,908	1,900,775	(800,133)
-	-	-	-
		-	-
-	-	(1,643,737)	(1,643,737)
-	-	(1,643,737)	(1,643,737)
2,788,581	2,700,908	257,038	(2,443,870)
102,091	102,091	102,091	-
$ 2,890,672	$ 2,802,999	$ 359,129	$ (2,443,870)

(concluded)

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.
Broadband Fund	Accounts for the operations and mainteancne of the City's broadband utility.

City of Fort Bragg, California
Statement of Net Position
Proprietary Funds
June 30, 2025

	Water Fund	Sewer Fund	CV Starr Center Fund	Broadband Fund	Totals	Governmental Activities Internal Service Funds
ASSETS						
Current assets:						
Cash and investments	$ 930,743	$ 2,362,788	$ 3,679,945	$ -	$ 6,973,476	$ 491,025
Restricted cash and investments	108,064	-	100,000	8,415,255	8,623,319	
Receivables:						
Accounts	379,898	457,374.00	317,355	-	1,154,627	-
Intergovernmental	-	-	521	-	521	-
Due from other funds	3,104,478	-	-	-	3,104,478	-
Inventory and prepaids	104,753	12,318.00	3,986	-	121,057	-
Total current assets	4,627,936	2,832,480	4,101,807	8,415,255	19,977,478	491,025
Noncurrent assets:						
Capital assets, net	26,087,131	24,212,655	18,000,100	-	68,299,886	2,281,805
Total noncurrent assets	26,087,131	24,212,655	18,000,100	-	68,299,886	2,281,805
Total Assets	30,715,067	27,045,135	22,101,907	8,415,255	88,277,364	2,772,830
DEFERRED OUTFLOWS OF RESOURCES						
Pension plan	-	617,876	196,195	-	814,071	-
Deferred loss on debt refunding	-	-	-		-	-
Total assets and defered outflows of resources	$ 30,715,067	$ 27,663,011	$ 22,298,102	$ 8,415,255	$ 89,091,435	$ 2,772,830
LIABILITIES						
Current liabilities:						
Accounts payable	$ 491,868	$ 102,260	$ 821,176	$ -	$ 1,415,304	$ 91,121
Accrued payroll	-	5,408	3,467	-	8,875	1,736
Due to other funds	-	-	-	-	-	518,058
Interest payable	-	-	-	-	-	-
Unearned revenue	-	-	-	-	-	-
Deposits payable	165,684	350	5,386	-	171,420	-
Compensated absences - current portion	4,087	5,017	4,114	-	13,218	-
Due within one year	-	97,000	-	-	97,000	-
Total current liabilities	661,639	210,035	834,143	-	1,705,817	610,915
Noncurrent liabilities:						
Compensated absences	37,100	45,479	37,207	-	119,786	-
Due after one year	-	4,364,000	-	7,879,810	12,243,810	-
Net pension liability	-	1,022,856	324,790	-	1,347,646	-
Total noncurrent liabilities	37,100	5,432,335	361,997	7,879,810	13,711,242	-
Total liabilities	698,739	5,642,370	1,196,140	7,879,810	15,417,059	610,915
DEFERRED INFLOWS OF RESOURCES						
Pension Plan	-	553,832	175,859	-	729,691	-
Total deferred inflows of resources	-	553,832	175,859	-	729,691	-
NET POSITION						
Net Position:						
Net investment in capital assets	26,087,131	19,751,655	18,000,100	-	63,838,886	2,281,805
Restricted for debt service	108,064	-	-	535,445	643,509	-
Unrestricted	3,821,133	1,715,154	2,926,003		8,462,290	(119,890)
Total net position	30,016,328	21,466,809	20,926,103	535,445	72,944,685	2,161,915
Total liabilities, deferred inflows and net position	$ 30,715,067	$ 27,663,011	$ 22,298,102	$ 8,415,255	$ 89,091,435	$ 2,772,830

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, 2025

	Water Fund	Sewer Fund	CV Starr Center Fund	Broadband Fund	Totals	Governmental Activities Internal Service Funds
OPERATING REVENUES:						
Charges for service	$ 2,981,822	$ 3,412,813	$ 894,485	$ -	$ 7,289,120	$ -
Other operating revenue	68,610	152,804	7,818	-	229,232	21,433
Interdepartmental charges	-	-	-	-	-	1,410,111
Total operating revenues	3,050,432	3,565,617	902,303	-	7,518,352	1,431,544
OPERATING EXPENSES:						
Personnel services	748,367	889,373	1,548,694	-	3,186,434	783,589
Administration	757,680	1,666,436	740,525	-	3,164,641	
Repairs and maintenance	196,395	118,285	663	-	315,343	93,961
Materials and supplies	344,076	423,418	127,161	-	894,655	503,768
Utilities	199,288	355,612	410,099	-	964,999	-
Contractual services	223,700	408,373	12,444	-	644,517	38,016
Insurance	68,287	150,155	1,765	-	220,207	-
Other operating	9,232	44,431	94,222	-	147,885	-
Depreciation	338,922	814,971	700,585	-	1,854,478	246,958
Total operating expenses	2,885,947	4,871,054	3,636,158	-	11,393,159	1,666,292
OPERATING INCOME	164,485	(1,305,437)	(2,733,855)	-	(3,874,807)	(234,748)
NONOPERATING REVENUES (EXPENSES):						
Property taxes	-	-	326,804	-	326,804	-
Sales taxes	-	-	1,350,872	-	1,350,872	-
Intergovernmental revenue	-	-	100,000	-	100,000	
Other nonoperating revenues	-	-	2,084,023	-	2,084,023	-
Interest revenue	140,054	95,696	113,031	43,247	392,028	10,200
Refunds and rebates	-	-	22,399	-	22,399	-
Interest expense	-	(89,655)	-	-	(89,655)	-
Issuance costs	-	-	-	(181,000)	(181,000)	
Total non-operating revenues, net	140,054	6,041	3,997,129	(137,753)	4,005,471	10,200
NET INCOME BEFORE TRANSFERS	304,539	(1,299,396)	1,263,274	(137,753)	130,664	(224,548)
Transfers in	13,043,872	-	-	673,198	13,717,070	2,147
Transfers out	-	(75,000)	(393,794)	-	(468,794)	(643,225)
Total transfers	13,043,872	(75,000)	(393,794)	673,198	13,248,276	(641,078)
CHANGE IN NET POSITION	13,348,411	(1,374,396)	869,480	535,445	13,378,940	(865,626)
NET POSITION:						
Beginning of year	16,667,917	22,841,205	20,056,623	-	59,565,745	3,027,541
End of year	$ 30,016,328	$ 21,466,809	$ 20,926,103	$ 535,445	$ 72,944,685	$ 2,161,915

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, 2025

	Water Fund	Sewer Fund	CV Starr Center Fund	Broadband Fund	Totals	Governmental Activities Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES:						
Cash received from customers/users for services provided	$ 3,009,821	$ 3,547,955	$ 894,404	$ -	$ 7,452,180	$ -
Cash received from interfund services provided	-	-	-	-	-	1,431,544
Cash payments to suppliers for goods and services	(2,580,181)	(3,148,743)	(1,067,231)	-	(6,796,155)	(729,421)
Cash payments to employees for services	(747,562)	(381,609)	(1,525,725)	-	(2,654,896)	(782,395)
Net cash provided by operating activities	(317,922)	17,603	(1,698,552)	-	(1,998,871)	(80,272)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:						
Transfers received	13,043,872	-	-	673,198	13,717,070	520,205
Transfers paid	(3,104,478)	(75,000)	(393,794)	-	(3,573,272)	(643,225)
Taxes received	-	-	1,677,676	-	1,677,676	-
Refunds paid	-	-	22,399	-	22,399	-
Grants received	-	-	100,000	-	100,000	-
Other nonoperating receipts	-	-	2,084,023	-	2,084,023	-
Net cash used by noncapital financing activities	9,939,394	(75,000)	3,490,304	673,198	14,027,896	(123,020)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:						
Acquisition and construction of capital assets	(12,397,488)	(383,596)	(766,910)	-	(13,547,994)	(248,486)
Proceeds from bond issuance	-	-	-	7,698,810	7,698,810	
Principal paid on long term debt	-	(95,000)	-	-	(95,000)	-
Interest paid on long term debt	-	(89,655)	-	-	(89,655)	-
Net cash (used) by capital and related financing activities	(12,397,488)	(568,251)	(766,910)	7,698,810	(6,033,839)	(248,486)
CASH FLOWS FROM INVESTING ACTIVITIES:						
Investment income received	140,054	95,696	113,031	43,247	392,028	10,200
Net cash provided by investing activities	140,054	95,696	113,031	43,247	392,028	10,200
Net increase (decrease) in cash and cash equivalents	(2,635,962)	(529,952)	1,137,873	8,415,255	6,387,214	(441,578)
CASH AND CASH EQUIVALENTS:						
Beginning of year	3,674,769	2,892,740	2,642,072	-	9,209,581	932,603
End of year	$ 1,038,807	$ 2,362,788	$ 3,779,945	$ 8,415,255	$ 15,596,795	$ 491,025
Presentation in Statement of Financial Position:						
Cash and investments	$ 930,743	$ 2,362,788	$ 3,679,945	$ -	$ 6,973,476	$ 491,025
Restricted cash and investments	108,064	-	100,000	8,415,255	8,623,319	-
Total Cash and investments	$ 1,038,807	$ 2,362,788	$ 3,779,945	$ 8,415,255	$ 15,596,795	$ 491,025
Reconciliation of income from operations to net cash provided by operating activities:						
Operating income	$ 164,485	$ (1,305,437)	$ (2,733,855)	$ -	$ (3,874,807)	$ (234,748)
Adjustments to reconcile operating income to net cash provided by operating activities:						
Depreciation	338,922	814,971	700,585	-	1,854,478	246,958
Pension	-	501,697	245,742	-	747,439	-
(Increase) decrease in current assets:						
Accounts receivable	(52,304)	(17,762)	(247,643)	-	(317,709)	-
Inventory and prepaids	(3)	(4)	(2,487)	-	(2,494)	-
Increase (decrease) in liabilities:						.
Accounts payable	(781,520)	24,437	324,036	-	(433,047)	(93,676)
Accrued liabilities	-	2,260	3,467	-	5,727	1,194
Deposits payable	11,693	100	-	-	11,793	-
Compensated absences	805	3,807	19,502	-	24,114	-
Net cash provided by operating activities	$ (317,922)	$ 17,603	$ (1,698,552)	$ -	$ (1,998,871)	$ (80,272)

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

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, 2025

		Successor Agency Former Fort Bragg Redevelopment Agency
ASSETS AND DEFERRED OUTFLOWS		
Current assets:		
Cash and investments	$	551,769
Other receivable		14,746
Total assets		566,515
Deferred outflows of resources		
Deferred loss on debt refunding		54,426
Total deferred outflows of resources		54,426
Total assets and deferred outflows of resources	$	620,941
LIABILITIES, DEFERRED INFLOWS AND NET POSITION		
Current liabilities:		
Interest payable	$	28,283
Due within one year		175,000
Total current liabilities		203,283
Long-term liabilities:		
Due after one year		2,311,284
Total long-term liabilities		2,311,284
Deferred inflows of resources		
Unavailable revenue		453,489
Total liabilities and deferred inflows of resources		2,968,056
Net Position (Deficit)		(2,347,115)
Total liabilities and net position	$	620,941

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, 2025

	Successor Agency Former Fort Bragg Redevelopment Agency
ADDITIONS:	
Property taxes	$ 488,133
Total operating revenues	488,133
DEDUCTIONS:	
Community development	123,976
Interest and trustee fees	88,925
Total operating expenses	212,901
CHANGE IN FIDUCIARY NET ASSETS	275,232
NET ASSETS (DEFICIT):	
Beginning of year	(2,622,347)
End of year	$ (2,347,115)

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

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NOTES TO BASIC FINANCIAL STATEMENTS

Page

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.

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.

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 housing rehabilitation and business loans provided with CDBG funding.

The **Housing Successor Agency** special revenue fund is used to account for activities related to housing activities of the former Fort Bragg Redevelopment Agency.

The **Prop 84 Grant** special revenue fund is used to account for funds received from the State of California for construction projects.

The **Other State Grants** special revenue fund is used to account for all other state grants.

The **Other Capital Projects** is a capital project fund used to account for costs associated with the construction or acquisition of governmental capital assets (capital outlay).

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.

The **Broadband** enterprise fund accounts for the construction, operations and maintenance of the City's broadband utility.

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.

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) <u>Budgetary basis of accounting</u>

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.

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.

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, 2025.

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, 2025, 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.

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.

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:

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

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

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 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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

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

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.

11) Encumbrances

Encumbrances resulting from issuing purchase orders as a result of normal purchasing activities approved by appropriate authorities as of June 30, 2025, are summarized below.

Fund	Amount
General Fund	$ 487,516
General Plan Maintenance Fee Fund	8,294
Development Project Fund	23,974
Asset Forfeiture	125,330
ARPA	28,465
Noyo Harbor Blue Economy	14,833
Bainbridge Park Improvements	48,701
Streets Projects	63,186
Municipal Broad Broadband	66,996
Streets Projects	43,245
Broadband Utility	13,932
Technology Maintenance & Repair	26,083
Fleet Services	5,363
Water	138,554
Water Capital Projects	889,222
Waste Water	53,518
Waste Water Capital Projects	321,861
CV Starr Center	58,741
CV Starr Capital Projects	95,490
	$ 2,513,301

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

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

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.

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:

	Secured	Unsecured
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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

H. Revenues and expenditures/expenses, Continued

3) Compensated absences

Vacation

Vacation leave is accrued as a compensated absence to the extent that it is attributable to services already rendered, accumulates, and is more likely than not to be used or paid upon separation. The liability includes the City's share of payroll-related costs. Regular employees earn vacation hours based on years of continuous service. Employees may accumulate up to 240 hours (340 hours after 10 years of continuous service).

Sick Leave

Sick leave is accrued as a compensated absence only to the extent that it is attributable to services already rendered, accumulates, and is more likely than not to be used for time off or otherwise paid or settled. Regular employees earn eight (8) hours of sick leave per month with unlimited accumulation.

Employees with two or more years of service who separate from City service, except in cases of discharge for cause, are entitled to payment equal to 30% of unused accumulated sick leave, up to a maximum of 1,000 hours. This estimated amount is included in the compensated absences liability, as it is considered more likely than not to be paid upon separation.

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 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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

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 2024/25 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, 2024
Measurement Period	July 1, 2023 to June 30, 2024

2. CASH AND INVESTMENTS

At June 30, 2025, the City's pooled cash and investments, classified by maturity, consisted of the following stated at fair value:

			Maturities (in years)				Fair
			<1	1 to 3	3 to 5	Deposits	Market Value
Cash equivalents and investments pooled							
Pooled cash, at fair value							
Cash in bank			$ -	$ -	$ -	$ 1,585,087	1,585,087
Petty cash			-	-	-	1,290	1,290
Total pooled items			-	-	-	1,586,377	1,586,377
Pooled investments, at fair value							
Interest obligations							
Par	Rate						
$ 1,000,000	0.57% - 1.00%	Federal Agency Securities	-	976,610	-	-	976,610
$ 9,664,000	1.45% - 5.7%	Certificates of Deposits	4,703,616	4,687,925	249,000	-	9,640,541
		Money Market Funds	-	-	-	12,886,455	12,886,455
State of California Local Agency Investment Fund			-	-	-	1,630,050	1,630,050
PARS Section 115 Pension Trust Fund - Mutual Fund			3,560,798	-	-	-	3,560,798
Total pooled investments - interest obligations			8,264,414	5,664,535	249,000	14,516,505	28,694,454
Total cash equivalents and investments pooled			$ 8,264,414	$ 5,664,535	$ 249,000	$ 16,102,882	$ 30,280,831

Amounts reported in:	
Governmental activities (unrestricted)	$ 6,351,644
Governmental activities (restricted)	7,780,623
Business-type activities (unrestricted)	6,973,476
Business-type activities (restricted)	8,623,319
Fiduciary activities	551,769
Total	$ 30,280,831

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, 2025, 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.

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, 2025, 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, 2025:

Investment Type	Fair Value	Concentration
Certificate of Deposits	$ 9,640,541	31.84%

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.

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, 2025, the carrying amount of the City's cash deposits (including fiduciary funds) was $3,424,107 of which $250,000 was covered by federal depository insurance per insured bank and $2,708,162 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, 2025, 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.

