



CITY OF FORT BRAGG CALIFORNIA

ANNUAL COMPREHENSIVE FINANCIAL REPORT

**For the Fiscal Year Ended
June 30, 2021**

**PREPARED BY
ISAAC WHIPPY**

City of Fort Bragg, California

Annual Comprehensive Financial Report Fiscal Year Ended June 30, 2021



Prepared by City of Fort Bragg Assistant Finance Director
Isaac Whippy

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City of Fort Bragg, California
Annual Comprehensive Financial Report
For the year ended June 30, 2021

Table of Contents

| | <u>Page</u> |
|---|-------------|
| INTRODUCTORY SECTION | |
| Table of Contents | i |
| Letter of Transmittal..... | vii |
| Organization Chart | xvi |
| GFOA Certificate of Achievement for Excellence in Financial Reporting | xvii |
| FINANCIAL SECTION | |
| Independent Auditors’ Report | 1 |
| Management’s Discussion and Analysis (Required Supplementary Information) | 3 |
| Basic Financial Statements: | |
| <i>Government-Wide Financial Statements:</i> | |
| Statement of Net position | 23 |
| Statement of Activities | 24 |
| <i>Fund Financial Statements:</i> | |
| Governmental Funds: | |
| Balance Sheet | 28 |
| Reconciliation of Governmental Funds Balance Sheet to the Statement of Net Position | 30 |
| Reconciliation of Fund Basis Balance Sheet to Government-wide Statement of Net Position – Governmental Activities | 31 |
| Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds | 32 |
| Reconciliation of Fund Basis Statements to Government-wide Statement of Activities | 34 |
| Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities | 35 |
| Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual – General Fund and Major Special Revenue Funds | 36 |
| Proprietary Funds: | |
| Statement of Net position – Proprietary Funds | 40 |
| Statement of Revenues, Expenses, and Changes in Fund Net Position – Proprietary Funds | 41 |
| Statement of Cash Flows – Proprietary Funds | 42 |

City of Fort Bragg, California
Annual Comprehensive Financial Report
For the year ended June 30, 2021

Table of Contents

| | <u>Page</u> |
|--|-------------|
| Fiduciary Activities: | |
| Statement of Fiduciary Net position – Fiduciary Activities | 45 |
| Statement of Changes in Fiduciary Net Position – Private Purpose Trust Funds | 46 |
| | |
| Notes to Basic Financial Statements | 49 |
| | |
| Required Supplementary Information: | |
| Schedule of Changes in Net OPEB Liability and Related Ratios | 94 |
| Schedule of Employer Contributions - OPEB | 95 |
| Schedule of Contributions – Miscellaneous Plan | 96 |
| Schedule of Contributions – Safety Plan | 97 |
| Schedule of City’s Proportionate Share of Net Pension Liability – Miscellaneous Plan | 98 |
| Schedule of City’s Proportionate Share of Net Pension Liability – Safety Plan | 99 |
| | |
| Other Supplemental Information: | |
| | |
| Combining and Individual Fund Financial Statements and Schedules: | |
| | |
| Non-major Governmental Funds: | |
| Combining Balance Sheet | 110 |
| Combining Statement of Revenues, Expenditures, and Changes in Fund Balances | 114 |
| Combining Balance Sheet – Federal and State Grant Special Revenue Funds | 118 |
| Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Federal and State Grant Special Revenue Funds | 120 |
| Combining Balance Sheet – Non-major Capital Projects Funds | 122 |
| Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Non-major Capital Projects Funds | 123 |
| | |
| Internal Service Funds: | |
| Combining Statement of Net position – Internal Service Funds | 125 |
| Combining Statement of Revenues, Expenses, and Changes in Net Position – Internal Service Funds | 126 |
| Combining Statement of Cash Flows – Internal Service Funds | 127 |

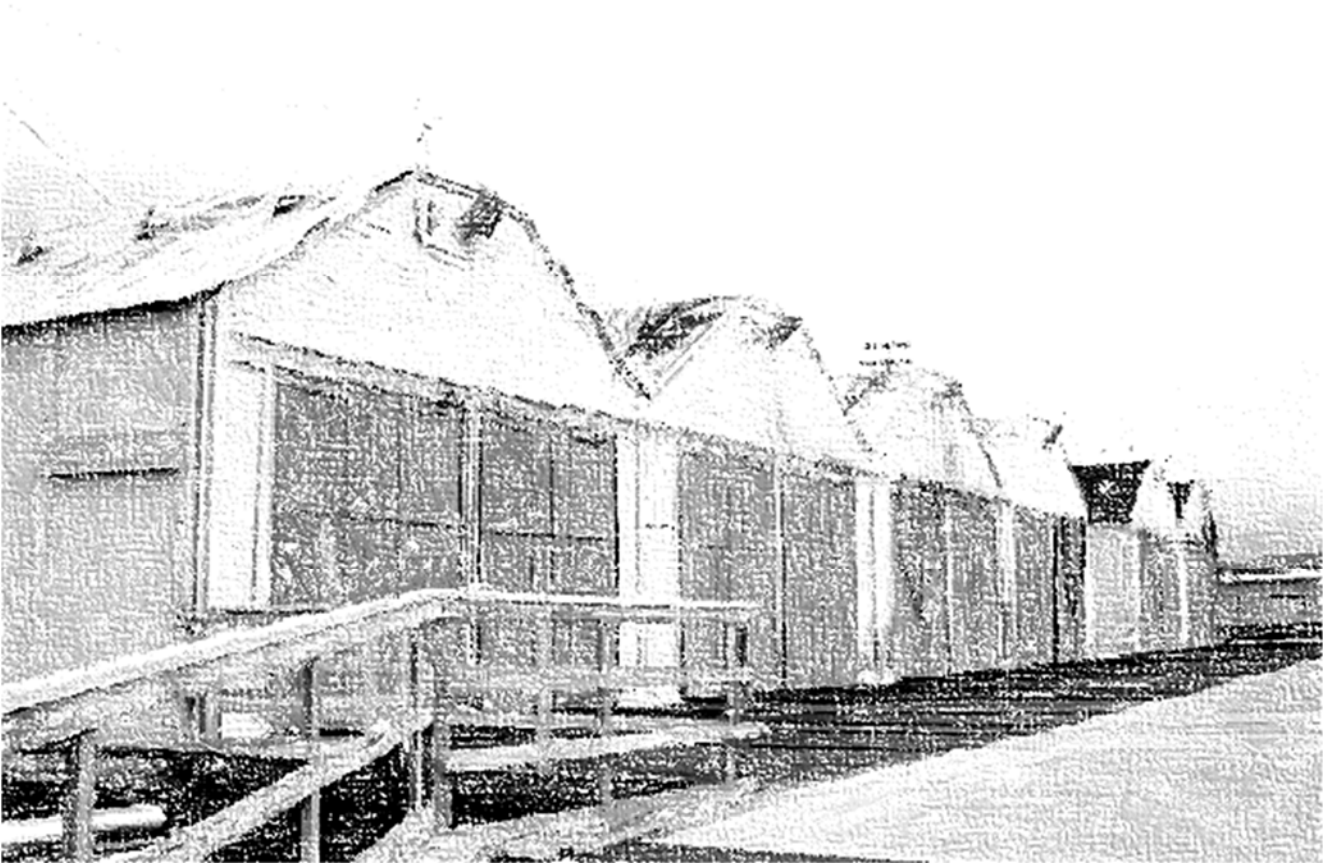
City of Fort Bragg, California
Annual Comprehensive Financial Report
For the year ended June 30, 2021

Table of Contents

| | <u>Page</u> |
|---|-------------|
| Statistical Section | |
| Financial Trends | |
| Net Position by Component..... | 130 |
| Change in Net Position..... | 132 |
| Fund Balances of Governmental Funds | 136 |
| Changes in Fund Balances of Governmental Funds..... | 138 |
| Governmental Fund Tax Revenues by Source | 140 |
| Revenue Capacity | |
| Principal Sales Tax Producers..... | 141 |
| Historical Sales Tax Amounts by Benchmark Year | 142 |
| Assessed Value and Estimated Actual Value of Taxable Property, City Wide | 144 |
| Assessed Value of Property by Use Code, City Wide | 145 |
| Direct and Overlapping Property Tax Rates..... | 146 |
| Principal Property Taxpayers | 148 |
| Property Tax Levies and Collections | 149 |
| Debt Capacity | |
| Ratios of Outstanding Debt by Type | 150 |
| Legal Debt Margin Information..... | 152 |
| Direct and Overlapping Debt | 154 |
| Pledged Revenue Coverage | 156 |
| Demographic and Economic Information | |
| Demographic and Economic Statistics..... | 158 |
| Principal Employers..... | 159 |
| Operating Information | |
| Full-Time and Part-Time City Employees by Function (Full-Time Equivalent) | 160 |
| Operating Indicators by Function | 161 |
| Capital Asset Statistics by Function | 162 |

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INTRODUCTORY SECTION

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

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December 31, 2021

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

As required by State and federal law, the Annual Comprehensive Financial Report (ACFR) of the City of Fort Bragg (City) for the fiscal year ended June 30, 2021, is hereby published.

Management assumes full responsibility for the completeness and reliability of the information contained in this report based upon a comprehensive framework of internal controls that are established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

The City's basic financial statements have been audited by JJACPA, Inc., an accounting firm fully licensed and qualified to perform audits of local governments within the State of California. The financial statements included in this report were audited in accordance with generally accepted auditing standards and government auditing standards. The independent auditors concluded that there was a reasonable basis for rendering an unmodified ("clean") opinion that the City's basic financial statements for the fiscal year ended June 30, 2021 are fairly presented in conformity with accounting principles generally accepted in the United States of America. The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the City's basic financial statements is part of a broader, federally-mandated Single Audit designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the City's fair presentation of the financial statements, but also on the City's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards.

Management's Discussion and Analysis (MD&A) immediately follows the report of the independent auditors and provides a narrative introduction, overview and analysis of the basic financial statements. The MD&A was designed to complement this letter of transmittal and should be read in conjunction with it.

This report combines the financial statements of the City, - the Fort Bragg Redevelopment Successor Agency (Successor Agency), and the Fort Bragg Municipal Improvement District No. 1 (MID) in accordance with principles defining the governmental reporting entity adopted by the Governmental Accounting Standards Board (GASB). The financial operations of the Successor Agency and MID, though legally separate from the City, are closely related to the City. The City Council members serve as the governing board for the MID, which is presented as a blended component unit in the financial statements. Component units are legally separate entities for which the primary government is financially accountable. For a more detailed overview of the City's component units, see the Management Discussion and Analysis (MD&A) and the Notes to the Basic Financial Statements on pages 3-19 and 49-92, respectively.

Profile of the Government

The City of Fort Bragg, incorporated in 1889, is located approximately 165 miles north of San Francisco and 188 miles west of Sacramento on the scenic coast of Mendocino County. The City occupies 2.7 square miles. Census 2020 places the City's population at 6,983. Although it is quite small, Fort Bragg is the largest city on the coast between San Francisco and Eureka. The largest employment categories in the City include health care, public education, local government, wholesale and retail trade, and tourism. The mild climate and picturesque coastline make Fort Bragg a popular tourist and recreational area.

Fort Bragg is a general law city under California state law and its rights, powers, privileges, authority, and functions are established through the State constitution. The City operates under the Council-Manager form of government. The five members of the Fort Bragg City Council are elected by the voters to serve overlapping four-year terms. The Mayor is elected by, and from, the City Council for a two-year term. The City Council appoints the City Manager who serves at their discretion. The City Council is a policy-setting body that is responsible for, among other things, enacting ordinances, adopting the budget, and appointing committees. Several boards, commissions, and committees assist the City Council and Administration in carrying out various aspects and functions of city government. The members of the City Council also serve as the governing board for the Fort Bragg Redevelopment Successor Agency and the Fort Bragg Municipal Improvement District No. 1.

The City Manager is responsible for directing and supervising the administration of all departments of the City to ensure that laws, ordinances, orders, resolutions, contracts, leases, and franchises are enforced and executed, and for appointing all City employees.

The City provides a wide range of services to its residents including public safety services, construction and maintenance of streets and infrastructure, water service, wastewater service, community development, financial management and administrative services. Special districts, agencies and Joint Power Authorities (JPAs) under the jurisdiction of the City provide services such as wastewater treatment and fire protection throughout the City. Other entities not under the City's jurisdiction that provide services to the City's population include the school district, hospital district, recreation district, harbor district, and other special districts.

The annual budget provides a comprehensive statement of the City's organization, operations and resources and it expresses City Council and Municipal Improvement District Board policies and priorities in all areas of the City's operations. The budget process is the vehicle through which the City establishes goals and objectives and prioritizes desired programs or services which can be financed by the City's projected revenue for the budget year. The budget is prepared by fund, function (e.g., public safety), and department (e.g., police). It is the means through which policy decisions are made, effected, controlled and monitored. The City Manager is responsible for submitting and recommending an operating budget and a capital improvements budget for City Council consideration and adoption. Throughout the year, the budget serves as a financial management tool and an operational plan for the delivery of City services and capital projects.

In addition to the budget planning process, the City maintains budgetary controls. The City's objective in maintaining budgetary control is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the City Council. The City Manager is authorized to transfer budgeted amounts within funds as deemed necessary in order to meet the City's needs subject to policy defined in the Fiscal Policies of the budget. The City Council may amend the budget by resolution during the fiscal year.

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

Spending Limitation

Article XIII B of the California Constitution, also known as the Gann spending limit, restricts the amount of "proceeds of taxes" California governments may spend. As of June 30, 2021, the City was \$4.9 million or 43% under the total Article XI B (Gann) spending limitation. The City was not impacted by the spending limitation in FY 2020/21.

Citywide Achievements in FY 2020/21

- Closed the fiscal year with a General Fund surplus of \$1.5 million or 18% of the expenditures for FY 2020/21.
- Developed and distributed City Evacuation Maps for both permanent residents and visiting tourist in order to prepare for possible emergency situations.
- Implemented new water conservation program and reduced water usage in spring and summer of 2021 by a record 30% in response to state-wide water drought emergency.
- Procured a Desalination-Reverse Osmosis Treatment System so that the City could continue to pump water from the Noyo River during high tides when salinity levels cannot be processed by the City's Water Treatment Plant. Funding for system was provided through emergency state funding.
- Incubated a Community Land Trust to facilitate workforce owned housing in Fort Bragg and along the Mendocino Coast.
- Launched Economic Development Incentives and outreach program for the Central Business District.
- Issued a Request for Proposals for a Joint City/County Solid Waste Franchise Agreement compliant with new SB 1383 organic recycling and diversion reduction requirements.
- Established a Citizens' Committee to tackle the complex issues surrounding changing the name of Fort Bragg in order to disassociate the City with the Confederate Civil War General, Braxton Bragg.
- Initiated a Blue Economy Regional Coalition effort to support sustainable use of ocean resources for economic growth, education, improved livelihoods and jobs, and a healthy marine ecosystem.
- Completed a feasibility study on the viability of a municipal broadband utility.
- Adopted a Formula Business ordinance to ensure that new businesses to Fort Bragg add to the economic diversity and vitality of the community.
- Developed a strategic pension obligation plan that included issuing Lease Revenue Bonds in November, 2021 and adopting a Pension Funding Policy.
- COVID-19 related efforts:
 - Successful tenant-based rental assistance program utilizing HOME grant funds. Assisted more than 60 families.
 - Launched COVID utility assistance program.
 - Continued with Temporary Waiver to provide businesses with the flexibility to adopt operations to comply with COVID restrictions.

- Pivoted marketing campaign to focus on local restaurant and retail businesses and encourage residents to purchase locally.
- Developed and launched a marketing campaign strategically messaged to attract visitors from nearby urban areas as the state began reopening from pandemic shutdowns.
- Established a business loan and micro-loan program to provide financial assistance to local businesses hard hit by the pandemic.

Local Economy and Outlook

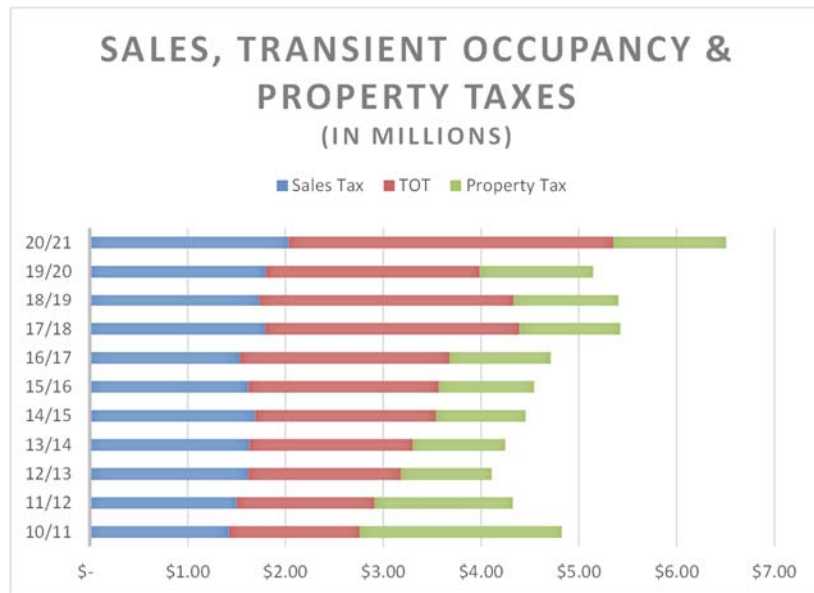
Fort Bragg's economy relies heavily on tourism. Like the overall City's economy, the City of Fort Bragg is also heavily dependent on tourism for its revenues. Transient Occupancy Tax (TOT), also known as bed tax, and sales tax are the two largest sources of revenue for the City's General Fund and in FY 2020/21 together make up 54% of the City's General Fund revenue. Prior to the pandemic in FY 2018/19, TOT and sales tax accounted for 46% of the General Fund revenue.

Like most jurisdictions across our nation, the City of Fort Bragg's tourism economy was essentially shut down in the early months of the pandemic. The City's TOT revenue for the last quarter of the prior fiscal year, from April through June, was down 66% compared to the FY 2018/19. However, as the State and County health orders were eased to allow nonessential travel in the summer of 2020, Fort Bragg experienced a rebound of tourism. Fort Bragg is within driving distance of San Francisco and Sacramento, so shorter trips by car appear to be a preferred get away during the pandemic. The TOT revenue for first quarter of the fiscal year (July to September) was up 8.4% over the prior year same quarter. TOT revenue for fiscal year end 2020/21 was 26% higher than FY 2018/19, the best year ever. The City's General Fund Bradley Burns sales tax for the fiscal year was up 13% over the prior year.

These trends have continued into the first quarter of FY 2021/22. TOT revenue receipts for the first quarter of FY 2021/22 are 25% higher than first quarter FY 2020-21 and 35% more than pre-pandemic first quarter FY 19/20. Sales tax revenues for the first quarter of FY 2021/22 are up 13% over first quarter of FY 2020-21. However, like this time last year, the pandemic and the frequently changing stay at home orders will likely have the most consequential influence on the local economy into the near future.

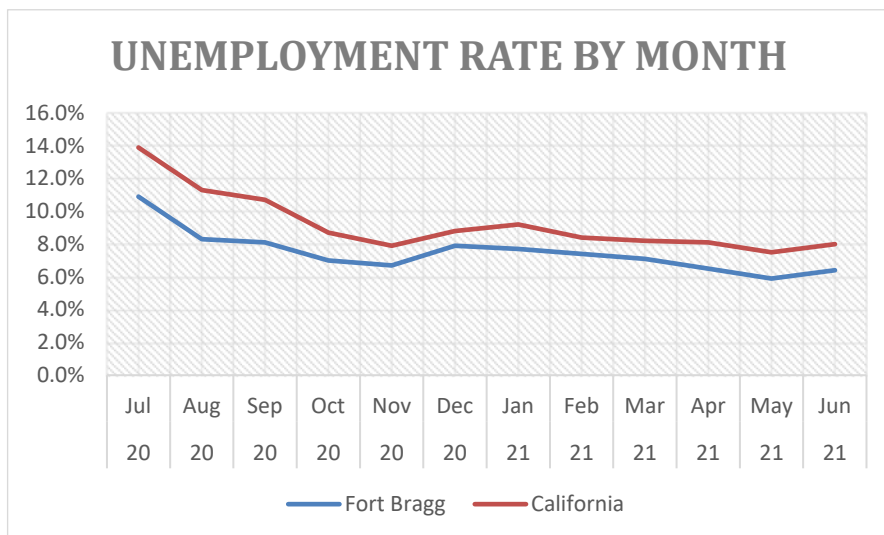
As of writing this letter, the Delta and Omicron variants of COVID-19 and the ramifications on the World's economy continue to make the outlook for Fort Bragg difficult to predict. Like the rest of the country, supply chain issues, vaccination levels, staffing shortages and increased housing costs continue to challenge the local economy. The City continues to look at opportunities to diversify its economy. Initiatives, which began in FY 2020/21 and will continue into the FY 2021/22, include economic development incentives for small businesses in the City's Central Business District (CBD), many of which were considered nonessential and as a result were harder hit by the pandemic shutdowns. The incentives include water and sewer capacity fee waivers for restaurants and food service, façade improvement grants, downtown beautification programs, positive code enforcement outreach and programs and events to encourage locals and tourist to visit the CBD.

The Blue Economy Regional Coalition is a focus of the City's most abundant natural resource – the ocean and coastline. The initiative is to create new industries that take advantage of the ocean, the local Noyo Harbor, Noyo Center for Marine Science, Mendocino College education opportunities, the long standing fishing industries and ocean resiliency. Protecting the coastline and ocean also protects the primary draw for the City's tourism industry.

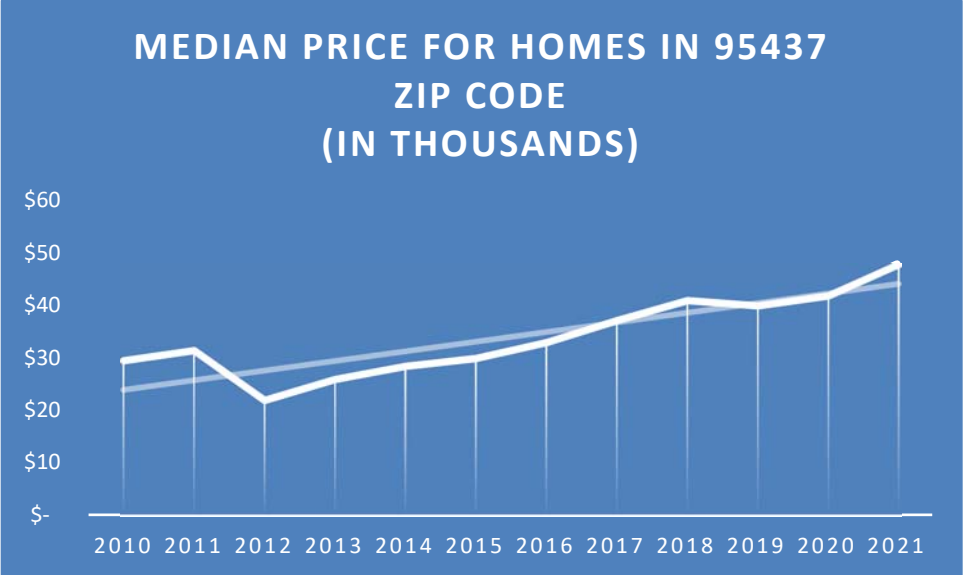


The pandemic highlighted the importance of affordable and reliable broadband to our community and other rural communities across the nation. Distance learning, working from home and new start up industries all struggled because of the lack of sufficient internet access. Fort Bragg’s limited population and geographic isolation creates little incentive for private sector investment in broadband connectivity. Completion of the Broadband Utility Feasibility study provides a viable path forward for a municipal-owned utility to offer affordable connectivity to citizens and businesses. The City received half of its \$1.75 million in American Rescue Plan Act (ARPA) funds in June, 2021 and has set aside those funds plus the second half of the monies for the Municipal Broadband project. The City is also seeking additional funding from other grants and opportunities available as part of the federal and governments’ emphasis on infrastructure and broadband.

Until March, 2020, the City had experienced five years of strong employment trends and low unemployment rates. Unemployment peaked in April 2020 at 14.4% but stabilized through the FY 2020/21. As of November, 2021 the unemployment rate for Fort Bragg had dropped to 4.3% and like many areas, Fort Bragg struggles to maintain workforce staffing to operate businesses and other organizations in our region. The unemployment rate for California was 6.9% as of November, 2021.



The number of homes sold in the Fort Bragg 95437 zip code jumped by 56% in FY 2020-21 and median home prices increased by 14% for the year end of June 30, 2021. This appears to be part of a national trend. The pandemic forced many workers to work from home and employers have increasingly allowed this to become the new norm. Locally, many of these sales have been made to individuals and families who have moved out of urban areas. The median home price in June of 2021 in 95437 zip code was \$479,000 and by December, 2021 it increased 10% to \$525,000. Under California’s Proposition 13, approved by voters in 1978, assessed property values are only increased when there is new ownership or new construction. Proposition 8, approved after Prop 13 in 1978, allows for property values to be adjusted downward if an owner suffers from a decline in value. Retroactive and delayed processing of Prop 8 adjustments reduce the impact of increased real estate values in Mendocino County. The City’s property revenue increased remained flat in FY 2020/21 but is expected to grow in future years as home values are adjusted for the recent increase in price and number of sales.



The growth in residential home sales and prices continues to challenge the affordability of Fort Bragg to working families and individuals. Like much of California, the scarcity and cost of residential housing makes it difficult and in some cases impossible for many families to have the opportunity of home ownership. The shortage of affordable workforce housing goes further in limiting local employers’ ability to hire and retain qualified staff. Every employer listed as principal employers on page 159 of the statistics section, which includes the hospital, medical clinics and school district, has publicly voiced the difficulties associated with lack of housing in maintaining qualified staffing levels.

In an effort to increase workforce housing in our community, the City has incubated and is staffing a Community Land Trust (CLT). A CLT is system in which the underlying land is owned by a mission-driven entity, usually a nonprofit, where the buildings on the land are owned or leased by residents. CLTs have the explicit goal of promoting affordable housing and contain legal provisions governing ownership and transfer to keep units affordable in perpetuity. Home ownership provides the opportunity for working families and individuals to build wealth and create housing security.

Long-term Financial Planning

A review of the City's Fiscal Policies, including Fund Balance & Reserve Policies was conducted as part of the FY 2021/22 budget process. The City Council continued the commitment to the reserve levels established in prior annual budget reviews. The following General Fund reserves comprise committed fund balance; at FY end 2020/21 these reserves total \$2,159,716.

- **General Fund Operating Reserve:** The City will maintain an unrestricted fund balance of at least 15% to 20% of the annual operating expenditures in the General Fund, as an "Operating Reserve" to ensure liquidity of the General Fund and to ensure adequate cash flow throughout the year. This reserve is necessary to accommodate fluctuations in the timing of expenditures and the receipt of revenues. The reserve is committed fund balance and may be used, with Council authorization, for unforeseen operating or capital needs. At Fiscal Year-end 2020/21, the reserve remains funded at \$1,989,419.
- **Litigation Reserve:** The City will maintain a \$200,000 Litigation Reserve to cover unforeseen legal expenses, including unbudgeted settlement costs that are not covered by the City's insurance pool. At Fiscal Year-end 2020/21, the reserve balance is \$200,000.
- **Recession Reserve:** The General Fund will maintain a Recession Reserve for the purpose of stabilizing the delivery of City services during periods of severe operational budget deficits and to mitigate the effects of major unforeseen changes in revenues and/or expenditures as typically experienced during times of recession. The fund is established at an amount equivalent to 5% of the City's annual operating budget. City Council approval is required before expending any portion of this committed fund balance. The reserve was established on July 1, 2019 at \$489,929 and at Fiscal Year-end 2020/21, the reserve balance remains at \$489,929.

For the City, as with governmental jurisdictions throughout the nation, continuing fiscal challenges have required a redoubling of efforts to address current and future budget shortfalls while working to prioritize and maintain the level of services that the residents of Fort Bragg have come to expect. Traditional funding sources for parks, public safety, and community development are shrinking or have disappeared. The immediate challenges continue to be the dissolution of the Redevelopment Agency by the State and major cuts in revenues distributed through federal and State grant programs. Pension costs will continue to challenge the City in the coming years as well.

The City has worked hard to address its fiscal challenges and, overall, its efforts have been successful. In FY 2014/15 the City was in position to offer modest salary increases to all of its employee groups for the first time since the financial downturn of 2008. Labor agreements for FY 2019/20 thru FY 2021/22 continued the moderate cost of living adjustments begun earlier. The Fort Bragg City Council has implemented two policies aimed at the organization's financial challenges. Both policies have been described previously and include the newly established "Recession Reserve" and the "Pension funding Policy".

With hard work, some difficult decisions and fiscal discipline the City Manager and City Council succeeded in passing a balanced FY 2018/19 budget as well as the FY 2019/20 budget. These were the first balanced budgets in many years. The tradeoffs in balancing the budget include, a decrease in services (eliminated and downgraded positions). The Other Postemployment Benefits (OPEB) trust fund on the other hand has been diligently pre-funded for several years and even with minimum payments the City appears poised to start drawing from the fund in order to offset increasing costs in the years to come.

Beginning with the FY 2017/18 budget the City's Finance department has prepared a five year budget forecast for the General Fund. The five year forecast is updated each year prior to the mid-year budget review meeting. Beginning with the FY 2019/20 budget the five year forecast has been incorporated into the main budget document. The five year forecast indicates that recent improvements in tax revenues will provide balanced budgets in the midterm range. However, in the longer term, the City's General Fund is projected to operate at a deficit starting in FY 2023/24.

The City's General Fund operated at a record surplus for FY 2020/21 and fund balance improved by nearly \$1.5 million. The surplus was the result of deep budget cuts early in the pandemic which reduced staff and services and the previously discussed increases in TOT and sales tax revenue as tourism rebounded. In May, 2020, the City laid off four full-time employees, froze two positions in the Police Department and furloughed another twelve employees 50% to 75% of their regular hours. The furloughed staff was returned to full-time status in August, 2020 but several of the laid off positions remain vacant. In addition, the City did not replace two positions (Finance Director and Assistant City Engineer) that became open in late June. As the reliance and demand for City services continues to grow, one of the challenges the City faces is the same as many other employers – recruiting and retaining qualified staff.

The City adopted a balanced General Fund budget for FY 2021/22 and projected a small surplus of \$47k. While the surplus was small, the budget included \$150k to pay down pension obligations and relatively modest revenue projections. As discussed earlier in this letter, both TOT and Sales Tax revenues are outpacing FY 2020/21, which set records for both revenue sources.

A major project for FY 2020/21 was developing and adopting a Pension Funding Policy. Like most cities in California, Fort Bragg continues to experience double digit increases in its unfunded liability payments with little or no reduction in the overall unfunded liability. As reported on page 80, the City's net pension liability as of June 30, 2021 is at \$10.7 million. On November 10, 2021 the City issued \$11.4 million in taxable Lease Revenue Bonds. Proceeds in the amount of \$7.5 million were used to reduce the City's unfunded pension liability with an additional \$3.5 million set aside for costs associated with acquisition of the southern portion of the former Timber Mill property. The California Public Employees' Retirement System (CalPERS) recognized a record 21.3% investment return for the fiscal year ending June 30, 2021. The record CalPERS investment return and the \$7.5 million liability payment places the City in a better position to manage pension obligations going forward.

Impact of Fiscal Policies on Financial Statements

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

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

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

Certificate of Achievement

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its Annual Comprehensive Financial Report for the fiscal year ended June 30, 2020. This was the ninth year in a row that the City of Fort Bragg has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized Annual Comprehensive Financial Report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current Annual Comprehensive Financial Report continues to meet the Certificate of Achievement Program's requirements and it will be submitted to the GFOA to determine its eligibility for another certificate.

Acknowledgements

Preparation of this Annual Comprehensive Financial Report could not have been accomplished on a timely basis without the support and cooperation of many members of the City of Fort Bragg staff. Special recognition is given to the Finance Department staff, especially Assistant Finance Director, Isaac Whippy, who has stepped up to fill the gaps left when the Finance Director position was frozen. Their efforts made it possible to continue to provide quality financial information for the citizens, the City Council, and other users on a timely basis. Appreciation is also expressed to the Mayor and the City Council for their attentiveness and support in planning and conducting the financial activities of the City in a responsible and responsive manner.

I have had the opportunity to serve Fort Bragg as City Manager for nearly four years. It has been an opportunity and a great pleasure. I would like to thank Fort Bragg residents and businesses for making this community a unique treasure along the beautiful Mendocino Coast.

Respectfully submitted,



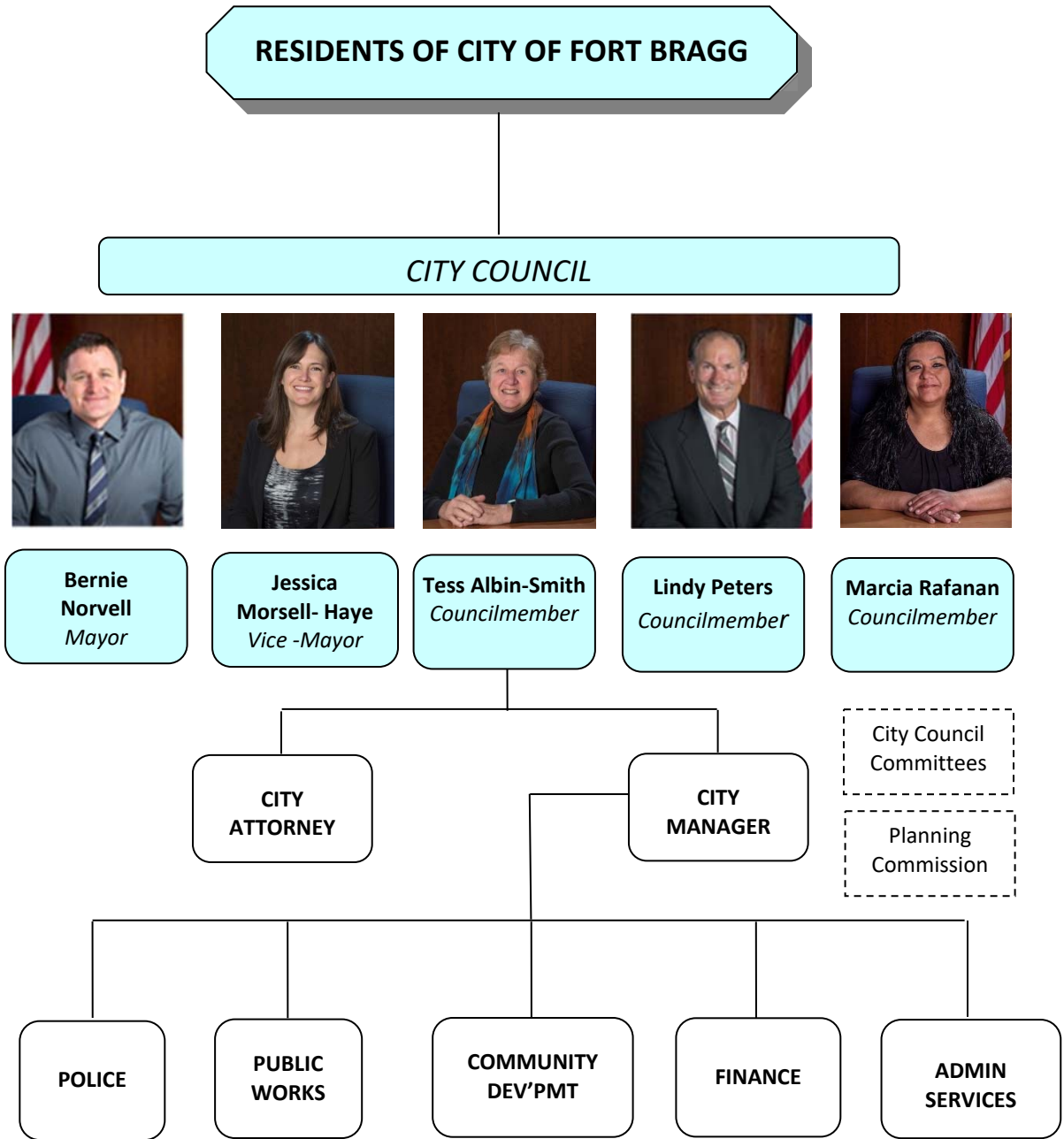
Tabatha Miller, CPA
City Manager



Isaac Whippy
Assistant Finance Director

City of Fort Bragg, California
Annual Comprehensive Financial Report
For the year ended June 30, 2021

Organization Chart



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

| | |
|---------------------------------|---------------|
| Mayor Bernie Norvell | December 2024 |
| Vice Mayor Jessica Morsell-Haye | December 2022 |
| Councilmember Tess Albin-Smith | December 2022 |
| Councilmember Lindy Peters | December 2022 |
| Councilmember Marcia Rafanan | December 2022 |



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Fort Bragg
California**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

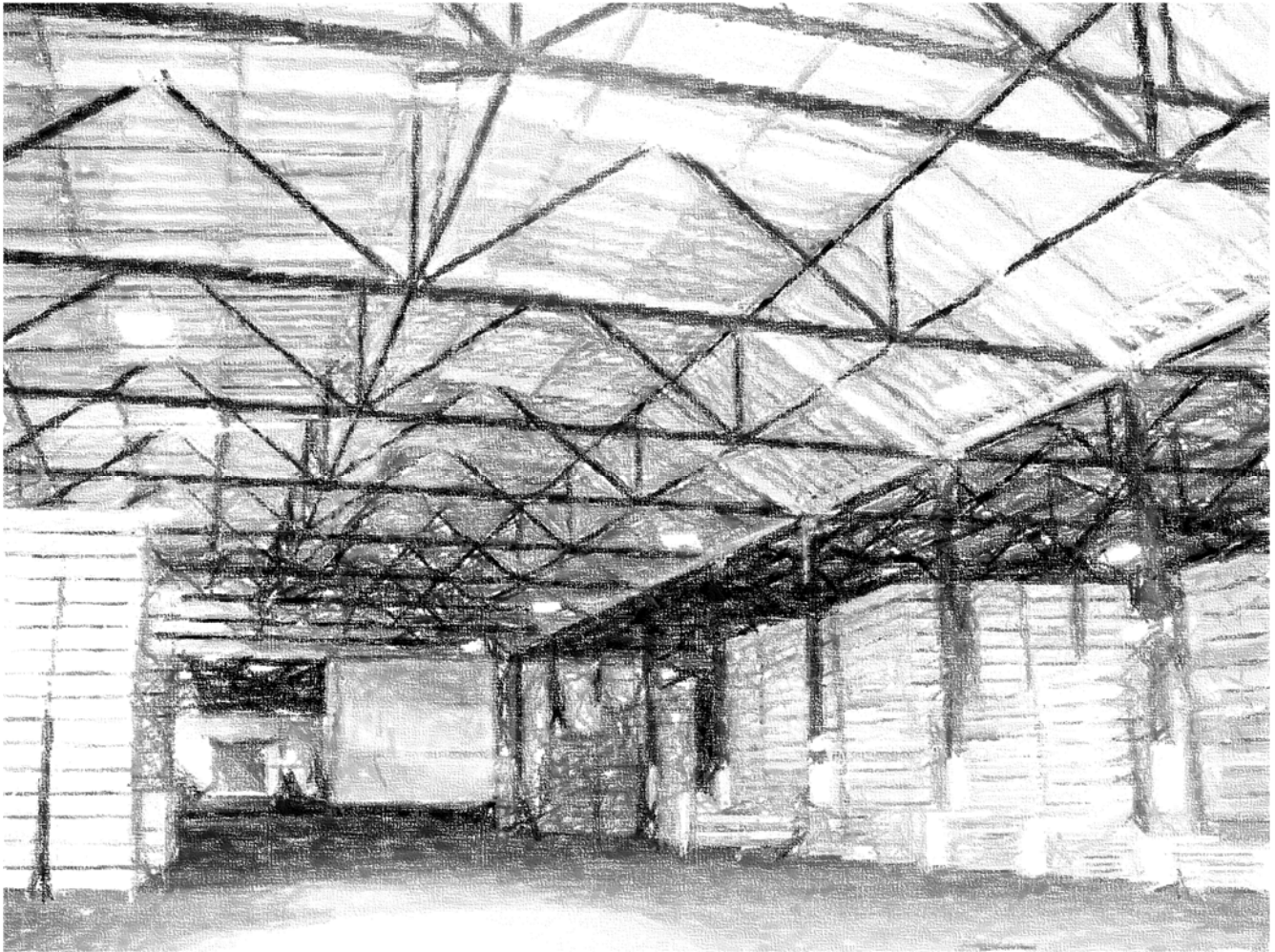
June 30, 2020

Christopher P. Morill

Executive Director/CEO

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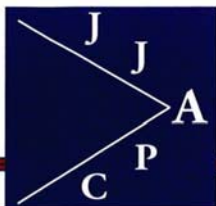


FINANCIAL SECTION

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

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JJACPA, Inc.

