RESOLUTION NO. 2024-84

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MARINA RECEIVING AND FILING THE CITY OF MARINA COMPREHENSIVE ANNUAL FINANCIAL REPORT, SINGLE AUDIT REPORT AND AUDITOR'S GOVERNANCE LETTER (SAS 114), CITY AUDITOR'S MANAGEMENT LETTER OF COMMENTS (SAS 115) FOR THE FISCAL YEAR ENDED JUNE 30, 2023.

WHEREAS, after each fiscal year independent auditors examine and test the underlying controls, fiscal records and financial transactions from which the City's Annual Financial Reports are prepared ("Exhibit A"), and issue their opinion on the basic financial statements contained in the reports, and;

WHEREAS, the purpose of the audit is to determine whether, in the auditor's opinion, the financial statements present fairly in all material respects the City's financial position and results of operations for the fiscal year; whether the City is in compliance with significant laws, regulations contracts and grants; and to evaluate the City's system of internal controls, and;

WHEREAS, the auditors, Chavan & Associates, LLP, issued unmodified ("clean") opinion as of and for the year ended June 30, 2023, on the City of Marina's financial statements dated TBD, and;

WHEREAS, the audit report states "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, and the aggregate remaining fund information of the City of Marina, as of June 30, 2023, 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.," and;

WHEREAS, in accordance with GASB Statement No. 34, the financial reports include: Management's Discussion and Analysis (MD&A); Basic Financial Statements (including Notes to Financial Statements); Required Supplementary Information; and Supplementary Information; and,

WHEREAS, after each fiscal year independent auditors examine and test the underlying controls, fiscal records and financial transactions from which the City's and Agency's Annual Financial Reports are prepared, and issue their opinion on the basic financial statements contained in the reports, and;

WHEREAS, the City independent auditors, Chavan & Associates, LLP, performed these tasks and issued an unmodified ("clean") opinion, and;

WHEREAS, the City, as a non-federal entity that expended over $750,000 in Federal awards, is required to have a fiscal year 2022-2023 single audit conducted in accordance with Title 2 U.S. Code of Federal Regulations, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), and;

WHEREAS, the Single Audit Report ("Exhibit B") includes discussion regarding the auditors' responsibility, City accounting practices, the limited scope of testing under the report and no instances of noncompliance were identified in testing, and;

WHEREAS, professional standards require that the auditors provide the City two additional letters, specifically the "Governance Letter (SAS 114)" and "Management Letter of Comments (SAS 115)," and;

WHEREAS, the Governance Letter (SAS 114) ("Exhibit C") includes discussion regarding the auditors' responsibility, City accounting practices, difficulties and/or disagreements encountered, corrected and/or uncorrected misstatements, management representation, management consultation with other independent accountants and other audit findings or issues. Nothing adverse was noted in the letter, and;

WHEREAS, the Management Letter of Comments (SAS 115) ("Exhibit D") includes no suggestions for improvements to the City's internal controls, and;

NOW, THEREFORE IT BE RESOLVED, that the City Council of the City of Marina:

1. Receive the Annual Comprehensive Financial Report for the Year Ending June 30, 2023; and

2. Receive and file the Single Audit Report for the Year Ending June 30, 2023; and

3. Receive and file City of Marina Auditor's Governance Letter (SAS 114), City Auditor's Management Letter of Comments (SAS 115) for the fiscal year ended June 30, 2023.

PASSED AND ADOPTED by the City Council of the City of Marina at a regular meeting duly held on the 2nd day of July by the following vote:

AYES: COUNCIL MEMBERS: McAdams, McCarthy, Biala, Visscher, Delgado
NOES: COUNCIL MEMBERS: None
ABSENT: COUNCIL MEMBERS: None
ABSTAIN: COUNCIL MEMBERS: None

____
Bruce C. Delgado, Mayor

ATTEST:

____
Anita Sharp, Deputy City Clerk

EXHIBIT A

City of Marina

California

Annual Comprehensive Financial Report

for the fiscal year ended

June 30, 2023

Serving a World Class Community

EXHIBIT A

Vision & Mission

Vision Statement

Marina will grow and mature from a small-town bedroom community to a small city which is diversified, vibrant and through positive relationships with regional agencies, self-sufficient. The City will develop in a way that insulates it from the negative impacts of urban sprawl to become a desirable residential and business community in a natural setting.

Resolution No. 2006 – 112. May 2, 2006

Mission Statement

The City Council will provide the leadership in protecting Marina's natural setting while developing the City in a way that provides a balance of housing, jobs and business opportunities that will result in a community characterized by a desirable quality of life, including recreation and cultural opportunities, a safe environment and an economic viability that supports a high level of municipal services and infrastructure.

Resolution No. 2006 – 112. May 2, 2006

City of Marina
Annual Comprehensive Financial Report
For the year ended June 30, 2023
Table of Contents

TABLE OF CONTENTS

FINANCIAL SECTION

Chavan and Associates, llp
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and Members of the City Council
of the City of Marina
Marina, California

Report on the Financial Statements

Opinion

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City of Marina (the "City"), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City of Marina, as of June 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

15105 Concord Circle, Suite 130 Morgan Hill, CA 95037
Tel: 408-217-8749 • E-Fax: 408-872-4159
info@cnallp.com • www.cnallp.com

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS and GAGAS, we:

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

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

Chavan and Associates, llp
Certified Public Accountants

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and other required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual fund financial statements, schedules, and other information listed in the supplementary information section of the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 GAAS. In our opinion, the combining and individual fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

The City's management is responsible for the other information included in the annual comprehensive financial report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon. In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic

15105 Concord Circle, Suite 130 Morgan Hill, CA 95037
Tel: 408-217-8749 • E-Fax: 408-872-4159
info@cnallp.com • www.cnallp.com

Chavan and Associates, llp
Certified Public Accountants

financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 30, 2024 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 the City's internal control over financial reporting and compliance.

C & A LLP

Chavan & Associates, LLP
Certified Public Accountants
March 30, 2024
Morgan Hill, California

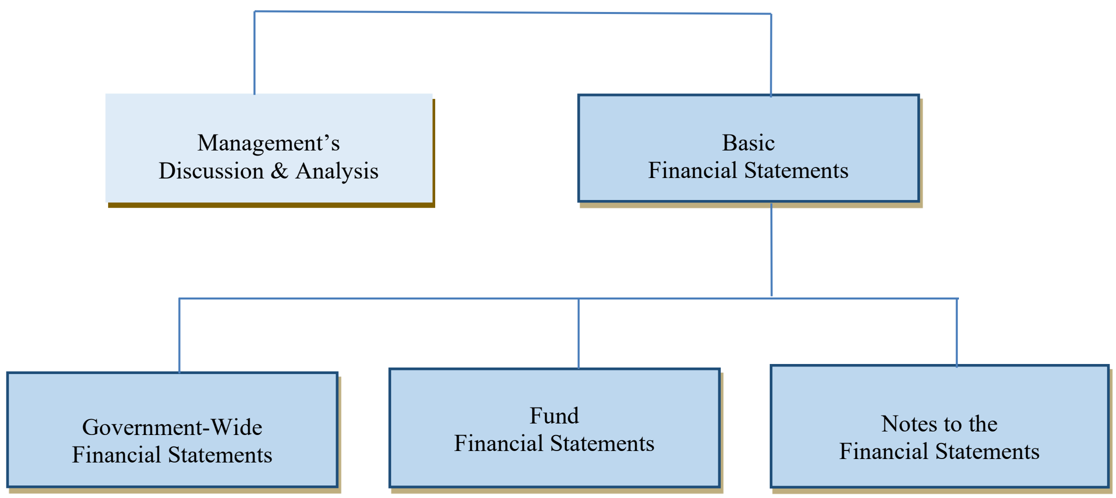
15105 Concord Circle, Suite 130 Morgan Hill, CA 95037
Tel: 408-217-8749 • E-Fax: 408-872-4159
info@cnallp.com • www.cnallp.com

MANAGEMENT'S DISCUSSION AND ANALYSIS

INTRODUCTION

As management of the City of Marina, we offer readers of the City's financial statements this narrative overview and analysis of financial activities of the City of Marina, for the fiscal year that ended on June 30, 2023. We encourage readers to consider the information presented here, in conjunction with additional information that we have furnished in our letter of transmittal. This information can be found on page i of this report. The required components of the report are listed below.

Required Components of the Annual Financial Report



FISCAL YEAR 2022/2023 FINANCIAL HIGHLIGHTS

Government-Wide Highlights

- The assets and deferred outflows of resources of the City of Marina exceeded the liabilities at the close of the most recent fiscal year by $246 million (net position). Of this amount, net position included $112 million was classified as net investment in capital assets; $68 million as restricted; and $66 million as unrestricted net position.

- The City's net position increased by $21 million and its change in net position was $23 million less than the prior fiscal year. In the Governmental Activities, tax revenues increased by $1.4 million, charges for services decreased by $6.7 million, and capital grants and contributions decreased by $5.2 million.

- In the Business-Type Activities, charges for services increased by $664 thousand and capital grants and contributions decreased by $181 thousand.

- Deferred outflows of resources increased by $6.7 million while deferred inflows of resources decreased by $7.0 million mostly due to differences in expected and actual earnings, expected and actual experiences and changes in proportions related to the City's retirement plans. The City's pension liability in accordance with GASB 68 as of June 30, 2023, was $27.2 million, while its total OPEB liability for the fiscal year ending June 30, 2023, was $5.1 million.

- The City's long-term debt increased by $11.5 million or 71% in Fiscal Year 2022/2023 primarily from the issuance of certificates of participation during the year.

- The City's net capital assets increased by 1.6% or $2.7 million, primarily due to capital projects and the implementation of GASB 96 which added a $789 thousand right of use assets for the City's IT subscriptions.

- Capital outlay expenditures totaled $8.6 million vs $4.2 million in the prior year.

Fund Highlights

- At the close of Fiscal Year 2022/2023, the City of Marina's governmental funds reported combined fund balances of $141.9 million, an increase of $26.2 million in comparison with the prior year. Approximately 20% or $28.7 million was classified as unassigned fund balance and was available for spending at the government's discretion.

- At the end of the current fiscal year, the general fund's unrestricted fund balance (the total of the committed, assigned, and unassigned components of fund balance) was $44.8 million, or 150% of total general fund expenditures, prior to transfers. The general fund's unassigned fund balance was $26.8 million or 92% of total general fund expenditures, prior to transfers.

- The fund balance in the General Fund increased by $11.7 million, with revenues of $37.6 million and expenditures of $29.1 million, prior to transfers in of $5.6 million, and transfers out of $2.4 million.

OVERVIEW OF THE FINANCIAL STATEMENTS

The discussion and analysis are intended to serve as an introduction to the City of Marina's financial statements. The City of Marina's basic financial statements are comprised of (1) Government-wide Financial Statements (2) Fund Financial Statements, and (3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements

The *government-wide financial statements* are designed to provide readers with a broad overview of the City of Marina's finances, in a manner similar to a private-sector business. Government-wide financial statements are prepared on the accrual basis, which means they measure the flow of all economic resources of the City as a whole. Government-wide financial statements consist of the *Statement of Net Position* and the *Statement of Activities*.

The *Statement of Net Position* presents financial information on all of the City of Marina's assets, liabilities, and deferred inflows/outflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City of Marina is improving or declining.

The *Statement of Activities* presents information showing how the City of Marina's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. This is consistent with a full accrual concept, which may result in the reporting of revenues and expenses in the current fiscal year, with cash flows occurring in future fiscal periods (e.g. uncollected revenues; and earned but not used vacation leave).

Both of the government-wide financial statements distinguish functions of the City of Marina that are principally supported by taxes and intergovernmental revenues *(governmental activities)* from other functions that are intended to recover all or a significant portion of their costs through user fees and charges *(business-type activities)*. An overview of the City's functions associated with each classification is listed below.

Governmental Activities – All of the City's basic services are considered to be governmental activities. This includes law enforcement, fire and emergency services, planning and building, public works, parks and recreation, economic and community development, recreation, cultural services, and general administration. Transient occupancy taxes, sales taxes, property taxes, impact fees, state and federal grants finance most of these activities. Charges for services, which include parks and recreation fees, are also used to help offset costs of providing certain services.

Business-Type Activities – This City's enterprise activities include the Airport, Preston Park and Abrams B operations. Unlike governmental services, these services are fully supported by charges paid by users based on the amount of services 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.

Fund financial statements provide detailed information about each of the City's most significant funds, called major funds. Major funds are 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 fiscal year, and may change from year to year as a result of changes in the pattern of the City's activities. The City's funds are segregated into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds

Governmental funds are used to account for essentially the same function reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental funds 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. This represents a modified accrual basis of accounting, with capital assets, long-lived assets, and long-term liabilities excluded from the financial statements. Such information may be useful in evaluating the City's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for the *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing 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 the comparison between *governmental funds* and *governmental activities*.

The City maintains multiple governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, the City Capital Projects Fund, the Impact Fee Fund, FORA Dissolution Fund, and the Abrams B Debt Service Fund. These funds are considered to be major funds. Data from the other governmental funds are combined into a single aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements in the combining and individual fund statements and schedules section of this report. A budgetary comparison statement has been provided as required supplementary information for the General Fund to demonstrate compliance with this budget.

Proprietary Funds

The City of Marina has the following three *enterprise funds* which are proprietary funds*: The Marina Municipal Airport Fund, Preston Park Housing Fund* and *Abrams B Housing Fund* which are considered major funds for the City of Marina. *Enterprise funds* provide the same type of information as business-type activities in the government-wide statements.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the City. Fiduciary funds are not reported in the Government-Wide financial statements because the resources of these funds are not available to support the City of Marina's own programs. The accounting for fiduciary funds is much like that used for business type activities. The City did maintain three fiduciary funds during Fiscal Year 2022/23, the FORA Dissolution Administration Fund, the Successor Agency Obligation Retirement Fund and the Successor Agency Housing Assets Fund.

NOTES TO THE FINANCIAL STATEMENTS

Notes to the Financial Statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes can be found immediately following the fund financial statements.

OTHER INFORMATION

In addition to the basic financial statements and accompanying notes, this report also presents *required supplementary information* concerning the City of Marina's funding progress for its employee pension and OPEB benefit obligations. The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the *required supplementary information* on pensions and OPEB as supplementary information. The City also provides combining statements for its sub-funds that comprise the intra fund transactions included in the General Fund. An unaudited statistical section provides historical and current data on financial trends, revenue and debt capacity, demographic and economic information, and operating information.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Over time, net position may serve as an indicator of a government's financial position. In the case of the City of Marina, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $246 million at the close of the Fiscal Year 2022/2023. This represents an increase of $21 million over the prior year.

The following table summarizes the City's ending net position:

Table 1 - Net Position (in thousands)

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Assets						
Current and other assets	$ 156,341	$ 128,307	$ 18,588	$ 15,699	$ 174,929	$ 144,006
Capital assets	89,961	85,505	84,370	86,124	174,331	171,629
Total Assets	$ 246,302	$ 213,812	$ 102,958	$ 101,823	$ 349,260	$ 315,635
Deferred Outflows of Resources	$ 14,506	$ 7,854	$ -	$ -	$ 14,506	$ 7,854
Liabilities						
Current and other liabilities	$ 7,161	$ 4,251	$ 1,477	$ 1,725	$ 8,638	$ 5,976
Noncurrent liabilities	59,566	35,766	35,950	35,950	95,516	71,716
Total Liabilities	$ 66,727	$ 40,017	$ 37,427	$ 37,675	$ 104,154	$ 77,692
Deferred Inflows of Resources	$ 5,720	$ 12,776	$ 8,233	$ 8,222	$ 13,953	$ 20,998
Net Position						
Net investment in capital assets	$ 71,603	$ 78,194	$ 40,047	$ 41,331	$ 111,650	$ 119,525
Restricted	67,646	49,491	-	-	67,646	49,491
Unrestricted	49,112	41,188	17,251	14,595	66,363	55,783
Total Net Position	$ 188,361	$ 168,873	$ 57,298	$ 55,926	$ 245,659	$ 224,799

Net position of the City's governmental activities increased $19.5 million to $188 million. Approximately 26% of net position relating to governmental activities are unrestricted, and $112 million of the City's net position reflects its investment in capital assets, (e.g., land, buildings, general government infrastructure, equipment, etc.), less accumulated depreciation and any outstanding that was debt used to acquire or construct those assets. Capital assets represent infrastructure which provide services to citizens and are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate the liabilities. Total liabilities related to governmental activities increased by $26.7 million mostly due to increases in pension liabilities and the issuance of certificates of participation. See note 9 for detailed information related to the pension plans, along with the required supplementary information section of this report.

Total net position of the City's business-type activities increased $1.4 million to $57.3 million. At the end of the current fiscal year, the City of Marina is able to report a positive balance for the government as a whole. The reasons for the overall financial changes are discussed in the following sections for governmental and business-type activities.

With total revenues for Fiscal Year 2022/2023 at $72.4 million and total expenses at $51.5 million, the change in net position for current activity yielded an increase of $20.9 million. An analysis of the changes in revenues and expenses by type of significant events follows:

Table 2 - Statement of Changes in Net Position (in thousands)

	Governmental		Increase	Business-Type		Increase
Functions/Programs	**2023**	**2022**	**(Decrease)**	**2023**	**2022**	**(Decrease)**
Program Revenues						
Charges for services	$ 18,657	$ 25,391	$ (6,734)	$ 13,323	$ 12,659	$ 664
Operating grants and contributions	3,289	5,146	(1,857)	-	-	-
Capital grants and contributions	3,020	8,178	(5,158)	489	670	(181)
Total Program Revenues	24,966	38,715	(13,749)	13,812	13,329	483
General Revenues						
Taxes	29,052	27,635	1,417	-	-	-
Investment earnings	2,881	319	2,562	367	172	195
Other revenues	1,052	629	423	233	253	(20)
Transfers	1,330	865	465	(1,330)	(865)	(465)
Gain on sale of land	-	6,323	(6,323)	-	-	-
Total General Revenues, Transfers and Special	34,315	35,771	(1,456)	(730)	(440)	(290)
Expenses						
General government	10,144	8,136	2,008	-	-	-
Public safety	14,912	14,228	684	-	-	-
Public works	2,244	2,133	111	-	-	-
Economic & community development	10,031	4,981	5,050	-	-	-
Recreation & cultural services	974	1,050	(76)	-	-	-
Interest on fiscal charges	1,488	562	926	-	-	-
Marina Municipal Airport	-	-	-	2,023	1,969	54
Preston Park Non-profit Corporation	-	-	-	6,687	7,304	(617)
Abrams B Non-profit Corporation	-	-	-	3,000	2,990	10
Total Expenses	39,793	31,090	8,703	11,710	12,263	(553)
Increase / (Decrease) in Net Position	19,488	43,396	(23,908)	1,372	626	746
Prior Period Adjustments	-	778	(778)	-	166	(166)
Net Position, Beginning of Year	168,873	124,699	44,174	55,926	55,134	792
Net Position, End of Year	$ 188,361	$ 168,873	$ 19,488	$ 57,298	$ 55,926	$ 1,372

Governmental Activities

As shown in the following *Statement of Changes in Net Position* schedule, the net position for governmental activities increased from $19.5 million in the prior year to $188.4 million in the current fiscal year. This increase is largely due to increases in investment earnings and tax revenue.

Total program revenues for governmental activities were $25.0 million, which included $18.7 in charges for services, $3.3 million in operating grants and contributions and $3.0 million in capital grants and contributions. Total program revenues from the prior year were $38.7 million. Current year charges for services included $13.2 million for economic and community development.

Total expenditures for governmental activities were $39.8 million, which was an increase of $8.7 million from the prior year of $31.1 million.

Business-Type Activities

The City's business type activities represent the Airport, Preston Park and Abrams B enterprise operations.

Total program revenues for business-type activities were $13.8 million and was comprised of $13.3 in charges for services and $489 thousand in capital grants. Total program revenues from the prior year were $13.3 million.

Total expenses for business-type activities were $11.7 million, which was a decrease of $553 thousand from prior year. This is primarily due to a decrease in the operations of Preston Park during the year of $617 thousand.

FINANCIAL ANALYSIS OF THE CITY'S GOVERNMENTAL FUNDS

As noted earlier, the City of Marina uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, the unassigned fund balance may serve as a useful measure of a government's net resources available for discretionary use as they represent the portion of fund balance which has not yet been limited to use for a particular purpose by either an external party, the City itself, or a group or individual that has been delegated authority to assign resources for particular purposes by the City of Marina's Council.

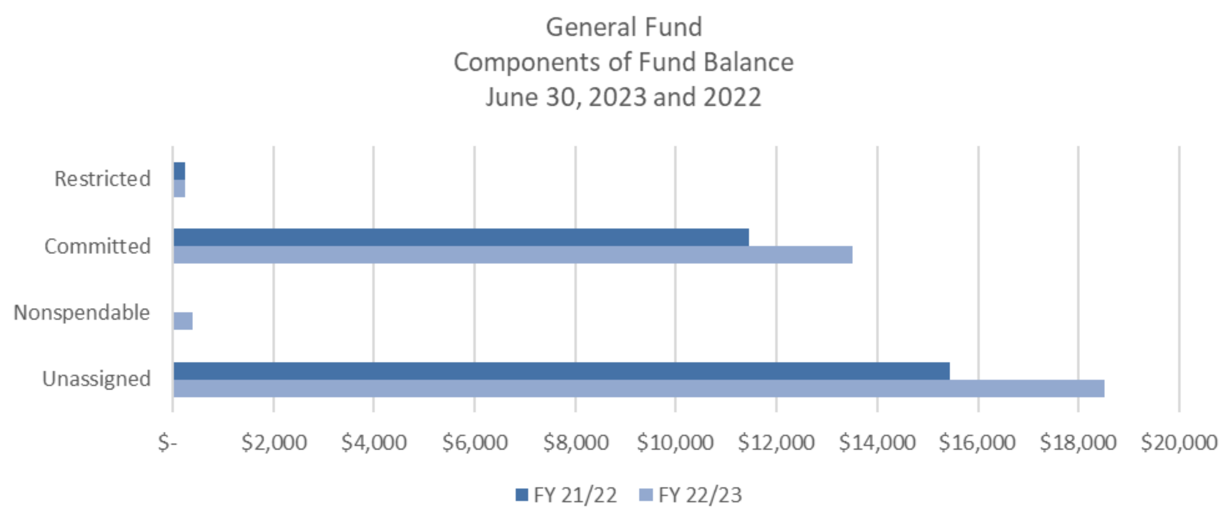
The following table summarizes the changes in fund balance of the Major Funds and Other Nonmajor Governmental Funds:

Table 3 - Summary of Changes in Fund Balance - Governmental Funds (in thousands)

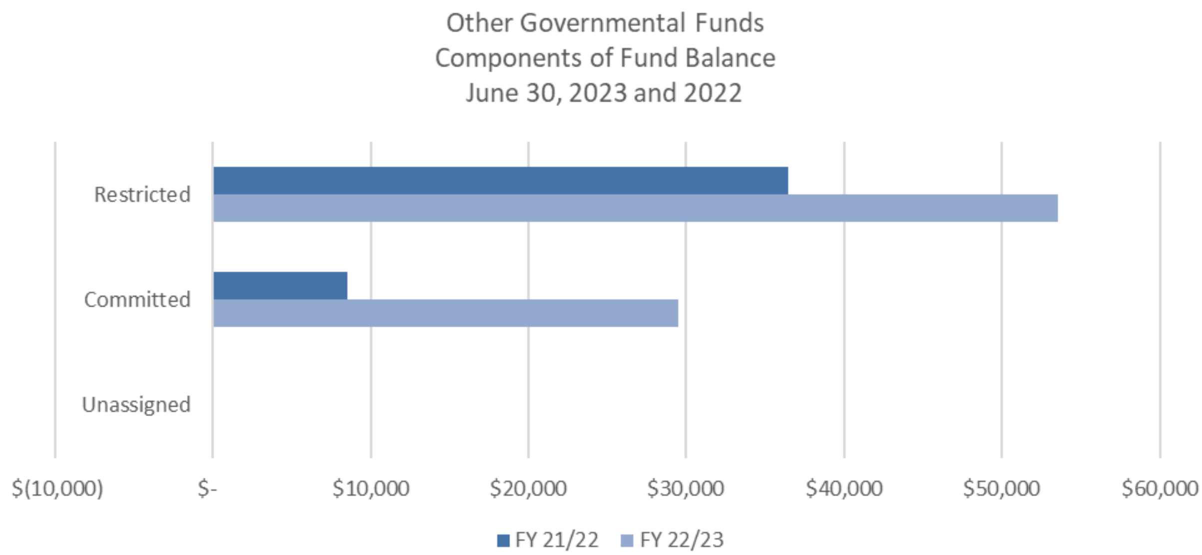
	Major Funds						
	General Fund	City Capital Projects Fund	Impact Fee Fund	FORA Dissolution Fund	Abrams B Debt Service Fund	Nonmajor Gov't Funds	Total
Total Revenues	$ 37,561	$ 719	$ 6,310	$ 6,127	$ 700	$ 7,019	$ 58,436
Total Expenditures	29,128	6,116	-	4,764	745	4,681	45,434
Revenues Over (Under) Expenditures	8,433	(5,397)	6,310	1,363	(45)	2,338	13,002
Other Financing Sources	-	-	-	-	-	11,839	11,839
Transfers In	5,614	3,672	69	126	-	4,313	13,794
Transfers Out	(2,379)	(441)	(2,020)	(1)	-	(7,623)	(12,464)
Net Change in Fund Balances	11,668	(2,166)	4,359	1,488	(45)	10,867	26,171
Beginning Fund Balances	32,666	29,456	20,285	19,070	463	13,743	115,683
Ending Fund Balances	$ 44,334	$ 27,290	$ 24,644	$ 20,558	$ 418	$ 24,610	$ 141,854

General Fund – Components of Fund Balance

The general fund is the chief operating fund of the City of Marina. At the end of the current fiscal year, the unassigned fund balance of the general fund was $26.8 million and the total fund balance in the General Fund increased to $44.3 million. This is an increase in fund balance of $11.7 million, or 36%, from the prior year. The major components of the fund balance are shown below:



The following chart displays the components of fund balance for governmental funds other than the General Fund:



CAPITAL ASSETS

The City of Marina's investment in capital assets for its governmental and business-type activities as of June 30, 2023, amounts to $174.3 million (net of accumulated depreciation). This includes net capital assets from governmental activities of $90.0 million and net capital assets from business type activities at $84.4 million. The total increase in the City of Marina's capital assets during the current fiscal year was approximately $2.7 million. This includes a net increase of $4.5 million related to Governmental Activities and a net decrease of $1.8 million related to Business-type Activities.

The following table summarizes the City's capital assets at the end of the year:

Table 4 - Capital Assets at Year End - Net (in thousands)

	Governmental Activities		Business-type Activities		Total		
	2023	2022	2023	2022	2023	2022	% Change
Land	$ 22,081	$ 22,081	$ 36,900	$ 36,900	$ 58,981	$ 58,981	0.00%
Leasehold interest	-	-	38,846	39,821	38,846	39,821	-2.45%
Buildings	29,990	29,282	4,520	4,195	34,510	33,477	3.09%
Improvements (airport and runway)	-	-	4,074	5,198	4,074	5,198	-21.62%
Equipment	591	1,472	30	10	621	1,482	-58.10%
Right of Use Assets	1,266	433	-	-	1,266	433	192.38%
Infrastructure	36,033	32,237	-	-	36,033	32,237	11.78%
Total Capital Assets, Net	$ 89,961	$ 85,505	$ 84,370	$ 86,124	$ 174,331	$ 171,629	1.57%

Additional detail and information on capital asset activity is described in the notes to the financial statements, Note 6.

DEBT ADMINISTRATION

During the year, Long-Term Debt from governmental activities increased by $11.5 million, primarily due to the issuance of certificates of participation, while Long-Term Debt attributable to business-type activities did not change. The following table summarizes the City's debt at the end of the year:

Table 5 - Outstanding Long-Term Debt at Year End (in thousands)

	Governmental Activities		
	2023	2022	% Change
2015 General Obligation Refunding Bonds	$ 6,135	$ 6,430	-4.59%
2016 Abrams B Housing Revenue Bonds	8,650	9,115	-5.10%
Certificate of Participation	11,481	-	100.00%
Leases	760	610	24.59%
Subscritions	636	-	100.00%
Total outstanding long-term debt	$ 27,662	$ 16,155	71.23%

	Business-type Activities		
	2023	2022	% Change
Berkeley Capital Loan	$ 35,950	$ 35,950	0.00%

Additional detail and information on long-term debt activity is described in the notes to the financial statements, Note 7.

GENERAL FUND BUDGETARY HIGHLIGHTS

Changes from the City's General Fund original budget to the final budget are detailed in the *Required Supplementary Information* section along with a comparison to actual activity for the year ended. In Fiscal Year 2022/23, the City originally estimated that a $1.3 million deficit change in fund balance which would decrease overall fund balance. This "drawdown" from fund balance was needed to maintain normal operations, however due to increased performance in revenues, and decreased spending, the City ended the year with a positive change in fund balance without the use reserves.

Revenues

The General Fund adopted and final revenue budgets were $25.3 and $30.5 million. A review of the 2022/2023 budget shows actual revenues recorded were $37.6 million. In this fiscal year the City received $3 million more in taxes and assessments, $2.2 million more in licenses and fees, and $1.0 million more in investment earnings than what was budgeted.

Expenditures

The General Fund adopted expenditure budget was $26.6 million and the final budget was $29.5 million. Actual expenditures totaled $29.1 million. The budgetary variance is primarily related to savings within the general government, public works, economic and community development, recreation and cultural service departments; as well as capital outlay.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The City of Marina is a small coastal community located in Monterey County. While the City benefits from tourism, approximately 52% of the General Fund revenues come from property tax and sales tax, with transient occupancy tax representing 12% of the Fiscal Year 2022/2023 revenues. The City has a strong retail presence, which serves Marina residents, as well as the surrounding communities. This includes major retailers such as Walmart, Target, Best Buy, and REI; along with grocery stores, specialty shopping, and diverse dining opportunities. Planned growth includes the addition of the Dunes Promenade, a vibrant, new development which includes specialty retail stores, restaurants, offices, and living spaces; and the expansion of the Joby Aviation manufacturing facility.

In Fiscal Year 2021/2022 and Fiscal Year 2022/2023, the City benefitted from strong economic performance with on-going revenues exceeding operating expenditures, and a one-time land sale to a major developer. The Fiscal Year 2023/2024 and 2024/25 Budget was developed with conservative optimism. At the time of the budget adoption, the Fiscal Year 2023/2024 General Fund revenues were projected to be $33.7 million, with operating expenditures of $33.4 million. While this represents a structurally balanced budget, the City appropriated $19.5 million of the $26.8 million unassigned fund balance to support Council priorities and one-time costs. This includes a planned drawdown to support capital purchases of approximately $730,000; and capital project and one-time transfers of $18.8 million. The $18.8 million transfer reflects the following items:

City capital projects	$12,980,000
Contribution to airport capital projects	30,000
Measure X street-related projects	1,000,000
Vehicle reserve contribution	750,000
Pension stabilization contribution	2,000,000
Groundwater litigation	2,000,000
Total	$18,760,000

The Council is also very dedicated to maintaining strong financial practices. It has adopted Resolution 2012-46, which states that the City will maintain a structurally balanced budget and the manner that will be achieved. The Council is aware that there could be changes to the local economy. As a result, the Council has set aside reserves, currently benchmarked at 18% of annual revenues, to address unanticipated financial challenges. The Fiscal Year 2023/2024 and 2024/25 Budget was adopted with funds set aside to meet the reserve requirements.