2. CASH AND INVESTMENTS, Continued

Investments by Fair Value Level	June 30, 2025	Level 1	Level 2	Level 3
Federal Agency Securities	$ 976,610	$ -	$ 976,610	$ -
Certificates of Deposits	9,640,541	-	9,640,541	-
Money market	12,886,455	12,886,455	-	-
Total fair value	23,503,606	12,886,455	10,617,151	-
Investments Exempt from Fair Value Hierarchy				
Local Agency Investment Fund (LAIF)	1,630,050			
PARS Section 115 Pension Trust Fund - Mutual Funds	3,560,798			
	$ 28,694,454			

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, 2025 was $24.49 billion of which the City had a balance of $1,630,050. LAIF is part of the California Pooled Money Investment Account (PMIA), which at June 30, 2025 has a portfolio with market valuation including accrued interest of $178.1 billion. 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. recorded on an amortized cost basis.

3. ACCOUNTS RECEIVABLE

Accounts receivable consisted of the following at June 30, 2025:

	Receivables
Governmental Activities	
Taxes	$ 2,976
Intergovernmental	4,378,089
Other	1,650,635
	$ 6,031,700
Business-type activities	
Accounts Receivable	$ 1,155,148
	$ 1,155,148

These amounts resulted in the following concentrations in receivables:

Other Governments 61% Individuals/Business 39%

Amounts do not indicate a significant concentration (greater than 25%) with any single individual, business or agency.

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, 2025, consisted of the following:

	Beginning June 30, 2024	Additions	Deletions	Adjustments	Ending June 30, 2025
CDBG Revolving Loans	$ 1,421,726	$ 36,690	$ (96,849)	$ 833	$ 1,362,400
Mendocino Coast Hospitality Center Loan	904,293	-	-	-	904,293
Rural Community Housing Development Corporation Loans	577,125	6,750	-	-	583,875
Employee Loans	2,311	-	(1,232)	-	1,079
PLHA Loan - Permanent Local Housing Allocation	2,280,000	-	-	-	2,280,000
Total loans/notes receivable	$ 5,185,455	$ 43,440	$ (98,081)	$ 833	$ 5,131,647

The following are descriptions of the loans and notes receivable outstanding as of June 30, 2025:

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.

5. CAPITAL ASSETS

Governmental capital asset activity for the year ended June 30, 2025, was as follows:

	Balance June 30, 2024	Additions	Deletions	Transfers/ Adjustments	Balance June 30, 2025
Governmental activities:					
Nondepreciable assets:					
Land	$ 12,952,262	$ -	$ -	$ -	$ 12,952,262
Construction in progress	4,671,669	7,884,546	(3,961,771)	-	8,594,444
Total nondepreciable assets	17,623,931	7,884,546	(3,961,771)	-	21,546,706
Depreciable assets:					
Buildings	5,098,661	566,865	-	(5,535)	5,659,991
Machinery, equipment and vehicles	3,967,176	613,813	(567,008)	-	4,013,981
Infrastructure	38,238,681	4,706,668	-	-	42,945,349
Total depreciable assets	47,304,518	5,887,346	(567,008)	(5,535)	52,619,321
Total	59,078,998	13,771,892	(4,528,779)	(5,535)	74,166,027
Accumulated depreciation:					
Buildings	(3,727,918)	(124,976)	-	-	(3,852,894)
Machinery, equipment and vehicles	(1,817,270)	(251,643)	567,008	-	(1,501,905)
Infrastructure	(14,503,483)	(1,362,574)	-	-	(15,866,057)
Total accumulated depreciation	(20,048,671)	(1,739,193)	567,008	-	(21,220,856)
Net depreciable assets	27,255,847	4,148,153	-	(5,535)	31,398,465
Total net capital assets	$ 44,879,778	$ 12,032,699	$ (3,961,771)	$ (5,535)	$ 52,945,171

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

General government	$ 89,417
Public safety	40,587
Public works	1,362,231
Facilities	7,481
IT	41,844
Fleet services	197,633
	$ 1,739,193

5. CAPITAL ASSETS, Continued

Business-type capital asset activity for the year ended June 30, 2025, was as follows:

	Balance June 30, 2024	Additions	Deletions	Balance June 30, 2025
Business-type activities:				
Nondepreciable assets:				
Land	$ 3,210,698	$ -	$ -	$ 3,210,698
Construction in progress	6,577,339	12,939,272	(2,038,093)	17,478,518
Total nondepreciable assets	9,788,037	12,939,272	(2,038,093)	20,689,216
Depreciable assets:				
Buildings	29,734,696	-	-	29,734,696
Machinery, equipment and vehicles	6,615,485	2,637,828	-	9,253,313
Infrastructure	39,742,556	-	-	39,742,556
Land improvements	542,303	-	-	542,303
Total depreciable assets	76,635,040	2,637,828	-	79,272,868
Total	86,423,077	15,577,100	(2,038,093)	99,962,084
Accumulated depreciation:				
Buildings	(11,017,831)	(732,629)	2,086	(11,748,374)
Machinery, equipment and vehicles	(4,836,801)	(190,233)	6,901	(5,020,133)
Infrastructure	(13,419,772)	(931,616)	-	(14,351,388)
Land improvements	(542,303)	-	-	(542,303)
Total accumulated depreciation	(29,816,707)	(1,854,478)	8,987	(31,662,198)
Net depreciable assets	46,818,333	783,350	8,987	47,610,670
Total net capital assets	$ 56,606,370	$ 13,722,622	$ (2,029,106)	$ 68,299,886

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

Water	$ 338,922
Sewer	814,971
CV Starr Center	700,585
	$ 1,854,478

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued payroll and related liabilities consisted of the following at June 30, 2025:

	Governmental Activities	Business-type Activities	Total
Accounts payable	$ 1,106,820	$ 1,414,649	$ 2,521,469
Accrued payroll and related liabilities	56,795	9,530	66,325
Total	$ 1,163,615	$ 1,424,179	$ 2,587,794

These amounts resulted in the following concentrations in payables:

Vendors	97.9%
Employees	2.1%

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, 2025:

	Balance July 1, 2024	Additions	Retirements	Balance June 30, 2025	Due Within One Year
Governmental Activities:					
2025 Solar Equipment Lease Payable	$ -	$ 7,955,000	$ -	$ 7,955,000	$ -
2021 Lease revenue bonds	7,820,000	-	(190,000)	7,630,000	225,000
2021 Lease revenue bonds discount	(37,499)	-	1,875	(35,624)	-
Total governmental activities debt	7,782,501	7,955,000	(188,125)	15,549,376	225,000
Compensated absences	584,690	206,454	(58,000)	733,144	73,314
Total governmental activities	$ 8,367,191	$ 8,161,454	$ (246,125)	$ 16,282,520	$ 298,314
Business-type activities					
Loan payable:					
BB Installment Purchase Agreement	$ -	$ 7,879,810	$ -	$ 7,879,810	$ -
Bonds payable:					
2018 WW Plant Certificates of Participation	4,556,000	-	(95,000)	4,461,000	97,000
Total business-type activity debt	4,556,000	7,879,810	(95,000)	12,340,810	97,000
Compensated absences	108,890	38,484	(14,370)	133,004	13,218
Total business-type activities	$ 4,664,890	$ 7,918,294	$ (109,370)	$ 12,473,814	$ 110,218

7. LONG-TERM LIABILITIES, Continued

Governmental Activities

2025 Solar Equipment Lease Payable

On August 7, 2024, the City entered into an Equipment Lease/Purchase Agreement with Bank of America, National Association, to finance the acquisition and installation of various equipment, fixtures, and property improvements (the "Equipment"). Under the agreement, the City is leasing the Equipment with the intent to purchase, for a total Acquisition Amount of $7,955,000, which is expected to be sufficient to fund the equipment acquisition and installation costs.

The lease functions as a financing arrangement, with the City making periodic rental payments that include principal and interest at a contract rate of 4.46% per annum. The obligation is subject to annual appropriation and secured by the Equipment acquired. The agreement includes an escrow component under which the Acquisition Amount is deposited and disbursed upon request as the Equipment is acquired and installed.

The agreement provides a one-time extraordinary prepayment option prior to August 7, 2029, allowing the City to prepay up to $2,420,000 of the outstanding principal following the receipt of Project Grant funds, at a prepayment price of 100.5% of the principal portion prepaid, plus accrued interest to the prepayment date.

The outstanding principal balance as of June 30, 2025 was $7,955,000.

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%.

Business-type Activities

2025 Purchase Agreement Broadband IPA Loan

In 2025, the City entered into an Installment Purchase Agreement with the City of Fort Bragg Joint Powers Authority (Authority) to provide partial funding for the acquisition, design, construction, and improvement of a broadband internet access system (the "Project"). Under the agreement, the Authority sells the Project to the City for a total Acquisition Amount of $7,879,810, to be repaid through installment payments in accordance with the schedule set forth in the agreement.

The obligation is secured and payable from the net revenues of the Broadband System and is further supported by Government Grant proceeds awarded to the Project. The outstanding principal balance under the agreement as of June 30, 2025, was $7,879,810, reflecting the initial year of the debt.

7. LONG-TERM LIABILITIES, Continued

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, 2025 was $4,461,000.

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, 2025 was $733,144 with $73,315 expected to be paid within a year; The business-type activities compensated absences balance at June 30, 2025 was $133,004 with $13,218 expected to be paid within a year.

Future debt service for Governmental at June 30, 2025, is as follows:

	Governmental Activities					
Year Ending June 30,	2021 Lease Revenue Bonds		2025 Solar Equipment Capital Lease		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2026	$ 225,000	$ 240,555	$ -	$ 171,483	$ 225,000	$ 412,038
2027	285,000	236,910	49,000	354,793	334,000	591,703
2028	330,000	231,410	72,000	402,700	402,000	634,110
2029	340,000	224,381	98,000	423,002	438,000	647,383
2030	355,000	216,629	127,000	445,211	482,000	661,840
2031-2035	1,855,000	549,356	1,160,000	469,194	3,015,000	1,018,550
2036-2040	2,155,000	486,388	2,348,000	2,744,638	4,503,000	3,231,026
2041-2045	2,085,000	255,675	4,101,000	3,549,970	6,186,000	3,805,645
2046-2050	-	16,100	-	4,595,636	-	4,611,736
2051-2055	-	-	-	-	-	-
2056-2059	-	-	-	-	-	-
Total	$ 7,630,000	$ 2,457,404	$ 7,955,000	$ 13,156,627	$ 15,585,000	$ 15,614,031
Due within one year	$ 225,000	$ 240,555	$ -	$ 171,483	$ 225,000	$ 412,038
Due after one year	7,405,000	2,216,849	7,955,000	12,985,144	15,360,000	15,201,993
Total	$ 7,630,000	$ 2,457,404	$ 7,955,000	$ 13,156,627	$ 15,585,000	$ 15,614,031

7. LONG-TERM LIABILITIES, Continued

Future debt service for Governmental and Business-Type Activities at June 30, 2025, is as follows:

Year Ending June 30,	Business-Type Activities: 2018 WW Plant Certificates Revolving Loan Principal	Interest	BB Prchase Agreement IPA Loan Principal	Interest	Total Principal	Interest
2026	$ 97,000	$ 88,210	$ -	$ 368,370	$ 97,000	$ 456,580
2027	99,000	86,250	-	382,171	99,000	468,421
2028	101,000	84,250	145,514	382,171	246,514	466,421
2029	103,000	82,210	301,509	371,499	404,509	453,709
2030	105,000	80,130	316,509	356,689	421,509	436,819
2031-2035	555,000	368,050	2,253,370	1,534,568	2,808,370	1,902,618
2036-2040	614,000	309,700	2,441,520	1,038,712	3,055,520	1,348,412
2041-2045	677,000	245,190	2,421,388	408,605	3,098,388	653,795
2046-2050	746,000	174,060	-	-	746,000	174,060
2051-2055	826,000	95,540	-	-	826,000	95,540
2056-2059	538,000	16,220	-	-	538,000	16,220
Total	$ 4,461,000	$ 1,518,050	$ 7,879,810	$ 4,842,785	$ 12,340,810	$ 6,360,835
Due within one year	$ 97,000	$ 88,210	$ -	$ 368,370	$ 97,000	$ 456,580
Due after one year	4,364,000	1,429,840	7,879,810	4,474,415	12,243,810	5,904,255
Total	$ 4,461,000	$ 1,518,050	$ 7,879,810	$ 4,842,785	$ 12,340,810	$ 6,360,835

8. NET POSITION/ FUND BALANCES

Net position (deficit)

	Governmental Activities	Business-type Activities	Total
Net investment in capital assets	$ 52,945,171	$ 63,838,886	$ 116,784,057
Restricted	7,474,724	643,509	8,118,233
Unrestricted (deficit)	(9,174,810)	8,462,290	(712,520)
Total	$ 51,245,085	$ 72,944,685	$ 124,189,770

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

8. NET POSITION/ FUND BALANCES, Continued

Fund Balance

Non-spendable, Restricted and Committed fund balance consisted of the following at June 30, 2025:

Nonspendable:		
Prepaid	$	2,809
Advances to other funds		209,110
Loans/ Notes Receivable		2,769
Total Nonspendable	$	214,688
Restricted:		
Governmental Funds:		
Restricted cash and investments	$	3,560,798
CDBG Program Income		565,691
Housing		455,454
Asset Forfeiture		297,273
Gas tax		34,197
Special Sales Tax		699,382
Federal & State Grant Funds		1,861,929
Total Restricted	$	7,474,724
Committed:		
Governmental Funds:		
Operating reserve	$	1,989,419
Recession reserve		489,929
Litigation reserve		200,000
Total Committed	$	2,679,348

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

Non-spendable

- **Prepaids** – represents non-spendable amounts classified as prepaid expense.
- **Advances to other funds** – represents long-term interfund loan for capital projects.
- **Loans/nots receivable** – represents non-spendable amounts classified as loans/notes receivable.

Restricted

- **Restricted cash and investments –** represents amounts restricted for pension costs.
- **CDBG Program Income –** represents amounts restricted by Federal guidelines to support housing rehabilitation projects.
- **Housing –** represents amounts restricted for housing activities of the Former Fort Bragg Redevelopment Agency.
- **Asset Forfeiture –** represents amounts restricted by State and Federal guidelines to support law enforcement.

8. NET POSITION/ FUND BALANCES, Continued

Restricted, Continued

- **Gas tax –** represents amounts restricted for City roads and streets by the State of California's Highway User Tax.
- **Special Sales Tax –** represents amounts restricted by voter approved ordinance for street repairs.
- **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, 2025
Major Funds:	
Prop 84 Grant Special Revenue Fund	$ (833,908)
Non-Major Funds:	
Special Revenue Funds	
Parking In-lieu Fees	(5,137)
MCOG Overall Work Plan	(15,363)
Developer Deposit Accounts	(6,325)
Noyo Harbor Blue Economy	(109,365)
Total	$ (970,098)

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.

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, 2025:

	Due from Other Funds	Due to Other Funds
Governmental Funds		
Major Funds:		
General Fund	$ 3,794,158	$ -
Prop 84 Grant Special Revenue Fund	-	2,028,374
Other State Grants Special Revenue Fund	-	1,497,704
Other Capital Projects Fund	1,454,697	3,281,993
Total Major Funds	5,248,855	6,808,071
Nonmajor Funds:		
Special Revenue Funds		
Parking In-lieu Fees	-	5,137
RMRA	-	159,873
MCOG Overall Work Plan	-	15,363
Developer Deposit Accounts	-	28,549
Noyo Harbor Blue Economy	-	235,593
Federal and State Grant Funds	-	556,557
Capital Project Funds:		
Street Resurfacing	202,879	229,011
Internal Service Funds:		
Building Maintenance	-	140,124
Information Technology	-	377,934
Total Nonmajor Funds	202,879	1,748,141
Total Governmental Funds	5,451,734	8,556,212
Proprietary Funds		
Major Enterprise Funds:		
Water	3,104,478	
Total Major Enterprise Funds	3,104,478	-
Total	$ 8,556,212	$ 8,556,212

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, 2025:

	Transfers In	Transfers Out
Governmental Funds		
Major Funds:		
General Fund	$ 1,057,943	$ 1,987,348
CDBG Program Income Special Revenue Fund	347,795	-
Prop 84 Special Revenue Fund	-	12,594,643
Other State Grants Special Revenue Fund	-	1,643,737
Other Capital Projects Fund	3,356,779	-
Total Major Funds	4,762,517	16,225,728
Non-major Funds:		
Special Revenue Funds		
Asset Forfeiture	-	2,147
RMRA	-	159,873
Special Sales Tax	-	793,625
STP D1 Streets and Highway Allocation	-	426,991
CDBG Grant	-	1,157,603
CDBG Grant Covid	247,339	-
Capital Projects Fund		
Street Resufacing	1,148,913	-
Total Non-major Funds	1,396,252	2,540,239
Internal Service Funds		
Building Maintenance	-	643,225
Fleet Services	2,147	-
Total Internal Service Funds	2,147	643,225
Total Governmental Funds	6,160,916	19,409,192
Proprietary Funds		
Major Enterprise Funds		
Water	13,043,872	-
Sewer	-	75,000
CV Starr Center	-	393,794
Broadband	673,198	-
Total Proprietary Funds	13,717,070	468,794
Total Transfers	$ 19,877,986	$ 19,877,986

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.

