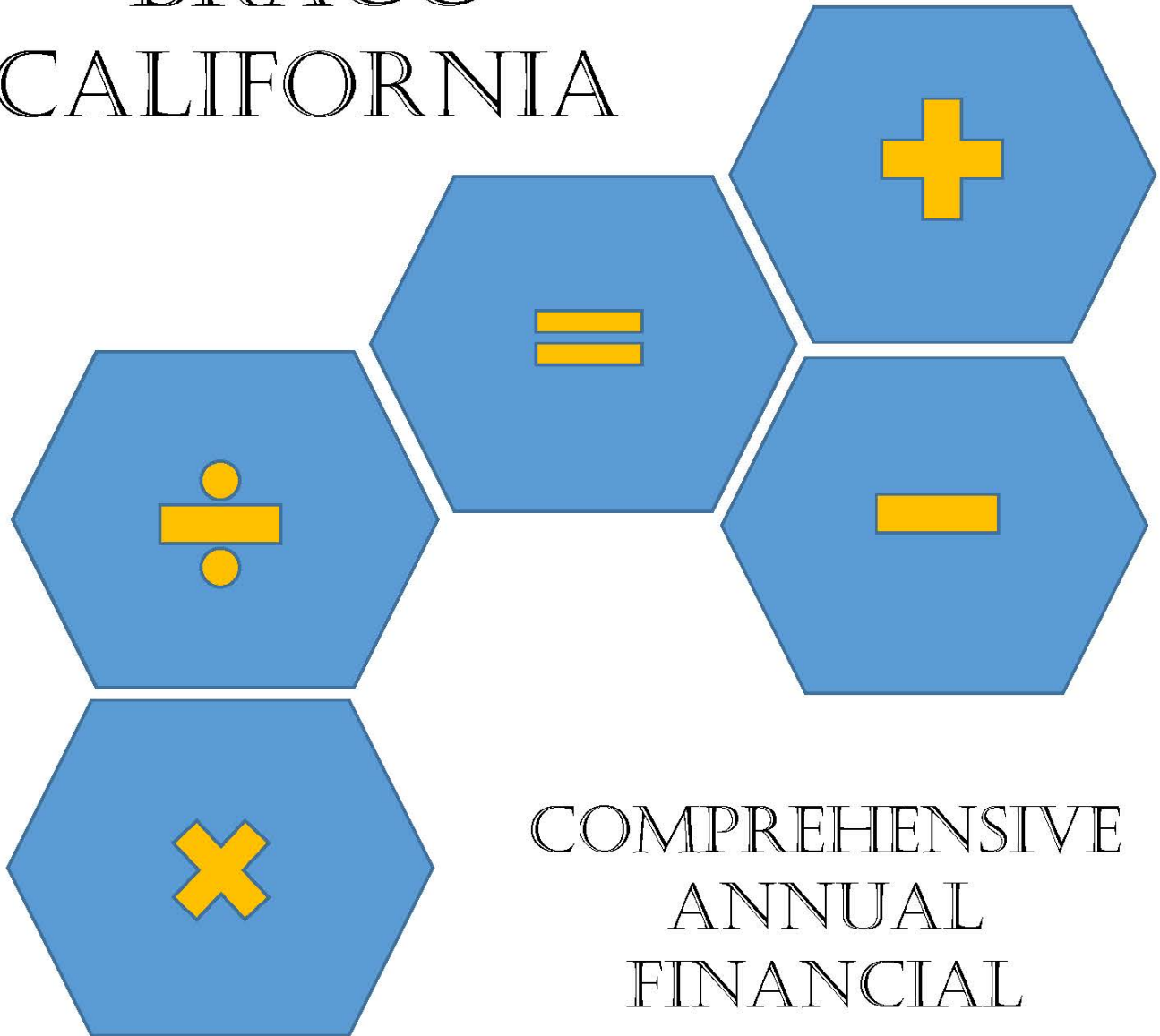


CITY OF
FORT
BRAGG
CALIFORNIA



COMPREHENSIVE
ANNUAL
FINANCIAL
REPORT

FISCAL YEAR ENDED JUNE 30, 2019

City of Fort Bragg, California

Comprehensive Annual Financial Report Fiscal Year Ended June 30, 2019



Prepared by City of Fort Bragg Finance Director
Victor Damiani

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City of Fort Bragg, California
Comprehensive Annual Financial Report
For the year ended June 30, 2019

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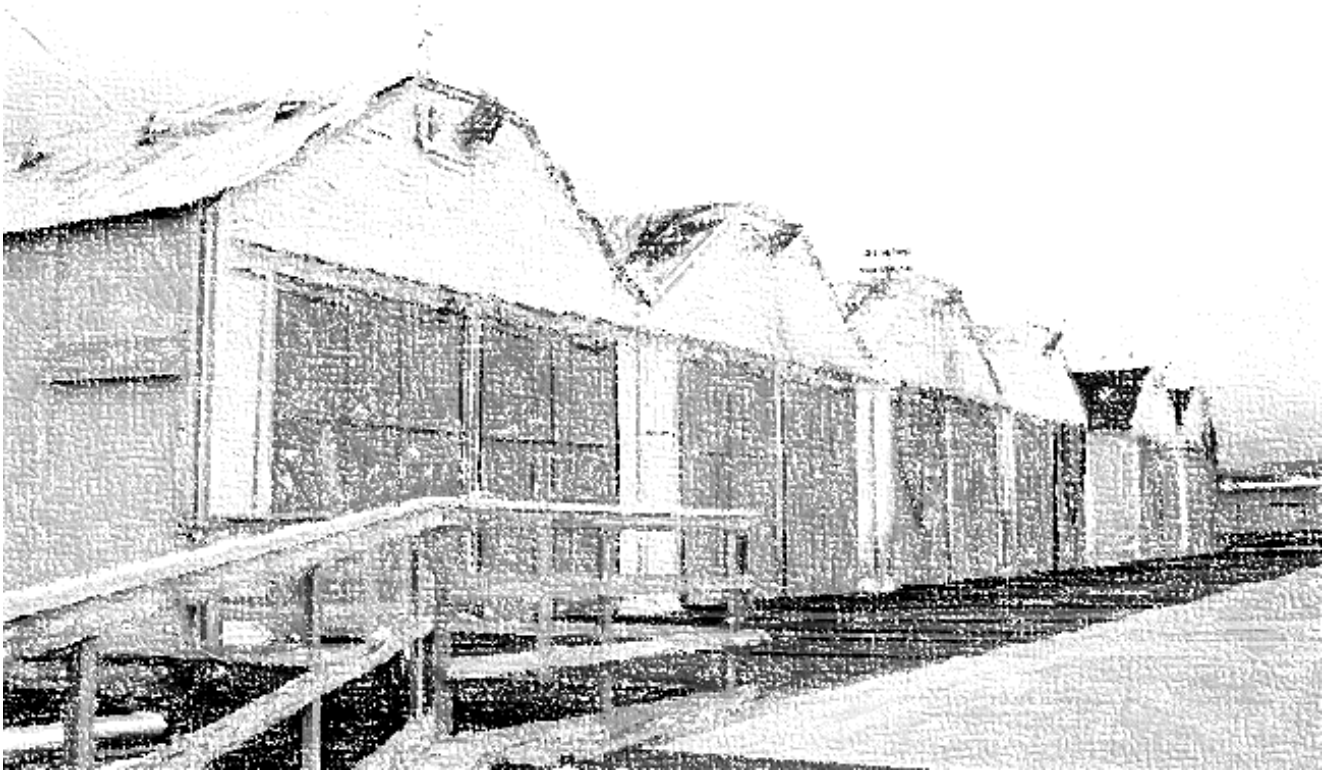
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INTRODUCTORY SECTION

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



LETTER OF TRANSMITTAL

DATE: December 9, 2019

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

FROM: Finance Director Victor Damiani

RE: Presentation of the Comprehensive Annual Financial Report

As required by State and federal law, the Comprehensive Annual Financial Report (CAFR) of the City of Fort Bragg (City) for the fiscal year ended June 30, 2019, 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, 2019 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 Successor Agency to the Fort Bragg Redevelopment 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 46-91, 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 2010 places the City's population at 7,273. 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 Successor Agency to the Fort Bragg Redevelopment 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, 2018, the City was \$3.8 million or 36% under the total Article XIII B (Gann) spending limitation. The City was not impacted by the spending limitation in FY 2018/19.

Citywide Achievements in FY 2018-19

- Adopted a balanced General Fund Budget, for the second year consecutively.
- Received the Distinguished Budget Presentation Award from the Government Finance Officers Association, this was the fourth year the City has received this award.
- Closed the fiscal year with a \$182k surplus, of which 50% will be applied to pay down the City's unfunded pension liability.
- Developed City Council priority areas and goals to guide projects and funding for future years.
- Created and distributed a walking map of the historic downtown to highlight local businesses and provide directions to local attractions and visitor highlights.
- Made significant progress on the Wastewater Treatment Facility upgrade project. The project was ahead of schedule at approximately 65% completion.
- Undertook a \$1 million project to upgrade several sanitary sewer pump stations that are long overdue to be overhauled.
- Purchased a new vacuum tanker truck for use primarily by the Wastewater Enterprise.

Local Economy

During FY 2018/19, the City saw the positive employment trends of the last few years continue. As reported by the State Employment Development Department, the local unemployment rate remained at 2.7% as of August 2019, with no change compared to June 30, 2018. This continues to represent the lowest unemployment rate in the past ten years.

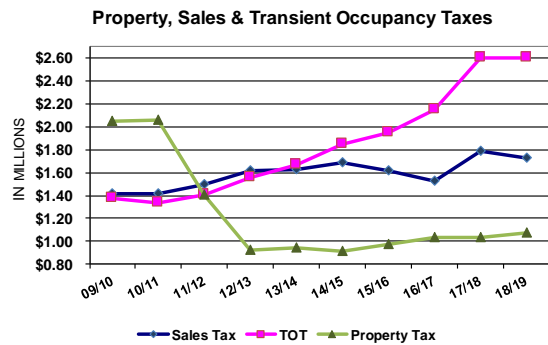
City tax revenues that are dependent on the state of the economy showed mixed results. Local general fund sales taxes decreased year over year by 3.4% totaling \$1.73 million. Still, on a multi-year basis, sales tax is trending up. It remains to be seen if the FY2019 results indicate a new trend. Transient Occupancy Tax was flat totaling \$2.6 million in FY 2018/19 which is the same result seen in FY 2017/18. This is the first flattening after seven years of continuous growth. The City’s largest source of discretionary revenue is comprised of these two taxes. Property tax on the other hand showed an increase of 3.9%.

Median home prices (according to CMAR) have decreased about 2% from \$410k to \$400k. Number of home sales are down 21% year over year. General fund property taxes however have increased year over year from \$1.03 million to \$1.08 million, a 3.9% increase. The City’s property tax revenue continues to trend 19% lower since 2012 when the State mandated redistribution of tax increment from the dissolution of Redevelopment Agencies.

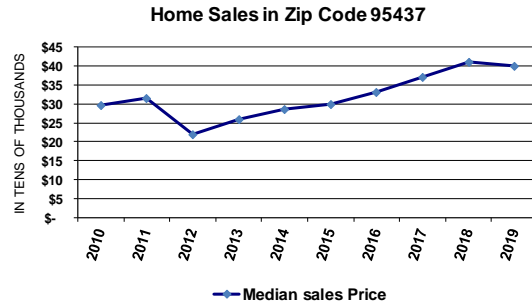
Overall general fund revenues for FY 2018/19 increased 2% over the prior year. This indicates that the growth rate for the City’s primary revenue sources has slowed. A lack of revenue enhancement coupled with significant increases in pension costs is likely to cause financial strain for the City in the next few years. The Fort Bragg City Council recognized this potential and in response placed a general sales tax measure on the November 2018 ballot entitled Measure H. The defeat of Measure H has already played a substantial role in the City’s financial decisions, most notably leading to staffing reorganizations and the associated service cuts. Passage of Measure H would have allowed the City to move to a fifteen year amortization of its unfunded pension liability which in the long term would have saved the City approximately \$4 million. Alternatively, the City Council did adopt a fiscal policy that calls for 50% of any realized year end gain to be used to pay down the City’s unfunded pension liability. FY 2018/19 financial results will provide an additional pension payment of approximately \$100k. The



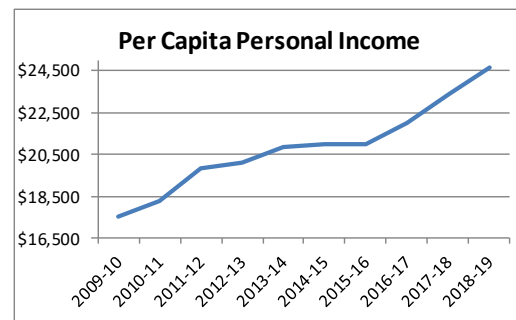
Source: California Employment Development Department



Source: City of Fort Bragg, Department of Finance



Source: Based on information from the CMAR MLS as of October 14, 2019. Information is deemed reliable but is not guaranteed.



Source: Muni Services

following factors contribute to an overall outlook of financial uncertainty in the next few years for the local economy: The slowing of the City's revenue growth, rising pension costs, rising police department salaries, the increasing likelihood of a recession in the next few years and the tentative viability of the City's largest employer (Mendocino Coast District Hospital). Due to multiple areas of uncertainty, it is recommended that the City Council once again pursue a general sales tax measure at the next opportunity.

Long-term Financial Planning

An analysis and update of the City's Fiscal Policies, including Fund Balance & Reserve Policies was conducted as part of the FY 2018/19 budget process. The results of the analysis prompted the City Council to commit to new reserve levels. The following General Fund reserves comprise committed fund balance and at Fiscal Year-end 2018-2019 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 2018/19, the reserve is funded at 15% which is \$1,469,787.
- **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 2018/19, 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. At Fiscal Year-end 2018/19, the reserve balance is \$0. The reserves will be established on July 1, 2019 at \$489k.

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 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 "Unfunded Liabilities 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 FY 2019/20 budget was balanced by eliminating the position of Administrative Services Director and by downgrading the Police Lieutenant Position to a fourth Police Sergeant position. The City continued to use a less conservative revenue forecast compared to prior years. Further, the City opted to budget only a minimum payment into its Other Post-Employment Benefits (OPEB) trust fund. The tradeoffs in balancing the budget include, a decrease in services (eliminated and downgraded positions) and a higher risk of a budgeted revenue miss in FY 2019/20. A budgeted revenue miss would increase the likelihood of a realized year-end deficit. The 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. Till now the document has been a stand-alone document that is presented at 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 In the short term, the City will likely be able to fill budgeted or realized deficits with appropriated fund balance. In the long-term, it is likely that revenue enhancements and/or additional cost-cutting measures will be necessary.

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 comprehensive annual financial report for the fiscal year ended June 30, 2018. This was the eighth 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 comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

Acknowledgements

Preparation of this comprehensive annual 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 Government Accountant II, Isaac Whippy. Their efforts made it possible to improve the quality of the information being reported to the citizens, the City Council, and other users on a timely basis. Appreciation is also expressed to the Mayor, the City Council, and the City Manager for their attentiveness and support in planning and conducting the financial activities of the City in a responsible and responsive manner.

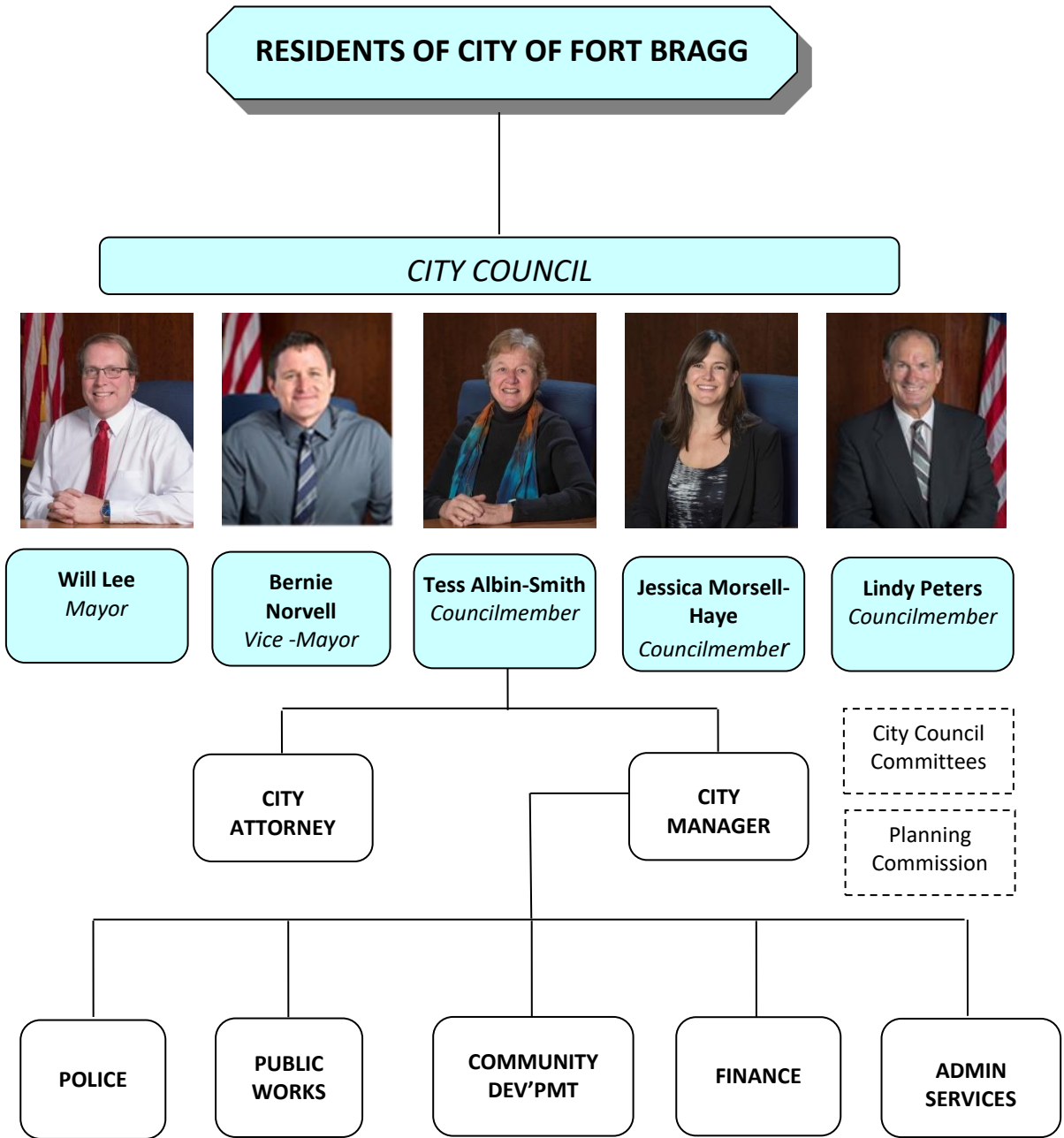
Yours Truly,

A handwritten signature in blue ink that reads "Victor Damiani". The signature is written in a cursive style with a large, stylized initial "V".

Victor Damiani
Finance Director

City of Fort Bragg, California
Comprehensive Annual Financial Report
For the year ended June 30, 2019

Organization Chart



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

Mayor Will Lee	December 2020
Vice Mayor Bernie Norvell	December 2020
Councilmember Tess Albin-Smith	December 2022
Councilmember Jessica Morsell-Haye	December 2022
Councilmember Lindy Peters	December 2022



Government Finance Officers Association

Certificate of
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in Financial
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Presented to

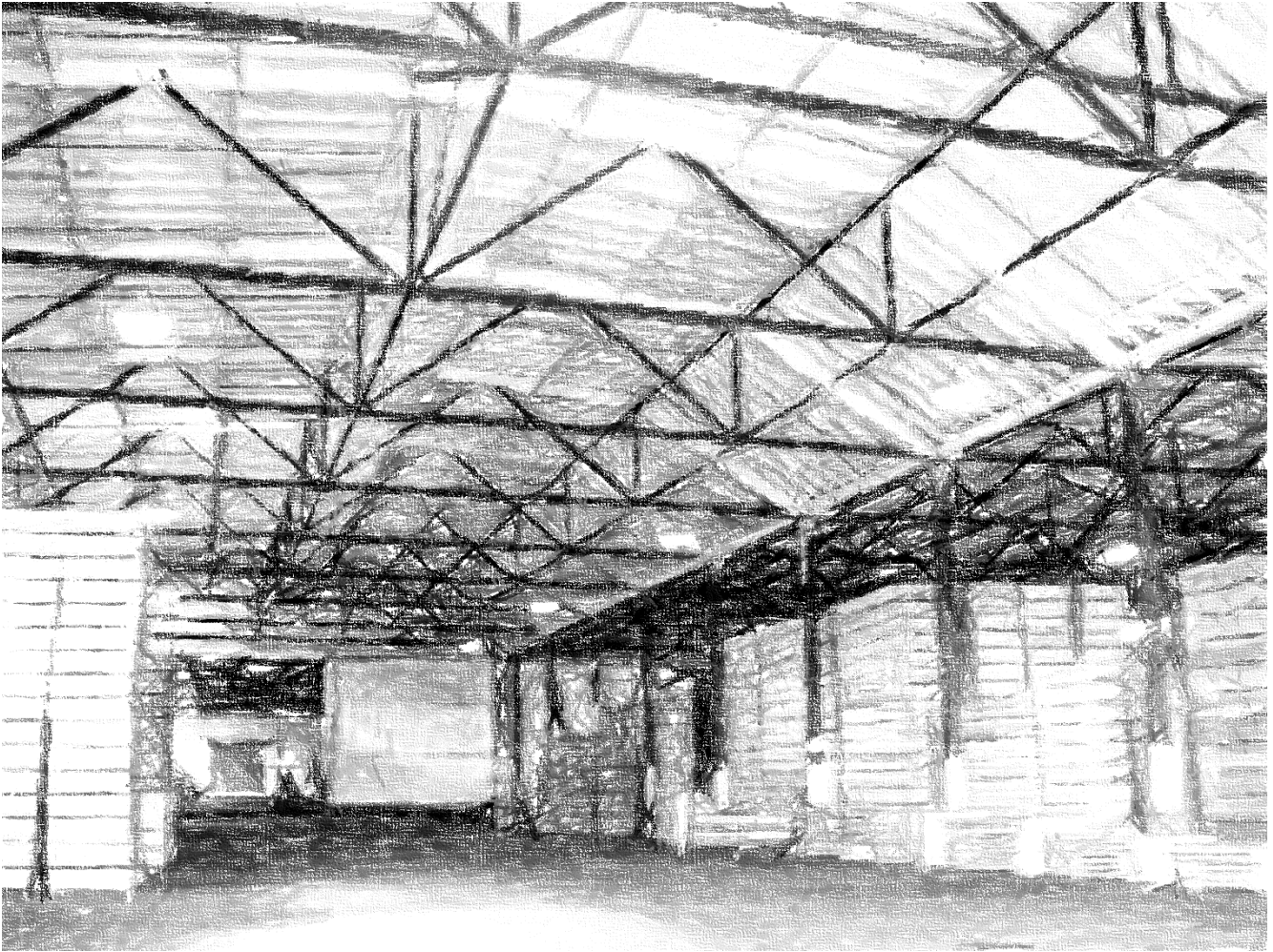
**City of Fort Bragg
California**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2018

Christopher P. Morill

Executive Director/CEO

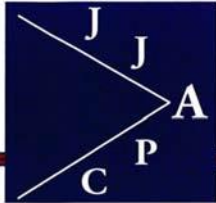


FINANCIAL SECTION

- 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, 2019, 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, 2019, 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 93, the Other Post-Employment Benefits Schedule of Employer Contributions on page 94, the Pension Plan Schedule of Contributions on pages 95-96, and the Schedules of the City's proportionate Share of the Net Pension Liability on pages 97–98, 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 November 25, 2019 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.

November 25, 2019

JJACPA, Inc.
JJACPA, Inc.
Dublin, CA

City of Fort Bragg, California
Comprehensive Annual Financial Report
For the year ended June 30, 2019

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, 2019. It should be read in conjunction with the accompanying transmittal letter and basic financial statements.

FINANCIAL HIGHLIGHTS

- The City's Net Position increased \$4.1M from \$82.1M to \$86.2M.
- At the close of the most recent fiscal year, the City's governmental funds reported combined fund balances of \$7.4M, a decrease of \$143k in comparison with the prior fiscal year. Approximately 19% of combined fund balance at June 30, 2019 (\$1.4M) is available for spending at the government's discretion (*unassigned fund balance*)
- General Fund revenues fell short of budget by \$179k or 1.9%
- General Fund expenditures were under the final amended budget by \$466k or 4.8%
- The balance of the General Fund increased \$182k to \$3.1M.
- The Water enterprise Net Position increased \$2.3M and the Wastewater enterprise Net Position increased \$3.4M while the C.V. Starr Center Net Position decreased \$865k. The most significant draw on C.V. Starr Center Net Position is the non-cash item depreciation (\$729k). The Center increased cash by \$67k for the year.

OVERVIEW OF THE ANNUAL FINANCIAL REPORT

This Comprehensive Annual Financial Report is in three major parts:

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

The Basic Financial Statements

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

City of Fort Bragg, California
Comprehensive Annual Financial Report
For the year ended June 30, 2019

Management's Discussion and Analysis

OVERVIEW OF THE ANNUAL FINANCIAL REPORT, Continued

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.

Fund Financial Statements, Continued

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
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Management's Discussion and Analysis

OVERVIEW OF THE ANNUAL FINANCIAL REPORT, Continued

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

For the fiscal year ended June 30, 2019, 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, 2019, the City adopted annual appropriated budgets for all funds. Budgetary comparison schedules have been provided for the general fund and major governmental funds to demonstrate compliance with this budget and may be found on beginning on page 34.

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

City of Fort Bragg, California
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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 46-91 of this report. Required Supplementary Information follows the notes on page 93.

Combining and Individual Fund Financial Statements and Schedules

The combining statements referred to earlier in connection with non-major governmental funds are presented on pages 101-123 of this report. Combining statements for internal services funds are presented on pages 125-127.

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets exceeded liabilities by \$86.2 as of June 30, 2019. The following table represents a comparative analysis of the net assets of governmental and business-type activities as of June 30, 2019 and June 30, 2018. Year over year assets increased \$8.2M and liabilities increase \$3.5M. \$5M of new debt was issued in connection with the upgrade of the wastewater treatment plant.

Summary of Net Position

	2019			2018		
	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Current and other assets	\$ 11,393,803	\$ 10,561,422	\$ 21,955,225	\$ 11,301,256	\$ 10,309,901	\$ 21,611,157
Capital assets	<u>41,537,368</u>	<u>44,683,323</u>	<u>86,220,691</u>	<u>42,573,705</u>	<u>35,947,727</u>	<u>78,521,432</u>
Total assets	52,931,171	55,244,745	108,175,916	53,874,961	46,257,628	100,132,589
Deferred outflows of resources	<u>2,544,712</u>	<u>398,112</u>	<u>2,942,824</u>	<u>3,114,703</u>	<u>473,526</u>	<u>3,588,229</u>
Total assets and deferred outflows of resources	<u>55,475,883</u>	<u>55,642,857</u>	<u>111,118,740</u>	<u>56,989,664</u>	<u>46,731,154</u>	<u>103,720,818</u>
Current and other liabilities	1,037,759	1,695,849	2,733,608	1,174,015	2,026,572	3,200,587
Noncurrent liabilities	<u>13,448,975</u>	<u>7,869,703</u>	<u>21,318,678</u>	<u>14,057,706</u>	<u>3,431,521</u>	<u>17,489,227</u>
Total liabilities	14,486,734	9,565,552	24,052,286	15,231,721	5,458,093	20,689,814
Deferred inflows of resources	<u>765,308</u>	<u>69,466</u>	<u>834,774</u>	<u>822,501</u>	<u>77,781</u>	<u>900,282</u>
Total liabilities and deferred inflows of resources	<u>15,252,042</u>	<u>9,635,018</u>	<u>24,887,060</u>	<u>16,054,222</u>	<u>5,535,874</u>	<u>21,590,096</u>
Net position:						
Net investment in capital assets	41,400,454	37,805,831	79,206,285	42,293,357	33,571,793	75,865,150
Restricted	1,278,950	108,064	1,387,014	3,757,504	108,064	3,865,568
Unrestricted (deficit)	<u>(2,455,563)</u>	<u>8,093,944</u>	<u>5,638,381</u>	<u>(5,115,419)</u>	<u>7,515,423</u>	<u>2,400,004</u>
Total net position	<u>\$ 40,223,841</u>	<u>\$ 46,007,839</u>	<u>\$ 86,231,680</u>	<u>\$ 40,935,442</u>	<u>\$ 41,195,280</u>	<u>\$ 82,130,722</u>

Overall, net position increased by approximately \$4.1M. Governmental activities decreased \$712k while business-type activities increased \$4.8M. The revenue and expense factors contributing to the year over year performance increase are discussed in further detail in the ensuing sections of this report.

City of Fort Bragg, California
Comprehensive Annual Financial Report
For the year ended June 30, 2019

Management's Discussion and Analysis

GOVERNMENT-WIDE FINANCIAL ANALYSIS, continued

A large portion (92%) of the City of Fort Bragg's net position reflects its investment in capital assets (e.g., land, easements, buildings, machinery, and infrastructure); less any related outstanding debt that was used to acquire those assets. The City uses these capital assets to provide a variety of services to its citizens; consequently, these assets are not available for future spending. The balance in net investment in capital assets increased in FY 2018/19 by \$3.3M to a total of \$79.2M. The increase reflects capital outlay in multiple projects including the Wastewater Treatment Plant Upgrade project (\$9.5M) and completion of the Summer's Lane Reservoir Cover (\$420k). Citywide total assets placed in service equaled \$10.6M which was offset by \$2.9M in depreciation and a net increase in related debt of \$4.4M.

Restricted net position is comprised of revenues held for expenditure for specified purposes (special revenue) as well as amounts held for debt service. Examples of special revenues are street sales tax and CDBG program income. Overall restricted net position decreased year over year by approximately \$2.5M and ended with a balance of \$1.4M. An outlay of special sales tax for street repair (\$1M), receipt of an outstanding amount due from the State Parks Prop 84 Grants for the Summer's Lane Reservoir Project (\$700k) as well as the spend down of various other grant funds contributed to the increase.