A Professional Accounting Services Corp.

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying 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, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, the aggregate remaining fund information, and the budgetary comparison information of the City, as of June 30, 2021, 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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3–19, the Schedule of Changes in Net OPEB Liability and Related Ratios on page 94, the Net OPEB Liability Schedule Contributions on page 95, the Pension Plan Schedule of Contributions on pages 96-97, and the Schedules of the City's Proportionate Share of the Net Pension Liability on pages 98–99, be presented to supplement the basic financial statements. Such information, 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.

Other 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 and the introductory section and statistical sections 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 are the responsibility of management and were 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.

The introductory section and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 29, 2021 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City's internal control over financial reporting and compliance.

December 29, 2021

JJACPA, Inc.
JJACPA, Inc.
Dublin, CA

City of Fort Bragg, California
Annual Comprehensive Financial Report
For the year ended June 30, 2021

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, 2021. It should be read in conjunction with the accompanying transmittal letter and basic financial statements.

FINANCIAL HIGHLIGHTS

- The City's Net Position increased by \$5.4 million (assets exceeded liabilities) to \$99.2 million as of June 30, 2021.
- The Net Position for governmental activities ended the year at \$40.5 million, while the net position for business activities was \$58.8 million. Of the \$40.5 million in total governmental net position, a negative \$4 million is characterized as unrestricted net position. In FY 2016, GASB 68 required all cities to recognize their pension liability as a deficit in unrestricted net position on their financial statements.
- General Fund revenues rebounded in Fiscal year 2020-21. Transient Occupancy Tax (TOT) recorded its best year to date at \$3.3 million and Sales tax at \$3.1 million.
- General Fund expenditures came in at \$9.2 million, \$830k below budget estimates. The positive variance is a result of significant budget cuts early in the pandemic which reduced staff and services.
- The City's General Fund operated at a record surplus for FY 2020/21 and fund balance improved by nearly \$1.5 million.
- The City's governmental funds reported a combined fund balance of \$7.7 million, a increase of \$1.9 million compared to the prior fiscal year. Committed balances include an Operating Reserve of \$1.9 million, a Recession Reserve of \$489,929, and a Litigation Reserve of \$200,000. Unassigned fund balance increased to \$1.5 million.
- The Water enterprise Net Position increased \$1.9 million (16%), the Wastewater enterprise Net Position increased by \$2 million (9%), and the C.V. Starr Center Net Position also increased by \$145k (1%). The most significant draw on C.V. Starr Center Net Position is the non-cash item depreciation (\$698k).
- Business activities saw revenue for charges of services rebound to pre-covid levels after experiencing a dip during the onset of the pandemic. Revenues increased by \$493k (16%) for water enterprise, \$413k for wastewater enterprise except for the CV Starr which remained closed due to COVID restrictions in fiscal year 20/21.
- Total liabilities increased by \$1.1 million to \$23.4 million during the FY 2020/21.
- Deferred inflows and outflows related to the City's unfunded accrued pension liabilities (UAL) with CalPERS changed from the prior year due to gains and losses recognized by CalPERS, including contributions made by the City.

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)
- 3) **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.
- 4) **Statistical section**, which includes detailed information as a context for understanding what the information in the financial statements, and footnotes says about the City's overall financial health

City of Fort Bragg, California
Annual Comprehensive Financial Report
For the year ended June 30, 2021

Management's Discussion and Analysis

OVERVIEW OF THE ANNUAL FINANCIAL REPORT, Continued

The Basic Financial Statements

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

Government-wide Financial Statements

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

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

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

Fund Financial Statements

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

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

City of Fort Bragg, California
Annual Comprehensive Financial Report
For the year ended June 30, 2021

Management's Discussion and Analysis

OVERVIEW OF THE ANNUAL FINANCIAL REPORT, Continued

Because the focus of the Governmental Fund Financial Statements is narrower than that of the Government-wide Financial Statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the Government-wide Financial Statement. By doing so, readers may better understand the long-term impact of the government's near-term financial decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities. The Governmental Fund Financial Statements provide detailed information about each of the City's most significant funds, called major funds. The concept of major funds, and the determination of which are major funds, was established by GASB Statement No. 34 and replaces the concept of combining like funds and presenting them as one total. Instead, each major fund is presented individually, with all non-major funds summarized and presented only in a single column. Subordinate schedules present the detail of these non-major funds. Major funds present the major activities of the City for the year, and may change from year to year as a result of changes in the pattern of the City's activities.

For the fiscal year ended June 30, 2021, the City's major funds are as follows:

GOVERNMENTAL FUNDS:

- ◆ General Fund
- ◆ CDBG Program Income Special Revenue
- ◆ Housing Successor Agency Special Revenue
- ◆ Street Sales Tax Special Revenue
- ◆ Street Resurfacing Capital Projects

For the fiscal year ended June 30, 2021, 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 36.

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

City of Fort Bragg, California
Annual Comprehensive Financial Report
For the year ended June 30, 2021

Management's Discussion and Analysis

OVERVIEW OF THE ANNUAL FINANCIAL REPORT, Continued

Fund Financial Statements, Continued

ENTERPRISE-TYPE FUNDS:

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

Notes to the Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the Government-wide and Fund Financial Statements. The notes to the basic financial statements may be found on pages 49-92 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 103-123 of this report. Combining statements for internal services funds are presented on pages 125-127.

City of Fort Bragg, California
Annual Comprehensive Financial Report
For the year ended June 30, 2021

Management's Discussion and Analysis

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of a government's financial position. The following table represents a comparative analysis of governmental and business-type activities' net assets as of June 30, 2021, and June 30, 2020.

Summary of Net Position

| | 2021 | | | 2020 | | |
|---|-------------------------|--------------------------|----------------------|-------------------------|--------------------------|----------------------|
| | Governmental Activities | Business-type Activities | Total | Governmental Activities | Business-type Activities | Total |
| Current and other assets | \$ 12,021,612 | \$ 14,351,190 | \$ 26,372,802 | \$ 9,698,369 | \$ 12,024,984 | \$ 21,723,353 |
| Noncurrent assets | 41,685,886 | 52,286,470 | 93,972,356 | 42,101,657 | 52,267,148 | 94,368,805 |
| Total assets | 53,707,498 | 66,637,660 | 120,345,158 | 51,800,026 | 64,292,132 | 116,092,158 |
| Deferred outflows of resources | 2,515,812 | 473,927 | 2,989,739 | 2,766,120 | 367,749 | 3,133,869 |
| Total assets and deferred outflows of resources | 56,223,310 | 67,111,587 | 123,334,897 | 54,566,146 | 64,659,881 | 119,226,027 |
| Current and other liabilities | 1,271,585 | 1,195,532 | 2,467,117 | 903,403 | 2,527,218 | 3,430,621 |
| Long-term liabilities | 13,926,679 | 7,055,787 | 20,982,466 | 13,720,717 | 7,444,451 | 21,165,168 |
| Total liabilities | 15,198,264 | 8,251,319 | 23,449,583 | 14,624,120 | 9,971,669 | 24,595,789 |
| Deferred inflows of resources | 531,965 | 143,822 | 675,787 | 944,482 | 68,411 | 1,012,893 |
| Total liabilities and deferred inflows of resources | 15,730,229 | 8,395,141 | 24,125,370 | 15,568,602 | 10,040,080 | 25,608,682 |
| Net position: | | | | | | |
| Net investment in | | | | | | |
| Capital Assets | 41,685,886 | 46,331,468 | 88,017,354 | 42,101,657 | 45,807,368 | 87,909,025 |
| Restricted | 2,947,301 | 108,064 | 3,055,365 | 1,921,632 | 108,064 | 2,029,696 |
| Unrestricted (deficit) | (4,140,106) | 12,276,914 | 8,136,808 | (5,025,745) | 8,704,369 | 3,678,624 |
| Total net position | \$ 40,493,081 | \$ 58,716,446 | \$ 99,209,527 | \$ 38,997,544 | \$ 54,619,801 | \$ 93,617,345 |

As of June 30, 2021, the City's net position was \$99.2 million, an increase of \$5.6 million. Year over year, assets increased by \$4.3 million, and liabilities decreased by \$1.1 million with no new debt issued. The overall change in net position is largely due to the increase in investment in capital assets for both Governmental and business-type activities, which increased by \$4.6 million. The revenue and expense factors contributing to the year-over-year performance increase are discussed in further detail in this report's ensuing sections.

City of Fort Bragg, California
Annual Comprehensive Financial Report
For the year ended June 30, 2021

Management's Discussion and Analysis

GOVERNMENT-WIDE FINANCIAL ANALYSIS, continued

A large portion (94%) of the City of Fort Bragg's net position reflects its investment in capital assets (e.g., land, easements, buildings, machinery, and infrastructure), less related outstanding debt used to acquire those assets. The City uses these capital assets to provide various services to its citizens; consequently, these assets are not available for future spending. The balance in net investment in capital assets decreased in FY 2020/21 by \$396k to a total of \$93 million. The decrease is attributed to retiring capital assets, particularly in the business type, by \$531k. Citywide total assets placed in Service equaled \$20.6 million, in which \$17.7 million was a transfer from Construction in Progress to Infrastructure for the wastewater treatment plant. This was offset by \$3.2 million in depreciation and a net decrease in related debt of \$484k.

The restricted net position of \$3 million primarily comprises revenues held for expenditure for specified purposes (special revenue) and amounts held for debt service. Examples of special revenues are street sales tax and Community Development Block Grants (CDBG) program income. The overall restricted net position increased year over year by approximately \$1 million. It ended the fiscal year with a \$3 million balance primarily due to the accumulation of special sales tax funds of \$2.5 million, a 59% increase from the prior year.

The Unrestricted net position increased \$4.4 million over the previous year and now stands at \$8.1 million. Governmental activities saw a decrease of \$886k in unrestricted net position, whereas business-type activities saw an increase of \$3.8 million. The negative unrestricted position of \$4.1 million for governmental activities includes cash and cash equivalents. It may be used to meet the City's ongoing obligations to citizens, creditors and City imposed designations (reserves, litigations, contingencies, and revenue programs). It is negative primarily due to the City's long-term obligations related to net pension liabilities. The City's working capital to meet current operating and capital concerns are \$23.9 million.

Deferred outflows are defined as a government's net position consumption that applies to a future reporting period. Although not entirely the same, deferred outflows are similar in nature to assets. The City currently has three deferred outflows: deferred losses on debt refunding, a deferred outflow related to reporting or the City's OPEB liability, and a deferred outflow pertaining to reporting the City's pension plan liability. The City's deferred outflows increased by \$144k or 5% on a year-over-year basis.

Deferred inflows are defined as an acquisition of a net position by a government applicable to a future reporting period. Although not entirely the same, deferred inflows are similar in nature to liabilities. The City currently has two deferred inflows: a deferred inflow related to reporting or the City's OPEB liability and a deferred inflow pertaining to reporting of the City's pension plan liability. The City's deferred inflows decreased by \$337k or 33% on a year-over-year basis.

City of Fort Bragg, California
Annual Comprehensive Financial Report
For the year ended June 30, 2021

Management's Discussion and Analysis

GOVERNMENT-WIDE FINANCIAL ANALYSIS, Continued

The change in net position for the fiscal years ended June 30, 2021, and 2020, follows:

| | Changes in Net Position | | | | | |
|--|-------------------------|--------------------------|----------------------|-------------------------|--------------------------|----------------------|
| | 2021 | | | 2020 | | |
| | Governmental Activities | Business-type Activities | Total | Governmental Activities | Business-type Activities | Total |
| Revenues: | | | | | | |
| Program revenues: | | | | | | |
| Charges for services | \$ 2,813,140 | \$ 7,677,502 | \$ 10,490,642 | \$ 3,150,327 | \$ 7,130,393 | \$ 10,280,720 |
| Grants and contributions: | | | | | | |
| Operating | 3,973,620 | - | 3,973,620 | 800,090 | - | 800,090 |
| Capital | 1,584,476 | - | 1,584,476 | 1,344,933 | 4,512,326 | 5,857,259 |
| General revenues: | | | | | | |
| Property taxes and assessments | 1,151,947 | 262,787 | 1,414,734 | 1,156,765 | 236,185 | 1,392,950 |
| Sales and use tax | 3,127,059 | 1,099,510 | 4,226,569 | 2,742,568 | 944,770 | 3,687,338 |
| Transient occupancy taxes | 3,321,928 | - | 3,321,928 | 2,204,151 | - | 2,204,151 |
| Other taxes | 810,652 | - | 810,652 | 774,924 | - | 774,924 |
| Use of money and property | 112,479 | 115,440 | 227,919 | 107,090 | 178,095 | 285,185 |
| Unrealized gains and losses | (123,967) | - | (123,967) | 228,487 | - | 228,487 |
| Other general | 265,673 | - | 265,673 | 23,558 | 95,356 | 118,914 |
| Total revenues | <u>17,037,007</u> | <u>9,155,239</u> | <u>26,192,246</u> | <u>12,532,893</u> | <u>13,097,125</u> | <u>25,630,018</u> |
| Expenses: | | | | | | |
| Governmental activities: | | | | | | |
| General government | 3,580,513 | - | 3,580,513 | 2,622,995 | - | 2,622,995 |
| Public safety | 4,588,899 | - | 4,588,899 | 5,374,187 | - | 5,374,187 |
| Public works | 2,235,827 | - | 2,235,827 | 3,122,039 | - | 3,122,039 |
| Community development | 4,104,663 | - | 4,104,663 | 875,959 | - | 875,959 |
| Marketing and promotion | 93,060 | - | 93,060 | 185,621 | - | 185,621 |
| Interest and fiscal charges | 37,964 | - | 37,964 | 5,106 | - | 5,106 |
| Business-type activities: | | | | | | |
| Water | - | 1,687,603 | 1,687,603 | - | 1,675,501 | 1,675,501 |
| Wastewater | - | 3,043,007 | 3,043,007 | - | 2,302,137 | 2,302,137 |
| C.V. Starr Center | - | 1,228,892 | 1,228,892 | - | 2,080,808 | 2,080,808 |
| Total expenses | <u>14,640,926</u> | <u>5,959,502</u> | <u>20,600,428</u> | <u>12,185,907</u> | <u>6,058,446</u> | <u>18,244,353</u> |
| Excess (Deficiency) of revenues over expenditures before transfers | 2,396,081 | 3,195,737 | 5,591,818 | 346,986 | 7,038,679 | 7,385,665 |
| Transfers | (900,908) | 900,908 | - | (1,573,283) | 1,573,283 | - |
| Change in net position | 1,495,173 | 4,096,645 | 5,591,818 | (1,226,297) | 8,611,962 | 7,385,665 |
| Net position: | | | | | | |
| Beginning of year | 38,997,544 | 54,619,801 | 93,617,345 | 40,223,841 | 46,007,839 | 86,231,680 |
| End of year | <u>\$ 40,492,717</u> | <u>\$ 58,716,446</u> | <u>\$ 99,209,163</u> | <u>\$ 38,997,544</u> | <u>\$ 54,619,801</u> | <u>\$ 93,617,345</u> |

The City's expenses for FY 20/21 totaled \$20.6 million, increasing \$2.3 million from FY 19/20 totals. Much of this increase was related to restoring staff and other programs (return of furloughed employees), which were cut at the end of FY 19/20.

Governmental expenses totaled nearly \$14.6 million, or 71 percent of total costs. Public safety costs represented most governmental costs, Community Development related to Grants, followed by public works and general government. Business-type activities incurred \$5.9 million during the fiscal year, 29 percent of all City expenses.

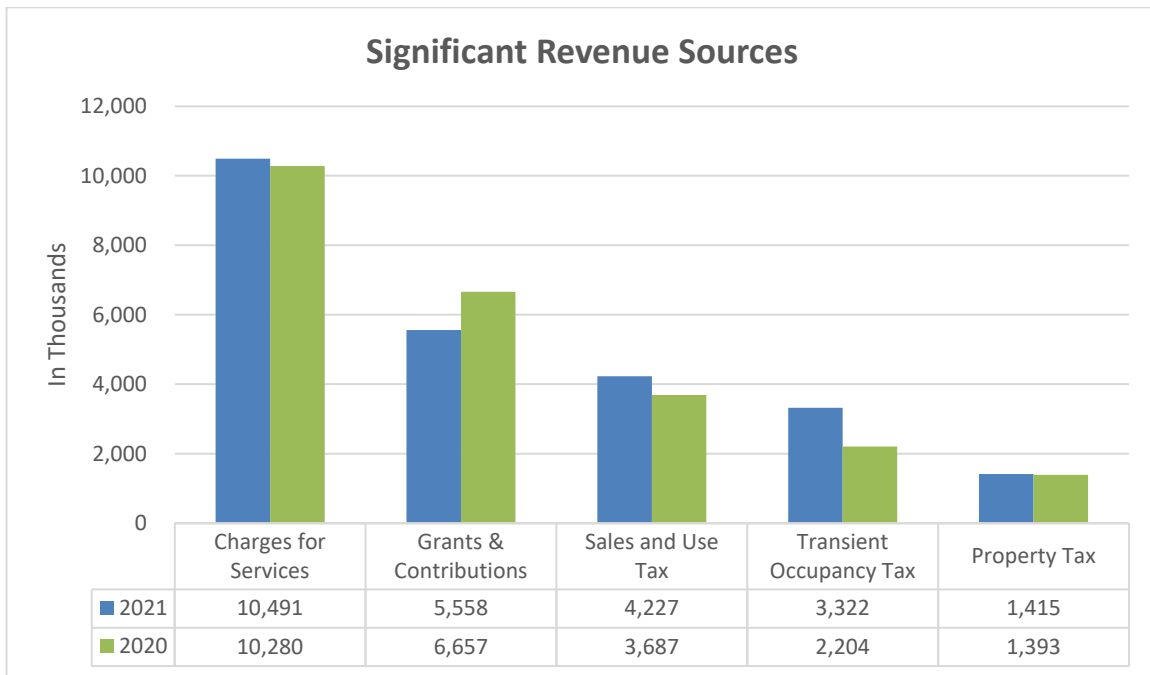
City of Fort Bragg, California
Annual Comprehensive Financial Report
For the year ended June 30, 2021

Management’s Discussion and Analysis

GOVERNMENT-WIDE FINANCIAL ANALYSIS, Continued

Revenues

The City's total revenues for Governmental and Business-type Activities were \$26.1 million for the fiscal year ended June 30, 2021, representing a 15 percent increase over the previous fiscal year. Governmental Activities increased by \$4.5 million, and Business-type Activities decreased by \$3.9 million. Significant revenues for the City for FY 2020/21 were derived from charges for services (40%), grants and contributions (21%), sales and use Tax (16%), transient occupancy tax (12%), and property tax (1%).



Following is a discussion of variances in key revenues for the FY 2020/21:

- Charges for Service's** overall revenue increased by 2 percent compared to the previous fiscal year. Charges for governmental activities were down \$337k or 11 percent. These services are mostly salary, benefit, overhead charges to the Business-type Activities, interfund reimbursements, and charges to various grants for staff time and administrative costs reimbursements. Cost allocation plan revenues decreased year over year, attributed to the new cost allocation plan's recalculation, which reduces the allocation to the general fund. Reimbursement for Community Service Officer (CSO) and Asset Forfeiture expenditures also decreased due to reduced funding available. Other charges for services, including Police Department fingerprinting, developer deposit (DDA) reimbursements, code enforcement, building permits, also recorded declines from the prior year.

Charges for services for Business-type activities are almost entirely of user charges. This category was up \$547k or 8 percent primarily due to revenues rebounding to pre-COVID levels. Covid restrictions during the last quarter of the FY 2019/20 affected this revenue category. Many businesses were forced to close or reduce operations and, as a result, caused a reduction in water consumption for many top commercial account users.

City of Fort Bragg, California
Annual Comprehensive Financial Report
For the year ended June 30, 2021

Management's Discussion and Analysis

GOVERNMENT-WIDE FINANCIAL ANALYSIS, Continued

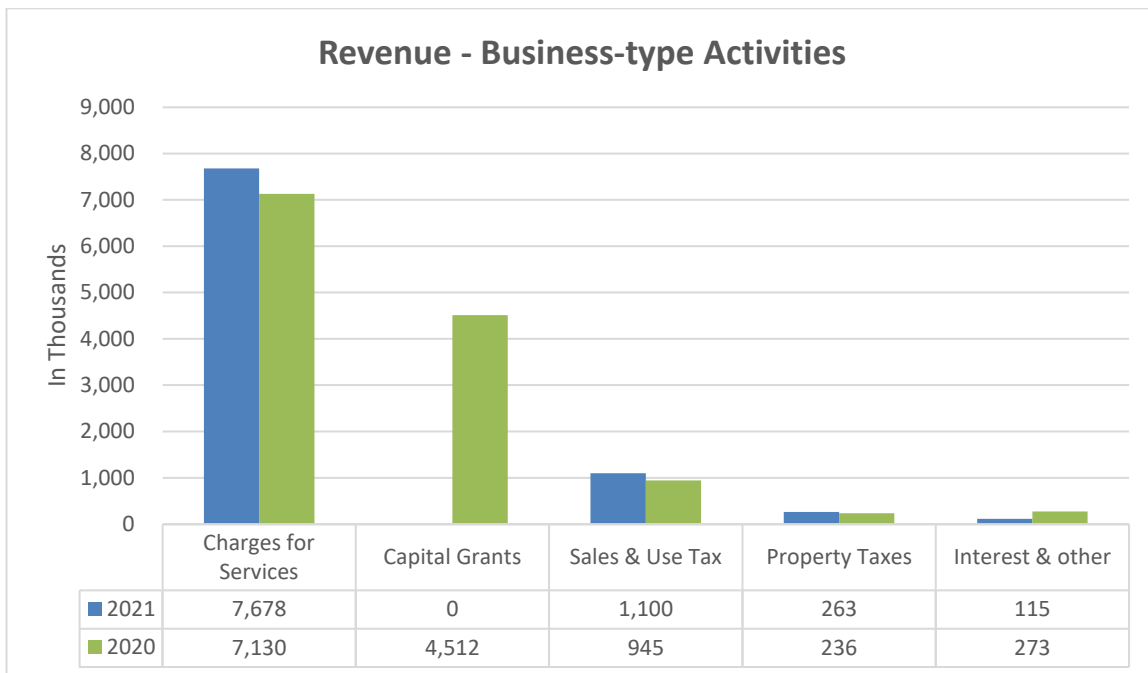
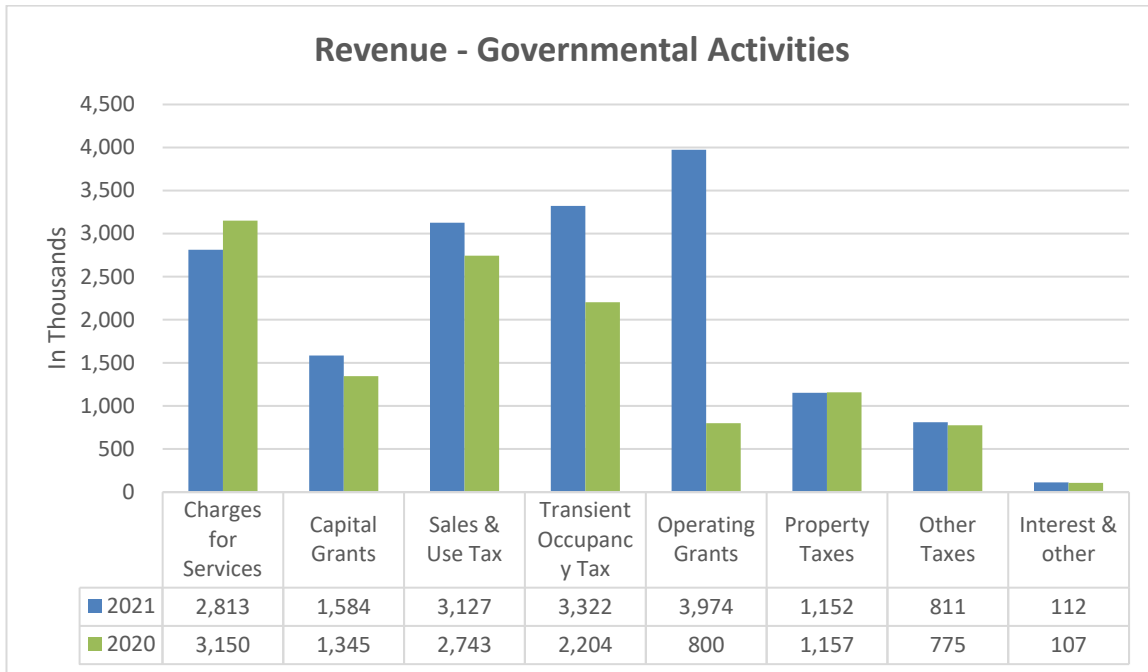
2. **Grants and Contributions** annual receipts for Operating Grants decreased by \$1.09 million. Grants include Community Development Block Grants (CDBG), which consists of the Code enforcement program, Business Assistant Loan Program, Fire Station Design Rehab, Utility Business Assistance Loans, and general administration. Often operating grants fluctuate yearly depending on when program activities are implemented. The most significant capital grants in FY 19/20 were the California State Water Resources Control Board grant (\$4.5M) and the US Department of Agriculture grant (\$1.3M). These grants provided funding for the City's wastewater treatment facility upgrade, completed and expended last fiscal year.
3. **Sales and Use Tax** Sales tax include the City's general sales tax, a special half-cent sales tax for the C.V Starr Center, and a special half-cent sales tax for street repairs. Despite the COVID Pandemic, sales tax revenues recorded solid results and were up \$539k or 15 percent compared to the prior year. Construction, grocery stores, and internet sales categories all recorded best quarters at the onset of the pandemic. Other categories such as restaurants, transportation, and retail were the most hit by COVID restrictions rebounded during the fiscal year as vaccines rolled out and other COVID restrictions were lifted. Sales and use taxes increased by \$201k or 6 percent. Sales and use taxes for Business-type Activities are received for the C.V. Starr Center special sales tax (\$1.09 million), up 16 percent or \$154k from the previous fiscal year. The Tax is used to subsidize the operations and capital needs of the Center.
4. **Transient Occupancy Tax (TOT)** is a local tax (12 percent) applied to the cost of the hotel or other lodging stays of less than 30 days. This revenue category was the most impacted due to the COVID pandemic in the last quarter of FY 19/20, down \$436k or 17 percent compared to the prior year resulting in a General Fund deficit. In FY 20/21, TOT revenues rebounded and recorded its best year to date at \$3.3 million, increasing \$1.1 million or 51 percent from the prior year. International and domestic travel restrictions contributed to the strong results and the Visit Fort Bragg marketing efforts that continued during the Pandemic.
5. **Property Tax** increased by 2% in FY 2020/21 and is expected to grow at similar modest increases of 2-3% per year due to the rise in the home for sale prices. The median home price in June of 2021 in the 95437 zip code was \$419,000, an increase of 5% over June of 2020. Property taxes received are accounted for in the General Fund \$1.2 million, C.V Starr Center \$262k, and the Fire Equipment Fund \$54k.

City of Fort Bragg, California
Annual Comprehensive Financial Report
For the year ended June 30, 2021

Management's Discussion and Analysis

GOVERNMENT-WIDE FINANCIAL ANALYSIS, Continued

Revenues by source for the fiscal years ended June 30, 2021, and 2020, are as follows:



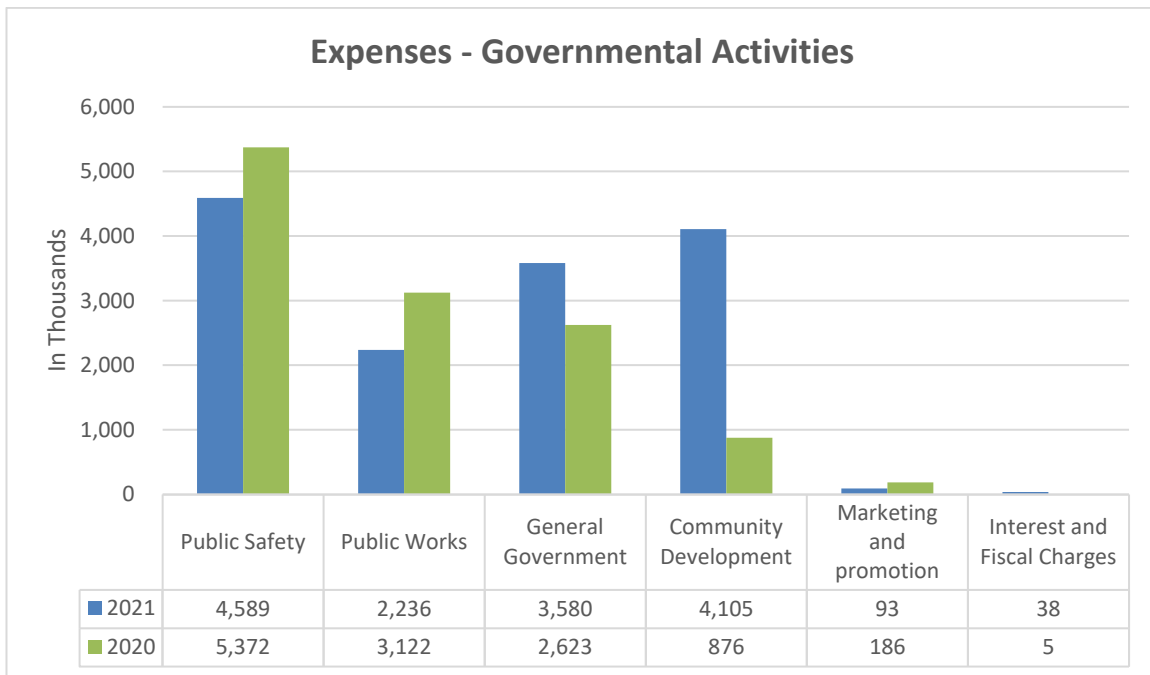
City of Fort Bragg, California
Annual Comprehensive Financial Report
For the year ended June 30, 2021

Management’s Discussion and Analysis

GOVERNMENT-WIDE FINANCIAL ANALYSIS, Continued

Expenses

The City's governmental and Business-type Activity expenses for FY 2020/21 totaled \$20 million, representing a 14 percent increase compared to the previous fiscal year. Governmental Activity expenses were \$14.6 million or 67 percent of total expenses, while Business-type Activities were \$6 million or 33 percent of total expenses. Public safety costs represented 22 percent of citywide costs, followed by Community Development which includes Grants at 20 percent, General government at 17 percent, Wastewater at 14 percent, and Public Works at 17 percent.



Following is a discussion of significant variances in key expense categories for the fiscal year 2020/2021:

1. **Public Safety** costs decreased by \$785k or 15 percent from the previous fiscal year. The decrease is mainly attributed to personnel costs by freezing two positions, voluntary pay reductions by sworn officers, and layoffs in response to the pandemic.

Public safety costs are expected to increase noticeably in the next fiscal year. In addition to the cost of living adjustments, rising pension costs, and substantial overtime work, each January, the City (City Ordinance 672) is required to perform a Police Department salary survey and adjust salaries if the City's current salaries are not at least the average of the surveyed jurisdictions. The survey analyzes comparable positions in the City of Willits, Ukiah, and the Mendocino County Sheriff's Office. The City anticipates additional salary increases provided by the County Sheriff's, City of Ukiah, and the City of Willits for their law enforcement employees. Law enforcement positions nationwide have become much more competitive and difficult to recruit for in the last several years. One of the department's top operating expenses, Dispatch services, will also increase 5 percent or \$33k annually.

City of Fort Bragg, California
Annual Comprehensive Financial Report
For the year ended June 30, 2021

Management's Discussion and Analysis

GOVERNMENT-WIDE FINANCIAL ANALYSIS, Continued

Expenses, Continued

2. **Public Works** year-over-year expenses decreased by \$886k or 28 percent. The decrease is due to the elimination of a position upon the retirement of the Public Works Director at the end of the last fiscal year and the layoff of two maintenance workers in response to the pandemic. Additionally, the Special Projects Assistant position was previously accounted for in the Public works budget. Due to reorganization, these costs were moved to the Finance department (General government).
3. **General Government** expenses increased by \$957k or 37 percent. The increase is attributed to the reorganization of the Special Project Assistant position and Housing and Economic Development Coordinator position from Public works. Additionally, retiree medical costs (\$61k) and Insurance costs (\$99k) with REMIF also recorded increases compared to the previous year.

Additionally, in FY 2019/20, the City started making the minimum prepayment towards the OPEB trust. This caused a \$210k positive year-over-year variance. The OPEB trust fund has been diligently pre-funded for years, and even with the recent change in minimum payments, the City has the option to start drawing from the fund to offset increasing costs in the years to come.

4. **Community Development** expenses increased by \$3.2 million from the prior year. Due to the increase in Grants activity, \$3.04 million HEAP Grant, SB-2 Grants \$46k, Community Development Block Grants (CDBG).

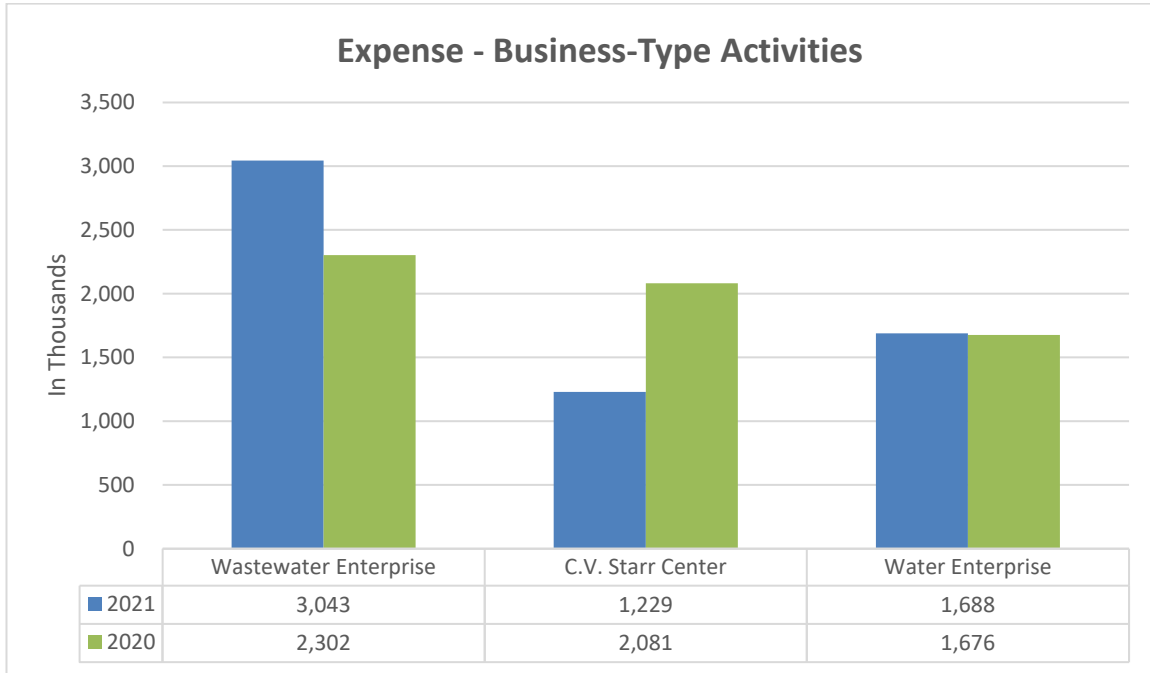


City of Fort Bragg, California
Annual Comprehensive Financial Report
For the year ended June 30, 2021

Management’s Discussion and Analysis

GOVERNMENT-WIDE FINANCIAL ANALYSIS, Continued

Expenses, Continued



Following is a discussion of significant variances in key business-type expense categories for the FY 2020/21:

1. **Wastewater enterprise** expenses increased by \$740k or 32 percent. The in-service of the newly completed Wastewater Treatment Plant increased the depreciation expense of the fund by \$512k. Additionally, Insurance premiums of \$53k, disposal of assets no longer in use of \$91k, and an increase in personnel expenditures of \$58k contributed to the year-over-year increases.
2. **C.V. Starr Center** expenses decreased by \$851k or 41 percent. The CV Starr center was closed in mid-March 2020 in compliance with Shelter-In-Place orders in response to COVID. All but essential core staff were transitioned from furlough to layoff status in early May. The Center remained closed through the fourth quarter of the FY 2020/21. As a result, both personnel \$597k and other operating costs of \$272k recorded savings compared to the previous year. With lifting some of the COVID restrictions and the challenges with hiring back Staff in FY 21/22, the Center has reopened on a limited basis.
3. **Water enterprise** expenses increased by \$12k or 1 percent, with increases in personnel costs and administration allocation, offset by savings in Utilities, professional services, Repairs, and maintenance.