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 (CaIPERS). 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.

11. PUBLIC EMPLOYEES' RETIREMENT SYSTEM, Continued

The Plans' provisions and benefits in effect at June 30, 2025, are summarized as follows:

	Miscellaneous	PEPRA Miscellaneous
Hire date	Prior to January 1, 2013	On or after 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	12.74%	8.27%

	Safety - Police	PEPRA Safety - Police
Hire date	Prior to January 1, 2013	On or after 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	20.15%	13.99%

	Fire Safety
Hire date	Prior to 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, 2025, the contributions recognized as part of pension expense for each Plan were as follows:

	Miscellaneous Plans	Safety Plans
Contributions - employer	$ 474,948	$ 351,042

11. PUBLIC EMPLOYEES' RETIREMENT SYSTEM, Continued

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

As of June 30, 2025, 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	$ 3,148,505
Safety Plans	2,337,913
Total Net Pension Liability	$ 5,486,418

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, 2025, 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, 2023 rolled forward to June 30, 2025 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 PEPRA Miscellaneous Plan for purposes of calculating net pension liability. Likewise the Safety-Police Plan, PEPRA 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, 2025 and 2024 was as follows:

	Miscellaneous	Safety	Total
Proportion - June 30, 2024	0.06368%	0.03263%	0.04507%
Proportion - June 30, 2025	0.06510%	0.03207%	0.04524%
Change - Increase/(Decrease)	0.00142%	-0.00056%	0.00017%

11. PUBLIC EMPLOYEES' RETIREMENT SYSTEM, Continued

For the year ended June 30, 2025, the City recognized pension expense of $354,784. At June 30, 2025, 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	$ 80,923	$ -	$ 57,601	$ -	$ 138,524	$ -
Differences between expected and actual experiences	261,595	-	184,591	-	446,186	-
Differences between projected and actual investment earnings	181,256	-	113,004	-	294,260	-
Differences between the employer's contributions and proportionate share of the contributions	629,112	612,116	610,635	522,817	1,239,747	1,134,933
Change in employer's proportion	207,969	957,346	161,497	878,372	369,465	1,835,719
Pension contributions subsequent to measurement date	474,948	-	351,042	-	825,990	-
Total	$ 1,835,803	$ 1,569,462	$ 1,478,370	$ 1,401,189	$ 3,314,172	$ 2,970,652

$825,990 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, 2026. 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	$ (317,067)	$ (255,035)	$ (572,102)
2026	216,725	71,546	288,271
2027	(46,150)	(51,707)	(97,857)
2028	(62,115)	(38,666)	(100,781)
2029	-	-	-
Thereafter	-	-	-
	$ (208,607)	$ (273,862)	$ (482,469)

11. PUBLIC EMPLOYEES' RETIREMENT SYSTEM, Continued

Actuarial Assumptions -The total pension liabilities in the June 30, 2025 actuarial valuations were determined using the following actuarial assumptions:

	Miscellaneous	Safety - Police	PEPRA - Miscellaneous	PEPRA Safety - Police	Fire Safety
Valuation Date	30-Jun-23	30-Jun-23	30-Jun-23	30-Jun-23	30-Jun-23
Measurement	30-Jun-24	30-Jun-24	30-Jun-24	30-Jun-24	30-Jun-24
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, 2025 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.

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%	4.54%
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	6,615,597	3,148,505	294,578
Employer's Net Pension Liability/(Asset) - Safety	5,241,707	2,337,913	(36,981)
Employer's Net Pension Liability/(Asset) - Total	$ 11,857,304	$ 5,486,418	$ 257,597

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

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, 2025, expenditures of $484,293 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.

12. OTHER POST EMPLOYMENT BENEFITS (OPEB), Continued

Employees Covered by benefit terms

At June 30, 2025, the following employees were covered by the benefit terms:

Active employees	8
Inactive employees or beneficiaries currently receiving benefits	40
Inactive employees entitled to, but not yet receiving benefits	-
Total Number of participants	**48**

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, 2025, the City's cash contributions were $5,000 in payments to the trust, $444,293 cash benefit payments, and the estimated implied subsidy was $40,000 resulting in total payments of $489,293.

Net OPEB Liability

The City's net OPEB liability was measured as of June 30, 2025 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, 2025 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, 2024 6.25% at June 30, 2023
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 2000-2019 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

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%
	100%	

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 6/30/2024*	$ 6,334,306	$ 3,163,877	$ 3,170,429
Changes for the year			
Service Cost	42,229	-	42,229
Interest	383,399	-	383,399
Changes of benefit terms	-	-	-
Actual vs. expected experience	-	-	-
Assumption changes	-	-	-
Contributions - employer	-	489,293	(489,293)
Contributions - employee	-	-	-
Net investment income	-	348,001	(348,001)
Benefit payments	(484,293)	(484,293)	-
Administrative expenses	-	(1,031)	1,031
Net Changes	(58,665)	351,970	(410,635)
Balance at 6/30/2025**	$ 6,275,641	$ 3,515,847	$ 2,759,794

*Measurement date 6/30/2023
** Measurement date 6/30/2025

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 2025 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, 2025:

	1% Decrease	Current Rate	1% Increase
Change in Discount Rate	5.25%	6.25%	7.25%
Net OPEB Liability	$ 3,406,006	$ 2,759,794	$ 2,207,973

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, 2025 (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	$ 2,134,226	$ 2,759,794	$ 3,493,782

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, 2025)

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, 2025, the City recognized OPEB expense of $581,246. As of fiscal year ended June 30, 2025, 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	$ 23,635	$ -
Changes in assumptions	10,717	-
Net difference between projected and actual earnings on plan invesments	34,579	-
Employer contributions made subsequent to the measurement date	465,587	-
Total	$ 534,518	$ -

The $465,587 reported as deferred outflows of resources related to contributions subsequent to the June 30, 2025 measurement date will be recognized as a reduction of the net OPEB liability during the fiscal year ending June 30, 2026. 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	$ 26,473
2026	103,595
2027	(31,081)
2028	(30,056)
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.

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, 2025:

	Balance June 30, 2024	Additions	Retirements	Balance June 30, 2025	Due Within One Year
Trust Activities:					
2015 Refunding Tax Allocation Bonds	$ 2,680,000	$ -	$ (175,000)	$ 2,505,000	$ 175,000
2015 Refunding Tax Allocation Bonds Discount	(20,498)	-	1,782	(18,716)	
Total trust fund debt	$ 2,659,502	$ -	$ (173,218)	$ 2,486,284	$ 175,000
Deferred outflows:					
2015 Refunding Tax Allocation Bonds Deferred Loss	59,608		(5,182)	54,426	5,182

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, 2025 was $2,505,000.

	Fiduciary Activities		
Year Ending	2015 Refunding		
June 30,	Bonds		Discount
	Principal	Interest	Principal
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	195,000	53,075	(1,620)
2031-2035	1,085,000	168,850	(8,100)
2036-2040	490,000	16,088	(2,516)
Total	$ 2,505,000	$ 506,938	$ (18,716)
Due within one year	$ 175,000	$ 75,425	$ (1,620)
Due after one year	2,330,000	431,513	(17,096)
Total	$ 2,505,000	$ 506,938	$ (18,716)

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 2024/25 no claims were disallowed.

Commitments

The City’s unexpended contractual commitments as of June 30, 2025 are listed in note 1 on page 60.

15. NEW ACCOUNTING PRONOUNCEMENTS

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 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 implementation of this statement did not have an effect on the financial statements.

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 implementation of this statement did not have an effect on the financial statements.

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.

The GASB has issued Statement No. 104, "*Disclosure of Certain Capital Assets*." The objective of this Statement is to improve the clarity and consistency of note disclosures related to capital assets by requiring governments to separately disclose certain types of capital assets, including lease assets, intangible right-to-use assets, subscription assets, and capital assets held for sale. These enhanced disclosures are intended to provide financial statement users with more decision-useful information about the nature and composition of a government's capital assets. The requirements of this Statement will take effect for financial statements starting with the fiscal year that ends June 30, 2026.

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REQUIRED SUPPLEMENTARY INFORMATION

City of Fort Bragg, California

Required Supplementary Information - Schedule of Changes in the Net OPEB and Related Ratios

for the Measurement Periods Ended June 30,

	2025	2024	2023
Total OPEB Liability			
Service Cost	$ 42,229	$ 43,707	$ 46,774
Interest on the total OPEB liability	383,399	343,631	347,518
Experience (Gains)/Losses	-	-	-
Actual vs. expected experience	-	496,317	-
Changes of assumptions	-	225,039	-
Benefit payments	(484,293)	(457,544)	(449,289)
Net change in total OPEB liability	(58,665)	651,150	(54,997)
Total OPEB liability - beginning	6,334,306	5,683,156	5,738,153
Total OPEB liability - ending (a)	$ 6,275,641	$ 6,334,306	$ 5,683,156
Plan fiduciary net position			
Contributions - employer	$ 489,293	$ 462,544	$ 454,289
Contributions - employee	-	-	-
Actual investment income	348,001	190,672	(459,120)
Administrative expense	(1,031)	(863)	(869)
Benefit payments	(484,293)	(457,544)	(449,289)
Net change in plan fiduciary net position	351,970	194,809	(454,989)
Plan fiduciary net position - beginning	3,163,877	2,969,068	3,424,057
Plan fiduciary net position - ending (b)	$ 3,515,847	$ 3,163,877	$ 2,969,068
Net OPEB liability - ending (a) - (b)	$ 2,759,794	$ 3,170,429	$ 2,714,088
Covered payroll	$ 847,173	$ 773,383	$ 1,040,847
Net OPEB liability as a percentage of covered payroll	325.77%	409.94%	260.76%

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.

2022	2021	2020	2019	2018
$ 74,649	$ 81,253	$ 104,512	$ 111,530	$ 119,019
381,864	383,562	378,816	366,137	353,775
-	-	(287,306)	-	-
(63,893)	-	-	-	-
(26,853)	(96,029)	218,506	-	-
(420,407)	(354,262)	(287,648)	(277,993)	(286,331)
(54,640)	14,524	126,880	199,674	186,463
5,792,793	5,778,269	5,651,389	5,451,715	5,265,252
$ 5,738,153	$ 5,792,793	$ 5,778,269	$ 5,651,389	$ 5,451,715
$ 420,407	$ 359,262	$ 292,648	$ 492,993	$ 534,256
-	-	-	-	-
738,656	91,502	150,805	164,052	172,839
(1,017)	(1,266)	(522)	(3,826)	(883)
(420,407)	(354,262)	(287,648)	(277,993)	(286,331)
737,639	95,236	155,283	375,226	419,881
2,686,418	2,591,182	2,435,899	2,060,673	1,640,792
$ 3,424,057	$ 2,686,418	$ 2,591,182	$ 2,435,899	$ 2,060,673
$ 2,314,096	$ 3,106,375	$ 3,187,087	$ 3,215,490	$ 3,391,042
$ 1,132,693	$ 1,893,338	$ 1,834,372	$ 2,730,484	$ 2,197,777
204.30%	164.07%	173.74%	117.76%	154.29%

City of Fort Bragg, California

Required Supplementary Information - Net OPEB Liability Schedule of Contributions

June 30, 2025

Fiscal Year Ended June 30,	2025	2024	2023	2022	2021
Actuarially Determined Contribution (ADC)	$ 332,893	$ 228,498	$ 230,888	$ 343,213	$ 348,790
Contributions in relation to the ADC	465,587	489,293	462,544	454,289	425,407
Contribution deficiency (excess)	$ (132,694)	$ (260,795)	$ (231,656)	$ (111,076)	$ (76,617)
Covered payroll	787,617	847,173	773,383	1,040,847	1,132,693
Contributions as a percentage of covered payroll	59.11%	57.76%	59.81%	43.65%	37.56%

Fiscal Year Ended June 30,	2020	2019	2018
Actuarially Determined Contribution (ADC)	$ 374,658	$ 375,390	$ 559,726
Contributions in relation to the ADC	359,262	292,648	492,993
Contribution deficiency (excess)	$ 15,396	$ 82,742	$ 66,733
Covered payroll	1,893,338	1,834,372	2,730,484
Contributions as a percentage of covered payroll	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*

	2025	2024	2023	2022	2021
Contractually required contribution (actuarially determined)	$ 474,948	$ 339,772	$ 321,465	$ 628,487	$ 540,516
Contributions in relation to the actuarially determined contributions	(474,948)	(339,772)	(321,465)	(628,487)	(540,516)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 4,237,319	$ 3,656,001	$ 3,129,486	$ 2,614,508	$ 2,327,258
Contribution as a percentage of covered payroll	11.21%	9.29%	10.27%	24.04%	23.23%

	2020	2019	2018	2017
Contractually required contribution (actuarially determined)	$ 514,099	$ 455,093	$ 430,051	$ 392,300
Contributions in relation to the actuarially determined contributions	(514,099)	(394,321)	(430,051)	392,300
Contribution deficiency (excess)	$ -	$ 60,772	$ -	$ 784,600
Covered payroll	$ 2,661,903	$ 2,833,921	$ 2,641,425	$ 2,598,675
Contribution as a percentage of covered payroll	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*

	2025	2024	2023	2022	2021
Contractually required contribution (actuarially determined)	$ 351,042	$ 245,110	$ 427,837	$ 620,401	$ 558,561
Contributions in relation to the actuarially determined contributions	(351,042)	(245,110)	(427,837)	(620,401)	(558,561)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 1,574,022	$ 1,535,085	$ 1,384,365	$ 1,119,662	$ 1,071,290
Contribution as a percentage of covered payroll	22.30%	15.97%	30.90%	55.41%	52.14%

	2020	2019	2018	2017
Contractually required contribution (actuarially determined)	$ 637,647	$ 471,193	$ 298,630	$ 387,206
Contributions in relation to the actuarially determined contributions	(637,647)	(471,193)	(298,630)	(387,206)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
Covered payroll	$ 1,145,799	$ 1,048,497	$ 1,268,709	$ 1,245,549
Contribution as a percentage of covered payroll	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*

	2024	2023	2022	2021	2020
Plan's Proportion of the Net Pension Liability/(Asset)	0.06510%	0.06368%	0.06550%	0.16609%	0.13012%
Plan's Proportionate Share of the Net Pension Liability/(Asset)	$ 3,148,505	$ 3,184,191	$ 3,064,833	$ 3,153,761	$ 5,488,390
Plan's Covered Payroll	$ 3,656,001	$ 3,129,486	$ 2,614,508	$ 2,327,258	$ 2,661,903
Plan's Proportionate Share of the Net Pension Liability/(Asset) as a Percentage of its Covered Payroll	86.12%	101.75%	117.22%	135.51%	206.18%
Plan's Proportionate Share of the Fiduciary Net Position as a Percentage of the Plan’s Total Pension Liability	87.75%	87.30%	87.29%	86.24%	74.96%
Plan's Proportionate Share of Aggregate Employer Contribution	$ 860,544	$ 909,991	$ 1,092,169	$ 777,490	$ 734,213

	2019	2018	2017	2016
Plan's Proportion of the Net Pension Liability/(Asset)	0.12508%	0.12037%	0.11653%	0.11210%
Plan's Proportionate Share of the Net Pension Liability/(Asset)	$ 5,008,648	$ 4,593,661	$ 4,593,661	$ 3,894,091
Plan's Covered Payroll	$ 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	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	76.25%	76.38%	76.38%	82.66%
Plan's Proportionate Share of Aggregate Employer Contribution	$ 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*

	2024	2023	2022	2021	2020
Plan's Proportion of the Net Pension Liability/(Asset)	0.03207%	0.03263%	0.03491%	0.09104%	0.07793%
Plan's Proportionate Share of the Net Pension Liability/(Asset)	$ 2,337,913	$ 2,438,768	$ 2,399,174	$ 3,194,968	$ 5,192,221
Plan's Covered Payroll	$ 1,535,085	$ 1,384,365	$ 1,119,662	$ 1,071,290	$ 1,145,799
Plan's Proportionate Share of the Net Pension Liability/(Asset) as a Percentage of its Covered Payroll	152.30%	176.17%	214.28%	298.24%	453.15%
Plan's Proportionate Share of the Fiduciary Net Position as a Percentage of the Plan's Total Pension Liability	89.00%	88.10%	87.73%	82.87%	69.95%
Plan's Proportionate Share of Aggregate Employer Contribution	$ 698,772	$ 719,493	$ 1,144,186	$ 826,040	$ 625,589

	2019	2018	2017	2016
Plan's Proportion of the Net Pension Liability/(Asset)	0.07899%	0.07811%	0.08042%	0.08218%
Plan's Proportionate Share of the Net Pension Liability/(Asset)	$ 4,931,069	$ 4,667,131	$ 4,165,367	$ 3,320,431
Plan's Covered Payroll	$ 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 Payroll	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	70.68%	69.76%	70.60%	75.04%
Plan's Proportionate Share of Aggregate Employer Contribution	$ 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.