Unrestricted Net Position increased \$3.2M over the previous year and now stands at \$5.6M. Governmental Activities saw an increase of \$2.7M in unrestricted net position whereas Business-type Activities saw an increase of \$579k. The increase in unrestricted net position on a year over year basis is largely due to the one-time adjustment made in conjunction with GASB statement 75 implementation (related to reporting of OPEB liabilities). The GASB 75 adjustment was made in FY 2017-18 with no such adjustment necessary in FY 2018-19.

Deferred outflows are defined as a consumption of net position by a government that is applicable 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 of the City's OPEB liability and a deferred outflow related to reporting of the City's pension plan liability. On a year over year basis the City's deferred outflows decreased by \$645k or 18%.

Deferred inflows are defined as an acquisition of net position by a government that is 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 of the City's OPEB liability and a deferred inflow related to reporting of the City's pension plan liability. On a year over year basis the City's deferred inflows decreased by \$66k or 7%.

City of Fort Bragg, California
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Management's Discussion and Analysis

GOVERNMENT-WIDE FINANCIAL ANALYSIS, Continued

The change in net position for the fiscal years ended June 30, 2019, and 2018, follows:

Changes in Net Position

	2019			2018		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
Revenues:						
Program revenues:						
Charges for services	\$ 2,926,795	\$ 7,386,526	\$ 10,313,321	\$ 3,257,145	\$ 7,146,794	\$ 10,403,939
Grants and contributions:						
Operating	764,880	-	764,880	2,258,542	-	2,258,542
Capital	957,245	2,339,229	3,296,474	3,324,209	-	3,324,209
General revenues:						
Property taxes and assessments	1,074,931	249,499	1,324,430	1,034,552	236,035	1,270,587
Sales and use tax	1,728,222	878,737	2,606,959	1,785,264	915,239	2,700,503
Transient occupancy taxes	2,640,275	-	2,640,275	2,619,227	-	2,619,227
Other taxes	762,165	-	762,165	718,762	-	718,762
Use of money and property	66,216	168,000	234,216	(110,374)	98,062	(12,312)
Unrealized gains and losses	194,814	-	194,814	-	-	-
Other general	7,757	77,243	85,000	60,670	272,338	333,008
Total revenues	<u>11,123,300</u>	<u>11,099,234</u>	<u>22,222,534</u>	<u>14,947,997</u>	<u>8,668,466</u>	<u>23,616,463</u>
Expenses:						
Governmental activities:						
General government	2,384,428	-	2,384,428	2,803,570	-	2,803,570
Public safety	4,338,230	-	4,338,230	4,460,569	-	4,460,569
Public works	2,979,152	-	2,979,152	2,872,843	-	2,872,843
Community development	1,056,350	-	1,056,350	1,207,939	-	1,207,939
Interest and fiscal charges	47,277	-	47,277	52,749	-	52,749
Business-type activities:						
Water	-	1,920,010	1,920,010	-	2,033,988	2,033,988
Wastewater	-	2,673,768	2,673,768	-	2,568,894	2,568,894
C.V. Starr Center	-	2,722,366	2,722,366	-	2,385,927	2,385,927
Total expenses	<u>10,805,437</u>	<u>7,316,144</u>	<u>18,121,581</u>	<u>11,397,670</u>	<u>6,988,808</u>	<u>18,386,477</u>
Excess (Deficiency) of revenues over						
expenses before transfers	317,863	3,783,090	4,100,953	3,550,327	1,679,658	5,229,985
Transfers	<u>(1,029,464)</u>	<u>1,029,464</u>	<u>-</u>	<u>(898,498)</u>	<u>898,498</u>	<u>-</u>
Change in net position	(711,601)	4,812,554	4,100,953	2,651,829	2,578,157	5,229,986
Net position:						
Beginning of year	<u>40,935,442</u>	<u>41,195,280</u>	<u>82,130,722</u>	<u>40,517,614</u>	<u>38,617,123</u>	<u>79,134,737</u>
Beginning, as adjusted	<u>40,935,442</u>	<u>41,195,285</u>	<u>82,130,727</u>	<u>38,283,613</u>	<u>38,617,123</u>	<u>76,900,736</u>
End of year	<u>\$ 40,223,841</u>	<u>\$ 46,007,839</u>	<u>\$ 86,231,680</u>	<u>\$ 40,935,442</u>	<u>\$ 41,195,280</u>	<u>\$ 82,130,722</u>

City of Fort Bragg, California
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For the year ended June 30, 2019

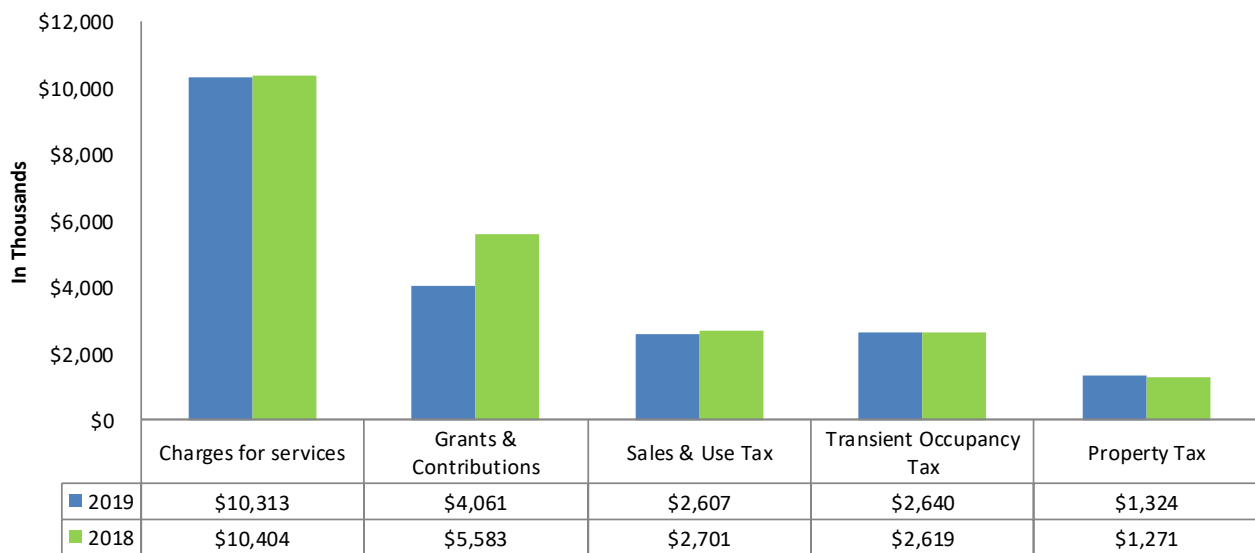
Management’s Discussion and Analysis

GOVERNMENT-WIDE FINANCIAL ANALYSIS, Continued

Revenues

The City’s total revenues for Governmental and Business-type Activities were \$22.2 M for the fiscal year ended June 30, 2019 which represents a 6% decrease over the previous fiscal year. Governmental Activities decreased \$3.8M while Business-type Activities increased \$2.4M. Significant revenues for the City for fiscal year 2018/19 were derived from charges for services (46%) grants and contributions (18%), sales and use tax (12%), transient occupancy tax (12%) and property tax (6%).

Significant Revenue Sources



Following is a discussion of variances in key revenues for the fiscal year 2018-2019:

- 1. Charges for Services.** Charges for Services were essentially flat decreasing \$91k or less than 1%. Charges for services for Governmental Activities is made up mostly of salary, benefit and overhead charges to the Business-type Activities as well as charges to various grants for staff time and administrative costs. Cost allocation plan revenues decreased year over year by \$215k mostly due to decreased pre-funding of the City’s Other Post Employment (OPEB) liability. Grant staff time reimbursements increased \$24k with staff working on a variety of grant funded projects. Parking Fine revenue increased \$22k with the Council adopting new fines and a basic parking ticket increasing from \$35 to \$45. The City negotiated a new agreement with Cal Trans for reimbursement of street cleaning costs on Highway 1 which resulted in a \$21k year over year increase. The City had a major code enforcement case which resulted in a \$19k year over year increase. Police Department fingerprinting revenue increased \$20k due to an increase in fees adopted to coincide with the purchase of a new fingerprinting system. Charges for services for Business-type activities is made up almost entirely of user charges. This category increased \$240k or 3.3% in accordance with regularly scheduled rate increases for the both the Water and Wastewater enterprises. Water rates increased 5% while Wastewater rates increased 3%.

City of Fort Bragg, California
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Management's Discussion and Analysis

GOVERNMENT-WIDE FINANCIAL ANALYSIS, Continued

- 2. Grants and Contributions.** Annual receipts decreased by \$1.5M, or 27%. Almost all of the decrease (\$1.5M) is attributable to a decrease in the Federal operating grants (CDBG) and is a normal part of the operating grant cycle. Often times operating grants fluctuate from year to year depending on when programs are implemented. Overall capital grants remained steady on a year over year basis. The most significant capital grants in FY 2018-19 were the California State Water Resources Control Board grant (\$6M) and the US Department of Agriculture grant (\$3.4M). Both of these grants provided funding for the City's wastewater treatment facility upgrade.
- 3. Sales and Use Tax (for general purposes).** Sales and use taxes leveled off and in fact decreased \$94k or 3%. This revenue source has been fairly stagnant for the last ten years and fluctuations both up and down have been mostly tied to the fluctuating cost of fuel. Still, the City is hopeful that with changes on the horizon in regard to the requirements for online retailers this revenue source may see growth in the years to come. Sales and use taxes for Business-type Activities are received for the C.V. Starr Center special sales tax (\$879k). The tax is used to subsidize the operations and capital needs of the Center.
- 4. Transient Occupancy Tax (TOT).** Annual receipts for FY 2018/19 increased a very modest \$21k, or less than 1%. In FY 2016/17, with the passage of Measures AA and AB, the City's TOT rate increased from 10% to 12%. The rate increase became effective April 1, 2017. Since inception a majority of Measure AA taxes raised have been invested in activities which promote Fort Bragg as a vacation destination and for a few years running the City has expected TOT to continue increasing each year. Unfortunately the investment has not paid the dividends originally envisioned and although the marketing effort will continue the budget forecasts in the years to come will have to become more conservative to match with actual results.
- 5. Property Tax.** Property taxes increased by \$53k or 4%. Statistics received from the Coastal Mendocino Association of Realtors indicates that both median price and total number of sales decreased in FY 2018/19. It should be noted however that the statistics apply to the entire zip code 95437. While property taxes did increase within City limits in FY 2018/19 it is possible that the City will begin to see a slow-down in the real estate market and associated property tax decreases in the near term future.

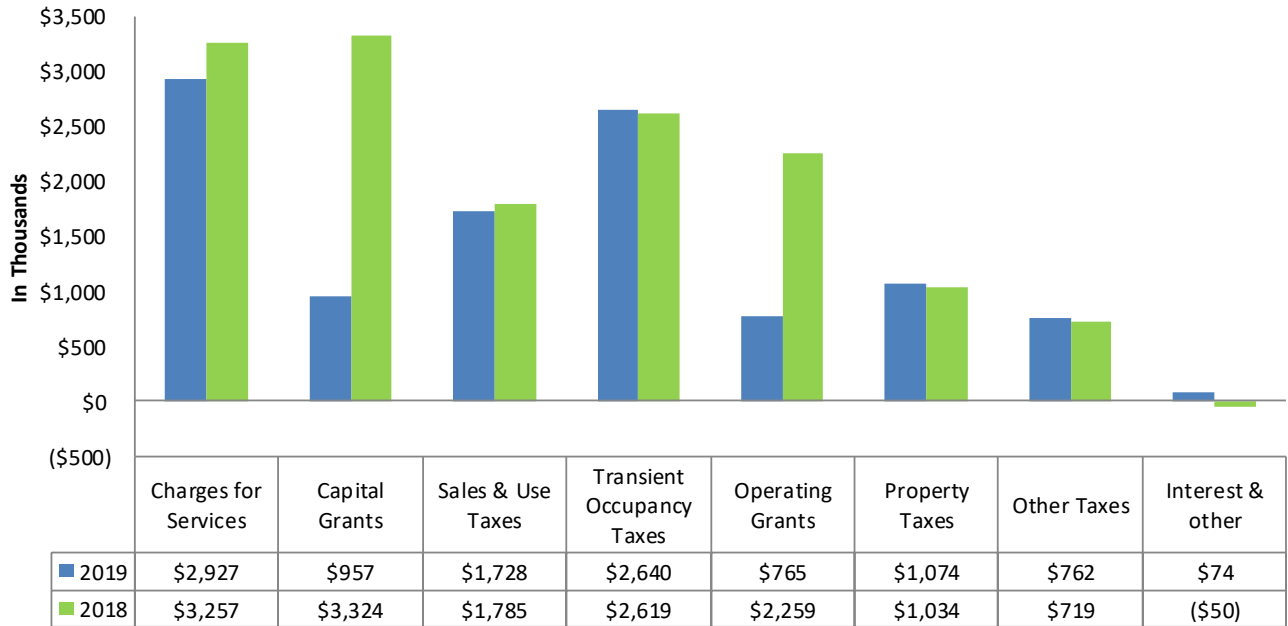
City of Fort Bragg, California
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Management's Discussion and Analysis

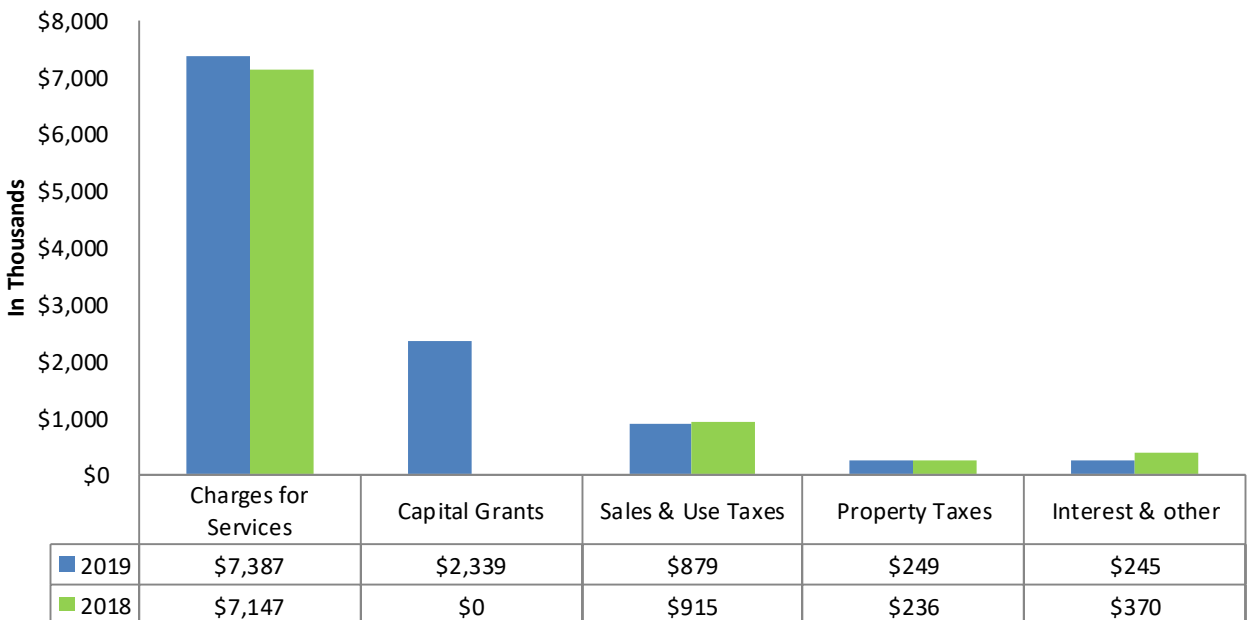
GOVERNMENT-WIDE FINANCIAL ANALYSIS, Continued

Revenues by source for the fiscal years ended June 30, 2019, and 2018, are as follows:

Revenue - Governmental Activities



Revenue - Business-type Activities



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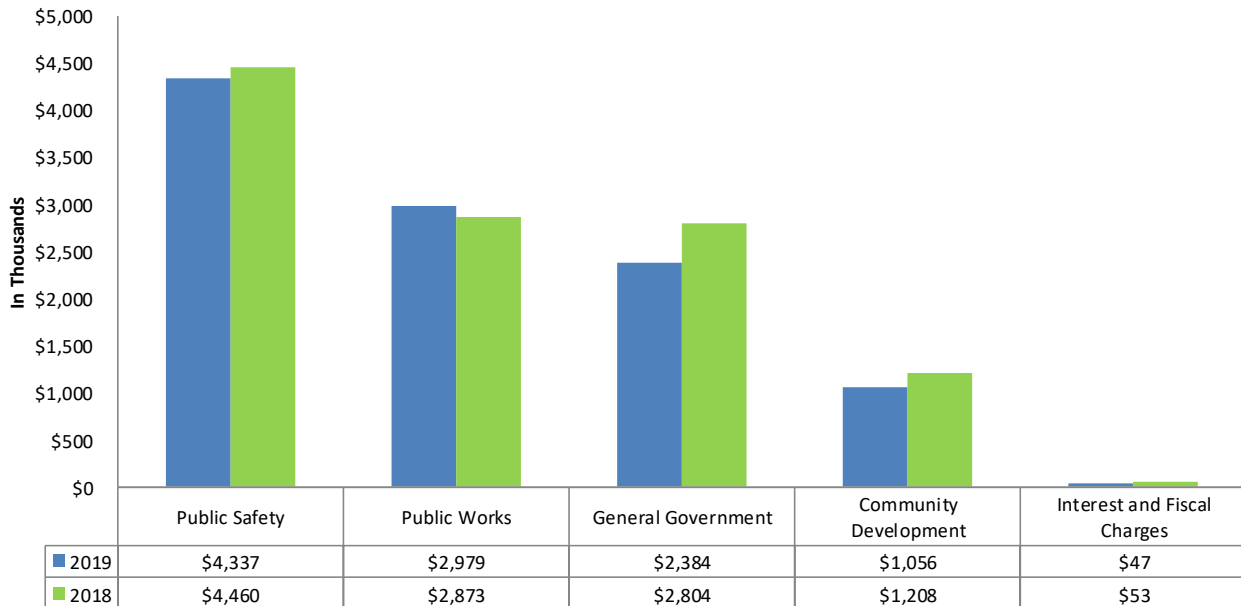
Management’s Discussion and Analysis

GOVERNMENT-WIDE FINANCIAL ANALYSIS, Continued

Expenses

Governmental and Business-type Activity expenses of the City for FY 2018/19 totaled \$18M which represents a 2% decrease compared to the previous fiscal year. Governmental Activity expenses were \$108 M or 60% of total expenses while Business-type Activities were \$7.2M or 40% of total expenses. Public safety costs represented 24% of city-wide expenses, followed by Public Works (17%) and the C.V. Starr Center enterprise (15%).

Expenses - Governmental Activities



Following is a discussion of significant variances in key expense categories for the fiscal year 2018/2019:

1. **Public Safety.** Expenses decreased \$123k or 3%. The decrease is mostly attributable to difficulty maintaining the Police Department at full force. Throughout the course of the year the department was as low as 30% understaffed in the way of sworn officers. When taking into account sworn officers out on various leaves the understaffing increases to as much as 43%. Additionally, the department was down one Community Services Officer. Considering the understaffing, it is not hard to see why costs decreased despite significant increased pension costs, a 2% cost of living adjustment and substantial amounts of overtime worked. As of this writing, through hard work and the adoption of several incentive programs, the department is now at full force. Public Safety costs are expected to increase noticeably however in January of 2020 when the City (according to City Ordinance 672) will perform a Police Department salary survey. The survey will analyze comparable positions in the City of Willits, the City of Ukiah and the Mendocino County Sheriff’s Office. With the County Sheriff’s expected to see raises averaging 11%, the City will be forced to raise local officer pay rates as well. The raises are likely to push the General Fund back into a deficit budget.

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Management's Discussion and Analysis

GOVERNMENT-WIDE FINANCIAL ANALYSIS, Continued

Expenses, Continued

2. **Public Works.** Year-over-year public works expenses increased \$106k or 4%. The increase is mostly attributable to Public Works Department personnel costs which increased \$99k. Personnel cost increases were driven by a re-organization of the department with the City's Special Projects Manager and Special Projects Assistant moving from Community Development to Public Works. As with all departments and programs Public Works implemented cost of living adjustments and experienced significant pension cost increases.
3. **General Government.** Expenses decreased \$420k or 15%. The decrease is partially the result of decreases on a year over year basis of personnel costs (\$216k). Personnel costs decreased in two major areas: First, in FY 2017/18 the City paid out significant amounts associated with the severance package for the former City Manager causing a positive year over year variance in FY 2018/19. Secondly, in FY 2018/19 the Administrative Services Director position was eliminated causing a positive year over year variance. Another factor in the expense decrease is the City's annual OPEB pre-payment. Beginning in FY 2018/19 the City began making the minimum pre-payment required. This caused a \$210k positive year over year variance. The OPEB trust fund 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
4. **Community Development.** Expenses decreased \$152k or 14%. The increase is partially the result of decreases in department personnel costs (\$67k). Personnel cost decreases were driven by a re-organization of the department with the City's Special Projects Manager and Special Projects Assistant moving from Community Development to Public Works. As with all departments and programs Public Works implemented cost of living adjustments and experienced significant pension cost increases. Additionally expenditures for the new Marketing and Promotion division increased in FY 2018/19 over the prior year by \$202k. Lastly, operating grants for the period saw a year over year decrease of approximately \$289k.

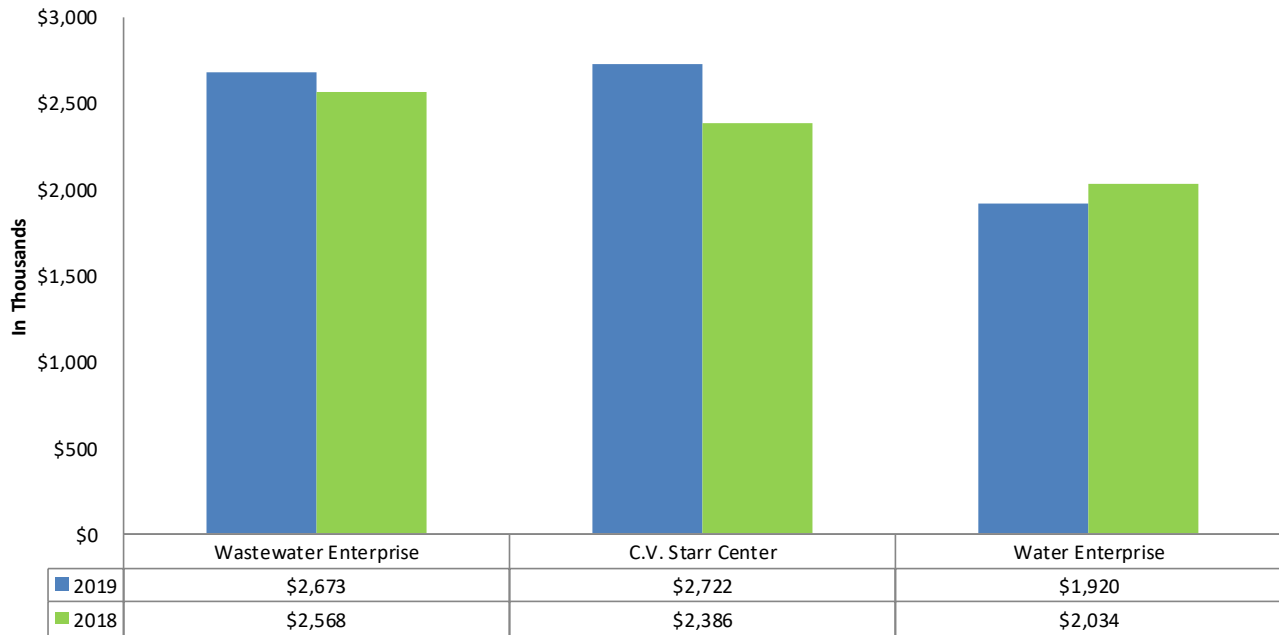
City of Fort Bragg, California
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Management's Discussion and Analysis

GOVERNMENT-WIDE FINANCIAL ANALYSIS, Continued

Expenses, Continued

Expenses - Business-Type Activities



Following is a discussion of significant variances in key business-type expense categories for the fiscal year 2018/2019:

- 1. Wastewater enterprise.** Expenses increased \$105k or 4%. The enterprise saw year over year increases in multiple expense accounts including depreciation (\$46k), chemicals (\$20k), equipment repairs (\$15k) and the allocation to the Facilities internal service fund (\$20k).
- 2. C.V. Starr Center.** Expenses increased \$336k or 14%. The increase is somewhat misleading however since the majority of the increase is due to a cash transfer from the City's enterprise Fund to the Center which is operated by the Mendocino Coast Recreation and Parks District. While the cash transfer is intended to subsidize the first quarter of FY 2019/20 it is classified as a tax allocation expense in the enterprise accounts. \$305k was transferred to the Center as of June 2019.
- 3. Water enterprise.** Expenses decreased \$114k or 6%. With the Lake and Streambed Alteration Agreement associated with the Summer's Lane Reservoir complete, the enterprise enjoyed an \$81k decrease in legal costs for FY 2018/19. Also, the Water enterprise received a \$31k lower administrative allocation in FY 2018/19 as compared to FY 2017/18.

City of Fort Bragg, California
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Management's Discussion and Analysis

Net Program Costs

The following table shows the cost of each of the City's major programs and the net cost of the programs. Net cost is the total cost less fees and other direct revenue generated by the activities. The net cost reflects the financial burden that was 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, 2019, and 2018, are as follows:

	2019		2018	
	<u>Total Cost</u> <u>of Services</u>	<u>Net Cost</u> <u>of Services</u>	<u>Total Cost</u> <u>of Services</u>	<u>Net Cost</u> <u>of Services</u>
General government	\$ 2,384,428	\$ 1,276,569	\$ 2,803,570	\$ 1,480,048
Public safety	4,338,230	3,677,981	4,460,569	3,819,842
Public works	2,979,152	528,776	2,872,843	(1,406,507)
Community development	1,056,350	625,914	1,207,939	(1,388,359)
Interest and fiscal charges	<u>47,277</u>	<u>47,277</u>	<u>52,749</u>	<u>52,749</u>
Total	<u>\$ 10,805,437</u>	<u>\$ 6,156,517</u>	<u>\$ 11,397,670</u>	<u>\$ 2,557,774</u>

FUND FINANCIAL ANALYSIS

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

Governmental funds

The City's governmental funds provide information on near-term inflows, outflows, and balances of spending resources. At the fiscal year ended June 30, 2019, the City's governmental funds reported combined fund balances of \$7.4M. This is a decrease of \$140k over the previous year.

General Fund

The general fund is the chief operating fund of the City. Overall, the general fund balance increased \$182k to \$3.1M in FY 2018/19. General fund unassigned fund balance totaled \$1.4M. This is an increase of \$267k from the prior year. Committed fund balance totals \$1.7M and includes \$50k of funds encumbered by contract or purchase order from prior fiscal years plus \$1.4M in the operating reserve and \$200k in the litigation reserve. Beginning July 1, 2019 a Recession Reserve will be established at \$489k.

Special Sales Tax – Streets

The Special Sales Tax for street repairs fund decreased \$1Mk as FY 2017/18 Streets Resurfacing Project kicked off late in the fiscal year. \$1.8M was provided for the project offset by \$900k of additional tax revenue.

City of Fort Bragg, California
Comprehensive Annual Financial Report
For the year ended June 30, 2019

Management's Discussion and Analysis

FUND FINANCIAL ANALYSIS, Continued

Street Resurfacing Capital Projects

The Street Resurfacing Capital Projects fund increased \$1.8M. 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, the majority of the work will be completed in the subsequent fiscal year.

Enterprise Funds

Enterprise funds increased the City's net position by \$4.8M. The City has three business-type activities: Water, Wastewater and the C.V. Starr Center.

The Water enterprise net position increased \$2.3M or 30% to \$10M; the Wastewater enterprise net position increased \$3.4M or 29% to \$15M; and the C.V. Starr Center enterprise net position decreased \$865k or 4% to \$21M.

The Water enterprise capitalized costs of 111k (\$468k capital costs offset by \$357k in depreciation). Additionally, accounts payable decreased \$394k while long term liabilities decreased \$395k due to regularly scheduled debt payments. Lastly, \$1.2M of net income contributed to the increase in the fund's net position. The Wastewater enterprise made strong progress on the project to replace the aging wastewater treatment plant. The project has an estimated cost of over \$17M and kicked off in the final month of FY 2017/18. In FY 2018/19 \$9.6M of costs were capitalized contributing to the growth in net position. The capitalized costs were offset by increases in liabilities (\$5M bond issued in connection with the Wastewater Treatment Plant upgrade) as well as a decrease in current assets. Current assets, particularly cash, declined by \$1.2M due to the Wastewater Treatment Plant project being partially funded by reimbursement grants. The Wastewater enterprise also realized \$1M in net income which contributed to the growth in net position.

Water operating revenues exceeded operating expenses by \$1.2M. The utility is generating sufficient revenue to cover operating expenses as well as maintaining an operating reserve and funding a capital reserve. The rate plan currently in effect is designed to accumulate \$1M per year in a capital projects reserve and the plan is working as designed.

Wastewater operating revenues exceeded operating expenses by \$3.4M. \$2.4M of the surplus is grant funding for the treatment plant upgrade project. The utility's user fees are generating sufficient revenue to cover operating expenses as well as maintaining an operating reserve and funding a capital reserve. The rate plan currently in effect is designed to accumulate \$1M per year in a capital projects reserve and the plan is working as designed.

The operation of the C. V. Starr Center 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 \$2M. The operating loss is subsidized with non-operating revenue including the tax revenue mentioned above, with the resulting change in Net Position a decrease of \$865k. The decrease includes a significant non-cash expense; depreciation. Depreciation expense for the C.V. Starr Center totaled \$729k. With the FY 2018/19 year-end close the C.V. Starr Center staff discovered an accounting error which had been ongoing for approximately 5 years. Customer accounts which had been credited were erroneously debited as receivable in the Center's general ledger. The error

City of Fort Bragg, California
Comprehensive Annual Financial Report
For the year ended June 30, 2019

Management’s Discussion and Analysis

Enterprise Funds, continued

was corrected and resulted in a decrease in accounts receivable as well as a corresponding decrease in revenue which had been overstated (\$50k). The C.V. Starr Center increased cash in FY 2018/19 by \$67k. The Center continued developing a capital improvement plan in FY 2018/19 and hopes to roll the plan out with the FY 2020/21 budget. FY 2019/20 will continue to see additional capital projects undertaken – most notably the resurfacing of the pool basin.