City of Fort Bragg, California
Annual Comprehensive Financial Report
For the year ended June 30, 2021

Management's Discussion and Analysis

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, 2021, and 2020 are as follows:

| | 2021 | | 2020 | |
|-----------------------------|---------------------------|-------------------------|---------------------------|-------------------------|
| | Total Cost of Services | Net Cost of Services | Total Cost of Services | Net Cost of Services |
| General government | \$ 3,508,168 | \$ 2,089,303 | \$ 2,622,995 | \$ 1,511,471 |
| Public safety | 4,588,899 | 4,259,585 | 5,374,187 | 5,075,116 |
| Public works | 2,224,098 | (769,768) | 3,122,039 | (579,485) |
| Community development | 4,160,458 | 531,267 | 875,959 | 692,728 |
| Marketing and promotions | 93,060 | 93,060 | 185,621 | 185,621 |
| Interest and fiscal charges | 37,964 | 37,964 | 5,106 | 5,106 |
| Total | \$ 14,612,647 | \$ 6,241,411 | \$ 12,185,907 | \$ 6,890,557 |

FUND FINANCIAL ANALYSIS

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

Governmental funds

The City's governmental funds provide information on near-term inflows, outflows, and balances of spending resources. At the fiscal year ended June 30, 2021, the City's governmental funds reported combined fund balances of \$7.7 million, an increase of \$1.9 million or 34 percent over the previous year.

General Fund

The general fund is the chief operating fund of the City. Overall, the general fund balance increased by \$1.49 million to \$4.2 million at the end of FY 2020/21. General fund unassigned fund balance totaled \$2 million. This increase of \$1.5 million results from a realized surplus budget of \$1.5 million. The committed fund balance totals \$2.2 million. It includes the operating reserve of \$1.5 million, \$200k in the litigation reserve, and the \$490k in the Recession Reserve established this fiscal year.

Special Sales Tax – Streets

The Special Sales Tax for the street repairs fund increased \$923k to \$2.5 million in FY 2020/21. The Maple Street \$1.8 million and Street Rehabilitation \$2 million will be funded and undertaken in FY 2021/22.

City of Fort Bragg, California
Annual Comprehensive Financial Report
For the year ended June 30, 2021

Management's Discussion and Analysis

FUND FINANCIAL ANALYSIS, Continued

Street Resurfacing Capital Projects

The Street Resurfacing Capital Projects fund is at zero. Funding is transferred from the Special Sales Tax for street repairs fund to the Street Resurfacing Capital Projects as projects are undertaken. Although funding was transferred and the FY 2018/19 Street Resurfacing project kicked off late in FY 2018/19, work will be completed in the current fiscal year.

Enterprise Funds

Enterprise funds increased the City's net position by \$4 million. The City has three business-type activities: Water, Wastewater, and the C.V. Starr Center.

The Water enterprise net position increased \$1.9 million or 16 percent to \$13.6 million; the Wastewater enterprise net position increased \$2 million or 9 percent to \$24.4 million. The C.V. Starr Center enterprise net position also increased by 145k or 1 percent to \$20.7 million.

The Water enterprise capitalized costs of \$547k. Additionally, accounts payable decreased by \$49k while long-term liabilities decreased by \$586k due to regularly scheduled debt payments. Lastly, Water operating revenues exceeded operating expenses by \$2 million, contributing to the fund's net position. The utility generates sufficient revenue to cover operating expenses, maintain an operating reserve, and fund a capital reserve. Currently, the rate plan is designed to accumulate \$1 million per year in a capital projects reserve, and the plan is working as designed.

The Wastewater enterprise completed the project to replace the aging wastewater treatment plant. The project cost \$19.1 million and successfully came online in late March 2021. In FY 2020/21, \$19.1 million of expenses were capitalized, and \$439k of assets were disposed of as they were no longer in use. Accounts payable decreased by \$1.3 million after the retention payment for the wastewater treatment plant project.

Current assets, particularly accounts receivable, declined by \$622k due to the Wastewater Treatment Plant project being partially funded by reimbursement grants. The funds were received in this fiscal year. The Wastewater enterprise also realized \$1.07 million in net income, which contributed to its net position growth.

The utility's user fees generate sufficient revenue to cover operating expenses, maintain an operating reserve and fund a capital reserve. Similar to the Water enterprise, the rate plan is designed to accumulate \$1M per year in a capital project reserve, and the plan is working as designed.

The C. V. Starr Center's operation is contracted to the Mendocino Coast Recreation and Park District and is supported by property tax, sales tax, and user fees. The C.V. Starr Center's operating expenses exceeded operating revenue (user fees) by \$1.2 million. The operating loss is subsidized with non-operating revenue, including the tax revenue mentioned above, with the resulting change in Net Position increasing by \$145k. As mentioned previously, the Center was closed in March 2021 to comply with shelter in place orders and has opened on a limited basis in the fiscal year 2021-22.

City of Fort Bragg, California
Annual Comprehensive Financial Report
For the year ended June 30, 2021

Management's Discussion and Analysis

General Fund Budgetary Highlights

A comparison of Budget to actual for major governmental funds is presented in the fund financial statements. These statements and the notes are presented as additional information to show that appropriations are being spent as authorized by the City Council.

The original Budget estimated \$7.9 million in revenues. The amended Budget was \$9.5 million, and actual revenues of \$9.8 million ended the fiscal year above budget estimates by \$287k. The General Fund was the most impacted by the COVID Pandemic and economic shutdown in the last quarter of 2019/20. This is because it relies on TOT and Sales Tax Revenues, accounting for approximately 48 percent of the City's General Fund revenue. Both transient occupancy tax and sales tax recovered in fiscal year 20-21 and ended with strong results.

Expenditures were held below the final amended Budget of \$9.1 million by \$830k, with savings across many categories primarily due to the COVID-19 budget reduction plan approved by the Council in April 2021, which included an annualized decrease to General Fund expenditures of \$1.4 million to offset the projected revenue shortfalls. These included Layoffs, furloughs, freezing open positions, and placing a hold on AA/AB funding. As revenues rebounded in the first quarter of the fiscal year, staff were brought back, and some positions were re-hired during the course of the fiscal year.

The City of Fort Bragg Fund Balance and Reserve Policies, adopted by the City Council and incorporated in the Budget development policies, established an Operating Reserve (\$1.5 million) of at least 15-25 percent of the annual operating expenditures General Fund. Its purpose is to serve as a strategic reserve, ensure the General Fund's liquidity, and make adequate resources available to manage economic uncertainties. Additionally, the recession reserve of \$489k, equivalent to 5 percent of the City's annual operating Budget, and the Litigation reserve remains at \$200k.

The General Fund ended the year with a fund balance (of non-spendable, committed, and unassigned amounts) of \$4.1 million, representing an increase of \$1.5 million for the year.

City of Fort Bragg, California
Annual Comprehensive Financial Report
For the year ended June 30, 2021

Management's Discussion and Analysis

Capital Assets

The City's investment in capital assets for its Governmental and Business-type Activities as of June 30, 2021, amounts to \$93.9 million. This investment in capital assets includes land, construction in progress costs, buildings, machinery and equipment, infrastructure, and land improvements as shown in the chart below:

| | Governmental Activities | | Business-type Activities | | Totals | |
|---------------------------------|-------------------------|---------------|--------------------------|---------------|---------------|---------------|
| | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 |
| Land | \$ 12,952,262 | \$ 12,952,262 | \$ 785,079 | \$ 785,079 | \$ 13,737,341 | \$ 13,737,341 |
| Construction in progress | 2,536,221 | 2,291,055 | 933,150 | 18,118,805 | 3,469,371 | 20,409,860 |
| Buildings | 1,281,003 | 1,390,995 | 20,441,570 | 21,154,828 | 21,722,573 | 22,545,823 |
| Machinery, equipment and vehicl | 1,308,114 | 723,605 | 1,423,349 | 1,634,560 | 2,731,463 | 2,358,165 |
| Infrastructure | 23,608,286 | 24,743,740 | 28,653,610 | 10,469,934 | 52,261,896 | 35,213,674 |
| Land improvements | - | - | 49,712 | 103,942 | 49,712 | 103,942 |
| Total | \$ 41,685,886 | \$ 42,101,657 | \$ 52,286,470 | \$ 52,267,148 | \$ 93,972,356 | \$ 94,368,805 |

There was a decrease in capital assets of approximately \$396k (net of annual depreciation costs). Most notably, Fleet equipment \$672k, and disposal of assets \$468k from the wastewater fund. Citywide total assets placed in Service equaled \$2.9 million, offset by \$3.2 million in depreciation. More detail of the capital assets and current activity may be found in the notes to the financial statements in the Summary of Significant Accounting Policies on page 55 and in Note 5 on Page 68 in the Capital Assets section.

Debt Administration

On June 30, 2021, the total City debt outstanding was \$8 million. Overall, governmental debt decreased by \$1 million to \$1.6 million due to normally required payments, and Business-type debt was also reduced by \$484k to \$6.4 million. Additional information about the City's outstanding debt and other long-term liabilities is presented in Note 7 on pages 70 through 73.

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, 2021

| ASSETS | Governmental Activities | Business-type Activities | Total |
|---|----------------------------|-----------------------------|-----------------------|
| Cash and investments | \$ 7,391,263 | \$ 12,987,452 | \$ 20,378,715 |
| Restricted cash and investments | - | 108,064 | 108,064 |
| Receivables: | | | |
| Accounts | 2,086,219 | 1,198,515 | 3,284,734 |
| Loans/Notes receivable | 2,539,965 | - | 2,539,965 |
| Inventory | - | 57,159 | 57,159 |
| Prepaid items | 4,165 | - | 4,165 |
| Total current assets | 12,021,612 | 14,351,190 | 26,372,802 |
| Capital assets: | | | |
| Nondepreciable | 15,488,483 | 1,718,229 | 17,206,712 |
| Depreciable | 26,197,403 | 50,568,241 | 76,765,644 |
| Total noncurrent assets | 41,685,886 | 52,286,470 | 93,972,356 |
| Total assets | 53,707,498 | 66,637,660 | 120,345,158 |
| DEFERRED OUTFLOWS OF RESOURCES | | | |
| Pension plan | 1,927,083 | 383,821 | 2,310,904 |
| OPEB, deferred outflow | 588,729 | - | 588,729 |
| Deferred loss on debt refunding | - | 90,106 | 90,106 |
| Total deferred outflows of resources | 2,515,812 | 473,927 | 2,989,739 |
| Total assets and deferred outflows | \$ 56,223,310 | \$ 67,111,587 | \$ 123,334,897 |
| LIABILITIES | | | |
| Accounts payable and accrued liabilities | 783,166 | 542,649 | 1,325,815 |
| Interest payable | 395 | 16,386 | 16,781 |
| Unearned revenue | - | 6,466 | 6,466 |
| Deposits payable | 101,182 | 168,650 | 269,832 |
| Compensated absences - current portion | 60,756 | 7,492 | 68,248 |
| Due within one year | 326,086 | 453,889 | 779,975 |
| Total current liabilities | 1,271,585 | 1,195,532 | 2,467,117 |
| Long-term liabilities: | | | |
| Compensated absences | 508,445 | 90,273 | 598,718 |
| Landfill post-closure | 428,209 | - | 428,209 |
| Due after one year | - | 5,866,002 | 5,866,002 |
| CalPERS side fund | 302,552 | - | 302,552 |
| Net OPEB obligation | 3,106,375 | - | 3,106,375 |
| Net pension liability | 9,581,098 | 1,099,512 | 10,680,610 |
| Total noncurrent liabilities | 13,926,679 | 7,055,787 | 20,982,466 |
| Total liabilities | 15,198,264 | 8,251,319 | 23,449,583 |
| DEFERRED INFLOWS OF RESOURCES | | | |
| Pension plan | 321,384 | 143,822 | 465,206 |
| OPEB | 210,581 | - | 210,581 |
| Total deferred inflows of resources | 531,965 | 143,822 | 675,787 |
| Total liabilities and deferred inflows | 15,730,229 | 8,395,141 | 24,125,370 |
| NET POSITION | | | |
| Net investment in capital assets | 41,685,886 | 46,331,468 | 88,017,354 |
| Restricted for: | | | |
| Gas Tax | 54,668 | - | 54,668 |
| State and Federal Grants | 1,334 | - | 1,334 |
| Special Sales Tax | 2,496,346 | - | 2,496,346 |
| Asset Forfeiture | 394,953 | - | 394,953 |
| Debt Service | - | 108,064 | 108,064 |
| Unrestricted | (4,140,106) | 12,276,914 | 8,136,808 |
| Total net position | 40,493,081 | 58,716,446 | 99,209,527 |
| Total liabilities, deferred inflows and net position | \$ 56,223,310 | \$ 67,111,587 | \$ 123,334,897 |

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, 2021

| Functions/Programs | Expenses | Program Revenues | | |
|---------------------------------|----------------------|----------------------|------------------------------------|----------------------------------|
| | | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions |
| Primary government: | | | | |
| Governmental activities: | | | | |
| General government | \$ 3,580,513 | \$ 978,066 | \$ 75,099 | \$ 365,700 |
| Public safety | 4,385,869 | 252,492 | 76,822 | - |
| Public works | 2,438,493 | 1,582,532 | 192,558 | 1,218,776 |
| Community development | 4,104,663 | 50 | 3,629,141 | - |
| Marketing and promotions | 93,060 | - | - | - |
| Interest and fiscal charges | 37,964 | - | - | - |
| Total governmental activities | <u>14,640,562</u> | <u>2,813,140</u> | <u>3,973,620</u> | <u>1,584,476</u> |
| Business-type activities: | | | | |
| Water | 1,687,603 | 3,660,268 | - | - |
| Wastewater | 3,043,007 | 4,017,234 | - | - |
| CV Starr Center | 1,228,892 | - | - | - |
| Total business-type activities | <u>5,959,502</u> | <u>7,677,502</u> | <u>-</u> | <u>-</u> |
| Total primary government | <u>\$ 20,600,064</u> | <u>\$ 10,490,642</u> | <u>\$ 3,973,620</u> | <u>\$ 1,584,476</u> |

General revenues:

Taxes:

- Property taxes, levied for general purposes
- Sales and use taxes
- Transient occupancy tax, levied for general purposes
- Franchise taxes
- Other taxes
- Use of money and property
- Unrealized gains and losses
- Other 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 |
|------------------------------------|-------------------------------------|----------------------|
| \$ (2,161,648) | \$ - | \$ (2,161,648) |
| (4,056,555) | - | (4,056,555) |
| 555,373 | - | 555,373 |
| (475,472) | - | (475,472) |
| (93,060) | - | (93,060) |
| (37,964) | - | (37,964) |
| <u>(6,269,326)</u> | <u>-</u> | <u>(6,269,326)</u> |
| - | 1,972,665 | 1,972,665 |
| - | 974,227 | 974,227 |
| - | (1,228,892) | (1,228,892) |
| - | 1,718,000 | 1,718,000 |
| <u>(6,269,326)</u> | <u>1,718,000</u> | <u>(4,551,326)</u> |
| 1,151,947 | 262,787 | 1,414,734 |
| 3,127,059 | 1,099,510 | 4,226,569 |
| 3,321,928 | - | 3,321,928 |
| 625,997 | - | 625,997 |
| 184,655 | - | 184,655 |
| 112,479 | 115,440 | 227,919 |
| (123,967) | - | (123,967) |
| 265,673 | - | 265,673 |
| (900,908) | 900,908 | - |
| <u>7,764,863</u> | <u>2,378,645</u> | <u>10,143,508</u> |
| 1,495,537 | 4,096,645 | 5,592,182 |
| 38,997,544 | 54,619,801 | 93,617,345 |
| <u>\$ 40,493,081</u> | <u>\$ 58,716,446</u> | <u>\$ 99,209,527</u> |

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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 Special Revenue | Accounts for activities related to housing activities of the former Fort Bragg Redevelopment Agency. |
| Special Sales Tax - Street Repair Special Revenue | Accounts for the City's Special Sales Tax for Street and Alley Repairs. |
| Street Resurfacing Capital Projects | Accounts for Street Resurfacing Capital Projects Performed on a Regular Basis with Special Sales Tax for Street and Alley Repairs. |

City of Fort Bragg, California

Balance Sheet

Governmental Funds

June 30, 2021

| | Major Funds | | |
|--|-------------------------|--|---|
| | General Fund | CDBG Program Income Special Revenue | Housing Successor Agency Special Revenue |
| ASSETS | | | |
| Cash and investments | \$ 2,726,091 | \$ 61,319 | \$ 183,128 |
| Receivables: | | | |
| Taxes | 1,386 | - | - |
| Intergovernmental | - | - | - |
| Loans/Notes receivable | 2,371 | 2,029,313 | 306,874 |
| Other receivable | 1,169,944 | - | - |
| Due from other funds | 733,469 | - | - |
| Prepaid items | 4,165 | - | - |
| Total assets | \$ 4,637,426 | \$ 2,090,632 | \$ 490,002 |
| LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES | | | |
| Liabilities: | | | |
| Accounts payable and accrued liabilities | \$ 352,029 | \$ - | \$ - |
| Due to other funds | - | - | - |
| Deposits payable | 101,182 | - | - |
| Total liabilities | 453,211 | - | - |
| Deferred inflows of resources: | | | |
| Unavailable revenue | - | 2,065,376 | 306,875 |
| Total deferred inflows of resources: | - | 2,065,376 | 306,875 |
| Total Liabilities and deferred inflows | 453,211 | 2,065,376 | 306,875 |
| Fund balances: | | | |
| Nonspendable | | | |
| Prepays and inventory | 4,165 | - | - |
| Loans/Notes receivable | 2,371 | - | - |
| Restricted | - | - | - |
| Committed: | | | |
| Operating reserve | 1,989,419 | - | - |
| Recession reserve | 489,929 | - | - |
| Litigation reserve | 200,000 | - | - |
| Assigned | - | 25,256 | 183,127 |
| Unassigned (deficit) | 1,498,331 | - | - |
| Total fund balances | 4,184,215 | 25,256 | 183,127 |
| Total liabilities, deferred inflows and fund balances | \$ 4,637,426 | \$ 2,090,632 | \$ 490,002 |

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

| Major Funds | | | |
|--|--|------------------------------------|----------------------|
| Special Sales Tax Special Revenue | Street Resurfacing Capital Projects | Nonmajor Governmental Funds | Totals |
| \$ 2,268,781 | \$ - | \$ 1,231,405 | \$ 6,470,724 |
| - | - | - | 1,386 |
| 227,565 | - | 687,324 | 914,889 |
| - | - | 201,407 | 2,539,965 |
| - | - | - | 1,169,944 |
| - | - | - | 733,469 |
| - | - | - | 4,165 |
| <u>\$ 2,496,346</u> | <u>\$ -</u> | <u>\$ 2,120,136</u> | <u>\$ 11,834,542</u> |
| | | | |
| \$ - | \$ - | \$ 376,895 | \$ 728,924 |
| - | 26,132 | 707,337 | 733,469 |
| - | - | - | 101,182 |
| - | 26,132 | 1,084,232 | 1,563,575 |
| | | | |
| - | - | 201,407 | 2,573,658 |
| - | - | 201,407 | 2,573,658 |
| - | 26,132 | 1,285,639 | 4,137,233 |
| | | | |
| - | - | - | 4,165 |
| - | - | - | 2,371 |
| 2,496,346 | - | 450,955 | 2,947,301 |
| | | | |
| - | - | - | 1,989,419 |
| - | - | - | 489,929 |
| - | - | - | 200,000 |
| - | - | 605,482 | 813,865 |
| - | (26,132) | (221,940) | 1,250,259 |
| <u>2,496,346</u> | <u>(26,132)</u> | <u>834,497</u> | <u>7,697,309</u> |
| <u>\$ 2,496,346</u> | <u>\$ -</u> | <u>\$ 2,120,136</u> | <u>\$ 11,834,542</u> |

City of Fort Bragg, California
Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position
June 30, 2021

| | | |
|--|--------------------|-----------------------------|
| Total fund balances - total governmental funds | | \$ 7,697,309 |
| 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. | | 40,427,116 |
| 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 | \$ (569,201) | |
| Landfill post-closure | (639,804) | |
| CalPERS side fund | (417,043) | |
| Net OPEB obligation | (3,106,375) | |
| Net pension liability | <u>(9,581,098)</u> | (14,313,521) |
| 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. | | 2,573,658 |
| Interest payable on long-term debt does not require the use of current financial resources and, therefore, is not reported in the governmental funds. | | (395) |
| Pension obligations result in deferred outflows and inflows of resources associated with the actuarial value of contributions, assets, and liabilities | | |
| Deferred outflows, Pension | 1,927,083 | |
| Deferred inflows, Pension | (321,384) | |
| Deferred outflows, OPEB | 588,729 | |
| Deferred inflows, OPEB | <u>(210,581)</u> | 1,983,847 |
| 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 | 920,539 | |
| Noncurrent assets | 1,258,770 | |
| Accounts payable and accrued liabilities | <u>(54,242)</u> | 2,125,067 |
| Net Position of governmental activities | | <u>\$ 40,493,081</u> |

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, 2021

| | Governmental Funds Balance Sheet | Reclassifications | Changes in GAAP | Internal Services Balances | Statement of Net Position |
|---|--|---------------------|----------------------|----------------------------------|------------------------------|
| ASSETS | | | | | |
| Current assets: | | | | | |
| Cash and investments | \$ 6,470,724 | \$ - | \$ - | \$ 920,539 | \$ 7,391,263 |
| Receivables: | | | | | |
| Taxes | 1,386 | - | - | - | 1,386 |
| Intergovernmental | 914,889 | - | - | - | 914,889 |
| Loans/Notes receivable | 2,539,965 | - | - | - | 2,539,965 |
| Other receivable | 1,169,944 | - | - | - | 1,169,944 |
| Due from other funds | 733,469 | (733,469) | - | - | - |
| Prepaid items | 4,165 | - | - | - | 4,165 |
| Total current assets | <u>11,834,542</u> | <u>(733,469)</u> | <u>-</u> | <u>920,539</u> | <u>12,021,612</u> |
| Noncurrent assets: | | | | | |
| Capital assets, net | - | - | 40,427,116 | 1,258,770 | 41,685,886 |
| Total noncurrent assets | <u>-</u> | <u>-</u> | <u>40,427,116</u> | <u>1,258,770</u> | <u>41,685,886</u> |
| DEFERRED OUTFLOWS OF RESOURCES | | | | | |
| Pension plan | - | - | 1,927,083 | - | 1,927,083 |
| OPEB | - | - | 588,729 | - | 588,729 |
| Deferred loss on refunding | - | - | - | - | - |
| Total assets and deferred outflows of resources | <u>\$ 11,834,542</u> | <u>\$ (733,469)</u> | <u>\$ 42,942,928</u> | <u>\$ 2,179,309</u> | <u>\$ 56,223,310</u> |
| LIABILITIES | | | | | |
| Current liabilities: | | | | | |
| Accounts payable and accrued liabilities | \$ 728,924 | \$ - | \$ - | \$ 54,242 | \$ 783,166 |
| Interest payable | - | - | 395 | - | 395 |
| Due to other funds | 733,469 | (733,469) | - | - | - |
| Deposits payable | 101,182 | - | - | - | 101,182 |
| Compensated absences - current portion | - | - | 60,756 | - | 60,756 |
| Due within one year | - | - | 326,086 | - | 326,086 |
| Total current liabilities | <u>1,563,575</u> | <u>(733,469)</u> | <u>387,237</u> | <u>54,242</u> | <u>1,271,585</u> |
| Noncurrent liabilities: | | | | | |
| Long-term liabilities: | | | | | |
| Compensated absences | - | - | 508,445 | - | 508,445 |
| Landfill post-closure | - | - | 428,209 | - | 428,209 |
| CalPERS side fund | - | - | 302,552 | - | 302,552 |
| Net OPEB obligation | - | - | 3,106,375 | - | 3,106,375 |
| Net pension liability | - | - | 9,581,098 | - | 9,581,098 |
| Total noncurrent liabilities | <u>-</u> | <u>-</u> | <u>13,926,679</u> | <u>-</u> | <u>13,926,679</u> |
| Total liabilities | <u>1,563,575</u> | <u>(733,469)</u> | <u>14,313,916</u> | <u>54,242</u> | <u>15,198,264</u> |
| DEFERRED INFLOWS OF RESOURCES | | | | | |
| Unavailable revenue | 2,573,658 | - | (2,573,658) | - | - |
| Pension Plan | - | - | 321,384 | - | 321,384 |
| OPEB, deferred inflow | - | - | 210,581 | - | 210,581 |
| Total liabilities and deferred inflows: | <u>4,137,233</u> | <u>(733,469)</u> | <u>12,272,223</u> | <u>54,242</u> | <u>15,730,229</u> |
| FUND BALANCES/NET POSITION | | | | | |
| Fund balances: | | | | | |
| Nonspendable | 6,536 | (6,536) | - | - | - |
| Restricted | 2,947,301 | (2,947,301) | - | - | - |
| Committed | 2,679,348 | (2,679,348) | - | - | - |
| Assigned | 813,865 | (813,865) | - | - | - |
| Unassigned (deficit) | 1,250,259 | (1,250,259) | - | - | - |
| Net position: | | | | | |
| Net investment in capital assets | - | - | 40,427,116 | 1,258,770 | 41,685,886 |
| Restricted | - | - | 2,947,301 | - | 2,947,301 |
| Unrestricted | - | 7,697,309 | (12,703,712) | 866,297 | (4,140,106) |
| Total fund balances/net position | <u>7,697,309</u> | <u>-</u> | <u>30,670,705</u> | <u>2,125,067</u> | <u>40,493,081</u> |
| Total liabilities, deferred inflows and net position | <u>\$ 11,834,542</u> | <u>\$ (733,469)</u> | <u>\$ 42,942,928</u> | <u>\$ 2,179,309</u> | <u>\$ 56,223,310</u> |

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, 2021

| | Major Funds | | |
|---|-------------------------|--|---|
| | General Fund | CDBG Program Income Special Revenue | Housing Successor Agency Special Revenue |
| REVENUES: | | | |
| Taxes and assessments | \$ 7,246,123 | \$ - | \$ - |
| Licenses and permits | 91,566 | - | - |
| Fines and forfeitures | 36,952 | - | - |
| Intergovernmental | 169,567 | - | - |
| Use of money and property | (75,200) | 57,032 | 1,795 |
| Charges for services | 47,329 | - | - |
| Reimbursements | 2,246,723 | - | - |
| Other revenues | 109,359 | - | - |
| Total revenues | 9,872,419 | 57,032 | 1,795 |
| EXPENDITURES: | | | |
| Current: | | | |
| General government | 2,223,656 | - | - |
| Public safety | 3,907,671 | - | - |
| Public works | 1,324,576 | - | - |
| Community development | 301,984 | - | 250,000 |
| Marketing and promotions | 93,060 | - | - |
| Cost allocations | 478,497 | - | - |
| Capital outlay | - | - | - |
| Debt service: | | | |
| Principal | 37,626 | - | - |
| Interest and fiscal charges | 338 | - | - |
| Total expenditures | 8,367,408 | - | 250,000 |
| REVENUES OVER (UNDER) EXPENDITURES | 1,505,011 | 57,032 | (248,205) |
| OTHER FINANCING SOURCES (USES): | | | |
| Proceeds from sales of assets | 8,624 | - | - |
| Transfers in | 465,962 | - | - |
| Transfers out | (486,624) | - | - |
| Total other financing sources (uses) | (12,038) | - | - |
| Net change in fund balances | 1,492,973 | 57,032 | (248,205) |
| FUND BALANCES (DEFICITS): | | | |
| Beginning of year | 2,691,242 | (31,776) | 431,332 |
| End of year | <u>\$ 4,184,215</u> | <u>\$ 25,256</u> | <u>\$ 183,127</u> |

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

| Major Funds | | | |
|--|--|---|---------------------|
| Special Sales Tax Special Revenue | Street Resurfacing Capital Projects | Other Governmental Funds | Totals |
| \$ 1,099,049 | \$ - | \$ 66,414 | \$ 8,411,586 |
| - | - | - | 91,566 |
| - | - | 66,488 | 103,440 |
| - | - | 5,713,791 | 5,883,358 |
| 18,968 | - | 9,967 | 12,562 |
| - | - | 110 | 47,439 |
| - | - | - | 2,246,723 |
| - | 138,733 | 16,127 | 264,219 |
| <u>1,118,017</u> | <u>138,733</u> | <u>5,872,897</u> | <u>17,060,893</u> |
| - | - | 32,378 | 2,256,034 |
| - | - | 186,069 | 4,093,740 |
| 195,231 | - | 327,050 | 1,846,857 |
| - | - | 3,816,253 | 4,368,237 |
| - | - | - | 93,060 |
| - | - | - | 478,497 |
| - | 27,739 | 386,931 | 414,670 |
| - | - | - | 37,626 |
| - | - | - | 338 |
| <u>195,231</u> | <u>27,739</u> | <u>4,748,681</u> | <u>13,589,059</u> |
| <u>922,786</u> | <u>110,994</u> | <u>1,124,216</u> | <u>3,471,834</u> |
| - | - | - | 8,624 |
| - | 228,274 | 171,385 | 865,621 |
| - | (118,400) | (1,798,443) | (2,403,467) |
| - | 109,874 | (1,627,058) | (1,529,222) |
| <u>922,786</u> | <u>220,868</u> | <u>(502,842)</u> | <u>1,942,612</u> |
| <u>1,573,560</u> | <u>(247,000)</u> | <u>1,337,339</u> | <u>5,754,697</u> |
| <u>\$ 2,496,346</u> | <u>\$ (26,132)</u> | <u>\$ 834,497</u> | <u>\$ 7,697,309</u> |

City of Fort Bragg, California

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

For the year ended June 30, 2021

| Functions/Programs | Fund Based Totals | Compensated Absences/ | | | Capital Asset | | | OPEB Obligation | Pension plan | Government- wide Totals |
|--------------------------------------|----------------------|--------------------------|---------------------|---------------------|-----------------------------|--------------------|---------------------|--------------------|----------------------|-------------------------------|
| | | Debt Service | Internal Service | Depreciation | (Additions)/ Retirements | Cost Allocation | | | | |
| Governmental activities: | | | | | | | | | | |
| General government | \$ 2,256,034 | \$ 67,809 | \$ 685,090 | \$ 92,470 | \$ - | \$ 85,915 | \$ (176,869) | \$ 570,064 | \$ 3,580,513 | |
| Public safety | 4,093,740 | - | - | 136,231 | - | 155,898 | - | - | 4,385,869 | |
| Public works | 1,846,857 | (80,436) | - | 1,136,182 | (534,442) | 70,332 | - | - | 2,438,493 | |
| Community development | 4,368,237 | (429,926) | - | - | - | 166,352 | - | - | 4,104,663 | |
| Marketing and promotions | 93,060 | - | - | - | - | - | - | - | 93,060 | |
| Cost allocations | 478,497 | - | - | - | - | (478,497) | - | - | - | |
| Capital outlay | 414,670 | - | - | - | (414,670) | - | - | - | - | |
| Debt service/Interest | 37,964 | - | - | - | - | - | - | - | 37,964 | |
| Total governmental activities | \$ 13,589,059 | \$ (442,553) | \$ 685,090 | \$ 1,364,883 | \$ (949,112) | \$ - | \$ (176,869) | \$ 570,064 | \$ 14,640,562 | |

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, 2021

| | |
|---|---------------------|
| Net change in fund balances - total governmental funds | \$ 1,942,612 |
|---|---------------------|

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 | \$ 949,112 | |
| Proceeds from sale of capital assets | (8,624) | |
| Depreciation expense | <u>(1,364,883)</u> | (424,395) |

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. (23,886)

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

| | | |
|---------------------------|--|--------|
| Capital lease obligations | | |
| CalPERS side fund | | 80,436 |

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

| | | |
|--------------------------------|-----------------|---------|
| Landfill closure liability | 429,926 | |
| Change in compensated absences | <u>(67,809)</u> | 362,117 |

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 | 176,869 | |
| Net Pension obligation | <u>(570,064)</u> | (393,195) |

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. (48,152)

| | |
|--|---------------------|
| Change in Net Position of governmental activities | \$ 1,495,537 |
|--|---------------------|

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, 2021

| | General Fund | | | |
|---|------------------|------------------|------------------|--|
| | Budgeted Amounts | | Actual | Variance w/Final Positive (Negative) |
| | Original | Final | | |
| REVENUES: | | | | |
| Taxes and assessments | \$ 5,146,043 | \$ 6,350,835 | \$ 7,246,123 | \$ 895,288 |
| Licenses and permits | 89,792 | 89,792 | 91,566 | 1,774 |
| Fines and forfeitures | 24,142 | 24,142 | 36,952 | 12,810 |
| Intergovernmental | 266,363 | 426,564 | 169,567 | (256,997) |
| Use of money and property | 30,201 | 30,201 | (75,200) | (105,401) |
| Charges for services | 54,914 | 54,914 | 47,329 | (7,585) |
| Reimbursements | 2,277,993 | 2,312,993 | 2,246,723 | (66,270) |
| Other revenues | 35,095 | 295,465 | 109,359 | (186,106) |
| Total revenues | 7,924,543 | 9,584,906 | 9,872,419 | 287,513 |
| EXPENDITURES: | | | | |
| Current: | | | | |
| General government: | | | | |
| City Council | 150,247 | 173,140 | 131,495 | 41,645 |
| Administrative services | 655,008 | 856,520 | 751,316 | 105,204 |
| Finance | 456,495 | 483,691 | 468,474 | 15,217 |
| Other - unclassified | 871,458 | 1,174,443 | 872,371 | 302,072 |
| Public safety: | | | | |
| Police Department | 3,424,636 | 3,426,010 | 3,467,709 | (41,699) |
| Fire Department | 441,871 | 441,871 | 439,962 | 1,909 |
| Public works: | | | | |
| Administration and engineering | 415,004 | 455,740 | 515,727 | (59,987) |
| Parks and facilities | 40,775 | 68,775 | 31,927 | 36,848 |
| Street maintenance | 118,000 | 118,000 | 107,606 | 10,394 |
| Storm drains | 14,300 | 14,300 | 10,847 | 3,453 |
| Corporation yard | 671,316 | 680,314 | 634,446 | 45,868 |
| Traffic and safety | 23,800 | 23,800 | 24,023 | (223) |
| Community development | 203,936 | 380,156 | 301,984 | 78,172 |
| Marketing and promotions | - | 111,700 | 93,060 | 18,640 |
| Cost allocations | 789,222 | 789,222 | 478,497 | 310,725 |
| Debt service: | | | | |
| Principal | - | - | 37,626 | (37,626) |
| Interest and fiscal charges | - | - | 338 | (338) |
| Total expenditures | 8,276,068 | 9,197,682 | 8,367,408 | 830,274 |
| REVENUES OVER (UNDER) EXPENDITURES | (351,525) | 387,224 | 1,505,011 | 1,117,787 |
| OTHER FINANCING SOURCES (USES): | | | | |
| Cost allocations | | | | |
| Proceeds from sales of assets | 8,803 | 8,803 | 8,624 | (179) |
| Transfers in | - | 225,790 | 465,962 | 240,172 |
| Transfers out | - | - | (486,624) | (486,624) |
| Total other financing sources (uses) | 8,803 | 234,593 | (12,038) | (246,631) |
| Net change in fund balances | (342,722) | 621,817 | 1,492,973 | 871,156 |
| FUND BALANCES (DEFICITS): | | | | |
| Beginning of year | 2,691,242 | 2,691,242 | 2,691,242 | - |
| End of year | \$ 2,348,520 | \$ 3,313,059 | \$ 4,184,215 | \$ 871,156 |

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

| CDBG Program Income Special Revenue Fund | | | | Housing Successor Agency Special Revenue Fund | | | |
|---|-------------|-----------|------------------------|--|------------|------------|------------------------|
| Budgeted Amounts | | Actual | Variance w/Final | Budgeted Amounts | | Actual | Variance w/Final |
| Original | Final | | Positive (Negative) | Original | Final | | Positive (Negative) |
| \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - |
| - | - | 57,032 | 57,032 | 8,772 | 8,772 | 1,795 | (6,977) |
| - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - |
| - | - | 57,032 | 57,032 | 8,772 | 8,772 | 1,795 | (6,977) |
| - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - |
| - | - | 57,032 | 57,032 | 8,772 | 8,772 | 1,795 | (6,977) |
| - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - |
| - | - | 57,032 | 57,032 | 8,772 | 8,772 | 1,795 | (6,977) |
| (31,776) | (31,776) | (31,776) | - | 431,332 | 431,332 | 431,332 | - |
| \$ (31,776) | \$ (31,776) | \$ 25,256 | \$ 57,032 | \$ 440,104 | \$ 440,104 | \$ 433,127 | \$ (6,977) |