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, 2025

	Governmental Funds		
	Special Revenue Funds	Capital Projects Funds	Non-Major Funds Totals
ASSETS			
Cash and investments	$ 4,178,808	$ 800,000	$ 4,978,808
Restricted cash and investments	-	-	-
Receivables:			
Intergovernmental	1,292,247	-	1,292,247
Loans/Notes receivable	172,815	-	172,815
Other receivable	130,165	-	130,165
Due from other funds	-	202,879	202,879
Total assets	$ 5,774,035	$ 1,002,879	$ 6,776,914
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES			
Liabilities:			
Accounts payable and accrued liabilities	$ 18,778	$ 34,137	$ 52,915
Due to other funds	1,001,072	229,011	1,230,083
Deposits Payable	104,237	-	104,237
Total liabilities:	1,124,087	263,148	1,387,235
Deferred inflows of resources:			
Unavailable revenue	201,407	-	201,407
Total deferred inflows of resources	201,407	-	201,407
Total liabilities and deferred inflows	1,325,494	263,148	1,588,642
Fund Balances:			
Restricted	2,533,652	-	2,533,652
Assigned	2,051,079	739,731	2,790,810
Unassigned (deficit)	(136,190)	-	(136,190)
Total fund balances	4,448,541	739,731	5,188,272
Total liabilities, deferred inflows and fund balances	$ 5,774,035	$ 1,002,879	$ 6,776,914

City of Fort Bragg, California
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the year ended June 30, 2025

	Governmental Funds		
	Special Revenue Funds	Capital Projects Funds	Non-Major Funds Totals
REVENUES:			
Taxes and assessments	$ 1,307,853	$ -	$ 1,307,853
Fines and forfeitures	100,806	-	100,806
Intergovernmental	2,507,547	-	2,507,547
Use of money and property	224,665	-	224,665
Charges for services	95,487	-	95,487
Total revenues	4,236,358	-	4,236,358
EXPENDITURES:			
Current:			
General government	550	-	550
Public safety	435,493	-	435,493
Public works	588,645	-	588,645
Community development	652,238	-	652,238
Capital outlay	-	377,540	377,540
Total expenditures	1,676,926	377,540	2,054,466
REVENUES OVER (UNDER) EXPENDITURES	2,559,432	(377,540)	2,181,892
OTHER FINANCING SOURCES (USES):			
Proceeds from bonds issued	-	-	-
Transfers in	247,339	1,148,913	1,396,252
Transfers out	(2,540,239)	-	(2,540,239)
Total other financing sources (uses)	(2,292,900)	1,148,913	(1,143,987)
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING (USES)	266,532	771,373	1,037,905
FUND BALANCES:			
Beginning of year	4,182,009	(31,642)	4,150,367
End of year	$ 4,448,541	$ 739,731	$ 5,188,272

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 orgaizations, 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 includ the following:

Fund	Description
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.
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.

(continued)

Fund	Description
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.
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.

(continued)

Fund	Description
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.

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.
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.
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.

(concluded)

City of Fort Bragg, California
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2025

	General Plan Maintenance Fee	Housing	Parking	Parking In-lieu Fees
ASSETS				
Cash and investments	$ 210,524	$ 80,001	$ 38,829	$ -
Receivables:				
Intergovernmental	-	-	-	-
Loans/Notes receivable	-	-	-	-
Other receivable	-	-	-	-
Total assets	$ 210,524	$ 80,001	$ 38,829	$ -
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES				
Liabilities:				
Accounts payable	$ -	$ -	$ -	$ -
Due to other funds	-	-	-	5,137
Deposits payable	-	-	-	-
Total liabilities:	-	-	-	5,137
Deferred inflows of resources:				
Unavailable revenue	-	-	-	-
Total deferred inflows of resources:	-	-	-	-
Total liabilities and deferred inflows	-	-	-	5,137
Fund Balances:				
Restricted	-	-	-	-
Assigned	210,524	80,001	38,829	-
Unassigned (deficit)	-	-	-	(5,137)
Total fund balances	210,524	80,001	38,829	(5,137)
Total liabilities deferred inflows and fund balances	$ 210,524	$ 80,001	$ 38,829	$ -

Parkland Monitoring/ Reporting	State Tobacco License Fee	State Disability Access Fee	Asset Forfeiture	Construction/ Demolition Ordinance	Waste Management Community Benefit Pymt	Gas Tax
$ 139,533	$ 30,733	$ 24,765	$ 295,035	$ 142,948	$ 269	$ -
-	-	11	3,008	-	-	34,197
-	-	-	-	-	-	-
-	-	-	-	-	-	-
$ 139,533	$ 30,733	$ 24,776	$ 298,043	$ 142,948	$ 269	$ 34,197
$ 446	$ -	$ 8	$ 770	$ -	$ -	$ -
-	-	-	-	-	-	-
-	-	-	-	-	-	-
446	-	8	770	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
446	-	8	770	-	-	-
-	-	-	297,273	-	-	34,197
139,087	30,733	24,768	-	142,948	269	-
-	-	-	-	-	-	-
139,087	30,733	24,768	297,273	142,948	269	34,197
$ 139,533	$ 30,733	$ 24,776	$ 298,043	$ 142,948	$ 269	$ 34,197

(continued)

City of Fort Bragg, California
Combining Balance Sheet
Nonmajor Special Revenue Funds, continued
June 30, 2025

	RMRA	Traffic & Safety	Fire Equipment	MCOG Overall Work Plan	OJ Park Maintenance Fund
ASSETS					
Cash and investments	$ 27,086	$ -	$ 151,934	$ -	$ 2,110
Receivables:					
Intergovernmental	177,765	764	-	-	-
Loans/Notes receivable	-	-	-	-	-
Other receivable	-	-	3,704	-	-
Total assets	$ 204,851	$ 764	$ 155,638	$ -	$ 2,110
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES					
Liabilities:					
Accounts payable	$ -	$ -	$ -	$ -	$ -
Due to other funds	159,873	-	-	15,363	-
Deposits payable	-	-	-	-	-
Total liabilities:	159,873	-	-	15,363	-
Deferred inflows of resources:					
Unavailable revenue	-	-	-	-	-
Total deferred inflows of resources:	-	-	-	-	-
Total liabilities and deferred inflows	159,873	-	-	15,363	-
Fund Balances:					
Restricted	-	-	-	-	-
Assigned	44,978	764	155,638	-	2,110
Unassigned (deficit)	-	-	-	(15,363)	-
Total fund balances	44,978	764	155,638	(15,363)	2,110
Total liabilities deferred inflows and fund balance	$ 204,851	$ 764	$ 155,638	$ -	$ 2,110

Developer Deposit Accounts	Casper JPA Transfer Station	SB 1383	Noyo Habor Blue Economy	Special Sales Tax	Permanent Local Housing	Federal and State Grant Funds	Total
$ -	$ 453,959	$ 154,900	$ -	$ 477,226	$ 387,638	$ 1,561,318	$ 4,178,808
-	-	183,933	139,801	222,156	-	530,612	1,292,247
-	-	-	-		-	172,815	172,815
126,461	-	-	-	-	-	-	130,165
$ 126,461	$ 453,959	$ 338,833	$ 139,801	$ 699,382	$ 387,638	$ 2,264,745	$ 5,774,035
$ -	$ -	$ -	$ 13,573	$ -	$ -	$ 3,981	$ 18,778
28,549	-	-	235,593	-	-	556,557	1,001,072
104,237	-	-	-	-	-	-	104,237
132,786	-	-	249,166	-	-	560,538	1,124,087
-	-	-	-		-	201,407	201,407
-	-	-	-	-	-	201,407	201,407
132,786	-	-	249,166	-	-	761,945	1,325,494
-	-	-	-	699,382	-	1,502,800	2,533,652
-	453,959	338,833	-	-	387,638	-	2,051,079
(6,325)	-	-	(109,365)	-	-	-	(136,190)
(6,325)	453,959	338,833	(109,365)	699,382	387,638	1,502,800	4,448,541
$ 126,461	$ 453,959	$ 338,833	$ 139,801	$ 699,382	$ 387,638	$ 2,264,745	$ 5,774,035

(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, 2025

	General Plan Maintenance Fee	Housing	Parking	Parking In-lieu Fees
REVENUES:				
Taxes and assessments	$ -	$ -	$ -	$ -
Fines and forfeitures	-	-	-	-
Intergovernmental	-	-	-	-
Use of money and property	6,084	2,530	1,211	-
Charges for services	29,763	-	-	-
Total revenues	35,847	2,530	1,211	-
EXPENDITURES:				
Current:				
General government	550	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Community development	-	2,710	-	-
Total expenditures	550	2,710	-	-
REVENUES OVER (UNDER) EXPENDITURES	35,297	(180)	1,211	-
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)	35,297	(180)	1,211	-
FUND BALANCES (DEFICITS):				
Beginning of year	175,227	80,181	37,618	(5,137)
End of year	$ 210,524	$ 80,001	$ 38,829	$ (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
	$ -	$ -	$ -	$ -	$ -	$ -	$ 8,298
	-	-	-	70,005	28,981	-	-
	-	2,848	-	-	-	-	233,761
	4,440	913	771	12,822	-	-	1,309
	-	-	-	-	-	-	-
	4,440	3,761	771	82,827	28,981	-	243,368
	-	-	-	-	-	-	-
	-	-	-	264,889	-	-	-
	3,516	-	-	-	-	-	177,646
	-	-	-	-	-	-	-
	3,516	-	-	264,889	-	-	177,646
	924	3,761	771	(182,062)	28,981	-	65,722
	-	-	-	-	-	-	-
	-	-	-	(2,147)	-	-	-
	-	-	-	(2,147)	-	-	-
	924	3,761	771	(184,209)	28,981	-	65,722
	138,163	26,972	23,997	481,482.00	113,967	269	(31,525)
	$ 139,087	$ 30,733	$ 24,768	$ 297,273	$ 142,948	$ 269	$ 34,197

(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, 2025

	RMRA	Traffic & Safety	Fire Equipment	MCOG Overall Work Plan	OJ Park Maintenance Fund
REVENUES:					
Taxes and assessments	$ -	$ -	$ 52,908	$ -	$ -
Fines and forfeitures	-	1,820	-	-	-
Intergovernmental	348,407	-	-	-	-
Use of money and property	-	-	3,829	-	-
Charges for services	-	-	-	-	-
Total revenues	348,407	1,820	56,737	-	-
EXPENDITURES:					
Current:					
General government	-	-	-	-	-
Public safety	-	374	-	-	-
Public works	203,966	-	-	16,458	-
Community development	-	-	-	-	-
Total expenditures	203,966	374	-	16,458	-
REVENUES OVER (UNDER) EXPENDITURES	144,441	1,446	56,737	(16,458)	-
OTHER FINANCING SOURCES (USES):					
Transfers in	-	-	-	-	-
Transfers out	(159,873)	-	-	-	-
Total other financing sources and uses	(159,873)	-	-	-	-
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING (USES)	(15,432)	1,446	56,737	(16,458)	-
FUND BALANCES (DEFICITS):					
Beginning of year	60,410	(682)	98,901	1,095	2,110
End of year	$ 44,978	$ 764	$ 155,638	$ (15,363)	$ 2,110

Developer Deposit Account	Casper JPA Transfer Station	SB 1383	Noyo Habor Blue Economy	Special Sales Tax	Permanent Local Housing	Federal and State Grant Funds	Totals
$ -	$ -	$ -	$ -	$ 1,246,647	$ -	$ -	$ 1,307,853
-	-	-	-	-	-	-	100,806
-	-	204,077	286,586	-	-	1,431,868	2,507,547
-	600	-	-	26,649	163,507	-	224,665
-	65,724	-	-	-	-	-	95,487
-	66,324	204,077	286,586	1,273,296	163,507	1,431,868	4,236,358
-	-	-	-	-	-	-	550
-	-	-	-	-	-	170,230	435,493
-	-	-	-	187,059	-	-	588,645
-	7,531	250	405,497	-	-	236,250	652,238
-	7,531	250	405,497	187,059	-	406,480	1,676,926
-	58,793	203,827	(118,911)	1,086,237	163,507	1,025,388	2,559,432
-	-	-	-	-		247,339	247,339
-	-	-	-	(793,625)		(1,584,594)	(2,540,239)
-	-	-	-	(793,625)	-	(1,337,255)	(2,292,900)
-	58,793	203,827	(118,911)	292,612	163,507	(311,867)	266,532
(6,325)	395,166	135,006	9,546	406,770	224,131	1,814,667	4,182,009
$ (6,325)	$ 453,959	$ 338,833	$ (109,365)	$ 699,382	$ 387,638	$ 1,502,800	$ 4,448,541

(concluded)

City of Fort Bragg, California
Combining Balance Sheet
Federal and State Grant Special Revenue Funds
June 30, 2025

	CDBG Unclassified Program Income	COPS	STP D1 Streets and Highway Allocation	HCD HOME Grant
ASSETS				
Cash and investments	$ 7,025	$ 61,496	$ 1,133	$ 43,592
Restricted cash and investments		-	-	
Receivables:				
Intergovernmental	-	-	-	-
Loans/Notes receivable	-	-	-	172,815
Total assets	$ 7,025	$ 61,496	$ 1,133	$ 216,407
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES				
Liabilities:				
Accounts payable	$ -	$ -	$ -	$ -
Due to other funds	-	-	-	9,116
Total liabilities	-	-	-	9,116
Deferred inflows of resources:				
Unavailable revenue			-	201,407
Total deferred inflows of resources:	-	-	-	201,407
Total liabilities and deferred inflows	-	-	-	210,523
Fund Balances:				
Restricted	7,025	61,496	1,133	5,884
Unassigned (deficit)	-	-	-	-
Total fund balances	7,025	61,496	1,133	5,884
Total liabilities deferred inflows and fund balances	$ 7,025	$ 61,496	$ 1,133	$ 216,407

CDBG Super NOFA	CDBG Grant	CDBG Grant Covid	Totals
$ 34,496	$ 32,106	$ 1,381,470	$ 1,561,318
	530,612	-	530,612
-	-	-	172,815
$ 34,496	$ 562,718	$ 1,381,470	$ 2,264,745
$ -	$ -	3,981	$ 3,981
23,212	524,229	-	556,557
23,212	524,229	3,981	560,538
-	-	-	201,407
-	-	-	201,407
23,212	524,229	3,981	761,945
11,284	38,489	1,377,489	1,502,800
	-	-	-
11,284	38,489	1,377,489	1,502,800
$ 34,496	$ 562,718	$ 1,381,470	$ 2,264,745

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, 2025

	CDBG Unclassified Program Income	COPS	STP D1 Streets and Highway Allocation	HCD HOME Grant
REVENUES:				
Intergovernmental	$ -	$ 194,664	$ 433,896	$ -
Total revenues	-	194,664	433,896	-
EXPENDITURES:				
Current:				
Public safety	-	170,230	-	-
Community development	-	-	12,498	-
Total expenditures	-	170,230	12,498	-
REVENUES OVER (UNDER) EXPENDITURES	-	24,434	421,398	-
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	-
Transfers out	-	-	(426,991)	-
Total other financing sources and uses	-	-	(426,991)	-
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING (USES)	-	24,434	(5,593)	-
FUND BALANCES (DEFICIT):				
Beginning of year	7,025	37,062	6,726	5,884
End of year	$ 7,025	$ 61,496	$ 1,133	$ 5,884