REQUEST FOR FINANCIAL INFORMATION

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the City's finances and to demonstrate the City's accountability for the money it receives and spends. If you have questions about this report or need additional financial information, contact the City of Marina, Finance Department, 211 Hillcrest Avenue, Marina, California, 93933 or by calling 831-884-1221.

BASIC FINANCIAL STATEMENTS

City of Marina
Statement of Net Position
June 30, 2023

ASSETS	Governmental Activities	Business-Type Activities	Total
Current Assets:			
Cash and investments	$ 128,945,279	$ 16,280,070	$ 145,225,349
Restricted cash and investments	12,967,000	-	12,967,000
Accounts receivable	4,873,586	212,867	5,086,453
Interest receivable	-	4,914	4,914
Prepaid expenses	-	1,828,211	1,828,211
Inventory	-	55,782	55,782
Leases receivable	-	960,534	960,534
Internal balances	8,372,917	(8,372,917)	-
Total Current Assets	155,158,782	10,969,461	166,128,243
Noncurrent Assets:			
Notes receivable	23,734	-	23,734
Leases receivable	1,158,520	7,618,814	8,777,334
Capital Assets:			
Nondepreciable	22,080,651	36,900,000	58,980,651
Depreciable, net of accumulated depreciation	67,880,023	47,470,208	115,350,231
Total Capital Assets, Net	89,960,674	84,370,208	174,330,882
Total Noncurrent Assets	91,142,928	91,989,022	183,131,950
Total Assets	$ 246,301,710	$ 102,958,483	$ 349,260,193
DEFERRED OUTFLOWS OF RESOURCES			
Pension Adjustments	$ 13,155,702	$ -	$ 13,155,702
OPEB Adjustments	1,351,093	-	1,351,093
Total Deferred Outflows of Resources	$ 14,506,795	$ -	$ 14,506,795
LIABILITIES			
Current Liabilities:			
Accounts payable	$ 3,081,568	$ 27,061	$ 3,108,629
Accrued payroll and benefits	560,777	30,803	591,580
Accrued liabilities	-	1,249,744	1,249,744
Deposits and other liabilities	1,315,699	169,947	1,485,646
Interest payable	308,558	-	308,558
Compensated absences, due within one year	368,606	-	368,606
Long-term debt, due within one year	1,525,732	-	1,525,732
Total Current Liabilities	7,160,940	1,477,555	8,638,495
Noncurrent Liabilities:			
Net pension liability	27,228,646	-	27,228,646
Net OPEB liability	5,095,895	-	5,095,895
Compensated absences, due in more than one year	1,105,817	-	1,105,817
Loans payable, due in more than one year	26,135,764	35,950,000	62,085,764
Total Noncurrent Liabilities	59,566,122	35,950,000	95,516,122
Total Liabilities	$ 66,727,062	$ 37,427,555	$ 104,154,617
DEFERRED INFLOWS OF RESOURCES			
Pension Adjustments	$ 1,955,467	$ -	$ 1,955,467
Leases Receivable	849,351	8,232,666	9,082,017
Total Deferred Inflows of Resources	$ 5,720,212	$ 8,232,666	$ 13,952,878
NET POSITION			
Net investment in capital assets	$ 71,602,733	$ 40,047,291	$ 111,650,024
Restricted for:			
Transportation	984,199	-	984,199
Streets & special districts	1,934,372	-	1,934,372
Community development	45,624,479	-	45,624,479
Recreation	364,363	-	364,363
Capital projects	6,700,604	-	6,700,604
Debt service	11,802,592	-	11,802,592
Other	235,038	-	235,038
Total Restricted	67,645,647	-	67,645,647
Unrestricted	49,112,851	17,250,971	66,363,822
Total Net Position	$ 188,361,231	$ 57,298,262	$ 245,659,493

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

City of Marina
Statement of Activities
For the Year Ended June 30, 2023

		Program Revenues			Net (Expense) Revenue and Changes in Net Position		
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Primary Government:							
Governmental Activities:							
General government	$ 10,144,291	$ 4,967,751	$ 2,736,120	$ -	$ (2,440,420)		$ (2,440,420)
Public safety	14,912,300	356,363	446,669	-	(14,109,268)		(14,109,268)
Public works	2,244,348	-	5,694	539,954	(1,698,700)		(1,698,700)
Economic & community development	10,030,796	13,214,227	-	2,480,533	5,663,964		5,663,964
Recreation & cultural services	974,459	118,473	100,052	-	(755,934)		(755,934)
Interest and fiscal charges	1,487,548	-	-	-	(1,487,548)		(1,487,548)
Total Governmental Activities	$ 39,793,742	$ 18,656,814	$ 3,288,535	$ 3,020,487	(14,827,906)		(14,827,906)
Business-Type Activities:							
Marina Municipal Airport	$ 2,023,224	$ 2,154,934	$ -	$ 489,473		621,183	621,183
Preston Park Non-profit Corporation	6,687,201	7,388,417	-	-		701,216	701,216
Abrams B Non-profit Corporation	2,999,833	3,779,079	-	-		779,246	779,246
Total Business-Type Activities	$ 11,710,258	$ 13,322,430	$ -	$ 489,473		2,101,645	2,101,645
General Revenues:							
Taxes:							
Property taxes					5,182,526	-	5,182,526
Sales taxes					11,111,996	-	11,111,996
Franchise taxes					1,349,123	-	1,349,123
Transient occupancy tax					4,584,644	-	4,584,644
Gas taxes					1,015,025	-	1,015,025
Property Tax in-lieu of VLF					5,241,930	-	5,241,930
Other taxes					567,023	-	567,023
Total taxes					29,052,267	-	29,052,267
Grants not restricted to a program					254,442	-	254,442
Investment earnings					2,881,166	367,665	3,248,831
Other revenues					797,598	232,584	1,030,182
Total General Revenues					32,985,473	600,249	33,585,722
Transfers					1,330,305	(1,330,305)	-
Total General Revenues, Special Items and Transfers					34,315,778	(730,056)	33,585,722
Change in Net Position					19,487,872	1,371,589	20,859,461
Net Position - Beginning of Year					168,873,359	55,926,673	224,800,032
Net Position - End of Year					$ 188,361,231	$ 57,298,262	$ 245,659,493

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

GOVERNMENTAL FUND FINANCIAL STATEMENTS

The ***General Fund*** is the City's primary operating fund. This 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 another fund. For the City, the general fund includes such activities such as public safety, public ways and facilities, par□s and recreation services, and economic development services.

The ***City Capital Projects*** fund is used to account for the City's major capital projects.

The ***Impact Fee Fund*** accounts for impact fees imposed on new development as permitted by law, and related impact remediation costs. Remediation costs are not accounted for within this fund, but are recorded as transfers to the Capital Projects Fund, where remediation project costs are accumulated.

The ***FORA Dissolution Fund*** is used to account for resources received from the Fort Ord Reuse Authority upon dissolution for Community Development and Habitat Management.

The ***Abrams B Debt Service Fund*** is used to account for resources restricted to retirement of Abrams B Bonds principal and interest and the payment of those debt obligations.

City of Marina
Balance Sheet
Governmental Funds
June 30, 2023

	Major Funds						
	General Fund	City Capital Projects Fund	Impact Fee Fund	FORA Dissolution Fund	Abrams B Debt Service Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS							
Cash and investments	$ 43,260,383	$ 28,716,007	$ 24,556,640	$ 20,631,359	$ -	$ 11,780,890	$ 128,945,279
Restricted cash and investments	235,038	-	-	-	418,074	12,313,888	12,967,000
Accounts receivable	3,858,912	166,952	87,559	76,699	-	683,464	4,873,586
Advances to other funds	-	-	-	-	8,372,917	-	8,372,917
Notes receivable	23,734	-	-	-	-	529,929	553,663
Leases receivable	1,158,520	-	-	-	-	-	1,158,520
Total assets	$ 48,536,587	$ 28,882,959	$ 24,644,199	$ 20,708,058	$ 8,790,991	$ 25,308,171	$ 156,870,965
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES							
Liabilities:							
Accounts payable	$ 1,184,453	$ 1,592,392	$ -	$ 150,207	$ -	$ 154,516	$ 3,081,568
Accrued payroll and benefits	552,854	1,063	-	-	-	6,860	560,777
Deposits and other liabilities	1,309,299	-	-	-	-	6,400	1,315,699
Total liabilities	3,046,606	1,593,455	-	150,207	-	167,776	4,958,044
Deferred Inflows of Resources:							
Leases receivable	849,351	-	-	-	-	-	849,351
Unavailable revenues	307,042	-	-	-	8,372,917	529,929	9,209,888
Total deferred inflows of resources	1,156,393	-	-	-	8,372,917	529,929	10,059,239
Fund Balances:							
Nonspendable							
Leases receivable	309,169	-	-	-	-	-	309,169
Restricted:							
Transportation	-	-	-	-	-	984,199	984,199
Streets & special districts	-	-	-	-	-	1,934,372	1,934,372
Housing	-	-	-	-	-	1,841,483	1,841,483
Community development	-	-	24,644,199	20,557,851	-	422,429	45,624,479
Recreation	-	-	-	-	-	364,363	364,363
Capital projects	-	-	-	-	-	6,700,604	6,700,604
Debt service	-	-	-	-	418,074	12,315,156	12,733,230
Other	235,038	-	-	-	-	-	235,038
Total restricted	235,038	-	24,644,199	20,557,851	418,074	24,562,606	70,417,768
Committed:							
Capital projects	-	27,289,504	-	-	-	-	27,289,504
Public education	-	-	-	-	-	48,337	48,337
Emergency Reserve	5,967,235	-	-	-	-	-	5,967,235
Facilities Repairs	500,000	-	-	-	-	-	500,000
Compensated Absences	400,000	-	-	-	-	-	400,000
Community Improvements	641,268	-	-	-	-	-	641,268
Fire Truck Purchase	1,889,888	-	-	-	-	-	1,889,888
Vehicle & Equipment Replacement	4,118,143	-	-	-	-	-	4,118,143
OPEB	200,000	-	-	-	-	-	200,000
Pension Stabilization	3,000,000	-	-	-	-	-	3,000,000
Library Maintenance	253,606	-	-	-	-	-	253,606
Total committed	16,970,140	27,289,504	-	-	-	48,337	44,307,981
Unassigned	26,819,241	-	-	-	-	(477)	26,818,764
Total fund balances	44,333,588	27,289,504	24,644,199	20,557,851	418,074	24,610,466	141,853,682
Total liabilities, deferred inflows of resources and fund balances	$ 48,536,587	$ 28,882,959	$ 24,644,199	$ 20,708,058	$ 8,790,991	$ 25,308,171	$ 156,870,965

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

City of Marina

Reconciliation of the Government Funds Balance Sheet to the Government-Wide Statement of Net Position

June 30, 2023

Total Fund Balances - Total Governmental Funds	$ 141,853,682
Amounts reported for governmental activities in the statement of net position were different because:	
Capital assets used in governmental activities were not current financial resources. Therefore, they were not reported in the Governmental Funds Balance Sheet. The capital assets were adjusted as follows:	
Capital assets	130,285,093
Less: accumulated depreciation	(40,324,419)
Total Capital Assets	89,960,674
Interest payable on long-term debt did not require current financial resources. Therefore, interest payable was not reported as a liability in Governmental Funds Balance Sheet.	(308,558)
The differences from benefit plan assumptions and estimates versus actuals are not included in the plan's actuarial study until the next fiscal year and are reported as deferred inflows or deferred outflows of resources in the statement of net position.	9,635,934
Liabilities were reported for certain revenues that were not available to pay current period expenditures and were reported as deferred inflows of resources in the fund statements.	8,679,959
Long-term obligations were not due and payable in the current period. Therefore, they were not reported in the Governmental Funds Balance Sheet. The long-term liabilities were adjusted as follows:	
Long-term debt	(27,661,496)
Compensated absences	(1,474,423)
Net pension liability	(27,228,646)
Total OPEB liability	(5,095,895)
Total Long-Term Obligations	(61,460,460)
Net Position of Governmental Activities	$ 188,361,231

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

City of Marina

Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2023

	Major Funds						
	General Fund	City Capital Projects Fund	Impact Fee Fund	FORA Dissolution Fund	Abrams B Debt Service Fund	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES							
Taxes and assessments	$26,010,177	$ -	$ -	$ -	$ -	$ 3,042,089	$ 29,052,266
Licenses, permits and fees	4,383,208	-	-	2,999,151	-	-	7,382,359
Fines and forfeitures	100,419	-	-	-	-	-	100,419
Intergovernmental	557,506	546,158	-	-	-	3,179,291	4,282,955
Charges for services	4,936,215	126,994	5,874,595	-	-	72,496	11,010,300
Investment earnings	1,350,285	-	435,018	409,264	11,803	674,796	2,881,166
Local contributions	38,710	7,500	-	2,718,775	-	-	2,764,985
Other revenue	184,579	38,744	-	-	688,013	50,000	961,336
Total Revenues	37,561,099	719,396	6,309,613	6,127,190	699,816	7,018,672	58,435,786
EXPENDITURES							
Current:							
General government	9,272,766	-	-	-	-	1,153	9,273,919
Public safety	13,228,179	-	-	-	-	-	13,228,179
Public works	1,571,952	-	-	-	-	513,051	2,085,003
Economic & community development	3,563,860	-	-	4,763,885	-	113,339	8,441,084
Recreation & cultural services	859,791	-	-	-	-	5,735	865,526
Capital outlay	49,376	6,116,166	-	-	-	2,417,174	8,582,716
Debt service							
Principal	520,664	-	-	-	465,000	615,000	1,600,664
Interest and fiscal charges	61,993	-	-	-	279,724	1,015,475	1,357,192
Total Expenditures	29,128,581	6,116,166	-	4,763,885	744,724	4,680,927	45,434,283
Excess (Deficiency) of Revenues over Expenditures	8,432,518	(5,396,770)	6,309,613	1,363,305	(44,908)	2,337,745	13,001,503
OTHER FINANCING SOURCES (USES)							
Transfers in	5,614,337	3,671,476	69,520	125,858	-	4,312,842	13,794,033
Transfers out	(2,379,313)	(440,897)	(2,020,000)	(933)	-	(7,622,585)	(12,463,728)
Proceeds from debt issuance	-	-	-	-	-	10,870,000	10,870,000
Proceeds from debt premiums	-	-	-	-	-	969,415	969,415
Total Other Financing Sources (Uses)	3,235,024	3,230,579	(1,950,480)	124,925	-	8,529,672	13,169,720
Net Change in Fund Balances	11,667,542	(2,166,191)	4,359,133	1,488,230	(44,908)	10,867,417	26,171,223
Fund Balances Beginning	32,666,046	29,455,695	20,285,066	19,069,621	462,982	13,743,049	115,682,459
Fund Balances Ending	$44,333,588	$27,289,504	$24,644,199	$20,557,851	$ 418,074	$ 24,610,466	$141,853,682

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

City of Marina

Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances to the Government-Wide Statement of Activities

For the Year Ended June 30, 2023

Net Change in Fund Balances - Total Governmental Funds	$ 26,171,223
Amounts reported for governmental activities in the Statement of Activities and Changes in net position were different because:	
Governmental Funds report capital outlay as expenditures. However, in the Government-Wide Statement of Activities and Changes in net position, the cost of those assets was allocated over their estimated useful lives as depreciation expense.	
Capital asset additions	6,690,303
Depreciation expense	(3,541,241)
The governmental funds report debt proceeds as an other financing source, while repayment of debt principal is reported as an expenditure. The net effect of these differences in the treatment of long-term debt and related items is as follows:	
Repayment of bond principal	1,080,000
Proceeds from debt issuance	(10,870,000)
Repayment of lease liabilities	388,110
Repayment of subscription liabilities	132,554
Premiums from the issuance of long-term debt are amortized over the life of the bonds in the Statement of Activities and reported as proceeds when issued in governmental funds.	(930,638)
Compensated absences not required to be paid with current financial resources are not reported in the governmental funds, but are accrued as noncurrent liabilities in the Government Wide Statement Net Position. The change from prior year accrued compensated absences is reported in the applicable program expense.	130,100
Certain revenues were not recorded or recorded as unearned revenue in the governmental funds because they did not meet the revenue recognition criteria of availability. However, they were included as revenue in the Government-Wide Statement of Activities under the full accrual basis.	(484,477)
In governmental funds, actual contributions to benefit plans are reported as expenditures in the year incurred. However, in the government-wide statement of activities, only the current year benefit expense as noted in the plans' valuation reports is reported as an expense, as adjusted for deferred inflows and outflows of resources.	1,193,634
Certain expenses reported in the statement of activities do not require the use of current financial resources and are not reported as expenditures in the fund statements as follows:	
Other postemployment benefits	(302,563)
Interest expense on long-term debt was reported in the Government-Wide Statement of Activities and Changes in net position, but it did not require the use of current financial resources. Therefore, interest expense was not reported as expenditures in governmental funds. The following amount represented the net change in accrued interest from from prior year.	(169,133)
Change in Net Position of Governmental Activities	$ 19,487,872

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

PROPRIETARY FUND FINANCIAL STATEMENTS

The ***Marina Municipal Airport Operating Fund*** is sued to account for all financial transactions relating to City's airport.

The ***Preston Park Housing Fund*** is used to account for the operations of the Preston Park apartments.

The ***Abrams B Housing Fund*** is used to account for the operations of the Abrams B apartments.

City of Marina

Statement of Net Position

Proprietary Funds

June 30, 2023

	Business-Type Activities Enterprise Funds			
	Marina Municipal Airport Fund	Preston Park Housing Fund	Abrams B Housing Fund	Total
ASSETS				
Current assets:				
Cash and cash equivalents	$ 1,552,151	$ -	$ 1,017,434	$ 2,569,585
Cash with fiscal agent	-	11,096,057	2,614,428	13,710,485
Accounts receivable, net	78,576	47,305	86,986	212,867
Interest receivable	4,914	-	-	4,914
Prepaid expenses:				
Replacement reserves	-	237,931	1,277,895	1,515,826
Insurance escrow	-	74,077	29,651	103,728
Tax escrow	-	119,146	-	119,146
Other	-	-	89,511	89,511
Leases receivable	960,534	-	-	960,534
Inventory	55,782	-	-	55,782
Total current assets	2,651,957	11,574,516	5,115,905	19,342,378
Noncurrent assets:				
Leases receivable	7,618,814	-	-	7,618,814
Capital assets:				
Nondepreciable assets	36,900,000	-	-	36,900,000
Depreciable, net	8,624,756	29,841,292	9,004,160	47,470,208
Total capital assets, net	45,524,756	29,841,292	9,004,160	84,370,208
Total noncurrent assets	53,143,570	29,841,292	9,004,160	91,989,022
Total assets	$ 55,795,527	$ 41,415,808	$ 14,120,065	$ 111,331,400
LIABILITIES				
Current liabilities:				
Accounts payable	$ 27,061	$ -	$ -	$ 27,061
Accrued salaries and benefits	30,803	-	-	30,803
Accrued liabilities	-	895,798	353,946	1,249,744
Deposits and other liabilities	169,947	-	-	169,947
Total current liabilities	227,811	895,798	353,946	1,477,555
Noncurrent liabilities:				
Advances from other funds	-	-	8,372,917	8,372,917
Loans payable, due in more than one year	-	35,950,000	-	35,950,000
Total noncurrent liabilities	-	35,950,000	8,372,917	44,322,917
Total liabilities	$ 227,811	$ 36,845,798	$ 8,726,863	$ 45,800,472
DEFERRED INFLOWS OF RESOURCES				
Leases receivable	$ 8,232,666	$ -	$ -	$ 8,232,666
Total deferred inflows of resources	$ 8,232,666	$ -	$ -	$ 8,232,666
NET POSITION				
Net Investment in capital assets	$ 45,524,756	$ (6,108,708)	$ 631,243	$ 40,047,291
Unrestricted	1,810,294	10,678,718	4,761,959	17,250,971
Total net position	$ 47,335,050	$ 4,570,010	$ 5,393,202	$ 57,298,262

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

City of Marina

Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
For the Year Ended June 30, 2023

	Business-Type Activities Enterprise Funds			
	Marina Municipal Airport Fund	Preston Park Housing Fund	Abrams B Housing Fund	Total
OPERATING REVENUES				
Rental income	$ 1,682,313	$ 7,388,417	$ 3,779,079	$ 12,849,809
Sale of fuel	472,621	-	-	472,621
Other revennue	22,897	41,451	168,236	232,584
Total operating revenues	2,177,831	7,429,868	3,947,315	13,555,014
OPERATING EXPENSES				
Salaries & benefits	299,922	-	-	299,922
Service and supplies	140,622	1,540,996	845,818	2,527,436
Repairs and maintenance	178,512	693,916	927,531	1,799,959
Aviation fuel cost of sales	400,188	-	-	400,188
Utilities	237,519	212,580	169,317	619,416
Taxes	36,137	277,392	91,456	404,985
Rent	-	1,742,671	420,000	2,162,671
Depreciaiton and amortization	730,324	707,000	268,665	1,705,989
Total operating expenses	2,023,224	5,174,555	2,722,787	9,920,566
Operating income (loss)	154,607	2,255,313	1,224,528	3,634,448
NONOPERATING REVENUES(EXPENSES)				
Interest expense	-	(1,512,646)	(277,046)	(1,789,692)
Investment earnings	200,396	151,932	15,337	367,665
Total nonoperating revenues(expenses)	200,396	(1,360,714)	(261,709)	(1,422,027)
Income (loss) before transfers	355,003	894,599	962,819	2,212,421
CONTRIBUTIONS AND TRANSFERS				
Capital contributions	489,473	-	-	489,473
Transfers in	46,682	-	-	46,682
Transfers out	(1,376,987)	-	-	(1,376,987)
Net contributions and transfers	(840,832)	-	-	(840,832)
Change in net position	(485,829)	894,599	962,819	1,371,589
Total net position - beginning	47,820,879	3,675,411	4,430,383	55,926,673
Total net position - ending	$ 47,335,050	$ 4,570,010	$ 5,393,202	$ 57,298,262

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

City of Marina

Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2023

	Business-Type Activities Enterprise Funds			
	Marina Municipal Airport Fund	Preston Park Housing Fund	Abrams B Housing Fund	Total
Cash flows from operating activities:				
Receipts from customers	$ 2,126,903	$ 7,784,760	$ 3,912,248	$ 13,823,911
Payments to suppliers	(1,097,232)	(4,465,797)	(2,522,438)	(8,085,467)
Payments to employees	(288,075)	-	-	(288,075)
Net cash provided (used) by operating activities	741,596	3,318,963	1,389,810	5,450,369
Cash flows from noncapital financing activities:				
Interfund transactions	(1,330,305)	-	-	(1,330,305)
Net cash provided (used) by noncapital financing activities	(1,330,305)	-	-	(1,330,305)
Cash flows from capital financing activities:				
Acquisition of capital assets	48,129	-	-	48,129
Proceeds from capital contributions	489,473	-	-	489,473
Principal payments on long-term debt	-	-	(470,833)	(470,833)
Interest paid on long-term debt	-	(1,512,646)	(277,046)	(1,789,692)
Net cash provided (used) by capital financing activities	537,602	(1,512,646)	(747,879)	(1,722,923)
Cash flows from investing activities:				
Investment income received	197,194	151,932	15,337	364,463
Net cash provided (used) by investing activities	197,194	151,932	15,337	364,463
Net increase (decrease) in cash and cash equivalents	146,087	1,958,249	657,268	2,761,604
Cash and cash equivalents - beginning	1,406,064	9,137,808	2,974,594	13,518,466
Cash and cash equivalents - ending	$ 1,552,151	$ 11,096,057	$ 3,631,862	$ 16,280,070
Reconciliation of operating income to net cash provided (used) by operating activities:				
Operating income (loss)	$ 154,607	$ 2,255,313	$ 1,224,528	$ 3,634,448
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation	730,324	707,000	268,665	1,705,989
Changes in operating assets and liabilities:				
Accounts receivables	60,945	306,407	186,499	553,851
Prepaid expenses	-	1,758	(68,316)	(66,558)
Inventory	10,015	-	-	10,015
Leases receivable	(151,329)	-	-	(151,329)
Accounts payable	(114,269)	-	-	(114,269)
Accrued salaries and benefits	11,847	-	-	11,847
Accrued liabilities	-	48,485	(221,566)	(173,081)
Deferred inflows of resources	10,935	-	-	10,935
Deposits and other liabilities	28,521	-	-	28,521
Net cash provided (used) by operating activities	$ 741,596	$ 3,318,963	$ 1,389,810	$ 5,450,369

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

FIDUCIARY FUND FINANCIAL STATEMENTS

Private-Purpose Trust Funds

The ***FORA Dissolution Administration Fund*** is used to account for the long-term debt and debt service issued by FORA prior to its dissolution which is administered by the City and held in Trust.

The Successor Agency Private Purpose Trust Funds includes the ***Successor Agency Obligation Retirement Fund*** and the ***Successor Agency Housing Assets Fund***. The Successor Agency was created as a result of the State order to dissolve California Redevelopment Agencies. These funds are used to track the activities by the Successor Agency Oversight Board and the City's Department of Finance in relation to the remaining assets and liabilities of the Successor Agency. The Housing Successor is governed by the City of Marina City Council and is obligated to use the Housing Successor Agency's assets according to Redevelopment law for low and moderate-income housing.

City of Marina
Statement of Net Position
Fiduciary Funds
June 30, 2023

	FORA Dissolution Administration Fund	Successor Agency Obligation Retirement Fund	Successor Agency Housing Assets Fund	Total
ASSETS				
Cash and investments	$ -	$ 5,009,367	$ 201,799	$ 5,211,166
Restricted cash and investments with fiscal agents	4,172,136	3,472,823	-	7,644,959
Accounts receivable	-	312,109	948	313,057
Prepaid expenses	-	6,888	-	6,888
Capital assets, land	-	-	900,000	900,000
Total assets	$ 4,172,136	$ 8,801,187	$ 1,102,747	$ 14,076,070
LIABILITIES				
Accounts payable	$ 260,586	$ 5,602	$ 204	$ 266,392
Accrued salaries and benefits	-	11,187	635	11,822
Interest payable	-	539,476	-	539,476
Deposits and other liabilities	-	456,534	-	456,534
Noncurrent liabilities:				
Due within on year	1,415,000	715,000	-	2,130,000
Due in more than one year	26,435,887	35,516,466	-	61,952,353
Total liabilities	$ 28,111,473	$ 37,244,265	$ 839	$ 65,356,577
NET POSITION				
Held in trust for private purposes	$ (23,939,337)	$ (28,443,078)	$ 1,101,908	$ (51,280,507)

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

City of Marina
Statement of Changes in Net Position
Fiduciary Funds
For the Year Ended June 30, 2023

	FORA Dissolution Administration Fund	Successor Agency Obligation Retirement Fund	Successor Agency Housing Assets Fund	Total
ADDITIONS				
Property taxes	$ 3,488,617	$ 2,894,258	$ -	$ 6,382,875
Property tax in-lieu	-	29,139	-	29,139
Investment earnings	37,897	149,406	2,948	190,251
Other revenue	2,080	-	-	2,080
Total additions	3,528,594	3,072,803	2,948	6,604,345
DEDUCTIONS				
Program costs	11,938	2,599,836	-	2,611,774
Legal and professional fees	1,925	212,015	-	213,940
Employee costs	-	-	13,683	13,683
Occupancy and operating costs	-	11,446	-	11,446
Payments to other agencies	938,433	-	-	938,433
Payments to the City of Marina	2,718,775	-	-	2,718,775
Interest and fiscal charges	1,052,114	13,448,647	-	14,500,761
Total deductions	4,723,185	16,271,944	13,683	21,008,812
Change in net position	(1,194,591)	(13,199,141)	(10,735)	(14,404,467)
Total net position - beginning	(22,744,746)	(15,243,937)	1,112,643	(36,876,040)
Total net position - ending	$ (23,939,337)	$ (28,443,078)	$ 1,101,908	$ (51,280,507)

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

NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of the City of Marina, California, (the City) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental agencies. The Governmental Accounting Standards Boards (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the City's accounting policies are described below.

A. Financial Reporting Entity

As required by GAAP, these basic financial statements present the City and its component units, entities for which the City is considered to be financially accountable. The City Council acts as the governing board. In addition, the City staff performs all administrative and accounting functions for these entities and these entities provide their services entirely to the City. Blended component units, although legally separate entities are, in substance, part of the City's operations and data from these units are combined with data of the City. Each blended component unit has a June 30 year-end. The following entities are reported as blended component units:

Abrams B Non-Profit Corporation
The Abrams B Non-Profit Corporation was formed to account for operations of a 192-unit multi-family housing development known as Abrams B Apartments under a 50-year ground lease from the City of Marina, the owners of the property. The ground lease is reported as a capital asset “leasehold interest” on the balance sheet of the Abrams B Housing Fund. Although a legally separate entity, the Corporation is reported on a blended basis as part of the primary government.

Preston Park Sustainable Community Non-Profit Corporation
The Preston Park Sustainable Community Non-Profit Corporation (the Property) was formed to account for operations of a 354unit multi-family apartment complex known as Preston Park. The Property is owned by the City of Marina. Although a legally separate entity, the Property is reported on a blended basis as part of the primary government.

The City applies all applicable GASB pronouncements for certain accounting and financial reporting guidance. In December of 2010, GASB issued Statement No. 62*, Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. GASB 62 incorporates pronouncements issued on or before November 30, 1989 into GASB authoritative literature. In June of 2015, GASB issued Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments.* GASB 76 supersedes Statement No. 55, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. GASB 76 also amends GASB 62 and AICPA Pronouncements paragraphs 64, 74, and 82. The GAAP hierarchy sets forth what constitutes GAAP for all state and local governmental entities. It establishes the order of priority of pronouncements and other sources of accounting and financial reporting guidance that a governmental entity should apply. The sources of authoritative GAAP are categorized in descending order of authority as follows:

a. Officially established accounting principles—Governmental Accounting Standards Board (GASB) Statements (Category A)
b. GASB Technical Bulletins; GASB Implementation Guides; and literature of the AICPA cleared by the GASB (Category B).

If the accounting treatment for a transaction or other event is not specified by a pronouncement in Category A, a governmental entity should consider whether the accounting treatment is specified by a source in Category B.