(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, 2021

| | Special Sales Tax Special Revenue | | | Variance w/Final Positive (Negative) |
|---|-----------------------------------|---------------------|---------------------|--|
| | Budgeted Amounts | | Actual | |
| | Original | Final | | |
| REVENUES: | | | | |
| Taxes and assessments | \$ 636,903 | \$ 876,004 | \$ 1,099,049 | \$ 223,045 |
| Licenses and permits | - | - | - | - |
| Fines and forfeitures | - | - | - | - |
| Intergovernmental | - | - | - | - |
| Use of money and property | 28,096 | 28,096 | 18,968 | (9,128) |
| Charges for services | - | - | - | - |
| Reimbursements | - | - | - | - |
| Other revenues | - | - | - | - |
| Total revenues | <u>664,999</u> | <u>904,100</u> | <u>1,118,017</u> | <u>213,917</u> |
| EXPENDITURES: | | | | |
| Current: | | | | |
| General government: | | | | |
| City Council | - | - | - | - |
| Administrative services | - | - | - | - |
| Finance | - | - | - | - |
| Other - unclassified | - | - | - | - |
| Public safety: | | | | |
| Police Department | - | - | - | - |
| Fire Department | - | - | - | - |
| Public works: | | | | |
| Administration and engineering | - | 3,000 | 195,231 | (192,231) |
| Parks and facilities | - | - | - | - |
| Street maintenance | - | - | - | - |
| Storm drains | - | - | - | - |
| Corporation yard | - | - | - | - |
| Traffic and safety | - | - | - | - |
| Community development | - | - | - | - |
| Marketing and promotions | - | - | - | - |
| Cost allocations | - | - | - | - |
| Debt service: | | | | |
| Principal | - | - | - | - |
| Interest and fiscal charges | - | - | - | - |
| Total expenditures | <u>-</u> | <u>3,000</u> | <u>195,231</u> | <u>(192,231)</u> |
| REVENUES OVER (UNDER) EXPENDITURES | <u>664,999</u> | <u>901,100</u> | <u>922,786</u> | <u>21,686</u> |
| OTHER FINANCING SOURCES (USES): | | | | |
| Cost allocations | | | | |
| Transfer to Successor Agency | - | - | - | - |
| Transfers in | - | - | - | - |
| Transfers out | 0 | 0 | - | - |
| Total other financing sources (uses) | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Net change in fund balances | <u>664,999</u> | <u>901,100</u> | <u>922,786</u> | <u>21,686</u> |
| FUND BALANCES: | | | | |
| Beginning of year | 1,573,560 | 1,573,560 | 1,573,560 | - |
| End of year | <u>\$ 2,238,559</u> | <u>\$ 2,474,660</u> | <u>\$ 2,496,346</u> | <u>\$ 21,686</u> |

(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. |

City of Fort Bragg, California
Statement of Net Position
Proprietary Funds
June 30, 2021

| | Water Fund | Sewer Fund | CV Starr Center Fund | Totals | Governmental Activities Internal Service Funds |
|---|-----------------------|-----------------------|---------------------------------|----------------------|---|
| ASSETS | | | | | |
| Current assets: | | | | | |
| Cash and investments | \$ 7,545,470 | \$ 3,813,608 | \$ 1,628,374 | \$ 12,987,452 | \$ 920,539 |
| Restricted cash and investments | 108,064 | - | - | 108,064 | - |
| Receivables: | | | | | |
| Accounts | 429,157 | 496,739 | 272,619 | 1,198,515 | - |
| Inventory and prepaids | 51,192 | 4,971 | 996 | 57,159 | - |
| Total current assets | 8,133,883 | 4,315,318 | 1,901,989 | 14,351,190 | 920,539 |
| Noncurrent assets: | | | | | |
| Capital assets, net | 7,131,550 | 25,938,794 | 19,216,126 | 52,286,470 | 1,258,770 |
| Total noncurrent assets | 7,131,550 | 25,938,794 | 19,216,126 | 52,286,470 | 1,258,770 |
| Total Assets | 15,265,433 | 30,254,112 | 21,118,115 | 66,637,660 | 2,179,309 |
| DEFERRED OUTFLOWS OF RESOURCES | | | | | |
| Pension plan | - | 383,821 | - | 383,821 | - |
| Deferred loss on debt refunding | 90,106 | - | - | 90,106 | - |
| Total assets and deferred outflows of resources | \$ 15,355,539 | \$ 30,637,933 | \$ 21,118,115 | \$ 67,111,587 | \$ 2,179,309 |
| LIABILITIES | | | | | |
| Current liabilities: | | | | | |
| Accounts payable | \$ 82,489 | \$ 78,233 | \$ 356,243 | \$ 516,965 | \$ 51,204 |
| Accrued payroll | - | 25,684 | - | 25,684 | 3,038 |
| Interest payable | 16,386 | - | - | 16,386 | - |
| Unearned revenue | - | 6,466 | - | 6,466 | - |
| Deposits payable | 149,604 | 250 | 18,796 | 168,650 | - |
| Compensated absences - current portion | 2,417 | 3,553 | 1,522 | 7,492 | - |
| Due within one year | 364,889 | 89,000 | - | 453,889 | - |
| Total current liabilities | 615,785 | 203,186 | 376,561 | 1,195,532 | 54,242 |
| Noncurrent liabilities: | | | | | |
| Compensated absences | 21,561 | 32,290 | 36,422 | 90,273 | - |
| Due after one year | 1,128,002 | 4,738,000 | - | 5,866,002 | - |
| Net pension liability | - | 1,099,512 | - | 1,099,512 | - |
| Total noncurrent liabilities | 1,149,563 | 5,869,802 | 36,422 | 7,055,787 | - |
| Total liabilities | 1,765,348 | 6,072,988 | 412,983 | 8,251,319 | 54,242 |
| DEFERRED INFLOWS OF RESOURCES | | | | | |
| Pension Plan | - | 143,822 | - | 143,822 | - |
| Total deferred inflows of resources | - | 143,822 | - | 143,822 | - |
| NET POSITION | | | | | |
| Net Position: | | | | | |
| Net investment in capital assets | 6,003,548 | 21,111,794 | 19,216,126 | 46,331,468 | 1,258,770 |
| Restricted for debt service | 108,064 | - | - | 108,064 | - |
| Unrestricted | 7,478,579 | 3,309,329 | 1,489,006 | 12,276,914 | 866,297 |
| Total net position | 13,590,191 | 24,421,123 | 20,705,132 | 58,716,446 | 2,125,067 |
| Total liabilities, deferred inflows and net position | \$ 15,355,539 | \$ 30,637,933 | \$ 21,118,115 | \$ 67,111,587 | \$ 2,179,309 |

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, 2021

| | Water Fund | Sewer Fund | CV Starr Center Fund | Totals | Governmental Activities Internal Service Funds |
|--|-----------------------|-----------------------|---------------------------------|----------------------|---|
| OPERATING REVENUES: | | | | | |
| Charges for service | \$ 3,634,615 | \$ 3,896,767 | \$ - | \$ 7,531,382 | \$ - |
| Other operating revenue | 25,653 | 120,467 | - | 146,120 | 5,826 |
| Interdepartmental charges | - | - | - | - | 625,019 |
| Total operating revenues | 3,660,268 | 4,017,234 | - | 7,677,502 | 630,845 |
| OPERATING EXPENSES: | | | | | |
| Personnel services | 452,486 | 686,111 | 264,720 | 1,403,317 | 314,860 |
| Administration | 470,943 | 693,735 | 4,404 | 1,169,082 | - |
| Repairs and maintenance | 36,517 | 60,669 | 40,252 | 137,438 | 63,385 |
| Materials and supplies | 149,769 | 272,529 | 24,103 | 446,401 | 291,452 |
| Utilities | 117,070 | 198,320 | 76,877 | 392,267 | - |
| Contractual services | 56,769 | 164,551 | 6,497 | 227,817 | 2,643 |
| Insurance | 17,230 | 53,032 | 52,515 | 122,777 | - |
| Other operating | 2,318 | - | 61,449 | 63,767 | - |
| Depreciation | 319,552 | 816,300 | 698,075 | 1,833,927 | 82,487 |
| Total operating expenses | 1,622,654 | 2,945,247 | 1,228,892 | 5,796,793 | 754,827 |
| OPERATING INCOME | 2,037,614 | 1,071,987 | (1,228,892) | 1,880,709 | (123,982) |
| NONOPERATING REVENUES (EXPENSES): | | | | | |
| Property taxes | - | - | 262,787 | 262,787 | - |
| Sales taxes | - | - | 1,099,510 | 1,099,510 | - |
| Interest revenue | 66,697 | 36,824 | 11,919 | 115,440 | - |
| Interest expense | (64,949) | (97,760) | - | (162,709) | - |
| Total non-operating revenues, net | 1,748 | (60,936) | 1,374,216 | 1,315,028 | - |
| NET INCOME BEFORE TRANSFERS | 2,039,362 | 1,011,051 | 145,324 | 3,195,737 | (123,982) |
| Transfers in | - | 1,036,527 | - | 1,036,527 | 636,938 |
| Transfers out | (135,619) | - | - | (135,619) | - |
| Total transfers | (135,619) | 1,036,527 | - | 900,908 | 636,938 |
| CHANGE IN NET POSITION | 1,903,743 | 2,047,578 | 145,324 | 4,096,645 | 512,956 |
| NET POSITION: | | | | | |
| Beginning of year | 11,686,448 | 22,373,545 | 20,559,808 | 54,619,801 | 1,612,111 |
| End of year | \$ 13,590,191 | \$ 24,421,123 | \$ 20,705,132 | \$ 58,716,446 | \$ 2,125,067 |

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, 2021

| | Water Fund | Sewer Fund | CV Starr Center Fund | Totals | Governmental Activities Internal Service Funds |
|---|---------------------|---------------------|-------------------------|----------------------|---|
| CASH FLOWS FROM OPERATING ACTIVITIES: | | | | | |
| Cash received from customers/users for services provided | \$ 3,572,866 | \$ 4,639,187 | \$ - | \$ 8,212,053 | \$ - |
| Cash received from interfund services provided | - | - | - | - | 630,845 |
| Cash payments to suppliers for goods and services | (907,965) | (2,722,323) | (344,529) | (3,974,817) | (347,963) |
| Cash payments to employees for services | (455,863) | (638,198) | (245,163) | (1,339,224) | (313,477) |
| Net cash provided by operating activities | <u>2,209,038</u> | <u>1,278,666</u> | <u>(589,692)</u> | <u>2,898,012</u> | <u>(30,595)</u> |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES: | | | | | |
| Transfers received | - | 723,929 | - | 723,929 | 636,938 |
| Transfers paid | (135,619) | - | - | (135,619) | - |
| Taxes received | - | - | 1,362,296 | 1,362,296 | - |
| Net cash used by noncapital financing activities | <u>(135,619)</u> | <u>723,929</u> | <u>1,362,296</u> | <u>1,950,606</u> | <u>636,938</u> |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES: | | | | | |
| Acquisition and construction of capital assets | (547,173) | (1,306,075) | - | (1,853,248) | (643,595) |
| Principal paid on long term debt | (379,742) | (87,000) | - | (466,742) | - |
| Interest paid on long term debt | (64,949) | (97,760) | - | (162,709) | - |
| Net cash (used) by capital and related financing activities | <u>(991,864)</u> | <u>(1,490,835)</u> | <u>-</u> | <u>(2,482,699)</u> | <u>(643,595)</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | | | | |
| Investment income received | 66,697 | 36,824 | 11,919 | 115,440 | - |
| Net cash provided by investing activities | <u>66,697</u> | <u>36,824</u> | <u>11,919</u> | <u>115,440</u> | <u>-</u> |
| Net increase (decrease) in cash and cash equivalents | <u>1,148,252</u> | <u>548,584</u> | <u>784,523</u> | <u>2,481,359</u> | <u>(37,252)</u> |
| CASH AND CASH EQUIVALENTS: | | | | | |
| Beginning of year | 6,505,282 | 3,265,024 | 843,851 | 10,614,157 | 957,791 |
| End of year | <u>\$ 7,653,534</u> | <u>\$ 3,813,608</u> | <u>\$ 1,628,374</u> | <u>\$ 13,095,516</u> | <u>\$ 920,539</u> |
| Presentation in Statement of Financial Position: | | | | | |
| Cash and investments | \$ 7,545,470 | \$ 3,813,608 | \$ 1,628,374 | \$ 12,987,452 | \$ 920,539 |
| Restricted cash and investments | 108,064 | - | - | 108,064 | - |
| Total Cash and investments | <u>\$ 7,653,534</u> | <u>\$ 3,813,608</u> | <u>\$ 1,628,374</u> | <u>\$ 13,095,516</u> | <u>\$ 920,539</u> |
| Reconciliation of income from operations to net cash provided by operating activities: | | | | | |
| Operating income | \$ 2,037,614 | \$ 1,071,987 | \$ (1,228,892) | \$ 1,880,709 | \$ (123,982) |
| Adjustments to reconcile operating income to net cash provided by operating activities: | | | | | |
| Depreciation | 319,552 | 816,300 | 698,075 | 1,833,927 | 82,487 |
| Pension | - | 43,975 | - | 43,975 | - |
| (Increase) decrease in current assets: | | | | | |
| Accounts receivable | (86,832) | 621,953 | (59,394) | 475,727 | - |
| Inventory and prepaids | (7,976) | 18 | (18) | (7,976) | - |
| Increase (decrease) in liabilities: | | | | | |
| Accounts payable | (49,373) | (1,279,505) | (19,020) | (1,347,898) | 9,517 |
| Accrued liabilities | - | 7,567 | - | 7,567 | 1,383 |
| Deposits payable | (570) | - | - | (570) | - |
| Compensated absences | (3,377) | (3,629) | 19,557 | 12,551 | - |
| Net cash provided by operating activities | <u>\$ 2,209,038</u> | <u>\$ 1,278,666</u> | <u>\$ (589,692)</u> | <u>\$ 2,898,012</u> | <u>\$ (30,595)</u> |

There were no noncash investing, capital, or financing activities affecting recognized assets and liabilities for the year ended June 30, 2021.

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

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FIDUCIARY ACTIVITIES

| Fund | Description |
|--|--|
| <hr/> Private Purpose Trust Funds are used for resources held for other individuals and entities in a manner similar to private enterprise. <hr/> | |
| 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, 2021

| | <u>Successor Agency</u> <u>Former Fort Bragg</u> <u>Redevelopment</u> <u>Agency</u> |
|--|--|
| ASSETS AND DEFERRED OUTFLOWS | |
| Current assets: | |
| Cash and investments | \$ 153,184 |
| Total current assets | <u>153,184</u> |
| Total assets | <u>153,184</u> |
| Deferred outflows of resources | |
| Deferred loss on debt refunding | <u>75,155</u> |
| Total deferred outflows of resources | <u>75,155</u> |
| Total assets and deferred outflows of resources | <u>\$ 228,339</u> |
| LIABILITIES, DEFERRED INFLOWS AND NET POSITION | |
| Current liabilities: | |
| Accounts payable and accrued liabilities | \$ - |
| Interest payable | 36,758 |
| Due within one year | <u>163,380</u> |
| Total current liabilities | <u>200,138</u> |
| Long-term liabilities: | |
| Due after one year | <u>2,990,776</u> |
| Total long-term liabilities | <u>2,990,776</u> |
| Deferred inflows of resources | |
| Unavailable revenue | <u>275,300</u> |
| Total liabilities and deferred inflows of resources | <u>3,466,214</u> |
| Net Position (Deficit) | <u>(3,237,875)</u> |
| Total liabilities and net position | <u>\$ 228,339</u> |

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

City of Fort Bragg, California
Statement of Changes in Fiduciary Net Assets
Private Purpose Trust Funds
For the year ended June 30, 2021

| | <u>Successor Agency</u> <u>Former Fort Bragg</u> <u>Redevelopment</u> <u>Agency</u> |
|---------------------------------------|--|
| ADDITIONS: | |
| Property taxes | \$ 382,100 |
| Total operating revenues | <u>382,100</u> |
| DEDUCTIONS: | |
| Community development | 126,732 |
| Interest and trustee fees | 101,508 |
| Total operating expenses | <u>228,240</u> |
| CHANGE IN FIDUCIARY NET ASSETS | <u>153,860</u> |
| NET ASSETS (DEFICIT): | |
| Beginning of year | (3,391,735) |
| End of year | <u>\$ (3,237,875)</u> |

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

NOTES TO BASIC FINANCIAL STATEMENTS



City of Fort Bragg, California
Index to the Notes to the Basic Financial Statements
For the year ended June 30, 2021

| | <u>Page</u> |
|--|---------------|
| Note 1 - Summary of Significant Accounting Policies | 49 |
| A. Description of Government-Wide Financial Statements | 49 |
| B. Reporting Entity..... | 49 |
| C. Basis of Presentation | 50 |
| D. Measurement Focus..... | 52 |
| E. Budgetary Information | 53 |
| F. Unearned Revenue | 54 |
| G. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position/ Fund Balance | 55 |
| H. Revenues, Expenditures/Expenses | 60 |
| I. Use of Estimates | 62 |
| J. New and Closed Funds | 62 |
| K. Reclassifications..... | 62 |
| L. Other Post-Employment Benefits (OPEB) | 62 |
| Note 2 – Cash and Investments..... | 63 |
| Note 3 – Accounts Receivable..... | 66 |
| Note 4 – Loans and Notes Receivable..... | 67 |
| Note 5 – Capital Assets..... | 68 |
| Note 6 – Accounts Payable and Accrued Liabilities..... | 70 |
| Note 7 – Long-term Liabilities | 70 |
| Note 8 – Net Position/Fund Balances | 74 |
| Note 9 – Interfund Transactions | 76 |
| Note 10 – Risk Management..... | 77 |
| Note 11 – Public Employee Retirement System..... | 79 |
| Note 12 – Other Post-Employment Benefits | 84 |
| Note 13 – Successor Agency for Trust for Assets of Former Redevelopment Agency..... | 88 |
| Note 14 – Commitments and Contingencies | 90 |
| Note 15 – New Accounting Pronouncements..... | 91 |
| Note 16 – Pandemic Effects | 92 |

City of Fort Bragg, California
Notes to the Basic Financial Statements
For the year ended June 30, 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Description of Government-wide Financial Statements

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

B. Reporting Entity

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

Blended Component Units

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

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

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

City of Fort Bragg, California
Notes to the Basic Financial Statements
For the year ended June 30, 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

C. Basis of Presentation

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

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

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

Government-wide Financial Statements

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

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

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

City of Fort Bragg, California
Notes to the Basic Financial Statements
For the year ended June 30, 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

C. Basis of Presentation, Continued

Fund Financial Statements

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

The City reports the following major governmental funds:

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

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

The **Housing Successor Agency** special revenue fund was established to account for the housing assets, rights, power, duties, obligations and functions previously performed by the Redevelopment Agency in administering its Low and Moderate Income Housing Fund.

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

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

The City reports the following major proprietary funds:

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

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

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

City of Fort Bragg, California
Notes to the Basic Financial Statements
For the year ended June 30, 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

C. Basis of Presentation, Continued

Additionally, the City reports the following fund types:

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

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

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

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

D. Measurement Focus and Basis of Accounting

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

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

City of Fort Bragg, California
Notes to the Basic Financial Statements
For the year ended June 30, 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

D. Measurement Focus and Basis of Accounting, continued

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

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

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

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

E. Budgetary Information

1) Budgetary basis of accounting

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

City of Fort Bragg, California
Notes to the Basic Financial Statements
For the year ended June 30, 2021

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 department level.

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

F. Unearned Revenue

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

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

City of Fort Bragg, California
Notes to the Basic Financial Statements
For the year ended June 30, 2021

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, 2021.

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.

City of Fort Bragg, California
Notes to the Basic Financial Statements
For the year ended June 30, 2021

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, 2021, 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:

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

5) Net position flow assumption

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

City of Fort Bragg, California
Notes to the Basic Financial Statements
For the year ended June 30, 2021

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 position 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 three items reported as a deferred outflow of resources. The first item, deferred loss on refunding, is reported in the government-wide statement of net position. A deferred loss on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The second item is a deferred charge on OPEB Trust plan contributions in the government-wide statement of net position. The third item is a deferred charge on pension plan contributions 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 position 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 three 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 of resources is the net difference between projected and actual earnings on OPEB Trust plan investments and is reported in the government-wide statement of net position. The third deferred inflow of resources is the net difference between projected and actual earnings on pension plan investments and is reported in the government-wide statement of net position.

7) Fund Balance flow assumptions

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

City of Fort Bragg, California
Notes to the Basic Financial Statements
For the year ended June 30, 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

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

8) Net Position/Fund Balance

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

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

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

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

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

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

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

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

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

City of Fort Bragg, California
Notes to the Basic Financial Statements
For the year ended June 30, 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

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

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

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

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

9) Restricted Assets

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

10) Lease Obligations

The City leases various assets under both operating and capital lease agreements. In the government-wide and proprietary funds' financial statements, capital leases and the related lease obligations are reported as liabilities in the applicable governmental activities or proprietary funds' statement of net position.

City of Fort Bragg, California
Notes to the Basic Financial Statements
For the year ended June 30, 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

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

11) Encumbrances

Encumbrances resulting from issuing purchase orders as a result of normal purchasing activities approved by appropriate authorities as of June 30, 2021, are summarized below.

| Fund | Amount |
|---------------|---------------------|
| DDA | \$ 38,044 |
| General Fund | 63,208 |
| Water | 62,804 |
| Wastewater | 494,878 |
| IT | 14,758 |
| Fleet | 6,274 |
| Facilities | 7,239 |
| HEAP | 3,000,000 |
| COVID Related | 103,845 |
| | <u>\$ 3,791,050</u> |

12) Long-Term Obligations

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

H. Revenues and expenditures/expenses

1) Program revenues

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

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

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.

City of Fort Bragg, California
Notes to the Basic Financial Statements
For the year ended June 30, 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

H. Revenues and expenditures/expenses, Continued

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

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

3) Compensated absences

Vacation

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

Sick Leave

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

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

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

City of Fort Bragg, California
Notes to the Basic Financial Statements
For the year ended June 30, 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

H. Revenues and expenditures/expenses, Continued

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

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

I. Use of Estimates

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

J. New and Closed Funds

During the course of each fiscal year funds may be closed and new funds opened. In FY 2020/20 no funds were closed. The SWRCB (State Water Resources Control Board) grant fund was opened.

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, 2020 |
| Measurement Date | June 30, 2020 |
| Measurement Period | July 1, 2018 to June 30, 2020 |

City of Fort Bragg, California
Notes to the Basic Financial Statements
For the year ended June 30, 2021

2. CASH AND INVESTMENTS

At June 30, 2021, the City's pooled cash and investments, classified by maturity, consisted of the following stated at fair value:

| | Maturities (in years) | | | Deposits | Fair Market Value |
|--|-----------------------|--------------------------|--------------|--------------|-------------------|
| | <1 | 1 to 3 | 3 to 5 | | |
| <u>Cash equivalents and investments pooled</u> | | | | | |
| Pooled cash, at fair value | | | | | |
| Cash in bank | \$ - | \$ - | \$ - | \$ 2,769,052 | 2,769,052 |
| Petty cash | - | - | - | 1,098 | 1,098 |
| Total pooled items | - | - | - | 2,770,150 | 2,770,150 |
| <u>Pooled investments, at fair value</u> | | | | | |
| Interest obligations | | | | | |
| | <u>Par</u> | <u>Rate</u> | | | |
| \$ 7,682,000 | 1.3% - 3.35% | Certificates of Deposits | 2,246,553 | 2,585,621 | - |
| | | Money Market Funds | | | 108,064 |
| State of California Local Agency Investment Fund | | | - | - | 12,929,575 |
| Total pooled investments - interest obligations | | | 2,246,553 | 2,585,621 | 13,037,639 |
| Total cash equivalents and investments pooled | | | \$ 2,246,553 | \$ 2,585,621 | \$ 15,807,789 |

Amounts reported in:

| | |
|---|----------------------|
| Governmental activities (unrestricted) | \$ 7,391,263 |
| Business-type activities (unrestricted) | 12,987,452 |
| Business-type activities (restricted) | 108,064 |
| Fiduciary activities | 153,184 |
| Total | <u>\$ 20,639,963</u> |

| <u>Investment Type</u> | <u>Fair Value</u> | <u>Weighted Average Maturity (Years)</u> |
|-------------------------------------|----------------------|--|
| Certificates of Deposit | \$ 4,832,174 | 1.03 |
| Money market funds | 108,064 | - |
| LAIF | 12,929,575 | - |
| Total fair value | <u>\$ 17,869,813</u> | |
| Portfolio weighted average maturity | | 0.28 |

City of Fort Bragg, California
Notes to the Basic Financial Statements
For the year ended June 30, 2021

2. CASH AND INVESTMENTS, Continued

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, 2021, 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.

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 |

City of Fort Bragg, California
Notes to the Basic Financial Statements
For the year ended June 30, 2021

2. CASH AND INVESTMENTS, Continued

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, 2021, 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 City's investment policy does not allow for an investment in any one issuer that is in excess of five percent of the government's total investments. The investments made by the City Treasurer are limited to those allowable under State statutes as incorporated into the City's Investment Policy, which is accepted annually by the City Council. There were no concentrations in any one issuer for the year.

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

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, 2021, the carrying amount of the City's cash deposits (including fiduciary funds) was \$2,769,052 of which \$250,000 was covered by federal depository insurance and \$2,519,052 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, 2021, 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. Investment balances equaled \$17,869,813.

City of Fort Bragg, California
Notes to the Basic Financial Statements
For the year ended June 30, 2021

2. CASH AND INVESTMENTS, Continued

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).

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, 2021 was \$37,066,592,514 of which the City had a balance of \$12,929,575. LAIF is part of the California Pooled Money Investment Account (PMIA), which at June 30, 2021 has a portfolio with market valuation including accrued interest of \$193,463,490,764. The fair value of the City’s investment in this pool is reported in the accompanying financial statements at amounts based upon the City’s pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis.

3. ACCOUNTS RECEIVABLE

Accounts receivable consisted of the following at June 30, 2021:

| | <u>Receivables</u> |
|--------------------------|---------------------|
| Governmental Activities | |
| Taxes | \$ 1,386 |
| Intergovernmental | 914,889 |
| Other | <u>1,169,944</u> |
| | <u>\$ 2,086,219</u> |
| Business-type activities | |
| Accounts Receivable | <u>\$ 1,198,515</u> |
| | <u>\$ 1,198,515</u> |

These amounts resulted in the following concentrations in receivables:

| | | | |
|-------------------|-----|----------------------|-----|
| Other Governments | 28% | Individuals/Business | 72% |
|-------------------|-----|----------------------|-----|

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

City of Fort Bragg, California
Notes to the Basic Financial Statements
For the year ended June 30, 2021

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, 2021, consisted of the following:

| | Beginning | | Ending | |
|---|---------------------|-----------------|--------------------|---------------------|
| | June 30, 2020 | Additions | Deletions | June 30, 2021 |
| CDBG Revolving Loans | \$ 1,380,868 | \$ 1,526 | \$ (55,967) | \$ 1,326,427 |
| Mendocino Coast Hospitality Center Loan | 904,292 | - | - | 904,292 |
| Rural Community Housing Development Corporation Loans | 300,125 | 6,750 | - | 306,875 |
| Employee Loans | 1,746 | 625 | - | 2,371 |
| Wastewater Enterprise Capacity fee loan | - | - | - | - |
| Total loans/notes receivable | \$ 2,587,031 | \$ 8,901 | \$ (55,967) | \$ 2,539,965 |

The following are descriptions of the loans and notes receivable outstanding as of June 30, 2021:

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.

Capacity Fees Loans –The Fort Bragg City Council approved a deferred payment of capacity fees for a new local business, Overtime Brewing. The loan has a repayment term of 24 months and includes principal repayment plus interest at a rate of 1.14%.

City of Fort Bragg, California
Notes to the Basic Financial Statements
For the year ended June 30, 2021

5. CAPITAL ASSETS

Governmental capital asset activity for the year ended June 30, 2021, was as follows:

| | Balance | | | Balance |
|---------------------------------------|----------------------|---------------------|-------------------|----------------------|
| | June 30, 2020 | Additions | Deletions | June 30, 2021 |
| Governmental activities: | | | | |
| Nondepreciable assets: | | | | |
| Land | \$ 12,952,262 | \$ - | \$ - | \$ 12,952,262 |
| Construction in progress | 2,291,055 | 245,166 | - | 2,536,221 |
| Total nondepreciable assets | 15,243,317 | 245,166 | - | 15,488,483 |
| Depreciable assets: | | | | |
| Buildings | 4,675,798 | - | - | 4,675,798 |
| Machinery, equipment and vehicles | 2,162,624 | 705,828 | (78,614) | 2,789,838 |
| Infrastructure | 34,413,370 | - | - | 34,413,370 |
| Total depreciable assets | 41,251,792 | 705,828 | (78,614) | 41,879,006 |
| Total | 56,495,109 | 950,994 | (78,614) | 57,367,489 |
| Accumulated depreciation: | | | | |
| Buildings | (3,284,803) | (109,992) | - | (3,394,795) |
| Machinery, equipment and vehicles | (1,439,019) | (119,437) | 76,732 | (1,481,724) |
| Infrastructure | (9,669,630) | (1,135,454) | - | (10,805,084) |
| Total accumulated depreciation | (14,393,452) | (1,364,883) | 76,732 | (15,681,603) |
| Net depreciable assets | 26,858,340 | (659,055) | (1,882) | 26,197,403 |
| Total net capital assets | \$ 42,101,657 | \$ (413,889) | \$ (1,882) | \$ 41,685,886 |

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

| | |
|--------------------|---------------------|
| General government | \$ 92,470 |
| Public safety | 136,231 |
| Public works | 1,136,182 |
| | <u>\$ 1,364,883</u> |

City of Fort Bragg, California
Notes to the Basic Financial Statements
For the year ended June 30, 2021

5. CAPITAL ASSETS, Continued

Business-type capital asset activity for the year ended June 30, 2021, was as follows:

| | Balance June 30, 2020 | Additions | Deletions | Transfers/ Adjustments | Balance June 30, 2021 |
|--|--------------------------|--------------------|--------------------|---------------------------|--------------------------|
| <u>Business-type activities</u> | | | | | |
| Nondepreciable assets: | | | | | |
| Land | \$ 785,079 | \$ - | \$ - | \$ - | \$ 785,079 |
| Construction in progress | 18,118,805 | 547,173 | - | (17,732,828) | 933,150 |
| Total nondepreciable assets | 18,903,884 | 547,173 | - | (17,732,828) | 1,718,229 |
| Depreciable assets: | | | | | |
| Buildings | 29,299,821 | - | - | - | 29,299,821 |
| Machinery, equipment and vehicles | 6,753,001 | - | (437,562) | 5,933 | 6,321,372 |
| Infrastructure | 20,248,293 | 1,397,150 | (93,761) | 17,726,895 | 39,278,577 |
| Land improvements | 542,303 | - | - | - | 542,303 |
| Total depreciable assets | 56,843,418 | 1,397,150 | (531,323) | 17,732,828 | 75,442,073 |
| Total | 75,747,302 | 1,944,323 | (531,323) | - | 77,160,302 |
| Accumulated depreciation: | | | | | |
| Buildings | (8,144,993) | (713,258) | - | - | (8,858,251) |
| Machinery, equipment and vehicles | (5,118,441) | (147,845) | 396,146 | (27,883) | (4,898,023) |
| Infrastructure | (9,778,359) | (918,594) | 71,986 | - | (10,624,967) |
| Land improvements | (438,361) | (54,230) | - | - | (492,591) |
| Total accumulated depreciation | (23,480,154) | (1,833,927) | 468,132 | (27,883) | (24,873,832) |
| Net depreciable assets | 33,363,264 | (436,777) | (63,191) | 17,704,945 | 50,568,241 |
| Total net capital assets | \$ 52,267,148 | \$ 110,396 | \$ (63,191) | \$ (27,883) | \$ 52,286,470 |

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

| | |
|-----------------|---------------------|
| Water | \$ 319,552 |
| Sewer | 816,300 |
| CV Starr Center | 698,075 |
| | <u>\$ 1,833,927</u> |

City of Fort Bragg, California
Notes to the Basic Financial Statements
For the year ended June 30, 2021

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued payroll and related liabilities consisted of the following at June 30, 2021:

| | Governmental Activities | Business-type Activities | Total |
|---|----------------------------|-----------------------------|---------------------|
| Accounts payable | \$ 631,665 | \$ 511,200 | \$ 1,142,865 |
| Accrued payroll and related liabilities | 151,501 | 31,449 | 182,950 |
| Total | \$ 783,166 | \$ 542,649 | \$ 1,325,815 |

These amounts resulted in the following concentrations in payables:

| | |
|-----------|-----|
| Vendors | 86% |
| Employees | 14% |

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, 2021:

| | Balance July 1, 2020 | Additions | Retirements | Balance June 30, 2021 | Due Within One Year |
|---|-------------------------|-------------------|---------------------|--------------------------|------------------------|
| Governmental Activities: | | | | | |
| Compensated absences | \$ 501,392 | \$ 118,371 | \$ (50,562) | \$ 569,201 | \$ 60,756 |
| Landfill post-closure | 1,069,730 | - | (429,926) | 639,804 | 211,595 |
| CalPERS side fund | 497,479 | - | (80,436) | 417,043 | 114,491 |
| Total governmental activities | \$ 2,068,601 | \$ 118,371 | \$ (560,924) | \$ 1,626,048 | \$ 386,842 |
| Business-type activities | | | | | |
| Bonds payable: | | | | | |
| 2014 Water Revenue Refunding Bond | 1,268,000 | - | (304,000) | 964,000 | 312,000 |
| 2018 WW Plant Certificates of Participation | 4,914,000 | - | (87,000) | 4,827,000 | 89,000 |
| Loans payable: | | | | | |
| SDWRL | 537,913 | - | (89,652) | 448,261 | 44,826 |
| SDWRL discount | 96,756 | - | (16,126) | 80,630 | 8,063 |
| Total business-type activity debt | 6,816,669 | - | (496,778) | 6,319,891 | 453,889 |
| Compensated absences | 85,214 | 20,043 | (7,492) | 97,765 | 7,492 |
| Total business-type activities | \$ 6,901,883 | \$ 20,043 | \$ (504,270) | \$ 6,417,656 | \$ 461,381 |

City of Fort Bragg, California
Notes to the Basic Financial Statements
For the year ended June 30, 2021

7. LONG-TERM LIABILITIES, Continued

Governmental Activities

Caspar Landfill Closure and Post-Closure Cost

The Caspar Landfill site was closed in 1995. State and federal laws and regulations require that the City place a final cover on its landfill when closed, and perform certain maintenance and monitoring functions at the landfill site for thirty years after closure. These costs are shared equally by the City and County of Mendocino. At June 30, 2021, the City's estimated liability for its share of landfill closure and post-closure care costs was \$1,069,730. This estimated total cost of the landfill closure and post-closure care is based on the amount that would be paid if all equipment, facilities, and services required to close, monitor, and maintain the landfill were acquired as of June 30, 2021, as determined by the last engineering study performed. However, the actual cost of closure and post-closure care may change due to inflation, changes in technology, or changes in landfill laws and regulations.

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

Business-type Activities

2014 Water Revenue Refunding Bonds

On June 5, 2014, the City issued \$2,962,000 of Water Revenue Refunding Bonds bearing interest of 3.06% and payable semi-annually on October 1 and April 1, maturing on October 1, 2023. These bonds were used to advance refund the 2004 California Statewide Communities Development Authority Bonds, which were issued originally to advance refund the 1993 COP's, which had been used for various capital improvements to the City's water system. The outstanding principal balance as of June 30, 2021 was \$1,268,000.

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

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

City of Fort Bragg, California
Notes to the Basic Financial Statements
For the year ended June 30, 2021

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, 2021 was \$4,827,000.

Safe Drinking Water Revolving Loan (SDWRL)

In FY 2004/05, the City entered into a non-interest bearing loan agreement with the State of California Department of Water Resources to finance the construction of a project to meet safe drinking water standards. The maximum amount of the loan cannot exceed \$2,325,500, of which the City had borrowed \$2,141,532. At June 30, 2021, the balance of the loan payable was \$549,604. Loan principal payments of \$52,889 are required semi-annually on January 1st and July 1st for twenty (20) years commencing January 1, 2007.

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, 2021 was \$569,201 with \$60,756 expected to be paid within a year; The business-type activities compensated absences balance at June 30, 2021 was \$84,413 with \$7,492 expected to be paid within a year.

CalPERS Side Fund Debt

Under the City's contract with CalPERS the City is obligated to make certain payments to CalPERS in respect to retired public safety and miscellaneous employees under the Side Fund program of CalPERS which amortizes such obligations over a fixed period of time. The current annual interest rate imputed by PERS to side funds is 7.5%. Debt service will be funded from the revenue of the general fund. The initial side fund obligation amount was \$497,479, with a retirement in the amount of \$80,436 for the year end June 30, 2021. The amount is paid in July of each year as provided by CalPERS, therefore no maturity schedule is available for this debt.