CDBG Super NOFA	CDBG Grant	CDBG Grant COVID	Totals
	$ 790,176	$ 13,132	$ 1,431,868
-	790,176	13,132	1,431,868
-	-	-	170,230
	120,349	103,403	236,250
-	120,349	103,403	406,480
-	669,827	(90,271)	1,025,388
-	-	247,339	247,339
	(1,157,603)	-	(1,584,594)
-	(1,157,603)	247,339	(1,337,255)
-	(487,776)	157,068	(311,867)
11,284	526,265	1,220,421	1,814,667
$ 11,284	$ 38,489	$ 1,377,489	$ 1,502,800

City of Fort Bragg, California
Combining Balance Sheet
Nonmajor Capital Projects Funds
June 30, 2025

	Street Resurfacing
ASSETS	
Cash and investments	$ 800,000
Due from other funds	202,879
Total assets	$ 1,002,879
LIABILITIES AND FUND BALANCES	
Liabilities:	
Accounts payable	$ 34,137
Due to other funds	229,011
Total liabilities:	263,148
Fund Balances:	
Assigned	739,731
Total fund balances	739,731
Total liabilities and fund balances	$ 1,002,879

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, 2025

	Street Resurfacing
REVENUES:	
Use of money and property	$ -
Total revenues	-
EXPENDITURES:	
Current:	
Public works	-
Capital outlay	377,540
Total expenditures	377,540
REVENUES OVER (UNDER) EXPENDITURES	(377,540)
OTHER FINANCING SOURCES (USES):	
Proceeds from bonds issued	-
Transfers in	1,148,913
Transfers out	-
Total other financing sources and uses	1,148,913
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING (USES)	771,373
FUND BALANCES (DEFICITS):	
Beginning of year	(31,642)
End of year	$ 739,731

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, 2025

	Building Maintenance	Information Technology Fund	Fleet Services	Totals
ASSETS				
Current assets:				
Cash and investments	$ -	$ -	$ 491,025	$ 491,025
Total current assets	-	-	491,025	491,025
Noncurrent assets:				
Capital assets, net	53,879.00	261,796	1,966,130	2,281,805
Total noncurrent assets	53,879	261,796	1,966,130	2,281,805
Total assets	$ 53,879	$ 261,796	$ 2,457,155	$ 2,772,830
LIABILITIES AND NET POSITION				
Current liabilities:				
Accounts payable	$ -	$ 31,520	$ 59,601	$ 91,121
Accrued liabilities	-	1,206	530	1,736
Due to other funds	140,124	377,934	-	518,058
Total current liabilities	140,124	410,660	60,131	610,915
Net Position:				
Net investment in capital assets	53,879	261,796	1,966,130	2,281,805
Unrestricted	(140,124)	(410,660)	430,894	(119,890)
Total net position	(86,245)	(148,864)	2,397,024	2,161,915
Total liabilities and net position	$ 53,879	$ 261,796	$ 2,457,155	$ 2,772,830

City of Fort Bragg, California

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

Internal Service Funds

For the year ended June 30, 2025

	Building Maintenance	Information Technology Fund	Fleet Services	Totals
OPERATING REVENUES:				
Interdepartmental charges	$ 149,998	$ 530,997	$ 729,116	$ 1,410,111
Other	-	21,433	-	21,433
Total operating revenues	149,998	552,430	729,116	1,431,544
OPERATING EXPENSES:				
Personnel services	13,146	366,339	404,104	783,589
Repairs and maintenance	18,408	16,574	58,979	93,961
Materials and supplies	-	410,138	93,630	503,768
Contractual services	18,988	17,577	1,451	38,016
Depreciation	7,481	41,844	197,633	246,958
Total operating expenses	58,023	852,472	755,797	1,666,292
OPERATING INCOME (LOSS)	91,975	(300,042)	(26,681)	(234,748)
NONOPERATING REVENUES (EXPENSES):				
Interest revenue	10,200	-	-	10,200
Total non-operating revenues (expenses)	10,200	-	-	10,200
NET INCOME (LOSS) BEFORE TRANSFERS	102,175	(300,042)	(26,681)	(224,548)
Transfers in	-	-	2,147	2,147
Transfers out	(643,225)	-	-	(643,225)
Total transfers	(643,225)	-	2,147	(641,078)
Change in net position	(541,050)	(300,042)	(24,534)	(865,626)
NET POSITION (DEFICIT):				
Beginning of year	454,805	151,178	2,421,558	3,027,541
End of year	$ (86,245)	$ (148,864)	$ 2,397,024	$ 2,161,915

City of Fort Bragg, California
Combining Statement of Cash Flows
Internal Service Funds
For the year ended June 30, 2025

	Building Maintenance	Information Technology Fund	Fleet Services	Totals
CASH FLOWS FROM OPERATING ACTIVITIES:				
Cash received from interfund services provided	$ 149,998	$ 552,430	$ 729,116	$ 1,431,544
Cash paid to suppliers for goods and services	(44,234)	(581,795)	(103,392)	(729,421)
Cash paid to employees for services	(13,146)	(365,675)	(403,574)	(782,395)
Net cash provided (used) by operating activities	92,618	(395,040)	222,150	(80,272)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Transfers received	140,124	377,934	2,147	520,205
Transfers paid	(643,225)	-	-	(643,225)
Net cash provided (used) by noncapital financing activities	(503,101)	377,934	2,147	(123,020)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Acquisition and construction of capital assets	(7,608)	(57,468)	(183,410)	(248,486)
Net cash (used) by capital and related financing activities	(7,608)	(57,468)	(183,410)	(248,486)
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest on investments	10,200	-	-	10,200
Net cash provided by investing activities	10,200	-	-	10,200
Net increase (decrease) in cash and cash equivalents	(407,891)	(74,574)	40,887	(441,578)
CASH AND CASH EQUIVALENTS:				
Beginning of year	407,891	74,574	450,138	932,603
End of year	$ -	$ -	$ 491,025	$ 491,025
Reconciliation of income from operations to net cash provided (used) by operating activities:				
Operating income (loss)	$ 91,975	$ (300,042)	$ (26,681)	$ (234,748)
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation	7,481	41,844	197,633	246,958
(Increase) decrease in current assets:				
Accounts receivable	-	-	-	-
Increase (decrease) in liabilities:				
Accounts payable	(6,838)	(137,506)	50,668	(93,676)
Accrued liabilities	-	664	530	1,194
Net cash provided by operating activities	$ 92,618	$ (395,040)	$ 222,150	$ (80,272)

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STATISTICAL SECTION

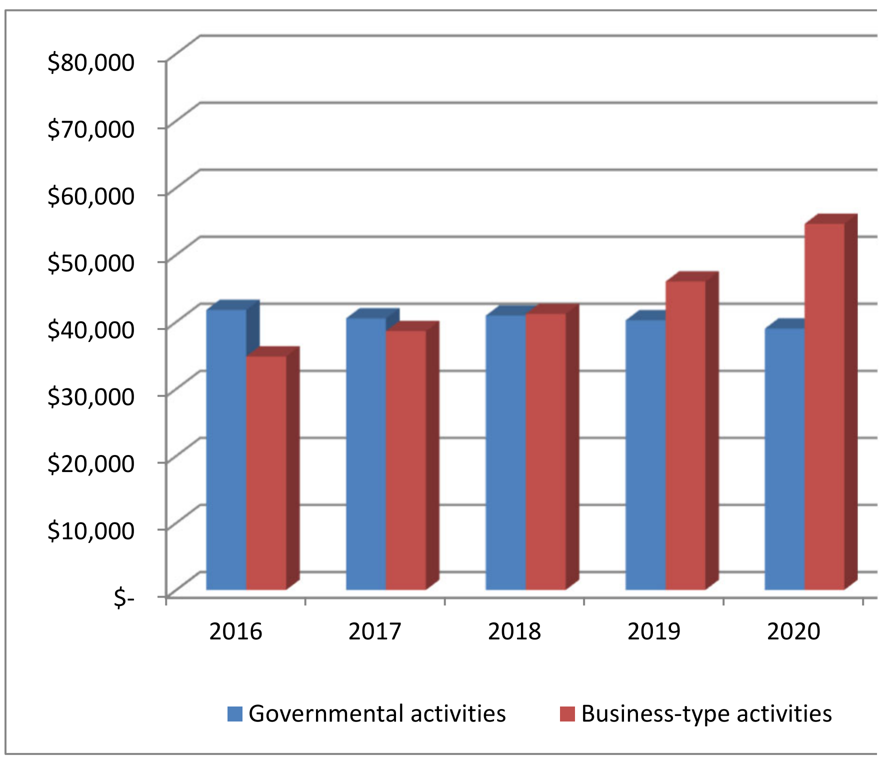
This part of the City of Fort Bragg's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, footnotes, and required supplementary information says about the City's overall financial health.

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.	128-137
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.	138-147
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	148-154
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.	156-157
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.	158-160

City of Fort Bragg, California

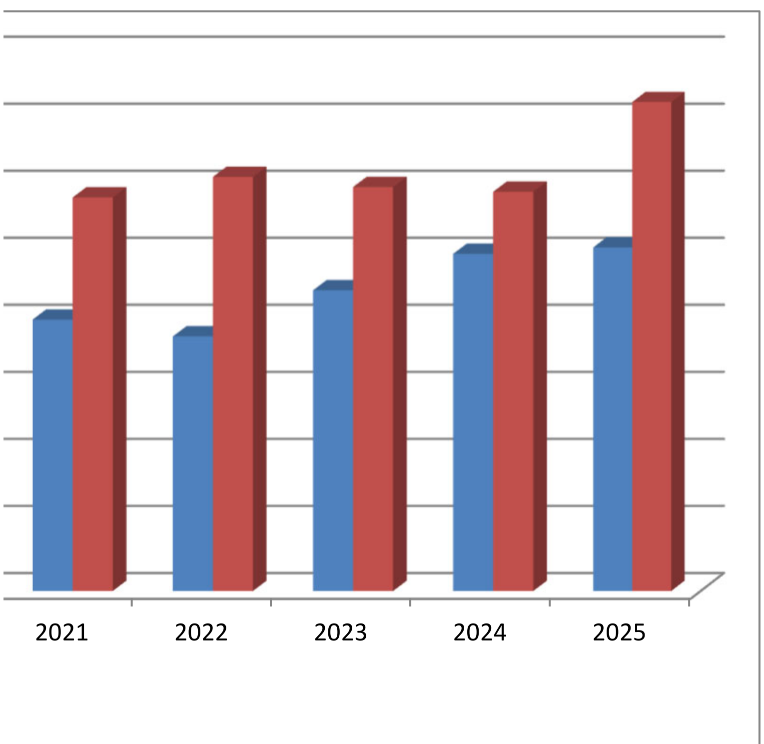
Net Position by Component
Last Ten Fiscal Years
(Fiscal year ended June 30)
(Accrual basis of accounting)
(In Thousands)

	2016	2017	2018	2019
Governmental activities				
Net investment in capital assets	$ 38,647	$ 39,523	$ 42,293	$ 41,400
Restricted	3,536	2,513	3,758	1,279
Unrestricted (deficit)	(399)	(1,518)	(5,115)	(2,456)
Total governmental activities net position	$ 41,784	$ 40,518	$ 40,935	$ 40,223
Business-type activities				
Net investment in capital assets	$ 30,503	$ 31,597	$ 33,572	$ 37,806
Restricted	108	108	108	108
Unrestricted (deficit)	4,232	6,912	7,515	8,094
Total business-type activities net position	$ 34,843	$ 38,617	$ 41,195	$ 46,008
Primary government				
Net investment in capital assets	$ 69,150	$ 71,119	$ 75,865	$ 79,206
Restricted	3,644	2,621	3,866	1,387
Unrestricted (deficit)	3,833	5,395	2,400	5,638
Total primary government net position	$ 76,627	$ 79,135	$ 82,131	$ 86,231



Source: City Finance Department

	2020	2021	2022	2023	2024	2025
	$ 42,102	$ 41,686	$ 30,092	$ 42,156	$ 44,880	$ 52,945
	1,922	2,947	2,578	6,755	5,840	7,475
	(5,026)	(4,140)	5,304	(4,057)	(424)	(9,175)
	$ 38,998	$ 40,493	$ 37,974	$ 44,854	$ 50,296	$ 51,245
	$ 45,807	$ 46,331	$ 48,678	$ 50,402	$ 52,050	$ 63,839
	108	108	108	108	108	644
	8,704	12,277	12,985	9,755	7,407	8,462
	$ 54,619	$ 58,716	$ 61,771	$ 60,265	$ 59,565	$ 72,945
	$ 87,909	$ 88,017	$ 78,770	$ 92,558	$ 96,930	$ 116,784
	2,030	3,055	2,686	6,863	5,948	8,119
	3,678	8,137	18,289	5,698	6,983	(713)
	$ 93,617	$ 99,209	$ 99,745	$ 105,119	$ 109,861	$ 124,190



City of Fort Bragg, California
Changes in Net Position
Last Ten Fiscal Years
(Fiscal year ended June 30)
(Accrual basis of accounting)
(In Thousands)

	2016	2017	2018	2019	2020
Expenses					
Governmental activities:					
General government	$ 2,877	$ 2,221	$ 2,804	$ 2,384	$ 2,623
Public safety	4,187	4,388	4,461	4,338	5,374
Public works	2,108	2,750	2,873	2,979	3,122
Community development	1,700	1,018	1,208	1,056	876
Parks and recreation	-	38	-	-	-
Marketing and promotions	-	-	-	-	186
Interest and fiscal charges	26	21	53	47	5
Total governmental activities expenses	10,898	10,434	11,399	10,804	12,186
Business-type activities:					
Water	2,264	2,158	2,034	1,920	1,676
Sewer	2,897	2,847	2,569	2,674	2,302
C.V. Starr Center	2,292	2,320	2,386	2,722	2,081
Broadband	-	-	-	-	-
Total business-type activities expenses	7,453	7,325	6,989	7,316	6,059
Total primary government expenses	18,351	17,760	18,388	18,120	18,245
Program revenues					
Governmental activities:					
Charges for services:					
General government	2,818	1,967	1,324	1,108	880
Public safety	289	299	365	371	290
Public works	344	558	1,049	1,155	1,980
Community development	30	232	520	293	-
Operating grants and contributions	725	1,251	2,259	765	800
Capital grants and contributions	3,762	922	3,324	3,296	1,345
Total governmental activities program revenues	7,968	5,227	8,840	6,988	5,295
Business-type activities:					
Charges for services:					
Water	2,624	2,683	2,909	3,077	3,181
Wastewater	3,332	3,305	3,495	3,599	3,484
C.V. Starr Center	722	696	743	711	466
Broadbankd	-	-	-	-	-
Operating grants and contributions	-	-	-	-	-
Capital grants and contributions	-	-	-	-	4,512
Total business-type activities program revenues	6,678	6,683	7,147	7,387	11,643
Total primary government program revenues	14,646	11,911	15,987	14,375	16,938
Net (Expense)/Revenue					
Governmental activities	(2,930)	(5,207)	(2,558)	(3,817)	(6,891)
Business-type activities	(775)	(642)	158	70	5,584
Total primary government net expense	(3,705)	(5,849)	(2,400)	(3,747)	(1,307)

2021	2022	2023	2024	2025
$ 3,581	$ 4,515	$ 2,999	$ 3,796	$ 4,138
4,386	4,903	5,647	5,981	5,868
2,438	3,551	3,579	3,927	4,417
4,105	825	5,890	1,219	1,586
-	-	-	-	-
93	227	210	237	237
38	438	532	245	533
14,641	14,459	18,857	15,405	16,779
1,688	2,677	3,034	3,358	2,886
3,043	3,942	4,727	3,639	4,961
1,229	2,145	2,593	2,875	3,614
-	-	-	-	181
5,960	8,764	10,354	9,872	11,642
20,601	23,223	29,211	25,277	28,421
978	1,584	1,874	2,024	2,611
252	319	309	288	317
1,583	2,006	1,801	2,857	2,019
-	-	188	569	397
3,974	3,968	6,287	2,800	4,523
1,584	187	2,400	1,674	11,052
8,371	8,064	12,857	10,212	20,920
3,660	3,033	3,043	3,057	3,050
4,017	3,584	3,522	3,627	3,566
-	983	639	719	902
-	-	-	-	-
-	-	-	-	-
-	646	-	-	100
7,677	8,246	7,205	7,403	7,618
16,048	16,310	20,062	17,615	28,538
(6,270)	(6,397)	(6,000)	(5,193)	4,141
1,718	(519)	(3,149)	(2,469)	(4,024)
(4,552)	(6,916)	(9,149)	(7,662)	117