OTHER ANALYSIS

General Fund Budgetary Highlights

The difference between the final budgeted expenditures and actual results differs favorably by \$466k or 5%. The City generated revenues short of budgeted revenue by \$179k. Notable revenue misses include Transient Occupancy Tax (\$120k), Sales & Use Tax (\$66k) and Allocated Costs (\$115k) Unrealized gains on investment holdings shows a positive variance however of \$195k. This is due to a requirement that the City value it’s investment holdings at market value. As interest rates go down the market value of certificates of deposit goes up. This is a book gain only and assuming the investments are held till maturity, only the principal amounts invested will be recovered in addition to interest earned. It should be noted that between January of 2019 and October of 2019, the US Treasuries 5 year yield has dropped 93 basis points or nearly 1 percentage point of yield. This indicates that the City will earn less on its certificate of deposit investments for at least the next few years.

Expenditures were held below the final amended budget by \$466k or 5% with savings across many categories. In particular, personnel cost savings were realized in the Police Department (\$181k) and Administration Department (\$30k). Non-departmental expenditures which are shared costs to be allocated, were below budget by \$40k. Also notable is \$50k of costs that were encumbered as of year-end but not yet expended. The encumbrances will be rolled forward to FY 2019/20.

Capital Assets

The City’s investment in capital assets for its Governmental and Business-type Activities as of June 30, 2019, amount to \$86M. 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	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Land	\$ 12,952,261	\$ 12,952,262	\$ 785,079	\$ 785,079	\$ 13,737,340	\$ 13,737,341
Construction in progress	347,509	65,531	11,316,484	3,338,079	11,663,993	3,403,610
Buildings	1,500,986	1,637,314	21,601,755	22,279,861	23,102,741	23,917,175
Machinery, equipment and vehicles	856,734	93,803	1,666,811	1,729,859	2,523,545	1,823,662
Infrastructure	25,879,878	27,824,795	9,155,022	7,602,447	35,034,900	35,427,242
Land improvements	-	-	158,172	212,402	158,172	212,402
	<u>\$ 41,537,368</u>	<u>\$ 42,573,705</u>	<u>\$ 44,683,323</u>	<u>\$ 35,947,727</u>	<u>\$ 86,220,691</u>	<u>\$ 78,521,432</u>

There was an increase in capital assets of approximately \$7.7M (net of annual depreciation costs). Most notably the Wastewater Treatment Facility Project (\$9.6M). Citywide total assets placed in service equaled \$10.5M which was offset by \$12.9M 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 52 and in Note 5 on Page 65 in the Capital Assets section.

City of Fort Bragg, California
Comprehensive Annual Financial Report
For the year ended June 30, 2019

Management's Discussion and Analysis

Debt Administration

At June 30, 2019, total City debt outstanding, was \$7.5M. This represents an increase of \$4.4M over the previous year. Overall Governmental debt decreased by \$137k as a result of normal required payments. Business-type debt increased \$4.5M resulting from normal required payments and the issuance of a bond in connection with the Wastewater Treatment Facility project. Additional information about the City's outstanding debt and other long term liabilities is presented in Note 7 on pages 67 through 71.

Economic Outlook

As of this writing, the economic outlook for the City continued to be somewhat tentative. The following factors contribute to an overall outlook of financial uncertainty in the next few years for the local economy: The slowing of the City's revenue growth, rising pension costs, rising police department salaries, the increasing likelihood of a recession in the next few years and the tentative viability of the City's largest employer (Mendocino Coast District Hospital). Due to multiple areas of uncertainty, it is recommended that the City Council once again pursue a general sales tax measure at the next opportunity.

The General Fund Budget for FY 2019/20 of approximately \$9.8M was adopted in June of 2019 and for the second time running did not include a fund balance appropriation (operating deficit). The budget was adopted with a \$65k surplus. Balancing the budget did not come without some cost however. In FY 2018/19 the Police Department was reorganized and eliminated the Lieutenant position in favor of an additional Sergeant position plus one additional Community Services Officer position. The reorganization reinstated the number of approved officers available in the force but has likely resulted in a tradeoff between quantity and experience. Secondly, the Administrative Services Director position was eliminated. Lastly, the methodology for estimating revenue was changed from "conservative" to "most likely" in FY 2018/19 and the same estimating methodology was continued in FY 2019/20 as well. The change in forecasting methodology comes with the added risk of revenue misses. FY 2018/19 in fact had several substantial revenue misses. Still, the City did realize a year-end surplus mostly due to understaffing at the Police Department. With the Police Department now fully staffed those cost savings are not likely to be realized in FY 2019/20. In January of 2020 the City will be required by Municipal Code to conduct a salary compensation study. The results of the study are expected to yield at least a 5% increase in Police Department salaries and benefits. This will place further strain on the general fund budget and will most likely drive the budget from a surplus to a deficit.

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

BASIC FINANCIAL STATEMENTS



City of Fort Bragg, California
Statement of Net Position
June 30, 2019

ASSETS	Governmental Activities	Business-type Activities	Total
Current Assets:			
Cash & investments	\$ 7,152,224	\$ 5,974,065	\$ 13,126,289
Restricted cash & investments	-	108,064	108,064
Accounts receivable	-	917,902	917,902
Taxes receivable	5,096	-	5,096
Intergovernmental receivable	250,531	2,339,229	2,589,760
Loans/Notes receivable	2,694,387	1,466	2,695,853
Other receivable	733,581	1,721,515	2,455,096
Internal balances	554,437	(554,437)	-
Inventory & prepaid items	3,547	53,618	57,165
Total current assets	<u>11,393,803</u>	<u>10,561,422</u>	<u>21,955,225</u>
Capital assets:			
Capital assets			
Nondepreciable	13,299,770	12,101,565	25,401,335
Depreciable	28,237,598	32,581,758	60,819,356
Total capital assets	<u>41,537,368</u>	<u>44,683,323</u>	<u>86,220,691</u>
Total assets	<u>52,931,171</u>	<u>55,244,745</u>	<u>108,175,916</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred loss on debt refunding	6,093	150,178	156,271
OPEB, deferred outflow	292,648	-	292,648
Pension plan, deferred outflow	2,245,971	247,934	2,493,905
Total deferred outflows of resources:	<u>2,544,712</u>	<u>398,112</u>	<u>2,942,824</u>
Total assets and deferred outflows of resources :	<u>\$ 55,475,883</u>	<u>\$ 55,642,857</u>	<u>\$ 111,118,740</u>
LIABILITIES			
Current liabilities:			
Accounts Payable	\$ 242,138	\$ 1,056,620	1,298,758
Accrued payroll	99,204	15,574	114,778
Accrued liabilities	2,392	-	2,392
Interest payable	395	16,384	16,779
Unearned revenue	-	19,672	19,672
Deposits payable	149,492	150,166	299,658
Compensated absences current	65,889	6,479	72,368
Lease payable	143,007	-	143,007
Due within one year	335,242	430,954	766,196
Total current liabilities	<u>1,037,759</u>	<u>1,695,849</u>	<u>2,733,608</u>
Noncurrent liabilities			
Compensated absences long term	593,004	71,510	664,514
Landfill post-closure	821,556	-	821,556
CalPers side fund	551,429	-	551,429
Due after one year	-	6,877,492	6,877,492
Net pension liability	8,267,496	920,701	9,188,197
Net OPEB obligation	3,215,490	-	3,215,490
Total noncurrent liabilities	<u>13,448,975</u>	<u>7,869,703</u>	<u>21,318,678</u>
Total liabilities	<u>14,486,734</u>	<u>9,565,552</u>	<u>24,052,286</u>
DEFERRED INFLOWS OF RESOURCES			
OPEB, deferred inflow	52,318	-	52,318
Pension, deferred inflow	712,990	69,466	782,456
Total deferred inflows of resources:	<u>765,308</u>	<u>69,466</u>	<u>834,774</u>
Total liabilities and deferred inflows :	<u>15,252,042</u>	<u>9,635,018</u>	<u>24,887,060</u>
NET POSITION			
Net investment in capital assets	41,400,454	37,805,831	79,206,285
Restricted			
Gas tax	19,843	-	19,843
State and federal grants	73,398	-	73,398
Special sales tax	878,623	-	878,623
Asset forfeiture	307,086	-	307,086
Debt service	-	108,064	108,064
Unrestricted (deficit)	(2,455,563)	8,093,944	5,638,381
Total net position	<u>40,223,841</u>	<u>46,007,839</u>	<u>86,231,680</u>
Total liabilities, deferred inflows and net position	<u>\$ 55,475,883</u>	<u>\$ 55,642,857</u>	<u>\$ 111,118,740</u>

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, 2019

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government	\$ 2,384,428	\$ 1,107,859	\$ -	\$ -
Public safety	4,338,230	370,988	289,261	-
Public works	2,979,152	1,154,824	338,307	957,245
Community development	1,056,350	293,124	137,312	-
Interest and fiscal charges	47,277	-	-	-
Total governmental activities	10,805,437	2,926,795	764,880	957,245
Business-type activities:				
Water	1,920,010	3,076,775	-	-
Wastewater	2,673,768	3,598,546	-	2,339,229
CV Starr Center	2,722,366	711,205	-	-
Total business-type activities	7,316,144	7,386,526	-	2,339,229
Total primary government	\$ 18,121,581	\$ 10,313,321	\$ 764,880	\$ 3,296,474

General revenues:

Taxes:

- Property taxes, levied for general purposes
- Sales and use taxes, levied for general purposes
- Transient occupancy tax, levied for general purposes
- Other taxes, levied for general purposes

Use of money and property

Unrealized gains and losses

Other general revenues

Total general revenues

Transfers

Total general revenues, and transfers

Change in net position

Net position:

- Beginning of year
- Prior Year Adjustments (OPEB Liability)
- Beginning, as adjusted
- End of year

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

**Net (Expense) Revenue and
Changes in Net Position**

Governmental Activities	Business-Type Activities	Totals
\$ (1,276,569)	\$ -	\$ (1,276,569)
(3,677,981)	-	(3,677,981)
(528,776)	-	(528,776)
(625,914)	-	(625,914)
(47,277)	-	(47,277)
<u>(6,156,517)</u>	<u>-</u>	<u>(6,156,517)</u>
-	1,156,765	1,156,765
-	3,264,007	3,264,007
-	(2,011,161)	(2,011,161)
-	2,409,611	2,409,611
<u>(6,156,517)</u>	<u>2,409,611</u>	<u>(3,746,906)</u>
1,074,931	249,499	1,324,430
1,728,222	878,737	2,606,959
2,640,275	-	2,640,275
762,165	-	762,165
66,216	168,000	234,216
194,814	-	194,814
7,757	77,243	85,000
<u>6,474,380</u>	<u>1,373,479</u>	<u>7,847,859</u>
<u>(1,029,464)</u>	<u>1,029,464</u>	<u>-</u>
<u>5,444,916</u>	<u>2,402,943</u>	<u>7,847,859</u>
<u>(711,601)</u>	<u>4,812,554</u>	<u>4,100,953</u>
40,935,442	41,195,285	82,130,727
-	-	-
<u>40,935,442</u>	<u>41,195,285</u>	<u>82,130,727</u>
<u>\$ 40,223,841</u>	<u>\$ 46,007,839</u>	<u>\$ 86,231,680</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, 2019

	Major Funds		
	<u>General Fund</u>	<u>CDBG Program Income Special Revenue Fund</u>	<u>Housing Successor Agency Special Revenue Fund</u>
ASSETS:			
Current Assets:			
Cash & Investments	\$ 2,063,444	\$ 10,045	\$ 422,912
Taxes Receivable	1,354	-	-
Intergovernmental receivable	-	-	-
Loans/Notes receivable	5,323	2,175,624	293,374
Other receivable	733,570	-	-
Due from other funds	707,023	-	-
Prepaid items	1,171	-	-
Inventory	2,376	-	-
Total assets	<u>3,514,261</u>	<u>2,185,669</u>	<u>716,286</u>
Total assets and deferred outflows	<u>\$ 3,514,261</u>	<u>\$ 2,185,669</u>	<u>\$ 716,286</u>
LIABILITIES , DEFERRED INFLOWS AND FUND BALANCES			
Current liabilities:			
Accounts Payable	\$ 211,057	\$ -	\$ -
Accrued Payroll	94,412	-	-
Accrued Liabilities	-	-	-
Deposits payable	67,166	-	-
Due to other Funds	-	-	-
Total liabilities	<u>372,635</u>	<u>-</u>	<u>-</u>
Total noncurrent liabilities	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>372,635</u>	<u>-</u>	<u>-</u>
Deferred inflows of resources:			
Unavailable revenue	-	2,187,448	293,375
Total deferred inflows of resources:	<u>-</u>	<u>2,187,448</u>	<u>293,375</u>
Total liabilities and deferred inflows :	<u>372,635</u>	<u>2,187,448</u>	<u>293,375</u>
Fund Balances:			
Non-spendable			
Prepays and Inventory	3,547	-	-
Loans/Notes receivable	5,323	-	-
Restricted	-	-	-
Committed	1,681,783	-	-
Assigned	-	-	422,911
Unassigned (deficit)	1,450,973	(1,779)	-
Total fund balances	<u>3,141,626</u>	<u>(1,779)</u>	<u>422,911</u>
Total liabilities deferred inflows and fund balances	<u>\$ 3,514,261</u>	<u>\$ 2,185,669</u>	<u>\$ 716,286</u>

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

Major Funds			
Special Sales Tax Special Revenue	Street Resurfacing Capital Projects	Non-major Governmental Funds	Totals
\$ 768,949	\$ 1,754,000	\$ 1,290,828	\$ 6,310,178
-	-	3,742	5,096
109,674	-	140,857	250,531
-	-	220,066	2,694,387
-	-	11	733,581
-	-	-	707,023
-	-	-	1,171
-	-	-	2,376
<u>878,623</u>	<u>1,754,000</u>	<u>1,655,504</u>	<u>10,704,343</u>
<u>\$ 878,623</u>	<u>\$ 1,754,000</u>	<u>\$ 1,655,504</u>	<u>\$ 10,704,343</u>
\$ -	\$ -	\$ 510	\$ 211,567
-	-	-	94,412
-	-	2,392	2,392
-	-	82,326	149,492
-	26,132	126,454	152,586
-	<u>26,132</u>	<u>211,682</u>	<u>610,449</u>
-	-	-	-
-	<u>26,132</u>	<u>211,682</u>	<u>610,449</u>
-	-	216,407	2,697,230
-	-	216,407	2,697,230
-	26,132	428,089	3,307,679
-	-	-	3,547
-	-	-	5,323
878,623	-	388,327	1,266,950
-	-	-	1,681,783
-	1,727,868	853,806	3,004,585
-	-	(14,718)	1,434,476
<u>878,623</u>	<u>1,727,868</u>	<u>1,227,415</u>	<u>7,396,664</u>
<u>\$ 878,623</u>	<u>\$ 1,754,000</u>	<u>\$ 1,655,504</u>	<u>\$ 10,704,343</u>

City of Fort Bragg, California
Reconciliation of the Governmental Funds Balance Sheet
To the Statement of Net Position
June 30, 2019

Total fund balances - total governmental funds \$ 7,396,664

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

Long-term receivables are not available to pay current period expenditures and, therefore, are deferred in the governmental funds. -

Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds balance sheet. 40,676,447

Deferred outflows of resources represent losses associated with the refunding of long-term debt which are deferred and amortized over the period during which the debt is outstanding. The losses are reported as expenditures of current financial resources in governmental funds.

Loss on refunding of debt	95,837	
Less: accumulated amortization	<u>(89,744)</u>	6,093

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	(658,893)	
Lease payable	(143,007)	
Landfill post-closure	(1,026,945)	
CalPERS side fund	(681,282)	
Net OPEB obligation	(3,215,490)	
Net pension liability	<u>(8,267,496)</u>	(13,993,113)

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. 2,697,230

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 - OPEB	292,648	
Deferred inflows - OPEB	(52,318)	
Deferred outflows - Pension	2,245,971	
Deferred inflows - Pension	<u>(712,990)</u>	1,773,311

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	842,046	
Noncurrent assets	860,921	
Current liabilities	(35,363)	
Noncurrent liabilities	<u>-</u>	<u>1,667,604</u>

Net Position of governmental activities **\$ 40,223,841**

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
June 30, 2019

	Governmental Funds Balance Sheet	Reclassifications	Changes in GAAP	Internal Services Balances	Statement of Net Position
ASSETS					
Current Assets:					
Cash & Investments	\$ 6,310,178	\$ -	\$ -	\$ 842,046	\$ 7,152,224
Taxes Receivable	5,096	-	-	-	5,096
Intergovernmental receivable	250,531	-	-	-	250,531
Loans/Notes receivable	2,694,387	-	-	-	2,694,387
Other receivable	733,581	-	-	-	733,581
Due from other funds	707,023	(152,586)	-	-	554,437
Prepaid items	1,171	-	-	-	1,171
Total current assets	10,701,967	(152,586)	-	842,046	11,391,427
Capital assets:					
Inventory	2,376	-	-	-	2,376
Capital assets, net	-	-	40,676,447	860,921	41,537,368
Total capital assets	2,376	-	40,676,447	860,921	41,539,744
DEFERRED OUTFLOWS OF RESOURCES					
Deferred Loss	-	-	6,093	-	6,093
OPEB, deferred outflow	-	-	292,648	-	292,648
Pension, deferred outflow	-	-	2,245,971	-	2,245,971
Total assets and deferred outflows of resources	\$ 10,704,343	\$ (152,586)	\$ 43,221,159	\$ 1,702,967	\$ 55,475,883
LIABILITIES					
Current liabilities:					
Accounts Payable	\$ 211,567	\$ -	\$ -	\$ 30,571	\$ 242,138
Accrued Payroll	94,412	-	-	4,792	99,204
Accrued Liabilities	2,392	-	-	-	2,392
Interest payable	-	-	395	-	395
Deposits payable	149,492	-	-	-	149,492
Compensated Absences current	-	-	65,889	-	65,889
Lease Payable	-	-	143,007	-	143,007
Due within one year	-	-	335,242	-	335,242
Due to other funds	152,586	(152,586)	-	-	-
Total current liabilities	610,449	(152,586)	544,533	35,363	1,037,759
Noncurrent liabilities					
Compensated Absences long term	-	-	593,004	-	593,004
Landfill post-closure	-	-	821,556	-	821,556
CalPers side fund	-	-	551,429	-	551,429
Net Pension Liability	-	-	8,267,496	-	8,267,496
Net OPEB Obligation	-	-	3,215,490	-	3,215,490
Total noncurrent liabilities	-	-	13,448,975	-	13,448,975
Total liabilities	610,449	(152,586)	13,993,508	35,363	14,486,734
Deferred inflows of resources:					
Unavailable revenue	2,697,230	-	(2,697,230)	-	-
OPEB, deferred inflow	-	-	52,318	-	52,318
Pension, deferred inflow	-	-	712,990	-	712,990
Total deferred inflows of resources:	2,697,230	-	(1,931,922)	-	765,308
Total liabilities and deferred inflows :	3,307,679	(152,586)	12,061,586	35,363	15,252,042
Fund Balances:					
Nonspendable					
Prepays and Inventory	3,547	(3,547)	-	-	-
Loans/Notes receivable	5,323	(5,323)	-	-	-
Restricted	1,266,950	(1,266,950)	-	-	-
Committed	1,681,783	(1,681,783)	-	-	-
Assigned	3,004,585	(3,004,585)	-	-	-
Unassigned (deficit)	1,434,476	(1,434,476)	-	-	-
Net position:					
Net investment in capital assets	-	-	41,400,454	860,921	42,261,375
Restricted	-	-	-	-	-
Unrestricted (deficit)	-	7,396,664	(10,240,881)	806,683	(2,037,534)
Total fund balances/ net position:	7,396,664	-	31,159,573	1,667,604	40,223,841
Total liabilities, deferred inflows and net position:	\$ 10,704,343	\$ (152,586)	\$ 43,221,159	\$ 1,702,967	\$ 55,475,883

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, 2019

	Major Funds		
	General Fund	CDBG Program Income Special Revenue Fund	Housing Successor Agency Special Revenue Fund
REVENUES:			
Taxes and assessments	\$ 6,205,593	\$ -	\$ -
Fines and Forfeitures	70,097	-	-
Use of Money and Property	261,030	86,066	9,702
Intergovernmental	14,231	-	-
Charges for Services	70,403	-	-
Licenses and Permits	124,929	-	-
Other Revenue	37,230	-	-
Operating Grant Revenue	144,628	-	-
Capital Grant Revenue	-	-	-
Reimbursements	2,452,787	-	-
Other Operating	-	-	-
Total revenues	<u>9,380,928</u>	<u>86,066</u>	<u>9,702</u>
EXPENDITURES:			
General Government	2,511,230	-	-
Public Safety	3,949,089	-	-
Public Works	1,765,323	-	-
Community Development	773,312	-	4,239
Capital Outlay	-	-	-
Principal	174,556	-	-
Interest and fiscal charges	10,977	-	-
Total expenditures	<u>9,184,487</u>	<u>-</u>	<u>4,239</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>196,441</u>	<u>86,066</u>	<u>5,463</u>
OTHER FINANCING SOURCES (USES):			
Transfers In	84,107	-	-
Transfers out	(98,396)	(93,567)	-
Total other financing sources and uses	<u>(14,289)</u>	<u>(93,567)</u>	<u>-</u>
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING (USES):	<u>182,152</u>	<u>(7,501)</u>	<u>5,463</u>
FUND BALANCES (DEFICITS):			
Beginning of year	<u>2,959,474</u>	<u>5,722</u>	<u>417,448</u>
End of year	<u>\$ 3,141,626</u>	<u>\$ (1,779)</u>	<u>\$ 422,911</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
\$ 878,944	\$ -	\$ 53,889	\$ 7,138,426
-	-	47,610	117,707
25,542	-	25,452	407,792
-	-	613,205	627,436
-	-	57,322	127,725
-	-	2,728	127,657
-	-	-	37,230
-	-	-	144,628
-	-	-	-
-	-	-	2,452,787
-	-	100	100
<u>904,486</u>	<u>-</u>	<u>800,306</u>	<u>11,181,488</u>
-	-	11,210	2,522,440
-	-	240,007	4,189,096
3,951	-	198,633	1,967,907
-	-	272,157	1,049,708
-	281,980	-	281,980
-	-	-	174,556
-	-	-	10,977
<u>3,951</u>	<u>281,980</u>	<u>722,007</u>	<u>10,196,664</u>
<u>900,535</u>	<u>(281,980)</u>	<u>78,299</u>	<u>984,824</u>
-	2,035,980	709,494	2,829,581
<u>(1,911,952)</u>	<u>-</u>	<u>(1,853,272)</u>	<u>(3,957,187)</u>
<u>(1,911,952)</u>	<u>2,035,980</u>	<u>(1,143,778)</u>	<u>(1,127,606)</u>
<u>(1,011,417)</u>	<u>1,754,000</u>	<u>(1,065,479)</u>	<u>(142,782)</u>
<u>1,890,040</u>	<u>(26,132)</u>	<u>2,292,894</u>	<u>7,539,446</u>
<u>\$ 878,623</u>	<u>\$ 1,727,868</u>	<u>\$ 1,227,415</u>	<u>\$ 7,396,664</u>

City of Fort Bragg, California
Reconciliation of Fund Basis Statement to
Government-wide Statement of Activities
For the Year-ended June 30, 2019

<u>Functions/Programs</u>	<u>Fund Based</u>	<u>Compensated</u>	<u>Internal</u>	<u>Capital Asset</u>	<u>OPEB</u>	<u>Amort-</u>	<u>Pension</u>	<u>Government-</u>	
	<u>Totals</u>	<u>Absences/</u>	<u>Service</u>	<u>(Additions)/</u>	<u>Obligation</u>	<u>ization</u>	<u>plan</u>	<u>wide Totals</u>	
		<u>Debt Service</u>		<u>Retirements</u>					
			<u>Depreciation</u>						
Governmental activities:									
General government	\$ 2,522,440	\$ 39,516	\$(450,534)	\$ 81,482	\$ -	\$ 34,112	\$ -	\$ 2,384,428	
Public safety	4,189,096	-	-	149,134	-	-	-	4,338,230	
Public works	1,967,907	(178,863)	-	1,190,108	-	-	-	2,979,152	
Community development	1,049,708	-	-	-	-	6,642	-	1,056,350	
Capital outlay	281,980	-	-	-	(281,980)	-	-	-	
Debt service/Interest	185,533	(138,256)	-	-	-	-	-	47,277	
Total governmental activities	\$10,196,664	\$ (277,603)	\$(450,534)	\$ 1,420,724	\$ (281,980)	\$ 34,112	\$ 6,642	\$157,412	\$10,805,437

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, 2019

Revenues and other financing sources over (under) expenditures and other financing (uses):		\$ (142,782)
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	281,980	
Depreciation expense	<u>(1,420,724)</u>	(1,138,744)
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.		
		(58,188)
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	137,341	
CalPERS side fund	<u>74,553</u>	211,894
Debt issuance costs are expenditures in the governmental funds, but these costs are capitalized and amortized on the Statement of Net Position. This is the amount of amortization in the current period.		
Amortization of deferred loss on refunding	<u>(6,642)</u>	(6,642)
Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds:		
Change in interest payable	915	
Landfill closure liability	178,863	
Change in compensated absences	<u>(39,516)</u>	140,262
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	(34,112)	
Net Pension obligation	<u>(231,965)</u>	(266,077)
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 transfers in of \$98,142 are included in the governmental activities in the government-wide Statement of Net Position.		
	450,534	
	<u>98,142</u>	548,676
Certain special items		
Change in Net Position of governmental activities		<u>\$ (711,601)</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
Budget to Actual – General and Major Special Revenue Funds
For the Year-ended June 30, 2019

	<u>General Fund</u>			
	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance w/Final</u>
	<u>Original</u>	<u>Final</u>		<u>Positive</u> <u>(Negative)</u>
REVENUES:				
Taxes and assessments	\$ 6,403,661	\$ 6,403,661	\$ 6,205,593	\$ (198,068)
Fines and forfeitures	42,500	42,500	70,097	27,597
Use of money and property	59,500	59,500	261,030	201,530
Intergovernmental	31,000	31,000	14,231	(16,769)
Charges for services	68,200	68,200	70,403	2,203
Licenses and permits	114,063	114,063	124,929	10,866
Other revenue	51,570	51,570	37,230	(14,340)
Operating grant revenue	201,300	201,300	144,628	(56,672)
Reimbursements	2,588,571	2,588,571	2,452,787	(135,784)
Total revenues	<u>9,560,365</u>	<u>9,560,365</u>	<u>9,380,928</u>	<u>(179,437)</u>
EXPENDITURES:				
General government:				
City Council	136,534	136,534	140,692	(4,158)
Administrative Services	819,906	819,906	751,545	68,361
Litigation reserve	-	-	69,313	(69,313)
Finance	471,032	501,432	454,349	47,083
Other - unclassified	1,078,637	1,117,924	1,095,331	22,593
Public Safety:				
Police Department	3,765,255	3,765,255	3,538,688	226,567
Fire Department	413,843	413,843	410,401	3,442
Public Works:				
Administration & engineering	601,698	656,557	641,991	14,566
Parks and facilities	233,931	233,931	232,989	942
Street maintenance	162,419	162,419	126,787	35,632
Storm drains	76,188	76,188	17,892	58,296
Corporation yard	729,602	729,602	699,992	29,610
Traffic and safety	64,460	64,460	45,672	18,788
Community Development	522,231	436,129	438,219	(2,090)
Marketing and Promotions	279,737	351,046	335,093	15,953
Debt service:				
Principal	174,556	174,556	174,556	-
Interest and fiscal charges	10,977	10,977	10,977	-
Total expenditures	<u>9,541,005</u>	<u>9,650,758</u>	<u>9,184,487</u>	<u>466,271</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>19,360</u>	<u>(90,394)</u>	<u>196,441</u>	<u>286,835</u>
OTHER FINANCING SOURCES (USES):				
Transfers In	3,172	3,172	84,107	80,935
Transfers out	-	-	(98,396)	(98,396)
Total other financing sources and uses	<u>3,172</u>	<u>3,172</u>	<u>(14,289)</u>	<u>(17,461)</u>
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING (USES):	<u>22,532</u>	<u>(87,222)</u>	<u>182,152</u>	<u>269,374</u>
FUND BALANCES (DEFICITS):				
Beginning of year	2,959,474	2,959,474	2,959,474	-
End of year	<u>\$ 2,982,006</u>	<u>\$ 2,872,252</u>	<u>\$ 3,141,626</u>	<u>\$ 269,374</u>

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

CDBG Program Income Special Revenue Fund

Housing Successor Agency Special Revenue Fund

CDBG Program Income Special Revenue Fund				Housing Successor Agency Special Revenue Fund			
<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance w/Final Positive (Negative)</u>	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance w/Final Positive (Negative)</u>
<u>Original</u>	<u>Final</u>			<u>Original</u>	<u>Final</u>		
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
88,000	88,000	86,066	(1,934)	7,209	7,209	9,702	2,493
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>88,000</u>	<u>88,000</u>	<u>86,066</u>	<u>(1,934)</u>	<u>7,209</u>	<u>7,209</u>	<u>9,702</u>	<u>2,493</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	4,239	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	4,239	-
<u>88,000</u>	<u>88,000</u>	<u>86,066</u>	<u>(1,934)</u>	<u>7,209</u>	<u>7,209</u>	<u>5,463</u>	<u>2,493</u>
-	-	-	-	-	-	-	-
<u>(150,000)</u>	<u>(150,000)</u>	<u>(93,567)</u>	<u>56,433</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>(150,000)</u>	<u>(150,000)</u>	<u>(93,567)</u>	<u>56,433</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-	-	-
<u>(62,000)</u>	<u>(62,000)</u>	<u>(7,501)</u>	<u>54,499</u>	<u>7,209</u>	<u>7,209</u>	<u>5,463</u>	<u>2,493</u>
<u>5,722</u>	<u>5,722</u>	<u>5,722</u>	<u>-</u>	<u>417,448</u>	<u>417,448</u>	<u>417,448</u>	<u>-</u>
<u>\$ (56,278)</u>	<u>\$ (56,278)</u>	<u>\$ (1,779)</u>	<u>\$ 54,499</u>	<u>\$ 424,657</u>	<u>\$ 424,657</u>	<u>\$ 422,911</u>	<u>\$ 2,493</u>