City of Fort Bragg, California
Notes to the Basic Financial Statements
For the year ended June 30, 2021

7. LONG-TERM LIABILITIES, Continued

Debt Service, Continued

Future debt service for Business-Type Activities at June 30, 2021, is as follows:

| Year Ending June 30, | Business-Type Activities | | | | | |
|-------------------------|--|---------------------|---------------------------------------|------------------|---------------------------------------|-------------|
| | 2018 WW Plant Certificates Of Participation | | 2014 Water Revenue Refunding Bonds | | Safe Drinking Water Revolving Loan | |
| | Principal | Interest | Principal | Interest | Principal | Interest |
| 2022 | \$ 89,000 | \$ 95,650 | \$ 312,000 | \$ 24,725 | \$ 52,889 | \$ - |
| 2023 | 91,000 | 93,850 | 320,000 | 15,055 | 105,778 | - |
| 2024 | 93,000 | 92,010 | 332,000 | 5,080 | 105,778 | - |
| 2025 | 95,000 | 90,130 | - | - | 105,778 | - |
| 2026 | 97,000 | 88,210 | - | - | 105,778 | - |
| 2027-2031 | 515,000 | 410,850 | - | - | 52,890 | - |
| 2032-2036 | 566,000 | 356,840 | - | - | - | - |
| 2037-2041 | 626,000 | 297,300 | - | - | - | - |
| 2042-2046 | 691,000 | 231,510 | - | - | - | - |
| 2047-2051 | 761,000 | 158,990 | - | - | - | - |
| 2052-2056 | 842,000 | 78,860 | - | - | - | - |
| 2057-2061 | 361,000 | 7,250 | - | - | - | - |
| Total | \$ 4,827,000 | \$ 2,001,450 | \$ 964,000 | \$ 44,860 | \$ 528,891 | \$ - |
| Due within one year | \$ 89,000 | \$ 95,650 | \$ 312,000 | \$ 24,725 | \$ 52,889 | \$ - |
| Due after one year | 4,738,000 | 1,905,800 | 652,000 | 20,135 | 476,002 | - |
| Total | \$ 4,827,000 | \$ 2,001,450 | \$ 964,000 | \$ 44,860 | \$ 528,891 | \$ - |

| Year Ending June 30, | Total | |
|-------------------------|---------------------|---------------------|
| | Principal | Interest |
| 2022 | \$ 453,889 | \$ 120,375 |
| 2023 | 516,778 | 108,905 |
| 2024 | 530,778 | 97,090 |
| 2025 | 200,778 | 90,130 |
| 2026 | 202,778 | 88,210 |
| 2027-2031 | 567,890 | 410,850 |
| 2032-2036 | 566,000 | 356,840 |
| 2037-2041 | 626,000 | 297,300 |
| 2042-2046 | 691,000 | 231,510 |
| 2047-2051 | 761,000 | 158,990 |
| 2052-2056 | 842,000 | 78,860 |
| 2057-2061 | 361,000 | 7,250 |
| Total | \$ 6,319,891 | \$ 2,046,310 |
| Due within one year | \$ 453,889 | \$ 120,375 |
| Due after one year | 5,866,002 | 1,925,935 |
| Total | \$ 6,319,891 | \$ 2,046,310 |

City of Fort Bragg, California
Notes to the Basic Financial Statements
For the year ended June 30, 2021

8. NET POSITION/ FUND BALANCES

Net position (deficit)

| | <u>Governmental Activities</u> | <u>Business-type Activities</u> | <u>Total</u> |
|----------------------------------|------------------------------------|-------------------------------------|----------------------|
| Net investment in capital assets | \$ 41,685,886 | \$ 46,331,468 | \$ 88,017,354 |
| Restricted | 2,947,301 | 108,064 | 3,055,365 |
| Unrestricted (deficit) | (4,140,106) | 12,276,914 | 8,136,808 |
| Total | <u>\$ 40,493,081</u> | <u>\$ 58,716,446</u> | <u>\$ 99,209,527</u> |

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

Fund Balance

Non-spendable, Restricted and Committed fund balance consisted of the following at June 30, 2021:

| | |
|-----------------------------|---------------------|
| Nonspendable: | |
| Prepaid & Inventory | \$ 4,165 |
| Loans/ Notes Receivable | 2,371 |
| Total Nonspendable | <u>\$ 6,536</u> |
| Restricted: | |
| Governmental Funds: | |
| Special Sales Tax | \$ 2,496,346 |
| Asset Forfeiture | 394,953 |
| Gas tax | 54,668 |
| Federal & State Grant Funds | 1,334 |
| Total Restricted | <u>\$ 2,947,301</u> |
| Committed: | |
| Governmental Funds: | |
| Operating reserve | \$ 1,989,419 |
| Recession reserve | 489,929 |
| Litigation reserve | 200,000 |
| Total Committed | <u>\$ 2,679,348</u> |

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

Non-spendable

- **Inventory & Prepaids** – represents non-spendable amounts classified as inventory or a prepaid expense.
- **Loans/Notes Receivable** – represents loans to employees.

City of Fort Bragg, California
Notes to the Basic Financial Statements
For the year ended June 30, 2021

8. NET POSITION/ FUND BALANCES, Continued

Restricted

- **Special Sales Tax** – represents amounts restricted by voter approved ordinance for street repairs.
- **Asset Forfeiture** – represents amounts restricted by State and Federal guidelines to support law enforcement.
- **Gas Tax** – represents amounts restricted for street maintenance purposes as defined in Sections 2105, 2106, 2107 and 2107.5 of the Streets and Highway Code as well as amounts from the Road Maintenance and Rehabilitation Account (RMRA).
- **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 \$1,469,787 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, 2021 |
|--|---------------|
| Major Funds: | |
| Street Resurfacing Capital Projects Fund | \$ (26,132) |
| Non-Major Funds: | |
| <i>Capital Project Funds:</i> | |
| Coastal Trail | (220,813) |
| Total | \$ (246,945) |

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

City of Fort Bragg, California
Notes to the Basic Financial Statements
For the year ended June 30, 2021

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, 2021:

| | <u>Due from Other Funds</u> | <u>Due to Other Funds</u> |
|---------------------------------------|---------------------------------|-------------------------------|
| <u>Governmental Funds</u> | | |
| Major Funds: | | |
| General Fund | \$ 733,469 | \$ - |
| Street Resurfacing Capital Projects | - | 26,132 |
| Total Major Funds | <u>733,469</u> | <u>26,132</u> |
| Nonmajor Funds: | | |
| <i>Special Revenue Funds</i> | | |
| RMRA | - | 44,549 |
| MCOG Overall Work Plan | - | 41,369 |
| <i>State and Federal Grant Funds:</i> | | |
| CDBG Super NOFA | - | 94,679 |
| HCD HOME Grant | - | 464,980 |
| Other State Grants | - | 18,861 |
| CDBG Grant | - | 17,093 |
| CDBG Grant COVID | - | 5,916 |
| <i>Capital Project Funds:</i> | | |
| Coastal Trail | - | 19,890 |
| Total Nonmajor Funds | <u>-</u> | <u>707,337</u> |
| Total | <u><u>\$ 733,469</u></u> | <u><u>\$ 733,469</u></u> |

City of Fort Bragg, California
Notes to the Basic Financial Statements
For the year ended June 30, 2021

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, 2021:

| | <u>Transfers In</u> | <u>Transfers Out</u> |
|---------------------------------------|---------------------|----------------------|
| <u>Governmental Funds</u> | | |
| Major Funds: | | |
| General Fund | \$ 465,962 | \$ 486,624 |
| Street Resurfacing Capital Projects | 228,274 | 118,400 |
| Total Major Funds | <u>694,236</u> | <u>605,024</u> |
| Non-major Funds: | | |
| <i>Special Revenue Funds</i> | | |
| RMRA | - | 200,000 |
| Developer Deposit Account | - | 17,302 |
| <i>State and Federal Grant Funds</i> | | |
| STP D1 Streets and Highway Allocation | - | 81,259 |
| Other State Grants | - | 1,499,882 |
| <i>Capital Projects Fund</i> | | |
| Coastal Trail | 171,385 | - |
| Total Non-major Funds | <u>171,385</u> | <u>1,798,443</u> |
| Internal Service Funds | | |
| Fleet Services | 636,938 | |
| Total Internal Service Funds | <u>636,938</u> | - |
| Total Governmental Funds | <u>1,502,559</u> | <u>2,403,467</u> |
| <u>Proprietary Funds</u> | | |
| Major Enterprise Funds | | |
| Water | - | 135,619 |
| Sewer | 1,036,527 | - |
| Total Proprietary Funds | <u>1,036,527</u> | <u>135,619</u> |
| Total Transfers | <u>\$ 2,539,086</u> | <u>\$ 2,539,086</u> |

10. RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City provides property, liability, and worker's compensation insurance through the Redwood Empire Municipal Insurance Fund (REMIF), a public entity risk pool currently operating as a common risk management and self-insurance program for fifteen Northern California municipalities. The City pays quarterly and annual contributions and premiums to REMIF for its general insurance and self-insurance coverage. The joint powers formation agreement of the REMIF provides that the REMIF will self-insure through member contributions and collect premiums for insurance and reinsurance for liability insurance and other coverage.

City of Fort Bragg, California
Notes to the Basic Financial Statements
For the year ended June 30, 2021

10. RISK MANAGEMENT, Continued

REMIF is a risk sharing, self-funded pool which is a direct purchase program. The REMIF cost sharing pool provides coverage between the City's deductible and \$500,000 (liability program) and \$1,000,000 (workers' compensation program). Losses in excess of the REMIF cost sharing pool limits are covered by REMIF through the California Joint Powers Risk Management Authority for liability and commercial insurance policies for workers' compensation. Loss limits and deductibles are per occurrence as detailed on the table below. Losses exceeding these limits are the responsibility of the City. Settled claims resulting from these risks have not exceeded insurance coverage in any of the past three fiscal years.

| <u>Insurance Program</u> | <u>Loss Limits</u> | <u>Deductibles</u> |
|--------------------------|--------------------|---------------------------------------|
| Property | \$ 400,000,000 | \$5,000 - \$10,000 |
| Boiler and Machinery | 100,000,000 | 100,000 |
| Liability | 40,000,000 | 5,000 - 25,000 |
| Earthquake and Flood | 20,000,000 | 100,000 or 5% of value of building |
| Auto Physical Damage | Stated Value | 5,000 - 10,000 |
| Workers' Compensation | Statutory | 5,000 - 10,000 |

Participating members of REMIF do not have a refundable deposit, and no dividends are paid. No refunds were received by the City in the Liability program. The annual premiums paid to REMIF in FY 2020/21 were as follows:

| <u>Insurance Program</u> | <u>Premium</u> |
|------------------------------|-------------------|
| Workers' Compensation | \$ 252,082 |
| Liability | 195,865 |
| Property, Flood & Earthquake | 172,300 |
| Auto Physical Damage | 13,528 |
| | <u>\$ 633,775</u> |

Claims Paid by the City for the 2020/21 fiscal year:

| <u>Insurance Program</u> | <u>Claims</u> |
|--------------------------|------------------|
| Workers' Compensation | \$ 21,578 |
| Liability and Property | 9,461 |
| | <u>\$ 31,039</u> |

City of Fort Bragg, California
Notes to the Basic Financial Statements
For the year ended June 30, 2021

11. PUBLIC EMPLOYEES' RETIREMENT SYSTEM

General Information about the Pension Plans

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

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

The Plans' provisions and benefits in effect at June 30, 2021, are summarized as follows:

| | <u>Miscellaneous</u> | <u>PEPRA Miscellaneous</u> |
|---|------------------------|------------------------------|
| | Prior to | On or after |
| | January 1, 2013 | January 1, 2013 |
| Hire date | 2% @ 55 | 2% @ 62 |
| Benefit formula | 5 years service | 5 years service |
| Benefit vesting schedule | monthly for life | monthly for life |
| Benefit payments | 55 | 52 - 67 |
| Retirement age | 1.4% - 2.0% | 1.0% to 2.5% |
| Monthly benefits, as a % of eligible compensation | 6.90% | 6.50% |
| Required employee contribution rates | 11.199% | 7.874% |
| Required employer contribution rates | | |
| | <u>Safety - Police</u> | <u>PEPRA Safety - Police</u> |
| | Prior to | On or after |
| | January 1, 2013 | January 1, 2013 |
| Hire date | 2% @ 50 | 2.7% @ 57 |
| Benefit formula | 5 years service | 5 years service |
| Benefit vesting schedule | monthly for life | monthly for life |
| Benefit payments | 50 | 50 - 57 |
| Retirement age | 2% | 2.0% to 2.7% |
| Monthly benefits, as a % of eligible compensation | 8.94% | 12.00% |
| Required employee contribution rates | 18.152% | 13.044% |
| Required employer contribution rates | | |
| | <u>Fire Safety</u> | |
| | Prior to | |
| | January 1, 2013 | |
| Hire date | 3% @ 50 | |
| Benefit formula | 5 years service | |
| Benefit vesting schedule | monthly for life | |
| Benefit payments | 50 | |
| Retirement age | 2.00% | |
| Monthly benefits, as a % of eligible compensation | 0% | |
| Required employee contribution rates | 0% | |
| Required employer contribution rates | | |

City of Fort Bragg, California
Notes to the Basic Financial Statements
For the year ended June 30, 2021

11. PUBLIC EMPLOYEES' RETIREMENT SYSTEM, Continued

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, 2021, the contributions recognized as part of pension expense for each Plan were as follows:

| | Miscellaneous Plans | Safety Plans |
|--------------------------|---------------------|--------------|
| Contributions - employer | \$ 540,516 | \$ 558,561 |

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

As of June 30, 2021, 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 | \$ 5,488,390 |
| Safety Plans | 5,192,221 |
| Total Net Pension Liability | <u>\$ 10,680,611</u> |

The City's net pension liability for each Plan is measured as the proportionate share of the net pension liability. The net pension liability of each of the Plans is measured as of June 30, 2020, 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, 2018 rolled forward to June 30, 2020 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, 2020 and 2021 was as follows:

| | Miscellaneous | Safety - Police | Total |
|------------------------------|---------------|-----------------|----------|
| Proportion - June 30, 2020 | 0.12508% | 0.07899% | 0.09700% |
| Proportion - June 30, 2021 | 0.13012% | 0.07793% | 0.09816% |
| Change - Increase/(Decrease) | 0.00504% | -0.00106% | 0.00116% |

City of Fort Bragg, California
Notes to the Basic Financial Statements
For the year ended June 30, 2021

11. PUBLIC EMPLOYEES' RETIREMENT SYSTEM, Continued

For the year ended June 30, 2021, the City recognized pension expense of \$1,028,169 for the Miscellaneous Plan and \$684,949 for the Safety Plan. At June 30, 2021, 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 | \$ - | \$ 39,145 | \$ - | \$ 17,295 | \$ - | \$ 56,440 |
| Differences between expected and actual experiences | 282,833 | - | 402,630 | - | 685,463 | - |
| Differences between projected and actual investment earnings | 163,041 | - | 112,849 | - | 275,890 | - |
| Differences between the employer's contributions and proportionate share of the | - | 294,338 | 8,885 | 62,104 | 8,885 | 356,442 |
| Change in employer's proportion | 241,588 | - | - | 52,323 | 241,588 | 52,323 |
| Pension contributions subsequent to measurement date | 540,516 | - | 558,561 | - | 1,099,077 | - |
| Total | \$ 1,227,978 | \$ 333,483 | \$ 1,082,925 | \$ 131,722 | \$ 2,310,903 | \$ 465,205 |

\$1,099,077 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, 2022. 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 |
|------------------------------------|----------------------|-------------------|-------------------|
| 2022 | \$ 37,745 | \$ 48,680 | \$ 86,425 |
| 2023 | 127,178 | 164,957 | 292,135 |
| 2024 | 110,857 | 122,460 | 233,317 |
| 2025 | 78,199 | 56,544 | 134,743 |
| 2026 | - | - | - |
| Thereafter | - | - | - |
| | \$ 353,979 | \$ 392,641 | \$ 746,620 |

City of Fort Bragg, California
Notes to the Basic Financial Statements
For the year ended June 30, 2021

11. PUBLIC EMPLOYEES' RETIREMENT SYSTEM, Continued

Actuarial Assumptions -The total pension liabilities in the June 30, 2020 actuarial valuations were determined using the following actuarial assumptions:

| | Miscellaneous | Safety - Police | PEPRA - Miscellaneous | PEPRA Safety - Police | Fire Safety |
|---------------------------|--|-----------------|--------------------------|--------------------------|-------------|
| Valuation Date | 30-Jun-19 | 30-Jun-19 | 30-Jun-19 | 30-Jun-19 | 30-Jun-19 |
| Measurement | 30-Jun-20 | 30-Jun-20 | 30-Jun-20 | 30-Jun-20 | 30-Jun-20 |
| Actuarial Cost Method | Entry-Age Normal Cost Method | | | | |
| Actuarial Assumptions: | | | | | |
| Discount Rate | 7.15% | 7.15% | 7.15% | 7.15% | 7.15% |
| Inflation | 2.625% | 2.625% | 2.625% | 2.625% | 2.625% |
| 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, 2020 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 7.25 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 7.25 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 7.25 percent is applied to all plans in the Public Employees' Retirement Fund (PERF). The cash flows used in the testing were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years. The stress test results are presented in a detailed report called "GASB Crossover Testing Report" that can be obtained at CalPERS website under the GASB 68 section.

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

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

City of Fort Bragg, California
Notes to the Basic Financial Statements
For the year ended June 30, 2021

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. The target allocation shown was adopted by the Board effective on July 1, 2014.

| Asset Class | Current Target Allocation | Real Return Years 1 - 10 ¹ | Real Return Year 11+ ² |
|-------------------------------|---------------------------|---------------------------------------|-----------------------------------|
| Global Equity | 47.0% | 4.90% | 5.38% |
| Global Fixed Income | 19.0% | 0.80% | 2.27% |
| Inflation Sensitive | 6.0% | 0.60% | 1.39% |
| Private Equity | 12.0% | 6.60% | 6.63% |
| Real Estate | 11.0% | 2.80% | 5.21% |
| Infrastructure and Forestland | 3.0% | 3.90% | 5.36% |
| Liquidity | 2.0% | -0.55% | -90.00% |

(1) An expected inflation of 2.5% used for this period.

(2) An expected inflation of 3.0% used for this period.

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% | Current Discount Rate | Discount Rate +1% |
|--|----------------------|--------------------------|----------------------|
| Employer's Net Pension Liability/(Asset) - Miscellaneous | 8,405,569 | 5,488,390 | 3,078,016 |
| Employer's Net Pension Liability/(Asset) - Safety | 7,538,685 | 5,192,221 | 3,266,725 |
| Employer's Net Pension Liability/(Asset) - Total | \$ 15,944,254 | \$ 10,680,611 | \$ 6,344,741 |

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

Note: At June 30, 2016 CalPERS combined the Miscellaneous Plan and 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.

City of Fort Bragg, California
Notes to the Basic Financial Statements
For the year ended June 30, 2021

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, 2021, expenditures of \$269,166 were recognized for the cost of these post-retirement benefits. The OPEB plan does not issue a separate financial report.

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

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

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

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

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

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

City of Fort Bragg, California
Notes to the Basic Financial Statements
For the year ended June 30, 2021

12. OTHER POST EMPLOYMENT BENEFITS (OPEB), Continued

Employees Covered by benefit terms

At June 30, 2021, the following employees were covered by the benefit terms:

| | |
|--|-----------|
| Active employees | 16 |
| Inactive employees or beneficiaries currently receiving benefits | 41 |
| Inactive employees entitled to, but not yet receiving benefits | - |
| Total Number of participants | 57 |

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, 2021, the City's cash contributions were \$5,000 in payments to the trust, \$384,407 cash benefit payments, and the estimated implied subsidy was \$36,000 resulting in total payments of \$425,407.

Net OPEB Liability

The City's net OPEB liability was measured as of June 30, 2020 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation dated June 30, 2020 that was rolled forward to determine the June 30, 2021 total OPEB liability, based on the following actuarial methods and assumptions:

| Actuarial Assumptions: | |
|--|--|
| Actuarial Valuation Date | June 30, 2019 |
| 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 | 6.75% at June 30, 2019 6.75% at June 30, 2018 |
| 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 | 2.75% per annum |
| Mortality, Retirement, Disability, Termination | CalPERS 1997-2015 experience study |
| Mortality Improvement | Mortality projected fully generational with Scale MP-2018 |
| Medical Trend | Non-Medicare - 7.25% for 2021, decreasing to an ultimate rate of 4.0% in 2076 and later years Medicare - 6.3% for 2021, decreasing to an ultimate rate of 4.0% in 2076 and later years |
| Municipal Bond Rate | N/A |
| Participation at Retirement | Tier 1-3 Actives: 100% elect medical and dental Tier 4 Actives: 75% elect medical and dental |

City of Fort Bragg, California
Notes to the Basic Financial Statements
For the year ended June 30, 2021

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 | 57% | 4.82% |
| Fixed Income | 27% | 1.47% |
| TIPS | 5% | 1.29% |
| Commodities | 3% | 0.84% |
| REITs | 8% | 3.76% |
| | 100% | |

Discount Rate

The discount rate used to measure the total OPEB liability was 6.75 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 6/30/2020* | \$ 5,778,269 | \$ 2,591,182 | \$ 3,187,087 |
| Changes for the year | | | |
| Service Cost | 81,253 | - | 81,253 |
| Interest | 383,562 | - | 383,562 |
| Difference between actual and expected experience | - | - | - |
| Assumption changes | (96,029) | - | (96,029) |
| Contributions - employer | - | 359,262 | (359,262) |
| Contributions - employee | - | - | - |
| Net investment income | - | 91,502 | (91,502) |
| Benefit payments | (354,262) | (354,262) | - |
| Administrative expenses | - | (1,266) | 1,266 |
| Net Changes | 14,524 | 95,236 | (80,712) |
| Balance at 6/30/2021** | \$ 5,792,793 | \$ 2,686,418 | \$ 3,106,375 |

*Measurement date 6/30/2019

** Measurement date 6/30/2020

City of Fort Bragg, California
Notes to the Basic Financial Statements
For the year ended June 30, 2021

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 2021 is 6.75%. 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, 2020:

| | 1% Decrease | Current Rate | 1% Increase |
|-------------------------|--------------|--------------|--------------|
| Change in Discount Rate | <u>5.75%</u> | <u>6.75%</u> | <u>7.75%</u> |
| Net OPEB Liability | \$ 3,772,590 | \$ 3,106,375 | \$ 2,547,047 |

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, 2020 (Healthcare Cost Trend Rate was assumed to start at 7.5% and grade down to 4% for years 2076 and thereafter):

| | 1% Decrease | Current Trend | 1% Increase |
|--------------------------------------|--------------|---------------|--------------|
| Change in Healthcare Cost Trend Rate | <u>1%</u> | <u>7.5%</u> | <u>8.5%</u> |
| Net OPEB Liability | \$ 2,464,912 | \$ 3,106,375 | \$ 3,874,580 |

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, 2020) |

City of Fort Bragg, California
Notes to the Basic Financial Statements
For the year ended June 30, 2021

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, 2021, the City recognized OPEB expense of \$289,198. As of fiscal year ended June 30, 2021, the City reported deferred outflows of resources related to OPEB from the following sources:

| | <u>Deferred Outflows of Resources</u> | <u>Deferred Inflows of Resources</u> |
|--|---|--|
| Differences between expected and actual experience | \$ - | \$ 143,652 |
| Changes in assumptions | 109,252 | 66,929 |
| Net difference between projected and actual earnings on plan investments | 54,070 | - |
| Employer contributions made subsequent to the measurement date | <u>425,407</u> | <u>-</u> |
| Total | <u>\$ 588,729</u> | <u>\$ 210,581</u> |

The \$425,407 reported as deferred outflows of resources related to contributions subsequent to the June 30, 2020 measurement date will be recognized as a reduction of the net OPEB liability during the fiscal year ending June 30, 2022. Other amounts reported as deferred outflows of resources related to OPEB will be recognized as expense as follows:

| <u>Fiscal Year Ended June 30,</u> | <u>Deferred Outflow/(Inflows) of Resources</u> |
|---------------------------------------|--|
| 2022 | (42,673) |
| 2023 | (31,925) |
| 2024 | 10,664 |
| 2025 | 16,675 |
| 2026 | - |
| Thereafter | - |

13. SUCCESSOR AGENCY TRUST FOR ASSETS OF FORMER REDEVELOPMENT AGENCY

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

City of Fort Bragg, California
Notes to the Basic Financial Statements
For the year ended June 30, 2021

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, 2021:

| | Balance June 30, 2020 | Additions | Retirements | Balance June 30, 2020 | Due Within One Year |
|---|--------------------------|-------------|---------------------|--------------------------|------------------------|
| Trust Activities: | | | | | |
| 2015 Refunding Tax Allocation Bonds | \$ 3,340,000 | \$ - | \$ (160,000) | \$ 3,180,000 | \$ 165,000 |
| 2015 Refunding Tax Allocation Bonds Discount | (27,541) | - | 1,697 | (25,844) | (1,620) |
| Total trust fund debt | \$ 3,312,459 | \$ - | \$ (158,303) | \$ 3,154,156 | \$ 163,380 |
| Deferred outflows: | | | | | |
| 2015 Refunding Tax Allocation Bonds Deferred Loss | 80,090 | | (4,935) | 75,155 | 4,711 |

City of Fort Bragg, California
Notes to the Basic Financial Statements
For the year ended June 30, 2021

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, 2021 was \$3,335,000.

| Year Ending June 30, | Fiduciary Activities | | | | | |
|-------------------------|-------------------------|-------------------|----------------------------------|-------------|---------------------|-------------------|
| | 2015 Refunding Bonds | | 2015 Refunding Bonds Discount | | Total | |
| | Principal | Interest | Principal | Interest | Principal | Interest |
| 2022 | 165,000 | 89,900 | (1,620) | - | 163,380 | 89,900 |
| 2023 | 170,000 | 86,550 | (1,620) | - | 168,380 | 86,550 |
| 2024 | 165,000 | 83,200 | (1,620) | - | 163,380 | 83,200 |
| 2025 | 175,000 | 79,800 | (1,620) | - | 173,380 | 79,800 |
| 2026 | 175,000 | 75,425 | (1,620) | - | 173,380 | 75,425 |
| 2027-2031 | 960,000 | 293,650 | (8,100) | - | 951,900 | 293,650 |
| 2032-2036 | 1,120,000 | 133,800 | (8,100) | - | 1,111,900 | 133,800 |
| 2037-2041 | 250,000 | 4,063 | (1,544) | - | 248,456 | 4,063 |
| Total | <u>\$ 3,180,000</u> | <u>\$ 846,388</u> | <u>\$ (25,844)</u> | <u>\$ -</u> | <u>\$ 3,154,156</u> | <u>\$ 846,388</u> |
| Due within one year | \$ 165,000 | \$ 89,900 | \$ (1,620) | \$ - | \$ 163,380 | \$ 89,900 |
| Due after one year | 3,015,000 | 756,488 | (24,224) | - | 2,990,776 | 756,488 |
| Total | <u>\$ 3,180,000</u> | <u>\$ 846,388</u> | <u>\$ (25,844)</u> | <u>\$ -</u> | <u>\$ 3,154,156</u> | <u>\$ 846,388</u> |

14. COMMITMENTS AND CONTINGENCIES

Litigation

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

Grants and Allocations

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally the federal and state government. During the course of FY 2020/20 no claims were disallowed.

Commitments

The City's unexpended contractual commitments as of June 30, 2021 are listed in note 1 on page 60.

City of Fort Bragg, California
Notes to the Basic Financial Statements
For the year ended June 30, 2021

15. NEW ACCOUNTING PRONOUNCEMENTS

The GASB has issued Statement No. 87, "Leases." The requirements of this Statement are effective for reporting periods beginning after December 15, 2020. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The City will implement this statement, as applicable, to its financial statements for the year ending June 30, 2022.

The GASB has issued Statement No. 89, "*Accounting for Interest Cost Incurred before the End of a Construction Period.*" The requirements of this Statement are effective for reporting periods beginning after December 15, 2020. Earlier application is encouraged. The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. The City will implement this statement, as applicable, to its financial statements for the year ending June 30, 2022.

The GASB has issued Statement No. 91, "*Conduit Debt Obligations.*" The requirements of this Statement are effective for reporting periods beginning after December 15, 2020. Earlier application is encouraged. The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. The City will implement this statement, as applicable, to its financial statements for the year ending June 30, 2023.

The GASB has issued statement No. 92, "*Omnibus 2020*". The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. The City will implement this statement, as applicable, to its financial statements for the year ending June 30, 2022.

The GASB has issued statement No. 93, "*Replacement of Interbank Offered Rates*". The objective of this Statement is to address the accounting and financial reporting effects that result from the replacement of IBORs with other reference rates in order to preserve the reliability, relevance, consistency, and comparability of reported information. The City will implement this statement, as applicable, to its financial statements for the year ending June 30, 2022.

City of Fort Bragg, California
Notes to the Basic Financial Statements
For the year ended June 30, 2021

15. NEW ACCOUNTING PRONOUNCEMENTS, CONTINUED

The GASB has issued statement No. 94, *“Public-Private and Public-Public Partnerships and Availability Payment Arrangements”*. The objective of this Statement is to better meet the information needs of financial statement users by improving the comparability of financial statements among governments that enter into PPPs and APAs and by enhancing the understandability, reliability, relevance, and consistency of information about PPPs and APAs. The City will implement this statement, as applicable, to its financial statements for the year ending June 30, 2023.

The GASB has issued statement No. 96, *“Subscription-Based Information Technology Arrangements”*. The objective of this Statement is to better meet the information needs of financial statement users by (a) establishing uniform accounting and financial reporting requirements for SBITAs; (b) improving the comparability of financial statements among governments that have entered into SBITAs; and (c) enhancing the understandability, reliability, relevance, and consistency of information about SBITAs. The City will implement this statement, as applicable, to its financial statements for the year ending June 30, 2023.

The GASB has issued statement No. 97, *“Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans”*. The primary objectives of this Statement are to (a) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (b) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (c) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans.

16. PANDEMIC EFFECTS

The COVID-19 pandemic, whose effects first became known in January 2020, is having a broad and negative impact on commerce and financial markets around the world. The United States and global markets experienced significant declines in value resulting from uncertainty caused by the pandemic. The City is closely monitoring its investment portfolio and its liquidity and is actively working to minimize the impact of these declines. The extent of the impact of COVID-19 on the City’s operational and financial performance will depend on certain developments, including the duration and spread of the outbreak and its impacts on the City’s employees, and vendors, all of which at present, cannot be determined. Accordingly, the extent to which COVID-19 may impact the City’s financial position and changes in net position, fund balance and cash flows is uncertain, and the accompanying financial statements include no adjustments relating to the effects of this pandemic.

REQUIRED SUPPLEMENTARY INFORMATION



City of Fort Bragg, California

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

for the Measurement Periods Ended June 30,

| | 2021 | 2020 | 2019 | 2018 |
|---|---------------------|---------------------|---------------------|---------------------|
| Total OPEB Liability | | | | |
| Service Cost | \$ 81,253 | \$ 104,512 | \$ 111,530 | \$ 119,019 |
| Interest on the total OPEB liability | 383,562 | 378,816 | 366,137 | 353,775 |
| Experience (Gains)/Losses | - | (287,306) | - | - |
| Changes of benefit terms | - | - | - | - |
| Changes of assumptions | (96,029) | 218,506 | - | - |
| Benefit payments | (354,262) | (287,648) | (277,993) | (286,331) |
| Net change in total OPEB liability | 14,524 | 126,880 | 199,674 | 186,463 |
| Total OPEB liability - beginning | 5,778,269 | 5,651,389 | 5,451,715 | 5,265,252 |
| Total OPEB liability - ending (a) | \$ 5,792,793 | \$ 5,778,269 | \$ 5,651,389 | \$ 5,451,715 |
| Plan fiduciary net position | | | | |
| Contributions - employer | \$ 359,262 | \$ 292,648 | \$ 492,993 | \$ 534,256 |
| Contributions - employee | - | - | - | - |
| Actual investment income | 91,502 | 150,805 | 164,052 | 172,839 |
| Administrative expense | (1,266) | (522) | (3,826) | (883) |
| Benefit payments | (354,262) | (287,648) | (277,993) | (286,331) |
| Net change in plan fiduciary net position | 95,236 | 155,283 | 375,226 | 419,881 |
| Plan fiduciary net position - beginning | 2,591,182 | 2,435,899 | 2,060,673 | 1,640,792 |
| Plan fiduciary net position - ending (b) | \$ 2,686,418 | \$ 2,591,182 | \$ 2,435,899 | \$ 2,060,673 |
| Net OPEB liability - ending (a) - (b) | \$ 3,106,375 | \$ 3,187,087 | \$ 3,215,490 | \$ 3,391,042 |
| Covered payroll | \$ 1,132,693 | \$ 1,834,372 | \$ 2,370,484 | \$ 2,197,777 |
| Net OPEB liability as a percentage of covered payroll | 274.25% | 173.74% | 135.65% | 154.29% |

Notes to Schedule

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

City of Fort Bragg, California

Required Supplementary Information - Net OPEB Liability Schedule of Contributions

June 30, 2021

| Fiscal Year Ended June 30, | 2021 | 2020 | 2019 | 2018 |
|--|-------------|------------|------------|------------|
| Actuarially Determined Contribution (ADC) | \$ 348,790 | \$ 374,658 | \$ 375,390 | \$ 559,726 |
| Contributions in relation to the ADC | 425,407 | 359,262 | 292,648 | 492,993 |
| Contribution deficiency (excess) | \$ (76,617) | \$ 15,396 | \$ 82,742 | \$ 66,733 |
| Covered payroll | 1,132,693 | 1,893,338 | 1,834,372 | 2,730,484 |
| Contributions as a percentage of covered payroll | 37.56% | 18.98% | 15.95% | 18.06% |

Notes to Schedule

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

City of Fort Bragg, California

Required Supplementary Information - Schedule of Contributions

Miscellaneous Plan

Last 10 Fiscal Years*

| | <u>2021</u> | <u>2020</u> | <u>2019</u> | <u>2018</u> | <u>2017</u> |
|---|------------------|------------------|------------------|------------------|-------------------|
| Contractually required contribution (actuarially determined) | \$ 540,516 | \$ 514,099 | \$ 455,093 | \$ 430,051 | \$ 392,300 |
| Contributions in relation to the actuarially determined contributions | <u>(540,516)</u> | <u>(514,099)</u> | <u>(394,321)</u> | <u>(430,051)</u> | <u>392,300</u> |
| Contribution deficiency (excess) | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 60,772</u> | <u>\$ -</u> | <u>\$ 784,600</u> |
| Covered payroll | \$ 2,327,258 | \$ 2,661,903 | \$ 2,833,921 | \$ 2,641,425 | \$ 2,598,675 |
| Contribution as a percentage of covered-employee payroll | 23.23% | 19.31% | 16.06% | 16.28% | 15.10% |

Notes to Schedule

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

* Fiscal year 2014 was the first year of implementation, therefore only the first five years are available.

* At June 30, 2016 CalPERS combined the Miscellaneous Plan and PEPRA Miscellaneous Plan for purposes of calculating net pension liability. Due to the change in methodology, comparisons to prior years 2014 and 2015 have been removed.

City of Fort Bragg, California

Required Supplementary Information - Schedule of Contributions

Safety Plan

Last 10 Fiscal Years*

| | <u>2021</u> | <u>2020</u> | <u>2019</u> | <u>2018</u> | <u>2017</u> |
|---|------------------|------------------|------------------|------------------|------------------|
| Contractually required contribution (actuarially determined) | \$ 558,561 | \$ 637,647 | \$ 471,193 | \$ 298,630 | \$ 387,206 |
| Contributions in relation to the actuarially determined contributions | <u>(558,561)</u> | <u>(637,647)</u> | <u>(471,193)</u> | <u>(298,630)</u> | <u>(387,206)</u> |
| Contribution deficiency (excess) | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| Covered payroll | \$ 1,071,290 | \$ 1,145,799 | \$ 1,048,497 | \$ 1,268,709 | \$ 1,245,549 |
| Contribution as a percentage of covered-employee payroll | 52.14% | 55.65% | 44.94% | 23.54% | 31.09% |

Notes to Schedule

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

* Fiscal year 2014 was the first year of implementation, therefore only the first five years are available.

* At June 30, 2016 CalPERS combined the Miscellaneous Plan and PEPRA Miscellaneous Plan for purposes of calculating net pension liability. Due to the change in methodology, comparisons to prior years 2014 and 2015 have been removed.

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*

| | <u>2020</u> | <u>2019</u> | <u>2018</u> | <u>2017</u> | <u>2016</u> |
|---|--------------|--------------|--------------|--------------|--------------|
| Plan's Proportion of the Net Pension Liability/(Asset) | 0.13012% | 0.12508% | 0.12037% | 0.11653% | 0.11210% |
| Plan's Proportionate Share of the Net Pension Liability/(Asset) | \$ 5,488,390 | \$ 5,008,648 | \$ 4,593,661 | \$ 4,593,661 | \$ 3,894,091 |
| Plan's Covered Payroll | \$ 2,661,903 | \$ 2,833,921 | \$ 2,788,318 | \$ 2,641,425 | \$ 2,551,931 |
| Plan's Proportionate Share of the Net Pension Liability/(Asset) as a Percentage of its Covered-Employee Payroll | 206.18% | 176.74% | 164.75% | 173.91% | 152.59% |
| Plan's Proportionate Share of the Fiduciary Net Position as a Percentage of the Plan's Total Pension Liability | 74.96% | 76.25% | 76.38% | 76.38% | 82.66% |
| Plan's Proportionate Share of Aggregate Employer Contribution | \$ 734,213 | \$ 455,093 | \$ 394,321 | \$ 430,051 | \$ 392,300 |

Notes to Schedule

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

* Fiscal year 2014 was the first year of implementation, therefore only the first five years are available.

* At June 30, 2016 CalPERS combined the Miscellaneous Plan and PEPRAs Miscellaneous Plan for purposes of calculating net pension liability. Due to the change in methodology, comparisons to prior years 2014 and 2015 have been removed.

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*

| | <u>2020</u> | <u>2019</u> | <u>2018</u> | <u>2017</u> | <u>2016</u> |
|---|--------------|--------------|--------------|--------------|--------------|
| Plan's Proportion of the Net Pension Liability/(Asset) | 0.07793% | 0.07899% | 0.07811% | 0.08042% | 0.08218% |
| Plan's Proportionate Share of the Net Pension Liability/(Asset) | \$ 5,192,221 | \$ 4,931,069 | \$ 4,667,131 | \$ 4,165,367 | \$ 3,320,431 |
| Plan's Covered Payroll | \$ 1,145,799 | \$ 1,048,497 | \$ 1,268,709 | \$ 1,245,549 | \$ 1,188,962 |
| Plan's Proportionate Share of the Net Pension Liability/(Asset) as a Percentage of its Covered-Employee Payroll | 453.15% | 470.30% | 367.86% | 334.42% | 353.81% |
| Plan's Proportionate Share of the Fiduciary Net Position as a Percentage of the Plan's Total Pension Liability | 69.95% | 70.68% | 69.76% | 70.60% | 75.04% |
| Plan's Proportionate Share of Aggregate Employer Contribution | \$ 625,589 | \$ 637,647 | \$ 578,574 | \$ 387,206 | \$ 315,525 |

Notes to Schedule

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

* Fiscal year 2014 was the first year of implementation, therefore only the first five years are available.