(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)

	2016	2017	2018	2019	2020
Governmental activities:					
Taxes:					
Property taxes	1,007	1,084	1,035	1,075	1,157
Sales and use tax	2,458	2,414	1,785	1,728	2,743
Transient lodging tax	1,948	2,149	2,619	2,640	2,204
Franchise taxes	491	-	-	-	590
Other taxes	403	674	719	762	185
Use of money and property	113	(23)	(110)	66	107
Unrealized gains and losses	-	-	-	195	228
Other general revenues	120	151	61	8	24
Special Items		(507)	-	-	-
Transfer in (out)	(451)	(2,003)	(898)	(1,029)	(1,573)
Extraordinary item: Redevelopment dissolution	-	-	-	-	-
Total governmental activities	6,089	3,940	5,210	5,445	5,665
Business-type activities:					
Property taxes	220	234	236	249	236
Sales and use tax	846	881	915	879	945
Use of money and property	27	56	98	168	178
Other revenues	271	1,242	272	77	95
Transfer in (out)	451	2,003	898	1,029	1,573
Total business-type activities	1,815	4,416	2,420	2,402	3,027
Total primary government	7,904	8,356	7,630	7,847	8,692
Changes in Net Position					
Governmental activities	3,159	(1,267)	2,652	1,628	(1,226)
Business-type activities	1,040	3,774	2,578	2,472	8,611
Total primary government	$ 4,199	$ 2,507	$ 5,230	$ 4,100	$ 7,385

Source: City Finance Department

2021	2022	2023	2024	2025
1,152	1,214	1,208	1,272	1,344
3,127	3,427	3,322	3,261	3,712
3,322	3,445	3,192	3,092	3,159
626	654	740	762	621
185	198	213	213	226
112	-	-	-	-
(124)	(8)	(278)	659	897
266	28	832	1,172	100
-	-	-	-	-
(901)	(1,939)	150	204	(13,248)
-	-	-	-	-
7,765	7,019	9,380	10,635	(3,191)
263	269	305	310	327
1,100	1,211	1,175	1,170	1,351
115	104	312	495	392
-	50	-	-	2,084
901	1,939	(150)	(204)	13,248
2,379	3,573	1,643	1,771	17,402
10,144	10,592	11,023	12,406	14,212
1,495	622	3,381	5,442	950
4,097	3,054	(1,506)	(698)	13,378
$ 5,592	$ 3,676	$ 1,874	$ 4,744	$ 14,329

(concluded)

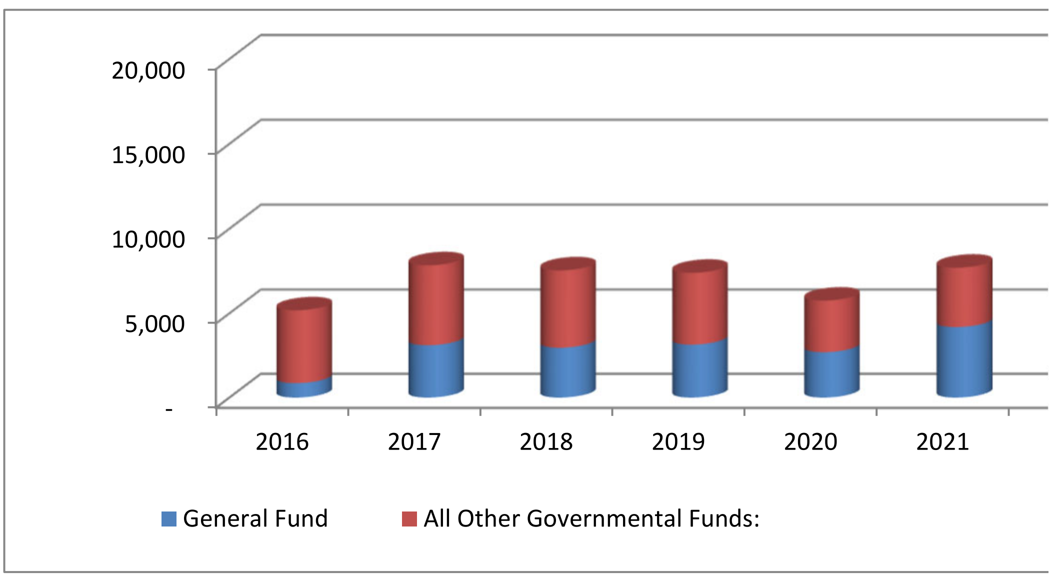
City of Fort Bragg, California

Fund Balances of Governmental
Last Ten Fiscal Years
(Fiscal year ended June 30)

(Modified accrual basis of accounting)

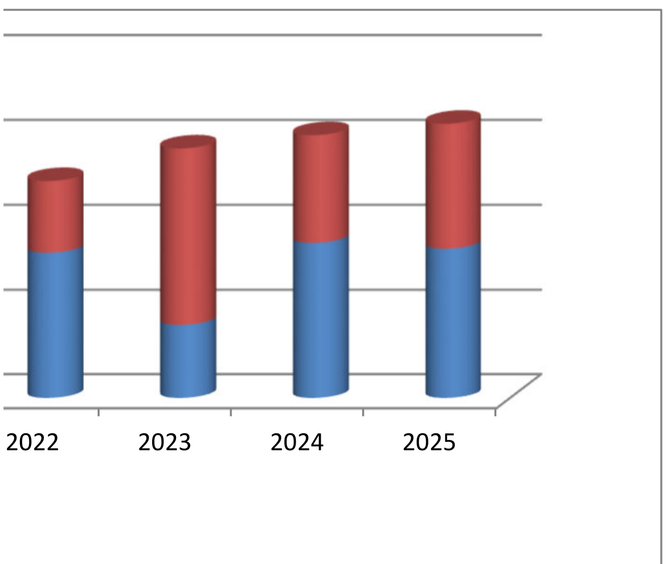
(In Thousands)

	2016	2017	2018	2019	2020
General Fund:					
Nonspendable	$ 66	$ 4	$ 94	$ 9	$ 3
Restricted	-	-	-	-	-
Committed	-	2,135	1,694	1,682	2,160
Unassigned	790	968	1,172	1,451	529
Total general fund	856	3,107	2,959	3,142	2,692
All Other Governmental Funds:					
Restricted	3,536	2,530	3,758	1,267	1,922
Assigned	1,116	1,472	1,292	3,005	1,426
Unassigned (deficit)	(331)	731	(470)	(16)	(284)
Total all other governmental funds	4,321	4,733	4,580	4,256	3,064
Total all governmental funds	$ 5,177	$ 7,839	$ 7,539	$ 7,398	$ 5,756



Source: City Finance Department

2021	2022	2023	2024	2025
$ 7	$ 12	$ 16	$ 9	$ 215
-	3,500	1,651	1,787	3,561
2,679	2,679	2,679	2,679	2,679
1,498	2,401	1,628	4,702	2,376
4,184	8,592	4,324	9,177	8,831
2,947	2,578	5,104	4,053	3,914
814	1,790	3,948	2,362	4,412
(248)	(144)	(292)	(75)	(970)
3,513	4,224	10,411	6,340	7,356
$ 7,697	$ 12,816	$ 14,735	$ 15,517	$ 16,187

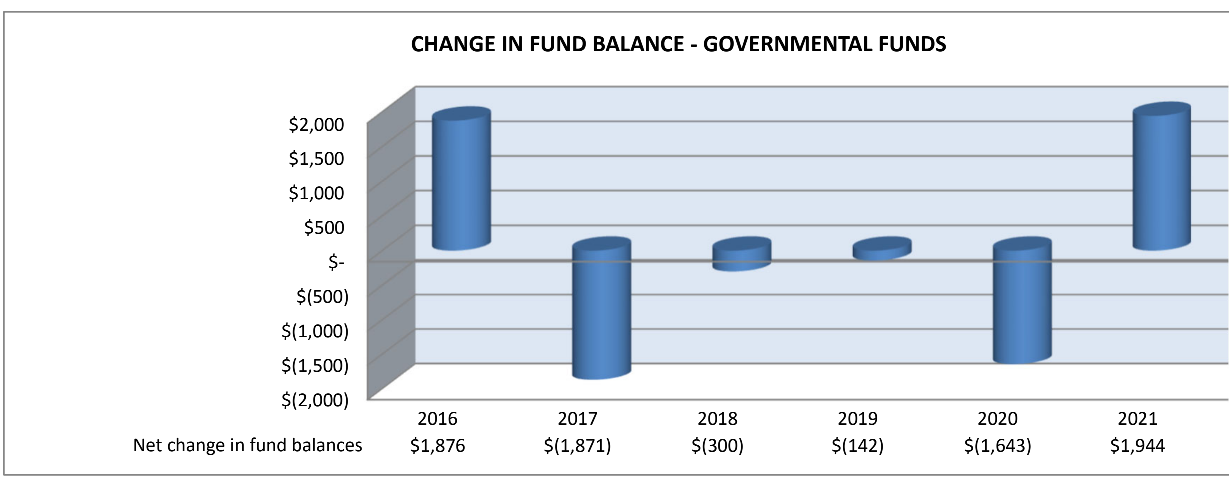


City of Fort Bragg, California

Changes in Fund Balances of Governmental Funds

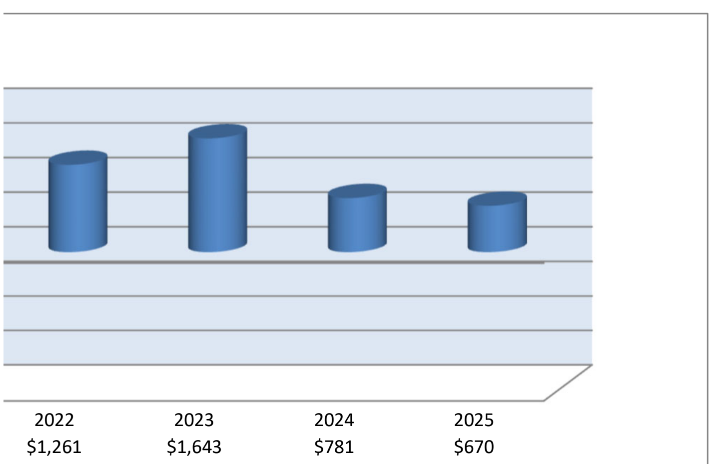
Last Ten Fiscal Years
(Fiscal year ended June 30)
(Modified accrual basis of accounting)
(In Thousands)

	2016	2017	2018	2019	2020
Revenues:					
Taxes and assessments	$ 5,067	$ 6,486	$ 7,131	$ 7,138	$ 6,878
Intergovernmental	5,219	1,847	4,592	772	2,702
Charges for services	242	203	139	128	61
Fines, forfeitures and penalties	162	211	84	118	112
Licenses and permits	273	97	132	128	97
Use of money and property	174	55	126	213	409
Unrealized gains and losses	-	-	-	195	-
Reimbursements	3,413	2,345	2,691	2,453	2,335
Other	127	210	82	37	22
Total revenues	14,677	11,454	14,976	11,182	12,616
Expenditures:					
Current:					
General government	2,685	2,548	2,881	2,522	2,094
Public safety	4,100	4,233	4,383	4,189	5,029
Public works	1,874	1,902	1,947	1,968	1,901
Community development	1,693	1,011	1,201	1,050	846
Marketing and promotions	-	-	-	-	186
Cost allocations	-	-	-	-	475
Capital outlay	1,725	1,992	3,780	282	1,975
Debt Service:					
Principal Retirement	120	127	169	169	180
Interest and fiscal charges	26	21	17	17	5
Total expenditures	12,223	11,834	14,378	10,197	12,691
Reconciliation of Governmental Revenues Less Expenditures to Fund Equity:					
Revenues over (under) expenditures	$ 2,454	$ (380)	$ 598	$ 985	$ (75)
Other financing sources (uses):					
Proceeds from capital lease					
Proceeds from issuance of debt	-	-	-	-	-
Proceeds from sales of assets	-	-	-	-	6
Transfers in	2,714	3,775	2,944	2,830	616
Transfers out	(3,292)	(5,266)	(3,843)	(3,957)	(2,190)
Total other financing sources (uses)	(578)	(1,491)	(898)	(1,127)	(1,568)
Net change in fund balances	$ 1,876	$ (1,871)	$ (300)	$ (142)	$ (1,643)
Debt service as a percentage of noncapital expenditures	1.39%	1.50%	1.75%	1.88%	1.73%



Source: City Finance Department

2021	2022	2023	2024	2025
$ 8,412	$ 8,937	$ 8,676	$ 8,600	$ 9,061
5,883	4,487	8,695	5,240	15,791
47	65	202	164	184
103	146	158	72	158
92	86	95	85	84
13	(34)	(111)	943	1,198
-	-	-	-	-
2,247	3,278	3,765	4,383	4,406
264	23	143	1,155	95
17,061	16,988	21,622	20,642	30,977
2,256	3,319	2,810	3,245	3,732
4,094	4,507	4,389	5,131	5,240
1,847	1,966	2,224	2,553	2,318
4,368	1,134	4,680	3,341	1,494
93	227	210	237	237
478	789	1,223	1,130	1,871
415	1,504	745	4,014	10,083
38	-	3,425	195	190
-	358	439	245	517
13,589	13,804	20,145	20,091	25,682
$ 3,472	$ 3,184	$ 1,477	$ 551	$ 5,295
-	-	-	-	7,980
9	16	-	25	1
866	1,788	1,465	7,565	6,159
(2,403)	(3,727)	(1,299)	(7,360)	(18,766)
(1,528)	(1,923)	166	230	(4,626)
$ 1,944	$ 1,261	$ 1,643	$ 781	$ 670
0.29%	2.91%	19.92%	2.74%	4.53%



City of Fort Bragg, California

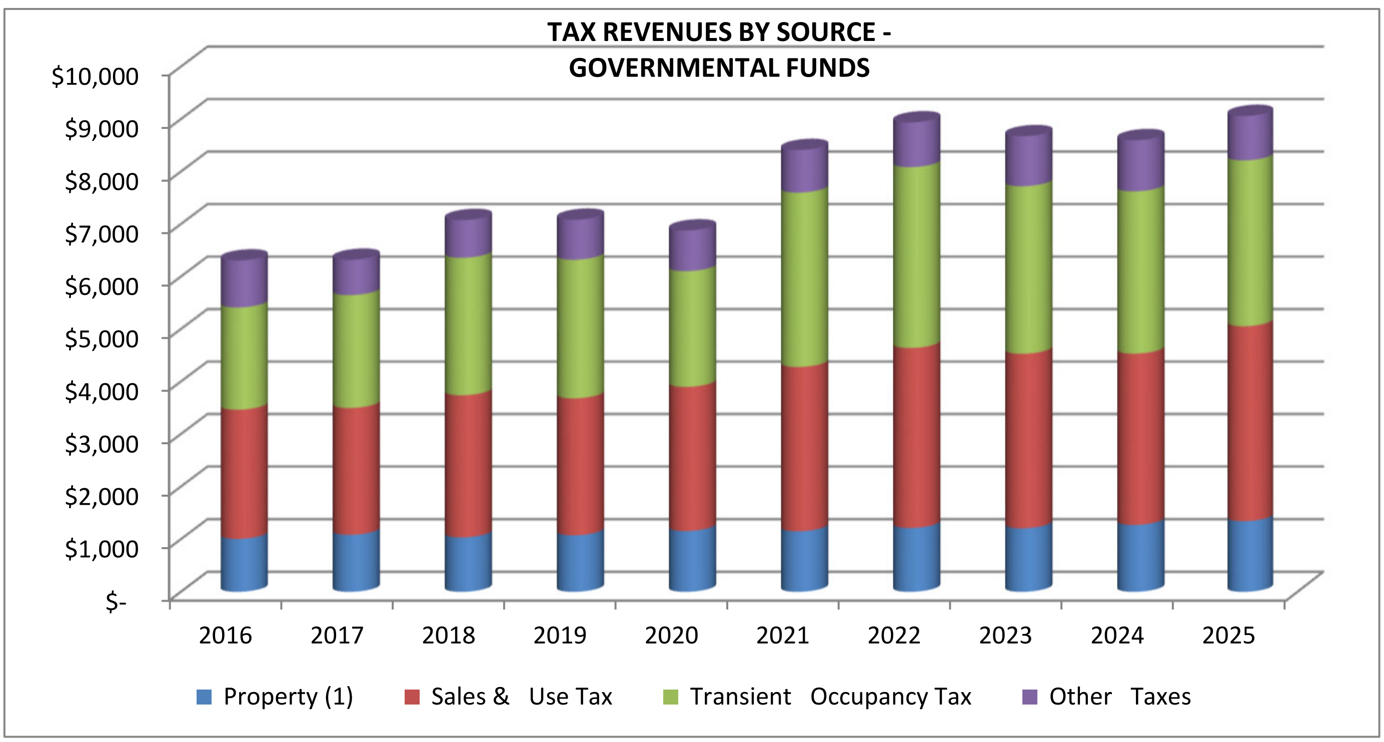
Governmental Fund Tax Revenue By Source

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
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
2025	1,343	3,712	3,159	847	9,061