(continued)

City of Fort Bragg, California
Statement of Revenues, Expenditures and Changes in Fund Balances, continued
Budget to Actual – General and Major Special Revenue Funds
For the Year-ended June 30, 2019

Special Sales Tax Special Revenue

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance w/Final Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Taxes and assessments	\$ 928,120	\$ 928,120	\$ 878,944	\$ (49,176)
Fines and forfeitures	-	-	-	-
Use of money and property	36,195	36,195	25,542	(10,653)
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Licenses and permits	-	-	-	-
Other revenue	-	-	-	-
Operating grant revenue	-	-	-	-
Reimbursements	-	-	-	-
Total revenues	<u>964,315</u>	<u>964,315</u>	<u>904,486</u>	<u>(59,829)</u>
EXPENDITURES:				
General government:				
City Council	-	-	-	-
Administrative Services	-	-	-	-
Litigation reserve	-	-	-	-
Finance	-	-	-	-
Other - unclassified	-	-	-	-
Public Safety:				
Police Department	-	-	-	-
Fire Department	-	-	-	-
Public Works:				
Administration & engineering	-	-	-	-
Parks and facilities	-	-	-	-
Street maintenance	-	-	3,951	(3,951)
Storm drains	-	-	-	-
Corporation yard	-	-	-	-
Traffic and safety	-	-	-	-
Community Development	-	-	-	-
Marketing and Promotions	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>3,951</u>	<u>(3,951)</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>964,315</u>	<u>964,315</u>	<u>900,535</u>	<u>(63,780)</u>
OTHER FINANCING SOURCES (USES):				
Transfers In	-	-	-	-
Transfers out	(2,000,000)	(2,000,000)	(1,911,952)	88,048
Total other financing sources and uses	<u>(2,000,000)</u>	<u>(2,000,000)</u>	<u>(1,911,952)</u>	<u>88,048</u>
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING (USES):	<u>(1,035,685)</u>	<u>(1,035,685)</u>	<u>(1,011,417)</u>	<u>24,268</u>
FUND BALANCES (DEFICITS):				
Beginning of year	1,890,040	1,890,040	1,890,040	-
End of year	<u>\$ 854,355</u>	<u>\$ 854,355</u>	<u>\$ 878,623</u>	<u>\$ 24,268</u>

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

(concluded)

ENTERPRISE FUNDS

Fund	Description
Water Fund	Accounts for the operation and maintenance of the City's water treatment and distribution system.
Wastewater 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, 2019

	<u>Water</u>	<u>Wastewater</u>	<u>CV Starr Center</u>	<u>Totals</u>	<u>Governmental Activities Internal Service Funds</u>
ASSETS:					
Current Assets:					
Cash & Investments	\$ 5,034,048	\$ -	\$ 940,017	\$ 5,974,065	\$ 842,046
Restricted cash & investments	108,064	-	-	108,064	-
Accounts Receivable	318,073	393,538	206,291	917,902	-
Taxes Receivable	-	-	-	-	-
Intergovernmental receivable	-	2,339,229	-	2,339,229	-
Loans/Notes receivable	-	1,466	-	1,466	-
Other receivable	-	1,721,515	-	1,721,515	-
Total current assets	<u>5,460,185</u>	<u>4,455,748</u>	<u>1,146,308</u>	<u>11,062,241</u>	<u>842,046</u>
Capital assets:					
Inventory	41,353	11,287	978	53,618	-
Capital assets, net	6,937,902	17,469,095	20,276,326	44,683,323	860,921
Total capital assets	<u>6,979,255</u>	<u>17,480,382</u>	<u>20,277,304</u>	<u>44,736,941</u>	<u>860,921</u>
DEFERRED OUTFLOWS OF RESOURCES:					
Deferred Loss	150,178	-	-	150,178	-
Pension, deferred outflow	-	247,934	-	247,934	-
Total assets and deferred outflows of resources	<u>\$ 12,589,618</u>	<u>\$ 22,184,064</u>	<u>\$ 21,423,612</u>	<u>\$ 56,197,294</u>	<u>\$ 1,702,967</u>
LIABILITIES:					
Current liabilities:					
Accounts Payable	\$ 67,627	\$ 587,430	\$ 401,563	\$ 1,056,620	\$ 30,571
Accrued Payroll	-	15,574	-	15,574	4,792
Interest payable	16,386	(2)	-	16,384	-
Unearned revenue	-	6,466	13,206	19,672	-
Deposits payable	150,166	-	-	150,166	-
Compensated Absences current	881	2,962	2,636	6,479	-
Due within one year	344,954	86,000	-	430,954	-
Due to Other Funds	-	554,437	-	554,437	-
Total current liabilities	<u>580,014</u>	<u>1,252,867</u>	<u>417,405</u>	<u>2,250,286</u>	<u>35,363</u>
Noncurrent liabilities:					
Compensated Absences long term	10,103	33,916	27,491	71,510	-
Due after one year	1,963,493	4,913,999	-	6,877,492	-
Net Pension Liability	-	920,701	-	920,701	-
Total noncurrent liabilities	<u>1,973,596</u>	<u>5,868,616</u>	<u>27,491</u>	<u>7,869,703</u>	<u>-</u>
Total liabilities	<u>2,553,610</u>	<u>7,121,483</u>	<u>444,896</u>	<u>10,119,989</u>	<u>35,363</u>
DEFERRED INFLOWS OF RESOURCES:					
Pension, deferred inflow	-	69,466	-	69,466	-
Total deferred inflows of resources	<u>-</u>	<u>69,466</u>	<u>-</u>	<u>69,466</u>	<u>-</u>
Deferred :					
Net Position:					
Net investment in capital assets	4,974,409	12,555,096	20,276,326	37,805,831	860,921
Restricted for debt service	108,064	-	-	108,064	-
Unrestricted	4,953,535	2,438,019	702,390	8,093,944	806,683
Total net position	<u>10,036,008</u>	<u>14,993,115</u>	<u>20,978,716</u>	<u>46,007,839</u>	<u>1,667,604</u>
Total liabilities, deferred inflows and net position	<u>\$ 12,589,618</u>	<u>\$ 22,184,064</u>	<u>\$ 21,423,612</u>	<u>\$ 56,197,294</u>	<u>\$ 1,702,967</u>

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

City of Fort Bragg, California
Statement of Revenues, Expenses and Changes in Net Position
Proprietary Funds
For the Year-ended June 30, 2019

	<u>Water</u>	<u>Wastewater</u>	<u>CV Starr Center</u>	<u>Totals</u>	<u>Governmental Activities Internal Service Funds</u>
OPERATING REVENUES:					
Charges for Services	\$ 3,046,379	\$ 3,598,546	\$ 703,291	\$ 7,348,216	\$ -
Capital Grant Revenue	-	2,339,229	-	2,339,229	-
Other Operating	30,396	-	7,914	38,310	5,440
Interdepartmental Charges	-	-	-	-	1,262,121
Total operating revenues	<u>3,076,775</u>	<u>5,937,775</u>	<u>711,205</u>	<u>9,725,755</u>	<u>1,277,125</u>
OPERATING EXPENSES:					
Personnel Services	771,623	1,252,009	995,222	3,018,854	452,606
Administration	273,767	269,509	24,032	567,308	-
Repairs & Maintenance	55,768	160,834	82,714	299,316	88,842
Materials & Supplies- Enterprise	176,337	334,381	983	511,701	230,547
Utilities	116,867	148,648	274,451	539,966	-
Contractual Services	63,377	143,899	16,831	224,107	2,442
Insurance	12,314	11,770	40,040	64,124	-
Other Operating	9,611	-	559,369	568,980	-
Allocated Overhead	-	-	-	-	52,154
Depreciation	357,218	339,621	728,724	1,425,563	147,297
Total operating expenses	<u>1,836,882</u>	<u>2,660,671</u>	<u>2,722,366</u>	<u>7,219,919</u>	<u>973,888</u>
OPERATING INCOME (LOSS)	<u>1,239,893</u>	<u>3,277,104</u>	<u>(2,011,161)</u>	<u>2,505,836</u>	<u>303,237</u>
NONOPERATING REVENUES (EXPENSES):					
Property taxes	-	-	249,499	249,499	-
Sales Taxes	-	-	878,737	878,737	-
Other nonoperating revenues	19,096	58,147	-	77,243	-
Interest revenues	91,398	58,578	18,024	168,000	-
Interest expense	(83,128)	(13,097)	-	(96,225)	-
Total nonoperating revenues, net	<u>27,366</u>	<u>103,628</u>	<u>1,146,260</u>	<u>1,277,254</u>	<u>-</u>
NET INCOME (LOSS) BEFORE TRANSFERS	<u>1,267,259</u>	<u>3,380,732</u>	<u>(864,901)</u>	<u>3,783,090</u>	<u>303,237</u>
Transfers In	2,747,584	17,049,886	-	19,797,470	98,142
Transfers out	(1,715,822)	(17,052,184)	-	(18,768,006)	-
Total transfers	<u>1,031,762</u>	<u>(2,298)</u>	<u>-</u>	<u>1,029,464</u>	<u>98,142</u>
Change in net position	<u>2,299,021</u>	<u>3,378,434</u>	<u>(864,901)</u>	<u>4,812,554</u>	<u>401,379</u>
NET POSITION (DEFICIT):					
Beginning of year	7,736,987	11,614,681	21,843,617	41,195,285	1,266,225
End of year	<u>\$ 10,036,008</u>	<u>\$ 14,993,115</u>	<u>\$ 20,978,716</u>	<u>\$ 46,007,839</u>	<u>\$ 1,667,604</u>

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

City of Fort Bragg, California
Statement of Cash Flows
Proprietary Funds
For the Year-ended June 30, 2019

	<u>Water</u>	<u>Wastewater</u>	<u>CV Starr Center</u>	<u>Totals</u>	<u>Governmental Activities Internal Service Funds</u>
CASH FLOWS FROM OPERATING ACTIVITIES:					
Cash received from customers/users for services provided	\$ 3,075,426	\$ 3,757,675	\$ 731,265	\$ 7,564,366	\$ -
Cash received from interfund services provided	-	554,437	-	554,437	1,277,125
Cash payments to suppliers for goods and services	(1,097,068)	(1,294,690)	(771,998)	(3,163,756)	(365,667)
Cash payments to employees for services	(784,428)	(1,263,325)	(1,002,729)	(3,050,482)	(463,158)
Net cash provided by operating activities	<u>1,193,930</u>	<u>1,754,097</u>	<u>(1,043,462)</u>	<u>1,904,565</u>	<u>448,300</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:					
Transfers received	2,747,584	17,049,886	-	19,797,470	98,142
Transfers paid	(1,715,822)	(17,052,184)	-	(18,768,006)	-
Taxes received	-	-	1,128,236	1,128,236	-
Net cash used by noncapital financing activities	<u>1,031,762</u>	<u>(2,298)</u>	<u>1,128,236</u>	<u>2,157,700</u>	<u>98,142</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:					
Acquisition and construction of capital assets	(468,298)	(9,656,736)	(36,121)	(10,161,155)	(102,406)
Principal paid on long term debt	(395,778)	(55,000)	-	(450,778)	-
Interest paid on long term debt	(83,128)	(13,097)	-	(96,225)	-
Deferred loss on defeasance	30,035	-	-	30,035	-
Contributions received for capital purposes	19,096	3,336,631	-	3,355,727	-
Net cash (used) by capital and related financing activities	<u>(898,073)</u>	<u>(6,388,202)</u>	<u>(36,121)</u>	<u>(7,322,396)</u>	<u>(102,406)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:					
Investment income received	91,398	58,578	18,024	168,000	-
Net cash provided by investing activities	<u>91,398</u>	<u>58,578</u>	<u>18,024</u>	<u>168,000</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	1,419,017	(4,577,825)	66,677	(3,092,131)	444,036
CASH AND CASH EQUIVALENTS:					
Beginning of year	3,723,095	4,577,825	873,340	9,174,260	398,010
End of year	<u>\$ 5,142,112</u>	<u>\$ -</u>	<u>\$ 940,017</u>	<u>\$ 6,082,129</u>	<u>\$ 842,046</u>
Presentation in Statement of Financial Position:					
Cash and investments	\$ 5,034,048	\$ -	\$ 940,017	\$ 5,974,065	\$ 842,046
Restricted cash and investments	108,064	-	-	108,064	-
Total Cash and investments	<u>\$ 5,142,112</u>	<u>\$ -</u>	<u>\$ 940,017</u>	<u>\$ 6,082,129</u>	<u>\$ 842,046</u>
Reconciliation of income from operations to net cash provided by operating activities:					
Operating income	\$ 1,239,893	\$ 3,277,104	\$ (2,011,161)	\$ 2,505,836	\$ 303,237
Adjustments to reconcile operating income to net cash provided by operating activities:					
Depreciation	357,218	339,621	728,724	1,425,563	147,297
Pension	-	28,998	-	-	-
(Increase) decrease in current assets:					
Accounts receivable	(18,960)	159,039	5,533	145,612	-
Intergovernmental receivables	-	(2,339,229)	14,441	(2,324,788)	-
Inventory and prepaids	4,973	(2,572)	201	2,602	-
Prepaid items	-	-	-	-	20,447
Increase (decrease) in liabilities:					
Accounts payable	(394,000)	(223,077)	226,221	(390,856)	(12,129)
Accrued payroll	-	1,065	-	1,065	(10,552)
Accrued liabilities	-	-	-	-	-
Deferred revenues	9,039	90	86	9,215	-
Deposits payable	8,572	-	-	8,572	-
Compensated absences	(12,805)	(41,379)	(7,507)	(61,691)	-
Due to other funds	-	554,437	-	554,437	-
Net cash provided by operating activities	<u>\$ 1,193,930</u>	<u>\$ 1,754,097</u>	<u>\$ (1,043,462)</u>	<u>\$ 1,875,567</u>	<u>\$ 448,300</u>

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

FIDUCIARY ACTIVITIES

Fund	Description
-------------	--------------------

Private Purpose Trust Funds are used for resources held for other individuals and entities in a manner similar to private enterprise.

Private Purpose Trust Fund	
Successor Agency - Fort Bragg Redevelopment Agency	Accounts for funds collected and disbursed for the dissolution of the former Fort Bragg Redevelopment Agency related to Administration and Retirement of enforceable obligations

City of Fort Bragg, California
Statement of Fiduciary Net Position
Fiduciary Activities
June 30, 2019

	Successor Agency
	Former Fort Bragg Redevelopment Agency
ASSETS AND DEFERRED OUTFLOWS	
Cash & Investments	\$ 142,861
Total current assets	<u>142,861</u>
Deferred outflows of resources:	
Deferred Loss on debt refunding	84,802
Total deferred outflows of resources	<u>84,802</u>
Total assets and deferred outflows of resources	<u>\$ 227,663</u>
LIABILITIES , DEFERRED INFLOWS AND NET POSITION	
Current liabilities:	
Interest payable	\$ 36,759
Due within one year	160,000
Total current liabilities	<u>196,758</u>
Noncurrent liabilities	
Due after one year	3,305,839
Total noncurrent liabilities	<u>3,305,839</u>
Deferred inflows of resources:	
Unavailable revenue	267,938
Total liabilities and deferred inflows of resources	<u>3,770,535</u>
Net Position (Deficit):	<u>(3,542,872)</u>
Total liabilities and net position	<u>\$ 227,663</u>

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

City of Fort Bragg, California
Statement of Changes in Fiduciary Net Position
Private Purpose Trust Funds
For the Year-ended June 30, 2019

	Successor Agency Former Fort Bragg Redevelopment Agency
ADDITIONS:	
Property taxes	\$ 375,278
Total revenues	<u>375,278</u>
DEDUCTIONS:	
Community Development	122,558
Interest and trustee fees	<u>107,356</u>
Total expenses	<u>229,914</u>
CHANGE IN FIDUCIARY NET ASSETS	<u>145,364</u>
NET ASSETS (DEFICITS):	
Beginning of year	<u>(3,688,236)</u>
End of year	<u>\$ (3,542,872)</u>

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

NOTES TO BASIC FINANCIAL STATEMENTS



City of Fort Bragg, California
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For the year ended June 30, 2019

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City of Fort Bragg, California
Notes to the Basic Financial Statements
For the year ended June 30, 2019

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, 2019

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, 2019

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, 2019

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, 2019

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, 2019

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, 2019

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 \$1,171 in prepaid expenses in governmental activities as of June 30, 2019.

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, 2019

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, 2019, 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, 2019

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, 2019

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, 2019

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, 2019

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, 2019, are summarized below.

Fund	Amount
General Fund	\$ 50,414
2016 CDBG Grants	152,224
Street Resurfacing Capital Projects	16,740
Fleet & Equipment Services	62,199
Water Enterprise	611,248
Wastewater Enterprise	10,273,555
	<u>\$ 11,166,380</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, 2019

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, 2019

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 2018/19 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, 2017
Measurement Date	June 30, 2018
Measurement Period	July 1, 2017 to June 30, 2018

City of Fort Bragg, California
Notes to the Basic Financial Statements
For the year ended June 30, 2019

2. CASH AND INVESTMENTS

At June 30, 2019, 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	\$ -	\$ -	\$ -	\$ 721,893	721,893		
Petty cash	-	-	-	202	202		
Total pooled items	-	-	-	722,095	722,095		
<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	746,731	4,464,578	2,515,384	-	7,726,693
		Money Market Funds	-	-	-	108,064	108,064
State of California Local Agency Investment Fund			-	-	-	4,820,362	4,820,362
Total pooled investments - interest obligations			746,731	4,464,578	2,515,384	4,928,426	12,655,119
Total cash equivalents and investments pooled			\$ 746,731	\$ 4,464,578	\$ 2,515,384	\$ 5,650,521	\$ 13,377,214

Amounts reported in:

Governmental activities (unrestricted)	\$ 7,152,224
Business-type activities (unrestricted)	5,974,065
Business-type activities (restricted)	108,064
Fiduciary activities	142,861
Total	<u>\$ 13,377,214</u>

<u>Investment Type</u>	<u>Fair Value</u>	<u>Weighted Average Maturity (Years)</u>
Certificates of Deposit	\$ 7,726,693	3.45
Money market funds	108,282	-
LAIF	4,820,362	-
Total fair value	<u>\$ 12,655,337</u>	
Portfolio weighted average maturity		2.11

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, 2019, the City's permissible investments included the following instruments:

City of Fort Bragg, California
Notes to the Basic Financial Statements
For the year ended June 30, 2019

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, 2019

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, 2019, 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, 2019, the carrying amount of the City's cash deposits (including fiduciary funds) was \$721,893 of which \$250,000 was covered by federal depository insurance and \$471,893 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, 2019, 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

City of Fort Bragg, California
Notes to the Basic Financial Statements
For the year ended June 30, 2019

2. CASH AND INVESTMENTS, Continued

Corporation (SIPC) and supplemental private insurance up to a limit of \$150 million. Investment balances equaled \$12,655,119.

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, 2019 was \$24,584,685,280 of which the City had a balance of \$4,820,362. LAIF is part of the California Pooled Money Investment Account (PMIA), which at June 30, 2019 has a portfolio with market valuation of \$105,739,565,000. 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, 2019:

	<u>Receivables</u>
Governmental Activities	
Taxes	\$ 5,096
Intergovernmental	250,531
Other	733,581
	<u>\$ 989,208</u>
Business-type activities	
Accounts receivable	\$ 917,902
Intergovernmental	2,339,229
Other	1,721,515
	<u>\$ 4,978,646</u>

City of Fort Bragg, California
Notes to the Basic Financial Statements
For the year ended June 30, 2019

3. ACCOUNTS RECEIVABLE, continued

These amounts resulted in the following concentrations in receivables:

Other Governments	43.4%	Individuals/Business	56.6%
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Significant receivables concentrations (greater than 25%) are as follows: 39% or \$2,339,229 of the receivables balance was due from the California State Water Resources Control Board in connection with a reimbursement grant related to the Wastewater Treatment Facility Upgrade project. 29% or \$1,721,515 of the receivables balance represents proceeds of the bond issued in connection with the Wastewater Treatment Facility Upgrade project.

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, 2019, consisted of the following:

	Beginning 30-Jun-18	Additions	Deletions	Ending 30-Jun-19
Mendocino Coast Hospitality Center Loan	904,292	-	-	904,292
Rural Community Housing Development Corporation Loans	286,625	6,749	-	293,374
Employee Loans	6,867	1,972	(3,516)	5,323
Wastewater Enterprise Capacity fee loan	4,110		(2,644)	1,466
Total loans/notes receivable	<u>\$2,771,886</u>	<u>\$ 8,721</u>	<u>\$ (84,754)</u>	<u>\$ 2,695,853</u>

The following are descriptions of the loans and notes receivable outstanding as of June 30, 2019:

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

City of Fort Bragg, California
Notes to the Basic Financial Statements
For the year ended June 30, 2019

4. LOANS AND NOTES RECEIVABLE, continued

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%.

5. CAPITAL ASSETS

Governmental capital asset activity for the year ended June 30, 2019, was as follows:

	Balance June 30, 2018	Additions	Deletions	Balance June 30, 2019
<u>Governmental activities:</u>				
Nondepreciable assets:				
Land	\$ 12,952,262	\$ -	\$ -	\$ 12,952,262
Construction in progress	65,529	281,979	-	347,508
Total nondepreciable assets	13,017,791	281,979	-	13,299,770
Depreciable assets:				
Buildings	4,675,797	-	-	4,675,797
Machinery, equipment and vehicles	2,021,827	102,408	-	2,124,235
Infrastructure	34,413,370	-	-	34,413,370
Total depreciable assets	41,110,994	102,408	-	41,213,402
Total	54,128,785	384,387	-	54,513,172
Accumulated depreciation:				
Buildings	(3,038,483)	(136,328)	-	(3,174,811)
Machinery, equipment and vehicles	(1,118,901)	(148,599)	-	(1,267,500)
Infrastructure	(7,397,696)	(1,135,797)	-	(8,533,493)
Total accumulated depreciation	(11,555,080)	(1,420,724)	-	(12,975,804)
Net depreciable assets	29,555,914	(1,318,316)	-	28,237,598
Total net capital assets	\$ 42,573,705	\$ (1,036,337)	\$ -	\$ 41,537,368

City of Fort Bragg, California
Notes to the Basic Financial Statements
For the year ended June 30, 2019

5. CAPITAL ASSETS, Continued

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

General government	\$ 81,482
Public safety	149,134
Public works	1,190,108
	<u>\$ 1,420,724</u>

Business-type capital asset activity for the year ended June 30, 2019, was as follows:

	Balance June 30, 2018	Additions	Deletions	Balance June 30, 2019
<u>Business-type activities</u>				
Nondepreciable assets:				
Land	\$ 785,079	\$ -	\$ -	\$ 785,079
Construction in progress	3,338,081	9,694,513	(1,716,108)	11,316,486
Total nondepreciable assets	<u>4,123,160</u>	<u>9,694,513</u>	<u>(1,716,108)</u>	<u>12,101,565</u>
Depreciable assets:				
Buildings	29,045,137			29,045,137
Machinery, equipment and vehicles	6,512,594	123,618		6,636,212
Infrastructure	16,465,091	2,059,136	-	18,524,227
Land improvements	542,303	-	-	542,303
Total depreciable assets	<u>52,565,125</u>	<u>2,182,754</u>	<u>-</u>	<u>54,747,879</u>
Total	<u>56,688,285</u>	<u>11,877,267</u>	<u>(1,716,108)</u>	<u>66,849,444</u>
Accumulated depreciation:				
Buildings	(6,765,276)	(678,108)		(7,443,384)
Machinery, equipment and vehicles	(4,782,736)	(186,665)		(4,969,401)
Infrastructure	(8,862,644)	(506,561)	-	(9,369,205)
Land improvements	(329,902)	(54,229)	-	(384,131)
Total accumulated depreciation	<u>(20,740,558)</u>	<u>(1,425,563)</u>	<u>-</u>	<u>(22,166,121)</u>
Net depreciable assets	<u>31,824,567</u>	<u>757,191</u>	<u>-</u>	<u>32,581,758</u>
Total net capital assets	<u>\$ 35,947,727</u>	<u>\$ 10,451,704</u>	<u>\$ (1,716,108)</u>	<u>\$ 44,683,323</u>

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

Water	\$ 357,218
Sewer	339,621
CV Starr Center	728,724
	<u>\$ 1,425,563</u>

City of Fort Bragg, California
Notes to the Basic Financial Statements
For the year ended June 30, 2019

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued payroll and related liabilities consisted of the following at June 30, 2019:

	Governmental Activities	Business-type Activities	Total
Accounts payable	\$ 242,138	\$ 1,056,620	\$ 1,298,758
Accrued payroll and related liabilities	99,204	15,574	114,778
Total	\$ 341,342	\$ 1,072,194	\$ 1,413,536

These amounts resulted in the following concentrations in payables:

Vendors	92%
Employees	8%

34% of accounts payable, accrued payroll and related liabilities were due to Wahlund Construction in relation to the Wastewater Treatment Facility upgrade project. 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, 2019:

	Balance June 30, 2018	Additions	Retirements	Balance June 30, 2019	Due Within One Year
Governmental Activities:					
Compensated absences	\$ 619,376	\$ 357,735	\$ (318,218)	\$ 658,893	\$ 65,889
Capital Lease Obligations	280,348	-	(137,341)	143,007	143,007
Landfill post-closure	1,205,807	-	(178,862)	1,026,945	205,389
CalPERS side fund	755,835	-	(74,553)	681,282	129,853
Total governmental activities	\$ 2,861,366	\$ 357,735	\$ (708,974)	\$ 2,510,127	\$ 544,138
Business-type activities					
Bonds payable:					
1998 Revenue Bond	\$ 55,000	\$ -	\$ (55,000)	-	\$ -
2014 Water Revenue Refunding Bond	1,858,000	-	(290,000)	1,568,000	300,000
2018 WW Plant Certificates of Participation		5,000,000		5,000,000	86,000
Loans payable:					
SDWRL	702,080	-	(74,514)	627,565	76,218
SDWRL discount	144,145	-	(31,264)	112,881	(31,264)
Total business-type activity debt	2,759,225	5,000,000	(450,778)	7,308,446	430,954
Compensated absences	126,819	39,052	(87,882)	77,989	6,479
Total business-type activities	\$ 2,886,044	\$ 5,039,052	\$ (538,660)	\$ 7,386,435	\$ 437,433

City of Fort Bragg, California
Notes to the Basic Financial Statements
For the year ended June 30, 2019

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, 2019, the City's estimated liability for its share of landfill closure and post-closure care costs was \$1,026,945. 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, 2019, 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

1998 Wastewater Revenue Bond

In 1998, the City on behalf of the Fort Bragg Municipal Improvement District entered into an agreement with the Association of Bay Area Governments (ABAG) whereby ABAG issued \$770,000 in revenue bonds to provide resources for the District to acquire and construct capital improvements to the District's wastewater system. The bonds are an obligation of ABAG and are payable solely from and secured by revenues that consist primarily of payments on an installment obligation of the City. For the purposes of this report, the City has reported its liability under the terms of the installment agreement as 1998 Wastewater Revenue Bonds. Annual interest accrues at varying rates between 3.75% and 5.30%. Interest became payable commencing October 1, 1998, and semi-annually thereafter each October 1st and April 1st. Principal is paid in annual installments commencing October 1, 1998, through the year 2018 in amounts ranging from \$25,000 through \$55,000. The bonds were repaid in full in FY 2018/19.

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, 2019 was \$1,568,000.

\$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

City of Fort Bragg, California
Notes to the Basic Financial Statements
For the year ended June 30, 2019

LONG-TERM LIABILITIES, Continued

2014 Water Revenue Refunding Bonds, Continued

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.

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, 2019 was \$5,000,000.

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, 2018, the balance of the loan payable was \$627,565. 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, 2019 was \$658,893 with \$65,889 expected to be paid within a year; The business-type activities compensated absences balance at June 30, 2019 was \$77,989 with \$6,479 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 \$883,312, with a retirement in the amount of \$74,553 for the year end June 30, 2019. 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, 2019

7. LONG-TERM LIABILITIES, Continued

Debt Service

Future debt service for Governmental Activities at June 30, 2019, is as follows:

Year Ending June 30,	Governmental Activities	
	Capital Lease	
	Principal	Interest
2020	143,007	4,469
2021	-	-
2022	-	-
2023-2027	-	-
Total	<u>\$ 143,007</u>	<u>\$ 4,469</u>
Due within one year	\$ 143,007	\$ 4,469
Due after one year	-	-
Total	<u>\$ 143,007</u>	<u>\$ 4,469</u>

City of Fort Bragg, California
Notes to the Basic Financial Statements
For the year ended June 30, 2019

7. LONG-TERM LIABILITIES, Continued

Debt Service, Continued

Future debt service for Business-Type Activities at June 30, 2019, is as follows:

	Principal	Interest	Principal	Interest	Principal	Interest
2020	86,000	99,140	300,000	43,391	105,778	-
2021	87,000	97,410	304,000	34,150	105,778	-
2022	89,000	95,650	312,000	24,725	105,778	-
2023	91,000	93,850	320,000	15,055	105,778	-
2024	93,000	92,010	332,000	29,805	105,778	-
2025-2058	4,554,000	1,719,940	-	-	211,556	-
Total	\$ 5,000,000	\$ 2,198,000	\$ 1,568,000	\$ 147,126	\$ 740,446	\$ -
Due within one year	\$ 86,000	\$ 99,140	\$ 300,000	\$ 43,391	\$ 105,778	\$ -
Due after one year	4,914,000	2,098,860	1,268,000	103,735	634,668	-
Total	\$ 5,000,000	\$ 2,198,000	\$ 1,568,000	\$ 147,126	\$ 740,446	\$ -

Year Ending June 30,	Total	
	Principal	Interest
2017	\$ 123,161	\$ 4,627
2018	395,778	61,200
2019	395,778	52,418
2020	491,778	142,531
2021	496,778	131,560
2022	506,778	120,375
2023	516,778	108,905
2024	530,778	121,815
2025-2029	4,765,556	1,719,940
Total	\$ 7,308,446	\$ 2,345,126
Due within one year	\$ 491,778	\$ 142,531
Due after one year	6,816,668	2,202,595
Total	\$ 7,308,446	\$ 2,345,126

City of Fort Bragg, California
Notes to the Basic Financial Statements
For the year ended June 30, 2019

8. NET POSITION/ FUND BALANCES

	<u>Net position (deficit)</u>		
	Governmental Activities	Business-type Activities	Total
Net investment in capital assets	\$ 41,400,454	\$ 37,805,831	\$ 79,206,285
Restricted	1,278,950	108,064	1,387,014
Unrestricted (deficit)	(2,455,563)	8,093,944	5,638,381
Total	\$ 40,223,841	\$ 46,007,839	\$ 86,231,680

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, 2019:

Nonspendable:	
Prepays & Inventory	\$ 3,547
Loans/Notes Receivable	5,323
Total Nonspendable	\$ 8,870
Restricted:	
Governmental Funds:	
Special Sales Tax	\$ 878,623
Asset Forfeiture	307,086
Gas Tax	19,843
Federal & State Grant Funds	73,398
Debt Service	108,064
Total Restricted	\$ 1,387,014
Committed:	
Encumbrances	\$ 50,414
Reserves	1,631,369
Total Committed	\$ 1,681,783

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

Non-spendable

- **Inventory & Prepays** – 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, 2019

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.
- **Debt Service** – represents amounts restricted by loan covenant.