B. Basis of Presentation, Accounting and Measurement Focus

The accounts of the City are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund equity, revenues, and expenditures or expenses, as appropriate. These funds are established for the purpose of carrying out specific activities or certain objectives in accordance with specific regulations, restrictions, or limitations. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

Government-Wide Financial Statements

The City's government-wide financial statements include a *Statement of Net Position* and a *Statement of Activities and Changes in Net Position*. These statements present summaries of governmental and business-type activities for the City. Fiduciary activities of the City are not included in these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

These statements are presented on an "economic resources" measurement focus and the accrual basis of accounting. Accordingly, all of the City's assets, deferred outflows of resources, liabilities, deferred inflows of resources, are included in the accompanying *Statement of Net Position*. The *Statement of Activities* presents changes in net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred. The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. *Direct expenses* are those clearly identifiable with a specific function or segment. Certain types of transactions are reported as program revenues for the City in three categories:

- Charges for services
- Operating grants and contributions
- Capital grants and contributions

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the fiduciary funds are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. Certain eliminations have been made as prescribed by GASB Statement No. 34 in-regards-to interfund activities, payables, and receivables. All internal balances in the Statement of Net Position have been eliminated except those representing balances between the governmental activities and the business-type activities, which are presented as internal balances and eliminated in the total primary government column. In the Statement of Activities, internal fund transactions have been eliminated; however, those transactions between governmental and business-type activities have not been eliminated. The following interfund activities have been eliminated:

- Transfers in/Transfers out

The City applies all applicable GASB pronouncements including all Interpretations currently in effect.

Governmental Fund Financial Statements

Governmental fund financial statements include a *Balance Sheet* and a *Statement of Revenues, Expenditures and Changes in Fund Balances* for all major governmental funds and non-major funds aggregated. An accompanying schedule is presented to reconcile and explain the differences in net position as presented in these statements to the net position presented in the government-wide financial statements. The City has presented all major funds that met the applicable criteria.

All governmental funds are accounted for on a spending or "current financial resources" measurement focus and the modified accrual basis of accounting. Accordingly, only current assets, deferred outflows of resources, current liabilities, and deferred inflows of resources are included on the balance sheets. The *Statement of Revenues, Expenditures and Changes in Fund Balances* present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets.

Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. Accordingly, revenues are recorded when received in cash, except that revenues subject to accrual (up to 60 days after year-end) are recognized when due. The primary revenue sources, which have been treated as susceptible to accrual by the City, are property taxes, taxpayer-assessed tax revenues (sales taxes, transient occupancy taxes, etc.), licenses, grant revenues and earnings on investments. Expenditures are recorded in the accounting period in which the related fund liability is incurred.

Unearned revenues arise when potential revenues do not meet both the "measurable" and "available" criteria for recognition in the current period. Unearned revenues also arise when the government receives resources before it has a legal claim to them, as when grant monies are received prior to incurring qualifying expenditures. In subsequent periods when both revenue recognition criteria are met or when the government has a legal claim to the resources, the unearned revenue is removed from the combined balance sheet and revenue is recognized.

The City reports the following funds as major funds:

General Fund
The General Fund is the City's primary operating fund. This 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 another fund. For the City, the general fund includes such activities such as public safety, public ways and facilities, par□s and recreation services, and economic development services.

City Capital Projects Fund
This fund is used to account for the City's major capital projects.

Impact Fee Fund
The Impact Fee Fund accounts for impact fees imposed on new development as permitted by law, and related impact remediation costs. Remediation costs are not accounted for within this fund, but are recorded as transfers to the Capital Projects Fund, where remediation project costs are accumulated.

FORA Dissolution Fund
The FORA Dissolution Fund is used to account for resources received from the Fort Ord Reuse Authority upon dissolution for Community Development and Habitat Management.

Abrams B Debt Service Fund
The Abrams B Debt Service Fund is used to account for resources restricted to retirement of Abrams B Bonds principal and interest and the payment of those debt obligations.

Additionally, the City reports the following nonmajor fund types of governmental funds:

Special Revenue Funds
Special revenue funds account for and report the proceeds of specific revenue sources that are restricted, committed or assigned to specific purposes other than debt service or capital projects.

Debt Service Funds
Debt service funds account for resources accumulated and restricted to pay debt service on long-term debt obligations.

Capital Project Funds
Capital project funds account for and report financial resources that are restricted, committed, or assigned to expenditures for capital outlays, including the acquisition or construction of capital facilities and other capital assets in governmental funds.

Proprietary Funds

In the fund financial statements, proprietary funds are presented using the accrual basis of accounting. Revenues are recognized when they are earned and expenses are recognized when the related goods or services are delivered. In the fund financial statements, proprietary funds are presented using the "economic resources measurement focus". This means all assets, deferred outflows of resources, liabilities (whether current or noncurrent) and deferred inflows of resources associated with their activities are included on their balance sheets. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in total net position.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal value. Non-operating revenues, such as subsidies, taxes, and investment earnings result from nonexchange transactions or ancillary activities. Amounts paid to acquire capital assets are capitalized as assets in the proprietary fund financial statements.

The City has the following enterprise funds that have been reported as major:

Marina Municipal Airport Operating Fund
The Marina Municipal Airport Operating Fund is sued to account for all financial transactions relating to City's airport.

Preston Park Housing Fund
The Preston Park Housing Fund is used to account for the operations of the Preston Park apartments.

Abrams B Housing Fund
The Abrams B Housing Fund is used to account for the operations of the Abrams B apartments.

<u>Fiduciary Fund Financial Statements</u>

Fiduciary fund financial statements consist of a Statement of Fiduciary Net Position and a Statement of Changes in Fiduciary Net Position.

The City reports the following fiduciary funds:

FORA Dissolution Administration Fund
The FORA Dissolution Administration Fund is used to account for the long-term debt and debt service issued by FORA prior to its dissolution which is administered by the City and held in Trust.

Successor Agency Private Purpose Trust Funds
The Successor Agency Private Purpose Trust Funds includes the Successor Agency Obligation Retirement Fund and the Successor Agency Housing Assets Fund. The Successor Agency was created as a result of the State order to dissolve California Redevelopment Agencies. These funds are used to track the activities by the Successor Agency Oversight Board and the City's Department of Finance in relation to the remaining assets and liabilities of the Successor Agency. The Housing Successor is governed by the City of Marina City Council and is obligated to use the Housing Successor Agency's assets according to Redevelopment law for low and moderate-income housing.

C. Cash, Cash Equivalents and Investments

The City pools cash resources from all funds in order to facilitate the management of cash. The balance in the pooled cash account is available to meet current operating requirements. Cash in excess of current requirements is invested in various interest-bearing accounts and other investments for varying terms.

The City's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturity of three months or less from the date of acquisition. Cash and cash equivalents are combined with investments and displayed as Cash and Investments. For the purpose of the statement of cash flows, the City considers all pooled cash and investments (consisting of cash and investments and restricted cash and investments) held by the City as cash and cash equivalents because the pool is used essentially as a demand deposit account from the standpoint of the funds. The City also considers all non-pooled cash and investments (consisting of cash with fiscal agent and restricted cash and investments held by fiscal agent) as cash and cash equivalents because investments meet the criteria for cash equivalents defined above.

Deposit and Investment Risk Disclosures - In accordance with GASB Statement No. 40, *Deposit and Investment Disclosures* (Amendment of GASB Statement No. 3), certain disclosure requirements, if applicable, for Deposits and Investment Risks in the following areas: Interest Rate Risk, Overall Credit Risk, Custodial Credit Risk, Concentrations of Credit Risk, and Foreign Currency Risk.

Other disclosures are specified including use of certain methods to present deposits and investments, highly sensitive investments, credit quality at year-end and other disclosures. The City participates in an investment pool managed by the State of California titled Local Agency Investment Fund (LAIF), which has invested a portion of the pool funds in Structured Notes and Asset Backed Securities. LAIF's investments are subject to credit risk with the full faith and credit of the State of California collateralizing these investments. In addition, these Structured Notes and Asset-Backed Securities are subject to market risk as to change in interest rates.

Investments are recorded at fair value in accordance with GASB Statement No. 72, *Fair Value Measurement and Application*. Accordingly, the change in fair value of investments is recognized as an increase or decrease to investment assets and investment income.

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction. In determining this amount, three valuation techniques are available:

- Market approach - This approach uses prices generated for identical or similar assets or liabilities. The most common example is an investment in a public security traded in an active exchange such as the NYSE.
- Cost approach - This technique determines the amount required to replace the current asset. This approach may be ideal for valuing donations of capital assets or historical treasures.
- Income approach - This approach converts future amounts (such as cash flows) into a current discounted amount.

Each of these valuation techniques requires inputs to calculate a fair value. Observable inputs have been maximized in fair value measures, and unobservable inputs have been minimized.

D. Restricted Cash and Investments

Certain restricted cash and investments are held by fiscal agents for the redemption of bonded debt, for acquisition and construction of capital projects, and to meet bond indenture debt reserve requirements. Cash and investments are also restricted for deposits held for others within the enterprise funds. Amounts held in Trust for FORA Dissolution Administration and Successor Agency obligations are also reported as restricted cash and investments.

E. Interfund Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either “due to/from other funds” (i.e., the current portion of interfund loans) or “advances to/from other funds” (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as “due to/from other funds.” Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances.”

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable government funds to indicate that they are not available for appropriation and are not expendable available financial resources. The City considers all trade and property tax receivables to be fully collectible and therefore no allowance for uncollectible accounts is considered necessary.

F. Receivables

Billed, but unpaid, services provided to individuals or non-governmental entities are recorded as accounts receivable. Revenues earned but not collected by year-end are accrued. No allowance for uncollectible accounts receivable has been provided as management has determined that uncollectible accounts have historically been immaterial and the direct write-off method does not result in a material difference from the allowance method.

G. Loans Receivable

Repayments of outstanding loans are classified as a revenue source in the applicable funds when collected and expenditures in the years disbursed. The portion of loans receivable deemed to be unavailable have been offset by *Unavailable Revenues* in the accompanying financial statements, which is a part of deferred inflows of resources.

H. Lease Receivables

When applicable, the City's lease receivables are measured at the present value of lease payments expected to be received during the lease term. A deferred inflow of resources is recorded for the lease. The deferred inflow of resources is recorded at the initiation of the lease in an amount equal to the initial recording of the lease receivable plus incentive payments received. The deferred inflow of resources is amortized on a straight-line basis over the term of the lease.

I. Prepaid Expenses and Inventory

The aviation fuel inventory held by the Airport is stated at cost using the first-in-first-out (FIFO) valuation method. Materials and supplies used by governmental funds are recorded as expenditures at the time they are purchased or obtained.

Prepaid expenses are also recognized under the consumption method. Payments to vendors that reflect costs applicable to future accounting periods are recorded as prepaid expenses in both government-wide and fund financial statements.

J. Capital Assets

Capital assets used in governmental fund operations, including infrastructure assets (i.e. roads, curbs, gutters, bridges, sidewalks, drainage systems, lighting systems, and other assets) are reflected in the government-wide financial statements, along with related depreciation. Capital assets are defined by the City as assets with an initial individual cost of more than $10,000 for equipment, $100,000 for buildings and improvements and $200,000 for infrastructure, and an estimated life in excess of 1 year. Purchased capital assets are valued at historical cost or estimated historical cost. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are valued at acquisition value on the date donated. Capital assets acquired under lease or purchase agreements are capitalized when the City accumulates an ownership equity in the assets acquired.

The purpose of depreciation is to spread the cost of capital assets equitably among all users over the life of these assets. The amount charged to depreciation expense each year represents that year's pro rata share of the cost of capital assets. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Intangible right-to-use assets are amortized over the shorter of the lease term or the useful life of the underlying asset, unless the lease contains a purchase option that the City has determined is reasonably certain of being exercised, then the lease asset is amortized over the useful life of the underlying asset. Intangible right-to-use subscription assets are amortized over the shorter of the subscription term or the useful life of the underlying asset.

Depreciation and amortization is provided using the straight-line method whereby the cost of the asset is divided by its expected useful life in years and the result is charged to expense each year until the asset is fully depreciated or amortized. The City has assigned the useful lives of the assets which range from four to forty years. Abrams Housing and Preston Park Housing Proprietary Funds have 50-year leasehold interests in these housing developments. The leasehold is depreciated over those 50 years. The City of Marina remains the property owner of the Abrams and Preston Park Housing projects.

K. Deferred Outflows/Deferred Inflows

In addition to assets, the statement of financial position or balance sheet 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 or fund balance that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of financial position or balance sheet 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 or fund balance that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time.

L. Interest Payable

In the government-wide and proprietary fund financial statements, interest payable of long-term debt is recognized as an incurred liability for governmental fund types. The City has not allocated the interest on long-term debt to departments. In the fund financial statements, governmental fund types do not recognize the interest payable when the liability is incurred. Interest on long-term debt is recorded in the fund statements when payment is made.

M. Compensated Absences

It City employees are granted vacation and sick days in varying amounts based on classification and length of service. Upon termination or retirement, the City is to pay 100% of vacation and compensatory time off. Personal time off (PTO) and sick leave is paid in accordance with the applicable employee Memorandum of Understanding (MOU) or individual employment contract. The City’s liability for compensated absences is recorded at the City-wide level in the Statement of Net Position for Governmental Activities. The liability for compensated absences is determined annually, however such compensated absences payments are not distinguished from regular payroll paid during the fiscal year.

Compensated absences are liquidated by the fund that has recorded the liability. The long-term portion of governmental activities compensated absences is liquidated primarily by the General Fund because most City employees are paid from the General Fund.

N. Long-Term Obligations

In the government-wide financial statements and proprietary fund statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental or business-type activities. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount. Debt issuance costs are expensed in year incurred.

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 financial sources. Premiums received on debt issuance are reported as other financing sources while discounts on debt issuance reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

O. Subscription Based Information Technology Arrangements (SBITAs)

The City recognizes subscription liabilities with an initial, individual value of $150,000 or more. The City uses its estimated incremental borrowing rate to measure subscription liabilities unless it can readily determine the interest rate in the arrangement. The City's estimated incremental borrowing rate is based on its most recent public debt issuance.

P. Benefit Plans

Pension Expense
For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the City's California Public Employees' Retirement System (CalPERS) plans (the Plans) and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Other Postemployment Benefit (OPEB) Expense
For purposes of measuring the Total 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 City's Retiree Benefits Plan (the OPEB Plan) and additions to/deductions from the OPEB Plan's fiduciary net position have been determined on the same basis as they are reported by the OPEB Plan. For this purpose, the OPEB Plan recognizes benefit payments when 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, 2021
Measurement Date	June 30, 2022
Measurement Period	June 30, 2021 to June 30, 2022

Q. Fund Balances

In accordance with Government Accounting Standards Board 54*, Fund Balance Reporting and Governmental Fund Type Definitions*, the City classifies governmental fund balances as follows:

Nonspendable
Nonspendable fund balance represents balances set aside to indicate items that do not represent available, spendable resources even though they are a component of assets. Fund balances required to be maintained intact, such as Permanent Funds, and assets not expected to be converted to cash, such as prepaids, notes receivable, and land held for redevelopment are included. However, if proceeds realized from the sale or collection of nonspendable assets are restricted, committed, or assigned, then Nonspendable amounts are required to be presented as a component of the applicable category.

Restricted
Restricted fund balances have external restrictions imposed by creditors, grantors, contributors, laws, regulations, or enabling legislation which requires the resources to be used only for specific purpose. Encumbrances and nonspendable amounts subject to restrictions are included along with spendable resources.

Committed
Committed fund balances have constraints imposed by passage of a Resolution of the City Council which may be altered only by Resolution of the City Council. Encumbrances and nonspendable amounts subject to Council commitments are included along with spendable resources. The City considers Resolutions to be the highest level of action that can be taken by Council that constitutes the most binding constraint.

Assigned
Assigned fund balances are amounts constrained by the City's intent to be used for a specific purpose, but are neither restricted nor committed. Intent is expressed by the City Council or its designee and may be changed at the discretion of the City Council or its designee. This category includes encumbrances; nonspendable amounts, when it is the City's intent to use proceeds or collections for a specific purpose, and residual fund balances, if any, of Special Revenue, Capital Projects, and Debt Service Funds, which have not been restricted or committed. The City Council has delegated the authority to make assignments of fund balance to the City Manager and Finance Director.

Unassigned
Unassigned fund balance represents residual amounts that have not been restricted, committed, or assigned. This includes the residual general fund balance and residual fund deficits, if any, of other governmental funds.

Flow Assumption / Spending Order Policy
When expenditures are incurred for purposes for which both restricted and unrestricted fund balance is available, the City considers restricted funds to be spent first. When expenditures are incurred for which committed, assigned, or unassigned fund balances are available, the City considers amounts to be spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the City Council has directed otherwise.

R. Net Position

In the government-wide financial statements, net position is classified in the following categories:

Net Investment in Capital Assets
This amount consists of capital assets net of accumulated depreciation and reduced by outstanding debt that are attributed to the acquisition, construction, or improvement of the assets. In addition, deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt also are included in the net investment in capital assets component of net position.

Restricted Net Position
This amount is restricted by external creditors, grantors, contributors, or laws or regulations of other governments.

Unrestricted Net Position
This amount is all net position that does not meet the definition of "net investment in capital assets" or "restricted net position."

The detail of amounts reported for each of the above defined net position categories is reported in the government-wide Statement of Net Position.

Use of Restricted/Unrestricted Net Position
When an expense is incurred for purposes for which both restricted and unrestricted net position are available, the City's policy is to apply restricted net position first.

S. Interfund Transactions

Interfund services provided and used are accounted for as revenue, expenditures or expenses, as appropriate. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund are recorded as expenditures/expenses in the reimbursed fund. All other interfund transactions, except for interfund services provided and used and reimbursements, are reported as transfers. Nonrecurring or nonroutine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as transfers.

T. Property Taxes and Special Assessments

The County of Monterey levies, bills, and collects property taxes and special assessments for the City. Property taxes levied are recorded as revenue when received.

Tax collections are the responsibility of the County Tax Collector. Taxes and assessments on secured and utility rolls constitute a lien against the property, may be paid in two installments the first is due November 1st of the fiscal year and is delinquent if not paid by December 10th and the second is due on February 1st of the fiscal year and is delinquent if not paid by April 10th. Unsecured personal property taxes do not constitute a lien against real property unless the tax becomes delinquent.

Property valuations are established by the Assessor of the County of Monterey for the secured and unsecured property tax rolls. Under the provisions of Article XIIIA of the State Constitution, properties are assessed at 100% of purchase price or value in 1978 whichever is later. From this base assessment, subsequent annual increases in valuation are limited to a maximum of 2 percent. However, increases to full value are allowed for property improvements or upon change in ownership. Personal property is excluded from these limitations, and is subject to annual reappraisal.

Tax levy dates are attached annually on January 1st preceding the fiscal year for which the taxes are levied. The fiscal year begins July 1st and ends June 30th of the following year. Taxes are levied on both real and unsecured personal property, as it exists at that time. Liens against real estate, as well as the tax on personal property, are not relieved by subsequent renewal or change in ownership.

U. Budgetary Information

The City adopts a budget annually for all governmental fund types. This budget is effective July 1 for the ensuing fiscal year. From the effective date of the budget, which is adopted at the fund level, the amounts stated therein as proposed expenditures become appropriations to the various City departments. The legal level of budgetary control is the fund level. The City Council may amend the budget by resolution during the fiscal year. The City Manager has the authority to make adjustments to the operating budget between departments within the same fund. Transfers of operating budgets between funds, use of unappropriated fund balances, and significant changes in capital improvement project budgets require the approval of the City Council. The City's basis of budgeting is the same as GAAP.

V. Encumbrances

Under encumbrance accounting, purchase orders, contract and other commitments for expenditures are recorded in order to commit that portion of the applicable appropriation. Encumbrance accounting is employed as an extension of formal budgetary integration in all funds. All appropriations and encumbrances lapse at year end, valid outstanding encumbrances (those for which performance under the executory contract is expected in the next year) are re-appropriated and become part of the subsequent year's budget pursuant to state regulations.

W. Unearned Revenue

Unearned revenue arises when assets are received before revenue recognition criteria have been satisfied. Grants and entitlements received before eligibility requirements are met are recorded as deferred inflows from unearned revenue. In the governmental fund financial statements, receivables associated with non-exchange transactions that will not be collected within the availability period have been recorded as deferred inflows from unavailable revenue.

X. Use of Estimates

The preparation of basic financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Y. Implementation of New Accounting Pronouncements

GASB Statement No. 96, *Subscription-based Information Technology Arrangements.*

During the fiscal year, the City implemented GASB Statement No. 96, *Subscription-based Information Technology Arrangements.* GASB Statement No. 96 is an accounting pronouncement issued by the Governmental Accounting Standards Board (GASB) that provides guidance on how the costs and investments for subscription-based information technology arrangements (SBITAs) are accounted for and disclosed by governmental entities. This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *Leases,* as amended. As a result, the City recorded intangible right of use subscription assets of $768,768 and corresponding subscription liabilities of $768,768.

Z. Upcoming New Accounting Pronouncements

The City is currently analyzing its accounting practices to identify the potential impact on the financial statements of the following GASB Statements:

GASB Statement No. 100, *Accounting Changes and Error Corrections—an amendment of GASB Statement No. 62*

This Statement defines *accounting changes* as changes in accounting principles, changes in accounting estimates, and changes to or within the financial reporting entity and describes the transactions or other events that constitute those changes. This Statement also prescribes the accounting and financial reporting for (1) each type of accounting change and (2) error corrections in previously issued financial statements. The requirements of this Statement are effective for accounting changes and error corrections made in fiscal years beginning after June 15, 2023, and all reporting periods thereafter.

GASB Statement No. 101, *Compensated Absences*

This Statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. Leave is attributable to services already rendered when an employee has performed the services required to earn the leave. Leave that accumulates is carried forward from the reporting period in which it is earned to a future reporting period during which it may be used for time off or otherwise paid or settled. In estimating the leave that is more likely than not to be used or otherwise paid or settled, a government should consider relevant factors such as employment policies related to compensated absences and historical information about the use or payment of compensated absences. However, leave that is more likely than not to be settled through conversion to defined benefit postemployment benefits should not be included in a liability for compensated absences.

This Statement requires that a liability for certain types of compensated absences—including parental leave, military leave, and jury duty leave—not be recognized until the leave commences. This Statement also requires that a liability for specific types of compensated absences not be recognized until the leave is used.

This Statement also establishes guidance for measuring a liability for leave that has not been used, generally using an employee's pay rate as of the date of the financial statements. A liability for leave that has been used but not yet paid or settled should be measured at the amount of the cash payment or noncash settlement to be made. Certain salary-related payments that are directly and incrementally associated with payments for leave also should be included in the measurement of the liabilities.

With respect to financial statements prepared using the current financial resources measurement focus, this Statement requires that expenditures be recognized for the amount that normally would be liquidated with expendable available financial resources. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter.

NOTE 2 - CASH AND INVESTMENTS

As of June 30, 2023, cash and investments were reported in the financial statements as follows:

	Government Wide Statement of Net Position			
	Governmental Activities	Business-Type Activities	Fiduciary Funds Statement of Net Position	Total
Cash and investments	$ 129,180,314	$ 16,280,070	$ 5,211,166	$ 150,671,550
Restricted cash and investments	12,731,965	-	7,644,959	20,376,924
Total cash and investments	$ 141,912,279	$ 16,280,070	$ 12,856,125	$ 171,048,474

Cash and investments consisted of the following as of June 30, 2023:

Deposits:	
Cash on hand	$ 3,800
Cash with fiscal agents	13,710,485
Cash in banks	9,846,542
Total deposits	23,560,827
Investments:	
Local Agency Investment Fund	60,643,691
Commercial Paper	14,930,852
Bonds	2,979,004
US Treasurey obligations	48,557,176
Total investments	127,110,723
Total City Treasury	150,671,550
Restricted cash and investments:	
Money market funds	418,078
Cash in banks	481,355
Cash with fiscal agent	19,477,491
Total restricted cash and investments	20,376,924
Total cash and investments	$ 171,048,474

A. Cash Deposits

The California Government Code requires California banks and savings and loan associations to secure the City's cash deposits by pledging securities as collateral. This Code states that collateral pledged in this manner shall have the effect of perfecting a security interest, and places the City ahead of general creditors of the institution. The market value of pledged securities must equal at least 110 percent of the City's cash deposits. California law also allows institutions to secure City deposits by pledging first trust deed mortgage notes that have a value of 150 percent of the City's total cash deposits. The City has waived the collateral requirements for cash deposits which are fully insured to $250,000 by the Federal Deposit Insurance Corporation (FDIC).

The bank balances before reconciling items totaled $10,669,616 at June 30, 2023 and were different from carrying amounts due to deposits in transit and outstanding checks. The amount uninsured was $10,419,616, which was collateralized by securities held by pledging financial institutions. The City follows the practice of pooling cash and investments of all funds, except for funds required to be held by fiscal agents under the provisions of bond indentures. Interest income earned on pooled cash and investments is allocated to the various funds based on the period-end cash and investment balances. Interest income from cash and investments with fiscal agents is credited directly to the re*lated fund.*

B. *Fair Value Measurements*

GASB 72 established a hierarchy of inputs to the valuation techniques with three levels:

- Level 1 inputs are quoted prices in active markets for identical assets or liabilities.
- Level 2 inputs are quoted market prices for similar assets or liabilities, quoted prices for identical or similar assets or liabilities in markets that are not active, or other than quoted prices that are not observable
- Level 3 inputs are unobservable inputs, such as a property valuation or an appraisal.

Investment Policies

City Investment Policy
Under the provisions of the City's investment policy, and in accordance with California Government Code, the following investments are authorized:

Authorized Investment Type	Maximum Maturity	Minimum Credit Quality	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
U.S. Treasury Bills, Notes and Bonds	(A)	N/A	No Limit	No Limit
U.S. Government-Sponsored Enterprise Agencies:				
Government National Mortgage Association	5 years	N/A	No Limit	No Limit
Federal National Mortgage Association	5 years	N/A	No Limit	No Limit
Federal Home Loan Mortgage	5 years	N/A	No Limit	No Limit
Corporation Federal Home Loan Bank	5 years	N/A	No Limit	No Limit
Banker's Acceptances	180 days	N/A	30%	One Commercial Bank
Certificates of Deposit	5 years	N/A	15%	(B)
Commercial Paper	270 days	N/A	15%	Highest Rating by an NRSRO*
Commercial Paper	31 days	N/A	30%	Highest Rating by an NRSRO*
Corporate Notes	5 years	N/A	30%	No Limit
Mutual Funds	N/A	N/A	20%	Highest Rating by an NRSRO*
Reverse Repurchase Agreements	92 days	N/A	20%	No Limit
Repurchase Agreements	1 year	N/A	No Limit	No Limit
California Local Agency Investment Fund	N/A	N/A	No Limit	$40,000,000 per account

(A) Maximum maturities of 5 years or greater with specific City Council approval
(B) $250,000 unless collateralized by eligible securities as provided by California Governmental Code Sections 53651 and 53652.
* Nationally Recognized Statistical Rating Organization

Under the provisions of the City's investment policy, and in accordance with California Government Code, the following investments are authorized:

Under the terms of certain debt issuances, the City must maintain required amounts of cash and investments with trustees or fiscal agents. These funds are unexpended bond proceeds or are pledged as reserves to be used if the City fails to meet its obligations under these debt issues. The California Government Code requires these funds to be invested in accordance with City ordinance, bond indentures or State statute. The table below identifies the investment types that are authorized for investments with fiscal agents. The bond indentures contain no limitations for the maximum investment in any one issuer or the maximum percentage of the portfolio that may be invested in any one investment type.

The table also identifies certain provisions of these debt agreements:

Authorized Investment Type	Maximum Maturity	Minimum Credit Quality
U.S. Treasury Obligations	None	N/A
U.S. Agency Obligations	None	N/A
U.S. Government-Sponsored Agency Obligations	None	N/A
State Obligations:		
General Obligation	None	A
General Short-Term Obligation	None	A-1+
Special Revenue Bonds	None	AA
Pre-Refunded Municipal Obligation	None	AAA
Unsecured Certificates of Deposit	30 days	A-1
FDIC-Insured Deposit	None	N/A
Repurchase Agreements	None	A
Commercial Paper	270 days	Three highest categories
Bankers' Acceptances	(A)	A-1
Money Market Mutual Funds	None	Three highest categories
Investment Agreement	None	N/A
Tax-Exempt Obligations	None	Three highest categories
State of California- Local Agency Investment Fund	None	N/A

(A) Maximum maturities of 5 years or greater with specific City Council approval

The City's portfolio value fluctuates in an inverse relationship to any change in interest rate. Accordingly, if interest rates rise, the portfolio value will decline. If interest rates fall, the portfolio value will rise. The portfolio for year-end reporting purposes is treated as if it were all sold. Therefore, fund balance must reflect the portfolio's change in value. These portfolio value changes are unrealized unless sold. Generally the City's practice is to buy and hold investments until maturity dates. Consequently, the City's investments are carried at fair value.

C. External Investment Pool

The City's investments with LAIF at June 30, 2023, include a portion of the pool funds invested in Structured Notes and Asset-Backed Securities. These investments include the following:

Structured Notes
These are debt securities (other than asset-backed securities) whose cash flow characteristics (coupon rate, redemption amount, or stated maturity) depend upon one or more indices and/or that have embedded forwards or options.

Asset-Backed Securities
The bulk of asset-backed securities are mortgage-backed securities, entitle their purchasers to receive a share of the cash flows from a pool of assets such as principal and interest repayments from a pool of mortgages (such as CMO's) or credit card receivables. LAIF is overseen by the Local Agency Investment Advisory Board, which consists of five members, in accordance with State statute. The approved investments policy is listed on the LAIF website, located at http://www.treasurer.ca.gov/pmia-laif/.

D. Risk Disclosures

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 term of an investment's maturity, the greater the sensitivity to changes in market interest rates. One of the ways that the City's interest rate risk is mitigated 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
Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of an investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. With the exception of U.S. Treasury obligations and authorized pools, no more than 50% of the City's total investment portfolio will be invested in a single security type or with a single financial institution to reduce the City's exposure to credit risks. As of June 30, 2023, the City's investments were in compliance with the ratings required by the City's investment policy and Government Code. U.S. Treasury obligations, bonds and commercial paper were rated AAA by S&P and amounts held by bond trustees in money market accounts were rated AAA my S&P and Aaa by Moody's.

Concentrations of Credit Risk
The investment policy of the City contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. As of June 30, 2023, the City had no investments in any one issuer (other than U.S. Treasury obligations, bonds, and the external investment pools) that represented 5% or more of the total City investments.

Custodial Credit Risk
For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or 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 investments. With respect to investments, custodial credit risk generally applies only to direct investments in

marketable securities. Custodial credit risk does not apply to a local government's indirect investment in securities through the use of mutual funds or government investment pools (such as LAIF).

As of June 30, 2023, the City's investments had the following maturities:

	Maturity				
Investment Type	12 Months or Less	1-5 years	Fair Value	Concentrations	Fair Value Input Levels
Local Agency Investment Fund	$ 60,643,691	$ -	$ 60,643,691	47.6%	n/a
Federal Home Loan Bank	14,930,852	-	14,930,852	11.7%	Level 1
Bonds	-	2,979,004	2,979,004	2.3%	Level 1
US Treasury obligations	48,557,176	-	48,557,176	38.1%	Level 1
Held by bond trustee:					
Money market funds	418,078	-	418,078	0.3%	Level 1
Total Investments	$124,549,797	$ 2,979,004	$ 127,528,801		

NOTE 3 - LOANS RECEIVABLE

The City has engaged in programs designed to encourage construction or improvement of low-to-moderate income housing or other projects. Under these programs, grants or loans are provided under favorable terms to homeowners who agree to spend these funds in accordance with the City's terms. The balances of these loans arising from these business and housing programs at June 30, 2023 were $529,929.