* At June 30, 2016 CalPERS combined the Miscellaneous Plan and PEPRAs Miscellaneous Plan for purposes of calculating net pension liability. Due to the change in methodology, comparisons to prior years 2014 and 2015 have been removed.

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COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES



NON-MAJOR GOVERNMENTAL FUNDS

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

City of Fort Bragg, California
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2021

| | Governmental Funds | | Non-Major Funds Totals |
|--|--------------------------|---------------------------|---------------------------|
| | Special Revenue Funds | Capital Projects Funds | |
| ASSETS | | | |
| Cash and investments | \$ 1,217,997 | \$ 13,408 | \$ 1,231,405 |
| Receivables: | | | |
| Intergovernmental | 687,324 | - | 687,324 |
| Loans/Notes receivable | 201,407 | - | 201,407 |
| Total assets | \$ 2,106,728 | \$ 13,408 | \$ 2,120,136 |
| LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES | | | |
| Liabilities: | | | |
| Accounts payable and accrued liabilities | \$ 162,564 | \$ 214,331 | \$ 376,895 |
| Due to other funds | 687,447 | 19,890 | 707,337 |
| Total liabilities: | 850,011 | 234,221 | 1,084,232 |
| Deferred inflows of resources: | | | |
| Unavailable revenue | 201,407 | - | 201,407 |
| Total deferred inflows of resources | 201,407 | - | 201,407 |
| Total liabilities and deferred inflows | 1,051,418 | 234,221 | 1,285,639 |
| Fund Balances: | | | |
| Restricted | 450,955 | - | 450,955 |
| Assigned | 605,482 | - | 605,482 |
| Unassigned (deficit) | (1,127) | (220,813) | (221,940) |
| Total fund balances | 1,055,310 | (220,813) | 834,497 |
| Total liabilities, deferred inflows and fund balances | \$ 2,106,728 | \$ 13,408 | \$ 2,120,136 |

City of Fort Bragg, California
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the year ended June 30, 2021

| | Governmental Funds | | Non-Major Funds Totals |
|--|--------------------------|---------------------------|---------------------------|
| | Special Revenue Funds | Capital Projects Funds | |
| REVENUES: | | | |
| Taxes and assessments | \$ 66,414 | \$ - | \$ 66,414 |
| Fines and forfeitures | 66,488 | - | 66,488 |
| Intergovernmental | 5,713,791 | - | 5,713,791 |
| Use of money and property | 9,967 | - | 9,967 |
| Charges for services | 110 | - | 110 |
| Other revenues | 16,127 | - | 16,127 |
| Total revenues | 5,872,897 | - | 5,872,897 |
| EXPENDITURES: | | | |
| Current: | | | |
| General government | 32,378 | - | 32,378 |
| Public safety | 186,069 | - | 186,069 |
| Public works | 327,050 | - | 327,050 |
| Community development | 3,816,253 | - | 3,816,253 |
| Capital outlay | - | 386,931 | 386,931 |
| Total expenditures | 4,361,750 | 386,931 | 4,748,681 |
| REVENUES OVER (UNDER) EXPENDITURES | 1,511,147 | (386,931) | 1,124,216 |
| OTHER FINANCING SOURCES (USES): | | | |
| Transfers in | - | 171,385 | 171,385 |
| Transfers out | (1,798,443) | - | (1,798,443) |
| Total other financing sources (uses) | (1,798,443) | 171,385 | (1,627,058) |
| REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING (USES) | (287,296) | (215,546) | (502,842) |
| FUND BALANCES: | | | |
| Beginning of year | 1,342,606 | (5,267) | 1,337,339 |
| End of year | \$ 1,055,310 | \$ (220,813) | \$ 834,497 |

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NON-MAJOR SPECIAL REVENUE FUNDS

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

(continued)

NON-MAJOR SPECIAL REVENUE FUNDS, Continued

| Fund | Description |
|--|--|
| Construction/Demolition Ordinance Revenue | To account for deposits that are made in accordance with the City's Construction & Demolition Ordinance. Deposit are refunded if recycling goals are met. Otherwise, the deposits are forfeited and retained in the special revenue fund. The funds will be used to improve construction and demolition waste recycling facilities, education, and programs within the City. |
| Waste Management Community Benefit Payment | To account for contract extension fee received from Waste Management. The City Council has designated these funds for the community benefit purposes. |
| Gas Tax | To account for the City's share of State of California's Highway User Tax collected by the State that are legally restricted to the maintenance and improvement of City roads and streets. |
| RMRA | To account for the City's share of the State of California's Road Maintenance and Rehabilitation Account which is legally restricted to the maintenance and improvement of City roads and streets. |
| Traffic & Safety | To account for the revenue received from traffic fines which is restricted to City street repairs and traffic safety. |
| Fire Equipment | To account for property tax revenues designated for the purchase of equipment for the Fort Bragg Fire Department. |
| Mendocino Council of Governments (MCOG) Overall Work Program (OWP) Grants | To account for local transportation funds awarded for transportation planning and technical assistance. |
| OJ Park Maintenance Fund | To account for monies received from the Johnson Family Trust for the maintenance of OJ Park. |

(continued)

NON-MAJOR SPECIAL REVENUE FUNDS, Continued

| Fund | Description |
|--|--|
| Developer Deposits Accounts | To account for monies received from developers to cover City costs associated with development projects. |
| 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. |
| CDBG Super NOFA | 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. |

(continued)

NON-MAJOR SPECIAL REVENUE FUNDS, Continued

| Fund | Description |
|---|--|
| STP D1 Streets & Highways Allocation | To account for the City's share of highways users' tax revenues that are legally restricted to the planning, construction, improvement, maintenance and operation of City roads and streets. |
| State Parks Prop 84 Grant | To account for monies received from the State of California for construction of the Fort Bragg Coastal Restoration and Trail project. |
| HCD HOME Grant | To account for Federal Funding to be used to re-establish a Housing Rehabilitation Loan program for qualified low- and moderate-income homeowners. |
| Other State Grants | To account for all other State Grants. Includes grant monies received from the State of California for purchase of off highway vehicles for use by the City Police Department. |

(concluded)

City of Fort Bragg, California
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2021

| | General Plan Maintenance Fee | Housing | Parking | Parking In-lieu Fees |
|---|------------------------------------|------------------|------------------|-------------------------|
| ASSETS | | | | |
| Cash and investments | \$ 207,740 | \$ 76,606 | \$ 34,541 | \$ - |
| Receivables: | | | | |
| Intergovernmental | - | - | - | - |
| Loans/Notes receivable | - | 0 | - | - |
| Total assets | <u>\$ 207,740</u> | <u>\$ 76,606</u> | <u>\$ 34,541</u> | <u>\$ -</u> |
| LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES | | | | |
| Liabilities: | | | | |
| Accounts payable | \$ - | \$ - | \$ - | \$ - |
| Due to other funds | - | - | - | - |
| Total liabilities: | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Deferred inflows of resources: | | | | |
| Unavailable revenue | - | - | - | - |
| Total deferred inflows of resources: | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total liabilities and deferred inflows | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Fund Balances: | | | | |
| Nonspendable | - | - | - | - |
| Restricted | - | - | - | - |
| Assigned | 207,740 | 76,606 | 34,541 | - |
| Unassigned (deficit) | - | - | - | - |
| Total fund balances | <u>207,740</u> | <u>76,606</u> | <u>34,541</u> | <u>-</u> |
| Total liabilities deferred inflows and fund balances | <u>\$ 207,740</u> | <u>\$ 76,606</u> | <u>\$ 34,541</u> | <u>\$ -</u> |

| Parkland Monitoring/ Reporting | State Tobacco License Fee | State Disability Access Fee | Asset Forfeiture | Construction/ Demolition Ordinance | Waste Management Community Benefit Pymt | Gas Tax |
|--------------------------------------|---------------------------------|-----------------------------------|---------------------|--|--|------------------|
| \$ 127,579 | \$ 16,849 | \$ 15,963 | \$ 394,953 | \$ 598 | \$ 269 | \$ 8,444 |
| - | - | 19 | - | - | - | 46,224 |
| - | - | - | - | - | - | - |
| <u>\$ 127,579</u> | <u>\$ 16,849</u> | <u>\$ 15,982</u> | <u>\$ 394,953</u> | <u>\$ 598</u> | <u>\$ 269</u> | <u>\$ 54,668</u> |

| | | | | | | |
|----------|----------|--------------|----------|----------|----------|----------|
| \$ - | \$ - | \$ 3,873 | \$ - | \$ - | \$ - | \$ - |
| - | - | - | - | - | - | - |
| <u>-</u> | <u>-</u> | <u>3,873</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| - | - | - | - | - | - | - |
| <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| - | - | 3,873 | - | - | - | - |

| | | | | | | |
|-------------------|------------------|------------------|-------------------|---------------|---------------|------------------|
| - | - | - | - | - | - | - |
| - | - | - | 394,953 | - | - | 54,668 |
| 127,579 | 16,849 | 12,109 | - | 598 | 269 | - |
| <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| <u>127,579</u> | <u>16,849</u> | <u>12,109</u> | <u>394,953</u> | <u>598</u> | <u>269</u> | <u>54,668</u> |
| <u>\$ 127,579</u> | <u>\$ 16,849</u> | <u>\$ 15,982</u> | <u>\$ 394,953</u> | <u>\$ 598</u> | <u>\$ 269</u> | <u>\$ 54,668</u> |

(continued)

City of Fort Bragg, California
Combining Balance Sheet
Nonmajor Special Revenue Funds, continued
June 30, 2021

| ASSETS | RMRA | Traffic & Safety | Fire Equipment | MCOG Overall Work Plan |
|---|------------------|---------------------|-------------------|------------------------------|
| Cash and investments | \$ - | \$ - | \$ 158,173 | \$ - |
| Receivables: | | | | |
| Intergovernmental | 44,549 | - | - | 48,285 |
| Loans/Notes receivable | - | - | - | - |
| Total assets | \$ 44,549 | \$ - | \$ 158,173 | \$ 48,285 |
| LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES | | | | |
| Liabilities: | | | | |
| Accounts payable | \$ - | \$ - | \$ - | \$ - |
| Due to other funds | 44,549 | - | - | 41,369 |
| Total liabilities: | 44,549 | - | - | 41,369 |
| Deferred inflows of resources: | | | | |
| Unavailable revenue | - | - | - | - |
| Total deferred inflows of resources: | - | - | - | - |
| Total liabilities and deferred inflows | 44,549 | - | - | 41,369 |
| Fund Balances: | | | | |
| Nonspendable | - | - | - | - |
| Restricted | - | - | - | - |
| Assigned | - | - | 158,173 | 6,916 |
| Unassigned (deficit) | - | - | - | - |
| Total fund balances | - | - | 158,173 | 6,916 |
| Total liabilities deferred inflows and fund balances | \$ 44,549 | \$ - | \$ 158,173 | \$ 48,285 |

| OJ Park Maintenance Fund | Developer Deposit Accounts | Federal and State Grant Funds | Total |
|--------------------------------|----------------------------------|-------------------------------------|---------------------|
| \$ 2,110 | \$ 116,385 | \$ 57,787 | \$ 1,217,997 |
| - | - | 548,247 | - |
| - | - | 201,407 | 687,324 |
| <u>\$ 2,110</u> | <u>\$ 116,385</u> | <u>\$ 807,441</u> | <u>\$ 2,106,728</u> |
| \$ - | \$ 117,512 | \$ 41,179 | \$ 162,564 |
| - | - | 601,529 | 687,447 |
| <u>-</u> | <u>117,512</u> | <u>642,708</u> | <u>850,011</u> |
| - | - | 201,407 | 201,407 |
| <u>-</u> | <u>-</u> | <u>201,407</u> | <u>201,407</u> |
| - | 117,512 | 844,115 | 1,051,418 |
| - | - | - | - |
| - | - | 1,334 | 450,955 |
| 2,110 | - | (38,008) | 605,482 |
| <u>-</u> | <u>(1,127)</u> | <u>-</u> | <u>(1,127)</u> |
| <u>2,110</u> | <u>(1,127)</u> | <u>(36,674)</u> | <u>1,055,310</u> |
| <u>\$ 2,110</u> | <u>\$ 116,385</u> | <u>\$ 807,441</u> | <u>\$ 2,106,728</u> |

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, 2021

| | General Plan Maintenance Fee | Housing | Parking | Parking In-lieu Fees |
|--|------------------------------------|------------------|------------------|-------------------------|
| REVENUES: | | | | |
| Taxes and assessments | \$ - | \$ - | \$ - | \$ - |
| Fines and forfeitures | - | - | - | - |
| Intergovernmental | - | - | - | - |
| Use of money and property | 2,159 | 758 | 339 | - |
| Charges for services | 110 | - | - | - |
| Other revenues | - | - | - | - |
| Total revenues | <u>2,269</u> | <u>758</u> | <u>339</u> | <u>-</u> |
| EXPENDITURES: | | | | |
| Current: | | | | |
| General government | 32,230 | - | - | - |
| Public safety | - | - | - | - |
| Public works | - | - | - | - |
| Community development | - | 3,000 | - | - |
| Total expenditures | <u>32,230</u> | <u>3,000</u> | <u>-</u> | <u>-</u> |
| REVENUES OVER (UNDER) EXPENDITURES | <u>(29,961)</u> | <u>(2,242)</u> | <u>339</u> | <u>-</u> |
| OTHER FINANCING SOURCES (USES): | | | | |
| Transfers in | - | - | - | - |
| Transfers out | - | - | - | - |
| Total other financing sources and uses | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING (USES) | <u>(29,961)</u> | <u>(2,242)</u> | <u>339</u> | <u>-</u> |
| FUND BALANCES (DEFICITS): | | | | |
| Beginning of year | 237,701 | 78,848 | 34,202 | - |
| End of year | <u>\$ 207,740</u> | <u>\$ 76,606</u> | <u>\$ 34,541</u> | <u>\$ -</u> |

| Parkland Monitoring/ Reporting | State Tobacco License Fee | State Disability Access Fee | Asset Forfeiture | Construction/ Demolition Ordinance | Waste Management Community Benefit Pymt | Gas Tax |
|--------------------------------------|---------------------------------|-----------------------------------|---------------------|--|--|-----------|
| \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 12,907 |
| - | - | - | 62,657 | - | - | - |
| - | 2,632 | 2,811 | - | - | - | 167,188 |
| 1,250 | 151 | 138 | 3,469 | - | - | 466 |
| - | - | - | - | - | - | - |
| - | - | - | 16,127 | - | - | - |
| 1,250 | 2,783 | 2,949 | 82,253 | - | - | 180,561 |
| - | - | 148 | - | - | - | - |
| - | - | - | 25,496 | - | - | - |
| - | - | - | - | - | - | 128,744 |
| - | - | - | - | - | - | - |
| - | - | 148 | 25,496 | - | - | 128,744 |
| 1,250 | 2,783 | 2,801 | 56,757 | - | - | 51,817 |
| - | - | - | - | - | - | - |
| - | - | - | - | - | - | - |
| - | - | - | - | - | - | - |
| 1,250 | 2,783 | 2,801 | 56,757 | - | - | 51,817 |
| 126,329 | 14,066 | 9,308 | 338,196 | 598 | 269 | 2,851 |
| \$ 127,579 | \$ 16,849 | \$ 12,109 | \$ 394,953 | \$ 598 | \$ 269 | \$ 54,668 |

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, 2021

| | RMRA | Traffic & Safety | Fire Equipment | MCOG Overall Work Plan |
|--|------------------|---------------------|-------------------|------------------------------|
| REVENUES: | | | | |
| Taxes and assessments | \$ - | \$ - | \$ 53,507 | \$ - |
| Fines and forfeitures | - | 3,831 | - | - |
| Intergovernmental | 157,145 | - | - | 41,362 |
| Use of money and property | - | - | 1,237 | - |
| Charges for services | - | - | - | - |
| Other revenues | - | - | - | - |
| Total revenues | 157,145 | 3,831 | 54,744 | 41,362 |
| EXPENDITURES: | | | | |
| Current: | | | | |
| General government | - | - | - | - |
| Public safety | - | 3,831 | - | - |
| Public works | 162,247 | - | - | 36,059 |
| Community development | - | - | - | - |
| Total expenditures | 162,247 | 3,831 | - | 36,059 |
| REVENUES OVER (UNDER) EXPENDITURES | (5,102) | - | 54,744 | 5,303 |
| OTHER FINANCING SOURCES (USES): | | | | |
| Transfers in | - | - | - | - |
| Transfers out | (200,000) | - | - | - |
| Total other financing sources and uses | (200,000) | - | - | - |
| REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING (USES) | (205,102) | - | 54,744 | 5,303 |
| FUND BALANCES (DEFICITS): | | | | |
| Beginning of year | 205,102 | - | 103,429 | 1,613 |
| End of year | \$ - | \$ - | \$ 158,173 | \$ 6,916 |

| OJ Park Maintenance Fund | Developer Deposit Account | Federal and State Grant Funds | Totals |
|--------------------------------|---------------------------------|-------------------------------------|--------------|
| \$ - | \$ - | \$ - | \$ 66,414 |
| - | - | - | 66,488 |
| - | - | 5,342,653 | 5,713,791 |
| - | - | - | 9,967 |
| - | - | - | 110 |
| - | - | - | 16,127 |
| - | - | 5,342,653 | 5,872,897 |
| - | - | - | 32,378 |
| - | - | 156,742 | 186,069 |
| - | - | - | 327,050 |
| - | - | 3,813,253 | 3,816,253 |
| - | - | 3,969,995 | 4,361,750 |
| - | - | 1,372,658 | 1,511,147 |
| - | - | - | - |
| - | (17,302) | (1,581,141) | (1,798,443) |
| - | (17,302) | (1,581,141) | (1,798,443) |
| - | (17,302) | (208,483) | (287,296) |
| 2,110 | 16,175 | 171,809 | 1,342,606 |
| \$ 2,110 | \$ (1,127) | \$ (36,674) | \$ 1,055,310 |

City of Fort Bragg, California
Combining Balance Sheet
Federal and State Grant Special Revenue Funds
June 30, 2021

| | CDBG Unclassified Program Income | COPS | CDBG Super NOFA |
|---|--|-------------|--------------------|
| ASSETS | | | |
| Cash and investments | \$ 7,025 | \$ - | \$ 34,496 |
| Restricted cash and investments | | - | - |
| Receivables: | | | |
| Intergovernmental | - | - | 31,385 |
| Loans/Notes receivable | - | - | - |
| Total assets | <u>\$ 7,025</u> | <u>\$ -</u> | <u>\$ 65,881</u> |
| LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES | | | |
| Liabilities: | | | |
| Accounts payable | \$ - | \$ - | \$ 360 |
| Due to other funds | - | - | 94,679 |
| Total liabilities | <u>-</u> | <u>-</u> | <u>95,039</u> |
| Deferred inflows of resources: | | | |
| Unavailable revenue | | | |
| Total deferred inflows of resources: | <u>-</u> | <u>-</u> | <u>-</u> |
| Total liabilities and deferred inflows | <u>-</u> | <u>-</u> | <u>95,039</u> |
| Fund Balances: | | | |
| Restricted | 7,025 | - | - |
| Unassigned (deficit) | - | - | (29,158) |
| Total fund balances | <u>7,025</u> | <u>-</u> | <u>(29,158)</u> |
| Total liabilities deferred inflows and fund balances | <u>\$ 7,025</u> | <u>\$ -</u> | <u>\$ 65,881</u> |

| STP D1 Streets and Highway Allocation | State Parks Prop 84 Grant | HCD HOME Grant | Other State Grants | CDBG Grant | CDBG Grant Covid | Totals |
|--|---------------------------------|----------------------|-----------------------|------------------|---------------------|-------------------|
| \$ 1,266 | \$ - | \$ 15,000 | \$ - | \$ - | \$ - | \$ 57,787 |
| - | | | | | | |
| - | 591 | 453,901 | 47,211 | 15,159 | - | 548,247 |
| - | - | 201,407 | | - | - | 201,407 |
| <u>\$ 1,266</u> | <u>\$ 591</u> | <u>\$ 670,308</u> | <u>\$ 47,211</u> | <u>\$ 15,159</u> | <u>\$ -</u> | <u>\$ 807,441</u> |
| \$ - | \$ - | \$ - | \$ 39,819 | \$ - | 1,000 | \$ 41,179 |
| - | - | 464,980 | 18,861 | 17,093 | 5,916 | 601,529 |
| - | - | 464,980 | 58,680 | 17,093 | 6,916 | 642,708 |
| - | - | 201,407 | - | - | - | 201,407 |
| - | - | 201,407 | - | - | - | 201,407 |
| - | - | 666,387 | 58,680 | 17,093 | 6,916 | 844,115 |
| 1,266 | 591 | 3,921 | (11,469) | - | - | 1,334 |
| - | - | - | - | (1,934) | (6,916) | (38,008) |
| <u>1,266</u> | <u>591</u> | <u>3,921</u> | <u>(11,469)</u> | <u>(1,934)</u> | <u>(6,916)</u> | <u>(36,674)</u> |
| <u>\$ 1,266</u> | <u>\$ 591</u> | <u>\$ 670,308</u> | <u>\$ 47,211</u> | <u>\$ 15,159</u> | <u>\$ -</u> | <u>\$ 807,441</u> |

(concluded)

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, 2021

| | CDBG Unclassified Program Income | COPS | CDBG Super NOFA |
|--|--|----------------|--------------------|
| REVENUES: | | | |
| Intergovernmental | \$ - | \$ 156,742 | 134,852 |
| Total revenues | <u>-</u> | <u>156,742</u> | <u>134,852</u> |
| EXPENDITURES: | | | |
| Current: | | | |
| Public safety | - | 156,742 | - |
| Community development | - | - | 146,655 |
| Total expenditures | <u>-</u> | <u>156,742</u> | <u>146,655</u> |
| REVENUES OVER (UNDER) EXPENDITURES | <u>-</u> | <u>-</u> | <u>(11,803)</u> |
| OTHER FINANCING SOURCES (USES): | | | |
| Transfers in | - | - | - |
| Transfers out | - | - | - |
| Total other financing sources and uses | <u>-</u> | <u>-</u> | <u>-</u> |
| REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING (USES) | <u>-</u> | <u>-</u> | <u>(11,803)</u> |
| FUND BALANCES (DEFICIT): | | | |
| Beginning of year | 7,025 | - | (17,355) |
| End of year | <u>\$ 7,025</u> | <u>\$ -</u> | <u>\$ (29,158)</u> |

| STP D1 Streets and Highway Allocation | State Parks Prop 84 Grant | HCD HOME Grant | Other State Grants | CDBG Grant | CDBG Grant COVID | Totals |
|--|---------------------------------|----------------------|--------------------------|------------|---------------------|--------------|
| \$ 81,259 | \$ - | \$ 453,901 | \$ 4,500,740 | \$ 15,159 | \$ - | \$ 5,342,653 |
| 81,259 | - | 453,901 | 4,500,740 | 15,159 | - | 5,342,653 |
| - | - | - | - | - | - | 156,742 |
| - | - | 473,267 | 3,169,322 | 17,093 | 6,916 | 3,813,253 |
| - | - | 473,267 | 3,169,322 | 17,093 | 6,916 | 3,969,995 |
| 81,259 | - | (19,366) | 1,331,418 | (1,934) | (6,916) | 1,372,658 |
| - | - | - | - | - | - | - |
| (81,259) | - | - | (1,499,882) | - | - | (1,581,141) |
| (81,259) | - | - | (1,499,882) | - | - | (1,581,141) |
| - | - | (19,366) | (168,464) | (1,934) | (6,916) | (208,483) |
| 1,266 | 591 | 23,287 | 156,995 | - | - | 171,809 |
| \$ 1,266 | \$ 591 | \$ 3,921 | \$ (11,469) | \$ (1,934) | \$ (6,916) | \$ (36,674) |

(concluded)

City of Fort Bragg, California
Combining Balance Sheet
Nonmajor Capital Projects Funds
June 30, 2021

| | <u>Coastal Trail</u> |
|--|--------------------------|
| ASSETS | |
| Cash and investments | \$ 13,408 |
| Total assets | <u>\$ 13,408</u> |
| LIABILITIES AND FUND BALANCES | |
| Liabilities: | |
| Accounts payable | \$ 214,331 |
| Due to other funds | 19,890 |
| Total liabilities: | <u>234,221</u> |
| Fund Balances: | |
| Unassigned (deficit) | <u>(220,813)</u> |
| Total fund balances | <u>(220,813)</u> |
| Total liabilities and fund balances | <u>\$ 13,408</u> |

City of Fort Bragg, California
Combining Statement of Revenues, Expenditures and Changes in
Fund Balances
Nonmajor Capital Projects Fund
For the year ended June 30, 2021

| | Coastal Trail |
|--|---------------------|
| REVENUES: | |
| Intergovernmental | \$ - |
| Other revenues | - |
| Total revenues | <u>-</u> |
| EXPENDITURES: | |
| Current: | |
| Community development | - |
| Capital outlay | 386,931 |
| Total expenditures | <u>386,931</u> |
| REVENUES OVER (UNDER) | |
| EXPENDITURES | <u>(386,931)</u> |
| OTHER FINANCING SOURCES (USES): | |
| Transfers in | 171,385 |
| Transfers out | - |
| Total other financing sources and uses | <u>171,385</u> |
| REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING (USES) | <u>(215,546)</u> |
| FUND BALANCES (DEFICITS): | |
| Beginning of year | <u>(5,267)</u> |
| End of year | <u>\$ (220,813)</u> |

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
For the year ended June 30, 2021

| | Building Maintenance | Information Technology Fund | Fleet Services | Totals |
|---|---------------------------------|--|---------------------------|---------------------|
| ASSETS | | | | |
| Current assets: | | | | |
| Cash and investments | \$ 600,667 | \$ 135,840 | \$ 184,032 | \$ 920,539 |
| Total current assets | <u>600,667</u> | <u>135,840</u> | <u>184,032</u> | <u>920,539</u> |
| Noncurrent assets: | | | | |
| Capital assets, net | 47,400 | 30,822 | 1,180,548 | 1,258,770 |
| Total noncurrent assets | <u>47,400</u> | <u>30,822</u> | <u>1,180,548</u> | <u>1,258,770</u> |
| Total assets | <u>\$ 648,067</u> | <u>\$ 166,662</u> | <u>\$ 1,364,580</u> | <u>\$ 2,179,309</u> |
| LIABILITIES AND NET POSITION | | | | |
| Current liabilities: | | | | |
| Accounts payable | \$ 47 | \$ 31,921 | 19,236 | \$ 51,204 |
| Accrued liabilities | - | 3,038 | - | 3,038 |
| Total current liabilities | <u>47</u> | <u>34,959</u> | <u>19,236</u> | <u>54,242</u> |
| Noncurrent liabilities: | | | | |
| Compensated absences | - | - | - | - |
| Total liabilities | <u>47</u> | <u>34,959</u> | <u>19,236</u> | <u>54,242</u> |
| Net Position: | | | | |
| Net investment in capital assets | 47,400 | 30,822 | 1,180,548 | 1,258,770 |
| Unrestricted | 600,620 | 100,881 | 164,796 | 866,297 |
| Total net position | <u>648,020</u> | <u>131,703</u> | <u>1,345,344</u> | <u>2,125,067</u> |
| Total liabilities and net position | <u>\$ 648,067</u> | <u>\$ 166,662</u> | <u>\$ 1,364,580</u> | <u>\$ 2,179,309</u> |

City of Fort Bragg, California

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

Internal Service Funds

For the year ended June 30, 2021

| | Building Maintenance | Information Technology Fund | Fleet Services | Totals |
|---|---------------------------------|--|---------------------------|---------------------|
| OPERATING REVENUES: | | | | |
| Interdepartmental charges | \$ 97,147 | \$ 272,450 | \$ 255,422 | \$ 625,019 |
| Other | 5,826 | - | - | 5,826 |
| Total operating revenues | <u>102,973</u> | <u>272,450</u> | <u>255,422</u> | <u>630,845</u> |
| OPERATING EXPENSES: | | | | |
| Personnel services | 78,810 | 91,506 | 144,544 | 314,860 |
| Repairs and maintenance | 19,738 | - | 43,647 | 63,385 |
| Materials and supplies | - | 194,562 | 96,890 | 291,452 |
| Contractual services | - | 24 | 2,619 | 2,643 |
| Depreciation | - | (11,734) | 94,221 | 82,487 |
| Total operating expenses | <u>98,548</u> | <u>274,358</u> | <u>381,921</u> | <u>754,827</u> |
| OPERATING INCOME (LOSS) | <u>4,425</u> | <u>(1,908)</u> | <u>(126,499)</u> | <u>(123,982)</u> |
| NET INCOME (LOSS) BEFORE TRANSFERS | 4,425 | (1,908) | (126,499) | (123,982) |
| Transfers in | - | - | 636,938 | 636,938 |
| Transfers out | - | - | - | - |
| Total transfers | - | - | 636,938 | 636,938 |
| Change in net position | 4,425 | (1,908) | 510,439 | 512,956 |
| NET POSITION (DEFICIT): | | | | |
| Beginning of year | 643,595 | 133,611 | 834,905 | 1,612,111 |
| End of year | <u>\$ 648,020</u> | <u>\$ 131,703</u> | <u>\$ 1,345,344</u> | <u>\$ 2,125,067</u> |

City of Fort Bragg, California
Combining Statement of Cash Flows
Internal Service Funds
For the year ended June 30, 2021

| | Building Maintenance | Information Technology Fund | Fleet Services | Totals |
|--|---------------------------------|--|---------------------------|--------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES: | | | | |
| Cash received from interfund services provided | \$ 102,973 | \$ 272,450 | \$ 255,422 | \$ 630,845 |
| Cash paid to suppliers for goods and services | (21,872) | (193,721) | (132,370) | (347,963) |
| Cash paid to employees for services | (78,810) | (90,123) | (144,544) | (313,477) |
| Net cash provided (used) by operating activities | 2,291 | (11,394) | (21,492) | (30,595) |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES: | | | | |
| Transfers received | - | - | 636,938 | 636,938 |
| Transfers paid | - | - | - | - |
| Net cash provided (used) by noncapital financing activities | - | - | 636,938 | 636,938 |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES: | | | | |
| Acquisition and construction of capital assets | 1,402 | 1 | (644,998) | (643,595) |
| Net cash (used) by capital and related financing activities | 1,402 | 1 | (644,998) | (643,595) |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | | | |
| Interest on investments | - | - | - | - |
| Net cash provided by investing activities | - | - | - | - |
| Net increase (decrease) in cash and cash equivalents | 3,693 | (11,393) | (29,552) | (37,252) |
| CASH AND CASH EQUIVALENTS: | | | | |
| Beginning of year | 596,974 | 147,233 | 213,584 | 957,791 |
| End of year | <u>\$ 600,667</u> | <u>\$ 135,840</u> | <u>\$ 184,032</u> | <u>\$ 920,539</u> |
| Reconciliation of income from operations to net cash provided (used) by operating activities: | | | | |
| Operating income (loss) | \$ 4,425 | \$ (1,908) | \$ (126,499) | \$ (123,982) |
| Adjustments to reconcile operating income to net cash provided by operating activities: | | | | |
| Depreciation | - | (11,734) | 94,221 | 82,487 |
| (Increase) decrease in current assets: | | | | |
| Accounts receivable | - | - | - | - |
| Increase (decrease) in liabilities: | | | | |
| Accounts payable | (2,134) | 865 | 10,786 | 9,517 |
| Accrued liabilities | - | 1,383 | - | 1,383 |
| Net cash provided by operating activities | \$ 2,291 | \$ (11,394) | \$ (21,492) | \$ (30,595) |

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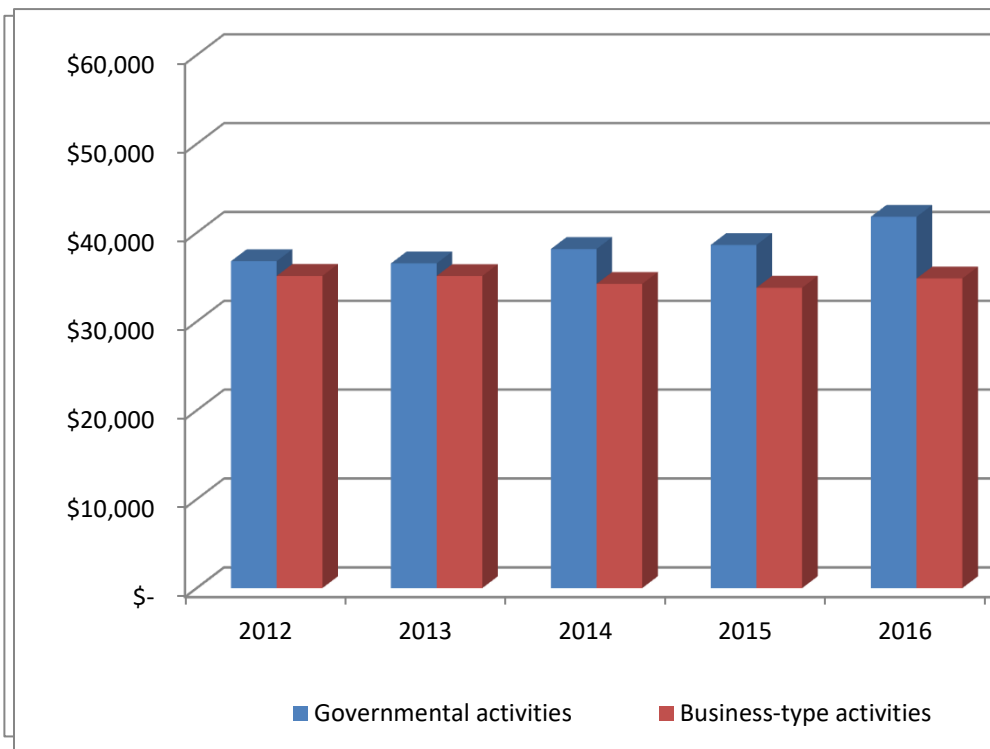
STATISTICAL SECTION

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. | 130-140 |
| 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. | 141-149 |
| 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 | 150-156 |
| 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. | 158-159 |
| 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. | 160-162 |

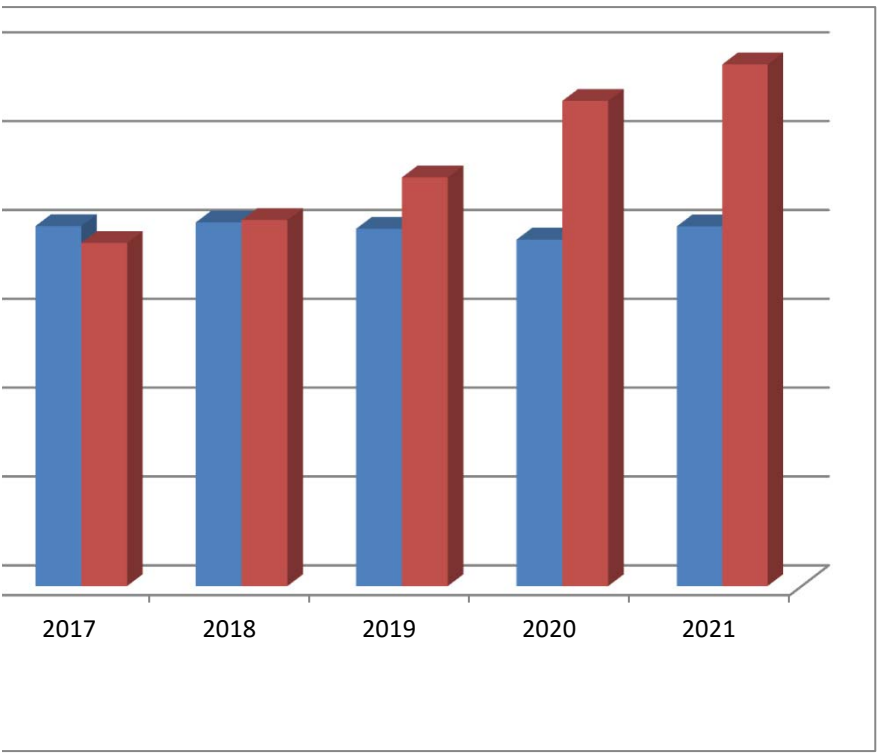
City of Fort Bragg, California
Net Position by Component
Last Ten Fiscal Years
(Fiscal year ended June 30)
(Accrual basis of accounting)
(In Thousands)

| | 2012 | 2013 | 2014 |
|--|------------------|------------------|------------------|
| Governmental activities | | | |
| Net investment in capital assets | \$ 30,664 | \$ 30,444 | \$ 31,944 |
| Restricted | 4,776 | 5,671 | 5,987 |
| Unrestricted (deficit) | 1,356 | 428 | 232 |
| Total governmental activities net position | \$ 36,796 | \$ 36,543 | \$ 38,163 |
| Business-type activities | | | |
| Net investment in capital assets | \$ 31,319 | \$ 30,764 | \$ 30,531 |
| Restricted | 108 | 72 | 101 |
| Unrestricted (deficit) | 3,709 | 4,294 | 3,603 |
| Total business-type activities net position | \$ 35,136 | \$ 35,130 | \$ 34,235 |
| Primary government | | | |
| Net investment in capital assets | \$ 61,983 | \$ 61,208 | \$ 62,475 |
| Restricted | 4,884 | 5,743 | 6,088 |
| Unrestricted (deficit) | 5,065 | 4,722 | 3,835 |
| Total primary government net position | \$ 71,932 | \$ 71,673 | \$ 72,398 |