(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

2024-25		2015-16	
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	CVS/Pharmacy	Drug Stores
Denny's Restaurants	Restaurants	Denny's Restaurants	Restaurants
Dollar Tree Stores	Department Stores	Dollar Tree Stores	Department Stores
Emerald Triangle Cannabis - Mmd	Drug Stores	Eel River Fuels	Energy Sales
Geo Aggregates	Bldg.Matls-Whsle	Fort Bragg Feed & Pet	Florist/Nursery
Harvest Market	Food Markets	Geo Aggregates	Bldg.Matls-Whsle
Kemppe Liquid Gas	Energy Sales	Harvest Market	Food Markets
Mcdonald's Restaurants	Restaurants	Mcdonald's Restaurants	Restaurants
Mendo Mill & Lumber Company	Bldg.Matls-Retail	Mendo Mill & Lumber Company	Bldg.Matls-Retail
Noyo Harbor Inn	Restaurants	Mendocino County Horticulture Supply	Florist/Nursery
Noyo River Grill	Restaurants	O'Reilly Auto Parts	Auto Parts/Repair
O'Reilly Auto Parts	Auto Parts/Repair	Rhoads Auto Parts	Auto Parts/Repair
Redwood Coast Fuels	Energy Sales	Rino Service Stations	Service Stations
Restaurante Los Gallitos	Restaurants	Rite Aid Drug Stores	Drug Stores
Rino Service Stations	Service Stations	Rossi Building Materials	Bldg.Matls-Retail
Rite Aid Drug Stores	Drug Stores	Safeway Stores	Food Markets
Rossi Building Materials	Bldg.Matls-Retail	Sears Roebuck & Company	Department Stores
Safeway Stores	Food Markets	Sinclair Service Stations	Service Stations
Sinclair Service Stations	Service Stations	Sport Chrysler-Jeep-Dodge	Auto Sales - New
Sport Chrysler-Jeep-Dodge	Auto Sales - New	The Brewery Shop	Restaurants
Taco Bell	Restaurants	True Value Hardware	Bldg.Matls-Retail
The Brewery Shop	Restaurants	Us Cellular	Miscellaneous Retail

Source: MuniServices, LLC / Avenu Insights & Analytics

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

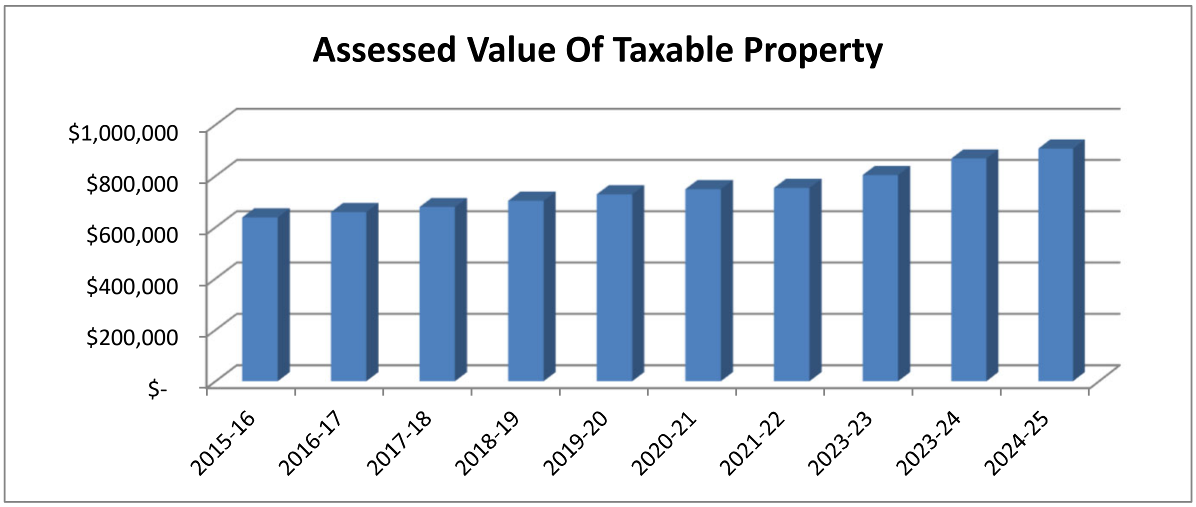
CDTFA NAICS SECTOR	2025Q1	2024Q1	2023Q1	2022Q1
Accommodation and Food Services	316,984	302,545	300,926	311,726
Agriculture, Forestry, Fishing and Hunting	16,643	14,036	10,089	10,587
Arts, Entertainment, and Recreation	33,699	30,721	8,673	8,183
Construction	53,414	45,093	52,819	50,705
Educational Services	1,372	463	216	881
Information	15,043	15,151	12,000	12,478
Manufacturing	11,751	11,949	9,899	4,086
Mining, Quarrying, and Oil and Gas Extraction	63,173	64,581	86,190	93,131
Other Services (except Public Administration)	36,790	33,377	30,456	31,829
Professional, Scientific, and Technical Services	2,704	2,804	3,278	3,826
Real Estate and Rental and Leasing	2,843	2,588	2,703	3,276
Retail Trade	1,125,135	1,140,961	1,227,529	1,194,571
Utilities	3,936	3,921	5,016	4,705
All Other NAICS Sectors	39,269	51,556	30,993	24,460
Grand Total	**1,722,755**	**1,719,748**	**1,780,788**	**1,754,444**

Source: MuniServices, LLC / Avenu Insights & Analytics

2021Q1	2020Q1	2019Q1	2018Q1	2017Q1	2016Q1
219,712	261,645	270,483	282,222	261,139	233,034
6,187	11,023	9,955	3,547	7,404	11,516
189	5,903	5,394	3,516	3,469	3,454
42,824	47,581	50,973	35,467	34,009	35,318
866	1,331	2,082	7,876	7,499	8,318
7,167	7,675	9,327	5,569	4,825	4,031
5,144	8,727	8,337	7,126	6,312	4,704
68,023	90,412	86,275	73,796	56,363	62,526
27,773	31,619	31,125	30,343	31,197	31,897
3,254	4,980	5,892	7,944	7,989	8,627
4,114	2,239	2,712	2,455	2,525	2,525
1,044,499	1,050,362	1,045,388	1,056,859	987,423	990,177
3,129	4,514	5,124	4,588	5,430	4,696
23,374	21,707	21,418	21,025	18,791	18,414
1,456,256	**1,549,719**	**1,554,485**	**1,542,334**	**1,434,374**	**1,419,237**

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	Secured Property*	Unsecured Property	Taxable Assessed Value	% Change	Total Direct Tax Rate (1)	Estimated Actual Taxable Value (2)	Factor of Taxable Assessed Value (2)
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
2024-25	$ 866,177	$ 40,875	$ 907,052	4.5%	1.145000	1,119,364	1.234068



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.

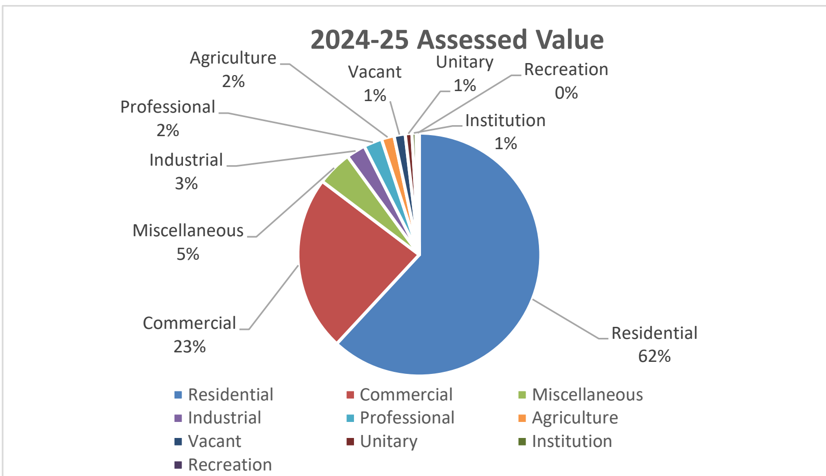
City of Fort Bra

Assessed Value of Property by Use Code, City Wide

Last Nine Fiscal Years

(In Thousands)

Category	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
Residential	$ 369,852	$ 393,470	$ 375,474	$ 395,888	$ 410,229	$ 428,620	$ 448,738	$ 480,401	$ 515,050	536,398
Commercial	167,141	150,666	153,767	156,832	160,042	163,238	164,973	168,401	195,487	202,318
Miscellaneous	735	1,120	31,285	31,187	33,043	33,941	35,200	37,333	42,216	40,396
Industrial	37,595	37,908	38,037	39,021	40,900	39,219	18,946	30,445	21,759	22,194
Professional	179	9,804	19,769	20,036	20,413	20,817	19,854	19,556	20,186	21,205
Agriculture	34	34	-	-	-	-	-	11,181	12,842	14,540
Vacant	18,963	21,162	21,817	23,423	24,116	22,554	22,866	12,354	12,213	12,921
Unitary	543	340	-	-	-	-	-	-	5,268	7,614
Institution	4,513	4,515	3,761	2,691	3,926	4,429	3,740	4,889	4,590	4,972
Recreation	6,391	7,101	2,676	2,613	2,719	2,762	2,460	1,942	3,574	3,619
Unknown	1,192	-	-	-	-	-	4,031	-	-	-
Net Secured Value	607,137	626,121	646,586	671,692	695,389	715,581	720,807	766,503	833,186	866,177
Unsecured	31,275	32,889	32,288	31,556	33,240	33,149	32,899	37,340	35,150	40,875
Net Taxable Value	$ 638,412	$ 659,009	$ 678,874	$ 703,249	$ 728,629	$ 748,730	$ 753,706	$ 803,843	$ 868,336	#######



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

	2015-16	2016-17	2017-18	2018-19	2019-20
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 DISTRICSTS	0.025000	0.018000	0.026000	0.024000	0.024000
SCHOOLS	0.107000	0.115000	0.107000	0.114000	0.107000
TOTAL	0.132000	0.133000	0.133000	0.138000	0.131000
TOTAL TAX RATE	1.132000	1.133000	1.133000	1.138000	1.131000

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

2020-21	2023-22	2023-23	2023-24	2024-25
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
0.023000	0.023000	0.023000	0.022000	0.019000
0.101000	0.114000	0.162000	0.147000	0.126000
0.124000	0.137000	0.185000	0.169000	0.145000
1.124000	1.137000	1.185000	1.169000	1.145000

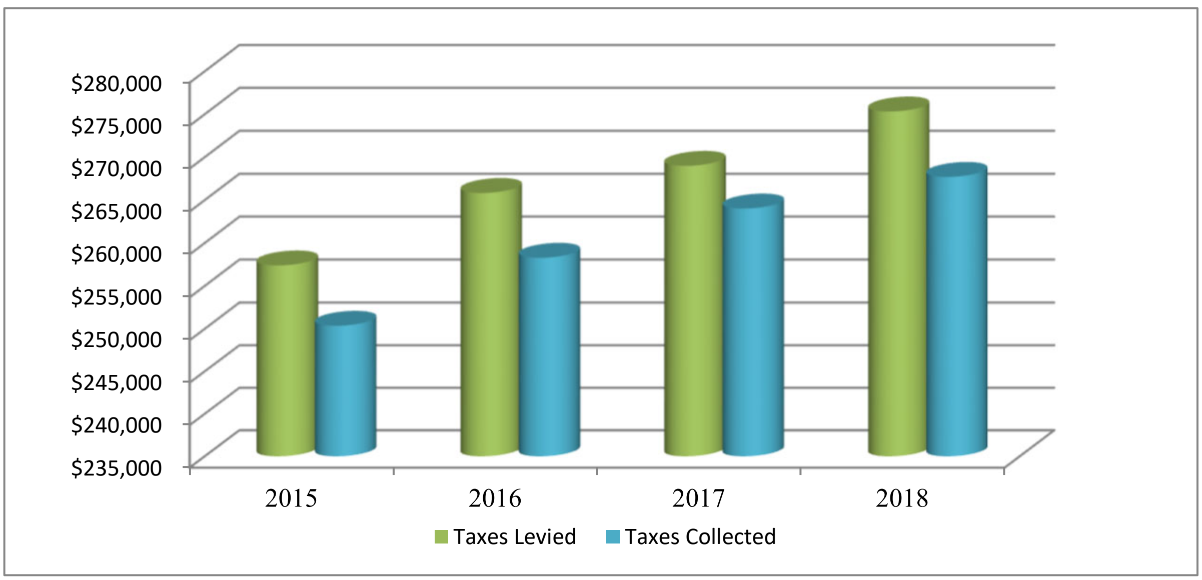
City of Fort Bragg, California
Principal Property Tax Payers
Last Fiscal Year and Nine Years Ago

	2024-25		2015-16	
Taxpayer	Taxable Value ($)	Percent of Total City Taxable Value (%)	Taxable Value ($)	Percent of Total City Taxable Value (%)
Mendocino Railway	18,043,656	1.99%		
Rap Investors Lp	12,546,852	1.38%	10,792,639	1.69%
Boatyard Associates Phase	11,411,928	1.26%	9,706,645	1.52%
Tenants Choice LLC	9,847,310	1.09%		
Safeway Inc	8,513,709	0.94%	7,010,172	1.10%
North Coast Brewing Co Inc	7,813,695	0.86%	7,064,018	1.11%
GP Investors LLC	7,047,202	0.78%		
Fort Bragg Hospitality LLC	5,587,278	0.62%		
SNB Govind Corporation	5,206,600	0.57%		
Tanti Family II LLC	5,116,304	0.56%	5,255,551	0.82%
Kao Kuami	4,998,314	0.55%	4,302,429	0.67%
Anderson Logging Inc	4,987,276	0.55%	4,306,579	0.68%
Kashi Keshav Investments LLC	4,900,537	0.54%	4,157,643	0.65%
Grosvenor Van Ness Association	4,682,640	0.52%	3,976,992	0.62%
Ronald R Ttee Ray	4,313,909	0.48%	3,661,559	0.57%
Longs Drug Stores California	4,310,317	0.48%	3,888,947	0.61%
Mendocino Leasing Company	4,181,295	0.46%		
Patel Chiman	4,061,606	0.45%		
Comcast LLC	3,721,093	0.41%	2,541,344	0.40%
Fort Bragg Hotel LLC	3,616,733	0.40%	3,565,385	0.56%
Kemppe Liquid Gas Corporation	3,307,497	0.36%	2,925,418	0.46%
Glassbeach Estates LLC	3,227,398	0.36%		
Noyo Harbor Inn LLC	3,058,176	0.34%		
Moura Senior Housing	3,032,578	0.33%	3,479,168	0.55%
Serenethos LLC	2,963,903	0.33%		
Georgia Pacific Corp			31,832,861	4.99%
Colombi Jeanette Succttee			5,098,440	0.80%
Hurst Jason S			4,605,491	0.72%
Ansari Ghulam Murtaza Tenzila			4,135,244	0.65%
Keaton Richard J Julie			3,083,116	0.48%
Noyo Vista Inc			3,026,662	0.47%
RBJ Assoc LLC			2,595,058	0.41%
Miller Helen Centeno			2,461,240	0.39%
Taubold Timothy E Ttees			2,451,214	0.38%
Lee Michael V Dona H Ttees			2,344,716	0.37%
Total Top 25 Taxpayers	150,497,806	16.59%	138,268,531	21.68%
Total Taxable Value	907,051,746	100.00%	637,869,440	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
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
2021	N/A	N/A	N/A
2023	N/A	N/A	N/A
2024	N/A	N/A	N/A
2025	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)