The loans have varying maturity dates and interest rates, depending on loan agreements. The balance of the notes receivable have been offset in the fund financial statements by deferred inflows of resources as they are not deemed measurable and available within 60 days, except for those loans that have current payment activity. The loans were fully reserved for in the Statement of Net Position.

The City has a loan program for developers for impact fees and engineering fees imposed by the City. At June 30, 2023 the City had $23,734 in loans receivable outstanding. These loans are offset in the fund financial statements by deferred inflows of resources.

City of Marina
Notes to the Basic Financial Statements
June 30, 2023

NOTE 4 - LEASES RECEIVABLE

Leases receivable for governmental activities consisted of the following as of June 30, 2023:

	Fort Ord Market Ground Lease	Joby Aviation Storage	Comcast Cell Tower	T-Mobile Cell Tower	Chapparral Ground Building	Total
Inception	8/22/2006	5/17/2022	1/1/2002	7/1/1996	12/30/2022	
End	8/22/2030	5/17/2024	1/1/2042	7/1/2026	12/30/2027	
Interest Rate	5.03%	2.71%	5.56%	5.00%	2.34%	
Annual Payment	$ 130,260	$ 6,900	$ 24,000	$ 21,600	$ 15,360	
Leases Receivable:						
Beginning	$ 856,463	$ 6,800	$ 281,200	$ 78,162	$ -	$ 1,222,625
Adjustments	-	-	-	-	-	-
Additions	-	-	-	-	72,411	72,411
Deletions	(89,218)	(6,800)	(8,582)	(18,103)	(13,813)	(136,516)
Ending	767,245	-	272,618	60,059	58,598	1,158,520
Deferred Inflows of Resources:						
Beginning	528,882	6,709	182,742	100,592	-	818,925
Adjustments	75,555	-	-	-	-	75,555
Additions	-	-	-	-	72,411	72,411
Deletions	(75,555)	(6,709)	(9,618)	(11,177)	(14,482)	(117,541)
Ending	528,882	-	173,124	89,415	57,929	849,350
Net Book Value	$ 238,363	$ -	$ 99,494	$ (29,357)	$ 669	$ 309,170

Leases receivable for business-type activities consisted of the following as of June 30, 2023:

Marina Municipal Airport Enterprise Fund Leases Receivable:

Earliest Inception	7/1/1996
Latest Inception	5/1/2023
Earliest Lease End	11/7/2023
Latest Lease End	3/3/2050
Lowest Interest Rate	0.42%
Highest Interest Rate	6.91%
Annual Payment	$ 1,152,422

	Leases Receivable	Deferred Inflows of Resources	Net Book Value
Beginning	$ 8,428,019	$ 8,221,731	$ 206,288
Adjustments	327,190	222,235	104,955
Additions	799,819	799,819	-
Deletions	(975,680)	(1,011,119)	35,439
Ending	$ 8,579,348	$ 8,232,666	$ 346,682

The following summarizes future collections for governmental activities leases receivable:

Fiscal Year Ending June 30:	Principal	Interest	Total
2024	$ 136,051	$ 55,169	$ 191,220
2025	142,705	48,515	191,220
2026	149,696	41,524	191,220
2027	134,937	34,683	169,620
2028	125,995	28,265	154,260
2029-2033	314,435	66,085	380,520
2034-2038	88,525	31,475	120,000
2039-2043	66,176	5,828	72,004
Total Governmental Activities	$ 1,158,520	$ 311,544	$ 1,470,064

The following summarizes future collections for business-type activities leases receivable:

Fiscal Year Ending June 30:	Principal	Interest	Total
2024	$ 960,534	$ 158,792	$ 1,119,326
2025	885,039	141,635	1,026,674
2026	701,000	126,073	827,073
2027	614,335	113,339	727,674
2028	625,237	102,438	727,674
2029-2033	1,561,842	394,951	1,956,793
2034-2038	929,057	280,723	1,209,780
2039-2043	1,012,247	181,033	1,193,280
2044-2048	1,087,997	70,483	1,158,480
2049-2053	202,060	1,799	203,859
Total Business-Type Activities	$ 8,579,348	$ 1,571,265	$ 10,150,613

NOTE 5 - INTERFUND TRANSACTIONS

Inter-fund Receivables and Payables

Amounts due to or due from other funds reflect inter-fund balances for services rendered or short-term loans expected to be repaid in the next fiscal year. Advances to or from other funds are long-term loans between funds that are to be repaid in their entirety over several years.

On November 1, 2006, the Marina Joint Powers Financing Authority issued $14,360,000 revenue bonds for the purpose of financing a loan in the same amount to the Abrams-B Non-Profit Corporation. Simultaneously, the corporation paid the entire $14,360,000 back to the City of Marina, to pay loan costs and to acquire a 50-year leasehold interest in the Abrams-B Apartments housing project. Also simultaneously, the City paid that cash to The Fort Ord Reuse Authority to purchase the Abrams-B property. Monthly note payments are made by the corporation to the City according to an original amortization schedule which was subsequently revised on November 15, 2016, at a lower interest rate, resulting is smaller monthly payments. Payments on the note are structured to be sufficient for the bond trustee to pay semi-annual principal and interest on the revenue bonds. Bond payments are made semiannually and will be fully re-paid in 2036. The balance of the loan was $8,372,917 at June 30, 2023.

As of June 30, 2023, inter-fund receivables and payables consisted of the following:

Fund	Advances to Other Funds	Advances from Other Funds
Abrams B Debt Service Fund	$ 8,372,917	$ -
Abrams B Housing Fund	-	8,372,917
Total advances	$ 8,372,917	$ 8,372,917

City of Marina
Notes to the Basic Financial Statements
June 30, 2023

Transfers In/Out
With Council approval resources may be transferred from one fund to another. The following summarizes transfers between funds during the fiscal year ended June 30, 2023:

Fund	Transfer in	Transfer out
General Fund	$ 5,614,337	$ 2,379,313
City Capital Projects	3,671,476	440,897
Impact Fee Fund	69,520	2,020,000
FORA Dissolution Fund	125,858	933
Nonmajor Governmental Funds	4,312,842	7,622,585
Marina Municipal Airport Fund	46,682	1,376,987
Total Transfers	$ 13,840,715	$ 13,840,715

Intra-Fund Transfers In/Out
The following table represents intra-fund transfers made during the fiscal year ended June 30, 2023:

Fund	Transfer in	Transfer out
General Fund	$ -	$ 1,255,000
Vehicle & Equipment Replacement Fund	905,000	-
Pension Stabilization Fund	350,000	-
Total Eliminations	$ 1,255,000	$ 1,255,000

Intra-fund transfers are eliminated for presentation in the fund financial statements.

NOTE 6 - CAPITAL ASSETS

Capital assets for governmental activities consisted of the following as of June 30, 2023:

Governmental Activities	Balance June 30, 2022	Additions	Deletions	Balance June 30, 2023
Non-depreciable:				
Land	$ 22,080,651	$ -	$ -	$ 22,080,651
Total Non-Depreciable	22,080,651	-	-	22,080,651
Depreciable and Amortizable:				
Buildings and improvements	50,495,979	1,876,408		52,372,387
Equipment	8,565,221	19,931	-	8,585,152
Infrastructure	39,930,203	4,793,964	-	44,724,167
Right of use assets - subscriptions	-	768,768	-	768,768
Right of use assets - equipment	1,216,072	537,896	-	1,753,968
Total Depreciable	100,207,475	7,996,967	-	108,204,442
Less Accumulated Depreciation & Amortization for:				
Buildings and improvements	(21,214,048)	(1,168,499)	-	(22,382,547)
Equipment	(7,093,300)	(900,649)	-	(7,993,949)
Infrastructure	(7,692,434)	(998,752)	-	(8,691,186)
Right of use assets - subscriptions	-	(153,754)	-	(153,754)
Right of use assets - equipment	(783,396)	(319,587)	-	(1,102,983)
Total Accum. Depr. & Amort.	(36,783,178)	(3,541,241)	-	(40,324,419)
Total Depreciable Capital Assets - Net	63,424,297	4,455,726	-	67,880,023
Total Governmental Capital Assets	$ 85,504,948	$ 4,455,726	$ -	$ 89,960,674

City of Marina
Notes to the Basic Financial Statements
June 30, 2023

Depreciation expense for governmental activities was charged to the following programs during the year:

General government	$ 1,009,912
Public safety	1,302,511
Public works	51,297
Public Improvements	1,107,972
Recreation & cultural services	69,549
Total depreciation expense	$ 3,541,241

Capital assets for business-type activities consisted of the following as of June 30, 2023:

Business Type Activities	Balance July 1, 2022	Additions	Deletions	Balance June 30, 2023
Non Depreciable				
Land	$ 36,900,000	$ -	$ -	$ 36,900,000
Total Non-Depreciable	36,900,000	-	-	36,900,000
Depreciable:				
Leasehold interest	48,783,242	-	-	48,783,242
Buildings	10,159,964	639,843	-	10,799,807
Improvements (airport and runway)	14,807,746	-	(709,785)	14,097,961
Equipment	323,135	21,813	-	344,948
Total Depreciable	74,074,087	661,656	(709,785)	74,025,958
Less Accumulated Depreciation				
Leasehold interest	(8,962,125)	(975,665)	-	(9,937,790)
Buildings	(5,964,969)	(314,435)	-	(6,279,404)
Improvements (airport and runway)	(9,609,792)	(414,052)	-	(10,023,844)
Equipment	(312,875)	(1,837)	-	(314,712)
Total Accumulated Depreciation	(24,849,761)	(1,705,989)	-	(26,555,750)
Total Depreciable Capital Assets - Net	49,224,326	(1,044,333)	(709,785)	47,470,208
Total Business Type - Capital Assets	$ 86,124,326	$ (1,044,333)	$ (709,785)	$ 84,370,208

NOTE 7 - NONCURRENT LIABILITIES

The City's noncurrent liabilities consisted of the following as of June 30, 2023:

Long-term Liabilities	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
Governmental Activities:					
2015 General Obligation Refunding Bonds	$ 6,430,000	$ -	$ (295,000)	$ 6,135,000	$ 315,000
2016 Abrams B Housing Revenue Bonds	9,115,000	-	(465,000)	8,650,000	475,000
Certificates of Participation	-	10,870,000	(320,000)	10,550,000	235,000
COP Premiums	-	969,415	(38,777)	930,638	38,777
Leases	609,858	537,896	(388,110)	759,644	248,681
Subscription Liabilities	-	768,768	(132,554)	636,214	152,973
Net Pension Liabilities	13,309,290	19,883,783	(5,964,427)	27,228,646	-
Total OPEB Obligation	6,167,057	2,214,986	(3,286,148)	5,095,895	-
Compensated Absences	1,604,523	276,842	(406,942)	1,474,423	368,606
Total Governmental Activities	$ 37,235,728	$ 35,521,690	$ (11,296,958)	$ 61,460,460	$ 1,834,037

City of Marina
Notes to the Basic Financial Statements
June 30, 2023

Long-term Liabilities	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
Business-Type Activities					
Berkeley Capital Loan	$ 35,950,000	$ -	$ -	$ 35,950,000	$ -
Total Business-Type Activities	$ 35,950,000	$ -	$ -	$ 35,950,000	$ -
Fiduciary Funds:					
Tax Allocation Bonds:					
FORA Series 2020	$ 29,445,000	$ -	$ (1,415,000)	$ 28,030,000	$ 1,435,000
RDA SA, Series 2000A	320,000	-	(30,000)	290,000	30,000
RDA SA, Series 2018A	6,095,000	-	(235,000)	5,860,000	250,000
RDA SA, Housing Series 2018B	5,805,000	-	(225,000)	5,580,000	235,000
RDA SA, Series 2020A	4,790,000	-	(90,000)	4,700,000	95,000
RDA SA, Housing Series 2020B	4,820,000	-	(135,000)	4,685,000	145,000
RDA SA, Series 2023A	-	3,990,000	-	3,990,000	100,000
RDA SA, Housing Series 2023B	-	9,090,000	-	9,090,000	295,000
Subtotal Tax Allocation Bonds	51,275,000	13,080,000	(2,130,000)	62,225,000	2,585,000
Bond discounts	(191,053)	-	11,940	(179,113)	-
Bond premiums	1,787,067	360,676	(111,277)	2,036,466	-
Total Fiduciary Funds	$ 52,871,014	$ 13,440,676	$ (2,229,337)	$ 64,082,353	$ 2,585,000

2015 General Obligation Refunding Bonds
In May 2015, the City issued $7,640,000 General Obligation Bonds for the purpose of refunding $7,885,000 of the City's General Obligation Bonds, Election of 2002, Series 2005 which was issued for the purpose of constructing and supplying a library facility in the City. The bonds bear interest at 1.5% to 5%. The bonds mature in August 2035. Principal payments of $85,000 to $605,000 are due annually on August 1. Interest payments are due semi-annually on February 1 and August 1. The Bonds are subject to an early redemption at par at the option of the City after August 2025.

The City accounts for the bonds in its governmental activities and uses taxes and assessments reported in a debt service fund to fund the principal and interest payments. Future debt service payments are as follows:

Fiscal Year Ending June 30:	Principal	Interest	Total
2024	$ 315,000	$ 216,706	$ 531,706
2025	340,000	200,332	540,332
2026	370,000	182,581	552,581
2027	400,000	163,332	563,332
2028	430,000	140,432	570,432
2029-2033	2,525,000	511,268	3,036,268
2034-2036	1,755,000	102,042	1,857,042
Total	$ 6,135,000	$ 1,516,693	$ 7,651,693

Remarketed 2016 Abrams B Housing Revenue Bonds
In November 2006, the City issued $14,360,000 Multi-family Housing Revenue Bonds for the purpose of financing the acquisition of the Abrams B Apartments. These bonds were remarketed in November 2016.

The bonds bear interest at 0.95% to 3.55%. The bonds mature in November 2036. Principal payments of $110,000 to $160,000 are due annually on November 1. Interest payments are due semi-annually on May 1 and November 1. Beginning on November 15, 2023, the bonds have an optional redemption price of 102%, declining to 101% on November 15, 2024, and at par on November 15, 2025 and thereafter.

The City accounts for the bonds in its governmental activities and accounts for the revenue debt service in the Abrams B Debt Service Fund. Future debt service payments are as follows:

Fiscal Year Ending June 30:	Principal	Interest	Total
2024	$ 475,000	$ 268,905	$ 742,723
2025	490,000	258,888	743,905
2026	505,000	247,813	748,888
2027	790,000	235,505	752,813
2028	560,000	215,558	775,558
2029-2033	3,170,000	781,251	3,951,251
2034-2037	2,660,000	193,209	2,853,209
Total	$ 8,650,000	$ 2,201,128	$ 10,568,347

Certificates of Participation

In fiscal year 2023, the City issued certificates of participation totaling $10,870,000 at a $969,415 premium, bearing interest 5-5.25%. The following summarizes the future debt service payments:

Fiscal Year Ending June 30:	Principal	Interest	Total
2024	$ 235,000	$ 542,325	$ 777,325
2025	245,000	530,575	775,575
2026	260,000	518,325	778,325
2027	275,000	505,325	780,325
2028	285,000	491,575	776,575
2029-2033	1,660,000	2,228,875	3,888,875
2034-2038	2,125,000	1,769,125	3,894,125
2039-2043	2,725,000	1,163,138	3,888,138
2044-2047	2,740,000	368,813	3,108,813
Total	$ 10,550,000	$ 8,118,076	$ 18,668,076

Leases

In fiscal year 2019, the City entered into a lease agreement in the amount of $663,156 at 4.52% for the right to use radio equipment. Annual principal and interest payments of $185,348 are due through July 2022.

In fiscal years 2020 and 2021, the City entered into lease agreements totaling $277,704 for the right to use vehicles. Annual principal and interest payments of $68,114 are due through fiscal year 2025.

In fiscal year 2022, the City entered into lease agreements totaling $275,212 for the right to use vehicles. Annual principal and interest payments of $63,687 are due through fiscal year 2027.

In fiscal year 2023, the City entered into lease agreements totaling $537,896 for the right to use vehicles. Annual principal and interest payments of $145,110 are due through fiscal year 2028.

The City accounts for its leases in its governmental activities and uses resources from the General Fund to pay the principal and interest payments.

City of Marina
Notes to the Basic Financial Statements
June 30, 2023

Future debt service payments for the City's leases are as follows:

Fiscal Year Ending June 30:	Principal	Interest	Total
2024	$ 248,681	$ 45,268	$ 293,949
2025	226,107	42,640	268,747
2026	157,752	34,533	192,285
2027	109,249	26,439	135,688
2028	17,855	4,816	22,671
Total	$ 759,644	$ 153,696	$ 913,340

Equipment and related accumulated amortization under the financed purchases are as follows:

Leased Right of Use Assets	$ 1,753,968
Accumulated Depreciation	1,102,983
Net Book Value	$ 2,856,951

Subscription Based Information Technology Agreements (SBITAs)
In fiscal year 2023, the City implemented GASB 96 which required the City to record its subscription based information technology agreements as liabilities, if certain criteria were met. As a result, the City recorded four contracts totaling $768,768 as liabilities with interest rates from 1.16-3.09%. As of June 30, 2023, the City future principal and interest payments for its SBITAs was as follows:

Fiscal Year Ending June 30:	Principal	Interest	Total
2024	$ 152,973	$ 9,914	$ 162,887
2025	156,926	7,443	164,369
2026	161,028	4,899	165,927
2027	165,287	2,278	167,565
Total	$ 636,214	$ 24,534	$ 660,748

Business-Type Activities

Preston Park Loan
On January 7, 2016, the Preston Park Sustainable Community Non-profit Corporation entered into a loan agreement in the amount of $35,950,000 at 4.15% to finance the costs of acquisition of a leasehold interest in property of Preston Park Apartments. The loan is a full-term interest only loan with the entire principal balance due on February 1, 2026.

Interest payments are made through January of 2026 without an early redemption option. Future debt service payments are as follows:

Fiscal Year Ending June 30:	Principal	Interest	Total
2024	$ -	$ 1,516,790	$ 1,516,790
2025	-	1,516,790	1,516,790
2026	35,950,000	1,011,194	36,961,194
Total	$ 35,950,000	$ 4,044,774	$ 39,994,774

Fiduciary Fund Tax Allocation Bonds

Fort Ord Reuse Authority (FORA) Tax Allocation Bonds, Series 2020
In June 2020, the FORA issued $30,705,000 of tax allocation bonds, Series 2020. The proceeds of the Series 2020 bonds will be used to fund building removal costs for various public agencies related to property formerly included in the Fort Ord Military Base, provide funds to satisfy an obligation of the Authority to CalPERS, set-up debt service reserves, set-up administrative accounts, pay insurance premiums related to the bonds and cover bond issuance costs The bonds bear annual interest at 1.151% to 3.307%. Principal and interest is paid semi-annually on March 1st and September 1st. The bonds mature September 1, 2037 in amounts ranging from $1,260,000 to $1,765,000.

Tax Allocation Bonds, Neeson Road
In November 2000, the former RDA issued $700,000 of tax allocation bonds, Series A. The proceeds of the 2000 Series A bonds issued were used fund infrastructure redevelopment activities at the Marina Airport. The bonds bear annual interest at 4.75%. The bonds were issued in fully registered form without coupons in denominations of $5,000. Interest is paid semi-annually, on January 1st and July 1st. Principal is paid in annual installments beginning January 1, 2018 and maturing January 1, 2031 in amounts ranging from $10,000 to $45,000.

Tax Allocation Bonds, 2018 Series A (Taxable) and Series B (Tax Exempt)
In 2018, the former RDA issued $4,750,000 of tax allocation bonds, Series A (Taxable) and Series B (Tax Exempt). A total of $6,905,000 of Series A bonds were issued and $6,585,000 of Series B bonds. The proceeds of the 2018 Series A bonds issued were used to make payment on a promissory note and agreement, dated August 5, 2008 of the former Marina Redevelopment Agency for the benefit of Marina Community Partners.

The bonds bear annual interest at 5%. The bonds were issued in fully registered form without coupons in denominations of $5,000. Interest is annually, due on September 1st. Principal is paid in annual installments beginning September 1, 2018 and ending September 1, 2038 in amounts ranging from $165,000 to $515,000. The proceeds of the 2018 Series B bonds issued were used to repay a significant portion of the loans from the City of Marina to the Agency. The bonds bear annual interest at 5%. The bonds were issued in fully registered form without coupons in denominations of $5,000. Interest is annually, due on September 1st. Principal is paid in annual installments beginning September 1, 2018 and ending September 1, 2038 in amounts ranging from $165,000 to $515,000.

Tax Allocation Bonds, Series 2020A
In August 2020, the former RDA issued $4,790,000 of tax allocation bonds, Series 2020A. The proceeds of the 2020 Series A bonds issued were used to make payment on the aforementioned promissory note and agreement, dated August 5, 2008 of the former Marina Redevelopment Agency for the benefit of Marina Community Partners. The bonds bear annual interest at 4.00%. The bonds were issued in fully registered form without coupons in denominations of $5,000. Interest is paid semi-annually, on March 1st and September 1st. Principal is paid in annual installments beginning September 1, 2022 and maturing September 1, 2035.

Housing Tax Allocation Bonds, Series 2020B
In August 2020, the former RDA issued $4,950,000 of housing tax allocation bonds, Series 2020B. The proceeds of the 2020 Series B bonds issued were used to make payment on the aforementioned promissory note and agreement, dated August 5, 2008 of the former Marina Redevelopment Agency for the benefit of Marina Community Partners. The bonds bear annual interest at 4.00%. The bonds were

issued in fully registered form without coupons in denominations of $5,000. Interest is paid semi-annually, on March 1st and September 1st. Principal is paid in annual installments beginning September 1, 2021 and maturing September 1, 2040.

RDA SA, Series 2023A
In fiscal year 2023, the former RDA issued $3,990,000 of tax allocation bonds, Series 2023A. The proceeds of the bonds issued were issued to (a) make a payment on a Promissory Note and Agreement, dated August 5, 2008, of the former Marina Redevelopment Agency for the benefit of Marina Community Partners, LLC, (b) fund a debt service reserve account for the Bonds, and (c) provide for the costs of issuing the Bonds.. The bonds bear annual interest at 5.00%. The bonds were issued in fully registered form without coupons in denominations of $5,000. Interest is paid semi-annually, on March 1st and September 1st. Principal is paid in annual installments beginning September 1, 2023 and maturing September 1, 2043.

RDA SA, Housing Series 2023B
In fiscal year 2023, the former RDA issued $9,090,000 of housing tax allocation bonds, Series 2023B. The proceeds of the bonds were issued to (a) make a payment on a Promissory Note and Agreement, dated August 5, 2008, of the former Marina Redevelopment Agency for the benefit of Marina Community Partners, LLC, (b) fund a debt service reserve account for the Bonds, and (c) provide for the costs of issuing the Bonds. The bonds bear annual interest at 5.00%. The bonds were issued in fully registered form without coupons in denominations of $5,000. Interest is paid semi-annually, on March 1st and September 1st. Principal is paid in annual installments beginning September 1, 2023 and maturing September 1, 2043.

The annual debt service requirements for the Tax Allocation Bonds are as follows:

Fiscal Year Ending June 30:	Principal	Interest	Total
2024	$ 2,585,000	$ 2,385,242	$ 4,970,242
2025	2,490,000	2,313,353	4,803,353
2026	2,595,000	2,237,987	4,832,987
2027	3,090,000	2,155,989	5,245,989
2028	3,135,000	2,054,954	5,189,954
2029-2033	17,325,000	8,558,610	25,883,610
2034-2038	16,600,000	5,366,247	21,966,247
2039-2043	12,300,000	2,145,600	14,445,600
2044	2,105,000	52,625	2,157,625
Total	$ 62,225,000	$ 27,270,607	$ 89,495,607

The Successor Agency fiduciary funds account for activity of the Successor Agency of the Marina Redevelopment Agency. In 2012, the State of California dissolved Redevelopment Agencies and created Successor Agencies to extinguish debts of the Redevelopment Agencies. The Marina Successor Agency is required by a Development and Disposition Agreement (DDA) to issue debt to repay the Dunes Corporation amounts owed in the DDA. This debt is fully funded by a commitment from the State of California as specified in the Dissolution Act.

NOTE 8 - 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; and natural disasters for which the City obtains insurance coverages.

The City purchases liability, property, errors and omissions, and workers' compensation insurance from the Monterey Bay Area Self Insurance Authority (MBASIA), a risk-sharing program. Under this program, coverage is provided for up to a maximum of $29,000,000 for each general liability claim less the City's deductible of $10,000. Statutory coverage is provided for workers' compensation claims. The City is assessed a contribution to cover claims, operating costs, and claim settlement expenses based upon an actuarially determined rate for each coverage layer pool Additional cash contributions may be assessed on the basis of adverse loss experience. If the events of the year result in a negative risk position, the members' annual assessment may be increased in subsequent years. The City is unable to reasonably estimate the probability of MBASIA ending the year in a negative risk position. Refunds to members may be made if funds are determined to be surplus as a result of an actuarial study.

The City currently reports liability risk management activities in the general fund. Claims expenditures and liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. Workers compensation insurance costs are allocated to various departments proportionate to their total payroll. For the year ended June 30, 2023, the City paid a total of $1,517,934 to MBASIA for insurance coverage; $633,893 and $884,041 for liability and workers compensation insurance, respectively and did not receive a rebate from the program. There were no material unpaid and uninsured claims outstanding at the beginning or end of the last two fiscal years.

NOTE 9 - RETIREMENT PLANS

General Information about the Pension Plans

Plan Description

All qualified permanent and probationary employees are eligible to participate in the Public Agency Cost-Sharing Multiple-Employer Defined Benefit Pension Plan (Plan) administered by the California Public Employees’ Retirement System (CalPERS). The Plan consists of individual rate plans (benefit tiers) within a safety risk pool (police and fire) and a miscellaneous risk pool (all other.) Plan assets may be used to pay benefits for any employer rate plan of the safety and miscellaneous risk pools. Accordingly, rate plans within the safety or miscellaneous pools are not separate plans under GASB Statement No. 68. Individual employers may sponsor more than one rate plan in the miscellaneous or safety risk pools. The City sponsors three miscellaneous rate plans. Benefit provisions under the Plan are established by State statute and City resolution. CalPERS issues publicly available reports that include a full description of the pension plan 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 (age 52 for Miscellaneous Plan members if membership date is on or after January 1, 2013) with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 5 years of service. The death benefit is one of the following: the Special Death Benefit (Safety only), 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, 2023, are summarized as follows:

	Miscellaneous		**Safety**	
	Tier 1	PEPRA	Tier 1	PEPRA
Benefit formula	2% @ 55	2% @ 62	3.0% @ 50	2.7% @ 57
Benefit vesting schedule	5 Years	5 Years	5 Years	5 Years
Benefit payments	Monthly for Life	Monthly for Life	Monthly for Life	Monthly for Life
Retirement age	55	62	50	57
Monthly benefits as a % of eligible compensation	2%	2%	3%	2.7%
Required employee contribution rates	7%	7.75%	9%	13.75%
Required employer contribution rates	10.9%	7.47%	23.75%	12.78%

Employees Covered

At June 30, 2023, the following employees were covered by the benefit terms for the Plans:

	Miscellaneous	Safety	**Total**
Active	42	51	93
Transferred	22	32	54
Separated	26	21	47
Retired	82	86	168
Total	172	190	362

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 the Plans are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rates are the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The City is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. For the year ended June 30, 2023, the City's contributions were as follows:

	Employer Contributions
Miscellaneous	$ 937,481
Safety	2,437,275
Total Employer Contributions	$ 3,374,756

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

As of June 30, 2023, the City reported a net pension liability for its proportionate share of the net pension liabilities as follows:

	Proportionate Share of Net Pension Liability/(Asset)
Miscellaneous	$ 8,232,155
Safety	18,996,491
Total	**$ 27,228,646**

The City's net pension liability for the Plans is measured as the proportionate share of the net pension liability. The net pension liability of the Plans are measured as of June 30, 2022, and the total pension liability for the Plans used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2021 rolled forward to June 30, 2022 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. The City's proportionate share of the net pension liability for the Plans as of June 30, 2022 and 2022 was as follows:

	Miscellaneous	Safety	Combined Plans
Proportion - June 30, 2022	0.20152%	0.27021%	0.24609%
Proportion - June 30, 2023	0.17593%	0.27645%	0.23573%
Change - Increase/(Decrease)	-0.02559%	0.00624%	-0.01036%

For the year ended June 30, 2023, the City recognized pension expense of $2,181,122.

At June 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Miscellaneous	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of Assumptions	$ 843,556	$ -
Differences between Expected and Actual Experience	165,318	110,723
Differences between Projected and Actual Investment Earnings	1,507,912	-
Differences between Employer's Contributions and Proportionate Share of Contributions	-	379,348
Change in Employer's Proportion	106,783	-
Pension Contributions Made Subsequent to Measurement Date	937,481	-
Total	$ 3,561,051	$ 490,071

	Safety	
	Deferred Outflows of Resources	**Deferred Inflows of Resources**
Changes of Assumptions	$ 1,915,421	$ -
Differences between Expected and Actual Experience	786,196	206,287
Differences between Projected and Actual Investment Earnings	2,999,811	-
Differences between Employer's Contributions and Proportionate Share of Contributions	-	1,259,110
Change in Employer's Proportion	1,455,948	-
Pension Contributions Made Subsequent to Measurement Date	2,437,275	-
Total	$ 9,594,651	$ 1,465,397

The City reported $2,437,275 as deferred outflows of resources related to contributions subsequent to the measurement date that will be recognized as a reduction of the net pension liability in the year ended June 30, 2024. 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	**Deferred Outflows/(Inflows) of Resources**		
June 30:	**Miscellaneous**	**Safety**	**Total**
2024	$ 547,517	$ 1,728,539	$ 2,276,056
2025	428,883	1,379,489	1,808,372
2026	234,808	754,029	988,836
2027	922,291	1,829,923	2,752,214
2028	-	-	-
Thereafter	-	-	-
Total	$ 2,133,499	$ 5,691,980	$ 7,825,478

Actuarial Assumptions

The total pension liabilities in the June 30, 2021 actuarial valuations were determined using the following actuarial assumptions:

Valuation Date	June 30, 2021
Measurement Date	June 30, 2022
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	6.90%
Inflation	2.30%
Payroll Growth	2.80%
Projected Salary Increase	(1)
Investment Rate of Return	6.8% (2)
Mortality	(3)

(1) Varies by entry age and service
(2) Net of pension plan investment expenses, including inflation
(3) Derived using CalPERS' membership data for all funds

Discount Rate

The discount rate used to measure the total pension liability was 6.9% for the Plan. To determine whether the municipal bond rate should be used in the calculation of a discount rate for the Plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 6.9 percent discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate of 6.9 percent will be applied to all plans in the Public Employees Retirement Fund (PERF). The stress test results are presented in a detailed report that can be obtained from the CalPERS website.

The long-term expected rate of return on pension plan investments was determined using a building block method in which best-estimate ranges of 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, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound 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 fund. 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 equivalent 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. These rates of return are net of administrative expenses.