Source: City Finance Department

| 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| \$ 35,914 | \$ 38,647 | \$ 39,523 | \$ 42,293 | \$ 41,400 | \$ 42,102 | \$ 41,686 |
| 2,289 | 3,536 | 2,513 | 3,758 | 1,279 | 1,922 | 2,947 |
| (203) | (399) | (1,518) | (5,115) | (2,456) | (5,026) | (4,140) |
| <u>\$ 38,625</u> | <u>\$ 41,784</u> | <u>\$ 40,518</u> | <u>\$ 40,935</u> | <u>\$ 40,223</u> | <u>\$ 38,998</u> | <u>\$ 40,493</u> |
| \$ 30,047 | \$ 30,503 | \$ 31,597 | \$ 33,572 | \$ 37,806 | \$ 45,807 | \$ 46,331 |
| 108 | 108 | 108 | 108 | 108 | 108 | 108 |
| 3,649 | 4,232 | 6,912 | 7,515 | 8,094 | 8,704 | 12,277 |
| <u>\$ 33,804</u> | <u>\$ 34,843</u> | <u>\$ 38,617</u> | <u>\$ 41,195</u> | <u>\$ 46,008</u> | <u>\$ 54,619</u> | <u>\$ 58,716</u> |
| \$ 65,961 | \$ 69,150 | \$ 71,119 | \$ 75,865 | \$ 79,206 | \$ 87,909 | \$ 88,017 |
| 3,022 | 3,644 | 2,621 | 3,866 | 1,387 | 2,030 | 3,055 |
| 3,466 | 3,833 | 5,395 | 2,400 | 5,638 | 3,678 | 8,137 |
| <u>\$ 72,429</u> | <u>\$ 76,627</u> | <u>\$ 79,135</u> | <u>\$ 82,131</u> | <u>\$ 86,231</u> | <u>\$ 93,617</u> | <u>\$ 99,209</u> |



City of Fort Bragg, California

Changes in Net Position

Last Ten Fiscal Years

(Fiscal year ended June 30)

(Accrual basis of accounting)

(In Thousands)

| | 2012 | 2013 | 2014 |
|---|---------------|----------------|----------------|
| Expenses | | | |
| Governmental activities: | | | |
| General government | \$ 2,540 | \$ 2,708 | \$ 1,500 |
| Public safety | 3,493 | 3,399 | 3,851 |
| Public works | 1,532 | 1,874 | 2,176 |
| Community development | 1,877 | 1,529 | 3,485 |
| Parks and recreation | - | - | - |
| Marketing and promotions | - | - | - |
| Interest and fiscal charges | 177 | 49 | 42 |
| Total governmental activities expenses | <u>9,619</u> | <u>9,559</u> | <u>11,054</u> |
| Business-type activities: | | | |
| Water | 2,107 | 2,138 | 2,539 |
| Sewer | 2,983 | 3,063 | 3,095 |
| C.V. Starr Center | 183 | 2,236 | 2,262 |
| Total business-type activities expenses | <u>5,273</u> | <u>7,437</u> | <u>7,896</u> |
| Total primary government expenses | <u>14,892</u> | <u>16,996</u> | <u>18,950</u> |
| Program revenues | | | |
| Governmental activities: | | | |
| Charges for services: | | | |
| General government | 2,718 | 2,701 | 2,851 |
| Public safety | 29 | 40 | 72 |
| Public works | 4 | 5 | 34 |
| Community development | 349 | 100 | 58 |
| Operating grants and contributions | 684 | 1,572 | 1,567 |
| Capital grants and contributions | 1,096 | 303 | 1,818 |
| Total governmental activities program revenues | <u>4,880</u> | <u>4,721</u> | <u>6,400</u> |
| Business-type activities: | | | |
| Charges for services: | | | |
| Water | 2,194 | 2,404 | 2,229 |
| Wastewater | 2,945 | 3,197 | 3,004 |
| C.V. Starr Center | - | 591 | 635 |
| Operating grants and contributions | - | - | - |
| Capital grants and contributions | 25,132 | - | - |
| Total business-type activities program revenues | <u>30,271</u> | <u>6,192</u> | <u>5,868</u> |
| Total primary government program revenues | <u>35,151</u> | <u>10,913</u> | <u>12,268</u> |
| Net (Expense)/Revenue | | | |
| Governmental activities | (4,739) | (4,838) | (4,654) |
| Business-type activities | 24,998 | (1,245) | (2,028) |
| Total primary government net expense | <u>20,259</u> | <u>(6,083)</u> | <u>(6,682)</u> |

| 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
|---------------|----------------|----------------|----------------|----------------|----------------|----------------|
| \$ 2,593 | \$ 2,877 | \$ 2,221 | \$ 2,804 | \$ 2,384 | \$ 2,623 | \$ 3,581 |
| 3,663 | 4,187 | 4,388 | 4,461 | 4,338 | 5,374 | 4,386 |
| 2,435 | 2,108 | 2,750 | 2,873 | 2,979 | 3,122 | 2,438 |
| 840 | 1,700 | 1,018 | 1,208 | 1,056 | 876 | 4,105 |
| - | - | 38 | - | - | - | - |
| - | - | - | - | - | 186 | 93 |
| 30 | 26 | 21 | 53 | 47 | 5 | 38 |
| <u>9,561</u> | <u>10,898</u> | <u>10,434</u> | <u>11,399</u> | <u>10,804</u> | <u>12,186</u> | <u>14,641</u> |
| 2,286 | 2,264 | 2,158 | 2,034 | 1,920 | 1,676 | 1,688 |
| 2,801 | 2,897 | 2,847 | 2,569 | 2,674 | 2,302 | 3,043 |
| 2,382 | 2,292 | 2,320 | 2,386 | 2,722 | 2,081 | 1,229 |
| <u>7,469</u> | <u>7,453</u> | <u>7,325</u> | <u>6,989</u> | <u>7,316</u> | <u>6,059</u> | <u>5,960</u> |
| <u>17,030</u> | <u>18,351</u> | <u>17,760</u> | <u>18,388</u> | <u>18,120</u> | <u>18,245</u> | <u>20,601</u> |
| 2,809 | 2,818 | 1,967 | 1,324 | 1,108 | 880 | 978 |
| 50 | 289 | 299 | 365 | 371 | 290 | 252 |
| 102 | 344 | 558 | 1,049 | 1,155 | 1,980 | 1,583 |
| - | 30 | 232 | 520 | 293 | - | 0 |
| 4,702 | 725 | 1,251 | 2,259 | 765 | 800 | 3,974 |
| 2,383 | 3,762 | 922 | 3,324 | 3,296 | 1,345 | 1,584 |
| <u>10,046</u> | <u>7,968</u> | <u>5,227</u> | <u>8,840</u> | <u>6,988</u> | <u>5,295</u> | <u>8,371</u> |
| 2,496 | 2,624 | 2,683 | 2,909 | 3,077 | 3,181 | 3,660 |
| 3,194 | 3,332 | 3,305 | 3,495 | 3,599 | 3,484 | 4,017 |
| 706 | 722 | 696 | 743 | 711 | 466 | - |
| - | - | - | - | - | - | - |
| - | - | - | - | - | 4,512 | - |
| <u>6,396</u> | <u>6,678</u> | <u>6,683</u> | <u>7,147</u> | <u>7,387</u> | <u>11,643</u> | <u>7,678</u> |
| <u>16,442</u> | <u>14,646</u> | <u>11,911</u> | <u>15,987</u> | <u>14,375</u> | <u>16,938</u> | <u>16,049</u> |
| 485 | (2,930) | (5,207) | (2,558) | (3,817) | (6,891) | (6,270) |
| (1,073) | (775) | (642) | 158 | 70 | 5,584 | 1,718 |
| <u>(588)</u> | <u>(3,705)</u> | <u>(5,849)</u> | <u>(2,400)</u> | <u>(3,747)</u> | <u>(1,307)</u> | <u>(4,552)</u> |

(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)

| | 2012 | 2013 | 2014 |
|---|------------------|---------------|---------------|
| Governmental activities: | | | |
| Taxes: | | | |
| Property taxes | 1,413 | 924 | 943 |
| Sales and use tax | 2,271 | 2,390 | 2,490 |
| Transient lodging tax | 1,411 | 1,536 | 1,667 |
| Franchise taxes | 470 | 482 | 496 |
| Other taxes | 225 | 203 | 411 |
| Use of money and property | 91 | 103 | 45 |
| Unrealized gains and losses | - | - | - |
| Other general revenues | 399 | 81 | 222 |
| Special Items | | | |
| Transfer in (out) | (2) | (17) | (1) |
| Extraordinary item: Redevelopment dissolution | 3,070 | - | - |
| Total governmental activities | <u>9,348</u> | <u>5,702</u> | <u>6,273</u> |
| Business-type activities: | | | |
| Property taxes | 19 | 231 | 216 |
| Sales and use tax | | 772 | 811 |
| Use of money and property | 16 | 8 | 33 |
| Other revenues | 97 | 98 | 72 |
| Transfer in (out) | 2 | 17 | 1 |
| Total business-type activities | <u>134</u> | <u>1,126</u> | <u>1,133</u> |
| | | | |
| Total primary government | <u>9,482</u> | <u>6,828</u> | <u>7,406</u> |
| | | | |
| Changes in Net Position | | | |
| Governmental activities | 4,609 | 864 | 1,619 |
| Business-type activities | <u>25,132</u> | <u>(119)</u> | <u>(895)</u> |
| | | | |
| Total primary government | <u>\$ 29,741</u> | <u>\$ 745</u> | <u>\$ 724</u> |

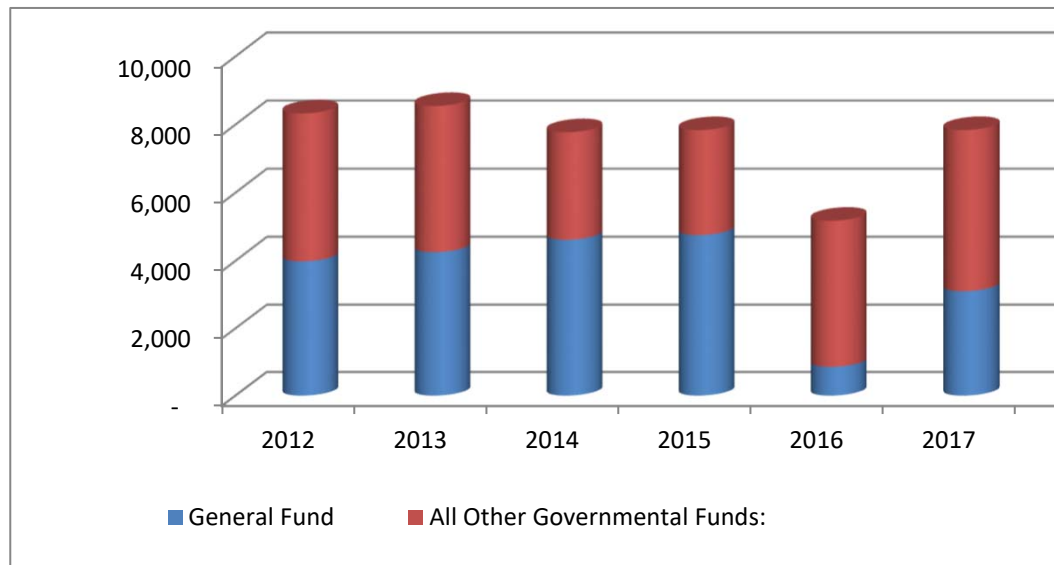
Source: City Finance Department

| 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| 909 | 1,007 | 1,084 | 1,035 | 1,075 | 1,157 | 1,152 |
| 2,523 | 2,458 | 2,414 | 1,785 | 1,728 | 2,743 | 3,127 |
| 1,858 | 1,948 | 2,149 | 2,619 | 2,640 | 2,204 | 3,322 |
| 493 | 491 | - | - | - | 590 | 626 |
| 435 | 403 | 674 | 719 | 762 | 185 | 185 |
| 87 | 113 | (23) | (110) | 66 | 107 | 112 |
| - | - | - | - | 195 | 228 | (124) |
| 67 | 120 | 151 | 61 | 8 | 24 | 266 |
| | | (507) | - | - | - | - |
| (89) | (451) | (2,003) | (898) | (1,029) | (1,573) | (901) |
| - | - | - | - | - | - | - |
| <u>6,283</u> | <u>6,089</u> | <u>3,940</u> | <u>5,210</u> | <u>5,445</u> | <u>5,665</u> | <u>7,765</u> |
| 234 | 220 | 234 | 236 | 249 | 236 | 263 |
| 807 | 846 | 881 | 915 | 879 | 945 | 1,100 |
| 42 | 27 | 56 | 98 | 168 | 178 | 115 |
| 161 | 271 | 1,242 | 272 | 77 | 95 | - |
| 89 | 451 | 2,003 | 898 | 1,029 | 1,573 | 901 |
| <u>1,333</u> | <u>1,815</u> | <u>4,416</u> | <u>2,420</u> | <u>2,402</u> | <u>3,027</u> | <u>2,379</u> |
| <u>7,616</u> | <u>7,904</u> | <u>8,356</u> | <u>7,630</u> | <u>7,847</u> | <u>8,692</u> | <u>10,144</u> |
| 6,768 | 3,159 | (1,267) | 2,652 | 1,628 | (1,226) | 1,495 |
| 260 | 1,040 | 3,774 | 2,578 | 2,472 | 8,611 | 4,096 |
| <u>\$ 7,028</u> | <u>\$ 4,199</u> | <u>\$ 2,507</u> | <u>\$ 5,230</u> | <u>\$ 4,100</u> | <u>\$ 7,385</u> | <u>\$ 5,591</u> |

(concluded)

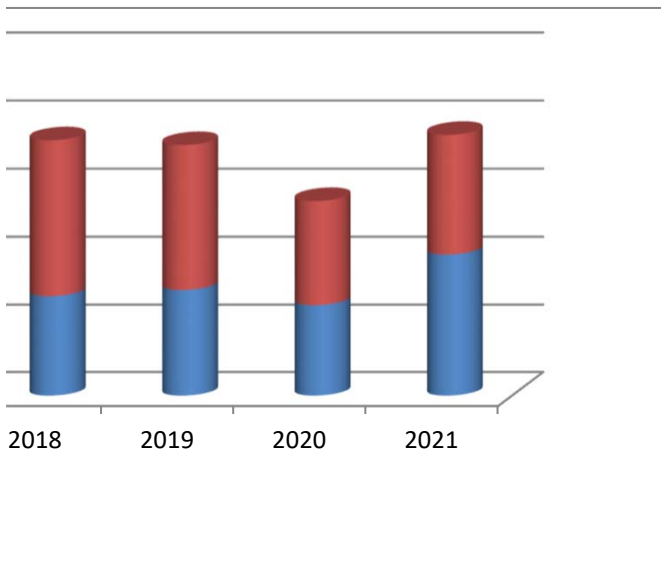
City of Fort Bragg, California
Fund Balances of Governmental
Last Ten Fiscal Years
(Fiscal year ended June 30)
(Modified accrual basis of accounting)
(In Thousands)

| | 2012 | 2013 | 2014 | 2015 | 2016 |
|---|-----------------|-----------------|-----------------|-----------------|-----------------|
| General Fund: | | | | | |
| Nonspendable | \$ 211 | \$ 248 | \$ 185 | \$ 205 | \$ 66 |
| Committed | | | | | - |
| Unassigned | 3,775 | 4,007 | 4,434 | 4,553 | 790 |
| Total general fund | 3,986 | 4,255 | 4,619 | 4,758 | 856 |
| All Other Governmental Funds: | | | | | |
| Restricted | 4,530 | 4,590 | 4,598 | 2,914 | 3,536 |
| Assigned | - | - | - | 1,322 | 1,116 |
| Unassigned (deficit) | (187) | (299) | (1,441) | (1,157) | (331) |
| Total all other governmental funds | 4,343 | 4,291 | 3,157 | 3,079 | 4,321 |
| Total all governmental funds | \$ 8,329 | \$ 8,546 | \$ 7,776 | \$ 7,837 | \$ 5,177 |



Source: City Finance Department

| 2017 | 2018 | 2019 | 2020 | 2021 |
|----------|----------|----------|----------|----------|
| \$ 4 | \$ 94 | \$ 9 | \$ 3 | \$ 7 |
| 2,135 | 1,694 | 1,682 | 2,160 | 2,679 |
| 968 | 1,172 | 1,451 | 529 | 1,498 |
| 3,107 | 2,959 | 3,142 | 2,692 | 4,184 |
| 2,530 | 3,758 | 1,267 | 1,922 | 2,947 |
| 1,472 | 1,292 | 3,005 | 1,426 | 814 |
| 731 | (470) | (16) | (284) | (248) |
| 4,733 | 4,580 | 4,256 | 3,064 | 3,513 |
| \$ 7,839 | \$ 7,539 | \$ 7,398 | \$ 5,756 | \$ 7,697 |



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

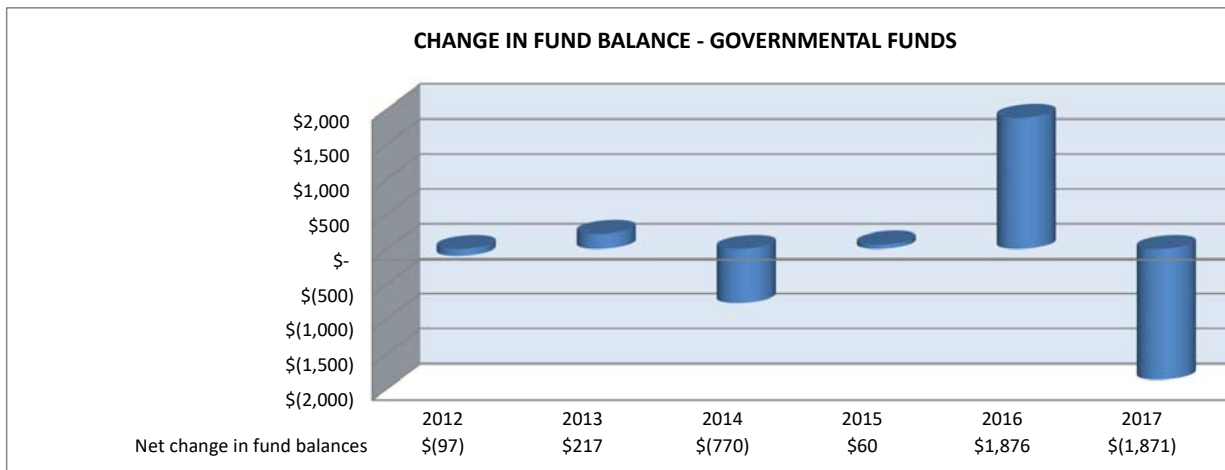
| Revenues: | 2012 | 2013 | 2014 | 2015 | 2016 |
|----------------------------------|---------------|---------------|---------------|---------------|---------------|
| Taxes and assessments | \$ 5,790 | \$ 5,579 | \$ 5,810 | \$ 4,949 | \$ 5,067 |
| Intergovernmental | 1,773 | 1,897 | 2,946 | 7,463 | 5,219 |
| Charges for services | 2,854 | 2,564 | 2,907 | 457 | 242 |
| Fines, forfeitures and penalties | 13 | 23 | 28 | 178 | 162 |
| Licenses and permits | 241 | 260 | 234 | 254 | 273 |
| Use of money and property | 84 | 103 | 84 | 120 | 174 |
| Unrealized gains and losses | - | - | - | - | - |
| Reimbursements | - | - | - | 2,930 | 3,413 |
| Other | 410 | 80 | 240 | 59 | 127 |
| Total revenues | 11,165 | 10,506 | 12,249 | 16,410 | 14,677 |

| Expenditures: | 2012 | 2013 | 2014 | 2015 | 2016 |
|-----------------------------|---------------|---------------|---------------|---------------|---------------|
| Current: | | | | | |
| General government | 1,252 | 2,179 | 1,549 | 2,875 | 2,685 |
| Public safety | 3,351 | 3,410 | 3,829 | 3,581 | 4,100 |
| Public works | 1,386 | 1,472 | 1,594 | 3,469 | 1,874 |
| Community development | 1,975 | 2,191 | 3,460 | 834 | 1,693 |
| Marketing and promotions | - | - | - | - | - |
| Cost allocations | - | - | - | - | - |
| Capital outlay | 1,983 | 874 | 2,431 | 5,058 | 1,725 |
| Debt Service: | | | | | |
| Principal Retirement | 113 | 107 | 112 | 116 | 120 |
| Interest and fiscal charges | 161 | 40 | 36 | 31 | 26 |
| Total expenditures | 10,221 | 10,273 | 13,011 | 15,964 | 12,223 |

Reconciliation of Governmental Revenues

| Less Expenditures to Fund Equity: | 2012 | 2013 | 2014 | 2015 | 2016 |
|--|---------|---------|----------|---------|----------|
| Revenues over (under) expenditures | \$ 944 | \$ 233 | \$ (762) | \$ 446 | \$ 2,454 |
| Other financing sources (uses): | | | | | |
| Proceeds from sales of assets | - | - | - | - | - |
| Extraordinary loss on dissolution of redevelopment | (1,039) | - | - | - | - |
| Transfers in | 1,910 | 1,950 | 1,091 | 5,683 | 2,714 |
| Transfers out | (1,912) | (1,966) | (1,099) | (6,069) | (3,292) |
| Total other financing sources (uses) | (1,041) | (16) | (8) | (386) | (578) |
| Net change in fund balances | \$ (97) | \$ 217 | \$ (770) | \$ 60 | \$ 1,876 |

| | | | | | |
|---|-------|-------|-------|-------|-------|
| Debt service as a percentage of noncapital expenditures | 3.33% | 1.56% | 1.40% | 1.35% | 1.39% |
|---|-------|-------|-------|-------|-------|

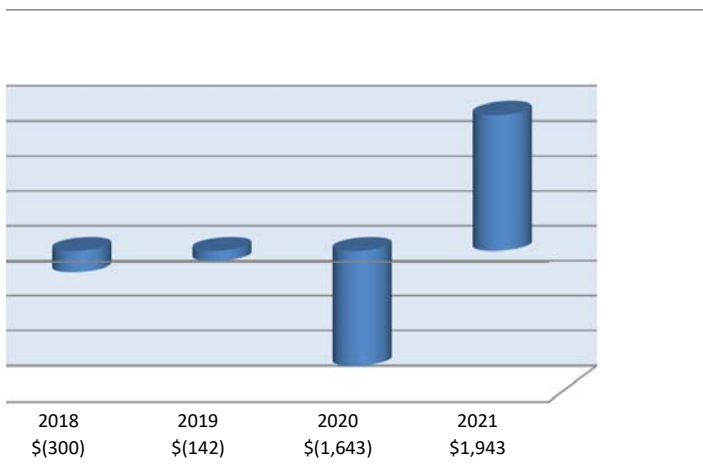


Source: City Finance Department

| | 2017 | 2018 | 2019 | 2020 | 2021 |
|----|---------------|---------------|---------------|---------------|---------------|
| \$ | 6,486 | \$ 7,131 | \$ 7,138 | \$ 6,878 | \$ 8,412 |
| | 1,847 | 4,592 | 772 | 2,702 | 5,883 |
| | 203 | 139 | 128 | 61 | 47 |
| | 211 | 84 | 118 | 112 | 103 |
| | 97 | 132 | 128 | 97 | 92 |
| | 55 | 126 | 213 | 409 | 13 |
| | - | - | 195 | - | - |
| | 2,345 | 2,691 | 2,453 | 2,335 | 2,247 |
| | 210 | 82 | 37 | 22 | 264 |
| | <u>11,454</u> | <u>14,976</u> | <u>11,182</u> | <u>12,616</u> | <u>17,061</u> |

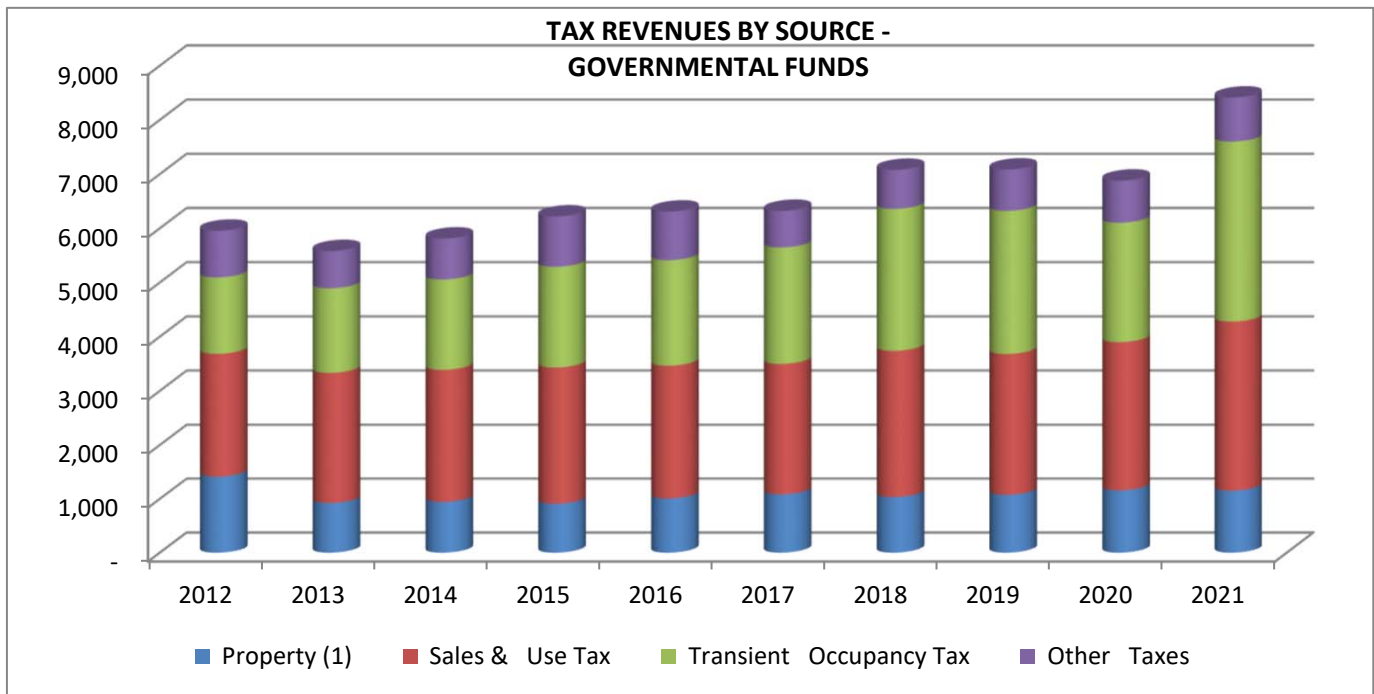
| | | | | | |
|--|---------------|---------------|---------------|---------------|---------------|
| | 2,548 | 2,881 | 2,522 | \$ 2,094 | 2,256 |
| | 4,233 | 4,383 | 4,189 | 5,029 | 4,094 |
| | 1,902 | 1,947 | 1,968 | 1,901 | 1,847 |
| | 1,011 | 1,201 | 1,050 | 846 | 4,368 |
| | - | - | - | 186 | 93 |
| | - | - | - | 475 | 478 |
| | 1,992 | 3,780 | 282 | 1,975 | 415 |
| | 127 | 169 | 169 | 180 | 38 |
| | 21 | 17 | 17 | 5 | 0 |
| | <u>11,834</u> | <u>14,378</u> | <u>10,197</u> | <u>12,691</u> | <u>13,589</u> |

| | | | | | |
|----|----------------|-----------------|-----------------|-------------------|-----------------|
| \$ | (380) | \$ 598 | \$ 985 | \$ (75) | \$ 3,472 |
| | - | - | - | 6 | 9 |
| | - | - | - | - | - |
| | 3,775 | 2,944 | 2,830 | 616 | 866 |
| | <u>(5,266)</u> | <u>(3,843)</u> | <u>(3,957)</u> | <u>(2,190)</u> | <u>(2,403)</u> |
| | <u>(1,491)</u> | <u>(898)</u> | <u>(1,127)</u> | <u>(1,568)</u> | <u>(1,529)</u> |
| \$ | <u>(1,871)</u> | <u>\$ (300)</u> | <u>\$ (142)</u> | <u>\$ (1,643)</u> | <u>\$ 1,943</u> |
| | <u>1.50%</u> | <u>1.75%</u> | <u>1.88%</u> | <u>1.73%</u> | <u>0.29%</u> |



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 |
|----------------------------|--------------|-----------------|-------------------------|-------------|-------|
| 2012 | 1,413 | 2,271 | 1,411 | 859 | 5,954 |
| 2013 | 924 | 2,409 | 1,561 | 685 | 5,579 |
| 2014 | 943 | 2,445 | 1,668 | 754 | 5,810 |
| 2015 | 909 | 2,523 | 1,858 | 928 | 6,218 |
| 2016 | 1,007 | 2,458 | 1,948 | 894 | 6,307 |
| 2017 | 1,084 | 2,414 | 2,149 | 674 | 6,321 |
| 2018 | 1,035 | 2,705 | 2,619 | 719 | 7,078 |
| 2019 | 1,075 | 2,607 | 2,640 | 762 | 7,085 |
| 2020 | 1,157 | 2,743 | 2,204 | 775 | 6,879 |
| 2021 | 1,152 | 3,127 | 3,322 | 811 | 8,412 |



(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

| 2020-21 | | 2011-12 | |
|--------------------------------------|----------------------|------------------------------|----------------------|
| Taxpayer | Business Type | Taxpayer | Business Type |
| Arco Am/Pm Mini Marts | Service Stations | Amerigas Propane | Energy Sales |
| Canclini TV & Appliance | Furniture/Appliance | Canclini TV & Appliance | Furniture/Appliance |
| Chevron Service Stations | Service Stations | Chevron Service Stations | Service Stations |
| CVS Pharmacy | Drug Stores | Coast To Coast Hardware | Bldg.Matls-Retail |
| Dollar Tree Stores | Department Stores | CVS Pharmacy | Drug Stores |
| Geo Aggregates | Bldg.Matls-Whsle | Denny's Restaurant | Restaurants |
| Harvest Market | Food Markets | Fort Bragg Feed & Pet | Miscellaneous Retail |
| Kemppe Liquid Gas | Energy Sales | Harvest Market | Food Markets |
| Mcdonald's Restaurants | Restaurants | Kemppe Liquid Gas | Energy Sales |
| Mendo Mill & Lumber Company | Bldg.Matls-Retail | Mcdonald's Restaurants | Restaurants |
| Mendocino County Horticulture Supply | Florist/Nursery | Mendo Mill & Lumber Company | Bldg.Matls-Retail |
| O'Reilly Auto Parts | Auto Parts/Repair | Mendocino Coast Petroleum | Energy Sales |
| Purity Supermarket | Food Markets | Mendocino County Hydrogarden | Florist/Nursery |
| Redwood Coast Fuels | Energy Sales | O'Reilly Auto Parts | Auto Parts/Repair |
| Rino Service Stations | Service Stations | Rhoads Auto Parts | Auto Parts/Repair |
| Rite Aid Drug Stores | Drug Stores | Rite Aid Drug Stores | Drug Stores |
| Rossi Building Materials | Bldg.Matls-Retail | Rossi Building Materials | Bldg.Matls-Retail |
| Safeway Stores | Food Markets | Safeway Stores | Food Markets |
| Sinclair Service Stations | Service Stations | Sears Hometown Stores | Furniture/Appliance |
| Sport Chrysler-Jeep-Dodge | Auto Sales - New | Speedex Service Station | Service Stations |
| Taco Bell | Restaurants | Sport Chrysler Jeep Dodge | Auto Sales - New |
| The Brewery Shop | Restaurants | The Brewery Shop | Restaurants |
| True Value Hardware | Bldg.Matls-Retail | Two Short Sales | Bldg.Matls-Whsle |
| Two Short Sales | Bldg.Matls-Whsle | Union 76 Service Stations | Service Stations |
| US Cellular | Miscellaneous Retail | Walsh Oil Company | Energy Sales |

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 | 2021Q1 | 2020Q1 | 2019Q1 | 2018Q1 |
|--|------------------|------------------|------------------|------------------|
| Accommodation and Food Services | 218,812 | 260,642 | 268,897 | 282,205 |
| Agriculture, Forestry, Fishing and Hunting | 5,009 | 10,830 | 9,978 | 3,608 |
| Arts, Entertainment, and Recreation | 189 | 5,903 | 5,394 | 3,516 |
| Construction | 39,062 | 47,775 | 51,700 | 35,262 |
| Educational Services | 866 | 1,310 | 2,082 | 7,876 |
| Information | 7,167 | 7,601 | 9,327 | 5,569 |
| Manufacturing | 7,990 | 8,735 | 8,236 | 7,647 |
| Mining, Quarrying, and Oil and Gas Extraction | 63,955 | 82,665 | 86,275 | 73,796 |
| Other Services (except Public Administration) | 27,701 | 31,619 | 31,125 | 30,343 |
| Professional, Scientific, and Technical Services | 4,443 | 5,929 | 5,880 | 7,944 |
| Real Estate and Rental and Leasing | 4,056 | 2,239 | 2,712 | 2,455 |
| Retail Trade | 1,031,320 | 1,049,729 | 1,041,404 | 1,054,885 |
| Utilities | 3,129 | 5,050 | 5,121 | 4,702 |
| All Other NAICS Sectors | 23,238 | 21,472 | 21,428 | 21,025 |
| TOTAL | 1,436,936 | 1,541,499 | 1,549,559 | 1,540,834 |

Source: MuniServices, LLC / Avenu Insights & Analytics

| 2017Q1 | 2016Q1 | 2015Q1 | 2014Q1 | 2013Q1 | 2012Q1 |
|------------------|------------------|------------------|------------------|------------------|------------------|
| 261,139 | 233,034 | 218,376 | 201,158 | 199,988 | 188,756 |
| 7,451 | 11,516 | 6,866 | 2,625 | 2,972 | 1,293 |
| 3,469 | 3,454 | 4,002 | 4,407 | 3,829 | 3,702 |
| 34,305 | 36,459 | 34,464 | 30,004 | 26,029 | 21,042 |
| 7,499 | 8,318 | 6,932 | 7,927 | 3,006 | 844 |
| 4,825 | 4,031 | 6,163 | 7,182 | 7,828 | 8,571 |
| 6,312 | 4,704 | 4,951 | 4,444 | 6,102 | 11,320 |
| 56,363 | 62,526 | 80,000 | 113,954 | 112,609 | 122,744 |
| 31,197 | 31,897 | 31,049 | 27,496 | 27,573 | 26,934 |
| 7,989 | 8,627 | 8,693 | 7,599 | 7,836 | 9,433 |
| 2,525 | 2,525 | 2,944 | 2,893 | 3,394 | 2,795 |
| 987,126 | 989,036 | 982,987 | 979,802 | 989,267 | 991,459 |
| 5,430 | 4,696 | 3,743 | 3,570 | 4,800 | 5,370 |
| 18,791 | 18,414 | 8,834 | 5,016 | 4,953 | 1,184 |
| 1,434,421 | 1,419,237 | 1,400,004 | 1,398,075 | 1,400,186 | 1,395,447 |

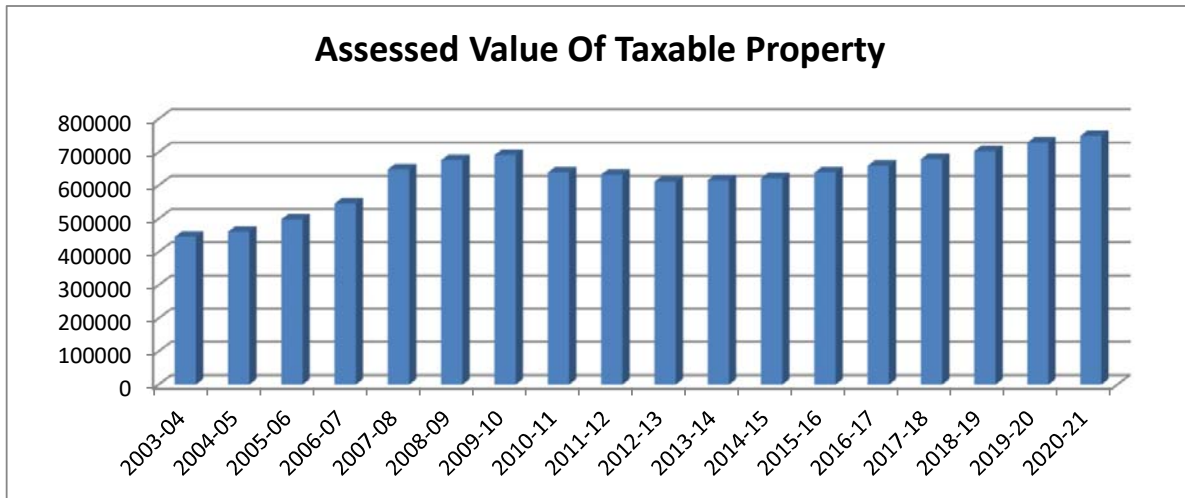
City of Fort Bragg, California

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

Last Ten Fiscal Years

(In Thousands)

| Fiscal Year End | Taxable | | Assessed Value | % Change | Total | | Factor of Taxable Assessed Value (2) |
|--------------------|-------------------|--------------------|----------------|----------|------------------------|---------------------------------------|--|
| | Secured Property* | Unsecured Property | | | Direct Tax Rate (1) | Estimated Actual Taxable Value (2) | |
| 2011-12 | \$ 603,272 | \$ 29,066 | \$ 632,338 | -8.5% | 1.123000 | 710,404 | 1.123456 |
| 2012-13 | \$ 579,450 | \$ 31,513 | \$ 610,963 | -3.4% | 1.113100 | 611,333 | 1.000606 |
| 2013-14 | \$ 585,992 | \$ 29,641 | \$ 615,633 | 0.8% | 1.125000 | 624,469 | 1.014352 |
| 2014-15 | \$ 590,079 | \$ 31,347 | \$ 621,426 | 0.9% | 1.127000 | 689,061 | 1.108838 |
| 2015-16 | \$ 607,137 | \$ 31,275 | \$ 638,412 | 2.7% | 1.132000 | 702,975 | 1.101131 |
| 2016-17 | \$ 626,121 | \$ 32,889 | \$ 659,009 | 3.2% | 1.133000 | 852,603 | 1.293765 |
| 2017-18 | \$ 646,586 | \$ 32,288 | \$ 678,874 | 6.3% | 1.133000 | 902,380 | 1.329231 |
| 2018-19 | \$ 671,692 | \$ 31,556 | \$ 703,249 | 6.7% | 1.138000 | 918,610 | 1.306238 |
| 2019-20 | \$ 695,389 | \$ 33,240 | \$ 728,629 | 7.3% | 1.131000 | 1,021,566 | 1.402039 |
| 2020-21 | \$ 715,581 | \$ 33,149 | \$ 748,730 | 6.5% | 1.124000 | 805,819 | 1.076248 |



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

*Secured Property is net of all exemptions and includes Unitary value.