Committed

- **Encumbrances** – represents amounts designated by the City Council for outstanding purchase orders and contracts.
- **Reserves** – represents amounts designated by the City Council for future contingencies, which include a \$1,431,369 operating reserve and a \$200,000 litigation reserve.

Fund Balance Deficits

Deficit fund balances consisted of the following:

Funds	As of June 30, 2019
Major Funds:	
Street Resurfacing Capital Projects Fund	(26,132)
CDBG Program Income Special Revenue	(1,779)
Non-Major Funds:	
<i>Special Revenue Funds</i>	
Developer Deposit Accounts	(1,031)
Mendocino Council of Governments (MCOG)	
Overall Work Program (OWP) Grants	(7,897)
<i>Federal & State Grant Funds:</i>	
OJP Bulletproof Vest Partnership	(523)
<i>Capital Project Funds:</i>	
Coastal Trail	(5,268)
Total	<u><u>(42,630)</u></u>

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

City of Fort Bragg, California
Notes to the Basic Financial Statements
For the year ended June 30, 2019

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, 2019:

	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
<u>Governmental Funds</u>		
Major Funds:		
General Fund	\$ 707,023	\$ -
Street Resurfacing Capital Projects		\$ (26,132)
Total Major Funds	<u>707,023</u>	<u>(26,132)</u>
Nonmajor Funds:		
<i>Special Revenue Funds</i>		
Gas Tax	-	(55,814)
RMRA	-	(11,671)
MCOG Overall Work Plan	-	(15,073)
<i>State and Federal Grant Funds:</i>		
OJP Bullet Proof Vest Partnership	-	(523)
CDBG Super NOFA	-	(24,697)
<i>Capital Project Funds:</i>		
Coastal Trail	-	(18,676)
Total Nonmajor Funds	<u>-</u>	<u>(126,454)</u>
Total Governmental Funds	<u>707,023</u>	<u>(152,586)</u>
<u>Proprietary Funds</u>		
Enterprise Funds:		
Wastewater		(554,437)
Enterprise Funds	<u>-</u>	<u>(554,437)</u>
Total	<u>\$ 707,023</u>	<u>\$ (707,023)</u>

City of Fort Bragg, California
Notes to the Basic Financial Statements
For the year ended June 30, 2019

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, 2019:

	Transfers In	Transfers Out
<u>Governmental Funds</u>		
Major Funds:		
General Fund	\$ 84,107	\$ (98,396)
CDBG Program Income Special Revenue		(93,567)
Special Sales Tax Special Revenue		(1,911,952)
Street Resurfacing Capital Projects	2,035,980	-
Total Major Funds	<u>2,120,087</u>	<u>(2,103,915)</u>
Non-major Funds:		
<i>Special Revenue Funds</i>		
Parking	-	(8,300)
Parking In-lieu Fees	8,300	-
Gas Tax	66,054	(214,866)
MCOG Overall Work Plan	29,584	(39,490)
<i>State and Federal Grant Funds:</i>		
Safe Routes to School	24,783	(153,140)
CDBG Super NOFA	93,567	(315,174)
STP D1 Streets and Highway Allocation	-	(27,192)
State Parks Prop 84 Grants	-	(994,576)
Other State Grants	39,490	(2,392)
<i>Capital Projects Fund</i>		
Coastal Trail	447,716	-
Municipal Facilities Projects	-	(98,142)
Total Non-major Funds	<u>709,494</u>	<u>(1,853,272)</u>
Total Governmental Funds	<u>2,829,581</u>	<u>(3,957,187)</u>
<u>Proprietary Funds</u>		
Major Enterprise Funds		
Water	2,747,584	(1,715,822)
Wastewater	17,049,886	(17,052,184)
Total Enterprise Funds	<u>19,797,470</u>	<u>(18,768,006)</u>
Internal Service Funds		
Building Maintenance	98,142	-
Total Internal Service Funds	<u>98,142</u>	<u>-</u>
Total Transfers	<u>\$ 22,725,193</u>	<u>\$ (22,725,193)</u>

City of Fort Bragg, California
Notes to the Basic Financial Statements
For the year ended June 30, 2019

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.

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 2018/19 were as follows:

<u>Insurance Program</u>	<u>Premium</u>
Workers' Compensation	\$ 222,930
Liability	144,644
Flood & Earthquake	23,073
Property	23,355
Auto Physical Damage	10,755
	<u>\$ 424,757</u>

Claims Paid by the City for the 2018/19 fiscal year:

<u>Insurance Program</u>	<u>Claims</u>
Workers' Compensation	\$ 27,893
Liability and Property	10,245
	<u>\$ 38,138</u>

City of Fort Bragg, California
Notes to the Basic Financial Statements
For the year ended June 30, 2019

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, 2019, are summarized as follows:

Hire date	Prior to January 1, 2013
Benefit formula	2% @ 55
Benefit vesting schedule	5 years service
Benefit payments	monthly for life
Retirement age	55
Monthly benefits, as a % of eligible compensation	1.4% - 2.0%
Required employee contribution rates	6.90%
Required employer contribution rates	9.64%
	Safety - Police
	Prior to January 1, 2013
Hire date	2% @ 50
Benefit formula	5 years service
Benefit vesting schedule	monthly for life
Benefit payments	50
Retirement age	2%
Monthly benefits, as a % of eligible compensation	8.94%
Required employee contribution rates	15.719%
Required employer contribution rates	

City of Fort Bragg, California
Notes to the Basic Financial Statements
For the year ended June 30, 2019

11. PUBLIC EMPLOYEES' RETIREMENT SYSTEM, Continued

	<u>PEPRA Miscellaneous</u>
Hire date	On or after January 1, 2013
Benefit formula	2% @ 62
Benefit vesting schedule	5 years service
Benefit payments	monthly for life
Retirement age	52 - 67
Monthly benefits, as a % of eligible compensation	1.0% to 2.5%
Required employee contribution rates	6.50%
Required employer contribution rates	7.27
	<u>PEPRA Safety - Police</u>
Hire date	On or after January 1, 2013
Benefit formula	2.7% @ 57
Benefit vesting schedule	5 years service
Benefit payments	monthly for life
Retirement age	50 - 57
Monthly benefits, as a % of eligible compensation	2.0% to 2.7%
Required employee contribution rates	12.0%
Required employer contribution rates	12.14%
	<u>Fire Safety</u>
Hire date	Prior to January 1, 2013
Benefit formula	2% @ 50
Benefit vesting schedule	5 years service
Benefit payments	monthly for life
Retirement age	50
Monthly benefits, as a % of eligible compensation	2.00%
Required employee contribution rates	0%
Required employer contribution rates	0%

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

City of Fort Bragg, California
Notes to the Basic Financial Statements
For the year ended June 30, 2019

11. PUBLIC EMPLOYEES' RETIREMENT SYSTEM, Continued

For the year ended June 30, 2019, the contributions recognized as part of pension expense for each Plan were as follows:

	<u>Miscellaneous Plans</u>	<u>Safety Plans</u>
Contributions - employer	\$ 394,321	\$ 446,899

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

As of June 30, 2019, the City reported net pension liabilities for its proportionate shares of the net pension liability of each Plan as follows

	<u>Proportionate Share of Net Pension Liability</u>
Miscellaneous Plans	\$ 4,536,264
Safety Plans	4,651,933
Total Net Pension Liability	<u>\$ 9,188,197</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, 2018, 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, 2017 rolled forward to June 30, 2018 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 PEPRM Miscellaneous Plan for purposes of calculating net pension liability. Likewise the Safety-Police Plan, PEPRM Safety-Police Plan and Safety-Fire Plans were combined for purposes of calculating net pension liability. The City's proportionate share of the net pension liability for each Plan as of June 30, 2018 and 2019 was as follows:

	<u>Miscellaneous</u>	<u>Safety - Police</u>	<u>Total</u>
Proportion - June 30, 2018	0.11653%	0.07811%	0.09338%
Proportion - June 30, 2019	<u>0.12037%</u>	<u>0.07928%</u>	<u>0.09535%</u>
Change - Increase/(Decrease)	0.00384%	0.00117%	0.00197%

Note: Due to the nature of calculating proportionate share of the net pension liability, total proportion for all employer plans will not equal the sum of the miscellaneous proportion % and the safety proportion %

City of Fort Bragg, California
Notes to the Basic Financial Statements
For the year ended June 30, 2019

11. PUBLIC EMPLOYEES' RETIREMENT SYSTEM, Continued

For the year ended June 30, 2019, the City recognized pension expense of \$1,187,249. At June 30, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources		Deferred Inflows of Resources		Total
	Miscellaneous		Miscellaneous		
	Plan	Safety Plan	Plan	Safety Plan	
Changes in assumptions	\$ 517,148	\$ 456,436	\$ 126,743	61,581	\$ 1,161,908
Differences between expected and actual experiences	174,048	99,954	59,228	379	333,609
Net differences between projected and actual investment	22,426	31,496	-	-	53,922
Differences between the employer's contributions and the employer's proportionate share of the contributions	128,358	-	109,438	376,539	614,335
Change in Employer's Proportion	131,981	5,771	-	48,549	186,301
Pension contributions subsequent to measurement date	455,093	471,193	-	-	926,286
Sub Total	1,429,055	1,064,850	295,409	487,048	
Total Deferred Outflows of Resources	<u>\$ 2,493,905</u>				
Total Deferred Inflows of Resources			<u>\$ 782,456</u>		
Total Deferred Outflows and Inflows of Resources					<u><u>\$ 3,276,361</u></u>

\$926,286 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, 2020. 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
2020	553,922	197,100	751,022
2021	302,228	106,974	409,202
2022	(136,796)	(165,243)	(302,039)
2023	(40,801)	(32,222)	(73,023)
2024	-	-	-
Thereafter	-	-	-
	<u>678,553</u>	<u>106,609</u>	<u>785,162</u>

City of Fort Bragg, California
Notes to the Basic Financial Statements
For the year ended June 30, 2019

11. PUBLIC EMPLOYEES' RETIREMENT SYSTEM, Continued

Actuarial Assumptions -The total pension liabilities in the June 30, 2018 actuarial valuations were determined using the following actuarial assumptions:

	Miscellaneous	Safety - Police	PEPRA - Miscellaneous	PEPRA Safety - Police	Fire Safety
Valuation Date	30-Jun-17	30-Jun-17	30-Jun-17	30-Jun-17	30-Jun-17
Measurement	30-Jun-18	30-Jun-18	30-Jun-18	30-Jun-18	30-Jun-18
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, 2018 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, 2019

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%
	6.15%	7.15%	8.15%
Employer's Net Pension Liability/(Asset) - Miscellaneous	7,204,554	4,536,264	2,333,635
Employer's Net Pension Liability/(Asset) - Safety	6,868,575	4,651,933	2,835,791
Employer's Net Pension Liability/(Asset) - Total	\$ 14,073,129	\$ 9,188,197	\$ 5,169,426

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, 2019

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, 2019, expenditures of \$269,166 were recognized for the cost of these post-retirement benefits. 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, 2019

12. OTHER POST EMPLOYMENT BENEFITS (OPEB), Continued

Employees Covered by benefit terms

At June 30, 2019, the following employees were covered by the benefit terms:

Active employees	19
Inactive employees or beneficiaries currently receiving benefits	33
Inactive employees entitled to, but not yet receiving benefits	3
Total Number of participants	55

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, 2019, the City's cash contributions were \$5,000 in payments to the trust, \$269,166 cash benefit payments, and the estimated implied subsidy was \$18,483 resulting in total payments of \$293,476.

Net OPEB Liability

The City's net OPEB liability was measured as of June 30, 2018 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation dated June 30, 2017 that was rolled forward to determine the June 30, 2019 total OPEB liability, based on the following actuarial methods and assumptions:

Discount Rate	6.75% at June 30, 2018 6.75% at June 30, 2017
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	Post-retirement mortality projected fully generational with Scale MP-17
Medical Trend	Non-Medicare - 7.5% for 2019, decreasing to an ultimate rate of 4.0% in 2076 and later years Medicare - 6.5% for 2019, 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, 2019

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 6/30/2018*	\$ 5,451,715	\$ 2,060,673	\$ 3,391,042
Changes for the year			
Service Cost	111,530	-	111,530
Interest	366,137	-	366,137
Difference between actual and expected experience	-	-	-
Assumption changes	-	-	-
Contributions - employer	-	492,993	(492,993)
Contributions - employee	-	-	-
Net investment income	-	164,052	(164,052)
Benefit payments	(277,993)	(277,993)	-
Administrative expenses	-	(3,826)	3,826
Net Changes	199,674	375,226	(175,552)
Balance at 6/30/2019**	\$ 5,651,389	\$ 2,435,899	\$ 3,215,490

*Measurement date 6/30/2017

** Measurement date 6/30/2018

City of Fort Bragg, California
Notes to the Basic Financial Statements
For the year ended June 30, 2019

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 2018 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, 2018:

	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	\$ 3,877,850	\$ 3,215,490	\$ 2,658,941

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, 2018 (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	\$ 2,580,234	\$ 3,215,490	\$ 3,978,504

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, 2018)

City of Fort Bragg, California
Notes to the Basic Financial Statements
For the year ended June 30, 2019

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, 2019, the City recognized OPEB expense of \$326,760. As of fiscal year ended June 30, 2019, the City reported deferred outflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ -
Changes in assumptions	-	-
Net difference between projected and actual earnings on plan investments	-	52,318
Employer contributions made subsequent to the measurement date	292,648	-
Total	<u>\$ 292,648</u>	<u>\$ 52,318</u>

The \$292,648 reported as deferred outflows of resources related to contributions subsequent to the June 30, 2018 measurement date will be recognized as a reduction of the net OPEB liability during the fiscal year ending June 30, 2020. Other amounts reported as deferred outflows of resources related to OPEB will be recognized as expense as follows:

Fiscal Year Ended June 30,	Deferred Outflow/(Inflows) of Resources
2020	(15,767)
2021	(15,767)
2022	(15,766)
2023	(5,018)
2024	-
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, 2019

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, 2019:

	<u>June 30, 2018</u>	<u>Additions</u>	<u>Retirements</u>	<u>June 30, 2019</u>	<u>One Year</u>
Trust Activities:					
2015 Refunding Tax Allocation Bonds	\$ 3,650,000	\$ -	\$ (155,000)	\$ 3,495,000	\$ 160,000
2015 Refunding Tax Allocation Bonds Discount	(30,781)	-	1,620	(29,161)	(1,620)
Total trust fund debt	3,619,219	-	(153,380)	3,465,839	158,380
Deferred outflows:					
2015 Refunding Tax Allocation Bonds Deferred	89,513		(4,711)	84,802	4,711

City of Fort Bragg, California
Notes to the Basic Financial Statements
For the year ended June 30, 2019

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, 2019 was \$3,495,000.

Year Ending June 30,	Fiduciary Activities					
	2015 Refunding Bonds		2015 Refunding Bonds Discount		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2020	160,000	96,300	(1,620)	-	158,380	96,300
2021	160,000	93,150	(1,620)	-	158,380	93,150
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
2025-2029	910,000	348,725	(8,100)	-	901,900	348,725
2030-2034	1,050,000	202,262	(8,100)	-	1,041,900	202,262
2035-2037	715,000	35,751	(4,861)	-	710,139	35,751
Total	\$ 3,495,000	\$ 1,035,838	\$ (29,161)	\$ -	\$ 3,465,839	\$ 1,035,838
Due within one year	\$ 160,000	\$ 96,300	\$ (1,621)	\$ -	\$ 158,380	\$ 96,300
Due after one year	3,335,000	939,538	(27,540)	-	3,307,459	939,538
Total	\$ 3,495,000	\$ 1,035,838	\$ (29,161)	\$ -	\$ 3,465,839	\$ 1,035,838

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 2018/19 no claims were disallowed.

Commitments

The City's unexpended contractual commitments as of June 30, 2019 are listed in note 1 on page 57.

City of Fort Bragg, California
Notes to the Basic Financial Statements
For the year ended June 30, 2019

15. NEW ACCOUNTING PRONOUNCEMENTS

The GASB has issued Statement No. 83 "*Certain Asset Retirement Obligations*" This Statement addresses accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability based on the guidance in this Statement. The requirements of this Statement will take effect for financial statement starting with the fiscal year that ends June 30, 2019. The City will implement this statement, as applicable, to its financial statements for the year ending June 30, 2019.

The GASB has issued Statement No. 84 "*Fiduciary Activities*" The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. The requirements of this Statement will take effect for financial statement starting with the fiscal year that ends December 31, 2019. The City will implement this statement, as applicable, to its financial statements for the year ending June 30, 2019.

The GASB has issued Statement No. 87 "*Leases*" 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 requirements of this Statement will take effect for financial statement starting with the fiscal year that ends December 31, 2020. The City will implement this statement, as applicable, to its financial statements for the year ending June 30, 2020.

The GASB has issued Statement No. 88 "*Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*". The primary objective of this Statement is to improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. This Statement defines debt for purposes of disclosure in notes to financial statements as a liability that arises from a contractual obligation to pay cash (or other assets that may be used in lieu of cash) in one or more payments to settle an amount that is fixed at the date the contractual obligation is established. This Statement requires that additional essential information related to debt be disclosed in notes to financial statements, including unused lines of credit; assets pledged as collateral for the debt; and terms specified in debt agreements related to significant events of default with finance-related consequences, significant termination events with finance-related consequences, and significant subjective acceleration clauses. For notes to financial statements related to debt, this Statement also requires that existing and additional information be provided for direct borrowings and direct placements of debt separately from other debt. The requirements of this Statement will take effect for financial statements starting with the fiscal year that ends June 30, 2019. The City will implement this statement, as applicable, to its financial statements for the year ending June 30, 2019.

The GASB has issued Statement No. 89 "*Accounting for Interest Cost Incurred before the End of a Construction Period*" 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

City of Fort Bragg, California
Notes to the Basic Financial Statements
For the year ended June 30, 2019

15. NEW ACCOUNTING PRONOUNCEMENTS, continued

interest cost incurred before the end of a construction period. This Statement establishes accounting requirements for interest cost incurred before the end of a construction period. Such interest cost includes all interest that previously was accounted for in accordance with the requirements of paragraphs 5–22 of Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, which are superseded by this Statement. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. This Statement also reiterates that in financial statements prepared using the current financial resources measurement focus, interest cost incurred before the end of a construction period should be recognized as an expenditure on a basis consistent with governmental fund accounting principles. The requirements of this Statement will take effect for financial statements starting with the fiscal year that ends December 31, 2020. The City will implement this statement, as applicable, to its financial statements for the year ending June 30, 2021.

The GASB has issued Statement No. 90 “*Majority Equity Interests – an amendment of GASB Statements No. 14 and No. 61*”. The primary objectives of this Statement are to improve the consistency and comparability of reporting a government’s majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government’s holding of the equity interest meets the definition of an investment. A majority equity interest that meets the definition of an investment should be measured using the equity method, unless it is held by a special-purpose government engaged only in fiduciary activities, a fiduciary fund, or an endowment (including permanent and term endowments) or permanent fund. Those governments and funds should measure the majority equity interest at fair value. For all other holdings of a majority equity interest in a legally separate organization, a government should report the legally separate organization as a component unit, and the government or fund that holds the equity interest should report an asset related to the majority equity interest using the equity method. This Statement establishes that ownership of a majority equity interest in a legally separate organization results in the government being financially accountable for the legally separate organization and, therefore, the government should report that organization as a component unit. This Statement also requires that a component unit in which a government has a 100 percent equity interest account for its assets, deferred outflows of resources, liabilities, and deferred inflows of resources at acquisition value at the date the government acquired a 100 percent equity interest in the component unit. Transactions presented in flows statements of the component unit in that circumstance should include only transactions that occurred subsequent to the acquisition. The requirements of this Statement will take effect for financial statements starting with the fiscal year that ends December 31, 2019. The City will implement this statement, as applicable, to its financial statements for the year ending June 30, 2020.

REQUIRED SUPPLEMENTARY INFORMATION



City of Fort Bragg, California
Other Post-Employment Benefits
Schedule of Changes in Net OPEB Liability/(Assets) and Related Ratios
For the year ended June 30, 2019

	2018/19
	Measurement Period
	2017/18
Changes in Total OPEB Liability	
Service Cost	\$111,530
Interest	366,137
Changes of benefit terms	-
Actual vs. expected experience	-
Assumption changes	-
Benefit payments	<u>(277,993)</u>
Net Changes	199,674
Total OPEB Liability (beginning of year)	<u>5,451,715</u>
Total OPEB Liability (end of year)	5,651,389

	2018/19
	Measurement Period
	2017/18
Changes in Plan Fiduciary Net Position	
Contributions - employer	\$492,993
Contributions - employee	-
Net investment income	164,052
Benefit payments	(277,993)
Administrative expenses	(3,826)
Other changes	<u>-</u>
Net Changes	375,226
Plan Fiduciary Net Position (beginning of year)	<u>2,060,673</u>
Plan Fiduciary Net Position (end of year)	2,435,899

	2018/19
Net OPEB Liability/(Asset)	\$3,215,490
Fiduciary Net Position as a percentage of the Total OPEB Liability	43.1%
Covered employee payroll ¹	2,370,484
Net OPEB Liability as a percentage of covered employee payroll	135.6%

¹ For the 12-month period ending on June 30, 2018 (Measurement Date). As reported by the City.

City of Fort Bragg, California
Other Post-Employment Benefits
Schedule of Employer Contributions
For the year ended June 30, 2019

	Fiscal Year 2018/19
Actuarially Determined Contribution (ADC)	\$375,390
Contributions in relation to the actuarially determined contribution	<u>292,648</u>
Contribution deficiency/(excess)	82,742
Covered employee payroll ²	1,834,372
Contributions as a percentage of covered employee payroll	16.0%

Notes to Schedule of Employer Contribution
Methods and Assumptions for
2018/19 Actuarially Determined Contribution

Valuation Date	June 30, 2017
Actuarial Cost Method	Entry Age Normal, Level % of pay
Amortization Method	Level dollar amount
Amortization Period	24-year fixed period for 2018/19
Asset Valuation Method	Market value of assets
Discount Rate	6.75%
General Inflation	2.75%
Medical Trend	Non-Medicare - 7.5% for 2019, decreasing to an ultimate rate of 4.0% in 2076 Medicare - 6.5% for 2019, decreasing to an ultimate rate of 4.0% in 2076
Mortality	CalPERS 1997-2015 experience study
Mortality Improvement	Post-retirement mortality projected fully generational with Scale MP-17

² For the 12-month period ending on June 30, 2019 (fiscal year end). As reported by the City.

City of Fort Bragg, California
Pension Plan Schedule of Contributions
Miscellaneous Plan
Last Ten Fiscal Years*

	<u>2019</u>	<u>2018</u>	<u>2017</u>
Contractually required contribution (actuarially determined)	\$ 455,093	\$ 430,051	\$ 392,300
Contributions in relation to the actuarially determined contributions	<u>(394,321)</u>	<u>(430,051)</u>	<u>(392,300)</u>
Contribution deficiency (excess)	<u>\$ 60,772</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 2,833,921	\$ 2,641,425	\$ 2,598,675
Contribution as a percentage of covered payroll	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 PEPRM 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.

* Additional years' information will be displayed as it becomes available

City of Fort Bragg, California
Pension Plan Schedule of Contributions
Safety Plan
Last Ten Fiscal Years*

	<u>2019</u>	<u>2018</u>	<u>2017</u>
Contractually required contribution (actuarially determined)	\$ 471,193	\$ 298,630	\$ 387,206
Contributions in relation to the actuarially determined contributions	<u>(471,193)</u>	<u>(298,630)</u>	<u>(387,206)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 1,048,497	\$ 1,268,709	\$ 1,245,549
Contribution as a percentage of covered payroll	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 Safety Police Plan, the PEPRA Safety Police Plan and the Safety Fire 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
Schedule of the City's Proportionate Share of the Net Pension Liability
Miscellaneous Plan
Last Ten Fiscal Years*

	2018	2017
Plan's Proportion of the Net Pension Liability/(Asset)	0.11653%	0.11210%
Plan's Proportionate Share of the Net Pension Liability/(Asset)	\$4,593,661	\$3,894,091
Plan's Covered Employee Payroll	\$ 2,788,318	\$ 2,551,931
Plan's Proportionate Share of the Net Pension Liability/(Asset) as a Percentage of its Covered Payroll	164.75%	152.59%
Plan's Proportionate Share of the Fiduciary Net Position as a Percentage of the Plan's Total Pension Liability	76.38%	77.82%
Plan's Proportionate Share of Aggregate Employer Contribution	\$ 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 PEPRM 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
Schedule of the City's Proportionate Share of the Net Pension Liability
Safety Plan
Last Ten Fiscal Years*

	2018	2017
Plan's Proportion of the Net Pension Liability/(Asset)	0.07811%	0.08042%
Plan's Proportionate Share of the Net Pension Liability/(Asset)	\$4,667,131	\$4,165,367
Plan's Covered Employee Payroll	\$ 1,208,454	\$ 1,226,514
Plan's Proportionate Share of the Net Pension Liability/(Asset) as a Percentage of its Covered Payroll	386.21%	339.61%
Plan's Proportionate Share of the Fiduciary Net Position as a Percentage of the Plan's Total Pension Liability	69.76%	70.60%
Plan's Proportionate Share of Aggregate Employer Contribution	\$ 298,630	\$ 387,206

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 PEPRM 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.

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES



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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
Non-major Governmental Funds
June 30, 2019

	<u>Governmental Funds</u>		
	<u>Special Revenue Funds</u>	<u>Capital Projects Funds</u>	<u>Nonmajor Funds Totals</u>
ASSETS:			
Current Assets:			
Cash & Investments	\$ 1,277,420	\$ 13,408	\$ 1,290,828
Taxes Receivable	3,742	-	3,742
Intergovernmental receivable	140,857	-	140,857
Loans/Notes receivable	220,066	-	220,066
Other receivable	11	-	11
Total Assets	<u>\$ 1,642,096</u>	<u>\$ 13,408</u>	<u>\$ 1,655,504</u>
LIABILITIES , DEFERRED INFLOWS AND FUND BALANCES:			
Current liabilities:			
Accounts Payable	\$ 510	\$ -	\$ 510
Accrued Liabilities	2,392	-	2,392
Due to Other Funds	107,779	18,675	126,454
Total current liabilities	<u>193,007</u>	<u>18,675</u>	<u>211,682</u>
Total liabilities	<u>193,007</u>	<u>18,675</u>	<u>211,682</u>
Deferred inflows of resources:			
Unavailabe revenue	216,407	-	216,407
Total deferred inflows of resources	<u>216,407</u>	<u>-</u>	<u>216,407</u>
Total liabilities and deferred inflows	<u>409,414</u>	<u>18,675</u>	<u>428,089</u>
Fund Balances:			
Restricted	388,327	-	388,327
Assigned	853,806	-	853,806
Unassigned (deficit)	(9,451)	(5,267)	(14,718)
Total fund balances	<u>1,232,682</u>	<u>(5,267)</u>	<u>1,227,415</u>
Total liabilities deferred inflows and fund balances	<u>\$ 1,642,096</u>	<u>\$ 13,408</u>	<u>\$ 1,655,504</u>

City of Fort Bragg, California
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-major Governmental Funds
For the year ended June 30, 2019

	<u>Governmental Funds</u>		
	<u>Special Revenue Funds</u>	<u>Capital Projects Funds</u>	<u>Nonmajor Funds Totals</u>
REVENUES:			
Taxes and assessments	\$ 53,889	\$ -	\$ 53,889
Fines and Forfeitures	47,610	-	47,610
Use of Money and Property	25,452	-	25,452
Intergovernmental	613,205	-	613,205
Charges for Services	57,322	-	57,322
Licenses and Permits	2,728	-	2,728
Other Operating	-	100	100
Total revenues	<u>800,206</u>	<u>100</u>	<u>800,306</u>
EXPENDITURES:			
General Government	4,626	6,584	11,210
Community Development	272,157	-	272,157
Public Safety	240,007	-	240,007
Public Works	198,633	-	198,633
Total expenditures	<u>715,423</u>	<u>6,584</u>	<u>722,007</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>84,783</u>	<u>(6,484)</u>	<u>78,299</u>
OTHER FINANCING SOURCES (USES):			
Transfers In	261,778	447,716	709,494
Transfers out	(1,755,130)	(98,142)	(1,853,272)
Total other financing sources and uses	<u>(1,493,352)</u>	<u>349,574</u>	<u>(1,143,778)</u>
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING (USES):	<u>(1,408,569)</u>	<u>343,090</u>	<u>(1,065,479)</u>
FUND BALANCES (DEFICITS):			
Beginning of year	<u>2,641,251</u>	<u>(348,357)</u>	<u>2,292,894</u>
End of year	<u>\$ 1,232,682</u>	<u>\$ (5,267)</u>	<u>\$ 1,227,415</u>

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NON-MAJOR SPECIAL REVENUE FUNDS

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:

Fund	Description
General Plan Maintenance Fee	To account for General Plan Maintenance fee revenue which is required to be used for costs related to the update of the City's General Plan and zoning code.
Housing 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-
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.
Mendocino Council of Governments (MCOG) Main Street Planning	To account for monies received from the Mendocino Council of Governments (MCOG), a joint powers agency that serves as the Regional Transportation Planning Agency in Mendocino County for various projects including the Main Street Realignment and Cedar Street Pedestrian Enhancement projects.
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.