Asset Class (a)	Assumed Asset Allocation	Long-Term Expected Real Return (1)(2)
Global Equity Cap Weighted	30.00%	4.54%
Global Equity NonCap Weighted	12.00%	3.84%
Private Equity	13.00%	7.28%
Treasury	5.00%	0.27%
Mortgage-backed Securities	5.00%	0.50%
Investment Grade Corporates	10.00%	1.56%
High Yield	5.00%	2.27%
Emerging Market Debt	5.00%	2.48%
Private Debt	5.00%	3.57%
Real Assets	15.00%	3.21%
Leverage	-5.00%	-0.59%
Total	100.00%	

(1) An expected inflation of 2.3% used for this period.
(2) Figures are based on the 2021-22 Asset Liability Study.

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 the Plans, calculated using the discount rate for the Plans, 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:

		Miscellaneous	Safety
1% Decrease		5.90%	5.90%
Net Pension Liability	$	12,572,552	28,585,736
Current		6.90%	6.90%
Net Pension Liability	$	8,232,155	18,996,491
1% Increase		7.90%	7.90%
Net Pension Liability	$	4,661,085	11,159,450

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 10 - OTHER POSTEMPLOYMENT BENEFITS PLAN

Plan Description

The City of Marina participates in the California Public Employees Retirement System (CalPERS), a cost-sharing multiple employer public employee defined benefit pension plan. CalPERS provides post-employment medical insurance benefits to retirees and their spouses who meet plan eligibility requirements in accordance with their labor agreement. The City provides health care benefits for all retired employees based on retirement age of 50 with 5 years of service. Retirees can enroll in any of the available CalPERS medical plans and the benefits continue for the life of the retiree and surviving spouse. The City contributes the minimum amount provided under Government Code Section 22825 of the Public Employees Medical and Hospital Care Act. Retirees must pay any premium amounts in excess of the City's contribution. For each bargaining unit, the minimum amount the City contributes is pro-rated over the 20-year period starting from that unit's CalPERS coverage.

The City has authority to establish and amend the Plan's benefit terms and financing requirements to the City Council. No assets are accumulated in a trust that meets all of the criteria in GASB statement No. 75 Paragraph 4. There are no separate financial statements issued for the OPEB plan.

Employees Covered by Benefit Terms

At June 30, 2023, the benefit terms covered the following employees:

Active employees	85
Inactive employees	22
Dependents of Retirees	5
Total covered	112

Contributions

The City makes contributions based on a pay-as-you-go basis as approved by the authority of the City Council. Total benefit payments included in the measurement period were $98,138 while actual contributions for the fiscal year were $40,339. The actuarially determined contribution for the measurement period was $364,745. The City's contributions were .43% of covered employee payroll during the fiscal year ended June 30, 2023. Employees are not required to contribute to the plan. There have been no assets accumulated in a trust to provide for the benefits of this plan.

Actuarial Assumptions

The following summarized the actuarial assumptions for the OPEB plan included in this fiscal year:

Valuation Date:	June 30, 2021
Measurement Date:	June 30, 2022
Actuarial Cost Method:	Entry-Age Normal Cost Method
Amortization Period:	20 years
Asset Valuation Method:	Level percentage of payroll, closed
Actuarial Assumptions:	
Discount Rate	3.69%
Inflation	2.26%
Salary Increases	3.25%
Healthcare Trend Rate	4% to 7.52%
Mortality	CalPERS 2017 Mortality
Retirement:	
Hired before January 1, 2013	2% @55 Rates for Miscellaneous Employees 3% @50 for Police and Fire
Hired on or after January 1, 2013:	2% @62 for Miscellaneous Employees. 2.7% @57 for Police and Fire.

**Discount rate increased in 2023 from 2.16% to 3.69%

Discount Rate

The discount rate was based on the Bond Buyer 20-bond General Obligation Index.

Total OPEB Liability

The City's Total OPEB liability was measured as of June 30, 2022 (measurement date) and was determined by an actuarial valuation as of June 30, 2021 (valuation date) for the fiscal year ended June 30, 2023 (reporting date).

Changes in the Total OPEB Liability

The following summarizes the changes in the Total OPEB liability during the year ended June 30, 2023:

Fiscal Year Ended June 30, 2022	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability (Asset)
Balance at June 30, 2022	$ 6,167,054	$ -	$ 6,167,054
Service cost	503,081	-	503,081
Interest in Total OPEB Liability	143,021	-	143,021
Balance of changes in assumptions	(1,619,123)	-	(1,619,123)
Benefit payments	(98,138)	-	(98,138)
Net changes	(1,071,159)	-	(1,071,159)
Balance at June 30, 2023	$ 5,095,895	$ -	$ 5,095,895

Covered Employee Payroll	$ 9,361,845
Total OPEB Liability as a % of Covered Employee Payroll	54.43%
Service Cost as a % of Covered Employee Payroll	5.37%
Net OPEB Liability as a % of Covered Employee Payroll	54.43%

The City's plan is nonfunded, meaning there have not been assets placed into an irrevocable trust, therefore the plan fiduciary net position is zero.

Deferred Inflows and Outflows of Resources

At June 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between actual and expected experience	$ 201,490	$ 904,030
Change in assumptions	1,109,264	2,011,364
OPEB contribution subsequent to measurement date	40,339	-
Totals	$ 1,351,093	$ 2,915,394

Of the total amount reported as deferred outflows of resources related to OPEB, $40,339 resulting from City contributions subsequent to the measurement date and before the end of the fiscal year will be included as a reduction of the net OPEB liability in the year ended June 30, 2024.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended June 30,		
2024	$	(302,978)
2025		(302,978)
2026		(239,375)
2027		(109,559)
2028		(102,444)
Thereafter		(547,306)
Total	$	(1,604,640)

OPEB Expense

The following summarizes the OPEB expense by source during the year ended June 30, 2023:

Service cost	$	503,081
Interest in TOL		143,021
Difference between actual and expected experience		(96,185)
Change in assumptions		(207,012)
OPEB Expense	**$**	**342,905**

The following summarizes changes in the Total OPEB liability as reconciled to OPEB expense during the year ended June 30, 2023:

Total OPEB liability ending	$	5,095,895
Total OPEB liability beginning		(6,167,054)
Change in total OPEB liability		(1,071,159)
Changes in deferred outflows		290,073
Changes in deferred inflows		1,083,652
Employer contributions and implicit subsidy		40,339
OPEB Expense	**$**	**342,905**

Sensitivity to Changes in the Discount Rate

The Total OPEB liability of the City, as well as what the City's Total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher, is as follows:

	Municipal Bond Rate		
	(1% Decrease)	**3.69%**	**(1% Increase)**
Total OPEB Liability	$ 6,082,197	$ 5,095,895	$ 4,321,455

Sensitivity to Changes in the Healthcare Cost Trend Rates
The Total OPEB liability of the City, as well as what the City's Total OPEB liability would be if it were calculated using healthcare cost trend rates that are one percentage point lower or one percentage point higher than current healthcare cost trend rates, is as follows:

	Trend Rate		
	(1% Decrease)	4% to 7.52%	(1% Increase)
Total OPEB Liability	$ 4,167,373	$ 5,095,895	$ 6,323,785

NOTE 11 - COMMITMENTS AND CONTINGENCIES

Lawsuits
The City is subject to certain matters of litigation that may arise in the normal course of conducting City business. City management believes, based upon consultation with legal counsel, that these cases, in the aggregate, are not expected to result in a material adverse financial impact on the City. Additionally, City management believes that the City's insurance programs are sufficient to cover any potential losses should an unfavorable outcome materialize.

Federal and State Grant Programs
The City participates in Federal and State grant programs. These programs are audited by the City's independent accountants if required by and in accordance with the provisions of the Uniform Guidance and applicable State requirements. Expenditures which may be disallowed, if any, by the granting agencies, cannot be determined at this time. The City expects such amounts, if any, to be immaterial.

Deferred Compensation
The City offers its employees two deferred compensation plans created in accordance with California Code Section 53212 and Internal Revenue Code Section 457 under which employees can defer a portion of their salary until future years. The deferred compensation plan money is a deduction from the employees' salary and is invested with independent retirement trustees. The trustees hold the amounts deferred and any related income on behalf of employees. The assets and liabilities of these plans have been excluded from the accompanying financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

City of Marina

Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (GAAP Basis)
General Fund
For the Year Ended June 30, 2023

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual Amounts	Positive (Negative)
REVENUES				
Taxes and assessments	$ 20,827,201	$ 23,037,790	$ 26,010,177	$ 2,972,387
Licenses, permits and fees	2,125,940	2,227,940	4,383,208	2,155,268
Fines and forfeitures	63,063	63,063	100,419	37,356
Intergovernmental	385,700	450,700	557,506	106,806
Charges for services	1,567,552	4,156,016	4,936,215	780,199
Investment earnings	330,000	330,000	1,350,285	1,020,285
Local contributions	42,500	42,500	38,710	(3,790)
Other revenue	6,940	176,941	184,579	7,638
Total Revenues	25,348,896	30,484,950	37,561,099	7,076,149
EXPENDITURES				
Current:				
General government	8,254,778	9,666,392	9,272,766	393,626
Public safety	11,796,685	12,381,182	13,228,179	(846,997)
Public works	1,970,187	1,970,187	1,571,952	398,235
Economic & community development	2,962,253	3,818,253	3,563,860	254,393
Recreation & cultural services	1,177,372	1,177,372	859,791	317,581
Capital outlay	340,000	340,000	49,376	290,624
Debt service				
Principal	162,000	162,000	520,664	(358,664)
Interest and fiscal charges	24,000	24,000	61,993	(37,993)
Total Expenditures	26,687,275	29,539,386	29,128,581	410,805
Excess (Deficiency) of Revenues over Expenditures	(1,338,379)	945,564	8,432,518	7,486,954
OTHER FINANCING SOURCES (USES)				
Transfers in	3,223,102	1,053,102	5,614,337	4,561,235
Transfers out	(2,517,000)	(3,251,836)	(2,379,313)	872,523
Total Other Financing Sources (Uses)	706,102	(2,198,734)	3,235,024	5,433,758
Net Change in Fund Balance	(632,277)	(1,253,170)	11,667,542	12,920,712
Fund Balance Beginning	32,666,046	32,666,046	32,666,046	-
Fund Balance Ending	$ 32,033,769	$ 31,412,876	$ 44,333,588	$ 12,920,712

The City adopts a budget annually for all governmental fund types. This budget is effective July 1 for the ensuing fiscal year. From the effective date of the budget, which is adopted at the fund level, the amounts stated therein as proposed expenditures become appropriations to the various City departments. The legal level of budgetary control is the fund level. The City Council may amend the budget by resolution during the fiscal year. The City Manager has the authority to make adjustments to the operating budget between functions within the same fund. Transfers of operating budgets between funds, use of unappropriated fund balances, and significant changes in capital improvement project budgets require the approval of the City Council. Expenditures in excess of appropriations were covered by budgets in other objects/functions or beginning fund balance.

City of Marina
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (GAAP Basis)
FORA Dissolution Fund
For the Year Ended June 30, 2023

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual Amounts	Positive (Negative)
REVENUES				
Licenses, permits and fees	$ -	$ -	$ 2,999,151	$ 2,999,151
Investment earnings	-	-	409,264	409,264
Local contributions	-	-	2,718,775	2,718,775
Total Revenues	-	-	6,127,190	6,127,190
EXPENDITURES				
Current:				
Economic & community development	-	-	4,763,885	(4,763,885)
Total Expenditures	-	-	4,763,885	(4,763,885)
Excess (Deficiency) of Revenues over Expenditures	-	-	1,363,305	1,363,305
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	125,858	125,858
Transfers out	-	-	(933)	(933)
Total Other Financing Sources (Uses)	-	-	124,925	124,925
Net Change in Fund Balance	-	-	1,488,230	1,488,230
Fund Balance Beginning	19,069,621	19,069,621	19,069,621	-
Fund Balance Ending	$ 19,069,621	$ 19,069,621	$ 20,557,851	$ 1,488,230

City of Marina
Schedule of Pension Contributions
June 30, 2023
(Last Ten Years)

Miscellaneous and Safety Plan Fiscal Year Ended	2015	2016	2017	2018	2019	2020	2021	2022	2023
Contractually Required Contributions	$ 1,428,070	$ 2,069,732	$ 2,385,218	$ 2,524,388	$ 2,050,095	$ 2,739,136	$ 2,885,118	$ 3,140,753	$ 3,374,756
Contributions in Relation to Contractually Required Contributions	1,428,070	2,069,732	2,385,218	2,524,388	2,050,095	2,739,136	2,885,118	3,140,753	3,374,756
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered Payroll	**$ 7,233,320**	**$ 6,987,956**	**$ 7,070,353**	**$ 7,637,741**	**$ 7,411,028**	**$ 8,281,259**	**$ 9,003,748**	**$ 9,258,676**	**$ 9,271,237**
Contributions as a % of Covered Payroll	**19.74%**	**29.62%**	**33.74%**	**33.05%**	**27.66%**	**33.08%**	**32.04%**	**33.92%**	**36.40%**

Notes to Schedule:

Valuation Date: June 30, 2021

Assumptions Used: Entry Age Method used for Actuarial Cost Method
Level Percentage of Payroll and Direct Rate Smoothing
Remaining Amortization Period no more than 29 years
Inflation Assumed at 2.30%
Investment Rate of Returns set at 6.8%
The mortality table was developed based on CalPERS-specific data. The rates incorporate Generational Mortality to capture ongoing morality improvement using 80% of Scale MP 2020 published by the Society of Actuaries. For more details, please refer to the 2021 experience study report that can be found on the CalPERS website.

Fiscal year 2015 was the first year of implementation, therefore only nine years are shown.
The CalPERS discount rate was increased from 7.50% to 7.65% in FY2016, to 7.15% in FY2018, and then decreased to 6.80% in FY2023.
The CalPERS mortality assumptions was adjusted in fiscal year 2023.

City of Marina
Schedule of Proportionate Share of Net Pension Liability
June 30, 2023
(Last Ten Years)

Miscellaneous and Safety Plan									
Plan Measurement Date	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**
Fiscal Year Ended	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**
Proportion of Net Pension Liability (Safety and Misc)	0.18297%	0.17995%	0.18715%	0.19055%	0.19679%	0.20287%	0.21094%	0.24609%	0.23573%
Proportion of Net Pension Liability (Misc Plan Only)	0.46068%	0.45021%	0.46616%	0.47937%	0.50318%	0.15555%	0.16231%	0.20152%	0.17593%
Proportionate Share of Net Pension Liability	$ 11,385,528	$ 12,351,371	$ 16,193,904	$ 18,897,109	$ 18,963,346	$ 20,787,955	$ 22,951,344	$ 13,309,290	$ 27,228,646
Covered Payroll	$ 7,701,575	$ 7,233,320	$ 6,987,956	$ 7,070,353	$ 7,637,741	$ 7,411,028	$ 8,281,259	$ 9,003,748	$ 9,258,676
Proportionate Share of NPL as a % of Covered Payroll	**147.83%**	**170.76%**	**231.74%**	**267.27%**	**248.28%**	**280.50%**	**277.15%**	**147.82%**	**294.09%**
Plan's Fiduciary Net Position as a % of the TPL	**79.61%**	**77.38%**	**75.77%**	**74.66%**	**76.15%**	**75.40%**	**74.18%**	**85.74%**	**73.11%**

Fiscal year 2015 was the first year of implementation, therefore only nine years are shown.
The CalPERS discount rate was increased from 7.50% to 7.65% in FY2016, to 7.15% in FY2018, and then decreased to 6.80% in FY2023.
The CalPERS mortality assumptions was adjusted in fiscal year 2023.

City of Marina
Schedule of Changes in Total OPEB Liability
June 30, 2023
(Last Ten Years)

Fiscal Year Ended	2018	2019	2020	2021	2022	2023
Total OPEB liability						
Service cost	$ 271,072	$ 200,224	$ 195,708	$ 264,281	$ 394,958	$ 503,081
Interest	157,957	153,199	168,281	177,174	155,100	143,021
Differences between exp. and act. exp.	(4,684)	(27,347)	371,094	(5,518)	(1,155,928)	-
Changes of assumptions	(1,590,885)	(200,100)	(14,726)	1,466,447	190,330	(1,619,123)
Benefit payments	(22,911)	(28,444)	(76,872)	(73,360)	(80,621)	(98,138)
Net change in Total OPEB Liability	(1,189,451)	97,532	643,485	1,829,024	(496,161)	(1,071,159)
Total OPEB Liability - beginning	5,282,625	4,093,174	4,190,706	4,834,191	6,663,215	6,167,054
Total OPEB Liability - ending	$ 4,093,174	$ 4,190,706	$ 4,834,191	$ 6,663,215	$ 6,167,054	$ 5,095,895
Plan fiduciary net position						
Net change in plan fiduciary net position	$ -	$ -	$ -	-	-	-
Plan fiduciary net position - beginning	-	-	-	-	-	-
Plan fiduciary net position - ending	$ -	$ -	$ -	$ -	$ -	$ -
Net OPEB liability (asset)	$ 4,093,174	4,190,706	4,834,191	6,663,215	6,167,054	5,095,895
Plan fiduciary net position as a percentage of the total OPEB liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Covered Employee Payroll	$ 7,387,760	$ 7,635,928	$ 7,725,967	$ 8,315,617	$ 9,361,845	$ 9,666,105
Net OPEB liability as a percentage of covered employee payroll	55.40%	54.88%	62.57%	80.13%	65.87%	52.72%
Total OPEB liability as a percentage of covered employee payroll	55.40%	54.88%	62.57%	80.13%	65.87%	52.72%

Other Notes

GASB 75 requires a schedule of contributions for the last ten fiscal years, or for as many years as are available if less than ten years are available. GASB 75 was adopted as of June 30, 2018.

There were no changes in benefit terms.

Discount rates decreased from 3.87% to 3.5% in 2020, then to 2.21% in 2021, 2.16% in 2022 and increased to 3.69% in 2023.

There were no changes in trend rates

SUPPLEMENTARY INFORMATION

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

CDBG: Accounts for various U.S. Housing and Urban Development Department, Community Development Block Grant, non-housing programs, including grant revenues, grant expenditures and program income.

CDBG Housing: Accounts for various U.S. Housing and Urban Development Department, Community Development Block Grant, housing programs.

Public Education Government: Accounts for franchise tax fees collected with cable television bills. Fees collected through the cable provider finance the operating and capital costs of broadcasting City Council and other meetings of public interest over a dedicated TV channel.

Gas Tax Streets: Accounts for State gas tax revenues and occasional City cash and staffing contributions, and the costs of allowable streets maintenance and repair projects.

Road Maintenance and Rehabilitation (SB1): Accounts for funds received and expended specific to road maintenance and repairs.

Transportation Safety and Investment: Accounts for funds received and expended from sales tax Measure X to invest in roads throughout the County.

National Parks Recreation Services: Accounts for revenues generated by land and antenna rentals, and from various recreation activities conducted on the site, as well as costs for facilities improvements, repairs, maintenance, staffing and support costs related to recreational activities. All activities are conducted on property granted to the City upon Fort Ord Army Base Closure. Use of these resources is limited to recreation activities conducted on these premises.

ARPA Grant Fund: Accounts for grants received from the American Rescue Plan Act Corona Virus fiscal recovery programs.

Seabreeze Assessment District: Accounts for assessments collected from property owners within the boundaries of the District, and related landscape maintenance costs.

Monterey Bay Estates Assessment District: Accounts for assessments collected from property owners within the boundaries of the District, and related landscape maintenance costs.

Cypress Cove II Assessment District: Accounts for assessments collected from property owners within the boundaries of the District, and related landscape maintenance costs.

CFD 2007-2 Locke-Paddon: A Community Facilities District (CFD) accounts for annual assessments against property owners within the boundaries of the District and related improvement and maintenance costs.

CFD 2015-1 Dunes: A Community Facilities Districts (CFD) accounts for annual assessments against property owners within the boundaries of the District and related improvement and maintenance costs.

Housing Assistance Fund: Accounts for funds received and expended as part of Below Market Rate Housing Implementation Agreements. Use of these resources is limited to city-wide homebuyer assistance as well as administrative costs associated with the establishment and implementation of a homebuyer assistance program.

NONMAJOR GOVERNMENTAL FUNDS

Debt Service Funds

2015 GO Refunding Bonds: Accounts for tax revenues that provide resources to make bond principal and interest payments, and to pay costs of administering the 2015 general obligation refunding bonds, which refinanced the 2005 library construction general obligation bonds.

Marina Landing Bonds: Accounted for special assessment revenues, bond principal and interest payments, and debt administration costs. Bonds were originally issued to finance certain infrastructure improvements to properties in the Marina Landing Assessment. All bonds have been liquidated but the fund has a residual cash balance which will be disbursed and the fund deactivated when appropriate.

Marina Greens Bonds: Accounted for special assessment revenues, bond principal and interest payments, and debt administration costs. Bonds were originally issued to finance certain infrastructure improvements to properties in the Marina Greens Assessment District. All bonds have been liquidated but the fund has a residual cash balance which will be disbursed and the fund deactivated when appropriate.

Measure X Certificates of Participation Debt Service Fund: Accounts for proceeds and debt service related to Certificates of Participation issued for street improvements. Debt will be repaid using Measure X tax revenue received by the City.

Capital Projects Funds

Airport: This fund accounts for federal and state grant revenues, city-match and other resources that are dedicated and/or restricted to creating, expanding or otherwise improving infrastructure and other long-lived assets at the Marina Municipal Airport.

Park Facilities: Over a period of time, this fund has accounted for residential park development taxes, park facility improvement fees, park facility use fees, mitigation fees for new development, parks in-lieu fees, grant revenues, private and public donations, antenna rents and other resources dedicated or restricted to the acquisition, construction and/or improvement of park and recreational facilities. Resources in this fund were expended for their required purposes, and since implementation of Parks Impact Fees (accounted for in the Impact Fee Fund) the fund has become inactive. The small remaining cash balance will be transferred to the appropriate successor fund.

City of Marina

Combining Balance Sheet

Nonmajor Governmental Funds

June 30, 2023

	Special Revenue Funds			
	CDBG Fund	CDBG Housing Fund	Public Education Government Fund	Gas Tax Fund
ASSETS				
Cash and investments	$ 383,666	$ 37,167	$ 75,261	$ 947
Restricted cash and investments	-	-	-	-
Accounts receivable	1,455	141	28,122	46,546
Notes receivable	469,929	60,000	-	-
Total assets	$ 855,050	$ 97,308	$ 103,383	$ 47,493
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES				
Liabilities:				
Accounts payable	$ -	$ -	$ 55,046	$ 12,321
Accrued payroll and benefits	-	-	-	6,573
Deposits and other liabilities	-	-	-	-
Total liabilities	-	-	55,046	18,894
Deferred Inflows of Resources:				
Unavailable revenues	469,929	60,000	-	-
Fund Balances:				
Restricted:				
Transportation	-	-	-	-
Streets & special districts	-	-	-	28,599
Housing	-	-	-	-
Community development	385,121	37,308	-	-
Recreation	-	-	-	-
Capital projects	-	-	-	-
Debt service	-	-	-	-
Committed				
Public education	-	-	48,337	-
Unassigned	-	-	-	-
Total fund balances	385,121	37,308	48,337	28,599
Total liabilities, deferred inflows of resources and fund balances	$ 855,050	$ 97,308	$ 103,383	$ 47,493

Cont'd

City of Marina

Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2023

	Special Revenue Funds				
	Road Maintenance & Rehabilitation Fund	Transportation Safety & Investment Fund	National Parka Recreation Services Fund	ARPA Grant Fund	Seabreeze Assessment District Fund
ASSETS					
Cash and investments	$ 532,665	$ 722,915	$ 368,529	$ -	$ 755
Restricted cash and investments	-	-	-	-	-
Accounts receivable	45,415	261,284	2,655	-	-
Notes receivable	-	-	-	-	-
Total assets	$ 578,080	$ 984,199	$ 371,184	$ -	$ 755
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES					
Liabilities:					
Accounts payable	$ -	$ -	$ 134	$ -	$ 1,232
Accrued payroll and benefits	-	-	287	-	-
Deposits and other liabilities	-	-	6,400	-	-
Total liabilities	-	-	6,821	-	1,232
Deferred Inflows of Resources:					
Unavailable revenues	-	-	-	-	-
Fund Balances:					
Restricted:					
Transportation	-	984,199	-	-	-
Streets & special districts	578,080	-	-	-	-
Housing	-	-	-	-	-
Community development	-	-	-	-	-
Recreation	-	-	364,363	-	-
Capital projects	-	-	-	-	-
Debt service	-	-	-	-	-
Committed					
Public education	-	-	-	-	-
Unassigned	-	-	-	-	(477)
Total fund balances	578,080	984,199	364,363	-	(477)
Total liabilities, deferred inflows of resources and fund balances	$ 578,080	$ 984,199	$ 371,184	$ -	$ 755

Cont'd

City of Marina

Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2023

	Special Revenue Funds				
	Monterey Bay Estates Assessment District Fund	Cypress Cove II Assessment District Fund	CFD 2007-2 Locke-Paddon Fund	CFD 2015-1 Dunes Fund	Housing Assistance Fund
ASSETS					
Cash and investments	$ 14,509	$ 15,107	$ 36,811	$ 1,260,147	$ 1,834,524
Restricted cash and investments	-	-	-	-	-
Accounts receivable	53	51	130	4,516	6,959
Notes receivable	-	-	-	-	-
Total assets	$ 14,562	$ 15,158	$ 36,941	$ 1,264,663	$ 1,841,483
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES					
Liabilities:					
Accounts payable	$ 1,483	$ 1,714	$ 287	$ 147	$ -
Accrued payroll and benefits	-	-	-	-	-
Deposits and other liabilities	-	-	-	-	-
Total liabilities	1,483	1,714	287	147	-
Deferred Inflows of Resources:					
Unavailable revenues	-	-	-	-	-
Fund Balances:					
Restricted:					
Transportation	-	-	-	-	-
Streets & special districts	13,079	13,444	36,654	1,264,516	-
Housing	-	-	-	-	1,841,483
Community development	-	-	-	-	-
Recreation	-	-	-	-	-
Capital projects	-	-	-	-	-
Debt service	-	-	-	-	-
Committed					
Public education	-	-	-	-	-
Unassigned	-	-	-	-	-
Total fund balances	13,079	13,444	36,654	1,264,516	1,841,483
Total liabilities, deferred inflows of resources and fund balances	$ 14,562	$ 15,158	$ 36,941	$ 1,264,663	$ 1,841,483

Cont'd

City of Marina

Combining Balance Sheet

Nonmajor Governmental Funds

June 30, 2023

	Debt Service Funds			
	2015 GO Refunding Bonds Fund	Marina Landing Improvement Bonds Fund	Marina Greens Improvement Bonds Fund	Measure X Certificate of Participation Debt Service Fund
ASSETS				
Cash and investments	$ -	$ -	$ -	$ -
Restricted cash and investments	472,393	7,217	1,745	11,832,533
Accounts receivable	1,334	27	7	-
Notes receivable	-	-	-	-
Total assets	$ 473,727	$ 7,244	$ 1,752	$ 11,832,533
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES				
Liabilities:				
Accounts payable	$ 100	$ -	$ -	$ -
Accrued payroll and benefits	-	-	-	-
Deposits and other liabilities	-	-	-	-
Total liabilities	100	-	-	-
Deferred Inflows of Resources:				
Unavailable revenues	-	-	-	-
Fund Balances:				
Restricted:				
Transportation	-	-	-	-
Streets & special districts	-	-	-	-
Housing	-	-	-	-
Community development	-	-	-	-
Recreation	-	-	-	-
Capital projects	-	-	-	-
Debt service	473,627	7,244	1,752	11,832,533
Committed				
Public education	-	-	-	-
Unassigned	-	-	-	-
Total fund balances	473,627	7,244	1,752	11,832,533
Total liabilities, deferred inflows of resources and fund balances	$ 473,727	$ 7,244	$ 1,752	$ 11,832,533

Cont'd

City of Marina

Combining Balance Sheet

Nonmajor Governmental Funds

June 30, 2023

	Capital Projects Funds			
	Measure X Road and Transportation Fund	Airport Capital Projects Fund	Park Facilities Fund	Total Nonmajor Governmental Funds
ASSETS				
Cash and investments	$ 4,723,702	$ 1,773,307	$ 878	$ 11,780,890
Restricted cash and investments	-	-	-	12,313,888
Accounts receivable	22,574	262,192	3	683,464
Notes receivable	-	-	-	529,929
Total assets	$ 4,746,276	$ 2,035,499	$ 881	$ 25,308,171
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES				
Liabilities:				
Accounts payable	$ 30,729	$ 51,323	$ -	$ 154,516
Accrued payroll and benefits	-	-	-	6,860
Deposits and other liabilities	-	-	-	6,400
Total liabilities	30,729	51,323	-	167,776
Deferred Inflows of Resources:				
Unavailable revenues	-	-	-	529,929
Fund Balances:				
Restricted:				
Transportation	-	-	-	984,199
Streets & special districts	-	-	-	1,934,372
Housing	-	-	-	1,841,483
Community development	-	-	-	422,429
Recreation	-	-	-	364,363
Capital projects	4,715,547	1,984,176	881	6,700,604
Debt service	-	-	-	12,315,156
Committed				
Public education	-	-	-	48,337
Unassigned	-	-	-	(477)
Total fund balances	4,715,547	1,984,176	881	24,610,466
Total liabilities, deferred inflows of resources and fund balances	$ 4,746,276	$ 2,035,499	$ 881	$ 25,308,171

Concluded

City of Marina

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2023

	Special Revenue Funds			
	CDBG Fund	CDBG Housing Fund	Public Education Government Fund	Gas Tax Fund
REVENUES				
Taxes and assessments	$ -	$ -	$ 114,492	$ 534,048
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Investment earnings	43,075	741	-	23
Other revenue	50,000	-	-	-
Total Revenues	93,075	741	114,492	534,071
EXPENDITURES				
Current:				
General government	-	-	-	-
Public works	-	-	-	473,521
Economic & community development	-	-	113,339	-
Recreation & cultural services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	-	-	113,339	473,521
Excess (Deficiency) of Revenues over Expenditures	93,075	741	1,153	60,550
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	-	(62,400)
Proceeds from debt issuance	-	-	-	-
Proceeds from debt premiums	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	(62,400)
Net Change in Fund Balances	93,075	741	1,153	(1,850)
Fund Balances Beginning	292,046	36,567	47,184	30,449
Fund Balances Ending	$ 385,121	$ 37,308	$ 48,337	$ 28,599