	Governmental Activities				Business-type Activities	
Fiscal Year Ended June 30,	Certificates of Participation	Lease Revenue Bond	Loans Payable	Total Governmental Activities	Certificates of Participation	Notes Payable
2016	$ 539	$ -	$ -	$ 539	$ 2,578	$ 1,102
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	-	15,324	-	15,324	4,981	-
2024	-	7,593	-	7,593	4,556	-
2025	-	7,625	7831	15,456	4,461	7,880

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

Business-type Activities					
Capital Leases	Total Business-type Activities	Total Primary Government	Percentage of Personal Income [(1)]	Per Capita [(1)]
$ 123	$ 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
-	5,815	17,214	7.6%	2,407
-	4,981	20,305	7.8%	2,895
-	4,556	12,149	4.0%	1,692
-	12,341	27,797	8.7%	3,868

City of Fort Bragg, Calif

Legal Debt Margin Information

Last Ten Fiscal Years

(Fiscal year ended June 30)

(Dollars in thousands)

	2016	2017	2018	2019	2020
Assessed Value	$ 607,137	$ 626,121	$ 646,586	$ 671,692	$ 695,389
Conversion Percentage	25%	25%	25%	25%	25%
Adjusted Assessed Value	151,784	156,530	161,647	167,923	173,847
Debt Limit Percentage	15%	15%	15%	15%	15%
Debt limit	22,768	23,480	24,247	25,188	26,077
Total net debt applicable to limit	-	-	-	-	-
Legal debt margin	$ 22,768	$ 23,480	$ 24,247	$ 25,188	$ 26,077
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

2021		2022		2023		2024		2025	
$	715,581	$	720,807	$	766,503	$	833,186	$	866,177
	25%		25%		25%		25%		25%
	178,895		180,202		191,626		208,297		216,544
	15%		15%		15%		15%		15%
	26,834		27,030		28,744		31,244		32,482
	-		-		-		-		-
$	26,834	$	27,030	$	28,744	$	31,244	$	32,482
	0%		0%		0%		0%		0%

City of Fort Bragg, California
Direct and Overlapping Debt
Current Year
June 30, 2025

2024-25 Assessed Valuation:	$ 915,341,610		
OVERLAPPING TAX AND ASSESSMENT DEBT:	Total Debt 6/30/2025	% Applicable [1]	City's Share of Debt 6/30/2025
Redwoods Joint Community College District	$95,290,000	3.727%	$ 3,551,458
Fort Bragg Unified School District	56,017,278	38.026	21,301,130
Mendocino Coast Hospital District	3,200,000	21.402	684,864
TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT			$ 25,537,452
DIRECT AND OVERLAPPING GENERAL FUND DEBT:			
Mendocino County Certificates of Participation	$ 17,475,000	6.161%	$ 1,076,635
Mendocino County Pension Obligation Bonds	14,710,000	6.161	906,283
Redwoods Joint Community College District General Fund Obligations	7,285,000	3.727	271,512
City of Fort Bragg General Fund Obligations	**23,464,810**	**100%**	**23,464,810**
TOTAL DIRECT AND OVERLAPPING GENERAL FUND DEBT			$ 25,719,240
OVERLAPPING TAX INCREMENT DEBT (Successor Agency):	$ 2,505,000	100%	$ 2,505,000
DIRECT DEBT			**$ 23,464,810**
TOTAL OVERLAPPING DEBT			$ 30,296,882
COMBINED TOTAL DEBT			$ 53,761,692 [2]

(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 2024-25 Assessed Valuation:	
Total Overlapping Tax and Assessment Debt	2.79%
Total Direct Debt ($23,464,810)	**2.56%**
Combined Total Debt	5.87%
Ratios to Redevelopment Successor Agency Incremental Valuation ($282,478,839)	
Total Overlapping Tax Increment Debt	0.89%

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: Operating Expenses [1]	Net Available Revenue	Debt Service Principal	Debt Service Interest	Total Debt Service	Coverage
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
2025	16,094	2,547	13,547	-	-	-	-

[1] Operating expenses exclude depreciation

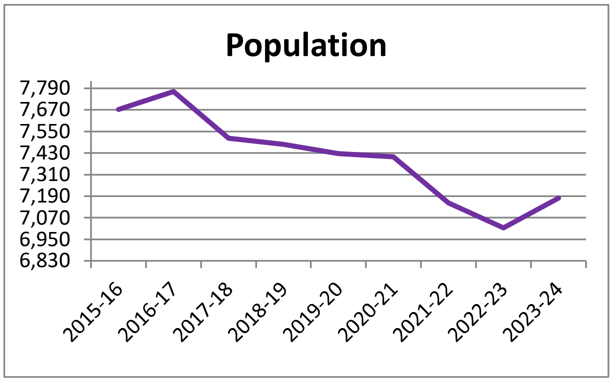
Source: City Finance Department

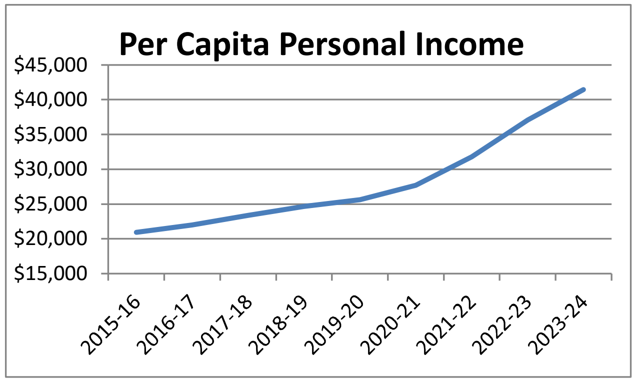
Business-type Activities
Sewer Fund Debt

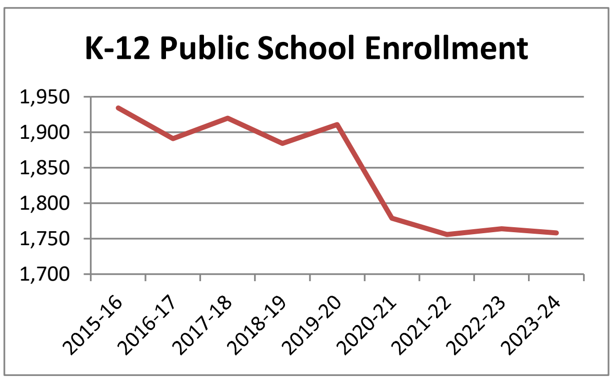
Revenues & Transfers	Less: Operating Expenses [1]	Net Available Revenue	Debt Service Principal	Debt Service Interest	Total Debt Service	Coverage
$ 3,322	$ 2,568	$ 754	$ 50	$ 12	$ 62	12.2
4,457	2,189	2,268	50	9	59	38.4
3,495	2,270	1,225	55	6	61	20.1
5,938	2,321	3,617	55	13	68	53.2
8,128	1,913	6,215	86	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
3,566	4,056	(490)	95	90	185	(2.7)

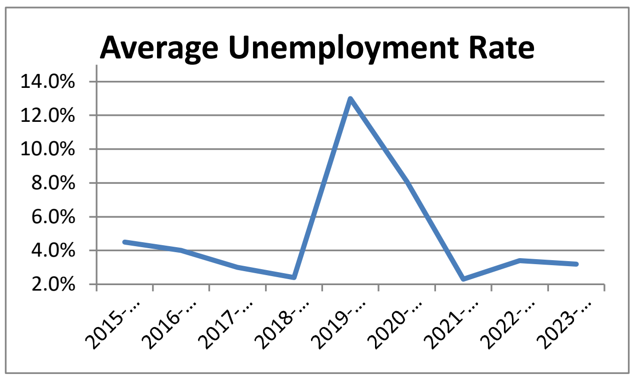
City of Fort Bragg, California
Demographic and Economic Statistics
Last Ten Fiscal Years

Fiscal Year	Population (1)	Personal Income (in thousands)	Per Capita Personal Income (2)	Median Age (3)	Public School Enrollment	City Unemployment Rate (%) (4)
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%
2024-25	7,187	320,981	44,661	50.4	1,750	3.4%









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 Nine Years Ago

	2025		2016	
Business Name	Number of Employees	Percent of Total Employment (%)	Number of Employees	Percent of Total Employment (%)
Adventist Health Mendocino Coast Medical Center	350	14.00%	310	8.68%
Fort Bragg Unified School District	272	10.88%	277	7.76%
Parents & Friends Inc	185	7.40%	130	3.64%
Mendocino Coast Clinics Inc	129	5.16%	118	3.31%
Safeway	125	5.00%	130	3.64%
Anderson Logging Inc	87	3.48%		
Mendocino County	83	3.32%	88	2.46%
North Coast Brewing CO Inc	80	3.20%	104	2.91%
City of Fort Bragg	65	2.60%		
Sherwood Oaks Health Center	36	1.44%	80	2.24%
CV Starr Community Center			80	2.24%
The Wharf & Anchor Lodge			70	1.96%
Total Top Employers	1,412	56.48%	1,387	38.85%
Total City Employment (1)	2,500		3,570	

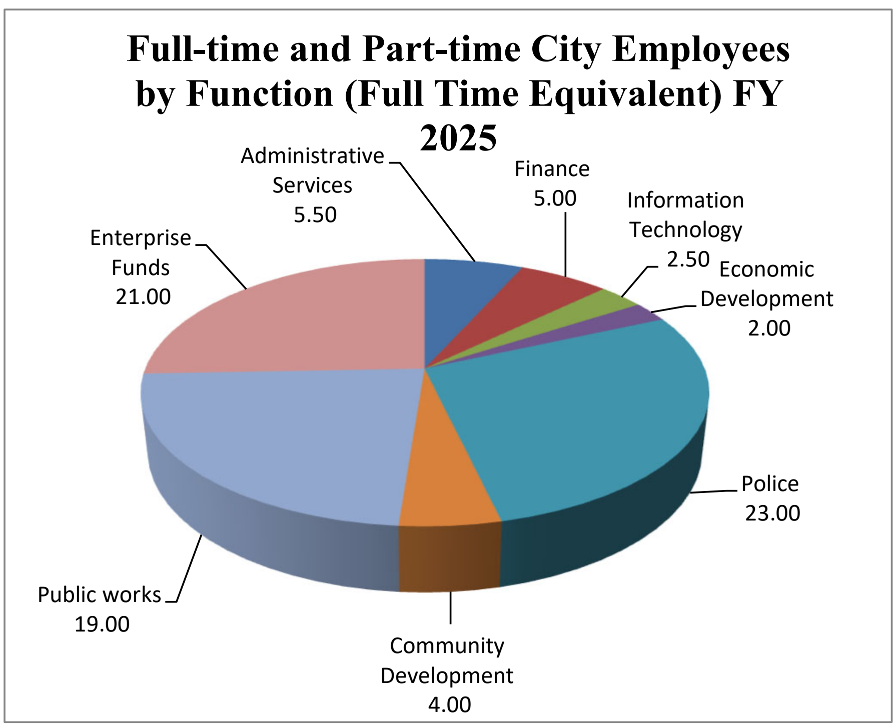
Source: MuniServices, LLC / Avenu Insights & Analytics
Source: City of Fort Bragg - ACFR Fiscal Year Ended June 30, 2016, Publication
(1) Total City Labor Force provided by EDD Labor Force Data

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

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	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General Government										
Administrative Services	6.50	6.50	7.00	7.00	6.50	6.00	6.00	7.00	5.00	5.50
Finance	4.00	4.00	4.00	4.00	4.00	5.00	5.00	5.00	4.00	5.00
Information Technology					2.00	1.00	2.00	2.00	2.50	2.50
Economic Development										2.00
Public Safety										
Police	22.00	22.00	22.00	22.00	22.00	22.00	22.00	22.00	24.00	23.00
Community Services										
Community Development	4.30	4.50	4.80	4.80	4.30	4.00	4.00	4.00	3.50	4.00
Public works	12.80	12.80	14.00	14.00	12.80	13.00	13.00	13.00	20.50	19.00
Enterprise Funds	8.00	8.00	8.00	8.00	8.00	7.00	7.00	7.00	18.50	21.00
Total	57.60	57.80	59.80	59.80	59.60	58.00	59.00	48.00	78.00	82.00



Source: City Finance Department

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

Function/Program	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Building Permits Issued	141	122	162	194	141	99	146	146	146	158
New Construction	6	4	9	12	N/A	8	8	8	8	8
Single Family Residential	2	0	5	4	2	6	6	6	6	4
Second Unit	3	4	4	8	3	8	8	8	8	4
Mixed Use, Commercial & Residential	1	0	0	4	1	0	0	0	0	2
Multi-Family Residential	0	0	0	2	0	1	1	1	1	1
Low Income Residential	0	0	0	0	0	1	1	1	1	0
City Clerk										
Council/Agency Resolutions Passed	98	122	121	92	98	134	148	148	116	134
Number of Ordinances Passed	5	6	8	9	5	6	13	13	9	18
Number of Contracts Approved	69	74	105	71	69	45	97	97	117	158
Number of PRA Requests Processed	73	79	146	145	N/A	280	294	294	116	186
Public Safety										
Traffic Accidents	221	160	145	147	221	146	122	122	84	101
Traffic Violations - DUI	28	45	49	40	28	26	48	48	92	81
Bookings	668	619	795	625	668	523	162	162	568	490
Moving Cites	498	344	428	368	498	429	122	122	340	427
Parking Cites	835	842	941	869	835	416	416	416	141	44
Field Interviews and Information Cases	1,217	1,403	1,936	1,289	1,217	4,065	3,191	3,191	1,433	4,500
Crime Reports	1,501	1,496	1,554	1,262	1,501	1,193	1,098	1,098	921	869
Fire [1]										
Total Number of Calls	579	665	626	752	579	579	579	579	627	617
Structure Fires	29	38	10	37	29	29	29	29	34	15
Vehicle Fires	3	16	5	4	3	3	3	3	6	7
Vegetation Fires	31	33	23	40	31	31	31	31	27	29
Misc Fires (Chimney, Debris, Electronically, etc.)	36	18	81	80	36	36	36	36	29	23
Medical Aid	150	199	197	248	150	150	150	150	163	168
Rescue	22	16	11	7	22	22	22	22	9	9
Hazardous Condition/Materials Calls	70	75	58	73	70	70	70	70	139	104
Mutual Aid/Agency Assist	12	18	23	18	12	12	12	12	14	4
Traffic Accidents	133	98	115	100	133	133	133	133	98	137
Services Call	91	80	99	126	91	91	91	91	105	119
Other Calls & Incidents	2	74	4	19	2	2	2	2	3	2
Water										
Number of customer accounts billed	33,671	33,873	34,146	33,339	33,671	34,290	34,426	34,381	33,811	34,308
Water annual demand in thousand gallons	189,530	197,568	209,982	210,152	200,164	190,158	176,458	173,562	173,231	191,311
Available supply of water in thousand gallons	218,851	223,022	241,805	261,102	259,590	230,547	199,143	200,321	216,995	225,250
total Customer service calls	1,253	1,253	1,193	1,488	1,253	838	990	1,742	2,336	4,799
Meter installs/removals/change outs	16	14	24	13	16	88	34	732	1,468	3,845
Meter repairs	1	34	5	23	1	-	-	-	-	-
Leak investigations	11	34	29	61	11	43	51	73	85	144
Service profiles	65	31	63	61	65	47	45	23	24	3
Turn on/off	669	878	891	1,099	669	542	592	656	636	529
Manual Reads	416	444	126	111	416	543	806	1,795	3,810	2
Misc.	75	53	55	68	75	206	302	990	1,591	278
Wastewater										
Customer service calls, wastewater	52	43	33	36	52	44	44	44	33	61
New customer sewer lines installed	1	4	0	2	1	2	2	2	2	4
Sewer mains cleaned/flushed in miles	15	17.38	16	18	15	17	17	17	11	6
Sewer mains and laterals repaired in number of jobs	11	12	9	8	11	18	18	18	10	71
Sewer manholes inspected	363	374	374	374	363	370	370	370	186	211
Sewer manholes installed	0	0	0	0	0	0	0	0	0	1
Sewer spill responses	5	1	1	2	5	3	3	3	2	0

[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	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Police :										
Stations	1	1	1	1	1	1	1	1	1	2
Fire stations	2	2	2	2	2	2	2	2	2	2
Public works										
Streets (miles)	26.4	26.4	26.4	26.4	26.4	26.4	26.4	26.4	27.5	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	745
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	41
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	30	30
Parks and Facilities										
Parks	4	4	5	2	4	4	4	4	4	5
Recreational/Guest Facilities	3	3	3	3	3	3	3	3	3	4
Government Facilities	2	2	2	2	2	2	2	2	2	2

Source: City Finance, Public Works and Planning Departments