(continued)

NON-MAJOR SPECIAL REVENUE FUNDS, Continued

Fund	Description
OJ Park Maintenance Fund	To account for monies received from the Johnson Family Trust for the maintenance of OJ Park.
Developer Deposit Accounts	To account for monies received from developers to cover City costs associated with development projects.
Federal and State Grant Special Revenue Funds:	
Safe Routes to School	To account for a federal grant providing funding to improve the conditions and quality of bicycling and walking to school, as well as to educate the community about safety, health and environmental benefits of non-vehicular transport.
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 Awards	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.
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.

(continued)

NON-MAJOR SPECIAL REVENUE FUNDS, Continued

Fund	Description
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.
State Water Resources Control Board (SWRCB) Grant	To account for State Funding to be used to upgrade the City's wastewater treatment plant.
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.

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City of Fort Bragg, California
Combining Balance Sheet
Non-major Special Revenue Funds
June 30, 2019

	General Plan Maintenance <u>Fees</u>	<u>Housing</u>	<u>Parking</u>	Parking In-lieu <u>Fees</u>
ASSETS:				
Cash & Investments	\$ 254,812	\$ 76,679	\$ 24,689	\$ 8,882
Intergovernmental receivable	-	-	-	-
Loans/Notes receivable	-	3,659	-	-
Other receivable	-	-	-	-
Total current assets	<u>254,812</u>	<u>80,338</u>	<u>24,689</u>	<u>8,882</u>
Total Assets	<u>\$ 254,812</u>	<u>\$ 80,338</u>	<u>\$ 24,689</u>	<u>\$ 8,882</u>
LIABILITIES , DEFERRED INFLOWS AND FUND BALANCES				
Current liabilities:				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Accrued Liabilities	-	-	-	-
Due to Other Funds	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Deferred inflows of resources:				
Unavailabe revenue	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and deferred inflows	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances:				
Restricted	-	-	-	-
Assigned	254,812	80,338	24,689	8,882
Unassigned (deficit)	-	-	-	-
Total fund balances	<u>254,812</u>	<u>80,338</u>	<u>24,689</u>	<u>8,882</u>
Total liabilities deferred inflows and fund balances	<u>\$ 254,812</u>	<u>\$ 80,338</u>	<u>\$ 24,689</u>	<u>\$ 8,882</u>

(continued)

<u>Parkland Monitoring/ Reporting</u>	<u>State Tobacco License Fee</u>	<u>State Disability Access Fee</u>	<u>Asset Forfeiture</u>	<u>Construction / Demolition Ordinance</u>	<u>Management Community Benefit Payment</u>	<u>Gas Tax</u>
\$ 124,001	\$ 12,337	\$ 9,409	\$ 300,492	\$ 42,703	\$ 269	\$ -
-	-	-	6,841	-	-	63,658
-	-	-	-	-	-	-
-	-	11	-	-	-	-
<u>124,001</u>	<u>12,337</u>	<u>9,420</u>	<u>307,333</u>	<u>42,703</u>	<u>269</u>	<u>63,658</u>
<u>\$ 124,001</u>	<u>\$ 12,337</u>	<u>\$ 9,420</u>	<u>\$ 307,333</u>	<u>\$ 42,703</u>	<u>\$ 269</u>	<u>\$ 63,658</u>
\$ -	\$ -	\$ -	\$ 247	\$ 5	\$ -	\$ -
-	-	2,391	-	-	-	-
-	-	-	-	-	-	55,815
-	-	2,391	247	5	-	55,815
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	2,391	247	5	-	55,815
-	-	-	307,086	-	-	7,843
124,001	12,337	7,029	-	42,698	269	-
-	-	-	-	-	-	-
<u>124,001</u>	<u>12,337</u>	<u>7,029</u>	<u>307,086</u>	<u>42,698</u>	<u>269</u>	<u>7,843</u>
<u>\$ 124,001</u>	<u>\$ 12,337</u>	<u>\$ 9,420</u>	<u>\$ 307,333</u>	<u>\$ 42,703</u>	<u>\$ 269</u>	<u>\$ 63,658</u>

(continued)

City of Fort Bragg, California
Combining Balance Sheet, continued
Non-major Special Revenue Funds
June 30, 2019

	<u>RMRA</u>	<u>Traffic & Safety</u>	<u>Fire Equipment</u>	<u>MCOG Overall Work Plan</u>
ASSETS:				
Cash & Investments	\$ -	\$ -	\$ 280,327	\$ -
Intergovernmental receivable	23,671	-	-	7,176
Loans/Notes receivable	-	-	-	-
Other receivable	-	-	-	-
Total current assets	<u>23,671</u>	<u>-</u>	<u>284,069</u>	<u>7,176</u>
Total Assets	<u>\$ 23,671</u>	<u>\$ -</u>	<u>\$ 284,069</u>	<u>\$ 7,176</u>
LIABILITIES , DEFERRED INFLOWS AND FUND BALANCES				
Current liabilities:				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Accrued Liabilities	-	-	-	-
Due to Other Funds	11,671	-	-	15,073
Total liabilities	<u>11,671</u>	<u>-</u>	<u>-</u>	<u>15,073</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>11,671</u>	<u>-</u>	<u>-</u>	<u>15,073</u>
Fund Balances:				
Restricted	-	-	-	-
Assigned	12,000	-	284,069	-
Unassigned (deficit)	-	-	-	(7,897)
Total fund balances	<u>12,000</u>	<u>-</u>	<u>284,069</u>	<u>(7,897)</u>
Total liabilities deferred inflows and fund balances	<u>\$ 23,671</u>	<u>\$ -</u>	<u>\$ 284,069</u>	<u>\$ 7,176</u>

(continued)

<u>OJ Park Maintenance Fund</u>	<u>Developer Deposit Accounts</u>	<u>Federal & State Grant Funds</u>	<u>Total</u>
\$ 2,682	\$ 81,295	\$ 58,843	\$ 1,277,420
-	-	39,511	140,857
-	-	216,407	220,066
-	-	-	11
<u>2,682</u>	<u>81,295</u>	<u>314,761</u>	<u>1,642,096</u>
<u>\$ 2,682</u>	<u>\$ 81,295</u>	<u>\$ 314,761</u>	<u>\$ 1,642,096</u>

\$ -	\$ -	\$ 258	\$ 510
-	-	1	2,392
-	-	25,220	107,779
-	<u>82,326</u>	<u>25,479</u>	<u>193,007</u>

-	-	216,407	216,407
-	-	216,407	216,407
-	<u>82,326</u>	<u>241,886</u>	<u>409,414</u>

-	-	73,398	388,327
2,682	-	-	853,806
-	(1,031)	(523)	(9,451)
<u>2,682</u>	<u>(1,031)</u>	<u>72,875</u>	<u>1,232,682</u>

<u>\$ 2,682</u>	<u>\$ 81,295</u>	<u>\$ 314,761</u>	<u>\$ 1,642,096</u>
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(concluded)

City of Fort Bragg, California
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-major Special Revenue Funds,
For the year ended June 30, 2019

	General Plan Maintenance			Parking In-lieu Fees
	<u>Fees</u>	<u>Housing</u>	<u>Parking</u>	
REVENUES:				
Property Tax	\$ -	\$ -	\$ -	\$ -
Fines and Forfeitures	-	-	-	-
Use of Money and Property	6,121	1,744	651	151
Intergovernmental	-	-	-	-
Charges for Services	57,322	-	-	-
Licenses and Permits	-	-	-	-
Capital Grant Revenue	-	-	-	-
Total revenues	<u>63,443</u>	<u>1,744</u>	<u>651</u>	<u>151</u>
EXPENDITURES:				
General Government	-	-	-	-
Community Development	37,803	-	-	-
Public Safety	-	-	-	-
Public Works	-	-	-	-
Total expenditures	<u>37,803</u>	<u>-</u>	<u>-</u>	<u>-</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>25,640</u>	<u>1,744</u>	<u>651</u>	<u>151</u>
OTHER FINANCING SOURCES (USES):				
Transfers In	-	-	-	8,300
Transfers out	-	-	(8,300)	-
Total other financing sources and uses	<u>-</u>	<u>-</u>	<u>(8,300)</u>	<u>8,300</u>
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING (USES):	<u>25,640</u>	<u>1,744</u>	<u>(7,649)</u>	<u>8,451</u>
FUND BALANCES (DEFICITS):				
Beginning of year	<u>229,172</u>	<u>78,594</u>	<u>32,338</u>	<u>431</u>
End of year	<u>\$ 254,812</u>	<u>\$ 80,338</u>	<u>\$ 24,689</u>	<u>\$ 8,882</u>

(continued)

<u>Parkland Monitoring/ Reporting</u>	<u>State Tobacco License Fee</u>	<u>State Disability Access Fee</u>	<u>Asset Forfeiture</u>	<u>Construction / Demolition Ordinance</u>	<u>Waste Managemen t Community Benefit Payment</u>	<u>Gas Tax</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	43,510	-	-	-
2,873	249	173	6,811	979	-	-
-	-	3,088	-	-	-	188,550
-	-	-	-	-	-	-
-	2,728	-	-	-	-	-
-	-	-	-	-	-	-
<u>2,873</u>	<u>2,977</u>	<u>3,261</u>	<u>50,321</u>	<u>979</u>	<u>-</u>	<u>188,550</u>
4,463	-	163	-	-	-	-
-	-	-	-	201	-	-
-	-	-	31,688	-	-	-
-	-	-	-	-	-	107,921
<u>4,463</u>	<u>-</u>	<u>163</u>	<u>31,688</u>	<u>201</u>	<u>-</u>	<u>107,921</u>
<u>(1,590)</u>	<u>2,977</u>	<u>3,098</u>	<u>18,633</u>	<u>778</u>	<u>-</u>	<u>80,629</u>
-	-	-	-	-	-	66,054
-	-	-	-	-	-	(148,812)
-	-	-	-	-	-	(82,758)
<u>(1,590)</u>	<u>2,977</u>	<u>3,098</u>	<u>18,633</u>	<u>778</u>	<u>-</u>	<u>(2,129)</u>
<u>125,591</u>	<u>9,360</u>	<u>3,931</u>	<u>288,453</u>	<u>41,920</u>	<u>269</u>	<u>9,972</u>
<u>\$ 124,001</u>	<u>\$ 12,337</u>	<u>\$ 7,029</u>	<u>\$ 307,086</u>	<u>\$ 42,698</u>	<u>\$ 269</u>	<u>\$ 7,843</u>

(continued)

City of Fort Bragg, California
Combining Statement of Revenues, Expenditures and Changes in Fund Balances, continued
Non-major Special Revenue Funds
For the year ended June 30, 2019

	<u>RMRA</u>	<u>Traffic & Safety</u>	<u>Fire Equipment</u>	<u>MCOG Overall Work Plan</u>
REVENUES:				
Property Tax	\$ -	\$ -	\$ 53,889	\$ -
Fines and Forfeitures	-	4,100	-	-
Use of Money and Property	-	-	5,700	-
Intergovernmental	149,757	-	-	24,806
Charges for Services	-	-	-	-
Licenses and Permits	-	-	-	-
Capital Grant Revenue	-	-	-	-
Total revenues	<u>149,757</u>	<u>4,100</u>	<u>59,589</u>	<u>24,806</u>
EXPENDITURES:				
General Government	-	-	-	-
Community Development	-	-	-	30,556
Public Safety	-	5,009	-	-
Public Works	<u>71,703</u>	-	-	<u>18,761</u>
Total expenditures	<u>71,703</u>	<u>5,009</u>	<u>-</u>	<u>49,317</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>78,054</u>	<u>(909)</u>	<u>59,589</u>	<u>(24,511)</u>
OTHER FINANCING SOURCES (USES):				
Transfers In	-	-	-	29,584
Transfers out	<u>(66,054)</u>	-	-	<u>(39,490)</u>
Total other financing sources and uses	<u>(66,054)</u>	<u>-</u>	<u>-</u>	<u>(9,906)</u>
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING (USES):	<u>12,000</u>	<u>(909)</u>	<u>59,589</u>	<u>(34,417)</u>
FUND BALANCES (DEFICITS):				
Beginning of year	<u>-</u>	<u>909</u>	<u>224,480</u>	<u>26,520</u>
End of year	<u>\$ 12,000</u>	<u>\$ -</u>	<u>\$ 284,069</u>	<u>\$ (7,897)</u>

(continued)

OJ Park Maintenance Fund	Developer Deposit Accounts	Federal & State Grant Funds	Total
\$ -	\$ -	\$ -	\$ 53,889
-	-	-	47,610
-	-	-	25,452
-	-	247,004	613,205
-	-	-	57,322
-	-	-	2,728
-	-	-	-
-	-	247,004	800,206
-	-	-	4,626
-	-	203,597	272,157
-	-	203,310	240,007
248	-	-	198,633
248	-	406,907	715,423
(248)	-	(159,903)	84,783
-	-	157,840	261,778
-	-	(1,492,474)	(1,755,130)
-	-	(1,334,634)	(1,493,352)
(248)	-	(1,494,537)	(1,408,569)
2,930	(1,031)	1,567,412	2,641,251
\$ 2,682	\$ (1,031)	\$ 72,875	\$ 1,232,682

(concluded)

City of Fort Bragg, California
Combining Balance Sheet
Federal and State Grant Special Revenue Funds
June 30, 2019

	Safe Routes_to School	CDBG Unclassified Program Income	COPS	Bulletproof Vest Partnership Grant	CDBG Super NOFA Grants
ASSETS:					
Cash & Investments	\$ -	\$ 10,467	\$ -	\$ -	\$ 36,241
Intergovernmental receivable	-	-	-	-	22,176
Loans/Notes receivable	-	-	-	-	-
Total current assets	<u>-</u>	<u>10,467</u>	<u>-</u>	<u>-</u>	<u>58,417</u>
Total Assets	<u>\$ -</u>	<u>\$ 10,467</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 58,417</u>
LIABILITIES , DEFERRED INFLOWS AND FUND BALANCES					
Current liabilities:					
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ 258
Accrued Liabilities	-	-	-	-	-
Due to Other Funds	-	-	-	523	24,697
Total current liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>523</u>	<u>24,955</u>
Noncurrent liabilities					
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>523</u>	<u>24,955</u>
Deferred inflows of resources:					
Unavailabe revenue	-	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and deferred inflows	<u>-</u>	<u>-</u>	<u>-</u>	<u>523</u>	<u>24,955</u>
Fund Balances:					
Restricted	-	10,467	-	-	33,462
Assigned	-	-	-	-	-
Unassigned (deficit)	-	-	-	(523)	-
Total fund balances	<u>-</u>	<u>10,467</u>	<u>-</u>	<u>(523)</u>	<u>33,462</u>
Total liabilities deferred inflows and fund balances	<u>\$ -</u>	<u>\$ 10,467</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 58,417</u>

(continued)

STP D1 Streets & Highway Allocation	State Parks Prop 84 Grants	HCD HOME Grant	Other State Grants	Total
\$ 1,266	\$ -	\$ 10,288	\$ 581	\$ 58,843
-	591	-	16,744	39,511
-	-	<u>216,407</u>	-	<u>216,407</u>
<u>1,266</u>	<u>591</u>	<u>226,695</u>	<u>17,325</u>	<u>314,761</u>
<u>\$ 1,266</u>	<u>\$ 591</u>	<u>\$ 226,695</u>	<u>\$ 17,325</u>	<u>\$ 314,761</u>

\$ -	\$ -	\$ -	\$ -	\$ 258
-	-	1	-	1
-	-	-	-	<u>25,220</u>
-	-	<u>1</u>	-	<u>25,479</u>

-	-	<u>1</u>	-	<u>25,479</u>
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-	-	<u>216,407</u>	-	<u>216,407</u>
-	-	<u>216,407</u>	-	<u>216,407</u>
-	-	<u>216,408</u>	-	<u>241,886</u>

1,266	591	10,287	17,325	73,398
-	-	-	-	-
-	-	-	-	<u>(523)</u>
<u>1,266</u>	<u>591</u>	<u>10,287</u>	<u>17,325</u>	<u>72,875</u>
<u>\$ 1,266</u>	<u>\$ 591</u>	<u>\$ 226,695</u>	<u>\$ 17,325</u>	<u>\$ 314,761</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, 2019

	<u>Safe Routes_to School</u>	<u>CDBG Unclassified Program Income</u>	<u>COPS</u>	<u>Bulletproof Vest Partnership Grant</u>
REVENUES:				
Intergovernmental	\$ -	\$ -	\$ 148,746	\$ 1,105
Capital Grant Revenue	-	-	-	-
Total revenues	<u>-</u>	<u>-</u>	<u>148,746</u>	<u>1,105</u>
EXPENDITURES:				
Community Development	-	4,988	-	-
Public Safety	-	-	203,310	-
Total expenditures	<u>-</u>	<u>4,988</u>	<u>203,310</u>	<u>-</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>-</u>	<u>(4,988)</u>	<u>(54,564)</u>	<u>1,105</u>
OTHER FINANCING SOURCES (USES):				
Transfers In	24,783	-	-	-
Transfers out	(153,140)	-	-	-
Total other financing sources and uses	<u>(128,357)</u>	<u>-</u>	<u>-</u>	<u>-</u>
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING (USES):	<u>(128,357)</u>	<u>(4,988)</u>	<u>(54,564)</u>	<u>1,105</u>
FUND BALANCES (DEFICITS):				
Beginning of year	128,357	15,455	54,564	(1,628)
End of year	<u>\$ -</u>	<u>\$ 10,467</u>	<u>\$ -</u>	<u>\$ (523)</u>

(continued)

<u>CDBG Super NOFA Grants</u>	<u>STP D1 Streets & Highway Allocation</u>	<u>State Parks Prop 84 Grants</u>	<u>HCD HOME Grant</u>	<u>Other State Grants</u>	<u>Total</u>
\$ 39,800	\$ 27,192	\$ 661	\$ -	\$ 29,500	\$ 247,004
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>39,800</u>	<u>27,192</u>	<u>661</u>	<u>-</u>	<u>29,500</u>	<u>247,004</u>
129,797	-	-	2,795	66,017	203,597
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>203,310</u>
<u>129,797</u>	<u>-</u>	<u>-</u>	<u>2,795</u>	<u>66,017</u>	<u>406,907</u>
<u>(89,997)</u>	<u>27,192</u>	<u>661</u>	<u>(2,795)</u>	<u>(36,517)</u>	<u>(159,903)</u>
93,567	-	-	-	39,490	157,840
<u>(315,174)</u>	<u>(27,192)</u>	<u>(994,576)</u>	<u>-</u>	<u>(2,392)</u>	<u>(1,492,474)</u>
<u>(221,607)</u>	<u>(27,192)</u>	<u>(994,576)</u>	<u>-</u>	<u>37,098</u>	<u>(1,334,634)</u>
<u>(311,604)</u>	<u>-</u>	<u>(993,915)</u>	<u>(2,795)</u>	<u>581</u>	<u>(1,494,537)</u>
<u>345,066</u>	<u>1,266</u>	<u>994,506</u>	<u>13,082</u>	<u>16,744</u>	<u>1,567,412</u>
<u>\$ 33,462</u>	<u>\$ 1,266</u>	<u>\$ 591</u>	<u>\$ 10,287</u>	<u>\$ 17,325</u>	<u>\$ 72,875</u>

(concluded)

City of Fort Bragg, California
Combining Balance Sheet
Non-major Capital Projects Funds
June 30, 2019

	<u>Coastal Trail</u>	<u>Municipal Facilities Projects</u>	<u>Totals</u>
ASSETS:			
Cash & Investments	\$ 13,408	\$ -	\$ 13,408
Due from other funds	-	-	-
Total Current Assets	<u>13,408</u>	<u>-</u>	<u>13,408</u>
Total Assets	<u>\$ 13,408</u>	<u>\$ -</u>	<u>\$ 13,408</u>
 LIABILITIES , DEFERRED INFLOWS AND FUND BALANCES			
Current liabilities:			
Due to Other Funds	<u>18,675</u>	-	<u>18,675</u>
Total current liabilities	<u>18,675</u>	<u>-</u>	<u>18,675</u>
Total liabilities	<u>18,675</u>	<u>-</u>	<u>18,675</u>
 Fund Balances:			
Restricted	-	-	-
Assigned	-	-	-
Unassigned (deficit)	<u>(5,267)</u>	<u>-</u>	<u>(5,267)</u>
Total fund balances	<u>(5,267)</u>	<u>-</u>	<u>(5,267)</u>
Total liabilities deferred inflows and fund balances	<u>\$ 13,408</u>	<u>\$ -</u>	<u>\$ 13,408</u>

City of Fort Bragg, California
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-major Capital Projects Funds
For the year ended June 30, 2019

	Coastal Trail	Municipal Facilities Projects	Totals
REVENUES:			
Other Operating	\$ 100	\$ -	\$ 100
Total revenues	<u>100</u>	<u>-</u>	<u>100</u>
EXPENDITURES:			
Repairs & Maintenance	6,584	-	6,584
Capital Outlay	-	-	-
Total expenditures	<u>6,584</u>	<u>-</u>	<u>6,584</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(6,484)</u>	<u>-</u>	<u>(6,484)</u>
OTHER FINANCING SOURCES (USES):			
Transfers In	447,716	-	447,716
Transfers out	-	(98,142)	(98,142)
Total other financing sources and uses	<u>447,716</u>	<u>(98,142)</u>	<u>349,574</u>
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING (USES):	<u>441,232</u>	<u>(98,142)</u>	<u>343,090</u>
FUND BALANCES (DEFICITS):			
Beginning of year	<u>(446,499)</u>	<u>98,142</u>	<u>(348,357)</u>
End of year	<u>\$ (5,267)</u>	<u>\$ -</u>	<u>\$ (5,267)</u>

INTERNAL SERVICE FUNDS

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

City of Fort Bragg, California
Combining Statement of Net Position
Internal Service Funds
June 30, 2019

	Facilities Repair & Maintenance	Information Technology	Fleet & Equipment Services	Totals
ASSETS:				
Current assets:				
Cash & Investments	\$ 523,558	\$ 163,410	\$ 155,078	\$ 842,046
Total current assets	<u>523,558</u>	<u>163,410</u>	<u>155,078</u>	<u>842,046</u>
Noncurrent assets:				
Capital assets, net	39,827	68,094	753,000	860,921
Total noncurrent assets	<u>39,827</u>	<u>68,094</u>	<u>753,000</u>	<u>860,921</u>
Total Assets	<u>\$ 563,385</u>	<u>\$ 231,504</u>	<u>\$ 908,078</u>	<u>\$ 1,702,967</u>
LIABILITIES AND NET POSITION				
Current liabilities:				
Accounts Payable	\$ 2,143	\$ 22,046	\$ 6,382	\$ 30,571
Accrued Payroll	-	3,767	1,025	4,792
Due to Other Funds	-	-	-	-
Total current liabilities	<u>2,143</u>	<u>25,813</u>	<u>7,407</u>	<u>35,363</u>
Total liabilities	<u>2,143</u>	<u>25,813</u>	<u>7,407</u>	<u>35,363</u>
Net position:				
Net Investment in Capital Assets	39,827	68,094	753,000	860,921
Unrestricted	521,415	137,597	147,671	806,683
Total net position	<u>561,242</u>	<u>205,691</u>	<u>900,671</u>	<u>1,667,604</u>
Total liabilities and net position	<u>\$ 563,385</u>	<u>\$ 231,504</u>	<u>\$ 908,078</u>	<u>\$ 1,702,967</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, 2019

	Facilities Repair & Maintenance	Information Technology	Fleet & Equipment Services	Totals
OPERATING REVENUES:				
Use of Money and Property	\$ 9,564	\$ -	\$ -	\$ 9,564
Other Operating	-	-	5,440	5,440
Interdepartmental Charges	299,036	460,112	502,973	1,262,121
Total operating revenues	308,600	460,112	508,413	1,277,125
OPERATING EXPENSES:				
Personnel Services	117,585	207,707	127,314	452,606
Repairs & Maintenance	31,547	2,124	55,171	88,842
Materials & Supplies- Enterprise	-	163,865	66,682	230,547
Contractual Services	-	1,005	1,437	2,442
Allocated Overhead	13,522	24,156	14,476	52,154
Depreciation	2,084	19,354	125,859	147,297
Total operating expenses	164,738	418,211	390,939	973,888
OPERATING INCOME (LOSS)	143,862	41,901	117,474	303,237
NET INCOME (LOSS) BEFORE TRANSFERS	143,862	41,901	117,474	303,237
Transfers In	98,142	-	-	98,142
Transfers out	-	-	-	-
Total transfers	98,142	-	-	98,142
Change in net position	242,004	41,901	117,474	401,379
NET POSITION (DEFICIT):				
Beginning of year	319,238	163,790	783,197	1,266,225
End of year	\$ 561,242	\$ 205,691	\$ 900,671	\$ 1,667,604

City of Fort Bragg, California
Combining Statement of Cash Flows
Internal Service Funds
For the Year-ended June 30, 2019

	Facilities Repair & Maintenance	Information Technology	Fleet & Equipment Services	Totals
CASH FLOWS FROM OPERATING ACTIVITIES:				
Cash received from interfund services provided	\$ 308,600	\$ 460,112	\$ 508,413	\$ 1,277,125
Cash paid to suppliers for goods and services	(50,403)	(170,368)	(144,895)	(365,667)
Cash paid to employees for services	(117,585)	(206,872)	(138,701)	(463,158)
Net cash provided (used) by operating activities	<u>140,612</u>	<u>82,871</u>	<u>224,817</u>	<u>448,300</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Transfers received	98,142	-	-	98,142
Transfers paid	-	-	-	-
Net cash provided (used) by noncapital financing activities	<u>98,142</u>	<u>-</u>	<u>-</u>	<u>98,142</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Acquisition and construction of capital assets	(19,259)	(13,408)	(69,739)	(102,406)
Net cash (used) by capital and related financing activities	<u>(19,259)</u>	<u>(13,408)</u>	<u>(69,739)</u>	<u>(102,406)</u>
Net increase (decrease) in cash and cash equivalents	<u>219,495</u>	<u>69,463</u>	<u>155,078</u>	<u>444,036</u>
CASH AND CASH EQUIVALENTS:				
Beginning of year	304,063	93,947	0	398,010
End of year	<u>\$ 523,558</u>	<u>\$ 163,410</u>	<u>\$ 155,078</u>	<u>\$ 842,046</u>
Reconciliation of income from operations to net cash provided (used) by operating activities:				
Operating income (loss)	\$ 143,862	\$ 41,901	\$ 117,474	\$ 303,237
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation	2,084	19,354	125,859	147,297
(Increase) decrease in current assets:				
Prepaid items	-	20,447	-	20,447
Increase (decrease) in liabilities:				
Accounts payable	(5,334)	335	(7,129)	(12,129)
Accrued liabilities	-	835	(11,387)	(10,552)
Net cash provided by operating activities	<u>\$ 140,612</u>	<u>\$ 82,871</u>	<u>\$ 224,817</u>	<u>\$ 448,300</u>

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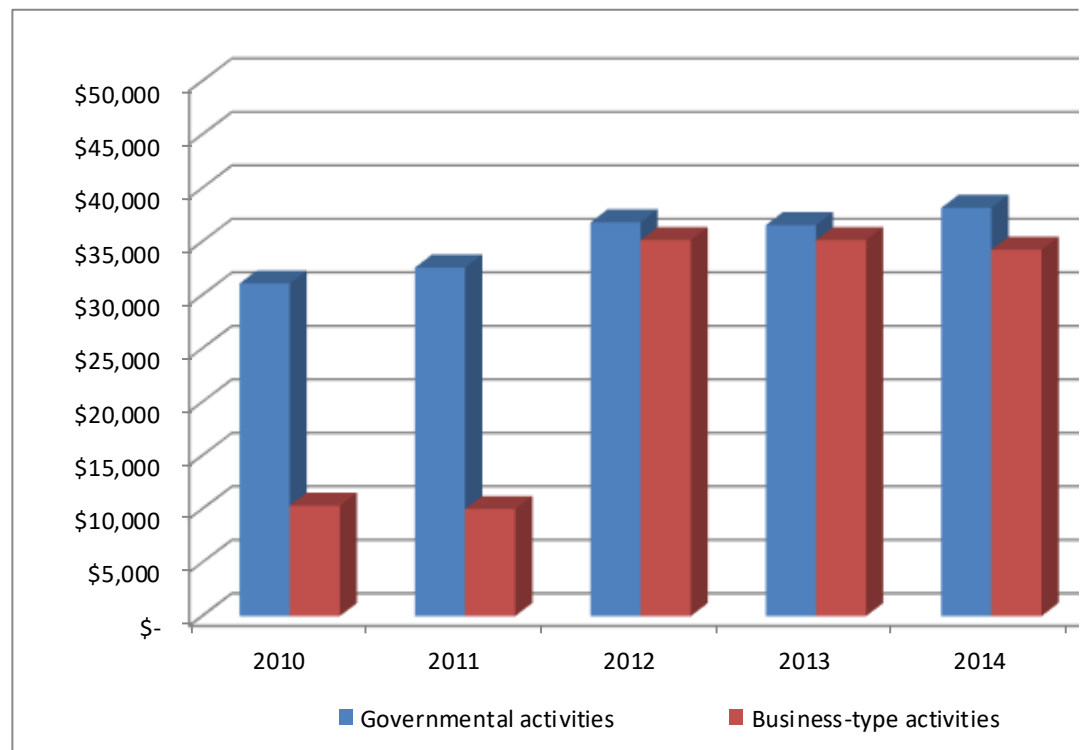
STATISTICAL SECTION

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	130-140
These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	
Revenue Capacity	141-149
These schedules contain information to help the reader assess the City's ability to 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.	
Debt Capacity	150-156
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 in the future.	
Demographic and Economic Information	158-159
These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	
Operating Information	160-162
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.	