Cont'd

City of Marina

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2023

	Special Revenue Funds				
	Road Maintenance & Rehabilitation Fund	Transportation Safety & Investment Fund	National Parka Recreation Services Fund	ARPA Grant Fund	Seabreeze Assessment District Fund
REVENUES					
Taxes and assessments	$ 480,976	$ 1,001,783	$ -	$ -	$ 6,731
Intergovernmental	-	-	-	2,724,850	-
Charges for services	-	-	72,496	-	-
Investment earnings	7,105	4,736	6,861	55,534	8
Other revenue	-	-	-	-	-
Total Revenues	488,081	1,006,519	79,357	2,780,384	6,739
EXPENDITURES					
Current:					
General government	-	-	23	-	-
Public works	-	4,000	-	-	4,546
Economic & community development	-	-	-	-	-
Recreation & cultural services	-	-	5,735	-	-
Capital outlay	-	-	-	-	-
Debt service					
Principal	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total Expenditures	-	4,000	5,758	-	4,546
Excess (Deficiency) of Revenues over Expenditures	488,081	1,002,519	73,599	2,780,384	2,193
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	-	-
Transfers out	(400,000)	(950,000)	(18,917)	(5,239,980)	(2,394)
Proceeds from debt issuance	-	-	-	-	-
Proceeds from debt premiums	-	-	-	-	-
Total Other Financing Sources (Uses)	(400,000)	(950,000)	(18,917)	(5,239,980)	(2,394)
Net Change in Fund Balances	88,081	52,519	54,682	(2,459,596)	(201)
Fund Balances Beginning	489,999	931,680	309,681	2,459,596	(276)
Fund Balances Ending	$ 578,080	$ 984,199	$ 364,363	$ -	$ (477)

Cont'd

City of Marina

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2023

	Special Revenue Funds				
	Monterey Bay Estates Assessment District Fund	Cypress Cove II Assessment District Fund	CFD 2007-2 Locke-Paddon Fund	CFD 2015-1 Dunes Fund	Housing Assistance Fund
REVENUES					
Taxes and assessments	$ 12,349	$ 19,870	$ 16,459	$ 301,852	$ -
Intergovernmental	-	-	-	-	-
Charges for services	-	-	-	-	-
Investment earnings	297	227	616	21,968	36,569
Other revenue	-	-	-	-	-
Total Revenues	12,646	20,097	17,075	323,820	36,569
EXPENDITURES					
Current:					
General government	-	-	-	-	-
Public works	11,850	10,823	3,732	4,579	-
Economic & community development	-	-	-	-	-
Recreation & cultural services	-	-	-	-	-
Capital outlay	-	-	-	-	-
Debt service					
Principal	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total Expenditures	11,850	10,823	3,732	4,579	-
Excess (Deficiency) of Revenues over Expenditures	796	9,274	13,343	319,241	36,569
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	-	-
Transfers out	(4,754)	(4,340)	(747)	(2,770)	-
Proceeds from debt issuance	-	-	-	-	-
Proceeds from debt premiums	-	-	-	-	-
Total Other Financing Sources (Uses)	(4,754)	(4,340)	(747)	(2,770)	-
Net Change in Fund Balances	(3,958)	4,934	12,596	316,471	36,569
Fund Balances Beginning	17,037	8,510	24,058	948,045	1,804,914
Fund Balances Ending	$ 13,079	$ 13,444	$ 36,654	$ 1,264,516	$ 1,841,483

Cont'd

City of Marina

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2023

	Debt Service Funds			
	2015 GO Refunding Bonds Fund	Marina Landing Improvement Bonds Fund	Marina Greens Improvement Bonds Fund	Measure X Certificate of Participation Debt Service Fund
REVENUES				
Taxes and assessments	$ 553,529	$ -	$ -	$ -
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Investment earnings	4,800	144	36	325,095
Other revenue	-	-	-	-
Total Revenues	558,329	144	36	325,095
EXPENDITURES				
Current:				
General government	1,130	-	-	-
Public works	-	-	-	-
Economic & community development	-	-	-	-
Recreation & cultural services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	295,000	-	-	320,000
Interest and fiscal charges	227,531	-	-	787,944
Total Expenditures	523,661	-	-	1,107,944
Excess (Deficiency) of Revenues over Expenditures	34,668	144	36	(782,849)
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	775,967
Transfers out	(14,855)	-	-	-
Proceeds from debt issuance	-	-	-	10,870,000
Proceeds from debt premiums	-	-	-	969,415
Total Other Financing Sources (Uses)	(14,855)	-	-	12,615,382
Net Change in Fund Balances	19,813	144	36	11,832,533
Fund Balances Beginning	453,814	7,100	1,716	-
Fund Balances Ending	$ 473,627	$ 7,244	$ 1,752	$ 11,832,533

Cont'd

EXHIBIT A

City of Marina

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2023

	Capital Projects Funds			
	Measure X Road and Transportation Fund	Airport Capital Projects Fund	Park Facilities Fund	Total Nonmajor Governmental Funds
REVENUES				
Taxes and assessments	$ -	$ -	$ -	$ 3,042,089
Intergovernmental	200,000	254,441	-	3,179,291
Charges for services	-	-	-	72,496
Investment earnings	130,421	36,521	19	674,796
Other revenue	-	-	-	50,000
Total Revenues	330,421	290,962	19	7,018,672
EXPENDITURES				
Current:				
General government	-	-	-	1,153
Public works	-	-	-	513,051
Economic & community development	-	-	-	113,339
Recreation & cultural services	-	-	-	5,735
Capital outlay	1,850,780	566,394	-	2,417,174
Debt service				
Principal	-	-	-	615,000
Interest and fiscal charges	-	-	-	1,015,475
Total Expenditures	1,850,780	566,394	-	4,680,927
Excess (Deficiency) of Revenues over Expenditures	(1,520,359)	(275,432)	19	2,337,745
OTHER FINANCING SOURCES (USES)				
Transfers in	2,201,137	1,335,738	-	4,312,842
Transfers out	(886,711)	(34,717)	-	(7,622,585)
Proceeds from debt issuance	-	-	-	10,870,000
Proceeds from debt premiums	-	-	-	969,415
Total Other Financing Sources (Uses)	1,314,426	1,301,021	-	8,529,672
Net Change in Fund Balances	(205,933)	1,025,589	19	10,867,417
Fund Balances Beginning	4,921,480	958,587	862	13,743,049
Fund Balances Ending	$ 4,715,547	$ 1,984,176	$ 881	$ 24,610,466

Concluded

GENERAL FUND COMBINING SCHEDULES

The ***General Fund*** is the City's primary operating fund. This 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 another fund. For the City, the general fund includes such activities as public safety, public ways and facilities, parks and recreation services, and economic development services.

City of Marina

Combining Balance Sheet
General Fund
June 30, 2023

	General Fund	Vehicle & Equipment Replacement Fund	OPEB Obligation Fund	Pension Stabilization Fund	Library Maintenance Fund	Total General Fund
ASSETS						
Cash and investments	$ 35,687,716	$ 4,118,143	$ 200,000	$ 3,000,000	$ 254,524	$ 43,260,383
Restricted cash and investments	235,038	-	-	-	-	235,038
Accounts receivable	3,858,912	-	-	-	-	3,858,912
Notes receivable	23,734	-	-	-	-	23,734
Leases receivable	1,158,520	-	-	-	-	1,158,520
Total assets	$ 40,963,920	$ 4,118,143	$ 200,000	$ 3,000,000	$ 254,524	$ 48,536,587
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES						
Liabilities:						
Accounts payable	$ 1,183,543	$ -	$ -	$ -	$ 910	$ 1,184,453
Accrued payroll and benefits	552,846	-	-	-	8	552,854
Deposits and other liabilities	1,309,299	-	-	-	-	1,309,299
Total liabilities	3,045,688	-	-	-	918	3,046,606
Deferred Inflows of Resources:						
Leases receivable	849,351	-	-	-	-	849,351
Unavailable revenues	307,042	-	-	-	-	307,042
Total deferred inflows of resources	1,156,393	-	-	-	-	1,156,393
Fund Balances:						
Nonspendable	309,169	-	-	-	-	309,169
Restricted	235,038	-	-	-	-	235,038
Committed						
Emergency Reserve	5,967,235	-	-	-	-	5,967,235
Facilities Repairs	500,000	-	-	-	-	500,000
Compensated Absences	400,000	-	-	-	-	400,000
Community Improvements	641,268	-	-	-	-	641,268
Fire Truck Purchase	1,889,888	-	-	-	-	1,889,888
Vehicle & Equipment Replacement	-	4,118,143	-	-	-	4,118,143
OPEB	-	-	200,000	-	-	200,000
Pension Stabilization	-	-	-	3,000,000	-	3,000,000
Library Maintenance	-	-	-	-	253,606	253,606
Unassigned	26,819,241	-	-	-	-	26,819,241
Total fund balances	36,761,839	4,118,143	200,000	3,000,000	253,606	44,333,588
Total liabilities, deferred inflows of resources and fund balances	$ 40,963,920	$ 4,118,143	$ 200,000	$ 3,000,000	$ 254,524	$ 48,536,587

City of Marina

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

General Fund

For the Year Ended June 30, 2023

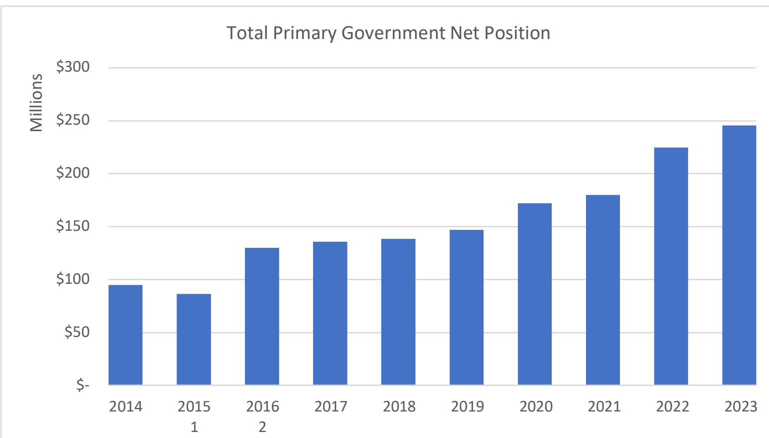
	General Fund	Vehicle & Equipment Replacement Fund	OPEB Obligation Fund	Pension Stabilization Fund	Library Maintenance Fund	Eliminations	Total General Fund
REVENUES							
Taxes and assessments	$26,010,177	$ -	$ -	$ -	$ -	$ -	$26,010,177
Licenses, permits and fees	4,383,208	-	-	-	-	-	4,383,208
Fines and forfeitures	100,419	-	-	-	-	-	100,419
Intergovernmental	557,506	-	-	-	-	-	557,506
Charges for services	4,936,215	-	-	-	-	-	4,936,215
Investment earnings	1,200,285	-	-	150,000	-	-	1,350,285
Local contributions	38,710	-	-	-	-	-	38,710
Other revenue	184,579	-	-	-	-	-	184,579
Total Revenues	37,411,099	-	-	150,000	-	-	37,561,099
EXPENDITURES							
Current:							
General government	9,209,418	63,348	-	-	-	-	9,272,766
Public safety	13,228,179	-	-	-	-	-	13,228,179
Public works	1,571,952	-	-	-	-	-	1,571,952
Economic & community development	3,552,677	-	-	-	11,183	-	3,563,860
Recreation & cultural services	859,791	-	-	-	-	-	859,791
Capital outlay	49,376	-	-	-	-	-	49,376
Debt service							
Principal	309,735	210,929	-	-	-	-	520,664
Interest and fiscal charges	20,285	41,708	-	-	-	-	61,993
Total Expenditures	28,801,413	315,985	-	-	11,183	-	29,128,581
Excess (Deficiency) of Revenues over Expenditures	8,609,686	(315,985)	-	150,000	(11,183)	-	8,432,518
OTHER FINANCING SOURCES (USES)							
Transfers in	5,614,337	905,000	-	350,000	-	(1,255,000)	5,614,337
Transfers out	(3,631,348)	-	-	-	(2,965)	1,255,000	(2,379,313)
Total Other Financing Sources (Uses)	1,982,989	905,000	-	350,000	(2,965)	-	3,235,024
Net Change in Fund Balances	10,592,675	589,015	-	500,000	(14,148)	-	11,667,542
Fund Balances Beginning	26,169,164	3,529,128	200,000	2,500,000	267,754	-	32,666,046
Fund Balances Ending	$36,761,839	$4,118,143	$200,000	$3,000,000	$ 253,606	$ -	$44,333,588

STATISTICAL SECTION

City of Marina
Net Position
Last Ten Fiscal Years

TABLE 1

	Fiscal Year Ended June 30,									
	2014	2015 [1]	2016 [2]	2017	2018	2019	2020	2021	2022	2023
Governmental activities:										
Net investment in capital assets	$ 20,295,121	$ 22,196,868	$ 61,460,494	$ 64,902,023	$ 74,531,326	$ 74,955,690	$ 76,644,586	$ 77,649,251	$ 78,193,840	$ 71,602,733
Restricted	7,082,547	8,194,764	6,559,194	9,355,317	12,369,283	14,377,743	32,932,269	36,675,399	49,490,708	67,645,647
Unrestricted	18,619,528	7,227,722	12,018,477	11,101,690	1,153,328	5,397,539	8,141,549	10,374,278	41,188,811	49,112,851
Total governmental activities net position	$ 45,997,196	$ 37,619,354	$ 80,038,165	$ 85,359,030	$ 88,053,937	$ 94,730,972	$ 117,718,404	$ 124,698,928	$ 168,873,359	$ 188,361,231
Business-type activities:										
Net investment in capital assets	$ 43,551,275	$ 43,324,510	$ 42,332,248	$ 42,448,410	$ 41,999,782	$ 41,393,300	$ 42,711,663	$ 41,902,328	$ 41,330,576	$ 40,047,291
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	5,543,355	5,561,505	7,457,704	7,987,512	8,317,449	10,759,921	11,561,226	13,231,995	14,596,097	17,250,971
Total business-type activities net position	$ 49,094,630	$ 48,886,015	$ 49,789,952	$ 50,435,922	$ 50,317,231	$ 52,153,221	$ 54,272,889	$ 55,134,323	$ 55,926,673	$ 57,298,262
Primary government:										
Net investment in capital assets	$ 63,846,396	$ 65,521,378	$ 103,792,742	$ 107,350,433	$ 116,531,108	$ 116,348,990	$ 119,356,249	$ 119,551,579	$ 119,524,416	$ 111,650,024
Restricted	7,082,547	8,194,764	6,559,194	9,355,317	12,369,283	14,377,743	32,932,269	36,675,399	49,490,708	67,645,647
Unrestricted	24,162,883	12,789,227	19,476,181	19,089,202	9,470,777	16,157,460	19,702,775	23,606,273	55,784,908	66,363,822
Total primary government net position	$ 95,091,826	$ 86,505,369	$ 129,828,117	$ 135,794,952	$ 138,371,168	$ 146,884,193	$ 171,991,293	$ 179,833,251	$ 224,800,032	$ 245,659,493



Notes:

1 In Fiscal 2014/15, the City implemented Governmental Accounting Standards Board (GASB) Statement 68 - Accounting and Financial Reporting for Pensions, requiring the City to record a fictitious pension liability that was previously neither measurable nor recorded on the City's financial statements

2 In Fiscal 2015/16, the City acquired two significant capital assets; Preston Park Housing Project $35.1 million and Dunes infrastructure $2.9 million

Source: City of Marina Audited Financial Statements

City of Marina

TABLE 2

Changes in Net Position
Last Ten Fiscal Years

	Fiscal Year Ended June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Expenses										
Governmental activities:										
General government	$ 2,916,551	$ 2,984,155	$ 3,480,230	$ 4,692,664	$ 5,513,745	$ 5,858,902	$ 7,628,497	$ 8,897,835	$ 8,136,329	$ 10,144,291
Public safety	10,600,203	10,128,248	9,854,516	11,351,326	10,668,593	10,604,157	14,422,863	13,666,296	14,228,442	14,912,300
Public works	2,757,413	2,887,311	1,873,600	1,908,465	1,915,307	2,216,656	2,689,673	2,405,492	2,132,980	2,244,348
Economic & Community Development	1,791,747	1,424,974	2,441,492	1,927,976	2,259,928	2,803,220	3,956,676	5,247,962	4,980,771	10,030,796
Recreation & cultural services	1,232,087	1,069,775	1,179,699	1,173,364	1,197,500	1,169,832	1,244,526	940,929	1,050,440	974,459
Public Inprovements	765,115	896,127	1,505,639	1,689,946	1,883,898	2,177,696	-	-	-	-
Interest and fiscal charges	1,030,828	1,407,245	796,761	667,627	553,256	558,500	591,768	639,390	561,904	1,487,548
Total governmental activities expenses	21,093,944	20,797,835	21,131,937	23,411,368	23,992,227	25,388,963	30,534,003	31,797,904	31,090,866	39,793,742
Business-type activities:										
Airport	2,139,705	1,901,134	1,578,540	1,608,413	1,702,082	1,485,600	1,653,799	1,892,873	1,968,765	2,023,224
Preston Park Housing	-	-	3,940,705	6,435,459	6,622,148	2,594,187	6,083,395	6,317,011	7,304,452	6,687,201
Abrams-B Housing	2,897,135	2,606,945	3,224,211	3,106,604	3,394,698	5,974,685	4,128,113	3,167,489	2,989,874	2,999,833
Total business-type activities expenses	5,036,840	4,508,079	8,743,456	11,150,476	11,718,928	10,054,472	11,865,307	11,377,373	12,263,091	11,710,258
Total primary government expenses	$ 26,130,784	$ 25,305,914	$ 29,875,393	$ 34,561,844	$ 35,711,155	$ 35,443,435	$ 42,399,310	$ 43,175,277	$ 43,353,957	$ 51,504,000
Program Revenues										
Governmental activities:										
Charges for services & program revenues:										
General government	$ 2,857,217	$ 573,764	$ 2,494,834	$ 2,499,202	$ 3,932,540	$ 4,020,638	$ 4,232,396	$ 3,763,108	$ 3,932,646	$ 4,967,751
Public safety	848,336	603,046	786,543	733,781	909,599	218,953	196,284	289,185	359,321	356,363
Public works	905,055	1,751,989	-	599	440	-	-	-	-	-
Economic & Community Development	3,390,067	2,898,550	1,252,538	1,685,111	1,473,747	1,430,281	3,801,226	6,584,030	20,970,137	13,214,227
Recreation & cultural services	179,949	178,301	81,713	77,361	94,627	92,731	172,209	81,644	128,622	118,473
Public Inprovements	60,905	1,056,078	1,929,360	2,306,877	2,295,007	1,776,845	-	-	-	-
Debt Service	1,063,287	1,215,804	-	-	-	-	-	-	-	-
Operating grants and contributions	501,893	438,044	380,876	-	397,385	846,776	1,018,974	1,788,253	5,145,614	3,288,535
Capital grants and contributions	658,007	2,286,975	4,585,380	-	1,197,861	1,517,506	11,212,794	383,039	8,178,443	3,020,487
Total governmental activities program revenues	10,464,716	11,002,551	11,511,244	7,302,931	10,301,206	9,903,730	20,633,883	12,889,259	38,714,783	24,965,836
Business-type activities:										
Charges for services:										
Airport	1,188,608	1,235,090	1,135,525	1,157,167	1,078,147	1,331,552	1,340,046	1,790,543	1,805,219	2,154,934
Preston Park Housing	-	-	4,934,125	6,328,162	6,469,476	3,455,449	6,843,782	7,058,160	7,190,772	7,388,417
Abrams-B Housing	2,965,994	3,058,722	3,197,353	3,264,067	3,324,176	6,687,941	3,495,394	3,477,132	3,662,562	3,779,079
Operating grants and contributions	-	-	10,000	390,351	10,000	-	-	-	-	-
Capital grants and contributions	-	-	-	3,986,805	696,860	-	2,530,886	462,750	669,523	489,473
Total business-type activities program revenues	4,154,602	4,293,812	9,277,003	15,126,552	11,578,659	11,474,942	14,210,108	12,788,585	13,328,076	13,811,903
Total primary government program revenues	14,619,318	15,296,363	20,788,247	22,429,483	21,879,865	21,378,672	34,843,991	25,677,844	52,042,859	38,777,739
Net (expense)/revenue:										
Governmental activities	(10,629,228)	(9,795,284)	(9,620,693)	(16,108,437)	(13,691,021)	(15,485,233)	(9,900,120)	(18,908,645)	7,623,917	(14,827,906)
Business-type activities	(882,238)	(214,267)	533,547	3,976,076	(140,269)	1,420,470	2,344,801	1,411,212	1,064,985	2,101,645
Total primary government net (expense)/revenue	$ (11,511,466)	$ (10,009,551)	$ (9,087,146)	$ (12,132,361)	$ (13,831,290)	$ (14,064,763)	$ (7,555,319)	$ (17,497,433)	$ 8,688,902	$ (12,726,261)
General Revenues and Other Changes in Net Assets										
Governmental activities:										
Taxes										
Property taxes	$ 4,595,756	$ 5,109,408	$ 2,719,013	$ 3,018,698	$ 3,261,967	$ 3,796,881	$ 3,724,035	$ 3,919,415	$ 4,502,513	$ 5,182,526
Sales and use taxes	4,588,760	4,849,207	5,210,921	5,366,144	5,929,585	6,862,925	8,420,971	9,640,663	11,207,575	11,111,996
Franchise taxes	726,548	823,764	1,007,012	1,084,574	1,173,881	1,976,778	1,225,160	1,238,550	1,379,811	1,349,123
Transient occupancy taxes	2,154,023	2,395,263	2,549,531	2,680,928	3,297,828	4,008,179	3,472,430	3,501,246	4,631,337	4,584,644
Gas taxes	-	-	-	-	-	-	946,422	986,884	946,041	1,015,025
Motor vehicle taxes	-	-	2,685,134	2,934,743	3,252,508	3,649,318	4,012,763	4,360,659	4,756,478	5,241,930
Other taxes	-	-	-	-	-	-	142,225	101,780	211,466	567,023
Grants not restricted to a program	-	-	-	-	-	-	2,149,827	139,197	69,807	254,442
Investment earnings	23,541	28,416	75,584	149,622	402,805	613,259	973,856	679,275	319,032	2,881,166
Transfers, Miscellaneous & One-time revenues	1,641,886	1,423,896	730,262	1,817,437	2,466,111	1,254,928	1,536,863	1,597,893	1,423,504	2,127,903
Special items	-	-	37,062,047	-	(3,398,757)	-	6,283,000	-	6,323,477	-
Total governmental activities	13,730,514	14,629,954	52,039,504	17,052,146	16,385,928	22,162,268	32,887,552	26,165,562	35,771,041	34,315,778
Business-type activities:										
Other revenue	-	-	-	-	-	-	274,299	226,507	252,874	232,584
Investment earnings	5,941	5,653	6,954	10,824	21,578	76,494	87,568	55,758	171,877	367,665
Contributed capital assets	13,960			1,036,227	-	324,720	-	-	-	-
Transfers In(Out) Net	-	-	-	-	-	14,306	(587,000)	(832,043)	(864,575)	(1,330,305)
Total business-type activities	19,901	5,653	6,954	1,047,051	21,578	415,520	(225,133)	(549,778)	(439,824)	(730,056)
Total primary government	$ 13,750,415	$ 14,635,607	$ 52,046,458	$ 18,099,197	$ 16,407,506	$ 22,577,788	$ 32,662,419	$ 25,615,784	$ 35,331,217	$ 33,585,722
Change in Net Position										
Governmental activities	$ 3,101,286	$ 4,834,670	$ 42,418,811	$ 943,709	$ 2,694,907	$ 6,677,035	$ 22,987,432	$ 7,256,917	$ 43,394,958	$ 19,487,872
Business-type activities	(862,337)	(208,614)	540,501	5,023,127	(118,691)	1,835,990	2,119,668	861,434	625,161	1,371,589
Total primary government	$ 2,238,949	$ 4,626,056	$ 42,959,312	$ 5,966,836	$ 2,576,216	$ 8,513,025	$ 25,107,100	$ 8,118,351	$ 44,020,119	$ 20,859,461

Source: City of Marina Audited Financial Statements

City of Marina

TABLE 3

Fund Balances of Governmental Funds
Last Ten Fiscal Years

	Fiscal Year Ended June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Fund										
Nonspendable	$ 545,361	$ 715,669	$ 543,713	$ 530,713	$ 530,713	$ -	$ -	$ -	$ 403,700	$ 309,169
Restricted	180,782	396,081	446,329	211,371	511,371	239,497	595,729	235,609	241,408	235,038
Committed	200,000	603,705	570,730	7,027,012	7,367,012	9,644,438	10,597,489	11,457,490	13,498,251	15,080,252
Unassigned	6,478,231	6,142,694	6,340,666	1,318,952	4,157,087	7,549,288	13,313,018	15,435,737	18,522,687	28,709,129
Total General Fund	$ 7,404,374	$ 7,858,149	$ 7,901,438	$ 9,088,048	$ 12,566,183	$ 17,433,223	$ 24,506,236	$ 27,128,836	$ 32,666,046	$ 44,333,588
All other governmental funds										
Restricted				-						
Recreation & Social Service Programs	$ 388,107	$ 437,778	$ 396,963	$ 456,117	$ 529,410	$ 603,788	$ 641,522	$ 263,153	$ 309,681	$ 364,363
Transportation and Streets	-	-	-	-	-	-	1,655,668	2,130,397	2,449,778	2,918,571
Economic & Community Development	4,691,109	6,742,282	5,094,894	8,270,438	10,318,250	13,121,425	25,464,987	28,452,169	41,488,214	47,465,962
Capital Improvements & Maintenance	918,950	15,068	59,329	256,727	950,955	1,500,191	3,613,719	4,639,733	8,340,525	6,700,604
Debt service	903,599	603,555	561,680	859,522	884,213	889,834	960,644	954,338	925,612	12,733,230
Committed	3,984,776	4,935,756	8,159,831	5,411,834	6,617,787	5,960,566	6,966,622	8,522,887	29,502,879	27,337,841
Unassigned	-	-	-	-	-	(376)	(1,561)	(2,296)	(276)	(477)
Total all other governmental funds	$ 10,886,541	$ 12,734,439	$ 14,272,697	$ 15,254,638	$ 19,300,615	$ 22,075,428	$ 39,301,601	$ 44,960,381	$ 83,016,413	$ 97,520,094
Fund Balance - All Governmental Funds	**$ 18,290,915**	**$ 20,592,588**	**$ 22,174,135**	**$ 24,342,686**	**$ 31,866,798**	**$ 39,508,651**	**$ 63,807,837**	**$ 72,089,217**	**$ 115,682,459**	**$ 141,853,682**

Source: City of Marina audited financial statements

TABLE 4

City of Marina
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years

	Fiscal Year Ended June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Revenues										
Taxes & assessments	$ 13,403,846	$ 13,859,210	$ 14,776,278	$ 15,622,866	$ 17,513,555	$ 21,359,063	$ 21,944,005	$ 23,749,197	$ 27,906,373	$ 29,052,266
Licenses, Permits & Fees	444,470	515,123	545,288	672,613	2,127,179	2,346,192	1,962,170	2,446,456	10,878,675	7,382,359
Fines and penalties	195,743	194,540	144,598	146,415	106,116	102,543	60,958	95,186	109,348	100,419
Intergovernmental revenues	-	-	2,649,113	3,224,446	2,252,459	2,069,412	15,455,706	2,530,786	5,759,109	4,282,955
Charges for services	8,730,551	9,732,507	5,315,358	5,203,312	6,074,165	5,136,602	6,378,832	8,064,882	14,357,935	11,010,300
Investment Earnings	38,287	41,926	75,584	149,622	402,532	613,259	973,856	679,275	319,032	2,881,166
Local contributions	-	-	-	-	-	-	-	-	7,500,523	2,764,985
Other revenues	108,332	1,242,920	39,664,855	2,893,494 (i	1,169,157 (ii	839,396	979,403	1,224,019	1,079,380	961,336
Total revenues	22,921,229	25,586,226	63,171,074	27,912,768	29,645,163	32,466,467	47,754,930	38,789,801	67,910,375	58,435,786
Expenditures										
General government	2,333,193	2,512,974	2,765,874	3,350,106	4,334,089	4,664,354	5,310,952	6,690,092	7,003,641	9,273,919
Public safety	10,209,287	10,551,880	10,425,058	10,581,491	10,127,912	10,300,132	11,281,745	12,046,544	12,800,633	13,228,179
Public works	2,686,096	2,906,689	1,784,937	1,798,782	1,821,925	1,868,424	2,109,907	2,206,588	1,935,452	2,085,003
Economic & community development	1,800,790	1,448,506	2,441,977	1,923,875	2,254,588	2,641,074	2,439,900	4,052,730	3,694,361	8,441,084
Recreation & cultural services	1,080,272	895,100	964,613	950,754	1,002,449	994,789	950,128	812,409	926,437	865,526
Public improvements/capital outlay	3,153,496	2,722,948	41,314,503	6,281,854	2,042,472	3,678,333	6,850,668	3,994,336	4,200,899	8,582,716
Debt Service										
Principal	1,214,878	661,757	1,284,007	889,686	625,200	765,000	809,692	888,516	991,695	1,600,664
Interest and fiscal charges	1,041,082	1,063,563	734,155	719,354	641,193	561,358	572,752	649,249	572,916	1,357,192
Total expenditures	23,519,094	22,763,417	61,715,124	26,495,902	22,849,828	25,473,464	30,325,744	31,340,464	32,126,034	45,434,283
Excess of revenues over(under) expenditures	(597,865)	2,822,809	1,455,950	1,416,866	6,795,335	6,993,003	17,429,186	7,449,337	35,784,341	13,001,503
Other financing sources (uses)										
Transfers in	2,928,560	3,149,165	4,669,312	2,156,862	1,312,011	4,298,165	6,421,672	5,821,845	22,344,337	13,794,033
Transfers out	(2,387,529)	(3,017,733)	(4,543,717)	(1,405,176)	(583,234)	(4,312,471)	(5,834,672)	(4,989,802)	(21,479,762)	(12,463,728)
Sale of capital assets	1,068,800	-	-	-	-	-	6,283,000	-	6,323,477	-
Issuance of long-term debt	-	(401,716)	-	-	-	663,156	-	-	275,212	11,839,415
Total other financing sources (uses)	1,609,831	(270,284)	125,595	751,686	728,777	648,850	6,870,000	832,043	7,463,264	13,169,720
Net change in fund balances	$ 1,011,966	$ 2,552,525	$ 1,581,545	$ 2,168,552	$ 7,524,112	$ 7,641,853	$ 24,299,186	$ 8,281,380	$ 43,247,605	$ 26,171,223
Beginning Fund Balances	17,278,949	18,290,915	20,592,588	22,174,136	24,342,686	31,866,798	39,508,651	63,807,837	72,089,217	115,682,459
Rounding			3	(2)	-	-	-	-	-	-
Prior-period adjustment	-	(250,852)	-	-	-	-	-	-	345,637	-
Ending Fund Balances	$ 18,290,915	$ 20,592,588	$ 22,174,136	$ 24,342,686	$ 31,866,798	$ 39,508,651	$ 63,807,837	$ 72,089,217	$ 115,682,459	$ 141,853,682
				(i)	(i)					

(i) - during FY 2015/2016 the City recorded a one-time revenue resulting from sale of a 50-year leasehold interest in the Preston Park Housing development to the Preston Park Corporation. An extraordinay capital outlay cost was recorded for the acquisition of that asset.In addition, the developer of the former University Villages donated almost $3 Million infrastructure which was recognized as one-time revenue. Other one-time capital asset-related revenues totalled $1.3 Million

(ii) - During fiscal 2016/17 The City recorded a one-time revenue of almost $2 from donation of infrastructure at the Dunes development. In addition, significant extraordinary grants for capital improvements were received.