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

(2.) Estimated Actual Value is derived from a series of calculations comparing median assessed values from 1940 to current median sale prices. Based on these calculations a multiplier value was extrapolated and applied to current assessed values.

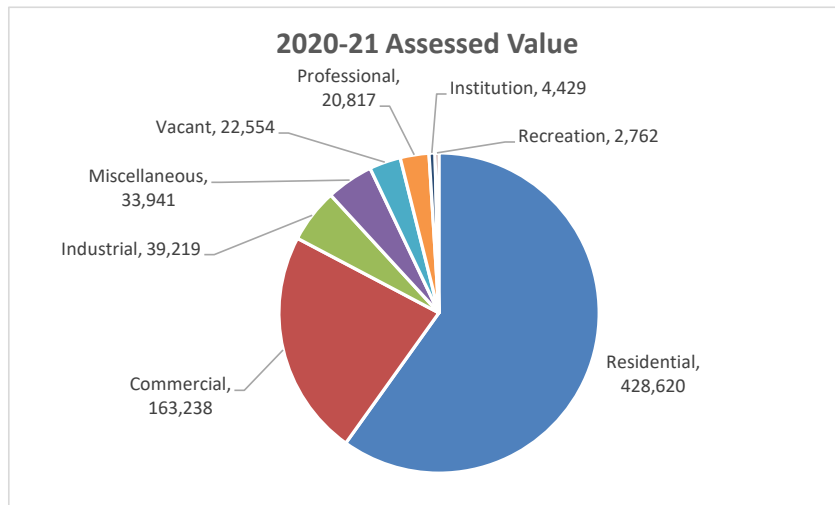
City of Fort Bragg, California

Assessed Value of Property by Use Code, City Wide

Last Nine Fiscal Years

(In Thousands)

| Category | 2012-13 | 2013-14 | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 |
|-------------------|---------|---------|---------|---------|---------|---------|---------|---------|
| Residential | 347,694 | 351,259 | 357,224 | 369,852 | 393,470 | 375,474 | 395,888 | 410,229 |
| Commercial | 164,165 | 165,103 | 163,032 | 167,141 | 150,666 | 153,767 | 156,832 | 160,042 |
| Industrial | 30,593 | 36,342 | 36,807 | 37,595 | 37,908 | 38,037 | 39,021 | 40,900 |
| Miscellaneous | 689 | 698 | 701 | 735 | 1,120 | 31,285 | 31,187 | 33,043 |
| Vacant | 21,552 | 18,931 | 18,682 | 18,963 | 21,162 | 21,817 | 23,423 | 24,116 |
| Professional | 0 | 0 | 0 | 179 | 9,804 | 19,769 | 20,036 | 20,413 |
| Institution | 3,931 | 4,024 | 4,285 | 4,513 | 4,515 | 3,761 | 2,691 | 3,926 |
| Recreation | 9,119 | 7,905 | 7,593 | 6,391 | 7,101 | 2,676 | 2,613 | 2,719 |
| Agriculture | 34 | 33 | 34 | 34 | 34 | 0 | 0 | 0 |
| Unitary | 543 | 542 | 543 | 543 | 340 | 0 | 0 | 0 |
| Unknown | 1,130 | 1,149 | 1,178 | 1,192 | 0 | 0 | 0 | 0 |
| Net Secured Value | 230,626 | 233,578 | 590,079 | 607,137 | 626,121 | 646,586 | 671,692 | 695,389 |
| Unsecured | 31,513 | 29,641 | 31,347 | 31,275 | 32,889 | 32,288 | 31,556 | 33,240 |
| Net Taxable Value | 262,139 | 263,219 | 621,426 | 638,412 | 659,009 | 678,874 | 703,249 | 728,629 |



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 Prope
Last Ten Fiscal Years

| | 2011-12 | 2012-13 | 2013-14 | 2014-15 | 2015-16 | 2016-17 |
|-------------------------|----------|----------|----------|----------|----------|----------|
| COUNTY GENERAL FUND | 0.745000 | 0.745000 | 0.745000 | 0.745000 | 0.745000 | 0.745000 |
| CITY OF FORT BRAGG | 0.255000 | 0.255000 | 0.255000 | 0.255000 | 0.255000 | 0.255000 |
| TOTAL | 1.000000 | 1.000000 | 1.000000 | 1.000000 | 1.000000 | 1.000000 |
| Override Assessments | | | | | | |
| LOCAL SPECIAL DISTRICTS | 0.012000 | 0.012000 | 0.011000 | 0.026000 | 0.025000 | 0.018000 |
| SCHOOLS | 0.111000 | 0.119000 | 0.114000 | 0.101000 | 0.107000 | 0.115000 |
| TOTAL | 0.123000 | 0.131000 | 0.125000 | 0.127000 | 0.132000 | 0.133000 |
| TOTAL TAX RATE | 1.123000 | 1.131000 | 1.125000 | 1.127000 | 1.132000 | 1.133000 |

Source: Mendocino County Auditor/Controller data, MuniServices, LLC / Avenu Insights & Analytics
Source: 2010-11 and prior, previously published CAFR Report
TRA 001-001 is represented for this report
Rates are not adjusted for ERAF

| 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|----------|----------|----------|----------|
| 0.745000 | 0.745000 | 0.745000 | 0.745000 |
| 0.255000 | 0.255000 | 0.255000 | 0.255000 |
| 1.000000 | 1.000000 | 1.000000 | 1.000000 |
| 0.026000 | 0.024000 | 0.024000 | 0.023000 |
| 0.107000 | 0.114000 | 0.107000 | 0.101000 |
| 0.133000 | 0.138000 | 0.131000 | 0.124000 |
| 1.133000 | 1.138000 | 1.131000 | 1.124000 |

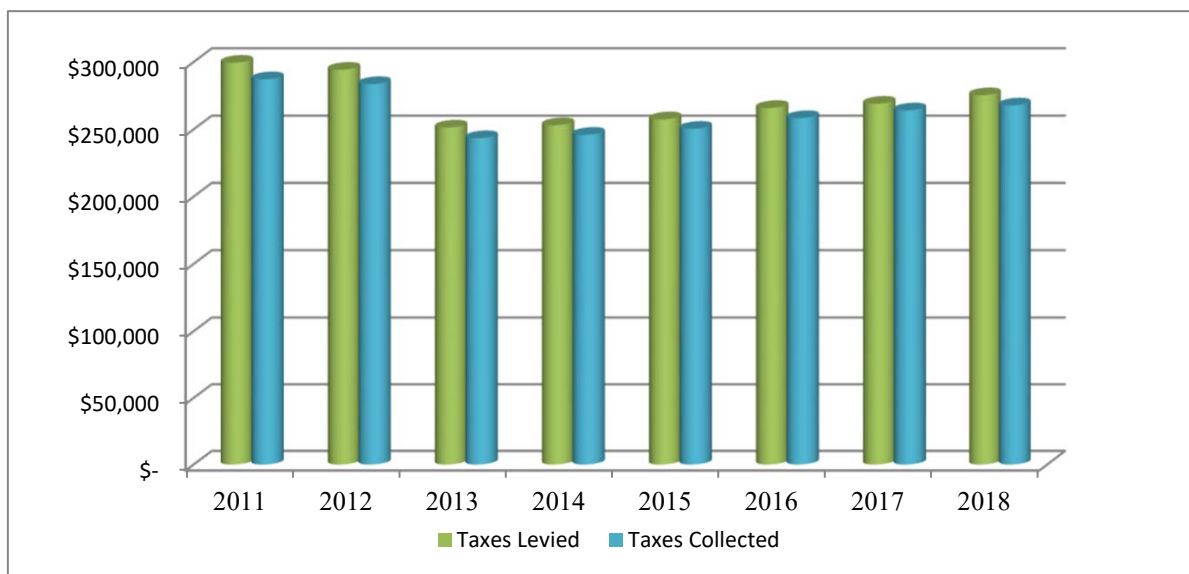
City of Fort Bragg, California
Principal Property Tax Payers
Last Fiscal Year and Nine Years Ago

| Taxpayer | 2020-21 | | 2011-12 | |
|----------------------------------|--------------------|---|--------------------|---|
| | Taxable Value (\$) | Percent of Total City Taxable Value (%) | Taxable Value (\$) | Percent of Total City Taxable Value (%) |
| Mendocino Railway | 17,067,924 | 2.28% | | |
| RAP Investors LP | 11,727,177 | 1.57% | 5,390,174 | 0.86% |
| Boatyard Associates Phase II The | 10,666,731 | 1.42% | 9,105,795 | 1.45% |
| Georgia Pacific LLC | 8,856,946 | 1.18% | 31,018,142 | 4.95% |
| Safeway Inc | 7,148,356 | 0.95% | 7,175,871 | 1.15% |
| North Coast Brewery | 7,021,402 | 0.94% | 2,716,933 | 0.43% |
| Anderson Logging | 5,447,561 | 0.73% | 3,315,398 | 0.53% |
| Colombi Jeanette Succttee | 5,167,228 | 0.69% | | |
| Hurst Jason S | 5,003,053 | 0.67% | | |
| Tanti Family II LLC | 4,737,667 | 0.63% | | |
| Kao Kuami | 4,684,566 | 0.63% | 4,063,335 | 0.65% |
| Ansari Ghulam Murtaza & Tenzila | 4,534,135 | 0.61% | | |
| Kashi Keshav Investments LLC | 4,443,280 | 0.59% | 4,289,706 | 0.68% |
| Grosvenor Van Ness Associates | 4,370,400 | 0.58% | 3,730,800 | 0.60% |
| Longs Drug Stores California LLC | 4,073,878 | 0.54% | 3,825,816 | 0.61% |
| Ray Ronald R Ttee | 4,023,757 | 0.54% | | |
| Fort Bragg Hotel LLC | 3,773,139 | 0.50% | | |
| Keaton Richard J & Julie | 3,379,927 | 0.45% | 2,886,371 | 0.46% |
| Fort Bragg Investments LLC | 3,227,961 | 0.43% | | |
| Moura Senior Housing | 2,846,694 | 0.38% | 2,406,352 | 0.38% |
| Kemppe Liquid Gas Corporation | 2,815,632 | 0.38% | | |
| RBJ & Associates LLC | 2,764,254 | 0.37% | 2,434,435 | 0.39% |
| Taubold Timothy E Ttee | 2,694,373 | 0.36% | | |
| Miller Helen TTEE | 2,678,667 | 0.36% | 2,291,250 | 0.37% |
| Country Properties LLC | 2,604,949 | 0.35% | | |
| Affinito Dominic J Juliette C | | | 3,221,582 | 0.51% |
| Bell Ila Lynn Ttee | | | 3,019,943 | 0.48% |
| Braxton Senior Living Property | | | 3,351,253 | 0.53% |
| Colombi Robert Ttee | | | 4,294,241 | 0.69% |
| Comcast | | | 4,142,833 | 0.66% |
| Federal National Mortgage Asso | | | 2,288,442 | 0.37% |
| Feil Scott E Diana E | | | 5,955,220 | 0.95% |
| Hurst James C Barbara J Ttees | | | 4,328,228 | 0.69% |
| North Otown Industrial Center | | | 3,434,886 | 0.55% |
| Noyo Vista Inc. | | | 2,846,204 | 0.45% |
| Tradewinds Lodge | | | 7,190,604 | 1.15% |
| Total Top 25 Taxpayers | 135,759,657 | 18.13% | 128,723,814 | 20.54% |
| Total Taxable Value | 748,729,937 | 100.00% | 626,654,379 | 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 |
| 2011 | \$ 299,429 | \$ 287,121 | 95.9% |
| 2012 | 294,235 | 283,594 | 96.4% |
| 2013 | 251,307 | 243,397 | 96.9% |
| 2014 | 253,017 | 245,915 | 97.2% |
| 2015 | 257,387 | 250,358 | 97.3% |
| 2016 | 265,826 | 258,276 | 97.2% |
| 2017 | 268,987 | 264,012 | 98.2% |
| 2018 | 275,316 | 267,695 | 97.2% |
| 2019 | N/A | N/A | N/A |
| 2020 | N/A | N/A | N/A |



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

Source: Mendocino County Auditor-Controller's Office

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

| Fiscal Year Ended June 30, | Governmental Activities | | | Business-type Activities | | |
|-------------------------------------|----------------------------------|-------------------|-------------------------------------|----------------------------------|------------------|-------------------|
| | Certificates of Participation | Capital Leases | Total Governmental Activities | Certificates of Participation | Notes Payable | Capital Leases |
| 2012 ⁽²⁾ | \$ 943 | \$ - | \$ 943 | \$ 3,237 | \$ 1,481 | \$ 626 |
| 2013 | 842 | - | 842 | 3,013 | 1,375 | 457 |
| 2014 | 777 | - | 777 | 3,217 | 1,314 | 367 |
| 2015 | 660 | - | 660 | 2,896 | 1,207 | 240 |
| 2016 | 539 | - | 539 | 2,578 | 1,102 | 123 |
| 2017 | 412 | - | 412 | 2,252 | 975 | - |
| 2018 | 280 | - | 280 | 1,913 | 846 | - |
| 2019 | 143 | - | 143 | 6,568 | 741 | - |
| 2020 | - | - | - | 6,182 | 633 | - |
| 2021 | - | - | - | 5,791 | 529 | - |

N/A indicates information is not available

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

(2) RDA bonds included from 2006 to 2011 are not included in 2012 and after due to the dissolution of the Redevelopment Agency.

Source: City Finance Department

| Total Business-type Activities | Total Primary Government | Percentage of Personal Income ⁽¹⁾ | Per Capita ⁽¹⁾ |
|---|---|---|--------------------------------------|
| \$ 5,344 | \$ 6,287 | 4.4% | \$ 867 |
| 4,845 | 5,687 | 3.9% | 778 |
| 4,898 | 5,675 | 3.7% | 772 |
| 4,343 | 5,003 | 3.2% | 681 |
| 3,803 | 4,342 | 2.7% | 566 |
| 3,227 | 3,639 | 2.1% | 474 |
| 2,759 | 3,039 | 1.7% | 405 |
| 7,309 | 7,452 | 4.2% | 992 |
| 6,815 | 6,815 | 3.6% | 918 |
| 6,320 | 6,320 | 3.1% | 853 |

City of Fort Bragg, California

Legal Debt Margin Information

Last Ten Fiscal Years

(Fiscal year ended June 30)

(Dollars in thousands)

| | 2012 | 2013 | 2014 | 2015 | 2016 |
|---|------------|------------|------------|------------|------------|
| Assessed Value | \$ 603,272 | \$ 579,450 | \$ 585,992 | \$ 590,079 | \$ 607,137 |
| Conversion Percentage | 25% | 25% | 25% | 25% | 25% |
| Adjusted Assessed Value | 150,818 | 144,863 | 146,498 | 147,520 | 151,784 |
| Debt Limit Percentage | 15% | 15% | 15% | 15% | 15% |
| Debt limit | 22,623 | 21,729 | 21,975 | 22,128 | 22,768 |
| Total net debt applicable to limit | - | - | - | - | - |
| Legal debt margin | \$ 22,623 | \$ 21,729 | \$ 21,975 | \$ 22,128 | \$ 22,768 |
| 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.

The City does not have any outstanding general obligation debt subject to the limit.

Source: City Finance Department

| 2017 | 2018 | 2019 | 2020 | 2021 |
|------------|------------|------------|------------|------------|
| \$ 626,121 | \$ 646,586 | \$ 671,692 | \$ 695,389 | \$ 715,581 |
| 25% | 25% | 25% | 25% | 25% |
| 156,530 | 161,647 | 147,520 | 173,847 | 178,895 |
| 15% | 15% | 15% | 15% | 15% |
| 23,480 | 24,247 | 22,128 | 26,077 | 26,834 |
| - | - | - | - | - |
| \$ 23,480 | \$ 24,247 | \$ 22,128 | \$ 26,077 | \$ 26,834 |
| 0% | 0% | 0% | 0% | 0% |

City of Fort Bragg, California

Direct and Overlapping Debt

Current Year

June 30, 2021

| | | | |
|---|----|------------------|---------------------------|
| <u>2020-21 Assessed Valuation:</u> | \$ | 748,746,723 | |
| | | Total Debt | City's Share of |
| <u>OVERLAPPING TAX AND ASSESSMENT DEBT:</u> | | <u>6/30/2021</u> | <u>Debt 6/30/2021</u> |
| Redwoods Joint Community College District | \$ | 23,865,000 | 968,680 |
| Fort Bragg Unified School District | | 40,687,337 | 15,368,014 |
| Mendocino Coast Hospital District | | 4,130,746 | 851,388 |
| City of Fort Bragg | | - | - |
| TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT | \$ | | 17,188,082 |
| | | | |
| <u>OVERLAPPING GENERAL FUND DEBT:</u> | | | |
| Mendocino County Certificates of Participation | | 14,710,000 | 871,568 |
| Mendocino County Pension Obligation Bonds | | 39,655,000 | 2,349,559 |
| TOTAL OVERLAPPING GENERAL FUND DEBT | \$ | | 3,221,127 |
| | | | |
| <u>OVERLAPPING TAX INCREMENT DEBT (Successor Agency):</u> | | 3,180,000 | 3,180,000 |
| | | | |
| DIRECT DEBT | \$ | | - |
| TOTAL OVERLAPPING DEBT | \$ | | 23,589,209 |
| | | | |
| COMBINED TOTAL DEBT | \$ | | 23,589,209 ⁽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 2020-20 Assessed Valuation:

| | |
|---|-------|
| Direct Debt | 0.00% |
| Total Overlapping Tax and Assessment Debt | 2.30% |
| Combined Total Debt | 3.15% |

Ratios to Redevelopment Successor Agency Incremental Valuation (\$226,369,919):

| | |
|--------------------------------------|-------|
| Total Overlapping Tax Increment Debt | 1.40% |
|--------------------------------------|-------|

Source: MuniServices, LLC/ Avenu Insights & Analytics

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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 | | Total Debt Service | Coverage |
| | | | | Principal | Interest | | |
| | | | | | | | |
| 2012 | \$ 2,044 | \$ 1,585 | \$ 459 | \$ 360 | \$ 158 | \$ 518 | 0.9 |
| 2013 | 2,420 | 1,623 | 797 | 327 | 151 | 478 | 1.7 |
| 2014 | 2,172 | 1,953 | 219 | 369 | 171 | 540 | 0.4 |
| 2015 | 2,595 | 1,806 | 789 | 493 | 147 | 640 | 1.2 |
| 2016 | 3,085 | 1,834 | 1,251 | 490 | 132 | 622 | 2.0 |
| 2017 | 3,534 | 1,378 | 2,156 | 505 | 75 | 580 | 3.7 |
| 2018 | 2,909 | 1,592 | 1,317 | 390 | 62 | 452 | 2.9 |
| 2019 | 3,077 | 1,480 | 1,597 | 395 | 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 |

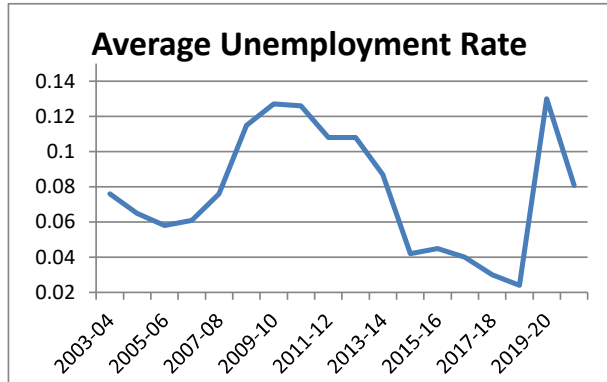
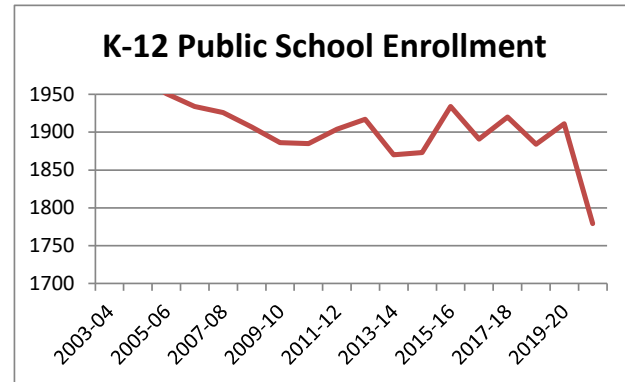
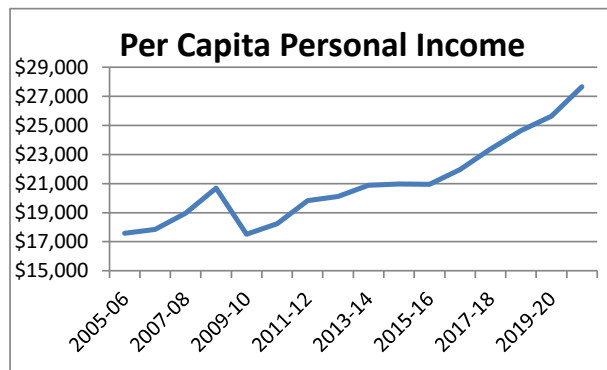
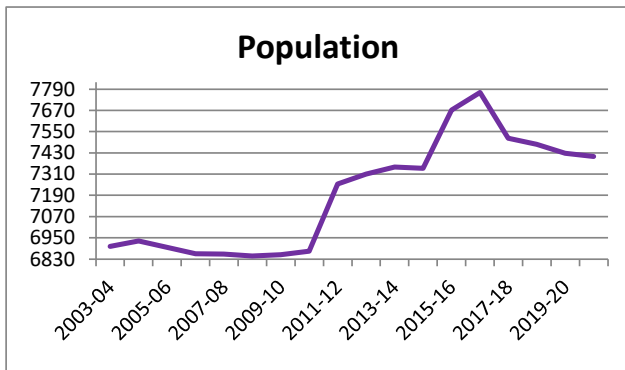
¹ Operating expenses exclude depreciation

Business-type Activities
Sewer Fund Debt

| | Revenues & Transfers | Less: Operating Expenses ¹ | Net Available Revenue | Debt Service | | Total Debt Service | Coverage |
|----|-------------------------|---|-----------------------------|--------------|----------|--------------------------|----------|
| | | | | Principal | Interest | | |
| \$ | 2,943 | \$ 2,637 | \$ 306 | \$ 40 | \$ 19 | \$ 59 | 5.2 |
| | 3,263 | 2,733 | 530 | 40 | 17 | 57 | 9.3 |
| | 2,985 | 2,633 | 352 | 45 | 17 | 62 | 5.7 |
| | 3,184 | 2,470 | 714 | 45 | 16 | 61 | 11.7 |
| | 3,322 | 2,568 | 754 | 50 | 12 | 62 | 12.2 |
| | 4,457 | 2,189 | 2,268 | 50 | 9 | 59 | 38.4 |
| | 3,495 | 2,270 | 1,225 | 55 | 6 | 61 | 20.1 |
| | 5,938 | 2,321 | 3,617 | 55 | 13 | 68 | 53.2 |
| | 8,128 | 1,913 | 6,215 | 86 | 85 | 181 | 36.3 |
| | 4,017 | 2,129 | 1,888 | 87 | 98 | 185 | 10.2 |

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) |
|-------------|----------------|--------------------------------|--------------------------------|----------------|--------------------------|--------------------------------|
| 2011-12 | 7,255 | 143,775 | 19,817 | 40.5 | 1,904 | 10.8% |
| 2012-13 | 7,311 | 146,997 | 20,106 | 37.4 | 1,917 | 10.8% |
| 2013-14 | 7,350 | 153,410 | 20,872 | 36.8 | 1,870 | 8.7% |
| 2014-15 | 7,343 | 154,002 | 20,973 | 38.2 | 1,873 | 4.2% |
| 2015-16 | 7,672 | 160,798 | 20,959 | 38.5 | 1,934 | 4.5% |
| 2016-17 | 7,772 | 170,733 | 21,968 | 36.6 | 1,891 | 4.0% |
| 2017-18 | 7,512 | 175,523 | 23,366 | 40.0 | 1,920 | 3.0% |
| 2018-19 | 7,478 | 184,300 | 24,646 | 39.2 | 1,884 | 2.4% |
| 2019-20 | 7,427 | 190,379 | 25,633 | 39.8 | 1,911 | 13.0% |
| 2020-21 | 7,409 | 204,996 | 27,668 | 39.0 | 1,779 | 8.1% |



Source: MuniServices, LLC / Avenu Insights & Analytics

Source: The California Department of Finance demographics estimates now incorporate 2010 Census counts as the benchmark

- 1.) Population Projections are provided by the California Department of Finance Projections.
- 2.) Income Data is provided by the U.S. Census Bureau, 2010 American Community Survey.
- 3.) Public School Enrollment is for the Fort Bragg Unified School District.
- 4.) Unemployment Data are provided by the EDD's Bureau of Labor Statistics Department.

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

| Business Name | 2020-21 | | 2011-12 | |
|-------------------------------------|---------------------|---------------------------------|---------------------|---------------------------------|
| | Number of Employees | Percent of Total Employment (%) | Number of Employees | Percent of Total Employment (%) |
| Mendocino Coast District Hospital | 348 | 11.72% | 350 | 11.74% |
| Mendocino Coast Clinics Inc | 120 | 4.04% | 114 | 3.83% |
| Mendocino County** | 108 | 3.64% | | |
| Sherwood Oaks Health Ctr | 90 | 3.03% | 92 | 3.09% |
| Fort Bragg Unified School District* | 256 | 8.62% | | |
| Parents & Friends Inc | 152 | 5.12% | | |
| Safeway | 128 | 4.31% | | |
| North Coast Brewing CO Inc (1) | 106 | 3.57% | 85 | 2.85% |
| Anderson Logging Inc | 77 | 2.59% | 87 | 2.92% |
| Silver At The Wharf (Anchor Lodge) | 73 | 2.46% | 55 | 1.85% |
| City of Fort Bragg | | | 53 | 1.78% |
| Ocean Fresh Seafood Products | | | 90 | 3.02% |
| Caito Fisheries | | | 90 | 3.02% |
| Skunk Train | | | 44 | 1.48% |
| Total Top Employers | 1,458 | 49.09% | 1,060 | 35.57% |
| Total City Employment (2) | 2,970 | | 2,980 | |

Source: MuniServices, LLC / Avenu Insights & Analytics

Source: 2011-12, previously published ACFR

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

(1) Includes summer and seasonal employees

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

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

**Includes satellite offices of county departments.

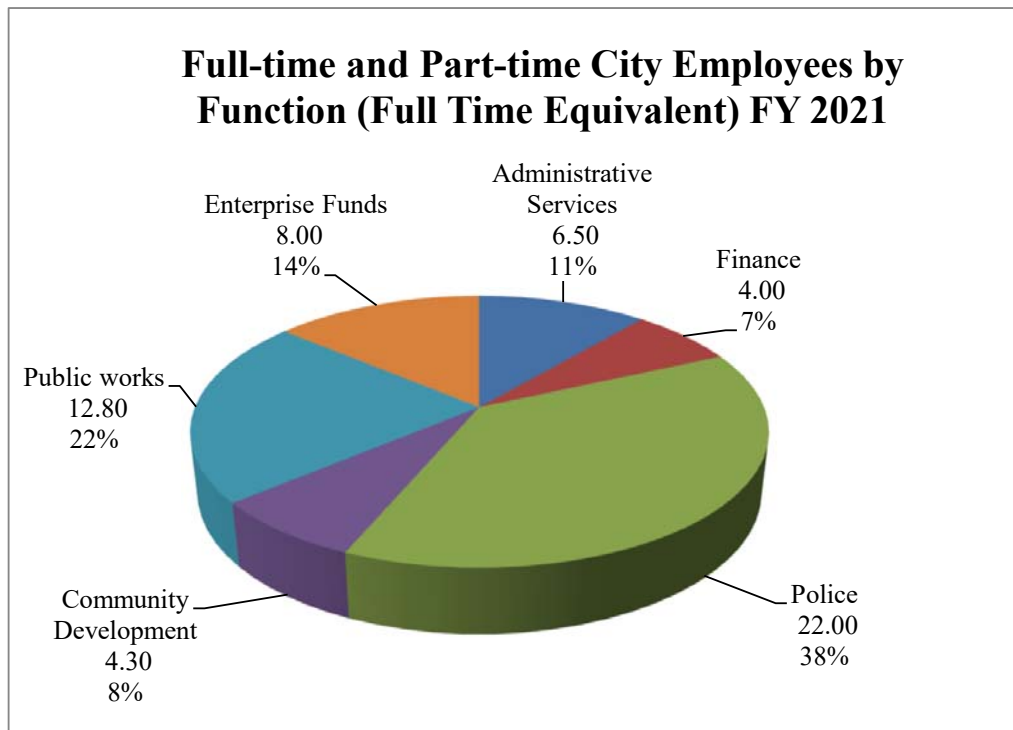
City of Fort Bragg, California

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

Last Ten Fiscal Years

(Fiscal year ended June 30)

| Function | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
|---------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| General Government | | | | | | | | | | |
| Administrative Services | 4.80 | 6.00 | 6.00 | 6.00 | 6.50 | 6.50 | 7.00 | 7.00 | 6.50 | 6.00 |
| Finance | 4.00 | 4.00 | 4.00 | 4.00 | 4.00 | 4.00 | 4.00 | 4.00 | 4.00 | 5.00 |
| Public Safety | | | | | | | | | | |
| Police | 21.00 | 21.00 | 22.00 | 22.00 | 22.00 | 22.00 | 22.00 | 22.00 | 22.00 | 22.00 |
| Community Services | | | | | | | | | | |
| Community Development | 3.80 | 3.80 | 4.30 | 4.00 | 4.30 | 4.50 | 4.80 | 4.80 | 4.30 | 4.00 |
| Public works | 12.60 | 12.60 | 13.60 | 12.60 | 12.80 | 12.80 | 14.00 | 14.00 | 12.80 | 13.00 |
| Enterprise Funds | 8.00 | 8.00 | 8.00 | 8.00 | 8.00 | 8.00 | 8.00 | 8.00 | 8.00 | 7.00 |
| Total | 54.20 | 55.40 | 57.90 | 56.60 | 57.60 | 57.80 | 59.80 | 59.80 | 57.60 | 57.00 |



Source: City Finance Department

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

| Function/Program | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
|---|--------|--------|--------|--------|---------|---------|---------|---------|--------|
| Building Permits Issued | 210 | 125 | 272 | 192 | 141 | 122 | 162 | 194 | 141 |
| New Construction | 3 | 27 | 2 | 7 | 6 | 4 | 9 | 12 | N/A |
| Single Family Residential | 2 | 0 | 0 | 0 | 2 | 0 | 5 | 4 | 2 |
| Second Unit | 1 | 1 | 1 | 1 | 3 | 4 | 4 | 8 | 3 |
| Mixed Use, Commercial & Residential | 0 | 0 | 0 | 2 | 1 | 0 | 0 | 4 | 1 |
| Multi-Family Residential | 0 | 0 | 1 | 0 | 0 | 0 | 0 | 2 | 0 |
| Low Income Residential | 0 | 0 | 0 | 4 | 0 | 0 | 0 | 0 | 0 |
| City Clerk | | | | | | | | | |
| Council/Agency Resolutions Passed | 108 | 93 | 87 | 127 | 98 | 122 | 121 | 92 | 98 |
| Number of Ordinances Passed | 9 | 2 | 4 | 3 | 5 | 6 | 8 | 9 | 5 |
| Number of Contracts Approved | 32 | 29 | 31 | 30 | 69 | 74 | 105 | 71 | 69 |
| Number of PRA Requests Processed | 33 | 26 | 35 | 74 | 73 | 79 | 146 | 145 | N/A |
| Public Safety | | | | | | | | | |
| Traffic Accidents | 139 | 163 | 174 | 172 | 221 | 160 | 145 | 147 | 221 |
| Traffic Violations - DUI | 33 | 62 | 45 | 26 | 28 | 45 | 49 | 40 | 28 |
| Bookings | 608 | 744 | 689 | 737 | 668 | 619 | 795 | 625 | 668 |
| Moving Cites | 841 | 1,001 | 1,614 | 949 | 498 | 344 | 428 | 368 | 498 |
| Parking Cites | 374 | 355 | 833 | 484 | 835 | 842 | 941 | 869 | 835 |
| Field Interviews and Information Cases | | 1,450 | 2,211 | 1,301 | 1,217 | 1,403 | 1,936 | 1,289 | 1,217 |
| Crime Reports | 1,454 | 1,610 | 1,576 | 1,317 | 1,501 | 1,496 | 1,554 | 1,262 | 1,501 |
| Fire ¹ | | | | | | | | | |
| Total Number of Calls | 632 | 500 | 525 | 617 | 579 | 665 | 626 | 752 | 579 |
| Structure Fires | 27 | 29 | 29 | 21 | 29 | 38 | 10 | 37 | 29 |
| Vehicle Fires | 9 | 9 | 17 | 9 | 3 | 16 | 5 | 4 | 3 |
| Vegetation Fires | 29 | 25 | 41 | 40 | 31 | 33 | 23 | 40 | 31 |
| Misc Fires (Chimney, Debris, Electronically, etc.) | | 17 | 24 | 17 | 36 | 18 | 81 | 80 | 36 |
| Medical Aid | 209 | 110 | 142 | 163 | 150 | 199 | 197 | 248 | 150 |
| Rescue | 129 | 11 | 13 | 10 | 22 | 16 | 11 | 7 | 22 |
| Hazardous Condition/Materials Calls | 46 | 73 | 48 | 41 | 70 | 75 | 58 | 73 | 70 |
| Mutual Aid/Agency Assist | | 6 | 3 | 9 | 12 | 18 | 23 | 18 | 12 |
| Traffic Accidents | | 88 | 89 | 98 | 133 | 98 | 115 | 100 | 133 |
| Services Call | 115 | 128 | 117 | 96 | 91 | 80 | 99 | 126 | 91 |
| Other Calls & Incidents | 68 | 4 | 2 | 113 | 2 | 74 | 4 | 19 | 2 |
| Water | | | | | | | | | |
| Number of customer accounts billed | 32,523 | 33,924 | 32,300 | 33,716 | 33,671 | 33,873 | 34,146 | 33,339 | 33,671 |
| Water annual demand in thousand gallons | 2,312 | 2,255 | 2,245 | 2,044 | 189,500 | 197,600 | 210,200 | 208,015 | 1,895 |
| Available supply of water in thousand gallons | 3,066 | 2,574 | 2,490 | 2,398 | 2,080 | 21,300 | 21,300 | 22,400 | 20,800 |
| total Customer service calls | 1,448 | 1,439 | 1,254 | 1,177 | 1,253 | 1,253 | 1,193 | 1,488 | 1,253 |
| Meter installs/removals/change outs | 40 | 2 | 11 | 14 | 16 | 14 | 24 | 13 | 16 |
| Meter repairs | 2 | 44 | 1 | 8 | 1 | 34 | 5 | 23 | 1 |
| Leak investigations | 16 | 21 | 3 | 6 | 11 | 34 | 29 | 61 | 11 |
| Service profiles | 81 | 93 | 52 | 57 | 65 | 31 | 63 | 61 | 65 |
| Turn on/off | 1,267 | 1,248 | 139 | 508 | 669 | 878 | 891 | 1,099 | 669 |
| Manual Reads | 565 | 527 | 513 | 453 | 416 | 444 | 126 | 111 | 416 |
| Misc. | 36 | 33 | 49 | 60 | 75 | 53 | 55 | 68 | 75 |
| Wastewater | | | | | | | | | |
| Customer service calls, wastewater | 37 | 52 | 71 | 41 | 52 | 43 | 33 | 36 | 52 |
| New customer sewer lines installed | 0 | 2 | 2 | 3 | 1 | 4 | 0 | 2 | 1 |
| Sewer mains cleaned/flushed in miles | 19 | 18 | 14 | 15.5 | 15 | 17.38 | 16 | 18 | 15 |
| Sewer mains and laterals repaired in number of jobs | 34 | 0 | 8 | 16 | 11 | 12 | 9 | 8 | 11 |
| Sewer manholes inspected | 373 | 371 | 362 | 363 | 363 | 374 | 374 | 374 | 363 |
| Sewer manholes installed | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Sewer spill responses | 1 | 3 | 7 | 7 | 5 | 1 | 1 | 2 | 5 |

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.

² In some categories historical information is not available

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 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
|-------------------------------------|------|------|------|------|------|------|------|------|------|------|
| Police : | | | | | | | | | | |
| Stations | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Public works | | | | | | | | | | |
| Streets (miles) | 26.4 | 26.4 | 26.4 | 26.4 | 26.4 | 26.4 | 27.2 | 27.2 | 26.4 | 26.4 |
| 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 | 744 | 744 | 725 | 725 |
| Sidewalks | 40 | 40 | 40 | 40 | 40 | 40 | 40 | 40 | 40 | 40 |
| Water | | | | | | | | | | |
| Water treatment plant | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Water mains (miles) | 30 | 30 | 30 | 30 | 30 | 30 | 30.5 | 30.5 | 30 | 30 |
| Raw water transmission line (miles) | 5.75 | 5.75 | 5.75 | 5.75 | 5.75 | 5.75 | 5.85 | 5.85 | 5.75 | 5.75 |
| Wastewater | | | | | | | | | | |
| Wastewater treatment plant | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Sanitary sewers (miles) | 27 | 27 | 27 | 27 | 27 | 27 | 27 | 27 | 27 | 27 |
| Parks and Facilities | | | | | | | | | | |
| Parks | 3 | 3 | 3 | 4 | 4 | 4 | 5 | 2 | 4 | 4 |
| Recreational/Guest Facilities | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 |
| Government Facilities | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |

Source: City Finance, Public Works and Planning Departments

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