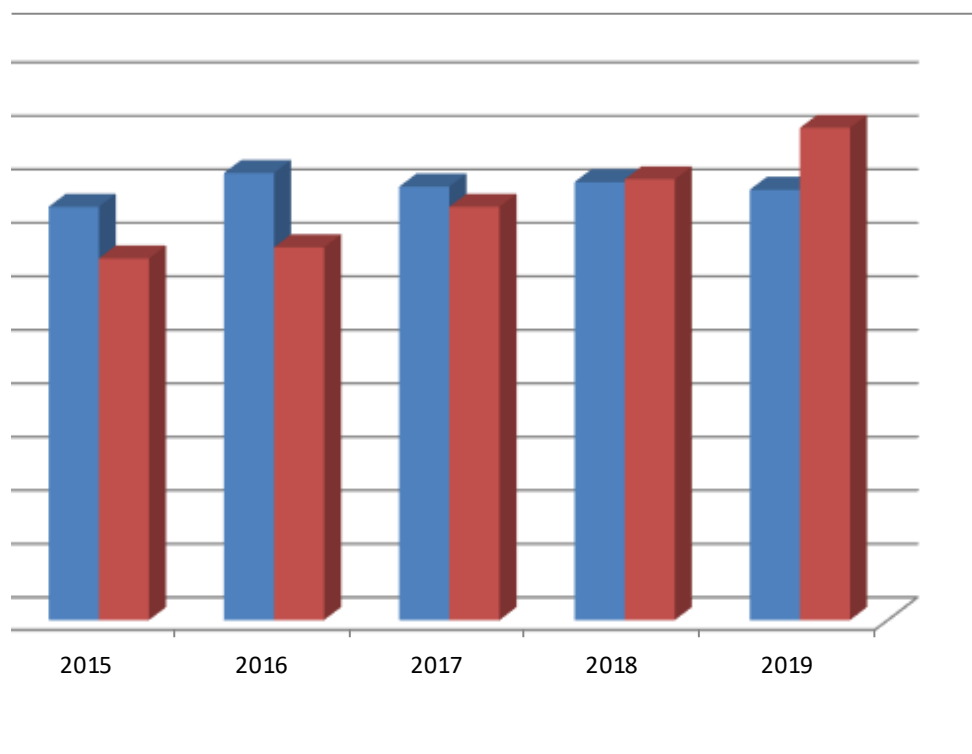
City of Fort Bragg, California
Net Position by Component
Last Ten Fiscal Years
(Fiscal year ended June 30)
(Accrual basis of accounting)
(In Thousands)

	2010	2011	2012	2013
Governmental activities				
Net investment in capital assets	\$ 24,795	\$ 25,801	\$ 30,664	\$ 30,444
Restricted	4,450	4,825	4,776	5,671
Unrestricted	1,843	1,953	1,356	428
Total governmental activities net position	\$ 31,088	\$ 32,579	\$ 36,796	\$ 36,543
Business-type activities				
Net investment in capital assets	7,255	\$ 7,121	\$ 31,319	\$ 30,764
Restricted	64	108	108	72
Unrestricted	2,997	2,775	3,709	4,294
Total business-type activities net position	\$ 10,316	\$ 10,004	\$ 35,136	\$ 35,130
Primary government				
Net investment in capital assets	\$ 32,050	\$ 32,922	\$ 61,983	\$ 61,208
Restricted	4,514	4,933	4,884	5,743
Unrestricted	4,840	4,728	5,065	4,722
Total primary government net position	\$ 41,404	\$ 42,583	\$ 71,932	\$ 71,673



Source: City Finance Department

2014	2015	2016	2017	2018	2019
\$ 31,944	\$ 35,914	\$ 38,647	\$ 39,523	\$ 42,293	\$ 41,400
5,987	2,289	3,536	2,513	3,758	1,279
232	(203)	(399)	(1,518)	(5,115)	(2,456)
<u>\$ 38,163</u>	<u>\$ 38,625</u>	<u>\$ 41,784</u>	<u>\$ 40,518</u>	<u>\$ 40,935</u>	<u>\$ 40,224</u>
\$ 30,531	\$ 30,047	\$ 30,503	\$ 31,597	\$ 33,572	\$ 37,806
101	108	108	108	108	108
3,603	3,649	4,232	6,912	7,515	8,094
<u>\$ 34,235</u>	<u>\$ 33,804</u>	<u>\$ 34,843</u>	<u>\$ 38,617</u>	<u>\$ 41,195</u>	<u>\$ 46,008</u>
\$ 62,475	\$ 65,961	\$ 69,150	\$ 71,119	\$ 75,865	\$ 79,206
6,088	3,022	3,644	2,621	3,866	1,387
3,835	3,466	3,833	5,395	2,400	5,638
<u>\$ 72,398</u>	<u>\$ 72,429</u>	<u>\$ 76,627</u>	<u>\$ 79,135</u>	<u>\$ 82,131</u>	<u>\$ 86,232</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)

	2010	2011	2012	2013	2014
Expenses					
Governmental activities:					
General government	\$ 2,518	\$ 2,591	\$ 2,540	\$ 2,708	\$ 1,500
Public safety	4,011	3,596	3,493	3,399	3,851
Public works	2,286	1,532	1,532	1,874	2,176
Community development	2,489	3,361	1,877	1,529	3,485
Parks and recreation					
Interest and fiscal charges	311	296	177	49	42
Total governmental activities expenses	<u>11,615</u>	<u>11,376</u>	<u>9,619</u>	<u>9,559</u>	<u>11,054</u>
Business-type activities:					
Water	2,401	2,179	2,107	2,138	2,539
Sewer	2,465	2,425	2,983	3,063	3,095
C.V. Starr Center	-	-	183	2,236	2,262
Total business-type activities expenses	<u>4,866</u>	<u>4,604</u>	<u>5,273</u>	<u>7,437</u>	<u>7,896</u>
Total primary government expenses	<u>16,481</u>	<u>15,980</u>	<u>14,892</u>	<u>16,996</u>	<u>18,950</u>
Program revenues					
Governmental activities:					
Charges for services:					
General government	3,193	3,087	2,718	2,701	2,851
Public safety	30	30	29	40	72
Public works	13	5	4	5	34
Community development	5	9	349	100	58
Operating grants and contributions	10,622	2,138	684	1,572	1,567
Capital grants and contributions	2,108	602	1,096	303	1,818
Total governmental activities program revenues	<u>15,971</u>	<u>5,871</u>	<u>4,880</u>	<u>4,721</u>	<u>6,400</u>
Business-type activities:					
Charges for services:					
Water	2,018	2,108	2,194	2,404	2,229
Wastewater	2,216	2,773	2,945	3,197	3,004
C.V. Starr Center	-	-	-	591	635
Operating grants and contributions	-	-	-	-	-
Capital grants and contributions	85	-	25,132	-	-
Total business-type activities program revenues	<u>4,318</u>	<u>4,881</u>	<u>30,271</u>	<u>6,192</u>	<u>5,868</u>
Total primary government program revenues	<u>20,289</u>	<u>10,752</u>	<u>35,151</u>	<u>10,913</u>	<u>12,268</u>
Net (Expense)/Revenue					
Governmental activities	4,356	(5,505)	(4,739)	(4,838)	(4,654)
Business-type activities	(548)	277	24,998	(1,245)	(2,028)
Total primary government net expense	<u>3,808</u>	<u>(5,228)</u>	<u>20,259</u>	<u>(6,083)</u>	<u>(6,682)</u>

	2015	2016	2017	2018	2019
\$	2,593	\$ 2,877	\$ 2,221	\$ 2,804	\$ 2,384
	3,663	4,187	4,388	4,461	4,338
	2,435	2,108	2,750	2,873	2,979
	840	1,700	1,018	1,208	1,056
			38	-	-
	30	26	21	53	47
	<u>9,561</u>	<u>10,898</u>	<u>10,434</u>	<u>11,398</u>	<u>10,805</u>
	2,286	2,264	2,158	2,034	1,920
	2,801	2,897	2,847	2,569	2,674
	2,382	2,292	2,320	2,386	2,722
	<u>7,469</u>	<u>7,453</u>	<u>7,325</u>	<u>6,989</u>	<u>7,316</u>
	<u>17,030</u>	<u>18,351</u>	<u>17,760</u>	<u>18,386</u>	<u>18,122</u>
	2,809	2,818	1,967	1,324	1,108
	50	289	299	365	371
	102	344	558	1,049	1,155
	-	30	232	520	293
	4,702	725	1,251	2,259	765
	<u>2,383</u>	<u>3,762</u>	<u>922</u>	<u>3,324</u>	<u>3,296</u>
	<u>10,046</u>	<u>7,968</u>	<u>5,227</u>	<u>8,840</u>	<u>6,988</u>
	2,496	2,624	2,683	2,909	3,077
	3,194	3,332	3,305	3,495	3,599
	706	722	696	743	711
	-	-	-	-	-
	-	-	-	-	-
	<u>6,396</u>	<u>6,678</u>	<u>6,683</u>	<u>7,147</u>	<u>7,387</u>
	<u>16,442</u>	<u>14,646</u>	<u>11,911</u>	<u>15,987</u>	<u>14,375</u>
	485	(2,930)	(5,207)	(2,558)	(3,817)
	<u>(1,073)</u>	<u>(775)</u>	<u>(642)</u>	<u>158</u>	<u>70</u>
	<u>(588)</u>	<u>(3,705)</u>	<u>(5,849)</u>	<u>(2,400)</u>	<u>(3,747)</u>

(continued)

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

	2010	2011	2012	2013	2014
Governmental activities:					
Taxes:					
Property taxes	1,988	2,075	1,413	924	943
Sales and use tax	2,154	2,147	2,271	2,390	2,490
Transient lodging tax	1,379	1,341	1,411	1,536	1,667
Franchise taxes	457	469	470	482	496
Other taxes	26	-	225	203	411
Use of money and property	58	51	91	103	45
Unrealized gains and losses					
Other general revenues	424	71	399	81	222
Special Items					
Transfer in (out)	(2)	(55)	(2)	(17)	(1)
Extraordinary item: Redevelopment dissolution	-	-	3,070	-	-
Total governmental activities	<u>6,484</u>	<u>6,099</u>	<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	21	21	16	8	33
Other revenues	322	407	97	98	72
Transfer in (out)	2	55	2	17	1
Total business-type activities	<u>345</u>	<u>483</u>	<u>134</u>	<u>1,126</u>	<u>1,133</u>
Total primary government	<u>6,829</u>	<u>6,582</u>	<u>9,482</u>	<u>6,828</u>	<u>7,406</u>
Changes in Net Position					
Governmental activities	10,840	594	4,609	864	1,619
Business-type activities	<u>(203)</u>	<u>760</u>	<u>25,132</u>	<u>(119)</u>	<u>(895)</u>
Total primary government	<u>\$ 10,637</u>	<u>\$ 1,354</u>	<u>\$ 29,741</u>	<u>\$ 745</u>	<u>\$ 724</u>

Note: The City implemented Governmental Accounting Standards Board Statement No. 75 for fiscal year ended June 30, 2019. The implementation resulted in a prior period adjustment of \$2,234,001 for Governmental activities.

Source: City Finance Department

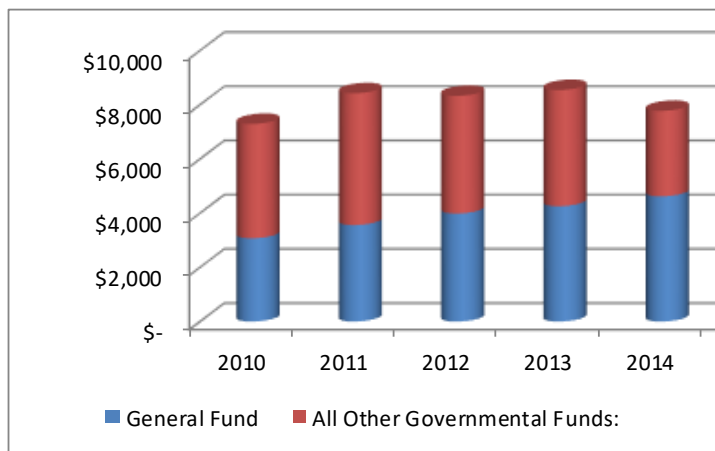
2015	2016	2018	2018	2019
909	1,007	1,084	1,035	1,074.93
2,523	2,458	2,414	1,785	1,728
1,858	1,948	2,149	2,619	2,640
493	491	-	-	-
435	403	674	719	762
87	113	(23)	(110)	66
				195
67	120	151	61	8
		(507)	-	-
(89)	(451)	(2,003)	(898)	(1,029)
-	-	-	-	-
<u>6,283</u>	<u>6,089</u>	<u>3,940</u>	<u>5,210</u>	<u>5,445</u>
234	220	234	236	249
807	846	881	915	879
42	27	56	98	168
161	271	1,242	272	77
89	451	2,003	898	1,029
<u>1,333</u>	<u>1,815</u>	<u>4,416</u>	<u>2,420</u>	<u>2,403</u>
<u>7,616</u>	<u>7,904</u>	<u>8,356</u>	<u>7,630</u>	<u>7,848</u>
6,768	3,159	(1,267)	2,652	1,628
<u>260</u>	<u>1,040</u>	<u>3,774</u>	<u>2,578</u>	<u>2,473</u>
<u>\$ 7,028</u>	<u>\$ 4,199</u>	<u>\$ 2,507</u>	<u>\$ 5,230</u>	<u>\$ 4,101</u>

(concluded)

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

	2010	2011	2012	2013	2014
General Fund					
Reserved	\$ 707				
Unreserved	2,364				
Total general fund	<u>\$ 3,071</u>				
All Other Governmental Funds:					
Reserved	\$ 3,789				
Unreserved (deficit) reported in:					
Special revenue funds	1,088				
Capital projects funds	(654)				
Total all other governmental funds	<u>4,223</u>				
Total all governmental funds	<u>\$ 7,294</u>				
General Fund:					
Nonspendable	\$ 1	\$ 211	\$ 248	\$ 185	
Restricted	-	-	-	-	-
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	3,560	3,775	4,007	4,434	
Total general fund	<u>3,561</u>	<u>3,986</u>	<u>4,255</u>	<u>4,619</u>	
All Other Governmental Funds:					
Restricted	4,865	4,530	4,590	4,598	
Assigned	-	-	-	-	-
Unassigned (deficit)	-	(187)	(299)	(1,441)	
Total all other governmental funds	<u>4,865</u>	<u>4,343</u>	<u>4,291</u>	<u>3,157</u>	
Total all governmental funds	<u>\$ 8,426</u>	<u>\$ 8,329</u>	<u>\$ 8,546</u>	<u>\$ 7,776</u>	

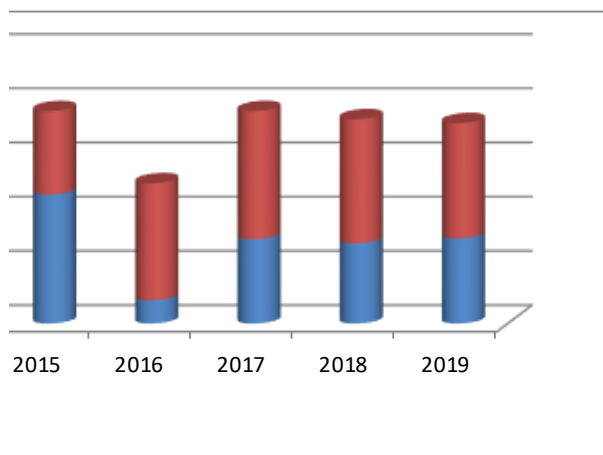
Note : The City implemented Governmental Accounting Standards Board Statement No. 54 (GASB 54) for fiscal year ended June 30, 2011, therefore balance distribution information prior to the implementation of GASB 54 is unavailable.



Source: City Finance Department

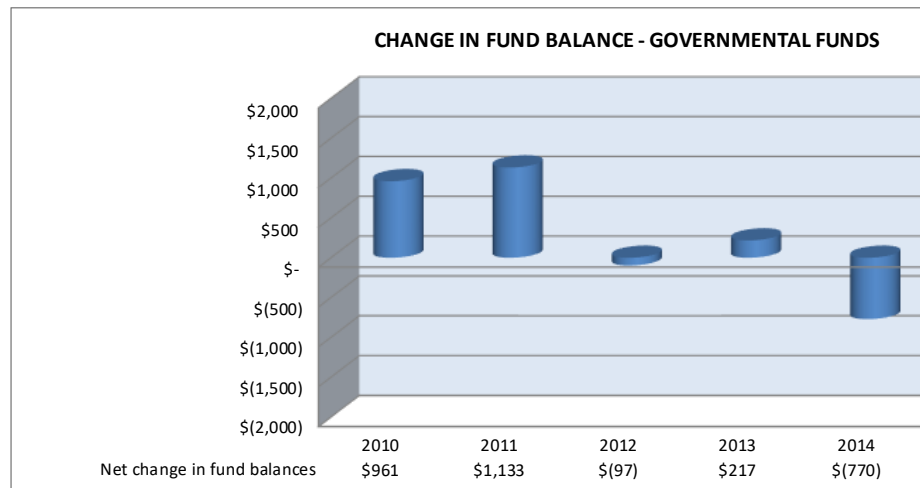
2015	2016	2017	2018	2019
------	------	------	------	------

\$ 205	\$ 66	\$ 4	\$ 94	\$ 9
	-	-	-	-
	-	2,135	1,694	1,682
	-	-	-	-
4,553	790	968	1,172	1,451
4,758	856	3,107	2,959	3,142
2,914	3,536	2,530	3,758	1,267
1,322	1,116	1,472	1,292	3,005
(1,157)	(331)	731	(470)	(16)
3,079	4,321	4,733	4,580	4,255
\$ 7,837	\$ 5,177	\$ 7,839	\$ 7,539	\$ 7,397



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:	2010	2011	2012	2013	2014
Taxes and assessments	\$ 6,052	\$ 6,032	\$ 5,790	\$ 5,579	\$ 5,810
Intergovernmental	7,760	2,692	1,773	1,897	2,946
Charges for services	2,726	2,463	2,854	2,564	2,907
Fines, forfeitures and penalties	14	17	13	23	28
Licenses and permits	307	252	241	260	234
Use of money and property	52	51	84	103	84
Unrealized gains and losses					
Reimbursements					-
Other	377	118	410	80	240
Total revenues	17,288	11,625	11,165	10,506	12,249
Expenditures:					
Current:-					
General government	1,742	1,178	1,252	2,179	1,549
Public safety	3,535	3,237	3,351	3,410	3,829
Public works	1,519	1,332	1,386	1,472	1,594
Community development	2,434	3,009	1,975	2,191	3,460
Capital outlay	6,513	1,286	1,983	874	2,431
Debt Service:-					
Principal Retirement	308	107	113	107	112
Interest and fiscal charges	297	282	161	40	36
Total expenditures	16,348	10,431	10,221	10,273	13,011
Reconciliation of Governmental Revenues					
Less Expenditures to Fund Equity:					
Revenues over (under) expenditures	\$ 940	\$ 1,194	\$ 944	\$ 233	\$ (762)
Other financing sources (uses):					
Proceeds from capital lease					
Proceeds from issuance of debt					
Extraordinary loss on dissolution of redevelopment	-	-	(1,039)	-	-
Transfers in	2,287	1,122	1,910	1,950	1,091
Transfers out	(2,266)	(1,183)	(1,912)	(1,966)	(1,099)
Total other financing sources (uses)	21	(61)	(1,041)	(16)	(8)
Net change in fund balances	\$ 961	\$ 1,133	\$ (97)	\$ 217	\$ (770)
Debt service as a percentage of noncapital expenditures	6.15%	4.25%	3.33%	1.56%	1.40%



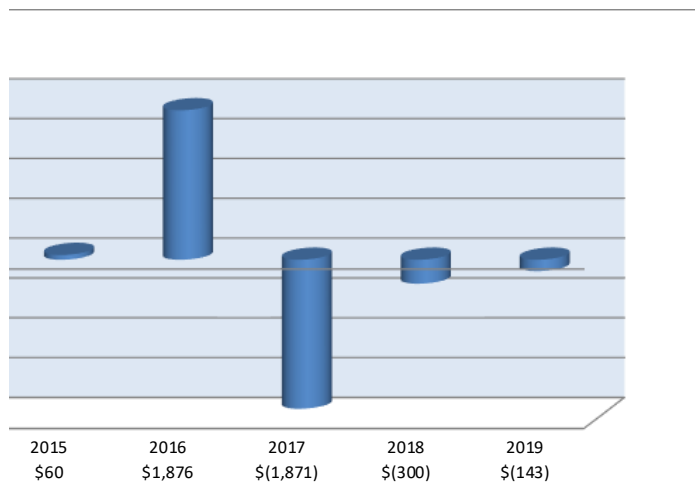
Source: City Finance Department

	2015	2016	2017	2018	2019
\$	4,949	\$ 5,067	\$ 6,486	\$ 7,131	\$ 7,138
	7,463	5,219	1,847	4,592	772
	457	242	203	139	128
	178	162	211	84	118
	254	273	97	132	128
	120	174	55	126	213
					194.81
	2,930	3,413	2,345	2,691	2,453
	59	127	210	82	37
	<u>16,410</u>	<u>14,677</u>	<u>11,454</u>	<u>14,976</u>	<u>11,181</u>

	2,875	2,685	2,548	2,881	2,522
	3,581	4,100	4,233	4,383	4,189
	3,469	1,874	1,902	1,947	1,968
	834	1,693	1,011	1,201	1,050
	5,058	1,725	1,992	3,780	282
	116	120	127	169	175
	31	26	21	17	11
	<u>15,964</u>	<u>12,223</u>	<u>11,834</u>	<u>14,378</u>	<u>10,197</u>

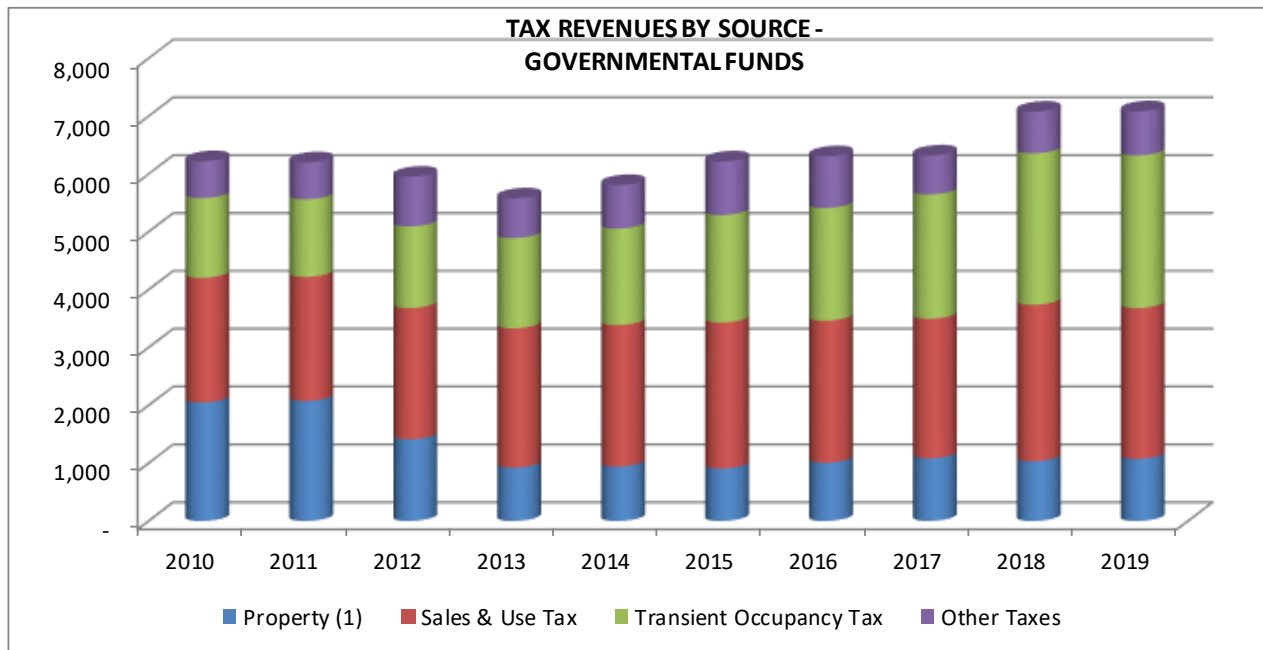
\$ 446 \$ 2,454 \$ (380) \$ 598 \$ 985

	-	-	-	-	-
	5,683	2,714	3,775	2,944	2,830
	(6,069)	(3,292)	(5,266)	(3,843)	(3,957)
	<u>(386)</u>	<u>(578)</u>	<u>(1,491)</u>	<u>(898)</u>	<u>(1,128)</u>
\$	<u>60</u>	<u>\$ 1,876</u>	<u>\$ (1,871)</u>	<u>\$ (300)</u>	<u>\$ (143)</u>
	<u>1.35%</u>	<u>1.39%</u>	<u>1.50%</u>	<u>1.75%</u>	<u>1.87%</u>



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

Fiscal Year Ended June 30,	Property (1)	Sales & Use Tax	Transient Occupancy Tax	Other Taxes	Total
2010	2,050	2,155	1,379	637	6,221
2011	2,075	2,147	1,341	639	6,202
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



(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

2018-19		2009-10	
Taxpayer	Business Type	Taxpayer	Business Type
Arco AM/PM Mini Marts	Service Stations	Amerigas Propane	Fuel Oil/Ice Sales
Boatyard Tobacco	Cigar Stores	Baxman Gravel Company	Bldg Matls-Whsle
Chevron Service Stations	Service Stations	Branesky Sheet Metal	Bldg Matls-Whsle
CVS/Pharmacy	Drug Stores	Canclini Television & Appliance	Office Eqpmt Store
David's Deli	Fast Food Restaurant	Chevron Service Stations	Service Stations
Denny's Restaurants	Restaurants W/Beer	Circle K Service Stations	Service Stations
Dollar Tree Stores	Variety Stores	CVS/Pharmacy	Drug Stores
Geo Aggregates	Bldg Matls-Whsle	Denny's Restaurants	Restaurants W/Beer
Harvest Market	Supermarkets	Harvest Market	Supermarkets
McDonald's Restaurants	Fast Food Restaurant	Kemppe Liquid Gas	Fuel Oil/Ice Sales
Mendo Mill & Lumber Company	Building Matls Store	McDonald's Restaurants	Fast Food Restaurant
Mendocino County Horticulture Supply	Nursery	Mendo Mill & Lumber Company	Building Matls Store
O'reilly Auto Parts	Auto Supply Stores	Mendocino Coast Petroleum	Fuel Oil/Ice Sales
Redwood Coast Fuels	Oil & Gas Products	Mendocino County Horticulture Supply	Nursery
Red Rhino Express	Service Stations	Red Rhino Express	Service Stations
Rite Aid Drug Stores	Drug Stores	Rite Aid Drug Stores	Drug Stores
Rossi Building Materials	Building Matls Store	Rossi Building Materials	Building Matls Store
Safeway Stores	Supermarkets	Safeway Stores	Supermarkets
Sinclair Service Stations	Service Stations	Sears Roebuck & Company	Department Stores
Sport Chrysler Jeep Dodge	New Car Dealers	Speedex Gasoline	Service Stations
Taco Bell	Fast Food Restaurant	Sport Chrysler Jeep Dodge	New Car Dealers
The Brewery Shop	Restaurants W/Onsale	The Brewery Shop	Specialty Food Store
True Value Hardware	Hardware Stores	True Value Hardware	Hardware Stores
Two Short Sales	Plumbing & Electric	Two Short Sales	Plumbing & Electric
US Cellular	Specialty Stores	Walsh Oil Company	Oil & Gas Products

Source: MuniServices, LLC

City of Fort Bragg, California

Historical Sales Tax Amounts by Benchmark Year

CATEGORY NAME	2019 Q1	2018 Q1	2017 Q1	2016 Q1	2015 Q1	2014Q1	2013 Q1	2012Q1	2011Q1
Accommodation and Food Services	259,945	277,599	252,927	226,310	203,407	196,677	199,572	191,030	185,309
Administrative and Support and Waste Management and Remediation Services	772	1,883	1,938	2,019	2,168	1,929	877	768	637
Agriculture, Forestry, Fishing and Hunting	456	0	334	0	1,430	1,903	1,975	2,129	1,992
Arts, Entertainment, and Recreation	229	270	357		109	250		81	1,777
Construction	25,359	16,848	16,135	16,763	15,393	15,545	14,419	12,722	10,369
Health Care and Social Assistance	3,140	9,154	8,666	8,992	8,604	8,927	4,282	2,823	2,324
Information	1,265	1,161	1,197	1,221	1,094	1,202	1,335	1,234	1,324
Manufacturing	41,956	31,268	27,828	24,279	7,461	7,676	8,457	11,295	9,401
Other Services (except Public Administration)	32,360	31,901	32,372	31,146	29,595	28,275	28,846	28,930	28,610
Professional, Scientific, and Technical Service	2,974	2,979	3,376	3,581	3,342	3,467	4,831	5,845	10,806
Real Estate and Rental and Leasing	8,341	8,080	9,150	8,757	8,970	9,268	10,743	10,468	7,491
Retail Trade	1,078,184	1,102,517	983,204	970,199	943,204	923,380	910,002	920,497	910,158
Wholesale Trade	75,225	57,138	82,519	91,530	113,557	134,042	162,177	163,331	107,318
All Other Sectors	14,083	1,854	5,268	8,344	20,230	5,032	4,731	1,059	1,084
Grand Total	1,544,288	1,542,653	1,425,272	1,393,140	1,358,564	1,337,572	1,352,248	1,352,213	1,278,598

Source: MuniServices, LLC

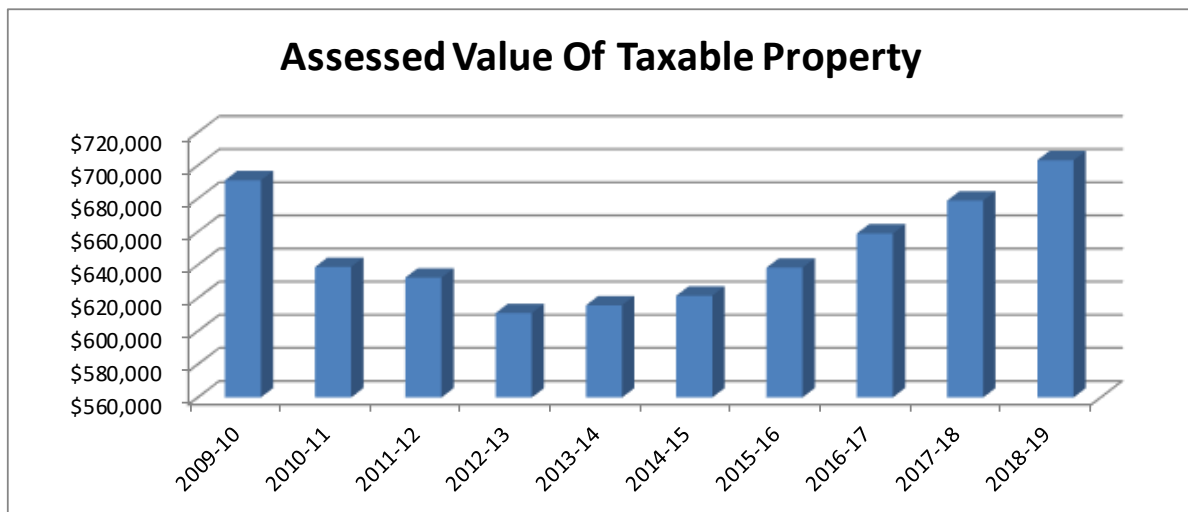
City of Fort Bragg, California

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

Last Ten Fiscal Years

(In Thousands)

Fiscal Year End	Taxable Assessed		% Change	Total		Factor of Taxable Assessed Value (2)
	Secured Property*	Unsecured Property		Direct Tax Rate (1)	Estimated Actual Taxable Value (2)	
2009-10	\$ 660,917	\$ 30,217	\$ 691,134	2.3%	1.082000	-
2010-11	\$ 609,153	\$ 29,654	\$ 638,807	-7.6%	1.102000	-
2011-12	\$ 603,272	\$ 29,066	\$ 632,338	-1.0%	1.123000	710,404
2012-13	\$ 579,450	\$ 31,513	\$ 610,963	-3.4%	1.113100	611,333
2013-14	\$ 585,992	\$ 29,641	\$ 615,633	0.8%	1.125000	624,469
2014-15	\$ 590,079	\$ 31,347	\$ 621,426	0.9%	1.127000	689,061
2015-16	\$ 607,137	\$ 31,275	\$ 638,412	2.7%	1.132000	702,975
2016-17	\$ 626,121	\$ 32,889	\$ 659,009	3.2%	1.133000	852,603
2017-18	\$ 646,586	\$ 32,288	\$ 678,874	3.0%	1.133000	902,380
2018-19	\$ 671,692	\$ 31,556	\$ 703,249	6.7%	1.133000	918,610



Source: Mendocino County Assessor data, MuniServices, LLC.