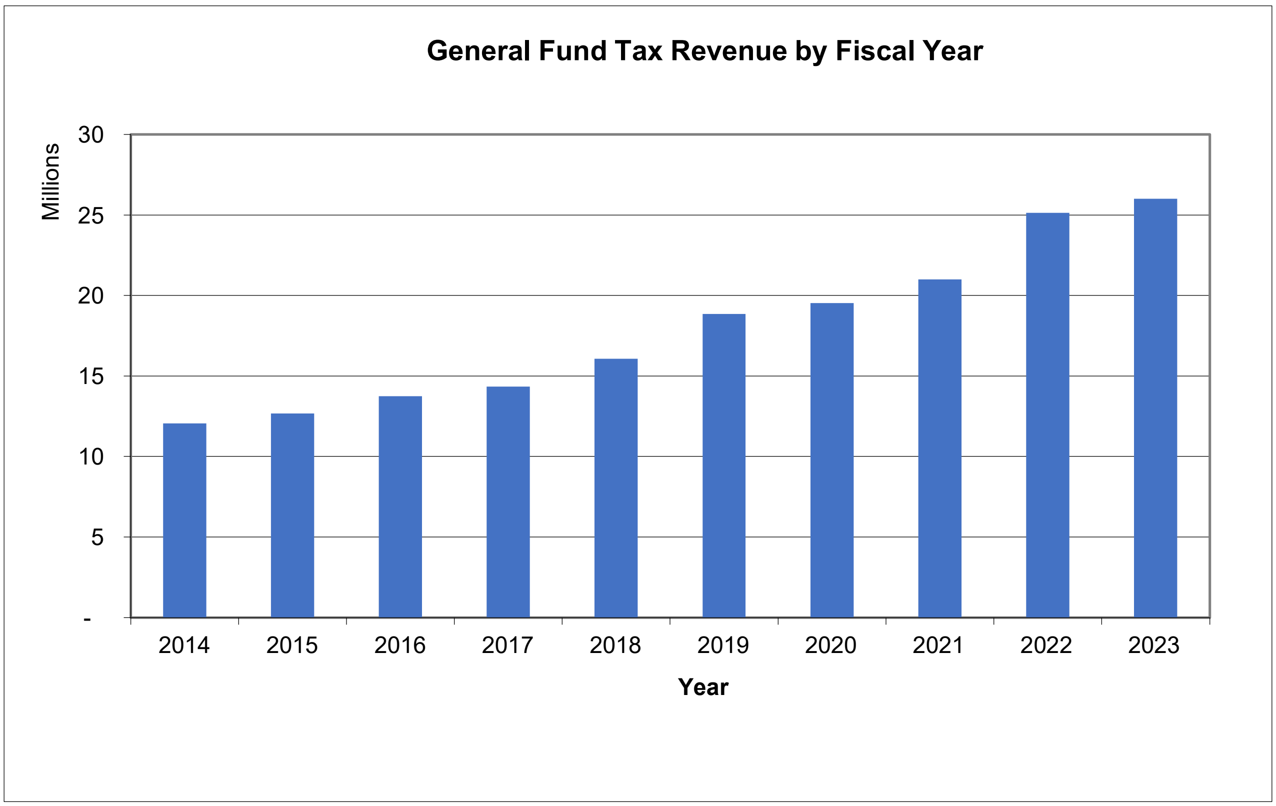
Source: City of Marina Audited Financial Statements

City of Marina

TABLE 5

General Fund Tax Revenues
Last Ten Fiscal Years

Fiscal Year Ended June 30,	Property	Sales	Franchise & Cardroom	Transient Occupancy	Motor Vehicle. In-Lieu	Total
2014	2,199,001	4,588,760	726,548	2,154,023	2,396,756	12,065,088
2015	2,045,073	4,849,207	823,764	2,395,263	2,555,616	12,668,923
2016	2,252,005	5,210,921	1,037,816	2,549,531	2,685,134	13,735,407
2017	2,462,394	5,288,097	983,741	2,680,927	2,934,017	14,349,176
2018	2,616,657	5,847,182	1,057,654	3,297,828	3,252,508	16,071,829
2019	3,079,361	6,862,925	1,259,574	4,008,180	3,649,318	18,859,358
2020	3,044,638	7,740,865	1,249,755	3,472,431	4,012,763	19,520,452
2021	3,111,184	8,793,254	1,221,904	3,501,246	4,360,659	20,988,247
2022	3,790,110	10,365,252	1,591,277	4,631,337	4,756,478	25,134,454
2023	4,271,735	10,110,214	1,801,654	4,584,644	5,241,930	26,010,177



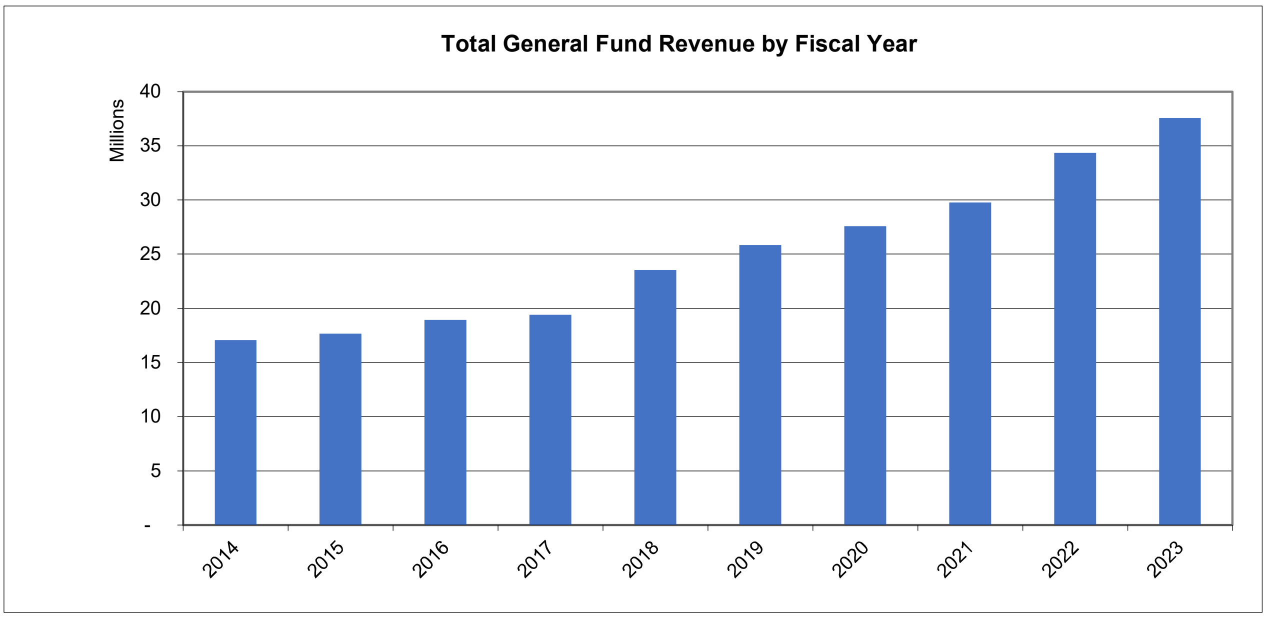
Source: City of Marina Financial Statements

City of Marina

TABLE 6

General Fund Revenues
Last Ten Fiscal Years

Fiscal Year Ended June 30,		Taxes	Licenses, Permits & Fees	Fines, Penalties and Forfeitures	Chrg for Svcs Grants & Program Income	Investment Earnings	Other	Total *
2014		12,065,088	444,470	195,743	4,295,003	23,597	32,054	17,055,955
2015		12,668,923	515,123	194,540	4,016,197	26,961	236,379	17,658,123
2016	**	13,735,407	545,288	144,598	4,311,415	41,376	145,502	18,923,586
2017	***	14,349,176	672,613	146,415	3,719,176	96,574	429,215	19,413,169
2018		16,071,829	2,127,179	106,116	3,455,823	242,670	1,531,133	23,534,750
2019		18,859,358	2,346,192	102,543	3,313,868	334,220	881,440	25,837,621
2020		19,502,452	1,962,170	60,957	4,045,957	552,780	1,445,811	27,570,127
2021		20,988,247	2,446,456	95,186	5,429,334	323,971	466,679	29,749,873
2022		25,134,454	2,721,385	109,348	5,861,947	164,114	349,519	34,340,767
2023		26,010,177	4,383,208	100,419	5,493,721	1,350,285	223,294	37,561,104



Source: City of Marina Financial Statements

* Excludes transfers in from other funds

** Other excludes $37.9 million non-cash capital assets transactions for consistency

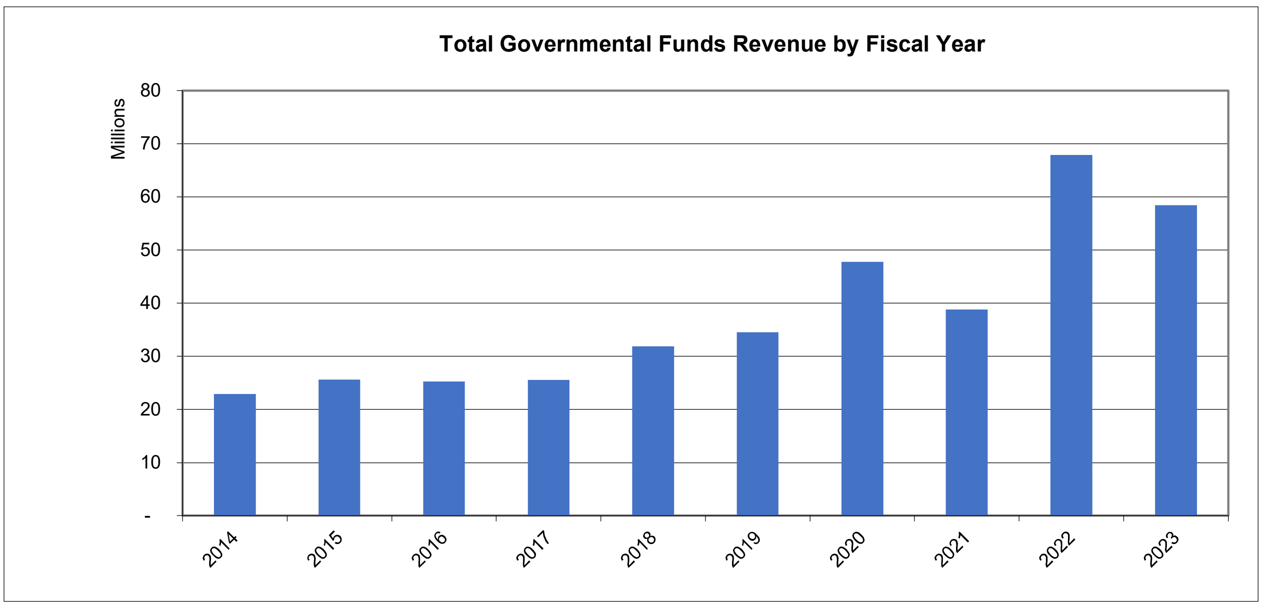
*** Other excludes $1.6 million non-cash capital assets transactions for consistency

City of Marina

TABLE 7

All Governmental Funds Revenues
Last Ten Fiscal Years

Fiscal Year Ended June 30,		Taxes & Assessments	Licenses, Permits & Fees	Fines, Penalties and Forfeitures	Intergov't Revenues	Chrg for Services	Investment Earnings	Other	Total *
2014		13,403,846	444,470	195,743	-	8,730,551	38,287	108,332	22,921,229
2015		13,859,210	515,123	194,540	-	9,732,507	41,926	1,242,920	25,586,226
2016	**	14,776,278	545,288	144,598	2,649,113	5,315,358	75,584	1,751,986	25,258,205
2017	***	15,622,866	672,613	146,415	3,224,446	5,203,312	149,622	546,503	25,565,777
2018		17,513,555	2,127,179	106,116	2,252,459	6,074,165	402,532	3,421,616	31,897,622
2019	****	21,359,063	2,346,192	102,543	2,069,412	5,136,602	613,259	2,908,808	34,535,879
2020		21,944,005	1,962,170	60,958	15,455,706	6,378,832	973,856	979,403	47,754,930
2021		23,749,197	2,446,456	95,186	2,530,786	8,064,882	679,275	1,224,019	38,789,801
2022		27,906,373	10,878,675	109,348	5,759,109	14,357,935	319,032	8,579,903	67,910,375
2023		29,052,266	7,382,359	100,419	4,282,955	11,010,300	2,881,166	3,726,321	58,435,786



Source: City of Marina Financial Statements

* Excludes interfund transfers in

** Other excludes $37.9 million non-cash capital lease transactions for consistency

*** Other excludes $1.6 million non-cash capital assets transactions for consistency

**** Other excludes $.66 million non-cash lease transaction for consistency

City of Marina
Total Outstanding Debt
Last Ten Fiscal Years

TABLE 8

	Fiscal Year Ended June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Governmental Activities:										
General obligation library refunding bonds	$ 8,260,000	$ 7,925,000	$ 7,640,000	$ 7,555,000	$ 7,390,000	$ 7,195,000	$ 6,970,000	$ 6,710,000	$ 6,430,000	$ 6,135,000
Pension obligation bonds	1,995,000	1,470,000	900,000	275,000	145,000	-	-	-	-	-
Total General Obligation Bonds	10,255,000	9,395,000	8,540,000	7,830,000	7,535,000	7,195,000	6,970,000	6,710,000	6,430,000	6,135,000
Revenue bonds - Abrams-B Housing	12,165,000	11,820,000	11,465,000	11,275,000	10,860,000	10,435,000	10,005,000	9,565,000	9,115,000	8,650,000
Limited obligation bonds - Marina Greens	155,000	-	-	-	-	-	-	-	-	-
Total Limited Obligation & Revenue Bonds	12,320,000	11,820,000	11,465,000	11,275,000	10,860,000	10,435,000	10,005,000	9,565,000	9,115,000	8,650,000
Total Bonded Indebtedness	22,575,000	21,215,000	20,005,000	19,105,000	18,395,000	17,630,000	16,975,000	16,275,000	15,545,000	14,785,000
Certificates of participation - Measure X	-	-	-	-	-	-	-	-	-	11,480,638
Compensated absences	1,273,047	1,137,080	1,223,211	1,289,557	1,234,374	1,374,294	1,544,477	1,581,280	1,604,523	1,474,423
Leases	164,532	92,774	18,767	-	-	663,156	508,464	596,341	609,858	759,644
Subscription liabilities	-	-	-	-	-	-	-	-	-	636,214
Total Governmental Activities	24,012,579	22,444,854	21,246,978	20,394,557	19,629,374	19,667,450	19,027,941	18,452,621	17,759,381	29,135,919
Business-type Activities:										
Promissory note - Preston Park Housing	-	-	35,950,000	35,950,000	35,950,000	35,950,000	35,950,000	35,950,000	35,950,000	35,950,000
Total Business-type Activities	-	-	35,950,000	35,950,000	35,950,000	35,950,000	35,950,000	35,950,000	35,950,000	35,950,000
Total Debt	$ 24,012,579	$ 22,444,854	$ 57,196,978	$ 56,344,557	$ 55,579,374	$ 55,617,450	$ 54,977,941	$ 54,402,621	$ 53,709,381	$ 65,085,919
Per Capita income[1]	$ 25,101	$ 24,773	$ 25,327	$ 26,525	$ 28,168	$ 29,705	$ 30,895	$ 33,348	$ 38,304	$ 44,678
Personal income[1] (in thousands)	$ 509,601	$ 521,199	$ 546,937	$ 587,343	$ 631,639	$ 681,936	$ 689,608	$ 730,984	$ 821,890	$ 985,949
Debt as percentage of personal income	4.71%	4.31%	10.46%	9.59%	8.80%	8.16%	7.97%	7.44%	6.53%	6.60%
Population[2]	20,302	21,039	21,595	22,143	22,424	22,957	22,321	21,920	21,457	22,068
Total debt per capita	1,183	1,067	2,649	2,545	2,479	2,423	2,463	2,482	2,503	2,949
Taxable Assessed value[3]	1,461,630,562	1,561,125,061	1,642,092,991	1,803,719,945	1,924,857,463	2,168,132,130	2,385,745,200	2,599,147,176	2,838,045,534	3,138,694,133
Total Debt as % of assessed value	1.64%	1.44%	3.48%	3.12%	2.89%	2.57%	2.30%	2.09%	1.89%	2.07%

Notes:

Source: City of Marina Audited Financial Statements

(-) No data available

[1] MuniServices LLC (for 2018 estimated 2% increase from prior year) - Personal Income calculated by multiplying per capita income by total population (see [2])

[2] California Department of Finance

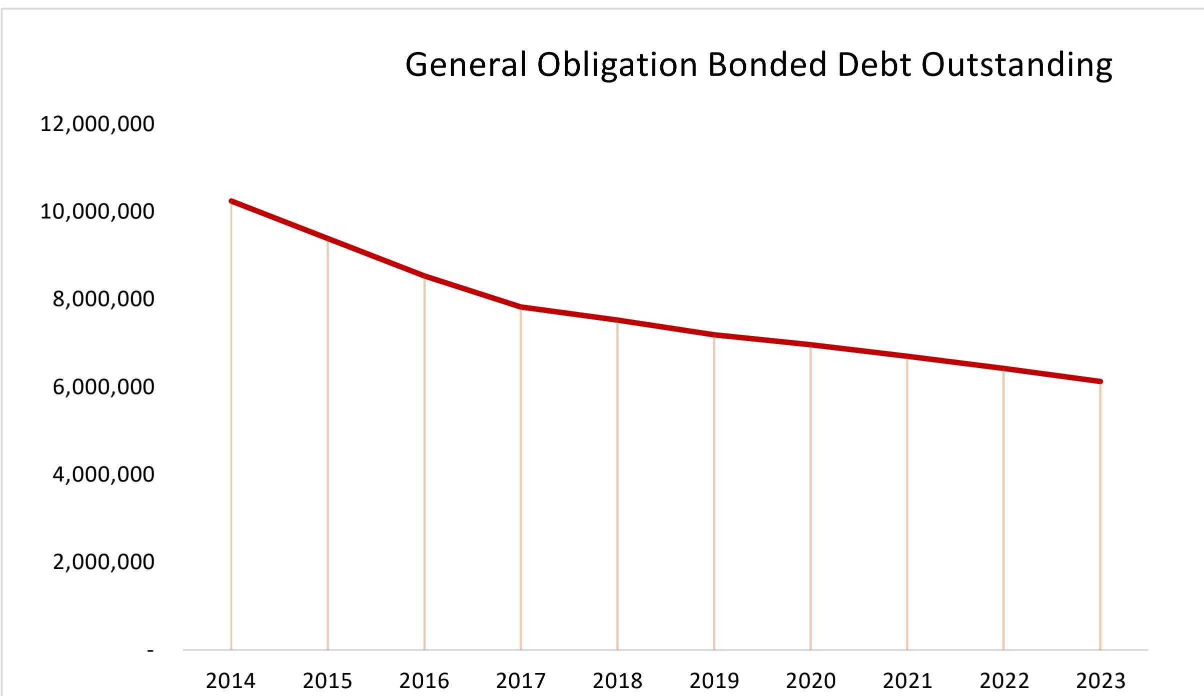
[3] Monterey County Tax Rate Books, as detailed by MuniServices LLC (see Table 11)

City of Marina

TABLE 9

Bonded Debt
Last Ten Fiscal Years

Fiscal Year Ended June 30	Total Bonded Debt[3]	Less: Revenue Bonds[3]	General Obligation Bonded Debt[3]	G.O. Debt as a % of Assessed Value	G.O. Debt Per Capita	Taxable Assessed Value[1]	Population[2]
2014	22,575,000	12,320,000	10,255,000	0.70%	505	1,461,630,562	20,302
2015	21,215,000	11,820,000	9,395,000	0.60%	447	1,561,125,061	21,039
2016	20,005,000	11,465,000	8,540,000	0.52%	395	1,642,092,991	21,595
2017	19,105,000	11,275,000	7,830,000	0.43%	354	1,803,719,945	22,143
2018	18,395,000	10,860,000	7,535,000	0.39%	336	1,924,857,463	22,424
2019	17,630,000	10,435,000	7,195,000	0.33%	313	2,168,132,130	22,957
2020	16,975,000	10,005,000	6,970,000	0.29%	312	2,385,745,200	22,321
2021	16,275,000	9,565,000	6,710,000	0.26%	306	2,599,147,176	21,920
2022	15,545,000	9,115,000	6,430,000	0.23%	300	2,838,045,534	21,457
2023	14,785,000	8,650,000	6,135,000	0.20%	278	3,138,694,133	22,068



Source: [1] Monterey County Auditor-Controller Tax Rate Book
[2] California Department of Finance mid-fiscal year *(e.g. 2008 population @ 1/1/2008)*
[3] City of Marina Audited Financial Statements

City of Marina

TABLE 10

Demographic and Economic Statistics
Last ten fiscal years

Fiscal Year Ended June 30,	Population (1)	Personal Income (2)	Per Capita Personal Income (2)	Median Age (4)	**Public School Enrollment	County Unemployment Rate (%) (3)	City Unemployment Rate(%) (3)	County Population (1)
2014	20,073	503,852	25,101	37.3	10,768	10.1%	6.0%	421,494
2015	20,268	502,099	24,773	36.5	10,653	7.6%	5.7%	425,756
2016	20,872	528,625	25,327	36.5	10,633	8.1%	6.1%	425,413
2017	21,528	571,030	26,525	36.9	10,732	7.6%	5.7%	442,365
2018	22,424	631,639	28,168	36.9	10,685	9.4%	3.1%	443,281
2019	22,957	681,936	29,705	36.8	10,658	4.7%	2.6%	445,414
2020	22,321	689,608	30,895	34.9	10,526	16.8%	19.3%	441,143
2021	21,920	730,984	33,348	33.9	9,994	10.8%	10.2%	437,318
2022	21,457	821,890	38,304	34.4	9,909	4.4%	2.1%	433,716
2023	22,068	985,949	44,678	36.0	9,809	6.3%	3.1%	430,368

Source: MuniServices, LLC / Avenu Insights & Analytics
1.) Population Projections are provided by the California Department of Finance Projections.
2.) Income Data is derived from previous income adjusted for inflation.
3.) Unemployment Data is provided by the EDD's Bureau of Labor Statistics Department.
4.) Data provided by the United States Census Data Sets Tables.
**Student Enrollment reflects the total number of students enrolled in the Monterey Peninsula Unified School District.
Other school districts within the City are not accounted for in this statistic.
(-) No data available

City of Marina

TABLE 11

Citywide Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years

Fiscal Year Ended June 30,	Residential Property	Commercial Property	Other Property	Total Secured Property	Unsecured Property	Less Tax-exempt property	Taxable Assessed Value	Total Direct Tax Rate (1)	Estimated Actual Taxable Value (2)	Factor of Taxable Assessed Value (2)
2014	1,042,168,418	214,316,449	236,797,577	1,493,282,444	57,910,086	89,561,968	1,461,630,562	0.195687	-	-
2015	1,119,179,396	230,300,136	241,538,459	1,591,017,991	60,026,223	89,919,153	1,561,125,061	0.195687	-	-
2016	1,191,143,317	235,961,520	271,722,544	1,698,827,381	60,963,585	117,697,975	1,642,092,991	0.195687	-	-
2017	1,304,549,843	239,333,525	323,669,510	1,867,552,878	70,591,640	134,424,573	1,803,719,945	0.195687	2,566,421,120	1.4228490
2018	1,434,005,745	280,826,470	279,447,839	1,994,280,054	70,557,468	139,980,059	1,924,857,463	0.195687	4,227,144,827	2.1960820
2019	1,624,632,460	299,834,075	324,295,905	2,248,762,440	68,650,466	149,280,776	2,168,132,130	0.195687	3,598,481,418	1.6597150
2020	1,832,903,173	299,403,469	349,422,056	2,481,728,698	74,208,552	170,192,050	2,385,745,200	0.195687	4,402,847,247	1.8454809
2021	2,038,469,193	323,010,924	337,595,275	2,699,075,392	74,931,939	174,860,155	2,599,147,176	0.195687	3,863,740,763	1.4865417
2022	2,171,042,885	333,780,752	411,172,716	2,915,996,353	94,107,175	172,057,994	2,838,045,534	0.195687	4,837,325,669	1.7044567
2023	2,471,422,537	340,238,166	393,102,924	3,204,763,627	114,361,923	180,431,417	3,138,694,133	0.195687	5,396,003,897	1.7191880

Source: Monterey County Assessor data, MuniServices, LLC

(1.) Total direct tax rate is represented by TRA 12-004.

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

(-) No data available

City of Marina

TABLE 12

Total Assessed Value of Property by Use Code, Citywide
Last Ten Fiscal Years

	Fiscal Year Ended June 30,									
Category	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**
Residential	1,042,168,418	1,119,179,396	1,191,143,317	1,304,549,843	1,434,005,745	1,624,632,460	1,832,903,173	2,038,469,193	2,171,042,885	2,471,422,537
Commercial	214,316,449	230,300,136	235,961,520	239,333,525	280,826,470	299,834,075	299,403,469	323,010,924	333,780,752	340,238,166
Vacant	91,495,277	92,842,928	113,779,359	159,784,721	86,517,557	107,563,261	118,749,943	102,071,314	171,033,049	146,279,386
Professional	27,065,788	27,188,660	27,731,885	28,154,791	55,396,279	74,410,577	81,659,246	83,292,426	84,155,329	85,838,430
Industrial	43,126,163	45,472,293	47,528,389	50,935,771	50,311,955	51,429,463	53,428,857	54,707,908	55,772,674	56,902,068
Miscellaneous	23,885,720	24,134,083	24,581,435	24,859,615	28,798,906	30,396,302	31,701,673	32,438,297	32,682,443	33,096,219
Recreation	6,649,897	6,672,672	5,890,646	5,970,475	6,081,476	6,198,320	14,250,237	14,522,610	21,926,784	22,356,651
Rural	10,817,599	10,896,679	11,112,371	11,280,290	13,054,808	14,390,658	14,678,468	14,972,034	15,127,142	19,166,807
Social	13,342,598	13,405,529	13,659,612	13,862,915	14,456,257	14,745,873	15,350,500	15,654,726	15,809,711	15,348,843
Institution	8,890,706	9,014,743	9,217,872	10,257,867	10,439,846	10,584,094	11,083,917	11,248,345	11,222,180	10,604,234
Unknown	11,523,829	11,910,872	18,220,975	18,563,065	14,390,755	14,577,357	8,519,215	8,687,615	3,443,404	3,510,286
Total Secured Value	1,493,282,444	1,591,017,991	1,698,827,381	1,867,552,878	1,994,280,054	2,248,762,440	2,481,728,698	2,699,075,392	2,915,996,353	3,204,763,627
Unsecured	57,910,086	60,026,223	60,963,585	70,591,640	70,557,468	68,650,466	74,208,552	74,931,939	94,107,175	114,361,923
Exemptions	89,561,968	89,919,153	117,697,975	134,424,573	139,980,059	149,280,776	170,192,050	174,860,155	172,057,994	180,431,417
Total Assessed Value	1,461,630,562	1,561,125,061	1,642,092,991	1,803,719,945	1,924,857,463	2,168,132,130	2,385,745,200	2,599,147,176	2,838,045,534	3,138,694,133

Source: Monterey County Assessor data, MuniServices, LLC / Avenu Insights & Analytics
Use code categories are based on Monterey County Assessor's data

City of Marina

TABLE 13

Direct and Overlapping Property Tax Rates
Last Nine Fiscal Years

	Fiscal Year Ended June 30,									
	2014	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**
Basic City and County Levy										
Monterey County-Wide	0.246232	0.246232	0.246232	0.246232	0.246232	0.246232	0.246232	0.246232	0.246232	0.246232
County Library	0.022722	0.022722	0.022722	0.022722	0.022722	0.022722	0.022722	0.022722	0.022722	0.022722
City of Marina	0.195687	0.195687	0.195687	0.195687	0.195687	0.195687	0.195687	0.195687	0.195687	0.195687
Monterey County Office of Education	0.026664	0.026664	0.026664	0.026664	0.026664	0.026664	0.026664	0.026664	0.026664	0.026664
Monterey Pen Unified School District	0.437978	0.437978	0.437978	0.437978	0.437978	0.437978	0.437978	0.437978	0.437978	0.437978
Monterey Pen College	0.047299	0.047299	0.047299	0.047299	0.047299	0.047299	0.047299	0.047299	0.047299	0.047299
MCWRA Dist	0.001391	0.001391	0.001391	0.001391	0.001391	0.001391	0.001391	0.001391	0.001391	0.001391
Monterey Regional Park Dist	0.011593	0.011593	0.011593	0.011593	0.011593	0.011593	0.011593	0.011593	0.011593	0.011593
North Salinas Valley Mosquito Abater	0.008347	0.008347	0.008347	0.008347	0.008347	0.008347	0.008347	0.008347	0.008347	0.008347
Moss Landing Harbor Dist	0.002087	0.002087	0.002087	0.002087	0.002087	0.002087	0.002087	0.002087	0.002087	0.002087
TOTAL 1% BREAKOUT	1.000000	1.000000	1.000000	1.000000	1.000000	1.000000	1.000000	1.000000	1.000000	1.000000
Override Assessments										
City of Marina debt service	0.004684	0.004602	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
Marina Library 2002 Election Series 2005	0.028118	0.027962	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
Monterey Pen CCD 2013 Refund	0.015772	0.032471	0.023039	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
Monterey Pen USD 2010 Ser A & 2012 Election	0.021309	0.022774	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
Marina 2015 GO Refunding Bonds	0.000000	0.000000	0.022348	0.023068	0.021612	0.023200	0.019640	0.022180	0.016740	0.017420
Monterey Penn CCD 2002 BC & 2013 Ref AB & 2016 Ref	0.000000	0.000000	0.000000	0.022336	0.021655	0.021187	0.020484	0.020166	0.032006	0.030336
Monterey Pen USD 2010 Ser A & B	0.000000	0.000000	0.030000	0.030000	0.028902	0.091957	0.117071	0.041454	0.060422	0.056544
TOTAL OVERRIDE RATE	0.069883	0.087809	0.075387	0.075404	0.072169	0.136344	0.157195	0.083800	0.109168	0.104300
Total Tax Rate	1.069883	1.087809	1.075387	1.075404	1.072169	1.136344	1.157195	1.083800	1.109168	1.104300

Source: County Auditor/Controller data, MuniServices, LLC /Avenu Insights & Analytics
Rates are not adjusted for ERAF
TRA 12-004 is represented for this report

EXHIBIT A

City of Marina

TABLE 14

Principal Property Tax Payers
Last Fiscal Year and Nine Years Ago

Taxpayer	2022-23 Taxable Value ($)	2022-23 Percent of Total City Taxable Value (%)	2013-14 Taxable Value ($)	2013-14 Percent of Total City Taxable Value (%)
Hamstra-Appleton LLC	54,431,255	1.73%		
LV44 Limited Partnership	45,112,405	1.44%	28,357,558	1.94%
The Gates At Marina LLC	40,238,000	1.28%		
Pacific Coast Highway Property LLC	38,021,108	1.21%		
Shea Homes Limited Partnership	35,466,888	1.13%		
Wathen Castanos Peterson Homes Inc Et Al	34,130,283	1.09%		
Marina Developers Inc	32,659,017	1.04%		
HHLP Sanctuary Associates LLC	32,109,550	1.02%		
MHC Marina Dunes L P	29,124,185	0.93%		
Wal-Mart Stores Inc	28,832,570	0.92%	22,688,674	1.55%
Joby Aviation	27,806,460	0.89%		
Target Corporation	25,284,000	0.81%	20,500,000	1.40%
Marina Hotels CI LLC	24,282,857	0.77%		
Community Hospital Properties Inc	24,054,958	0.77%	21,947,078	1.50%
Cemex Inc	20,922,383	0.67%	16,999,679	1.16%
Monterey Peninsula Hotels Group LP	20,026,452	0.64%		
Tate Michael J Tr	18,827,242	0.60%	15,531,233	1.06%
Marina Community Partners LLC	16,486,424	0.53%	49,775,668	3.41%
Sea Breeze Marina LLC	15,104,186	0.48%		
SPPI Commercial LLC	14,320,541	0.46%		
Valle Del Sol Properties LLC Et Al	13,998,140	0.45%		
189 Seaside LLC	12,818,257	0.41%		
Preston Park Sustainable Community Nonprofit Corp	11,501,032	0.37%		
SKN Properties	11,284,876	0.36%		
Foux Anthony Tr & Zimmerman Gregory J	10,170,776	0.32%		
Shea Marina Village LLC			41,339,664	2.83%
Cypress Marina Heights LP			17,652,823	1.21%
Alliance Residential Co Inc.			14,041,561	0.96%
MDR TMI LLC			12,450,000	0.85%
Sierra Pacific Properties Inc.			10,881,808	0.74%
Kohls Department Stores Inc.			10,405,716	0.71%
Ocean Lodging LLC			9,615,309	0.66%
Cypress Gates Inc.			9,408,116	0.64%
ELS Properties Corp			8,474,648	0.58%
Brooks William H			8,263,530	0.57%
Marina Cypress Apts LLC			7,880,579	0.54%
Vega Nelson A Susan J			7,634,707	0.52%
Vieira Linda M Manuel A			7,201,980	0.49%
Marina Beach Inn Inc.			7,046,897	0.48%
Cypress Sands Apartment Partne			6,675,000	0.46%
Marina RV LLC			6,649,897	0.45%
Nehawandian Abolghassen Parido			6,343,681	0.43%
Burch Roger A Michele			6,112,814	0.42%
Total Top 25 Taxpayers	637,013,845	20.32%	373,878,620	25.56%
Total Taxable Value	3,138,694,133	100.00%	1,461,630,562	100.00%

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

City of Marina

TABLE 15

Principal Employers

Business Name	2022-23 Number of Employees	2022-23 Percent of Total Employment (%)
Monterey Peninsula Unified School District*	251	1.89%
Walmart Supercenter**	225	1.69%
Target**	180	1.35%
Monterey Regional Waste Management District	134	1.01%
City of Marina	90	0.68%
Scudder Roofing Company	85	0.64%
Monterey One Water Treatment Plant***	84	0.63%
Kohl's	63	0.47%
REI - Recreational Equipment Inc.	55	0.41%
Michaels Craft Store	26	0.20%
Total Top 10 Employers	1,193	8.97%
Total City Labor Force (1)	13,300	

Source: MuniServices, LLC / Avenu Insights & Analytics
Results based on direct correspondence with city's local businesses.
1.) Total City Labor Force provided by EDD Labor Force Data.
* Only schools located within the City of Marina.
** Previous year's count applied. No response from business.
*** Includes Marina and Monterey location.

City of Marina

Table 16

Overlapping Debt

2022-23 Assessed Valuation: $ 3,153,911,885

DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:	Total Debt 6/30/2023	% Applicable (1)	City's Share of Debt 6/30/23
Monterey County Water Resources Agency, Zone No. 2 C	$ 18,755,000	3.790%	$ 710,815
Hartnell Joint Community College District	243,151,667	0.100%	243,152
Monterey Peninsula Community College District	118,657,396	6.767%	8,029,546
Monterey Peninsula Unified School District	216,717,679	18.745%	40,623,729
North Monterey County Unified School District	27,990,000	0.439%	122,876
City of Marina	**6,135,000**	**100.000%**	**6,135,000**
TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT			$ 55,865,118
DIRECT AND OVERLAPPING GENERAL FUND DEBT:			
Monterey County General Fund Obligations	$ 119,773,645	3.79%	$ 4,539,421
Monterey County Office of Education General Fund Obligations	4,534,000	379.00%	171,839
North Monterey County Unified School District Certificates of Participation	2,550,000	43.90%	11,195
City of Marina General Fund Obligations	**10,550,000**	**100.00%**	**10,550,000** (2)
TOTAL GROSS DIRECT AND OVERLAPPING GENERAL FUND DEBT			$ 15,272,455
Less: Monterey County supported obligations			108,114
TOTAL NET DIRECT AND OVERLAPPING GENERAL FUND DEBT			$ 15,164,341
OVERLAPPING TAX INCREMENT DEBT (Successor Agencies):	$ 62,225,000	69.019 - 100. %	$ 53,541,026
TOTAL DIRECT DEBT			**$ 16,685,000**
TOTAL GROSS OVERLAPPING DEBT			$ 107,993,599
TOTAL NET OVERLAPPING DEBT			$ 107,885,485
GROSS COMBINED TOTAL DEBT			$ 124,678,599 (3)
NET COMBINED TOTAL DEBT			$ 124,570,485

(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 Certificates of Participation dated 7/7/22.

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

Ratios to 2022-23 Assessed Valuation:	
Direct Debt ($6,135,000)	**0.19%**
Total Direct and Overlapping Tax and Assessment Debt	1.77%
Total Direct Debt ($6,430,000)	**0.53%**
Gross Combined Total Debt	3.95%
Net Combined Total Debt	3.95%

Ratios to Redevelopment Successor Agency Incremental Valuation ($1,287,468,432):	
Total Overlapping Tax Increment Debt	4.16%

Source: Avenu Insights & Analytics
California Municipal Statistics, Inc.

EXHIBIT A

EXHIBIT B

CITY OF MARINA, CALIFORNIA

SINGLE AUDIT REPORT

FOR THE YEAR ENDED JUNE 30, 2023

Chavan & Associates, LLP
Certified Public Accountants
15105 Concord Circle, Ste 130
Morgan Hill, CA 95037

CITY OF MARINA, CALIFORNIA
SINGLE AUDIT REPORT
TABLE OF CONTENTS
JUNE 30, 2023

Chavan and Associates, llp
Certified Public Accountants

To the City Council of the
City of Marina

We have audited the basic financial statements of the City of Marina as of and for the year ended June 30, 2023, and have issued our report thereon dated March 30, 2024. Professional standards require that we advise you of the following matters relating to our audit.

Our Responsibility under Generally Accepted Auditing Standards and *Government Auditing Standards*

As communicated in our engagement letter, our responsibility, as described by professional standards, is to form and express an opinion(s) about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in conformity with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, as part of our audit, we considered the internal control of the City of Marina solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

Other Information in Documents Containing Audited Financial Statements

Pursuant to professional standards, our responsibility as auditors for other information in documents containing City of Marina's audited financial statements does not extend beyond the financial information identified in the audit report, and we are not required to perform any procedures to corroborate such other information.

Our responsibility also includes communicating to you any information which we believe is a material misstatement of fact. Nothing came to our attention that caused us to believe that such information, or its manner of presentation, is materially inconsistent with the information, or manner of its presentation, appearing in the financial statements.

15105 Concord Circle, Ste 130, Morgan Hill, CA 95037
Tel: 408-217-8749 • E-Fax: 408-872-4159
info@cnallp.com • www.cnallp.com

Chavan and Associates, llp
Certified Public Accountants

Planned Scope and Timing of the Audit

We conducted our audit consistent with the planned scope and timing we previously communicated with management.

Compliance with All Ethics Requirements Regarding Independence

The engagement team, others in our firm, as appropriate, and our firm have complied with all relevant ethical requirements regarding independence.

Significant Risks Identified

We did not identify any significant risks that required special audit consideration.

Qualitative Aspects of the City's Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the City of Marina is included in Note 1 to the financial statements. There have been no initial selection of accounting policies and no changes in significant accounting policies or their application during June 30, 2023 other then the adoption of GASB 96, *Subscription-Based Information Technology Arrangements*. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments.

The most sensitive accounting estimates affecting the financial statements include accumulated depreciation, depreciation expense, market value adjustments related to LAIF, actuarial assumptions included in employee retirement plans that impact pension and other postemployment balances reported in the financial statements, and net present value calculations for right of use assets and leases.

15105 Concord Circle, Ste 130, Morgan Hill, CA 95037
Tel: 408-217-8749 • E-Fax: 408-872-4159
info@cnallp.com • www.cnallp.com

We evaluated the key factors and assumptions used to develop the identified estimates and determined that it is reasonable in relation to the basic financial statements taken as a whole and in relation to the applicable opinion units.

Financial Statement Disclosures

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting City of Marina's financial statements relate to cash and investments, leases receivable, capital assets, pensions and long-term liabilities.

Significant Unusual Transactions

For purposes of this communication, professional standards require us to communicate to you significant unusual transactions identified during our audit. No significant unusual transactions were identified as a result of our audit procedures that required the attention of management.

Identified or Suspected Fraud

We did not identify nor obtain information that indicates that fraud may have occurred.

Significant Difficulties Encountered during the Audit

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

Uncorrected and Corrected Misstatements

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole and each applicable opinion unit. There were no uncorrected financial statement misstatements identified.

In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. The material misstatements that we identified as a result of our audit procedures were brought to the attention of, and corrected by, management.

15105 Concord Circle, Ste 130, Morgan Hill, CA 95037
Tel: 408-217-8749 • E-Fax: 408-872-4159
info@cnallp.com • www.cnallp.com

Chavan and Associates, llp
Certified Public Accountants

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to the City of Marina's financial statements or the auditor's report. No such disagreements arose during the course of the audit.

Circumstances that Affect the Form and Content of the Auditor's Report

For purposes of this letter, professional standards require that we communicate any circumstances that affect the form and content of our auditor's report. There were no circumstances that affect the form and content of our auditor's report.

Representations Requested from Management

We have requested certain written representations from management, which are included in the attached letter dated March 30, 2024.

Management's Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

Other Significant Matters, Findings, or Issues

In the normal course of our professional association with the City of Marina, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, operating and regulatory conditions affecting the City, and operational plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as the City of Marina's auditors.

This report is intended solely for the information and use of the Board and management of the City of Marina and is not intended to be and should not be used by anyone other than these specified parties.

C & A LLP

March 30, 2024
Morgan Hill, California

15105 Concord Circle, Ste 130, Morgan Hill, CA 95037
Tel: 408-217-8749 • E-Fax: 408-872-4159
info@cnallp.com • www.cnallp.com

Chavan and Associates, llp
Certified Public Accountants

City of Marina
City Council and Management
Marina, California

In planning and performing our audit of the financial statements of City of Marina as of and for the year ended June 30, 2023, 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, we considered City of Marina's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of City of Marina's internal control. Accordingly, we do not express an opinion on the effectiveness of City of Marina's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A reasonable possibility exists when the likelihood of an event occurring is either reasonably possible or probable as defined as follows:

- *Reasonably possible:* The chance of the future event or events occurring is more than remote but less than likely.

- *Probable*: The future event or events are likely to occur.

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

The following is a summary of new accounting pronouncements from the Governmental Accounting Standards Board:

GASB Statement No. 100, *Accounting Changes and Error Corrections—an amendment of GASB Statement No. 62, effective fiscal 2024.*

This statement enhances accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. GASB 100 also requires disclosure in notes to financial statements of descriptive information about accounting changes and error corrections, such as their nature. And GASB 100 addresses how information that is affected by a change in accounting principle or error correction should be presented in required supplementary information (RSI) and supplementary information (SI).

15105 Concord Circle, Ste 130, Morgan Hill, CA 95037
Tel: 408-217-8749 • E-Fax: 408-872-4159
info@cnallp.com • www.cnallp.com

Chavan and Associates, llp
Certified Public Accountants

GASB Statement No. 101, *Compensated Absences, effective fiscal 2025*.

Updates the recognition and measurement guidance for compensated absences by:

1. Aligning the recognition and measurement guidance under a unified model
2. Amending certain previously required disclosures
3. Amends the existing requirement to disclose the gross increases and decreases in a liability for compensated absences to allow governments to disclose only the net change in the liability
4. Supersedes GASB 16

The purpose of this communication, which is an integral part of our audit, is to describe, for management and those charged with governance, the scope of our testing of internal control and the results of that testing. Accordingly, this communication is not intended to be and should not be used for any other purpose.

Respectfully,

C & A LLP

March 30, 2024
Morgan Hill, California

15105 Concord Circle, Ste 130, Morgan Hill, CA 95037
Tel: 408-217-8749 • E-Fax: 408-872-4159
info@cnallp.com • www.cnallp.com

Chavan and Associates, llp
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH THE UNIFORM GUIDANCE

To the Honorable Mayor and Members of the
City Council of the City of Marina
Marina, California

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the City of Marina's (the City) compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended June 30, 2023. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

Basis for Opinion on Each Major federal programs

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the City 's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the City's federal programs.

15105 Concord Circle, Ste 130 Morgan Hill, CA 95037
Tel: 408-217-8749 • E-Fax: 408-872-4159
info@cnallp.com • www.cnallp.com

Chavan and Associates, llp
Certified Public Accountants

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

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

15105 Concord Circle, Ste 130 Morgan Hill, CA 95037
Tel: 408-217-8749 • E-Fax: 408-872-4159
info@cnallp.com • www.cnallp.com

Chavan and Associates, llp
Certified Public Accountants

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

C & A LLP

March 30, 2024
Morgan Hill, California

15105 Concord Circle, Ste 130 Morgan Hill, CA 95037
Tel: 408-217-8749 • E-Fax: 408-872-4159
info@cnallp.com • www.cnallp.com

CITY OF MARINA, CALIFORNIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Federal Grantor/Pass-Through Grantor/Program Title	Assistance Listing		Pass Through Number	Federal Expenditures
U.S. DEPARTMENT OF THE TREASURY				
Passed-through program from the State of California				
Coronavirus State and Local Fiscal Recovery Funds	21.027	(1)	N/A	$ 5,176,506
Total U.S. Department of the Treasury				5,176,506
U.S. DEPARTMENT OF HOMELAND SECURITY				
Staffing for Adequate Fire and Emergency Response (SAFER) Grant Program	97.083		N/A	318,998
Total U.S. Department of Homeland Security				318,998
TOTAL EXPENDITURES OF FEDERAL AWARDS				$ 5,495,504

(1) Audited as major program

Notes:
a) The City has elected not to use the 10 percent de minimus indirect cost rate allowed under Uniform Guidance.
b) There are no federal grants passed through to subrecipients.

The accompanying notes are an integral part of this financial statement.

CITY OF MARINA, CALIFORNIA
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Note 1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the schedule) includes the federal grant activity of the City of Marina (the City) under programs of the federal government for the year ended June 30, 2023. The information in this schedule is presented in accordance with the requirements of the Office of Management and Budget Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200*, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Because the schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net position, or cash flows of the City.

Note 2. Summary of Significant Accounting Policies

Expenditures reported on the schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in *Title 2 U.S. Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. Pass-through entity identifying numbers are presented where available. The City has elected not to use the 10 percent de-minimus indirect cost rate as allowed under Uniform Guidance.

Note 3. Relationship to the Basic Financial Statements

The amounts reported in the accompanying schedule agree, in all material respects, to amounts reported within the City's financial statements. Federal award revenues are reported principally in the City's financial statements as intergovernmental revenues.

Note 4. Relationship to Federal Financial Reports

Amounts reported in the accompanying schedule agree or can be reconciled with the amounts reported or to be reported in the federal financial reports.

Note 5. Pass-Through Entities' Identifying Number

When federal awards are received from a pass-through entity, the Schedule of Expenditures of Federal Awards shows, if available, the identifying number assigned by the pass-through entity. When no identifying number is shown, the City has determined that no identifying number is assigned for the program, or the City was unable to obtain an identifying number from the pass-through entity.

CITY OF MARINA, CALIFORNIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued	**Unmodified**
Internal control over financial reporting:	
Material weaknesses?	___ Yes _x_ No
Significant deficiencies identified not considered to be material weaknesses?	___ Yes _x_ None Reported
Non-compliance material to financial statements noted?	___ Yes _x_ No

Federal Awards

Internal control over major programs:	
Material weaknesses?	___ Yes _x_ No
Significant deficiencies identified not considered to be material weaknesses?	___ Yes _x_ None Reported
Type of auditor's report issued on compliance over major programs	**Unmodified**
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)	___ Yes _x_ No

Identification of Major Programs:

Assistance Listing	Name of Federal Program
21.027	Coronavirus State and Local Fiscal Recovery Funds

Dollar threshold used to distinguish between type A and type B programs:	$ 750,000
Auditee qualified as low risk auditee?	_x_ Yes ___ No

CITY OF MARINA, CALIFORNIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Section II - Financial Statement Findings

No findings noted.

Section III - Federal Award Findings and Questioned Costs

No findings noted.

CITY OF MARINA, CALIFORNIA
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Section II - Financial Statement Findings

No findings noted.

Section III - Federal Award Findings and Questioned Costs

No findings noted.

Chavan and Associates, llp
Certified Public Accountants

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

To the Honorable Mayor and Members of the
City Council of the City of Marina
Marina, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the City of Marina (the "City") as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated March 30, 2024.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those

15105 Concord Circle, Ste 130,Morgan Hill, CA 95037
Tel: 408-217-8749 • E-Fax: 408-872-4159
info@cnallp.com • www.cnallp.com

provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

C & A LLP

March 30, 2024
Morgan Hill, California

June 27, 2024 Item No: **10j(1)**

Honorable Mayor and Members
of the Marina City Council

City Council Meeting
of July 2, 2024

CITY COUNCIL TO CONSIDER ADOPTING RESOLUTION NO. 2024-, RECEIVING AND FILING THE ANNUAL FINANCIAL REPORT AND THE AUDITOR GOVERNANCE LETTERS

REQUEST:
It is requested that the City Council:

1. Receive and file the City's Annual Audit for the period ending June 30, 2023; and,
2. Receive and file the City's Annual Single Audit Report for the period ending June 30, 2023.
3. Receive and file the City of Marina Auditor Governance Letter (SAS 114) and Management Letter (SAS 115) for the fiscal year ending June 30, 2023.

BACKGROUND:
State law requires that the accounts and fiscal affairs of all municipal entities be examined annually by an independent certified public accountant. The City of Marina retained Chavan and Associates, LLP to perform that audit. Chavan and Associates has issued an unmodified opinion that the financial statements for the year ended June 30, 2023, are fairly presented in conformity with generally accepted accounting principles (GAAP). This opinion, along with the basic financial statements, are submitted as the Annual Comprehensive Financial Report (ACFR) for the City for the fiscal year ended June 30, 2023. The information included in the financial section of this report fulfils the aforementioned state law.

The financial section begins with an overview discussion, known as the Management Discussion & Analysis (MDA) which captures key highlights of the financial statements and summarizes the financial condition of the City in a condensed and simplified format. The report then graduates into more detail in the following sections:

(1) Government-wide Financial Statements
(2) Fund Financial Statements and
(3) Notes to the financial statements.

For those that want to delve further into details, comprehensive information is found in the supplemental information and statistical sections of the report

Evaluating the City's Financial Position.
This staff report is a high-level introduction of the key elements of Annual Comprehensive Financial Report, primarily underscored in the Management Discussion and Analysis.

The City is engaged in a number of different lines of service and businesses. The principle method of distinguishing the results of those lines is the fund. The City uses three types of funds: Governmental, Enterprise and Fiduciary.

Governmental Funds are designed to show the flow of funds. Capital assets are not depreciated. Outstanding debt is not shown. As a result, the funds are sometimes called checking account statements. The net income and fund balance approximate cash. The primary governmental fund is the *General Fund*. However, there are many other types of government funds such as Capital Improvement Programs, Community Facilities Districts, Special Revenue, Debt Service, and others.

Proprietary or Enterprise Funds behave more like businesses and differ from governmental funs in that they include capital assets and debt. Therefore, net income and fund equity does not approximate cash because non-cash assets can be rather significant, as in the case of owning real estate. In the case of Marina, the enterprise funds are known as the Marina Municipal Airport Operating Fund, Preston Park Housing Fund and Abrams B Housing Fund.

Fiduciary or Private Purpose Trust Funds are funds held in trust to discharge a certain duty. In this case, the City is responsible for discharging the debt obligations of the City's former redevelopment agency. There are two related funds known as the FOR A Dissolution Administration Fund, the Successor Agency Obligation Fund, and the Successor Agency Housing Asset Fund.

Two of the most basic and revealing questions that can be asked about each fund are:

- Did the fund experience positive net income this past year?
- Does the fund maintain cash reserves or available fund balance?

The net income question is important because if a fund maintains positive net income, it is considered to be sustainable and able to provide the related services over the long-term horizon. In contrast, a negative net income can be sustained for a limited time but requires further analysis to understand if the negative net income is a short-term situation or a structural condition that needs to be addressed.

Fund balance, or available cash, is important to consider because such resources allow a fund to temporarily operate and even when the fund experiences negative net losses. This may occur due to large outlays in capital projects for which the City has accumulated assets or to cover sudden drops in income due to recessions which may cause revenues to decline.

Governmental Funds – Fund Balance

Table 1 – Fund Balance of Governmental Funds as of June 30, 2023 (in thousands)

	Major Funds						
	General Fund	City Capital Projects Fund	Impact Fee Fund	FORA Dissolution Fund	Abrams B Debt Service Fund	Nonmajor Gov't Funds	Total
Total Revenues	$ 37,561	$ 719	$ 6,310	$ 6,127	$ 700	$ 7,019	$ 58,436
Total Expenditures	29,128	6,116	-	4,764	745	4,681	45,434
Revenues Over (Under) Expenditures	8,433	(5,397)	6,310	1,363	(45)	2,338	13,002
Other Financing Sources	-	-	-	-	-	11,839	11,839
Transfers In	5,614	3,672	69	126	-	4,313	13,794
Transfers Out	(2,379)	(441)	(2,020)	(1)	-	(7,623)	(12,464)
Net Change in Fund Balances	11,668	(2,166)	4,359	1,488	(45)	10,867	26,171
Beginning Fund Balances	32,666	29,456	20,285	19,070	463	13,743	115,683
Ending Fund Balances	$ 44,334	$ 27,290	$ 24,644	$ 20,558	$ 418	$ 24,610	$ 141,854

At the close of Fiscal Year 2022-23, the City of Marina's governmental funds reported combined fund balances of $141.9 million, an increase of $26.2 million in comparison with the prior year. $11.7 million was attributed to excess revenues over expenditures within the General Fund.

General Fund – Fund Balance

As of June 30, 2023, the unassigned fund balance of the general fund was $26.8 million, as shown in Table 2. The unassigned fund balance includes the partial receipt of funds for land sales from the Dunes development. The total General Fund balance increased to $44.3, an increase of $11.6 million, or 35% from the prior year and is mostly a result of a $5.2 million transfer of ARPA funds, as well as increased revenues for all major categories, including property tax, sales tax, and transient occupancy tax. Approximately ½ of all the City's revenues are in the General Fund. The FY 2022-23 General Fund amended budget called for a deficit of $1.3 million while the general fund ultimately produced a surplus of $11.7 million. (Pg. 79) $13.5 million of the total fund balance is committed.

Table 2 – GF Fund Balance Components as of June 30, 2023.

Fund Balance	
Nonspendable:	
Lease Receivable	309,169
Restricted:	
Other	235,038
Committed:	
Emergency Reserve	5,967,235
Facilities Repairs	500,000
Compensated Absences	400,000
Community Improvements	641,268
Fire Truck Purchase	1,889,888
Vehicle & Equipment Replacement	4,118,143
OPEB	200,000
Pension Stabilization	3,000,000
Library Maintenance	253,606
Total Committed	16,970,140
Unassigned	26,819,241
Total Fund Balance	44,333,588

While the fiscal year end balance at 6/30/23 captured an unassigned fund balance of $26.8MM, a significant amount of that balance was subsequently allocated to various funds through the budgeting process. Note that $18.7MM was transferred from the General Fund's unassigned balance as approved in Council Resolution 2023-91. The majority of allocations were for capital projects as outlined in the following table.

Allocations from GF per FY 23-24 Budget Approved on 9/6/2023 via Resolution 2023-91	
Fund 460 - Airport Capital Projects	30,000
Fund 462 - City Capital Projects	12,980,000
Fund 422 - Measure X Capital Projec	1,000,000
Fund 110 - Vehicle Reserve	750,000
Fund 125 - Pension Stabilization	2,000,000
Fund 115 - Groundwater Litigation	2,000,000
	18,760,000

Impact Fee Fund

The Impact Fee Fund collects impact fees from developers to pay for needed infrastructure due to development. The Impact Fee Fund balance increased by $4.3 million for the year. The Council receives an annual report detailing the available funds for each of the City's impact fees as well as what projects need to be constructed from those funds. As a result, no further action is needed by Council to manage these funds other than consider these funds and which projects should be constructed at budget deliberation time.

Fort Ord Reuse Authority (FORA) Dissolution Fund

This fund is used to account for resources received from FORA upon dissolution for Community Development and Habitat Management. The fund balance increased by $1.4 million for the year. Ongoing collection of the FORA CFD replacement fees generated $3MM and a surplus distribution of $2.7 million was received from FORA "escrow" bond proceeds. Council has committed some of these funds toward blight removal and building rehabilitation in the former Fort Ord areas and will have additional opportunities to commit funds during the upcoming biennial budget cycle.

Abrams Debt Service

This fund is used to account for resources restricted to retirement of Abrams B Bonds principal and interest and the payment of those debt obligations. The enterprise fund, Abrams B Housing Fund transfers the annual debt service payment to the Abrams debt service fund.

All Other Nonmajor Governmental Funds

The City has another twenty-one special revenue funds. Most are very limited such as monies collected from the cable company to pay for Public Educational and Governmental (PEG) cable programming. However, three funds, Gas Tax, Measure X and SB 1 or Road Maintenance and Rehabilitation Fund, are funds now available for road maintenance and construction. In FY 2022-23 staff pursued and completed a financing instrument, Certificates of Participation (COPs), to leverage ongoing Measure X revenues. The COPs, structured similar to a bond, generated $11.5 million in upfront proceeds that are to be used for street repairs and improvements.

City Capital Projects Fund

Additionally, the Capital Projects Fund receives cash from other funds and/or grants which are held by that fund until a capital project is completed. If the project costs more than budgeted, the funding sources must transfer in additional resources to complete the project. If the project costs less, then resources are transferred back to the originating fund. As result, any fund balance is committed to the projects approved by Council. The objective of this fund is to ensure that sufficient resources are transferred into the fund for its capital projects. Fund balance for this fund decreased by $2.1 million for the year, mostly due capital outlays for various projects such as park improvements and upgrades, street repairs and improvements, improved management systems and other citywide capital projects.

Enterprise Funds: Airport, Abrams and Preston Park – fund balance
Net position of combined Enterprise funds grew $1.3 million from prior year. Total operating revenue for business-type activities was $13.5 million and total operating expenses for business type activities was $9.9 million.

Airport
The airport operation is accounted for as a business, to be supported by its own revenues and generate sufficient cash to maintain its capital plant. The fund had net operating income this past year, of $155,000. However, given a non-cash charge of $730,000 for depreciation, cash flow from operations was $855,000.

Abrams and Preston Park.
Although these two housing funds are reported separately, they are managed by the same third-party administrator and operationally appear the same. They are separated due to how each asset was originally acquired.

To determine the long-term sustainability of the assets, staff conducted an internal study several years ago and determined at the time that the funds appear to sustainable and that Preston Park, which has a $36 million note coming due February 1, 2026, is on a path to be able to refinance the property with a fully amortized loan.

Successor Agency - Fiduciary Fund

A fallout of the dissolution of Redevelopment was that the City became the custodian of the former Redevelopment Agency of Marina. The non-housing portion of the former redevelopment agency has financial obligations to pay, the largest obligation being the funding of tax increment payments to Marina Community Partners for developments at the Dunes. In fact, in July of 2018 and May of 2020, the former redevelopment agency issued tax increment financing to partially fund this obligation. Staff recently completed a third tax increment bond issuance in early 2023. The City will receive tax increment payments to pay these obligations until the obligations are extinguished. The City's General Fund will have no liability for this debt.

Management Letters
After each fiscal year, independent auditors examine and test the underlying controls, fiscal records, and financial transactions from which the City's and Agency's Annual Financial Reports are prepared and issue their opinion on the basic financial statements contained in the reports. The City's independent auditors, Chavan and Associates, LLP, performed these tasks and issued an unqualified ("clean") opinion for the financial reports of fiscal year ended June 30, 2023.

Professional standards require that the auditors provide the City two (2) additional letters, specifically the "Governance Letter (SAS 114)" and "Management Letter of Comments (SAS 115)." Additionally, if the City expends $750,000 or more in federal awards during its fiscal year it is required to obtain a Single Audit, which requires, among other things; additional internal control testing to ensure compliance for major programs, development a schedule of expenditure of federal awards (SEFA), identification of funds and major programs under which the funds were received and other audit requirements under Government Auditing Standards and Uniform Guidance. The staff report contains the City of Marina's Fiscal Year 2021-22 Single Audit Report ("**EXHIBIT B**").

ANALYSIS:
The Single Audit Report, with respect to the limited scope of the City's internal control over financial reporting, contains no instances of noncompliance or other matters that are required to be reported under Government Accounting Standards. The report does not provide an opinion on the

effectiveness of internal controls or compliance. Regarding Uniform Guidance, the single audit report again does not identify any deficiencies in internal control over compliance within the limited scope of the report. The report does not provide an opinion on the effectiveness of internal control over compliance. Ultimately, the report provides for no instances of noncompliance within the limited scope of testing but material weaknesses or significant deficiencies in internal controls may exist. The SEFA, which was developed by the City of Marina, identified grant funding from the U.S. Department of Transportation (Airport), Department of the Treasury (Citywide) and Department of Homeland Security (SAFER Grant, Fire) as the largest sources of federal funds.

The Governance Letter (SAS 114) includes discussion regarding the auditors' responsibility, City accounting practices, difficulties and/or disagreements encountered, corrected and/or uncorrected misstatements, management representation, management consultation with other independent accountants and other audit findings or issues ("**EXHIBIT C**"). Nothing adverse was noted in the letter.

The Management Letter of Comments (SAS 115) does not include any suggestions for improvements to the City's internal controls ("**EXHIBIT D**"). While that is an indication of strong internal controls, it is not an absolute assurance that material weaknesses do not exist. Staff will continue to follow best practices and continuous improvements in all accounting functions.

Lastly, the auditors identified upcoming accounting pronouncements which may have significant impacts on the City's financial statements. Staff continue to analyze these statements and will incorporate them into future financial statements.

FISCAL IMPACT:
No fiscal impact of receiving reports and related letters.

CONCLUSION:
The City's fiscal position has markedly improved over the last several years. The challenge for the City will be to weigh all the competing demands upon the City and addressing those demands in a strategic manner.

Respectfully submitted,

____
Laura Pruenda
Finance Director
City of Marina

REVIEWED/CONCUR:

____
Layne Long
City Manager
City of Marina