Source: 2010-11 and prior: previously published CAFR Report.

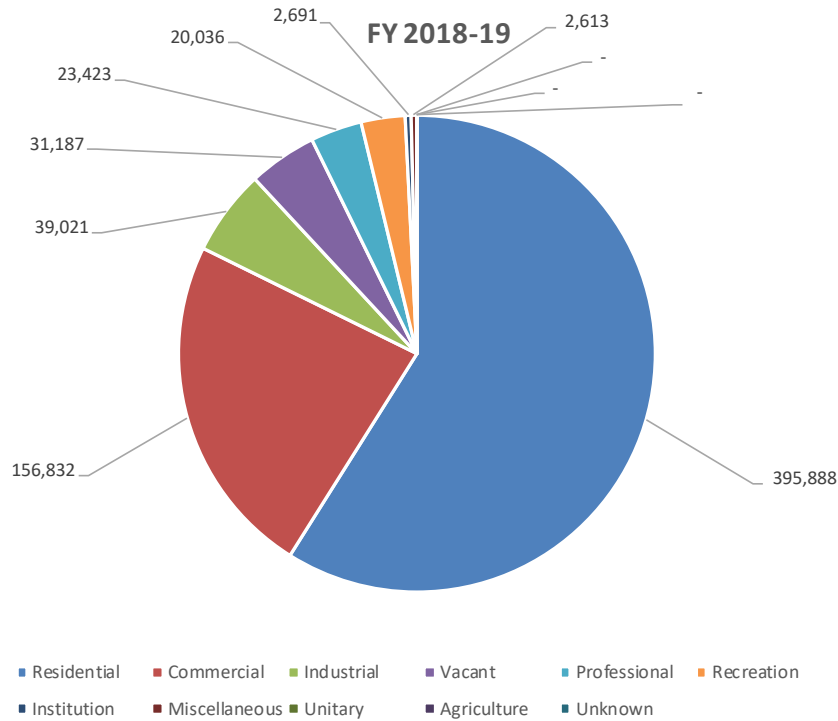
*Secured Property is net of exemptions and includes Unitary value.

1.) 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.

(-) Indicates Data unavailable.

City of Fort Bragg, California
Assessed Value of Property by Use Code, City Wide
Last Seven Fiscal Years
(In Thousands)

Category	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
Residential	361,278	347,694	351,259	357,224	369,852	393,470	375,474	395,888
Commercial	161,784	164,165	165,103	163,032	167,141	150,666	153,767	156,832
Industrial	43,763	30,593	36,342	36,807	37,595	37,908	38,037	39,021
Vacant	21,468	21,552	18,931	18,682	18,963	21,162	21,817	31,187
Professional	-	-	-	-	179	9,804	19,769	23,423
Recreation	8,962	9,119	7,905	7,593	6,391	7,101	2,676	20,036
Institution	3,826	3,931	4,024	4,285	4,513	4,515	3,761	2,691
Miscellaneous	477	689	698	701	735	1,120	31,285	2,613
Unitary	670	543	542	543	543	340	-	-
Agriculture	-	34	33	34	34	34	-	-
Unknown	1,044	1,130	1,149	1,178	1,192	-	-	-
Net Secured Value	240,950	230,626	233,578	590,079	607,137	626,121	646,586	671,692
Unsecured	29,066	31,513	29,641	31,347	31,275	32,889	32,288	31,556
Net Taxable Value	270,016	262,139	263,219	621,426	638,412	659,009	678,874	703,249



Source: Mendocino County Assessor data, MuniServices, LLC
Use code categories are based on Mendocino County Assessor's data

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

	2009-10	2010-11	2011-12	2012-13	2013-14
COUNTY GENERAL FUND	0.000000	0.000000	0.745000	0.745000	0.745000
CITY OF FORT BRAGG	0.000000	0.000000	0.255000	0.255000	0.255000
TOTAL	1.000000	1.000000	1.000000	1.000000	1.000000
Override Assessments					
LOCAL SPECIAL DISTRICTS	0.010000	0.013000	0.012000	0.012000	0.011000
SCHOOLS	0.072000	0.089000	0.111000	0.119000	0.114000
TOTAL	0.082000	0.102000	0.123000	0.131000	0.125000
TOTAL TAX RATE	1.082000	1.102000	1.123000	1.131000	1.125000

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

2014-15	2015-16	2016-17	2017-18	2018-19
0.745000	0.745000	0.745000	0.745000	0.745000
0.255000	0.255000	0.255000	0.255000	0.255000
1.000000	1.000000	1.000000	1.000000	1.000000
0.026000	0.025000	0.018000	0.026000	0.024000
0.101000	0.107000	0.115000	0.107000	0.114000
0.127000	0.132000	0.133000	0.133000	0.138000
1.127000	1.132000	1.133000	1.133000	1.138000

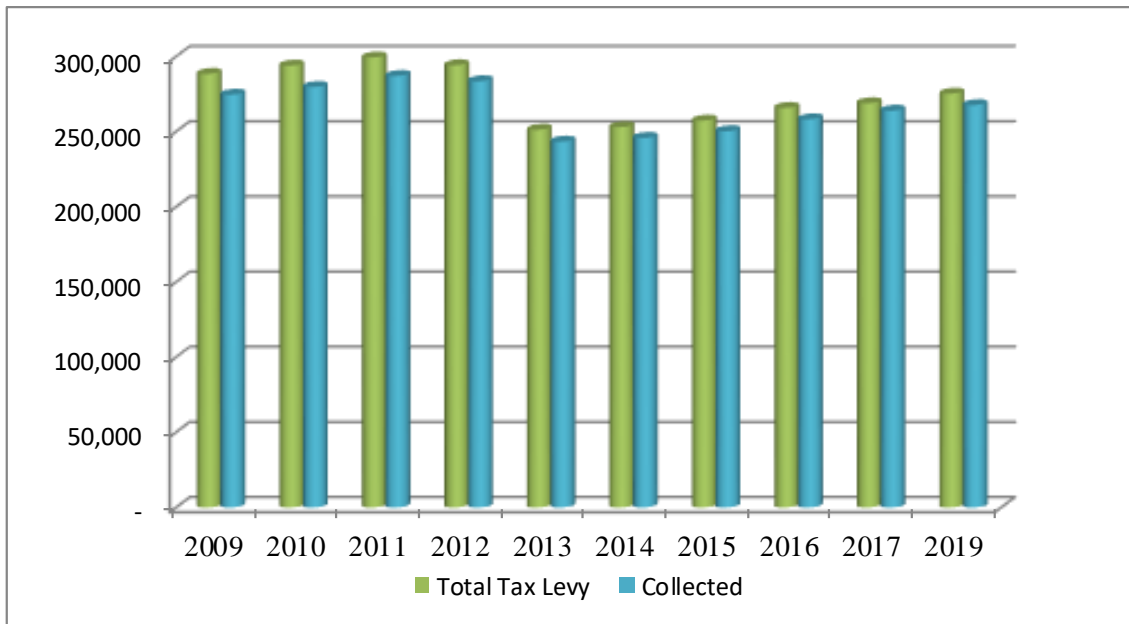
City of Fort Bragg, California
Principal Property Tax Payers
Last Fiscal Year and Nine Years Ago

Taxpayer	2018-19		2009-10	
	Taxable Value (\$)	Percent of Total City Taxable Value (%)	Taxable Value (\$)	Percent of Total City Taxable Value (%)
Georgia Pacific Corporation	32,764,583	4.66%	78,468,023	11.38%
Rap Investors Lp	11,310,057	1.61%		
Boatyard Associates Phase II T	10,252,613	1.46%	9,059,269	1.31%
Safeway Inc	7,019,345	1.00%	7,292,298	1.06%
North Coast Brewery	6,791,705	0.97%		
Colombi Jeanette Succttee	4,927,010	0.70%		
Hurst Jason S	4,805,115	0.68%		
Tanti Family II LLC	4,631,843	0.66%		
Kao Kuami	4,519,747	0.64%	3,989,822	0.58%
Ansari Ghulam Murtaza & Tenzil	4,373,416	0.62%		
Kashi Keshav Investments LLC	4,295,717	0.61%	4,260,164	0.62%
Grosvenor Van Ness Associates	4,200,720	0.60%	3,711,792	0.54%
Longs Drug Stores California L	3,973,732	0.57%	3,846,632	0.56%
Ray Ronald R Ttee	3,867,529	0.55%		
Fort Bragg Hotel LLC	3,646,087	0.52%		
Keaton Richard J & Julie	3,251,899	0.46%	2,866,486	0.42%
Noyo Vista Inc	3,228,608	0.46%	2,824,002	0.41%
Moura Senior Housing	2,722,397	0.39%	2,390,780	0.35%
Rbj & Associates LLC	2,656,944	0.38%	2,421,990	0.35%
Taubold Timothy E Ttee	2,589,496	0.37%		
Miller Helen Centeno	2,588,016	0.37%		
Kemppe Liquid Gas Corporation	2,559,161	0.36%	3,860,012	0.56%
Lee Michael V & Dona H Ttees	2,477,021	0.35%		
Brashear Ronald & Lola L Ttees	2,474,180	0.35%		
Mendocino Coast Hotel LLC	2,474,024	0.35%		
Tradewinds Lodge			7,124,191	1.03%
Feil Scott E & Diana E			6,400,800	0.93%
Colombi Robert Ttee			5,522,202	0.80%
Rap Investors			5,386,761	0.78%
Hurst James C & Barbara J Ttee			4,330,252	0.63%
Bell Charles H & Ila Lynn Ttee			4,226,038	0.61%
Anderson Logging			3,724,368	0.54%
North Otown Industrial Center			3,417,346	0.50%
Braxton Senior Living Property			3,334,125	0.48%
Affinito Dominic J & Juliette			3,205,124	0.47%
Reddy Govind & Sarojini			3,061,955	0.44%
Baxman Charles E Ttee			2,516,159	0.37%
Comcast			2,367,861	0.34%
Total Top 25 Taxpayers	138,400,965	19.68%	179,608,452	26.06%
Total Taxable Value	703,248,523	100.00%	689,266,475	100.00%

Source: Mendocino County Assessor data, MuniServices, LLC

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
2009	288,495	274,649	95.2%
2010	293,999	279,753	95.2%
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%
2019	275,316	267,695	97.2%



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	Total Business-type Activities
2010	5,702	98	5,800	4,360	1,874	878	7,112
2011	5,533	32	5,565	4,130	1,767	769	6,666
2012 ⁽²⁾	943	-	943	3,237	1,481	626	5,344
2013	842	-	842	3,013	1,375	457	4,845
2014	777	-	777	3,217	1,314	367	4,898
2015	660	-	660	2,896	1,207	240	4,343
2016	539	-	539	2,578	1,102	123	3,803
2017	412	-	412	2,252	975	-	3,227
2018	280	-	280	1,913	846	-	2,759
2019	143	-	143	6,568	741	-	7,309

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 Primary Government	Percentage of Personal Income ⁽¹⁾	Per Capita ⁽¹⁾
12,912	8.9%	1,884
12,231	N/A	1,779
6,287	4.4%	867
5,687	3.9%	778
5,675	3.7%	772
5,003	3.2%	681
4,342	2.7%	566
3,639	2.1%	474
3,039	1.7%	405
7,452	4.2%	992

City of Fort Bragg, California
Legal Debt Margin Information
Last Ten Fiscal Years
(Fiscal Year-ended June 30)
(In Thousands)

	2010	2011	2012
Assessed Value	\$ 660,917	\$ 609,153	\$ 603,272
Conversion Percentage	25%	25%	25%
Adjusted Assessed Value	165,229	152,288	150,818
Debt Limit Percentage	15%	15%	15%
Debt limit	24,784	22,843	22,623
Total net debt applicable to limit	-	-	-
Legal debt margin	\$ 24,784	\$ 22,843	\$ 22,623
Total net debt applicable to the limit as a percentage of debt limit	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 The City does not have any outstanding general obligation debt subject to the limit.

	2013	2014	2015	2016	2017	2018	2019
\$	579,450	\$ 585,992	\$ 590,079	\$ 607,137	\$ 626,121	\$ 646,586	\$ 671,692
	25%	25%	25%	25%	25%	25%	25%
	144,863	146,498	147,520	151,784	156,530	161,646	167,923
	15%	15%	15%	15%	15%	15%	15%
	21,729	21,975	22,128	22,768	23,480	24,247	25,188
	-	-	-	-	-	-	-
\$	21,729	\$ 21,975	\$ 22,128	\$ 22,768	\$ 23,480	\$ 24,247	\$ 25,188
	0%	0%	0%	0%	0%	0%	0%

City of Fort Bragg, California
Direct and Overlapping Debt
Current Year
June 30, 2019

2018-19 Assessed Valuation: \$703,298,469

<u>DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:</u>	Total Debt 6/30/19	% Applicable (1)	City's Share of Debt 6/30/19
Redwoods Joint Community College District	\$27,005,000	3.733%	\$ 1,008,097
Fort Bragg Unified School District	30,762,163	37.843	11,641,325
Mendocino Coast Hospital District	4,389,114	20.589	903,675
City of Fort Bragg	0	100.	0
TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT			\$13,553,097
<u>OVERLAPPING GENERAL FUND DEBT:</u>			
Mendocino County Certificates of Participation	\$17,130,000	5.945%	\$1,018,379
Mendocino County Pension Obligation Bonds	50,250,000	5.945	<u>2,987,363</u>
TOTAL OVERLAPPING GENERAL FUND DEBT			\$4,005,742
<u>OVERLAPPING TAX INCREMENT DEBT (Successor Agency):</u>	\$3,495,000	100. %	\$3,495,000
DIRECT DEBT			\$0
TOTAL OVERLAPPING DEBT			\$21,053,839
COMBINED TOTAL DEBT			\$21,053,839 (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 2018-19 Assessed Valuation:

Direct Debt **0.00%**
Total Direct and Overlapping Tax and Assessment Debt 1.93%
Combined Total Debt 2.99%

Ratios to Redevelopment Successor Agency Incremental Valuation (\$210,045,138):

Total Overlapping Tax Increment Debt 1.66%

AB:(\$500)

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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						Coverage Ratio
	Operating Revenues	Less:	Net	Debt Service		Total	
		Operating Expenses ¹	Available Revenue	Principal	Interest	Debt Service	
2010	2,058	1,792	266	322	293	615	0.4
2011	2,159	1,632	527	365	245	610	0.9
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	396	53	449	3.6

¹ Operating expenses exclude depreciation

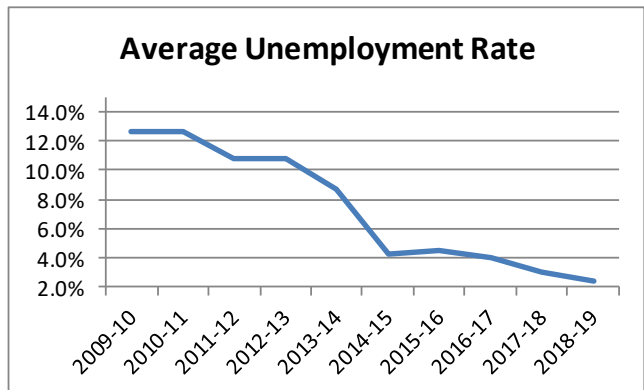
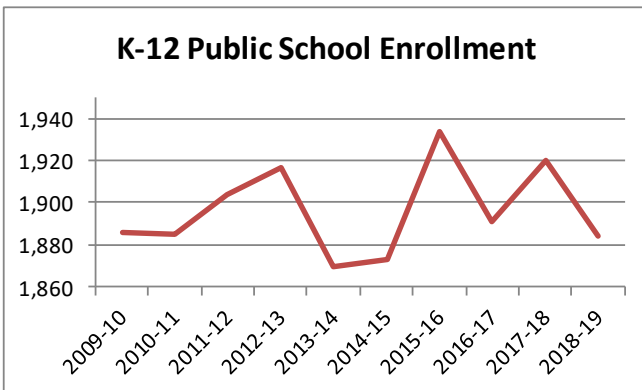
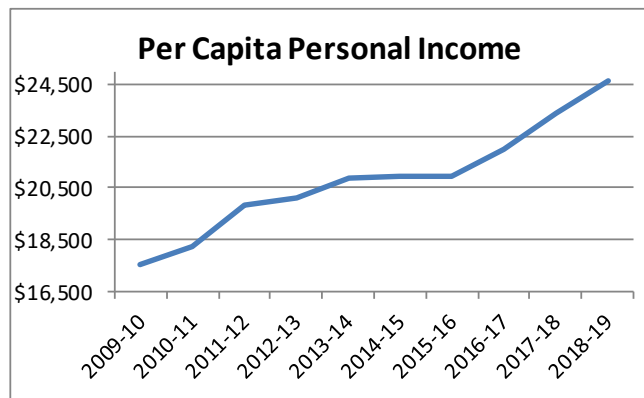
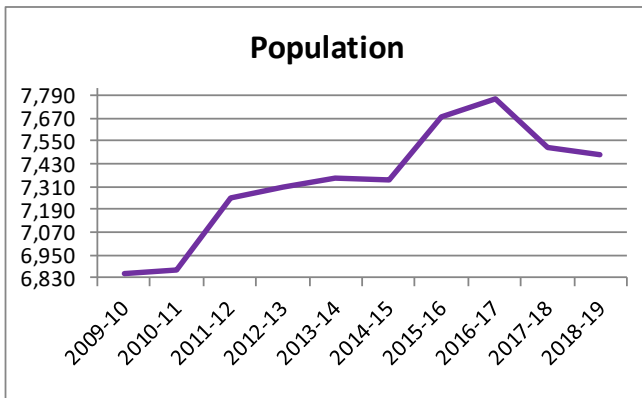
Source: City Finance Department

Business-type Activities
Sewer Fund Debt

Operating Revenues	Less: Operating Expenses ¹	Net Available Revenue	Debt Service		Total Debt Service	Coverage Ratio
			Principal	Interest		
2,517	2,116	401	35	12	47	8.5
3,152	2,078	1,074	40	21	61	17.6
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

City of Fort Bragg, California
Demographic and Economic Statistics
For the 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)
2009-10	6,855	144,629	17,513	38.4	1,886	12.7%
2010-11	6,875	-	18,247	40.9	1,885	12.6%
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%



Source: MuniServices, LLC

2010-11 and prior, previously published CAFR Report

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

(-) Indicates data unavailable

- 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 .
- 4.) Unemployment Data are provided by the EDD's Bureau of Labor Statistics Department.

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

Business Name	2018-19		2011-12	
	Number of Employees	Percent of Total Employment (%)	Number of Employees	Percent of Total Employment (%)
Mendocino Coast District Hospital	329	9.68%	350	11.70%
Fort Bragg Unified School District*	231	6.79%		
Parents & Friends Inc	167	4.91%		
Safeway	131	3.85%		
Mendocino Coast Clinics Inc	122	3.59%	114	3.80%
North Coast Brewing CO Inc (1)	121	3.56%	85	2.90%
Mendocino County**	93	2.74%		
Anderson Logging Inc	92	2.71%	87	2.90%
Sherwood Oaks Health Ctr	76	2.24%	92	3.10%
Silvers At the Wharf (Anchor Lodge)	62	1.82%	55	1.80%
Caito Fisheries			90	3.00%
Ocean Fresh Seafood Products			90	3.00%
City of Fort Bragg			53	1.80%
Skunk Train			44	1.50%
Total Top Employers	1,424	41.88%	1,060	-
Total City Employment (2)	3,400		-	

Source: MuniServices, LLC

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

(1) Includes summer and seasonal employees

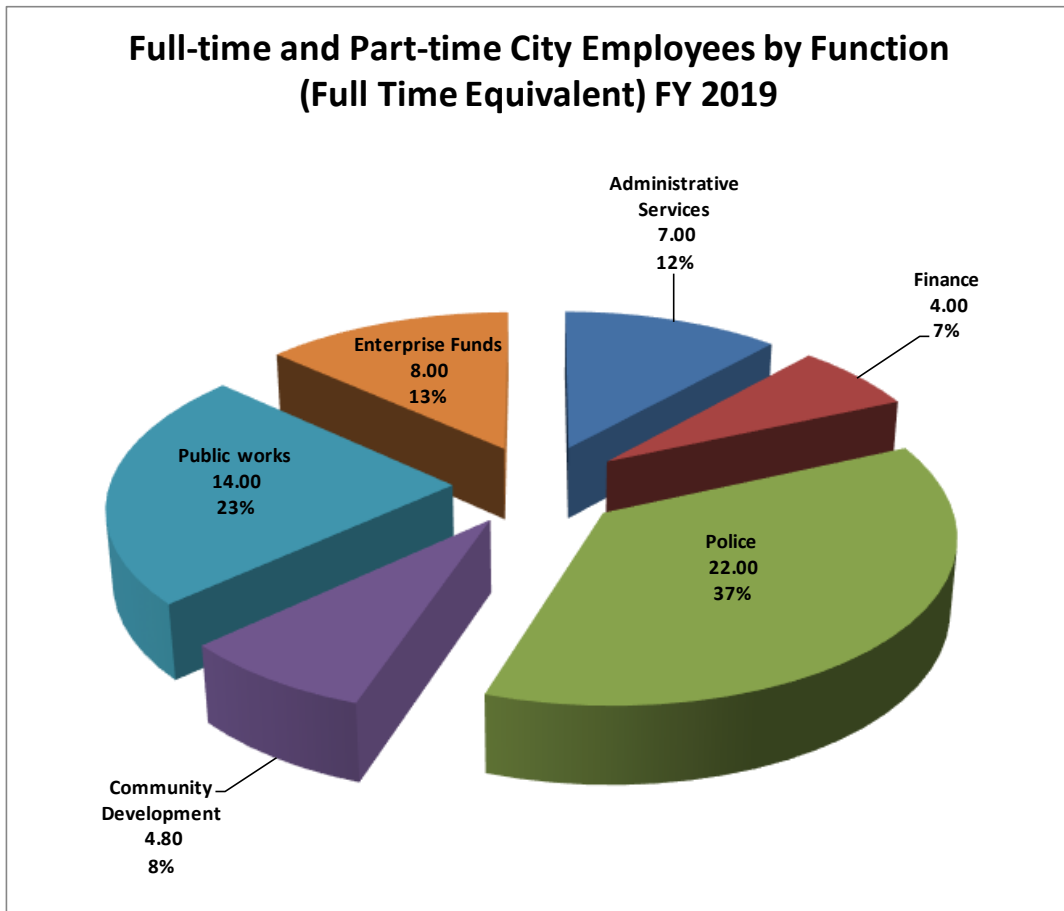
(2) Total City Labor Force provided by EDD Labor Force Data

*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 Employees by Function (Full Time Equivalent)
Last Ten Fiscal Years
(Fiscal Year-ended June 30)

Function	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Government										
Administrative Services	5.00	4.80	4.80	6.00	6.00	6.00	6.50	6.50	7.00	7.00
Finance	5.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00
Public Safety										
Police	23.00	21.00	21.00	21.00	22.00	22.00	22.00	22.00	22.00	22.00
Community Services										
Community Development	4.75	3.80	3.80	3.80	4.30	4.00	4.30	4.50	4.80	4.80
Public works	14.50	12.60	12.60	12.60	13.60	12.60	12.80	12.80	14.00	14.00
Enterprise Funds	8.00	7.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00
Total	60.25	53.20	54.20	55.40	57.90	56.60	57.60	57.80	59.80	59.80



Source: City Finance Department

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

Function/Program	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Building Permits Issued	204	204	210	125	272	192	141	122	162	194
New Construction	5	6	3	27	2	7	6	4	9	12
Single Family Residential	2	3	2	0	0	0	2	0	5	4
Second Unit	2	1	1	1	1	1	3	4	4	8
Mixed Use, Commercial & Residential	1	0	0	0	0	2	1	0	0	4
Multi-Family Residential			0	0	1	0	0	0	0	2
Low Income Residential		2	0	26	0	4	0	0	0	0
City Clerk										
Council/Agency Resolutions Passed	112	93	108	93	87	127	98	122	121	92
Number of Ordinances Passed	3	9	9	2	4	3	5	6	8	9
Number of Contracts Approved	9	13	32	29	31	30	69	74	105	71
Number of PRA Requests Processed	40	28	33	26	35	74	73	79	146	145
Public Safety										
Traffic Accidents	116	112	139	163	174	172	221	160	145	147
Traffic Violations - DUI	42	37	33	62	45	26	28	45	49	40
Bookings	501	621	608	744	689	737	668	619	795	625
Moving Cites	550	514	841	1,001	1,614	949	498	344	428	368
Parking Cites		405	374	355	833	484	835	842	941	869
Field Interviews and Information Cases				1,450	2,211	1,301	1,217	1,403	1,936	1,289
Crime Reports	1,150	1,274	1,454	1,610	1,576	1,317	1,501	1,496	1,554	1,262
Fire ¹										
Total Number of Calls	504	601	632	500	525	617	579	665	626	752
Structure Fires	35	30	27	29	29	21	29	38	10	37
Vehicle Fires	7	9	9	9	17	9	3	16	5	4
Vegetation Fires	33	15	29	25	41	40	31	33	23	40
Misc Fires (Chimney, Debris, Electronically, etc.)				17	24	17	36	18	81	80
Medical Aid	102	186	209	110	142	163	150	199	197	248
Rescue	114	112	129	11	13	10	22	16	11	7
Hazardous Condition/Materials Calls	53	37	46	73	48	41	70	75	58	73
Mutual Aid/Agency Assist				6	3	9	12	18	23	18
Traffic Accidents				88	89	98	133	98	115	100
Services Call	100	161	115	128	117	96	91	80	99	126
Other Calls & Incidents	60	81	68	4	2	113	2	74	4	19
Water										
Number of customer accounts billed	33,771	33,521	32,523	33,924	32,300	33,716	33,671	33,873	34,146	33,339
Water annual demand in thousand gallons	223,300	217,600	231,200	225,500	224,500	204,400	189,500	197,600	210,200	208,015
Available supply of water in thousand gallons	2,524	2,442	3,066	2,574	2,490	2,398	20,800	21,300	21,300	22,400
total Customer service calls	1,421	1,531	1,448	1,439	1,254	1,177	1,253	1,253	1,193	1,488
Meter installs/removals/change outs	36	49	40	2	11	14	16	14	24	13
Meter repairs	1	3	2	44	1	8	1	34	5	23
Leak investigations	15	15	16	21	3	6	11	34	29	61
Service profiles	98	131	81	93	52	57	65	31	63	61
Turn on/off	1,244	1,255	1,267	1,248	139	508	669	878	891	1,099
Manual Reads	556	555	565	527	513	453	416	444	126	111
Misc.	26	27	36	33	49	60	75	53	55	68
Wastewater										
Customer service calls, wastewater	38	39	37	52	71	41	52	43	33	36
New customer sewer lines installed	2	2	0	2	2	3	1	4	0	2
Sewer mains cleaned/flushed in miles	15	19	19	18	14	15.5	15	17.38	16	18
Sewer mains and laterals repaired in number of jobs	38	39	34	0	8	16	11	12	9	8
Sewer manholes inspected	370	371	373	371	362	363	363	374	374	374
Sewer manholes installed	1	3	1	0	0	0	0	0	0	-
Sewer spill responses	3	4	1	3	7	7	5	1	1	2

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	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Police :										
Stations	1	1	1	1	1	1	1	1	1	1
Public works										
Streets (miles)	26.4	26.4	26.4	26.4	26.4	26.4	26.4	26.4	27.2	27.2
Alleys (miles)	19	19	19	19	19	19	19	19	19	19
Storm drains (miles)	10	10	10	10	10	10	10	10	10	10
Streetlights	725	725	725	725	725	725	725	725	744	744
Sidewalks	40	40	40	40	40	40	40	40	40	40
Water										
Water treatment plant	1	1	1	1	1	1	1	1	1	1
Water mains (miles)	30	30	30	30	30	30	30	30	30.5	30.5
Raw water transmission line (miles)	5.75	5.75	5.75	5.75	5.75	5.75	5.75	5.75	5.85	5.85
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	3	3	4	4	4	5	5
Recreational/Guest Facilities	2	2	3	3	3	3	3	3	3	3
Government Facilities	2	2	2	2	2	2	2	2	2	2